



Healing Hands Close To Home

LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

MINUTES
LAST FRONTIER HEALTHCARE DISTRICT
FINANCE COMMITTEE

Thursday, December 20, 2018 – 1:00 pm

Modoc Medical Center; Education Conference Room; Alturas, California

Present:

- Patrick Fields
- Kevin Kramer
- Bobby Ray
- Dee White

Absent:

- Michael Anderson
- Dwight Beeson

Subject	Discussion	Action
1. Call to Order	Because a quorum of Finance Committee members was not achieved, Bobby Ray , Chair, declared the meeting of the Last Frontier Healthcare District Finance Committee to be for information only.	
2. Agenda Approval	<p>Bobby Ray - Changes, additions, deletions to the Agenda.</p> <p>There was a discussion regarding the viability of the membership of the current Finance Committee.</p> <ul style="list-style-type: none"> • Bobby Ray to continue. • Appoint another Board member and another member at large. 	At the January Board of Directors meeting, Kevin will inquire of the Board as to what their understanding of “voting members” in Board committees.”
3. Minutes of August 16, 2018 Regular Last Frontier Healthcare District Finance Committee Meeting	Dee White presented the minutes of the August 16, 2018 Regular Last Frontier Healthcare District Finance Committee Meeting.	The minutes of the August 16, 2018 Regular Last Frontier Healthcare District Finance Committee will be held over until the next Finance Committee meeting on January 17, 2019.
4. Summary of September 20, 2018 Last Frontier Healthcare District Finance Committee Information Meeting	Dee White stated that a quorum could not be achieved at the September 20, 2018 Regular Last Frontier Healthcare District Finance Committee meeting. Consequently, a summary of the information that was discussed was presented.	No motion of acceptance needed.
5. Discussion Items		
A. HRG Financial Summary – November 2018	K. Kramer presented HRG’s Financial Summary for November 2018, speaking mainly from the dashboard.	

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	<ul style="list-style-type: none"> • Last 2 months were good cash collection months. • AR days at 61.8. Most of it has to do with DNFB. • Lost \$2.1M Gross Revenue in the month of August. • Accounts Receivable – 4.7% end of November. Last year 4.1%. Carrying more Accounts Receivable. • \$600K in Total Aging over 120 Days. • Medicaid. Kevin received second denial for SNF resident. If they have PHP, we assumed they would be approved. Treatment authorizations are required every 6 months. New person at PHP is now reviewing the TARs. Two residents have been discharged. • Now have criteria document for admissions from PHP. • Last 2 months’ denial percentages and dollar amount have increased. HRG moved to automated system with line level denial capability. Kevin is researching what the denials are actually for. HRG does have a denial report for Kevin to review. • Registration denials have jumped again. • Comm Log – November not a good month. Want the Comm Log around \$100K. It was at \$151K in November. Holidays are probably interfering. • Bad Debt as a Percentage of Gross lack of number is a mistake. • Page 6 – Accounts Receivable trend is going up. • Page 9 – clean claims rate is trending up. • Would be good to see trended denials using automation. 	<ul style="list-style-type: none"> • Kevin diving deeper into Revenue Cycle. <ul style="list-style-type: none"> ○ Bad debt. ○ Contractuals. • What are our actual bad debt write offs? • Kevin to have HRG re-issue the report and include these figures before the next Board meeting. • Kevin to check what actual bad debt write offs have been. Will also investigate payor mix.
<p>B. Last Frontier Healthcare District Financial Statement – November 2018 (unaudited)</p>	<p>Patrick Fields presented the unaudited Last Frontier Healthcare District Financial Statement for November 2018:</p> <p>Summary</p> <ul style="list-style-type: none"> • During the month of November, Modoc Medical Center reported Net Loss from Operations of (\$206,536), representing a lower loss than was budgeted (\$258,554). • The variation of the loss for the month from budget is primarily due to Net Patient Revenue Variances. • Inpatient Revenue declined from the prior month, while Outpatient Revenue increased from the prior month, Total Patient Revenue was \$2,426,741, up from \$2,304,094. • Year-to-Date, the Operating Loss of (\$1,520,149) was higher than budgeted (\$863,963). • Net Loss, including Non-Operating Activity (\$180,485), is better than budget by \$68,310. 	

