

# SOUTHERN INYO HEALTHCARE DISTRICT

## Finance Committee Minutes

Date: Tuesday, April 7, 2020

Time: 4:00 p.m.

Location: Southern Inyo Hospital Conference Room  
501 East Locust St  
Lone Pine, CA 93545

Dial: +1 213-212-7420

Access code: 120 6696

Online meeting room: <https://promo.unibridge.cloud/conf/call/1206696>

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### PRESENT

Charles Carson, Vice President (via phone)  
Bruce Branson, Treasurer (via phone)  
Chester Beedle, Financial Consultant (via phone)  
Peter Spiers, CEO  
Anita Sonke, Accounting  
Leigh McLendon, Accounting  
Maritza Perkins, Executive Assistant

### PUBLIC

Jaque Hickman, President (as public, via phone)

### I. CALL TO ORDER

The finance committee meeting was called to order at 4:07 pm.

Treasurer Branson moved to approve the agenda for April 7, 2020. Vice President Carson seconded.

### II. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

NONE

### III. APPROVAL OF MINUTES

a. Finance Committee Meeting Minutes for March 3, 2020.

Vice President Carson moved to approve the finance committee minutes for March 3, 2020. Treasurer Branson seconded.

#### Board of Directors:

Jaqueline Hickman  
President

Charles Carson  
Vice President

Carma Roper  
Secretary

Bruce Branson  
Treasurer

Mark Lacey  
Director

**IV. BUSINESS ITEMS**

- A. Financial Statement for January 2020 (Financial Consultant)
- B. Cash Flow with Projections and Budgets (Financial Consultant)

Financial Consultant Chet Beedle reviewed the financial statement for January 2020, cash flow with projections and the budgets for 2020.

Note- There was a correction to Page 9 of the financial report.

**Board of Directors:**

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Charles Carson  
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Carma Roper  
Secretary

Bruce Branson  
Treasurer

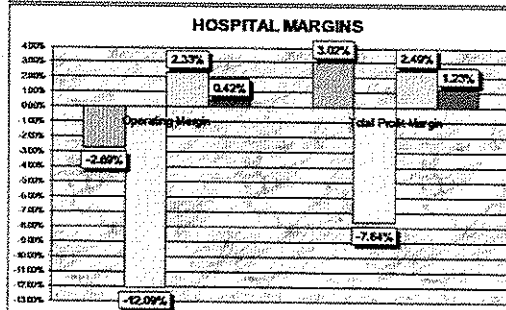
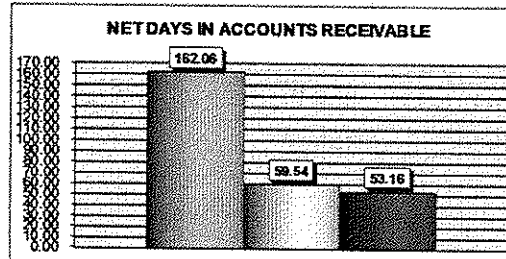
Mark Lacey  
Director

# SOUTHERN INYO HEALTHCARE DISTRICT

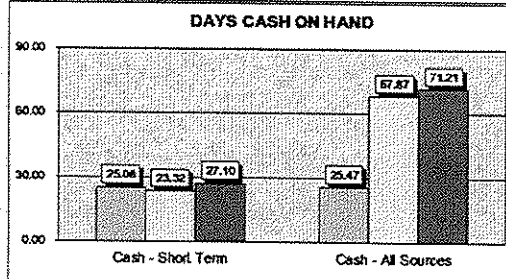
## EXECUTIVE FINANCIAL SUMMARY

Seven Months Ended January 31, 2020

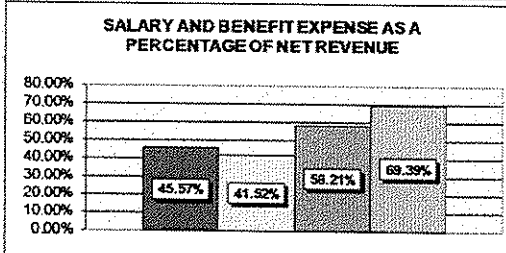
BALANCE SHEET		
	1/31/2020	6/30/2019
<b>ASSETS</b>		
Current Assets	\$4,749,357	\$4,706,581
Assets Whose Use is Limited	10,614	7,936
Property, Plant and Equipment (Net)	1,058,849	1,061,248
Other Assets	0	0
<b>Total Unrestricted Assets</b>	<b>5,818,820</b>	<b>5,775,765</b>
Restricted Assets	0	0
<b>Total Assets</b>	<b>\$5,818,820</b>	<b>\$5,775,765</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities	\$5,636,707	\$5,610,139
Long-Term Debt	18,699	17,122
Other Long-Term Liabilities	935,238	590,784
<b>Total Liabilities</b>	<b>6,590,644</b>	<b>6,218,045</b>
Net Assets	(771,824)	(442,280)
<b>Total Liabilities and Net Assets</b>	<b>\$5,818,820</b>	<b>\$5,775,765</b>



STATEMENT OF REVENUE AND EXPENSES - YTD		
	ACTUAL	BUDGET
<b>Revenue:</b>		
Gross Patient Revenues	\$8,016,210	\$8,708,259
Deductions From Revenue	(2,866,322)	(2,399,996)
Net Patient Revenues	5,149,888	6,308,263
Other Operating Revenue	213,986	127,471
<b>Total Operating Revenues</b>	<b>5,363,873</b>	<b>6,435,734</b>
<b>Expenses:</b>		
Salaries, Benefits & Contract Labor	3,721,967	4,625,492
Purchased Services & Physician Fees	983,731	1,046,875
Supply Expenses	193,372	288,079
Other Operating Expenses	605,873	1,181,873
Bad Debt Expense	0	0
Depreciation & Interest Expense	2,957	71,279
<b>Total Expenses</b>	<b>5,507,900</b>	<b>7,213,598</b>
<b>NET OPERATING SURPLUS</b>	<b>(144,027)</b>	<b>(777,863)</b>
Non-Operating Revenue/(Expenses)	306,255	286,092
<b>TOTAL NET SURPLUS</b>	<b>\$162,228</b>	<b>(\$491,772)</b>



KEY STATISTICS AND RATIOS - YTD		
	ACTUAL	BUDGET
Total Acute Patient Days	37	82
Average Acute Length of Stay	2.3	2.2
Total Emergency Room Visits	966	987
Outpatient Visits	2,422	2,563
Total Surgeries	0	0
Total Worked FTE's	92.32	91.80
Total Paid FTE's	102.17	98.80
Productivity Index	0.9946	1.0000
EBITDA - YTD	-5.45%	-13.82%
Current Ratio	0.84	
Days Expense in Accounts Payable	294.47	



<b>SOUTHERN INYO HEALTHCARE DISTRICT</b>	
<input type="checkbox"/> Budget	01/31/20
<input type="checkbox"/> California	Hospitals
<input checked="" type="checkbox"/> CAH Hospitals	Rural
<input checked="" type="checkbox"/> Prior Fiscal Year End	06/30/19

<b>FINANCIAL STRENGTH INDEX -</b>		(0.23)
Excellent - Greater than 3.0	Good - 3.0 to 0.0	
Fair - 0.0 to (2.0)	Poor - Less than (2.0)	

