



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.

**NOTICE AND CALL OF A
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING**

Monday, October 02, 2017

2:00 p.m. Closed Session @ Hospital Conference Room

2:30 p.m. Open Session @ the Hospital Conference Room

41870 Garstin Drive, Big Bear Lake, Ca. 92315

NOTICE IS HEREBY GIVEN that a special meeting of the Board of Directors, Finance Committee of the Bear Valley Community Healthcare District will be held on Monday, October 02, 2017, Closed Session beginning at 2:00 p.m. and Open Session beginning at 2:30 p.m. A copy of the agenda is attached hereto.

Dated: September 28, 2017

A handwritten signature in blue ink, appearing to read "Garth Hamblin", is written over the date line.

Garth Hamblin
CFO



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
SPECIAL FINANCE COMMITTEE MEETING AGENDA**

MONDAY, OCTOBER 02, 2017

2:00 PM –CLOSED SESSION @ HOSPITAL CONFERENCE ROOM

2:30 PM – OPEN SESSION @ HOSPITAL 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, Administrative 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

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. September 05, 2017

6. OLD BUSINESS*

- None

7. NEW BUSINESS*

A. Discussion and Presentation of Network Security and IT Assessment

B. Discussion and Potential Recommendation to the Board of Directors Travel Expenses for Michael Ritchey w/QHR for Revenue Cycle Assistance

8. PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS*

A. August 2017 Finances

B. CFO Report

9. ADJOURNMENT*

*** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
September 05, 2017**

MEMBERS Barbara Willey, Treasurer
PRESENT: Rob Robbins, 1st Vice President
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Admin. Asst.

STAFF: Mary Norman, Risk/ Compliance

Kerri Jex, CNO

**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, Administrative Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the September 05, 2017 agenda as presented. Second by Board Member Willey to adopt the September 05, 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

1. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey 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 Willey closed the Hearing Section at 1:00 p.m.

2. DIRECTORS COMMENTS:

- None

3. APPROVAL OF MINUTES:

A. August 07, 2017

Board Member Robbins motioned to approve the August 07, 2017 minutes as presented. Second by Board Member Willey to approve the August 07, 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

4. OLD BUSINESS:

A. Discussion and Potential Recommendation to the Board of Directors: Petty Cash Policy & Procedure:

- Mr. Hamblin stated that the Finance Committee discussed this policy at the July Finance Committee Meeting and the policy has been revised and updated documents are attached. Mr. Hamblin is asking the Finance Committee for a recommendation to the Board of Directors.
 - Random audits will be completed.
 - All employees are finger printed prior to hiring.

Board Member Robbins motioned for a positive recommendation to the Board of Directors the Petty Cash Policy & Procedure. Second by Board Member Willey for a positive recommendation to the Board of Directors the Petty Cash Policy & Procedure. 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

5. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors of the Following:

(1) WIPFLI Cost Report Preparation Agreement:

- Mr. Hamblin reported this is the vendor that prepared our audit last year and is asking the Finance Committee for a recommendation to the Board of Directors to approve the WIPFLI Cost Report Preparation Agreement; agreement is in the amount of \$27, 500. Senior Administration did look at other vendors last year and felt that this vendor did a good job. WIPFLI can also provide additional services to the District. This agreement is for the Medicare & Medi-Cal Cost Report.
- Board Member Robbins reported that he was supportive of WIPFLI and is aware that other vendors have been looked at prior.

Board Member Robbins motioned for a positive recommendation to the Board of Directors the WIPFLI Agreement to complete the Cost Report. Second by Board Member Willey to recommend for a positive recommendation to the Board of Directors the WIPFLI Agreement to complete the Cost Report. 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

(2) Pyxis Medication and Supply Dispensing System Agreement:

- Mr. Hamblin informed the committee that the CareFusion/Pyxis agreement is a new 5-year lease agreement; this is leased equipment. Omnicell had a presentation and is a good system but Pyxis has existing interface and staff is comfortable with the current dispensing system. Mr. Hamblin stated that this is a fixed cost for 5 years and asked the Finance Committee for a recommendation to stay with Pyxis, legal counsel did review the contract and has approved the contract as presented.

Board Member Willey motioned for a positive recommendation to the Board of Directors for the Pyxis Medication and Supply Dispensing System Agreement. Second by Board Member Robbins for a positive recommendation to the Board of Directors for the Pyxis Medication and Supply Dispensing System Agreement. 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

(3) Health Information Partners Agreement (Interim HIM Manager):

- Mr. Hamblin requests the Finance Committee recommend to the Board of Directors approval of the Health Information Partners Agreement. This company has been used prior and the department needs to be appropriately staffed at this time. The same Interim Manager will be on site, which is positive, she knows the staff and the department processes.

Board Member Willey motioned for a positive recommendation to the Board of Directors for the Health Information Partners Agreement. Second by Board Member Robbins for a positive recommendation to the Board of Directors for the Health Information Partners Agreement. 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. Presentation and Review of Financial Statements:

A. July 2017 Finances:

- Mr. Hamblin reported the following:
 - Cash continues strong.
 - Days Cash on Hand 228.
 - Mammo & CT Project will be paid with the cash.
 - Surplus was a little over \$4,000 for the month.
 - Net Revenue under budget.
 - Expenses under budget.
 - In the month of June Medicare held payments; not unusual.
 - TruBridge is working on bringing the AR down. Older accounts are also being reviewed.
 - Revenue good in the ER; SNF and Clinic is over budget and Acute is close to budget.
- Board Member Willey stated that since she has been on the Board beginning 2012 that she has never been so confident in the finances and feels well about the District. Also feels QHR has completed several analysis that are positive.
- Board Member Robbins also stated that the finances have been very good.

B. CFO Report:

- Mr. Hamblin reported the following information:
 - Health Care Reform still uncertain.
 - Article from covered California included.
 - TruBridge ; July averaged 73 days in AR.
 - Laboratory Coagulation system is very old. Siemens has offered no cost for 12 month lease, will take advantage of the current offer and there is no flaw in this 12 month lease.

- Meaningful Use conducted Risk Analysis of IT System- will be moving to next phase, which is security.
- End of this month the new phone system will be installed. Current staff can complete 1st and 2nd level IT issues, and we will send out an RFP for IT.
- Board Member Robbins stated that he has a huge fear that as a hospital is fearful on what we deliver, how we get paid, other medical practitioners and long-term things can get ugly. We need to be more competitive or buy out systems.
- Mr. Friel stated that Urgent Cares are more popular; Anthem is not going to allow CT's to be completed at hospitals and the insurance industry and will refer to Urgent Cares. The insurance keeps taking away the services we offer, Administration continues studying the Surgery Department and several physicians are referring to facilities off the mountain due to cheaper prices.
- Board Member Robbins asked Mr. Friel to meet with local providers and inform them of the services we offer and take some time to talk with them.

Board Member Robbins motioned to approve and recommend to the full Board the July 2017 Finance Report and the CFO Report as presented. Second by Board Member Willey to approve and recommend to the full Board the July 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

7. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting. Second by Board Member Willey to adjourn the meeting. Board Member Willey adjourned the meeting 1:50 p.m.

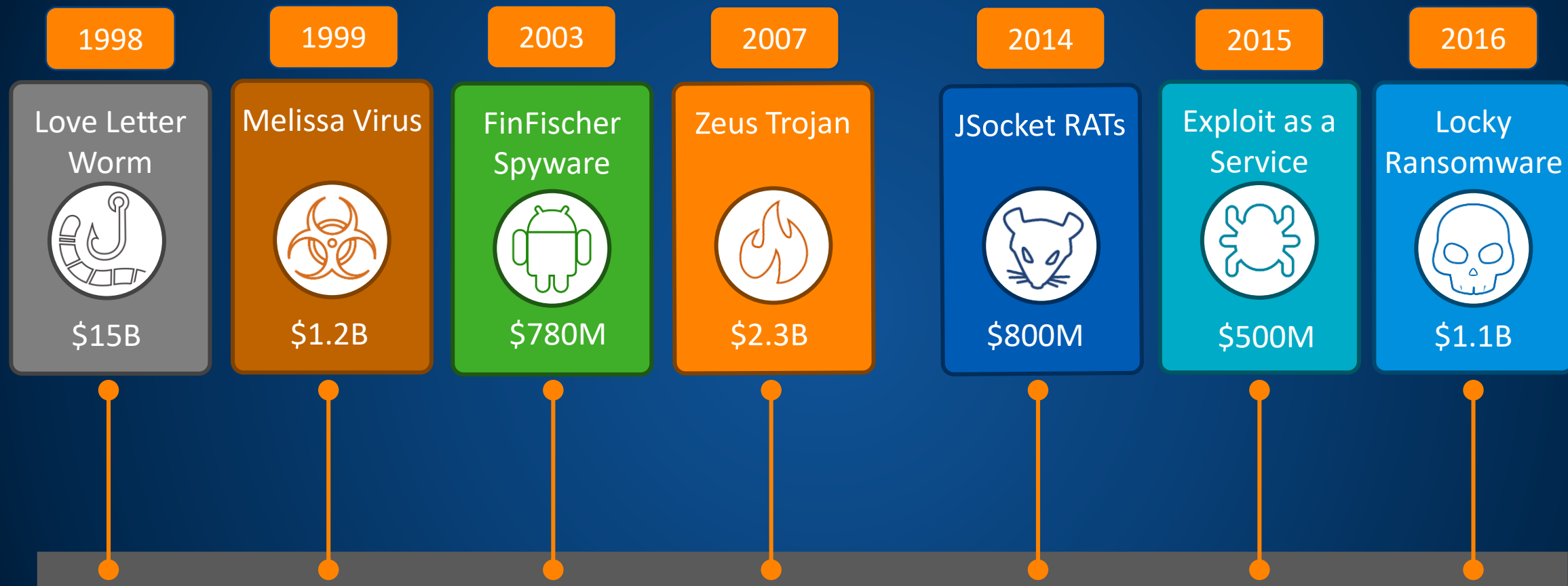
- Board Member Willey- yes
- Board Member Robbins- yes



Stop the Exploit. Stop the Attack.

