



VVRMC Finance Committee Agenda

August 26, 2024

Time: 12:00PM Location: Admin. Board Room

1.	Welcome	Dr. Julio Otazo
2.	CFO: Financial Statement and Statistics Overview <ul style="list-style-type: none">• July 2024 Minutes• July 2024 Months End• Capital Equipment Request	-Dr. Julio Otazo -C. Falcon, CFO -C. Falcon, CFO
3.	Conclude	Dr. Julio Otazo

August 26, 2024

Finance Committee Meeting

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**MINUTES OF THE FINANCE COMMITTEE OF THE
CORPORATE BOARD OF VAL VERDE REGIONAL MEDICAL CENTER
Del Rio, Texas July 22, 2024**

Pursuant to notice duly given, a meeting of the Finance Committee of the Corporate Board of Val Verde Regional Medical Center (VVRMC) was held on Monday, July 22, 2024 in the Administrative Board Room of VVRMC at 12:00 p.m.

Committee Members in Attendance:	Others:
<ul style="list-style-type: none">• Cris Diaz• Robin Palmer (In Place of Dr. Otazo)• Dr. Lee Keenen• Ricardo Bermea Absent <ul style="list-style-type: none">• Dr. Julio Otazo• Dr. Aurelio Laing, III	<ul style="list-style-type: none">• Jorge Jurado, CEO• Claudia Falcon, CFO• Mayra Herrera, Controller• Maricela Arreola, Executive Asst.

CALL TO ORDER

The meeting was called to order at 12:01 p.m. July 22, 2024. The June 2024 minutes were approved as presented.

FINANCIAL STATEMENT AND STATISTICS OVERVIEW

Claudia Falcon, CFO presented a high overview of the Financial Results for period ending June 2024

Volume:

- **Outpatient visits**
 - Compared to PY same time OP visits decreased by (412) or (7.6%)
 - Compared to Prior Month (PE May 24) OP visits decreased by (714) or (13%)
- **Emergency Room Visits:**
 - Compared to PY same time ED visits decreased by (245) or (11%)
 - Compared to Prior Month (May 24) decreased by (245) or (11%)
 - Avg. visits per day MTD: 64
 - Avg. visit per day same period prior year(MTD): 72
 - Current YTD comparison to prior year at PE June 2023 visits decreased by (176) or (0.7%)
 - Average visits per day YTD: 72
- **OP Surgeries**
 - Compared to PY same period surgeries were increased by 31
 - Compared to prior month (PE May 2024) increased by 47 or 30%
 - PE May 2024: 203
 - PE May 2024: 156
 - PE Apr 2024: 136
- **Swing Bed PE June 2024**
 - Admitted: 1
 - Avg. LOS: 11

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- **Avg. Daily Census 2**
 - PE May 2024: 3 Admission (ALOS11, ADC1)
 - PE Apr 2024: 1 Admission (ALOS 11, ADC 1)
 - PE Mar 2024: 1 Admission(s) (ALOS 3, ADC 1)
- **Heart Cath’s at PE Apr 2024**

FY 2024	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Avg YTD
TOTAL DIAGNOSTIC HEART CATHETERIZATION CASES	7	11	12	18	16	12	18	10	21	17	12		14
OUTPATIENT	5	8	8	8	10	11	5	4	10	15	4		
INPATIENT	2	3	4	10	6	1	13	6	11	2	8		
TOTAL CORONARY INTERVENTION (PCI) CASES	3	3	10	7	5	7	9	3	12	7	2		6
OUTPATIENT	2	3	6	4	2	7	2	1	6	6	1		
INPATIENT	1	0	4	3	3	0	9	2	6	1	1		
FY 2023	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Avg YTD
TOTAL DIAGNOSTIC HEART CATHETERIZATION CASES	10	15	14	12	14	8	11	14	19	18	14	19	14
OUTPATIENT	2	6	11	7	9	7	6	9	8	9	9	14	
INPATIENT	8	9	3	5	5	1	5	5	11	9	5	5	
TOTAL CORONARY INTERVENTION (PCI) CASES	5	4	9	5	5	5	5	8	7	7	4	7	6
OUTPATIENT	2	4	7	4	1	4	2	2	1	2	3	5	
INPATIENT	3	0	2	1	4	1	3	6	6	5	1	2	

Cath Lab update:

UPS: After confirming UPS issue and need to replace, UPS was ordered in June. Technician confirmed that UPS being ordered would be compatible with both existing and new CATH Lab (if replaced in the future)

Thursday, July 18th: Phillips Rep informed us that the UPS that was ordered would not be compatible with new Cath Lab. We requested SPECS for the UPS that would be compatible with new UPS (certified to be used on Azurion) if we move forward with replacing current CATH with new Cath Lab.

Contacted MCDEAN to request hold on ordered UPS based on information provided to us by Phillips vendor. Payment for UPS has not been processed. McDean placed order on hold pending SPECS for required UPS. SPECS received on Friday from Philips and emailed to McDean Rep.

Mobile Cath Lab contract signed for 3-months--cost \$37,500 per month

SLT working with CPSI to review Quotes from GE, Philips, Schimadzu to ensure best pricing provided and obtaining quotes for refurbished Cath Labs

Philips: SLT engaged on conference call with Philips Rep. It was communicated that construction was not included in initial quote. Reviewed validating for each line item expenses--noted add-ons that are not required. Pending revised quote from Philips

Shimadzu: Rep stopped by on Friday, July 19th. Informed him that hospital is not pursuing with Shimadzu

CPSI: Friday, July 19th, received quotes for refurbished Cath Labs:

1. Philips Allura Xper FD20 Cath/Angio System \$325k:
 - a. DOM: 2014
 - b. Condition: Refurbished 2024
2. GE Healthcare Discovery IGS 730 Caht/Angio System \$647k:
 - a. DOM: 2017
 - b. Condition: Brand new, never used. Uncrated, staged, and tested
3. GE Healthcare IGS 540 Cath/Angio System \$475k:
 - a. DOM: 2015
 - b. Condition: Refurbished

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- **Clinics:**

- 0 COVID VACCINE CLINICS
 - Prior month: 6
- 662 VISITS FOR RHC/SPECIALTY WALK-IN (avg. 28 pts a day)
 - Prior month: 33 (792 visits)

Patient Revenue:

- PE May 2024: Gross Patient Revenue (GPR) of \$24,129,843:
 - Decrease of (\$2,172,220) or (8%) from the prior month, with Inpatient Revenue decreasing by (\$842k) or (20%) and Out-Patient by (\$1.3m) or (6%).
 - Comparing to May 2023 MTD: GPR decreased by (\$4.5m) or (16%)
 - Inpatient down by (\$772k) or (8%) and OP Revenue by (\$3.7m) or (15%)
 - Variance against budget (\$7.1m) or (23%)
 - Year-to-date twelve-month period ending June 30,2024 compared to prior year same time, gross patient revenue has increased by \$7.9m or 3%

Net Patient Revenue:

- MTD PE Jun 2024: \$3.3m variance against budget unfavorable by (\$4m) or (54%)
- Compared to prior year Net patient revenue is unfavorable year-to-date by **(\$2.9m or 4%)**
 - Variances in Net Patient revenue are related to 3rd party (DSH/UC) adjustments.
 - DSH: Received recoupment notice from TXHHSC on June 27, 2024, due to DSH 2024 overpayment of \$951 due back to state no later than July 2022. Entry was recorded to recognize in books as liability.
 - Uncompensated Care (UC): estimated funding due to Val Verde Hospital is much lower than initially projected, resulting in a decrease in revenues from US of (\$1m)
 - Additional adjustments are still pending final Audit to be completed by state for DY 10 (FFY 2021), DY 11 (FFY 2022), & DY 12 (FFY 2023). At this time it is unknown if and how much monies VVRMC will have to pay back. The audit methodology has changed, making it difficult to forecast how much the repayment will be. Additionally, changes in methodology could result in gross amount being repaid vs net--this is different from previous years. It is important to note that several hospitals throughout the state that will be negatively impacted by 3rd party reimbursement adjustments.