**Board of Directors:**

Jaqueline Hickman  
President

Charles Carson  
Vice President

Carma Roper  
Secretary

Bruce Branson  
Treasurer

Mark Lacey  
Director

**Balance Sheet - Assets**

**SOUTHERN INYO HEALTHCARE DISTRICT**

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**LONE PINE, CALIFORNIA**

**Seven Months Ended January 31, 2020**

	<b>ASSETS</b>				
	Current Month 1/31/2020	Prior Month 12/31/2019	Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2019
<b>Current Assets</b>					
Cash and Cash Equivalents	\$644,595	\$458,170	\$186,425	40.69%	\$916,834
Gross Patient Accounts Receivable	9,446,795	9,129,949	316,846	3.47%	8,742,913
Less: Bad Debt and Allowance Reserves	(5,479,141)	(5,295,371)	(183,771)	-3.47%	(5,070,890)
Net Patient Accounts Receivable	3,967,654	3,834,579	133,075	3.47%	3,672,024
Interest Receivable	0	0	0	0.00%	0
Other Receivables	0	0	0	0.00%	0
Inventories	117,879	117,879	0	0.00%	110,223
Prepaid Expenses	19,228	19,228	0	0.00%	7,500
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	0	0	0	0.00%	0
Other Current Assets	0	0	0	0.00%	0
<b>Total Current Assets</b>	<b>4,749,357</b>	<b>4,429,856</b>	<b>319,501</b>	<b>7.21%</b>	<b>4,706,581</b>
<b>Assets Whose Use is Limited</b>					
Cash	10,614	7,659	2,955	38.59%	7,786
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds	0	0	0	0.00%	0
Funded Depreciation	0	0	0	0.00%	0
Board Designated Funds	0	0	0	0.00%	0
Other Limited Use Assets	0	0	0	0.00%	150
<b>Total Limited Use Assets</b>	<b>10,614</b>	<b>7,659</b>	<b>2,955</b>	<b>38.59%</b>	<b>7,936</b>
<b>Property, Plant, and Equipment</b>					
Land and Land Improvements	693,510	693,510	0	0.00%	693,510
Building and Building Improvements	2,587,666	2,587,666	0	0.00%	2,587,666
Equipment	3,041,639	3,041,639	0	0.00%	3,041,639
Construction In Progress	0	0	0	0.00%	0
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	6,322,815	6,322,815	0	0.00%	6,322,815
Less: Accumulated Depreciation	(5,263,966)	(5,263,687)	(279)	-0.01%	(5,261,567)
<b>Net Property, Plant, and Equipment</b>	<b>1,058,849</b>	<b>1,059,128</b>	<b>(279)</b>	<b>-0.03%</b>	<b>1,061,248</b>
<b>Other Assets</b>					
Unamortized Loan Costs	0	0	0	0.00%	0
Assets Held for Future Use	0	0	0	0.00%	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0.00%	0
Other	0	0	0	0.00%	0
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>TOTAL UNRESTRICTED ASSETS</b>	<b>5,818,820</b>	<b>5,496,643</b>	<b>322,177</b>	<b>5.86%</b>	<b>5,775,765</b>
Restricted Assets	0	0	0	0.00%	0
<b>TOTAL ASSETS</b>	<b>\$5,818,820</b>	<b>\$5,496,643</b>	<b>\$322,177</b>	<b>5.86%</b>	<b>\$5,775,765</b>

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Vice President

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Secretary

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Treasurer

Mark Lacey  
Director

**Balance Sheet - Liabilities and Net Assets**

**SOUTHERN INYO HEALTHCARE DISTRICT**

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**LONE PINE, CALIFORNIA**

**Seven Months Ended January 31, 2020**

	LIABILITIES AND FUND BALANCE				
	Current Month 1/31/2020	Prior Month 12/31/2019	Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2019
<b>Current Liabilities</b>					
Accounts Payable	\$5,163,062	\$5,239,380	\$76,318	1.46%	\$4,933,871
Notes and Loans Payable	3,609	3,609	0	0.00%	3,607
Accrued Payroll	92,143	47,449	(44,694)	-94.19%	104,291
Accrued Payroll Taxes	39,724	36,643	(3,081)	-8.41%	35,234
Accrued Benefits	117,446	12,932	(104,514)	-808.18%	12,932
Accrued Pension Expense (Current Portion)	0	0	0	0.00%	0
Other Accrued Expenses	0	0	0	0.00%	0
Patient Refunds Payable	0	0	0	0.00%	0
Property Tax Payable	0	0	0	0.00%	0
Due to Third Party Payers	169,894	169,894	0	0.00%	90,253
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	0	0	0	0.00%	0
Current Portion of LTD (Leases)	3,607	3,607	0	0.00%	3,607
Other Current Liabilities	169,894	47,222	(122,672)	-259.78%	426,344
<b>Total Current Liabilities</b>	<b>5,636,707</b>	<b>5,560,736</b>	<b>(75,971)</b>	<b>-1.37%</b>	<b>5,610,139</b>
<b>Long Term Debt</b>					
Bonds/Mortgages Payable	0	0	0	0.00%	0
Leases/Notes Payable	22,306	22,607	301	1.33%	20,729
Less: Current Portion Of Long Term Debt	3,607	3,607	0	0.00%	3,607
<b>Total Long Term Debt (Net of Current)</b>	<b>18,699</b>	<b>19,000</b>	<b>301</b>	<b>1.58%</b>	<b>17,122</b>
<b>Other Long Term Liabilities</b>					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	935,238	850,959	(84,279)	-9.90%	590,784
<b>Total Other Long Term Liabilities</b>	<b>935,238</b>	<b>850,959</b>	<b>(84,279)</b>	<b>-9.90%</b>	<b>590,784</b>
<b>TOTAL LIABILITIES</b>	<b>6,590,644</b>	<b>6,430,694</b>	<b>(159,950)</b>	<b>-2.49%</b>	<b>6,218,045</b>
<b>Net Assets:</b>					
Unrestricted Fund Balance	(934,051)	(442,280)	491,772	-111.19%	226,776
Inter-Departmental Transfer (DSH)	0	0	0	0.00%	0
Restricted Fund Balance	0	0	0	0.00%	0
Net Revenue/(Expenses)	162,228	(491,772)	(653,999)	132.99%	(669,056)
<b>TOTAL NET ASSETS</b>	<b>(771,824)</b>	<b>(934,051)</b>	<b>(162,228)</b>	<b>17.37%</b>	<b>(442,280)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$5,818,820</b>	<b>\$5,496,643</b>	<b>(\$322,177)</b>	<b>-5.86%</b>	<b>\$5,775,765</b>

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Treasurer

Mark Lacey  
Director

Statement of Revenue and Expense

SOUTHERN INYO HEALTHCARE DISTRICT  
LONE PINE, CALIFORNIA

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Seven Months Ended January 31, 2020

