

TITLE: Joint Finance and Planning Committees Meeting
DATE/TIME: September 19, 2023
LOCATION: Executive Board Room and via Zoom Meeting

I. CALL TO ORDER

The Joint Finance & Planning Committees meeting was called to order by Earl DeFur at 7:02 a.m.

Board Attendance: Earl DeFur, Larissa Kimball, Judy Barbera, Shane Roe, Brad Turpen- CEO,

Staff/Guests: Corey Furin- CFO, Matt Godfrey- Executive Director of Physician Services, Eriko Martian- Controller, Victoria Mendoza- Executive Assistant/Med Staff Coordinator,

ABSENT: Roger Folwell-Facilities,

II. AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes 08/21/2023

Motion: Brad Turpen moved to approve the consent agenda. Larissa Kimball seconded the motion. No objections, the motion passed.

B. Financial Statements

1. Review August Financial Statements

- Volumes
 - Med Surg: 28 patient days
 - OB Patients: 0 patient days
 - Swing Bed: 17 patient days
 - Family Medicine: 735 patient visits – Uptick from last month. This is the first full month without Dr. Mumford and the numbers did not drop.
 - Urgent Care: 461 patient visits – ahead of the previous year.
 - Observation Hours: 473 hours
 - 393 Emergency Visits
 - 63 Surgeries/Scopes – ahead of previous month and year.
 - Lab Testing: 3,150 tests
 - Imaging: Overall numbers are good. CT volumes are ahead of the prior month and year. MRI services are limited due to the MRI being down.
 - Sleep lab is in the double digits at 12 for the month of August.
 - Infusion: 82 – The Emergency Department captured about 19 visits in this volume and 63 visits are for the infusion center.
- Income Statement
 - Total Patient Revenue for August was \$2.9M. Last year this number was \$3.1M.
 - The expense reduction compared to the 4-month run rate of Oct-Jan came in at 14%

Discussion:

Earl asked if the Payroll Taxes and Benefit will normally be around \$280K on the income statement. It was noted that it depends on the month. Corey also added if physicians take time off that will be noted on Salaries & Wages rather than payroll taxes and benefits. Larissa asked if Orthopedics is included in the Specialty Clinic volumes and if there is a report that generates which specialties are more utilized by patients. Matt noted all specialty's visits are noted in the volumes. Matt also added there are no reports that verify more utilization with a certain specialty, but the orders provided by the specialists show

good indicators that all specialties are being used.

- Balance Sheet
 - \$413K cash and \$4.3M in investments.
 - Gross Patients Accounts Receivable for August was \$6M. Net Patient Receivables were \$3.1M
 - Accounts Payable were \$480K for August.
 - Current Liabilities: \$1.5M.
 - There is \$4.7M cash reserves in LGIP (Local Government Investment Pool) and it is collecting good interest amounts.
- Cash Flow
 - The month of August ended at a \$70K positive cash flow standpoint.
- Trending Income Statement
 - With the intense focus on our expense control, we have been able to get to \$59K per day for expenses which is the lowest we have been since 2021.
- Revenue by Financial Class
 - For the month of August, we are at 91% OP and 9% IP. This number is still expected to continue to shift as we enter more months without Labor & Delivery services.
- Gross A/R Days
 - August A/R days dropped from 70 to 61. This was a good a month for Revenue Cycle
 - Cash receipts collected were \$2.2M. September will be around \$1.8M but we would like to continue trending around \$2.2M and above.
 - Corey updated that this week is TruBridge's onboarding. Coding audits will commence. Darlene Mangrum has also started and has jumped into focusing on customer service and accuracy
- Gross A/R Trending
 - There has been lots of effort in receiving payment in less than 90 days. The total number has shifted from \$7M to \$5.9M, which captures the amount of work that has been put forth.
 - We are beginning to receive some reimbursement on the claims that had no prior authorizations.
 - This is the first full month that 0% financing has been available through Epic River. Corey is looking into a similar program called AblePay. This program pays like an insurance company where there is a discount that is adjusted off but no recourse rate. Corey will continue to investigate whether the program would suit Valor's needs.

Discussion:

Earl asked if we would continue to see the 3% impact shift for the inpatient and outpatient payer mix percentage. Corey noted we have seen this shift even before the end of Labor & Delivery services and it is believed to continue as we shift the focus to outpatient revenue.

Motion: Larissa Kimball moved to approve the Financial Statements for August 2023. Earl Defur seconded the motion. No objections, the motion passed.

C. Bad Debt & Charity – August – ACTION ITEM

1. Bad Debt write off \$129,287.
2. Charity write off \$3059
 - The 12-month average is 4.2%
 - August is at 4.4%

Discussion:

Earl asked if AblePay would make a big difference on the bad debt totals. It was noted AblePay would not be reflected in this report since it would be a contractual adjustment.

Motion: Brad Turpen moved to approve the Bad Debt and Charity write-offs for August. Larissa Kimball seconded the motion. No objections, the motion passed.

