

CALL TO ORDER	Northern Inyo Healthcare District (NIHD) Board Chair Jean Turner called the meeting to order at 4:01 pm.
PRESENT	Jean Turner, Chair Melissa Best-Baker, Vice-Chair David Lent, Secretary Laura Smith, Member at Large Christian Wallis, Interim Chief Executive Officer Allison Partridge, Chief Operations Officer / Chief Nursing Officer Adam Hawkins, DO, Chief Medical Officer Alison Murray, Chief Human Resources Officer, Chief Business Development Officer Andrea Mossman, Chief Financial Officer
ABSENT	David McCoy Barrett, Treasurer
OPENING COMMENTS	Chair Turner welcomed Christian Wallis as the new Interim CEO and expressed appreciation for Allison Partridge's service as Acting CEO. Chair Turner acknowledged the entire administrative team for their leadership during a challenging period.
PUBLIC COMMENT	Chair Turner reported that at this time, audience members may speak on any items on the agenda that are within the jurisdiction of the Board. There were no comments from the public.
NEW BUSINESS	Motion to accept the meeting minutes from October 16, 2024: Smith 2 nd : Best-Baker Passed: 3-0 Motion to accept the meeting minutes from January 15, 2025: Smith 2 nd : Best-Baker Passed: 3-0
STANDARD AND POOR'S – NIHD GO BOND RATING	Chair Turner called attention to the Standard and Poor's – NIHD GO Bond Rating CFO Andrea Mossman provided an overview of the District's recent credit rating review by Standard & Poor's. The District's rating was downgraded from B+ to B, while the outlook was upgraded from Negative to Stable. The downgrade was primarily attributed to the District's high debt burden and continued reliance on supplemental funding to offset operating losses. Standard & Poor's expressed concern about future financial stability given potential federal and state Medi-Cal funding cuts. Despite the downgrade, the agency acknowledged positive developments including improved net income performance, better pension funding, and

leadership stability. CFO Mossman noted that while S&P typically evaluates annually, the District may request a reevaluation sooner if there is measurable financial improvement.

Board members engaged in discussion, acknowledging the concerns raised and affirming the importance of aggressive cost control and budget discipline to support long-term financial sustainability.

PRELIMINARY BUDGET

Chair Turner called attention to the Preliminary Budget

CFO Andrea Mossman presented the preliminary draft budget for fiscal year 2025–26. The budget reflects a projected operating loss of \$8.2 million, consistent with the current fiscal year. The loss is largely driven by rising expenses, limited revenue growth, and continued reliance on supplemental Medi-Cal funding.

Revenue assumptions include a 4% increase in gross patient revenue, tied to efforts to restore patient volumes—particularly in orthopedics—and a 5% increase in net patient service revenue, based on stable payer mix and modest improvements in collections.

Expense projections reflect:


- Annual merit and union-related wage increases
- Modest benefit savings
- Strategic reductions in travel and contract labor
- Increases in legal and billing-related professional fees (including the transition to Jorie, an AI billing platform)
- Inflation-adjusted supply costs informed by GPO guidance

Mossman emphasized a focus on departmental accountability and aggressive cost containment strategies, including closer management of overtime and premium pay. The budget will continue to be refined, with targeted reductions in specific areas before final presentation in June.

Board members expressed appreciation for the early timeline, level of detail, and clarity of the presentation. Discussions also covered capital planning integration, risks associated with billing automation, and concerns about anticipated state and federal funding changes. The final budget is scheduled for approval at the June Board meeting, in advance of the July 1 fiscal year start.

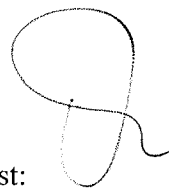
ADJOURNMENT

Adjournment at 4:49 pm.


Melissa Best-Baker
Northern Inyo Healthcare District
Vice-Chair

Northern Inyo Healthcare District Board of Directors
Finance and Audit Committee

May 21, 2025
Page 3 of 3

A handwritten signature in black ink, appearing to be 'David Barrett', written over a horizontal line.

Attest:

David Barrett
Northern Inyo Healthcare District Chair
Treasurer