



MISSION

It is our mission to deliver quality healthcare to the residents of and visitors to Big Bear Valley through the most effective use of available resources.

VISION

To be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

**BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING AGENDA
MONDAY, DECEMBER 04, 2017**

1:00 PM –CLOSED SESSION @ HOSPITAL ADMINISTRATION CONFERENCE ROOM

2:00 PM – OPEN SESSION @ HOSPITAL ADMINISTRATION CONFERENCE ROOM

41870 GARSTIN DRIVE, BIG BEAR LAKE, CA. 92315

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the Chief Executive Officer's Office and are available for public inspection or purchase at 10 cents per page with advance written notice. In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a District meeting or other services offered by the District, please contact Administration (909) 878-8214. Notification at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. **DOCUMENTS RELATED TO OPEN SESSION AGENDAS (SB 343)** Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the public counter located in the Administration Office, located at 41870 Garstin Drive, Big Bear Lake, CA 92315. For questions regarding any agenda item, contact Administration at (909) 878-8214.

OPEN SESSION

1. **CALL TO ORDER** **Barbara Willey, Treasurer**
2. **ROLL CALL** **Shelly Egerer, Executive Assistant**
3. **ADOPTION OF AGENDA***
4. **PUBLIC FORUM FOR CLOSED SESSION**
Opportunity for members of the public to address the Committee on Closed Session items.
(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)
5. **ADJOURN TO CLOSED SESSION***

CLOSED SESSION

1. **CONFERENCE WITH LABOR NEGOTIATORS: *Government Section Code: 54957.6:**
Negotiator(s): Michael Sarrao, Esq, John Friel, CEO & Garth Hamblin, CFO
2. **REAL PROPERTY NEGOTIATIONS: *Government Code Section 54956.8 / TRADE SECRETS: Pursuant to Health and Safety Code Section 32106, and Civil Code Section 3426.1**
(1) Potential Acquisition (Anticipated Disclosure 12/04/17)

OPEN SESSION

1. **CALL TO ORDER** **Barbara Willey, Treasurer**
2. **RESULTS OF CLOSED SESSION*** **Barbara Willey, Treasurer**
3. **PUBLIC FORUM FOR OPEN SESSION**

Opportunity for members of the public to address the Committee on Open Session items.

(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

4. DIRECTORS COMMENTS

5. APPROVAL OF MINUTES

A. November 06, 2017

6. OLD BUSINESS*

- None

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors the 2017 Cost Report

B. Discussion and Potential Recommendation to the Board of Directors QHR IT Assessment: Travel Expenses Not to Exceed \$2,000.00

8. PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS*

A. October 2017 Finances

B. CFO Report

9. ADJOURNMENT*

*** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
November 06, 2017**

MEMBERS Barbara Willey, Treasurer

Garth Hamblin, CFO

PRESENT: Rob Robbins, 1st Vice President
John Friel, CEO

Shelly Egerer, Exec.Asst.

STAFF: Erin Wilson, HR Director

OTHER: Mike Sarrao, Legal Counsel

COMMUNITY

MEMBERS: None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Barbara Willey and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the November 06, 2017 agenda as presented. Second by Board Member Willey to adopt the November 06, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

CLOSED SESSION

4. PUBLIC FORM FOR CLOSED SESSION:

Board Member Willey opened the Hearing Section for Public Comment on Closed Session items at 1:01 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:01 p.m.

5. ADJOURN TO CLOSED SESSION:

Board Member Robbins motioned to adjourn to Closed Session. Second by Board Member Willey to adjourn to Closed Session. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 1:30 p.m.

2. RESULTS OF CLOSED SESSION:

Board Member Willey reported no action was taken in closed session.

3. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 1:30 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:30 p.m.

4. DIRECTORS COMMENTS:

- Board Member Willey attended the Employee Recognition, High Tea; stated the tea sandwiches, tea and deserts were served. This was very well attended and a great event.

5. APPROVAL OF MINUTES:

A. October 02, 2017

- Board Member Willey advised the committee that there is a typo on the Finance Committee Agenda. The minutes should state October 02, 2017.

Board Member Robbins motioned to approve the October 02, 2017 minutes as presented. Second by Board Member Willey to approve the October 02, 2017 minutes as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

6. OLD BUSINESS:

- None

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board the Additional Unbudgeted Expense for the Purchase of a Golf Cart:

- Mr. Hamblin reported that during the budget process the Maintenance Department requested to purchase a golf cart in lieu of using the district vehicle; this would be more cost efficient than using the district vehicle. The Planning Committee has discussed this item at length and requested that the golf cart be street legal. The maintenance staff will be using the golf cart to transport materials and tools.
- The committee further discussed the necessity of the golf cart and the cost increase and why an increase of approximately \$7,000.00. Mr. Friel reported that the cart would be used to transport materials and supplies. This is a cost effective way to utilize the employees time and the cart will be stored in the maintenance shed. The committee requested that a policy is implemented on who is using it, training for staff that will be using the cart and to ensure the golf cart is covered with the property insurance.

- Mr. Friel stated there is a warranty on the golf cart, we will have a policy put in place, and training for staff will be conducted.

Board Member Robbins approved a positive recommendation to the Board of Directors the purchase of the golf not to exceed \$9,000.00, and shipping and handling to be paid, a policy to be written, training for staff and the unit is insured. Second by Board Member Willey to approve a positive recommendation to the Board of Directors the purchase of the golf not to exceed \$9,000.00, and shipping and handling to be paid, a policy to be written, training for staff and the unit is insured. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

8. Presentation and Review of Financial Statements:

A. September 2017 Finances:

- Mr. Hamblin reported the following:
 - Days cash on hand 201.
 - Surplus of \$477,000 which is over budget.
 - Net revenue is 16%.
 - Expenses under budget.
 - We had swing days for September.
 - SNF over budget.
 - ER over budget.
 - Dental visits were down this was due to dentist on vacation.
 - Strong finances for the month.
 - Outpatient services are over budget.
- Board Member Robbins asked how the AR is; there is some discussion with the Board about bringing billing “in house”. Board Member Robbins stated that he is not in support of the change of TruBridge; does feel that we need professionals that are current on laws and experience. Also very concerned that AR days will increase and the issues this could cause with AR if we made a department change.
- Mr. Hamblin stated TruBridge contract expires in April 2018; continues to evaluate the work and continuing to review past accounts.
- Further discussion took place on the issues that could arise by switching services or bringing billing “in house. The committee feels there is great improvement with TruBridge, AR and finances as a whole.

B. CFO Report:

- Mr. Hamblin reported the following information:
 - Healthcare Reform unknown, repeal and replace is not moving, debate to move to Senate. CHIP program is successful in many states.
 - Provided the consultation cost on the staff that is coming on site; there are services from QHR that are outside of the contract.
 - The committee expressed their satisfaction with having QHR as the management company. The average for having consultants on site has worked out to an average is \$1,000.00. The Board, Senior Management and employees are working together and has been a favorable platform.

Board Member Robbins motioned to approve the September 2017 Finance Report and the CFO Report as presented. Second by Board Member Willey to approve the September 2017 Finance Report and the CFO Report as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

9. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting at 2:16 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey adjourned the meeting.

- Board Member Willey- yes
- Board Member Robbins- yes



MEMO

Date: 30 November 2017
To: BVCHD Finance Committee and Board
From: Garth M Hamblin, CFO
Re: FY 2017 (July 1, 2016 through June 30, 2017) Medicare Cost Report

Recommended Action

Accept / Approve and authorize CEO, John Friel, to sign and submit Medicare Cost Report for the Fiscal Year ended June 30, 2017.

