

**EASTERN PLUMAS HEALTH CARE DISTRICT
MEETING OF THE STANDING FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
MINUTES
Thursday, April 28, 2022 at 8:30 a.m.**

1. Call to Order

Meeting was called to order at 8:32 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, Executive Assistant.

3. Consent Calendar

The consent calendar and minutes were approved as submitted.

Motion: Director Corcoran, seconded by: Director Swanson.

4. Board Comments

None.

5. Public Comments

None.

6. CFO Report

Summary

This report will focus on the nine months ended March 31, 2022, compared to the nine months ended March 31, 2021. Eastern Plumas Health Care continues to do well in spite of the recent increases in prices for supplies, utilities and travelers.

Revenues

Total year-to-date Revenues were over last year by \$5,940,270. This is a 21% increase. Inpatient Revenues were over last year by \$2,249,446. Skilled Nursing Revenues were over last year by \$1,145,800. Outpatient Revenues were over last year by \$3,379,108 and Clinic Revenues were over last year by \$311,716. Total Operating Expenses were over last year by \$3,796,583 or 17%.

Expenses (Year-to-date through March 31, 2022)

Salaries and Benefits: Combined Salaries and Benefits were over last year by \$1,240,585.

Professional Fees: Professional Fees over last year by \$544,659.

Repairs & Maintenance: Repairs & Maintenance were over last year by \$34,471.

Supplies: Supplies were over last year by \$662,995.

Purchased Services: Purchased Services were over last year by \$974,358.

Depreciation Expense: Depreciation Expense were under budget last year by \$140,560.

Other Expenses: Other expenses were over last year by \$228,353. These include training, travel and dues and subscriptions.

Revenue Cycle

Gross Accounts Receivable as of March 31, 2022, was \$6.1 million. Gross Accounts Receivable days were 50. We budgeted 54 and best practice is 55.

Balance Sheet

Total Assets increased by \$8,639,497, compared to March 31, 2021, or 30.53% (not including the funds received for CARES Act, Medicare Advance, and PPP). Total Cash increased by \$8,292,096, compared to March 31, 2021, or 56.85% (not including the funds received for CARES Act, Medicare Advance, and PPP).

Additional Information

Included in year-to-date net profit of \$6,653,887 is \$3,033,556 for PPP forgiveness along with \$6,288,175 in IGT's. Days cash on hand on March 31, 2022, was 321. Without the CARES Act, Medicare Advance, and PPP funds, days cash on hand would be 250. March 31, 2021, days cash on hand was 144 without CARES, Medicare, and PPP.

We continue to work on the budgets for the 22/23 fiscal year and plan to present them to the Board for approval no later than the July 2022 meeting.

In response to Director Swanson's question at the last meeting a quick analysis of gross revenue showed the following:

Acute \$2800/ day

Ambulance \$3700/ run

Clinic \$231/ day

ED \$1000/ patient

SNF \$500/ patient/ day

Swing \$2557/ day/ patient

These numbers do not include contractual obligations, which amount to roughly 35-36%. The contractual adjustments are dependent on the payer.

Director Swanson asked what % of revenue are costs for SNF?

Katherine Pairish answered 50% of gross revenue.

The consultant has been going through our processes to increase efficiencies, some things are being converted from manual to automatic. We anticipate an uptick in days AR as we transition to the new processes.

Director Swanson asked if there will be changes in charges for MEC?

Katherine Pairish answered that we will still be using the Superbill which contains check off boxes for care/ treatment received during a patient's visit. HIM has been matching these to the providers notes and changing the CPT codes to match the notes if there was a discrepancy prior to billing. We will now be having HIM contact the provider for clarification if a discrepancy is found between the Superbill and visit note. We need to keep education and the lines of communication open as codes change periodically.

Director Swanson commented that overall, we are doing quite well.

Doug McCoy responded that we have had a 22% increase in patient revenue.

Katherine Pairish stated that bigger hospitals seem to be more challenged.

Doug McCoy gave an update regarding the seismic retrofit legislation, which was initiated in 1994, and has been delayed many times. Many hospitals have progressed from a SPC1 to SPC2 classification based upon building improvements completed at their facilities. There is a placeholder Assembly Bill (SB 1339) which would revamp the language of the seismic retrofit requirement, potentially narrowing the scope or adding additional time to the requirement. The requirement would be a \$100 billion cost to California hospitals and would be unfunded. The

unions are the biggest opponent and want to wait until 2028 or 2029, which is impractical since the current deadline is 2030. If SB 1339 passes we will adjust our plan accordingly.

7. **Adjournment**

Meeting adjourned at 9:02 a.m.

DRAFT