

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
August 24, 2020
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
Tony Johnson, Director
William "Bill" Bain, Director

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Louisa Cuellar, Recording Secretary

ABSENT: Geoff Crabtree, Methodist Healthcare System

GUESTS:

1. **CALL TO ORDER**
 2. **QUORUM CHECK**
- Due to health and safety concerns related to the COVID-19 coronavirus, this meeting was conducted by GoToMeeting. A quorum of the board participated by Go To Meeting in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Members of the public were able to access the meeting by joining from their computer, tablet or smartphone by accessing <https://global.gotomeeting.com/join/710457269> Phone Number: (669) 224-3412, Access Code: 710-457-269

- Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:00 p.m. He stated for the record that the Committee has four Board Members present, representing a quorum.
3. **PUBLIC COMMENT:** There were no members of the public present.

4. **MINUTES** **MOTION**
 - A. Regular Meeting of July 27, 2020 Mr. Hardt made a motion to approve the Finance Committee Minutes of July 27, 2020 as presented in the packet. Mr. Johnson seconded.

VOTE
The motion passed unanimously.

5. **REVIEW JUNE FINANCIALS**
 - A. **Summary** There was discussion regarding the financial report for July, as presented in the board packet.
 - B. **Financial Summary**
 - C. **Income Statement** Mr. Frosch reviewed the July financial statement.
 - D. **Balance Sheet** Mr. Frosch stated that the volume metrics were mixed in the period, with several areas exceeding budget and others still normalizing toward budgeted levels. Mr. Frosch reported that patient days, swingbed days, and births all surged in the period, trending well ahead of budget and necessitating increased staffing levels in those areas. The total surgeries line exceeded budget in the period as that
 - E. **Cash Flow /Reconciliation**

service category showed a marked rebound.

Mr. Frosch explained that Rural Health Clinic visits were very close to budget, and this is while Dr. Hansen has been out. The outpatient visits line remained below budget but continues to trend toward target from the significant variances of April and May.

Mr. Frosch said that the net revenue was below budget for the month. Mr. Frosch explained that this result was in-line with the variance in gross revenue. Mr. Frosch stated that on a year-to-date basis, net revenue is exceeding budget. Mr. Frosch said that the 340b net revenue was above budget in the period.

Mr. Frosch stated that the interim cost report is in process and Medina Healthcare System has maintained an allowance for Medicare payable based upon increasing charges and decreasing volumes. Mr. Frosch explained that Medina Healthcare System will adjust this allowance based upon the results of the interim cost report once completed.

Mr. Frosch stated that the total operating expenses were above budget in July and below budget for the year-to-date. Mr. Frosch explained that strong inpatient and volumes have impacted staffing demands relative to the budget.

Mr. Frosch said that salaries were slightly above budget in the period. Mr. Frosch said that Human Resources continue to hire and train additional staff for COVID screening positions; as volumes have increased across the facility and we are no longer able to staff those positions with regular staff. Inpatient, swingbed, and obstetrics services are well ahead of budget and are staffed proportionally to the patient load. The use of agency staffing to fill nurse staffing needs was reduced in the period by use of MRH employees.

Mr. Frosch said contract services were above budget due to COVID testing; vendor & invoicing were new and some processing issues delayed these invoice processing through accounting.

Mr. Frosch said that the physician Emergency Department services were above budget due to reduced Emergency Department volumes in the period.

Mr. Frosch said the physician fees lines were below budget on lower RHC visits with Dr. Hansen being out.

Mr. Frosch summarized the July financial report.

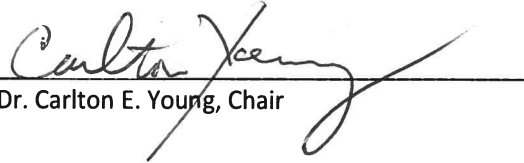
Mr. Frosch stated that July gross revenue was below budget for the month. For the year to date, gross revenue is below budgeted levels. COVID business impact was most acute in April and continues to trend back toward budgeted levels in each successive month. Mr. Frosch said that the net revenue for the month was below budget, at 2.3% below target. Mr. Frosch said that on a year-to-date basis, net revenue remained ahead of budget. Mr. Frosch said that expenses were above budget for the month and below budget on a year-to-date basis. Mr. Frosch explained that the COVID-19 impact was present, but much less severe than the preceding periods, with inpatient and swingbed actually well ahead of budget, but outpatient remaining below targeted levels. Mr. Frosch explained a recognition received due to a loss in revenue. The Nursing facility program quarterly adjustment of revenue accrual to actual resulted in positive variance to budget.

F. OTHER REPORTS

- A. Aged Trial Balance
- B. Accounts Payable Aging
- C. Rural Health Clinic Schedules
- D. Key Indicators and Scorecard
- E. Investments

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:30 p.m.


Dr. Carlton E. Young, Chair