

CALL TO ORDER	Northern Inyo Healthcare District (NIHD) Finance Committee Vice-Chair Melissa Best-Baker called the meeting to order at 5:04 pm.
PRESENT	Melissa Best-Baker, Vice-Chair Jean Turner, Finance Committee - Alternate  Christian Wallis, Interim Chief Executive Officer Allison Partridge, Chief Operations Officer / Chief Nursing Officer Andrea Mossman, Chief Financial Officer
ABSENT	David Barrett, Chair
PUBLIC COMMENT	Vice-Chair Best-Baker reported that at this time, audience members may speak on any items not on the agenda that are within the jurisdiction of the Board.  There were no comments from the public.
OLD BUSINESS	
NIHD FINANCIAL INVESTMENT OPPORTUNITY	CEO Wallis reported on the review of local banking options for investment of District funds. He recommended proceeding with Five Star Bank, noting their healthcare-focused products and the positive experience of other districts such as Mark Twain, Fallbrook, and Southern Humboldt. Local banks and credit unions were contacted; however, El Dorado Bank could not collateralize deposits above the FDIC limit, and other institutions lacked suitable products. The committee agreed to place this item on the next Board meeting agenda for further consideration as an action item.
CASH FLOW UPDATE	CEO Wallis provided an update on the Cash Flow Action Team. Key progress includes: <ul style="list-style-type: none"><li>• <b>Informatics Integration</b> – Informatics staff have begun observing clinic workflows to identify gaps in provider onboarding and electronic health record (EHR) use. They will develop an action plan to improve onboarding processes and retrain current providers.</li><li>• <b>Provider Documentation</b> – Incorrect or incomplete documentation has been identified as a cause of billing delays. Providers have generally been receptive to feedback, and efforts are underway to improve compliance.</li><li>• <b>Patient Registration Practices</b> – Training is being emphasized for patient service representatives to consistently verify insurance and collect co-pays. Feedback noted inconsistencies across departments, particularly orthopedics, which will require re-education.</li><li>• <b>Coding and Audits</b> – CFO Mossman reported that feedback from physicians indicated past chart and coding audits were not always actionable. Leadership is working with Revenue Cycle and HIM to</li></ul>

enhance provider education and ensure feedback results in practice changes.

The committee acknowledged progress and emphasized the importance of standardizing processes across all clinics to support improved cash flow.

#### BUDGET INFORMATION UPDATE

CFO Mossman reported on follow-up items requested by Director Barrett regarding the budget presentation:

- **Projected Operating Loss** – Questions had been raised about why the projection showed a \$10 million operating loss. Mossman explained the projection was compared to the budget, which reflected an even greater loss, and the District ultimately closed the year with a \$16 million operating loss. The FY25/26 budget is more aggressive and seeks to improve this trajectory.
- **Expense Growth** – Barrett also questioned why expenses were projected to rise by 12% while revenue was projected to grow 26% since 2021. Mossman clarified that nearly all of the expense growth was tied to **professional fees**, including expanded provider compensation (e.g., urology, cardiology, higher-cost contracts) and increased billing fees related to the transition to Jorie AI (approximately \$1 million).

As Director Barrett was not present at this meeting, the committee agreed to include this update in the minutes and report out at the next Board meeting rather than continuing to defer the item.

#### NEW BUSINESS

##### APPROVAL OF JULY 16, 2025 MEETING MINUTES

Vice-Chair Best-Baker presented the draft minutes from the July 16, 2025 Finance Committee meeting.

Motion to approve the meeting minutes from July 16, 2025: Turner  
2<sup>nd</sup>: Best-Baker  
Pass: 2-0

##### CAPITAL ITEMS Q1 FY 25/26 APPROVAL

CEO Wallis and CFO Mossman presented the prioritized list of capital items for Fiscal Year 2025/26, totaling \$2 million as provided in the annual budget. The executive team categorized requests by urgency and emphasized the need for flexibility to move projects between quarters depending on financial performance. Discussion highlighted the importance of developing a three- to five-year capital planning process, supported by submission forms, ROI analyses, and review by a newly formed Capital Committee. High-priority items, such as the echocardiogram table with a projected five-month payback period, were noted as examples of investments with immediate impact. The committee also discussed the relationship of capital planning to the upcoming market analysis and master facility planning process, which will guide future service line growth and facility needs.

Motion to move the capital items list to the board: Best-Baker

2<sup>nd</sup>: Turner  
Pass: 2-0

FINANCIAL AND  
STATISTICAL REPORTS

CFO Mossman presented the July 2025 financial and statistical reports, noting that July is historically a slower month and was budgeted as a loss. The District reported a net operating loss of \$1.3 million, which was slightly better than the budgeted \$1.5 million loss. Inpatient admissions and ER visits were below budget, while deliveries were slightly above. Outpatient surgical volumes, particularly orthopedics, were under budget; however, clinic visits have begun to stabilize, and leadership is working with surgeons to return to prior-year volumes.

Expenses were managed below budget overall, though salaries exceeded budget due to higher FTE counts. This was partially offset by lower contract labor and benefit costs, with benefits as a percentage of wages trending to their lowest levels in recent years. Leaders are being asked to monitor overtime and premium pay more closely, with new reporting tools now in use.

Cash flow performance showed improvement. Gross AR days decreased to 71, continuing a downward trend, and upfront cash collections more than doubled compared to the prior year. Days cash on hand remained strong at 92, above bond requirements, and unrestricted cash was reported at \$28 million. Leadership is also pursuing additional savings by consolidating Medi-Cal billing under Jory and expanding revenue capture through service line strategies and facility planning.

Committee discussion emphasized the importance of narrative context when presenting results to the Board, particularly around planned operating losses, labor cost management, and capital investment strategy. Mossman agreed to prepare a streamlined presentation for the upcoming Board meeting, with supplemental detail available if requested.

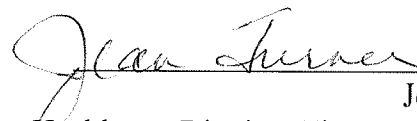
**Public Comment:** A question was raised regarding whether upfront cash collections could be reported by clinic to identify outliers. Mossman and Partridge responded that cumulative totals are reviewed daily, with some breakdowns available by specialty (particularly diagnostic imaging and RHC), but noted that detailed clinic-level reporting is not currently produced.

ADJOURNMENT

Adjournment at 6:21 pm.



Melissa Best-Baker  
Northern Inyo Healthcare District  
Finance Committee Chair

A handwritten signature in black ink, appearing to read "Jean Turner", is written over a horizontal line.

Jean Turner  
Northern Inyo Healthcare District - Finance Committee  
Finance Committee Alternate