

**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
MINUTES
Thursday, March 23, 2023 at 8:00 a.m.**

1. Call to Order

Meeting was called to order at 8:05 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; 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 Corcoran, seconded by Director Swanson.

4. Board Comments

None.

5. Public Comments

None.

**6. CFO Report
Summary**

Katherine Pairish, CFO

Gross revenue for February exceeded the same time period for 2022 by \$495,689. To date, Q3 of the fiscal year for 2023 has seen a gross revenue improvement of \$1,342,093 over 2022. Revenue increases have been primarily impacted by increased swing bed and SNF volumes. However, the delayed receipt of IGTs in February led to a negative net income and variance to budget of (\$211,459). EPHC has not received any IGT funding for FY Q3, while we had received \$3,836,631 for the same time period last year. We anticipate receipt of a portion of IGT funding before the end of the current fiscal year which will improve the net position prior to the year-end close. In addition to the IGT funding issue, approximately 20% of the variance to budget for both January and February were the result of the unfunded legislative change to the meal break requirements (SB 1334). Managers have been working to address changes to schedules and proper time clock utilization in order to minimize these unbudgeted costs going forward.

Revenues

Gross Revenues were under by \$62,596. Inpatient Revenues were under budget by \$127,480.

Skilled Nursing Revenues were under budget by \$38,200. Outpatient Revenues were under budget by \$64,117 and Clinic Revenues were over budget by \$129,001.

Expenses

Salaries and Benefits: Combined Salaries and Benefits were over budget by \$67,337.

Professional Fees: Professional Fees were over budget by \$11,221.

Repairs & Maintenance: Repairs & Maintenance were over budget by \$15,669.

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Utilities: Utilities were over budget by \$9,937.

Supplies: Supplies were over budget by \$14,974.

Purchased Services: Purchased Services were over budget by \$188,701.

Depreciation Expense: Depreciation Expense was under budget by \$75,774.

Other Expenses: Other Expenses were under budget by \$16,747. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of February 28, 2023, was \$9.3 million. Gross Accounts Receivable days were 71. We budgeted 61 and best practice is 55. The increase is due to challenges with certain payers. We have been told this will be rectified by the end of March.

Balance Sheet

Total Assets decreased by 24.30% compared to February 2022. Cash decreased 50.85% 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 February 28, 2023, was 133. February 28, 2022, days cash on hand was 245. Our cash position is still very strong. We expect we will add 16 days cash on hand with the receipt of the IGTs. To date, we have spent \$2,725,935 on capital equipment with \$2,207,731 of that going towards the construction of the new Loyalton Clinic.

Katherine explained that the budget had been frontloaded to account for revenue decreases due to the Cerner EMR transition (Clinics reduced by 50% for 3 months). Doug noted that the target could be set higher this year and that the Activity Summary showed there were revenue opportunities in Swing and SNF census. Year-over-year revealed a 35% Acute Inpatient decrease. Dr. Swanson said that COVID-19 created sicker patients in the ED/Acute last year that could not be transferred because of lack of beds in Reno hospitals. Currently seeing lower acuity patients. Penny explained that they were averaging 15-17 transfers, not that many. Doug said this was helpful for budget discussions and also noted that the snow and related inclement weather conditions were negatively impacting services and revenue. Katherine added that because February is a short month, fewer monthly days impacts revenue as well. She noted that Cerner reports will increase the amount and breakdown of useful data for monitoring revenue trends. Dr. Swanson asked why the length of stays of Swing patients had increased. Penny replied that some could not be sent to SNFs but also could not be sent home, so they were kept on the floor. Doug added that Endoscopy numbers were good as were Respiratory and Cardiology. Dental saw a substantial increase. Positive trends in various areas. Plus, 3D Mammography equipment should also be arriving soon. Dr. Swanson asked to see some longer-term trends, pre-COVID, to get a sense of unexceptional years, and noted that the implementation of Cerner made this an exceptional year as well. Katherine said she would be happy to provide such reports. Discussion of the outfitting and remodel of the Loyalton Clinic and the prudent decision not to borrow funds to cover costs as well as the frustrating delay in licensing due to the area's census designation change. Looking forward

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to increasing services and staffing in Loyalton when licensing is resolved. Dr. Swanson also asked why there was a decrease in revenue at the Graeagle Clinic and Doug replied that was due to a decrease in the number of providers from 3 to 2. Augustine thanked Katherine for her helpful explanations and the depth and breadth of her knowledge.

7. Adjournment

Meeting adjourned at 8:48 a.m.