

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
June 22, 2020
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Stacie Hall, Recording Secretary

ABSENT: William "Bill" Bain, Director
Geoff Crabtree, Methodist Healthcare System

GUESTS:

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:02 p.m. He stated for the record that the Committee has three members with two members being present representing a quorum. Mr. Geoff Crabtree, Methodist Healthcare System attended the Finance meeting via Go To Meeting, <https://global.gotomeeting.com/join/684689501>, phone number (408) 650-3123, access code: 684-689-501.
2. **QUORUM CHECK**
3. **PUBLIC COMMENT:** There were no members of the public present.

4. **MINUTES** **MOTION**
 - A. Regular Meeting of May 18, 2020 Mr. Hardt made a motion to approve the Finance Committee Minutes of May 18, 2020 as presented in the packet. Dr. Young seconded.

VOTE

The motion passed unanimously.

5. **REVIEW MAY FINANCIALS**
 - A. **Summary** There was discussion regarding the financial report for May 2020, as presented in the board packet.
 - B. **Financial Summary**
 - C. **Income Statement** Mr. Frosch reviewed the May financial statement. Dr. Young stated that the May financials revealed a better financial month than he had expected.
 - D. **Balance Sheet**
 - E. **Cash Flow /Reconciliation** Mr. Frosch stated that May gross revenue was below budget for the month. Mr. Frosch explained that this decrease in the period pulled the year-to-date total down as well. Mr. Frosch said that the net revenue fared better, carried on the strength of collections this year. Mr. Frosch stated that the May net revenue was below budget for the month and ahead of budget for the year-to-date. Mr. Frosch said that the May expenses were below budget for the month and slightly below budget on a year-to-date basis. Mr. Frosch explained that the Blue Cross Blue Shield contract is faring better than budgeted.

Mr. Frosch said that hospital volume metrics were below budgeted levels for the

period. Mr. Frosch explained that this result, despite being below target, did represent a significant rebound from the April period. Mr. Frosch said that all areas were significantly impacted by the COVID-19 pandemic. Mr. Frosch stated that the Swingbed program was least impacted, which was 1 day short of budget. Mr. Frosch said that telemedicine visits were offered throughout the period. Mr. Frosch stated that the resumption of elective procedures and surgeries was in place for the May period.

Mr. Frosch said that the net revenue was below budget for the month. Mr. Frosch said that the year-to-date basis, net revenue is exceeding budget. Mr. Frosch stated that there were solid cash collections relative to gross revenues. Mr. Frosch explained the interim cost report is in process; we have an allowance for Medicare payable based upon increasing charges and decreasing volumes that will be further refined with the interim cost report process. Mr. Frosch said that the 340b net revenue was above budget in the period.

Mr. Frosch said that the total operating expenses were below budget in May, and are below budget for the year-to-date. Mr. Frosch stated that volumes were below budget along with decreased supply expenses in the period. Mr. Frosch said that salaries were slightly below budget despite adding screening stations and maintaining staffing levels. Mr. Frosch said that the staffing screening stations have become a challenge. Mr. Frosch said that Human Resources is actively recruiting and hiring additional staff for these positions at this time. Mr. Frosch explained that Medina Healthcare System did have some attrition, particularly with environmental services staff and admitting staff that quit when the COVID-19 pandemic began. Mr. Frosch stated that there were no furloughs. Mr. Frosch explained that various nursing positions have opened with routine turnover and are proving difficult to fill. Mr. Frosch said that there is reduced contract services in coding as internal resources are able to carry more of the work load. Mr. Frosch states that the Emergency Department Physician services were above budget due to reduced Emergency Department volumes in the period. Mr. Frosch said that the supplies/drugs were below budget. Mr. Frosch said the majority of remaining expense lines was below budget as well.

Mr. Frosch stated that the COVID-19 impact was present, much less severe than April, but rebounding volumes and gross revenues.

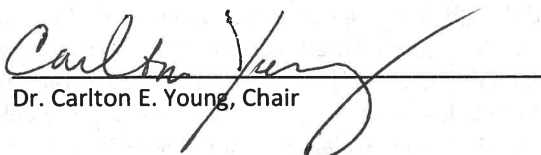
Mr. Frosch said that the recognition of a portion of CARES act payments with lost net revenue year-to-date is the primary basis of recognition.

F. OTHER REPORTS

- A. Aged Trial Balance
- B. Accounts Payable Aging
- C. Rural Health Clinic Schedules
- D. Key Indicators and Scorecard
- E. Investments
- F. Blue Cross Blue Shield Contract Update

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:50 p.m.


Dr. Carlton E. Young, Chair