

**EASTERN RIO BLANCO COUNTY HEALTH SERVICE DISTRICT
PIONEERS MEDICAL CENTER
MONTHLY MEETING OF THE FIANANCE SUBCOMMITTEE
BOARD OF DIRECTORS
April 27, 2021**

DIRECTORS PRESENT:

Kim Brown (President)
Mark Schryver
Regas Halandras
Todd Shults (Secretary)

Kai Turner - Absent (Vice-President)

OTHERS PRESENT:

Liz Sellers -CEO
Michael Santo & Christina Harney - Counsel
Tim Howard – Interim CFO
Danette Coulter – PFS
Dan Olson – Compliance
Eric Jones, QHR

PUBLIC PRESENT:

Nicki Turner – Rio Blanco Herald Times
Vicky Crawford
Bill and Donna Wille

President Brown called the monthly meeting of the Eastern Rio Blanco County Health Service District Finance Subcommittee to order.

President Brown read the PMC Mission Statement for Board consideration.

APPROVAL OF AGENDA:

A motion was made to approve the meeting agenda by Regas Halandras, seconded by Todd Shults. Motion carried.

APPROVAL OF MINUTES:

Due to corrections requested, the March minutes will be approved at the May 2021 meeting.

FINANCIAL REPORTS AND UPDATES:

Tim Howard, interim CFO reported –

PMC’s auditors, DZA, believe revenues were overstated for Accounts Receivable. This is being researched and once that entry is finalized, it is believed that will improve our bottom line for year end 2020.

The Board was presented with the day's cash on hand at 98, however Tim believes this will go up once other identified available cash is added into the calculation.

The government had initially indicated PMC had to use the COVID money given by June 30th but since that point in time, this date has been amended to by December 31st. We are working with Quorum's reimbursement experts to make sure we have identified the amount remaining to be spent by that date. PMC pulled some of these funds into income last year to offset lost revenues and Covid expense.

There was some discussion of the \$5,000,000 provided by Novitas, which is supposed to either be paid back or taken out of Medicare payments going forward until fully repaid. At this point in time, it is not clear if the government will require it be repaid in its entirety or some of it perhaps given to hospitals without any repayment needed. If it is decided the full amount needs to be repaid, the Board would like to pay it in full and not have Medicare take it back as they see fit. It was decided PMC would wait until the government came up with a firm plan on how funds were to be repaid or not before making the decision to pay it back in full.

Tim indicated going forward he would like to prepare more trending reports in analyzing the financial conditions of PMC.

Tim indicated that gross revenues are up over prior year (\$2,977,657.46), and included additional reports this month in the meeting packet reflecting that improvement.

Revenue deductions are up as they had been at 33% of gross revenue for 2020, and now are at 36% for 2021. The auditors, DZA, are scheduled to report to the board in May and at that time should be able to report how much any adjustments will be.

A variance was noted in benefit expense account resulting in a year to date reduction of 21.37%. Tim is auditing these accounts to be sure we are balanced/accurate with the group insurance and retirement accounts.

Liz was asked about HR getting salaries brought up to current market conditions, and she indicated these matters are all resolved.

Mark asked about contracted services contracts and Tim will get information together and report back to Board.

Tim presented a new report called Charges by Department, which compares by department the amount of charges year to date for 2020 and 2021. This report reflects an increase of charges of \$3,007,843, or a 32.8% increase. The largest dollar increases were derived from surgery (up \$1,905,935 or 14.5%), CC implants (up \$944,429 or 77.8%), MFHC Ortho Department (up \$395,526 or 69.9%), Cardiopulmonary (up \$281,893 or 135.9%) and Swing Bed (up \$276,854 or 176.1%).

On the Actual Budget Comparison report for the 1st quarter, gross revenue is over budget 10.6%, net revenue is over budget 4.6%, and operating expenses are over budget 5.5%.

On the monthly Board Statistic Report, the Hospital days in Accounts Receivable in March 2021 were down to 42 from 48 days in February 2021.

Tim informed the Board that if there are any specific invoices they would like to see that are listed on the A/P Check Register, he will bring them to the next meeting.

Tim informed Board Members present that he reconciled the Bank Statements for the Pioneers Healthcare Foundation Board meeting and provided financial reports to that entity at their last meeting.

It was noted on the list of deposits for PMC that the CD currently listed as restricted would be changed to unrestricted and the penalty amount that would be charged should it be withdrawn listed as the restricted portion of that deposit balance. Including this CD less the cashing penalty as unrestricted cash being included in the amount available, the unrestricted day's cash on hand went up to 224.

The Board was presented with the Best Potential Days Worksheet showing the payer mix for PMC. Danette reported the payer mix is 50.1% Medicare, 7.6% Medicaid, 19.1% Managed Care, 20.6% Commercial, and 2.6% Self Pay. Medicare continues to pay 99% of cost.

Capital budget requests were moved to the regular Board Meeting for consideration there. Tim indicated the ER will request new PC's and monitors at roughly \$1,200 cost each.

The Sleep Lab Financial Information report was presented to the Board, showing the status of every claim, what has been billed and what has been reimbursed as of March 31, 2021. Total charges through that date are \$111,603. To date, PMC has received primary insurance reimbursements of \$18,640.90, with all charges in March not yet paid (\$87,387). Liz indicated there are many claims to be charged and expected to be paid in April 2021.

PMC will complete a retroactive review on claims billed, amount received, and compare that with what the contracts with that payer party reflect should be to insure they are paying the correct amount or percentage of bill they are obligated to.

A motion made by Todd Shults to approve and accept the A/P Check Register, and recommend its approval by the Board in the regular Board meeting. Motion seconded by Mark Schryver. Motion carried.

Todd Shults made a motion to adjourn the Finance Subcommittee Meeting. Motion seconded by Regas Halandras. Motion carried.



Kimberly Brown, President



Todd Shults, Secretary



Cindy Rholl, Recorder