

# Finance Committee

**November 7, 2024**

Finance Board Packet

**Agenda - Finance Committee**

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## **OUR MISSION**

“We Focus on Personalized Quality Health Care and Wellness for Those We Serve”

## **OUR VISION**

“Oak Valley Hospital District Will Continue as an Independent Locally Controlled and Governed Special District Hospital.

## **OUR VALUES**

“Accountability; Being Responsible for Actions Taken and Not Taken  
Integrity; Doing the Right Thing for the Right Reason  
Respect; Valuing All People at All Times”

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## **OAK VALLEY HOSPITAL DISTRICT FINANCE COMMITTEE MEETING November 7, 2024**

**ROYAL OAK CONFERENCE ROOM  
1425 West H Street, Oakdale,  
California 5:00 P.M.**

## **AGENDA**

5:00 p.m.      Call Meeting to Order      Edward Chock, , M.D., Chairperson

### **PUBLIC COMMENT**

In compliance with the California Brown Act the District Board of Directors welcomes comments from the public.

This is the opportunity for members of the public to directly address the District Board of Directors on any item of interest to the public under the jurisdiction of the District including items on this agenda.

Persons wishing to make a presentation to the Board of Directors shall observe the following procedure:

1. A written request to the Board on the form provided at the meeting (optional)
2. Oral presentations are limited to three (3) minutes.
3. Members of the public will be afforded the opportunity to speak at the beginning of the public meeting during the general Public Comment section of the agenda on any item under the jurisdiction of the District as well as during the consideration of an individual item on the agenda for that public meeting, however the three-minute limit described in item 2, above, will be applied to an individual’s cumulative comments during the meeting.

The proceedings of the Board are recorded and are part of the public record.

Materials related to an item on this Agenda, submitted to the Oak Valley Hospital District after distribution of the agenda packet, are available for public inspection in the Secretary’s Office at 1425 West H Street, Suite 270, Oakdale, CA during normal business hours.



## **APPROVAL OF MINUTES**

Action                      Approve Minutes of October 3, 2024

## **FINANCE COMMITTEE REPORT**

Action                      Financial Report for September 2024                      Ann Croskrey, CFO

Information                  Receivables Scorecard                      Ann Croskrey, CFO

Information                  Fund Transfers/Investment Review                      Ann Croskrey, CFO

## **ADJOURNMENT**

Posted on: November 4, 2024

By: Barbara Shanahan (Recorder)

In observance of the Americans with Disabilities Act, please notify us at 209-848-4102 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

**OAK VALLEY HOSPITAL DISTRICT**  
**October 3, 2024**  
**FINANCE COMMITTEE MEETING**  
**MINUTES**

**Committee Members**

Edward Chock, M.D., Chairperson  
Jim Teter, Vice Chairperson - Absent  
Matthew Heyn, Pres. & CEO  
Will Pringle, V.P., ONRC - Absent  
David Neal, VP, Nursing  
Ann Croskrey, CFO

**MEETING CALLED TO ORDER**

The Finance Committee meeting was called to order by Edward Chock, M.D., Chairperson at 5:01p.m.

**PUBLIC COMMENT**

Public Comment read. Public in attendance.

**APPROVAL OF MINUTES: - September 5, 2024:**

Matthew Heyn made the motion to approve the September 5, 2024, Finance minutes. Ann Croskrey made the second. No Public Input.

Chock - Aye  
Teter - Aye  
Heyn - Aye  
Neal - Aye  
Croskrey - Aye

**MOTION CARRIED**

**FINANCIALS:**

**Financial Report for July 2024**

Ann Croskrey, CFO presented the August Financial Report.

**Executive Summary:**

In August, the District posted a profit from operations before new hospital expenses of \$738 thousand dollars. The profit from operations including new hospital expenses was \$352 thousand dollars. The difference is the new hospital expenses of interest and depreciation. As of the end of August, the year-to-date earnings before interest and depreciation (EBIDA), was 11.7%. Accounts receivable gross days increased from 70 days to 73 days, and days of cash on hand decreased from 114 to 103 days.

**Income Statement:**

**Acute Care Revenue:**

In August we had 42 acute care admits, and two of those patients had a COVID-19 diagnosis. Our acute care inpatient days were 130 in August. We also had 28 patients in August admitted to an observation status on the Med/Surg acute care unit, but they are considered outpatients as they are not sick enough to meet inpatient criteria. Even though the patients do not meet inpatient criteria, they still require significant staffing and other resources.

**Skilled Nursing:**

In skilled nursing, we had 2,906 Resident (patient) days during August and are holding steady. Our skilled nursing average daily census for August was 94. We had 11 admits in August, including 9 admits to our transitional care unit (TCU) for short-term rehab and 2 admits to our long-term care unit for custodial care.

**Outpatient Services:**

The emergency room averaged 57 daily visits in August.

**Clinic Services:**

Clinic visits for all the clinics totaled 4,350 in August. We have several providers out on leave and causing a slight drop and negatively impacted total visits. During August, telehealth visits comprised 20% of total clinic visits. Telehealth visits remain an excellent tool to see clinic patients that may not otherwise have access.

**Ambulance Services:**

Our ambulance services sector had 552 “runs” in August.

Expenses:

The nursing shortage continues to require the use of travelers. In August we incurred \$137K in traveler costs. The hiring of more nurses and closure of the ICU has positively impacted traveler costs. Our benefit package is an important tool for employee attraction and retention. In August we incurred \$425K in health insurance costs for our employees and their dependents.