Background

The Cost Report for our Fiscal Year ended June 30, 2017, (pages attached) shows an amount due to BVCHD of \$211,821.

Wipfli, LLP, prepared the Cost Report and their draft report has been sent for review by David Perry of QHR.

Bear Valley Community Hospital

Form CMS-2552-10, Hospital and Hospital
Health Care Complex Cost Report
(With Accountant's Compilation Report)
For the Year Ended June 30, 2017



Accountant's Compilation Report

Board of Directors
Bear Valley Community Hospital
Big Bear Lake, CA

Management is responsible for the accompanying Medicare Cost Report of Bear Valley Community Hospital, included in the accompanying prescribed form as of and for the year ended June 30, 2017. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Medicare Cost Report included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this Medicare Cost Report.

Other Matter

The Medicare Cost Report included in the accompanying prescribed form is intended to comply with the requirements of the Centers for Medicare and Medicaid Services and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States.

Restriction on Use

Our report and the prescribed form are intended solely for the information and use of management and the Centers for Medicare and Medicaid Services and are not intended to be, and should not be, used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP

November 30, 2017
Spokane, Washington

Health Financial Systems BEAR VALLEY COMMUNITY HOSPITAL In Lieu of Form CMS-2552-10
This report is required by law (42 USC 1395g; 42 CFR 413.20(b)). Failure to report can result in all interim payments made since the beginning of the cost reporting period being deemed overpayments (42 USC 1395g). FORM APPROVED
OMB NO. 0938-0050
EXPIRES 05-31-2019

HOSPITAL AND HOSPITAL HEALTH CARE COMPLEX COST REPORT CERTIFICATION AND SETTLEMENT SUMMARY Provider CCN: 05-1335 Period: From 07/01/2016 To 06/30/2017 Worksheet 5 Parts I-III Date/Time Prepared: 11/30/2017 9:50 am

PART I - COST REPORT STATUS

Provider use only 1. ☒ Electronically filed cost report Date: 11/30/2017 Time: 9:50 am
2. ☐ Manually submitted cost report
3. ☐ If this is an amended report enter the number of times the provider resubmitted this cost report
4. ☐ Medicare Utilization. Enter "F" for full or "L" for low.

Contractor use only 5. ☐ Cost Report Status 6. Date Received: 10. NPR Date:
(1) As Submitted 7. Contractor No. 11. Contractor's Vendor Code: 4
(2) Settled without Audit 8. ☐ Initial Report for this Provider CCN 12. ☐ If line 5, column 1 is 4: Enter
(3) Settled with Audit 9. ☐ Final Report for this Provider CCN number of times reopened = 0-9.
(4) Reopened
(5) Amended

PART II - CERTIFICATION

MISREPRESENTATION OR FALSIFICATION OF ANY INFORMATION CONTAINED IN THIS COST REPORT MAY BE PUNISHABLE BY CRIMINAL, CIVIL AND ADMINISTRATIVE ACTION, FINE AND/OR IMPRISONMENT UNDER FEDERAL LAW. FURTHERMORE, IF SERVICES IDENTIFIED IN THIS REPORT WERE PROVIDED OR PROCURED THROUGH THE PAYMENT DIRECTLY OR INDIRECTLY OF A KICKBACK OR WERE OTHERWISE ILLEGAL, CRIMINAL, CIVIL AND ADMINISTRATIVE ACTION, FINES AND/OR IMPRISONMENT MAY RESULT.

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER(S)

I HEREBY CERTIFY that I have read the above certification statement and that I have examined the accompanying electronically filed or manually submitted cost report and the Balance Sheet and Statement of Revenue and Expenses prepared by BEAR VALLEY COMMUNITY HOSPITAL (05-1335) for the cost reporting period beginning 07/01/2016 and ending 06/30/2017 and to the best of my knowledge and belief, this report and statement are true, correct, complete and prepared from the books and records of the provider in accordance with applicable instructions, except as noted. I further certify that I am familiar with the laws and regulations regarding the provision of health care services, and that the services identified in this cost report were provided in compliance with such laws and regulations.

Encryption Information

ECR: Date: 11/30/2017 Time: 9:50 am
M:8RRAIRpsVaZFVEVxwhuEQPL0W0
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PI: Date: 11/30/2017 Time: 9:50 am
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0dz9.0L4jcBnSiUBIFCureQH.kvpey
bmzg064JuT0MxPJ3

(Signed)

Officer or Administrator of Provider(s)

Title

Date

		Title V 1.00	Title XVIII		HIT 4.00	Title XIX 5.00	
			Part A 2.00	Part B 3.00			
PART III - SETTLEMENT SUMMARY							
1.00	Hospital	0	111,947	16,652	0	0	1.00
2.00	Subprovider - IPF	0	0	0		0	2.00
3.00	Subprovider - IRF	0	0	0		0	3.00
5.00	Swing bed - SNF	0	27,993	0		0	5.00
6.00	Swing bed - NF	0				0	6.00
7.00	SKILLED NURSING FACILITY	0	0	0		0	7.00
10.00	RURAL HEALTH CLINIC I	0		52,268		0	10.00
10.01	RURAL HEALTH CLINIC II	0		2,961		0	10.01
200.00	Total	0	139,940	71,881	0	0	200.00

The above amounts represent "due to" or "due from" the applicable program for the element of the above complex indicated.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0050. The time required to complete and review the information collection is estimated 673 hours per response, including the time to review instructions, search existing resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Report Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850. Please do not send applications, claims, payments, medical records or any documents containing sensitive information to the PRA Reports Clearance Office. Please note that any correspondence not pertaining to the information collection burden approved under the associated OMB control number listed on this form will not be reviewed, forwarded, or retained. If you have questions or concerns regarding where to submit your documents, please contact 1-800-MEDICARE.

SEE ACCOUNTANT'S COMPILATION REPORT



MEMO

Date: 30 November 2017
To: BVCHD Finance Committee and Board
From: Garth M Hamblin, CFO
Re: Travel Expenses for QHR IT Assessment

Recommended Action

Approval of an amount not to exceed \$2,000 for travel and related expense for QHR consultant to conduct IT assessment.

Background

Attached is an overview of the approach and deliverables for QHR to conduct an IT assessment. At last month's meeting Ron Vigus of QHR offered that this assessment could be done as part of the consulting services under the QHR agreement. Our only expense would be the above referenced travel and out-of-pocket expenses.



Proposal for: Abbreviated IT Assessment

November 22, 2017



QUORUM | HEALTH RESOURCES®

Creating a Sustainable Future for Healthcare Organizations

Our Understanding of Your Needs



● bringing a

STRUCTURED APPROACH

● to the Security Environment

- Bear Valley Community Healthcare District is in need of a 3rd party to help perform an abbreviated IT Assessment.
- The project will entail a review of:
 - the technical environment at Bear Valley;
 - the current application needs and application mix;
 - current governance processes;
 - application usage by key staff;
 - user satisfaction with current systems;
 - high-level HIPAA policies and compliance with HIPAA Security;
 - high-level IT staffing review.
- Deliverables will include a management action plan that can be followed by local staff to improve:
 - user satisfaction;
 - staff's use of the systems;
 - the application portfolio at Bear Valley;
 - IT staff performance and compliance with policies.

Objectives and Methodology

Objectives



Review the current setup, support, governance and usage existing software



Understand how well the hospital is meeting HIPAA security compliance



Formulate an in-depth analysis of current issues and the best alternative to resolve problems long-term

Methodology & Deliverables



Interview key staff and stakeholders



Review the current application mix, interface capabilities and future plans



Develop an action plan and review with Bear Valley



Work with Bear Valley to develop the best long-term plan

Improving IT Satisfaction and Usage

Steps to Completion

- Data request and review
- On-site interviews
- Immediate feedback on critical items found
- 2 weeks for development of the Management Action Plan
- Management Action Plan identifying next steps for process improvements, or possible changes to the application or interface mix

Contact Us



- Shannon Williams, MBA, PMP, CPHIMS
Vice President, Project Management Office
- 479.879.7003
- swilliams@qhr.com



Why Quorum?

