



## Finance Committee

**Date:** Tuesday, June 22, 2021

**Time:** 9:30 a.m.

**Location:** Sprowel Creek Campus Rm 106 and via Zoom

**Facilitator:** Governing Board President Corinne Stromstad

## Minutes

**Finance Committee Present:** Matt Rees, Corinne Stromstad, Katie McGuire and Paul Eves

**Also Present:** Karen Johnson, Marie Brown, Barbara Truitt, and Remy Quinn

**By Zoom:** None

**Not Present:** None

- A. Call to Order – Corinne Stromstad called the meeting to order at 9:36 a.m.
- B. Public Comment (3 minute limit per person) – none
- C. Announcements - none
- D. Previous Meeting Minutes
  1. Minutes from May 25, 2021
    - Change the top of page 2, April, 2021 Financials, Short-term debt to “PPP loan” not “PPE loan”.

**Motion:** Katie McGuire moved to approve the April 27, 2021 meeting minutes.  
Second:  
**Motion carried**
- E. Discussion and Review
  1. May, 2021 Financials – CFO Paul Eves – see reports
    - Would like to keep the swing beds up. Total for May was only 75
    - Skilled nursing was 248, so with 31 calendar days, it means the beds were full all month.
    - Discussion around what our swing beds are for, how patients end up a swing bed, and duration of stay.
    - Clinic visits were 436, and would like to see it higher.
    - We’re working on Medicare reimbursements for the COVID vaccinations. Remy and Marie are doing the coding themselves.
    - Total hospital revenue is \$1.258M for May.
    - The IGT’s and supplemental payment programs are designed to make us “closer



to whole” for Medicare payments due to our size, so they’ve been moved up to Contractual allowances.

- In April we made a deposit of \$1.8M for 2020 rate range, and last week we received a check for \$5.4M.
- LAIF – Local Agency Investment Fund – something the state of California set up approximately 40 years ago. Only the state, counties, municipalities and special districts can invest in it.
- Prepaid expenses and deposits, \$2.4M, includes the \$1.8M for the 2020 rate range.
- No long-term debt, only short-term debt.
- Medicare Contingency was sent to us by DHHS last May (2020). We have to report how we used it, so we didn’t list it as income since we may have to pay some of it back due to frequent changes to the reporting requirements. For funds received by 6/30/2020, must be expended by 6/30/2021, and we have to report by 9/30/2021.
  - (a) Paul has been working for months to account for the expenditures related to COVID and some of the \$2M has not been expended, so either we pay it back or spend it by 6/30/2021.
- The retail pharmacy is not cost reimbursed, so separate accounting is being kept. Paul is working with our CPA’s.

**Motion:** Katie McGuire moved to approve the May, 2021 Financial Statements and share with the Governing Board.

Second: None

**Motion carried**

2. May Revenue Cycle Reports – Marie Brown – see reports

- May closed at 73.1 AR days or \$3.0M in Gross AR
- Cash collections came in low at 82% of April’s net revenue, or \$757K. This will consistently be lower due to Medicare from here on out.
- Third Party Aging decreased by \$77K, down to 18.2%
- Unbilled AR decreased to 5.2 days.
  - (a) Centauri Report – See report – the report continues to look better and better as we send more data to them.
  - (b) Denials Report – See report.

3. May HRG Reports – Remy Quinn – see report

- The encounters that are aged, especially the Medi-Cal balances. Those are due to, in large part, treatment authorizations that we’ve been working on for months. We submit what they need, then its 30 days before they respond, making the process very slow. We have about \$100K we can’t bill right now due to this authorization issue.
- Refunds continue to be processed. We started with 250, now down to 112.

- Denial rate continues to go down, it's down to 3%. We believe the training issues in PFS has been taking care of. According to Partnership, we have the LOWEST denial rate now. We've been second for a long time.
  - We should have a new PFS member starting in the clinic.
  - AR days went up a little, but that could be due to volume and also an ongoing issue with the coding department (short staffed).
4. Capital Budget – see report. Reviewed
- A few things left from last time. The seismic project has gone up significantly.
  - A modular building has been added to replace the yellow COVID tent.
  - Replacement vehicle has been added since our vehicles are high mileage.
  - Sprowel Creek Campus – much of it remains in progress.
5. Operating Budget – see report.
- Looking at \$17M in gross revenue
  - Since last year was a COVID year, it's difficult to figure out what will happen. We will have a 6 month review.
  - We're looking at this last year's budget (2021) and we have money left over from Provider Relief funds. We want to give the employees a one-time bonus of \$2500 for all FY and \$1000 for PT and per diem. Also, we'll end the \$3.00 per hour hazard pay. Deadline for the funds is June 30, 2021.

**Motion:** Katie McGuire moved to approve the budget and the adjustment to 2021 and share with the Governing Board.

Second: Corinne Stromstad

**Motion carried**

6. Dialysis machine
- Reviewed New Home HD Revenue ROI, based on 2 in-home dialysis patients. We would have the machines stay in the homes with the patients. The training for the patient and their caregivers would be about 20 hours. Training for the visiting nurse is only about 4 hours. The visiting nurse would be there the first couple of times to help the patient. Having Tanya Villers, FNP out there with the patient the first time would be invaluable. This unit has to be calibrated to the water in the patient's home.
  - We are not asking for approval at this time.
- F. Discussion Items to Report to the Board – A summary of today's reports will be taken to the Board.
- G. Next Meeting: Tuesday, July 27, 2021, in person at Sprowel Creek Campus and by Zoom
- H. Adjourned at 10:53 a.m.