TITLE: **Finance Committee Meeting**
DATE/TIME: **May 19, 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,
Staff/Guests: Victoria Mendoza – Executive Assistant
ABSENT: Earl DeFur, Eriko Martian- Controller, Kathy Prindle – Ex. Dir. Clinical Services

II. AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes 4/21/2026

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

B. Financial Statements

1. Review of April Financial Statements
    - Med Surg: 25 patient days
    - Swing Bed: 1 patient day – May may have additional Swing Bed days as efforts increase with referrals.
    - Sleep Lab: 16 studies
    - Valor Health Family Medicine: 559 patient visits
    - Valor Health Center (VHC): 258 patient visits
    - VHC Urgent Care: 506 patient visits
    - Specialty Clinic: 462 encounters
    - Observation Hours: 683 observation hours
    - 406 Emergency Visits
    - 61 Surgeries/Scopes
    - Pain: 65 – increased as Interventional Pain Suite has accommodated growth for additional procedures.
    - Lab Testing: 4,666 tests
    - Lab Outreach: 1,773 tests – There was a meeting held in the beginning of the month that provided great discussion on creating solutions to the challenges faced with billing and the interface.
    - Pharmacy: 3,125
    - Imaging: Volumes decreased across modalities, but increases were seen in MRI and CT.

- Income Statement
    - Total Patient Revenue for April was $4.8M.
    - Total Operating Revenue ending at $2.2M for April.
    - Contractual adjustments increased to 55%, primarily due to efforts to collect and reconcile older accounts receivable (AR). Katie Beevers, Revenue Cycle Manager, completed an analysis of aged AR balances

  - that remain collectible. Michael is also working with DZA auditors to benchmark industry standards for aged AR.
  - Expenses increased 13% compared to previous year, driven by contract labor, Salary Expenses, and Professional Services. Radiology and Nursing continue to face challenges with staffing resulting in additional traveler usage.
  - Michael worked with Dani Bickford, Clinical Educator, to send out training on Relias (Learning Management System) for our Chargemaster and Good Faith Estimates.
  - April ended with a Net Income loss of $388K.

- Balance Sheet
  - $538K in Cash and $4.2M in Investments.
  - Gross Patients Accounts Receivable for April were $10.3M
  - Accounts Payable $806K.
  - Net Patient Account Receivables were $5.7M.
  - Current Liabilities were $3.4M.
  - Compared to previous year, our collection efforts were at 55%. This year we are averaging 43%. Leadership continues to focus on stabilizing staffing and improving cash collections.

- Cash Flow
  - Total cash at the end of period is $4.7M.
  - There was a positive increase in Cash Flow of $360K for April.

- Trending Income Statement
  - The last effort on cleaning up old AR accounts was in August of FY25 which displayed a similar Net Income Loss to April 2026.

- Revenue by Financial Class
  - Revenue mix for April ended at 5% - Inpatient, and 95%.

- Gross A/R Days
  - Accounts receivable days remained steady in April. AR days decreased to 67, with the goal to be at 45 days by the end of FY26.

- Gross A/R Trending
  - With the large effort on older age accounts, there were notable decreases in the 91-180+ buckets.

Discussion: Judy Barbera asked whether MRI volume should be increasing further with the addition of the orthopedic service line. Michael reported that Orthopedics has been a positive contributor to MRI growth and the notable decrease is from less Emergency Department utilization.
David Little asked whether the effort required for the Lab Outreach program may be impacting collection efforts in other areas and whether hiring a dedicated Lab Outreach biller had been considered. Michael reported that several options, including dedicated billing resources, are being evaluated; however, stabilizing staffing remains a challenge.
David further inquired whether the Lab Outreach program generates sufficient revenue to justify additional resources. Brad reported that the program generated

approximately $224K in additional revenue during FY25. He added that, once current billing and interface challenges are resolved, the program is expected to provide meaningful revenue that will help offset EHR expenses.
The committee discussed Lab Outreach challenges in greater detail. David suggested evaluating the amount of staff time required to process Lab Outreach claims compared to other claim types.
David also asked whether late documentation reports are being consistently reviewed. Matt reported that the Physician Leadership Council (PLC) reviews these reports weekly and that the Discharged Not Final Billed (DNFB) report is distributed daily to Executive Leadership. When asked about the organization's DNFB goal, Michael stated the target is fewer than seven days.
Judy asked how the organization can prevent the accumulation of aged AR in the future. Michael explained that newly developed claims management and denial workflows will establish more consistent follow-up processes. He also noted that continued improvement in provider documentation will be critical to preventing future AR backlogs.

Motion: Brad Turpen moved to approve the Financial Statements for April 2026. Judy Barbera seconded the motion. No objections, the motion passed.

C. Bad Debt & Charity – April – ACTION ITEM

1. Bad Debt write off – $144,469 – Katie Beevers recently met with Bonneville and secured an additional $46,000 in bad debt recoveries.
    - Decrease in POS (Point of Service) collections. James Ligon, PAS Operations Supervisor, has parted ways.
2. Charity Write-off – $4,334.

Motion: David Little moved to approve the Bad Debt and Charity write-offs for April 2026. Brad Turpen seconded the motion. No objections, the motion passed.

D. Finance Committee

1. General Discussion
    - David asked if a list of the RHTP application initiatives can be brought to the board and presented to the County Commissioners for additional support.
    - Brad reported that Eriko has begun distributing service line reports to department managers to assist in identifying opportunities for expense reduction and revenue enhancement.
2. FY26 Capital Budget
    - This item was not discussed.
3. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.

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III. NEW BUSINESS

A. Executive Session – None.

Being no further business, the meeting ended at 8:29 am.