

FINANCE AND INVESTMENT COMMITTEE MEETING MINUTES

Tuesday, September 15, 2020

Teleconference Dial Number 1-415-655-0002 Access Code 478237385

MEMBERS PRESENT:

Donna Clarke, Committee Chair

David Collins, Committee Member

Chris Hansen, Committee Member

Stephanie Meyer, Committee Member

Peter Andruskiewicz, Committee Member

David Klein, Committee Member;

Bill Hearn, D.O., Committee Member

Ben Spence, Chief Financial Officer and Committee Sponsor

MEMBERS ABSENT: none

ALSO PRESENT: George Knott - Deputy Board Counsel

The Finance and Investment Committee Meeting was called to order at 2:00 pm by Donna Clarke Committee Chair.

FINANCE & INVESTMENT COMMITTEE MINUTES OF 8/6/2020

A motion was made by Dr. Bill Hearn to approve the Finance & Investment Committee minutes of 8/6/2020 as presented. This motion was seconded by Chris Hansen and carried without opposition.

FINANCIAL UPDATE

This presentation was given by Ben Spence, Chief Financial and Business Services Officer of Lee Health.

An update was provided on financial performance of the health system through July 31, 2020. The impact of COVID-19 on the health system's performance, the system's financial gap to budget and efforts underway to reduce the gap in FY 2020 was explained. Also explained was the financial recovery plans that have been implemented to mitigate any financial impacts on FY 2021. Finally, the CFO spoke to how CARES Act and other federal funding are reported on Lee Health financial statements.

An update was provided on drivers of revenue and expenses. Key revenue drivers included patient volumes in key areas such as ER visits, surgeries, outpatient visits and inpatient stays. Also explained were the impacts of changes in payer mix and how that affects reimbursement for services provided.

OPERATING BUDGET

This review was given by Laura Vannarath, Lee Health Controller, Acute Care and Patty Duquette, VP of Finance, Lee Health.

FINANCE & INVESTMENT COMMITTEE MEETING MINUTES – 09/15/20

David Collins made a motion to recommend approval to the full Board of Directors the FY2021 operating budget that provides a 3.0% gain from operations. The approval of the FY2021 operating budget will provide the funding of the FY 2021 Capital Budget of \$100 million. This motion was seconded by Stephanie Meyer and carried without opposition.

CAPITAL BUDGET

This presentation was given by Laura Vannarath, Controller, Lee Health and Patty Duquette, VP of Finance, Lee Health

David Collins made a motion to recommend to the full Board of Directors approval of the FY2021 Capital Budget of \$100,000,000 including contingency in the amount of \$1,350,000 The total FY2021 Capital Budget will be fully funded from cash flow of operations and represents approximately 40% of the cash flow available for capital adjusted for the CMS advanced funding. This motion was seconded by Stephanie Meyer and carried without opposition.

NEXT REGULAR MEETING

October 28, 2020 AT 9:00 AM LOCATION TO BE DETERMINED

ADJOURNMENT

The Finance and Investment Committee Meeting was adjourned at 3:35 pm by Donna Clarke, Committee Chair.

Minutes were recorded by Heide MacLean

Signed by:

Donna Clarke

Date: 10/28/20