	CURRENT MONTH				
	Actual 01/31/20	Budget 01/31/20	Positive (Negative) Variance	Percentage Variance	Prior Year 01/31/19
Gross Patient Revenue					
Inpatient Revenue	\$129,526	\$40,632	\$88,893	218.78%	\$37,974
Clinic Revenue	74,545	54,141	20,404	37.69%	50,599
Outpatient Revenue	566,579	626,704	(60,125)	-9.59%	585,705
Long Term Care Revenue	468,211	453,748	14,463	3.19%	424,064
Other	0	0	0	0.00%	0
<b>Total Gross Patient Revenue</b>	<b>1,238,860</b>	<b>1,175,225</b>	<b>63,636</b>	<b>5.41%</b>	<b>1,098,341</b>
Deductions From Revenue					
Discounts and Allowances	(408,824)	(299,212)	(109,612)	-36.63%	(307,535)
Bad Debt Expense (Governmental Providers Only)	(37,166)	(23,504)	(13,661)	-58.12%	(32,950)
Settlements/Other	(7,500)	0	(7,500)	0.00%	(7,500)
Charity Care	0	(1,175)	1,175	100.00%	0
<b>Total Deductions From Revenue</b>	<b>(453,490)</b>	<b>(323,892)</b>	<b>(129,598)</b>	<b>-40.01%</b>	<b>(347,986)</b>
<b>Net Patient Revenue</b>	<b>785,371</b>	<b>851,333</b>	<b>(65,962)</b>	<b>-7.75%</b>	<b>750,355</b>
Deduction % of Gross Revenue	-36.6%	-27.6%			-31.7%
Other Operating Revenue	6,487	6,714	(227)	-3.38%	6,487
<b>Total Operating Revenue</b>	<b>791,858</b>	<b>858,047</b>	<b>(66,189)</b>	<b>-7.71%</b>	<b>756,843</b>
Operating Expenses				Exp %/Net Rev	
Salaries and Wages	509,286	469,783	39,503	54.8%	451,714
Fringe Benefits	127,321	117,446	9,876	13.7%	112,929
Contract Labor	25,400	47,031	(21,631)	5.5%	45,222
Physicians Fees	104,951	172,512	(67,561)	20.1%	165,877
Purchased Services	22,109	3,690	18,420	0.4%	3,548
Supply Expense	14,547	37,057	(22,509)	4.3%	35,977
Utilities	16,057	22,900	(6,843)	2.7%	21,810
Repairs and Maintenance	20,048	8,052	11,997	0.9%	7,742
Insurance Expense	31,121	18,182	12,939	2.1%	17,317
All Other Operating Expenses	8,900	67,392	(58,493)	7.9%	65,113
Bad Debt Expense (Non-Governmental Providers)	0	0	-	0.0%	0
Leases and Rentals	3,397	10,987	(7,589)	1.3%	10,987
Depreciation and Amortization	279	279	-	0.0%	279
Interest Expense (Non-Governmental Providers)	0	0	-	0.0%	0
<b>Total Operating Expenses</b>	<b>883,418</b>	<b>975,309</b>	<b>(91,892)</b>	<b>113.7%</b>	<b>938,513</b>
<b>Net Operating Surplus/(Loss)</b>	<b>(91,560)</b>	<b>(117,262)</b>	<b>25,702</b>	<b>-21.92%</b>	<b>(181,671)</b>
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	56,327	55,070	1,257	2.28%	55,070
Interest Expense (Governmental Providers Only)	(21,624)	(20,543)	1,081	-5.26%	(21,624)
Other Non-Operating Revenue/(Expenses)	9,048	8,596	452	5.26%	9,048
<b>Total Non Operating Revenue/(Expense)</b>	<b>43,751</b>	<b>43,123</b>	<b>628</b>	<b>1.46%</b>	<b>42,494</b>
<b>Total Net Surplus/(Loss)</b>	<b>(\$47,809)</b>	<b>(\$74,139)</b>	<b>\$26,330</b>	<b>-35.51%</b>	<b>(\$139,177)</b>
Operating Margin	-11.56%	-13.67%			-24.00%
Total Profit Margin	-6.04%	-8.64%			-18.39%
EBITDA	-14.26%	-16.03%			-26.82%
Cash Flow Margin	-3.27%	-6.21%			-15.50%

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Statement of Revenue and Expense

SOUTHERN INYO HEALTHCARE DISTRICT

LONE PINE, CALIFORNIA

Seven Months Ended January 31, 2020

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	YEAR-TO-DATE				
	Actual 01/31/20	Budget 01/31/20	Positive (Negative) Variance	Percentage Variance	Prior Year 01/31/19
Gross Patient Revenue					
Inpatient Revenue	\$545,086	\$640,466	(\$95,381)	-14.89%	\$563,939
Clinic Revenue	607,297	482,368	124,928	25.90%	409,792
Outpatient Revenue	4,169,690	4,168,754	936	0.02%	3,412,388
Long Term Care Revenue	2,694,138	3,410,377	(716,239)	-21.00%	2,838,703
Other	0	6,294	(6,294)	-100.00%	6,081
Total Gross Patient Revenue	<u>8,016,210</u>	<u>8,708,259</u>	<u>(692,049)</u>	<u>-7.95%</u>	<u>7,230,903</u>
Deductions From Revenue					
Discounts and Allowances	(2,530,735)	(2,217,123)	(313,612)	-14.15%	(1,998,973)
Bad Debt Expense (Governmental Providers Only)	(253,302)	(174,165)	(79,136)	-45.44%	(216,927)
Settlements/Other	(45,000)	0	(45,000)	0.00%	(22,500)
Charity Care	(37,285)	(8,708)	(28,577)	-328.16%	(40,850)
Total Deductions From Revenue	<u>(2,866,322)</u>	<u>(2,399,996)</u>	<u>(466,326)</u>	<u>-19.43%</u>	<u>(2,279,250)</u>
Deductions as % of Gross Revenue	-35.8%	-27.6%			-31.5%
Net Patient Revenue	<u>5,149,888</u>	<u>6,308,263</u>	<u>(1,158,375)</u>	<u>-18.36%</u>	<u>4,951,653</u>
Other Operating Revenue	213,986	127,471	86,514	67.87%	77,587
Total Operating Revenue	<u>5,363,873</u>	<u>6,435,734</u>	<u>(1,071,861)</u>	<u>-16.65%</u>	<u>5,029,240</u>
Operating Expenses				Exp %/Net Rev	
Salaries and Wages	3,069,312	3,343,391	274,078	52.0%	2,740,196
Fringe Benefits	483,848	835,848	352,000	13.0%	685,049
Contract Labor	168,807	446,254	277,447	6.9%	388,169
Physicians Fees	827,028	943,068	116,040	14.7%	756,696
Purchased Services	156,702	103,806	(52,896)	1.6%	96,603
Supply Expense	193,372	288,079	94,706	4.5%	247,133
Utilities	139,838	149,276	9,438	2.3%	122,432
Repairs and Maintenance	42,559	56,779	14,220	0.9%	47,589
Insurance Expense	188,691	155,927	(32,765)	2.4%	132,832
All Other Operating Expenses	191,562	730,263	538,700	11.3%	646,647
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.0%	0
Leases and Rentals	43,223	89,630	46,407	1.4%	79,688
Depreciation and Amortization	2,957	71,279	68,321	1.1%	57,746
Interest Expense (Non-Governmental Providers)	0	0	0	0.0%	0
Total Operating Expenses	<u>5,507,900</u>	<u>7,213,598</u>	<u>1,705,697</u>	<u>112.1%</u>	<u>6,000,779</u>
<b>Net Operating Surplus/(Loss)</b>	<b>(144,027)</b>	<b>(777,863)</b>	<b>633,836</b>	<b>-81.48%</b>	<b>(971,539)</b>
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	394,289	412,484	(18,196)	-4.41%	390,517
Interest Expense (Governmental Providers Only)	(151,369)	(182,984)	31,614	-17.28%	(151,369)
Other Non-Operating Revenue/(Expenses)	63,336	56,592	6,744	11.92%	63,336
Total Non Operating Revenue/(Expense)	<u>306,255</u>	<u>286,092</u>	<u>20,163</u>	<u>7.05%</u>	<u>302,484</u>
<b>Total Net Surplus/(Loss)</b>	<b>\$162,228</b>	<b>(\$491,772)</b>	<b>\$653,999</b>	<b>-132.99%</b>	<b>(\$669,056)</b>
Operating Margin	-2.69%	-12.09%			-19.32%
Total Profit Margin	3.02%	-7.64%			-13.30%
EBITDA	-5.45%	-13.82%			-21.18%
Cash Flow Margin	5.90%	-3.69%			-9.15%

Board of Directors:

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Statement of Revenue and Expense - 13 Month Trend

