



MISSION

It is our mission to deliver quality healthcare to the residents of and visitors to Big Bear Valley through the most effective use of available resources.

VISION

To be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

**BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING AGENDA
MONDAY, JUNE 05, 2017
1:00 PM –OPEN SESSION @ HOSPITAL CONFERENCE ROOM
41870 GARSTIN DRIVE, BIG BEAR LAKE, CA. 92315**

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the Chief Executive Officer's Office and are available for public inspection or purchase at 10 cents per page with advance written notice. In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a District meeting or other services offered by the District, please contact Administration (909) 878-8214. Notification at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. **DOCUMENTS RELATED TO OPEN SESSION AGENDAS (SB 343)** Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the public counter located in the Administration Office, located at 41870 Garstin Drive, Big Bear Lake, CA 92315. For questions regarding any agenda item, contact Administration at (909) 878-8214.

OPEN SESSION

1. **CALL TO ORDER** **Barbara Willey, Treasurer**
2. **ROLL CALL** **Shelly Egerer, Administrative Assistant**
3. **ADOPTION OF AGENDA***
4. **PUBLIC FORUM FOR OPEN SESSION**
This is the opportunity for persons to speak on items of interest to the public within subject matter jurisdiction of the District, but which are not on the agenda. Any person may, in addition to this public forum, address the Committee regarding any item listed on the Committee agenda at the time the item is being considered by the Committee. (*Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.*)
5. **APPROVAL OF MINUTES***
 - A. May 01, 2017
 - B. May 30, 2017
6. **DIRECTORS COMMENTS**
7. **OLD BUSINESS***
 - None
8. **NEW BUSINESS***
 - A. Discussion and Potential Recommendation to the Board of Directors of the Following:
 - (1) Fiscal Year 2017/2018 District Budget
 - (2) Fiscal Year 2016/2019 District Capital Budget
9. **PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS***

Garth Hamblin, CFO

 - A. April 2017 Finances
 - B. CFO Report
10. **ADJOURNMENT*** *** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
May 01, 2017**

MEMBERS Barbara Willey, Treasurer
PRESENT: Rob Robbins, 1st Vice President
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Admin. Asst.

STAFF: Kerri Jex
Mary Norman

**COMMUNITY
MEMBERS:** None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Barbara Willey and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Administrative Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the May 01, 2017 agenda as presented. Second by Board Member Willey to adopt the May 01, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

CLOSED SESSION

4. PUBLIC FORM FOR CLOSED SESSION:

Board Member Willey opened the Hearing Section for Public Comment on Closed Session items at 1:00 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:00 p.m.

5. ADJOURN TO CLOSED SESSION:

Board Member Robbins motioned to adjourn to Closed Session. Second by Board Member Willey to adjourn to Closed Session. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 1:50 p.m.

2. RESULTS OF CLOSED SESSION:

Board Member Willey stated that Administration is to prepare additional information regarding the RHC property and is required to go to the full Board at the May 2017 Board Meeting.

3. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 1:50 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:50 p.m.

4. DIRECTORS COMMENTS:

- None

5. APPROVAL OF MINUTES:

A. April 03, 2017

Board Member Robbins motioned to approve the April 03, 2017 minutes as presented. Second by Board Member Willey to approve the April 03, 2017 minutes as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

6. OLD BUSINESS:

- None

7. NEW BUSINESS*

A. Discussion Potential Recommendation to the Board of Directors: Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District:

- Mr. Hamblin stated that annually the Board approves a Resolution for the Parcel Tax. Mr. Hamblin informed the committee that \$805.88 will decrease this year and total of \$1.18 million is the amount the District receives.

Board Member Willey motioned to recommend to the Board of Directors the Resolution # 17-450 as presented. Second by Board Member Robbins to recommend to the Board of Directors the Resolution # 17-450 as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

B. Presentation and Discussion on the Fiscal Year 2017/2018 Budget Development:

- Mr. Hamblin reported the following information:
 - Provided a draft of the beginning stage of the 2017/18 Budget.
 - No budgeted increase in charges; consider increasing a few percent.
 - Increase in FTE's. Additional 8.6 increase in FTE.
 - Professional fees – Hospital coverage and Prime Project.
 - Purchased services will increase.
 - Interest for CT & Mammo equipment.
 - Not projecting large increases in volume.
 - FHC staff decreases due to staff being moved to the RHC.
- Board Member Roberts stated that this is not an ongoing budget for a business when there is a loss of \$2 million; so many increases that it turns the District upside down.
- The committee members requested details on what cost are in Professional Fees and why are their additional FTE's. The committee will review a 4th draft of the budget at a future Finance Meeting.
- Mr. Hamblin stated that with the Parcel Tax it would allow for \$1.2 million funds and the District will only have a loss of approximately \$1 million.
- The committee stated that they are not happy with the information provided in the budget document; such as the increase in FTE's, the committee did not feel that the report provided to the committee was clear. The report needs to be simplified, needs to make sense and the managers did not pay attention to what they were requesting or the typo's on their justification of requesting additional staff. The committee also expressed their concerns in the large increases in various categories. At this time the Finance Committee is not in support of the document provided.

Board Member Willey reported no action required

8. Presentation and Review of Financial Statements:

A. March 2017 Finances:

- Mr. Hamblin reported the following:
 - Cash was strong - 220 days cash on hand.
 - Exceeded budgeted surplus.
 - Total revenue over budget.
 - Total expenses under budget.
 - Acute increase.
 - Swing Bed days increase.
 - ER visits; slow and steady increase in statistics.
 - RHC clinic visits continue to grow.
 - Dental visits will continue to grow.
 - Strong results for March and for the year.
 - All inpatient services have increased.
 - Inpatient days lowered for the month
- Board Member Roberts stated that we have been doing well for the last year and would like to see it continue this way.

B. CFO Report:

- Mr. Hamblin reported the following information:
 - Affordable Care Act is now becoming American Health Care Act and is still unknown.
 - Payor agreements – information has been provided, summary format, there are a few negotiations on some of the contracts.
- The committee would like clarification on what Andy Working does for the District; the committee feels this is still unknown. The committee requested a trend report provided at the June Finance Committee Meeting.

Board Member Robbins motioned to approve the February 2017 Finance Report and the CFO Report as presented. Second by Board Member Willey to approve the February 2017 Finance Report and the CFO Report as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

9. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting at 2:27 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey adjourned the meeting.

- Board Member Willey- yes
- Board Member Robbins- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big BearLake, Ca. 92315
May 30, 2017**

MEMBERS Barbara Willey, Treasurer
PRESENT: Rob Robbins, 1st Vice President
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Admin. Asst.

STAFF: Kerri Jex
Mary Norman

**COMMUNITY
MEMBERS:** None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 10:00 a.m.

2. ROLL CALL:

Barbara Willey and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Administrative Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the May 30, 2017 agenda as presented. Second by Board Member Willey to adopt the May 30, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

4. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 10:00 a.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 10:00 a.m.

5. DIRECTORS COMMENTS:

- None

6. APPROVAL OF MINUTES:

- None

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

A. Presentation and Discussion of the Fiscal Year 2017/2018 Budget Development:

- Mr. Hamblin reported that part of the process of creating the budget was meeting with managers, using historical data and trends.
 - Specific need:
 - Last year's budget was negative margin.
 - Current year will have a positive margin.
 - Historical information was hard to obtain at the FHC, RHC and Dental Services.
 - SNF budget is 17 to 18 due to how rooms are assigned for the residents. even though the census has been 21 the current year.
 - PT has increase in visits; we have seen significant growth.
 - Swing days are budgeted at 525.
 - Small growth in FHC and increase in Dental Services.
 - 6% price increase added.
 - Bad debit budget has increased; budgeting \$1.9 million for 17/18.
 - Healthcare Reform is unknown at this time and not sure of impact if it changes.
 - Charity Care Program is continuing.
 - Salary increase is due to 3% increase and adding additional staff.
 - Rental line item will decrease once the new CT Machine is installed.
 - Employee benefits are continuing to be worked on; current contracts will be looked at so employees may go to the clinic.
 - Dues & Subscriptions are for AHA, ACHD, and other associations.
 - Summary of FTE are provided; increase for 6 FTE's.
 - FTE data clinical analysis and data collection is added.
 - Moving several employees around to various departments.
 - Over 200 employees District wide.
 - Surgical staff increase will be able to cover the OR at least once a week.
 - Physician fees increase for PRIME Project. Added PRIME funding and required to fully account for expense.
 - HR Department is requesting additional clerical support so that the HR Manager can focus on management duties.

Board Member Willey reported no action required

B. Presentation and Discussion on the Fiscal Year 2017/2018 Capital Budget Development:

- Mr. Hamblin reported the following information:
 - ER Capital Budget is minimal cost due to the possibility of new facility or upgrade for the 2030 requirements.
 - ER needs to be a main focus and will need to remember that the facility is old and requires some work.
 - Medical Screens are still being looked into.

Board Member Willey reported no action required

9. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting at 10:50 a.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes



FY 2018 Budget (July 1, 2017 through June 30, 2018)

Process - Heads of each Department received budget worksheets containing historical information - statistics, staffing, revenue, and expenses. The worksheets also included information for the first 7 months of the current fiscal year with a projection through the end of the current fiscal year. Managers reviewed these updating for FY 2018 budget request and submitted to the Accounting staff. After input into the budget model, the CFO and Controller met with each department head to review and discuss their budget proposal. This included a review of Capital requests, Statistics (including discussion of any changes seen or projected - which drives revenue projections), detailed review of FTE (Full Time Equivalent employees) by individual and position, and review of Expenses by account code.

