

# EASTERN PLUMAS HEALTH CARE DISTRICT MEETING OF THE STANDING FINANCE COMMITTEE AGENDA

Thursday, July 27, 2023 at 8:00 a.m.

The July 27, 2023 Finance Committee meeting will be held in both a virtual and an in-person setting for the general public. The Board meeting location at the Portola Medical Clinic Conference Room will be accessible to the public. The meeting is also accessible to the public via Zoom (See the connection information below). Public comment will be accepted on any item on the agenda as called for by the Board chair until the close of public comment for each item.

Any person with a disability may submit a request for reasonable modification or accommodation to the above-described means for accessing and offering comment at the meeting to Barbara Sokolov barbara.sokolov@ephc.org who will swiftly resolve such request.

The Finance Committee meeting is accessible via Zoom:

**Meeting ID:** 819 2870 4599 **Passcode:** 115897 **Dial In:** +1 669 900 6833 US (San Jose) https://us06web.zoom.us/j/81928704599?pwd=WEZwUmg4RS9tdG1USGhhbkx0emhSUT09

		Presenter(s)	I/D/A	Page(s)
1.	Call to Order	Dr. Paul Swanson	A	
2.	Roll Call	Dr. Paul Swanson	I	
3.	<ul> <li>Consent Calendar</li> <li>Agenda</li> <li>Meeting Minutes of 5.25.23 Finance</li> </ul>	Dr. Paul Swanson  Committee	A	1 2-4
4.	<b>Board Comments</b>	Board Members	I	
5.	Public Comment	Members of the Public	I	
6.	<ul><li>CFO Report</li><li>Approve 23-24 Annual Budget</li></ul>	Katherine Pairish	I/D/A	5-6
7.	Adjournment	Dr. Paul Swanson	A	,

The next regularly scheduled meeting of the Standing Finance Committee is August 24, 2023 [pending change by the BOD at the July 27, 2023 meeting] at the Portola Medical Clinic Conference Room, 480 1<sup>St</sup> Avenue, Portola CA 96122.

# EASTERN PLUMAS HEALTH CARE DISTRICT MEETING OF THE STANDING FINANCE COMMITTEE OF THE BOARD OF DIRECTORS MINUTES

Thursday, May 25, 2023 at 8:00 a.m.

#### 1. Call to Order

Meeting was called to order at 8:11 a.m.

#### 2. Roll Call

Present: Paul Swanson, M.D., Committee Chair/Board Member; Augustine Corcoran, Board Chair.

Staff in attendance: Doug McCoy, CEO; Katherine Pairish, CFO; Barbara Sokolov, Executive Assistant/Clerk of the Board.

## 3. Consent Calendar

The consent calendar items were approved as submitted.

Motion: Director Corcoran, seconded by Director Swanson.

# 4. Board Comments

None.

## 5. Public Comments

None.

#### 6. CFO Report

Katherine Pairish, CFO

#### Overview:

Due to the Cerner transition and impacts to revenue cycle reporting, April financial statements are still in development and will be unavailable for reporting this month. A narrative report is being provided and we will resume routine financial reporting in June.

IGT Summary:

Due to the restructuring of the IGT payment process for fiscal year 2022/23, we anticipated a reduction in IGT receipts. Below is a 5-year trend for IGT annual payments:

	7 /			
Year	Net	Net Cash From IGT's		
17/18	\$	4,867,833		
18/19	\$	6,508,925		
19/20	\$	),/3,625,962		
20/21	\$	4,803,313		
21/22	\$	4,422,470		
22/23	\$	3,309,677		
	\$	27,538,180		
Average	\$	4,589,696.60		

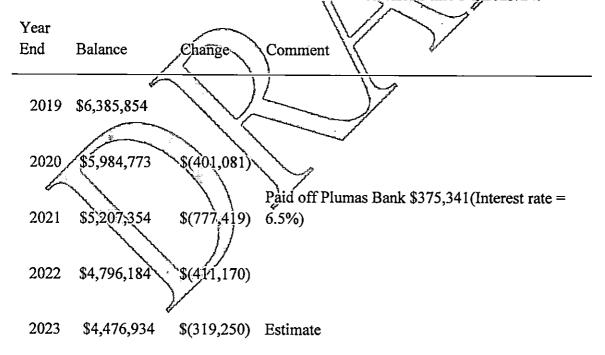
Our 2022/23 payments represent a 1.28m reduction in IGT receipts over the 5-year average which has been a key contributor to the decrease in days cash on hand during this fiscal year. We anticipate the receipt of \$2,206,670 (included in the 22/23 chart above) before the close of the current fiscal year. The timing of the IGT funding process and collection of the remaining IGT funds for the current fiscal year should resume in 2024.