SOPHOS

The Evolution of Threats



Traditional Malware

Advanced Threats

The Evolution of Security



Exposure Prevention

URL Blocking
Web/App/Dev Ctrl
Download Rep

Pre-Exec Analytics

Generic Matching
Heuristics
Core Rules

File Scanning

Known Malware
Malware Bits

Traditional Malware



Run-Time

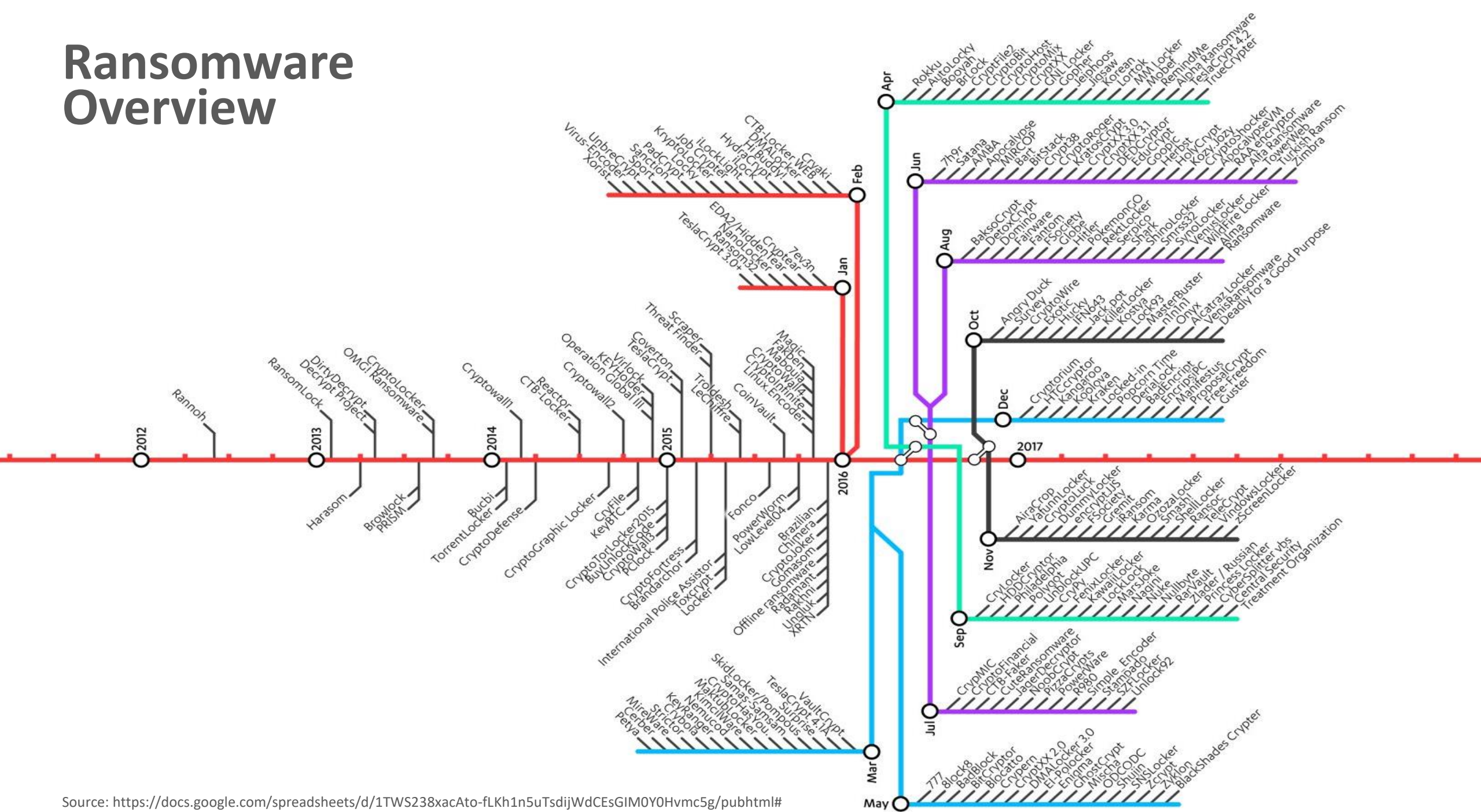
Behavior Analytics
Runtime Behavior

Exploit Detection

Technique
Identification

Advanced Threats

Ransomware Overview



Source: <https://docs.google.com/spreadsheets/d/1TWS238xacAto-fLKh1n5uTsdijWdCEsGIM0Y0Hvmc5g/pubhtml#>

Cyber Attack Life-Cycle



SOPHOS

INTERCEPT

A completely new approach to endpoint security.

Introducing Sophos Intercept X

Anti-Exploit

Prevent Exploit Techniques

- Signatureless Exploit Prevention
- Protects Patient-Zero / Zero-Day
- Blocks Memory-Resident Attacks
- Tiny Footprint & Low False Positives

~~ZERO DAY
EXPLOITS~~

*No User/Performance Impact
No File Scanning
No Signatures*

Anti-Ransomware

Detect Next-Gen Threats

- Stops Malicious Encryption
- Behavior Based Conviction
- Automatically Reverts Affected Files
- Identifies source of Attack

~~ADVANCED
MALWARE~~

*Prevent Ransomware Attacks
Roll-Back Changes
Attack Chain Analysis*

Root-Cause Analysis

Automated Incident Response

- IT Friendly Incident Response
- Process Threat Chain Visualization
- Prescriptive Remediation Guidance
- Advanced Malware Clean

~~LIMITED
VISIBILITY~~

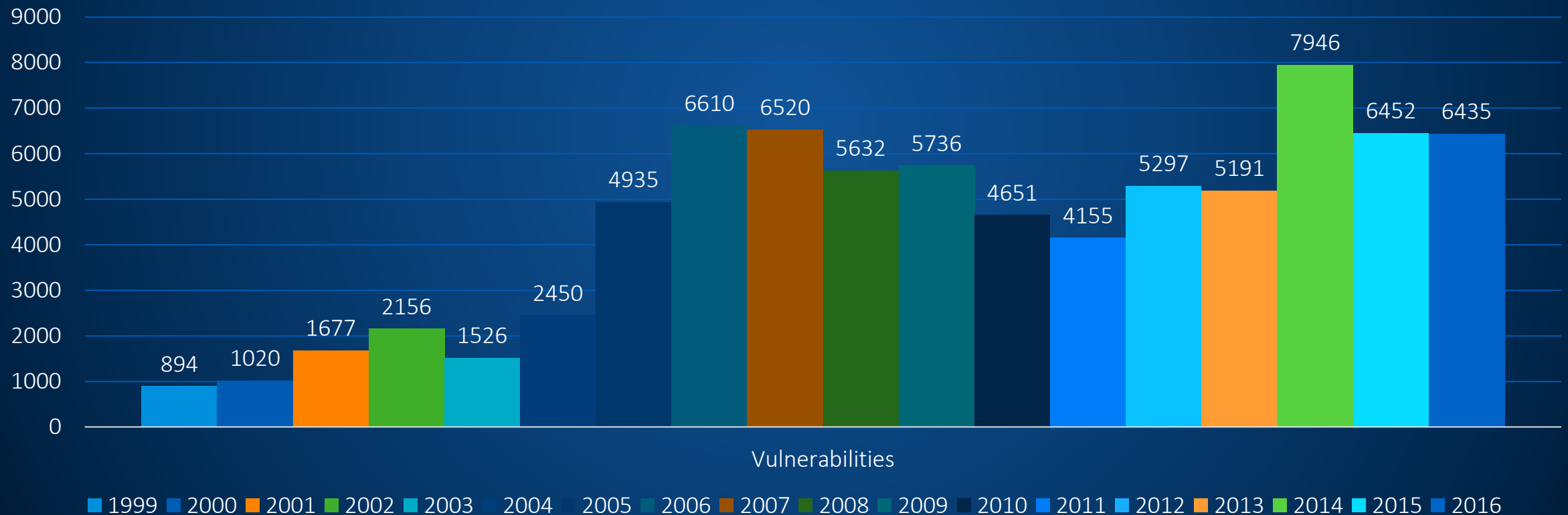
*Faster Incident Response
Root-Cause Visualization
Forensic Strength Clean*

Anti-Exploit

SOPHOS

Software Vulnerabilities by Year

A **vulnerability** is a **weakness** in an application or the system that could provide attackers with a way to bypass security



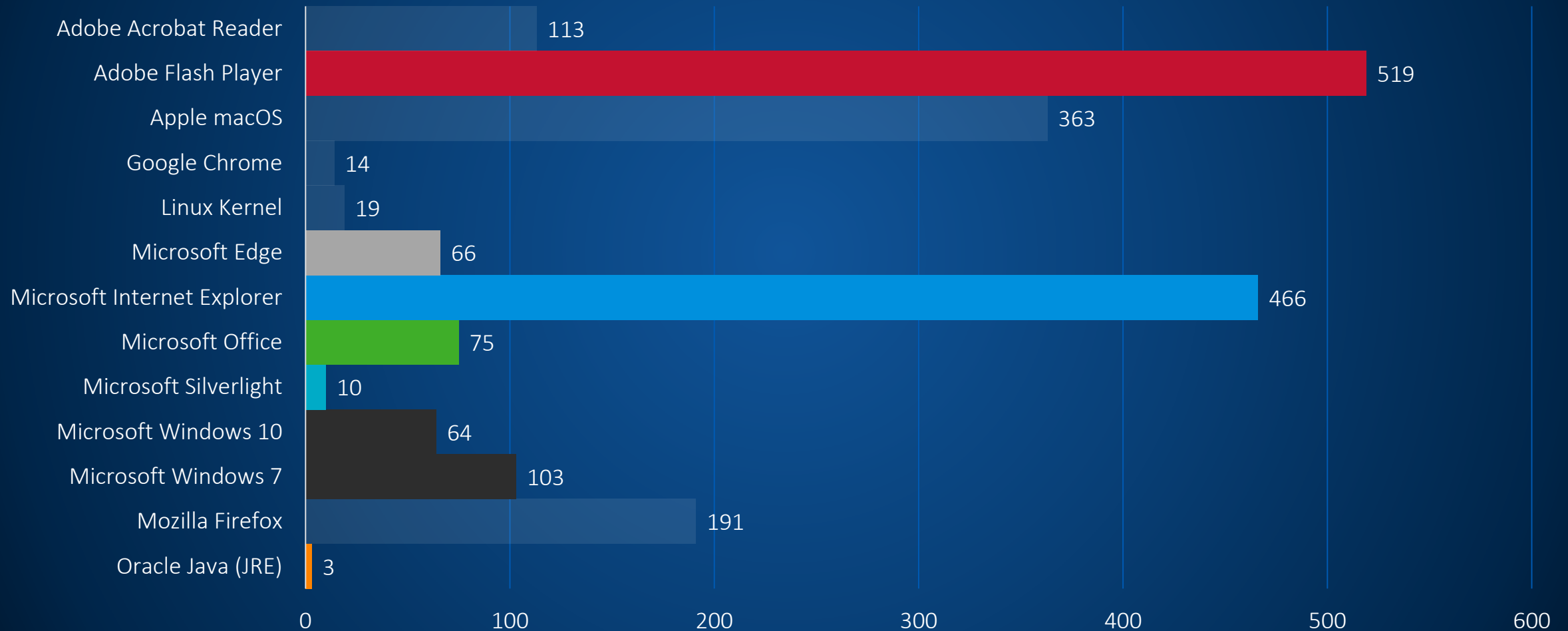
Exploits

An **exploit** tries to turn a vulnerability (a weakness) into a way to **breach** a system

- Exploits are **not** malware
- Exploits allow attackers to execute arbitrary code (malicious code)

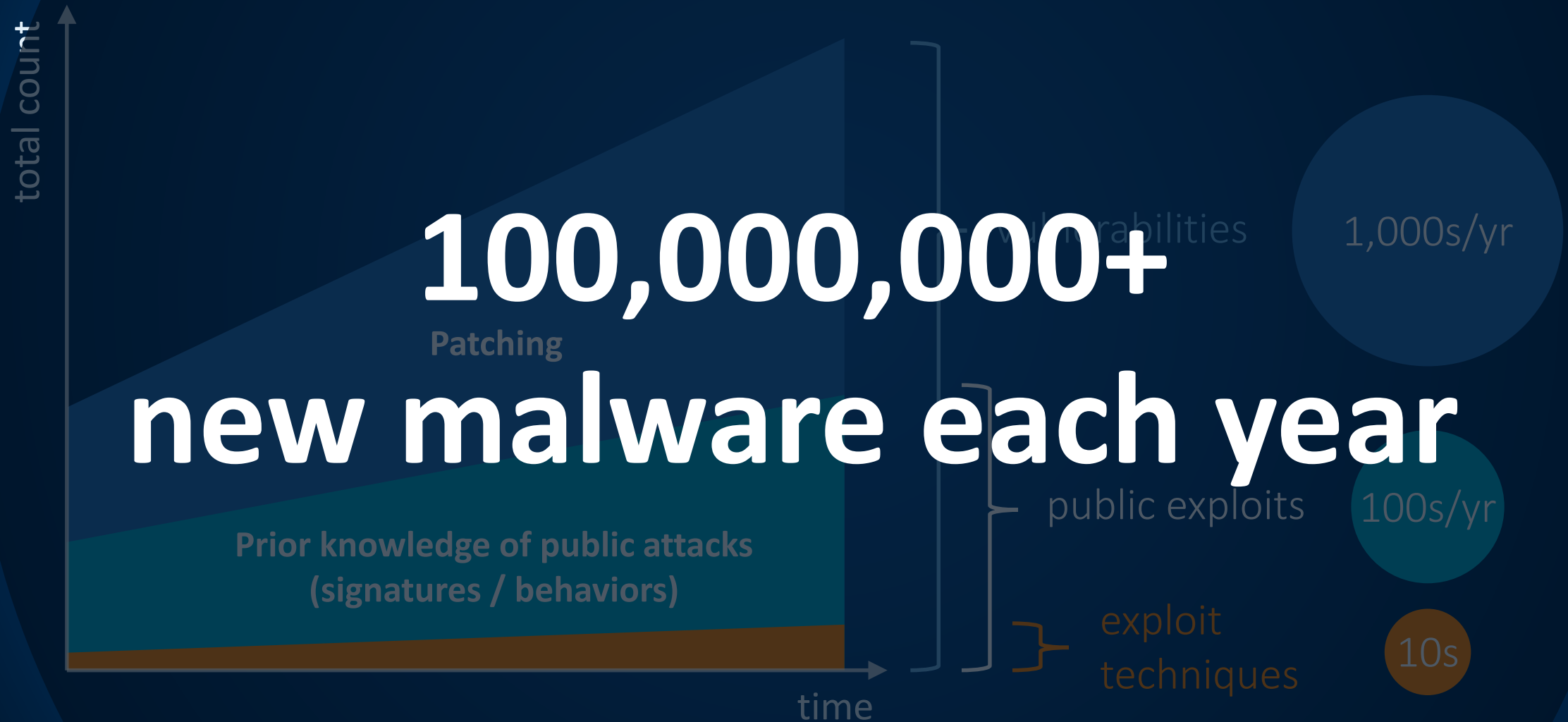
Code Execution

New vulnerabilities that can lead to local or remote code execution (2014-2016)



