

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

FINANCE COMMITTEE  
Tuesday, December 27, 2022

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

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

Members Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Margaret Kammer (Controller), Annah Karam (CHRO), Ariel Whitley (Executive Assistant), Angela Brady (ED Director), Karan P. Singh, MD (CMO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Call To Order</b>	Susan DiBiasi called the meeting to order at 9:04 am.	
<b>Public Comment</b>	No public present.	
<b>OLD BUSINESS</b>		
<b>Proposed Action - Approve Minutes November 29, 2022, regular meeting</b>	Susan DiBiasi asked for any changes or corrections to the minutes of the November 29, 2022, regular meeting. There were none.	<b>The minutes of the November 29, 2022, regular meeting will stand correct as presented.</b>
<b>NEW BUSINESS</b>		
<b>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – November 2022</b>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited November 2022 finance report as included in the committee packets.</p> <p>The month of November resulted in negative \$1.33M EBIDA compared to budgeted EBIDA loss of \$1.26M. Adjustments and items of note include:</p> <ul style="list-style-type: none"> <li>• Surgery visits again were quite high.</li> <li>• Emergency visits were high at 4,006 (including some record daily visits).</li> <li>• Deductions from Revenues were increased by \$327K for 5 months’ activities related to the true-up of O/P vs. I/P collection ratios and Medicare Sequestration payment</li> </ul>	<b>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Unaudited November 2022 Financial report to the Hospital Board of Directors.</b>

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	<p>reductions.</p> <ul style="list-style-type: none"> <li>• An accrual of \$427K was made to Non-Patient Revenues for HQAF Supplemental Funding.</li> <li>• Total Operating Expenses were \$875K below budget.</li> </ul> <p>It was noted that approval is recommended to the Hospital Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="388 611 1214 724"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly-owned subsidiary of First Foundation Bank and approving certain other actions.</b></p>	<p>Daniel Heckathorne reviewed and explained Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly owned subsidiary of First Foundation Bank and approving certain other actions.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="388 1146 1214 1260"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Rader/Welch), the SGMH Finance Committee voted to recommend approval of Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly owned subsidiary of First Foundation Bank and approving certain other action to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping.</b></p>	<p>The Finance Committee is recommending that SGMH replaces the Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping.</p> <p>A Purchase Order to secure this price is required to be generated before December 30, 2022, and will include the language “Subject to final Board approval”.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 737 1214 852"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Rutledge/Welch), the SGMH Finance Committee voted to recommend approval of the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of the renewal of the 3M Software Coding Agreement.</b></p>	<p>SGMH has been using 3M coding software for many years. This software facilitates the coding needed for each medical chart. The coding is then used for billing purposes and reporting purposes. The current agreement expires on January 6, 2023.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 1278 1214 1394"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Tankersley/Welch), the SGMH Finance Committee voted to recommend approval of the renewal of the 3M Software Coding Agreement to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Future Agenda Items</b></p>	<ul style="list-style-type: none"> <li>Grant from Raul Ruiz’s Office</li> </ul>													
<p><b>Next Meeting</b></p>	<p>The next regular Finance Committee meeting will be held on January 31, 2023.</p>													
<p><b>Adjournment</b></p>	<p>The meeting was adjourned 10:02 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