



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 TUESDAY, MAY 01, 2018

1:00 PM –CLOSED SESSION @ ADMINISTRATION CONFERENCE ROOM

1:30 PM – OPEN SESSION @ 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** Donna Nicely, Treasurer
2. **ROLL CALL** Shelly Egerer, Exec. 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. **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 05/01/18)

OPEN SESSION

1. **CALL TO ORDER** Donna Nicely, Treasurer

2. RESULTS OF CLOSED SESSION*

Donna Nicely, 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. April 03 2018

6. OLD BUSINESS*

- None

7. NEW BUSINESS*

- None

8. PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS*

A. March 2018 Finances

B. CFO Report

- Healthcare Reform – Assembly Bill 3087
- Contractual Adjustment and Bad Debt Review
- FY 2019 Budget Preparation - Update
- Revenue Cycle Assessment Update
- IT Strategic Plan
- Productivity Benchmark Assessment by Department
- HIM Manager

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
April 03, 2018**

MEMBERS Donna Nicely, Treasurer
PRESENT: Peter Boss, MD, Secretary
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kerri Jex

**COMMUNITY
MEMBERS:** None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

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

2. ROLL CALL:

Donna Nicely and Peter Boss, MD were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the April 03, 2018 agenda as presented. Second by Board Member Boss to adopt the April 03, 2018 agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

4. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 1:00 p.m.

5. DIRECTOR'S COMMENTS:

- None

6. APPROVAL OF MINUTES:

- A. February 01, 2018
- B. March 06, 2018

Board Member Nicely motioned to approve the February 01 and March 06, 2018 Minutes as presented. Second by Board Member Boss to approve the February 01 and March 06, 2018 Minutes as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

**A. Discussion and Potential Approval of the Finance Committee Meeting Calendar:
Potential to Change the Date & Time of Meeting:**

- Board Member Nicely asked if there were any suggestions on a change of time.
- Discussion took place on the potential to change the Finance Meeting and what the options for times worked well for the committee members. At this time the committee meeting will remain the same schedule and will be conducted in the Administration Conference Room

Board Member Nicely reported no action required.

**B. Discussion and Potential Recommendation to the Board of Directors of the
Following Policies & Procedures:**

- (1) Dietary Department Deposit**
- (2) Daily Cash Receipts**
- (3) Cash Drawer Reconciliation**

- Board Member Nicely reported that there has been money missing from a departments cash deposit. The Board of Directors asked that some policies and procedures be created and submitted to the Board for potential approval in order to audit the cash drawers and have a process in place.
- Mr. Hamblin reported that the policies have gone through the appropriate review and would like the Finance Committee to recommend that the policies be submitted to the Board of Directors for potential approval.

Board Member Nicely motioned to recommend to the Board of Directors the policies and procedures 1 through 3. Second by Board Member Boss to recommend to the Board of Directors the policies and procedures 1 through 3. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

9. Presentation and Review of Financial Statements:

A. February 2018 Finances:

- Mr. Hamblin reported the following:
 - Strong cash for the month; over \$1million
 - Acute census has decreased
 - SNF decreased but continue to meet budget
 - ER visits decreased
 - Staff is flexing in the ER
 - Net revenue was 12.5% under
 - Finances remain strong during this time
 - FTE's continue to run under budget
 - AR days 62 to 63

B. CFO Report:

- Mr. Hamblin reported the following information:
 - IT Assessment Management Strategic Plan:
 - We have begun to prepare a RFP on who will complete the assessment of the IT Department.
 - The IT Management Action Plan needs to be prioritized.
 - Productivity Assessment by Department Time Line and Potential Consultant to Perform the Assessment:
 - QHR does complete this type of assessment or we can find a different vendor. This study is based on statistics within the facility. Would like to have three vendors, one including QHR and two other bids from different vendors.
- Board Member Nicely reported that the Board of Directors had discussed this item several years ago. The committee asked that this item remain on the Finance Agenda.
 - 2017/2018 Budget Review & Schedule:
 - The proposed budget schedule has been completed and provided to the committee.
 - Budget meetings are scheduled.
 - Operating budgets and capital budgets have been submitted to accounting.
 - Trends and benchmarks are reviewed and discussed
 - HIM Manager Position (Candidate/Interview Schedule):
 - We have interviewed three candidates. At this time we are checking on references. There is a specific candidate that has experience in CPSI.
 - Senior management interviews and then all department managers conduct a meet & greet, a tour of the facility is provided and some time is spent in the department with staff.
 - Revenue Cycle Report to Include Information On "In house billing":
 - Dan Hobbs was on site and completed a review of the district's front-end registration – work to be done in this area, TruBridge performance is a lot better than what it used to be. The TruBridge agreement will need to be extended.
 - CFO & Board Treasurer Bond Requirement:
 - Looking at a security bond for the Board Treasurer.
 - BETA is working with the District.
 - ACHD stated to check with legal counsel

Board Member Nicely motioned to approve the February 2018 Finance Report and the CFO Report. Second by Board Member Boss to approve the February 2018 Finance Report and the CFO Report. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

10. ADJOURNMENT*

Board Member Nicely motioned to adjourn at 1:43 p.m. Second by Board Member Boss to adjourn. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

