



EL CENTRO REGIONAL MEDICAL CENTER
BOARD OF TRUSTEES – REGULAR MEETING

MONDAY, JULY 24, 2023
6:00 PM

MOB CONFERENCE ROOM 1&2
1271 ROSS AVENUE, EL CENTRO, CA

PRESIDENT: Tomas Oliva

MEMBERS: Sylvia Marroquin; Martha Cardenas-Singh; Edgard Garcia; Sonia Carter; Patty Maysent-CEO, UCSD Health; Christian Tomaszewski-M.D.-CMO, UCSD; Pablo Velez-CEO ECRMC

CLERK: Belen Gonzalez

ATTORNEY: Elizabeth Martyn, City Attorney

This is a public meeting. If you are attending in person, and there is an item on the agenda on which you wish to be heard, please come forward to the microphone. Address yourself to the president. You may be asked to complete a speaker slip; while persons wishing to address the Board are not required to identify themselves (Gov't. Code § 54953.3), this information assists the Board by ensuring that all persons wishing to address the Board are recognized and it assists the Board Executive Secretary in preparing the Board meeting minutes. The president reserves the right to place a time limit on each person asking to be heard. If you wish to address the board concerning any other matter within the board's jurisdiction, you may do so during the public comment portion of the agenda.

BOARD MEMBERS, STAFF AND THE PUBLIC MAY ATTEND VIA ZOOM.

To participate and make a public comment in person, via Zoom or telephone, please raise your hand, speak up and introduce yourself.

Join Zoom Meeting: <https://ecrmc.zoom.us/j/82316263672?pwd=am9DbWlvVnAyR2dDWWo3K2YwOEpsZz09>

Optional dial-in number: (669) 444-9171

Meeting ID: 823 1626 3672 **Passcode:** 034531

Public comments via zoom are subject to the same time limits as those in person.

OPEN SESSION AGENDA

ROLL CALL:

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS: Any member of the public wishing to address the Board concerning matters within its jurisdiction may do so at this time. Three minutes is allowed per speaker with a cumulative total of 15 minutes per group, which time may be extended by the President. Additional information regarding the format for public comments may be provided at the meeting.

BOARD MEMBER COMMENTS:

CONSENT AGENDA: *(Item 1)*

All items appearing here will be acted upon for approval by one motion, without discussion. Should any Board member or other person request that any item be considered separately, that item will be taken up at a time as determined by the President.

1. Review and Approval of Board of Trustees Minutes of Regular Meeting of June 27, 2023.

NEW BUSINESS:

- 2. Deposit Account Control Agreement (DACA) Update on Process for Approval Discussion—
Informational

FINANCE and OPERATIONAL UPDATE

- 3. Presentation of Financial Statements for Month and Year-to-Date as of June 2023—**Informational**
- 4. Review and Approval of Requisition No. 75—Project Construction Fees
- 5. Presentation of Current Weekly Cash Budget—**Informational**
- 6. Review and Approval of Fiscal Year 2024 Operating and Capital Budget

CHIEF EXECUTIVE OFFICER UPDATE

- 7. Verbal Report from the CEO to the Board of Trustees—**Informational**
- 8. Manager Update—Patty Maysent—**Informational**

RECESS TO CLOSED SESSION:

A. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES. The Hospital Board will recess to closed session pursuant to Government Code Section 37624.3 for a hearing and/or deliberations concerning reports of the ___ hospital medical audit committee, or X quality assurance committees, or X staff privileges.

B. LABOR NEGOTIATIONS. The Hospital Board will recess to closed session pursuant to Government Code 54957.6 **Agency Negotiator:** Chief Executive Officer. **Employee organization:** Teamsters Union Local 542

C. TRADE SECRETS. The Hospital Board will recess to closed session pursuant to Govt. Code Section 37606(b) for the purpose of discussion and/or deliberation of reports involving hospital trade secret(s) as defined in subdivision (d) of Section 3426.1 of the Civil Code and which is necessary, and would, if prematurely disclosed create a substantial probability of depriving the hospital of a substantial economic benefit:

<u>Discussion of:</u>	<u>Number of Items:</u>
<u>X</u> hospital service;	<u>3</u>
<u>X</u> program;	<u>1</u>
<u>X</u> hospital facility	<u>1</u>

D. CONFERENCE WITH LEGAL COUNSEL—The Hospital Board will recess to closed session pursuant to Government Code Section 54956.9(d)(4)

RECONVENE TO OPEN SESSION – BOARD PRESIDENT

ANNOUNCEMENT OF CLOSED SESSION ACTIONS, IF ANY – GENERAL COUNSEL

- 9. Approval of Report of Medical Executive Committee’s Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff (*Approved in Closed Session*)

ADJOURNMENT: Adjourn. (Time:) Subject to additions, deletions, or changes.



El Centro Regional Medical Center
BOARD OF TRUSTEES – REGULAR MINUTES
OPEN SESSION MINUTES
 MOB CONFERENCE ROOMS 1 & 2
 1271 Ross Avenue, El Centro, CA 92243

Zoom Meeting link: <https://ecrmc.zoom.us/j/84416010708?pwd=cHBKL2hzU3BZZ25RTEJwOGlNa3Rmdz09>

Tuesday, June 27, 2023

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
ROLL CALL	<p>PRESENT: Oliva; Marroquin; Cardenas-Singh; Garcia; Carter; Maysent; Tomaszewski; Chief Executive Officer Pablo Velez and Executive Board Secretary Belen Gonzalez</p> <p>Via Zoom: City of El Centro Attorney Elizabeth Martyn; UCSD</p> <p>ABSENT: -</p> <p>ALSO PRESENT: Sunny Richley, M.D., Chief of Staff; City of El Centro Manager Cedric Ceseña</p>	
CALL TO ORDER		The Board of Trustees convened in open session at 5:30 p.m. Board President Oliva called the meeting to order.
OPENING CEREMONY	The Pledge of Allegiance was recited in unison.	None
NOTICE OF MEETING	Notice of meeting was posted and mailed consistent with legal requirements.	None
PUBLIC COMMENTS		None

