



Marin Healthcare District

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

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FINANCE AND AUDIT COMMITTEE

Open Session

Tuesday, June 26, 2018, 2:10pm

Minutes

I. Call to Order & Roll Call

- Roll Call
 - ✓ Committee members present: Larry Bedard MD; Jennifer Rienks PhD.
 - ✓ Staff Present: Jim McManus CFO, Beverly Wells Assistant Controller, Michael Lighthawk EA.
- Approval of Regular Meeting Agenda: **Agenda approved.**
- Approval of Minutes of previous open meeting of May 1, 2018: **Minutes approved.**
- Approval of Minutes of previous Closed Session of May 1, 2018: **Minutes approved.**
- General Public Comment – No Public.

II. Finance

A. Financial Report – May 31, 2018

Balance Sheet

Jim McManus noted that Intercompany Receivables/Payables can fluctuate dramatically depending on what the hospital is reimbursing to the District for clinic expenses or other reimbursable expenses. The other ever-changing items are Hospital Construction Costs and the directly related Assets Limited to Use Bond Funds. This give and take between the two categories will be ongoing until the 2nd tranche of GO Bonds is exhausted; at which time we will switch over to the Revenue Bonds.

Income Statement (5 months ending May 31, 2018)

Investment Earnings are based on about \$1M invested in the District Corporate portfolio. This month's loss is reflective of the current market environment. These are not realized losses. The portfolio is primarily fixed income investments so when the market recovers the portfolio will recover.

▪ Legal Fees (Follow-up)

Jim commented that the increase in legal fees may be due to the UCSF transaction. That variance discussed at the last meeting is no longer there because there was a reclass of charges from the District over to MGH.

- Clinic Activity – Jim pointed out that the MGH Clinic Reimbursement variance of \$194,214 should be \$117,375.

Clinic Summary – Some clinics have improved. The main variance is with Urology due to Nurse Practitioner billing. CAM is very busy so elevated costs are due to the professional fees for the 3 physicians there. Marin Endocrine is likely to move closer to budget. They have a physician there who is on a guarantee.



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Dr. Chase's practice fluctuates but is positive YTD. Dr. Murphy's shortfall is due to the lack of 1-1.5 Nurse Practitioners in the practice.

The After Hours Clinic is not budgeted in 2018 and receives funding from Blue Shield. Behavioral health running higher but we're about half way to achieving budget.

B. Review Travel Policy

The committee discussed "Travel at a reasonable cost" and comparison between flying vs. driving while keeping in mind considerations of convenience and needs of the person traveling. Jim McManus pointed out that the hospital basically leaves these issues up to managerial oversight. Discussions ensued regarding personal expense, being fiscally prudent, and policies of other organizations.

Jim McManus offered to apply his experience and knowledge of travel reimbursement policies and come up with language to address the concerns brought up by the committee. Points of interest to the committee are:

- Executive approval
- Gas mileage calculation
- Timely submission of expenses
- Taxable reimbursements

C. Financial Procedures & Internal Controls (FPIC)

Jim pointed out that this policy was updated about two years ago and the procedures are still relevant; bank accounts and investments are still intact and the appropriate reserves are in place. Following a brief discussion of possible updates to the policy, management will bring the policy back for a final review.

III. Scheduling

- Discuss Committee Meeting Times – The committee discussed the practicality of having an earlier meeting time. Jim McManus stated that management is open to whatever the committee wants to do and recommended introducing the possibility of having a "Board Day" to the board of directors where multiple meetings could take place in one day.

IV. Agenda Items for Next Meeting

- ### A. Final Review of the Travel and Financial Procedures & Internal Controls Policies.

V. Adjournment – Chair Bedard adjourned the meeting at 6:18