SOUTHERN INYO HEALTHCARE DISTRICT  
LONE PINE, CALIFORNIA

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	Actual 7/31/2019	Actual 8/31/2019	Actual 9/30/2019	Actual 10/30/2019	Actual 11/30/2019	Actual 12/31/2019	Actual 1/31/2020	Actual 2/28/2019	Actual 3/31/2019	Actual 4/30/2019	Actual 5/30/2019	Actual 6/30/2019	Actual 6/30/2019
<b>Gross Patient Revenue</b>													
Inpatient Revenue	\$45,894	\$94,568	\$52,441	\$106,744	\$55,508	\$60,004	\$129,528	\$37,974	\$66,551	\$42,230	\$36,939	\$53,970	\$81,812
Clinic Revenue	80,682	83,246	82,042	158,284	56,936	\$69,551	74,545	50,599	41,075	65,373	70,205	78,829	83,872
Outpatient Revenue	647,473	700,432	638,179	615,312	444,238	557,427	566,579	585,705	538,612	487,101	611,829	492,280	556,244
Long Term Care Revenue	401,886	404,813	396,611	401,176	281,891	\$339,540	468,211	424,064	381,661	328,580	363,234	339,093	397,365
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Patient Revenue</b>	<b>1,175,935</b>	<b>1,283,159</b>	<b>1,169,273</b>	<b>1,281,526</b>	<b>840,934</b>	<b>1,026,522</b>	<b>1,238,861</b>	<b>1,098,342</b>	<b>1,022,899</b>	<b>933,884</b>	<b>1,092,207</b>	<b>964,162</b>	<b>1,101,093</b>
<b>Deductions From Revenue</b>													
Discounts and Allowances	(594,545)	(597,779)	(369,475)	(4,120,041)	(735,512)	(5,938,752)	(608,824)	(357,553)	(286,412)	(281,498)	(99,371)	(264,985)	(308,300)
Bad Debt Expense (Governmental Providers Only)	(35,278)	(38,493)	(35,078)	(51,201)	(25,238)	(30,798)	(37,165)	(32,955)	(39,687)	(28,017)	(34,466)	(28,216)	(35,033)
Prior Year Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Charity Care	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
<b>Total Deductions From Revenue</b>	<b>(637,323)</b>	<b>(682,272)</b>	<b>(407,053)</b>	<b>(4,714,942)</b>	<b>(803,480)</b>	<b>(6,307,048)</b>	<b>(693,449)</b>	<b>(437,008)</b>	<b>(363,509)</b>	<b>(346,981)</b>	<b>(141,246)</b>	<b>(330,707)</b>	<b>(386,833)</b>
<b>Net Patient Revenue</b>	<b>538,612</b>	<b>599,887</b>	<b>762,220</b>	<b>566,584</b>	<b>37,454</b>	<b>399,474</b>	<b>545,412</b>	<b>661,334</b>	<b>659,390</b>	<b>586,903</b>	<b>950,961</b>	<b>633,455</b>	<b>714,260</b>
<b>Other Operating Revenue</b>	<b>6,487</b>	<b>0</b>	<b>84,004</b>	<b>66,731</b>	<b>43,789</b>	<b>56,487</b>	<b>6,487</b>	<b>6,487</b>	<b>6,487</b>	<b>6,487</b>	<b>6,487</b>	<b>6,487</b>	<b>6,487</b>
<b>Total Operating Revenue</b>	<b>545,100</b>	<b>599,887</b>	<b>846,224</b>	<b>633,315</b>	<b>81,243</b>	<b>455,961</b>	<b>551,901</b>	<b>667,821</b>	<b>665,877</b>	<b>593,390</b>	<b>957,448</b>	<b>640,142</b>	<b>720,747</b>
<b>Operating Expenses</b>													
Salaries and Wages	470,616	457,026	441,714	451,525	296,289	\$442,857	509,288	451,714	422,010	467,225	517,285	492,355	443,211
Fringe Benefits	31,068	91,405	22,275	28,266	72,798	\$110,714	127,321	112,829	105,503	116,808	128,321	123,089	110,803
Contract Labor	19,210	25,415	23,365	6,988	43,750	\$24,680	25,400	45,222	30,484	28,096	30,975	47,023	19,525
Physicians Fees	104,797	167,231	155,938	148,104	46,316	\$99,691	104,951	165,877	73,748	85,280	143,591	137,582	156,258
Purchased Services	4,158	21,301	12,304	21,191	40,968	\$34,670	22,109	3,548	3,896	18,366	6,382	8,471	21,837
Supply Expense	37,115	35,277	38,974	29,067	21,098	\$9,294	15,347	15,057	21,810	11,002	11,212	16,628	20,910
Utilities	23,740	26,368	18,355	16,636	15,530	\$22,852	16,057	15,347	11,002	11,212	9,064	6,421	28,516
Repairs and Maintenance	3,107	5,343	1,188	4,043	5,839	\$2,990	20,048	7,742	2,418	10,335	3,064	6,421	28,516
Insurance Expense	24,056	15,110	53,082	15,100	23,530	\$26,692	31,121	17,317	18,816	0	17,316	23,758	13,463
All Other Operating Expenses	\$4,375	10,486	40,346	36,949	12	\$10,495	8,900	65,113	77,664	103,066	57,263	58,896	50,000
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0	0	\$0	0	0	0	0	0	0	0
Leases and Rentals	5,348	4,167	4,167	12,740	9,269	\$4,135	3,307	10,987	2,750	4,600	4,167	4,167	12,193
Depreciation and Amortization	278	279	279	279	279	\$279	279	279	279	279	279	279	33,962
Interest Expense (Non-Governmental Providers)	0	0	0	0	0	\$0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>807,868</b>	<b>859,408</b>	<b>810,489</b>	<b>771,880</b>	<b>585,678</b>	<b>789,349</b>	<b>883,416</b>	<b>838,515</b>	<b>788,870</b>	<b>879,645</b>	<b>950,369</b>	<b>864,370</b>	<b>873,964</b>
<b>Net Operating Surplus/(Loss)</b>	<b>(32,768)</b>	<b>(26,022)</b>	<b>37,735</b>	<b>65,117</b>	<b>39,857</b>	<b>(133,388)</b>	<b>(131,514)</b>	<b>(171,671)</b>	<b>(124,183)</b>	<b>(236,279)</b>	<b>(294,059)</b>	<b>(330,915)</b>	<b>(115,223)</b>
<b>Non-Operating Revenue:</b>													
Contributions	50	0	0	0	0	0	50	50	0	50	0	0	50
Investment Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Derived from Property Taxes	56,327	56,327	56,327	56,327	56,327	\$56,327	56,327	56,327	56,070	56,070	55,070	55,070	55,070
Interest Expense (Governmental Providers Only)	(21,024)	(15,594)	(21,104)	(15,293)	(9,574)	(\$1,549)	(9,048)	(9,048)	(9,048)	(9,048)	(9,048)	(9,048)	(9,048)
Other Non-Operating Revenue/(Expense)	9,048	9,048	9,048	9,048	9,048	\$9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>	<b>\$43,751</b>
<b>Total Net Surplus/(Loss)</b>	<b>\$10,986</b>	<b>\$23,728</b>	<b>\$81,486</b>	<b>\$108,868</b>	<b>\$74,608</b>	<b>(\$189,637)</b>	<b>(\$87,763)</b>	<b>(\$127,920)</b>	<b>(\$80,432)</b>	<b>(\$192,528)</b>	<b>(\$350,308)</b>	<b>(\$374,666)</b>	<b>(\$72,472)</b>
<b>Operating Margin</b>	<b>-4.23%</b>	<b>-2.38%</b>	<b>4.45%</b>	<b>7.78%</b>	<b>5.00%</b>	<b>-20.33%</b>	<b>-11.56%</b>	<b>-24.00%</b>	<b>-11.94%</b>	<b>-36.73%</b>	<b>-27.44%</b>	<b>-45.18%</b>	<b>-15.19%</b>
<b>Total Profit Margin</b>	<b>1.42%</b>	<b>2.83%</b>	<b>9.61%</b>	<b>13.81%</b>	<b>12.10%</b>	<b>-13.65%</b>	<b>-6.04%</b>	<b>-16.24%</b>	<b>-5.92%</b>	<b>-30.12%</b>	<b>-21.75%</b>	<b>-38.78%</b>	<b>-8.99%</b>
<b>EBITDA</b>	<b>-6.98%</b>	<b>-4.93%</b>	<b>1.98%</b>	<b>5.39%</b>	<b>1.54%</b>	<b>-23.95%</b>	<b>-14.26%</b>	<b>-24.68%</b>	<b>-14.97%</b>	<b>-40.04%</b>	<b>-30.31%</b>	<b>-48.39%</b>	<b>-13.96%</b>
<b>Cash Flow Margin</b>	<b>4.24%</b>	<b>5.44%</b>	<b>12.25%</b>	<b>15.69%</b>	<b>15.69%</b>	<b>-10.33%</b>	<b>-3.27%</b>	<b>-15.90%</b>	<b>-2.81%</b>	<b>-26.72%</b>	<b>-18.81%</b>	<b>-35.49%</b>	<b>-2.26%</b>

