



June 20, 2023, Special Finance Committee & Special Board Meeting Packet Table of Contents

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- 2 **FY24 Proposed Operating Budget**
- 3 **SPECIAL BOARD OF DIRECTORS MEETING AGENDA 5:30**
- 4 **Resolution re: Authorized Signers for All Accounts Held at Cal Bank & Trust**
- 5 **MCH Organizational Chart**
- 6 ***CLOSED SESSION 5:45***



Special Finance Committee Meeting
Tuesday, June 20, 2023, 5:00 p.m.
George M. Medak Conference Room, Suite 207
MCH Medical Office Building, 29099 Hospital Road, Lake Arrowhead, CA 92352

Or

Microsoft Teams meeting
Join on your computer, mobile app or room device
[Click here to join the meeting](#)
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Passcode: xDE28o
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[+1 951-384-1117,,69992930#](#) **United States, Riverside**
Phone Conference ID: 699 929 30#

Members:	Barrick Smart, Committee Chairperson	Barry Hoy, Committee Member
	Yvonne Waggener, Chief Financial Officer	Terry Peña, Chief Operating Officer
	Mark Turner, Chief Executive Officer	Don Larsen, MD, Community Member
	Gerry Hinkley, Community Member	

OPEN SESSION

5:00 p.m.

CALL TO ORDER

Barry Smart, Committee Chairperson

PUBLIC COMMENTS

Government Code
Section 54954.3 Sections A & B

The public has the right to address the legislative body on any item of interest to the public.
A time restraint may be implemented at the discretion of the Committee Chairperson.

AGENDA ITEMS

1. FY24 Proposed Operating Budget	Yvonne Waggener, Chief Financial Officer Action Possible
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ADJOURNMENT

San Bernardino Mountains Community Hospital District
FY2024 Operating Budget Assumptions

GROSS PATIENT SERVICE REVENUE						
<u>DEPARTMENT</u>	<u>HISTORICAL VOLUME</u>			<u>FY24 BUDGET</u>		
MEDICAL SURGICAL	ADC	FY23	1.6	ADC	JUL-DEC	2.3
	ADC	FY18-20	2.3		JAN-JUN	3.0
SWING BED	ADC	FY23	1.0	ADC		2.0
SKILLED NURSING FACILITY	ADC	FY18-23	19.5	ADC		19.5
EMERGENCY DEPARTMENT	AVG VISITS/DAY	FY22-23	24.0	VISITS/DAY		24.0
RURAL HEALTH CLINIC - LAKE ARROWHEAD						
MEDICAL	AVG VISITS/MONTH	FY23	387.0	VISITS/MONTH		500.0
	AVG VISITS/MONTH	FY23 JUL-AUG	493.0			
DENTAL	AVG VISITS/MONTH	FY23	218.0	VISITS/MONTH		250.0
	AVG VISITS/MONTH	FY19 PRE-PANDEMIC	260.0			
TELEMEDICINE	AVG VISITS/MONTH	FY23	223.0	VISITS/MONTH		230.0
RURAL HEALTH CLINIC - RUNNING SPRINGS						
MEDICAL	AVG VISITS/MONTH	FY23	105.0	VISITS/MONTH		120.0
	AVG VISITS/MONTH	FY19 PRE-PANDEMIC	141.0			
SURGERY						
SURGERIES	AVG CASES/MONTH	FY23	11.0	CASES/MONTH	JUL	15.0
	AVG CASES/MONTH	FY23 JUL-AUG	22.0	CASES/MONTH	AUG-SEP	16.0
				CASES/MONTH	OCT-NOV	17.0
				CASES/MONTH	DEC	18.0
				CASES/MONTH	JAN-JUNE	19.0
ENDOSCOPIES	AVG CASES/MONTH	FY23 JUL-SEP	14.0	CASES/MONTH	JUL-AUG	6.0
				CASES/MONTH	SEPT	7.0
				CASES/MONTH	OCT-DEC	8.0
				CASES/MONTH	JAN-MAR	10.0
				CASES/MONTH	APR-JUN	12.0

San Bernardino Mountains Community Hospital District
 FY2024 Operating Budget Assumptions