## Days Cash On Hand:

With the receipt of the remaining 2.2m IGT funding, we are forecasting our year end days cash on hand to be 164. This would represent a 29-day improvement over the March 2023 financial statements. We continue to meet with the leadership of Anthem to resolve the outstanding accounts receivable balances owed to EPHC for this fiscal year. Additional cash receipts from these efforts will also improve the days cash on hand through June 30<sup>th</sup> 2023.

## **Long Term Debt:**

EPHC continues to reduce the organization's debt service ratio through the reduction of long-term debt. The 5-year trend outlined below shows the reduction of debt while we continue to make significant capital improvements to the organization. These improvements include the addition of the new Loyalton Clinic, hospital/radiology equipment, and hospital;/SNF renovations. We will continue the debt reduction efforts into FY 2023/24.



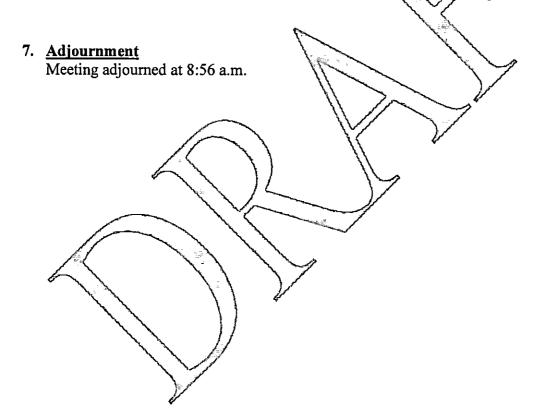
#### 2023/24 Budget Assumptions:

As we prepare for the completion of the 2023/24 operating budget, we continue to monitor several legislative and economic developments which could impact EPHC operations. SB 525 adjusting the minimum wage for all CA hospitals is currently under committee review in the Senate and would significantly increase labor costs to the organization. Inflationary rates for the three-year

period 2020-2022 have increased 14%, and we are anticipating additional increases on supply costs, utilities, etc. for next year. Based on recent census growth in several areas of our operation we will be using the following assumptions to mitigate the impact of these proposed cost increases.

- SNF Census Portola = 26 = \$4,745,000 gross. Increase \$315,500 over projected 2023.
- SNF Census Loyalton = 31 = \$5,657,500 gross. Increase \$831,250 over projected 2023.
- Other Revenue Departments average 5% growth.
- IGT's (Known) = approximately \$4,500,000.
- Overhead Increase wages 3% effective 7/1/23.
- Additional utilization of grant funding opportunities.
- Budget as close to breakeven as possible.

Discussion: Good news: EPHC received \$4.6 million in IGTs; more than anticipated, and that will increase cash on hand for the fiscal year. Conversation about what profit and loss looks like with IGTs removed. Doug stated that net zero without IGTs was the goal. Also discussed budget assumptions for 2023/24. Katherine noted that a budget presentation was likely for July.