D. Finance Committee

1. General Discussion
 - Total cash has been increasing since March. We have received 2 of the 3 Employee Retention Credit (ERC) payments. The third one is in final review with the IRS and Corey checks the status every 4-6 weeks.
 - There will be \$800K from FEMA that will arrive in October. There was another methodology submitted for \$900K for the overtime usage that was used in 2022, but more than likely the methodology will be asked to be resubmitted. Corey will give continual updates.
 - Brad added our total cash has exceeded prior year for the first time in at least 12 months. Corey commented that in January/February 2023 we were at 34days cash on hand, now we are at 70. The goal for FY24 will be to maintain at 70 and increase it to 90 days.
2. Finance Committee Dashboard- Corey gave a brief review of the dashboard.
3. Corey will send an updated overview of the income bridge out this week.

Discussion:

Larissa asked if there has been a mix of patients with our county growth. It was noted that there is, but it is hard to see a pattern. Earl asked about any capital items ready to go for approval. Corey noted there is not any at the moment and added there is work being done on what will be prioritized and the amount that will be spent each quarter and will give an update at the next meeting.

E. Planning Committee

1. General Discussion
 - Proposed Planning meeting
 - Brad reported that there has been a tentative date proposed for the Planning meeting being the 2nd Thursday of every 3 months. He did check the Board Bylaws and there is no requirement on how often the committees need to meet.
 - The goal of a separate meeting is to have enough time to focus on Planning goals and strategies. Discussion about capital purchases, workforce, and similar will be held as a joint committee with Finance.
2. FY23 Planning Committee Dashboard
 - City/County Leader Interaction – Green – Brad and Corey met with the County Commissioners yesterday and they will meet with the City Council on October 10.
 - Board Performance – Green – The planning committee charter was finalized and sent to the Board. There has been great engagement with the Board processes.
 - Facilities/planning – Green – this item is on hold for FY24.
 - Capital investment – Green – The FY24 Capital Budget was approved last month by the Finance/Planning Committee and the Board.
 - Workforce planning – Green – There are quarterly reports provided by our HR manager that focuses on employee turnover, years of service and traveler usage

- percentage.
 - Valor Strategic plan – Green – FY23 strategic plan. There are some items that were placed on hold but the status of items still in the yellow category will be updated.
3. Board Goals Dashboard*
- This was not discussed.

F. Strategic Goals

1. FY23 Strategic Plan Review

- An update will be provided on the FY23 Strategic Plan to the items on hold for FY24.

2. FY24 Strategic Plan Draft

- A survey was sent to the Board representatives, and physician leadership with only a few responses received. After obtaining feedback, the executives created the plan and prioritized the objectives in each pillar.
- A draft for the FY24 Strategic Plan was shared with the Finance and Planning Committee, a final draft will be presented at the Board meeting, an overview included:
 - Organizational Framework
 - Move towards independence from the county to better serve the community's healthcare needs.
 - Execute a service needs analysis to determine a plan on expanding services for the community.
 - Expand culture on the Speed of Trust and focus on giving quality customer service to remain consistent.
 - Develop partnerships that could fulfil the community needs and attempt to create Valor as a specialized facility targeting our focus population.
 - Fresh Facilities
 - Focus on completing the operational and financial aspect of Valor Health Center to successfully open the doors in FY24.
 - Secure adjacent land to further expand services at Valor Health Center.
 - Implement our public relations campaign to be able to leverage Valor Health and the value it brings to the county.
 - Touch up on minor interior renovations throughout the Valor hospital.
 - Focus/Population
 - Restructure the Value Based Care program in a way that will help us hit target goals to receive reimbursement.
 - Focus on our target population that includes Behavioral Health, women and children's health, and services for educators.
 - Assess the feasibility of creating an occupational health program to investigate the benefits and whether they fit community needs first targeting our agricultural workers, educators, and self-employed population.
 - Operational Excellence
 - Create consistency in our patient value with customer service across the entire organization. Standardize workflows that focus on accuracy and quality outcomes.
 - Determine whether a Higher Reliability Organization (HRO) better suits Valor rather than International Organization for Standardization.
 - Optimize new service lines such as our Chemotherapy and Lab Outreach program and create a process built for success.
 - Implement operations for our financial tool, NetSuite, and create a roadmap of financial viability to transition into a new Electronic Health Record (EHR).

Discussion: Shane mentioned it was difficult to complete the survey since there was a lot of fill in the blank. Brad noted the survey would be optimized next fiscal year. Larissa mentioned when completing the service needs analysis, it would be wise to focus on populations outside of Gem County. Matt noted that is one of Valor's focus and part of his research when adding new service lines. Brad added that is also why the feasibility of an occupational health program is one of the objectives because it's a great service for Valor Health to establish this in the community.

Motion: Shane Roe moved to approve the FY24 strategic plan with the final draft being displayed to the Board. Larissa Kimball seconded the motion. No objections, the motion passed.

G. Valor Health Center

1. Steering Committee Update

- Matt reported that the Bank of Idaho has committed to finance both the construction and long-term loan.

Discussion: Dave Shaw, Corey, and Brad presented for the County Commissioners on the Valor Health Center. They briefly discussed financial viability, what the proforma looks like and answered any questions or concerns the commissioners had.

H. Master Facility Plan

1. General Update

- On hold for FY24.

I. Other Business – No other business

III. NEW BUSINESS

A. Executive Session – None

Being no further business, the meeting was adjourned at 8:43 am.