



TAHOE FOREST HOSPITAL DISTRICT

2021-01-13 Board Finance Committee

Wednesday, January 13, 2021 at 10:00 a.m.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Board Finance Committee meeting for January 13, 2021 will be conducted telephonically through Zoom.

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting.

Board Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

If you would like to speak on an agenda item, you can access the meeting remotely: Please use this web link
<https://tfhd.zoom.us/j/95158316428>

If you prefer to use your phone, you may call in using the numbers below: (346) 248 7799 or (301) 715 859;
Meeting ID: 951 5831 6428

Meeting Book - 2021-01-13 Board Finance Committee

01/13/2021 Finance Committee

AGENDA

2021-01-13 Board Finance Committee_FINAL Agenda.pdf

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ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2020-11-18 Board Finance Committee_DRAFT Minutes.pdf

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Fiscal Year End 2020 and Audit Presentation Update

Combined BS & IS Audited FY 2020.pdf

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7. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 8. NEXT MEETING DATE

9. ADJOURN



FINANCE COMMITTEE AGENDA

Wednesday, January 13, 2021 at 10:00 a.m.

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Meeting ID: 951 5831 6428

Public comment will also be accepted by email to mrochefort@tfhd.com. Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting.

Oral public comments will be subject to the three minute time limitation (approximately 350 words). Written comments will be distributed to the board prior to the meeting but not read at the meeting.

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Chair; Mary Brown, Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. APPROVAL OF MINUTES OF: 11/18/2020 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Fiscal Year End 2020 and Audit Presentation Update ATTACHMENT

Finance Committee will receive an update on the status of fiscal year end 2020 financials and upcoming audit presentation.

7. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

8. NEXT MEETING DATE

9. ADJOURN

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity Employer. The telephonic meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

FINANCE COMMITTEE

DRAFT MINUTES

Wednesday, November 18, 2020 at 2:00 p.m.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Board Finance Committee meeting for November 18, 2020 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Eskridge Conference Room will not be open for the meeting. Board Committee Members will be participating telephonically and will not be physically present in the Eskridge Conference Room.

1. CALL TO ORDER

Meeting was called to order at 2:00 p.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Mary Brown, Board Member

Staff in attendance: Harry Weis, President & Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Operating Officer; Vickie Morgan, Director of Revenue Cycle; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 08/19/2020

Director Brown moved to approve the Board Finance Committee minutes of August 19, 2020, seconded by Director Chamblin.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Accounts Receivable – Post Conversion Update

Crystal Betts, Chief Financial Officer, and Vickie Morgan, Director of Revenue Cycle, reviewed an update provided on page 9 of the packet on the status of accounts receivable (AR).

When the Internal Medicine/Cardiology Rural Health Clinic (RHC) was approved, the District received 60 days to get claims submitted. The first batch did not appear to have any issues for timeliness and the District started receiving payments as of this week. Everything is running as normal operations now. Claims were broken up into two batches. There was no reduction in rates in first batch. Pediatric RHC claim have been current since early summer.

The 300 work queue clog is coding encounters from Physician Billing (PB). We have tickets open with Mercy to get fixes in place.

Approximately \$1,000,000 in claims were dropped out of the RHC work queue on November 4th. The IVCH RHC claims are still being held while the District waits for the rate setting from Medicare and

State of Nevada to be completed. The estimated time for completion is approximately 30-60 days.

COVID claims are down to \$51,000.

The definition for what COVID emergency funds can be used for was revised again. The government did not go 100% back to the original June definition. The modification made to the September definition was better. It will impact us in the footnote of the audit which is disclosed at the time of issuance.

Some claims were held for credentialing. A number of these claims cannot be sent until the payor recognizes the provider, such as onboarding TTMG providers.

CFO reviewed the Revenue Cycle projects with Mercy and Epic. There is good movement in clean claims and expedient reimbursement.

Director of Revenue Cycle made it clear to Mercy that until our dashboard was industry acceptable we will continue to work with big Epic. CFO shared there are a number of dashboards the District can use to compare itself to other hospitals that use Epic.

CFO reviewed the staffing update. The new Director of Patient Financial Services has been a great addition and jumped right in.

CFO reviewed additional lockbox and pricing transparency projects. Lockbox project should be completed by November 30, 2020. Go live for public access on pricing transparency will be January 1, 2021.