Overall Summary -

Margins –

Operating Margin is Total Operating Revenue (net of revenue deductions) less Total Expenses over Total Patient Revenue.

Total Margin is “Surplus” (Net Income) over Total Patient Revenue

The budget presented here shows an Operating Margin of 0.3% (last year’s budget had a negative operating margin), and a 5.8% Net Margin (surplus of \$2,939,870 over Total Patient Revenue of \$50,823,696).

Historical Net Margins have been -

	ACTUAL FY 6/30/15	ACTUAL FY 6/30/16	YTD January-17	Budget FY 2018
Operating Margin	-1.8%	0.4%	2.2%	0.3%
Total Margin	4.2%	6.2%	7.8%	5.8%

We propose that \$1 million of the budgeted surplus be placed in a restricted fund for planning efforts to meet future facility needs - seismic upgrades, facility upgrades, expansion, or replacement, and etc.

Overall budget P & L for the budget year with Prior and Current year comparisons is below

Draft 4

BEAR VALLEY COMMUNITY HOSPITAL
FY 6/30/18 BUDGET

	ACTUAL FY 6/30/16	ACTUAL YTD 1/31/17	ESTIMATE FY 6/30/17	BUDGET FY 6/30/18	VARIANCE FROM CURR EST	PERCENT CHANGE
GROSS PATIENT REVENUE						
INPATIENT REVENUE	2,440,412	1,607,062	2,754,963	3,002,287	247,324	9.0%
OUTPATIENT REVENUE	43,363,327	24,770,950	42,464,486	44,876,845	2,412,359	5.7%
LONG TERM CARE	2,335,227	1,682,233	2,883,828	2,944,564	60,736	2.1%
TOTAL PATIENT REVENUE	48,138,966	28,060,245	48,103,277	50,823,696	2,720,419	5.7%
REVENUE DEDUCTIONS						
CONTR. ADJ.-CURR.	26,589,251	13,841,412	23,728,135	25,231,100	1,502,965	6.3%
PROV.FOR BAD DEBTS	762,369	1,061,408	1,819,557	1,978,271	158,714	8.7%
TOTAL REVENUE DEDUCTIONS	27,351,620	14,902,820	25,547,691	27,209,371	1,661,680	6.5%
NET PATIENT REVENUE	20,787,346	13,157,425	22,555,586	23,614,325	1,058,739	4.7%
OTHER OPERATING INCOME	289,063	91,257	156,441	145,327	(11,114)	-7.1%
NET OPERATING REVENUE	21,076,409	13,248,682	22,712,026	23,759,652	1,047,626	4.6%
OPERATING EXPENSES						
SALARY & WAGES	8,754,496	5,339,659	9,153,701	9,721,266	567,565	6.2%
EMPLOYEE BENEFITS	3,119,456	2,009,494	3,444,847	3,914,294	469,447	13.6%
PROFESSIONAL FEES	1,610,759	1,023,630	1,754,794	1,908,002	153,208	8.7%
SUPPLIES	1,498,596	855,790	1,467,069	1,499,163	32,094	2.2%
UTILITIES	532,448	310,905	532,980	527,797	(5,183)	-1.0%
REPAIR	214,492	149,843	256,874	271,296	14,423	5.6%
PURCHASED SERVICES	3,227,754	1,897,590	3,253,011	3,583,588	330,577	10.2%
INSURANCE	266,904	175,283	300,485	310,999	10,514	3.5%
DEPRECIATION & AMORT	845,561	329,906	565,553	900,000	334,447	59.1%
RENTAL EXPENSE	241,127	127,384	218,373	195,525	(22,848)	-10.5%
INTEREST	47,079	55,304	94,807	93,000	(1,807)	-1.9%
DUES & SUBSC	55,034	30,591	52,442	60,543	8,101	15.4%
OTHER EXPENSE	447,252	313,071	536,693	631,942	95,249	17.7%
TOTAL OPERATING EXPENSE	20,860,958	12,618,450	21,631,629	23,617,416	1,985,787	9.2%
INCOME (LOSS) FROM OPERATIONS	215,451	630,232	1,080,398	142,236	(938,162)	86.8%
NON-OPERATING INCOME						
TAX REVENUE	2,234,639	1,329,419	2,279,004	2,232,569	(46,435)	-2.0%
OTHER NON-OPERATING	537,296	226,004	387,435	565,065	177,629	45.8%
NET NON-OPERATING	2,771,935	1,555,423	2,666,439	2,797,634	131,194	4.9%
NET INCOME (LOSS)	2,987,386	2,185,655	3,746,837	2,939,870	(806,968)	21.5%
Operating Margin	0.4%	2.2%	2.2%	0.3%		
Total Margin	6.2%	7.8%	7.8%	5.8%		

Statistics

The following is a comparison of key statistics used in the budget and some historical information. We have not budgeted big increases in any of these statistics for the budget year and in some cases are budgeting decreases.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Projected	Budget
Acute	459	444	652	880	951	951
IP Days	459	444	398	468	428	426
Swing Days			254	412	523	525
			61.0%	53.2%	45.0%	44.8%
SNF Days	7,074	6,600	5,620	5,289	6,380	6,205
Emergency Room	9,672	9,373	10,593	11,184	11,405	11,000
OR	290	270	233	105	68	240
Lab	59,512	61,188	73,339	78,916	70,041	70,041
EKG	2,558	2,701	3,473	3,655	3,097	3,097
Radiology	10,195	9,947	11,105	11,013	10,091	9,600
Ultrasound	1,734	1,883	1,967	2,366	2,409	2,409
CT	2,894	3,045	3,362	3,575	3,076	3,076
Pharmacy	41,816	39,320	47,850	60,181	59,714	59,714
RT	1,542	2,037	2,084	1,684	1,244	1,244
PT	8,016	12,086	14,245	13,406	20,554	19,200
FHC / RHC	8,699	12,730	17,420	17,939	17,656	18,000
RHC (incl Dental)	6,006	4,463	1,131		2,544	3,960
combined clinics	14,705	17,193	18,551	17,939	20,200	21,960

We have seen an increase in average daily census on the Skilled Nursing Facility from 14.5 in fiscal year 2016 to a projected 17.5 in fiscal year 2017. We are budgeted an average daily census of 17.0 for fiscal year 2018.

In fiscal year 2017 we have seen an over 50% growth in PT, Physical Therapy, visits.

Statistics for the RHC (including dental) are budgeted projecting a full year of activity at that location.

FTE / Salaries and Wages

Salaries, Wages, and Benefits make up 57.7% of Total Operating Expenses. This is in line with previous years - the current fiscal year salaries wages and benefits are 58.2% of total operating expenses. For fiscal year 2016 salaries wages and benefits were 56.9% of total operating expenses.

For the current fiscal year, FTE are running below the budget by 2.6. The table below summarizes FTE by Department for the FY 2018 budget. The budget is for a total of 170.0 FTE, an increase of 6 FTE over the FY 2017 budget.

	Dept	FY 2015	FY 2016	FY 2017 YTD	22 May revised FY 2018 Budget	FY 2017 Budget	difference FY 17 & 18 Budgets
Acute	006170	5.6	6.1	6.1	8.30	8.3	0.00
SNF	006582	22.0	21.0	21.7	21.20	21.2	0.00
ER	007010	18.0	20.0	20.0	21.30	21.8	0.50
Risk / Compl	008754			0.3	1.00	1.0	0.00
RHC	007181	1.2	-	0.3	2.25	-	(2.25)
OR	007420	1.4	1.2	1.3	2.10	1.0	(1.10)
DISASTER	008490	0.4	0.5	0.5	0.20	0.2	0.00
LAB	007500	8.3	8.6	8.4	8.90	8.9	0.00
XRAY	007630	8.2	7.2	6.4	7.40	6.9	(0.50)
US	007670	-	1.2	1.1	1.00	1.0	0.00
PHARM	007710	1.0	1.2	1.3	1.20	1.0	(0.20)
RT	007720	2.7	3.1	2.7	2.30	2.3	0.00
PT	007770	4.6	4.8	5.5	6.18	4.9	(1.28)
DIETARY	008340	8.6	8.6	8.8	8.70	8.7	0.00
PURCH	008400	1.0	1.5	1.8	1.40	1.4	0.00
HSKPG	008440	8.3	8.3	9.5	9.45	9.2	(0.25)
PLANT	008460	2.7	2.8	3.2	3.00	3.0	0.00
IS	008480	3.2	2.5	3.2	4.00	3.5	(0.50)
ACCTG	008510	3.2	2.8	3.0	3.00	3.0	0.00
PT.ACCTG	008530	4.9	2.8	3.1	4.00	3.0	(1.00)
ADMTG	008560	9.5	10.2	10.6	9.80	9.8	0.00
ADMIN	008610	2.2	1.4	1.5	1.70	1.5	(0.20)
DISTRICT	008620		-				0.00
HR	008650	1.9	1.9	2.1	3.10	2.0	(1.10)
HIM	008700	5.6	6.1	6.7	6.30	6.3	0.00
MD.STAFF	008710	1.0	0.8	1.0	0.80	0.8	0.00
N.ADMN	008720	3.5	3.2	3.4	3.40	3.8	0.40
FHC	008760	20.5	24.9	22.8	19.43	25.8	6.38
MOMS	008770	4.9	4.1	4.2	5.38	3.7	(1.68)
PRIME				0.9	3.25		(3.25)
		154.4	156.9	161.4	170.0	164.00	(6.03)

Here is additional information about the FTE budget.