**Balance Sheet**

Days of Cash on Hand:

Our days of cash on hand as of the end of August were at 103 days. This total includes \$5 million dollars received from the 2024 revenue bonds that are being held to repay the balance of the bridge loans due in January of 2025, which amounts to approximately 24 days of cash on hand. The District continues to manage cash closely. In November we are transferring out \$6Mil for IDTs and closely followed in December another \$2Mil. This will come back with benefits as we rely heavily on the supplemental funding as we do not cash flow on a regular monthly basis.

Accounts Receivable Gross Days:

Gross days in accounts receivable increased by 3 days during August. This is partially due to our clinic invoicing which converted to a new claims platform that resulted in delays in payments that are still being resolved, and as of now they have been resolved. While our new staff members hired at the end of August are still in the training phase, we anticipate that significant improvements will be evident within the next month.

In response to Dr. Chock's question about travelers, Ann noted that it is interesting to see a higher number of travelers in Med-Surge compared to the ER. This observation may be

important as we strategize for the upcoming union negotiations. Typically, travelers are employed for 13-week assignments, which is roughly three months. Additionally, David Neal mentioned that there are six new hires for the Emergency Department.

Will Pringle made the motion to approve the June 2024 Financial Report. Ann Croskrey made the second. No public input.

Chock - Aye  
Teter - Aye  
Heyn - Aye  
Neal - Aye  
Croskrey - Aye

**MOTION CARRIED**

**Receivables Scorecard:**

Gross Receivables across all sources increased almost three days. As efforts focus on one area, another may experience a temporary rise; however, with training completion, we expect to stabilize and reduce this metric effectively.

**Fund Transfers/Investment Review & Recommendation:**

In August, we transferred \$1 million from LAIF into the operating account, we also had roughly \$80,000 in interest income for a net change of \$919,000. The current interest rate of 4.579% continues to surpass bank offerings. The ending balance in the account is now slightly over \$20 million.

**ADJOURNMENT**

Jim Teter made the motion to adjourn the Finance Committee meeting. Matthew Heyn made the second. No public input.

Chock - Aye  
Teter - Aye  
Heyn - Aye  
Neal - Aye  
Croskrey - Aye

**MOTION CARRIED**

The meeting was adjourned at 5:13p.m.

Recorder: Barbara Shanahan, Recorder

APPROVED: Louise Sanders, Secretary

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DATE:

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To: Finance Committee

From: Ann Croskrey

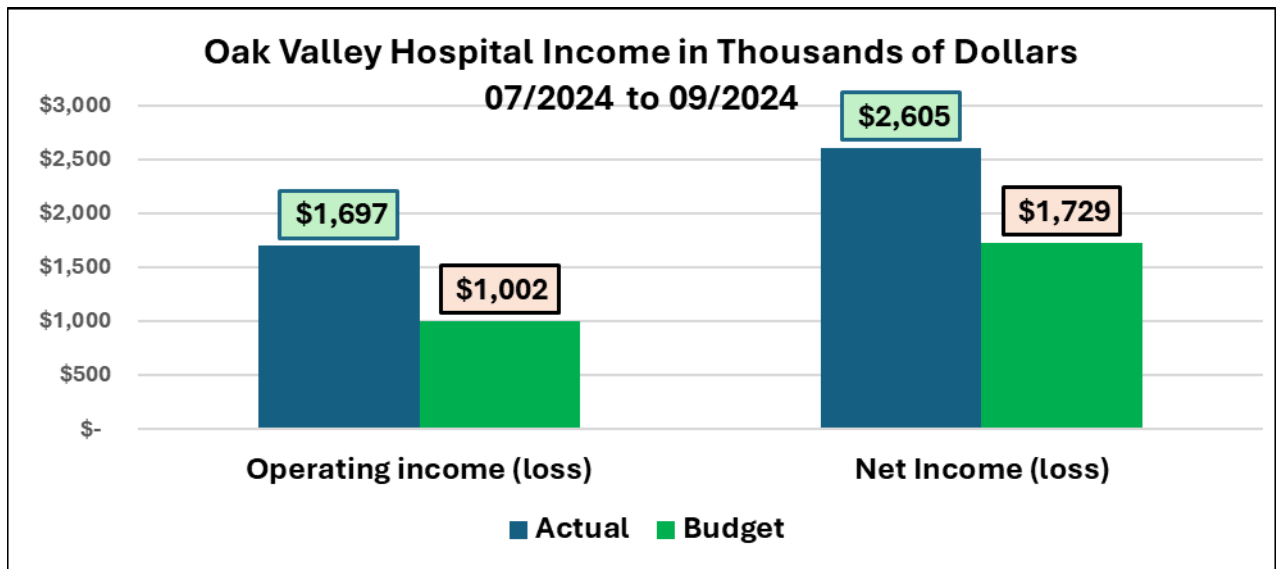
Date: October 31, 2024

Subject: Hospital Operations – September 2024

## Executive Summary

In September, the District posted a profit from operations before new hospital expenses of \$1.703 million dollars. The profit from operations including new hospital expenses was \$1.317 million dollars. The difference is the new hospital expenses of interest and depreciation.

Earnings were assisted by the receipt of the settlement of a long outstanding lawsuit with the California Department of Health Care Services, or Medi-cal. The District has been going to court of this issue since the 2008 cost report was filed. We won the appeal in Superior Court several years ago, but they only paid for some of the recent years included in the suit, and getting them to pay us the balance due was extremely challenging. During September, they finally paid us the remaining \$1.2 million dollars! With the assistance of those funds, we are now ahead of our year-to-date budgeted earnings!