Expenses

- PE June 30,2024: Operating Expenses of \$7,256,506 favorable variance from budget by (\$121,118)
- YTD: \$85,106,011 favorable variance from budget of (\$5,018,851) or (6%)
- Comparing to prior year-to-date at period ending June 30, 2023, expenses have decreased by (\$559k) or (0.7%).
 - Although expenses have increased CFYTD compared to PYTD, we have seen the following expenses are trending favorable compared to PY:
 - Maint. & Repair: decrease by \$787k
 - Rental Expenses \$475k
 - Contracted Services: \$2.8m
 - Physician Fees: \$985k
 - Legal & Professional: \$420k
 - Telephone & Utilities: \$400k
 - Interest: \$43k
 - Depreciation: \$455k

Currently, monthly expenses are averaging at around \$7m; \$418k a month less than budgeted amount (average budgeted monthly expenses \$7.5m).

Expenses unfavorable against budget for PE June 2024 were:

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- **Employee Benefits** over budget by \$101k or 20% MTD and YTD by \$41k or 1%. Variance against budget related to medical claims.
- **Contracted Labor** over budget by \$86k or 73% MTD and favorable by (\$34k) or (1%) YTD. Contract services over budget for the following departments: Emergency Room, Radiology, OR, and Labor & Delivery. There were no monies budgeted for contract labor in Radiology, OR, and Labor & Delivery services.
- **Purchased Services** unfavorable against budget by \$39k or 10% MTD and YTD by \$4k or 0.1%. Variance related to payment for landscaping "Anabelia Castillo-Lopez Tranquility Garden". Expense offset by family donation received/recorded as other revenue. Also had variance in Radiology expenses paid to GE and Methodist.
- **Legal & Professional** unfavorable against budget by \$46k or 169% and favorable YTD by (\$136k) or (24%). Variance related to Forvis Swing Bed Consulting fees and Attorney fees for HR related issues (5500, Benefits and 403b plan).
- **Telephone/Utilities** unfavorable against budget by \$11k or 9% and favorable YTD by (\$243k) or (17%)
- **Interest Expense** unfavorable against budget by \$15k or 154% and YTD by \$9k or 8%. Variance related to GASB 96 added vendor Tegria.
- **Depreciation** unfavorable against budget by \$31k or 7% MTD related to reclassification and audit entries related to GASB 96. In summary, GASB 96 requires Software Subscriptions to be recorded as RTU assets on Balance sheet and Expense Amortization--no longer recorded as an expense on Income Statement.

Turnover:

- PE June 2024 turnover rate: 16.3%

Overtime:

- PE June 2024 Overtime trending at 4%

Dept	PE Jun 2024	
	Ttl OT HRS	% OT
60728-RADIOLOGY	350	10%
60780-EMERGENCY ROOM	592	18%
60783-EMS	981	29%

Overtime %	OVERTIME % FY 2024											
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
	4%	5%	5%	5%	4%	5%	6%	5%	4%	5%	5%	4%

- **Prior Month May 2024**

Department	PE MAY 24		FYTD 24 %OT	
	Ttl OT Hrs	% OT		
60650-ICU	156	6%	1,119	5%
60708-LABOR & DELIVERY	153	6%	1,349	6%
60780-EMERGENCY ROOM	439	16%	6,577	31%
60783-EMS	1,095	39%	12,207	57%

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- The Net income from Operations is (\$3.5m) MTD and (\$8.7m) YTD

Total Surplus (Loss)

- The Total (Loss) at PE June 2024 was (\$2.5m) unfavorable to budget by (\$3.1m) and YTD (\$2.6k) unfavorable to budget by (\$8.35m)

EBIDA

- PE June 2024: (\$3m) MTD and (\$2.8m)YTD

Days cash on hand: 62 (Corporate only--not combined)

- **Corporate Cash at PE June 2024:** \$13,435,478 (decrease of \$481k compared to prior month)
- **District Cash at PE June 2024:** \$9,446,077
 - **District Cash at PE June 2024 to include outstanding QIPP IGT:** \$28,067,938
- **Combined Cash (Corporate + District + IGT outstanding):** \$41,503,416
 - Less \$18,621,861 IGT outstanding is \$22,881,555

Following are the Finance Committee Recommendations to the Board of Directors:

1. Financial Results for June 2024 were reviewed by the Chief Financial Officer, Claudia Falcon. Dr. Lee Keenen made a recommendation to the Board of Directors to approve the unaudited Financials for June 2024, as presented, subject to audit. Cris Diaz seconded the recommendation; recommendation carried unanimously.

District budgeted CERs:

2. Dr. Lee Keenen made a recommendation to the Board of Directors to approve the District budgeted capital equipment requests as follows:
 - The purchase of a utility vehicle for a total amount of \$11,969.77Robin Palmer seconded the recommendation; recommendation carried unanimously. Dr. Lee Keenen made a recommendation for administration to conduct a silent auction bid for the OLD utility vehicle, to be sold, AS IS, without batteries. Cris Diaz seconded the recommendation, recommendation carried.

District

3. Dr. Lee Keenen made a recommendation to the Board of Directors to authorize administration to enter into negotiations with owners, regarding the property behind the RHC. Cris Diaz seconded the recommendation; recommendation carried unanimously.

The Finance Committee meeting adjourned at 1:03 p.m.

**VAL VERDE REGIONAL MEDICAL CENTER
COMPARITIVE STATEMENT OF REVENUES AND EXPENSES
FOR THE PERIOD ENDED JUL 2024**

Actual MTD FY 2025	PE BUD FY 2025	Prior Year MTD FY 2024		Actual YTD FY 2025	YTD BUD FY 2025	Prior YTD FY 2024
			Patient Gross Revenue			
\$ 3,868,800	\$ 5,314,227	\$ 4,512,647	Inpatient Revenue	\$ 3,868,800	\$ 5,314,227	\$ 4,512,647
\$ 21,325,287	\$ 24,891,133	\$ 20,200,179	Outpatient Revenue	\$ 21,325,287	\$ 24,891,133	\$ 20,200,179
<u>\$ 25,194,087</u>	<u>\$ 30,205,360</u>	<u>\$ 24,712,826</u>	Total Patient Revenue	<u>\$ 25,194,087</u>	<u>\$ 30,205,360</u>	<u>\$ 24,712,826</u>
			Revenue Deductions			
\$ 18,007,159	\$ 19,973,235	\$ 16,334,036	Contracted Deductions	\$ 18,007,159	\$ 19,973,235	\$ 16,334,036
\$ 422,819	\$ (10,497)	\$ (674,271)	Bad Debts	\$ 422,819	\$ (10,497)	\$ (674,271)
\$ 1,708,490	\$ 3,295,215	\$ 3,911,443	Charity Care	\$ 1,708,490	\$ 3,295,215	\$ 3,911,443
\$ (211,601)	\$ (291,667)	\$ (742,997)	Waiver Funds (UC)	\$ (211,601)	\$ (291,667)	\$ (742,997)
\$ (139,785)	\$ (100,000)	\$ (100,000)	DISPRO Funds (DSH)	\$ (139,785)	\$ (100,000)	\$ (100,000)
<u>\$ 19,787,082</u>	<u>\$ 22,866,286</u>	<u>\$ 18,728,210</u>	Total Deductions	<u>\$ 19,787,082</u>	<u>\$ 22,866,286</u>	<u>\$ 18,728,210</u>
\$ 5,407,005	\$ 7,339,074	\$ 5,984,615	Net Patient Revenue	\$ 5,407,005	\$ 7,339,074	\$ 5,984,615
\$ 90,612	\$ 124,999	\$ 79,263	Other Revenue	\$ 90,612	\$ 124,999	\$ 79,263
<u>\$ 5,497,616</u>	<u>\$ 7,464,073</u>	<u>\$ 6,063,879</u>	Total Net Revenue	<u>\$ 5,497,616</u>	<u>\$ 7,464,073</u>	<u>\$ 6,063,879</u>