We Are Healthcare Executives Just Like You

ADVISORY SERVICES

- Clinical Operations
- Compliance
- Strategy
- Revenue Cycle
- Workforce Efficiency
- Supply Chain
- IT
- Physician Services

Fee structure is typically project-based

RISK ASSESSMENT

- Operational improvement opportunity
- Financial impact analysis
- Compliance risk analysis
- Capital needs assessment
- Regulatory impact analysis

Fee structure can be time and material project or fee-based

BUSINESS PLANNING

- Strategic plan development
- Service line planning
- Pro forma development
- Governance structure creation
- Bylaw & compliance program development
- Medical staff planning

Fee structure can be time and material project or fee-based

HOSPITAL AFFILIATION

- Network development
- Operations assessment of affiliation partners
- Guidance on affiliation agreements
- Consulting and management services
- Quorum Purchasing Advantage - GPO
- Education - Quorum Learning Institute

Quorum's consulting and operations consultants provide a spectrum of services, from a long-term management advisory relationship to a short-term turnaround engagement to a customized consulting/operations solution, that meet the needs of healthcare organizations. Our experience extends to all types of health care facilities - large urban hospitals/systems, community hospitals, university medical centers, rural providers, insurance firms and physician practices.

Quorum has more than 150 operations and consulting clients across 34 states.



Over Two Decades of Experience

800

Consulting engagements completed

126

Current multi-year hospital clients

100+

**Years of hospital operations experience
among Quorum Leadership Team**

#11

Modern Healthcare: Top healthcare consulting firm

Overview of IT Consulting Services

The Quorum Advantage: Our Approach & Methodology

We focus your attention on **Strategic Direction, Economic Incentives, IT Adoption**, and **Market Forces** when developing initiatives with enterprise-wide impact. By leveraging your unique mix of people, process, and technologies, our resulting recommendations improve the bottom line and quality of patient care.



IT Assessment and Strategy

Quorum advises on how to define, implement, and manage a sustainable IT plan with governance structure that will enable and drive your organization's strategic mission, financial performance, and market competitiveness.

Search , Selection, Contract Negotiations

Before selecting a new information system or technology, an organization must determine its operational requirements. By focusing on the people, process, and technologies during the selection phase, this methodology provides a foundation for successful implementation. Also, building on familiarity with industry standards and best practices, our consultants will help develop a negotiation strategy that will yield an advantageous contract.

System Implementation, and Optimization

IT that is implemented without considerations of the operations will likely not achieve the desired outcomes. We have assisted a very diverse portfolio of acute and ambulatory organizations in the implementation, upgrades, and optimization of their vendor solutions.

Healthcare Industry Affiliations

On a daily basis, we work with clients running the following vendor systems:

- **CPSI (Evident)**
- **McKesson**
- **Epic**
- **HMS**
- **Cerner**
- **Athena Health**
- **MEDITECH**
- **Allscripts**



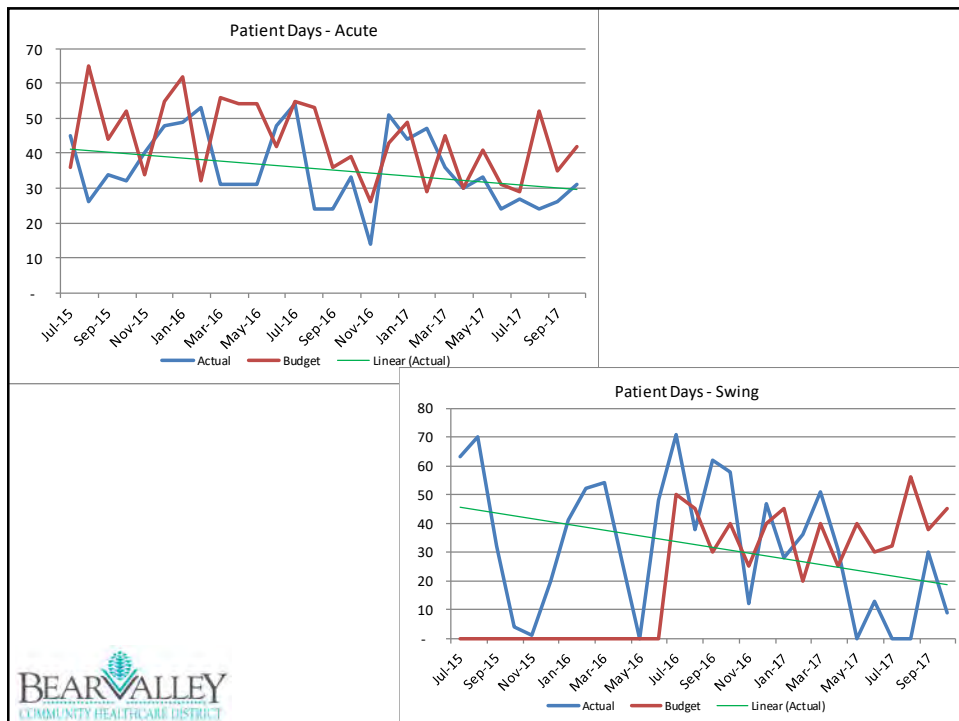
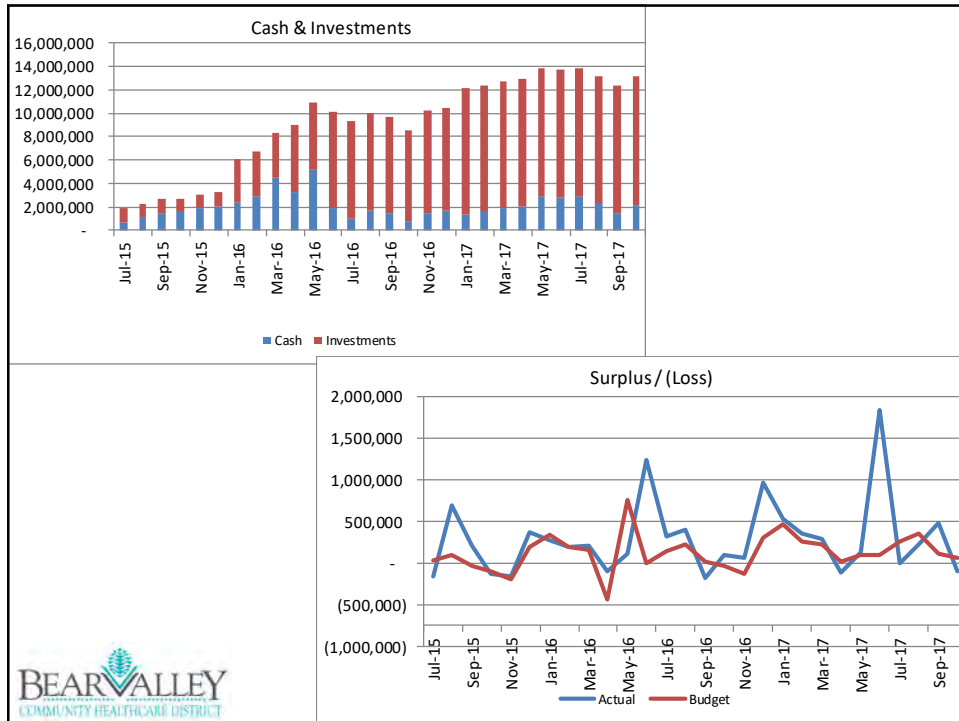


