

TITLE: Finance Committee Meeting
DATE/TIME: March 24, 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, Kathy Prindle – Ex. Dir, Clinical Services; Eriko Martian- Controller

Staff/Guests: Victoria Mendoza – Executive Assistant

ABSENT: Earl DeFur

II. AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes 2/17/2026

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

B. Financial Statements

1. Review of February Financial Statements

- Med Surg: 33 patient days
- Swing Bed: 7 patient days
- Sleep Lab: 16 studies
- Valor Health Family Medicine: 668 patient visits
- Valor Health Center (VHC) – 214 – decrease from previous month.
- VHC Urgent Care – 526 – increase compared to previous month
- Specialty Clinic: 537
- Observation Hours: 499 observation hours – increase in observation versus inpatient stays, likely due to reduced length of stay for orthopedic procedures
- 379 Emergency Visits
- 50 Surgeries/Scopes
- Pain: 44 – increased from previous months. Growth in this service line continues; Radiology suite renovation is progressing, and a Medical Assistant has been hired to support coordination.
- Lab Testing: 4,684 tests
- Lab Outreach – 1,485 tests
- Pharmacy: 3,275
- Imaging: Volumes increased across modalities, continuing to positively impact revenue

- Income Statement

- Total Patient Revenue for February was \$4.6M with Total Operating Revenue ending at \$2.4M for February.
- Salaries and contract labor expenses increased, however, salary expenses are trending at 5%, below the projected 6%.
- Contractual adjustment remains steady at 50%.

- Professional Services expenses increased due to the addition of Capital Surgical Associates (Orthopedics).
- Supply Chain efforts continue to optimize contract utilization and reduce costs across departments.
- Balance Sheet
 - \$623K in Cash and \$4M in Investments.
 - Gross Patients Accounts Receivable for February were \$11.6M.
 - Total Assets increased 16% compared to previous year.
 - Accounts Payable \$1.11M – increase due to timing of check runs and higher physician expenses.
 - Net Patient Account Receivables were \$6.5M.
 - Current Liabilities were \$3.2M.
- Cash Flow
 - Medicare Cost Report indicated an estimated payable of \$99K.
 - February ended with a decrease of \$248K.
 - Total cash at the end of period is \$4.6M.
- Trending Income Statement
 - Days Cash on Hand is 65, which is favorable, but we will continue to monitor closely while focusing on expense management.
- Revenue by Financial Class
 - Revenue mix for February ended at 6% - Inpatient, and 94% - Outpatient.
- Gross A/R Days
 - A/R days increased in February, but there is improvement anticipated with fully staffed Revenue Cycle team.
- Gross A/R Trending
 - Overall, the 180+ bucket continues to decrease, nearing \$1.9M.
 - Ongoing efforts in coding accuracy and claim audits are underway to reduce denials and improve collections.

Discussion: David asked what the volume would look like for Family Medicine at full capacity. Michael noted there is variability based on provider appointment preferences with an estimated range of 8-16 patients per provider per day. Michael added additional analytics will be available such as “no show” rates or “RVU by provider” now that we are recruiting a Financial Analytic Specialist. David asked if the first payment for Valor Health Center would be in the March financial statements. Eriko confirmed that it was accrued and paid in March. David asked if there are good reports in place to see which providers are behind on charting. Brad confirmed we are tracking DNFB (Discharge Not Final Billed) days that are sent daily. David asked what the current interest rate is for our LGIP (Local Government Investment Pool) account. Eriko reported that it is currently at 3.8%.

Motion: David Little moved to approve the Financial Statements for February 2026. Judy Barbera seconded the motion. No objections, the motion passed.

C. Bad Debt & Charity – February – ACTION ITEM

1. Bad Debt write off – \$202,592
2. Charity write-off – \$18,076
 - Michael reported the publication of a Registration Workflow binder in MCN, standardizing Patient Access processes to ensure accurate demographic capture, improve point-of-service collections, and reduce claim denials.

Motion: Brad Turpen moved to approve the Bad Debt and Charity write-offs for February 2026 with small corrections. Judy Barbera seconded the motion. No objections, the motion passed.

D. Finance Committee

1. General Discussion
2. FY26 Capital Budget
 - No capital expenses last month, and several are anticipated in the coming months.
3. FY25 DZA Financial Audit
 - Luke Zarecor, DZA CPA and Owner, will be at the Board of Trustees meeting on March 31 to present the FY25 Financial Audit.
 - Audit reports and financial statements will be distributed to the Board in advance.
4. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.

III. NEW BUSINESS

A. Executive Session – None.

Being no further business, the meeting ended at 8:05 am.