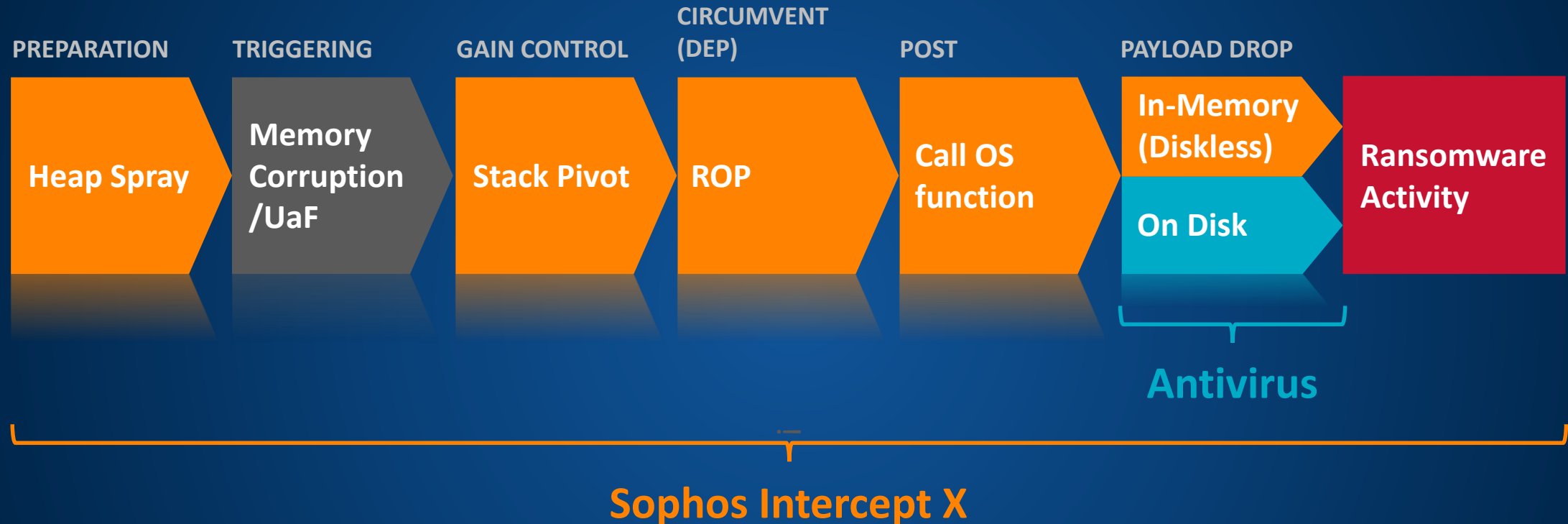
Intercepting Exploits

Vulnerabilities vs Exploits vs Exploit Techniques



Intercepting Exploits – Breaking the Attack Chain

Blocking Exploit Techniques vs Antivirus



- Most exploit-based attacks consist of 2 or more exploit techniques
- Exploit techniques do not change and are mandatory to exploit existing and future software vulnerabilities

Application Lockdown

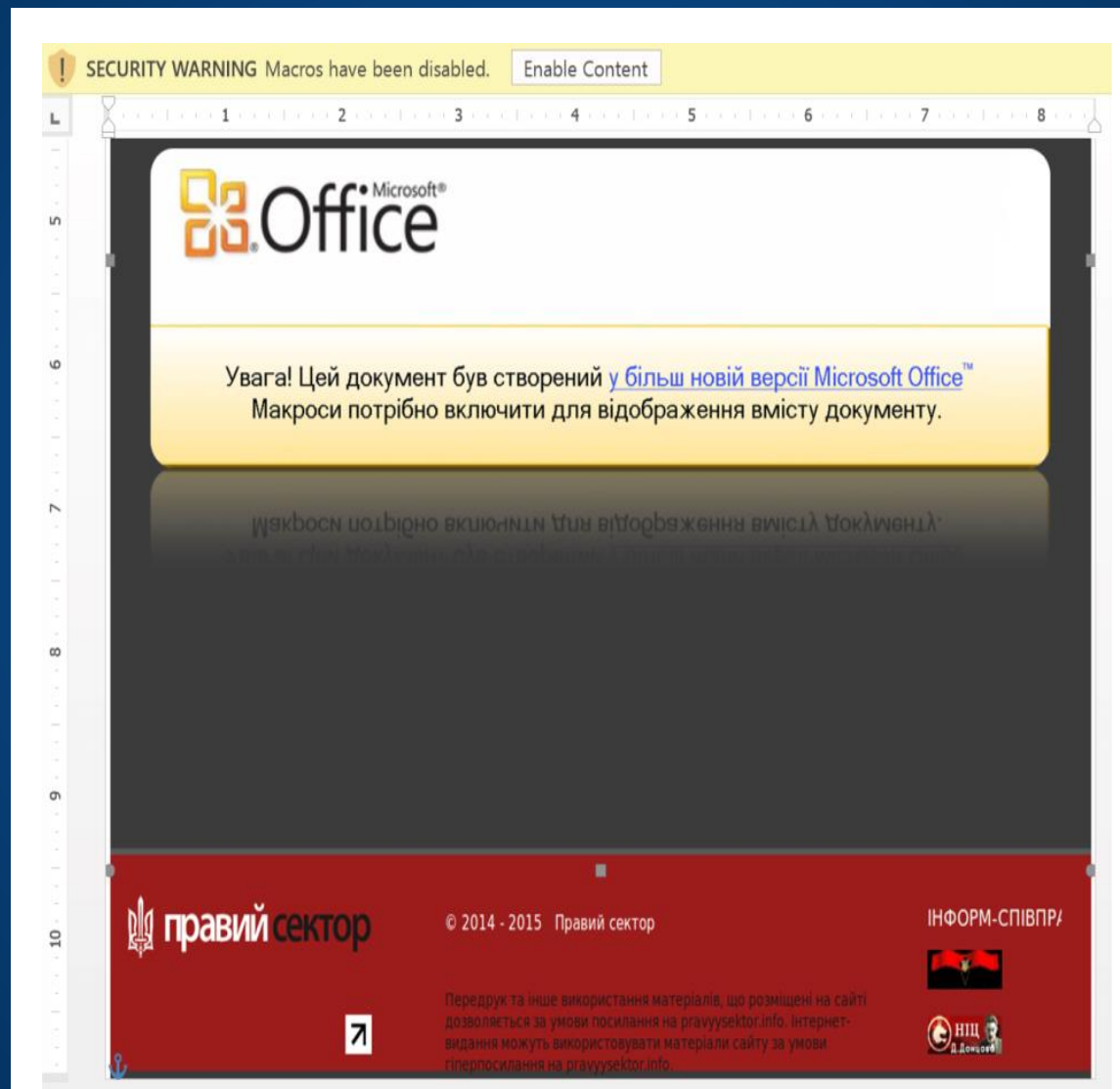


Figure 6: A Sample of a BlackEnergy 3 Infected Microsoft Office Document²⁶

Anti-Ransomware

SOPHOS

Intercepting Ransomware

Monitor File Access

- If files are opened for write, copies are created (just before ransomware encrypts)

Attack Detected

- Malicious process is stopped and we investigate the process history

Rollback Initiated

- Original files restored
- Malicious files removed

Forensic Visibility

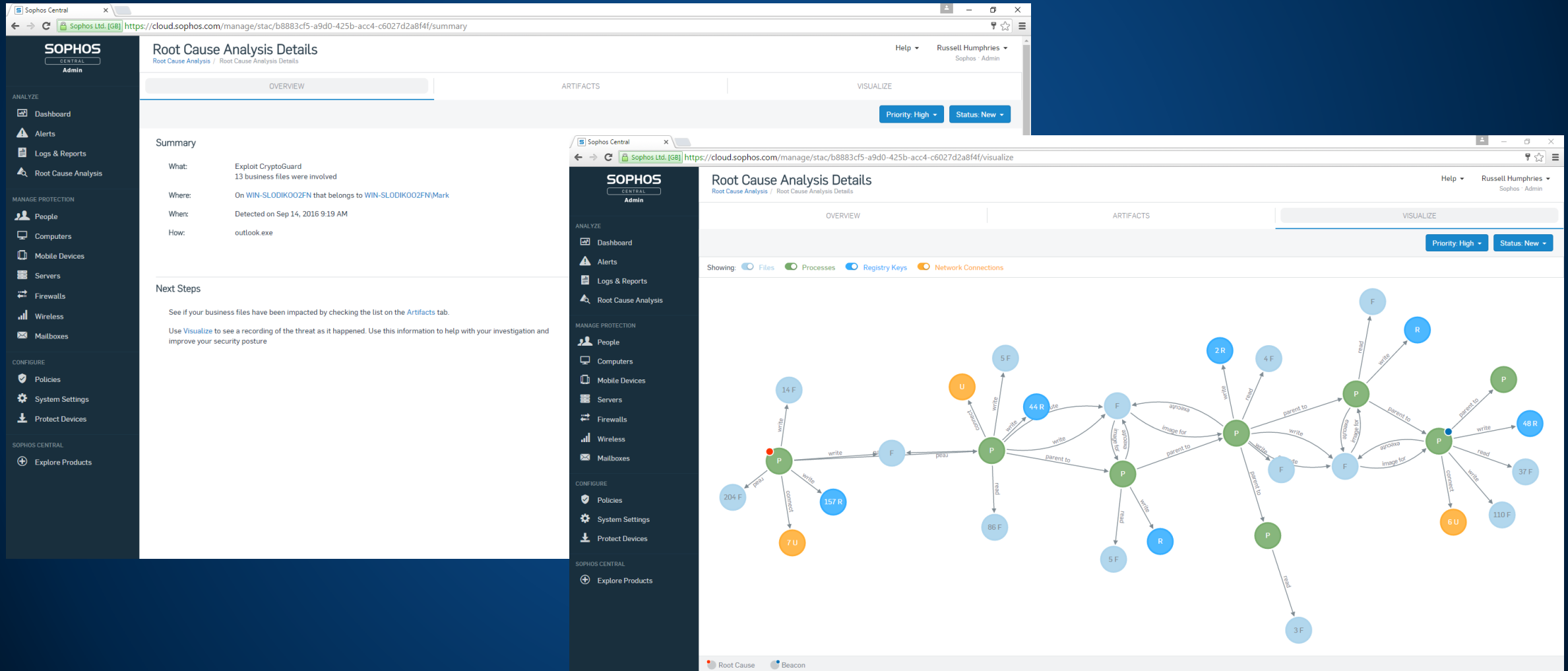
- User message
- Admin alert
- Root cause analysis details available

