

**Board Finance and Compliance Committee**

**8:00 – 9:00 a.m.**

**virtual**

**March 27, 2026**

**Minutes**

<b><u>Topic</u></b>	<b><u>Presenters</u></b>	<b><u>Purpose</u></b>
<b><i>Call to Order</i></b>	Justin Gullekson	
Justin Gullekson called the meeting to order at 8:00 a.m.		
Financial Update	Ben Stevens	Information
<p>Ben explained that the February budget was set lower due to fewer business days, which typically results in lower outpatient revenue leading to a planned significant loss for the month. Ben noted that inpatient and primary care volumes were below expectations, while surgical volumes were mediocre, resulting in lower revenue. Expenses were managed well, with positive variances in several categories. Contractuals were the biggest reason for the budgeted miss due to some catch up from prior months with the new 41% Medicare rate along with expenses being far under budget which reduces expected Medicare revenue from a cost report perspective. Ben reported that the organization is approximately \$1 million under budget year-to-date, with the February bottom line missing budget by \$175,000. Ben described a decimal point error by WPS that reduced the Medicare interim rate from 43% to 20%, resulting in substantial underpayments; after investigation and communication, the rate was corrected to 41% effective March 15, but the organization must cash flow the shortfall until a lump sum settlement is received. Cash has been further hampered by Medicaid directed payments delays and the organization needing to prefund \$800,000 in February to unlock the first Medicaid Direct check of 2.1 million which was received in March.</p> <p>The Finance Committee in discussing the current cash position, approved including the interest expense on our next pay application to help increase cash balances, which will allow us to close our USDA loans with increase days cash on hand.</p> <p>Steve shared the organization's current and planned financial action steps, including phase one and stage two improvement items, and highlighted efforts to model and improve provider productivity as a key strategy for financial recovery.</p>		
County Budget FY27	Ben Stevens	Information
Ben briefly addressed the upcoming county tax budget approval, noting that the rate remains unchanged and the process is a formality, with documentation included in the board packet for review.		
<b><i>Adjournment</i></b>		
The meeting was adjourned at 8:47 a.m.		

Members: X = Present O = Absent

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

*Recording: BreAnna Sovereign, Executive Assistant*