

RIVER VALLEY HEALTH AND DENTAL CENTER
Executive/Finance Committee Meeting Minutes
February 14, 2023, 12:00 PM

PRESENT: Kim Wetherhold, Board Chair; Chris Ebner, Board Secretary; Dr. Ralph Kaiser, Board Treasurer; Max Houseknecht, Jr., CFO; Matt McLaughlin, COO; and Jim Yoxtheimer, President & CEO (ex-officio)

PRESENT VIA ZOOM: Jean Myers, Board Vice-Chair

I January 2023 Financial Report

The highlights of the Financial Report were reviewed for January. Max reported that for the month of January there was an excess of revenues over expenses of \$236,140 which brings the YTD excess of revenues over expenses to \$864,166. The YTD increase in net assets was \$1,312,471. Max reported that patient revenue was under budget by \$85,315 for the month of January.

In Other Revenue, incentive/care gaps were under budget by \$40,670. Total federal grants were over budget by \$59,706 due largely to drawdowns associated with the H8F grant. PACHC COVID-19 testing grant was over budget by \$11,409 due to continued costs associated with COVID-19 testing. PA DOH Vaccine program was under budget by \$6,485 due to a reporting glitch on the state system preventing revenue entries from being calculated. Vaccine hesitancy messaging initiative was over budget by \$25,217 due to costs associated with the Care Messaging platform. Delta Dental funding was over budget by \$11,165 due to costs associated with the delta dental grant.

Max reported the Expense Analysis as follows: Expenses were under budget by \$141,588. Factoring out the unbudgeted grant related expenses, month-end total expenses were under budget by \$164,162. Total salaries, benefits, and payroll expenses were under budget by \$134,995. Medical supplies were under budget by \$27,662. Dental supplies were under budget by \$8,555. Telephone/internet was over budget by \$10,251 due to costs associated with the new phone system. Telehealth services were under budget by \$17,337. Temp staffing fees were over budget by \$11,408 due to continued costs associated with COVID-19 testing. Advertising was under budget by \$10,124. Building rentals were over budget by \$7,632 due to costs associated with the Lycoming Creek Road property including security deposit and first month rent. Of note, management was able to be released of the rental obligation with the 427 rental lease as of February 15, 2023.

Balance Sheet Highlights were reported as follows: Accounts Payable was at \$375,008 which was an increase of \$131,209 over the prior month due largely to invoices received at the end of the month for the Lock Haven construction project. Total interest earned for the month was \$2,970. Total cash at month-end was \$3,514,835.

- a. Financial Summary Update:** Net days in A/R was 22. Days Cash on Hand was 61.93 and Current Ratio was 2.10

After discussion, the committee approved the financial reports going to full board for approval.

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II Fee Schedule Review

Max reported that it was time to perform the yearly fee schedule review. He explained that the Center uses Fee Estimator that looks at geo zip code information. It has been the Center's goal to be in the 50-80th percentile of fees for the geographical area. With that in mind, management has recommended a 5% increase on most charges from last year. This has no impact on the cash coming in the door except for self-pay patients, as contractual allowances have been increased. Of note, the pediatric dentist who will be joining the team soon has reviewed the fee schedule and charges have been added to build out the charges she will use.

After discussion, the committee approved the fee schedule going to the full board for approval.

III FY23 Audit Schedule

Max reported that Baker Tilly was given notice that, based on board recommendation, River Valley Health and Dental Center would be shifting services to McKonley & Asbury for their auditing needs. Baker Tilly will provide McKonley & Asbury with a log in that they will be able to view certain pieces of the last audit information for a sample of what has been done in the past.

Max indicated that he had a kick-off call with McKonley & Asbury and they will be doing things a little different than Baker Tilly has done in the past. McKonley & Asbury will not be meeting with the board at the beginning of their field work as Baker Tilly had in the past. McKonley & Asbury will be onsite in June for preliminary work. They will return after Labor Day to perform their final field work. As long as all goes well, they will present their findings in October before the Full Board meeting as long as the officers are okay with that plan.

This year is the first time that an audit for the 403B retirement program will be required, which is due by July 31. They will soon be sending a list of documents needed to perform that audit.

IV FY23 Budget Reforecast Update

Jim led the discussion about the impact on the FY23 budget when the COVID H8F grant funding will run out. Management has been working on several initiatives to help with the shortfall that will be coming in the months ahead. Max has been using approximately \$85,000-\$90,000 of the H8F funding per month to help. Changes will need to be made as management looks to the next fiscal year budget. One thing management has been working on is enhanced reimbursement from Geisinger. UPMC will follow. Management is hopeful to get results from this effort.