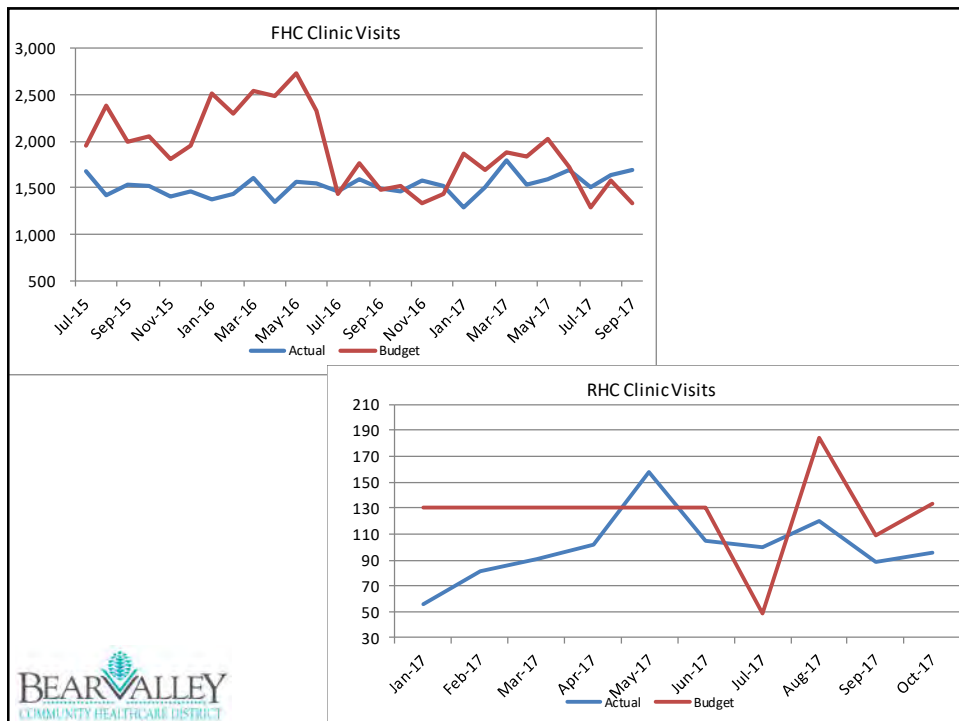
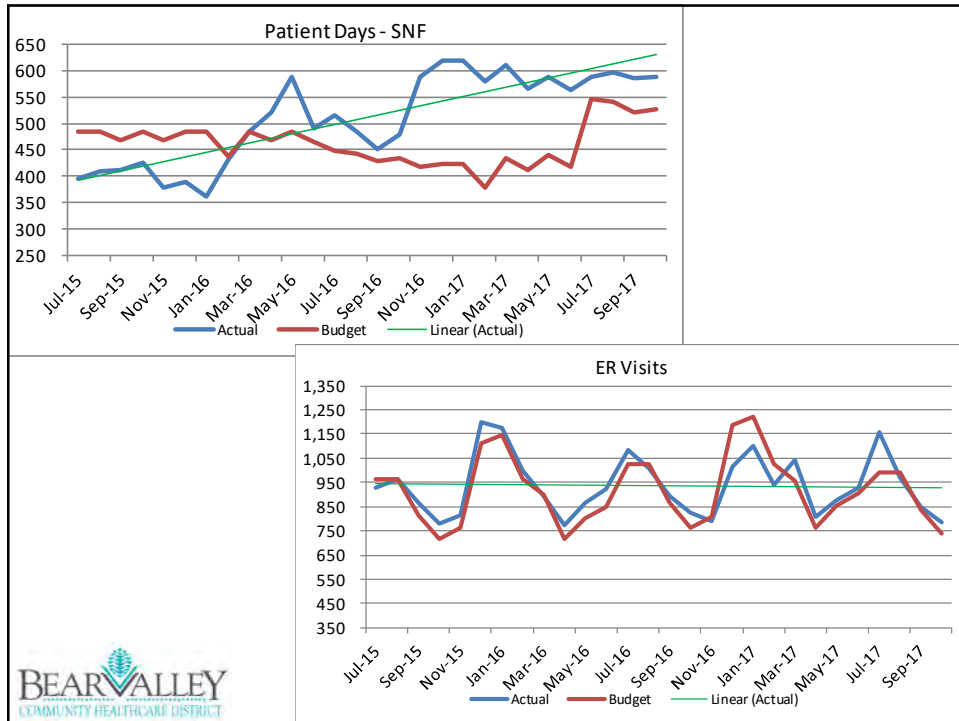
Finance Report
October 2017 Results

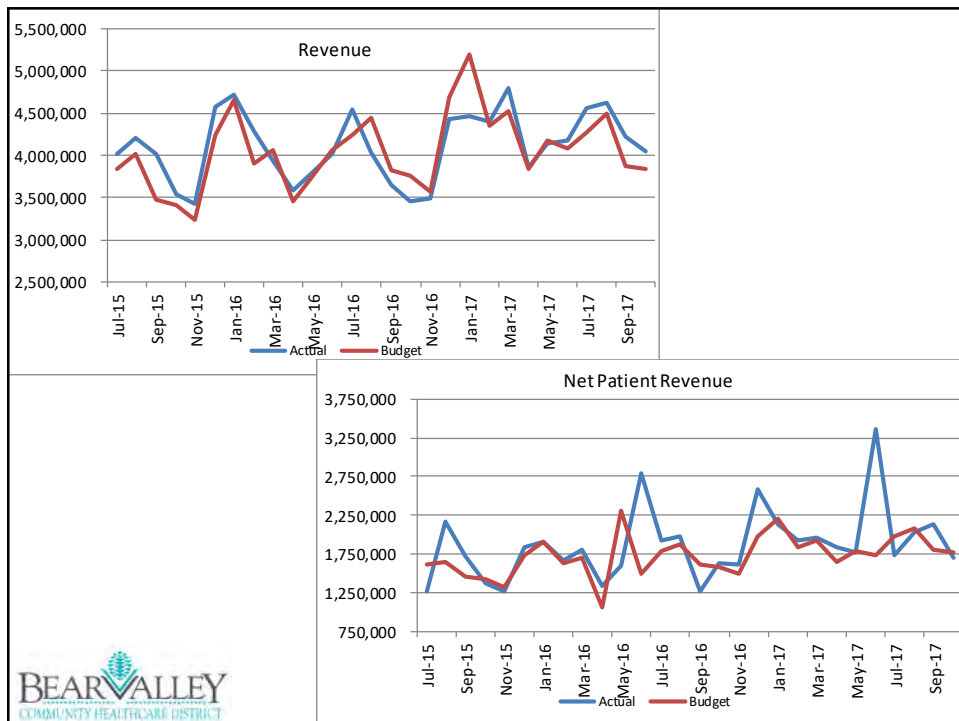
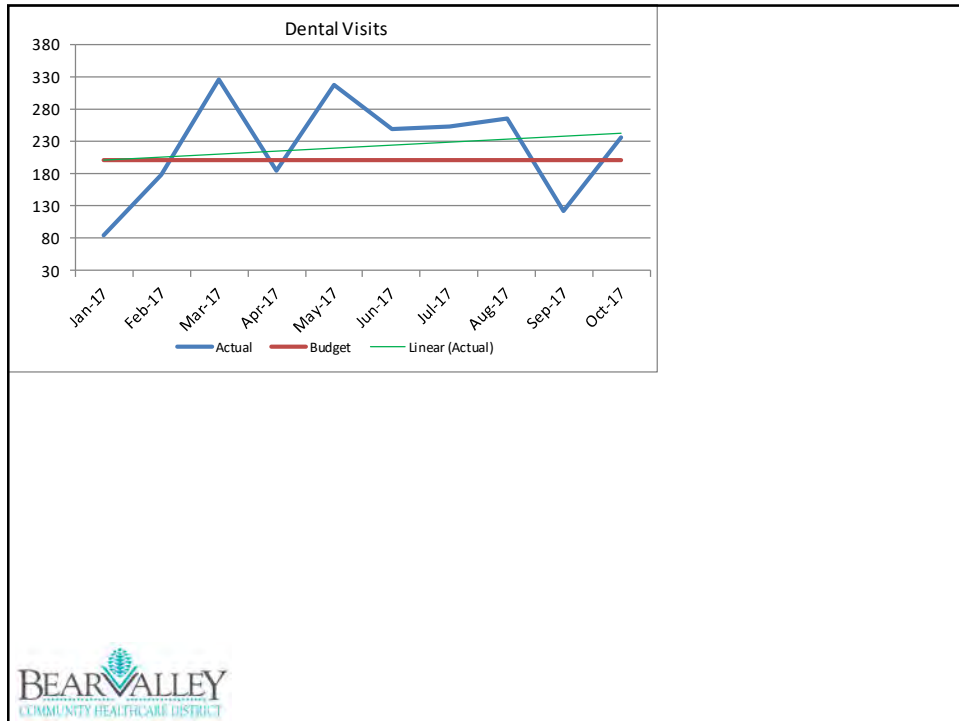
Summary for October 2017

