



Coquille Valley Hospital

COQUILLE VALLEY HOSPITAL DISTRICT COMBINED BUDGET & FINANCE COMMITTEE MEETING MINUTES TUESDAY, JUNE 20th, 2024, at 5:00 PM NORTH/SOUTH CONFERENCE ROOM Virtual Attendance Option available

Attendees: Jeffery Lang, CEO; Michelle Reyna, CFO; Jennifer Stine, Controller; Mike Crim, Budget Committee Member; Mark Libby, Board Member; Dan Mast, Board Secretary/Treasurer; Colleen Todd, Board Chair; Rachel Osborn, Budget Committee Member; Wayne Gallagher, Budget Committee Member; Patrick Flynn, Budget Committee Member; Jay Westrum, Budget Committee Member; Dr. James Sinnott, Board Member; David Elmer, Board Member - via virtual.

1. Call to Order 5:08am

2. Introductions - the group went around the room introducing themselves.

3. Election of Chair:

Motion: Jay Westrum was nominated

Action: Rachel Osborn and Mark Libby; unanimous approval by members.

4. Budget Presentation Fiscal Year Ending (FYE) June 30, 2025

- a. Jeff explained how the budget book was laid out. The first tab included the FY 25 Roll up, the second tab included the FYE 2024 Projected results by department. And the third tab included the FYE 2025 Budget by department.
- b. Jeff reviewed high level comparisons related to the Balance sheet performance of CVH over the past 5 years. CVH shows a trend of increasing strength and net position growth.
- c. Historical income statement performance was reviewed. From 2015 to 2019, CVH experienced \$7M in losses. From 2020 to 2024 CVH experienced \$7M profit. From an income statement perspective, CVH is secure and is increasing in strength.
- d. Operating budget:
 - i. A significant change in operating structure was explained. CVHealth, a strategic partner, will be partner with SCOA for a new clinic in Coos Bay. A description of how CV Health and CV Hospital District will partner as it relates to management was reviewed. The partnership with CV Health will benefit the hospital through increased volumes, specifically in the surgical department.
- e. FY2025 Budget Overview
 - i. Contractual adjustments in total were approximately 36% of gross revenue last year. CVH budgeted deductions to be 43% this year. This is an area of risk due to the significant changes from last year to this year and the dollar amount tied to a 1% change.
 - ii. Revenues reflect a 3% price increase on July 1st.
 - iii. Department managers have stabilized staffing and CVH has more employed staff (and less contract staff) than last year. CVH will be recruiting a General Surgeon. Budget plans for small growth in ED with an increased in volumes of 1%.
- f. Key Budget Assumptions

1. Expenses - 3% salary increase.
 2. Benefits increased by 2%
 3. Anesthesia is increasing in salary and the resources required.
 4. A significant additional debt service expense has been included for CVH's building project.
 5. Net income \$1.7M.
- ii. Jeff reviewed volume expectations for FY 25,, highlighting the areas of significant change. These areas are acute inpatient, swing bed, and extended recovery. Surgery is projected to see a 98% increase due to the expected growth in orthopedic volumes due to the CV Health/SCOA relationship. SLS should start a 2nd track in April. The Clinic is anticipating fewer RVUs next year
 - iii. Departmental budgets were reviewed. Question: Why a 3% increase and not higher or lower. 3% is the typical industry standard. Clarification was given on healthcare charges increase – when charges are increasing it results in an increased write off from the insurance company.
- g. Capital Budget FYE 2025
 - i. The group reviewed the capital plan for the next 5 years.

5. Budget Committee Questions and Comments

- a. No comments noted other than those brought up during the departmental budget reviews.

6. Request for Recommendation

Motion: Committee recommended for approval by The Board the Operating and Capital Budgets as presented.

Action: Wayne Gallagher/ Dan Mast; unanimous approval to recommend to the Board.

7. Current Tax Levy Rate

- a. 1.5299 per thousand - \$875K yearly.

Motion: Committee recommended for approval by The Board the current tax levy rate of 1.5299 per thousand as presented.

Action: Gallagher / Todd. Unanimous approval.

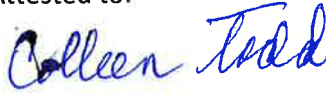
8. Next Meetings: Wednesday June 25th, 2024, at 5pm – Public Comments; June 27th, 2024, at 7:30am – Regular Monthly Board Meeting

9. Adjournment at: 6:34pm.

Respectfully submitted:


Dan Mast, Secretary/Treasurer

Attested to:


Colleen Todd, Chairman