TITLE: **Finance Committee Meeting**
DATE/TIME: **September 22, 2026 at 7:00 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 8/18/2026

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 August Financial Statements
    - Med Surg: 37 patient days – decreased significantly compared to previous month.
    - Swing Bed: 17 patient days
    - Sleep Lab: 15 studies
    - Valor Health Family Medicine: 466 patient visits
    - Valor Health Center (VHC): 278 patient visits
    - VHC Urgent Care: 533 patient visits
    - Specialty Clinic: 701 encounters – increased significantly compared to previous month
    - Observation Hours: 530 observation hours
    - 409 Emergency Visits
    - 48 Surgeries/Scopes
    - Pain: 67
    - Lab Testing: 6,071 tests - increased compared to previous month.
    - Lab Outreach: 1,968
    - Infusion: 88 – increased significantly compared to previous month and year.
    - Pharmacy: 4,113
    - Imaging: Volumes decreased slightly in all modalities compared to previous month.

- Income Statement
    - Total Patient Revenue for August is $5.5M. Specialty Clinic, Pharmacy, Infusion, Surgery, and Laboratory contributed to increased revenue.
    - Contractual adjustments decreased slightly to 48% for August, reflecting improvements in cash collections. The year-to-date average

remained at 50%.
    - Operating Expenses increased due to air conditioning repairs and provider retention bonuses.

Discussion: David asked whether provider retention bonuses are ongoing or limited to the first year of employment. Matt explained that additional bonuses are available during years one through three, with total bonuses averaging approximately $10K.
David asked about the significant discrepancy in Non-Operating Grant Funding. Eriko explained that patient status orders in Cerner are not currently mapped correctly when patients transition from observation to inpatient admission. Revenue Cycle is working with providers to correct the workflow, with the errors expected to be resolved by year-end.

- Balance Sheet
    - $490K in Cash and $5.5M in Investments.
    - Gross Patient Accounts Receivable for August were $9.5M.
    - Accounts Payable $755K.
    - Net Patient Account Receivables were $5.3M.
    - Current Liabilities were $3.4M.

- Cash Flow
    - August ended with an increase of $381K, ending the period at $6M.

- Trending Income Statement
    - Days Cash on Hand decreased slightly to 74 days due to increased expenses per day.

- Revenue by Financial Class
    - Revenue mix for August ended at 5% - Inpatient, and 95% - Outpatient. There was a small decrease in commercial insurance compared to previous year.

- Gross A/R Days
    - Gross A/R days are currently at 58 days, showing the positive effort in our Revenue Cycle as we continue to work towards process improvements with claim accuracy and denials.
    - Recruitment for a Business Office Supervisor remains underway to provide oversight of strengthened processes and workflows.

- Gross A/R Trending
    - August gross A/R totaled $9.2 million, with the highest balances in the 0–30-day and 180+-day aging categories.

Motion: David Little moved to approve the Financial Statements for August 2026. Brad Turpen seconded the motion. All in favor, no objections, the motion passed.

C. Bad Debt & Charity – August – ACTION ITEM

1. Bad Debt write-off – $182,747
2. Point of Service Collections (POS) - $5,205 – there is ongoing focus on increasing point of service collections such as copays and deductibles with Patient Access Specialists.

3. Charity Write-off – $3,782

Motion: Judy Barbera moved to approve the Bad Debt and Charity write-offs for August 2026. David Little seconded the motion. All in favor, no objections, the motion passed.

D. Finance Committee

1. General Discussion
   - We recently hired a financial analyst, Caiden DeSpain, who is currently working on creating a dashboard in Power BI for Pain, VHC, Lab Outreach, and Orthopedic proformas.
2. August Debt Schedule
   - Michael provided a brief report on the August Debt Schedule.
3. Finance Committee Dashboard – Michael provided a brief report of the Finance Committee Dashboard.
4. FY27 Capital Budget – **ACTION ITEM**
   - Michael provided a list of FY27 Budgeted Capital Requests. The list is in order of priority, with the highest-priority needs presented first. This prioritization is intended to guide allocation decisions should available resources require adjustments during FY27. We will manage capital investments and maintain cash reserves the way we have in FY26.
   - In addition to the prioritized capital requests totaling $239,226, Valor Health is requesting $425,000 in capital which includes approximately $185,000 in contingency capital for FY27. This allocation would provide flexibility to address unforeseen capital needs, emerging priorities, or necessary shifts in organizational priorities during the fiscal year.
     - Emergency Department, Zoll Defibrillators for OR & MS - $32,185
     - Acute Care, 6 patient clinical chairs - $25,833
     - SMSC, Extend nurses station, replace flooring, paint - $15,000
     - Emergency, 14 Stryker Prime TC Transport Chairs - $43,708
     - Facility, Re-stripping of main hospital roof - $30,000
     - Facility, Re-pave VHFM - $48,000
     - Facility, Parking lot repair in the ED area - $25,000
     - VHFM, Art work in lobby, and hallways - $3,500
     - IT, Network upgrades - $10,000
     - Facility, Landscape VHFM - $6,000

Discussion: David recommended that Michael include a list of capital items anticipated to be funded if Valor Health's Rural Health Transformation (RHT) Program applications are approved. Michael agreed to provide an update on the capital items requested through the RHT Program.

Motion: Brad Turpen moved to recommend approval of the FY27 Capital Budget of $425K. Judy Barbera seconded the motion. All in favor, no objections, the motion passed.

III. NEW BUSINESS

A. Executive Session – None.

Being no further business, the meeting ended at 7:56 a.m.