



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

Thursday, December 7, 2023 at 4:00 p.m.

The December 7, 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: 815 6093 6973 **Passcode:** 429799 **Dial In:** +1 669 900 6833 US (San Jose)

<https://us06web.zoom.us/j/81560936973?pwd=TGp2ekhYVWlmTndlaDVDNFVaaVN1QT09>

	<u>Presenter(s)</u>	<u>I/D/A</u>	<u>Page(s)</u>
1. <u>Call to Order</u>	Dr. Paul Swanson	A	
2. <u>Roll Call</u>	Dr. Paul Swanson	I	
3. <u>Consent Calendar</u>	Dr. Paul Swanson	A	
• Agenda			1
• Meeting Minutes of 10.26.23 Finance Committee			2-3
4. <u>Board Comments</u>	Board Members	I	
5. <u>Public Comment</u>	Members of the Public	I	
6. <u>CFO Report</u>	Katherine Pairish	I/D/A	4-6
• Report of September 2023 Financials			
7. <u>Adjournment</u>	Dr. Paul Swanson	A	

The next regularly scheduled meeting of the Standing Finance Committee is January 25, 2024 at the Portola Medical Clinic Conference Room, 480 1st Avenue, Portola CA 96122.

**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.

**Eastern Plumas Health Care
Financial Statements – Board Report
September 2023**

Summary

Total Patient Revenues for the first quarter of the current fiscal year were over budget by \$232,667. Total Operating Revenues were over budget by \$447,616. Total Operating Expenses were over budget by \$129,223. Net Income was over budget by \$294,982.

Revenues (Year-to-Date)

Overall, total Inpatient Revenues were under budget by \$220,794, with Skilled Nursing Revenues over budget by \$52,064. Pro Fees were over budget by \$120,885. Total Outpatient Revenues were over budget by \$229,229 and Clinic Revenues were over budget by \$103,347.

Expenses (Year-to-Date)

Salaries and Benefits: Combined Salaries and Benefits were over budget by \$352,703.

Purchased Services: Purchased Services were under budget by \$318,299.

Professional Fees: Professional Fees were under budget by \$87,591.

Repairs & Maintenance: Repairs & Maintenance were over budget by \$54,352.

Utilities: Utilities were over budget by \$7,954.

Supplies: Supplies were over budget by \$124,971.

Depreciation Expense: Depreciation Expense was under budget by \$43,468.

Other Expenses: Other Expenses were over budget by \$105,568. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of September 30, 2023 was \$17.5 million. The increase is due to the Cerner transition. We are working on catching up on payment posting and sending bills out timelier.

Balance Sheet

Total Cash decreased 33.34%. Net AR increased 90.99% and Net Fixed Assets increased 31.01%. Total Liabilities decreased 35.71%.

Additional Information

Days cash on hand on September 30, 2023, was 142. September 30, 2022, days cash on hand was 206. Our cash position is still very strong. We have spent \$785,224 on capital equipment so far this year. We funded the HQAF IGT in October in the amount of \$694,616 and received \$2,245,289 back in November. We netted \$1,550,673 and anticipate our days cash on hand at the end of November to be 150.

Our auditor will present the audit report at the January Board meeting.