Root Cause Analysis

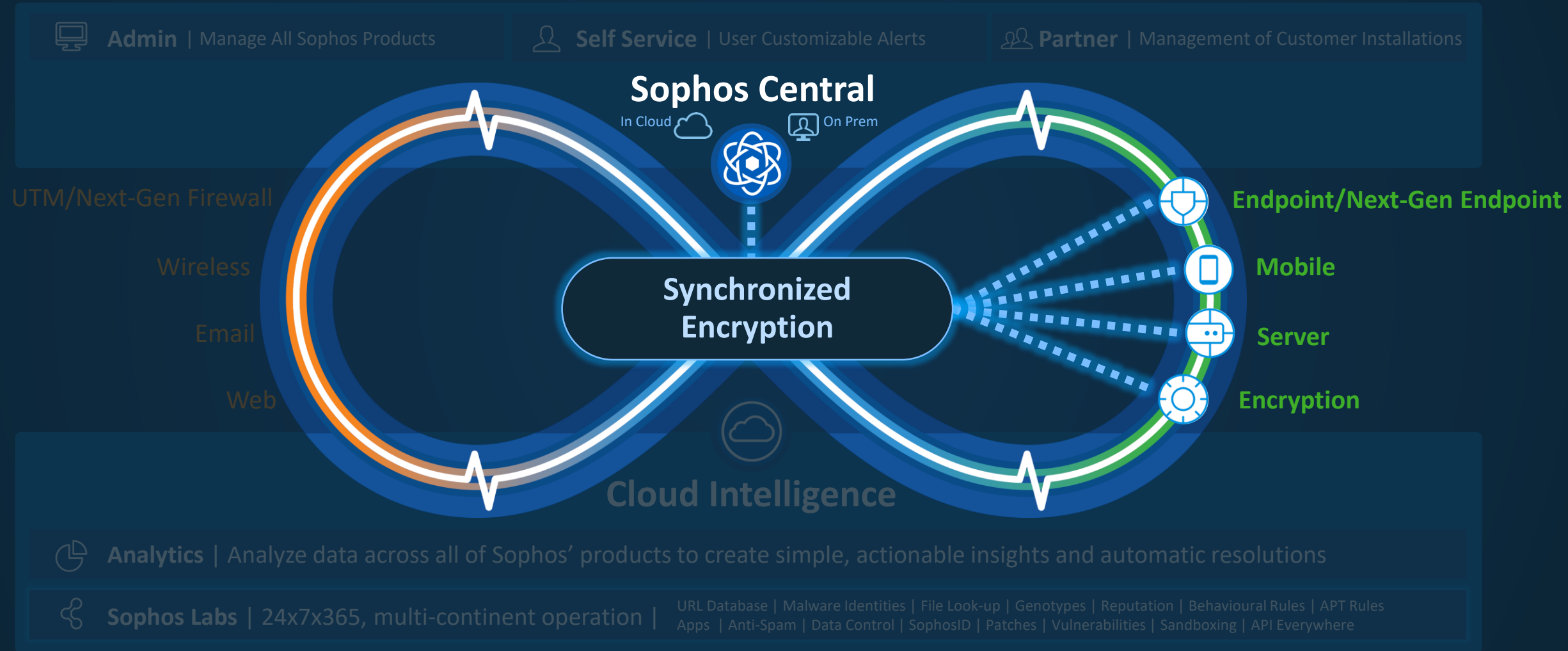
SOPHOS

Root Cause Analytics

Understanding the Who, What, When, Where, Why and How



Synchronized Encryption



Synchronized Encryption: A New Paradigm in Data Protection

Encrypt Everything, Everywhere, Automatically



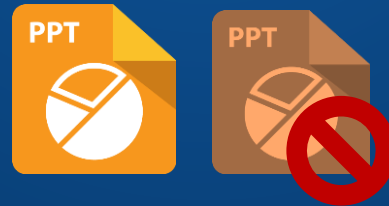
"By 2019, 25% of security spend will be driven by EU data protection regulation and privacy concerns."

- IDC

Synchronized with Endpoint Protection



User Integrity



App Integrity



System Integrity

Complete Next-Gen Endpoint Protection

For server or locked-down endpoint environments, app control prevents unknown / unwanted apps from running.

Knowing the source/reputation of a file, URL, email, etc. can prevent an attack before it happens. Includes technologies such as MTD, download reputation, URL filtering, secure email gateway, etc.

The only effective way to set policy to ensure removable media cannot put an organization at risk.

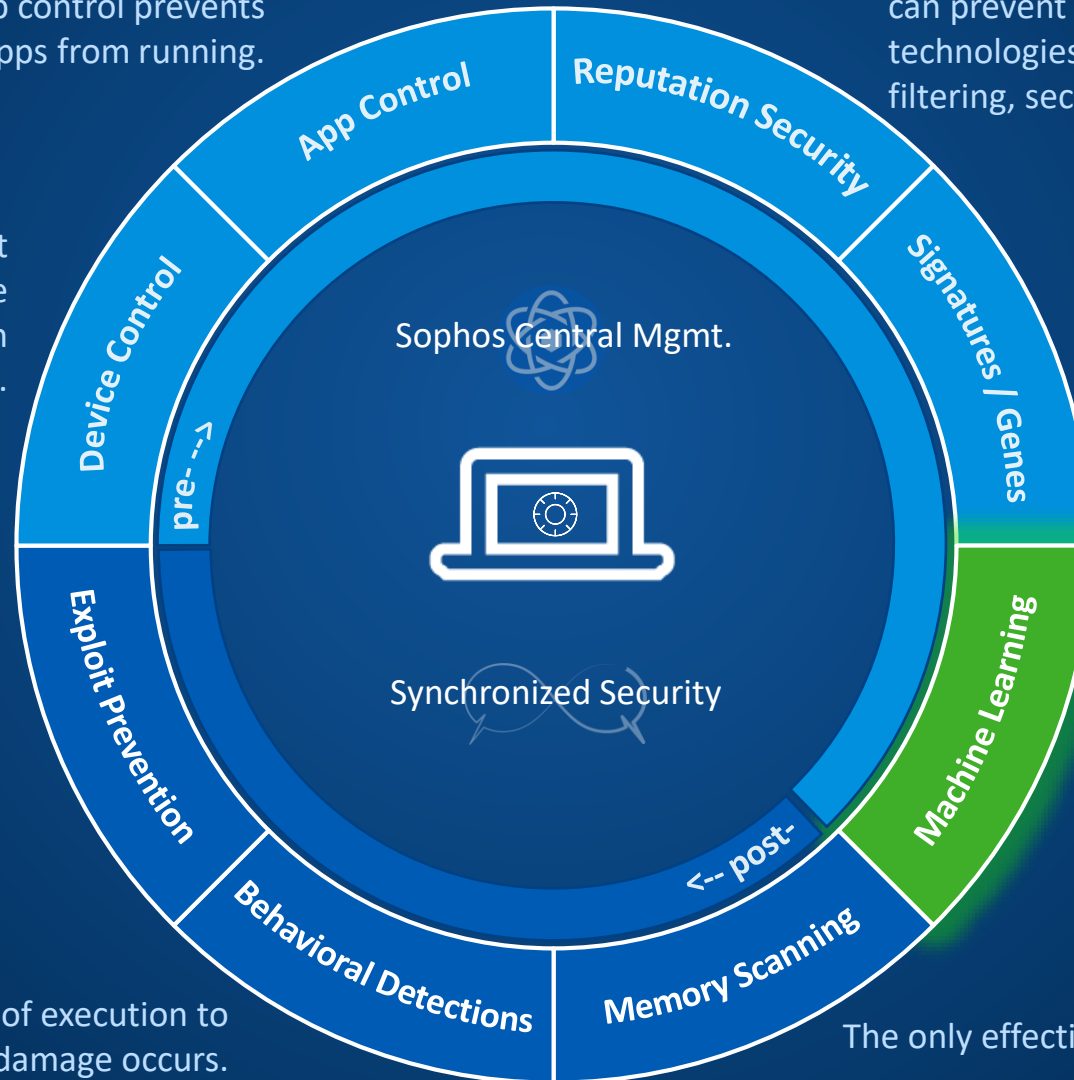
Provides reliable detection of script, document, and macro malware, and an efficient first line of defense against known executable variants.

Effective for run-time prevention of exploit-based malware such as ransomware. **Sophos Intercept X** delivers highly-effective next-gen exploit prevention capabilities.

Via Invincea, pre-execution malware prevention that is highly scalable, fast, and effective, especially against zero-day threats. Invincea's pioneering ML technology delivers high detection rates and very low FP rates, which is unique.

Heuristic detections based on the behaviors of execution to stop evasive malware before damage occurs.

The only effective defense against in-memory malware.



.exe
Malware



Non-.exe
Malware



Script-based
Malware



Phishing
Attacks



Malicious
URLs



Exploits



Removable
Media



Unauthorized
Apps

SOPHOS
Security made simple.

IT Support and Risk Analysis

AN OVERVIEW OF OUR SUPPORT STRUCTURE, AND RISK ASSESSMENT
PLANS.

IT Support and Network Support Staffing Strategies

- ▶ Self-contained support team
- ▶ Augmented support team
- ▶ Managed Services (outsourced) support team

Self-contained Support Team

► Advantages

- ❖ Sustainable
- ❖ Well versed in local system configurations and customizations
- ❖ Better suited for 24/7/365 coverage environment
- ❖ Can serve in in an assortment of non-standard roles
- ❖ Organizationally oriented and loyal - This is home

► Disadvantages

- ❖ Skill gaps
- ❖ Complacency
- ❖ These team can become technically stagnant when not exposed to new ideas and technology

Augmented Support Team

A self-contained team on steroids

► **Advantages**

- ❖ All the advantages of the self-contained team, while addressing most of the shortcomings.
- ❖ Sustainable – level 3 skill, without level 3 staff
- ❖ Continual sharing of new information by the augmentation staff
- ❖ Best practices are followed

► **Disadvantages**

- ❖ Additional cost
- ❖ Augmentation staff must be “brought up to speed” on local configurations
- ❖ Level 3 is not immediately available when needed
- ❖ Augmented staff are often contracted and only available for specific periods

Managed Services (outsourced) Support Team

► **Advantages**

- ❖ Team skill depth
- ❖ Best practice expertise
- ❖ A wealth of new ideas and practices
- ❖ Eliminated staffing expense and liability (benefits, risk, management)

❖ **Disadvantages**

- High contract costs and additional variable expenses
- Do not work well in a 24/7/365 operating environment, and often will not provide local daily staff in smaller organizations.
- Will only provide support from their catalog of services
- Prefer remote solutions over local involvement
- No local loyalty or involvement

Security/Risk Assessment

The HIPAA Security Rule obliges covered entities to conduct a risk analysis as part of a Security Management Process standard found in 45 CFR 164.308(a)(1)(i).

Furthermore, CMS reinforces the importance placed on considering risks to ePHI during the Meaningful Use attestation process.

- ▶ There are several kinds of IT security, risk, and functional assessment
 - ❖ **Network penetration testing or PEN testing** - limited electronic intrusion testing
 - ❖ **Risk Analysis** - not only considers PEN testing, but also includes physical and operational data security.
 - ❖ **IT operational assessment** – while it incorporates some security assessment it is primarily directed at systems, methods, and organizational structure.



MEMO

Date: 27 September 2017
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: Travel Expenses for QHR Consultant, Michael Ritchey
Revenue Cycle Assistance

Recommended Action

Approve travel expenses, not to exceed \$2,000, for QHR Consultant, Michael Ritchey to assist with Revenue Cycle improvement.

Background

We have been working with Michael Ritchey of QHR on consulting in Revenue Cycle improvement focused on front end, Patient Access Services, mostly. We need approval for expenses for him to come on site the week of Oct 16 to continue his review.

