

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
May 24, 2021
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director
Judy Winkler, Director

Janice Simons, CEO
Kevin Frosch, CFO
Randi Davis, Executive Administrative Assistant
Eli Lainhart, Information Technology (IT) Services Director

ABSENT: Billie Bell, CNO
Geoff Crabtree, Methodist Healthcare System

1. **CALL TO ORDER** 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 three members with three members being present, representing a quorum.
2. **QUORUM CHECK**

3. **PUBLIC COMMENT:** There were no members of the public present.

4. **MINUTES** **MOTION**
A. Regular Meeting of April 26, 2021 Mr. Bain made a motion to approve the Finance Committee Minutes of April 26, 2021 as presented in the packet. Mr. Hardt seconded.

VOTE
The motion passed unanimously.

5. **REVIEW APRIL FINANCIALS** There was discussion regarding the financial report for April, as presented in the board packet.

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

- A. **Summary** Mr. Frosch reviewed the April financial statement.
- B. **Financial Summary** Mr. Frosch stated that the Gross Revenue was 5.0% above budget for the month, bringing the YTD value to 4.8% below budget. Total Net Revenues were 8.6% above the budgeted amount, with the YTD amount at 2.7% below budget. The Total Operating Expenses for the month were 5.4% above what was expected, which brings the YTD variance to budget at 0.7%. The Nursing Home Revenue adjustment for the quarter exceeded the accrual rate by \$307K. The Grant Proceeds recorded were \$121K and represent the expectation of COVID provider relief funds in the period. The 340B revenue in the period was above budget by \$60K. Mr. Frosch explained that the bad debt expense and Charity Care expense both saw sizable adjustments in the period as this process switches from annually to monthly.

Mr. Frosch moved into the volume report for the month of April. The total surgeries measure was still below expected levels as in the past few months, but colonoscopies were higher than budgeted, significantly contributing to the gross revenues for the month. Clinic volumes continue to remain high, with telemedicine appointments contributing significantly. Outpatient visits were close

to the budgeted levels, driving positive budget variances. Emergency Department visits were still below budget but are slowly trending towards expected levels. Swingbed volumes were very strong for the month, with 44 days more than budget. Mr. Frosch noted that this trend does not appear to have continued into the month of May.

Mr. Frosch moved into the Revenue/Net Revenue report for the month of April. He reiterated that the net revenue was 8.6% above budget for the month, and only 2.7% below on a YTD basis. Strong cash collections were noted for the period. The Deductions as a Percent of Gross Revenue was slightly below for the month, but are at 0.4% variance to budget. Tobacco Settlement Funds received in the period contributed to the positive variance to budget.

Mr. Frosch reviewed the Expenses report for the month. Total Operating Expenses were 5.4% above budget, bringing the YTD value to 0.7% above budget. The physician fees line was \$73K above the budgeted level, primarily due to increased physician volume in the period. Mr. Frosch explained that this is partially related to the new coding requirements that enable physicians to bill higher codes on visits with the appropriate documentation. Physicians get paid higher amounts when they code a higher level visit. Having an in-house clinic coder has helped this process become more efficient and has cut down on the amount of time to get claims corrected, making the billing process a little smoother for the clinics. Medina Regional Hospital is still facing additional FTE expenses due to COVID screeners and other expenses relating to the virus. The Physician ER expense is \$17K above budget due to Emergency Department visits still falling below expected volumes. The Supplies and Drugs line was \$35K above the level budgeted, mostly due to several minor equipment purchases made throughout the month.

Finally, Mr. Frosch reviewed the ongoing Action Items, including the Nursing Facility Cost Reports. Mr. Frosch also mentioned that the Cibolo Creek Nursing Home was in the process of being added as well. The PPP Loan forgiveness application has been submitted and administration will continue to update Board Members as more information is available regarding the process.

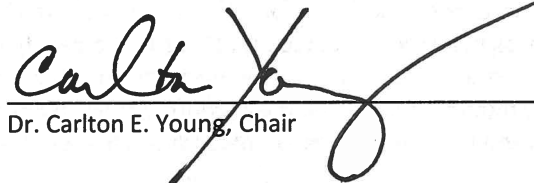
Mr. Bain inquired why the 'Days Cash on Hand' value has decreased even though the total cash values have not decreased in comparison. Mr. Frosch noted that he would research the answer to that question and report back to the Finance Committee members at the next meeting. Mr. Frosch believes the process used to calculate the Days Cash on Hand value may be flawed and need some minor revisions.

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.

6. ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:48 p.m.


Dr. Carlton E. Young, Chair