



TAHOE FOREST HOSPITAL DISTRICT

2020-08-19 Board Finance Committee

Wednesday, August 19, 2020 at 3:00 p.m.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Board Finance Committee meeting for August 19, 2020 will be conducted telephonically through Zoom.

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Board Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link: <https://tfhd.zoom.us/j/94599190740>

If you prefer to use your phone, you may call in using the numbers: (346) 248 7799 or (301) 715 8592, Meeting ID: 945 9919 0740

Meeting Book - 2020-08-19 Board Finance Committee

08/19/2020 Finance Committee

AGENDA

2020-08-19 Board Finance Committee_FINAL Agenda.pdf Page 3

ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2020-01-22 Board Finance Committee_DRAFT Minutes.pdf Page 5

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Accounts Receivable – Post Conversion Update
No related items.

6.2. Financial Status of Fiscal Year End 2020
No related items.

6.3. Price Transparency Regulation
No related materials.

6.4. Capital Projects Update
No related materials.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 9. NEXT MEETING DATE

10. ADJOURN



FINANCE COMMITTEE AGENDA

Wednesday, August 19, 2020 at 3:00 p.m.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Board Finance Committee meeting for August 19, 2020 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely:

Please use this web link: <https://tfhd.zoom.us/j/94599190740>

Or join by phone:

If you prefer to use your phone, you may call in using the numbers below.

(346) 248 7799 or (301) 715 8592

Meeting ID: 945 9919 0740

Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Chair; Mary Brown, Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. APPROVAL OF MINUTES OF: 01/22/2020 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Accounts Receivable – Post Conversion Update

Finance Committee will receive an update on the status of accounts receivable.

6.2. Financial Status of Fiscal Year End 2020

Finance Committee will receive an update on the financial status of fiscal year 2020.

6.3. Price Transparency Regulation

Finance Committee will discuss the upcoming legislation requiring price transparency.

6.4. Capital Projects Update

Finance Committee will discuss the status of capital projects.

- 7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
- 8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**
- 9. NEXT MEETING DATE**
- 10. ADJOURN**

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity Employer. The telephonic meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

FINANCE COMMITTEE

DRAFT MINUTES

Wednesday, January 22, 2020 at 10:00 a.m.
Eskridge Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 10:00 a.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Mary Brown, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Operating Officer; Jaye Chasseur, Controller; Vickie Morgan, Director of Revenue Cycle; Debi Stanley, Director of Patient Access; Crystal Jefferson, Director of Patient Registration; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 08/29/2019

Director Brown moved to approve the Finance Committee minutes of August 29, 2019, seconded by Director Chamblin.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Customer Service Program Update

Vickie Morgan, Director of Revenue Cycle, Debi Stanley, Director of Patient Access, and Crystal Jefferson, Director of Patient Registration provided an update on the first year of the Financial Customer Service Program.

Director Brown asked if the Financial Customer Service Representatives and Financial Counselors were constrained to their roles. There is crossover between the roles. Some staff have higher skillsets to deal with the complexity of cases.

In the physician billing module, EPIC will have a financial assistance module. Estimates have not been built in all areas yet. The Financial Customer Service team is finding ways to be more concise for patients and would like to get more involved with the clinics.

Director of Patient Registration stated patients are more likely to provide payment if they are educated on the quote. The increase in payments taken show the team is doing better with education.

Financial Customer Service Team is receiving better data on financial complaints.

Long Term Payment Plans were reviewed. It is the goal of the Business Office to only keep payment

plans in-house for three months or less. Counselors can create long term, interest-free payment plans for patients through partnership with HELP Financial.

Financial Counselors began bedside visits in August 2019 and have increased bedside visits monthly. Director Brown commented it may be beneficial to have information in the patient's discharge packet.

Policies were reviewed next.

6.4. Policy Review

Finance Committee reviewed the following board policies:

6.4.1. Credit and Collection Policy, ABD-08

Director Brown inquired how much control the organization has over the behavior of the collection companies. CFO said there is a high level of professional expectation. The District does not ignore complaints and investigates each complaint received.

6.4.2. Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies, ABD-09

Director Brown asked if cost of living was accounted for in the policy. CFO stated federal poverty levels set by Federal (FPL schedule) were used and do not really take cost of living into account.

6.4.3. Debt Management Policy, ABD-25

Policy was reviewed by Gary Hicks and David Ruderman. There are no proposed changes at this time.

Director Brown moved to recommend approval of policies, seconded by Director Chamblin.

6.2. Accounts Receivable – Post Conversion Update

Finance Committee received an update on the status of the District's accounts receivable (AR).

At the end of September, we were down to 63.7 Days AR.

CFO has started to see a climb again. On September 11, 2019, EPIC did an upgrade (mandated twice per year) that broke something within the system. Contracts and modifiers were messed up.