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	<ul style="list-style-type: none"> Year-to-Date Net Loss is (\$1,469,070) against budgeted (\$790,076). <p>Balance Sheet</p> <ul style="list-style-type: none"> Cash declined this month by (\$626K) to \$14.083 million. The decline in Cash was due to the Net Loss coupled with a continued funding of the New Hospital Facility construction, \$669K. Total Assets saw a decline of \$61K, the Net Effect of Cash Reductions was due to construction in process increases. Total Liabilities increased by \$241K with the bulk in Increased Accounts Receivable. Days in Cash declined to 319 while Days in Accounts Payable were 20. Net Accounts Receivable, as a Percent of Gross Accounts Receivable declined by 1.0% to 40.9% Current Ratio remains strong at 11.74 times. 	
<p>C. Finance Director Report</p>	<p>Patrick Fields reported on the Accounting Department.</p> <ul style="list-style-type: none"> Cost Report finished. Staff is back. Denise off for week. 	
<p>D. CEO's Report</p>	<p>Kevin Kramer presented the following updates:</p> <p>Retail Pharmacy</p> <ul style="list-style-type: none"> Retail Pharmacy is doing well. 340B is still being worked through. HRSA was informed and responded. We will reach out to MediCal for double discounts. PHP to connect with State rebate person. ScriptPro IT staff unilaterally made a decision that affects financials. It is being reviewed. Daily transactions in ScriptPro at the retail pharmacy dumped to TMPS. Difficult to determine how it actually works. Kevin and Patrick reviewed August through August (one year). The retail pharmacy is still break even. Hospital Pharmacist willing to work a few hours a week at the retail pharmacy and a floater is regularly scheduled to work there on Mondays and Tuesdays. FTEs are down. SNF census down a bit. <p>Investment</p> <ul style="list-style-type: none"> Liquidated the Barclay CD and reinvested as presented to Board. <p>New Facility</p> <ul style="list-style-type: none"> November Outlay Report. Revised budget. Accumulation to date. Site work elements broken out. \$175K in change orders expected for Phase I Site Work. \$160K for contingencies for site work left. Saved a little money and a lot of time on the schedule. Decommission of our current building is an unbudgeted cost. 	

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	<ul style="list-style-type: none"> OSHPD requires that to hand off the building, we have to bring it up to building inspector approval. Chester Robertson wants the building, but does not want to sign for asbestos-free occupancy. Marty Shaffer is gathering cost to demolish building. Kevin just talking about the hospital portion. Need to have a plan to move the SNF within 5 years to retain dependent-part skilled nursing facility rate. County wants the Accounting trailer. It will go or stay depending on what Dominic Budmark determines has to be done. Kevin is researching whether we can leave hospital building vacant and not decommission for a period of time. Focus is on paying down USDA loan and moving SNF to new campus. USDA changing form of backing. Will not be bonds. Will be issuing Certificates of Participation. <p>CA 299 Collaborative</p> <ul style="list-style-type: none"> The Collaborative has acquired a \$600K grant to deal with the opioid/narcotics crisis in the northern counties. We are looking to have the grant fund a licensed certified social worker (LCSW) for 4 days a week in the Clinic, in part, to assist providers in consistent practices to attain pain management standards. <p>Rural Life Flight</p> <ul style="list-style-type: none"> Kevin is still looking into this. Our attorneys are reviewing it also. We could invest and then profit share in proportion to investment. Kevin is waiting on their legal opinion, then he and Patrick will review financial projections. <p>Provider Search</p> <ul style="list-style-type: none"> Looking for a <i>locums</i> physician. Have had two calls with mid-levels. Site visits for both. Still looking for two physicians. 	
<p>7. Adjournment The next meeting of the Last Frontier Healthcare District Finance Committee will be Thursday, January 17, 2019 at 1:00 pm in the Education Conference Room at Modoc Medical Center in Alturas, California.</p>		

Respectfully submitted:

Dee White
Last Frontier Healthcare District Clerk

Date