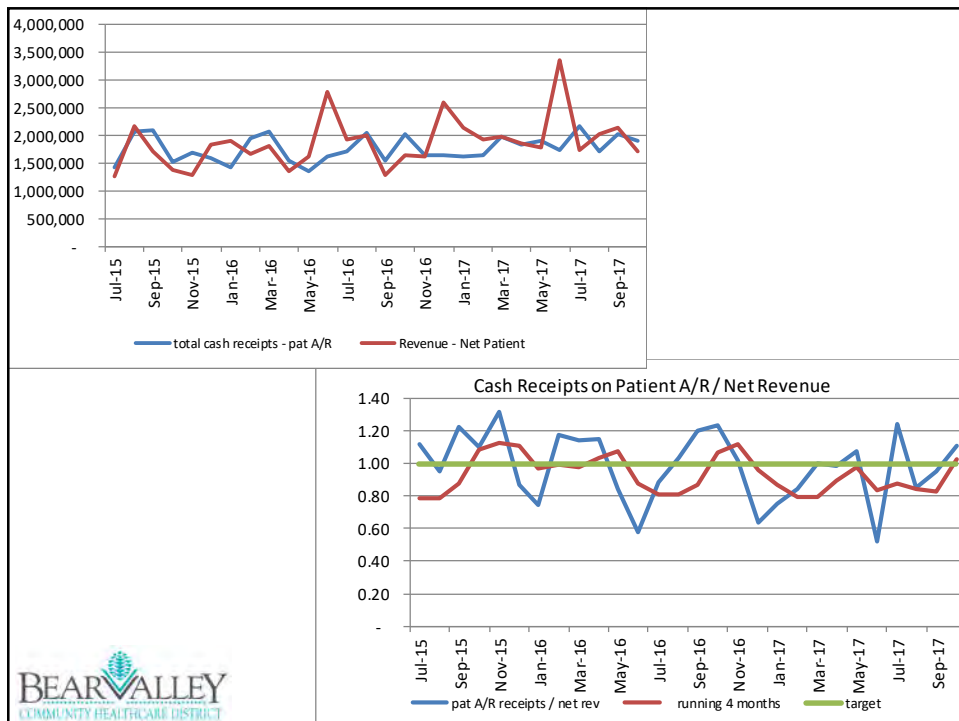
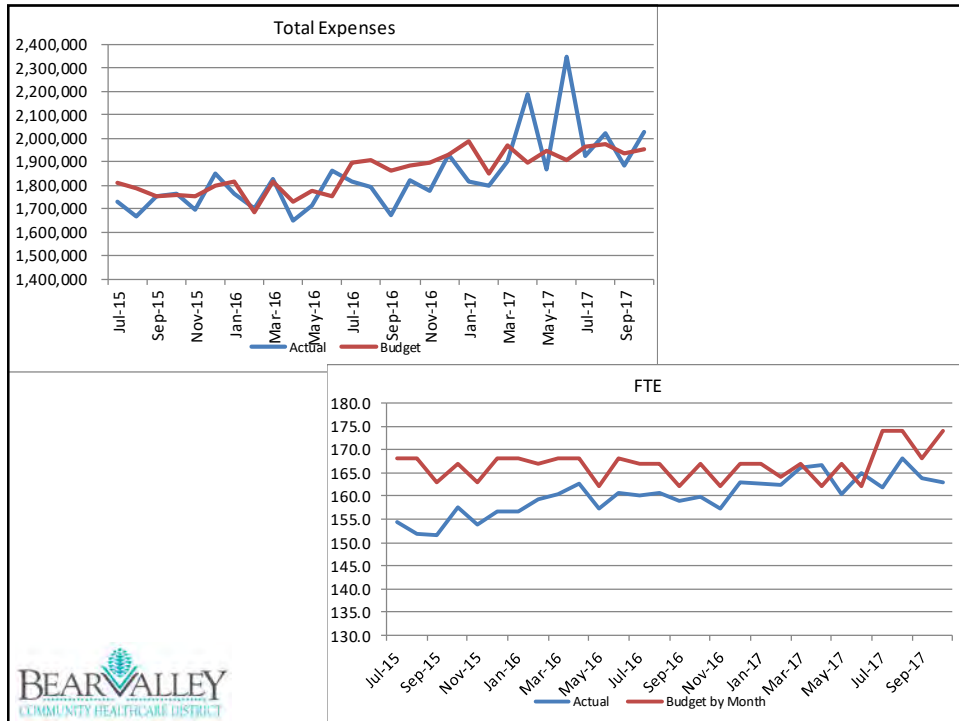
- Cash on Hand - \$2,187,881
Investments - \$10,921,640
- Days Cash on hand, including investments with LAIF – 211
- Loss of \$95,854 for the month compared to budgeted surplus of \$69,031.
- Total Patient Revenue over Budget by 5.6% for the month
- Net Revenue was 4.1% lower than budget.
- Total Expenses 4.0% higher than budget

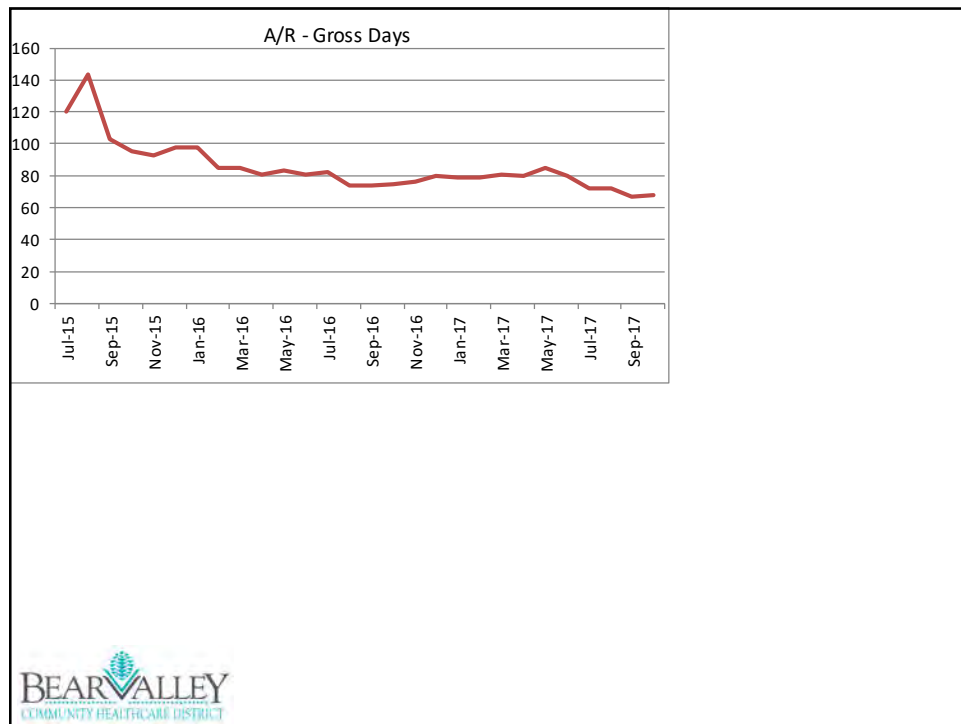














October 2017 Financial Results

For the month . . .