Transfers of FTEs from one department to another - The budget reflects some transfers of FTE from one department to another (no net change in total FTE). These transfers reduce the budgeted FTE in the FHC (Family Health Center) and transfer to departments as follows - 2.25 FTE to the RHC (Rural Health Center), 3.25 FTE to the PRIME Project, and one FTE to the patient financial services department for a staff person who works on insurance eligibility, Medi-Cal and Medicare eligibility and etc. for all of our patients not just clinic or FHC patients.

transfer of FTE	
from FHC	6.38
to RHC	(2.25)
to PRIME	(3.25)
to Pt Acctg	(1.00)

There is also a transfer of half of an FTE from emergency room to the Information Technology department. The .5 FTE from ER was for data collection and data analysis. This .5 FTE is added to the .5 FTE already in IT for Clinical System. Transferring this FTE to the Information Technology department creates one full-time equivalent in IT for clinical information systems and data collection and analysis.

The fiscal year 2018 budget reflects an increase of six FTEs over the fiscal year 2017 budget. These increases are as follows:

Operating Room - 1.10 additional FTE. This will provide the staff needed to make sure we have our operating room available for surgeries one day per week. We will continue to evaluate opportunities and feasibility of expanding our ability to perform outpatient surgeries.

X-ray (Radiology) - .50 additional FTE. The proposal is to hire one full-time CT tech who is trained and specializes in the studies available with our new CT scanner. It becomes .5 FTE for the full year anticipating the retirement of one radiology staff member in December 2017.

Pharmacy- .20 additional FTE. Upon the arrival of our new pharmacists the decision was made to cover for vacations, meetings and conferences, and some call by hiring per diem pharmacists rather than contracting for this coverage. Making this change to the budgeted FTEs reflects current practice. The budget also reflects a corresponding reduction in contract staff expense.

Physical Therapy - 1.28 additional FTE. During fiscal year 2017 we have seen an over 50% increase in procedures done in our physical therapy department. Addition of the laser during this fiscal year has contributed to this growth in volume. In order to accommodate this increased workload, we need to budget for appropriate staff to provide the service.

EVS (Housekeeping) - .25 additional FTE. With the reopening of the RHC for dental and medical services, this is additional hours for staff needed to provide cleaning for the facility.

Administration - .20 additional FTE. This provides additional hours for marketing efforts.

Human resources - 1.10 additional FTE. HR provided the information below by way of explanation for the request for an additional FTE.

Additional FTE Proposal for HR

HR Department	HR Current: 2 employees (HR Director, HR Specialist)
Propose to add	Employee/Labor Relations Specialist: Pay: approx. \$25-30 per hour Job Duties: <ul style="list-style-type: none"> • Union Negotiations • Labor relations • Provide advice to management regarding corrective issues • Disciplinary investigations • Investigates internal complaints/presents recommendations • Responds to EEOC complaints • Employee Wellness • And more...
Savings	Reduce use of outside legal counsel
Would allow HR Director to focus on other things	Frees up time for HR Director to: <ul style="list-style-type: none"> • Set and enforce HR policies and procedures • Recruiting • Compensation analyst • HRIS function • Analyze employee benefit package • Employee Safety • Leave administration • Management training • Employee engagement • Staff annual reviews • Staff surveys • Culture • Budget • Orientation/Reorientation • Prepares handbooks/manuals • Oversee Labor and HR Specialists • And more...

MOMs (Mom and Dad project) - 1.68 additional FTE (all grant funded).

The Mom & Dad Project is requesting an additional FTE based on additional grant funds that have been received from First 5 San Bernardino and California Department of Health Care Services. In October of 2016, we were approached by First 5 San Bernardino and First 5 Riverside about becoming a part of a local pilot program relating to oral health in rural communities. Out of this conversation we were able to join the Local Dental Pilot Project – Inland Empire (LDPP-IE) and write a collaborative grant that resulted in 13.5 million dollars being awarded to 12 agencies in San Bernardino and Riverside Counties. The grant funds allow The Mom & Dad Project to hire an additional FTE as an Oral Health Patient Navigator for 3 ½ years.

Additionally grant funding pays for .50 FTE for housekeeper and will pay .2 FTE for staff collection data related to the Dental programs we have going.

Budget needs to reflect all of these changes at MOMs.

Major changes in P & L

Total Patient Revenue budget reflects changes in statistics and a budgeted 6% rate increase.

Total Revenue Deductions as a % of Total Patient Revenue are budgeted at 53.5%. During the current year we are seeing a revenue deduction percentage of 53.1%.

Total Operating Expense increases by 9.2% or \$1,985,787 over the current year projection. Many of the increases are normal inflationary increases. Below is more detail about some of the larger increases –

- **Salaries, Wages, and Benefits** total increased by over \$1 million with the addition of FTEs to the budget and an estimate of an “across the board” increase.
- **Professional / Physician Fees** increased with the inclusion of \$90,000 in physician fees for the PRIME Project and increased costs for Hospitalist coverage.
- **Purchased Services** increases with the addition of over \$350,000 in fees for the Center for Oral Health for services at the dental clinic
- **Depreciation and Amortization** increases by over \$330,000 reflecting depreciation expense for the remodel of the mammography and CT spaces and a full year of depreciation for the mammography and CT equipment.
- **“Other Expense” includes the following:**
 - Minor Equipment of \$169,011
 - Taxes and Licenses of \$55,590
 - Outside Training of \$73,561
 - Travel of \$80,680
 - Postage of \$10,900
 - Telephone of \$47,791

We have included funds for employee appreciation (Christmas party, Hospital Week, Thanksgiving gift certificates and the like), employee health, and employee wellness.

Tax Revenue is budgeted at the same amount as the current year.

Capital Budget / Plan FY 2016 through FY 2019

Our capital budget/capital plan for fiscal year 2016 through 2019 totals just over 3,484,000. More than half of that amount is for two projects - construction and replacement of the CT scanner and construction and upgrade to digital mammography.

The budget reflects more accurately the construction/remodel costs for the CT and Mammo projects.

A major project estimated to cost \$250,000 is in the emergency department - making the bathroom handicap accessible, and replacing the flooring and countertops throughout the ED.

We have a number of projects budgeted for maintenance and facilities continuing to replace aging equipment and repairing and maintaining our aging building.

Information technology projects include an important upgrade to our information systems in preparation for meeting the requirements of Meaningful Use 3, continuing to make sure our software licensing is current and in compliance. Also plan to replace aging desktop computers.

Laboratory has requested funds to replace hematology analyzer and microbiology analyzer.

Operating room has included funds to upgrade equipment if efforts to expand surgery service are successful.

Bear Valley Community Hospital

Capital Budget / Capital Plan FY 2016, 2017, 2018 & 2019

Dept No.	Department	CER	Request Description	FY 2016	FY 2017	FY 2018	FY 2019	Total Budget
050	Radiology		Radiology system server	41,400.00				41,400.00
050	Radiology		Contrast injector for CT Scanner	25,000.00				25,000.00
050	Radiology	1601	CT Scanner OSHPD permit & constr.	30,000.00	270,000.00	279,000.00		579,000.00
050	Radiology	1601	CT Scanner		548,000.00			548,000.00
050	Radiology		(2) 5mp medical grade Monitors		20,000.00			20,000.00
050	Radiology	1603	Digital Mammography Unit		200,000.00	340,900.00		540,900.00
050	Radiology	1603	Construction Costs Mammo Unit		25,000.00	92,000.00		117,000.00
050	Radiology		DR plate			32,055.62		32,055.62
050'	Radiology		High Level Ultrasound probe disinfecter			9,253.00		9,253.00
			Total for Radiology:	96,400.00	1,063,000.00	753,208.62	-	1,912,608.62
055	Ultrasound		Nanosonics Trophon EPR			12,053.00		12,053.00
			Total for Laboratory:	-	0.00	12,053.00	-	12,053.00
125	Info Technology		Prox card security doors	6,000.00				6,000.00
125	Info Technology		Enviro monitoring IT areas	9,000.00				9,000.00
125	Info Technology	1701	ShoreTel Telephone System		116,800.00			116,800.00
125	Info Technology	1706	35 Dell 22" monitors		6,200.00			6,200.00
125	Info Technology	1705	30 Dell Optiplex 3040 Micro Computers		15,000.00			15,000.00
125	Info Technology	a	Fifty Microsoft Office 2016 licenses			12,900.00		12,900.00
125	Info Technology	a	Forty Lenovo M700 Micro computers			32,928.40		32,928.40
126	Info Technology	a	Meaningful Use 3 software & BI reporting			115,000.00		115,000.00
125	Info Technology	a	Microsoft server and connection licenses			9,682.00		9,682.00
125	Info Technology	b	Zingbox network device monitoring system			18,000.00		18,000.00
			Total for IT:	15,000.00	138,000.00	188,510.40	-	341,510.40
115	Plant Maint.	1710	Second Air Conditioner for Server Room	14,000.00				14,000.00
115	Plant Maint.		replace heat coils in HVAC system	12,000.00				12,000.00
115	Plant Maint.		Second Air Conditioner for BBFRC	14,500.00				14,500.00
115	Plant Maint.		Replace #2 hot water heater coil	5,000.00				5,000.00
115	Plant Maint.		Re-insulate steam & chilled water piping	16,800.00				16,800.00
115	Plant Maint.		Volvo skid loader enclosure	10,000.00				10,000.00
115	Plant Maint.	1714	paint Facia		10,000.00			10,000.00
115	Plant Maint.	1709	repair, paint, patch hospital		13,000.00			13,000.00
115	Plant Maint.	1711	Add second Air Conditioner at the Lab		10,000.00			10,000.00
115	Plant Maint.		New Landscaping		15,000.00			15,000.00
115	Plant Maint.		Firewall Repairs		11,000.00			11,000.00
115	Plant Maint.	c	Recondition parking lot Hosp/FHC			24,000.00		24,000.00
115	Plant Maint.	a	replace medical air compressor			38,000.00		38,000.00
115	Plant Maint.	c	repaint exterior RHC			4,800.00		4,800.00
115	Plant Maint.	a	replace failing control air compressor-heat			7,000.00		7,000.00
115	Plant Maint.	c	remodel staff bathroom near mammo			5,500.00		5,500.00
115	Plant Maint.	a	device that supplies nitrogen to fire sprinklers			27,000.00		27,000.00
115	Plant Maint.	a	replace old fire risor - recent qtrly inspection			11,000.00		11,000.00
115	Plant Maint.	b	install two tvs in every SNF room			25,000.00		25,000.00
115	Plant Maint.	a	replace motor & calibration of boiler			10,486.00		10,486.00
115	Plant Maint.	b	to allow us to run boilers for hot water & air			11,220.00		11,220.00
115	Plant Maint.	b	energy efficient under eve lights			5,500.00		5,500.00
115	Plant Maint.	c	paint interior of PT building			5,700.00		5,700.00
115	Plant Maint.	c	paint exterior of PT building			13,500.00		13,500.00
115	Plant Maint.	a	replace water softners for boilers			20,000.00		20,000.00
115	Plant Maint.	a	replace skid steer - enclosed cab			13,000.00		13,000.00
			Total for Plant Maintenance:	72,300.00	59,000.00	221,706.00	-	353,006.00
070	Respiratory Therapy		Replace Cabinets			6,000.00		6,000.00
070	Respiratory Therapy		Replass Blood Gas analyzer			24,000.00		24,000.00
			Total for Respiratory Therapy:	-	0.00	30,000.00	-	30,000.00