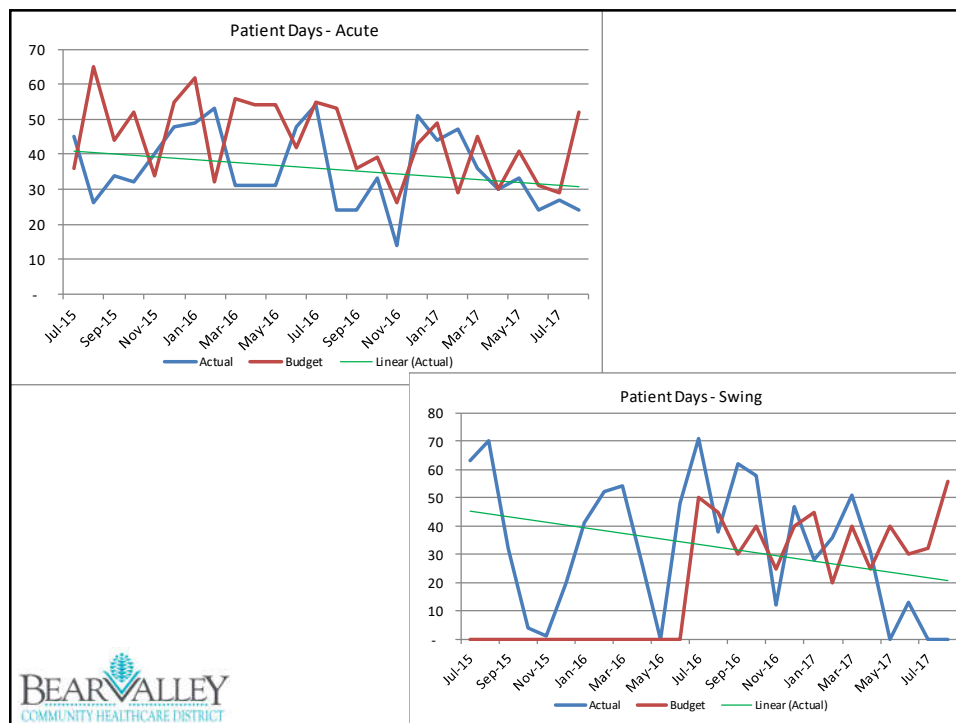
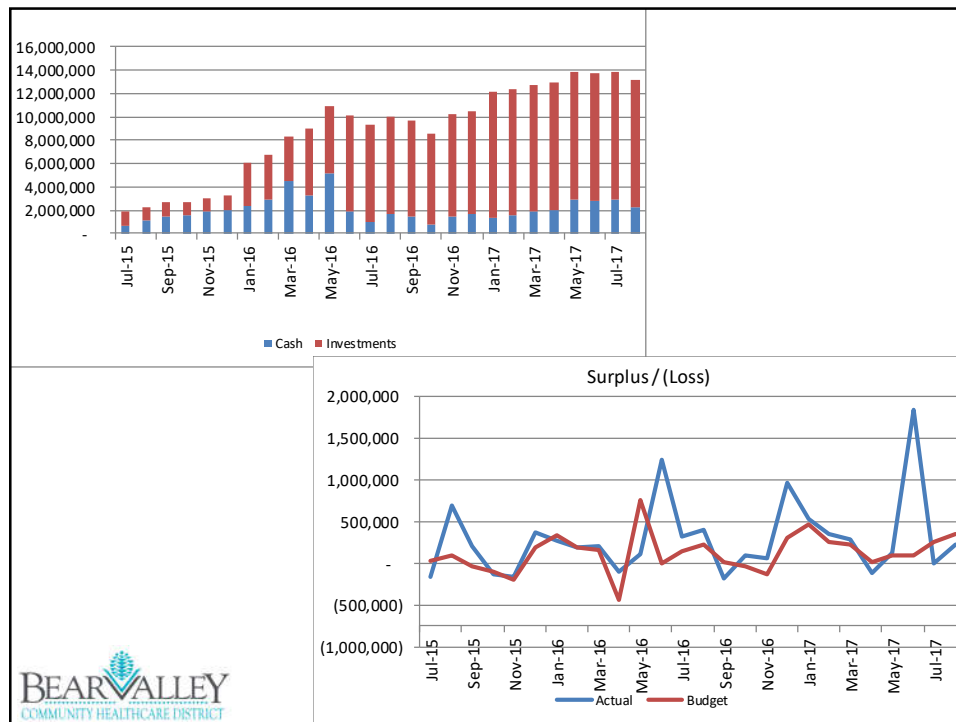


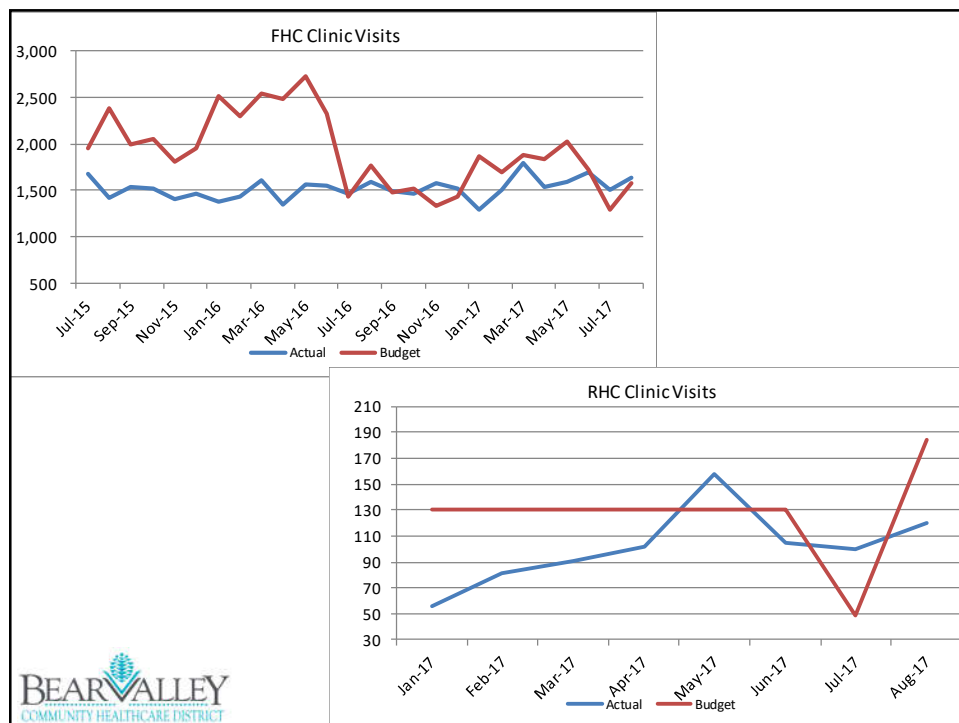
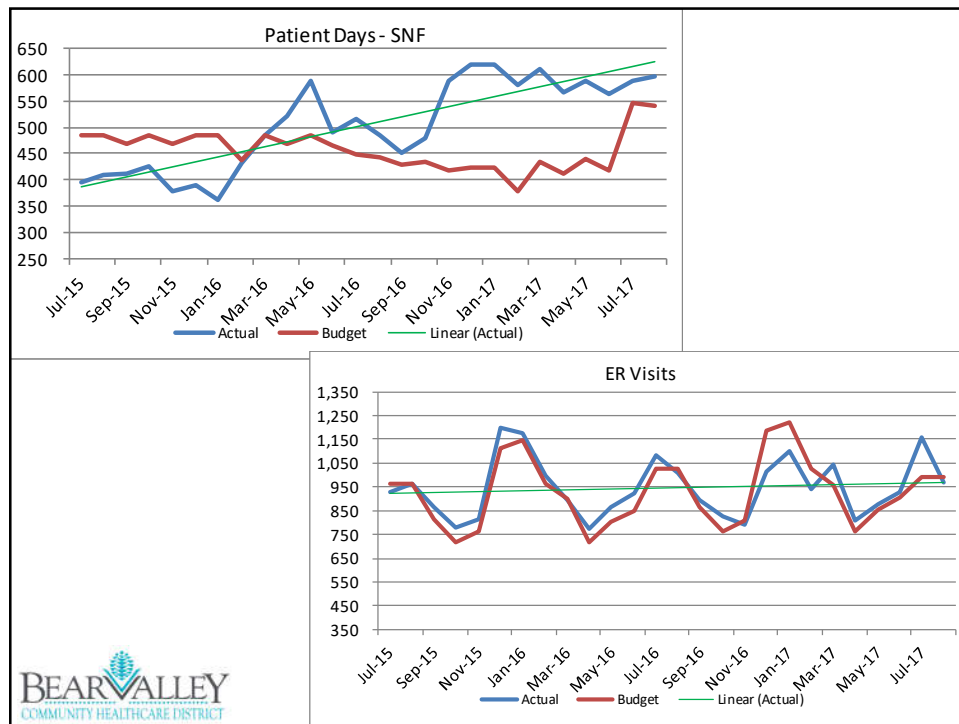
Finance Report
August 2017 Results

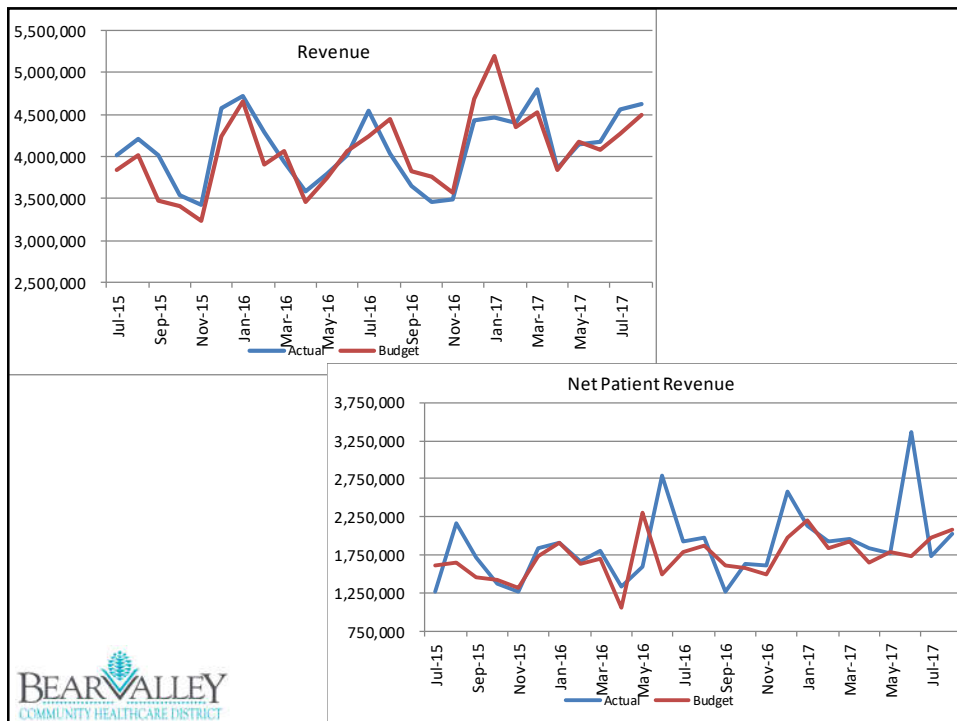
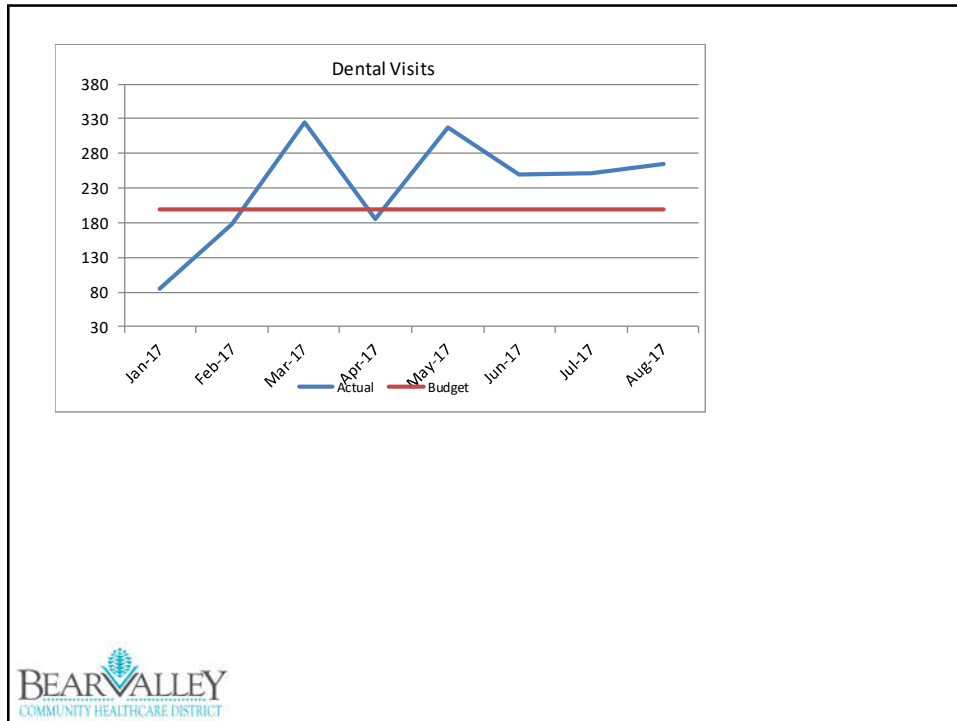
Summary for August 2017