**VAL VERDE REGIONAL MEDICAL CENTER
COMPARITIVE STATEMENT OF REVENUES AND EXPENSES
FOR THE PERIOD ENDED JUL 2024**

Actual MTD FY 2025	PE BUD FY 2025	Prior Year MTD FY 2024		Actual YTD FY 2025	YTD BUD FY 2025	Prior YTD FY 2024
Operating Expenses						
\$ 2,856,521	\$ 3,125,244	\$ 2,937,642	Salaries	\$ 2,856,521	\$ 3,125,244	\$ 2,937,642
\$ 70,815	\$ 84,912	\$ 59,892	General Insurance	\$ 70,815	\$ 84,912	\$ 59,892
\$ 296,103	\$ 298,263	\$ 275,606	Employee Benefits	\$ 296,103	\$ 298,263	\$ 275,606
\$ -	\$ -	\$ -	Retention & Contingency (KPI)	\$ -	\$ -	\$ -
\$ 176,326	\$ 267,262	\$ 240,178	General Expenses	\$ 176,326	\$ 267,262	\$ 240,178
\$ 68,019	\$ 77,163	\$ 107,957	Maint. & Repair Expenses	\$ 68,019	\$ 77,163	\$ 107,957
\$ 70,323	\$ 17,534	\$ 17,150	Rental Expenses	\$ 70,323	\$ 17,534	\$ 17,150
\$ 173,031	\$ 165,314	\$ 206,636	Contracted Services	\$ 173,031	\$ 165,314	\$ 206,636
\$ 326,525	\$ 335,771	\$ 329,893	Purchased Services	\$ 326,525	\$ 335,771	\$ 329,893
\$ 905,386	\$ 1,170,440	\$ 977,074	Physician Fees	\$ 905,386	\$ 1,170,440	\$ 977,074
\$ 10,611	\$ 20,509	\$ 7,542	Travel Education	\$ 10,611	\$ 20,509	\$ 7,542
\$ 14,937	\$ 32,251	\$ 21,076	Legal & Professional	\$ 14,937	\$ 32,251	\$ 21,076
\$ 76,228	\$ 104,518	\$ 86,646	Telephone/Utilities	\$ 76,228	\$ 104,518	\$ 86,646
\$ 740,784	\$ 920,464	\$ 672,676	Supply/Drug	\$ 740,784	\$ 920,464	\$ 672,676
\$ 11,496	\$ 12,500	\$ 3,056	Interest Expense	\$ 11,496	\$ 12,500	\$ 3,056
\$ 450,171	\$ 535,108	\$ 379,087	Depreciation	\$ 450,171	\$ 535,108	\$ 379,087
<u>\$ 6,247,275</u>	<u>\$ 7,167,253</u>	<u>\$ 6,322,111</u>	Total Operating Expenses	<u>\$ 6,247,275</u>	<u>\$ 7,167,253</u>	<u>\$ 6,322,111</u>
\$ (749,659)	\$ 296,820	\$ (258,233)	Net Operating Income/(Loss)	\$ (749,659)	\$ 296,820	\$ (258,233)

**VAL VERDE REGIONAL MEDICAL CENTER
COMPARITIVE STATEMENT OF REVENUES AND EXPENSES
FOR THE PERIOD ENDED JUL 2024**

Actual MTD FY 2025	PE BUD FY 2025	Prior Year MTD FY 2024		Actual YTD FY 2025	YTD BUD FY 2025	Prior YTD FY 2024
Non-Operating/Rev/Exp						
\$ -	\$ -	\$ -	Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -
\$ -	\$ 179,072	\$ -	District Capital Distributions	\$ -	\$ 179,072	\$ -
\$ -	\$ -	\$ -	Interest Expense	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	District Contributions Hosp. Salary Exp- Salary incr. apprvd. January 6, 2022	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	District Contributions - QIPP Revenue	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	District Contributions - Holiday Bonus	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	INSURANCE CLAIM--REIMB.	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	ARP RURAL FUNDING	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	RH-CHRG	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	RHC SHIP 2021 CTMP	\$ -	\$ -	\$ -
\$ (749,659)	\$ 475,892	\$ (258,233)	Net Income/(Loss)	\$ (749,659)	\$ 475,892	\$ (258,233)
\$ (287,992)	\$ 844,428	\$ 123,910	EBIDA	\$ (287,992)	\$ 844,428	\$ 123,910

UNAUDITED FINANCIALS

	Jul-24
Days Cash on Hand	62

Val Verde Reg Medical Center
FISCAL YEAR JUL 2024 - JUN 2025
BALANCE SHEET
PE JUL 2024

<u>ASSETS</u>	<u>YTD ACTUAL</u> <u>PE JUL 2024</u>
Current Assets	
Total Cash & Investments	\$ 11,614,924
Net Patient Receivables	\$ 7,479,870
Total Inventories	\$ 1,493,849
Other Current Assets	\$ 3,109,970
Total Current Assets	\$ 23,698,612
Gross PP&E	\$ 77,486,539
ACCUM DEPR-LAND IMPROVEMENTS	\$ (779,029)
ACCUM DEPR-BUILDINGS	\$ (4,982,067)
ACCUM DEPR-FIXED EQUIPMENT	\$ (3,152,953)
ACCUM DEPR-AMBULANCES/AUTO	\$ (1,319,572)
ACCUM DEPR-MAJOR MOVABLE	\$ (43,347,593)
AMP ACCUMULATED DEPRECIATION	\$ (358,459)
ACCUM AMORT-RTU ASSET	\$ (2,081,234)
ACCUM AMORT-RTU ASSET GASB96	\$ (1,699,592)
Total Accumulated Depreciation	<u>\$ (57,720,499)</u>
Net PP&E	\$ 19,766,040
TOTAL ASSETS	\$ 43,464,652
LIABILITIES & NET ASSETS	
Current Liabilities	
A/R CREDIT BALANCE	\$ 1,002,071
VVH EMS CREDIT BALANCES	\$ 87,083
RHC/SPEC CLINICS A/R CR BAL	\$ 154,081
CAPITAL LEASES	\$ -
INS FINANCED PAYABLE	\$ 103,330
IRS PENALTY	\$ 65,891
Current Portion of LTD	\$ (1,409,956)
Vendor Payables	\$ (3,047,589)
Accrued Vendor Payables	\$ (440,926)
Accrued Payroll Expenses	\$ (3,670,585)
Deferred Revenue	\$ (279,569)
3rd Party Payable	\$ 45,926
Total Current Liabilities	\$ (8,894,552)
CHAT LAWSUIT	\$ (0)
LT PORTION OF MCR ACC/ADV PMT	\$ -
Total Long-term Debt	\$ (4,385,382)
TOTAL LIABILITIES	\$ (13,279,934)
AP-VVCHD	\$ (1,708)
NET ASSETS	
CLINIC FORGIVE	\$ (11,458,368)
AMP RETAINED EARNINGS	\$ (575,591)
AMP OPEN BALANCE EQUITY	\$ (7,282,519)
AMP OWNERS EQUITY	\$ 9,800,331
OPERATIONS	\$ 2,135,865
YTD NET INCOME	\$ 6,554,737
RETAINED EARNINGS	\$ 31,758,215
Unrestricted Net Assets	\$ (30,934,378)
YTD INCOME SUMMARY	\$ 749,659
TOTAL NET ASSETS	\$ (30,184,719)
TOTAL LIAB & NET ASSETS	\$ (43,464,652)

UNAUDITED FINANCIAL STATEMENT

**VAL VERDE REGIONAL MEDICAL CENTER
FY2025: CASH RECEIPTS & DISBURSEMENTS**

	Jul 24 Act	Aug 24 Act	Sep 24 Act	Oct 24 Act	Nov 24 Act	Dec 24 Act	Jan 25 Act	Feb 25 Act	Mar 25 Act	Apr 25 Act	May 25 Act	Jun 25 Act
BEGINNING CASH BALANCE	13,435,478	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924

CASH RECEIPTS BY MAJOR CATEGORY

OPERATING	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
PATIENT A/R RECEIPTS	4,527,932											
POS CASH COLLECTIONS	30,044											
CRNA A/R RECEIPTS (ANES)	43,209											
RHC/SPECIALTY CLINIC RECEIPTS	643,560											
EMS A/R Receipts	175,661											
DISPRO / DSH												
DSRIP - WAIVER												
UNCOMPENSATED CARE - WAIVER												
MEDICARE/MEDICAID SETTLEMENTS/LOW VOLUME												
OTHER MISC INCOME	299,682											
TOTAL OPERATING CASH RECEIPTS	5,720,088	-	-	-	-	-	-	-	-	-	-	-
NON-OPERATING												
GRANTS AND CONTRIBUTIONS	500											
PROVIDER RELIEF FUND/ARP												
DISTRICT MONIES CAPITAL												
NON-AR PAYMENTS	28,875											
TOTAL NON-OPERATING CASH RECEIPTS	29,375	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIPTS	5,749,463	0	0	0	0	0	0	0	0	0	0	0

