TITLE: **Finance Committee Meeting**
DATE/TIME: **August 18, 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 7:04 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 7/21/2026

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

B. Financial Statements

1. Review of July Financial Statements
    - Med Surg: 63 patient days
    - Swing Bed: 15 patient days
    - Sleep Lab: 17 studies
    - Valor Health Family Medicine: 522 patient visits
    - Valor Health Center (VHC): 316 patient visits
    - VHC Urgent Care: 521 patient visits
    - Specialty Clinic: 581 encounters
    - Observation Hours: 777 observation hours
    - 395 Emergency Visits
    - 54 Surgeries/Scopes
    - Pain: 71 – increased 29% compared to previous month.
    - Lab Testing: 5,096 tests
    - Lab Outreach: 1,900 tests – we recently onboarding two additional clinics, which is good to see the growth in this area as we continue to improve the workflow processes.
    - Infusion: 61.
    - Pharmacy: 3,565
    - Imaging: Volumes decreased slightly in Radiology but increased in all other modalities.

- Income Statement
    - Total Patient Revenue for July was $5.14M, mainly driven by Imaging and Inpatient services.
    - Contractual Adjustment is at 53%.
    - There was an increase in expenses for July due to increased overtime and traveler utilization due to staffing challenges in clinical areas.
    - Salary Expenses and Travel expenses were higher due to 1-yr

anniversary bonuses for our new physicians and moving expenses for new onboarding providers.
Other expenses included security camera expenses related to the Physical and Cyber Security Grant received by Valor Health. The expenses have been submitted for reimbursement under the grant, and funding is expected to be received soon.

Discussion: David asked about the increase in Contractual Adjustments. Eriko reviewed the Contractual Adjustment variance with the Finance Committee and presented an analysis of Total Patient Revenue and Deductions from Revenue, including expected adjustments based on insurance reimbursement rates and estimated write-off percentages. Additional factors contributing to Contractual Adjustments include bad debt write-offs and the timing of when these adjustments are recognized. Michael added that, during the past month, the Revenue Cycle team has focused on cleaning up older accounts receivable (AR), which contributed to higher write-offs in July.
The Finance Committee also discussed enhanced reporting capabilities anticipated with the transition to a new EHR, the addition of a Financial Analyst, and progression to Phase 3 of Multiview reporting. These enhancements will provide opportunities for more detailed analysis of individual service lines, including Pain and Orthopedics, and help evaluate service-line growth.

- Balance Sheet
  - $155K in Cash and $5.5M in Investments.
  - Gross Patients Accounts Receivable for July were $9.7M
  - Accounts Payable $805K.
  - Net Patient Account Receivables were $5.4M.
  - Current Liabilities were $3.2M.

- Cash Flow
  - July ended with a decrease of $476K, ending at $5.6M for end of period.

- Trending Income Statement
  - Days Cash on Hand decreased slightly to 75 days due to increased expenses.

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

- Gross A/R Days
  - Gross A/R days are currently at 63 days, significantly decreasing compared to previous month.

- Gross A/R Trending
  - A/R days in the 0–90-day buckets are being investigated in depth to enhance collections in those areas.
  - A/R days 90+ are focus areas in the next months as we continue to clean up older A/R accounts to prepare for the EHR transition.

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

C. Bad Debt & Charity – July – ACTION ITEM

1. Bad Debt write off – $407,639
2. Point of Service Collections (POS) - $2,460 – there is ongoing focus on increasing point of service collections such as copays and deductibles with Patient Access Specialists.
3. Charity Write-off – $7,766

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

D. Finance Committee

1. General Discussion
   - Referrals for Orthopedics and Pain Medicine were discussed to enhance external and internal referral management to grow these service lines.
   - Brad updated Finance Committee on the Electronic Health Record selection process.
2. July Debt Schedule
   - Michael provided a brief report of the July Debt Schedule.
3. FY26 Capital Budget
   - No new updates.
4. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.

Motion: Brad Turpen moved to recommend the Physical Therapy Proforma to the Board for final approval. Judy Barbera seconded the motion. No objections, the motion passed.

III. NEW BUSINESS

A. Executive Session – None.

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