

# RCMS Town Hall Meeting

July 14, 2021



# Thank you for coming

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***Continuation of our commitment to keep  
you posted***

# Agenda

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- Update on COVID -19
- Report on Just-ended Fiscal Year 2020-21
- Fiscal Year 2021-22 Budget Plans
- Long-range future perspectives

# COVID – 19 Update

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- Vaccine Numbers
  - Total doses administered ~ 7200
  - Fully Vaccinated with 2 doses ~ 3500
  - With 1 dose ~ 200
- Seeing an uptake in case positivity in our area
  - Mostly non vaccinated people
  - Delta Variant – highly contagious
- Tuesday, Thursday – scheduled vaccination days
  - Walk up vaccination in the clinic
  - All three vaccines in stock
  - Goal – get most of our community vaccinated

# Fiscal Year 2020 – 21 Report

(annualized based on 11 months actuals)

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- Revenue
  - Patient Service rev slightly below budget -- \$3.3M vs. \$3.6M
  - Grants and other -- \$4.1M vs. \$3.5M budget
  - Fundraising, Donation -- \$1.1M vs. \$0.4M budget
  - Total rev -- \$8.5M vs. 7.5M budget
- Expenses in line with budget -- \$7.8M
- Net Assets increase by 35% (\$4.4M to \$5.9M)
- Cash position
  - Increased by over \$1M
- FTE increase from 49 to 54
- \$200K capital investment
- Paid off 50% of the bank loan

***Ending the year in a much better financial position***

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# *2021 – 22 Budget Plans*

# Budget Drivers

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- Top Down
- Transition budget
  - Beyond Financial Difficulties
  - Past Pandemic
- Investment Focus
  - People
  - Processes and Procedures
  - Equipment
  - Facility

# Budget Drivers

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- Quarterly Review / Reforecasting as needed
- Investment cash position
  - Increase to \$1 M
    - Additional \$200K over the remaining investment months with same strategy
- Pay off Westamerica bank debt

**Future focused, an inflection point in our approach**



**REDWOOD COAST MEDICAL SERVICES, INC**  
**PROPOSED DRAFT**  
**FY 2021-2022**

	2019-2020 Approved Budget	2020-2021 Approved Budget	2020-21 Year to Date Annualized est	2021-2022 DRAFT Proposed Budget
<b>REVENUE:</b>				
Patient Service revenue	4,531,414	3,656,628	3,261,211	3,664,791
** Grants revenue & Other	3,386,191	3,518,581	4,085,586	4,371,798
Fundraising - net	180,000	375,000	1,109,553	350,000
<b>TOTAL REVENUE</b>	<b>8,097,605</b>	<b>7,550,209</b>	<b>8,456,350</b>	<b>8,386,589</b>
<b>EXPENSES</b>				
Staff costs	5,815,259	5,221,811	5,297,311	6,009,089
Facility Costs	304,631	334,500	373,717	402,000
Other Operating expenses	2,261,103	2,234,500	1,752,544	1,975,500
<b>TOTAL EXPENSES</b>	<b>8,380,993</b>	<b>7,790,811</b>	<b>7,423,572</b>	<b>8,386,589</b>
<b>NET SHORTFALL/SURPLUS</b>	<b>(283,388)</b>	<b>(240,602)</b>	<b>1,032,778</b>	<b>0</b>
<b>Budget/Annualized Patients visits</b>	<b>26,683</b>	<b>23,377</b>	<b>20,964</b>	<b>21,236</b>
<b>Budget/Annualized cost per visits</b>	<b>314.09</b>	<b>333.27</b>	<b>354.11</b>	<b>394.92</b>
<b>Budget/Annualized Patient Service revenue per visits</b>	<b>\$ 169.82</b>	<b>\$ 156.42</b>	<b>\$ 155.56</b>	<b>\$ 172.57</b>

# Patient Service Revenue

Provider access/productivity is showing a slight increase against the projected annualized amount for 20-21.

