The Regular Meeting of the Finance Committee of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, April 25, 2017 in the Administration Boardroom, Banning, California.

Members Present: Lynn Baldi, Olivia Hershey (Chair), Jerilynn Kaibel, Ron Rader, Irwin Reeves

Members Absent: None

Staff: Mark Turner (CEO), Dave Recupero (CFO), Pat Brown (CNO), Bobbi Duffy (Executive Assistant)

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<td>Call To Order</td>
<td>Finance Committee Chair Olivia 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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<td>OLD BUSINESS</td>
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<td>Proposed Action - Approve Minutes</td>
<td>Chair Hershey asked for any changes or corrections to the minutes of the March 28, 2017 regular meeting. There were none.</td>
<td>The minutes of the March 28, 2017 regular meeting will stand correct as presented.</td>
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<td>March 28, 2017 - Regular Meeting</td>
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| Proposed Action - Approve Monthly Financial Report – March 2017 | Dave Recupero referred Committee members to the graphs shown on page 2 of the March 2017 Financial report. He noted that on the EBIDA graph, he updated the projected FY17 to reflect that we will probably finish close to $6 million, which would be another very high year for us.  
Dave reviewed the Concluding Summary shown at the bottom of this page:  
Positive takeaways for the month:  
1) Acute Census improvement in March (from 36 to 44 ADC)  
2) Second Highest ED Volume in History | M.S.C. (Rader/ Baldi), the SGMH Finance Committee approved the March 2017 Financial Statements as presented and hereby recommends approval of same by the SGMH Board of Directors. |
### AGENDA ITEM

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| 3) Strong EBIDA month ($308K) although slightly below Budget ($510K)  
4) EBIDA Year-To-Date after 3 quarters is $3.4 million over Budget ($4.4 million) |

**Negative takeaways for the month:**

1) Inpatient Surgeries significantly less than budget (37 actual, 61 budget) (these include general and orthopedic surgeries and are mostly due to transfers)  
2) Slowdown in IGT cash receipt and announced delays in forecasted future IGT payments  
3) Higher purchased services and legal costs

Dave referred Committee members to page 3, “Patient Statistics”, line 23, “IP Surgeries” noting that they are down 10 from March the prior year. He noted that lines 23, “IP Surgeries” and 24, “OP Surgeries” are trending lower than budget and the prior year. Line 24, “Outpatient Scopes” at 140 is trending higher than the budget of 136 and last year’s 135.

On line 21, “Obs. Bed Days as a % of Total”, Dave noted that these are down (positive) mostly due to the transfers.

Dave noted that line 16, “Total ED Visits” at 3,924 for March is lower than the budgeted 4,229, but higher than last year’s March at 3,718.

Dave noted that line 6, “Acute Patient Days”, at 1,380 for March is lower than the budgeted 1,552 and last year’s 1,634. This is a 14.80% drop. Dave distributed a handout noting that we are consistently underperforming from last year’s census.

Dave referred Committee members to page 9, “Statement of Revenue and Expense – Year-to-Date”, line 1, “Inpatient Revenue” is $17,186,042 less than budgeted.

Line 13, “Net Patient Revenue” shows a $2,180,071 negative compared to what was budgeted.

Line 19, “Total Operating Revenue” for March at $60,255,457 compared to the prior year’s $58,681,632, reflects that we are now in a better position and showing more coming in than a year ago, mostly due to the IGTs as shown on line 14, “IGT/DSH Revenues”.

Line 32, “Total Operating Expenses” at $54,691,574 compared to
**AGENDA ITEM** | **DISCUSSION** | **ACTION / FOLLOW-UP**
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| | the budget of $54,478,436 reflects that we are doing well on managing expenses. | |
| | Line 33, “EBIDA” at $5,563,883 for March is better than budget by $3,366,143. | |
| | Dave noted that line 21, “Fringe Benefits” at $6,702,285 is higher than the budgeted $6,289,164. This is showing a higher cost per enrollee than budgeted. This will be investigated and Dave will update the Finance Committee members at the May Finance Committee meeting. | |
| ROLL CALL: | | |
| Baldi | Yes | Hershey | Yes |
| Rader | Yes | Kaibel | |
| Reeves | Yes | | |
| | Motion carried. | |
| **Revised FY18 budget calendar** | Dave noted that the changes to this revised FY18 budget calendar is that the new date for directors to have their budgets in to him is May 5th. The FY18 budget will be brought to the June 26th Finance Committee meeting for approval and then to the July 11th Hospital Board meeting for approval. | |
| **Future Agenda Items** | Dave will present an update on the Fringe Benefits – employee health benefits to the May Finance Committee meeting. | |
| **Next Meeting** | It was noted that the next regular meeting will be held on May 30, 2017. | |
| **Adjournment** | The meeting was adjourned at 9: 31am. | |

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records

Minutes respectfully submitted by Bobbi Duffy, Executive Assistant