010	Emergency Room		Gurneys, Cots, Stretchers	61,900.00			61,900.00	
010	Emergency Room		Privacy Screens		30,000.00		30,000.00	
010	Emergency Room	1626	Electronic Health Record & Training/Implem		150,000.00		150,000.00	
010	Emergency Room		Bathroom/Flooring/countertops Remodel		150,000.00	100,000.00	250,000.00	
010	Emergency Room	a	Security Door EMS entrance			15,000.00	15,000.00	
010	Emergency Room	a	Heat curtain for waiting room			10,000.00	10,000.00	
010	Emergency Room	b	Medical Grade tablets with docking stations			10,775.00	10,775.00	
Total for Emergency Room:				61,900.00	330,000.00	135,775.00	-	527,675.00
130	Disaster		Replace expired hazmat equipment			33,500.00	33,500.00	
130	Disaster		2 backup disaster vents for nursing use			7,500.00	7,500.00	
Total for Disaster:				-	0.00	41,000.00	-	41,000.00
015	FHC		Telehealth Cart with camera			18,888.91	18,888.91	
Total for FHC:				-	0.00	18,888.91	-	18,888.91
040	Laboratory		Blood Culture Analyzer		17,000.00		17,000.00	
040	Laboratory	b	Hematology analyzer for CBCs			75,000.00	75,000.00	
040	Laboratory	a	Microbiology analyzer for cultures			54,000.00	54,000.00	
Total for Laboratory:				-	17,000.00	129,000.00	-	146,000.00
080	Dietary		Small Equipment	6,100.00			6,100.00	
Total for Dietary:				6,100.00	0.00	-	-	6,100.00
001	Med-Surg		Medication Scanning System			10,200.00	10,200.00	
Total for Med-Surg:				-	0.00	10,200.00	-	10,200.00
025	Surgery		Upgrade equipment			40,000.00	40,000.00	
025	Surgery		Knee Scope (Arthrex)			15,000.00	15,000.00	
Total for Surgery:				-	0.00	55,000.00	-	55,000.00
005	SNF		Bariatric Bed			15,000.00	15,000.00	
005	SNF		LIKO 660 Lift			15,000.00	15,000.00	
Total for SNF:				-	0.00	30,000.00	-	30,000.00
Total for hospital:				251,700.00	1,607,000.00	1,625,342	-	3,484,041.93

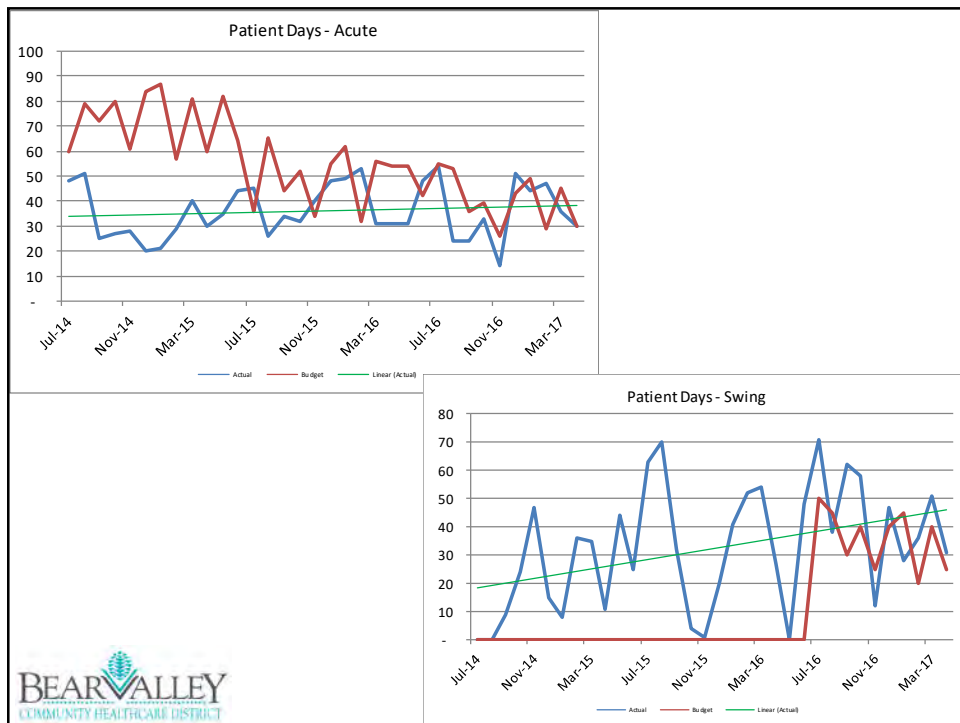
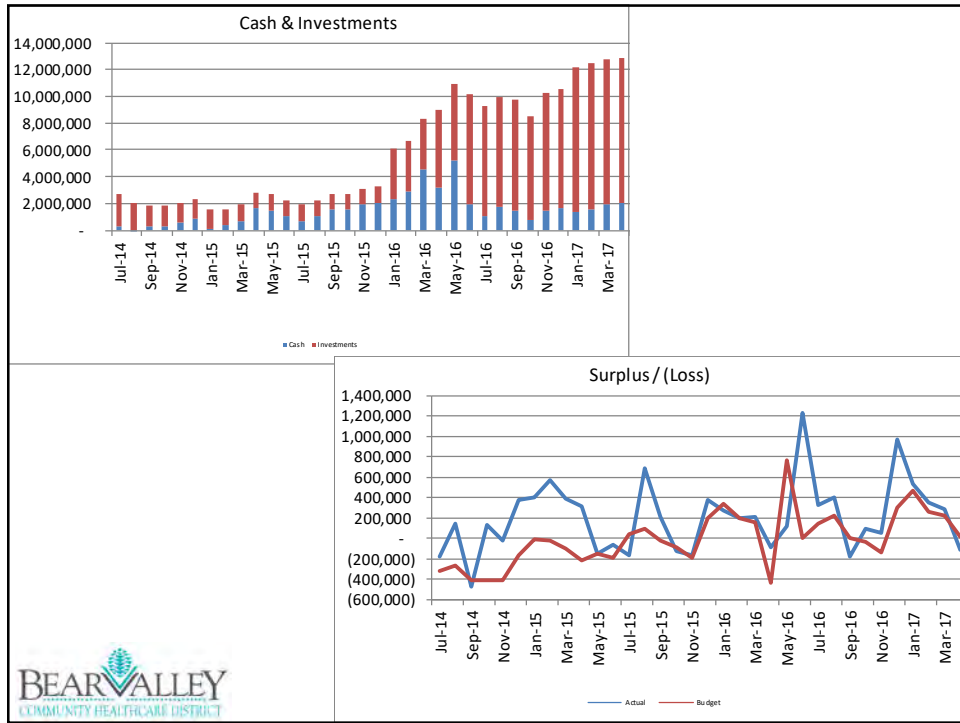