The one project not listed on the summary is the change of our clearinghouse. Revenue Cycle has had significant issues with claims leaving and bouncing back to the clearinghouse. The District needs to make a change to its clearinghouse. The team reviewed four vendors and chose Ability. Revenue Cycle is now working through the steps of implementation with Mercy. There is a bit of an issue with Mercy where they are putting a six-month freeze as they have a large project trying to move closer to how big Epic operates. CFO and Director of Revenue Cycle think their estimated hours to get the projects done could be done faster but more will be discussed at a meeting tomorrow. TFHD's IT department and Ability met today. The clearinghouse vendor is bending over backward to make sure they get items done on our timeline.

Finance Committee would like to find a way to share dashboard trends with the full board.

Director of Revenue Cycle departed the meeting at 2:55 p.m.

6.2. Financial Reports

6.2.1. Financial Report - October 2020

CFO reviewed the October financial report.

Director Chamblin noted acute patient days are up. CFO confirmed some are COVID rule outs and some are ICU detox patients. We have the ability to flex our beds during this time. COO confirmed the average daily census rose in October. October is usually a slow month but COVID is on the rise.

Repayment of emergency funds will begin in April 2021. The District is thankful to have a cushion going into winter months with counties scaling back again. Ski resort operations for the winter are unknown at this time. CEO said the virus shows no intent of slowing down unless we have herd immunity and a vaccine.

6.3. Resolution 2020-08

Finance Committee reviewed a resolution that will consider approving the form and execution of an amendment to master installment sale agreement between Opus Bank and the District to extend the agreement's Termination Date for the financing of capital equipment.

The District's purchasing stopped during COVID. Opus Bank was purchased by Pacific Premiere and CFO asked for an extension to the agreement.

The agreement set up \$8,000,000 in a trust account. The District can draw from the account once a month. A detailed invoice and supporting documentation of each piece of equipment purchased must be provided. There is approximately \$1,700,000 remaining in the trust account. Technically, the District could take what is remaining and apply it to the principal and pay it down sooner but CFO would like to keep the funds available and continue to build the District's cash reserve.

Board Finance Committee can give their recommendation for approval at the board meeting when the resolution is presented.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

None.

9. NEXT MEETING DATE

Finance Committee will meet again in January.

10. ADJOURN

Meeting adjourned at 3:18 p.m.

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 2020 - AUDITED

ASSETS	Jun-20	May-20	Jun-19	
CURRENT ASSETS				
* CASH	\$ 58,583,549	\$ 54,030,115	\$ 22,806,867	1
PATIENT ACCOUNTS RECEIVABLE - NET	29,477,442	21,593,893	27,216,443	2
OTHER RECEIVABLES	7,531,818	6,891,344	8,788,204	
GO BOND RECEIVABLES	274,820	(402,148)	272,775	
ASSETS LIMITED OR RESTRICTED	8,135,165	8,063,422	7,493,072	
INVENTORIES	3,828,579	3,511,287	3,484,526	3
PREPAID EXPENSES & DEPOSITS	2,478,503	2,374,721	2,523,870	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	11,722,549	6,844,731	8,364,538	4
TOTAL CURRENT ASSETS	<u>122,032,425</u>	<u>102,907,365</u>	<u>80,950,295</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	74,384,021	74,384,022	64,211,838	1
MUNICIPAL LEASE 2018	2,354,714	2,350,316	3,497,294	
TOTAL BOND TRUSTEE 2017	20,530	20,530	20,286	
TOTAL BOND TRUSTEE 2015	1,310,438	1,173,334	1,300,670	
TOTAL BOND TRUSTEE GO BOND	5,764	-	-	
GO BOND TAX REVENUE FUND	3,951,201	3,950,157	3,539,879	
DIAGNOSTIC IMAGING FUND	3,343	3,343	3,286	
DONOR RESTRICTED FUND	1,137,882	1,137,882	1,134,903	
WORKERS COMPENSATION FUND	22,144	47,043	23,688	
TOTAL	<u>83,190,037</u>	<u>83,066,627</u>	<u>73,731,844</u>	
LESS CURRENT PORTION	<u>(8,135,165)</u>	<u>(8,063,422)</u>	<u>(7,493,072)</u>	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>75,054,872</u>	<u>75,003,206</u>	<u>66,238,772</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(1,140,359)	(381,754)	451,785	5
PROPERTY HELD FOR FUTURE EXPANSION	910,968	906,720	845,257	
PROPERTY & EQUIPMENT NET	177,386,020	177,035,861	176,297,500	
GO BOND CIP, PROPERTY & EQUIPMENT NET	<u>1,791,406</u>	<u>1,791,406</u>	<u>1,791,406</u>	
TOTAL ASSETS	<u>376,035,332</u>	<u>357,262,803</u>	<u>326,575,015</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	387,885	391,118	426,674	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,847,362	1,782,460	1,370,780	6
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	5,414,174	5,437,879	5,698,631	
GO BOND DEFERRED FINANCING COSTS	528,279	423,593	444,873	
DEFERRED FINANCING COSTS	<u>162,283</u>	<u>163,323</u>	<u>174,767</u>	
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 8,339,984</u>	<u>\$ 8,198,373</u>	<u>\$ 8,115,725</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 8,110,859	\$ 5,687,901	\$ 9,187,432	7
ACCRUED PAYROLL & RELATED COSTS	19,619,487	13,246,346	16,869,034	8
INTEREST PAYABLE	537,185	435,999	488,376	
INTEREST PAYABLE GO BOND	1,434,451	1,248,454	1,526,854	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	22,474,941	23,690,397	2,432,390	9
HEALTH INSURANCE PLAN	2,171,369	2,166,758	2,042,670	
WORKERS COMPENSATION PLAN	2,173,244	2,396,860	2,396,860	10
COMPREHENSIVE LIABILITY INSURANCE PLAN	1,362,793	1,172,232	1,172,232	11
CURRENT MATURITIES OF GO BOND DEBT	1,605,000	1,330,000	1,330,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	3,708,209	2,612,247	2,547,744	
TOTAL CURRENT LIABILITIES	<u>63,197,536</u>	<u>53,987,194</u>	<u>39,993,592</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	31,676,521	32,999,892	36,499,169	
GO BOND DEBT NET OF CURRENT MATURITIES	99,455,679	99,352,461	100,830,088	
DERIVATIVE INSTRUMENT LIABILITY	<u>1,847,362</u>	<u>1,782,460</u>	<u>1,370,780</u>	6
TOTAL LIABILITIES	<u>196,177,098</u>	<u>188,122,006</u>	<u>178,693,629</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	187,060,336	176,201,288	154,862,208	
RESTRICTED	<u>1,137,882</u>	<u>1,137,882</u>	<u>1,134,903</u>	
TOTAL NET POSITION	<u>\$ 188,198,218</u>	<u>\$ 177,339,170</u>	<u>\$ 155,997,111</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 2020 - AUDITED