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
BOARD MEMBER COMMENTS	<i>Trustee Maysent</i> - shared Artificial Intelligence potential along with robot video from Microsoft	None
<p>CONSENT AGENDA: <i>(Items 1-7)</i></p> <p>Item 1. Review and Approval of Board of Trustees Minutes of Special Meeting of May 16, 2023.</p> <p>Item 2. Review and Approval of Board of Trustees Minutes of Special Joint Meeting of May 25, 2023.</p> <p>Item 3. Review and Approval of Board of Trustees Minutes of Regular Meeting of May 30, 2023.</p> <p>Item 4. Review and Approval of Triennial Policies:</p> <ul style="list-style-type: none"> a) Notice for Financial Assistance Policy b) Collection Policy c) Discount Policy d) Financial Assistance Policy (Discount Payment Policy and Charity Care Policy) <p>Item 5. Review and Approval of Annual Renewal Liability and Insurance Coverage</p> <ul style="list-style-type: none"> • BETA Healthcare 	<p>All items appearing here were acted upon for approval by one motion (or as to information reports, acknowledged receipt by the Board and directed to be appropriately filed) without discussion.</p>	<p>MOTION: by Cardenas, seconded by Marroquin and carried to approve the Consent Agenda.</p> <p>All present in favor; none opposed.</p>

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
<ul style="list-style-type: none"> • Alliant <p>Item 6. Review and Approval of Resolution No. ECRMC 23-03 allowing ECRMC to apply for the Distressed Hospital Loan Program.</p> <p>RESOLUTION NO. ECRMC 23-03 RESOLUTION OF THE BOARD OF TRUSTEES OF EL CENTRO REGIONAL MEDICAL CENTER AUTHORIZING EXECUTION AND DELIVERY OF A PROMISSORY NOTE, LOAN AND SECURITY AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR A LOAN UNDER THE DISTRESSED HOSPITAL LOAN PROGRAM</p> <p>Item 7. Review and Approval of Amendments to Medical Staff Bylaws</p>		
<p>FINANCE and OPERATIONAL UPDATE</p> <p>Item 8. Presentation of Financial Statements for Month and Year-to-Date as of May 2023—Informational</p> <p>Item 9. Presentation of Current Weekly Cash Budget—Informational</p>	<p>Tammy Morita provided an overview and summary of the Financial Statements for Month and Year-to-Date as of May 2023.</p> <p>The presentation included:</p> <ul style="list-style-type: none"> • Balance Sheet vs. Prior Month comparison • Operating Statement vs. Budget comparison • Monthly Cash Flow (Fiscal Year to Date) 	<p>Informational</p>

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
	A handout with the current weekly cash flow forecast was handed out to the Board of Trustees during the meeting.	
Item 10. Review and Approval of Designation of Applicant’s Agent Resolution for Non-State Agencies Cal OES 130.	Tammy Morita explained the need to update the designated agents on behalf of the hospital to David Momberg, Chief Financial Officer and Pablo Velez, Chief Executive Officer.	MOTION: by Garcia, seconded by Carter and carried to approve the Designation of Applicant’s Agent Resolution for Non-State Agencies Cal OES 130. All present in favor; none opposed.
CHIEF EXECUTIVE OFFICER UPDATE Item 11. Verbal Report from the CEO to the Board of Trustees— Informational	Item to be discussed in Closed Session.	Informational
Item 12. Manager Update—Patty Maysent—Informational	Item to be discussed in Closed Session.	Informational
RECESS TO CLOSED SESSION		MOTION: by Cardenas-Singh, seconded by Garcia and carried to recess to Closed Session at 5:52 p.m. for HEARING/ DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES, LABOR NEGOTIATIONS, TRADE SECRETS, and CONFERENCE WITH LEGAL COUNSEL. All present in favor to recess to Closed Session. None opposed.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
RECONVENE TO OPEN SESSION		The Board of Trustees reconvened to Open Session at 8:18 p.m.
ANNOUNCEMENT OF CLOSED SESSION ACTIONS		<p>[B. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES— GOVERNMENT CODE SECTION 37624.3]</p> <p>MOTION: by Marroquin, seconded by Carter and carried to approve the Report of Medical Executive Committee’s Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff.</p> <p>All present in favor; none opposed</p>
ADJOURNMENT		There being no further business, meeting was adjourned at approximately 8:19 p.m.

BELEN GONZALEZ, BOARD EXECUTIVE SECRETARY

APPROVED BY

TOMAS OLIVA, PRESIDENT

Regular Meeting
June 27, 2023, 5:30 p.m.



TO: HOSPITAL BOARD MEMBERS
FROM: David Momberg, Chief Financial Officer
DATE: July 24, 2023
MEETING: Board of Trustees

SUBJECT: June 2023 Month and Year-to-Date Financial Statements

BUDGET IMPACT: Does not Apply
A. Does the action impact/affect financial resources? Yes No
B. If yes, what is the impact amount: _____

BACKGROUND: The month of June 2023 resulted in an excess of expenses over revenues of <\$232,480>, a negative margin of -2.1%. For YTD fiscal year 2023, the excess of expenses over revenues is <\$26,591,480> or a negative margin of -17.4%.

DISCUSSION: For a more detailed description of financial performance, please see the attached Financial Report.

