



Healing Hands Close To Home

LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

MINUTES

LAST FRONTIER HEALTHCARE DISTRICT FINANCE COMMITTEE

Thursday, June 21, 2018 – 1:00 pm

Modoc Medical Center; Human Resource Conference Room; Alturas, California

Present:

- Michael Anderson
- Patrick Fields
- Dee White
- Dwight Beeson
- Bobby Ray

Absent:

- Kevin Kramer

Subject	Discussion	Action
1. Call to Order	Bobby Ray , Chair called the Last Frontier Healthcare District (LFHD) Finance Committee to order at 1:04 pm.	
2. Agenda Approval	Bobby Ray – Changes, additions, deletions to the Agenda. Patrick Fields added Discussion Item 6D. Questar Investment Account.	Michael Anderson moved to accept the Agenda as amended, Dwight Beeson seconded and the motion carried with all present voting “aye.”
3. Minutes of May 17, 2018 Regular LFHD Finance Committee Meeting	Dee White presented the minutes of the May 17, 2018 Regular LFHD Finance Committee Meeting.	Dwight Beeson moved to approve the May 17, 2018 Regular LFHD Finance Committee meeting minutes as presented, Michael Anderson seconded and the motion carried with all present voting “aye.”
3. Minutes of Special June 12, 2018 LFHD Finance Committee Meeting	Dee White presented the minutes of the Special June 12, 2018 LFHD Finance Committee Meeting.	Michael Anderson moved to approve the Special June 12, 2018 Finance Committee meeting minutes as presented, Dwight Beeson seconded and the motion carried with all present voting “aye;” however, Bobby Ray abstained because

Subject	Discussion	Action
		he was not present at this meeting.
4. Discussion Items		
<p>A. LFHD Financial Statement – May 2018 (unaudited)</p>	<p>Patrick Fields presented the unaudited LFHD Financial Statement for May 2018:</p> <p>Summary</p> <ul style="list-style-type: none"> • During the month of May, Modoc Medical Center reported Net Income from Operations of \$182,764, representing a higher income than was budgeted (\$202,687). The income for the month is was due to two factors - the realization of supplemental reimbursements from Medi-Cal and increased revenue from the Clinic. • Inpatient Revenue declined from prior month for the second consecutive month, while Outpatient Revenue increased by over \$440K. • Year-to-Date, the Operating Loss of (\$739,202) compares favorably to budgeted (\$1,937,011). • Net Income, including Non-Operating Activity, is \$197,485 and is below budgeted \$434,910. • Year-to-Date Net Income is \$1,909,190 against budgeted \$87,205. <p>Balance Sheet</p> <ul style="list-style-type: none"> • Cash increased this month by \$142K to \$15.390 million. The increase in cash was due to the Net Income for the month and Cash Collections of Accounts Receivable, a portion was offset by the continued funding of the New Hospital Facility construction. • Total Assets saw an increase of \$254K, comprised primarily in the Construction in Process increases. • Total Liabilities increased by \$56K; increases in Accrued Payroll were the cause of the increase. • Days in Cash are 348 while Days in Accounts Payable remained stable at 22. • Net Accounts Receivable as a percent of Gross Accounts Receivable increased this month to 43.5%. • Current ratio remains strong at 13.63 times. <p>Finance Director Review</p> <ul style="list-style-type: none"> • Gross Patient Revenue in May increased from April to \$2.556M. • Inpatient saw declines from the prior month, while Outpatient increased by \$440K. • Outpatient revenue increases were driven partially by the Clinic reporting revenues of \$337K for the month, more than doubling April revenues of \$149K. • Net Patient Revenue for the month was \$1,785K; the increase in Net Patient Revenue was from additional supplemental reimbursement from MediCal. 	

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	<ul style="list-style-type: none"> • Other revenue totaled \$27K. • Operating Expenses in May saw an increase from the prior month to \$1.630M, with the largest increases in Salaries and Professional fees. • When compared to Budget, Expenses were over budget by \$202K. The expenses that are over budget are tied to Staffing, Registry and Professional Fees. • FTEs did increase during the month from 154 to 162. Ambulance FTEs were up 2, driven by the run volume. • Net Operating Income for the month was \$182K. • Non-Operating Income for the month was \$14K. • The Retail Pharmacy operations contributed \$23K. • Other Expenses were District Vouchers of \$7K. • Net Income for the month was \$197K. • Month End Balance Sheet remained healthy with strong liquidity. • Current ratio declined slightly to 13.63x's, days in cash was 348 with days in Accounts Payable at 22. • Total Cash increased by \$142K during the month primarily from the Net Income for the month and receipt of IGT funds reducing other receivables. • Offsetting the Cash Income was continued increases in CIP of \$287K. 	
<p>B. FY 2019 Budget</p>	<ul style="list-style-type: none"> • Modoc Medical Center is budgeted for FY 2019 earn a Net Income of \$669,338, which is \$297,229 higher than projected FY 2018 total of \$372,109. • The FY 2019 budget calculations are based on the February 2018 YTD financial statements. Additionally, the process for building the budget included numerous instances of input and review from the CEO as well as personal meetings between the Finance Director and all department leaders. • Our internal financials are the primary source of information for building the budget, and outside sources such as our GPO were also utilized for inflationary factors, etc. • Kevin - Current Property Insurance increase (\$19K). • Moved funds from Travel Expense into Utilities. Will be purchasing a car for ER Docs. • Dwight Beeson had requested a breakdown on Other Expenses at the Special LFHD Finance Committee meeting on June 12, 2018. Patrick provided this breakdown to the committee. 	<p>Michael Anderson moved to approve the FY 2019 LFHD Budget as presented, Dwight Beeson seconded and the motion carried with all present voting "aye."</p>

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	<ul style="list-style-type: none"> • Bobby Ray asked if the increase in SNF revenue was due to increase in budgeted census. Patrick affirmed. • Bobby also asked about the budgeted cost of Benefits decreasing. Is this correct? Salaries up, how can this be down? • YTD \$1,473K. 	
<p>C. Finance Director Report</p>	<p>Patrick Fields reported on the Accounting Department.</p> <ul style="list-style-type: none"> • Coming up on year end. Making sure everything is cleaned up. Packing up this year's records. • Starting to work on the Cost Report. • Scheduled audit to start September 24. Wipfli team will be here. • Focus has been on the budget. <p>Bobby Ray asked about the status of the Hospitalist Program.</p> <ul style="list-style-type: none"> • Alex Ferber starts on June 25th. Faith Murray-Taylor talked with Matt Farson. A friend of Alex's is also a possibility. 	
<p>D. Questar Investment Account</p>	<p>Patrick Fields</p> <ul style="list-style-type: none"> • Wells Fargo CD maturing in August. • Recommending renew for 5 years. (Currently at 3.3-3.4%) • Other option. Call CD (3.8%) with annual call. • HSBC 221K maturing in September 2019, tied to 5 stocks. 5.75% return if stocks are higher than when we purchased. • Barclays tied to S&P 500. 18% return. 	
<p>7. Adjournment Bobby Ray adjourned the LFHD Finance Committee meeting at 1:45 pm.</p> <p>The next meeting of the Last Frontier Healthcare District Finance Committee will be Thursday, July 19, 2018 at 1:00 pm in the Education Conference Room at Modoc Medical Center in Alturas, California.</p>		

Respectfully submitted:

Dee White

Dee White
Last Frontier Healthcare District Clerk



June 21, 2018

Date