GROSS PATIENT SERVICE REVENUE						
<u>DEPARTMENT</u>	<u>HISTORICAL VOLUME</u>			<u>FY24 BUDGET</u>		
LABORATORY	AVG TESTS/MONTH	FY23	6,168.0	TESTS/MONTH		6,200.0
RADIOLOGY						
X-RAY	AVG EXAMS/MONTH	FY23	611.0	EXAMS/MONTH		615.0
CT SCAN	AVG EXAMS/MONTH	FY23	218.0	EXAMS/MONTH		220.0
MAMMOGRAPHY	AVG EXAMS/MONTH	FY23	70.0	EXAMS/MONTH		70.0
DEXA SCAN	AVG EXAMS/MONTH	FY23	16.0	EXAMS/MONTH		16.0
ULTRASOUND	AVG EXAMS/MONTH	FY23	102.0	EXAMS/MONTH		102.0
PHYSICAL THERAPY	AVG VISITS/MONTH	FY23	628.0	VISITS/MONTH		650.0
		FY19, FY21-22	643.0			
OTHER REVENUE PRODUCING DEPARTMENTS						
PROFESSIONAL FEES, BLOOD, RESPIRATORY THERAPY AND SPEECH THERAPY ARE BUDGETED AT A FLAT AMOUNT OF CHARGES PER MONTH.						
PHARMACY AND CENTRAL SUPPLY ARE BUDGETED AT A PERCENTAGE RELATIONSHIP TO OTHER DEPARTMENTS.						
PRICE INCREASE						
A 4% PRICES INCREASE WAS BUDGETED FOR MOST DEPARTMENTS EFFECTIVE 11/01/2023.						

San Bernardino Mountains Community Hospital District
FY2024 Operating Budget Assumptions

DEDUCTIONS FROM REVENUE		
<u>DESCRIPTION</u>	<u>FY23 ESTIMATE</u>	<u>FY24 BUDGET</u>
CONTRACTUAL DISCOUNTS (PERCENTAGE OF GROSS PATIENT CHARGES)	63%	64% JULY-OCT/64.5% NOV-JUNE
BAD DEBT (PERCENTAGE OF GROSS PATIENT CHARGES)	1.3%	1.5%
CHARITY CARE (PERCENTAGE OF GROSS PATIENT CHARGES)	0.1%	0.11%
RESERVE FOR CURRENT YEAR MEDICARE COST REPORT	100,008	100,008
MEDICARE BAD DEBT PASS THROUGH	(137,200)	(127,400)
RESERVE FOR CURRENT YEAR MEDI-CAL COST REPORT	50,004	50,004
SUPPLEMENTAL REIMBURSEMENT (OFFSET TO DEDUCTIONS FROM REVENUE):		
Medi-Cal Traditional - Inpatient	(124,810)	(115,000)
Medi-Cal Traditional - Outpatient	(784,949)	(500,000)
Medi-Cal Traditional - Distinct Part Nursing Facility (DPNF)	30,000	-
Medi-Cal Traditional - Disproportionate Share Hospital (DSH)	(80,112)	(120,000)
Medi-Cal Managed Care - Rate Range	(4,391,239)	(4,400,000)
Medi-Cal Managed Care - Hospital Quality Assurance Fee (HQAF)	-	(1,300,000)
Medi-Cal Managed Care - Quality Incentive Payment (QIP)	(2,123,280)	(1,500,000)
Medi-Cal Managed Care - Pay For Performance (P4P)	(1,209,066)	(259,000)
Medi-Cal Managed Care - Prop 56 (Tobacco Tax)	(12)	-
	(8,683,468)	(8,194,000)
OTHER OPERATING REVENUE		
<u>DESCRIPTION</u>	<u>FY23 ESTIMATE</u>	<u>FY24 BUDGET</u>
OTHER OPERATING REVENUE INCLUDES MEALS ON WHEELS, CAFETERIA SALES, OWN USE PHARMACY SALES, REBATES & REFUNDS, LTC RX REVENUE, HOME HEALTH COMPANY REVENUE AND MALPRACTICE REFUNDS.	409,188	424,648

San Bernardino Mountains Community Hospital District
FY2024 Operating Budget Assumptions