RECOMMENDATION: Informational

ATTACHMENT(S):

- Financial Packet for June 2023

Approved for agenda, Pablo Velez, CEO

Date and Signature: _____

Pablo Velez



June 2023 Financial Report

July 24, 2023

To: Finance Committee

From: David Momberg, Chief Financial Officer

The following package contains:

- Comparative volumes vs. Prior Month/Year
- Balance Sheet vs. Prior Month comparison
- Operating Statement vs. Prior Month comparison
- Monthly Cash Flow (Fiscal Year to Date)

Balance Sheet:

- a) Cash balance decreased due to higher expenses than collections (\$15.8M spent vs. \$13.2M collected).
- b) Other receivables increased due to higher Pharmacy 340B receivables (CVS \$9k, Walmart \$5.5k, Farmacia del Pueblo \$5k).
- c) Prepaid expenses & other decreased due to UCSD ER mid-level physician receivable cancelled (\$993k), this was be offset by UCSD accrued expenses.
- d) Restricted capital building fund decreased due to bond funding received during the month (\$324k) partially offset by generated interest (\$22k).
- e) Property plant and equipment increased due to Omnicell pharmacy dispensing machines added to Construction In Progress (\$1.8M).
- f) Days in A/R decreased to 48.62 from 52.09 days. The goal is 50 days.
- g) Accounts payable days are fairly stable, 69.81 vs. 68.29 days from previous month.
- h) Current Ratio decreased to 0.91 vs. 0.98 previous month.

Income Statement – Current Month Actual to Budget Comparison:

- a) Our Inpatient Revenue is 8.9% higher than previous month driven by higher admissions (250 vs. 226 previous month).
- b) Outpatient Revenue is 8.1% lower than previous month driven by lower ER visits (2,870 vs. 3,368 last month) coupled with lower RHC visits (6,011 vs. 6,615 last month).
- c) Charity and Bad debt expense is \$483k related to lower charity account write-offs.
- d) Salary expenses decreased mainly due to lower work days in June.
- e) Medical Professional fees decreased due to UCSD ER administration payable cancelled (\$1.2M).
- f) Non-Medical Prof Fee expense decreased mainly due to lower attorney fees than prior month (\$2.5k vs. \$125k previous month).
- g) Repairs and maintenance is lower due to expense accrual adjustments made in June to recognize actual full-year expense.
- h) Lease/rental expenses decreased due to maintenance expense true-up in May, associated with the Imperial Valley Mall HVAC.
- i) Other expenses decreased due to Hospital Association of San Diego license cancelled in January and released in June (\$60k).
- j) Grants and contributions increase due to Troponin Study payment received in June (\$24k).

Definitions:

- **EBIDA** - Earnings Before Interest, Depreciation, and Amortization.
- **Contribution Margin** – Total Revenue minus Expenses (excluding functional areas of IT, Finance, HR, and management assessments/restructuring costs).
- **EBIDA Margin** – EBIDA/Total Revenue.
- **Operating Expenses Per Day** – Total Expenses less Depreciation divided by Days.
- **Operating Revenue Per Day** – Operating Income/Days.
- **Days Cash on Hand** – Cash/Operating Expenses per Day.
- **Days Revenue in A/R** – Accounts Receivable/Operating Revenue per Day.
- **Current Ratio** – Current Assets/Current Liabilities.
- **Equity Financing Ratio** – Total Capital/Total Debt.

**EI Centro Regional Medical Center
Comparative Volumes as of June 30, 2023**

	Month-to-date		
	Prior	Current	Budget
Adult Admissions (excl. Observation)	226	250	399
Patient Days (excl. Observation)	1,043	1,171	2,171
Average Length of Stay (excl. Observation)	4.6	4.7	5.4
Average Daily Census (excl. Observation)	47.2	39.0	72.4
Average Daily Census (ADC) Observation	7.0	8.3	6.8
Total ADC (including Observation)	54.2	47.4	79.2
Observation Days (excluding Obstetrics)	209	250	204
Outpatient Visits (excluding Clinics)	8,161	7,318	8,941
Emergency Room Visits	3,368	2,870	3,259
EI Centro Rural Health Clinic Visits	3,993	3,499	4,789
Calexico Rural Health Clinic Visits	2,622	2,512	3,357
Rural Health Clinic Visits - Total	6,615	6,011	8,146
Wound Healing Center Visits	205	155	184
Oncology Center Visits	679	609	517
Oncology Center Infusion Procedures	1,377	1,298	1,028
Surgeries without C-Sections	577	518	461
DaVinci Cases	48	50	12
Deliveries	-	-	67
C-Sections	-	-	29

Current vs Budget		Current vs Prior	
Variance	% Variance	Variance	% Variance
(149)	-37%	24	11%
(1,000)	-46%	128	12%
1	14%	(0)	-1%
33	46%	8	17%
(2)	-23%	(1)	-20%
32	40%	7	13%
(46)	-23%	(41)	-20%
(1,623)	-18%	(843)	-10%
(389)	-12%	(498)	-15%
(1,290)	-27%	(494)	-12%
(845)	-25%	(110)	-4%
(2,135)	-26%	(604)	-9%
(29)	-16%	(50)	-24%
92	18%	(70)	-10%
270	26%	(79)	-6%
57	12%	(59)	-10%
38	320%	2	4%
(67)	-100%	-	
(29)	-100%	-	

	Year-to-date		
	Prior	Current	Budget
Adult Admissions (excl. Observation)	4,604	3,621	4,791
Patient Days (excl. Observation)	25,830	17,644	27,135
Average Length of Stay (excl. Observation)	5.6	4.9	5.7
Average Daily Census (excl. Observation)	70.8	48.3	74.3
Average Daily Census (ADC) Observation	8.9	6.9	6.8
Total ADC (including Observation)	79.6	55.3	81.2
Observation Days (excluding Obstetrics)	3,235	2,529	2,500
Outpatient Visits (excluding Clinics)	97,021	94,857	100,532
Emergency Room Visits	38,561	35,685	41,051
EI Centro Rural Health Clinic Visits	54,273	50,369	56,856
Calexico Rural Health Clinic Visits	40,041	35,499	41,308
Rural Health Clinic Visits - Total	94,314	85,868	98,164
Wound Healing Center Visits	2,438	2,174	2,229
Oncology Center Visits	5,564	6,888	6,186
Oncology Center Infusion Procedures	13,805	15,570	12,151
Surgeries without C-Sections	5,574	6,256	5,476
DaVinci Cases	104	481	128
Deliveries	790	433	850
C-Sections	350	168	374

