



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

Thursday, July 27, 2023 at 8:00 a.m.

The July 27, 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 5.25.23 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>	Katherine Pairish	I/D/A	5-6
• Approve 23-24 Annual Budget			
7. <u>Adjournment</u>	Dr. Paul Swanson	A	

The next regularly scheduled meeting of the Standing Finance Committee is August 24, 2023 [pending change by the BOD at the July 27, 2023 meeting] 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, May 25, 2023 at 8:00 a.m.**

1. Call to Order

Meeting was called to order at 8:11 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; 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

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.

Year End	Balance	Change	Comment
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.

Discussion: Good news: EPHC received \$4.6 million in IGTs, more than anticipated, and that will increase cash on hand for the fiscal year. Conversation about what profit and loss looks like with IGTs removed. Doug stated that net zero without IGTs was the goal. Also discussed budget assumptions for 2023/24. Katherine noted that a budget presentation was likely for July.

7. **Adjournment**

Meeting adjourned at 8:56 a.m.

**EASTERN PLUMAS HEALTH CARE
OPERATING BUDGET
JULY 1, 2023 TO JUNE 30, 2024**

	FYE JUNE 30, 2024 BUDGET			PERCENTAGE OF TOTAL REVENUE
	REVENUE DEPARTMENTS	OVERHEAD DEPARTMENTS	TOTAL	
PATIENT REVENUE	\$53,989,926	\$37,475	\$54,027,401	
PRIME GRANT		\$0	\$0	
OTHER OPERATING REVENUE	\$63,214	\$0	\$63,214	
GOVERNMENT CONTRACTUALS	(\$14,635,913)		(\$14,635,913)	-27%
ALL OTHER CONTRACTUALS	(\$5,596,085)		(\$5,596,085)	-10%
BAD DEBT & ADMINISTRATIVE ADJUSTMENTS	(\$1,291,404)		(\$1,291,404)	-2%
INTER GOVERNMENTAL TRANSFERS	\$5,935,574		\$5,935,574	11%
NET REVENUE	\$38,465,312	\$37,475	\$69,678,443	129%
SALARIES	\$12,233,639	\$4,396,871	\$16,630,510	31%
BENEFITS	\$4,691,634	\$2,076,063	\$6,767,697	13%
SUPPLIES	\$1,728,400	\$725,254	\$2,453,654	5%
PROFESSIONAL FEES	\$3,913,017	\$95,852	\$4,008,869	7%
REPAIRS & MAINTENANCE	\$357,747	\$239,217	\$596,964	1%
PURCHASED SERVICES	\$2,028,888	\$2,673,992	\$4,702,880	9%
UTILITIES & TELEPHONE	\$125,470	\$977,116	\$1,102,586	2%
INSURANCE	\$25,286	\$503,783	\$529,069	1%
RENT & LEASE	\$41,964	\$36,456	\$78,420	0%
INTEREST		\$182,654	\$182,654	0%
DEPRECIATION & AMORTIZATION	\$790,849	\$639,486	\$1,430,335	3%
OTHER EXPENSES	\$176,231	\$499,560	\$675,791	1%
TOTAL DIRECT EXPENSES	\$26,113,125	\$13,046,304	\$39,159,429	72%
OPERATING INCOME	\$12,352,187	(\$13,008,829)	(\$656,642)	-1%
PROPERTY TAX			\$650,000	1%
CONTRIBUTIONS			\$150,000	0%
RENTS			\$85,680	0%
NONOPERATING INCOME			\$460,000	1%
TOTAL NONOPERATING INCOME			\$1,345,680	
NET INCOME			\$689,038	1%
IGT'S FUNDED			\$ (2,967,787)	
NET INCREASE (DECREASE) TO FUND BALANCE			(\$2,278,749)	

**EASTERN PLUMAS HEALTH CARE
CAPITAL BUDGET
JULY 1, 2023 TO JUNE 30, 2024**

DEPARTMENT	ITEM	COST	FUNDING SOURCE
PURCHASING	TRANSPORT WHEELCHAIR VAN	\$ 100,000	OPERATING CAPITAL
DATA/IT	WOWS, FIREWALL, PRINTER/PC REFRESH, NEW CLINIC INFRASTRUCTURE	\$ 270,652	OPERATING CAPITAL
ACUTE/EMERGENCY	MIND RAY CENTRAL MONITORY SYSTEM	\$ 310,000	OPERATING CAPITAL
ACUTE/EMERGENCY	BEDSIDE ULTRASOUND MACHINE	\$ 35,000	OPERATING CAPITAL
AMBULANCE	LUCAS DEVICE	\$ 48,000	OPERATING CAPITAL
AMBULANCE	INTUBATION EQUIPMENT	\$ 18,000	
AMBULANCE	REMOUNT	\$ 236,890	
ENGINEERING:			
SNF - LOYALTON	FLOORING	\$ 90,000	OPERATING CAPITAL
LOYALTON	NEW DIGIAL SIGN	\$ 24,000	OPERATING CAPITAL
PORTOLA	FIRE ALARM PANEL REPLACEMENT	\$ 90,000	OPERATING CAPITAL
PORTOLA	LOBBY BADGE READERS	\$ 12,000	OPERATING CAPITAL
PORTOLA	TRAILER FOR BACK HOE & SKIDSTEER	\$ 5,000	OPERATING CAPITAL
RADIOLOGY	PHILIPS XRAY ROOM	\$ 341,668	OPERATING CAPITAL
DENTAL	MISC	\$ 126,094	OPERATING CAPITAL
SNF - PORTOLA	5 BEDS	\$ 11,400	OPERATING CAPITAL
CLINICS	AUTO CALL BACK SYSTEM	\$ 20,000	OPERATING CAPITAL
PURCHASING	FLOORING/REMODEL	\$ 50,000	OPERATING CAPITAL
	TOTAL	\$ 1,788,704	
LESS FUNDING FROM OUTSIDE SOURCES		\$ (150,000)	AUXILIARY
CASH REQUIREMENT FROM EPHC		\$ 1,638,704	