

TITLE: Finance Committee Meeting
DATE/TIME: January 14, 2026 at 7:30 am
LOCATION: Executive Board Room and via Zoom Meeting

I. CALL TO ORDER

The Finance Committee meeting was called to order by Judy Barbera at 7:02 a.m.

Finance Committee Attendance: Judy Barbera, David Little, Brad Turpen- CEO, Michael Sokolowski-CFO, Matt Godfrey- Ex.Dir. Physician Services, Eriko Martian- Controller

Staff/Guests: Victoria Mendoza – Executive Assistant

ABSENT: Earl DeFur, Kathy Prindle – Ex. Dir, Clinical Services

II. AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes 12/19/2025

Motion: David Little moved to approve the consent agenda with corrections to the minutes. Judy Barbera seconded the motion. No objections, the motion passed.

B. Financial Statements

1. Review of December Financial Statements

- Med Surg: 9 patient days
- Swing Bed: 12 patient days
- Sleep Lab: 9 studies
- Valor Health Family Medicine: 504 patient visits
- Valor Health Center (VHC) – 232
- VHC Urgent Care – 557 – increased 41% compared to previous month, reflecting positive momentum following the VHC grand opening at the more convenient location
- Specialty Clinic: 527 – increased 14% compared to previous month.
- Observation Hours: 492 observation hours
- 430 Emergency Visits – increased compared to previous month.
- 39 Surgeries/Scopes
- Pain – 32 – a decrease from the previous month; leadership continues to explore solutions to address OR space challenges for pain procedures
- 46 Infusions - increased 35% compared to previous month.
- Lab Testing: 4,301 tests
- Lab Outreach – 1,426 tests – reflecting a decrease primarily due to the loss of a clinic site. Unity Health (Lab Outreach site) has begun to increase utilization as progress is made on the interface and client billing process.

- Income Statement

- Total Patient Revenue for December was \$4.1M.
- Contractual adjustment is at 46%.
- Professional Services expenses increased by a little over 30% compared to previous year.
- December ended at a loss of \$44K for Total Net Income mainly driven

to lower volumes in November and December.

- Balance Sheet
 - \$833K in Cash and \$5.6M in Investments.
 - Accounts payable – \$904K
 - Gross Patients Accounts Receivable for December were \$9.7M.
 - Net Patient Account Receivables were \$5.4M.
 - Accounts Payable were \$904K.
 - Current Liabilities were \$2.9M.
 - Michael and Eriko will discuss and confirm with Mountain West Bank whether the lowered interest rate of 5.5% related to the VHC lease amendments will be retroactive to August 2025 upon signing.

- Cash Flow
 - December ended with a decrease in cash flow of \$268K. The upcoming months are projected to have positive cash flow with increases in Volumes and Patient Revenue.
 - Medicaid Third-Party Settlement for FY22 was paid in December at \$599K.
 - Total cash at the end of period is \$5.6M.

- Trending Income Statement
 - Contract labor expenses increased by 30%, largely due to challenges with travel agencies currently utilized
 - Additional travel agencies are being explored, but expenses may continue to rise due to high market competition.

- Revenue by Financial Class
 - December ended at 6% - Inpatient, and 94% - Outpatient for financial class.
 - Commercial insurance utilization and revenue continue to increase for outpatient services.

- Gross A/R Days
 - A/R days increased in December due to lower cash collections and reduced volumes.
 - Michael continues to work with the Revenue Cycle team to address workflow challenges and barriers impacting A/R reduction.

- Gross A/R Trending
 - Improvement noted in the 150+ day A/R bucket, as the teams focus on resolving older accounts
 - Ongoing challenges remain in filling the Revenue Cycle Manager position.
 - Commercial insurance claims processing has experienced delays due to short staffing in the Business Office.

Discussion: Judy asked what the projected budget goal for Total Patient Revenue in FY26 is. Michael reported it is \$4M per month.

David asked what expenses are categorized in Professional Services. Brad reported provider salaries and service contracts.

Motion: Brad Turpen moved to approve the Financial Statements for December 2025. Judy Barbera seconded the motion. No objections, the motion passed.

C. Bad Debt & Charity – December – ACTION ITEM

1. Bad Debt write off – \$203,304
2. Charity write-off – \$4,989
 - BD recovery rate is at 29% which is a positive trend for the size of our organization.
 - Point of Service (POS) collections increased this month as registration teams focus on co-payment collections. Rocio Perez, PAS, was recognized for her excellent customer service and cash collection.

Motion: Brad Turpen moved to approve the Bad Debt and Charity write-offs for December 2025 with correction the Self-Pay payments. Judy Barbera seconded the motion. No objections, the motion passed.

D. Finance Committee

1. General Discussion
 - Michael and Eriko are completing the final reconciliation for the FY25 VHC Capital Budget, which is projected to come in under the approved amount of \$910K.
2. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.
 - David expressed appreciation for the inclusion of the debt-to-service ratio. However, it was agreed to add a total debt graph to improve clarity and accuracy.

III. NEW BUSINESS

A. Executive Session – None.

Being no further business, the meeting ended at 8:11 am.