OPERATING EXPENSES		
<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>BUDGET COMMENTS</u>
SALARIES AND WAGES	INCLUDES REGULAR WAGE, OVERTIME/DOUBLE TIME, PAID TIME OFF AND PROLONGED ILLNESS.	INCLUDES FULL STAFFING, MARKET ADJUSTMENTS FOR SELECTED DEPARTMENTS OR INDIVIDUALS, A 3% MERIT INCREASE EFFECTIVE OCTOBER 2023, AN ADDITIONAL DAY DUE TO LEAP YEAR AND A FULL YEAR OF GENERAL SURGEON WAGES/QUALITY COMPENSATION.
EMPLOYEE BENEFITS	INCLUDES EMPLOYER SHARE OF FICA, UNEMPLOYMENT, HEALTH/DENTAL/VISION INSURANCE, LIFE INSURANCE, RETIREMENT, WORKERS COMPENSATION INSURANCE AND OTHER NON PAYROLL BENEFITS.	INCLUDES ADDITIONAL \$300,000 EMPLOYER SHARE OF FICA (PERCENTAGE OF WAGES). INCLUDES \$100,000 DECREASE IN WORKERS COMPENSATION PREMIUMS.
PROFESSIONAL FEES	INCLUDES MEDICAL DIRECTORS, DENTISTS (CLINIC), PHYSICIANS ON-CALL FOR THE ER, USACS FEES, TELEMEDICINE PROVIDERS, CONSULTING, LEGAL FEES, AUDIT FEES AND REGISTRY.	INCLUDES ONE TIME FINANCING RELATED COSTS OF \$218,000 FOR AN INDEPENDENT REGISTERED MUNICIPAL ADVISOR & A FINANCIAL FEASIBILITY STUDY. INCLUDES ADDITIONAL \$75,000 FOR ED PHYSICIAN GROUP FEES. INCLUDES DECREASED REGISTRY FEES OF APPROXIMATELY \$650,000.
SUPPLIES	INCLUDES MEDICAL SUPPLIES, PHARMACEUTICALS, FOOD, CLEANING SUPPLIES, INSTRUMENTS AND MINOR EQUIPMENT.	INCREASED VOLUME & ANTICIPATED INFLATION.
PURCHASED SERVICES	INCLUDES LAB SEND OUTS, RADIOLOGISTS FEES, COLLECTION AGENCY FEES, LAB COURIER, AFTER HOURS PHARMACY COVERAGE, LAUNDRY, HAZARDOUS WASTE PICKUP, SECURITY, SHREDDING PICKUP, PEST CONTROL, PLOWS, LANDSCAPING, WEED ABATEMENT, OUTSOURCED POSTING, HR BACKGROUND CHECKS, CODING AUDITS, MOVER CARD, PATIENT SATISFACTION SURVEYS AND MISC.	INCLUDES ADDITIONAL \$92,000 FOR RADIOLOGISTS FEES. INCLUDES \$328,000 DECREASE IN SNOW PLOW AND COMMERCIAL INSURANCE FOLLOW UP FEES.
RENT	HOSPITAL WIDE COPIERS/PRINTERS/SCANNERS/FAX EQUIPMENT.	CONSISTENT WITH FY23 ACTUAL
REPAIRS AND MAINTENANCE	PRIMARILY CONSISTS OF PREVENTATIVE MAINTENANCE AGREEMENTS FOR HOSPITAL EQUIPMENT.	DECREASE IN LEGACY SYSTEM EHR MAINTENANCE FEES (HOSPITAL & LAB INFORMATION SYSTEM)
UTILITIES	ELECTRIC, GAS, WATER, PHONES	INCREASE DUE TO FEES ASSOCIATED WITH BACKUP INTERNET
INSURANCE	MALPRACTICE, DIRECTORS AND OFFICERS, PROPERTY, AUTO, FIDUCIARY LIABILITY, CYBER AND OTHER.	INCLUDES \$59,000 (71%) INCREASE IN PROPERTY INSURANCE PREMIUMS.
DEPRECIATION	ALLOCATION OF THE COST OF BUILDINGS AND EQUIPMENT OVER THEIR ESTIMATED USEFUL LIVES.	INCREASED DEPRECIATION ASSOCIATED WITH NEW EHR SYSTEM.
OTHER OPERATING EXPENSES	INCLUDES ADVERTISING, TAXES AND SHIPPING RELATED TO PURCHASES, DUES, SUBSCRIPTIONS, TRAINING, RECRUITING, CREDIT CARD FEES ASSOCIATED WITH PATIENT PAYMENTS AND INTERGOVERNMENTAL TRANSFER FEES.	OVERALL INCREASE RELATES TO NEW SUBSCRIPTION AGREEMENTS ASSOCIATED WITH NEW EHR SYSTEM.