Current vs Budget		Current vs Prior	
Variance	% Variance	Variance	% Variance
(1,170)	-24%	(983)	-21%
(9,491)	-35%	(8,186)	-32%
1	14%	1	13%
26	35%	22	32%
(0)	-1%	2	22%
26	32%	24	31%
(29)	-1%	706	22%
(5,675)	-6%	(2,164)	-2%
(5,366)	-13%	(2,876)	-7%
(6,487)	-11%	(3,904)	-7%
(5,809)	-14%	(4,542)	-11%
(12,296)	-13%	(8,446)	-9%
(55)	-2%	(264)	-11%
703	11%	1,324	24%
3,419	28%	1,765	13%
780	14%	682	12%
353	277%	377	363%
(417)	-49%	(357)	-45%
(206)	-55%	(182)	-52%

ECRMC BALANCE SHEET COMPARED TO PRIOR MONTH

	June 30, 2023	May 31, 2023	Variance (\$)	Variance (%)
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 7,143,861	\$ 9,715,349	\$ (2,571,488)	-26%
Net Patient Accounts Receivable	16,116,560	16,057,875	58,685	0%
Other Receivables	150,193	131,558	18,635	14%
Due from Third-Party Payors	9,971,398	10,846,574	(875,175) ✓	-8%
Inventories	3,395,074	3,396,185	(1,111)	0%
Prepaid Expenses & Other	3,228,570	4,041,073	(812,503)	-20%
Total Current Assets	40,005,657	44,188,614	(4,182,957)	-9%
Assets Limited as to Use				
Restricted Building Capital Fund	811,475	1,113,465	(301,990)	-27%
Funds Held by Trustee for Debt Service	13,570,004	12,932,917	637,088	5%
Restricted Programs	11,497	11,497	-	0%
Total Assets Limited as to Use	14,392,976	14,057,879	335,098	2%
Property, Plant, and Equipment: Net	141,729,768	140,103,727	1,626,041	1%
Other Assets	262,595	262,595	-	0%
Total Assets	196,390,997	198,612,815	(2,221,818)	-1%
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	4,140,898	3,624,826	516,071	14%
Total Deferred Outflows of Resources	4,140,898	3,624,826	516,071	14%
Total Assets and Deferred Outflows of Resources	\$ 200,531,895	\$ 202,237,641	\$ (1,705,747)	-1%
Liabilities				
Current Liabilities:				
Current Portion of Bonds	1,275,833	1,275,833	-	0%
Current Portion of Capital Lease Obligations	1,733,364	1,733,364	-	0%
Accounts Payable and Accrued Expenses	22,946,737	23,427,842	(481,105)	-2%
Accrued Compensation and Benefits	8,109,773	7,929,243	180,530	2%
Due to Third-Party Payors	10,097,231	10,815,454	(718,223) ✓	-7%
Total Current Liabilities	44,162,938	45,181,736	(1,018,798)	-2%
Long-Term Bond Payable, Less Current Portion	112,618,114	112,699,798	(81,684)	0%
Capital Lease Obligations, Less Current Portion	3,653,583	4,026,369	(372,785)	-9%
Net Pension Liability	39,119,000	39,119,000	-	0%
Total Liabilities	199,553,635	201,026,903	(1,473,267)	-1%
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension	7,448,200	7,448,200	-	0%
Total Deferred Inflows of Resources	7,448,200	7,448,200	-	0%
Net Position				
Restricted Fund Balance	17,238	17,238	-	0%
Fund Balance	(6,487,179)	(6,254,700)	(232,480)	4%
Total Net Position	(6,469,941)	(6,237,461)	(232,480)	4%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 200,531,895	\$ 202,237,641	\$ (1,705,747)	-1%
Days Cash on Hand	19.56	20.26		
Days Revenue in A/R	48.62	52.09		
Days in A/P	69.81	69.29		
Current Ratio	0.91	0.98		
Debt Service Coverage Ratio	(1.02)	(1.93)		

STATEMENTS OF OPERATIONS COMPARISON TO BUDGET

MTD June 30, 2023		MTD May 31, 2023		Month-to Month Variance		% Variance Favorable/ (Unfavorable)		YTD June 30, 2023		YTD June 30, 2022		Year-over Year Variance	
OPERATING REVENUE													
\$	14,218,035	\$	13,058,645	\$	1,159,390		8.88%	\$	198,010,930	\$	287,684,573	\$	(89,673,643)
	6,452,725		7,121,181		(668,456)		-9.39%		80,804,361		83,482,201		(2,677,840)
	6,358,071		7,143,097		(785,026)		-10.99%		78,168,581		74,256,433		3,912,148
	6,060,156		7,010,661		(950,505)		-13.56%		72,575,340		77,059,084		(4,483,744)
	6,198,590		5,958,784		239,806		4.02%		64,838,258		49,165,033		15,673,226
	18,183,367		19,853,165		(1,669,798)		-8.41%		224,895,788		221,299,408		3,596,380
	57,470,944		60,145,533		(2,674,589)		-4.45%		719,293,258		792,946,732		(73,653,474)
	(654,842)		414,230		(1,069,072)		-258.09%		3,855,174		5,701,185		(1,846,012)
	56,816,102		60,559,763		(3,743,661)		-6.18%		723,148,432		798,647,917		(75,499,485)
Contractuals													
	11,057,347		10,585,538		(471,808)		-4.46%		154,570,721		225,695,713		71,124,993
	36,469,221		38,179,102		1,709,882		4.48%		426,527,719		415,164,975		(11,362,744)
	361,285		512,650		151,364		29.53%		8,121,543		4,524,680		(3,596,863)
	121,962		210,205		88,243		41.98%		4,112,360		5,694,517		1,582,157
	(2,165,472)		(2,165,468)		4		0.00%		(19,491,479)		(13,737,558)		5,753,921
	(279,341)		(279,334)		7		0.00%		(3,197,776)		(2,806,231)		391,545
	45,565,002		47,042,693		1,477,691		3.14%		570,643,088		634,536,096		63,893,008
	11,251,100		13,517,070		(2,265,969)		-16.76%		152,505,344		164,111,821		(11,606,477)
EXPENSES													
	4,758,525		5,098,702		340,176		6.67%		63,019,102		63,221,826		202,725
	182,038		166,795		(15,243)		-9.14%		8,719,225		17,823,234		9,104,009
	1,586,838		2,407,306		820,468		34.08%		17,790,424		16,008,640		(1,781,784)
	(516,071)		426,085		942,156		221.12%		3,272,844		(143,700)		(3,416,544)
	89,373		1,293,390		1,204,017		93.09%		15,293,775		16,900,832		1,607,057
	194,637		352,939		158,302		44.85%		3,761,460		2,766,551		(994,909)
	2,209,272		2,371,018		161,746		6.82%		27,516,401		29,759,700		2,243,299
	123,985		163,826		39,840		24.32%		2,180,894		2,830,073		649,179
	89,848		84,344		(5,503)		-6.52%		1,009,179		994,416		(14,763)
	593,440		668,229		74,789		11.19%		8,368,727		8,188,540		(180,186)
	544,485		561,686		17,202		3.06%		7,760,645		8,759,448		998,803
	40,275		89,562		49,287		55.03%		811,940		1,032,006		220,067
	176,712		184,886		8,174		4.42%		2,263,223		2,162,785		(100,439)
	685,872		714,139		28,267		3.96%		8,328,277		8,382,372		54,095
	156,744		185,954		29,209		15.71%		2,416,737		2,629,962		213,225
	38,672		94,300		55,628		58.99%		1,473,199		2,807,378		1,334,179
	10,954,645		14,863,160		3,908,515		26.30%		173,986,050		184,124,064		10,138,015
	296,455		(1,346,090)		1,642,545		-122.02%		(21,480,705)		(20,012,243)		(1,468,462)
	2.6%		-10.0%						-14.1%		-12.2%		
	25,951		30,677		(4,726)		-15.41%		509,737		(2,527,065)		3,036,802
	47,272		23,683		23,589		99.61%		683,838		2,802,017		(2,118,180)
	11,901		18,036		(6,135)		-34.02%		1,152,137		2,387,824		(1,235,687)
	(614,059)		(617,695)		3,636		0.59%		(7,456,487)		(7,390,972)		(65,516)
	(528,935)		(545,300)		16,365		3.00%		(5,110,775)		(4,728,195)		(382,580)
	\$ (232,480)		\$ (1,891,390)		\$ 1,658,910		87.71%		\$ (26,591,480)		\$ (24,740,438)		\$ (1,851,042)
	-2.1%		-14.0%						-17.4%		-15.1%		

