

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
December 28, 2020
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director
Tony Johnson joined at 5:26 p.m.
Geoff Crabtree, Methodist Healthcare System

Janice Simons, CEO
Kevin Frosch, CFO
Randi Davis, Executive Administrative Assistant

ABSENT: None

1. **CALL TO ORDER**
2. **QUORUM CHECK**

THIS MEETING WILL BE HELD VIRTUALLY DUE TO GOVERNOR'S Proclamation 41-3746. At least a quorum of the board will be participating in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Any person may join the meeting via GoToMeeting: <https://global.gotomeeting.com/join/831203709> Access Code: 831-203-709 or by phone by calling: (872) 240-3212, Access Code: 831-203-709.

Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:06 p.m. He stated for the record that the Committee has three Board Members present, representing a quorum.
3. **PUBLIC COMMENT:** There were no members of the public present.
4. **MINUTES**

MOTION

A. Regular Meeting of November 23, 2020 Mr. Hardt made a motion to approve the Finance Committee Minutes of November 23, 2020 as presented in the packet. Mr. Bain seconded.

VOTE

The motion passed unanimously.
5. **REVIEW OCTOBER FINANCIALS**

There was discussion regarding the financial report for November, as presented in the board packet.

Dr. Young stated that the financials for this month were fairly solid, and asked Kevin to proceed with the Financial Report for November.

A. **Summary** Mr. Frosch reviewed the November financial statement.

B. **Financial Summary** Mr. Frosch reminded board members that this is the second month of the fiscal year. Mr. Frosch stated that the gross revenue was 5.7% below budget for the month, making the YTD value 3.4% below budget. Emergency Department visits remained below budget, a similar level to the preceding months as COVID continues to be an ongoing issue. Flu visits were down as well.

C. **Income Statement**

D. **Balance Sheet**

E. **Cash Flow /Reconciliation** Mr. Frosch noted that the net revenue was above budget for the month by 9.3%, 7.6% above budget on a YTD basis. Gross revenue was slightly below budget, with contractual deductions below the budgeted level. 340B revenue remains strong this month, similar to the October numbers. Overall, a great start to the fiscal

year. Mr. Frosch reminded board members that this trend may not continue in the coming months.

Mr. Frosch noted that in regards to volumes, most items were below what was projected for the month. In particular, Mr. Frosch noted that the outpatient visits were below budget for the month, and slightly below on a YTD basis. RHC visits were above budget, with telemedicine visits still going strong. Birth volumes were well above budget, with roughly 17 babies born this month. ED visits were below the budgeted amount, which continues to be a trend due to COVID. Almost all in-patient metrics fell below the budgeted amounts for the month, including Swingbed Days and Outpatient Days. These are still roughly on-par with the YTD expected values.

Mr. Frosch stated that deductions as a percent of gross revenue was well below budget for the month, and also below budget on a YTD basis. Cash collections were strong for this period. Expenses were 5.3% above budget, and less than 1% above budget for the fiscal year. The 'Supplies and Drugs' line item was notably above budget, largely due to some equipment and tests that were purchased for the clinics. The 'Salaries' line item was also above budget for the month, largely due to PTO payouts and staffing for the OB Department to meet the increased demand from the large volumes. Finally, the 'Contracts and Services' line item was above budget due to the Information Technology contractor that was brought in to help with the IT department for the last three months. Administration is also working with a phone service to help update the phone system at Medina Healthcare System, as well as outsourcing some coding operations to accommodate a shortage of coders in that department.

Mr. Frosch noted the completion of the BKD financial audit, with very good preliminary reports across the board. Mr. Frosch expects the final report to be available sometime in February 2021. Staff members from the Accounting Department are still providing supporting documents as requested by BKD. The EHR/Meaningful Use audit was also recently completed for Dr. Matthew Windrow, with help from the Accounting Department as well as the Clinical Informatics Coordinator. Mr. Frosch praised the staff for working so hard to complete these audits.

Finally, Mr. Frosch noted a correction in the FTE calculations per Mr. Crabtree's recommendations. Moving forward, this new method will be used in calculating the predictions in order to keep all values consistent and prevent any future confusion.

F. OTHER REPORTS

A. Aged Trial Balance

B. Accounts Payable Aging

C. Rural Health Clinic Schedules

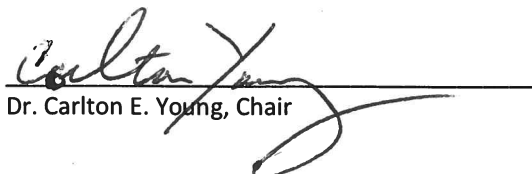
D. Key Indicators and Scorecard

E. Investments

F. Debts & Cash Review and Analysis: MRH Debt & Cash Review report was presented and reviewed. Mr. Frosch stated that USDA Loan #97-02 was paid off on December 1, 2020 as approved by the Board of Directors. Ms. Simons thanked the Board for approving the payment of that loan.

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:33 p.m.


Dr. Carlton E. Young, Chair