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Patient Statistics

SOUTHERN INYO HEALTHCARE DISTRICT  
 LONE PINE, CALIFORNIA  
 Seven Months Ended January 31, 2020

Current Month				Year-To-Date				
Actual 01/31/20	Budget 01/31/20	Positive/ (Negative) Variance	Prior Year 01/31/19	STATISTICS	Actual 01/31/20	Budget 01/31/20	Positive/ (Negative) Variance	Prior Year 01/31/19
<b>Discharges</b>								
2	5	(3)	5	Acute	21	38	(17)	41
5	0	5	0	Swing Beds	15	2	13	0
0	0	0	0	Psychiatric/Rehab	0	0	0	0
0	0	0	0	Respite	0	0	0	0
7	5	2	5	Total Adult Discharges	36	40	(4)	41
0	0	0	0	Newborn	0	0	0	0
7	5	2	5	Total Discharges	36	40	(4)	41
<b>Patient Days:</b>								
21	12	9	8	Acute	62	82	(20)	82
54	0	54	0	Swing Beds	224	0	224	0
0	0	0	0	Psychiatric/Rehab	0	0	0	0
0	0	0	0	Respite	0	0	0	0
75	12	63	8	Total Adult Patient Days	286	82	204	82
0	0	0	0	Newborn	0	0	0	0
75	12	63	8	Total Patient Days	286	82	204	82
<b>Average Length of Stay (ALOS)</b>								
10.5	2.4	(8.1)	1.6	Acute	3.0	2.2	(0.8)	2.0
10.8	N/A	#VALUE!	N/A	Swing Bed	14.9	0.0	(14.9)	N/A
N/A	N/A	N/A	N/A	Psychiatric/Rehab	N/A	N/A	N/A	N/A
10.7	2.4	(8.3)	1.6	Total Adult ALOS	7.9	2.1	(5.9)	2.0
N/A	N/A	N/A	N/A	Newborn ALOS	N/A	N/A	N/A	N/A
<b>Average Daily Census (ADC)</b>								
0.7	0.4	0.3	0.3	Acute	2.0	2.6	(0.6)	2.6
1.7	0.0	1.7	0.0	Swing Beds	7.2	0.0	7.2	0.0
0.0	0.0	0.0	0.0	All Other Adult	0.0	0.0	0.0	0.0
2.4	0.4	2.0	0.3	Total Adult ADC	9.2	2.6	6.6	2.6
0.0	0.0	0.0	0.0	Newborn	0.0	0.0	0.0	0.0
<b>Long Term Care:</b>								
916	819	97	1,051	SNF/ECF Resident Days	6,167	5,841	326	5,873
7	2	5	28	SNF/ECF Resident Discharges	60	45	15	45
0	0	0	0	CBRF/Assisted Living Days	0	0	0	0
29.5	26.4	3.1	33.9	Average Daily Census	28.8	27.3	1.5	27.4
<b>Emergency Room Statistics</b>								
2	2	(0)	2	ER Visits - Admitted	16	12	4	16
89	108	(19)	117	ER Visits - Discharged	879	913	(34)	879
11	13	(2)	15	ER - Urgent Care Visits	71	62	9	71
102	124	(22)	134	Total ER Visits	966	987	(21)	966
1.96%	1.67%		1.49%	% of ER Visits Admitted	1.66%	1.24%		1.66%
28.57%	40.00%		40.00%	ER Admissions as a % of Total	43.24%	30.72%		39.02%
<b>Outpatient Statistics:</b>								
444	530	(86)	391	Total Outpatients Visits	2,422	2,563	(141)	2,368
4	2	2	0	Observation Bed Days	15	4	11	7
210	250	(40)	244	Clinic Visits - Primary Care	1,688	2,109	(421)	1,859
52	0	52	49	Clinic Visits - Specialty Clinics	347	50	297	153
0	0	0	0	IP Surgeries	0	0	0	0
0	0	0	0	OP Surgeries	0	0	0	0
0	0	0	0	Outpatient Scopes	0	0	0	0
0	0	0	0	Retail Pharmacy Scripts	0	0	0	0
<b>Productivity Statistics:</b>								
92.32	91.80	0.52	0.00	FTE's - Worked	92.32	91.80	0.52	93.98
102.80	97.20	5.60	102.80	FTE's - Paid	102.17	98.80	3.37	102.17
0.9160	0.9660	0.05	0.9660	Case Mix Index - Medicare	0.9160	0.9019	(0.01)	0.8954
0.8990	0.9830	0.08	0.9830	Case Mix Index - All payers	0.8990	0.9469	0.05	0.9245

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## Key Financial Ratios

SOUTHERN INYO HEALTHCARE DISTRICT

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LONE PINE, CALIFORNIA

Seven Months Ended January 31, 2020

	Year to Date 1/31/2020	Prior Year to Date 6/30/2018	Prior Fiscal Year End 6/30/2018	Peer California Hospitals (See Note 1)	National Rural CAH Hospitals (See Note 2)
<b>Profitability:</b>					
Operating Margin	-2.69%	-12.09%	-19.32%	2.33%	0.42%
Total Profit Margin	3.02%	-7.64%	-13.30%	2.49%	1.23%
Cash Flow Margin	3.08%	-6.53%	-12.16%	8.40%	5.91%
Contractual Allowance %	32.60%	25.56%	28.52%	50.62%	39.92%
Inpatient Gross Revenue as a % of Total	26.81%	31.81%	31.46%	38.85%	28.48%
Outpatient Gross Revenue as % of Total	44.44%	42.33%	41.52%	64.83%	74.43%
Average Daily Census Acute Care	0.68	0.40	2.65	5.57	3.22
Average Daily Census Swing Bed	1.74	0.00	0.00	0.37	1.52
<b>Liquidity:</b>					
Days of Cash on Hand, Short Term	25.06	1.99	4.78	23.32	27.10
Days Cash, All Sources	25.47	2.02	2.02	67.87	71.21
Net Days in Accounts Receivable	162.06	156.63	156.63	59.54	53.16
Average Payment Period	182.33	179.87	179.87	56.65	53.00
Current Ratio	0.84	0.80	0.84	2.31	1.12
Medicare Cost to charge ratio	59.08%	53.20%	53.20%	38.00%	47.00%
<b>Capital Structure:</b>					
Average Age of Plant (Annualized)	13.88	13.87	13.87	11.13	11.45
Capital Costs as a % of Total Expenses	2.73%	3.58%	3.58%	7.51%	5.30%
Long Term Debt to Equity	-2.4%	-202.7%	-202.7%	53.99%	60.32%
Long Term Debt to Capitalization	-2.5%	197.3%	197.3%	20.13%	29.00%
Debt Service Coverage Ratio	2.06	0.92	0.92	2.27	3.16
Medicare IN Patient Payer mix	6.80%	7.35%	7.80%	57.90%	73.01%
Medicare Out Patient Payer mix	52.02%	47.87%	47.19%	38.89%	37.90%
<b>Productivity and Efficiency:</b>					
Paid FTE's per Adjusted Occupied Bed	5.20	2.63	15.04	10.34	5.86
Total Net Revenue per FTE	\$52,499	\$37,092	\$37,092	\$117,848	\$77,243
Salary Expense per Paid FTE	\$52,005	\$50,287	\$50,287	\$59,647	\$50,845
Salary and Benefits as a % of Net Revenue	69.39%	58.21%	58.21%	41.52%	45.57%
Employee Benefits %	15.76%	24.57%	24.57%	41.29%	25.20%
Supply Expense Per Adj. Discharge - CMI Adj.	\$406.28	\$499.95	\$499.95	\$2,476.27	\$1,050.00
FTE's Per Occupied Bed	2.79	4.97	4.97	5.31	5.80
	<b>YTD - Actual 1/31/2020</b>	<b>YTD - Actual 7/31/2017</b>	<b>YTD - Actual 6/30/2018</b>	<b>YTD - Budget 1/31/2020</b>	
<b>Other Ratios:</b>					
Gross Days in Accounts Receivable	259.10	671.65	671.65	60.00	
Net Revenue per Adjusted Discharge	\$10,131	\$9,886	\$9,886	\$11,881	
Operating Expenses per Adj. Discharge	\$10,403	\$14,668	\$14,668	\$13,317	