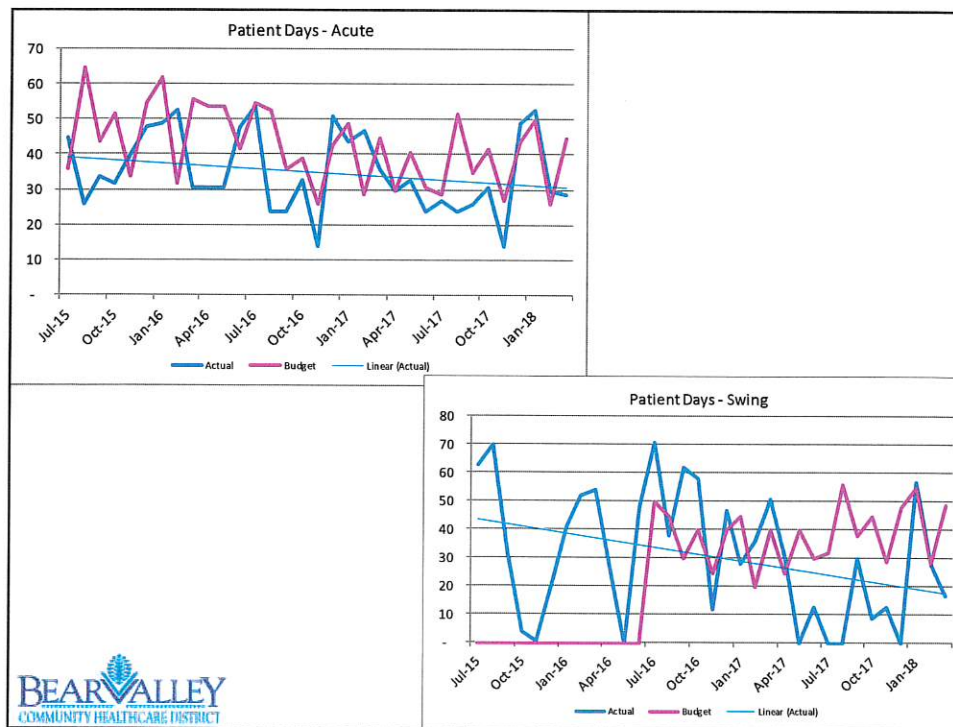
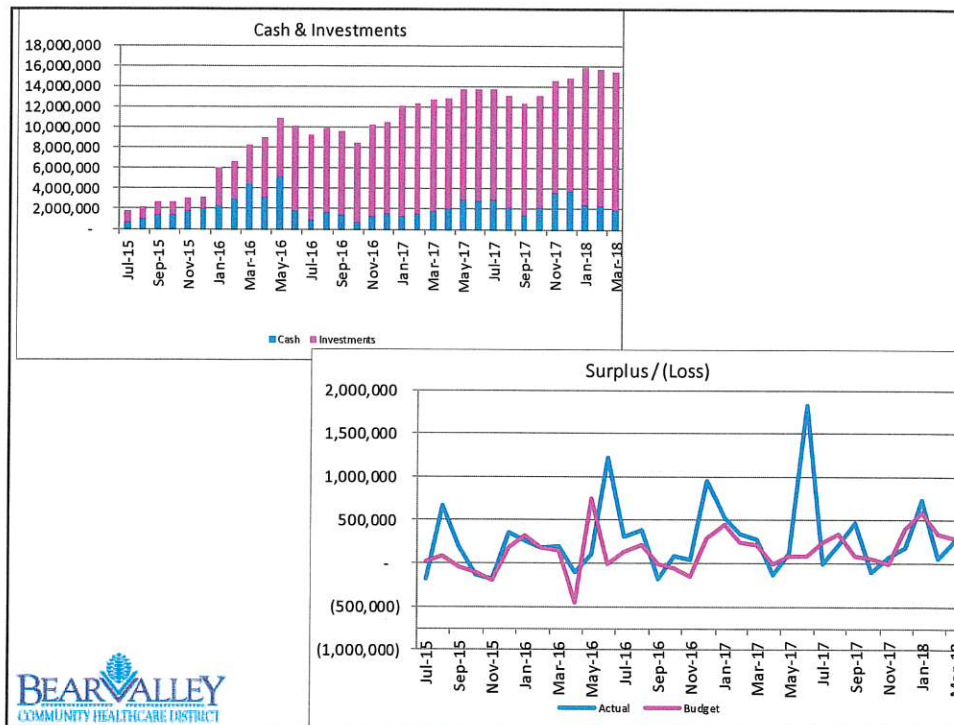
- Board Member Nicely- yes
- Board Member Boss- yes

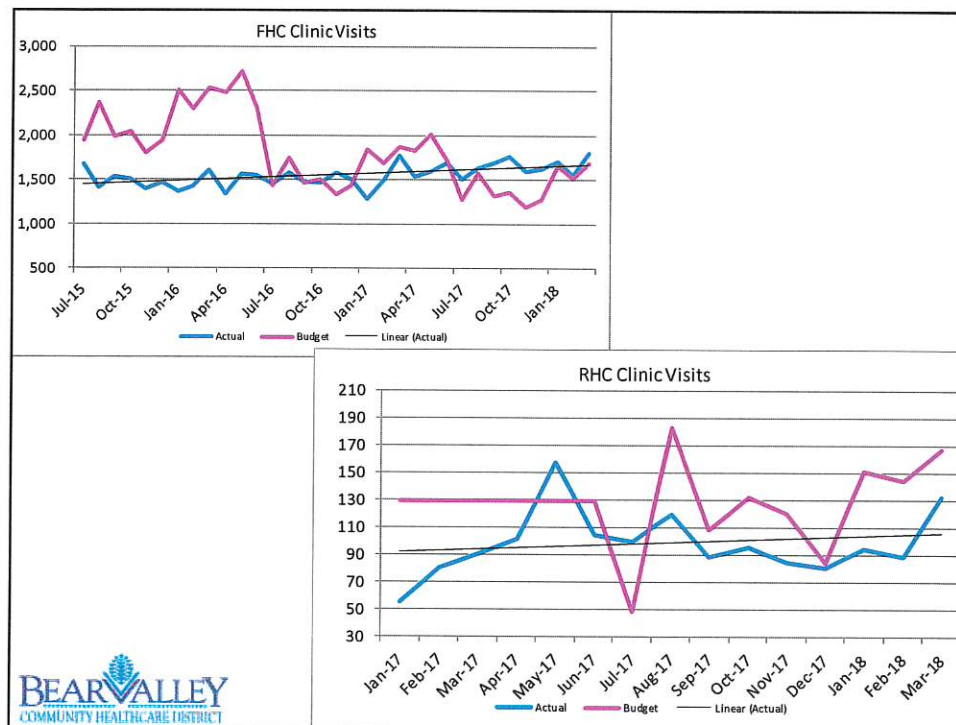
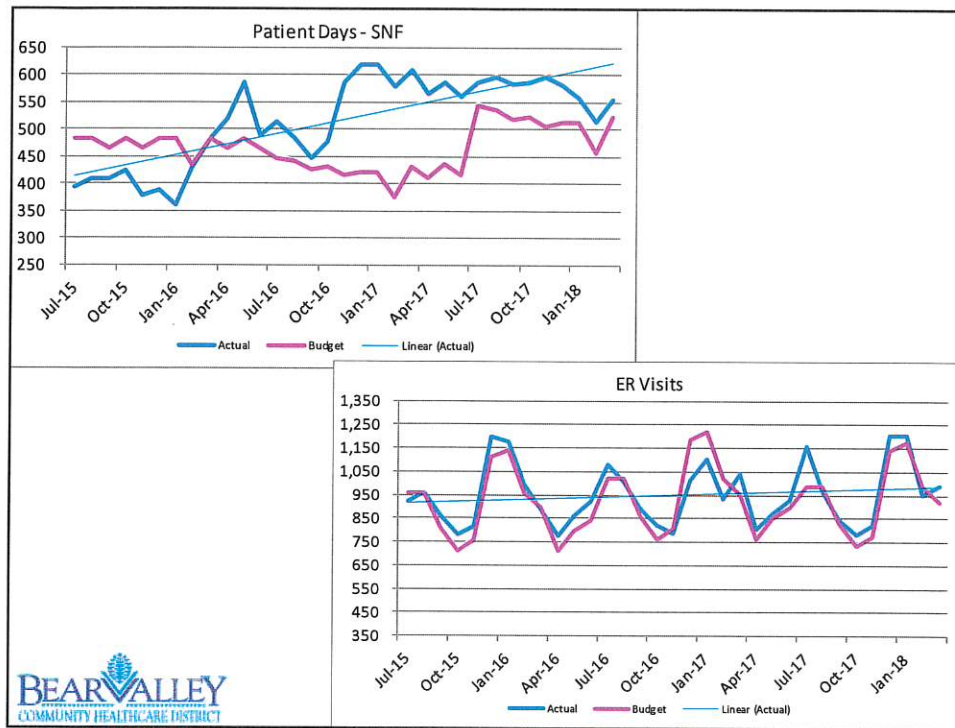