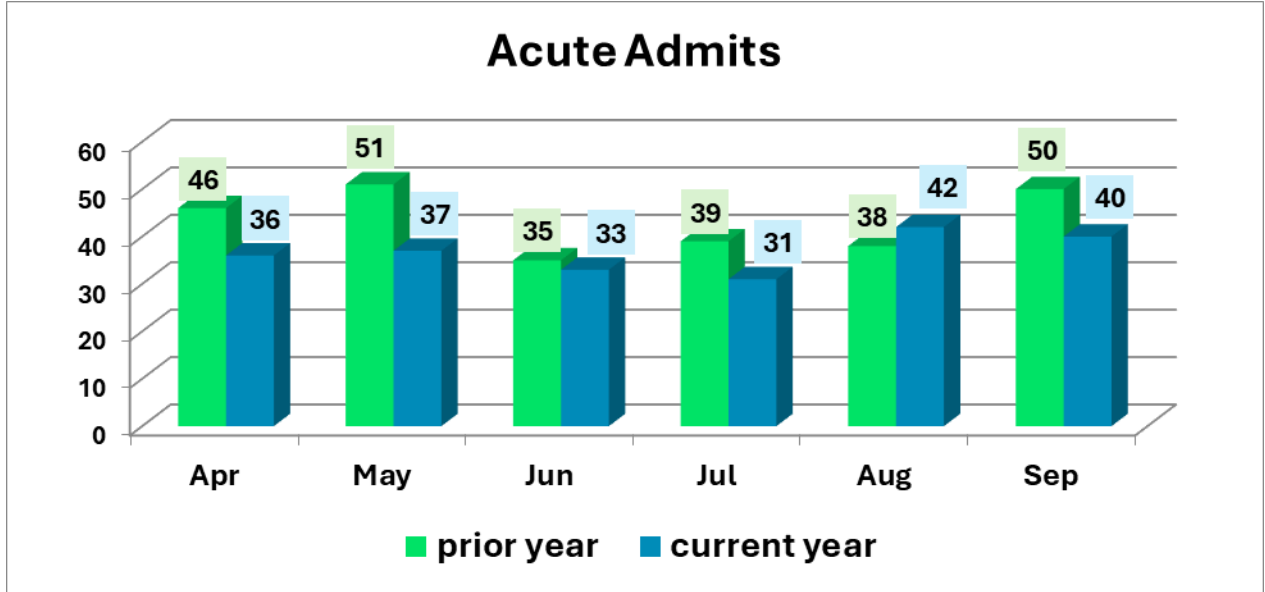


As of the end of September, the year-to-date earnings before interest and depreciation (EBIDA), was 16.3%. Accounts receivable gross days increased from 73 days to 77 days, and days of cash on hand decreased from 103 to 99 days.

