

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

**TUESDAY, SEPTEMBER 24, 2019
MINUTES**

1. CALL TO ORDER:

Mr. John Redding called the Finance Committee meeting to order.

2. ROLL CALL:

COMMITTEE MEMBERS PRESENT: Mr. John Redding, Mr. Steve Lund, Ms. Rhonda Wilson, Dr. Jason Kirkman, Mr. Bill Knapp

COMMITTEE MEMBERS ABSENT: Ms. Sara Spring

STAFF PRESENT:

Mr. Wayne, Interim CEO

Mr. Doran Hammett, Interim CFO

3. COMMUNITY COMMENTS:

- Community members made comments on issues regarding MCDH.

4. ACTION: REVIEW AND APPROVAL OF JULY 25, 2019 FINANCE COMMITTEE MINUTES

MOTION: To approve the August 27, 2019 Finance Committee Minutes

- Lund moved
- Knapp second
- Motion carried

5. ACTION: REVIEW AND APPROVAL OF AUGUST 2019 INTERIM FINANCIAL & STATISTICAL REPORT: MR. DORAN HAMMETT, INTERIM CFO

- Mr. Hammett presented the August 2019 Financial Statement.

MOTION: Recommend the Board approve the August 2019 Financial & Statistical Report

- Lund moved
- Knapp second
- Motion carried

6. INFORMATION: SUMMARY OF PREVIOUSLY IDENTIFIED ACTION ITEMS: MR. JOHN REDDING

a. Summary of previously identified action items.

1. Housing on hospital property.

2. Build new office for clinic
 - Both of these items were tabled and will be carried forward in future meetings.
- b. Discuss and approve a Pro-Forma Checklist for evaluating any proposed expansion of services.
 - This will be discussed at a later meeting.

7. INFORMATION: NEW BUSINESS

a. Update: Crisis Stabilization Unit (CSU) at the Hospital: Mr. John Redding

- A CSU is a stand-alone facility in which patients in the ER with 5051s or people with addiction are sent to in lieu of the Emergency Room. There will be doctors and nurses who are trained in this specialty who can stabilize the patient before deciding what steps to take next.
- This is supported by Measure B Commission, and they are interested in having one at MCDH. This will be subsidized by the Measure B Commission.
- A plan is in the works. Needed staff will be a Psych Nurse, Registered Nurse, and a Psychologist.

b. Affiliation Update: Mr. Steve Lund

- The Affiliation Ad Hoc Committee and the Board continue to have regular meetings. The Ad Hoc Committee has met with the Adventist and will meet with them again on October 1st.
- A series of Town Hall meetings will take place within the District.
- A Term Sheet is being developed.

c. Financial Charts for Affiliation Presentations: Mr. John Redding

- Mr. Redding presented Financial Charts that are part of the Affiliation Presentation. The charts are available in the Administration Office.

8. INFORMATION: REVIEW DEPARTMENT BUDGETS: MR. DORAN HAMMETT, INTERIM CFO

1) Remaining four revenue producing departments:

- These departments generate approximately \$7 million in revenue
 - Ambulance
 - Swing bed
 - Physical Therapy, Occupational Therapy, Infusion, Respiratory Therapy & Cardiology
 - Home Health
- Overhead Departments. These departments do not generate revenue:
 - Administration
 - Business Office
 - Accounting
 - Payroll
 - Accounts Payable
 - IT
 - Housekeeping
 - Maintenance

- HR
- Doran will ask the Department Managers how they might increase revenue and cut expenses by 10%.

9. **ACTION: REVISED MCDH BUDGET FY 2020: MR. DORAN HAMMETT, INTERIM CFO**

- Mr. Hammett presented the revised MCDH Budget.

MOTION: To approve the Revised Budget as presented

- Lund moved
- Wilson second
- Motion carried

Mr. Redding thanked Mr. Hammett, Mr. Allen, and all the department managers for their work on the budget.

10. **INFORMATION: PROCESS FOR EXECUTING ACTION ITEMS: MR. WAYNE ALLEN, INTERIM CEO**

- Mr. Redding has provided Mr. Allen and Mr. Hammett with a narrative summary of some budget assumptions/revisions. These will be put into a document and a written plan will be brought back to the Finance Committee next month.
- A list of Action Items has been developed

11. **INFORMATION: UPDATE ON PLAN TO IMPLEMENT EHR: MR. WAYNE ALLEN, INTERIM CEO**

- The Meditech Expanse Project has been put on hold. This can be restarted anytime within the next year.
- Will maintain the current system for the next 18 months.
- The Galactica System needs to be replaced.
- Some licensing needs to be updated.
- 3M coding software needs to be updated.
- Will keep the Single Sign On in place.

12. **FUTURE AGENDA ITEMS**

a. **Strategic Financial Plan (5-year pro-forma)**

- A feasibility study is being done by a firm called BDO which will look into the next five years beginning 2020. This report should be done by the end of this week.

b. **Special Board meeting to discuss solutions for OB**

13. **COMMENTS FROM COMMUNITY MEMBERS**

- Community members made comments regarding Hospital issues.

14. **COMMENTS FROM COMMITTEE MEMBERS**

- There were no comments.

15. THE LAST WORD: MR. JOHN REDDING

- Mr. Redding reviewed the goals that have been set by this committee.
 - 1) To prepare a budget using a detailed approach. With the adoption of the new budget; this goal has been met/completed.
 - 2) Come up with a balanced budget.
 - 3) Prepare a Strategic Financial Plan; this will soon be met.
 - 4) Process for eliminating a service; this is partially complete.
 - 5) Prepare a Marketing Plan.
 - 6) Prepare a Financial Assessment: in the process of doing this.

15. ADJOURN:

- The meeting adjourned at 5:55

John Redding, Chair

Gayl Moon, Secretary