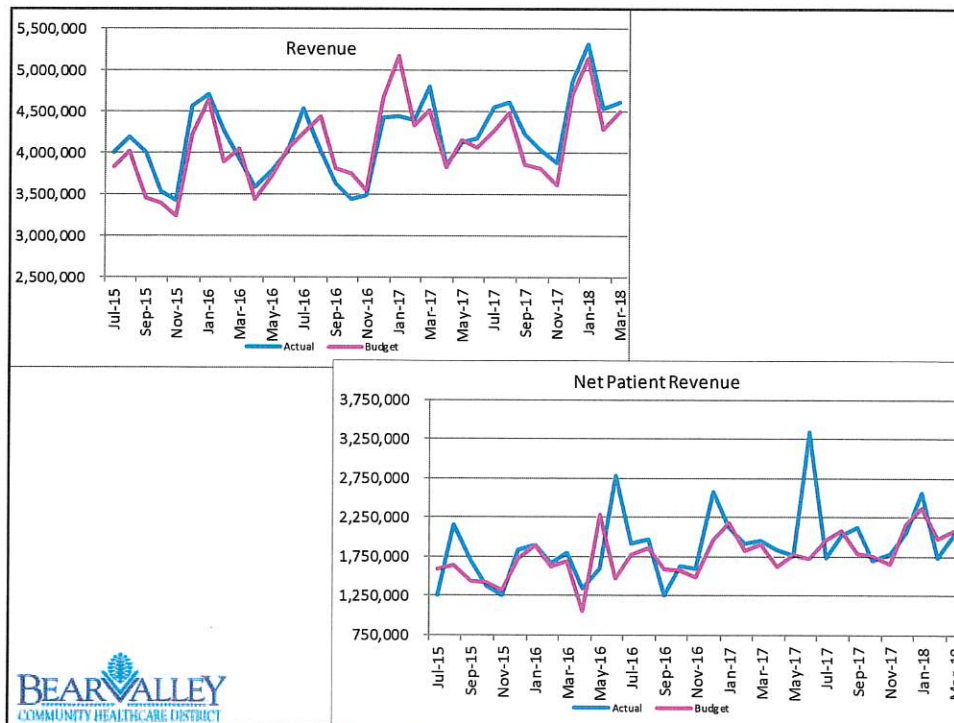
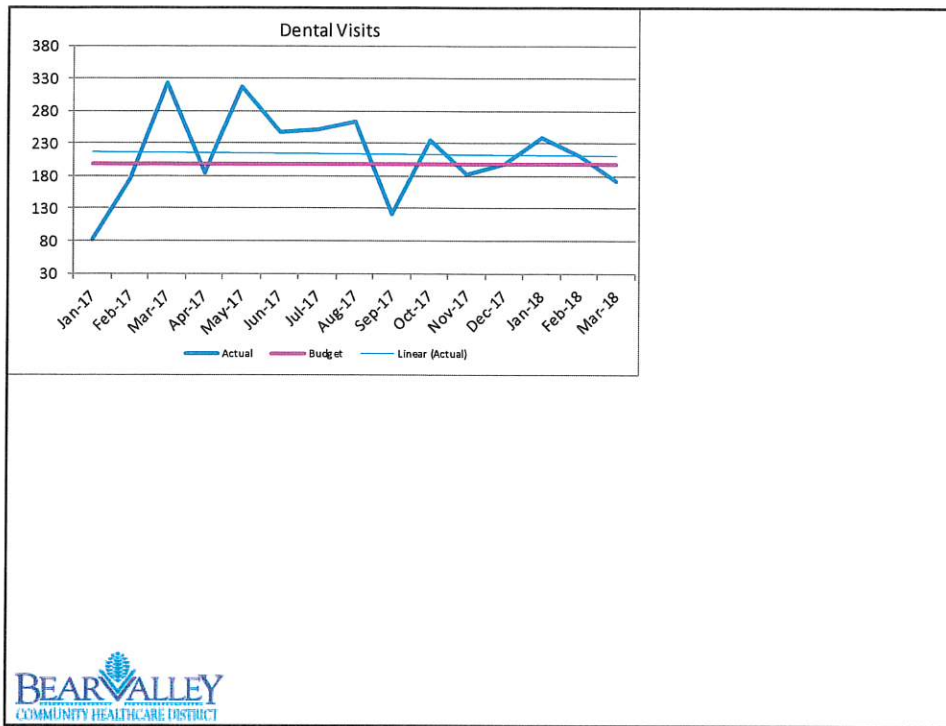
Finance Report
March 2018 Results

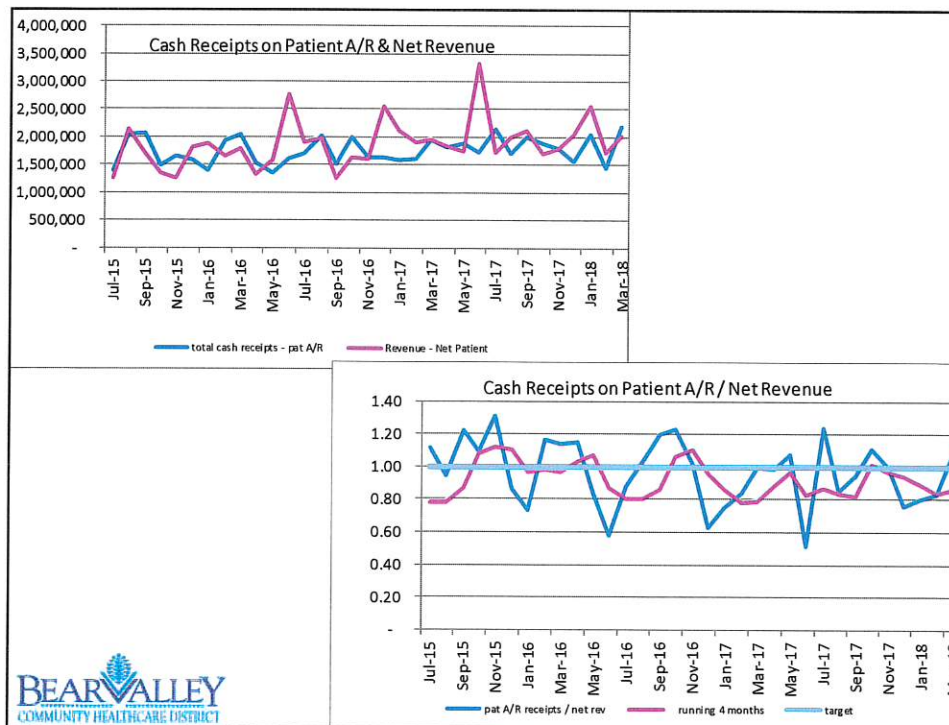
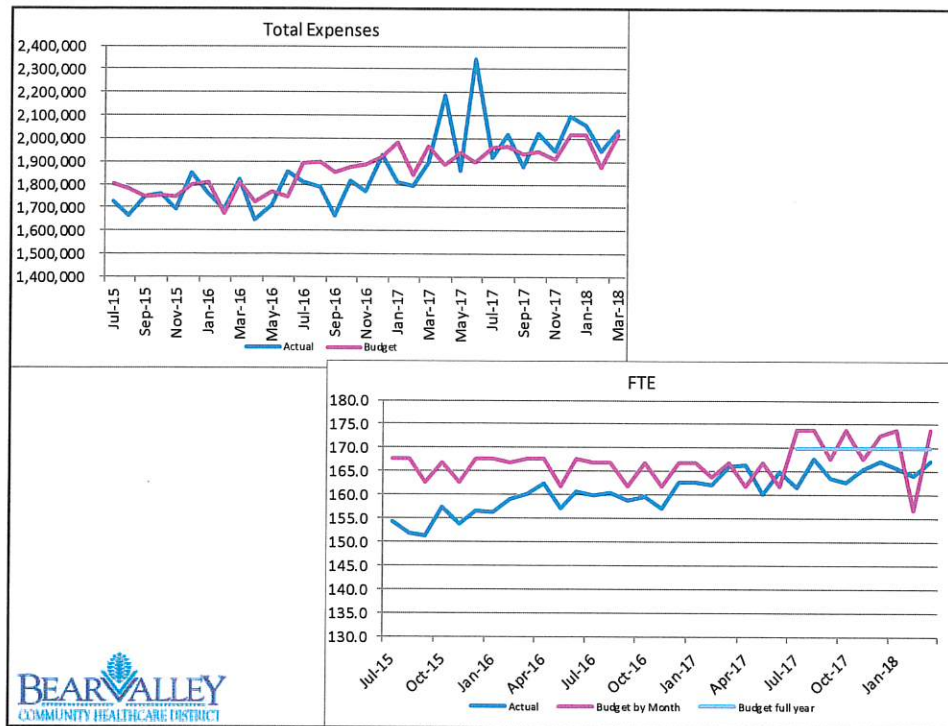
Summary for March 2018