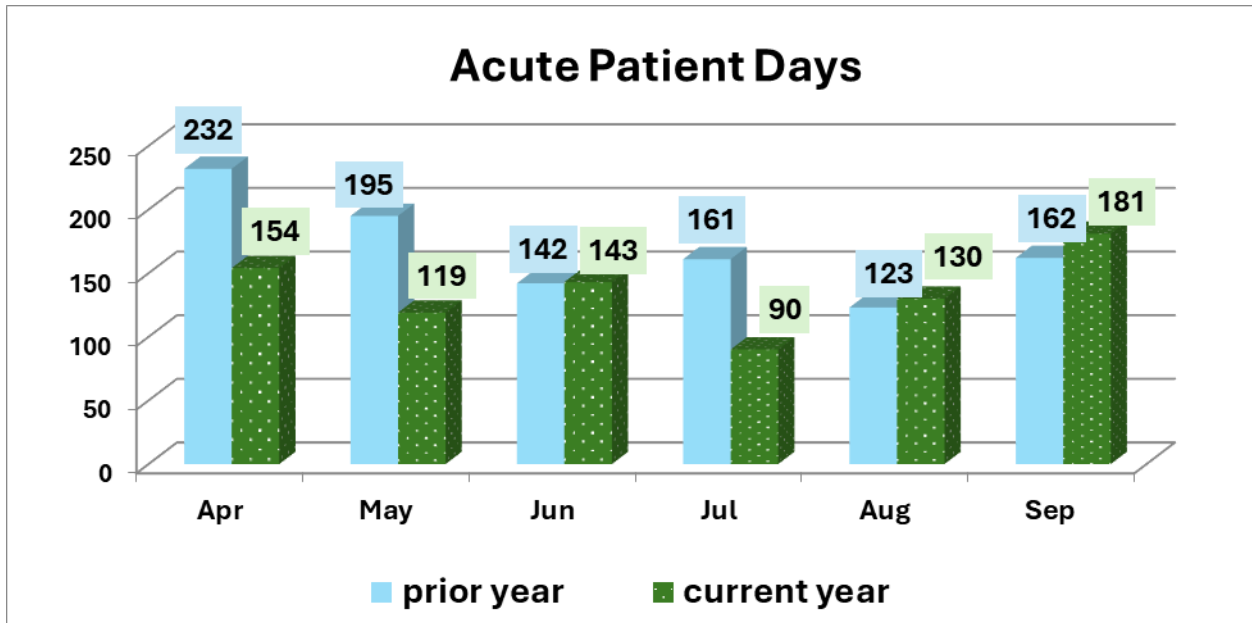
## Income Statement

### Acute Care Revenue:

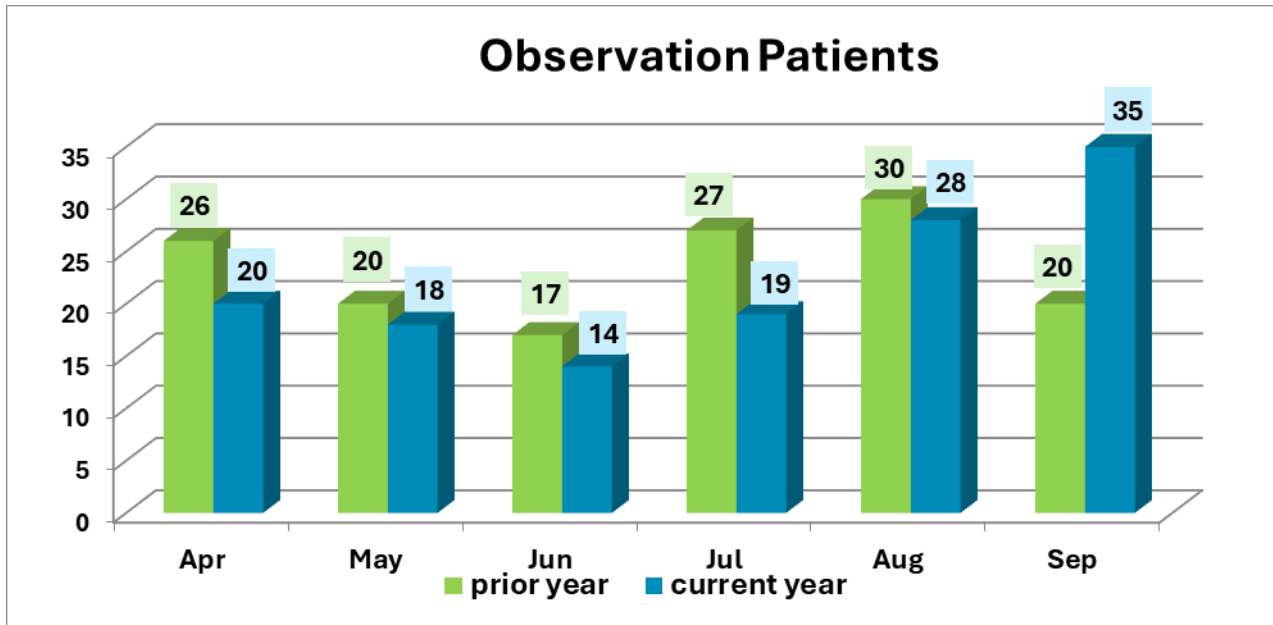
In September we had 40 acute care admits.



Our acute care inpatient days were 181 in September.

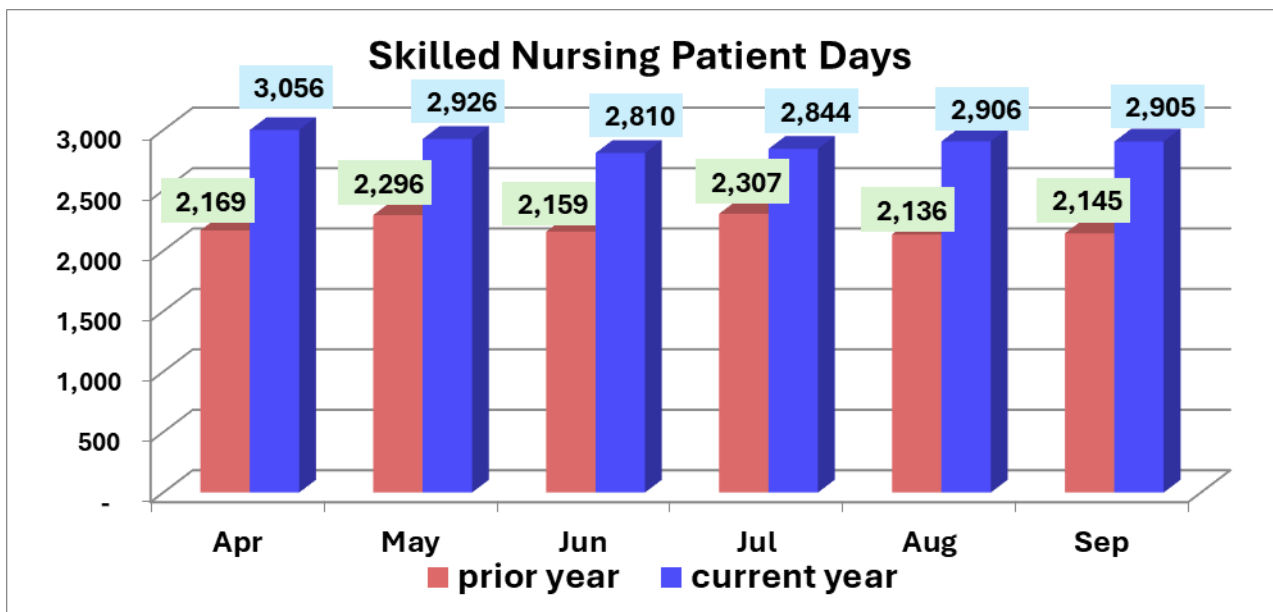


We also had 35 patients in September admitted to an observation status on the Med/Surg acute care unit, but they are considered outpatients as they are not sick enough to meet inpatient criteria. Even though the patients do not meet inpatient criteria, they still require significant staffing and other resources.