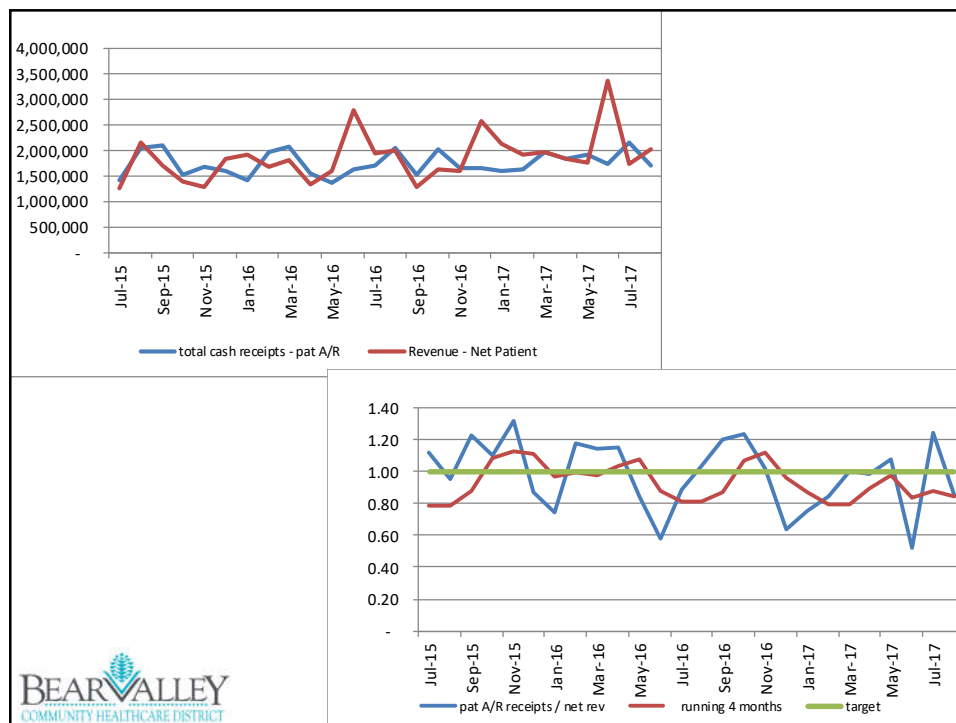
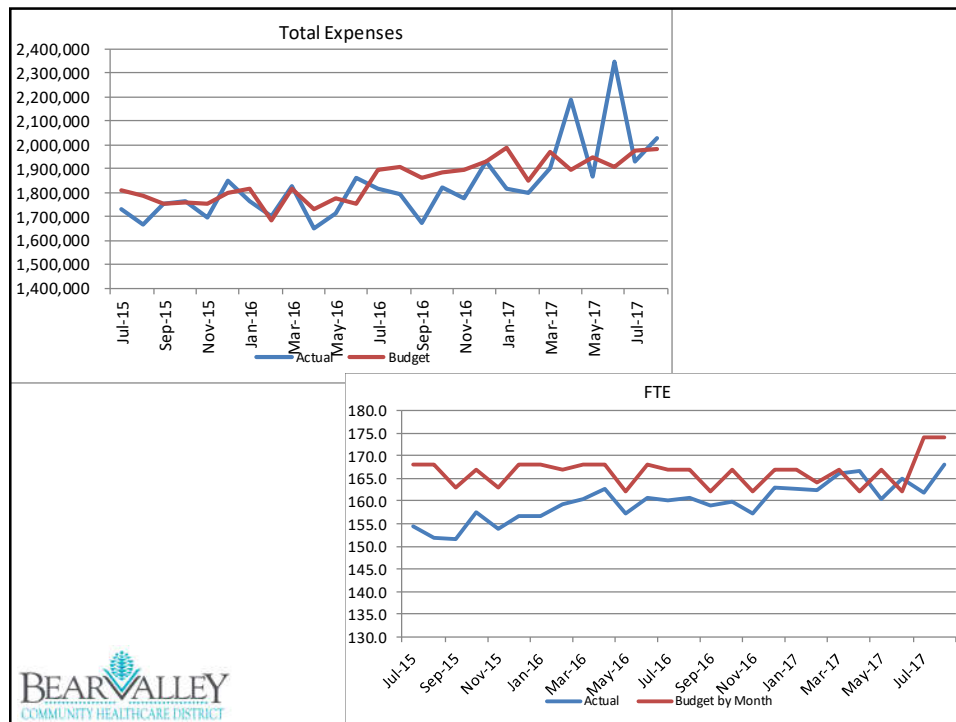
- Cash on Hand - \$2,290,992
- Investments - \$10,894,184
- Days Cash on hand, including investments with LAIF – 212
- Surplus of \$229,362 for the month compared to budgeted surplus of \$353,752.
- Total Patient Revenue over Budget by 2.9% for the month
- Net Revenue was 3.1% under budget.
- Total Expenses 2.3% more than budget















August 2017 Financial Results

For the month . . .

Total Patient Revenue of \$4,625,850 was over budget by 2.9%. Inpatient revenue was 68.0% under budget with acute days under budget and no swing days. Outpatient revenue was 27.3% over budget with strong revenue in laboratory, radiology, and CT. Clinic revenue was 51.1% over budget with increased volumes. Emergency Room revenue was 2.2% lower than budget with lower than budgeted emergency room visits. Skilled nursing Census continues to run ahead of budget. Skilled nursing revenue was 6.1% over budget for the month.

Deductions from Revenue of \$2,601,437 were 8% higher than budget.

Total operating Revenue (Revenue less revenue deductions) of \$2,024,413 were 3.0% under budget.

Total Operating Expenses of \$2,027,216 were higher than budget by 2.3%. Purchased services were higher than budget with higher payments to the Center for Oral Health due to increased volumes and therefore increased payments for services at the dental clinic and payments for hour interim laboratory manager. Lease and rental expense is over budget with continued rental of the portable CT unit.

Our surplus for the month of August 2017 was \$229,362. While positive, our surplus was lower than the budget amount for the month.

Our Operating Cash and Investments total \$13,186,610. Total Days Cash on hand are 212.

Key Statistics

Both Inpatient and Swing Patient days were under budget for the month. We had no Swing patient days in August.

SNF days totaled 597, an Average Daily Census of 19.3.

Emergency Room visits totaled 969 for the month – 2.1% lower than budget.

Bear Valley Community Healthcare District
Financial Statements August 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	4,036,912	4,625,850	4,497,533	128,317	2.9%	8,577,489	9,185,515	8,770,263	415,252	4.7%
2	Total revenue deductions	2,050,762	2,601,437	2,407,831	193,606	8.0%	4,660,944	5,421,522	4,695,309	726,213	15.5%
3	% Deductions	51%	56%	54%			54%	59%	54%		
4	Net Patient Revenue	1,986,150	2,024,413	2,089,702	(65,289)	-3.1%	3,916,545	3,763,993	4,074,954	(310,961)	-7.6%
5	% Net to Gross	49%	44%	46%			46%	41%	46%		
6	Other Revenue	10,958	14,574	12,342	2,232	18.1%	14,950	21,586	24,684	(3,098)	-12.6%
7	Total Operating Revenue	1,997,108	2,038,987	2,102,044	(63,057)	-3.0%	3,931,495	3,785,579	4,099,638	(314,059)	-7.7%
8	Total Expenses	1,791,788	2,027,216	1,981,428	45,788	2.3%	3,606,564	3,957,764	3,953,208	4,556	0.1%
9	% Expenses	44%	44%	44%			42%	43%	45%		
10	Surplus (Loss) from Operations	205,320	11,771	120,616	(108,845)	90.2%	324,931	(172,185)	146,430	(318,615)	217.6%
11	% Operating margin	5%	0%	3%			4%	-2%	2%		
12	Total Non-operating	197,933	217,592	233,136	(15,545)	-6.7%	397,506	405,695	466,272	(60,578)	-13.0%
13	Surplus/(Loss)	403,253	229,362	353,752	(124,390)	35.2%	722,437	233,509	612,702	(379,193)	61.9%
14	% Total margin	10%	5%	8%			8%	3%	7%		

BALANCE SHEET

	A	B C D E			
		August	July		
		FY 17/18	FY 17/18	VARIANCE	
				Amount	%
15	Gross Accounts Receivables	10,144,770	10,527,560	10,081,624	445,936 4.4%
16	Net Accounts Receivables	3,636,621	4,151,968	3,856,992	294,976 7.6%
17	% Net AR to Gross AR	36%	39%	38%	
18	Days Gross AR	74	73	72	1 0.7%
19	Cash Collections	2,046,307	1,716,383	2,156,050	(439,667) -20.4%
21	Investments	8,277,960	10,894,184	10,894,184	- 0.0%
22	Cash on hand	1,858,283	2,292,426	2,926,360	(633,934) -21.7%
23	Total Cash & Invest	10,136,243	13,186,610	13,820,544	(633,934) -4.6%
24	Days Cash & Invest	179	212	228	(16) -7.0%
	Total Cash and Investments	10,136,243	13,186,610		
	Increase Current Year vs. Prior Year		3,050,367		

Bear Valley Community Healthcare District
Financial Statements August 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	170,022	98,514	307,821	(209,307)	-68.0%	495,830	194,301	508,110	(313,809)	-61.8%
2 Outpatient	965,623	1,205,964	947,557	258,407	27.3%	1,855,881	2,074,903	1,841,000	233,903	12.7%
3 Clinic Revenue	200,959	369,602	244,589	125,013	51.1%	381,038	717,495	453,978	263,517	58.0%
4 Emergency Room	2,483,672	2,686,283	2,747,352	(61,070)	-2.2%	5,398,922	5,671,536	5,466,762	204,774	3.7%
5 Skilled Nursing Facility	216,636	265,487	250,214	15,273	6.1%	445,818	527,280	500,413	26,867	5.4%
6 Total patient revenue	4,036,912	4,625,850	4,497,533	128,317	2.9%	8,577,489	9,185,515	8,770,263	415,252	4.7%
Revenue Deductions										
7 Contractual Allow	1,604,865	2,192,796	2,204,082	(11,286)	-0.5%	3,782,704	4,741,205	4,297,996	443,209	10.3%
8 Contractual Allow PY	(518)	-	-	-	#DIV/0!	(13,048)	-	-	-	#DIV/0!
9 Charity Care	2,064	12,842	9,632	3,210	33.3%	33,260	20,517	18,782	1,735	9.2%
10 Administrative	7,398	114,668	8,440	106,228	1258.6%	9,245	113,922	16,458	97,464	592.2%
11 Policy Discount	9,907	11,940	6,875	5,065	73.7%	14,185	23,472	13,406	10,066	75.1%
12 Employee Discount	2,556	9,099	3,740	5,359	143.3%	7,005	13,810	7,293	6,517	89.4%
13 Bad Debts	157,531	69,295	175,062	(105,767)	-60.4%	393,732	9,947	341,374	(331,427)	-97.1%
14 Denials	266,959	190,797	-	190,797	#DIV/0!	433,861	498,649	-	498,649	#DIV/0!
15 Total revenue deductions	2,050,762	2,601,437	2,407,831	193,606	8.0%	4,660,944	5,421,522	4,695,309	726,213	15.5%
16 Net Patient Revenue	1,986,150	2,024,413	2,089,702	(65,289)	-3.1%	3,916,545	3,763,993	4,074,954	(310,961)	-7.6%
to 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	10,958	14,574	12,342	2,232	18.1%	14,950	21,586	24,684	(3,098)	-12.6%
18 Total Operating Revenue	1,997,108	2,038,987	2,102,044	(63,057)	-3.0%	3,931,495	3,785,579	4,099,638	(314,059)	-7.7%
Expenses										
19 Salaries	777,096	842,003	826,175	15,828	1.9%	1,546,667	1,642,031	1,651,446	(9,415)	-0.6%
20 Employee Benefits	288,823	318,469	319,373	(904)	-0.3%	575,485	605,190	638,369	(33,179)	-5.2%
21 Registry	21,720	-	-	-	#DIV/0!	21,720	12,718	-	12,718	#DIV/0!
22 Salaries and Benefits	1,087,639	1,160,472	1,145,548	14,924	1.3%	2,143,872	2,259,939	2,289,815	(29,876)	-1.3%
23 Professional fees	130,185	159,614	156,392	3,222	2.1%	261,060	323,006	312,784	10,222	3.3%
24 Supplies	142,711	136,046	131,471	4,575	3.5%	265,567	266,761	257,449	9,312	3.6%
25 Utilities	45,690	42,209	47,121	(4,912)	-10.4%	89,443	84,551	92,129	(7,578)	-8.2%
26 Repairs and Maintenance	17,899	19,239	22,668	(3,429)	-15.1%	33,067	41,700	45,336	(3,636)	-8.0%
27 Purchased Services	231,639	346,148	295,453	50,695	17.2%	528,820	648,162	590,214	57,948	9.8%
28 Insurance	25,014	25,762	25,917	(155)	-0.6%	50,028	51,524	51,834	(310)	-0.6%
29 Depreciation	44,325	49,162	75,000	(25,838)	-34.5%	88,650	97,730	150,000	(52,270)	-34.8%
30 Rental and Leases	17,896	39,979	16,297	23,682	145.3%	36,394	86,424	32,594	53,830	165.2%
31 Interest	7,805	7,902	7,750	152	2.0%	15,788	15,619	15,500	119	0.8%
32 Dues and Subscriptions	4,237	5,427	5,044	383	7.6%	8,495	10,945	10,090	855	8.5%
33 Other Expense.	36,748	35,255	52,767	(17,512)	-33.2%	85,380	71,402	105,463	(34,061)	-32.3%
34 Total Expenses	1,791,788	2,027,216	1,981,428	45,788	2.3%	3,606,564	3,957,764	3,953,208	4,556	0.1%
35 Surplus (Loss) from Operations	205,320	11,771	120,616	(108,845)	90.2%	324,931	(172,185)	146,430	(318,615)	217.6%
Non-Operating Income										
36 Tax Revenue	189,917	186,047	186,047	-	0.0%	379,834	372,094	372,094	-	0.0%
38 Other non-operating	8,016	31,545	47,089	(15,545)	-33.0%	17,672	33,601	94,178	(60,578)	-64.3%
39 Total Non-operating	197,933	217,592	233,136	(15,545)	-6.7%	397,506	405,695	466,272	(60,578)	-13.0%
40 Surplus (Loss)	403,253	229,362	353,752	(124,390)	35.2%	722,437	233,509	612,702	(379,193)	61.9%