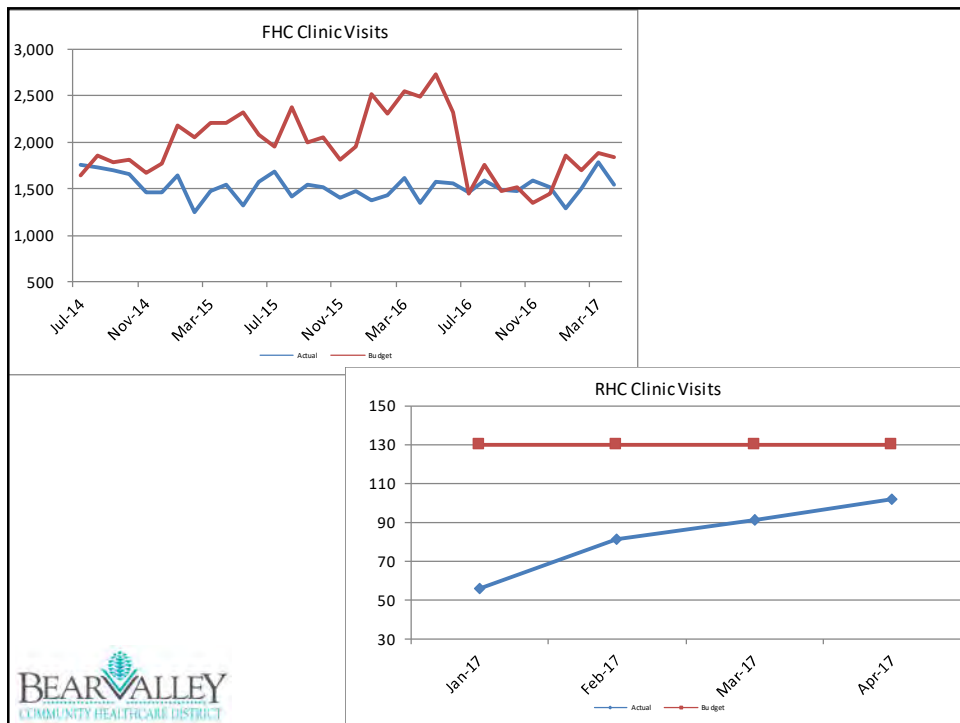
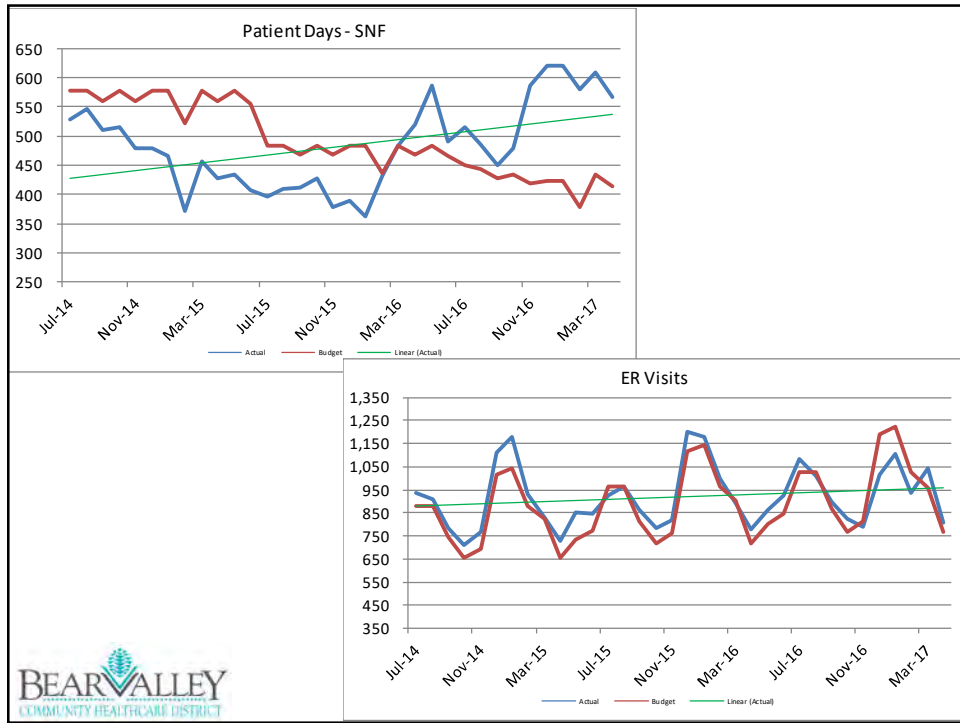
Finance Report
April 2017 Results

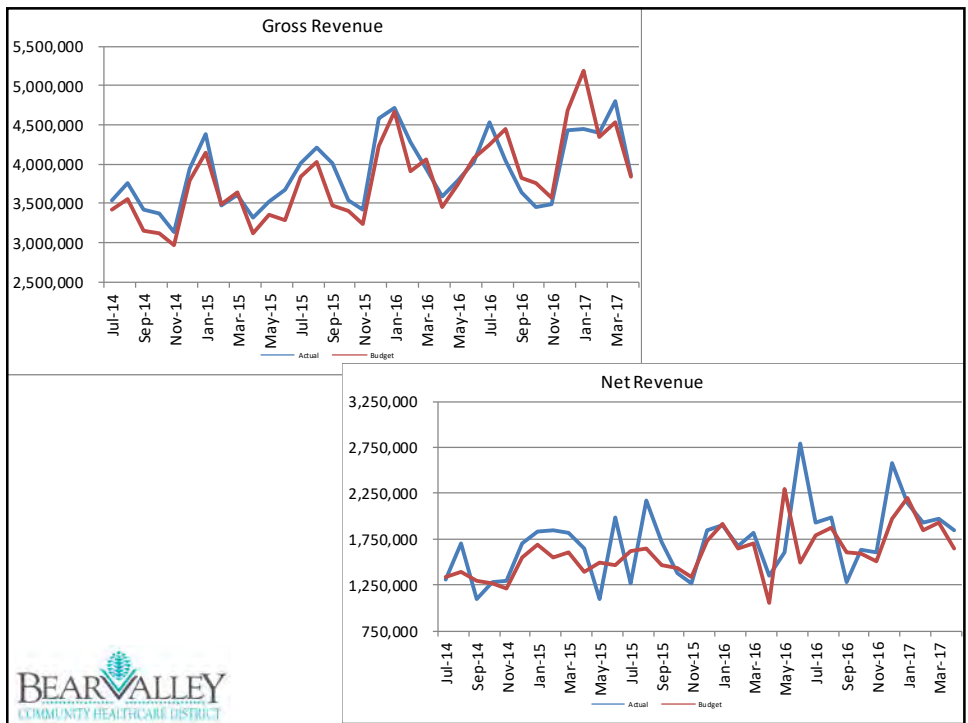
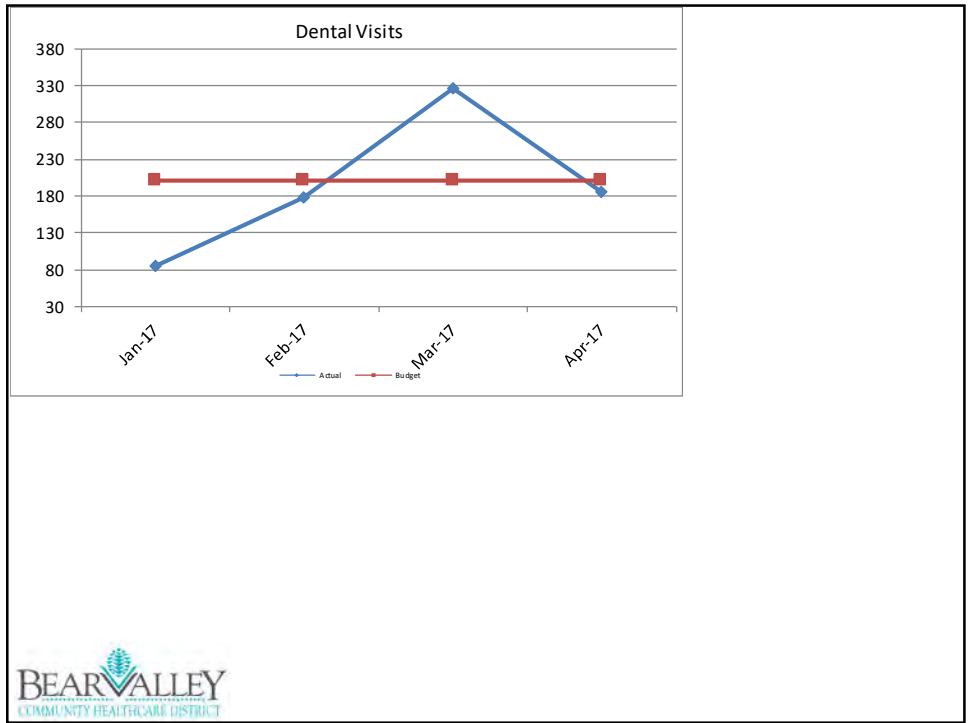
Summary for April 2017