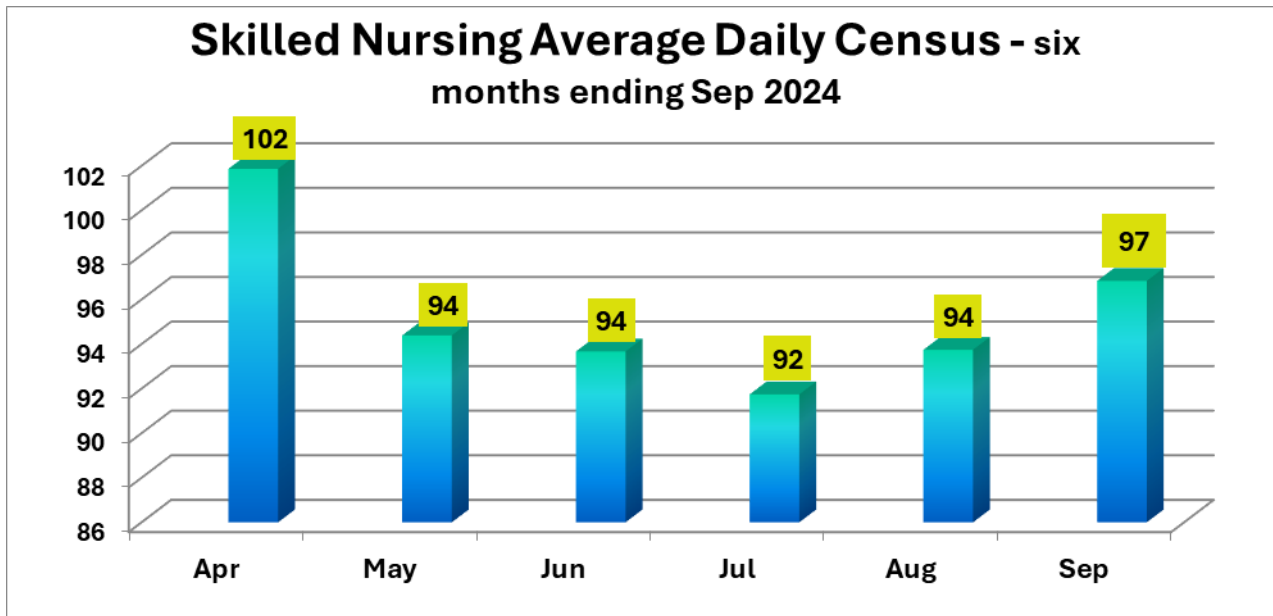


### Skilled Nursing:

In skilled nursing, we had 2,905 Resident (patient) days during September.

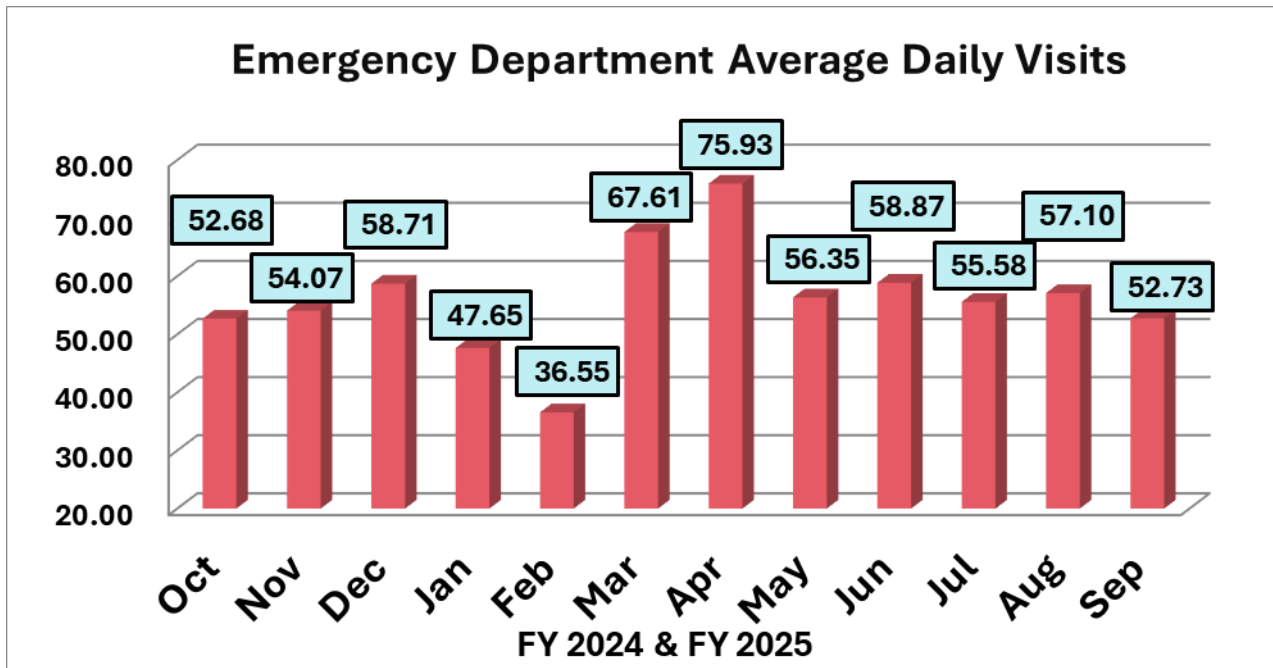


Our skilled nursing average daily census for September was 97, and we had 8 admits.