Note 1 - CHA Financial Indicators Report 2016 (U. of North Carolina)

Note 2 - Per CAH Financial Indicators Report 2016 (U. of North Carolina)

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Southern Inyo Healthcare District  
Operational Cash Flow Actual w/Projections  
Actual FY 2020

	Actual Jul-19	Actual Aug-19	Actual Sep-19	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-19	Actual Feb-20	Actual Mar-20	Proj Apr-20	Proj May-20	Proj Jun-20	FY TOTAL
Ave. Daily Census													
Acute Care	0.6	0.07	0.3	0.3	0.1	0.4	0.3	0.1	0.5	0.2	0.6	0.70	0.34
Swing	0.0	0.00	0.0	1.9	0.2	1.7	2.1	1.2	1.8	0.0	0.0	2.50	0.96
SNF	28.0	25.15	25.8	28.0	27.8	29.6	31.5	30.3	29.7	24.6	28.0	27.00	27.94
Beginning Balance	527,701	353,586	272,290	70,724	152,997	231,029	342,634	601,870	301,105	373,129	336,874	401,575	527,701
Cash Receipts													
Medicare	56,215	253,261	152,526	92,891	378,001	716,150	473,742	468,543	606,547	91,878	142,227	151,320	3,563,302
Medi-Cal	214,777	204,089	161,051	189,454	155,454	151,642	151,014	146,823	285,300	188,737	142,852	112,243	2,113,415
Insurance	168,229	81,226	143,494	183,434	48,483	82,610	49,219	44,329	63,316	67,077	47,861	94,121	1,073,402
Bad Debt Recovery	2,249	4,208	9,599	0	88,095	66,201	97,054	78,828	105,995	21,077	77,567	14,231	584,904
Credit Card Payments	9,283	6,551	18,803	40,844	14,024	19,292	13,750	29,035	12,821	15,026	0	5,121	184,349
Private Pay	28,226	21,452	20,029	21,130	41,675	30,307	49,636	25,600	34,970	25,172	29,426	36,240	363,882
Rebates & Refunds/Taxes/IGT	0	259,615	0	114,215	0	0	415,385	0	906,560	335,531	1,166,858	75,000	3,273,254
Miscellaneous Cash	16,049	883	1,080	26,016	14,111	10,411	14,283	28,508	63,057	24,873	60,811	31,258	291,439
Unapplied/Withholds	-67,688	-247,850	-148,510	-71,529	0	0	0	0	-139,059	0	0	55,581	(619,035)
Total Cash Received	427,360	583,415	358,072	606,456	739,842	1,096,514	1,264,084	821,566	1,939,297	769,371	1,667,702	575,115	10,848,892
Salaries	402,690	400,736	433,237	440,000	435,000	739,286	460,000	426,627	500,000	410,000	426,400	441,000	5,514,976
Professional Fees	176,911	121,821	123,186	74,908	112,697	188,021	103,155	460,000	104,951	72,053	102,031	99,951	1,739,716
Supplies	21,873	11,766	10,629	2,836	20,128	44,111	28,837	111,869	14,547	18,696	16,146	54,200	356,628
Other/Purch Serv/Contract Labor	0	0	92,585	106,439	93,985	13,591	143,257	123,846	477,901	303,467	632,595	36,516	2,044,181
Inyo County Troas Repay/Medsphere	0	130,389	0	0	0	0	268,599	0	269,874	1,410	142,776	82,000	895,047
IGT Matching	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	601,474	664,711	659,638	624,183	661,810	985,009	1,004,848	1,122,331	1,367,272	805,826	1,353,002	713,697	10,550,548
Return of Medicare/Cal Overpmt	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment Account (LAF)*	0	0	-100,000	-100,000	0	0	0	0	500,000	0	250,000	0	550,000
Total Payments	601,474	664,711	559,638	524,183	661,810	985,009	1,004,848	1,122,331	1,867,272	805,826	1,603,002	713,697	11,100,548
Cash Over/(Under)	353,586	272,290	70,724	152,997	231,029	342,634	601,870	301,105	373,129	336,874	401,575	262,992	262,992
Property Tax Fund	0	7,724	7,724	2,776	0	0	10,673	0	444,555	0	0	0	0
Business Reserve	7,724	(4,948)	0	7,351	7,709	7,859	7,747	7,950	8,817	7,613	7,813	7,613	7,613
Payroll Reserve	0	0	0	99,705	0	0	34,281	0	0	0	0	0	0
Reserve Add or Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Balance	361,310	275,065	78,448	253,828	238,738	350,293	654,571	309,055	826,502	344,487	409,188	270,605	270,605

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Southern Inyo Healthcare District  
Operational Cash Flow Actual w/Projections  
Budget FY 2020