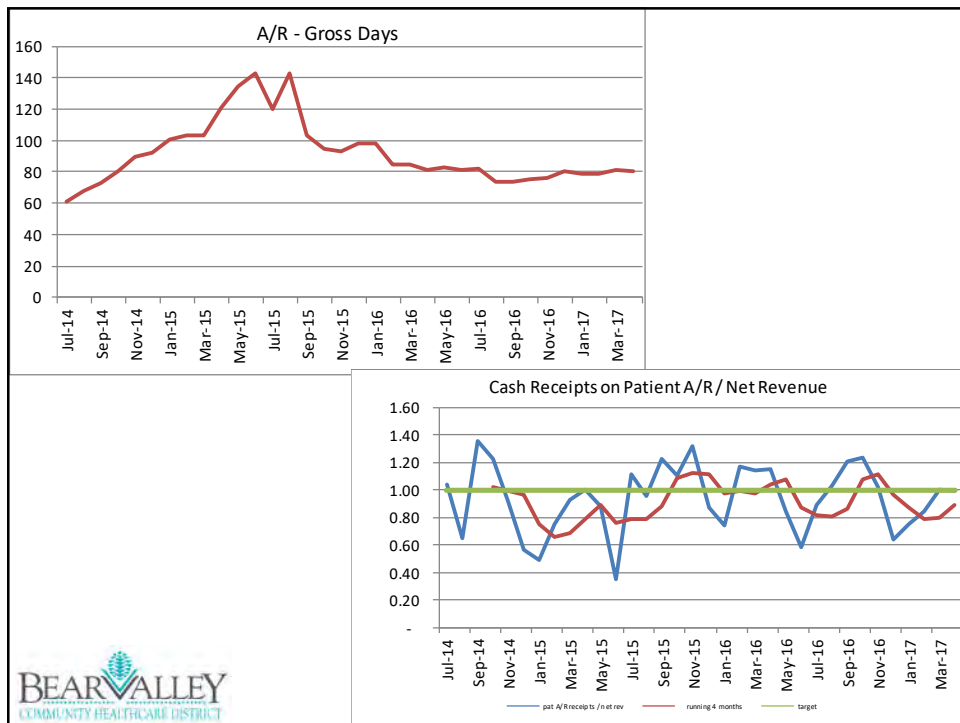
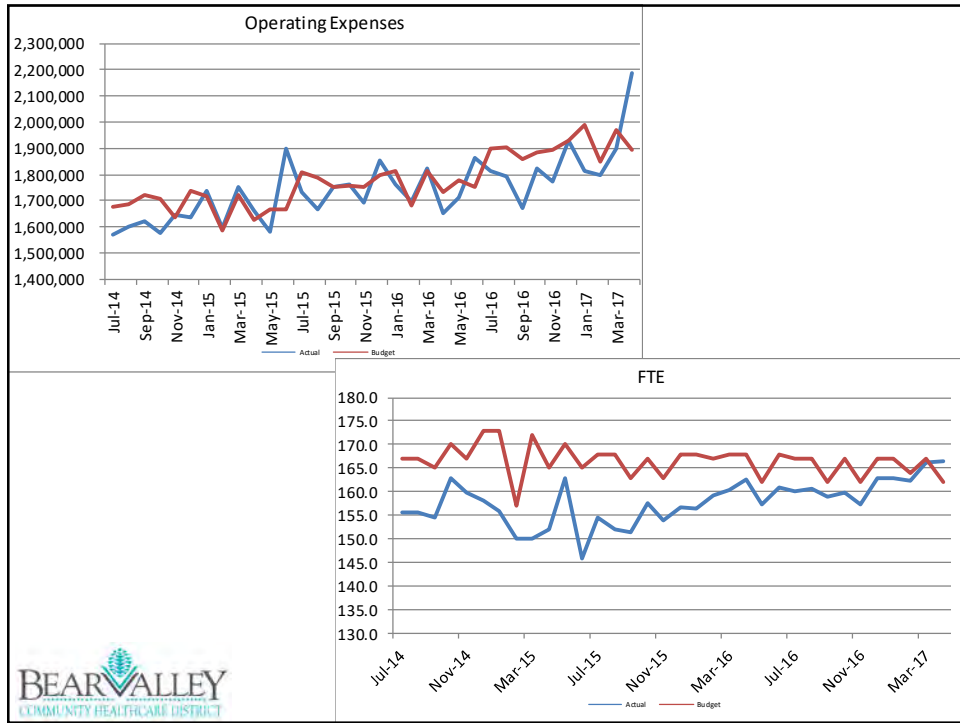
- Cash on Hand - \$2,055,415
- Investments - \$10,852,271
- Days of Cash, including investments with LAIF – 218
- Loss of \$120,559 for the month. We had budgeted a Surplus of \$9,438
- Total Patient Revenue over Budget by 0.3% for the month
- Net Revenue was 12.2% more than budget.
- Total Expenses 15.5% higher than budget
- Year-to-date surplus of \$2,706,163 is \$1,254,667 over budget













April 2017 Financial Results

For the month . . .

Total Patient Revenue of \$3,857,008 over budget by 0.3%. Inpatient, Clinic, and SNF revenue were over budget. Outpatient and Emergency Room revenue were under budget.

Deductions from Revenue of \$2,008,652 were under budget by 8.7%.

Total operating Revenue (Revenue less revenue deductions) of \$1,856,060 was over budget by 12.2%.

Total Operating Expenses of \$2,186,951 was over budget by 15.5%. Much of this variance was a payment in settlement of pending litigation.

Our loss for the month of April was \$120,559. We had budgeted a surplus for the month of \$9438.

Our Operating Cash and Investments total \$12,907,686. Total Days Cash on hand - 218.

Key Statistics

Inpatient days were 34 in April, right at the budgeted number.

We had 31 Swing Patient Days in April (compared to budget of 25).

SNF days totaled 567 in April, an Average Daily Census of 18.9.

Emergency Room visits of 808 for the month were 5.6% over budget.

RHC and Dental Clinic visits 102 and 185 respectively. The dental clinic has experienced some transitions in providers

Year-to-date

Total operating revenue is 5.5% over budget.

Total expenses are 3.0% under budget.

Our surplus of \$2,706,163 is \$1,254,667 over budget.

Bear Valley Community Healthcare District
Financial Statements April 30, 2017

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

	A	B		C	D	E	F	G		H	I	J
	FY 15/16	Current Month				Year-to-Date						
		Actual	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE		
	Actual		Budget	Amount	%	Actual		Budget	Amount	%		
1 Total patient revenue	3,590,002	3,857,008	3,846,836	10,172	0.3%	40,319,088	41,123,635	42,463,158	(1,339,523)	-3.2%		
2 Total revenue deductions	2,246,420	2,008,652	2,200,195	(191,543)	-8.7%	23,951,242	22,226,473	24,510,634	(2,284,161)	-9.3%		
3 % Deductions	63%	52%	57%			59%	54%	58%				
4 Net Patient Revenue	1,343,582	1,848,356	1,646,641	201,715	12.3%	16,367,846	18,897,162	17,952,524	944,638	5.3%		
5 % Net to Gross	37%	48%	43%			41%	46%	42%				
6 Other Revenue	3,450	7,704	7,233	471	6.5%	197,956	116,701	73,293	43,408	59.2%		
7 Total Operating Revenue	1,347,032	1,856,060	1,653,874	202,186	12.2%	16,565,802	19,013,863	18,025,817	988,046	5.5%		
8 Total Expenses	1,649,175	2,186,951	1,893,591	293,360	15.5%	17,388,954	18,501,917	19,065,871	(563,954)	-3.0%		
9 % Expenses	46%	57%	49%			43%	45%	45%				
10 Surplus (Loss) from Operations	(302,143)	(330,891)	(239,717)	(91,174)	-38.0%	(823,152)	511,946	(1,040,054)	1,552,000	149.2%		
11 % Operating margin	-8%	-9%	-6%			-2%	1%	-2%				
12 Total Non-operating	207,850	210,332	249,155	(38,823)	-15.6%	2,212,732	2,194,217	2,491,550	(297,333)	-11.9%		
13 Surplus/(Loss)	(94,293)	(120,559)	9,438	(129,997)	1377.4%	1,389,580	2,706,163	1,451,496	1,254,667	-86.4%		
14 % Total margin	-3%	-3%	0%			3%	7%	3%				

BALANCE SHEET

	A	B	C	D	E
	April	April	March	VARIANCE	
	FY 15/16	FY 16/17	FY 16/17	Amount	%
15 Gross Accounts Receivables	10,650,824	11,783,203	12,226,573	(443,370)	-3.6%
16 Net Accounts Receivables	3,850,360	4,436,270	4,438,087	(1,817)	0.0%
17 % Net AR to Gross AR	36%	38%	36%		
18 Days Gross AR	81	80	81	(1)	-0.6%
19 Cash Collections	1,594,540	1,826,794	1,972,863	(146,069)	-7.4%
21 Investments	5,770,859	10,852,271	10,852,271	-	0.0%
22 Cash on hand	3,231,484	2,055,415	1,907,000	148,415	7.8%
23 Total Cash & Invest	9,002,343	12,907,686	12,759,271	148,415	1.2%
24 Days Cash & Invest	164	218	220	(2)	-1.0%