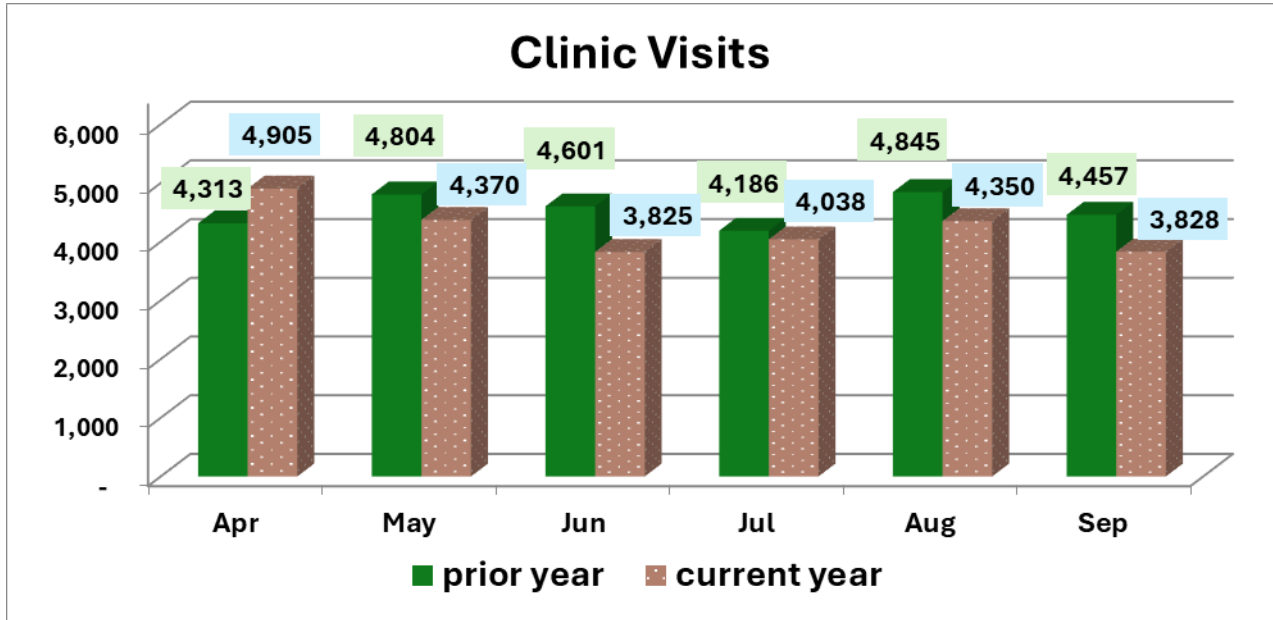
## Outpatient Services

The emergency room averaged 53 daily visits in September. The graph below shows the average daily visits for the last twelve months.

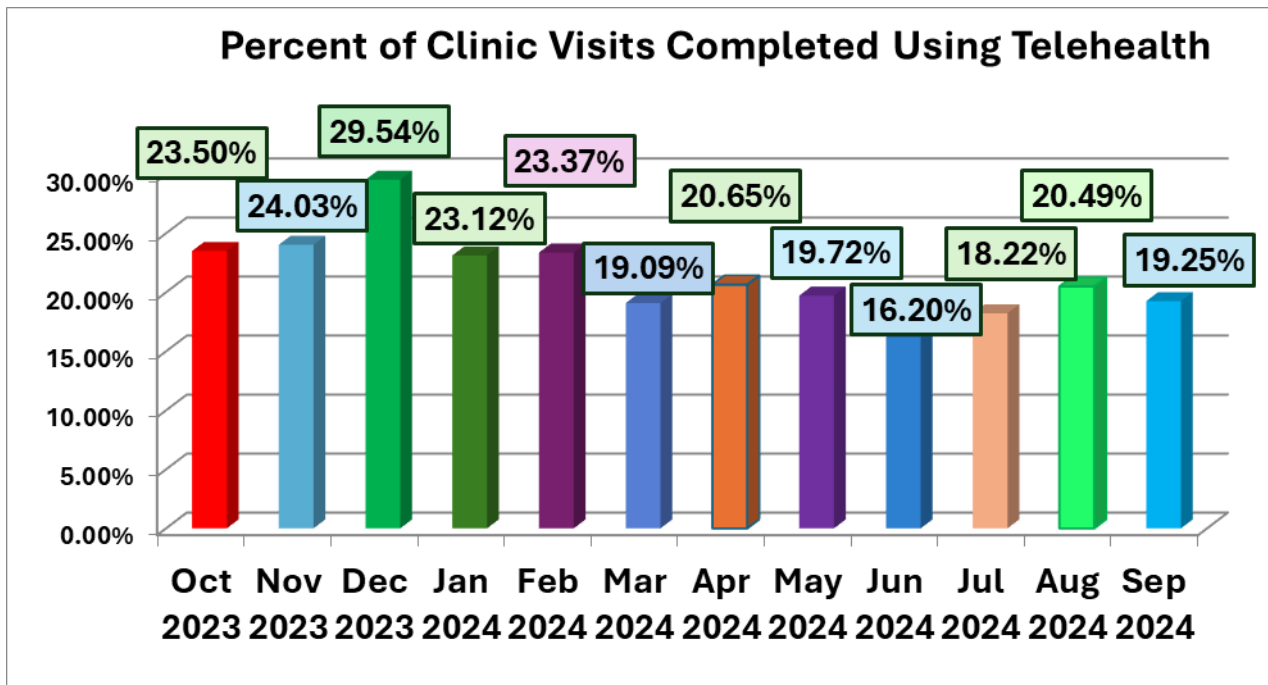


## Clinic Services:

Clinic visits for all the clinics totaled 3,828 during September. We have several providers out on leave and that negatively impacted total visits. The graph below shows the total number of clinic visits for the last six months with a comparison to the prior year.