EASTERN PLUMAS HEALTH CARE						
OPERATING BUDGET						
JULY 1, 2023 TO JUNE 30, 2024	FYE .	FYE JUNE 30, 2024 BUDGET				
	REVENUE	OVERHEAD		OF TOTAL		
	DEPARTMENTS	DEPARTMENTS	TOTAL	REVENUE		
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PATIENT REVENUE	\$53,989,926	\$37,475	\$54,027,401			
PRIME GRANT		\$0	\$0			
OTHER OPERATING REVENUE	\$63,214	\$0	\$63,214			
GOVERNMENT CONTRACTUALS	(\$14,635,913)		(\$14 625 O12)	-27%		
ALL OTHER CONTRACTUALS	(\$5,596,085)		(\$14,635,913) (\$5,596,085)			
BAD DEBT & ADMINISTRATIVE ADJUSTMENTS	(\$1,291,404)		(\$1,291,404)			
INTER GOVERNMENTAL TRANSFERS	\$5,935,574		\$5,935,574			
NET REVENUE	\$38,465,312	\$37,475	\$69,678,443	129%		
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SALARIES	\$12,233,639	\$4,396,871	\$16,630,510	31%		
BENEFITS	\$4,691,634	\$2,076,063	\$6,767,697	13%		
SUPPLIES	\$1,728,400	\$725,254	\$2,453,654	5%		
PROFESSIONAL FEES	\$3,913,017	\$95,852	\$4,008,869	7%		
REPAIRS & MAINTENANCE	\$357,747	\$239,217	\$596,964	1%		
PURCHASED SERVICES	\$2,028,888	\$2,673,992	\$4,702,880	9%		
UTILITIES & TELEPHONE	\$125,470	\$977,116	\$1,102,586	2%		
INSURANCE	\$25,286	\$503,783	\$529,069	1%		
RENT & LEASE	\$41,964	\$36,456	\$78,420	0%		
INTEREST		\$182,654		0%		
DEPRECIATION & AMORTIZATION	\$790,849	\$639,486	\$1,430,335	3%		
OTHER EXPENSES	\$176,231	\$499,560	\$675,791	1%		
TOTAL DIRECT EXPENSES	\$26,113,125	\$13,046,304	\$39,159,429	72%		
OPERATING INCOME	\$12,352,187	(\$13,008,829)	(\$656,642)	-1%		
PROPERTY TAX			\$650,000	1%		
CONTRIBUTIONS			\$150,000	0%		
RENTS			\$85,680	0%		
NONOPERATING INCOME			\$460,000	1%		
TOTAL NONOPERATING INCOME			\$1,345,680	. 70		
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NET INCOME			\$689,038	1%		
IGT'S FUNDED	to.		\$ (2,967,787)			
NET INCREASE (DECREASE) TO FUND BALANC	E		(\$2,278,749)			

#### EASTERN PLUMAS HEALTH CARE CAPITAL BUDGET JULY 1, 2023 TO JUNE 30, 2024

DEPARTMENT	ITEM	COST	_	FUNDING SOURCE
PURCHASING	TRANSPORT WHEELCHAIR VAN	\$	100,000	OPERATING CAPITAL
DATA/IT	WOWS, FIREWALL, PRINTER/PC REFRESH, NEW CLINIC INFRASTRUCTURE	\$	270,652	OPERATING CAPITAL
ACUTE/EMERGENCY	MIND RAY CENTRAL MONITORY SYSTEM	\$	310,000	OPERATING CAPITAL
ACUTE/EMERGENCY	BEDSIDE ULTRASOUND MACHINE	\$	35,000	OPERATING CAPITAL
AMBULANCE	LUCAS DEVICE	•	40.000	ODEDATING CARITAL
AMBULANCE	INTUBATION EQUIPMENT	\$ \$	18,000	OPERATING CAPITAL
AMBULANCE	REMOUNT	\$	236,890	
ENGINEERING: SNF - LOYALTON	/ FLOORING	\$	·	OPERATING CAPITAL
LOYALTON	NEW DIGIAL SIGN	S.		OPERATING CAPITAL
PORTOLA	FIRE ALARM PANEL REPLACEMENT	\$	•	OPERATING CAPITAL
PORTOLA	LOBBY BADGE READERS	S	,	OPERATING CAPITAL
PORTOLA	TRAILER FOR BACK HOE & SKIDSTEER	\$	•	OPERATING CAPITAL
RADIOLOGY	PHILIPS XRAY ROOM	\$	341,668	OPERATING CAPITAL
DENTAL	MISC	\$	126,094	OPERATING CAPITAL
SNF - PORTOLA	5 BEDS	\$	11,400	OPERATNG CAPITAL
CLINICS	AUTO CALL BACK SYSTEM	\$	20,000	OPERATING CAPITAL
PURCHASING	FLOORING/REMODEL	\$	50,000	OPERATING CAPITAL
	TOTAL	\$	1,788,704	-
LESS FUNDING FROM OUTSIDE SOURCES			(150,000)	AUXILIARY
CASH REQUIREMENT FROM EPHC				-