CURRENT MONTH				YEAR TO DATE				PRIOR YTD JUNE 2019
ACTUAL	BUDGET	VAR\$	VAR%	ACTUAL	BUDGET	VAR\$	VAR%	
OPERATING REVENUE								
\$ 34,186,390	\$ 29,590,790	\$ 4,595,600	15.5%	\$ 378,688,373	\$ 372,785,232	\$ 5,903,141	1.6%	1 \$ 358,355,251
Total Gross Revenue								
Gross Revenues - Inpatient								
\$ 2,973,044	\$ 2,627,287	\$ 345,757	13.2%	\$ 34,783,399	\$ 30,292,941	\$ 4,490,458	14.8%	\$ 35,823,807
4,831,575	5,631,510	(799,935)	-14.2%	53,268,416	67,060,780	(13,792,364)	-20.6%	59,157,733
7,804,620	8,258,797	(454,177)	-5.5%	88,051,816	97,353,721	(9,301,905)	-9.6%	94,981,540
Total Gross Revenue - Inpatient								
Gross Revenue - Outpatient								
26,381,771	21,331,993	5,049,778	23.7%	290,636,557	275,431,511	15,205,046	5.5%	263,373,711
26,381,771	21,331,993	5,049,778	23.7%	290,636,557	275,431,511	15,205,046	5.5%	263,373,711
Total Gross Revenue - Outpatient								
Deductions from Revenue:								
Contractual Allowances								
4,069,463	13,258,062	9,188,599	69.3%	154,199,359	166,550,606	12,351,247	7.4%	2 160,654,490
(1,000,000)	-	1,000,000	0.0%	-	-	-	0.0%	2 -
2,176,283	1,051,724	(1,124,559)	-106.9%	15,292,435	13,379,124	(1,913,311)	-14.3%	2 13,478,925
Charity Care								
Charity Care - Catastrophic Events								
Bad Debt								
(1,551,044)	505,941	2,056,985	406.6%	5,352,230	6,546,752	1,194,522	18.2%	2 2,515,465
(537,598)	-	537,598	0.0%	(2,134,699)	-	2,134,699	0.0%	2 (7,173,354)
3,157,104	14,815,727	11,658,624	78.7%	172,709,325	186,476,482	13,767,157	7.4%	169,475,526
Total Deductions from Revenue								
Property Tax Revenue- Wellness Neighborhood								
74,378	100,022	(25,643)	-25.6%	1,110,367	1,361,560	(251,194)	-18.4%	3 1,176,626
1,338,388	936,474	401,914	42.9%	12,987,963	11,631,085	1,356,878	11.7%	3 11,595,967
Other Operating Revenue								
32,442,053	15,811,559	16,630,495	105.2%	220,077,377	199,301,395	6,763,097	3.4%	201,652,318
TOTAL OPERATING REVENUE								
OPERATING EXPENSES								
Salaries and Wages								
11,236,373	6,054,319	(5,182,054)	-85.6%	79,163,749	72,925,225	(6,238,524)	-8.6%	4 65,598,127
2,996,400	2,189,723	(806,677)	-36.8%	25,591,700	22,640,087	(2,951,613)	-13.0%	4 20,486,850
(81,381)	78,105	159,486	204.2%	730,606	937,260	206,654	22.0%	4 1,250,872
Benefits Workers Compensation								
Benefits Medical Insurance								
741,749	1,177,057	435,308	37.0%	12,532,413	14,124,684	1,592,271	11.3%	4 10,974,194