Matt discussed six initiatives that his team has been working on to help with revenue as follows:

Revenue enhancements: Aledade provides the center with an opportunity for more upside payback.

Coding: The providers will have an educational coding training later this week. The premise is if you code correctly, the reimbursement can be better.

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Visit Volumes: This sector seems to be the biggest challenge for the Center. Currently each provider has been encouraged to add two spots to their schedules daily for same day appointments. If each provider could see one more patient per day that would equate to approximately \$500,000 in revenue overall.

Urgent Care: Express Care has consistently been showing growth. Do we need to consider adding hours to the day? Or days to the week?

Behavioral Health Space: The Center continues to recruit for additional providers.

Lock Haven Development: Obviously, the sooner the Clinton County site is ready to open visit volumes should increase.

Jim felt the biggest challenge will be the FY24 budget process to estimate when surplus revenue will be achieved. It has been felt the quickest way to see a return would be for providers to see more patients per day, which has been why the team has been discussing this issue over the past several months.

V Management Update Current Operations

a. January Balanced Score Card: Matt reported the highlights of the January Balanced Score Card as follows: Wins this month were in Finance for the Reproductive Health team, Patient Experience for Behavioral Health, Medical, and Dental, and Quality for Medical and Reproductive Health. The Team metric has held steady for another month, remaining at 16.2%.

Jim reported that there have been provider turnovers throughout the year which have impacted visit numbers. The providers have been very involved in the process to increase visit volume.

Matt reported that there was an error on the balanced score card in the dental section for patient experience and a minor error in the quality section. These will both be corrected, along with the addition of the trending arrows as previously requested before the full board meeting. Documents provided on the board portal will be accurate.

b. Operations General Update: Matt reported an update with the recruiting process as follows: Dr. Hartle, the pediatrician candidate visited the Center this week and left with an offer in hand. She was very transparent with her intent of wanting to help the Center build the pediatric program. Dr. Patel, a dentist, has not gotten back to the Center with an update recently. The Center will continue to recruit for a dentist. Matt indicated that there was an onsite interview later in the month for a dentist.

Matt reported that the crown mill training has been completed. If approved by the committee, Dr. Bozza plans to come to the next board meeting to explain the process during the mini-educational session.

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VI Facilities Planning

- a. **Clinton County Site Update:** Jim reported that the Center received some disheartening news on the Clinton County site construction. The delivery of the HVAC equipment has been pushed back to June or July. Management has been searching for alternatives to be able to open the site sooner. The committee asked when the site could potentially open should the HVAC equipment arrive sooner. Management indicated that early May would be a feasible opening.
- b. **Laboratory Services:** Jim indicated that there has been some progress with Quest Diagnostics. Management has looked at a draft lease agreement. Matt was working on scheduling another call with Quest.
- c. **471 Hepburn Street Flooring Update:** Jim indicated that the carpeting will be replaced in the nurses' station over the weekend fairly soon. The carpeting is very dirty and can no longer be cleaned.

Max will be scheduling the moisture test in the dental area within the next few weeks. It will then be determined whether additional work will need to be completed.

VII Slate of Officers

Jim reported that he met with the Personnel & Nominating Committee this week. The slate of officers was discussed for the next Fiscal Year. Jim indicated that he would speak to the members of this committee privately to check on their interest regarding continuing to serve on this committee.

Jim indicated that the Personnel & Nominating Committee met with a potential new board member, Shameka Grey. They are recommending her appointment to the board and a ballot will be presented for voting at the February board meeting.

VIII Full Board Agenda, February 28, 2023 @ 5:30 PM

The committee reviewed the agenda and agreed upon the mini-educational session with Dr. Bozza on the crown mill process.

- a. **Board Annual Work Plan:** The committee felt the mini-educational session with Dr. Bozza and the crown mill process would be good information for the board.
 - **Board Self Evaluation:** According to HRSA guidelines, a board self-evaluation needs to be completed annually. The committee reviewed the form attached to the packet and was okay with presenting this to the full board for completion at the February meeting.
 - **Bylaws Review:** Jim reminded the committee that the Bylaws were completely overhauled last fall and he did not feel it needs to be revisited at this time. The committee agreed.

Next Meeting: March 14, 2023 @ 12:00 PM Community Room, 431 Hepburn Street