**EI Centro Regional Medical Center
Monthly Cash Flow**

Unaudited

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Year-to-Date 2023
<i>Cash Flow From Operating Activities</i>													
Net Income/(Loss)	\$ 156,662	\$ (2,197,317)	\$ (4,027,726)	\$ (3,660,849)	\$ (3,764,219)	\$ (2,893,234)	\$ (3,787,152)	\$ (1,840,895)	\$ (1,361,794)	\$ (1,091,087)	\$ (1,891,390)	\$ (232,480)	\$ (26,591,480)
<i>Adjustments to reconcile net income to net cash:</i>													
Add: Depreciation	713,569	700,147	673,369	689,612	664,873	686,394	498,399	943,829	653,550	704,525	714,139	685,872	\$ 8,328,277
Capital Lease Interest	14,782	14,777	14,225	13,682	13,141	15,010	14,804	31,948	15,493	15,841	15,268	12,814	\$ 191,787
Bond Interest	592,686	592,686	592,686	592,686	592,686	592,686	592,686	592,686	592,686	592,686	592,686	592,686	\$ 7,112,228
Accounts Receivable	(2,682,761)	(979,897)	(120,054)	529,302	1,769,695	(828,416)	3,757,456	1,017,432	1,492,438	(117,567)	98,953	(58,685)	\$ 3,877,897
Other Receivables	(9,724)	(12,725)	21,125	(9,193)	10,500	97	(87,187)	43,230	54,863	(7,102)	(6,086)	(18,635)	\$ (20,838)
Inventory	(32,807)	(34,588)	(30,322)	52,561	11,247	(7,239)	26,216	32,888	(4,673)	(2,168)	21,533	1,111	\$ 33,760
Prepaid Expenses/Other Assets	(1,217,325)	63,881	103,606	(55,641)	458,711	2,039,336	247,822	(1,203,637)	139,833	(542,329)	15,194	812,503	\$ 861,955
Accounts Payable and Accrued Expenses	362,817	1,320,217	1,499,005	3,282,337	1,014,647	1,690,818	1,086,288	313,284	(3,132,539)	(90,523)	(458,990)	(1,138,795)	\$ 5,748,566
Accrued Compensation and Benefits	654,732	(1,203,861)	(520,172)	590,450	403,831	626,689	(51,938)	198,961	(1,805,451)	1,328,765	(100,962)	163,850	\$ 284,893
Third-Party Liabilities	(2,543,212)	(2,855,401)	(2,949,857)	(2,150,584)	(1,272,922)	5,473,990	(1,212,664)	8,482,591	(1,735,518)	(1,814,892)	(2,435,909)	156,952	\$ (4,857,325)
Net Pension Obligation	80,248	72,658	705,071	601,231	285,660	48,379	513,897	513,897	342,752	787,196	426,085	(516,071)	\$ 3,861,002
<i>Net Cash From Operating Activities</i>	\$ (3,910,334)	\$ (4,519,423)	\$ (4,039,043)	\$ 475,593	\$ 187,850	\$ 7,444,510	\$ 1,598,627	\$ 9,126,215	\$ (4,748,359)	\$ (236,655)	\$ (3,009,381)	\$ 461,122	\$ (1,169,278)
<i>Cash Flow From Investing Activities</i>													
Fixed Assets - Gross	\$ (416,524)	\$ (715,671)	\$ (1,002,075)	\$ (867,113)	\$ (773,857)	\$ (631,785)	\$ (199,850)	\$ (1,097,486)	\$ (419,816)	\$ (1,116,285)	\$ (149,177)	\$ (2,311,913)	\$ (9,701,552)
Intangible Assets - Gross	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets	5,159,432	(67,804)	(189,066)	192,514	(653,990)	(658,057)	3,610,540	(653,131)	4,142	(658,937)	399,890	(335,098)	\$ 6,150,436
<i>Net Cash From Investing Activities</i>	\$ 4,742,908	\$ (783,475)	\$ (1,191,140)	\$ (674,599)	\$ (1,427,848)	\$ (1,289,842)	\$ 3,410,690	\$ (1,750,617)	\$ (415,674)	\$ (1,775,221)	\$ 250,713	\$ (2,647,010)	\$ (3,551,116)
<i>Cash Flow From Financing Activities</i>													
Bond Payable	\$ (4,632,656)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,431,219)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,063,875)
Capital Leases	(199,835)	(289,175.18)	(282,800)	(372,230)	(96,424)	116,743	(348,043)	290,559	(362,740)	(333,950)	(347,553)	(385,600)	\$ (2,611,049)
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<i>Net Cash From Financing Activities</i>	\$ (4,832,491)	\$ (289,175)	\$ (282,800)	\$ (372,230)	\$ (96,424)	\$ 116,743	\$ (3,779,262)	\$ 290,559	\$ (362,740)	\$ (333,950)	\$ (347,553)	\$ (385,600)	\$ (10,674,924)
<i>Total Change In FY 2023 Cash</i>	\$ (3,999,917)	\$ (5,592,074)	\$ (5,512,984)	\$ (571,236)	\$ (1,336,422)	\$ 6,271,411	\$ 1,230,055	\$ 7,666,157	\$ (5,526,774)	\$ (2,345,827)	\$ (3,106,221)	\$ (2,571,488)	\$ (15,395,318)
<i>Cash & Cash Equivalents, Beginning Balance</i>	22,539,180	18,539,263	12,947,188	7,434,205	6,862,968	5,526,547	11,797,958	13,028,013	20,694,170	15,167,397	12,821,570	9,715,349	22,539,180
<i>Cash & Cash Equivalents, Ending Balance</i>	\$ 18,539,263	\$ 12,947,189	\$ 7,434,205	\$ 6,862,968	\$ 5,526,547	\$ 11,797,958	\$ 13,028,013	\$ 20,694,170	\$ 15,167,397	\$ 12,821,570	\$ 9,715,349	\$ 7,143,861	\$ 7,143,862

\$125,000,000
El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018

REQUISITION NO. 75

U.S. Bank, N.A.

Re: Series 2018 Project Account (“Project Account”) held pursuant to the Trust Agreement (defined below) relating to the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018

The undersigned hereby states and certifies:

1. That I am the duly qualified [Authorized Medical Center Representative] of the EL CENTRO REGIONAL MEDICAL CENTER, a municipal hospital and agency of the City of El Centro duly organized and existing under and by virtue of the laws of the State of California (the “Medical Center”), and as such, am familiar with the facts herein certified and am authorized and qualified to execute and deliver this requisition.

2. I, on behalf of the Medical Center, hereby request U.S. Bank, N.A. (the “Trustee”), pursuant to that certain Trust Agreement, dated as of April 1, 2018, (the “Trust Agreement”), between the El Centro Financing Authority and the Trustee, to pay from the moneys in the Project Account established pursuant to the Trust Agreement, the amounts provided below to the payee identified below.

<u>Payee</u>	<u>Purpose for Payment</u>	<u>Amount</u>
El Centro Regional Medical Center	Reimbursement of project costs	\$ 372,236.85

3. That the obligations in the amounts stated above have been incurred by the Medical Center and are presently due and payable and that each item thereof is a proper charge against the Project Account and has not been previously paid therefrom.

4. That there has not been filed with or served upon the City of El Centro or the Medical Center notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

5. That such payments shall be made by check or wire transfer in accordance with the payment instructions set forth below and the Trustee shall rely on such payment instructions as though given by the Medical Center with no duty to investigate or inquire as to the authenticity of the payment instructions or the authority under which they were given.

Payment Instructions:

**Wells Fargo Bank
297 West Main Street
Brawley, CA 92227**

**Routing Number – 121000248
Account Number – 4159-801596
Account Name – El Centro Regional Medical Center General Fund**

Capitalized terms used and not defined herein shall have the meaning ascribed to such terms in the Trust Agreement.