Bear Valley Community Healthcare District
Financial Statements April 30, 2017

Statement of Operations

	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	170,690	202,673	162,539	40,134	24.7%	2,036,065	2,361,522	1,994,220	367,302	18.4%
2 Outpatient	929,131	820,964	865,669	(44,705)	-5.2%	8,691,960	8,713,987	8,914,456	(200,469)	-2.2%
3 Clinic Revenue	164,135	313,136	290,682	22,454	7.7%	1,845,843	2,116,272	2,291,893	(175,621)	-7.7%
4 Emergency Room	2,096,006	2,263,020	2,339,622	(76,602)	-3.3%	25,888,666	25,459,559	27,354,235	(1,894,676)	-6.9%
5 Skilled Nursing Facility	230,040	257,215	188,324	68,891	36.6%	1,856,554	2,472,295	1,908,354	563,941	29.6%
6 Total patient revenue	3,590,002	3,857,008	3,846,836	10,172	0.3%	40,319,088	41,123,635	42,463,158	(1,339,523)	-3.2%
Revenue Deductions										
7 Contractual Allow	1,670,752	1,605,694	1,872,908	(267,214)	-14.3%	20,308,391	18,533,017	20,864,533	(2,331,516)	-11.2%
8 Contractual Allow PY	-	(2,904)	-	(2,904)	#DIV/0!	17,314	(24,863)	-	(24,863)	#DIV/0!
9 Charity Care	2,554	9,753	6,075	3,678	60.5%	60,361	89,563	67,678	21,885	32.3%
10 Administrative	13,415	5,807	11,011	(5,204)	-47.3%	118,528	75,740	122,664	(46,924)	-38.3%
11 Policy Discount	8,214	10,782	5,695	5,087	89.3%	61,644	67,745	63,447	4,298	6.8%
12 Employee Discount	13,340	3,901	4,556	(655)	-14.4%	58,557	34,894	50,758	(15,864)	-31.3%
13 Bad Debts	(302,591)	255,342	299,950	(44,608)	-14.9%	374,487	1,576,967	3,341,554	(1,764,587)	-52.8%
14 Denials	161,578	120,277	-	120,277	#DIV/0!	2,951,960	1,873,411	-	1,873,411	#DIV/0!
15 Total revenue deductions	2,246,420	2,008,652	2,200,195	(191,543)	-8.7%	23,951,242	22,226,473	24,510,634	(2,284,161)	-9.3%
16 Net Patient Revenue	1,343,582	1,848,356	1,646,641	201,715	12.3%	16,367,846	18,897,162	17,952,524	944,638	5.3%
17 Other Revenue	3,450	7,704	7,233	471	6.5%	197,956	116,701	73,293	43,408	59.2%
18 Total Operating Revenue	1,347,032	1,856,060	1,653,874	202,186	12.2%	16,565,802	19,013,863	18,025,817	988,046	5.5%
Expenses										
19 Salaries	713,830	728,157	778,882	(50,725)	-6.5%	7,299,231	7,633,976	7,816,950	(182,974)	-2.3%
20 Employee Benefits	273,856	357,455	307,544	49,911	16.2%	2,678,176	2,932,814	3,065,046	(132,232)	-4.3%
21 Registry	-	-	-	-	#DIV/0!	-	33,285	-	33,285	#DIV/0!
22 Salaries and Benefits	987,686	1,085,611	1,086,426	(815)	-0.1%	9,977,407	10,600,074	10,881,996	(281,922)	-2.6%
23 Professional fees	114,941	166,886	144,282	22,604	15.7%	1,345,718	1,481,058	1,500,879	(19,821)	-1.3%
24 Supplies	91,688	118,595	130,291	(11,696)	-9.0%	1,260,116	1,207,412	1,359,101	(151,689)	-11.2%
25 Utilities	41,694	49,735	36,964	12,771	34.6%	440,683	447,299	438,856	8,443	1.9%
26 Repairs and Maintenance	10,037	74,634	19,959	54,675	273.9%	200,061	262,517	203,721	58,796	28.9%
27 Purchased Services	249,472	318,783	284,933	33,850	11.9%	2,645,763	2,817,727	2,763,578	54,149	2.0%
28 Insurance	22,101	25,014	23,050	1,964	8.5%	222,703	250,327	230,500	19,827	8.6%
29 Depreciation	69,318	50,869	88,981	(38,112)	-42.8%	689,657	482,514	889,810	(407,296)	-45.8%
30 Rental and Leases	22,761	36,822	24,407	12,415	50.9%	197,980	198,255	244,070	(45,815)	-18.8%
31 Interest	6,400	8,385	6,058	2,327	38.4%	26,738	80,316	60,580	19,736	32.6%
32 Dues and Subscriptions	5,300	7,513	4,405	3,108	70.5%	44,127	48,545	44,050	4,495	10.2%
33 Other Expense.	27,777	244,104	43,835	200,269	456.9%	338,001	625,873	448,730	177,143	39.5%
34 Total Expenses	1,649,175	2,186,951	1,893,591	293,360	15.5%	17,388,954	18,501,917	19,065,871	(563,954)	-3.0%
35 Surplus (Loss) from Operations	(302,143)	(330,891)	(239,717)	(91,174)	-38.0%	(823,152)	511,946	(1,040,054)	1,552,000	149.2%
Non-Operating Income										
37 Tax Revenue	189,917	189,917	189,917	-	0.0%	1,899,170	1,899,170	1,899,170	-	0.0%
38 Other non-operating	17,933	20,415	59,238	(38,823)	-65.5%	313,562	295,047	592,380	(297,333)	-50.2%
39 Total Non-operating	207,850	210,332	249,155	(38,823)	-15.6%	2,212,732	2,194,217	2,491,550	(297,333)	-11.9%
40 Surplus/(Loss)	(94,293)	(120,559)	9,438	(129,997)	1377.4%	1,389,580	2,706,163	1,451,496	1,254,667	-86.4%

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

ASSETS:

Current Assets

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	June
Cash and Cash Equivalents (Includes CD's)	1,022,806	1,713,908	1,450,901	780,383	1,423,623	1,644,932	1,318,907	1,572,427	1,906,999	2,055,415	1,762,127
Gross Patient Accounts Receivable	10,940,803	10,138,110	10,385,931	9,116,978	8,868,052	9,844,751	10,661,301	11,769,030	12,220,540	11,791,934	10,168,787
Less: Reserves for Allowances & Bad Debt	6,971,161	6,501,489	6,911,742	5,814,191	5,754,053	6,362,393	6,650,380	7,354,610	7,781,808	7,355,664	6,719,910
Net Patient Accounts Receivable	3,969,642	3,636,621	3,474,189	3,302,787	3,113,999	3,482,358	4,010,921	4,414,420	4,438,732	4,436,270	3,448,877
Tax Revenue Receivable	2,279,000	2,279,000	2,279,000	2,279,000	2,003,423	1,124,534	967,871	928,821	889,883	121,713	53,966
Other Receivables	170,195	147,986	132,508	1,232,687	135,959	696,259	-833,022	-1,174,171	-1,172,008	-1,101,709	188,294
Inventories	184,409	185,394	185,929	186,076	188,616	193,583	195,600	200,743	205,447	204,246	178,366
Prepaid Expenses	303,372	280,465	278,311	280,124	284,930	273,672	189,227	233,021	240,883	259,145	224,292
Due From Third Party Payers	0		0								
Due From Affiliates/Related Organizations	0		0								
Other Current Assets	0		0								
Total Current Assets	7,929,424	8,243,374	7,800,838	8,061,057	7,150,550	7,415,338	5,849,504	6,175,261	6,509,936	5,975,080	5,855,922

Assets Whose Use is Limited

Investments	8,277,960	8,277,960	8,277,960	7,739,399	8,839,399	8,852,271	10,852,271	10,852,271	10,852,271	10,852,271	8,270,859
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	8,422,335	8,422,335	8,422,335	7,883,774	8,983,774	8,996,646	10,996,646	10,996,646	10,996,646	10,996,646	8,415,234

Property, Plant, and Equipment

Land and Land Improvements	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272
Building and Building Improvements	9,583,080	9,583,080	9,583,080	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,576,893
Equipment	8,877,215	8,886,299	8,969,579	9,125,269	9,314,852	9,333,143	9,364,857	9,413,400	9,426,609	9,426,609	8,736,322
Construction In Progress	185,232	232,969	330,984	401,438	284,340	293,078	303,147	307,392	313,008	393,102	270,564
Capitalized Interest	0										
Gross Property, Plant, and Equipment	19,177,799	19,234,620	19,415,915	19,666,419	19,738,904	19,765,933	19,807,716	19,860,504	19,879,329	19,959,423	19,116,051
Less: Accumulated Depreciation	12,141,144	12,185,470	12,229,795	12,274,120	12,324,989	12,375,857	12,371,997	12,477,595	12,528,464	12,579,333	12,096,820

Net Property, Plant, and Equipment 7,036,655 7,049,150 7,186,120 7,392,299 7,413,915 7,390,076 7,435,719 7,382,909 7,350,865 7,380,090 7,380,090 7,019,231

TOTAL UNRESTRICTED ASSETS 23,388,414 23,714,859 23,409,293 23,337,130 23,548,239 23,802,060 24,281,869 24,554,816 24,857,447 24,351,816 21,290,387

Restricted Assets 0 0 0 0 0 0 0 0 0 0 0 0

TOTAL ASSETS 23,388,414 23,714,859 23,409,293 23,337,130 23,548,239 23,802,060 24,281,869 24,554,816 24,857,447 24,351,816 21,290,387