Total Patient Revenue of \$4,046,739 was over budget by 5.6%. Inpatient revenue was again under budget. Outpatient revenue was 18.5% over budget. Clinic revenue was 79.3% over budget. Emergency Room revenue was 1.1% more than budget with visits over budget. Skilled nursing Census continues to run ahead of budget. Skilled nursing revenue was 4.8% over budget for the month.

Deductions from Revenue of \$2,338,683 were 13.9% higher than budget.

Total operating Revenue of \$1,708,056 was 4.1% lower than budget. October is one of the months when we anticipate and experience decreased revenue.

Total Operating Expenses of \$2,028,341 were higher than budget by 4.0%.

Our Loss for the month of October 2017 was \$95,854. This compares unfavorably to our budgeted surplus of \$69,031 for the month.

Our Operating Cash and Investments total \$13,109,521. Total Days Cash on hand are 211.

Key Statistics

Both Inpatient and Swing Patient days were under budget for the month. Our Swing days were only 9. SNF days totaled 589, an Average Daily Census of 19.0. Budget for the month was an ADC of 17.0. Emergency Room visits totaled 783 for the month – 6.2% higher than budget.

Through the first four months of our Fiscal Year . . .

Patient revenue is 5.9% ahead of budget, total revenue deductions are 11.6% more than budget, total expenses are 0.4% lower than budget, and our surplus of \$614,668 is \$170,649 lower than budget.

Acute and Swing patient days are less than half the number budgeted. SNF days are 10% over budget. ER Visits are 5.8% over budget. FTE continue to be under budget.

Bear Valley Community Healthcare District
Financial Statements October 31, 2017

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 16/17	FY 17/18		VARIANCE		FY 16/17	FY 17/18		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1 Total patient revenue	3,453,970	4,046,739	3,833,816	212,923	5.6%	15,676,727	17,457,147	16,484,210	972,937	5.9%
2 Total revenue deductions	1,817,832	2,338,683	2,052,498	286,185	13.9%	8,850,981	9,852,859	8,825,101	1,027,758	11.6%
3 % Deductions	53%	58%	54%			56%	56%	54%		
4 Net Patient Revenue	1,636,138	1,708,056	1,781,318	(73,262)	-4.1%	6,825,746	7,604,289	7,659,109	(54,820)	-0.7%
5 % Net to Gross	47%	42%	46%			44%	44%	46%		
6 Other Revenue	25,453	45,312	51,981	(6,669)	-12.8%	63,824	107,762	207,527	(99,765)	-48.1%
7 Total Operating Revenue	1,661,591	1,753,369	1,833,299	(79,930)	-4.4%	6,889,570	7,712,050	7,866,636	(154,586)	-2.0%
8 Total Expenses	1,814,376	2,028,341	1,950,015	78,326	4.0%	7,066,745	7,854,045	7,824,307	29,738	0.4%
9 % Expenses	53%	50%	51%			45%	45%	47%		
10 Surplus (Loss) from Operations	(152,785)	(274,973)	(116,716)	(158,257)	-135.6%	(177,175)	(141,995)	42,329	(184,324)	435.5%
11 % Operating margin	-4%	-7%	-3%			-1%	-1%	0%		
12 Total Non-operating	242,089	179,118	185,747	(6,629)	-3.6%	810,996	756,662	742,988	13,674	1.8%
13 Surplus/(Loss)	89,304	(95,854)	69,031	(164,885)	238.9%	633,821	614,668	785,317	(170,649)	21.7%
14 % Total margin	3%	-2%	2%			4%	4%	5%		

BALANCE SHEET

	A	B	C	D	E
	October	October	September	VARIANCE	
	FY 16/17	FY 17/18	FY 17/18	Amount	%
15 Gross Accounts Receivables	9,123,638	9,514,168	9,817,444	(303,276)	-3.1%
16 Net Accounts Receivables	3,302,734	3,562,374	4,001,787	(439,413)	-11.0%
17 % Net AR to Gross AR	36%	37%	41%		
18 Days Gross AR	75	68	67	1	0.7%
19 Cash Collections	2,022,783	1,897,526	2,025,147	(127,621)	-6.3%
21 Investments	7,739,399	10,921,640	10,921,640	-	0.0%
22 Cash on hand	924,758	2,187,881	1,483,027	704,854	47.5%
23 Total Cash & Invest	8,664,157	13,109,521	12,404,667	704,854	5.7%
24 Days Cash & Invest	154	211	201	10	5.1%
Total Cash and Investments	8,664,157	13,109,521			
Increase Current Year vs. Prior Year		4,445,364			