**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											194,301
2 Outpatient	868,939	1,205,964											2,074,903
3 Clinic	347,893	369,602											717,495
4 Emergency Room	2,985,253	2,686,283											5,671,536
5 Skilled Nursing Facility	261,793	265,487											527,280
6 Total patient revenue	4,559,665	4,625,850	-	-	-	-	-	-	-	-	-	-	9,185,515
Revenue Deductions	C/A 0.56	0.47	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.52
7 Contractual Allow	2,548,409	2,192,796											4,741,205
8 Contractual Allow PY	-												-
9 Charity Care	7,675	12,842											20,517
10 Administrative	(746)	114,668											113,922
11 Policy Discount	11,532	11,940											23,472
12 Employee Discount	4,711	9,099											13,810
13 Bad Debts	(59,348)	69,295											9,947
14 Denials	307,852	190,797											498,649
15 Total revenue deductions	2,820,085	2,601,437	-	-	-	-	-	-	-	-	-	-	5,421,522
16 Net Patient Revenue	1,739,580	2,024,413	-	-	-	-	-	-	-	-	-	-	3,763,993
	38.2%	43.8%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	41.0%
17 Other Revenue	7,012	14,574											21,586
18 Total Operating Revenue	1,746,592	2,038,987	-	-	-	-	-	-	-	-	-	-	3,785,579
Expenses													
19 Salaries	800,028	842,003											1,642,031
20 Employee Benefits	286,721	318,469											605,190
21 Registry	12,718	-											12,718
22 Salaries and Benefits	1,099,467	1,160,472	-	-	-	-	-	-	-	-	-	-	2,259,939
23 Professional fees	163,392	159,614											323,006
24 Supplies	130,715	136,046											266,761
25 Utilities	42,342	42,209											84,551
26 Repairs and Maintenance	22,461	19,239											41,700
27 Purchased Services	302,014	346,148											648,162
28 Insurance	25,762	25,762											51,524
29 Depreciation	48,568	49,162											97,730
30 Rental and Leases	46,445	39,979											86,424
31 Interest	7,717	7,902											15,619
32 Dues and Subscriptions	5,518	5,427											10,945
33 Other Expense.	36,147	35,255											71,402
34 Total Expenses	1,930,548	2,027,216	-	-	-	-	-	-	-	-	-	-	3,957,764
Surplus (Loss) from Operations	(183,956)	11,771	-	-	-	-	-	-	-	-	-	-	(172,185)
Non-Operating Income													
37 Tax Revenue	186,047	186,047											372,094
38 Other non-operating	2,056	31,545											33,601
39 Total Non-operating	188,103	217,592	-	-	-	-	-	-	-	-	-	-	405,695
40 Surplus/(Loss)	4,147	229,362	-	-	-	-	-	-	-	-	-	-	233,509

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

July	Aug	June
------	-----	------

ASSETS:

Current Assets

Cash and Cash Equivalents (Includes CD's)	2,926,360	2,290,992	2,858,405
Gross Patient Accounts Receivable	10,084,033	10,529,969	10,749,524
Less: Reserves for Allowances & Bad Debt	6,227,041	6,378,000	6,570,855
Net Patient Accounts Receivable	3,856,992	4,151,968	4,178,669
Tax Revenue Receivable	2,232,569	2,232,569	56,788
Other Receivables	80,625	47,561	99,917
Inventories	217,948	220,580	212,805
Prepaid Expenses	330,877	339,259	192,216
Due From Third Party Payers	0		
Due From Affiliates/Related Organizations	0		
Other Current Assets	0		
Total Current Assets	9,645,371	9,282,930	7,598,800

Assets Whose Use is Limited

Investments	10,894,184	10,894,184	10,894,184
Other Limited Use Assets	144,375	144,375	144,375
Total Limited Use Assets	11,038,559	11,038,559	11,038,559

Property, Plant, and Equipment

	0	0	0
Land and Land Improvements	547,472	570,615	547,472
Building and Building Improvements	9,657,088	9,659,388	9,657,088
Equipment	9,625,066	9,694,652	9,614,476
Construction In Progress	1,058,659	1,101,848	532,158
Capitalized Interest	0		
Gross Property, Plant, and Equipment	20,888,285	21,026,502	20,351,194
Less: Accumulated Depreciation	12,764,979	12,814,141	12,716,411

Net Property, Plant, and Equipment 8,123,306 8,212,362 7,634,783

TOTAL UNRESTRICTED ASSETS 28,807,236 28,533,850 26,272,142

Restricted Assets

0 0 0

TOTAL ASSETS 28,807,236 28,533,850 26,272,142

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

LIABILITIES:

	PY BS		
	July	Aug	June
Current Liabilities			
Accounts Payable	1,371,664	998,509	1,044,650
Notes and Loans Payable	0		
Accrued Payroll	775,117	846,351	684,799
Patient Refunds Payable	0		
Due to Third Party Payers (Settlements)	709,007	709,470	649,537
Advances From Third Party Payers	0	0	
Current Portion of Def Rev - Txs,	2,046,518	1,837,466	-4
Current Portion - LT Debt	35,000	35,000	35,000
Current Portion of AB915			
Other Current Liabilities (Accrued Interest & Accrued Other)	15,243	23,005	7,621
Total Current Liabilities	4,952,549	4,449,802	2,421,603
Long Term Debt			
USDA Loan	2,930,000	2,930,000	2,965,000
Leases Payable	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000
Other Long Term Liabilities			
Deferred Revenue	0	0	0
Other	0		
Total Other Long Term Liabilities	0	0	0
TOTAL LIABILITIES	7,882,549	7,379,802	5,351,603
Fund Balance			
Unrestricted Fund Balance	20,920,540	20,920,540	16,251,126
Temporarily Restricted Fund Balance	0	0	
Equity Transfer from FRHG	0	0	
Net Revenue/(Expenses)	4,147	233,510	4,669,413
TOTAL FUND BALANCE	20,924,687	21,154,048	20,920,539
TOTAL LIABILITIES & FUND BALANCE	28,807,236	28,533,850	26,272,142

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

31						62							
Current Month						Bear Valley Community Hospital		Year-To-Date					
Aug-17		Aug-16	Actual -Budget		Act.-Act.		Aug-17		Aug-16	Actual -Budget		Act.-Act.	
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %	
24	52	24	(28)	-53.7%	0.0%	Med Surg Patient Days	51	81	78	(30)	-37.1%	-34.6%	
-	56	38	(56)	0.0%	-100.0%	Swing Patient Days	-	88	109	(88)	0.0%	-100.0%	
597	540	485	57	10.6%	23.1%	SNF Patient Days	1,186	1,086	1,000	100	9.2%	18.6%	
621	648	547	(27)	-4.2%	13.5%	Total Patient Days	1,237	1,255	1,187	(18)	-1.4%	4.2%	
13	15	14	(2)	-13.3%	-7.1%	Acute Admissions	24	30	33	(6)	-20.0%	-27.3%	
13	15	18	(2)	-13.3%	-27.8%	Acute Discharges	27	30	37	(3)	-10.0%	-27.0%	
1.8	-	1.3	1.8	#DIV/0!	38.5%	Acute Average Length of Stay	1.9	-	2.1	1.9	#DIV/0!	-10.4%	
0.8	1.7	0.8	(0.9)	-53.7%	0.0%	Acute Average Daily Census	0.8	1	1.3	(0.5)	-37.1%	-34.6%	
19.3	19.2	16.9	0.0	0.1%	14.1%	SNF/Swing Avg Daily Census	19.1	19	17.9	0.2	1.0%	6.9%	
20.0	20.9	17.6	(0.9)	-4.2%	13.5%	Total Avg. Daily Census	20.0	20	19.1	(0.3)	-1.4%	4.2%	
45%	46%	39%	-2%	-4.2%	13.5%	% Occupancy	44%	45%	43%	-1%	-1.4%	4.2%	
11	15	13	(4)	-26.7%	-15.4%	Emergency Room Admitted	22	30	31	(8)	-26.7%	-29.0%	
958	1,000	998	(42)	-4.2%	-4.0%	Emergency Room Discharged	2,106	2,000	2,062	106	5.3%	2.1%	
969	990	1,011	(21)	-2.1%	-4.2%	Emergency Room Total	2,128	1,980	2,093	148	7.5%	1.7%	
31	32	33	(1)	-2.1%	-4.2%	ER visits per calendar day	34	32	34	2	7.5%	1.7%	
85%	100%	93%	50%	50.0%	-8.9%	% Admits from ER	92%	100%	94%	75%	75.0%	-2.4%	
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	-	-	-	-	0.0%	#DIV/0!	
15	21	5	(6)	-28.6%	200.0%	Surgical Procedures O/P	27	42	13	(15)	-35.7%	107.7%	
15	21	5	(6)	-28.6%	200.0%	TOTAL Procedures	27	42	13	(15)	-35.7%	107.7%	
1,124	295	115	829	281.0%	877.4%	Surgical Minutes Total	1,903	590	250	1,313	222.5%	661.2%	

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

Current Month						Bear Valley Community Hospital		Year-To-Date				
Aug-17		Aug-16	Actual -Budget		Act.-Act.		Aug-17		Aug-16	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
7,098	6,093	6,604	1,005	16.5%	7.5%	Lab Procedures	13,709	12,117	13,297	1,592	13.1%	3.1%
871	756	821	115	15.2%	6.1%	X-Ray Procedures	1,020	1,455	1,634	(435)	-29.9%	-37.6%
295	259	238	36	13.9%	23.9%	C.T. Scan Procedures	518	514	589	4	0.8%	-12.1%
253	219	232	34	15.5%	9.1%	Ultrasound Procedures	479	414	488	65	15.7%	-1.8%
108	50	60	58	116.0%	80.0%	Mammography Procedures	150	100	117	50	50.0%	28.2%
329	272	264	57	21.0%	24.6%	EKG Procedures	661	544	552	117	21.5%	19.7%
101	98	84	3	3.1%	20.2%	Respiratory Procedures	214	174	191	40	23.0%	12.0%
1,381	1,670	1,720	(289)	-17.3%	-19.7%	Physical Therapy Procedures	2,608	2,976	3,132	(368)	-12.4%	-16.7%
1,756	1,768	1,589	(12)	-0.7%	10.5%	Primary Care Clinic Visits	3,369	3,113	3,048	256	8.2%	10.5%
265	200	-	65	0.0%	#DIV/0!	Specialty Clinic Visits	517	400	-	117	0.0%	#DIV/0!
2,021	1,968	1,589	53	2.7%	27.2%	Clinic	3,886	3,513	3,048	373	10.6%	27.5%
78	76	61	2	2.7%	27.2%	Clinic visits per work day	30	27	23	3	10.6%	27.5%
20.4%	20.00%	19.60%	0.40%	2.00%	4.08%	% Medicare Revenue	19.40%	20.00%	20.70%	-0.60%	-3.00%	-6.28%
38.80%	37.00%	39.90%	1.80%	4.86%	-2.76%	% Medi-Cal Revenue	38.70%	37.00%	38.70%	1.70%	4.59%	0.00%
36.40%	38.00%	36.90%	-1.60%	-4.21%	-1.36%	% Insurance Revenue	37.60%	38.00%	37.15%	-0.40%	-1.05%	1.21%
4.40%	5.00%	3.60%	-0.60%	-12.00%	22.22%	% Self-Pay Revenue	4.30%	5.00%	3.45%	-0.70%	-14.00%	24.64%
149.0	155.00	143.6	(6.0)	-3.9%	3.8%	Productive FTE's	145.53	155.00	143.0	(9.5)	-6.1%	1.8%
168.0	174.00	160.6	(6.0)	-3.5%	4.6%	Total FTE's	164.89	174.00	160.3	(9.1)	-5.2%	2.9%



CFO REPORT for

October 2, 2017, Finance Committee and October 11, 2017, Board meetings

Healthcare Reform – Covered California and The Better Care Reconciliation Act of 2017, American Health Care Act, and the Affordable Care Act

From the California Hospital Association . . .