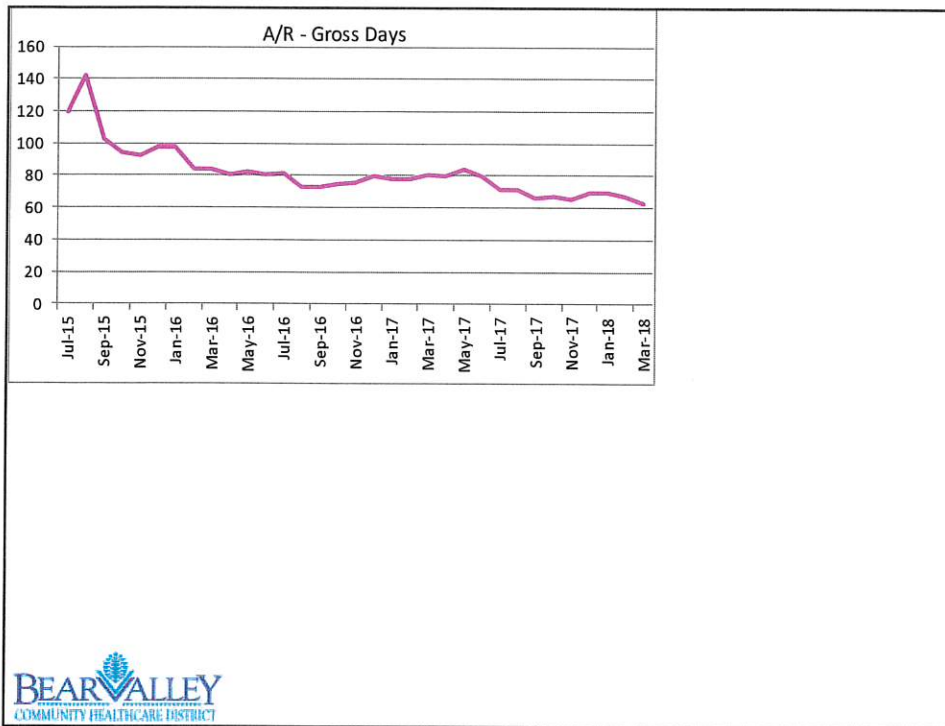
- Cash on Hand - \$2,044,038
- Investments - \$13,497,614
- Days Cash on hand, including investments with LAIF – 246
- Surplus of \$263,623 for the month compared to budgeted surplus of \$309,008.
- Total Patient Revenue over Budget by 2.5% for the month
- Net Patient Revenue was 2.0% under budget.
- Total Expenses 0.9% more than budget













March 2018 Financial Results

For the month . . .

Total Patient Revenue of \$4,618,877 for March 2018 was 2.5% over budget. Clinic revenue and Emergency Department revenue were both over budget. Inpatient revenue was significantly under budget while Outpatient and SNF revenue were near the budgeted levels.

Deductions from Revenue of \$2,566,251 or 6.4% over budget. This is a smaller variance to budget than we have seen recent months.

Total operating Revenue of \$2,078,377 was 3.1% under budget.

Total Expenses of \$2,040,119 or 0.9% higher than budget. Professional fees were higher in ER with payment for on-call for orthopedic surgeon and in FHC due to increased volumes. Purchased services were over budget with expenses for an interim director of SNF.

Interest income was higher with the quarterly allocation interest from LAIF.

Our Surplus for the month of March 2018 was \$263,623, this was \$45,385 lower than budget for the month.

Our Operating Cash and Investments total \$15,541,651 as of the end of March 2018 total days cash on hand are 246.

Key Statistics

Acute patient days of 29 for the month were 16 less than budget. Swing patient days of 17 for the month were 32 lower than budgeted. Patient days on SNF days totaled 558 which was 6% over the budgeted amount. Emergency room visits of 993 were 7.5% over budget.

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

Patient revenue is 5.0% over budget, total revenue deductions are 10.2% more than budget. Net Patient Revenue is 1% under budget. Total expenses are 1.5% higher than budget, and our surplus of \$1,950,270 is \$513,236 Lower than budget. We do have some IGT and prior year settlement amounts to take into income by year end.

Acute and Swing patient days continue significantly lower than budgeted. SNF days are 11% over budget. ER Visits are 4.4% over budget. FTE continue to be under budget.

Bear Valley Community Healthcare District
Financial Statements March 31, 2018

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	4,804,166	4,618,877	4,506,361	112,516	2.5%	37,266,627	40,708,833	38,773,721	1,935,112	5.0%
2 Total revenue deductions	2,836,462	2,566,251	2,412,557	153,694	6.4%	20,217,821	22,870,310	20,758,168	2,112,142	10.2%
3 % Deductions	59%	56%	54%			54%	56%	54%		
4 Net Patient Revenue	1,967,704	2,052,626	2,093,804	(41,178)	-2.0%	17,048,806	17,838,523	18,015,553	(177,030)	-1.0%
5 % Net to Gross	41%	44%	46%			46%	44%	46%		
6 Other Revenue	23,923	25,710	51,981	(26,271)	-50.5%	245,803	294,126	465,841	(171,715)	-36.9%
7 Total Operating Revenue	1,991,627	2,078,337	2,145,785	(67,448)	-3.1%	17,294,609	18,132,650	18,481,394	(348,744)	-1.9%
8 Total Expenses	1,890,699	2,040,119	2,022,524	17,595	0.9%	16,243,035	17,953,727	17,689,611	264,116	1.5%
9 % Expenses	39%	44%	45%			44%	44%	46%		
10 Surplus (Loss) from Operations	100,928	38,218	123,261	(85,043)	69.0%	1,051,574	178,923	791,783	(612,860)	77.4%
11 % Operating margin	2%	1%	3%			3%	0%	2%		
12 Total Non-operating	187,504	225,405	185,747	39,658	21.4%	1,775,148	1,771,347	1,671,723	99,624	6.0%
13 Surplus/(Loss)	288,432	263,623	309,008	(45,385)	14.7%	2,826,722	1,950,270	2,463,506	(513,236)	20.8%
14 % Total margin	6%	6%	7%			8%	5%	6%		