Bear Valley Community Healthcare District
Financial Statements October 31, 2017

Statement of Operations

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	260,815	142,719	253,111	(110,392)	-43.6%	975,028	487,863	983,092	(495,229)	-50.4%
2 Outpatient	872,592	1,047,978	884,330	163,648	18.5%	3,570,057	4,186,834	3,577,482	609,352	17.0%
3 Clinic Revenue	177,791	391,164	218,189	172,975	79.3%	741,044	1,448,529	884,312	564,217	63.8%
4 Emergency Room	1,928,965	2,203,306	2,228,568	(25,262)	-1.1%	9,531,167	10,282,416	10,047,444	234,972	2.3%
5 Skilled Nursing Facility	213,807	261,572	249,618	11,954	4.8%	859,431	1,051,505	991,880	59,625	6.0%
6 Total patient revenue	3,453,970	4,046,739	3,833,816	212,923	5.6%	15,676,727	17,457,147	16,484,210	972,937	5.9%
Revenue Deductions										
7 Contractual Allow	1,377,697	1,909,156	1,878,819	30,337	1.6%	7,249,094	8,644,809	8,078,330	566,479	7.0%
8 Contractual Allow PY	(10)	(1,739)	-	(1,739)	#DIV/0!	(13,046)	(27)	-	(27)	#DIV/0!
9 Charity Care	-	-	8,210	(8,210)	-100.0%	46,025	20,517	35,302	(14,785)	-41.9%
10 Administrative	4,728	10,431	7,194	3,237	45.0%	14,583	293,795	30,933	262,862	849.8%
11 Policy Discount	4,689	10,680	5,860	4,820	82.2%	23,065	41,354	25,197	16,157	64.1%
12 Employee Discount	2,519	4,084	3,188	896	28.1%	10,647	21,832	13,708	8,124	59.3%
13 Bad Debts	105,056	236,304	149,227	87,077	58.4%	657,289	291,679	641,631	(349,952)	-54.5%
14 Denials	266,959	169,768	-	169,768	#DIV/0!	863,324	538,901	-	538,901	#DIV/0!
15 Total revenue deductions	1,817,832	2,338,683	2,052,498	286,185	13.9%	8,850,981	9,852,859	8,825,101	1,027,758	11.6%
16 Net Patient Revenue	1,636,138	1,708,056	1,781,318	(73,262)	-4.1%	6,825,746	7,604,289	7,659,109	(54,820)	-0.7%
gross revenue including Prior Year Contractual Allowances as a percent to gross revenue WO PY and Other CA	40.2%	40.2%		40.2%		40.2%	447.4%	447.4%	0.0%	
	39.2%	39.2%		39.2%		39.2%	437.2%	437.2%	0.0%	
17 Other Revenue	25,453	45,312	51,981	(6,669)	-12.8%	63,824	107,762	207,527	(99,765)	-48.1%
18 Total Operating Revenue	1,661,591	1,753,369	1,833,299	(79,930)	-4.4%	6,889,570	7,712,050	7,866,636	(154,586)	-2.0%
Expenses										
19 Salaries	777,379	798,066	825,452	(27,386)	-3.3%	3,022,634	3,242,463	3,275,797	(33,334)	-1.0%
20 Employee Benefits	318,340	292,526	317,548	(25,022)	-7.9%	1,144,711	1,198,669	1,286,419	(87,750)	-6.8%
21 Registry	-	-	-	-	#DIV/0!	33,285	12,718	-	12,718	#DIV/0!
22 Salaries and Benefits	1,095,719	1,090,592	1,143,000	(52,408)	-4.6%	4,200,630	4,453,851	4,562,216	(108,365)	-2.4%
23 Professional fees	139,059	191,107	156,392	34,715	22.2%	524,351	664,055	623,183	40,872	6.6%
24 Supplies	113,256	139,091	119,159	19,932	16.7%	498,449	507,202	496,255	10,947	2.2%
25 Utilities	42,392	40,689	44,083	(3,394)	-7.7%	175,743	168,248	181,965	(13,717)	-7.5%
26 Repairs and Maintenance	20,178	30,007	22,668	7,339	32.4%	80,614	107,533	90,569	16,964	18.7%
27 Purchased Services	267,028	373,876	289,875	84,001	29.0%	1,046,322	1,303,051	1,170,568	132,483	11.3%
28 Insurance	25,014	25,835	25,917	(82)	-0.3%	100,056	103,121	103,668	(547)	-0.5%
29 Depreciation	44,325	61,486	75,000	(13,514)	-18.0%	177,300	218,031	300,000	(81,969)	-27.3%
30 Rental and Leases	18,022	23,454	16,297	7,157	43.9%	72,495	145,238	65,188	80,050	122.8%
32 Dues and Subscriptions	4,711	5,181	5,046	135	2.7%	17,616	21,851	20,182	1,669	8.3%
33 Other Expense.	44,672	47,022	52,578	(5,556)	-10.6%	173,169	161,865	210,513	(48,648)	-23.1%
34 Total Expenses	1,814,376	2,028,341	1,950,015	78,326	4.0%	7,066,745	7,854,045	7,824,307	29,738	0.4%
35 Surplus (Loss) from Operations	(152,785)	(274,973)	(116,716)	(158,257)	-135.6%	(177,175)	(141,995)	42,329	(184,324)	435.5%
Non-Operating Income										
37 Tax Revenue	189,917	186,047	186,047	-	0.0%	759,668	744,188	744,188	-	0.0%
38 Other non-operating	43,673	130	3,283	(3,153)	-96.0%	56,450	10,247	13,132	(2,885)	-22.0%
Interest Income	16,428	693	4,167	(3,474)	-83.4%	26,177	33,600	16,668	16,932	101.6%
Interest Expense	(7,929)	(7,752)	(7,750)	(2)	0.0%	(31,299)	(31,373)	(31,000)	(373)	1.2%
39 Total Non-operating	242,089	179,118	185,747	(6,629)	-3.6%	810,996	756,662	742,988	13,674	1.8%
Financing										
Financing Income	89,304	(95,854)	69,031	(164,885)	238.9%	633,821	614,668	785,317	(170,649)	21.7%

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/17 Y/E audit adjustments)

ASSETS:

Current Assets

	July	Aug	Sept	Oct	PY BS June
Cash and Cash Equivalents (Includes CD's)	2,926,360	2,290,992	1,483,027	2,187,881	2,858,405
Gross Patient Accounts Receivable	10,084,033	10,529,969	9,819,853	9,516,577	10,749,524
Less: Reserves for Allowances & Bad Debt	6,481,129	6,632,089	5,818,066	5,954,203	6,824,943
Net Patient Accounts Receivable	3,602,904	3,897,880	4,001,787	3,562,374	3,924,581
Tax Revenue Receivable	2,232,569	2,232,569	2,232,569	2,232,569	56,787
Other Receivables	88,537	55,474	750,144	324,224	107,830
Inventories	217,948	220,580	221,025	226,011	212,805
Prepaid Expenses	330,877	339,259	336,340	352,943	192,216
Due From Third Party Payers	0				
Due From Affiliates/Related Organizations	0				
Other Current Assets	0				
Total Current Assets	9,399,195	9,036,754	9,024,893	8,886,002	7,352,624

Assets Whose Use is Limited

Investments	10,894,184	10,894,184	10,921,640	10,921,640	10,894,184
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	11,038,559	11,038,559	11,066,015	11,066,015	11,038,559

Property, Plant, and Equipment

Land and Land Improvements	547,472	570,615	570,615	570,615	547,472
Building and Building Improvements	9,657,088	9,659,388	9,686,383	9,696,603	9,657,088
Equipment	9,625,066	9,694,652	10,189,492	10,232,207	9,614,476
Construction In Progress	1,058,659	1,101,848	753,103	1,356,225	532,158
Capitalized Interest	0				
Gross Property, Plant, and Equipment	20,888,285	21,026,502	21,199,592	21,855,650	20,351,194
Less: Accumulated Depreciation	12,764,979	12,814,141	12,872,956	12,934,442	12,716,411
Net Property, Plant, and Equipment	8,123,306	8,212,362	8,326,636	8,921,208	7,634,783
TOTAL UNRESTRICTED ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	26,025,966

Restricted Assets

	0	0	0	0	0
TOTAL ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	26,025,966

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/17 Y/E audit adjustments)

LIABILITIES:

	PY BS				
	July	Aug	Sept	Oct	June
Current Liabilities					
Accounts Payable	1,382,046	985,885	792,559	1,431,694	1,055,031
Notes and Loans Payable					
Accrued Payroll	775,117	846,351	884,291	975,116	684,799
Patient Refunds Payable					
Due to Third Party Payers (Settlements)	709,007	709,470	695,980	695,980	649,537
Advances From Third Party Payers					
Current Portion of Def Rev - Txs,	2,046,518	1,860,471	1,674,424	1,488,377	-4
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915					
Other Current Liabilities (Accrued Interest & Accrued Other)	15,243	23,005	30,785	38,407	7,621
Total Current Liabilities	4,962,931	4,460,183	4,113,039	4,664,574	2,431,984
Long Term Debt					
USDA Loan	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
Leases Payable	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0	0
Other	0	0	0	0	0
Total Other Long Term Liabilities	0	0	0	0	0
TOTAL LIABILITIES	7,892,931	7,390,183	7,043,039	7,594,574	5,361,984
Fund Balance					
Unrestricted Fund Balance	20,663,982	20,663,983	20,663,982	20,663,982	16,251,126
Temporarily Restricted Fund Balance	0	0			
Equity Transfer from FRHG	0	0			
Net Revenue/(Expenses)	4,147	233,510	710,523	614,668	4,412,856
TOTAL FUND BALANCE	20,668,129	20,897,491	21,374,505	21,278,650	20,663,982
TOTAL LIABILITIES & FUND BALANCE	28,561,060	28,287,674	28,417,544	28,873,224	26,025,966

