

**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
MINUTES
Thursday, December 1, 2022 at 8:30 a.m.**

1. Call to Order

Meeting was called to order at 8:35 a.m.

2. Roll Call

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

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

3. Consent Calendar

The consent calendar items for September 22, 2022 and October 27, 2022 were approved as submitted.

Motion: Director Corcoran, seconded by Director Swanson.

4. Board Comments

None.

5. Public Comments

None.

6. CFO Report

Summary

For the month ended October 31, 2022, we posted a net loss in the amount of \$643,734.

Revenues

Gross Revenues were under budget by \$358,613. Inpatient Revenues were under budget by \$255,477. Skilled Nursing Revenues were over budget by \$2,800. Outpatient Revenues were under budget by \$116,164 and Clinic Revenues were over budget by \$13,028.

Expenses

Salaries and Benefits: Combined Salaries and Benefits were over budget by \$81,540.

Professional Fees: Professional Fees were under budget by \$46,932.

Repairs & Maintenance: Repairs & Maintenance were over budget by \$14,030.

Utilities: Utilities were under budget by \$31,985.

Supplies: Supplies were under budget by \$10,025.

Purchased Services: Purchased Services were over budget by \$196,769.

Depreciation Expense: Depreciation Expense was over budget by \$418.

Other Expenses: Other Expenses were under budget by \$17,331. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of October 31, 2022, was \$8.1 million. Gross Accounts Receivable days were 64. We budgeted 58 and best practice is 55. The increase is due to challenges with a couple of our payers. We are working closely with them to rectify this.

Balance Sheet

Total Assets decreased by 8.37% compared to October 2021. Cash decreased 16.15% as last year's cash included \$3,721,205 in IGT monies. The decrease in cash is also due to the challenges with the payers as mentioned above.

Additional Information

Days cash on hand on October 31, 2022, was 192. October 2021, days cash on hand was 284. Our cash position is still very strong.

Discussion

Doug McCoy reported for Katherine Parish. Delays in IGTs presenting challenges with regard to utilization of cash. Clinic providers are concerned about Cerner's impact on revenue, forecast adjusted accordingly. EMR implementation date is April 3, 2023. Purchased services expenses are related to EPHC's many ongoing projects. The key area of concern is premium pay for travelers. Goal is to decrease that amount in order to increase overall revenue. AR is up by \$1.5 million but days in AR is up to 64, the highest in 2 years. Challenges with payers, especially Anthem (as noted above), is driving this. Balance sheet remains strong with \$19 million in cash reserves, down from \$20 million last year. This is a result of large payments for Loyalton construction, Cerner, and Architectural fees (flooring, bathroom in SNF, electric doors in the hospital). Swing beds are up over September, year to date in-patient acute is under budget. Director Swanson asked about how to increase in-patient, SNF, and Swing census. Doug responded that consistent daily tracking, communication with case managers about the services EPHC can provide, and communication with EPHC nursing staff is essential. Noted that hiring of Director of Nursing in Loyalton will help. 3-4 admits per day, 55-56 census with 3-4 Swing is the goal.

Doug indicated that decisions about seismic compliance are needed, and several possible scenarios are present that require consideration along with cash position and ballot initiatives re: raising the minimum wage that would impact construction and other costs. Next month Doug will share granular financials and several years forecast to inform decision-making.

Director Corcoran asked if decrease in COVID funds was a contributing factor. Doug said there were no surprises here and that the balance sheet was strong but that 2023 was a tough year: minimum wage increases; Medi-Cal rate increase (Hospital Association is predicting a decrease in Medi-Cal revenue as a result); and California state budget deficit. IGTs in 4th Quarter will ease situation and they will even increase in 2025. Need to be careful and prudent about not over-leveraging resources: hospital replacement would be a \$35-45 million project; Loyalton Clinic remodel has a revenue offset w/ increased patient volume; Rehabilitation and Wellness Center is a harder revenue offset as it is more community and employee health-enhancing than revenue generating. Doug noted that out of 55 rural hospitals in California, more than 20 are at risk and 3 are in imminent danger of closing. EPHC is in the strongest position of any in Plumas County. Making wise decisions is key to meeting challenges. Director Swanson agreed that conservative,

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prudent decision-making is important to the community health overall. Director Corcoran concurred.

7. **Adjournment**

Meeting adjourned at 9:16 a.m.