San Bernardino Mountains Community Hospital District
 FY2024 Operating Budget Assumptions

NON-OPERATING REVENUE & EXPENSES		
<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>BUDGET COMMENTS</u>
DISTRICT TAX REVENUE	PARCEL TAX AND SECURED/UNSECURED 1%	CONSISTENT WITH FY23 ACTUAL
INVESTMENT INCOME	BOARD DESIGNATED INVESTMENTS AT UBS & LAIF	CONSISTENT WITH FY23 ACTUAL
INTEREST EXPENSE	2007 CERTIFICATES OF PARTICIPATION, MOB FINANCING AND LIABILITY FOR NEW EHR	REQUIREMENT TO SET UP A NEW LIABILITY (LOAN) FOR THE EHR SUBSCRIPTION PAYMENTS (3-YEAR TERM)
NON-CAPITAL GRANTS AND DONATIONS	HOSPITAL QUALITY ASSURANCE FEE DIRECT GRANTS AND SUBSTANCE ABUSE GRANT	FY23 INCLUDES WORKER RETENTION PAYMENT OF \$177,000 AND ADDITIONAL SUBSTANCE ABUSE GRANT PAYMENTS.
OTHER NON-OPERATING REVENUE	MEDICAL OFFICE BUILDING RENT & CELL SITE RENT	DECREASE DUE TO LOSS OF TENANT
OTHER NON-OPERATING EXPENSE	MEDICAL OFFICE BUILDING EXPENSES (REPAIRS, DEPRECIATION, UTILITIES, INSURANCE)	ANTICIPATE INCREASED REPAIRS

San Bernardino Mountains Community Hospital District
FY2024 Operating Budget

	FY23 (ESTIMATED)	FY24 (PROPOSED)	DIFFERENCE
Revenue:			
Gross Patient Service Revenue	58,175,487	65,148,058	6,972,571
Deductions From Revenue			
Contractual Discounts	36,434,590	41,944,608	5,510,018
Bad Debt	738,384	983,000	244,616
Charity Care	60,032	72,000	11,968
Supplemental Reimbursement	(8,683,468)	(8,194,000)	489,468
Total Deductions From Revenue	28,549,538	34,805,608	6,256,070
Net Patient Service Revenue	29,625,949	30,342,450	716,501
Other Operating Revenue	409,188	424,648	15,460
Total Revenue	30,035,137	30,767,098	731,961
Expenses:			
Salaries and Wages	17,398,399	19,473,000	2,074,601
Employee Benefits	3,775,195	3,956,800	181,605
Professional Fees	2,758,826	2,383,885	(374,941)
Supplies	3,126,273	3,257,650	131,377
Purchased Services	1,537,560	1,271,790	(265,770)
Rent	177,349	199,220	21,871
Repairs and Maintenance	939,844	847,185	(92,659)
Utilities	614,806	672,560	57,754
Insurance	472,470	549,688	77,218
Depreciation	1,522,671	2,083,200	560,529
Other Operating	1,893,897	2,009,754	115,857
Total Expenses	34,217,290	36,704,732	2,487,442
Loss From Operations	(4,182,153)	(5,937,634)	(1,755,481)
Non-Operating Revenue (Expense):			
District Tax Revenue	3,000,000	3,096,000	96,000
Investment Income	916,818	914,400	(2,418)
Interest Expense	(445,765)	(522,182)	(76,417)
Non Capital Grants and Donations	1,200,869	952,000	(248,869)
Other Non-Operating Revenue	456,461	432,570	(23,891)
Other Non-Operating Expense	(322,096)	(353,580)	(31,484)
Total Non-Operating Revenue (Expense)	4,806,287	4,519,208	(287,079)
Net Income (Loss)	624,134	(1,418,426)	(2,042,560)

San Bernardino Mountains Community Hospital District
FY2024 Operating Budget

	FY23 (ESTIMATED)	FY24 (PROPOSED)	DIFFERENCE
Supplemental Reimbursement			
Medi-Cal Traditional - Inpatient	124,810	115,000	(9,810)
Medi-Cal Traditional - Outpatient	784,949	500,000	(284,949)
Medi-Cal Traditional - Distinct Part Nursing Facility (DPNF)	(30,000)	-	30,000
Medi-Cal Traditional - Disproportionate Share Hospital (DSH)	80,112	120,000	39,888
Medi-Cal Managed Care - Rate Range	4,391,239	4,400,000	8,761
Medi-Cal Managed Care - Hospital Quality Assurance Fee (HQAF)	-	1,300,000	1,300,000
Medi-Cal Managed Care - Quality Incentive Payment (QIP)	2,123,280	1,500,000	(623,280)
Medi-Cal Managed Care - Pay For Performance (P4P)	1,209,066	259,000	(950,066)
Medi-Cal Managed Care - Prop 56 (Tobacco Tax)	12	-	(12)
	8,683,468	8,194,000	(489,468)
	8,683,468	8,194,000	(489,468)



“Mountains Community Hospital makes possible essential quality medical services to the residents and visitors of the local mountains.”