	Proj Jul-19	Proj Aug-19	Proj Sep-19	Proj Oct-19	Proj Nov-19	Proj Dec-19	Proj Jan-20	Proj Feb-20	Proj Mar-20	Proj Apr-20	Proj May-20	Proj Jun-20	FY TOTAL
<b>Ave. Daily Census</b>													
Acute Care	0.7	0.3	1.4	1.1	1.1	0.7	0.4	0.4	0.3	0.2	0.6	0.70	0.67
Swing	2.5	2.1	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	2.50	0.69
SNF	22	26	24	23.3	23.3	26.5	26.3	26.3	23.3	24.6	28.0	27.00	25.05
<b>Beginning Balance</b>	403,831	92,132	155,741	125,781	-14,976	-145,154	-145,710	-8,827	-296,752	-256,456	-292,711	-228,011	403,831
<b>Cash Receipts</b>													
Medicare	55,305	511,028	161,975	201,526	270,827	380,334	182,702	244,917	346,454	91,876	142,227	151,320	2,740,492
Medi-Cal	178,834	120,275	186,815	207,235	145,299	166,803	122,648	141,402	209,365	188,737	142,852	112,243	1,822,507
Insurance	116,252	78,020	263,633	122,590	70,506	40,380	44,151	62,342	72,049	67,077	47,861	94,121	1,078,982
Bad Debt Recovery	9,035	9,511	9,835	9,061	89,536	62,089	75,203	38,069	38,069	21,077	77,567	14,231	453,282
Credit Card Payments	3,947	10,789	19,884	18,889	14,913	6,597	3,617	8,654	54,587	15,026	0	5,121	162,025
Private Pay	18,061	15,216	31,555	16,610	30,842	61,122	55,740	31,427	60,796	25,172	29,426	36,240	412,206
Rebates & Refunds/Taxes/IGT	0	0	0	0	0	0	773,756	0	0	335,531	1,166,958	75,000	2,351,245
Miscellaneous Cash	375,887	56,395	850	10,355	73,237	7,466	42,351	51,851	56,114	24,873	60,811	31,258	791,448
Unapplied/Growth	83,201	888	0	0	0	0	0	3,456	0	0	0	55,581	143,125
<b>Total Cash Received</b>	840,522	802,122	674,547	586,285	695,159	724,791	1,300,168	582,116	837,433	769,371	1,667,702	575,115	10,055,310
<b>Salaries</b>	409,286	426,589	416,136	479,393	461,000	519,984	434,187	426,627	431,538	410,000	426,400	441,000	5,282,141
Professional Fees	96,891	88,265	93,939	102,789	126,512	147,369	128,349	121,657	73,832	72,053	102,031	99,981	1,252,659
Supplies	39,676	46,065	49,428	34,143	48,762	43,859	53,897	111,859	38,426	18,696	16,146	54,200	553,156
Other/Purch Serv/Contract Labor	232,133	167,595	130,476	110,696	192,063	14,135	159,899	209,899	253,341	303,467	652,595	36,516	2,462,814
Inyo County Treas Repay/Medsphere	374,235	0	0	0	0	0	386,953	0	0	1,410	142,776	82,000	987,374
IGT Matching	0	0	24,527	0	0	0	0	0	0	0	0	0	24,527
<b>TOTAL EXPENSE</b>	1,152,220	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,353,002	713,697	10,562,681
Return of Medicare/Cal Overpmt	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment Account (LAIF)*	0	0	0	0	0	0	0	0	0	0	250,000	0	250,000
<b>Total Payments</b>	1,152,220	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,603,002	713,697	10,812,681
<b>Cash Over/(Under)</b>	92,132	165,741	125,781	(14,976)	(145,154)	(145,710)	(8,827)	(296,752)	(256,456)	(292,711)	(228,011)	(366,593)	(366,593)
<b>Operating Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Tax Fund	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613
Med Opmt./IGT/Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Add or Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Balance</b>	99,745	173,354	133,394	(7,363)	(137,541)	(138,097)	(1,214)	(289,139)	(246,843)	(285,096)	(220,397)	(358,960)	(358,960)

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# SOUTHERN INYO HEALTHCARE DISTRICT

OPERATING, CAPITAL AND CASH FLOW BUDGETS

ASSUMPTIONS AND COMMENTS, - FYE JUNE 30, 2021

## Overview

The fiscal year ending June 30, 2021 budget will be consistent with the financial performance for FY 2020. The projected year will maintain the level of workload from FY 2020 with the average daily census budgeted for Acute of .3 ADC reflecting recent trends and history, and for Swing a budgeted ADC of 1.0. Should we add new physicians, contracts or services, an adjustment will be made. The average daily census budgeted for the SNF will be 28.8 assuming that the current level of resident census in the FY 2020 fiscal year will continue.

We believe that there will be some growth of workload volumes during FY 2020 in the areas of referred outpatients, where we are projecting a 5.3% increase in volume over what we have seen in FY 2020 fiscal year to date of 11.3 visits per day of referred outpatients. The emergency room visits should build with the summer months' upturn and will be increased to 4.49 average visits per day. The rural health clinic will continue to take advantage of having Dr. Farrer, and Dr Phillips patients and increase to 11.5 average visits per day open for primary care and 2.4 for Steven Fine.

It should be understood that the following are just targets and guidelines that will be provided to the department managers. They will review them and through working with Finance and Administration, the final budget will be developed.

The Targeted Surplus is outlined as follows:

Un-Audited Loss	6/30/17	\$ (761,699)
Un-Audited Surplus	6/30/18	\$2,496,121
Projected Loss	6/30/19	\$ (409,982)
Projected Surplus	6/30/20	\$ 278,105

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Targeted Surplus

6/30/20

\$ 286,448

Finally, the budget will include approximately \$887,433 of property taxes for operations in non-operating income, including both the sequestered Ad valorem taxes and the ER special tax which the District does receive. There will be zero donations budgeted from the Hospital foundation. In addition, it is anticipated that there will be a bridge loan of \$381,597 from the Inyo County Treasury for the provider State matching portion of Medi-Cal inter-governmental transfer (IGT) funds. It is anticipated that SIHD will pay off this and any other bridge loans immediately after receipt of the associated matched IGT. This pay off will include both principal and interest at the applicable annual rate per the promissory note with Inyo County covering these bridge loans. The following is an outline of the significant components and assumptions included in the budget:

1. Workload Assumptions

Assumptions will be based upon the actual workload for eight months of FY 2020, through February, adjusted for a prior four-year history if available. Additionally, adjustments will be made where new services or special changes are present and justified.

2. Rates and Charges

The budget will include an average increase in rates of 7.0% to be effective on July 1, 2020. This will not be applied to non-allowable items by statute such as blood and blood products and outside reference lab charges. However, charges increased or decreased during the previous fiscal year will still receive the increase.

3. Deductions from Revenue

The deductions from revenue use the actual percentages of discount encountered during FY 2020, plus the net effect of the portion of the 7.0% price increase that will not be reimbursed. Adjustments will be made for cost based reimbursement programs where settlements are anticipated.

<u>Financial Class</u>	<u>FY 2019</u>	<u>FY 2020</u>
Medicare Inpatient	30.4%	33.9%
Medicare Outpatient	28.3%	31.8%
Medicare Swing Bed	30.4%	33.9%
Medicare SNF	50.2%	50.2%
Medicare RHC	20.6%	24.1%
Insurance Inpatient	20.8%	24.3%
Insurance Outpatient	33.2%	36.7%
HMO/PPO Inpatient	53.4%	54.8%
HMO/PPO Outpatient	69.7%	73.2%
Indigent Inpatient	80.0%	80.0%
Indigent Outpatient	83.0%	83.0%
Medi-Cal Inpatient	74.6%	78.1%
Medi-Cal Outpatient	62.1%	65.6%
Medi-Cal SNF	52.3%	52.3%
Medicare Managed Care Inpatient	62.0%	65.5%

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Medicare Managed Care Outpatient	70.9%	70.9%
Medi-Cal Managed Care Inpatient	62.8%	66.3%
Medi-Cal Managed Care Outpatient	81.9%	81.9%

There will be a Medi-Cal managed care intergovernmental transfer additional supplemental reimbursement of \$846,903 based upon the level allowed by Blue Cross Medi-Cal and California Health and Wellness in FY 2020 and initial projections from these two health plans. In addition, there will be a small amount of other Medi-Cal reimbursement for DP-NF new enrollees and the quality assurance program distributed through the District Hospital Leadership Forum. Medicare supplemental income is already allowed in the above contractual allowance rates.

#### 4. Staffing

Productivity is projected to be a function of the productivity target per unit times the projected workload volume. The following changes are anticipated in the targets per unit of service for FY 2020:

- No changes are anticipated.

The actual total FTEs paid for FY 2020 through 1/31/20 are 102.17. The targeted paid FTEs for FY 2021 are 105.42.

The detail by department and final worked FTEs budgeted will be provided in the Annual Productivity Report Budget for FY 2021.

