

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

**TUESDAY, AUGUST 28, 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:**

- A community member discussed issues regarding the Hospital.

**4. ACTION: REVIEW AND APPROVAL OF JULY 24, 2018 FINANCE COMMITTEE MINUTES**

- Kirk O'Day was marked as present in the July 24 minutes, when in fact he was absent. That change will be made to the July 24 Finance minutes.

**MOTION:** To approve the July 24, 2018 Finance Committee Minutes with the above stated change

- Miller moved
- Scott second
- Motion carried

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

**July Highlights**

- July's cash of \$2.3 mil increased \$.5 million from June. Board Designated Funds of \$4.3 mil remain unchanged. Together this is 44 days cash-on-hand.
- Net AR decreased \$.6 mil as a result of continued efforts by new Revenue Cycle leadership in resolving old patient AR accounts. July's AP of \$5.3 mil decreased \$.9 mil from June, compared to the prior fiscal year average of \$5.9 mil
- July's net patient revenues of \$4.3 million were \$87,000 or 2.1% above budget, and \$417,000 greater than July 2017. The month's total operating expenses of \$4.7 million were \$36,000 or 1.9% below budget. The largest budget variances in expenses are the line items: registry \$24,000 over budget and physician professional fees \$14,000 over budget. July had a net operating loss of \$232,000 compared to a July 2017 loss of \$268,000.

- 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 \$43,000.
- There are no YTD comparisons because July is the first month of this new fiscal year.

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

- Scott moved
- O'Day second
- Motion carried

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

- Mr. Ellis, CFO reported on Nuclear Medicine (Nuc Med), which is a sub-set of the Diagnostic Imaging Department. Following are some facts regarding Nuclear Medicine:
  - Nuc Med is costing the Hospital money.
  - \$129,000 in approximate net reimbursement, resulting from \$285,101 in gross charges
  - \$221,000 in direct cost, of which \$165,000 is in registry cost
  - <\$92,999> approximate loss for the year
  - The entire staff of the Nuclear Med consists of only one contract registry person
  - Nuclear Medicine tests are performed on an outpatient basis
  - Nuclear Medicine tests are scheduled, not ordered from ED
  - The nearest other Nuclear Medicine is in Ukiah, Willits does not have one
  - There is a known repair bill of \$7,500 within the next few months
  - Mr. Ellis recommended discontinuance of this service in light of MCDH's continuing financial difficulties. It is valuable for the MEC to weigh in on this.
- Dr. Glusker asked for a motion recommending to the Board that the Hospital discontinue the Nuc Med Service as it is not serving a useful service and it is costing the Hospital money.

**MOTION:** To recommend to the Board that the Hospital discontinue the Nuc Med Service as it is not serving a useful service and it is costing the Hospital money

- Miller moved
- Scott second
- The committee members asked for information in writing and a longer period of time to digest and consider this issue prior to voting. This issue will be presented to the MEC for their opinion.

Dr. Miller amended his motion and Mr. Scott amended his second to reflect the modified motion below:

**MOTION:** The Finance Committee received a report regarding Nuclear Medicine and recommended that the Board consider discontinuing the service because it is used very little and it is costing MCDH money

- Miller moved
- Scott second
- Motion carried

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

- The contract for the electronic health record will be presented to the Board on August 30. There will be a \$200,000 down payment, a \$200,000 payment at the end of training

and a \$120,000 monthly payment.

- Mr. Ruprecht, the Hospital's Legal Counsel will retire soon. The Board has conducted interviews and will recommend a legal firm to the Board on August 30.
- The Hospital continues to search for Pain Management Physicians.
- The Hospital is expecting the Joint Commission any day now.
- Union negotiations continue.
- Still working on the continuous parcel exemption for Measure C.
- The ATS and HVAC are scheduled to be complete in March of 2019.
- The Cardio Pulmonary building will be refurbished.
- The soil sample analysis has been completed.
- An architect will be brought to the Hospital to determine what the next hospital will look like and where it will be located.
- Five candidates are running for the 3 four year Board terms and they are:
  - ✓ Kevin Miller
  - ✓ Jessica Grinberg
  - ✓ John Redding
  - ✓ Amy McColley
  - ✓ Jade Trippett
- Two candidates are running for the 1 two year Board term and they are:
  - ✓ Karen Arnold
  - ✓ Rex Gressert

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

- The audit is currently taking place with DNZ Auditors.

**10. COMMENTS FROM THE COMMUNITY**

- Community members made comments regarding Hospital issues.

**11. COMMENTS FROM COMMITTEE MEMBERS**

- Dr. Glusker stated the Finance Committee could use more members, and asked the audience and committee members to encourage anyone they know who is interested in joining the Finance Committee to attend a couple of meetings prior to submitting a resume for consideration.

**12. ADJOURN:**

- The meeting adjourned at 5:12

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Peter Glusker, MD  
Board of Directors

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Gayl Moon, Secretary  
Board of Directors