

TITLE: Joint Finance and Planning Committees Meeting

DATE/TIME: May 21, 2024

LOCATION: Executive Board Room and via Zoom Meeting

I. CALL TO ORDER

The Finance Committee meeting was called to order by Matthew Tucker at 7:04 a.m.

Finance Committee Attendance: Matthew Tucker- Board Member, Brad Turpen- CEO, Corey Furin- CFO, Eriko Martian- Controller

Staff/Guests: Victoria Mendoza – Executive Assistant

ABSENT: Earl DeFur – Finance Board Chair

II. AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes 04/16/2024

Motion: Brad Turpen moved to approve the consent agenda. Corey Furin seconded the motion. No objections, the motion passed.

B. Financial Statements

1. Review April Financial Statements

- Volumes

- Med Surg: 20 patient days
- Swing Bed: 0 patient days – This is the second month with no admissions. There were Swing Bed days in March from an admission in February. The Executive team is looking into Telemedicine services for Nephrology/Dialysis, as it would be a well utilized service in the community. Currently, reference checks are being done to finalize with the vendor for Tele-Nephrology.
- Family Medicine: 787 patient visits – this is higher than the previous year's monthly average.
- SMSC: 664 – high number of visits made this month due to our specialists catching up on old encounters, specifically Dr. Martin was behind on his charting and is now almost caught up.
- Infusion: 97 – this is twice as high as the previous year.
- Urgent Care: 447 patient visits
- Observation Hours: 381 observation hours
- 364 Emergency Visits – lower than the previous year.
- 56 Surgeries/Scopes
- Lab Testing: 3,759 tests
- Imaging: continues to maintain high volumes in all modalities. The new MRI solution will arrive in the middle of September. During this time, the current MRI trailer will be moved to the side for the service to continue throughout the construction time.

- Income Statement

- Total Patient Revenue for April was \$3.67M, which is 5% higher than the prior month. The biggest increases were from Specialty Medicine and Surgical Clinic, MRI, and Surgery. Last year this number was

\$3.2M.

- The Contractual Adjustment is at 43%. There were some impacts from the UPL and DSH (disproportionate share) settlement done in April. We paid out the entire state match for UPL and DSH which was \$27K for DSH and \$45K for UPL. We also recorded the DSH payment as a receivable for \$90K in April and will record the UPL payments when they occur to smooth out our financial impacts as it all relates to FY24. The expected UPL payment is a little over \$200K which might come in May, possible June.
- Expenses are 4% higher than the 3-month average and 13% higher than the 6-month average, but total revenue continues to outpace the expenses.
- Purchased Service expenses are not ahead of the prior year, but they are higher than in previous months.

Discussion:

Matt asked when it would be a concern for the increased percentages for the 3- and 6-month expense averages. Corey noted that there is a concern now, but he continues to discuss with the managers expenses related to critical pay and travelers. Corey added Salaries and Wages continue to be the highest expense, especially for the month of April since bonuses were paid out for Family Medicine providers, and Emergency Medicine providers were recently onboarded as contracted providers resulting in being paid at a higher rate than if they would be employed. Matthew Godfrey, the Executive Director of Physician Services, is looking into this and will possibly shift things around in the schedule.

- Balance Sheet
 - \$11.6K in cash and \$5.4M in investments. This cash equivalent is lower compared to the previous months due to the timing of payroll and check runs.
 - Gross Patients Accounts Receivable for March was \$8.9M. Net Patient Receivables were \$4.5M
 - Accounts Payable were \$724K.
 - Current Liabilities: \$2.6M
- Cash Flow
 - The month of April had a positive increase in cash flow of \$19K.
- Trending Income Statement
 - The details of this report are covered in other areas. It has been included here for reference only.
- Revenue by Financial Class
 - The trend continues at 95% Outpatient, 5% Inpatient.
 - Medicaid financial class related to Inpatient care is moving down significantly compared to other years. This is suspected to be related to ending inpatient Labor & Delivery services and the Public Health Emergency Declaration ending.
- Gross A/R Days

- Incentives for the Revenue Cycle team on collecting cash will start in June to improve the gross A/R days.
- Gross A/R Trending
 - There is concern about moving to \$1.2M in 61-90 days for gross A/R trending. The Revenue Cycle team plans to continue to work through investigating claim denials or underlying issues on why payors are not processing payments in a timely manner.

Discussion:

Matt asked if we are looking to grow inpatient services. Brad noted that currently, we are not looking to grow it, but bolster inpatient care with other profitable services. Brad added it is in the best interest to utilize our resources in a profitable way such as adding services without increasing Full Time Employees (FTE).

Motion: Brad Turpen moved to approve the Financial Statements for April 2024. Matthew Tucker seconded the motion. No objections, the motion passed.

C. Bad Debt & Charity – April – ACTION ITEM

1. Bad Debt write off \$118,856
2. Charity write off \$14,861
 - 12-month average is 5%
 - April is 3.6% less than yearly average.
 - There was a slight increase in Point of Service (POS) collections. The long-term goal will be a range at about \$7-8K for POS collections each month.

Motion: Corey Furin moved to approve the Bad Debt and Charity write-offs for April. Brad Turpen seconded the motion. No objections, the motion passed.

D. Finance Committee

1. General Discussion
 - Capital Expense Update
 - Corey reviewed the expenses for FY24 Capital Budget.
 - It was discussed that the Trauma Designation application will move to Small/Large project expenses and not be in capital expenses.
 - Radiology Veinous Table and Neptune machine have been purchased.
 - The flooring in administration was placed on hold and the downpayment for the chiller will not be required until FY25. Corey plans to hold on to those amounts as contingency for any brake fix items.
2. Finance Committee Dashboard- Corey gave a brief review of the dashboard.

III. NEW BUSINESS

A. Executive Session – None

IV. ADJOURNMENT

Being no further business, the meeting was adjourned at 8:06 am.