The Regular Meeting of the Finance Committee of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, February 25, 2014 in the Administration Boardroom, Banning, California.

**Members Present:** Joe Dotan, Olivia Hershey (Chair), Jerilynn Kaibel, Bob Ewert, Irwin Reeves

**Members Absent:** None

**Guests:** Lynn Bogh Baldi (Healthcare District Board Chair), Duane Whittington (EPIC Management)

**Staff:** Dave Recupero (CFO), Pat Brown (CNO), Prince Nnah (CAS), Lynn Gomez (CSS), Bobbi Duffy (Executive Assistant)

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<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
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<td>Call To Order</td>
<td>Committee Chair Hershey called the meeting to order at 9:02 am.</td>
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<td>Public Comment</td>
<td>None</td>
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**OLD BUSINESS**

**Approve Minutes January 28, 2014 - Regular Meeting**

Chair Hershey asked for any changes or corrections to the minutes of the January 28, 2014 regular meeting. Joe Dotan pointed out three (3) changes as noted:

- Page 1 – 5th line down – number should be ($20,875) instead of ($20,875)
- Page 2 – 3rd full paragraph down – 2nd sentence should read “He noted that Accounts Payable for December was $3,254,285, DOWN from November at $3,944,131…”
- Page 3 – 4th line down – PTE’s should read FTE’s.

M.S.C. (Dotan/Kaibel), the SGMH Finance Committee approved the minutes of the January 28, 2014 meeting as amended.
AGENDA ITEM | DISCUSSION | ACTION / FOLLOW-UP
--- | --- | ---
ROLL CALL: | | |
| Dotan | Yes | Ewert | Yes |
| Hershey | Yes | Kaibel | Yes |
| Reeves | Yes | | |

NEW BUSINESS


Dave referred committee members to page 1, Profit/Loss Summary, of the January Finance report. He reported that approximately 70% of our dollars come in from insurance company payments and patient payments and are included in the ADC (Average Daily Census) statistic. He stated that January was our biggest month of the year for the third year in a row. He stated that January’s ADC of 49.16 was 15% higher than the previous high of 42.87 in January 2013. He stated that we also broke records in ER visits, ER patients being admitted and in observation patients.

Dave referred committee members to page 4, Executive Financial Summary, noting that our Financial Strength Index at 0.19 is beginning to get stronger and is the highest it’s been all year.

Dave referred committee members to page 8, Statement of Revenue and Expense for the Current Month. He noted that Inpatient and Outpatient Revenues are both significantly over budget. Net Patient Revenue at $4,326,866 is a positive variance of $499,845 over the budgeted amount. However, Total Operating Expenses at $5,043,195 is a negative variance of ($743,771) from the budgeted amount and continues to be an administrative challenge. He noted that EBIDA has a favorable variance of $582,849 for the month of January.

Dave pointed out on page 9, that the year-to-date operating statements shows the combination of Tax Subsidies – variance and Other Operating Revenue (IGT funds) variances totals $3.8 million over budget (favorable) for the year.

Dave referred committee members to page 13, Patient Statistics, noting that Total Adult Discharges YTD was 270 higher than last year or a 14.2% increase. However IP surgeries YTD were down 94 from last year or a -6.2%

M.S.C. (Dotan/Ewert), the SGMH Finance Committee unanimously accepted the January 2014 Financial Statement as presented and hereby recommends acceptance of same by the SGMH Board of Directors.
AGENDA ITEM | DISCUSSION | ACTION / FOLLOW-UP
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variance. Observation days are up 277 this year or 44.5%.

Dave pointed out that on page 15, the EBIDA graph, we are showing a significant budget variance and an over-all good year + $2.8 million ahead of budget for year so far.

ROLL CALL:

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<tr>
<td>Dotan</td>
<td>Yes</td>
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<td>Hershey</td>
<td>Yes</td>
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**Informational – Healthcare District Measure A expenditures – January 2014**

This item was placed in the packet as informational. Healthcare District Measure A funds in the amount of $701,598 were spent during the month of January, a total of $108,374,868 spent on the project thus far and a balance of $5,574,660 remaining (includes earned Interest Income of $5,874,655).

**FY15 budget calendar**

Dave Recupero briefly reviewed the FY15 budget calendar noting that the final recommended budget will be brought to the Finance Committee for approval at their June 24th meeting and will be presented to the Board for their approval at their July 1st meeting.

**Future Agenda Items**

None

**Next Meeting**

It was noted that the next meeting will be held on March 25, 2014.

Ollie will not be here – for March meeting.

**Adjournment**

The meeting was adjourned at 9:50 am.

In accordance with The Brown Act, Section 54957.5, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Bobbi Duffy, Executive Assistant