#### 5. Salary Program

The combined merit and market adjustment program with an annual overall monetary increase of 4.0% is recommended for SIHD. This is slightly higher than the estimated inflationary increases. However, it is intended to provide some parity for existing employees to offset higher salaries for recent hires. Even though the budget reflects all of that increase to be effective as of 7/1/20, the merit portion will be given as of anniversary date and the range adjustment as of the first or second pay period in December.

The merit portion of the increase is to be an aggregate dollar maximum of 2.0% based upon a Board approved accountabilities annual evaluation done upon anniversary date. The market increase portion will be an aggregate dollar amount of 2.5% reflecting the timing of the increases as stated above.

#### 6. Employee Benefits

The overall benefits package totals 24.57% of salaries as follows:

A) Social Security/Medicare Tax	7.65%
B) Worker's Compensation	4.39%
C) SUI	.54%
D) Group Health, Dental, Life & Vision	8.94%
E) Employer Pension	<u>3.05%</u>
	<u>24.57%</u>

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It is understood that the Employer Pension percentage is an accrual only. Every six months, administration will make a recommendation to have or not have an employer contribution portion of the retirement plan and if so, a recommended amount. For the first six months of FY 2021, it will be recommended to the Board to approve the funding of a matching of the employee contributions for the prior six months up to 4.0% of salary. Currently, employee contributions are running approximately \$5,700 per pay period. It is believed that a number of these employee contributions exceed 4.0% of salary. Therefore, only \$65,000 for FY 2021 will be budgeted as an employer matching, which is still up to the Board to approve every six months before funding.

#### 7. Contract Labor

Contract labor is to be budgeted based upon the amount spent in FY 2020. It should be noted that the amount in FY 2020 to date through January has been under the actual amount for the same period of FY 2019 by \$219,362. The amount budgeted for FY 2021 will be the FY 2020 amount plus a 5.0% inflation factor. The positive variance from last fiscal year reflects nursing, especially CNAs, in the SNF and the nursing coverage for acute care decreasing the use of outside registry, as well as ancillary departments, like Physical Therapy, which is currently using 100% employed staff.

#### 8. Professional Fees

Professional fees budgeted for FY 2021 will be based upon FY 2020 actual expenses with no inflation, but adding in an amount for Dr. Farrer and Dr. Phillips covering in the Rural Health Clinic one day per week. The directorships by position that have been paid will remain in place with no increases budgeted. The following additions or deletions of physicians' fees will be unbudgeted:

- Increase in the rural health clinic physicians fees based upon the FY 2020 fiscal year history of the visits seen by Dr. Farrar and Dr. Phillips.

#### 9. Purchased Services

Purchased services will be budgeted based upon the FY 2020 actual experience by department with an inflation factor increase of 4.0%.

#### 10. Medical Supplies

Medical supplies will be based upon the FY 2020 actual experience by department with an average inflation factor increase of 4.0% for pharmaceuticals and 3.5% for all other supplies.

#### 11. Non-medical Supplies and Food

Non-medical supplies and food will be budgeted based upon the FY 2020 actual experience by department with an inflation factor of 3.5%.

#### 12. Utilities

Utilities will be budgeted based upon the FY 2020 actual experience with an inflation factor of 5.0%.

#### 13. Repairs and Maintenance

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Repairs and Maintenance will be budgeted based upon the FY 2020 actual experience with an inflation factor of 4.0%.

#### 14. Insurance

Insurance costs will be budgeted at a 10.0% increase, based upon information from Alliant Insurance Services through Beta Health Group to date indicating a double digit increase due to the losses paid for the previous years' wildfires in California.

#### 15. Other Expenses

Other expenses will be budgeted based upon the actual experience by department for the FY 2020 fiscal year with an inflation factor of 3.5%. Where individual amounts by department can be identified in the area of marketing, public relations, special events, dues, travel, education, construction, etc., the amounts approved to perform these functions will be budgeted.

#### 16. Bad Debts

Bad debt expense will be budgeted as a percentage of gross patient revenue, at 3.2%. This is equal to the actual bad debt expense experience during FY 2020 through January. Charity care will be budgeted as a percentage of gross patient revenue, at .2%. This is again equal to the actual charity care expense experience during FY 2020 through January and is due to the advent and experience of presumptive eligibility in the emergency department for Medi-Cal patients added by California due to the provisions of the Affordable Care Act.

#### 17. Rents/Leases

Rents and leases are not expected to change during FY 2021.

#### 18. Depreciation

Depreciation will be budgeted based upon the current level in the depreciation schedule plus depreciation for the cost of the acquisition and installation of any new equipment. The acquisitions of equipment by the District will be a function of the approved capital budget.

#### 19. Interest Expense

Interest will be calculated based upon the current interest amortization schedules. It will include the changes that have transpired that have transpired as a result of the bankruptcy negotiations or otherwise, plus any interest accrued on new equipment leases and any amounts related to completed construction projects that have been put in service and are being depreciated.

#### 20. Interest Income/Donations

The level of interest income and donations will be based upon the current level of the department and not budgeting any lump sum donations other than from the Hospital Foundation if actually received in the prior fiscal year. Lump sum donations to the District are unusual and will not be budgeted unless known

#### 21. Non-operating Revenue

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Tax revenues for operations are anticipated to be \$887,433 for FY 2021. Tobacco tax revenues are anticipated at \$108,576.

## 22. Cash Flow

The operating cash flow projection by month will be generated based upon the following assumptions:

- A) The beginning balance will be commensurate with the District's experience of the amount at the end of the year for FY 2020.
- B) The cash receipts by financial class will be budgeted at the exact amount by month collected during FY 2020 plus any borrowing of funds for construction projects and IGT estimates.
- C) The cash receipts will be adjusted by transfers in an out of the operating reserve fund or Medicare overpayment fund as required to meet the provisions of the bankruptcy cash flow plan with Optum partially secured.
- D) There will be payments calculated on the outstanding amount of any bridge loans from Inyo County based upon the requirements of the promissory notes covering those bridge loans. In addition, borrowing to fund the matching portion of Intergovernmental Governmental Transfers will be indicated plus its payback with interest when the borrowed portion is matched by the federal government and returned.
- E) Amounts will be borrowed from the operating reserve, if necessary, in months with three payrolls and then replenished in months when available. The intent is maintaining a level in the operations reserve of at least \$500,000, which should cover two payrolls.
- F) Cash disbursements will be based upon the actual disbursements by category by month for FY 2020 plus the inflation factors indicated in this budget.
- G) Assumptions will change based upon cash availability in the reserve accounts.

## 23. Capital Expenditures

The Capital Budget, along with its preliminary prioritization, will be budgeted to provide a guideline to administration, managers and the Board. The final items proposed to be purchased in FY 2021 will be a minimum of major repair or improvement projects for the existing buildings. This will include the major roof repair to the buildings as needed.

## 24. Construction

There will be no construction budget for FY 2021, although the provisions of SB 1953 Seismic Compliance remain in effect for SIHD. Future strategic planning Board meetings should consider how Seismic Compliance requirements fit into any bankruptcy proceedings and mandates.

Input for budget modification is encouraged if the justification is present and the effect will still allow for an attainable profitability and cash flow. If you have any questions or comments, please let me know.

Respectfully submitted,

*Chet Beedle, Financial Consultant*

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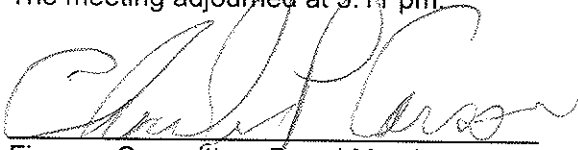
Mark Lacey  
Director

V. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA

NONE

VI. ADJOURNMENT

The meeting adjourned at 5:11 pm.



Finance Committee- Board Member

8-2-20  
DATE

Finance Meeting minutes for April 7, 2020

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