BALANCE SHEET

	A	B	C	D	E
	March	March	February		
	FY 16/17	FY 17/18	FY 17/18	VARIANCE	
				Amount	%
15 Gross Accounts Receivables	12,226,573	10,228,715	11,056,039	(827,324)	-7.5%
16 Net Accounts Receivables	4,438,087	3,912,152	4,289,947	(377,795)	-8.8%
17 % Net AR to Gross AR	36%	38%	39%		
18 Days Gross AR	81	64	68	(4)	-5.9%
19 Cash Collections	1,972,863	2,202,921	1,454,092	748,830	51.5%
21 Investments	10,852,271	13,497,614	13,452,520	45,094	0.3%
22 Cash on hand	1,907,000	2,044,038	2,353,707	(309,669)	-13.2%
23 Total Cash & Invest	12,759,271	15,541,651	15,806,227	(264,576)	-1.7%
24 Days Cash & Invest	220	246	250	(4)	-1.7%
Total Cash and Investments	12,759,271	15,541,651			
Increase Current Year vs. Prior Year		2,782,380			

Bear Valley Community Healthcare District
Financial Statements March 31, 2018

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	268,979	153,559	277,285	(123,726)	-44.6%	2,158,849	1,495,374	2,211,935	(716,561)	-32.4%
2 Outpatient	1,052,873	973,262	990,218	(16,956)	-1.7%	7,893,023	9,052,388	8,214,814	837,574	10.2%
3 Clinic Revenue	296,865	387,011	257,789	129,222	50.1%	1,803,136	3,207,304	2,036,879	1,170,425	57.5%
4 Emergency Room	2,911,290	2,856,980	2,730,991	125,989	4.6%	23,196,539	24,651,868	24,098,920	552,948	2.3%
5 Skilled Nursing Facility	274,159	248,065	250,078	(2,013)	-0.8%	2,215,080	2,301,899	2,211,173	90,726	4.1%
6 Total patient revenue	4,804,166	4,618,877	4,506,361	112,516	2.5%	37,266,627	40,708,833	38,773,721	1,935,112	5.0%
Revenue Deductions										
7 Contractual Allow	2,360,347	2,213,838	2,208,408	5,430	0.2%	16,927,323	20,171,025	19,001,632	1,169,393	6.2%
8 Contractual Allow PY	-	(81,875)	-	(81,875)	#DIV/0!	(21,960)	(214,513)	-	(214,513)	#DIV/0!
9 Charity Care	11,219	20,144	9,651	10,493	108.7%	79,810	67,982	83,037	(15,055)	-18.1%
10 Administrative	2,444	5,551	8,456	(2,905)	-34.4%	69,933	315,422	72,760	242,662	333.5%
11 Policy Discount	7,809	13,413	6,888	6,525	94.7%	56,963	101,782	59,266	42,516	71.7%
12 Employee Discount	5,443	10,324	3,748	6,576	175.4%	30,993	57,291	32,245	25,046	77.7%
13 Bad Debts	226,397	262,428	175,406	87,022	49.6%	1,321,625	1,187,501	1,509,228	(321,727)	-21.3%
14 Denials	266,959	122,427	-	122,427	#DIV/0!	1,753,134	1,183,820	-	1,183,820	#DIV/0!
15 Total revenue deductions	2,836,462	2,566,251	2,412,557	153,694	6.4%	20,217,127	22,870,310	20,758,168	2,112,142	10.2%
16 Net Patient Revenue	1,967,704	2,052,626	2,093,804	(41,178)	-2.0%	17,048,806	17,838,523	18,015,553	(177,030)	-1.0%
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	23,923	25,710	51,981	(26,271)	-50.5%	245,803	294,126	465,841	(171,715)	-36.9%
18 Total Operating Revenue	1,991,627	2,078,337	2,145,785	(67,448)	-3.1%	17,294,609	18,132,650	18,481,394	(348,744)	-1.9%
Expenses										
19 Salaries	828,501	837,872	825,994	11,878	1.4%	6,905,819	7,321,897	7,296,179	25,718	0.4%
20 Employee Benefits	296,859	319,765	349,326	(29,561)	-8.5%	2,575,359	2,731,987	2,924,084	(192,097)	-6.6%
21 Registry	-	-	-	-	#DIV/0!	33,285	16,028	-	16,028	#DIV/0!
22 Salaries and Benefits	1,125,360	1,157,637	1,175,320	(17,683)	-1.5%	9,514,463	10,069,912	10,220,263	(150,351)	-1.5%
23 Professional fees	143,849	179,324	163,392	15,932	9.8%	1,314,172	1,512,726	1,443,604	69,122	4.8%
24 Supplies	117,432	130,192	131,990	(1,798)	-1.4%	1,088,817	1,202,544	1,131,762	70,782	6.3%
25 Utilities	38,539	39,834	45,118	(5,284)	-11.7%	397,564	372,367	413,204	(40,837)	-9.9%
26 Repairs and Maintenance	24,790	23,136	22,668	468	2.1%	187,883	257,466	203,497	53,969	26.5%
27 Purchased Services	308,502	342,334	308,867	33,467	10.8%	2,498,944	3,059,963	2,702,644	357,319	13.2%
28 Insurance	25,014	25,912	25,917	(5)	0.0%	225,313	233,965	233,253	712	0.3%
29 Depreciation	50,869	82,710	75,000	7,710	10.3%	431,645	631,326	675,000	(43,674)	-6.5%
30 Rental and Leases	16,876	10,495	16,297	(5,802)	-35.6%	161,433	216,176	146,673	69,503	47.4%
32 Dues and Subscriptions	4,015	12,026	5,046	6,980	138.3%	41,032	48,260	45,412	2,848	6.3%
33 Other Expense	35,453	36,519	52,909	(16,390)	-31.0%	381,769	349,021	474,299	(125,278)	-26.4%
34 Total Expenses	1,890,699	2,040,119	2,022,524	17,595	0.9%	16,243,035	17,953,727	17,689,611	264,116	1.5%
35 Surplus (Loss) from Operations	100,928	38,218	123,261	(85,043)	69.0%	1,051,574	178,923	791,783	(612,860)	77.4%
Non-Operating Income										
37 Tax Revenue	189,917	186,047	186,047	-	0.0%	1,709,253	1,674,423	1,674,423	-	0.0%
38 Other non-operating Interest Income	5,250	334	3,283	(2,949)	-89.8%	94,702	52,581	29,547	23,034	78.0%
Interest Expense	652	46,706	4,167	42,539	1020.8%	43,124	114,773	37,503	77,270	206.0%
Interest Expense	(8,315)	(7,681)	(7,750)	69	-0.9%	(71,931)	(70,430)	(69,750)	(680)	1.0%
39 Total Non-operating	187,504	225,405	185,747	39,658	21.4%	1,775,148	1,771,347	1,671,723	99,624	6.0%
40 Surplus/(Loss)	288,432	263,623	309,008	(45,385)	14.7%	2,826,722	1,950,270	2,463,506	(513,236)	20.8%