CASH DISBURSEMENTS BY MAJOR CATEGORY

OPERATING	0	0	0	0	0	0	0	0	0	0	0	0
VENDOR PAYMENTS (HOSPITAL)	4,452,128											
VENDOR PAYMENTS (CLINIC)												
EMPLOYEE PAYROLL	2,134,195											
PHYSICIAN PAYROLL	888,325											
EMPLOYEE BENEFITS	76,993											
PHYSICIAN RECRUITING	3,861											
CASH OVER/SHORT	(67)											
REPAYMENTS TO HOSPITAL: REDUCTION OF DUE TO HOSPITAL												
PAYMENT TO HOSPITAL - MGMT SERVICES & OTHER												
PAYMENTS TO DISTRICT - LEASE	14,583											
TRANSFER TO VVHD (DISTRICT)	0											
TOTAL OPERATING DISBURSEMENTS	7,570,017	-	-	-	-	-	-	-	-	-	-	-
NON-OPERATING	-	JUL	JUL	-	-	-	-	-	-	-	-	-
CAPITAL												
TOTAL NON-OPERATING DISBURSEMENTS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH DISBURSEMENTS	7,570,017	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW (PROVIDED/(USED))	(1,820,554.29)	-	-	-	-	-	-	-	-	-	-	-
ENDING CASH BALANCE	11,614,924	11,614,923.96	11,614,923.96	11,614,923.96	11,614,923.96	11,614,923.96	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924
CD BALANCE	-	-	-	-	-	-	-	-	-	-	-	-
AVAILABLE CASH	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924	11,614,924

FY2025 TURN-OVER DATA

		Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total
A	# FT/PT EMPLOYEES EACH MONTH	544												544
B	ROLLING AVERAGE OF THE TOTAL # OF FT/PT YTD	544												544
C	NUMBER OF FT/PT EMPLOYEES WHO SEPARATED EACH MONTH	7												7
D	ANNUALIZED # of TERMS	84												
E	ANNUALIZED TURNOVER RATE	15.4%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

Note:

- A only accounts for full-time/part-time employees (excludes PRN)
- C only accounts for full-time/part-time employees that have separated from hospital (voluntary or involuntary) (excluding PRN's)

OVERTIME % FY 2025

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	2/29/2025	Mar-25	Apr-25	May-25	Jun-25
Overtime %	5%											

Val Verde Hospital Corporation
For period ending July 31, 2024

Executive Summary

Summary

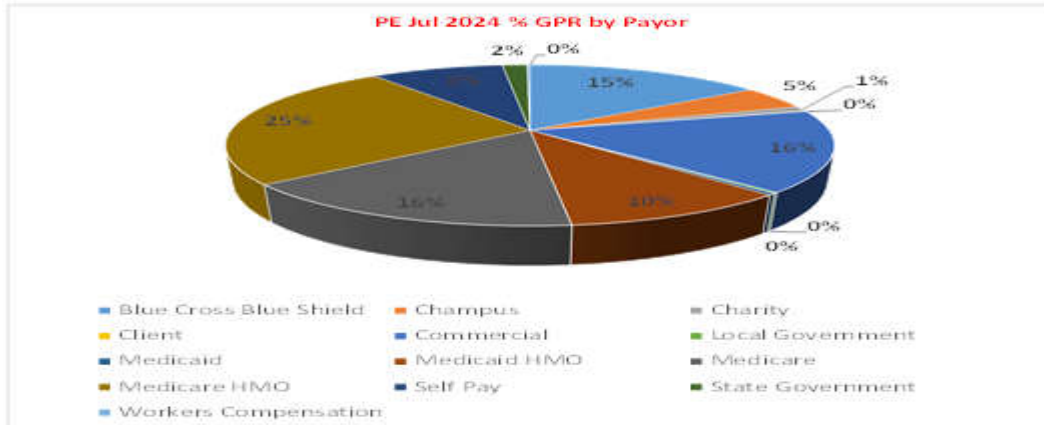
For the monthly period ending July 31, 2024, VVRMC recorded a net (loss) of (\$749,659) indicating an unfavorable variance from budget of (\$1,225,551). For the one-month period ending July 31, 2024, comparing to prior year July 2023, gross patient revenue (GPR) has increased by \$481k or 2%

Admissions for PE July 31 were down compared to budget by (113) as well as RHC clinics by (904) and Specialty (707). Whereas OP volume was slightly favorable against budget by 35 and Surgery/Endo by 8. Orthopedic, Cardiologist, and Interventional Cardiology all on-boarded in July.

Revenues

For the monthly period ending July 31, 2024, Val Verde Hospital Corporation recognized Gross Patient Revenue (GPR) of \$25,194,087. This is an increase of \$1,064,244 or 4% from the prior month, with Inpatient Revenue increasing by \$447,047 or 13% and Out-Patient increasing by \$617k or 3%.

	PE Jul 2024
Financial Class	% GPR by Payor
Blue Cross Blue Shield	15%
Champus	5%
Charity	1%
Client	0%
Commercial	16%
Local Government	0%
Medicaid	0%
Medicaid HMO	10%
Medicare	16%
Medicare HMO	25%
Self Pay	8%
State Government	2%
Workers Compensation	0%



Comparing service units to prior year 2024 at PE July 2023:

- Patient Days have decreased by (8%)
- Outpatient Services increased by 13%
- Emergency Room Visits increased by 2%
- RHC Clinic visits increased by 29% and Specialty visits decreased by (46%)

Contractual deductions (excluding waiver funds) for the period ending July 31, 2024 are 80%, 3% unfavorable against budget.

Uncompensated allowances (B/D & Charity) is under budget by \$1.1m MTD. As a percent of gross patient revenues, current month allowances are 9% compared to budget of 10.9%.

Expenses

For the monthly period ending July 31, 2024, Val Verde Hospital Corporation recorded Operating Expenses of \$6,247,275 indicating a favorable variance from budget by (\$919,978) or (13%) MTD and YTD. Comparing to prior year at period ending July 31, 2023, expenses have decreased by (\$74k) or (1%).

Expenses unfavorable against budget for PE July 31, 2024 were:

- **Rental Expenses** over budget by \$52,789 MTD and YTD. Variance against budget related to rental of Mobile Cath Lab \$44k and \$5k for lab analyzer
- **Contracted Labor** over budget by \$7k MTD and YTD.

Turnover:

- PE July 2024 turnover rate: 15.4%

FY2025 TURN-OVER DATA			
		Jul-24	Total
A	# FT/PT EMPLOYEES EACH MONTH	544	544
B	ROLLING AVERAGE OF THE TOTAL # OF FT/PT YTD	544	45
C	NUMBER OF FT/PT EMPLOYEES WHO SEPARATED EACH MONTH	7	7
D	ANNUALIZED # of TERMS	84	15.44%
E	ANNUALIZED TURNOVER RATE	15.4%	
Note:			
A	only accounts for full-time/part-time employees (excludes PRN)		
C	only accounts for full-time/part-time employees that have separated from hospital (voluntary or involuntary) (excluding PRN's)		

Overtime:

- PE July 2024 Overtime trending at 5%

	Jul-24
Overtime %	5%

The Executive Team working on the following:

- **CEO currently working on recruitment efforts for:**
 - Urology
- **RHC Clinics**
 - Associate Administrator working with Clinic Management Team and Providers on volume to ensure threshold are met
- **Specialty Clinics**
 - General Cardiology on boarded July 8,2024
 - Interventional Cardiology started clinic July 1,2024
 - Ortho started clinic July 24,2024
- **Wound Care**
 - Associate Administrator and CFO had call with Shannon Wound Care center. The Director shared policies, staffing model, and LCD (CMS medical necessity requirements).
 - Associate Administrator in contact with Texas A&M Representative regarding Wound Care training for nursing staff.
 - Senior Leader Team evaluating the clinic space for wound care services
- **Staffing**
 - Continue evaluating and restructuring departments to consolidate and align staffing with productivity needs.

