



**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
AGENDA
Thursday, May 25, 2023 at 8:00 a.m.**

The May 25, 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>

	<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 4.27.23 Finance Committee			2-4
4. <u>Board Comments</u>	Board Members	I	
5. <u>Public Comment</u>	Members of the Public	I	
6. <u>CFO Report</u> Report of April 2023 Financials	Katherine Parish	I/D/A	5-6
7. <u>Adjournment</u>	Dr. Paul Swanson	A	

The next regularly scheduled meeting of the Standing Finance Committee is June 22., 2023 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, April 27, 2023 at 8:00 a.m.**

1. Call to Order

Meeting was called to order at 8:06 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; Penny Holland, Chief Nursing Officer; Barbara Sokolov, Executive Assistant/Clerk of the Board.

3. Consent Calendar

The consent calendar items were approved as submitted.
Motion: Director Swanson, seconded by Director Corcoran.

4. Board Comments

None.

5. Public Comments

None.

6. CFO Report

Summary

Year to Date gross revenue exceeded last year to date gross revenue by \$1,038,845. Revenue increases have been primarily impacted by increased swing bed, SNF, clinic and outpatient volumes. For the month of March 2023, we posted net income in the amount of \$760,921, thanks to the receipt of \$604,704 in IGT monies and the recognition of \$958,444 in CARES Act monies. We anticipate receipt of the remaining IGT monies prior to the end of the fiscal year in the amount of approximately \$3 million.

Katherine Pairish, CFO

Revenues

For the month of March 2023, Gross Revenues were under budget by \$253,385. Inpatient Revenues were under budget by \$53,552. Skilled Nursing Revenues were over budget by \$60,800. Outpatient Revenues were under budget by \$371,381 and Clinic Revenues were over budget by \$171,548.

Expenses

Salaries and Benefits: Combined Salaries and Benefits were over budget by \$113,669.

Professional Fees: Professional Fees were over budget by \$34,694.

Repairs & Maintenance: Repairs & Maintenance were over budget by \$46,184.

Utilities: Utilities were over budget by \$7,257.

Supplies: Supplies were under budget by \$58,763.

Purchased Services: Purchased Services were over budget by \$192,047.

Depreciation Expense: Depreciation Expense was under budget by \$75,793.

Other Expenses: Other Expenses were over budget by \$1,027. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of March 31, 2023, was \$9.8 million. Gross Accounts Receivable days were 74. We budgeted 62 and best practice is 55. The increase is due to challenges with certain payers. We continue to work to rectify this and hope to have it resolved prior to the end of our current fiscal year.

Balance Sheet

Total Assets decreased by 25.72% compared to March 2022. Cash decreased 51.69% as last year's cash included \$6,596,979 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 March 31, 2023, was 135. March 31, 2022, days cash on hand was 321. Our cash position is still very strong. To date, we have spent \$2,810,638 on capital equipment with \$2,285,836 of that going towards the construction of the new Loyalton Clinic.

Katherine was also pleased to report that \$1,800,000 in IGTs had been received last week. A check from Anthem, to resolve outstanding monies owed by that payer, should be received in a week or two. This is something other hospitals are also struggling with. In addition, Katherine noted that an error in by the state in QIP resulted in underpayment of \$78k and this money should be paid by the end of June. Doug asked if Medicare money was still pending. Katherine replied that it was on the balance sheet but not accounted for/applied to revenue and that there was the potential for \$250,000 more coming in. Dr. Swanson asked if IGTs obscured operations month to month and Katherine responded that she'd be happy to pull them out for the Finance Committee. Dr. Swanson also asked if the new system was easier to use. Katherine explained that Multiview was definitely an improvement but that the Finance team was still learning how to push Cerner into Multiview. Cerner implementation was creating delays in the business office but a Cerner consultant was coming out to work with them in the next few weeks. Doug noted that he was a fan of year over year reviews and that IGTs and Cares Act monies have had a big impact. The goal is for revenue increases year over year. From 2021 to 2022, 17-19% increase in patient revenues. He is confident that EPHC will make budget before the end of the year. Katherine added that she was hoping for budget approvals for the June BOD meeting but that Cerner delays may mean July. Doug reminded everyone that meal break penalties are still an issue with \$40-50k per month in penalties and \$520,000 annually. He also reported that Penny was driving an increase in the Swing census that was offsetting inpatient revenue. SNF census was at 58, an all-time high. Last year at this time the SNF census was 46. No travelers in the hospital and almost none in Loyalton. 3D Mammography currently being installed, a plus for women's health. Clinic was working its way

back post Cerner. Director Corcoran stated that the Loyalton Clinic renovation had been the right move for the community and it was a solid business move and revenue source. Doug shared that licensing for Loyalton had been fast-tracked and now was only 2-3 weeks away. Katherine asked that everyone keep an eye on efficiencies going forward especially as technology helps with tasks and that we use smart, prudent analysis for sound fiscal management.

7. **Adjournment**

Meeting adjourned at 8:50 a.m.

DRAFT



Eastern Plumas Health Care Finance Report

Date: May 25, 2023

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:

Year	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 30th 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.

<u>Year</u> <u>End</u>	<u>Balance</u>	<u>Change</u>	<u>Comment</u>
2019	\$6,385,854		
2020	\$5,984,773	\$(401,081)	
2021	\$5,207,354	\$(777,419)	Paid off Plumas Bank \$375,341(Interest rate = 6.5%)
2022	\$4,796,184	\$(411,170)	
2023	\$4,476,934	\$(319,250)	Estimate

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.