



FINANCE COMMITTEE

Date: August 21, 2023

Call to Order: 8:30 a.m.

Adjourn: 9:45 a.m.

Present: Philip McDowell, Chair (telephonically), Jenny Jones, Marguerite Mastascusa (telephonically until 9:10am), Michael Young, Gerald Cayer, Kerry Herbine, Jeffery Hellinger, and Ryan Piche

Excused: Cheryl Steckly, Richard Chartrand

Not Present: Eric Virkler

CALL TO ORDER

- Meeting was called to order by the Chair of the Finance Committee, Mr. Philip McDowell.
- Mr. Hellinger read the Lewis County Health System Vision & Mission statements.

OTHER BUSINESS

- None

FINANCIALS:

- Mr. Hellinger reviewed the July financials via a PowerPoint presentation.
- The distributed finance packet included an overview of the Executive Summary Sheet, Financial Committee Dashboard, Statement of Operations, Key Statistical Report, Balance Sheet, Cash Flow Sheet, OR stats, and RVU data.
- The 2022 Medicare Cost Report has been settled. As a result, our rates have increased for Inpatient, Swing, and Outpatient services. Since Medicare will recalculate (back to January) our 2023 payments based on these new rates it has resulted in a payment to LCGH of \$800,488. This payment has been incorporated into the July Contractual Allowances.

NEW BUSINESS:

- Contractual Allowances: Mr. Hellinger reviewed the zero balance spreadsheet, which shows the true contractual allowances for all accounts that have been settled to date. These percentages are then used to calculate the reserves necessary for Contractual Allowances on open Accounts Receivable balances. He discussed the contractual allowances for the health system and explained how they were higher than budget due to increased revenue as well as a higher contractual allowance reserve percentage as compared to budget. He noted that there are several different buckets for the contractual allowances {Blue Cross, Self-Pay, Worker's Comp, etc.} and stated each transaction is reviewed separately as each transaction is different depending on the payer. He added typically the Zero Balance Sheet is updated yearly; however, the finance team will begin to run these every three (3) months.
- 2024 Capital Budget: As part of the 2024 budget approval process, administration will be bringing forward this list of capital requests totaling \$3.5M.
- 2024 Volume Assumptions: The administrative team has worked on preliminary volume targets for all service areas for the 2024 budget. This is still in the development stage and some

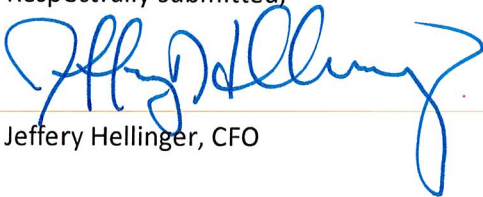
adjustments will be made upon further discussion and refinement. These targets will be used to help develop the 2024 revenue budget.

- 2024 FTE Budget: The administrative team has worked on the preliminary FTE budget. This is also in development as the requests total 580 FTE's whereas the current FTE total is 480. The packet also included a list of all vacant, new, and casual positions included in the requested FTE budget.
- Profit and Loss Statements: The clinic P&L reports were reviewed, which included South Lewis, Beaver River, Internal Medicine, and Family Practice. The results show that each clinic operates at a deficit, but when considering additional referral volume that is generated the clinics are the driver of downstream revenue to the greater organization.
- Key Financial Metrics: The key financial metrics included 5 major categories (operating, liquidity, capital, revenue, and operating). Within each category there were specific measurements which showed the results of LCGH at the end of 2022. Most of these results had a comparative measure to all Critical Access Hospitals within NYS, so LCGH can see how our results compare to similar type organizations.

OTHER:

- None

Respectfully submitted,



Jeffery Hellinger, CFO