**Bear Valley Community Healthcare District
Financial Statements**

Current Year Trending Statement of Operations

A Statement of Operations—CURRENT YEAR 2018

	1	2	3	4	5	6	7	8	9	10	11	12	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
Gross Patient Revenue													
1 Inpatient	95,787	98,514	150,843	142,719	77,702	202,529	368,022	205,698	153,559				1,495,374
2 Outpatient	868,939	1,205,964	1,063,953	1,047,978	997,359	857,747	1,077,117	960,070	973,262				9,052,388
3 Clinic	347,893	369,602	339,870	391,164	329,577	339,330	370,318	332,540	387,011				3,207,304
4 Emergency Room	2,985,253	2,686,283	2,407,574	2,203,306	2,221,976	3,207,446	3,260,191	2,822,859	2,856,980				24,651,868
5 Skilled Nursing Facility	261,793	265,487	262,653	261,572	265,920	259,078	248,635	228,695	248,065				2,301,899
6 Total patient revenue	4,559,665	4,625,850	4,224,893	4,046,739	3,892,534	4,866,130	5,324,283	4,549,861	4,618,877	-	-	-	40,708,833
Revenue Deductions	C/A 0.56	0.47	0.47	0.47	0.44	0.53	0.46	0.58	0.48	#DIV/0!	#DIV/0!	#DIV/0!	0.50
7 Contractual Allow	2,548,409	2,192,333	1,994,911	1,909,156	1,696,412	2,569,127	2,429,042	2,617,795	2,213,838				20,171,025
8 Contractual Allow PY	-	463	1,249	(1,739)	-	-	(3)	(132,608)	(81,875)				(214,513)
9 Charity Care	7,675	12,842	-	-	9,999	1,812	7,644	7,866	20,144				67,982
10 Administrative	(746)	114,668	169,442	10,431	2,860	989	1,974	10,254	5,551				315,422
11 Policy Discount	11,532	11,940	7,202	10,680	10,915	9,781	13,595	12,725	13,413				101,782
12 Employee Discount	4,711	9,099	3,938	4,084	4,131	4,202	6,231	10,571	10,324				57,291
13 Bad Debts	(59,348)	69,295	45,428	236,304	205,433	130,228	201,297	96,436	262,428				1,187,501
14 Denials	307,852	190,797	(129,516)	169,768	162,874	89,070	93,291	177,257	122,427				1,183,820
15 Total revenue deductions	2,820,085	2,601,437	2,092,654	2,338,683	2,092,624	2,805,209	2,753,071	2,800,296	2,566,251	-	-	-	22,870,310
16 Net Patient Revenue net / tot pat rev	0.62	0.56	0.50	0.58	0.54	0.58	0.52	0.62	0.56	#DIV/0!	#DIV/0!	#DIV/0!	43.8%
17 Other Revenue	7,162	35,245	20,043	45,312	35,896	16,992	35,338	72,429	25,710				294,126
18 Total Operating Revenue	1,746,742	2,059,658	2,152,282	1,753,369	1,835,807	2,077,912	2,606,549	1,821,994	2,078,337	-	-	-	18,132,650
Expenses													
19 Salaries	800,028	842,003	802,366	798,066	721,536	884,119	849,855	786,053	837,872				7,321,897
20 Employee Benefits	286,721	318,469	300,954	292,526	296,309	316,321	315,442	285,480	319,765				2,731,987
21 Registry	12,718	-	-	-	-	3,310	-	-	-				16,028
22 Salaries and Benefits	1,099,467	1,160,472	1,103,320	1,090,592	1,017,845	1,203,749	1,165,297	1,071,533	1,157,637	-	-	-	10,069,912
23 Professional fees	163,392	159,614	149,941	191,107	168,319	157,808	173,264	169,956	179,324				1,512,726
24 Supplies	130,715	136,046	101,350	139,091	134,939	107,112	172,497	150,603	130,192				1,202,544
25 Utilities	42,342	42,209	43,009	40,689	40,990	39,869	41,326	42,100	39,834				372,367
26 Repairs and Maintenance	22,461	19,239	35,825	30,007	38,216	28,409	32,513	27,659	23,136				257,466
27 Purchased Services	302,014	346,148	281,012	373,876	381,162	395,485	308,903	329,029	342,334				3,059,963
28 Insurance	25,762	25,762	25,762	25,835	25,762	27,345	25,912	25,912	25,912				233,965
29 Depreciation	48,568	49,162	58,815	61,486	82,456	82,710	82,710	82,710	82,710				631,326
30 Rental and Leases	46,445	39,979	35,360	23,454	15,317	16,214	14,242	14,670	10,495				216,176
32 Dues and Subscriptions	5,518	5,427	5,725	5,181	4,523	5,207	2,710	1,944	12,026				48,260
33 Other Expense	36,147	35,255	43,441	47,022	39,491	38,655	39,225	33,265	36,519				349,021
34 Total Expenses	1,922,831	2,019,314	1,883,559	2,028,341	1,949,020	2,102,562	2,058,598	1,949,382	2,040,119	-	-	-	17,953,727
Surplus (Loss) from Operations	(176,089)	40,344	268,723	(274,973)	(113,213)	(24,650)	547,951	(127,388)	38,218	-	-	-	178,923
Non-Operating Income													
37 Tax Revenue	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047				1,674,423
38 Other non-operating		10,247	(130)	130	20,000	-	12,000	10,000	334				52,581
Interest Income	1,906	626	30,375	693	965	31,840	1,071	591	46,706				114,773
Interest Expense	(7,717)	(7,902)	(8,002)	(7,752)	(7,763)	(8,047)	(7,830)	(7,737)	(7,681)				(70,430)
39 Total Non-operating	180,236	189,018	208,290	179,118	199,249	209,840	191,288	188,902	225,405	-	-	-	1,771,347
40 Surplus/(Loss)	4,147	229,362	477,013	(95,854)	86,036	185,190	739,240	61,513	263,623	-	-	-	1,950,270

2017-18 Actual BS

BALANCE SHEET

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

ASSETS:

Current Assets

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	June
Cash and Cash Equivalents (Includes CD's)	2,926,360	2,290,992	1,483,027	2,187,881	3,733,239	3,884,817	2,490,708	2,353,707	2,044,038	2,858,405
Gross Patient Accounts Receivable	10,084,033	10,529,969	9,819,853	9,516,577	8,883,930	9,771,838	10,764,545	11,059,822	10,231,024	10,749,524
Less: Reserves for Allowances & Bad Debt	6,481,129	6,632,089	5,818,066	5,954,203	5,590,675	6,111,008	6,570,468	6,769,875	6,318,873	6,824,943
Net Patient Accounts Receivable	3,602,904	3,897,880	4,001,787	3,562,374	3,293,255	3,660,830	4,194,077	4,289,947	3,912,152	3,924,581
Tax Revenue Receivable	2,232,569	2,232,569	2,232,569	2,232,569	1,944,288	970,958	827,168	800,445	768,696	56,787
Other Receivables	88,537	55,474	750,144	324,224	-1,218,923	-1,160,647	-1,793,802	-1,735,250	-1,036,263	107,830
Inventories	217,948	220,580	221,025	226,011	222,712	222,388	229,341	236,269	234,002	212,805
Prepaid Expenses	330,877	339,259	336,340	352,943	342,699	313,470	295,570	279,301	250,181	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 8,317,270 7,891,816 6,243,062 6,224,418 6,172,806 7,352,624

