

Good news, bad news month for hospital

Revenues up, but feds want some money back

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It's two steps forward and one step back for the Quincy Valley Medical Center on its road to financial stability.

The medical center's board of commissioners learned during its monthly meeting on Monday, June 23 that the facility had another month with a positive net operating gain. At the same time, the commissioners also learned that the medical center would likely lose \$1,000 a day for treating Medicare patients.

QVMC administrator Mehdi Merred explained that Medicare figures how much to reimburse hospitals based on their costs of treating patients.

"We were able to decrease our expense and become more efficient," Merred said. "And now we have to give back money as we become more efficient."

The reimbursement could drop from \$3,200 per Medicare patient day to \$2,200. That would likely add up to a loss of revenue

in the hundreds of thousands of dollars, Merred said. The hospital would also have to pay back some of the reimbursement it received last year, he added.

Merred said the hospital is undergoing a cost report to help make a case for a higher rate of reimbursement than Medicare is proposing, Merred said.

The hospital is also appealing a \$116,000 correction for Medicaid reimbursement in 2004, said board chairman Don Condit.

"The correction is based on a policy change that took effect after 2004," Condit said. "We don't think it's right that we should have to pay a retroactive correction."

The news wasn't all bad for the medical center. In May, the center saw a net operating income of \$1,799. For 2008, the center has an operating gain of \$4,919. The center had budgeted a loss of \$70,510.

"That's a \$75,000 turnaround," Condit said.

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Also in May, the medical center's Sageview Clinic saw an increase in patient visits. The center had a record 490 patient visits in April and surpassed

that in May with 494. The clinic saw 396 patients in May 2007.

The hospital's surgery staff also performed 12 endoscopy procedures in May and four surgeries, which is a new high.

"We are generating interest and the patients are happy with what we have to offer," Merred said.

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