Date: July 24, 2023

EL CENTRO REGIONAL MEDICAL CENTER

By: _____
Authorized Medical Center Representative

Payee	Purpose of Payment		ORIGINAL COST	VENDOR NAME	INVOICE NO.
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	ANCILLARY SERVICES BUILDING	\$ 157,369.91	NIELSEN CONSTRUCTION	2018-209-61
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	ANCILLARY SERVICES BUILDING	\$ 184,809.79	NIELSEN CONSTRUCTION	2018-209-62
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	SPC-4D UPGRADE	\$ 856.40	ATLAS ENGINEERING	3710
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	SPC-4D UPGRADE	\$ 8,967.25	ATLAS ENGINEERING	3782
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	ANCILLARY SERVICES BUILDING	\$ 12,000.00	LYN INSPECTION SERVICES	67
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	ANCILLARY SERVICES BUILDING	\$ 950.00	STERNCO	233663024
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	BOILER, MEDICAL AIR & VACUUM UPGRADES	\$ 1,633.75	STERNCO	233827013
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	SPC-4D UPGRADE	\$ 1,255.50	STERNCO	233941005
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	SPC-4D UPGRADE	\$ 3,138.75	STERNCO	233941007
EL CENTRO REGIONAL MEDICAL CENTER	REIMBURSEMENT FOR	SPC-4D UPGRADE	\$ 1,255.50	STERNCO	233941008

SUB-TOTAL: \$ 372,236.85

REIMBURSEMENT REQUEST TOTAL: \$ 372,236.85



TO: HOSPITAL BOARD MEMBERS
FROM: David Momberg, Chief Financial Officer
DATE: July 24, 2023
MEETING: Board of Trustees

SUBJECT: 2023 Fiscal Year Cash Flow Projection

BUDGET IMPACT: Does not Apply
A. Does the action impact/affect financial resources? Yes No
B. If yes, what is the impact amount: _____

BACKGROUND:

Due to major economic considerations the Hospital has been dealing with (Medi-Cal's Supplemental payment delays, Inflation, COVID-19 State regulations, new EHR implementation, Building constructions, Operational mishaps, etc.), the Medical Center Administration has the necessity to anticipate more than ever before the cash inflows and outflows for coming months to appropriately plan ahead the operation and the decision making of the Management and the Board.

The Cash Flow forecast attached to this motion sheet has the main intention of tracking our monthly cash position to implement immediate actions that will help us reduce our cash deficits foreseen in the near future.

DISCUSSION: N/A

RECOMMENDATION: Informational

ATTACHMENT(S): .1

- Cash Flow Forecast –CY2023

Approved for agenda, Pablo Velez, CEO

Date and Signature: Pablo Velez

El Centro Regional Medical Center
Cash Flow Forecast dated: June 17, 2023

Actual/Projection	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Month	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Beginning Wells Fargo cash balance	1,384	2,800	1,878	11,202	10,377	18,253	13,909	13,413	10,270	7,180	2,995	(3,579)	(15,294)	(22,570)	(31,305)
Cash receipts															
Patient receipts	4,368	9,721	15,495	10,917	10,414	9,956	13,612	9,364	9,134	11,655	9,324	11,655	9,324	9,324	11,655
Cerner Implementation - AR Slowdown	-	-	-	-	-	-	-	-	-	-	-	-	(2,500)	(4,000)	(6,000)
Pharmacy receipts	20	81	57	44	69	71	54	68	77	75	60	75	60	60	75
Collector deposits	41	116	116	106	119	132	150	88	117	137	110	137	110	110	137
Rent collection	-	8	8	8	8	8	8	8	2	8	6	8	6	6	8
Cafeteria receipts	3	7	7	5	5	5	6	4	4	7	5	7	5	5	7
Other receipts	3	44	11	61	19	11	5	11	11	24	19	24	19	19	24
Total operating receipts	4,436	9,977	15,694	11,141	10,634	10,183	13,835	9,543	9,344	11,906	9,525	11,906	7,025	5,525	5,906
Total operating disbursements	(5,202)	(12,414)	(12,178)	(11,966)	(11,973)	(14,719)	(17,869)	(12,788)	(12,593)	(16,942)	(14,321)	(18,861)	(14,321)	(14,321)	(16,978)
Cash flow from operations	(766)	(2,437)	3,516	(826)	(1,340)	(4,536)	(4,034)	(3,245)	(3,249)	(5,037)	(4,797)	(6,955)	(7,297)	(8,797)	(11,072)
Supplemental receipts	-	-	6,167	-	9,910	1,558	1,413	-	1,854	2,033	(600)	-	1,234	1,190	384
Capital expenditures	(144)	(797)	-	(856)	-	(658)	-	(897)	(57)	(284)	(336)	(3,868)	(372)	(287)	(323)
Bond payments	-	(637)	(1,274)	-	(637)	(637)	(1,274)	-	(1,274)	(637)	(637)	(637)	(637)	(637)	(637)
Other loan payments	(16)	(51)	(36)	(35)	(57)	(69)	(53)	(59)	(41)	(23)	(18)	(23)	(18)	(18)	(23)
Transfers (to)/from bond funds	843	-	-	893	-	-	658	1,059	324	-	-	-	-	-	-
Transfers (to)/from UBS	1,500	3,000	1,200	-	-	-	2,794	-	-	-	-	-	-	-	-
Restructuring Cost	-	-	(250)	-	-	(2)	(0)	(1)	(36)	(156)	(120)	(150)	(120)	(120)	(150)
Net non-operating cash flows	2,182	1,515	5,807	2	9,215	192	3,538	102	159	851	(1,777)	(4,760)	20	62	(832)
Net cash flow excl. sweep transfers	1,416	(922)	9,323	(824)	7,876	(4,344)	(496)	(3,143)	(3,090)	(4,186)	(6,574)	(11,715)	(7,276)	(8,735)	(11,904)
Beginning unrestricted cash	9,880	9,796	5,874	13,997	13,173	21,049	16,705	13,415	10,272	7,182	2,997	(3,577)	(15,292)	(22,568)	(31,303)
Total net cash flow	(84)	(3,922)	8,123	(824)	7,876	(4,344)	(3,290)	(3,143)	(3,090)	(4,186)	(6,574)	(11,715)	(7,276)	(8,735)	(11,904)
Ending unrestricted cash	9,796	5,874	13,997	13,173	21,049	16,705	13,415	10,272	7,182	2,997	(3,577)	(15,292)	(22,568)	(31,303)	(43,207)