Eastern Plumas Health Care
Income Statement
DRAFT
For the Month of September

	% Net Pt Revenue	Actual	Month-to-Date Budget	\$ Variance	% Net Pt Revenue	Actual	Year-to-Date Budget	\$ Variance
1 REVENUE								
2 Inpatient Revenue		\$ 202,800	\$ 236,125	\$ (33,325)		\$ 451,858	\$ 724,102	\$ (272,244)
3 Inpatient Revenue - Swing Bed		\$ 177,000	\$ 129,802	\$ 47,198		\$ 402,000	\$ 402,614	\$ (614)
4 Inpatient Revenue - SNF		\$ 898,464	\$ 842,452	\$ 56,012		\$ 2,633,324	\$ 2,581,260	\$ 52,064
Inpatient Revenue		\$ 1,278,264	\$ 1,208,379	\$ 69,885		\$ 3,487,182	\$ 3,707,976	\$ (220,794)
5 All Pro Fees		\$ 326,086	\$ 277,175	\$ 48,911		\$ 970,888	\$ 850,003	\$ 120,885
7 Outpatient Revenue		\$ 2,387,799	\$ 2,178,453	\$ 209,346		\$ 6,909,818	\$ 6,680,589	\$ 229,229
8 Clinics		\$ 427,583	\$ 407,958	\$ 19,625		\$ 1,354,419	\$ 1,251,072	\$ 103,347
9 Total Patient Revenue		\$ 4,419,732	\$ 4,071,964	\$ 347,768		\$ 12,722,907	\$ 12,489,640	\$ 233,267
11 Contractual Allowances		\$ (1,661,819)	\$ (1,630,737)	\$ (31,082)		\$ (4,783,587)	\$ (5,000,925)	\$ 217,338
12 Charity Discounts		\$ (9,848)	\$ (9,664)	\$ (184)		\$ (28,348)	\$ (29,636)	\$ 1,288
13 Other Allowances		\$ (31,932)	\$ (31,334)	\$ (598)		\$ (91,918)	\$ (96,094)	\$ 4,176
14 Bad Debt		\$ (64,294)	\$ (63,091)	\$ (1,203)		\$ (185,070)	\$ (193,479)	\$ 8,409
15 Total Deductions		\$ (1,767,893)	\$ (1,734,826)	\$ (33,067)		\$ (5,088,923)	\$ (5,320,134)	\$ 231,211
16 Net Patient Revenue		\$ 2,651,839	\$ 2,337,138	\$ 314,701		\$ 7,633,384	\$ 7,169,506	\$ 463,878
17 % of Gross Revenue		60.00%	57.40%	2.60%		60.00%	57.40%	2.60%
18 Meaningful Use Revenue		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
19 Quality Payments		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
20 IGT Payments		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
21 Other Operating Revenue		\$ 3,940	\$ 8,849	\$ (4,909)		\$ 10,285	\$ 26,547	\$ (16,262)
22 Total Operating Revenue		\$ 2,655,779	\$ 2,345,988	\$ 309,792		\$ 7,643,669	\$ 7,196,053	\$ 447,616
23 EXPENSES								
24 Salaries and Wages	50.0%	\$ (1,325,757)	\$ (1,406,613)	\$ 80,856	52.9%	\$ (4,039,132)	\$ (4,313,445)	\$ 274,313
25 Employee Benefits	21.1%	\$ (560,071)	\$ (556,666)	\$ (3,405)	21.3%	\$ (1,628,678)	\$ (1,707,068)	\$ 78,390
26 Professional Fees - Medical	11.0%	\$ (292,243)	\$ (319,839)	\$ 27,597	11.4%	\$ (871,926)	\$ (959,517)	\$ 87,591
27 Professional Fees - Other	0.4%	\$ (10,963)	\$ (11,594)	\$ 630	0.5%	\$ (36,221)	\$ (34,781)	\$ (1,440)
28 Supplies	8.8%	\$ (232,461)	\$ (202,969)	\$ (29,492)	9.9%	\$ (752,199)	\$ (627,228)	\$ (124,971)
29 Purchased Services	18.0%	\$ (478,276)	\$ (346,478)	\$ (131,798)	17.8%	\$ (1,357,735)	\$ (1,039,436)	\$ (318,299)
30 Insurance	1.7%	\$ (44,089)	\$ (44,089)	\$ 0	1.7%	\$ (132,267)	\$ (132,267)	\$ (0)
31 Rental and Leases	0.2%	\$ (5,750)	\$ (6,535)	\$ 785	0.3%	\$ (20,005)	\$ (19,605)	\$ (401)
32 Repairs and Maintenance	4.2%	\$ (112,605)	\$ (49,651)	\$ (62,953)	2.7%	\$ (204,454)	\$ (150,102)	\$ (54,352)
33 Utilities and Telephone	3.4%	\$ (90,905)	\$ (91,882)	\$ 977	3.7%	\$ (283,600)	\$ (275,646)	\$ (7,954)
34 Depreciation Amortization	3.9%	\$ (103,768)	\$ (119,195)	\$ 15,426	4.1%	\$ (314,116)	\$ (357,584)	\$ 43,468
35 Other Expenses	2.5%	\$ (67,322)	\$ (56,518)	\$ (10,804)	3.6%	\$ (275,124)	\$ (169,556)	\$ (105,568)
36 Total Operating Expenses	125.4%	\$ (3,324,211)	\$ (3,212,029)	\$ (112,182)	129.9%	\$ (9,915,458)	\$ (9,786,235)	\$ (129,223)
37 Income From Operations	-25.2%	\$ (668,432)	\$ (866,041)	\$ 197,610	-29.8%	\$ (2,271,789)	\$ (2,590,182)	\$ 318,393
38 Tax Revenue	-2.0%	\$ 54,200	\$ 54,167	\$ 33	-2.1%	\$ 162,600	\$ 162,501	\$ 99
39 Non Capital Grants and Donations	-0.9%	\$ 22,838	\$ 12,500	\$ 10,338	-0.3%	\$ 22,838	\$ 37,500	\$ (14,662)
40 Interest Income	0.0%	\$ 19	\$ -	\$ 19	-1.5%	\$ 113,152	\$ 100,000	\$ 13,152
41 Interest Expense	0.7%	\$ (17,616)	\$ (15,200)	\$ (2,416)	0.7%	\$ (53,151)	\$ (45,600)	\$ (7,551)
42 Non-Operating Income (Expenses)	-0.2%	\$ 5,785	\$ 11,215	\$ (5,430)	-0.3%	\$ 19,547	\$ 33,996	\$ (14,449)
43 Total Non-Operating Gain (Loss)	-2.5%	\$ 65,226	\$ 62,682	\$ 2,544	-3.5%	\$ 264,986	\$ 288,397	\$ (23,411)
44 Net Income	-22.7%	\$ (603,206)	\$ (803,360)	\$ 200,153	-26.3%	\$ (2,006,803)	\$ (2,301,785)	\$ 294,982
45 Operating Margin %		-25.17%	-36.92%	11.75%		-29.72%	-35.99%	6.27%
46 Net Margin %		-22.71%	-34.24%	11.53%		-26.25%	-31.99%	5.73%
47 Payroll as % of Operating Expense		56.73%	61.12%			57.16%	61.52%	