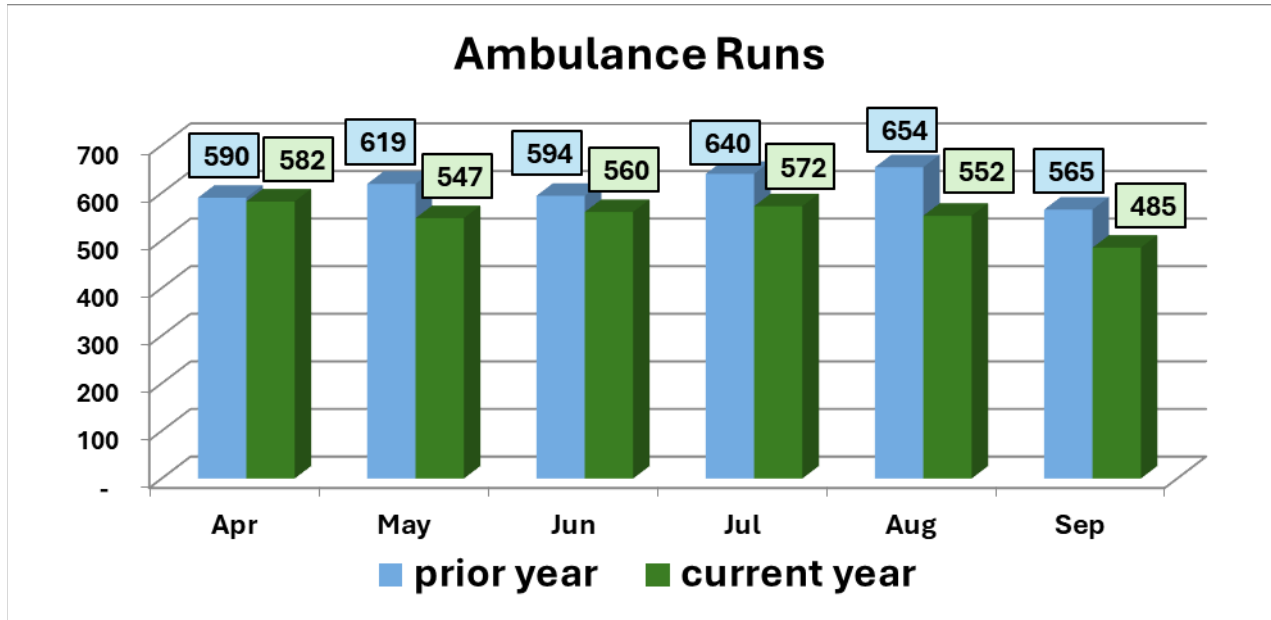


During September, telehealth visits comprised 19% of total clinic visits. Telehealth visits remain an excellent tool to see clinic patients that may not otherwise have access.



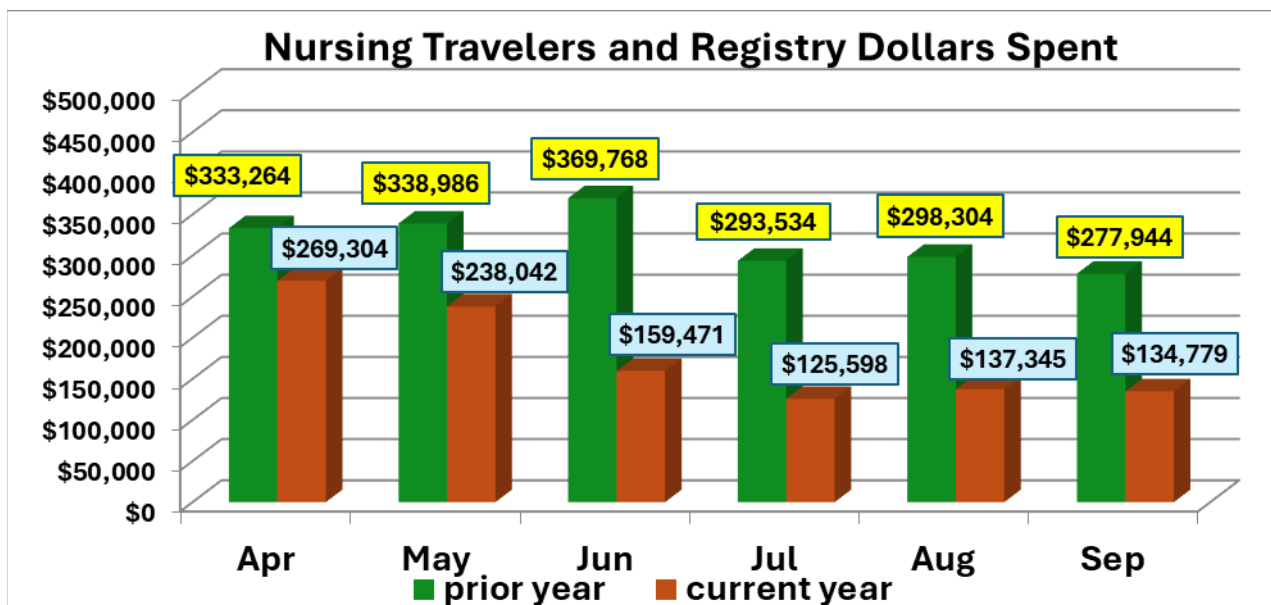
## Ambulance Services:

Our ambulance services sector had 485 “runs” in September.

