

Finance Committee
Thursday
June 27, 2024
5:30 pm State Farm

Present: Chris Trone Debbie Worthington CMH Staff Tammy Gadberry Bridget Hamm
 Kenny Walters Joanne Billingsley Present: Kristi Hinegardner Gregg Snyder
 Joe Redshaw Ron Peters Jason Field Lori Orr

I. Call to Order:

The meeting was called to order at 5:33 p.m.

II. Approval of Minutes:

May minutes were presented and approved.

III. Monthly Financial Report:

May financials were reviewed.

May gross revenue was \$5,350,371.84, which is 12.07% above budget. The hospital district had an operational gain of \$201,553.08, and an overall net gain of \$222,080.26 for the month of May. Gross accounts receivable was \$11,348,030, down \$71,760 from previous month. Cash was approximately \$23 million at the end of the month of May.

Discussion was had on May financials.

- We accrued about \$ 200,000 in bad debt expense.
- Allowance for Uncollectibles has been over-reserved. It is calculated using gross Accounts Receivable. Cost Report reimbursements had been inadvertently included in the calculation for FY 2024. An audit entry will be made to correct the account balance and it will be correct moving forward.
- Accounts Payable account balance and mapping will also be reviewed for accuracy.
- Operating expense was higher this month due to costs related to the annual audit, Stroudwater consulting, and the cyber end point detection services.
- Non-operating expense reflects a loss correlated with 340B. We are going to take a deep-dive into the accounts this hits to make sure 340B expense is separated appropriately from hospital drug expense.

IV. Other

Cost Report preparation is underway. At this time, the consultants were unable to provide an estimate of what we may owe or receive. We think we may owe this year. There are a few outstanding items that may move the needle.

One unexpected result of moving from CPSI to the Cerner is we can no longer claim the software system as an expense. Since Cerner is cloud-based, it is recognized as a capitalized lease instead. In preparation for next year's cost report, we are looking into a cost report analysis tool that offers live monitoring capabilities and scenario building for cost report impact related to a variety of hospital decisions throughout the year.

The auditors anticipate the initial review to be ready and presented at the July board meeting.

Additional discussion is needed around the 340B program. In addition to the analysis to ensure separation of 340B expense and hospital drug expense, the pharmacy has approached us with a request to increase the contracted dispensing fee, which is currently 20% + \$15 per drug. Detailed review is necessary before making any changes. Discussion to continue at the July meeting.

The Prevailing Wage Ordinance for 2024 was presented. Moved to Board for approval.

Gregg and Jason presented the following capital budget expenditure, not to exceed \$43,000. Moved to Board for approval.

- Engage consultant, HIPAAtek, on a contract basis to assist with HIPAA compliance updates. The contract is set to include a security risk analysis for \$20,000, a subscription-based compliance platform with first year cost of \$18,000, and a \$3,000 allowance for travel and incidentals. Extension of the compliance platform subscription and continuation of consultation services beyond one year to be discussed at a later date.

Gregg presented a summary of current CD performance. Gregg proposed re-investing the CDs coming to maturity in July into new favorable rate CDs at a local institution. Moved to Board for approval.

V. **Adjournment**

Having no other business to discuss, the committee adjourned at 6:22 p.m.