Senate Will Not Vote on Graham-Cassidy Bill

SEPTEMBER 26, 2017 [ANNE O'ROURKE](#)

The Senate will not vote this week on the Graham-Cassidy Amendment to repeal and replace parts of the Affordable Care Act (ACA), Senate Republican leaders announced today. After Sept. 30, ACA repeal legislation will require 60 votes in the Senate unless a new budget resolution including repeal instructions is passed for fiscal year 2018 or 2019.

The Graham-Cassidy proposal would have imposed devastating cuts to California, eliminated coverage for millions of Californians and destabilized insurance markets.

“Flaws in the ACA should be fixed rather than cause millions of Californians to lose coverage through Medi-Cal and California’s marketplace,” said CHA President/CEO C. Duane Dauner.

CHA will continue to work with Congress to find constructive health care reforms.

Since 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.

Accounts Receivable / TruBridge

We have continued to see reduction in Accounts Receivable days. Report as of the middle of September show days at 69.3.

Mammo Project update

With the completion of our mammography project, we have gathered total project costs, which are outlined below. With what appears to be under \$10,000 due to the contractor, the project looks to come in over \$160,000 under the budgeted amount.

update as of 27 Sept 2017

total capital budget	\$	657,900
spent to date (incl equipment)		482,373
to be spent retention (est)		8,506
	\$	490,879
difference		<u>\$167,021</u>

CT Project update

As we near completion of the CT project, a review of payments to date and payments yet to be made shows the project is over the budgeted amount. We are working on a list of change orders so that we can review and determine resolution. There were a number of conditions discovered during the project which required remediation.

update as of 27 Sept 2017

total capital budget	\$	1,127,000
spent to date		611,933
to be spent scanner (incl tax)		591,000
change orders	undetermined	waiting for full list and our evaluation
	\$	<u>1,202,933</u>
difference		(\$75,933)

RHC / Dental Financial Update

At the last Board meeting, a request was made for updated information regarding the RHC including dental services in that location. Below are some results for the first two months of our fiscal year (July and August). RHC statistics are slightly under budget through the first two months. Dental visits are 29.3% over budget for the same two months. FTEs are under budget. Revenue is significantly, 51.2%, over budget. Expenses are over budget mainly due to the payments made to the Center for Oral Health based on the number of visits (higher than anticipated).

RHC (including Dental)

July & August 2017

	actual		budget		variance		variance %
Statistics							
RHC		220		233		(13)	-5.6%
Dental		517		400		117	29.3%
FTE		1.7		2.3		0.6	26.1%
Revenue	\$	154,216	\$	101,978	\$	52,238	51.2%
Expenses		111,524		100,580		(10,944)	-10.9%
Margin		42,692		1,398		41,294	2953.8%

PRIME Project

We were also asked to provide information on the PRIME project. The summary is below.

FTEs are significantly under budget. Revenue, which is funded through IGT (intergovernmental transfer), is recorded on a cash basis and we have not received any payments toward this project this fiscal year. Expenses are 28.8% under budget.

I have also included a "BVCHD Sustainability Summary" which we recently provided related to the project.

PRIME

July & August 2017

	actual		budget		variance		variance %
FTE		2.0		3.3		1.3	39.4%
Revenue	\$	-	\$	125,000	\$	(125,000)	-100.0%
Expenses		48,035		67,421		19,386	28.8%
Margin	\$	(48,035)	\$	57,579	\$	(105,614)	-183.4%

BVCHD Sustainability Summary - PRIME Project 2.6

Bear Valley Community Healthcare District (BVCHD) has an established model for process improvement which includes formation of workgroups and the development of a detailed action plans. The Family Health Center (FHC) has implemented this model to sustain PRIME project improvements. The following strategies have been included in the sustainability plan:

The FHC has successfully engaged providers and staff in the planning and implementation phases of the project to increase ownership and buy in for project initiatives. The physician champion has also been instrumental in securing senior leadership and community stakeholders' support for the successful development of a comprehensive outpatient pain management program that includes a multidisciplinary, evidence based approach to consistent management of chronic non-malignant pain.

Through these efforts there have been significant strides made in community outreach to increase awareness and encourage participation in services provided at the Family Health Center. As part of this process, there have been lines of communication opened both within the organization and to outside agencies to foster information sharing. Some of these agencies have provided education related to their services which has aided in program development. Furthermore BVCHD is a member of the Big Bear Valley Community Collaborative, The Mental Health Alliance, and the California Telehealth Network which provide support services and community resources to patients. These relationships help strengthen the program and increase the ability to engage stakeholders in the decision making process for program improvement and sustainability.

This project has been a catalyst in creating continuity of care between providers, staff and patients. The FHC has implemented a monthly interdisciplinary care plan meeting to develop and discuss comprehensive treatment plans for non-malignant chronic pain management patients. This program has afforded the Family Health Center the opportunity to expand services to increase access to multi-modal alternative therapies such as chiropractic services, mental health services, acupuncture, support groups, laser therapy and orthopedics. This in turn has resulted in increased patient volumes. In order to accommodate the increased patient volume, the work flow was streamlined to improve patient flow and processes for referrals, screening, scheduling and discharge.

In closing, the future of the non-malignant chronic pain management program is grounded on well-developed processes, financial viability and patient satisfaction. With the support of BVCHD leadership and community stakeholders in the ongoing efforts to broaden overall services provided at the Family Health Center and specifically services for chronic pain management, the team feels we have developed a solid framework for sustainability.

FY 2017 Financial Audit

Our financial auditor, Jerrell Tucker, is on-site the week of September 25th. The results of this fieldwork will be used in preparation of our fiscal year 2017 cost report. Any adjustments resulting from the cost report will be incorporated into the final audited financial statements.

FY 2017 Updated Physician Payment Reconciliation

Attached is an updated Physician Payment Reconciliation form. The board approved the original form at its meeting two months ago. I have highlighted the area corrected related to Dr. Orr. In the contract amount column we had not included all of the amounts.

Company or Last Name	Contract Type	Contract \$	Financial Term	Effective	Expiration	Auto Renewal?	Written Contract?	Comments	Last FMV Analysis	Payments to physician on the AP, rent, AR or payroll report	Any payments to physician on AP report that do not have a contract?	Dept Allocation
Biscotti, Brian S., D.C.	Physician Services	65.00	per visit	10/10/16	06/30/18		Yes	Chiropractic		58,110.00		8760
Center For Oral Health	Physician Services	159.00	per visit	01/11/17	01/10/18		Yes	Dental Services		212,901.00		7181
Center For Oral Health	Physician Services	1,200.00	per year	03/01/17	02/28/18		Yes	SNF Dental Services		-		6582
D. Critel Nursing Anesth. Inc.	Nurse Anesthetist	1,123.28	per day	07/01/16	06/30/17	Auto renewal	Yes	5 days/wk		293,176.08		7420
High Desert Pathology Medical Group	Medical Director-Lab	2,000.00	per month	06/04/17	06/09/19		Yes			2,000.00		7500
Knapik, Steven D.O.	Physician Services	75.00	per visit	02/01/17	01/31/19		Yes	Family Practice		105,075.00		7181,8760
Knapik, Steven D.O.	Physician Services	500.00	per 24 call period worked	05/09/16	05/08/18		Yes	Hospitalist		64,550.00		6170
Knapik, Steven D.O.	Chief of Staff	1,000.00	per month	01/01/16	12/31/19		Yes			12,000.00		8710
Knapik, Steven D.O.	Medical Director-FHC	1,500.00	per month	10/01/16	09/30/17		Yes			13,500.00		8760
Lebby, Paula Nornes-, MD	Physician Services	75.00	per visit	04/01/16	03/31/18		Yes	OB-GYN		51,360.00		8760
Norman, Michael D.O.	Medical Director-RT	1,500.00	per month	02/01/16	01/31/18		Yes			27,000.00		7720
Orr, Jeffrey M.D.	Physician Services	204,999.36	per year	04/13/15	08/03/20		Yes	Family Practice		204,999.36		8760
Orr, Jeffrey M.D.	Physician Services	500.00	per 24 call period worked	10/08/15	09/30/17		Yes	Hospitalist		32,250.00		6170
Paja, Isaias M.D.	Physician Services	65.00	per visit	01/17/17	01/17/19		Yes	Family Practice		120,640.00		8760
Pautz, Matthew D.O.	Physician Services	65.00	per visit	11/10/16	11/09/17		Yes	Orthopaedic - Clinic		11,375.00		8760
Pautz, Matthew D.O.	Physician Services	1,000.00	per on-call shift	11/10/16	11/09/17		Yes	Orthopaedic - ER		59,160.00		7010
Pautz, Matthew D.O.	Director-OR/Anes	1,000.00	per month	06/15/17	06/14/19		Yes			500.00		7420
Pramann Chiropractic Center	Physician Services	65.00	per visit	07/10/16	07/10/18		Yes	Chiropractic		52,390.00		7181,8760
Premier Emergency Physicians of Calif	Physician Services	Addl hrly rate over 140/hr nte 20/hr		07/15/14	07/15/17		Yes	initial 90 days		-		7010
Premier Emergency Physicians of Calif	Physician Services	1,933.00	per day	12/01/14	07/15/17		Yes	Hospitalist/Telemedicine		376,403.00		6170
RIMA (Renaissance Imaging)	Director- Xray	-	included in coverage	12/01/16	11/30/18		Yes	Radiology		6,394.56		7630
Schaeffer, John (American Telepsychiatrists	Physician Services	200.00	per hour (8 min/wk)	10/10/15	08/31/16	renew 3 terms	Yes	Telepsychiatry Services		77,200.00		8760
Stewart, Cary M.D., Inc.	Physician Services	500.00	per 24 call period worked	10/08/15	09/30/17	not renewing	Yes	Hospitalist		21,315.00		6170
Stewart, Cary M.D., Inc.	Medical Director- SNF	2,000.00	per month	11/07/16	11/07/18		Yes			22,000.00		6582
Stewart, Cary M.D., Inc.	Physician Services	65.00	per visit	02/01/15	01/31/17		Yes	Family Practice		20,645.00		8760
Teleconnect Therapies	Mental Health Services	120.00	per 50 min.sessions	01/01/17	12/31/18		Yes	30.00 per pat no show		119,050.00		8760
Walmsley, Joan H	Mental Health Services	150.00	per hour	02/13/17	08/31/17	not renewing	Yes	Prime Project		8,550.00		8780
White, William, MD	Physician Services	65.00	per visit	11/10/16	11/09/17		Yes	OB-GYN		8,320.00		8760