

**REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS**

**FINANCE COMMITTEE
Tuesday, September 27, 2022**

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, September 27, 2022, in Classroom B, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi, Ron Rader, Steve Rutledge, Siri Welch

Members Absent: Ehren Ngo (Chair)

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Margaret Kammer (Controller), Angela Brady (ED Director)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Susan DiBiasi called the meeting to order at 9:07 am.	
Public Comment	No public present.	
OLD BUSINESS		
Proposed Action - Approve Minutes August 30, 2022, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the August 30, 2022, regular meeting. There were none.	The minutes of the August 30, 2022, regular meeting will stand correct as presented.
NEW BUSINESS		

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – August 2022</p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited August 2022 finance report as included in the committee packets.</p> <p>The month of August resulted in negative \$873K EBIDA compared to budgeted EBIDA loss of \$1.27M. Adjustments and items of note include:</p> <ul style="list-style-type: none"> • The August Surgery visits remained high again at 166 plus 14 G.I. procedures. • The Emergency visits were also high at 3,593. • Other income included \$258,376 from the American Rescue Plan for Small Rural Hospital Improvement Plan FY 21/22. • Total Operating Expenses were \$499K below budget due to Patient Days. Adjusted Patient Days, Emergency Visits and Surgeries were over budget for the month of August. <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 961 1222 1077"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Ngo	Absent	Rader	Yes	Rutledge	Yes	Welch	Yes	Motion carried.		<p>M.S.C. (Rader/Welch), the SGMH Finance Committee voted to recommend approval of the Unaudited August 2022 Financial report to the Hospital Board of Directors.</p>
DiBiasi	Yes	Ngo	Absent											
Rader	Yes	Rutledge	Yes											
Welch	Yes	Motion carried.												
<p>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of Directors – Renewal of Supplemental Funding Programs (SFP) and Disproportionate Share Hospital (DSH) Agreement with Steve Clark and Associates (SCA)</p>	<p>San Gorgonio Memorial Healthcare District and Hospital have contracted with SCA for many years for the provision of consulting services related to the Supplemental Funding Programs and DSH audits. Daniel Heckathorne, CFO, briefly discussed the renewal of the SFP and DSH agreement with SCA.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 1549 1222 1665"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Ngo	Absent	Rader	Yes	Rutledge	Yes	Welch	Yes	Motion carried.		<p>M.S.C. (Rutledge/Rader), the SGMH Finance Committee voted to recommend approval of the Renewal of Supplemental Funding Programs (SFP) and Disproportionate Share Hospital (DSH) Agreement with Steve Clark and Associates (SCA) to the Hospital Board of Directors and the Healthcare District Board of Directors.</p>
DiBiasi	Yes	Ngo	Absent											
Rader	Yes	Rutledge	Yes											
Welch	Yes	Motion carried.												

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of Directors – Resolution No. 2022-11, a resolution of San Gorgonio Memorial Healthcare District authorizing the execution and delivery of a loan and security agreement, promissory note, and certain actions in connection therewith for the California Health Facilities Financing Authority, a non-designated Public Hospital Bridge Loan Program II.</p>	<p>Due to the State’s shifting the supplemental Funding programs from a fiscal year to a calendar year, many hospitals are still experiencing significant cash shortages resulting from the six months or longer “black-out” periods. The District Hospital Leadership Forum team has again worked with the legislature to enact a loan program for District Hospitals to help “bridge” this gap. \$40M dollars have been designated for District Hospitals to borrow monies against future potential earnings of the Quality Initiative Program (the successor to the PRIME program). SGMH could borrow as much as \$2,720,382. A copy of the resolution and a set of guidelines has been included in the packet.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 915 1221 1031"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Ngo	Absent	Rader	Yes	Rutledge	Yes	Welch	Yes	Motion carried.		<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Resolution No. 2022-11, a resolution of San Gorgonio Memorial Healthcare District authorizing the execution and delivery of a loan and security agreement, promissory note, and certain actions in connection therewith for the California Health Facilities Financing Authority, a non-designated Public Hospital Bridge Loan Program II to the Hospital Board of Directors and the Healthcare District Board of Directors.</p>
DiBiasi	Yes	Ngo	Absent											
Rader	Yes	Rutledge	Yes											
Welch	Yes	Motion carried.												
<p>Future Agenda Items</p>	<ul style="list-style-type: none"> • da Vinci Robot Report 													
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on October 25, 2022.</p>													
<p>Adjournment</p>	<p>The meeting was adjourned 9:56 am.</p>													

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.