Net Surplus Income(Loss) from Operations

- The Net (Loss) from Operations is (\$749k) MTD and YTD.

Total Surplus (Loss)

- The Total (Loss) is (\$749k) MTD/YTD.

EBIDA

- **PE July 2024:** (\$287,992) MTD and YTD.

Days cash on hand: 62

- **Corporate Cash at PE July 2024:** \$11,614,924 (decrease of \$1.8m compared to prior month)
- **District Cash at PE July 2024:** \$10,936,221
 - **District Cash at PE July 2024 to include outstanding QIPP IGT:** \$28,307,083
- **Combined Cash (Corporate + District + IGT outstanding):** \$39,922,007
 - Less \$17,370,862 IGT outstanding is \$22,551,145

Additional Updates:

DSH FFY 2024:

- June 27,2024
 - Received correspondence from Texas Health and Human Services in reference to overpayment to Val Verde Hospital
 - VVRMC to pay back \$951k before July 22,2024
 - Payment in full submitted to HHSC on July 17,2024

Low Volume Adjustment FFY 2025

Submitted request for consideration of Low Volume Payment Adjustment for FFY 2025 effective for D/C Oct. 1st 2024 thru Dec. 31st 2024.

- Based on Cost Report FYE 2023 total discharges reported 2,184
- VVRMC met both criteria required for additional payment (d/c <3,800 and facility located more than 15 road miles to the nearest "subsection (d)" Acute Care Hospital
- VVRMC does not meet new threshold set effective Oct 1st 2024 (d/c <200)
- Payments apply at claim level

Volume Decline

- Forvis is reviewing Cost Report FYE 2023 to compare to FYE 2022 to determine if volume decline exceeds 5%. If so, we will move forward with submitting request for reimbursement consideration.

Wage Index FFY 2026

- Wage Index completed FFY 2026: Avg. hourly rate calculation \$40.67 based on Cost Report FYE (CRFYE) 2023 (up 8% compared to Prior CRYE 2022 \$37.52)
- Participating hospitals in database reflect an average hour wage index increase between 6%-9%
- Rural Hospitals in Texas are subdivided in quadrants--average wage index is calculated to determine PPS Reimbursement for Future Payments for each specific CBSA quadrant.
- Rate reimbursements apply in 2026
- Deadline to submit wage index data is September 3,2024

OIG Notification (received Dec. 20, 2023):

- Findings from OIG received from Reed, Claymon, Meeker & Hargett (February 13,2024)
 - Estimated recoupment is \$494k (78% are for DOS 2017-2019)
 - Infusion and Critical Care charges
 - Meeting scheduled for Tuesday, February 27,2024 with Attorney's to review findings
- OIG Letter received by Reed, Claymon, Meeker & Hargett in December 2023
- Letter is regarding Infusion services administered in the Emergency Room considered not reimbursable--VVRMC received payment for the services in error from the MCO's
- Legal has advised that several hospitals have been sent the same letter and they (the attorney's) are disputing with the OIG.
- No action required by VVRMC is required at this time--Legal gathering data
- **August 20, 2024:** Received email correspondence from Attorney's regarding the status on OIG case. Meeting is scheduled for September 4,2024

VCAP-ET IRS Update (Term Life Insurance)

- Taxable \$'s on term life exceeding \$50k (i.e. entitled for \$55k of term life—employer and employee responsible for paying taxes on \$5k)
- VVRMC had not been taxing on excess—issue discovered in fall of 2022
- Attorneys were engaged to assist with IRS negotiations
- Liability previously recorded in the amount of \$65k (est. payable to IRS)
- Update received from Attorney on July 18, 2024:

We spoke briefly on Monday. Mr. Silva explained that the next step is for him to pass the case up to legal and have IRS counsel offer their input and then the IRS will come back to us and we can negotiate as needed. Then, once we are both in agreement, we can enter into a closing agreement and Val Verde can pay the required amount.

There were a couple of important take aways to share:

1. Since the IRS took so long to review – it's Mr. Silva's position that tax years 2019 and 2020 are closed. Therefore, unless IRS counsel takes issue (which he did not expect) – we will only be required to resolve tax year 2021. This is great news.
2. The IRS will likely require Val Verde to account for FICA taxes in the final closing agreement. We didn't account for these in the initial application because we believed our offer was still conservative enough to make the IRS whole and the FICA taxes would have been very minimal – too minimal to calculate. We went ahead and determined that the additional FICA taxes on 2021 (accounting for the employee and employer portion (15.3%)) would have been under \$10,000.
3. The IRS may require Val Verde to use a "Gross-Up" wage calculation. Since, as part of this agreement, Val Verde would be paying income tax/FICA on behalf of employees, it would effectively create more taxable income. We also think this number would be very small but we plan to push back on this.

We are in the process of preparing a response for Mr. Silva explaining the offer that we originally made and why that offer would make the IRS whole. Even if the IRS requires Val Verde to pay the additional FICA, we think there is a strong likelihood that the balance Val Verde will be required to pay will be about \$30,000.



801 Bedell Ave.
Del Rio, Texas 78840
830.775.8566

August 7, 2024

Ms. Dawn Hooper
PARD Reimbursement
Novitas Solutions, Inc.
2020 Technology Parkway, Suite 100
Mechanicsburg, PA 17050

Via email: ReimbursementJH@novitas-solutions.com

Re: Section 50204-Extension of Increased Inpatient Hospital Payment Adjustment for Certain
Low-Volume Hospitals
Provider Name: Val Verde Regional Medical Center
Provider Number: 45-0154

Dear Ms. Hooper:

Val Verde Regional Medical Center (hereinafter referred to as "Hospital") is requesting a Low Volume Payment Adjustment for FFY 2025, effective for Medicare inpatient discharges occurring on or after October 1, 2024 to December 31, 2024. The Hospital meets both criteria: (1) total discharges less than 3,800 and (2) more than 15 road miles to the nearest "subsection (d)" Acute Care Hospital.

Per the Hospital's most recently filed Medicare Cost Report for FYE 6/30/2023, Worksheet S-3, Part I, Line 14, and Column 15 indicates 2,184 total discharges. This amount of discharges meets the revised discharge requirement per 42 CFR §412.101(b) (2) (ii).

The Hospital is 57.50 road miles from Fort Duncan Regional Medical Center, the nearest "subsection (d)" hospital and continues to meet the distance requirement per 42 CFR § 412.101(b) (2) (ii). Attached please find a map which indicates the Hospital and the nearest "subsection (d)" Acute Care Hospital.

The hospital will not meet the requirements for payment period January 1, 2025 to September 30, 2025.

If further documentation is required, please let me know.

Sincerely,

Enclosures

HOSPITAL AND HOSPITAL HEALTH CARE COMPLEX STATISTICAL DATA

Provider CCN: 45-0154

Period:
From 07/01/2022
To 06/30/2023

Worksheet S-3
Part I
Date/Time Prepared:
11/30/2023 11:58 am

Component	Full Time Equivalents	Discharges			Total All Patients		
		Nonpaid Workers	Title V	Title XVIII			Title XIX
		11.00	12.00	13.00			14.00
PART I - STATISTICAL DATA							
1.00	Hospital Adults & Peds. (columns 5, 6, 7 and 8 exclude Swing Bed, Observation Bed and Hospice days)(see instructions for col. 2 for the portion of LDP room available beds)		0	410	0	2,184	1.00
2.00	HMO and other (see instructions)			235	414		2.00
3.00	HMO IPF Subprovider				0		3.00
4.00	HMO IRF Subprovider				0		4.00
5.00	Hospital Adults & Peds. Swing Bed SNF						5.00
6.00	Hospital Adults & Peds. Swing Bed NF						6.00
7.00	Total Adults and Peds. (exclude observation beds) (see instructions)						7.00
8.00	INTENSIVE CARE UNIT						8.00
9.00	CORONARY CARE UNIT						9.00
10.00	BURN INTENSIVE CARE UNIT						10.00
11.00	SURGICAL INTENSIVE CARE UNIT						11.00
12.00	OTHER SPECIAL CARE (SPECIFY)						12.00
13.00	NURSERY						13.00
14.00	Total (see instructions)	0.00	0	410	0	2,184	14.00
15.00	CAH visits						15.00
15.10	REH hours and visits						15.10
16.00	SUBPROVIDER - IPF						16.00
17.00	SUBPROVIDER - IRF						17.00
18.00	SUBPROVIDER						18.00
19.00	SKILLED NURSING FACILITY						19.00
20.00	NURSING FACILITY	0.00					20.00
21.00	OTHER LONG TERM CARE						21.00
22.00	HOME HEALTH AGENCY						22.00
23.00	AMBULATORY SURGICAL CENTER (D.P.)						23.00
24.00	HOSPICE	0.00					24.00
24.10	HOSPICE (non-distinct part)						24.10
25.00	CMHC - CMHC						25.00
26.00	RURAL HEALTH CLINIC	0.00					26.00
26.25	FEDERALLY QUALIFIED HEALTH CENTER	0.00					26.25
27.00	Total (sum of lines 14-26)	0.00					27.00
28.00	Observation Bed Days						28.00
29.00	Ambulance Trips						29.00
30.00	Employee discount days (see instruction)						30.00
31.00	Employee discount days - IRF						31.00
32.00	Labor & delivery days (see instructions)						32.00
32.01	Total ancillary labor & delivery room outpatient days (see instructions)						32.01
33.00	LTCH non-covered days			0			33.00
33.01	LTCH site neutral days and discharges			0			33.01
34.00	Temporary Expansion COVID-19 PHE Acute Care						34.00