SPECIAL DISTRICT BOARD OF DIRECTORS MEETING

Tuesday, June 20, 2023, 5:30 p.m.

George M. Medak Conference Room, Suite 207

MCH Medical Office Building, 29099 Hospital Road, Lake Arrowhead, CA 92352

Or

Microsoft Teams meeting

Join on your computer, mobile app or room device

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[+1 951-384-1117,,69992930#](#) United States, Riverside

Phone Conference ID: 699 929 30#

Members: Kieth Burkart, President
 Barrick Smart, Treasurer
 Barry Hoy, Trustee

Cheryl Robinson, Vice President
 Cheryl Moxley, Secretary

Staff Members: Mark Turner, Chief Executive Officer
 Bijan Motamedi, M.D., Chief of Staff
 Julie Atwood, Human Resources Director

Terry Peña, Chief Operating Officer
 Yvonne Waggener, Chief Financial Officer
 Kristi McCasland, Executive Assistant

OPEN SESSION

5:30 p.m.

CALL TO ORDER

Kieth Burkart, President

PRESIDENTS COMMENTS

Kieth Burkart, President
 Action Possible

BOARD MEMBER REPORTS

All Board Members

PUBLIC COMMENTS

Government Code
 Section 54954.3 Sections A & B

The public has the right to address the legislative body on any item of interest to the public.
 A time restraint may be implemented at the discretion of the Board President.

AGENDA ITEMS

1. Resolution re Authorized Signers for All Accounts Held at Cal Bank & Trust

Mark Turner, Chief Executive Officer
 Action Possible

SPECIAL DISTRICT BOARD OF DIRECTORS MEETING
Tuesday, June 20, 2023, 5:30 p.m.

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|-----------------------------------|---------------------------------------------------------|
| 2. MCH Organizational Chart | Mark Turner, Chief Executive Officer
Action Possible |
| 3. FY24 Proposed Operating Budget | Barry Smart, Chairperson
Action Possible |

CLOSED SESSION AGENDA ITEMS

(Closed session pursuant to Govt. Code Section 54954.5

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 1. <u>Executive session</u>
Subject Matter: Personnel Issues
Re: CEO Compensation
Closed session under Cal. Gov. Code § 54957 | Board Members & CEO Only
Action Possible |
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RETURN TO OPEN SESSION

- | | |
|-------------------------------|--------------------------|
| 1. Closed Session Report | Kieth Burkart, President |
| 2. Public Report of Decisions | Kieth Burkart, President |

NEXT BOARD-ATTENDED MEETINGS

Friday, June 30, 2023 at 1:00 p.m.
(Days & times are subject to change so please refer to the posted agenda for exact times)

FINAL ADJOURNMENT

RESOLUTION NO. 2023-10

**RESOLUTION OF THE BOARD OF DIRECTORS OF SAN
BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT
AUTHORIZING SIGNERS FOR ALL ACCOUNTS HELD AT
CALIFORNIA BANK & TRUST**

WHEREAS, San Bernardino Mountains Community Hospital District hereby designates and authorizes the following individuals as authorized signers on all accounts associated with TIN# 26-2201665 at California Bank and Trust. Account numbers end with 685, 677, 693, 663 and 3325.

