Board Finance and Compliance Committee
8:00 – 9:00 a.m.
virtual
October 31, 2025

Minutes

Topic	***Presenters***	***Purpose***
Call to Order	Justin Gullekson	
Justin Gullekson called the meeting to order at 8:04 a.m.		
Contract Management	Carmen Krivachek	Information
Carmen outlined the contract management process, including annual evaluations, regulatory requirements, and improvements to vendor oversight. Contracts are reviewed to ensure vendors are not on OIG or Medicaid exclusion lists, and business associate agreements are completed for any exchange of confidential information, with privacy and security officers conducting risk assessments.		
Financial Update	Ben Stevens	Information
September Finance Review: Ben reported that outpatient services and clinical specialties were the primary drivers of revenue. Gross patient revenue met expectations, and specialty practices performed well against budget. Ben explained that contractual allowances were higher due to conservative approaches on Medicaid directed payments and changes in the cost-based reimbursement model. Expenses were under budget, particularly in salaries, as hiring for non-essential positions was paused pending more information on Medicaid payments. Despite a negative operating income for the month, the result was better than budgeted. Ben highlighted a $250,000 increase in patient accounts receivable, attributing it to delays in coding due to staffing shortages. Efforts were underway to hire two additional coders. Cash decreased by three days, bringing the total to 99 days cash on hand. Benjamin emphasized that capital purchases would be closely monitored and potentially slowed, even if budgeted, to maintain a strong cash position. Year to Date: Ben reported that gross patient revenue exceeded budget in all categories, with outpatient revenue $7.5 million above budget. Benjamin reviewed the 340B program, noting a decline in contract pharmacy revenue but significant internal savings. The program allowed the hospital to reduce drug costs by nearly half, providing substantial financial benefit. Expenses were $3 million over budget, primarily due to increased supplies, drugs, and employee benefits. Gross patient revenue was within 1% of budget. Expenses were $1 million under budget		
Adjournment		
The meeting was adjourned at 8:49 a.m.		

Members: X = Present   O = Absent

Justin Gullekson, Chair	O	Ben Stevens	X	Dave Rooney	X
Mark Jensen	X	Steve Slessor	X	Kathy Moritz	X
Dr. Thomas Marquardt	O	Andrew Bailey	O	Kelly Brickley	X
Shelly Giddings	X	Carmen Krivachek	X		

Recording: BreAnna Sovereign, Executive Assistant