QUICK SEARCH

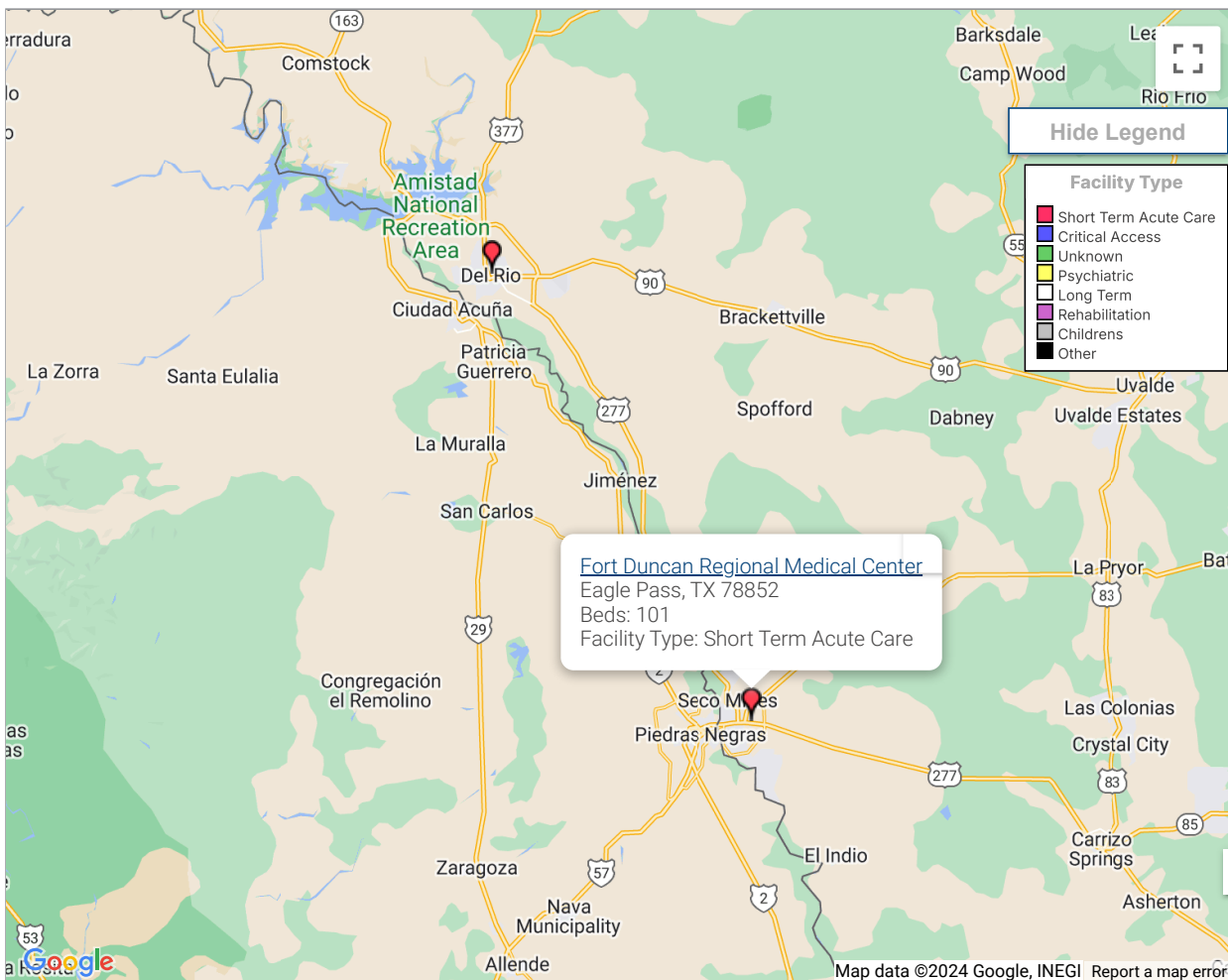


MAP OF SEARCH RESULTS

There are 2 hospitals that match your search criteria.

Click on a pin to see the hospital's name. Click on a hospital's name to see its profile.

Search Subject	Criteria Selected
Facility Type	Short Term Acute Care
Radius	55 miles from CCN 450154



[Back to Top](#)

This map is for general reference and should not be used in seeking medical care.

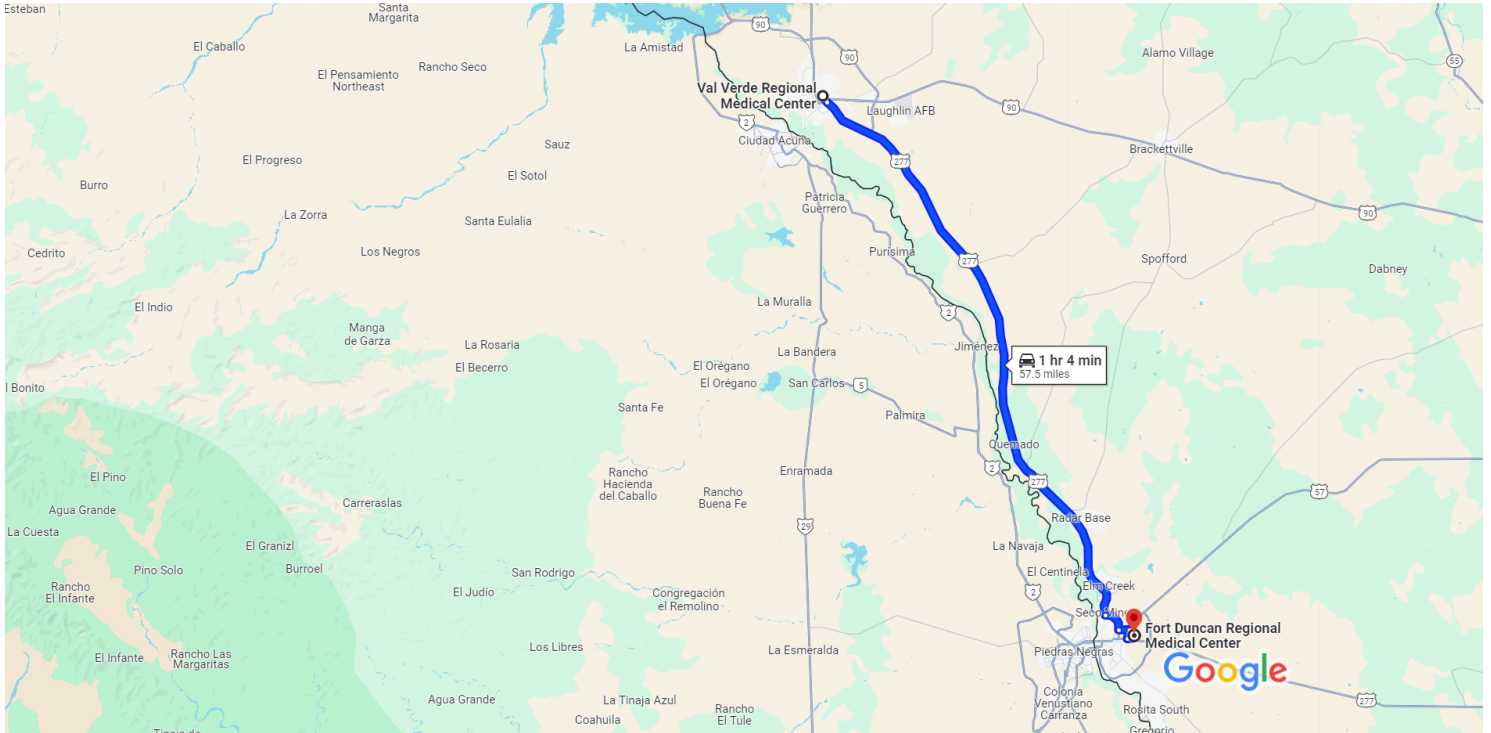
Errata: Please notify us by [email](#) of any corrections or updates.