Assets Whose Use is Limited

Investments	10,894,184	10,894,184	10,921,640	10,921,640	10,921,640	10,952,520	13,452,520	13,452,520	13,497,614	10,894,184
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	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 11,066,015 11,096,895 13,596,895 13,596,895 13,641,989 11,038,559

Property, Plant, and Equipment

Land and Land Improvements	547,472	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	547,472
Building and Building Improvements	9,657,088	9,659,388	9,686,383	9,696,603	9,699,157	9,699,804	9,737,717	9,752,367	9,752,367	9,657,088
Equipment	9,625,066	9,694,652	10,189,492	10,232,207	11,486,278	11,504,275	11,516,840	11,661,203	11,704,839	9,614,476
Construction In Progress	1,058,659	1,101,848	753,103	1,356,225	146,485	146,485	146,485	16,365	16,365	532,158
Capitalized Interest	0									
Gross Property, Plant, and Equipment	20,888,285	21,026,502	21,199,592	21,855,650	21,902,534	21,921,179	21,971,657	22,000,549	22,044,186	20,351,194
Less: Accumulated Depreciation	12,764,979	12,814,141	12,872,956	12,934,442	13,016,899	13,099,608	13,182,318	13,265,028	13,347,737	12,716,411

Net Property, Plant, and Equipment 8,123,306 8,212,362 8,326,636 8,921,208 8,885,636 8,821,571 8,789,339 8,735,522 8,696,449 7,634,783

TOTAL UNRESTRICTED ASSETS 28,561,060 28,287,674 28,417,544 28,873,224 28,268,920 27,810,282 28,629,297 28,556,836 28,511,243 26,025,966

Restricted Assets

	0	0	0	0	0	0	0	0	0	0
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TOTAL ASSETS 28,561,060 28,287,674 28,417,544 28,873,224 28,268,920 27,810,282 28,629,297 28,556,836 28,511,243 26,025,966

2017-18 Actual BS

BALANCE SHEET

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

LIABILITIES:

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	PY BS June
Current Liabilities										
Accounts Payable	1,382,046	985,885	792,559	1,431,694	876,176	956,102	943,576	973,763	711,190	1,055,031
Notes and Loans Payable										
Accrued Payroll	775,117	846,351	884,291	975,116	996,448	697,894	802,910	817,096	891,764	684,799
Patient Refunds Payable										
Due to Third Party Payers (Settlements)	709,007	709,470	695,980	695,980	718,109	552,505	718,109	718,109	775,164	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	1,302,330	1,151,283	965,236	779,189	593,142	-4
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	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	46,169	7,621	15,350	23,049	30,731	7,621
Total Current Liabilities	4,962,931	4,460,183	4,113,039	4,664,574	3,974,233	3,400,405	3,480,181	3,346,206	3,036,991	2,431,984
Long Term Debt										
USDA Loan	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,895,000	2,895,000	2,895,000	2,895,000	2,965,000
Leases Payable	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000	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	2,860,000	2,860,000	2,860,000	2,860,000	2,930,000
Other Long Term Liabilities										
Deferred Revenue	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	7,892,931	7,390,183	7,043,039	7,594,574	6,904,233	6,260,405	6,340,181	6,206,206	5,896,991	5,361,984
Fund Balance										
Unrestricted Fund Balance	20,663,982	20,663,983	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	16,251,126
Temporarily Restricted Fund Balance	0	0	0	0	0	0	0	0	0	0
Equity Transfer from FRHG	0	0	0	0	0	0	0	0	0	0
Net Revenue/(Expenses)	4,147	233,510	710,523	614,668	700,705	885,895	1,625,134	1,686,648	1,950,271	4,412,856
TOTAL FUND BALANCE	20,668,129	20,897,491	21,374,505	21,278,650	21,364,687	21,549,877	22,289,116	22,350,630	22,614,253	20,663,982
TOTAL LIABILITIES & FUND BALANCE	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	27,810,282	28,629,297	28,556,836	28,511,243	26,025,966

Units of Service
For the period ending: March 31, 2018

31

274

Current Month

Bear Valley Community Hospital

Year-To-Date

Mar-18 Actual	Budget	Mar-17 Actual	Actual -Budget Variance	-Budget Var %	Act.-Act. Var %		Mar-18 Actual	Budget	Mar-17 Actual	Actual -Budget Variance	-Budget Var %	Act.-Act. Var %
29	45	36	(16)	-35.7%	-19.4%	Med Surg Patient Days	283	350	327	(67)	-19.2%	-13.5%
17	49	51	(32)	-65.3%	-66.7%	Swing Patient Days	154	380	403	(226)	-59.5%	-61.8%
558	527	610	31	5.9%	-8.5%	SNF Patient Days	5,174	4,659	4,948	515	11.1%	4.6%
604	621	697	(17)	-2.7%	-13.3%	Total Patient Days	5,611	5,389	5,678	222	4.1%	-1.2%
13	15	15	(2)	-13.3%	-13.3%	Acute Admissions	116	135	129	(19)	-14.1%	-10.1%
14	15	16	(1)	-6.7%	-12.5%	Acute Discharges	120	135	134	(15)	-11.1%	-10.4%
2.1	-	2.3	2.1	#DIV/0!	-7.9%	Acute Average Length of Stay	2.4	-	2.4	2.4	#DIV/0!	-3.4%
0.9	1.5	1.2	(0.5)	-35.7%	-19.4%	Acute Average Daily Census	1.0	1	1.2	(0.2)	-19.2%	-13.5%
18.5	18.6	21.3	(0.0)	-0.2%	-13.0%	SNF/Swing Avg Daily Census	19.4	18	19.5	1.1	5.7%	-0.4%
19.5	20.0	22.5	(0.5)	-2.7%	-13.3%	Total Avg. Daily Census	20.5	20	20.7	0.8	4.1%	-1.2%
43%	45%	50%	-1%	-2.7%	-13.3%	% Occupancy	46%	44%	46%	2%	4.1%	-1.2%
13	15	15	(2)	-13.3%	-13.3%	Emergency Room Admitted	105	135	114	(30)	-22.2%	-7.9%
980	1,000	1,031	(20)	-2.0%	-4.9%	Emergency Room Discharged	8,840	9,000	8,587	(160)	-1.8%	2.9%
993	924	1,046	69	7.5%	-5.1%	Emergency Room Total	8,945	8,569	8,701	376	4.4%	2.8%
32	30	34	2	7.5%	-5.1%	ER visits per calendar day	33	31	32	1	4.4%	2.8%
100%	100%	100%	100%	100.0%	0.0%	% Admits from ER	91%	100%	88%	63%	63.3%	2.4%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	2	-	-	2	0.0%	#DIV/0!
7	23	9	(16)	-69.6%	-22.2%	Surgical Procedures O/P	110	182	59	(72)	-39.6%	86.4%
7	23	9	(16)	-69.6%	-22.2%	TOTAL Procedures	112	182	59	(70)	-38.5%	89.8%
184	295	894	(111)	-37.6%	-79.4%	Surgical Minutes Total	8,130	2,609	3,618	5,521	211.6%	124.7%