Key Assumptions:

- Vendor payments managed week to week to ensure cash balances sufficient to meet critical payments like, payroll, bond payments, other governmental transfer requirements.
- Expecting increase in operating disbursement with delayed service agreements, pending formal approvals.
- Electronic health record system (EHR) implementation - additional resources to re-engage.
- Executive leadership projected in April 2023

TO: HOSPITAL BOARD MEMBERS
FROM: David Momberg, Chief Financial Officer
DATE: July 24, 2023



MEETING: Board of Trustees
SUBJECT: Review and Approval of Fiscal Year 2024 Operating and Capital Budget

BUDGET IMPACT:

- A. Does the action impact/affect financial resources? Yes No
B. If yes, what is the impact amount: \$9.8 million Net Deficit

BACKGROUND: Management conducted a review and assessment of the matters necessary to respond to the ongoing constraints on the hospital system's clinical, financial, and operational resources. The Chief Executive Officer has discussed with and apprised the Board on the proposed annual budget for the for the upcoming fiscal year ending June 30, 2024. After careful consideration, management prepared this plan to guide strategic and operational direction during these challenging times.

DISCUSSION:

A summary of the proposed FY 2024 Budget is as follows:

- \$156.1 million Net Revenue
- (\$9.8) million Net Deficit
- \$18.9 million Capital Projects (subject to available funding)

RECOMMENDATION:

- a) Approve FY 2024 Budget and authorize funds required to operationalize and cover planned expenses or
- b) Reject and incorporate proposed modifications.

ATTACHMENT(S):

- FY 2024 Budget for Board Approval

Approved for agenda, Chief Executive Officer

Date and Signature: Pablo Velazquez 7/20/23



Operating & Capital Budget for FYE June 2024

Board of Trustees
July 24, 2023

Executive Summary

Health systems across the country are still recovering from low patient volume and revenue shortfalls tied to the pandemic. At the same time, costs for supplies and labor are rising. Even three years after COVID-19 emerged, many patients continue to put off non-emergency procedures, which continues to squeeze revenue.

Hospitals face difficult conditions in 2023, primarily because of continuing high inflation rates and labor shortages.

We acknowledge ongoing margin compression is not sustainable. The focus for the next fiscal year will be to stabilize and strengthen the operational foundation to weather these challenges to continue to provide high quality care in this community.

FY 2024 Budget

Presented for Approval



Income Statement 2024 Budget	Unaudited		Budget		2024 B vs 2023	
	FYE 2023	FYE 2024	\$ change	% change		
Adult Admissions	3,621	3,331	(290)	-9%		
Adult Patient Days (excl. Observation)	17,644	18,000	356	2%		
Avg. Daily Census	48.3	49.3	1	2%		
Outpatient Visits (excl. Clinics)	94,857	99,743	4,886	5%		
Total Clinic Visits (RHCs, ONC, WHC)	85,868	98,444	12,576	13%		
\$ thousands						
Patient Revenue	\$ 152,505	\$ 156,078	\$ 3,573	2%		
Salaries and wages	63,019	56,138	6,881	12%		
Registry	8,719	1,229	7,490	609%		
Benefits	21,063	19,814	1,249	6%		
Subtotal: Labor	92,802	77,181	15,621	20%		
% Revenue	61%	49%				
Professional fees - medical	15,294	17,562	(2,268)	-13%		
Professional fees - non-medical	3,761	2,863	898	31%		
Supplies - medical	27,516	26,843	673	3%		
Supplies - non-medical	2,181	2,571	(390)	-15%		
Food	1,009	973	36	4%		
Repairs and Maintenance	8,369	9,560	(1,191)	-12%		
Other fees	7,761	8,001	(240)	-3%		
Lease and rental	812	560	252	45%		
Utilities	2,263	2,366	(103)	-4%		
Depreciation and amortization	8,328	8,800	(472)	-5%		
Insurance	2,417	2,425	(8)	0%		
Other	1,473	1,785	(312)	-17%		
Operating Expense	173,986	161,490	12,496	8%		
Operating Margin/(Deficit)	\$ (21,481)	\$ (5,412)	\$ 16,069	-297%		
Other Income:						
Investment Income	510	83	(427)	-514%		
Grant Revenue	684	677	(7)	-1%		
Non Operating Revenue/(Expense)	1,152	2,130	978	46%		
Interest Expense	(7,456)	(7,268)	188	-3%		
Total Other Income	(5,111)	(4,378)	733			
(Deficit)/Excess Revenues Over Expens	\$ (26,591)	\$ (9,790)	\$ 16,801	-172%		
(Deficit)/Excess Revenues Over Expense	-17.4%	-6.3%				
EBIDA	\$ (7,534)	\$ 8,413				
EBIDA %	-4.9%	5.4%				

FY 2024 Budget Summary

- \$156.1 million Revenue
- (\$5.4) million Operating Deficit
- (\$9.8) million Net Deficit
- \$8.4 million EBIDA

Operational Plan

- Manage controllable costs.
- Improve processes for efficiency and to eliminate waste
- Develop incremental business

Objective

- Generate positive EBIDA (operating cash flow) for sustainable operations!



Planned Capital Projects

(Subject to Available Funding)

Estimated Investment: \$18.9 million

Seismic Compliance (SPD-4D Retrofit) *	\$8.2	* Est. as of June 22, 2028
Ancillary Services Building (ASB) *	\$3.1	* Est. as of June 22, 2028
Omnicell Medication Management System *	\$2.1	* Est. as of June 22, 2028
Cerner / EMR	\$3.5	
General Maintenance	\$2.0	Excludes other projects identified; deferred

Focus Areas for FYE 2024



Complete EMR transition, mitigate risks



Improve Operating cash flow



Identify funding sources to meet projected cash requirements



Execute and implement capital projects timely and efficiently



Provide quality health care for the Imperial Valley

