

**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
MINUTES
Thursday, October 26, 2023 at 4:00 p.m.**

1. Call to Order

Meeting was called to order at 3:59 p.m.

2. Roll Call

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

Staff in attendance: Doug McCoy; Barbara Sokolov, Katherine Pairish, CFO; 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

Katherine explained that Cerner delays were still impacting reporting but that next month she would have reports for the last quarter of the fiscal year, July 1st to September 30th, as well as a summary of high-level financials as of September 30th. Doug elaborated that delays in the Cerner build pertaining to the general ledger and billing and coding had created a backlog in posting which restricts closing. But there is no cash issue, just a backlog in posting that Katherine's team is working diligently to get caught up on. Katherine also shared that while this delay in posting effects aging AR days, it does not impact the cash balance. Days cash on hand is at 142, the decrease is due to operating every month at a deficit. \$694,616 used to fund IGTs will be returned November 6th at \$2.245 million, which is a \$1.5 million increase in cash, equivalent to 15 days. Another \$1.5 million in IGTs will come in 2/24, double the amount funded. Gross revenue, expenses, and overhead are all better overall than last year. Doug shared that first quarter performance this year was \$700,000 better than last year, assuming we collect all the revenue generated. Trending high SNF census and lower inpatient census, decreases in expenses (travelers, legal fees, and architectural fees) and increases in overall revenue, have EPHC on track for a successful year.

Katherine shared that the auditor had been at EPHC for 3.5 days the first week of October. The final audit report and presentation would be ready for the January BOD meeting. She is anticipating a positive outcome.

Doug said that daily revenue reconciliation meetings over the last several months had resulted in positive benefits in billing and coding: 90 days ago more than \$4 million had been held up due to coding issues, now down to \$380,000. AR days had peaked at 110 and are slowly dropping. Doug credits Innova, Katherine and her team, and Cerner fixes. He anticipates 162 days cash on hand by end of the year.

Doug also shared that the Minimum Wage Law had been signed but had almost no impact on EPHC because only 8 employees are below \$18 per hour and are slated to go above that after successfully completing 90 days of employment. Will keep an eye on whether \$25/hour in Sacramento pulls potential employees from this area. He reported that funding from the Equity and Practice Transformation Program, that seeks to increase access to Medi-Cal, should bring in \$600,000 beginning in 2024 and that the Managed Care Payer Tax should bring in higher Medi-Cal reimbursement and thus increase revenue as well. Scott Coffin, the former Anthem executive, is working to help EPHC recoup close to \$300k in stalled Anthem payments and has offered to help with other managed care reimbursements.

Katherine remarked that she was encouraged to see the organization in such a good financial position and the EPHC is in a great position overall. On her side of the parking lot, employees are happy and stable and this translates to a good financial picture. Taryn Russell, the new Financial Services Manager, who onboarded in just shy of a month ago, has been an excellent addition. She knows Cerner and worked for HRG (healthcare Resource Group) so brings expertise in health care revenue cycle management. Brittney Valjalo has taken on a new role as Revenue Cycle Specialist and is working on streamlining registration processes.

Doug noted that even with SNF reimbursement losses, \$450k year over year, and meal break penalties (\$100k per quarter), EPHC is \$700k ahead of last year. Katherine added that they key was staying on top of it all and good navigation.

Dr. Swanson asked if the funding for the first IGT of \$690,616 represented a four-fold return and Katherine responded that that was correct.

For some context, Doug informed the meeting that Plumas District Hospital did not post financials for a full year after Cerner and Seneca has had similar issues. Audited financials in the next 60 days will allow some comparisons and benchmarks. Katherine also shared that the CFO/CEO networks among rural hospitals is tight and important.

Dr. Swanson said that this comparative information was validating and that he appreciates Doug and Katherine's leadership.

7. Adjournment

Meeting adjourned at 4:55 p.m.