

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

Thursday, February 23, 2023 at 8:00 a.m.

1. Call to Order

Meeting was called to order at 8:31 a.m.

2. Roll Call

Present: Paul Swanson, M.D., 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

Summary

For the month ended January 31, 2023, we posted a net loss in the amount of \$179,408. We budgeted for a net loss of \$185,876.

Revenues

Gross Revenues were over budget by \$202,725. Inpatient Revenues were over budget by \$112,928. Skilled Nursing Revenues were over budget by \$13,800. Outpatient Revenues were under budget by \$95,639 and Clinic Revenues were over budget by \$185,436.

Expenses

Salaries and Benefits: Combined Salaries and Benefits were over budget by \$198,414.

Professional Fees: Professional Fees were over budget by \$73,363.

Repairs & Maintenance: Repairs & Maintenance were over budget by \$30,553.

Utilities: Utilities were over budget by \$54,587.

Supplies: Supplies were under budget \$5,410.

Purchased Services: Purchased Services were over budget by \$246,046.

Depreciation Expense: Depreciation Expense was under budget by \$73,720.

Other Expenses: Other Expenses were over budget by \$7,488. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of January 31, 2023, was \$9.1million. Gross Accounts Receivable days were 67. We budgeted 59 and best practice is 55. The increase is due to challenges with certain payers We continue to work closely with them to rectify this.

Balance Sheet

Total Assets decreased by 16.33% compared to January 2022. Cash decreased 35.82% 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 January 31, 2023, was 163. January 31, 2022, days cash on hand was 302. Our cash position is still very strong. We funded two IGT's in February in the amount of \$1,933,571. We expect to receive the return of funds in the amount of \$3,864,919 by the end of April. Included in Non-Operating Income for the month was \$342,575 for the Test to Treat Grant. To date, we have spent \$2,147,112 on the construction of the new Loyalton Clinic.

Doug added that January's gross revenue was one of the highest in the last five years before contractual adjustments. The goal is to maintain January volume through February (four SNF admits pending/go from 51 to 55). Goal is to minimize the impact of Cerner go-live on volume of patient care, especially in clinics (planned for reduction by half).

Discussed financial and staffing morale impact of SB-1334 meal break penalty. Also noted the bill introduced that may raise minimum wage rates to \$25 by January 2024 that could raise labor costs by \$1million without addressing compression.

In addition, Doug reported that the seismic legislation may be in the works but a minimal retrofit is still the best way forward for EPHC.

Doug mentioned that the unexpected closure of Madera hospital has opened the eyes of legislators and administrators to the fragility of rural hospitals.

7. Adjournment

Meeting adjourned at 8:57 a.m.