1,322,411	1,419,627	97,216	6.8%	17,081,726	17,198,291	116,565	0.7%	5 25,354,073
127,113	179,112	51,999	29.0%	2,766,074	2,705,539	(60,535)	-2.2%	5 2,285,962
2,335,395	2,037,378	(298,017)	-14.6%	28,821,884	26,835,577	(1,986,307)	-7.4%	6 25,235,043
2,075,907	1,559,713	(516,194)	-33.1%	20,644,309	19,207,458	(1,436,851)	-7.5%	7 16,752,251
1,120,528	832,024	(288,504)	-34.7%	9,280,737	10,554,335	1,273,598	12.1%	8 8,404,785
21,874,495	15,527,058	(6,347,437)	-40.9%	196,613,198	187,128,456	(9,484,742)	-5.1%	176,342,157
Other								
TOTAL OPERATING EXPENSE								
10,567,558	284,501	10,283,058	3614.4%	23,464,179	12,172,939	11,291,240	92.8%	25,310,161
NET OPERATING REVENUE (EXPENSE) EBIDA								
NON-OPERATING REVENUE/(EXPENSE)								
District and County Taxes								
1,205,025	509,562	695,463	136.5%	6,874,453	5,953,440	921,013	15.5%	9 6,372,055
678,012	412,919	265,093	64.2%	5,220,126	4,955,033	265,093	5.3%	9 5,220,232
District and County Taxes - GO Bond								
92,835	159,880	(67,045)	-41.9%	1,805,664	1,925,280	(119,616)	-6.2%	10 1,775,147
Interest Income								
Interest Income-GO Bond								
Donations								
31,170	88,155	(56,985)	-64.6%	1,321,056	1,057,862	263,194	24.9%	11 947,580
(758,606)	-	(758,606)	0.0%	(1,592,144)	-	(1,592,144)	0.0%	12 -
Gain/(Loss) on Joint Investment								
Gain/(Loss) on Disposal of Property								
Gain/(Loss) on Sale of Equipment								
-	-	-	0.0%	-	-	-	0.0%	12 (538,384)
-	-	-	0.0%	7,546	-	7,546	0.0%	13 18,969
COVID-19 Emergency Funding								
133,490	-	133,490	100.0%	13,521,428	-	13,521,428	100.0%	14 -
(665,293)	(1,154,615)	489,322	42.4%	(13,364,758)	(13,855,386)	490,628	3.5%	15 (13,546,193)
(137,103)	(113,573)	(23,530)	-20.7%	(1,435,641)	(1,395,341)	(40,300)	-2.9%	16 (1,316,891)
Interest Expense								
Interest Expense-GO Bond								
(288,040)	(301,788)	13,748	4.6%	(3,620,802)	(3,625,033)	4,231	0.1%	16 (3,814,108)
291,489	(399,460)	690,949	173.0%	8,736,927	(4,984,145)	13,721,073	275.3%	(4,881,593)
TOTAL NON-OPERATING REVENUE/(EXPENSE)								
\$ 10,859,047	\$ (114,959)	\$ 10,974,006	-9546.1%	\$ 32,201,107	\$ 7,188,794	\$ 25,012,313	347.9%	\$ 20,428,568
INCREASE (DECREASE) IN NET POSITION								
NET POSITION - BEGINNING OF YEAR				155,997,111				
NET POSITION - AS OF JUNE 30, 2020				\$ 188,198,218				
30.9%	1.0%	30.0%		6.2%	3.3%	2.9%		7.1%
RETURN ON GROSS REVENUE EBIDA								