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Val Verde Reg'l Medical Ctr, 801 N Bedell Ave, Del Rio, TX 78840 to Fort Duncan Reg'l Medical Ctr, 3333 North Foster Maldonado Boulevard, Eagle Pass, TX 78852 Drive 57.5 miles, 1 hr 4 min



Map data ©2024 INEGI, Google 5 mi

Val Verde Reg'l Medical Ctr
801 N Bedell Ave, Del Rio, TX 78840

Follow N Bedell Ave to US-277/Dr Fermin Calderon Blvd

- 3 min (0.6 mi)
- ↑ 1. Head southwest toward N Bedell Ave
- 226 ft
- ➡ 2. Turn right toward N Bedell Ave
- 85 ft
- ↶ 3. Turn left onto N Bedell Ave
- 0.6 mi

Follow US-277 to Megan St/Megan Trail in Eagle Pass

- 1 hr (56.5 mi)
- ↑ 4. Continue onto US-277/Dr Fermin Calderon Blvd
- [Continue to follow US-277](#)
- 52.3 mi
- ↶ 5. Use the left 2 lanes to turn left onto N Veterans Blvd
- 2.0 mi
- ↶ 6. Turn left onto 2nd St
- 0.9 mi

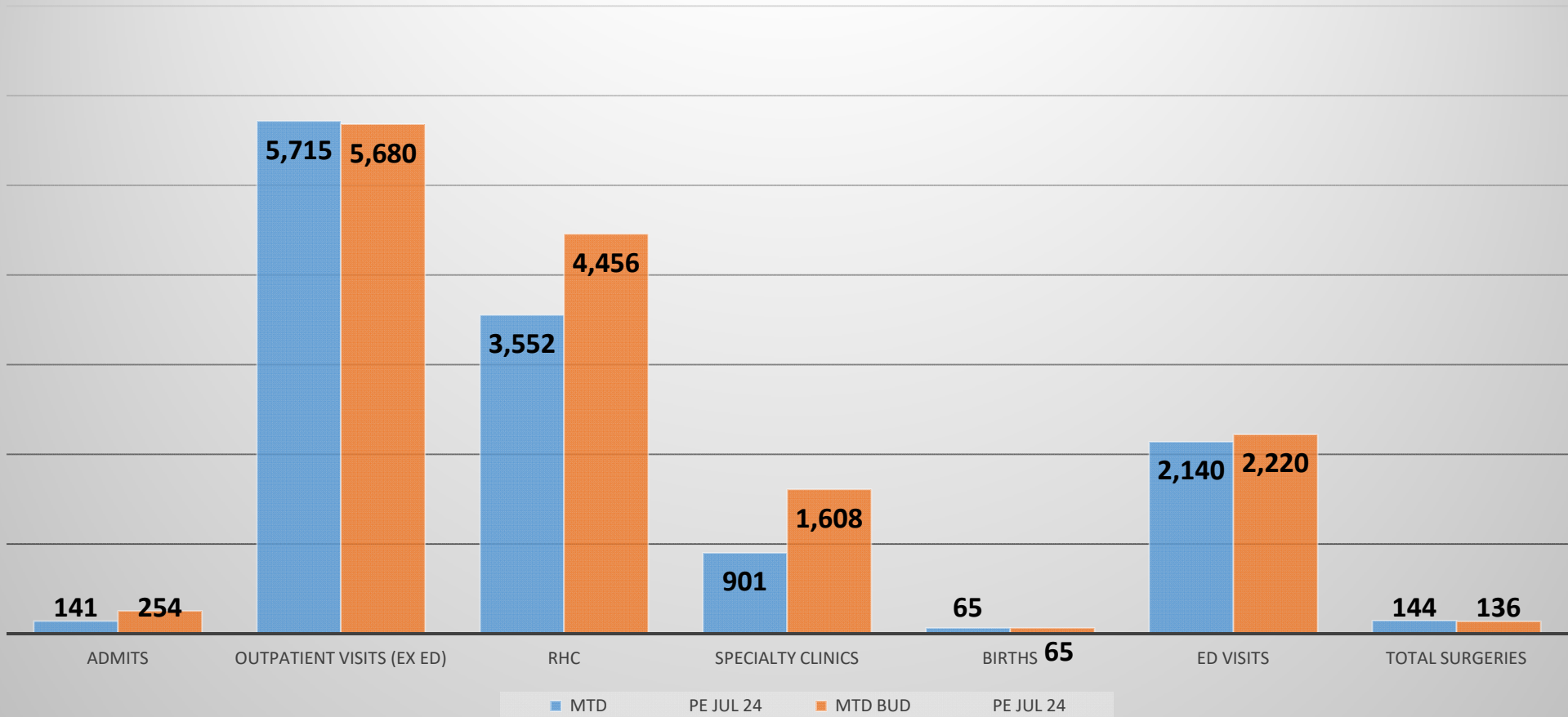
- 7. Turn right onto US-57 S
_____ 0.8 mi
- ↶ 8. Turn left onto E Main St
_____ 0.5 mi

Continue on Megan St/Megan Trail to your destination

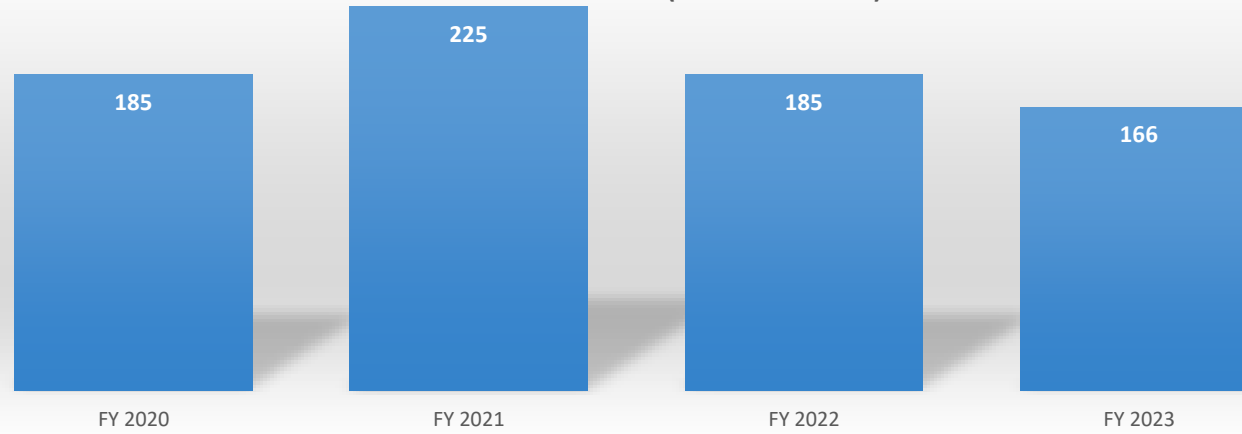
- _____ 1 min (0.3 mi)
- ↶ 9. Turn left onto Megan St/Megan Trail
_____ 0.2 mi
- 10. Turn right
_____ 56 ft
- 11. Turn right
_____ 236 ft
- ↶ 12. Turn left
① Destination will be on the left
_____ 131 ft

Fort Duncan Reg'l Medical Ctr
3333 North Foster Maldonado Boulevard, Eagle Pass, TX
78852