Eastern Plumas Health Care
Comparative Balance Sheets - Board Report
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Dates as Indicated

	FYE	FYE	FYE	FYE	FYE 2024-2023	
	as of 9/30/23	9/30/2022	9/30/2021	9/30/2020	\$ Change	% Change
Assets						
Current Assets						
Cash	\$ 750,708	\$ 1,108,211	\$ 794,314	\$ 3,956,247	\$ (357,503)	-32.26%
Short-term Investments (LAIF)	\$ 14,083,327	\$ 21,145,756	\$ 24,896,638	\$ 17,491,494	\$ (7,062,430)	-33.40%
Total Cash and Equivalents	\$ 14,834,035	\$ 22,253,968	\$ 25,690,952	\$ 21,447,741	\$ (7,419,933)	-33.34%
Patient Accounts Receivable	\$ 17,499,493	\$ 7,419,944	\$ 6,796,822	\$ 5,623,261	\$ 10,079,549	135.84%
Accounts Receivable Reserves	\$ (8,568,094)	\$ (2,743,587)	\$ (2,446,967)	\$ (1,958,570)	\$ (5,824,507)	212.30%
Net Accounts Receivable	\$ 8,931,399	\$ 4,676,357	\$ 4,349,856	\$ 3,664,691	\$ 4,255,042	90.99%
% of Gross Account Receivables	51.0%	63.0%	64.0%	65.2%		
Inventory	\$ 558,494	\$ 481,936	\$ 363,772	\$ 262,990	\$ 76,558	15.89%
Other Assets	\$ 394,239	\$ 296,456	\$ 240,598	\$ 253,487	\$ 97,783	32.98%
Total Other Assets	\$ 952,733	\$ 778,392	\$ 604,370	\$ 516,477	\$ 174,341	22.40%
Total Current Assets	\$ 24,718,167	\$ 27,708,716	\$ 30,645,177	\$ 25,628,909	\$ (2,990,550)	-10.79%
Fixed Assets						
Land	\$ 1,166,344	\$ 1,166,344	\$ 1,123,344	\$ 1,123,344	\$ -	0.00%
Buildings	\$ 15,220,840	\$ 14,931,290	\$ 14,850,753	\$ 14,675,399	\$ 289,550	1.94%
Capital Equipment	\$ 15,928,706	\$ 14,943,774	\$ 14,730,902	\$ 14,142,101	\$ 984,932	6.59%
In Progress	\$ 3,176,862	\$ 761,338	\$ 418,669	\$ 111,695	\$ 2,415,525	317.27%
Total Plant & Equipment	\$ 35,492,752	\$ 31,802,745	\$ 31,123,668	\$ 30,052,539	\$ 3,690,007	11.60%
Accumulated Depreciation	\$ (23,408,157)	\$ (22,578,795)	\$ (21,611,246)	\$ (20,497,931)	\$ (829,362)	3.67%
Net Fixed Assets	\$ 12,084,595	\$ 9,223,950	\$ 9,512,422	\$ 9,554,608	\$ 2,860,645	31.01%
Total Assets	\$ 36,802,762	\$ 36,932,667	\$ 40,157,599	\$ 35,183,516	\$ (129,905)	-0.35%
LIABILITIES AND RETAINED EARNINGS						
Current Liabilities						
Accounts Payable	\$ 1,052,772	\$ 401,226	\$ 939,464	\$ 713,633	\$ 651,546	162.39%
Accrued Payroll & Benefits	\$ 1,408,682	\$ 2,218,371	\$ 1,141,487	\$ 1,041,420	\$ (809,689)	-36.50%
Other Current Liabilities	\$ 51,183	\$ 3,418,938	\$ 11,914,157	\$ 12,520,738	\$ (3,367,755)	-98.50%
Total Current Liabilities	\$ 2,512,637	\$ 6,038,535	\$ 13,995,108	\$ 14,275,791	\$ (3,525,898)	-58.39%
Long-Term Liabilities						
Loans	\$ 4,403,403	\$ 4,719,823	\$ 5,107,196	\$ 5,885,264	\$ (316,420)	-6.70%
Capitalized Leases	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Long Term Liabilities	\$ 4,403,403	\$ 4,719,823	\$ 5,107,196	\$ 5,885,264	\$ (316,420)	-6.70%
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL LIABILITIES	\$ 6,916,040	\$ 10,758,358	\$ 19,102,304	\$ 20,161,055	\$ (3,842,318)	-35.71%
Fund Balance	\$ 29,886,722	\$ 26,174,309	\$ 21,055,295	\$ 15,022,462	\$ 3,712,413	14.18%
TOTAL LIABILITIES AND FUND BALANCE	\$ 36,802,762	\$ 36,932,667	\$ 40,157,599	\$ 35,183,516	\$ (129,905)	-0.35%