

**FINANCE COMMITTEE MEETING
OF THE
BOARD OF DIRECTORS
HOSPITAL REDWOODS ROOM**

**TUESDAY, OCTOBER 23, 2018
MINUTES**

1. CALL TO ORDER:

Dr. Peter Glusker called the Finance Committee meeting to order.

2. ROLL CALL:

COMMITTEE MEMBERS PRESENT: Mr. Bill Scott, Dr. Peter Glusker, Mr. Kirk O'Day, Dr. Kevin Miller

COMMITTEE MEMBERS ABSENT: Mr. Bill Knapp

STAFF PRESENT:

Mr. Bob Edwards, CEO

Mr. Mike Ellis, CFO

3. COMMUNITY COMMENTS:

- There were no community comments.

4. ACTION: REVIEW AND APPROVAL OF SEPTEMBER 25, 2018 FINANCE COMMITTEE MINUTES

- To correct item #5 on page 2. Kirk O'Day did not make the second on the financials as he was not at the meeting.

MOTION: To approve the September 25, 2018 Finance Committee Minutes with the above stated change

- Scott moved
- Miller second
- Motion carried

Dr. Glusker stated that the auditors only want to be at MCDH for one day. The date of the November meeting has not yet been determined. It will either be November 29 or December 6, and the Board will decide that at the October 25th Board meeting. He suggested the following schedule:

Audit Meeting 3:00

Finance Meeting 4:00

Board Meeting 5:00

The Finance Committee agreed.

5. ACTION/INFORMATION: REVIEW AND APPROVAL OF SEPTEMBER 2018 INTERIM FINANCIAL & STATISTICAL REPORT MENDOCINO COAST HEALTH CARE DISTRICT: MR. MIKE ELLIS, CFO

September Highlights

- September's cash of \$2.4 mil decreased \$.5 million from July. Board Designated Funds of \$4.3 mil remain unchanged. Together this is 41 days cash-on-hand.

- Net AR increased \$.4 mil and is 42 days in net AR. September's AP of \$6.0 mil remained the same as the prior month, compared to the prior fiscal year average of \$5.9 mil
- September's net patient revenues of \$3.8 million are just below budget by \$100,000. September is \$751,000 or 12% less than the prior month August 2018. September had only 19 working days in the month, the lowest number in the year, compared to August's 23 working days in the month, the highest number of working days a month can have. Every extra working day provides an opportunity to generate more revenue to cover relatively fixed expenses.
- The month's total operating expenses of \$4.4 million were \$204,000 or 4% below budget. The largest budget variances in expenses are the line items: S&W and benefits \$81,000 over budget and insurance at \$22,000 over budget. September had a net operating loss of \$494,000 compared to the budgeted loss of \$526,000.
- New this fiscal year is the accrual of \$133,000 for the Parcel Tax revenue that will occur every month at this amount. With this new revenue added to the other non-operating revenues and expenses the net loss for the month was \$295,000.
- The fiscal year-to-date operating loss of \$816,000 is under the budgeted loss of \$1,036,000. This is only three months into the fiscal year and the year-end budgeted loss is \$1.7 million and a positive \$.8 million after non-operating revenues & expenses.

MOTION: To recommend the Board approve the September 18, 2018 Interim Financial & Statistical Report

- O'Day moved
- Miller second
- Motion carried

6. ACTION/INFORMATION: DEPARTMENT REVIEW: MR. MIKE ELLIS, CFO

- Mr. Ellis reported on the Laboratory Department.
 - The Lab is #3 in generating gross revenue for the Hospital; approximately \$15,000,000.00 annually.
 - The average charge is \$114.
 - 15% is inpatient with outpatient being 85%
 - Pathology is 4 to 500,000 dollars per year
 - There were 12.8 FTEs last year with some being part-time
 - Gross wages are \$900,000 annually

7. ACTION/INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO

- The Joint Commission surveyed MCDH last week; however the Life Safety person was unable to make it last week and is expected at the Hospital very soon.
- Meditech implementation will begin soon.
- One or both of the new attorneys will skype into the Board meeting on October 25.
- The digging has begun for the HVAC & ATS projects.
- Union negotiations continue.
- Nancy Schmid will contact a few architects to come and meet with the Board in order to begin to look at the options for a replacement facility.

- MEC is working on standardization, order sets and formalization with the ER & Hospitalist physicians.
 - An offer has been made to a PR person.
 - Dr. Kahn, Pain Specialist will join NCFHC very soon.
 - PA Joe Martin has joined the NCFHC.
 - The audit will show a \$1 million loss, which is \$2 million less than was anticipated.
9. **ACTION/INFORMATION: CFO REPORT: MR. MIKE ELLIS, CFO**
- The Hospital will host a three (3) day coding and billing seminar. Grants will pay the costs of this seminar.
10. **COMMENTS FROM THE COMMUNITY**
- There were no comments from the community.
11. **COMMENTS FROM COMMITTEE MEMBERS**
- Dr. Glusker challenged the Finance Committee to come up with ideas on how the Hospital can become more efficient and or decrease expenses.
12. **ADJOURN:**
- The meeting adjourned at 5:05

Peter Glusker, MD
Board of Directors

Gayl Moon, Secretary
Board of Directors