

**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
MINUTES
Thursday, July 28, 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; Katherine Pairish, CFO; and Susan Horstmeyer, 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

The 2021/2022 fiscal year went by quickly and was not without its challenges, but the Eastern Plumas Health Care team rose to the occasion. The hard work and dedication to the excellent care of our patients is reflected in our financial success.

These financials are presented in draft form, as they have been prepared prior to our final audit. We do not anticipate any audit adjustments other than the accrual of the cost report settlement, final inventory reconciliation and the possible recognition of income due to COVID funds received.

Revenues

Total year-to-date Revenues were over last year by \$6,300,570. This is a 16% increase. Inpatient Revenues were over last year by \$2,319,942. Skilled Nursing Revenues were over last year by \$883,800. Outpatient Revenues were over last year by \$3,576,106 and Clinic Revenues were over last year by \$404,522.

Expenses (Year-to-date through June 30, 2022)

Salaries and Benefits: Combined Salaries and Benefits were over last year by \$1,466,837.

Professional Fees: Professional Fees over last year by \$555,154.

Repairs & Maintenance: Repairs & Maintenance were under last year by \$6,219.

Supplies: Supplies were over last year by \$704,948.

Purchased Services: Purchased Services were over last year by \$1,924,474.

Depreciation Expense: Depreciation Expense was under last year by \$129,644.

Other Expenses: Other Expenses were over last year by \$237,125. These include training, travel, and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of June 30, 2022, was \$6.9 million. Gross Accounts Receivable days were 57. We budgeted 53 and best practice is 55. The uptick in AR days is due mainly to staffing shortage and staff adapting to the new processes.

Balance Sheet

Total Assets decreased slightly by \$572,401 or 1.40% compared to June 30, 2021. Total cash increased by \$3,673,697 compared to June 30, 2021, or 16.58%.

Additional Information

Days cash on hand on June 30, 2022, was 297. June 30, 2021, days cash on hand was 283.

22/23 Budget

We have completed the budget for the upcoming fiscal year. We feel that the budget we are presenting is attainable. We budgeted Patient Revenue at an 11% increase over the June 30, 2022 fiscal year. We budgeted for known IGT's. The PRIME IGT has been replaced by QIP. The timing of the QIP is based on the calendar year rather than the fiscal year; therefore, the IGT's budgeted for the upcoming fiscal year are less than what we received in the current fiscal year by 11%. We have budgeted for an overall increase in expense of 6%.

Discussion regarding the budget and the impact of switching EMR's to Cerner, which will cause a dip in revenue during the initial phase per Katherine. We will be holding training in advance to minimize the impact. Doug stated he would check with PDH about their experience implementing Cerner a few years ago. Doug advised the in-house costs of Cerner will be more than initially thought for the internal network build. We will be focusing on expanding services to grow revenue.

Katherine advised we will be meeting with department managers quarterly to manage overhead. We are in a great position with \$21 million in cash. Some departments have vacancies. We are focused on reducing our use of travelers and increasing employees.

Doug stated we will have a \$200k savings when we bring on the H1B Visa lab manager and 2 new phlebotomists. We also have a possible H1B Visa lab scientist candidate. With these positions filled we would see our lab costs cut in half. We are also focused on expanding our services to the community.

Dr. Swanson expressed concern over the impact of switching to Cerner and was interested in input from other organizations' experiences with the transition. The budget will be presented to the Board of Directors for approval since the impact of the Cerner transition will not be significant.

7. Adjournment

Meeting adjourned at 9:34 a.m.