Units of Service
For the period ending: October 31, 2017

31						123						
Current Month						Bear Valley Community Hospital						
						Year-To-Date						
Oct-17	Oct-16	Actual -Budget		Act.-Act.		Oct-17	Oct-16	Actual -Budget		Act.-Act.		
Actual	Budget	Actual	Variance	Var %	Var %	Actual	Budget	Actual	Variance	Var %	Var %	
31	42	33	(11)	-25.7%	-6.1%	Med Surg Patient Days	108	158	135	(50)	-31.5%	-20.0%
9	45	58	(36)	-80.1%	-84.5%	Swing Patient Days	39	171	229	(132)	-77.2%	-83.0%
589	527	480	62	11.8%	22.7%	SNF Patient Days	2,361	2,134	1,930	227	10.6%	22.3%
629	614	571	15	2.4%	10.2%	Total Patient Days	2,508	2,463	2,294	45	1.8%	9.3%
14	15	14	(1)	-6.7%	0.0%	Acute Admissions	51	60	56	(9)	-15.0%	-8.9%
11	15	15	(4)	-26.7%	-26.7%	Acute Discharges	50	60	60	(10)	-16.7%	-16.7%
2.8	-	2.2	2.8	#DIV/0!	28.1%	Acute Average Length of Stay	2.2	-	2.3	2.2	#DIV/0!	-4.0%
1.0	1.3	1.1	(0.3)	-25.7%	-6.1%	Acute Average Daily Census	0.9	1	1.1	(0.4)	-31.5%	-20.0%
19.3	18.5	17.4	0.8	4.5%	11.2%	SNF/Swing Avg Daily Census	19.5	19	17.6	0.8	4.1%	11.2%
20.3	19.8	18.4	0.5	2.4%	10.2%	Total Avg. Daily Census	20.4	20	18.7	0.4	1.8%	9.3%
45%	44%	41%	1%	2.4%	10.2%	% Occupancy	45%	44%	41%	1%	1.8%	9.3%
9	15	9	(6)	-40.0%	0.0%	Emergency Room Admitted	42	60	47	(18)	-30.0%	-10.6%
774	1,000	816	(226)	-22.6%	-5.1%	Emergency Room Discharged	3,717	4,000	3,766	(283)	-7.1%	-1.3%
783	737	825	46	6.2%	-5.1%	Emergency Room Total	3,759	3,553	3,813	206	5.8%	-1.4%
25	24	27	1	6.2%	-5.1%	ER visits per calendar day	31	29	31	2	5.8%	-1.4%
64%	100%	64%	17%	16.7%	0.0%	% Admits from ER	82%	100%	84%	50%	50.0%	-1.9%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	-	-	-	-	0.0%	#DIV/0!
8	24	6	(16)	-66.7%	33.3%	Surgical Procedures O/P	53	88	19	(35)	-39.8%	178.9%
8	24	6	(16)	-66.7%	33.3%	TOTAL Procedures	53	88	19	(35)	-39.8%	178.9%
709	295	162	414	140.3%	337.7%	Surgical Minutes Total	3,672	1,171	412	2,501	213.6%	791.3%

Units of Service
For the period ending: October 31, 2017

Current Month						Bear Valley Community Hospital			Year-To-Date			
Oct-17		Oct-16	Actual -Budget		Act.-Act.		Oct-17		Oct-16	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
6,172	5,673	5,471	499	8.8%	12.8%	Lab Procedures	25,884	23,393	24,917	2,491	10.6%	3.9%
768	603	628	165	27.4%	22.3%	X-Ray Procedures	2,560	2,699	2,942	(139)	-5.2%	-13.0%
256	231	199	25	10.8%	28.6%	C.T. Scan Procedures	1,044	964	998	80	8.3%	4.6%
213	200	192	13	6.5%	10.9%	Ultrasound Procedures	933	809	897	124	15.3%	4.0%
79	50	58	29	58.0%	36.2%	Mammography Procedures	308	200	231	108	54.0%	33.3%
274	257	223	17	6.6%	22.9%	EKG Procedures	1,220	1,027	1,007	193	18.8%	21.2%
121	85	85	36	42.4%	42.4%	Respiratory Procedures	414	351	379	63	17.9%	9.2%
1,616	1,882	2,095	(266)	-14.1%	-22.9%	Physical Therapy Procedures	5,556	6,375	6,780	(819)	-12.8%	-18.1%
1,859	1,501	1,468	358	23.9%	26.6%	Primary Care Clinic Visits	7,016	6,055	6,008	961	15.9%	16.8%
236	200	-	36	0.0%	#DIV/0!	Specialty Clinic Visits	876	800	-	76	0.0%	#DIV/0!
2,095	1,701	1,468	394	23.2%	42.7%	Clinic	7,892	6,855	6,008	1,037	15.1%	31.4%
81	65	56	15	23.2%	42.7%	Clinic visits per work day	61	53	46	8	15.1%	31.4%
22.2%	20.00%	25.70%	2.20%	11.00%	-13.62%	% Medicare Revenue	20.28%	20.00%	22.38%	0.27%	1.37%	-9.39%
42.30%	37.00%	39.60%	5.30%	14.32%	6.82%	% Medi-Cal Revenue	40.55%	37.00%	38.78%	3.55%	9.59%	4.58%
31.60%	38.00%	31.60%	-6.40%	-16.84%	0.00%	% Insurance Revenue	35.03%	38.00%	35.40%	-2.98%	-7.83%	-1.06%
3.90%	5.00%	3.10%	-1.10%	-22.00%	25.81%	% Self-Pay Revenue	4.15%	5.00%	3.45%	-0.85%	-17.00%	20.29%
142.8	155.00	141.5	(12.2)	-7.9%	0.9%	Productive FTE's	144.63	153.75	141.3	(9.1)	-5.9%	2.4%
163.0	174.00	159.7	(11.0)	-6.3%	2.1%	Total FTE's	164.13	172.50	159.8	(8.4)	-4.8%	2.7%



CFO REPORT for

December 4, 2017, Finance Committee and December 13, 2017, Board meetings

Healthcare Reform

The focus on Tax Reform and other year end issues in Congress seems to have diverted attention away from issues related to healthcare reform. Healthcare reform continues to be a stated priority of the majority party and recent proposals would have had a significant adverse impact on California, we will continue to monitor closely.

Saline Solution Shortage

We are being impacted by the shortage of IV Solutions. This is a recent update

“The California Hospital Association (CHA) and the American Hospital Association (AHA) are actively working to address a growing intravenous (IV) fluid mini-bag shortage resulting from Hurricane Maria in Puerto Rico. CHA has contacted the California Board of Pharmacy and surveyed the CHA Medication Safety Committee for information on specific shortages and the strategies hospitals are pursuing. AHA has communicated to Food and Drug Administration staff the seriousness of the situation and requested that the agency take all steps possible to expedite its resolution. AHA continues to track the Food and Drug Administration’s progress in responding to the shortage.

AHA is also communicating with U.S. Department of Health and Human Services staff working on Puerto Rico recovery efforts, as Baxter — a leading medical supply company — has several plants in Puerto Rico that are currently unable to manufacture small-volume parenteral IV solutions. In addition, AHA has released a Quality Advisory Alert outlining strategies for conservation during the shortage.

Accounts Receivable / TruBridge

The most recent weekly report shows AR days at 67.1. Other key indicators are as follows

Uncoded days 0.3, target 3

Unchecked days 2.1, target 3.

Average charge close day lag 3, target 3.