Rural Health Clinic (RHC) status was approved for the Pediatric and Internal Medicine/Cardiology (IM/Card) clinics. Managed Care Medi-Cal plans process differently than state Medi-Cal. There is approximately \$6,000,000 on hold that we cannot bill for with the Rural Health Clinics right now. The District just received notification that the state loaded our pediatric RHC rate. We are still working through the rate setting process for IM/Card so that has not been submitted to the state yet. Claims will be held until that process is done.

Director of Revenue Cycle reported 900 claims were dropped last week. There is a rule that Medi-Cal allows for extra time to submit claims. There is the potential for some uncollectability with the managed care claims.

Staffing continues to be a challenge due to medical leaves and terminations. Two heavy hitter staff members were on limited time in October. There is also a new interim director. The District was

recruiting the position as a manager but worked with Administration and Human Resources to hire a director (typically directors do not report to directors).

The department has run 6 FTE short since November 2017. Discussion was held about the current model.

Discussion was held regarding updating the board on the accounts receivable.

Director Brown shared her concern of the amount of time to hear an update on the AR. CFO noted there is always a delay in AR. CFO also needed time to build a plan.

Implementation of Physician Billing module is right around the corner.

TTMG outsources their billing so there was no FTE to add for billing.

As of today for January, the organization is running at 104% of target for cash collections. The Business Office still has \$1,600,000 to post. Once posted, it will be at 119% of target.

6.3. Financial Reports

Finance Committee reviewed the following financial reports:

6.3.1. December 2019 Financial Report

Days Cash on Hand is 171.1 days.

The District received \$1,735,000 in stop loss reimbursement and \$2,037,000 from Medicare for the interim rate adjustment. Cash collections were 99% of target.

Estimated Settlements, Medi-Cal and Medicare increased \$629,000 after recording the estimated December receivable from the Rate Range Intergovernmental Transfer (IGT), Medi-Cal PRIME and Quality Assurance Fee programs.

Investment in the Truckee Surgery Center decreased \$371,000 after July 2019 through October 2019 losses were recorded.

Accounts Payable increased \$1,585,00 due to the timing of the final December check run.

Accrued Payroll and Related Costs increased \$933,000 due to an increase in accrued December payroll days.

CFO reviewed the Cash Investment statement. The net benefit of the daily sweep is over \$20,000 each month.

Key Financial Indicators were reviewed. The fiscal year 2020 EPIC Days in Accounts Receivable should show as 76, not 82. Days Cash on Hand looks good so the District's cash position is strong. Fiscal Year End Budget for Cash Receipts per Day looks great but still short for second quarter actual. Debt Service Coverage looks good.

CFO reviewed the Statement of Revenues, Expenses and Changes in Net Position. Total Gross Revenue for December 2019 was \$2,908,833 better than budget. Total Operating Revenue was \$1,646,401 better than budget. Contractual Allowances were over budget which is expected when the gross revenue is high. There was a positive payor mix. Total Operating Expenses were \$520,853 below budget. Medical Professional Fees were higher than budget due to the timing of employment and therapies. The Net Operating Revenue (Expense) EBIDA was \$2,167,254 better than budget. Year to Date Net Position is ahead of this time last year.

Incline Village Community Hospital (IVCH) had a challenging month. Total Gross Revenue was \$602,461 below budget. IVCH's payor mix was opposite of Tahoe Forest Hospital (TFH). They saw a decrease in commercial payors. Total Operating Revenue for December was \$564,821 below budget. IVCH Donations showed \$41,334 below budget due to the timing of donations.

CFO reviewed the Statement of Cash Flows. Days Cash on Hand numbers look fine. CFO adjusted the capital numbers.

CFO reviewed a few highlights on patient volumes. Total TFH Admissions were close to budget. Operating Room cases were higher than budget. Lab Tests and Nuclear Medicine Exams were on budget. Radiation Oncology procedures were a lot higher than budget.

Director Brown requested a future update on Truckee Surgery Center financials.

6.3.2. Quarterly Review – Separate Business Entities

CFO reviewed the quarterly financials for the Separate Business Entities.

There was a significant decline in Home Health revenue. Jim Sturtevant believes there is a revenue capture issue because expenses have stayed on track. Home Health recently moved to EPIC. Accounts Receivable is outsourced to HMB.

Children's Center and Occupational Health revenues and expenses look fine.

The retail pharmacy had one of the lowest losses the organization has seen in a long time.

Therapy Services were \$67,914 better than budget.

Gross Operating Revenue for Radiation Oncology was \$2,219,832 better than budget. Net Income was \$1,115,269 better than budget.

6.3.3. Quarterly Review – Payor Mix

CFO reviewed payor mix charts.

6.3.4. TIRHR Expenditure Report

No discussion was held.

6.3.5. Professional Fees Analysis

No discussion was held.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No discussion was held on this item.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

No discussion was held on this item.

9. NEXT MEETING DATE

Finance Committee requested an email update in February and a committee meeting scheduled for March.

10. ADJOURN

Meeting adjourned at 12:06 p.m.

DRAFT