

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

**TUESDAY, JULY 24, 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. Bill Knapp, Dr. Kevin Miller

COMMITTEE MEMBERS ABSENT: Mr. Kirk O'Day

STAFF PRESENT:

Mr. Bob Edwards, CEO

Mr. Mike Ellis, CFO

Mr. Birdsell is no longer a member of the Finance Committee, as he is now an Interim Board Member.

3. COMMUNITY COMMENTS:

- There were no community comments.

4. ACTION: REVIEW AND APPROVAL OF JUNE 26, 2018 FINANCE COMMITTEE MINUTES

MOTION: To approve the June 26, 2018 Finance Committee Minutes

- Knapp moved
- Scott second
- Motion carried

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

June Highlights

- June's cash of \$1.8 mil increased \$.2 million from May, however cash is \$.9 mil below same month prior year. Board Designated Funds of \$4.3 mil remain unchanged. Net AR decreased \$.5 mil as a result of efforts by new Revenue Cycle leadership in resolving old patient AR accounts. June's AP of \$6.2 mil decreased \$.6 mil from May, compared to the same month prior year at \$4.5
- June's net patient revenues of \$4.4 million were \$199,000 or 3.5% above budget, and \$556,000 greater than June 2017. The month's total operating expenses of \$4.6 million were \$36,000 or below budget. June had a net operating gain of \$53,000 compared to a June 2017 loss of \$516,000. With June being the last month of the

fiscal year, there often are year-end adjustments that while posted in June, these adjustments stem from several months in the fiscal year. Including June's non-operating revenues and expenses the net gain for the month was \$129,000.

- The fiscal year (twelve months) ended at a total net loss of \$3.3 million compared to the budgeted total net loss of \$88,000. The largest budget variances are the line items: net patient revenues \$745,000 under budget, physician professional fees \$1.1 million over budget, other professional fees \$.7 million over budget, S&W and benefits \$.6 million over budget, and registry \$.4 million over budget.

MOTION: To recommend the Board approve the June 2018 Interim Financial & Statistical Report

- Miller moved
- Scott second
- Motion carried

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

- Mr. Ellis, CFO reported on the Imaging Department. Imaging is made up of:
 - Cat Scan, Diagnostic Imaging, Radiology, MRI, Ultrasound and Nuc Med
 - These departments generate \$20 million in a year or 17% of the gross revenues on the Income Statement.
 - 94% is outpatient
 - Direct expense is \$2.8 million per year
 - Cost to charge ratio is 36%
 - 14.8 FTEs in the Imaging Department with almost half being registry

7. **ACTION/INFORMATION: CAPITAL BUDGET: MR. MIKE ELLIS, CFO**

- Mr. Ellis, CFO presented the Capital Budget.
- This year's budget is the same schedule and format as last year. Some of the numbers have changed.
- Discussion ensued.

8. **ACTION/INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO**

- Tom Birdsell was appointed as the Interim Board Member to fill Dr. Campos' seat until the November elections
- The Electronic Health Record contract is not yet complete, so will not be going before the Board in July.
- The contract for a company to do soil samples has been agreed to.
- Sonoma Valley will look at possibly cutting the following 3 services at their upcoming Board meeting:
 1. Eliminating OB
 2. Eliminating their SNF
 3. Outsourcing their Home Health Department
- A nurse brought clothes to a patient that needed them, and she also did their laundry which the patient appreciated very much.

9. **ACTION/INFORMATION: CFO REPORT: MR. MIKE ELLIS, CFO**

- The Hospital will host a 3 day coding and Billing Seminar. Other companies will be invited to attend. The Foundation will help with the costs.
- Emcare is no longer doing the facility coding, MCDH is doing it.

10. **COMMENTS FROM THE COMMUNITY**

- Community members made comments regarding Hospital issues.

11. **COMMENTS FROM COMMITTEE MEMBERS**

- There were no comments from committee members.

12. **ADJOURN:**

- The meeting adjourned at 5:05

Peter Glusker, MD
Board of Directors

Gayl Moon, Secretary
Board of Directors