No reduction factored in for Covid

Visits per providers in alignment with last year;

- Medical providers target is 17/day
- Behavioral Health at 5-6/ day
- Dental at 7/day – increase with new hiring

Projecting for FY 21-22 - 21,236 encounters with 11.50 FTE providers

# Grant Revenue and Other

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Consists of the following grants;

HRSA Sec 330	\$1,961,000
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American Rescue Funds	\$1,118,000
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CLSD	\$800,000
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ARP Funds Construction grant	\$200,000
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Other Federal (SUD, QI & ECT)	\$172,000
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Other (PHP QI, Rental, other)	\$120,000
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# Staffing

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**Budget covers 60.85 FTE**  
**The total personnel cost represents 71.8% of all costs in this budget**



**Salary allows for a bucket of \$300K available for salary increases or market adjustments, with the fringe cost factored in this amount is \$350K**

**It is performance biased**



**Following are TBH positions in the budget with various start dates**

Medical Assistant - Gualala  
Medical Assistant – Pt Arena  
Practice Manager of Clinic Operations – Admin  
Facilities/Communications – Gualala  
Hospice Nurse

<b>PROPOSED ESTIMATED CASH FLOW PROJECTION</b>						
<b>FY 2021-2022</b>						
	<b>2021-2022 DRAFT Proposed Budget</b>	<b>July - Sept</b>	<b>Oct - Dec</b>	<b>Jan - March</b>	<b>April - June</b>	
Est beginning Cash only - (5/21 Projected cash - not investments)	<b>2,009,037</b>	2,009,037	1,887,818	2,054,099	2,011,298	
Payback prior year PPS liability - assume Dec Capital investments			(12,500)	(37,500) (200,000)	(37,500)	
<b>Total available cash</b>		2,009,037	1,875,318	1,816,599	1,973,798	
<b>REVENUE:</b>						
Patient Service revenue	3,664,791	923,728	923,728	903,647	913,688	
** Grants revenue & Other Development/Fundraising	4,371,798 350,000	1,036,933	1,036,933	1,277,978 50,000	1,019,954	
<b>TOTAL REVENUE</b>	<b>8,386,589</b>	<b>1,960,661</b>	<b>2,260,661</b>	<b>2,231,625</b>	<b>1,933,642</b>	
<b>EXPENSES</b>						
Personnel costs - salary/fringe	6,009,089	1,514,620	1,514,620	1,481,693	1,498,156	
Facility	402,000	101,326	101,326	99,123	100,225	
Other Operating expenses - w/o Dep & bad debt of \$125K	1,850,500	465,934	465,934	456,110	462,522	
<b>TOTAL EXPENSES</b>	<b>8,261,589</b>	<b>2,081,880</b>	<b>2,081,880</b>	<b>2,036,926</b>	<b>2,060,903</b>	
<b>Cash shortage or Surplus</b>		(121,219)	178,781	194,699	(127,261)	
<b>Est Ending Cash only</b>		<b>1,887,818</b>	<b>2,054,099</b>	<b>2,011,298</b>	<b>1,846,537</b>	

# Long Range Future Perspectives

(where do we go from here)

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- We are in a relatively stable financial and operation ground now
- Demographics are changing
- Healthcare service delivery expectations are changing
- RCMS or a derivative of RCMS must be here for the community
- Current RCMS main facility cannot sustain a healthcare entity of tomorrow
- Plan for not next year or two, but 10 -15 years down the line
- RCMS of 2050 must reflect Mendonoma of 2050 and its healthcare needs – a vision that is longer term, more strategic

**Let's start the conversation. Let's try to shape the future of RCMS rather than reacting to the future**

# Questions

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# Final Thoughts

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- Our community will not be the same without an effective and efficient RCMS
- But RCMS will not be successful without your involvement, your support

***It is our community, it is our RCMS***