Mark Turner, Chief Executive Officer

Terry Pena, Chief Operating Officer

Yvonne Waggener, Chief Financial Officer

Kieth Burkart, Board President

ADOPTED, SIGNED AND APPROVED this 20th day of June 2023

Kieth J Burkart
President of the Board of Directors
San Bernardino Mountains Community Hospital District

ATTEST:

Cheryl J. Moxley
Secretary of the Board of Directors
San Bernardino Mountains Community Hospital District

CERTIFICATION

I, Cheryl J. Moxley, Secretary of the Board of Directors of San Bernardino Mountains Community Hospital District, hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the District at the Board Meeting held on June 20, 2023, by the following vote:

AYES:

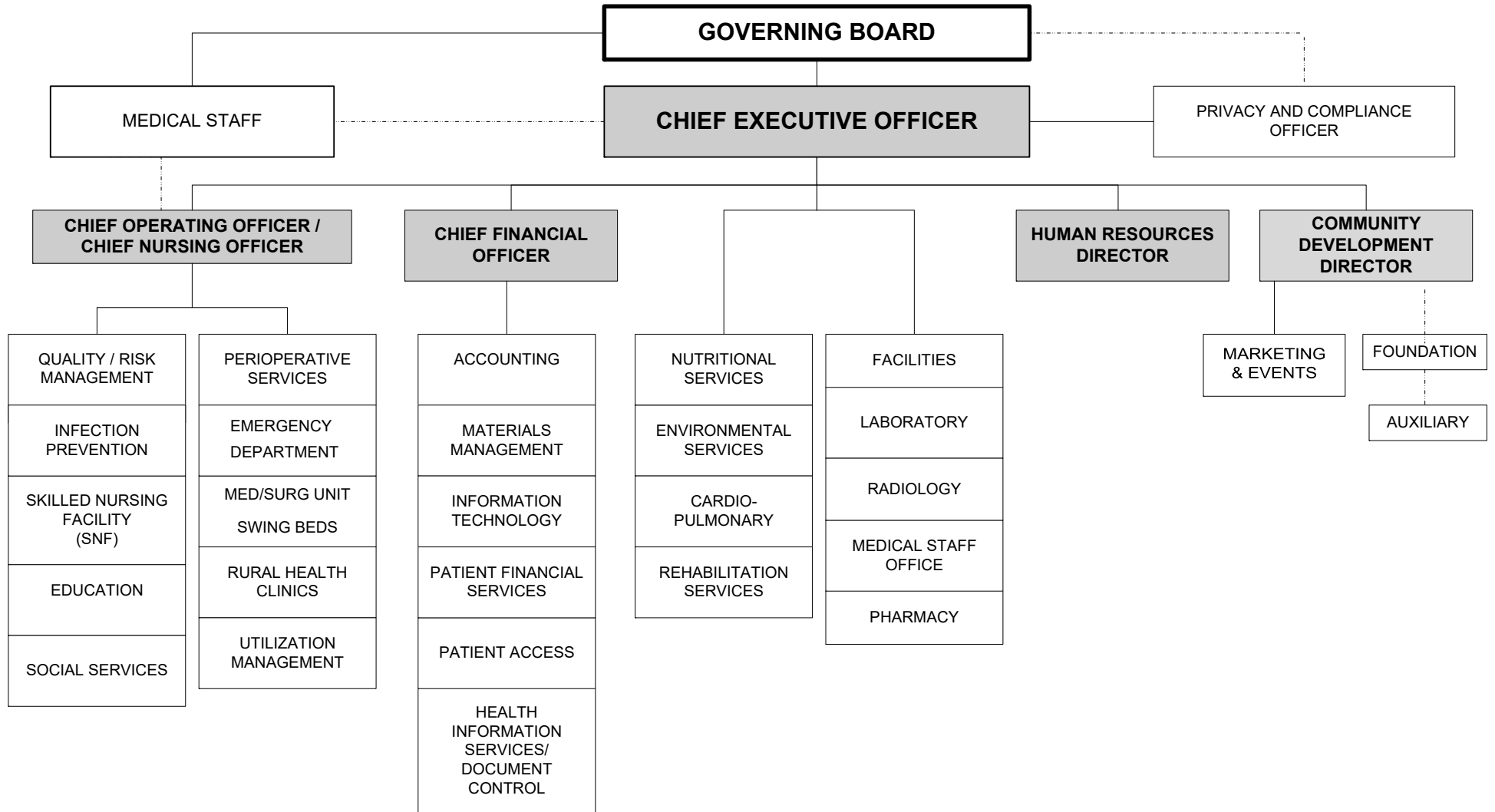
NOES:

ABSENT:

ABSTAIN:

Secretary of the Board of Directors of San
Bernardino Mountains Community Hospital District

MOUNTAINS COMMUNITY HOSPITAL



GOVERNING BOARD APPROVAL _____

Board Chairman

Date _____

**SENIOR
MANAGEMENT**