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	June
LIABILITIES:											
Current Liabilities											
Accounts Payable	638,258	569,686	627,514	551,770	844,011	639,430	689,526	681,356	584,615	756,696	558,790
Notes and Loans Payable	0										
Accrued Payroll	609,687	704,920	708,423	812,617	866,854	587,125	678,241	707,419	784,270	385,057	897,750
Patient Refunds Payable	0										
Due to Third Party Payers (Settlements)	481,076	567,524	568,465	568,465	566,408	565,088	562,741	650,872	875,966	907,943	575,016
Advances From Third Party Payers	0	0	0	0	0						
Current Portion of Def Rev - Txs,	2,073,573	1,875,851	1,678,382	1,480,660	1,283,190	1,131,689	934,151	736,471	538,774	341,236	0
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915											
Other Current Liabilities (Accrued Interest & Accrued Other)	15,510	23,315	30,867	38,672	46,225	7,809	15,430	23,193	30,973	38,594	7,705
Total Current Liabilities	3,853,104	3,776,296	3,648,651	3,487,184	3,641,688	2,966,141	2,915,089	2,834,311	2,849,598	2,464,526	2,074,261
Long Term Debt											
USDA Loan	2,965,000	2,965,000	2,965,000	2,965,000	2,965,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
Leases Payable	0	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,930,000
Other Long Term Liabilities											
Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0
Other	0										
Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	6,818,104	6,741,296	6,613,651	6,452,184	6,606,688	5,896,141	5,845,089	5,764,311	5,779,598	5,394,526	5,004,261
Fund Balance											
Unrestricted Fund Balance	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	13,263,739
Temporarily Restricted Fund Balance	0	0	0	0	0	0	0	0	0	0	0
Equity Transfer from FRHG	0	0	0	0	0	0	0	0	0	0	0
Net Revenue/(Expenses)	319,184	722,437	544,516	633,820	690,425	1,654,793	2,185,654	2,539,379	2,826,723	2,706,164	2,987,387
TOTAL FUND BALANCE	16,570,310	16,973,563	16,795,642	16,884,946	16,941,551	17,905,919	18,436,780	18,790,505	19,077,849	18,957,290	16,251,126
TOTAL LIABILITIES & FUND BALANCE	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	21,255,387

Units of Service
For the period ending: April 30, 2017

30

304

Current Month						Bear Valley Community Hospital	Year-To-Date					
Apr-17		Apr-16	Actual -Budget		Act.-Act.		Apr-17		Apr-16	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
30	30	31	-	0.0%	-3.2%	Med Surg Patient Days	357	405	389	(48)	-11.9%	-8.2%
31	25	63	6	24.0%	-50.8%	Swing Patient Days	434	360	364	74	20.6%	19.2%
567	413	396	154	37.3%	43.2%	SNF Patient Days	5,515	4,243	4,211	1,272	30.0%	31.0%
628	468	490	160	34.2%	28.2%	Total Patient Days	6,306	5,008	4,964	1,298	25.9%	27.0%
10	15	12	(5)	-33.3%	-16.7%	Acute Admissions	139	150	143	(11)	-7.3%	-2.8%
12	15	11	(3)	-20.0%	9.1%	Acute Discharges	146	150	145	(4)	-2.7%	0.7%
2.5	-	2.8	2.5	#DIV/0!	-11.3%	Acute Average Length of Stay	2.4	-	2.7	2.4	#DIV/0!	-8.9%
1.0	1.0	1.0	-	0.0%	-3.2%	Acute Average Daily Census	1.2	1	1.3	(0.2)	-11.9%	-8.2%
19.9	14.6	15.3	5.3	36.5%	30.3%	SNF/Swing Avg Daily Census	19.6	15	15.0	4.4	29.2%	30.0%
20.9	15.6	16.3	5.3	34.2%	28.2%	Total Avg. Daily Census	20.7	16	16.3	4.3	25.9%	27.0%
47%	35%	36%	0	34.2%	28.2%	% Occupancy	46%	37%	36%	0	25.9%	27.0%
8	15	11	(7)	-46.7%	-27.3%	Emergency Room Admitted	122	150	119	(28)	-18.7%	2.5%
800	1,000	765	(200)	-20.0%	4.6%	Emergency Room Discharged	9,387	10,000	9,278	(613)	-6.1%	1.2%
808	765	776	43	5.6%	4.1%	Emergency Room Total	9,509	9,663	9,397	(154)	-1.6%	1.2%
27	26	26	1	5.6%	4.1%	ER visits per calendar day	31	32	31	(1)	-1.6%	1.2%
125%	100%	109%	71%	71.4%	14.6%	% Admits from ER	114%	100%	120%	39%	39.3%	-5.2%
1	-	-	1	0.0%	#DIV/0!	Surgical Procedures I/P	1	-	-	1	0.0%	#DIV/0!
8	11	-	(3)	0.0%	#DIV/0!	Surgical Procedures O/P	67	106	93	(39)	-36.8%	-28.0%
9	11	-	9	0.0%	#DIV/0!	TOTAL Procedures	68	106	93	(25)	-23.6%	-26.9%
822	164	319	658	401.2%	157.7%	Surgical Minutes Total	4,440	1,665	3,999	2,775	166.7%	11.0%

Units of Service
For the period ending: April 30, 2017

Bear Valley Community Hospital												
Current Month						Year-To-Date						
Apr-17		Apr-16	Actual -Budget		Act.-Act.		Apr-17		Apr-16	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
5,650	7,032	6,489	(1,382)	-19.7%	-12.9%	Lab Procedures	60,090	67,293	65,579	(7,203)	-10.7%	-8.4%
747	735	706	12	1.6%	5.8%	X-Ray Procedures	7,962	8,409	8,360	(447)	-5.3%	-4.8%
208	258	243	(50)	-19.4%	-14.4%	C.T. Scan Procedures	2,626	3,056	2,788	(430)	-14.1%	-5.8%
202	194	179	8	4.1%	12.8%	Ultrasound Procedures	2,045	1,853	1,925	192	10.4%	6.2%
-	50	40	(50)	-100.0%	-100.0%	Mammography Procedures	414	500	529	(86)	-17.2%	-21.7%
308	287	324	21	7.3%	-4.9%	EKG Procedures	2,770	2,868	3,076	(98)	-3.4%	-9.9%
177	153	122	24	15.7%	45.1%	Respiratory Procedures	1,284	1,437	1,459	(153)	-10.6%	-12.0%
1,359	1,125	1,290	234	20.8%	5.3%	Physical Therapy Procedures	16,454	10,275	10,712	6,179	60.1%	53.6%
1,642	1,970	1,352	(328)	-16.6%	21.4%	Primary Care Clinic Visits	15,559	16,780	14,818	(1,221)	-7.3%	5.0%
185	200	-	(15)	0.0%	#DIV/0!	Specialty Clinic Visits	773	800	-	(27)	0.0%	#DIV/0!
1,827	2,170	1,352	(343)	-15.8%	35.1%	Clinic	16,332	17,580	14,818	(1,248)	-7.1%	10.2%
70	83	52	(13)	-15.8%	35.1%	Clinic visits per work day	126	135	114	(10)	-7.1%	10.2%
20.7%	0.20	19.60%	0.70%	3.50%	5.61%	% Medicare Revenue	20.22%	0.20	19.79%	0.22%	1.10%	2.17%
44.20%	0.37	41.90%	7.20%	19.46%	5.49%	% Medi-Cal Revenue	38.65%	0.37	34.82%	1.65%	4.46%	11.00%
31.20%	0.38	33.30%	-6.80%	-17.89%	-6.31%	% Insurance Revenue	36.70%	0.38	39.83%	-1.30%	-3.42%	-7.86%
3.90%	0.05	5.20%	-1.10%	-22.00%	-25.00%	% Self-Pay Revenue	4.43%	0.05	5.56%	-0.57%	-11.40%	-20.32%
146.0	145.84	140.7	0.1	0.1%	3.7%	Productive FTE's	143.70	147.77	139.3	(4.1)	-2.8%	3.2%
166.6	162.00	162.6	4.6	2.8%	2.5%	Total FTE's	161.70	163.90	156.5	(2.2)	-1.3%	3.3%



CFO REPORT for

June 5, 2017, Finance Committee and June 14, 2017, Board meetings

Healthcare Reform – Affordable Care Act (American Health Care Act)

Consideration of AHCA has passed to the United States Senate. Recent reports are saying that the Senate intends to start from scratch on healthcare reform.

Ballot Measure F and compliance with requirements

A question came up about the language on Ballot Measure F (parcel tax) and our compliance with any requirements

The ballot language was - "To continue maintaining local access to life-saving emergency medical care at Bear Valley Community Hospital, keep hospital medical technology/equipment up-to-date, and ensure the hospital has enough qualified doctors and nurses, shall Bear Valley Community Healthcare District extend its expiring parcel tax (\$20 for unimproved parcels, \$45 for improved) for 10 years only, with annual independent financial audits, no money for administrators, all funds dedicated to hospital services in Big Bear Valley, and without increasing tax rates."

Questions were about the requirement related to "annual independent audit" (we do have an annual independent audit) and "no money for administrators" (administrative costs are part of our overall expenses).

We asked our auditor, Jerrel Tucker about what he was seeing and his reply was –

"For all the districts we're involved with (16 in CA) the annual financial audit has been recognized to satisfy the "annual independent financial audit" requirement. Have not seen any secondary or separate audits specific to tax dollars received.

The "no money for administrators" wording is not real common, but has been used more often recently to placate voters' concerns that the tax will go to admin salary increases. As long as salaries and wages and

other admin expenses are reasonable and board approved, and there are other identifiable sources of funds for payment (patient revenue, IGT, etc.) that cover them you should be fine.

Deb Tropp commented - I agree with the advice you are getting from the auditor. I would make sure that there is documentation in administrator files of "fair market value" for their salaries....and especially at the time any raise is considered."

We believe we are meeting the requirements and intent of the ballot measure.

Internet / Network Security (WannaCry ransomware attack)

Over a period of about a week we monitored a worldwide cyberattack. The attack began on Friday, 12 May 2017. It started in Europe and within a day was reported to have infected some 230,000 computers in over 150 countries. We participated in daily calls over several days which included representatives of a number of US government agencies and departments. Our IT staff monitored BVCHD systems seeing increased traffic and noting suspicious files. We have just a couple of computers using the Windows XP operating system. We were already in the process of replacing these. No adverse impacts were seen at BVCHD from this attack.