

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
Tuesday, January 25, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, January 25, 2022. To prevent the spread of COVID-19 (coronavirus), and in accordance with the Governor's Executive Order N-29-20, there was no public location for attending this committee meeting in person. Committee members, staff members, and members of the public participated telephonically.

Members Present: Susan DiBiasi, Ehren Ngo (Chair), Ron Rader, Steve Rutledge, Siri Welch

Members Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Annah Karam (CHRO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Chair Ngo called the meeting to order at 9:02 am.	
Public Comment	Members of the public who wished to comment on any item on the agenda were encouraged to submit comments by emailing publiccomment@sgmh.org prior to this meeting. No public comment emails were received.	
OLD BUSINESS		
Proposed Action - Approve Minutes December 28, 2021, regular meeting	Ehren Ngo asked for any changes or corrections to the minutes of the December 28, 2021, regular meeting. There were none.	The minutes of the December 28, 2021, regular meeting will stand correct as presented.
NEW BUSINESS		
Overview of Agenda Items	Dan Heckathorne, CFO, provided a brief written overview of the agenda items that will be discussed.	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Proposed Action – Recommend Approval to Hospital Board of Directors – Updated Self Pay and Charity Care Policy</p>	<p>Dan discussed the changes that have been made to the Self Pay and Charity Care Policy. The policy update includes Obstetrical Pricing Packages. There were no actual changes to the Charity Policy which was adopted on January 4, 2022.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 512 1227 627"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Updated Self Pay and Charity Care Policy to the Hospital Board of Directors.</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													
<p>Proposed Action – Recommend approval to Hospital Board to adopt Resolution No. 2022-01 regarding 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 Nondesignated Public Hospital Bridge Loan Program</p>	<p>Due to the State’s shifting the Supplemental Funding programs from a fiscal year to a calendar year, many hospitals are experiencing significant cash shortages during this 6 month “black-out” period. The District Hospital Leadership Forum team has worked with the Legislature to enact a loan program for district hospitals that would somewhat help “bridge” this gap. Adopting Resolution No. 2022-01 would allow the Hospital to complete the two loan applications to address our large cash needs to come in Spring.</p> <p>It was noted that the Finance Committee recommends approval to the Hospital Board who will then recommend approval to the Healthcare District Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 1310 1227 1425"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (Rutledge/Welch), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-01 regarding 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 Nondesignated Public Hospital Bridge Loan Program.</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – December 2021</p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited December 2021 finance report as included in the board packets.</p> <p>Mr. Heckathorne reported that December had a \$5.07M EBIDA compared to budgeted earnings of \$4.06M. Adjustments and unusual items that occurred in December include no IGT Fees booked and low inpatient workloads. Adjusted Patient Days, Patient Days, and Emergency Visits were under budget while Surgeries (93 vs 95) were basically on budget. He also discussed plans for the Hospital to acquire financing to cover the delay in the State’s Supplemental Funding programs during the current fiscal year and indicated that more information will be forthcoming to the Committee and Boards in the near future.</p> <p>It was noted that approval is recommended to the Hospital 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>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (DiBiasi/Welch), the SGMH Finance Committee voted to recommend approval of the Unaudited December 2021 Financial report to the Hospital Board of Directors.</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													
<p>HFMA Blog/Article – Informational</p>	<p>Dan Heckathorne, CFO, included an HFMA blog titled “Hospital margins increased in November, but labor expenses remained a drag on finances.”</p>													
<p>Future Agenda Items</p>	<ul style="list-style-type: none"> • Bridge Loan 													
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on February 22, 2022.</p>													
<p>Adjournment</p>	<p>The meeting was adjourned 10:32 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.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant