

**TITLE:** Finance Committee Meeting  
**DATE/TIME:** February 17, 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 1/14/2025

**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 January Financial Statements

- Med Surg: 32 patient days
- Swing Bed: 49 patient days – positive increase compared to previous months.
- Sleep Lab: 13 studies
- Valor Health Family Medicine: 645 patient visits – positive increase now that our providers are back from leave.
- Valor Health Center (VHC) – 276 – increase from previous month.
- VHC Urgent Care – 466 – decreased compared to previous month and year.
- Specialty Clinic: 432
- Observation Hours: 375 observation hours
- 375 Emergency Visits
- 50 Surgeries/Scopes
- Pain: 28 – slight decrease from the previous month. Leadership continues planning renovations to convert the Radiology suite into an Interventional Suite to support increased procedural volume.
- 41 Infusions
- Lab Testing: 3,910 tests – decreased volumes compared to prior months, likely related to slower outpatient activity.
- Lab Outreach – 1,465 tests
- Pharmacy: 3,770 – increase compared to the prior year, likely driven by higher Acute Care and Swing Bed volumes.
- Imaging: Overall volumes increased across modalities, except for a slight decrease in CT. Imaging contributed positively to February's strong revenue performance.

- Income Statement

- Total Patient Revenue for January was \$4.5M.

- Contractual adjustment is at 50% influenced by increase payer denials and the 6% price increase implemented at the beginning of FY26.
- Expenses were increased by 13% due to increased traveler usage in clinical areas.
- January ended with a decrease in Net Income of \$203K.
- Balance Sheet
  - \$598K in Cash and \$4.2M in Investments.
  - Gross Patients Accounts Receivable for January were \$10.8M.
  - Net Patient Account Receivables were \$6.1M.
  - Accounts Payable were \$817K.
  - Current Liabilities were \$3M.
  - Overall cash investment has decreased 14%.
- Cash Flow
  - January ended with a decrease in cash flow of \$807K.
  - Total cash at the end of period is \$4.8M.
- Trending Income Statement
- Revenue by Financial Class
  - January ended at 6% - Inpatient, and 94% - Outpatient for financial class.
  - Overall trends indicate lower inpatient utilization among commercial payers, while outpatient commercial utilization continues to increase, reflecting a positive trend.
- Gross A/R Days
  - A/R days increased in January due to lower cash collection.
- Gross A/R Trending
  - Overall A/R days, particularly in older aging buckets, are decreasing as teams continue focused efforts on cleaning up older accounts and improving denial workflows.
  - Orthopedic and Pain Management charges are contributing to slower cash collections in the 0–90-day A/R buckets, while new procedure charge codes are being finalized.

*Discussion:* David asked what the target is for Contractual Adjustment. Michael reported for a Critical Access Hospital, it is ideal to be within 48-52%. However, as we update the Chargemaster, better reporting and tracking will be available for Contractual Adjustment.

**Motion:** David Little moved to approve the Financial Statements for January 2026. Brad Turpen seconded the motion. No objections, the motion passed.

**C. Bad Debt & Charity – January – ACTION ITEM**

1. Bad Debt write off – \$80,991
2. Charity write-off – \$8,464
  - Bad debt write-offs have not increased, and balances in older accounts continue to decrease, indicating progress in resolving aging receivables.

Point-of-Service (POS) collections are increasing as processes improve and copay collection efforts become more consistent. Michael is currently exploring additional resources to support pre-procedure payment collection, particularly for higher-cost surgical cases.

**Motion:** Brad Turpen moved to approve the Bad Debt and Charity write-offs for January 2026 with correction the Self-Pay payments. Judy Barbera seconded the motion. No objections, the motion passed.

#### **D. Finance Committee**

##### **1. General Discussion**

- Michael is developing the FY25 Capital Budget expenses and reconciliation for review by the Finance Committee.
- A second appeal was submitted to FEMA in November of last year. \$17.7K was received for overhead expenses; however, \$151K was denied, and \$321K was recognized as eligible expenses. FEMA has not yet released the payment and there is no set date on when it will be received.

##### **2. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.**

- David appreciated the monthly debt schedule Eriko put together for the Finance Committee to review.

*Discussion:* David asked whether an application had been submitted for new equipment funding through the Rural Health Transformation Grant. Michael confirmed that an application was submitted requesting 20% of available funds to support new equipment purchases.

### **III. NEW BUSINESS**

#### **A. Executive Session – None.**

Being no further business, the meeting ended at 8:17 am.