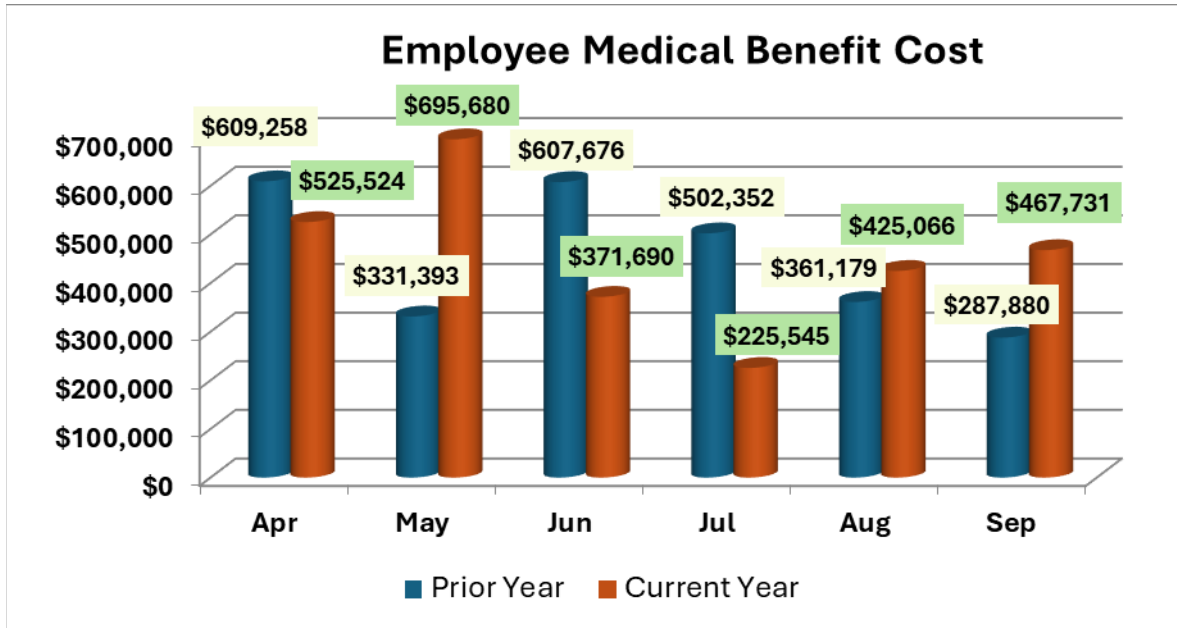


## Expenses:

The nursing shortage continues to require the use of travelers. In September we incurred \$135K in RN traveler costs. The hiring of more nurses and closure of the ICU has positively impacted traveler costs.



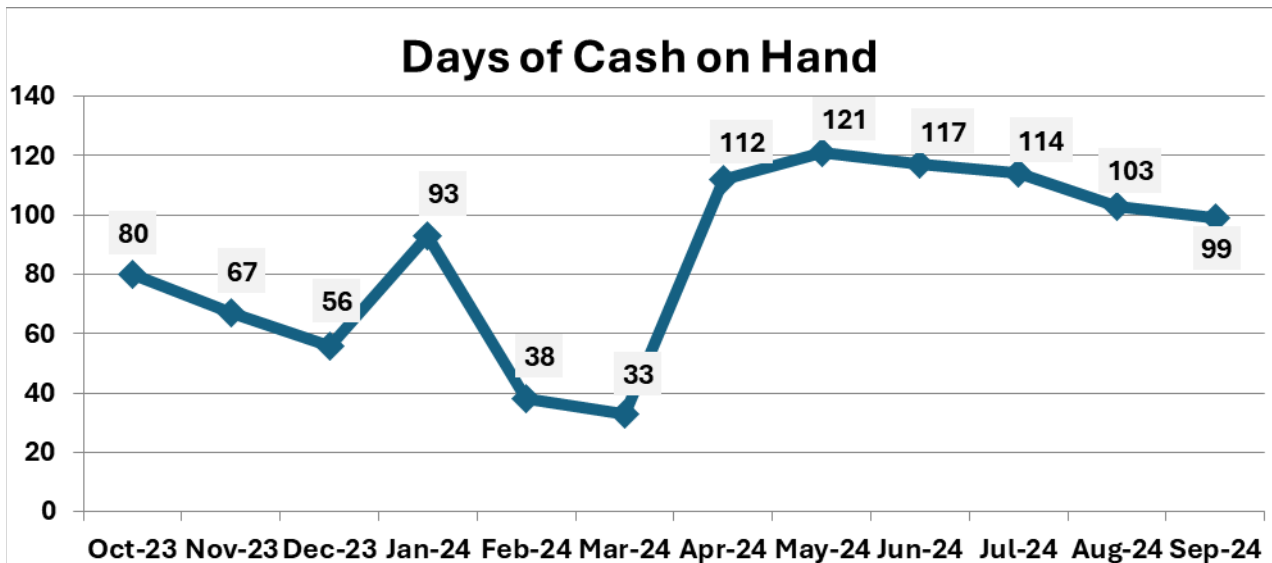
Our benefit package is a valuable tool for employee attraction and retention. In September we incurred \$468K in health insurance costs for our employees and their dependents.



## Balance Sheet

### Days of Cash on Hand

Our days of cash on hand as of the end of September were at 99 days. This total includes \$5 million dollars received from the 2024 revenue bonds that are being held to repay the balance of the bridge loans due in January of 2025, which amounts to approximately 24 days of cash on hand. During November we will be wiring out approximately \$6 million dollars for the first round of our intergovernmental transfers (IGT's). Cash will continue to decline until April as we send out IGT's and await the return of the IGT funds. The District continues to manage cash closely.



**Accounts Receivable Gross Days**

The gross accounts receivable days for the last twelve months are shown below. Gross days in accounts receivable increased by 4 days during September. The clinic delays reported at last month’s Board meeting have been resolved. We also started a new texting service to schedule payments. The reponse to the new enhancement has been very positive!