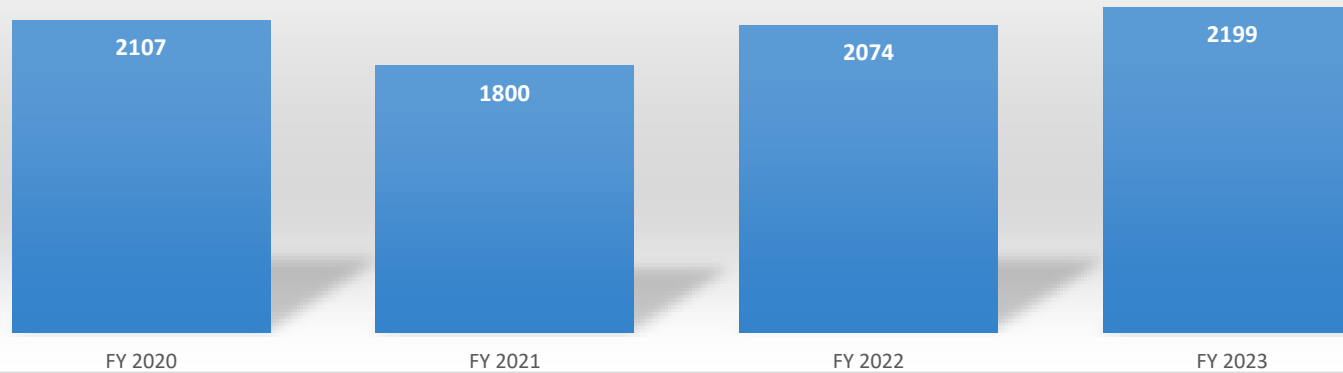
FY 2025
PE JUL 2024 Actual compared to BUDGET



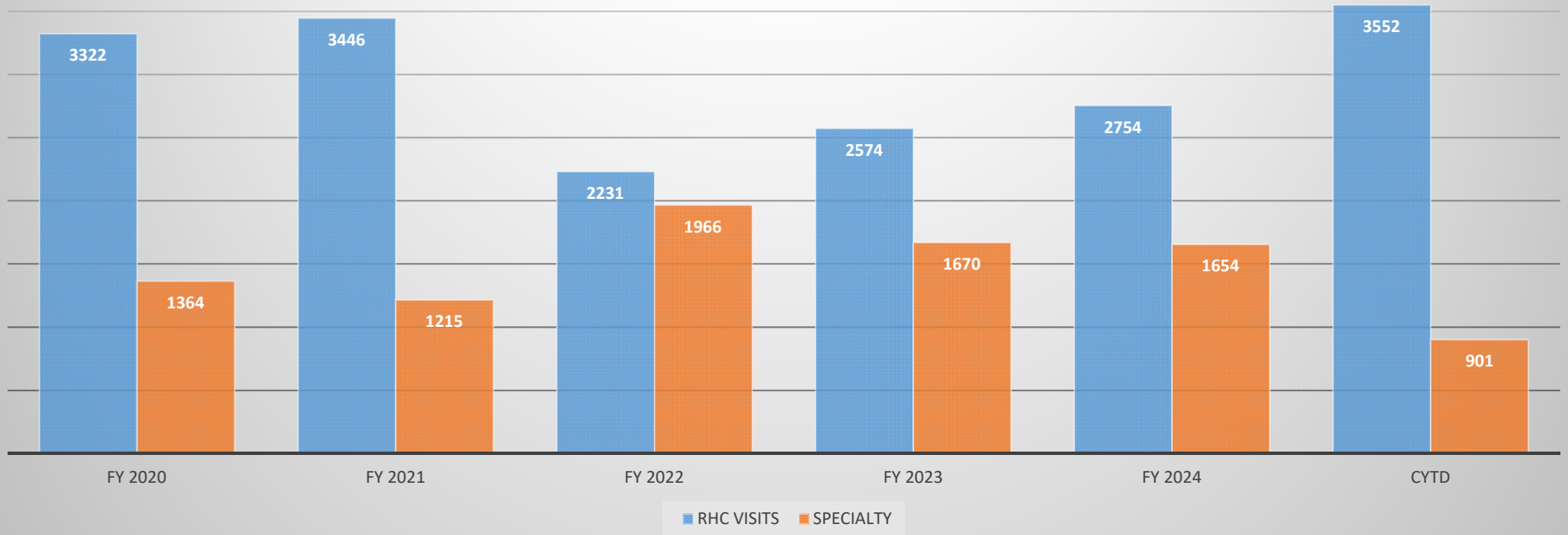
Admissions CFY 2025 COMPARED TO PYs (2020-2024)



ED Visits CFY 2025 COMPARED TO PYs (2020-2024)



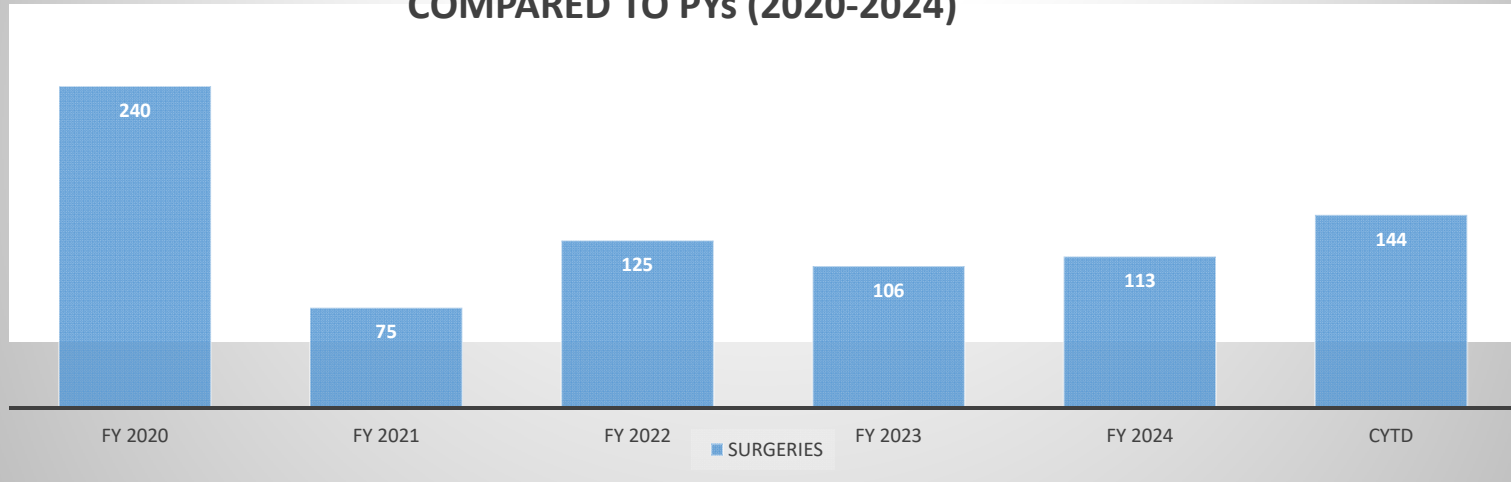
CLINIC VISITS CFY 2025 COMPARED TO PYs (2020-2024)



Revenue Cycle KPI FY 2025

Initiative	FYE 2024	PE July 2024	Target KPI	Variance to Target	STATUS
Front					
Point of Service Collections as a % of Net Revenue	1.1%	1.6%	1.6%	0.0%	
Initiative	FYE 2024	PE July 2024	Target KPI	Variance to Target	STATUS
Back					
Net Days in AR	51	51	<45 Days	6 days	
Clean Claim Report	71%	72%	>85%	14%	
Discharged Not Final Billed in Days in Gross A/R	4	3.3	< 4.7 Days	0%	
Insurance AR Aged more than 90 days from service/DC date	38%	38%	<27.4%	10%	
Denial Write off as a % Gross Revenue	2%	2%	2%	2%	
Timely Filing Write off as a % of Gross Revenue	1%	0%	1%	0%	
No Authorization Write Off as a % of Gross Revenue	0%	0%	0%	0%	
Medical Necessity Write off as % of Gross Revenue	0%	0%	0%	0%	

SURGERIES CFY 2025 COMPARED TO PYs (2020-2024)



BIRTHS CFY 2025 COMPARED TO PYs (2020-2024)