Units of Service
For the period ending: March 31, 2018

Current Month						Bear Valley Community Hospital		Year-To-Date				
Mar-18 Actual	Budget	Mar-17 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %		Mar-18 Actual	Budget	Mar-17 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %
6,273	6,164	7,096	109	1.8%	-11.6%	Lab Procedures	55,642	51,620	54,440	4,022	7.8%	2.2%
918	872	1,004	46	5.3%	-8.6%	X-Ray Procedures	7,330	6,943	7,629	387	5.6%	-3.9%
300	286	294	14	4.9%	2.0%	C.T. Scan Procedures	2,461	2,398	2,418	63	2.6%	1.8%
265	214	220	51	23.8%	20.5%	Ultrasound Procedures	2,118	1,771	1,843	347	19.6%	14.9%
53	50	55	3	6.0%	-3.6%	Mammography Procedures	584	450	414	134	29.8%	41.1%
295	272	312	23	8.5%	-5.4%	EKG Procedures	2,840	2,275	2,462	565	24.8%	15.4%
190	136	181	54	39.7%	5.0%	Respiratory Procedures	1,311	942	1,107	369	39.2%	18.4%
1,303	1,690	1,610	(387)	-22.9%	-19.1%	Physical Therapy Procedures	11,995	14,055	15,095	(2,060)	-14.7%	-20.5%
1,947	1,860	1,879	87	4.7%	3.6%	Primary Care Clinic Visits	15,811	14,124	13,917	1,687	11.9%	13.6%
173	200	325	(27)	-13.5%	-46.8%	Specialty Clinic Visits	1,885	1,800	588	85	4.7%	220.6%
2,120	2,060	2,204	60	2.9%	-3.8%	Clinic	17,696	15,924	14,505	1,772	11.1%	22.0%
82	79	85	2	2.9%	-3.8%	Clinic visits per work day	97	87	80	10	11.1%	22.0%
16.9%	20.00%	19.40%	-3.10%	-15.50%	-12.89%	% Medicare Revenue	18.84%	20.00%	20.17%	-1.16%	-5.78%	-6.56%
38.40%	37.00%	38.10%	1.40%	3.78%	0.79%	% Medi-Cal Revenue	39.12%	37.00%	38.03%	2.12%	5.74%	2.86%
38.40%	38.00%	37.00%	0.40%	1.05%	3.78%	% Insurance Revenue	37.13%	38.00%	37.31%	-0.87%	-2.28%	-0.48%
6.30%	5.00%	5.50%	1.30%	26.00%	14.55%	% Self-Pay Revenue	4.90%	5.00%	4.49%	-0.10%	-2.00%	9.16%
145.0	155.00	150.6	(10.0)	-6.4%	-3.7%	Productive FTE's	145.22	152.22	143.4	(7.0)	-4.6%	1.2%
167.4	174.00	166.2	(6.6)	-3.8%	0.8%	Total FTE's	165.24	170.67	161.2	(5.4)	-3.2%	2.5%



CFO REPORT for

May 2018 Finance and Board meetings

Healthcare Reform - Assembly Bill 3087

Healthcare Reform on a state level is something we need to watch closely. The lead in the article in the Sacramento paper said

“A San Jose legislator has authored a new bill that would allow the state to set prices for specific services and procedures provided by hospitals and other health care providers.

Proponents of the bill argue it would give Californians greater access to health care by lowering costs, while representatives of insurance providers and hospitals say price regulation would disrupt the health care system.”

Attached are two documents for your review. One is an opinion piece published in the Sacramento Bee by Carmela Coyle of the California Hospital Association and the other and update on the status of the bill

Contractual Adjustment and Bad Debt Review

David Perry of QHR recently completed a review of Allowances for Unpaid Accounts and Bad Allowance Analysis as of January 31, 2018. The purpose of the contractual and bad debt allowance review is to evaluate the accuracy of the contractual and bad debt allowances for all payers. The analysis also provides recommendations for process improvement regarding the preparation and documentation of the contractual and bad debt allowance computations. The review was not intended to provide legal advice. It was not intended to audit the financial records of the Hospital. Accordingly, no assurances are given that such contractual and bad debt allowance calculations are accurate in all respects.

One reason for the review is to evaluate if we will have a Medicare payable or receivable at year end and filing of our Cost Report. The report noted “The CAH contractual model

was updated for January 31, 2018. The model estimated a \$90,000 receivable due to the Hospital”.

FY 2019 Budget Preparation - Update

Work on preparation of the fiscal year 2019 budget continues. Attached for review is a draft capital budget, draft departmental statistics budget, and draft FTE budget by department.

Revenue Cycle Assessment update

We have begun to use Rycan, TruBridge’s Electronic Claims Management program. Continued use of the software will help us evaluate our Accounts Receivable Management relationship.

Upon the arrival of our new HIM Manager we will move forward with work on the PAS sections of the Management Action Plan.

IT Strategic Plan

Work has begun on the development of the IT strategic plan. We will plan to present a draft of the plan at the next finance committee meeting.

Productivity Benchmark Assessment by Department

We have contacted two firms in addition to QHR about approach and pricing for a Productivity Benchmark Assessment.

HIM Manager

Eve Pierce has accepted the position of HIM Manager. She is scheduled to begin work on May 7.

WILLIAM VON REESE
CERTIFIED PUBLIC ACCOUNTANT
401 West Sherwood Boulevard
P.O. Box 516
Big Bear City, California 92314


(714) 585-3242

August 12, 1972

Board of Directors
Bear Valley Community Hospital District
PO Box 1732
Big Bear Lake, CA 92315

I have examined the balance sheet of the Bear Valley Community Hospital District as of June 30, 1972 and the related statement of revenue and expense for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial statements present fairly the financial position of the District at June 30, 1972 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


William von Reese
Certified Public Accountant

WvR/se

BEAR VALLEY COMMUNITY HOSPITAL DISTRICT
Balance Sheet
June 30, 1972

ASSETS

Cash in bank		\$ 45,286
Investment in certificates of deposit		550,000
Accrued interest receivable		13,511
Fixed assets:		
Plant under construction	\$114,361	
Land (fair market value, date of donation)	<u>60,000</u>	<u>174,361</u>
TOTAL ASSETS		<u>\$783,158</u>

LIABILITIES AND FUND BALANCES

LIABILITIES		\$	NONE
FUND BALANCES:			
General fund-			
Retained earnings	\$133,597		
Contributed capital	<u>647,611</u>		
	\$781,208		
Less: transferred to			
Plant fund	<u>174,361</u>	606,847	
Plant fund		174,361	
Temporary fund - restricted		<u>1,950</u>	
TOTAL LIABILITIES AND FUND BALANCES		<u>\$783,158</u>	

Subject to comment in the attached letter.

BEAR VALLEY COMMUNITY HOSPITAL DISTRICT
Statement of Revenue and Expense
For the Fiscal Year Ended June 30, 1972

REVENUE:

Interest	\$ 28,228
Tax	81,547
Donations	<u>6,339</u>
TOTAL REVENUE	\$116,114

EXPENSE:

Office supplies	\$114
Utilities	279
Travel	52
Advertising	28
Other services	68
Fees-nonmedical	325
Equipment rental	6
Unclassified	<u>120</u>
TOTAL EXPENSE	<u>992</u>

EXCESS OF REVENUE OVER EXPENSE	<u>\$115,122</u>
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Subject to comment in the attached letter.