

**MINUTES
BOARD OF DIRECTORS
MEDINA COUNTY HOSPITAL DISTRICT**

September 13, 2021

TIME AND PLACE:

The Medina County Hospital District Board of Directors met in special session on Monday, September 13, 2021 at 5:00 p.m. at the Medina Regional Hospital Boardroom, 3100 Avenue E, Hondo, Texas to hold a public hearing regarding the proposed tax rates and budget for the upcoming fiscal year ending on 09/30/2022.

PRESENT:

Tim Hardt, President
William "Bill" Bain, Director
Lori Krieger, Director
Dr. Carlton "Corky" E. Young, Vice President
Zachary Windrow, MD, Director
Tony Johnson, Secretary

Janice Simons, Chief Executive Officer
Kevin Frosch, Chief Financial Officer
Billie Bell, Chief Nursing Officer
Marc Strode, Methodist Healthcare System
Randi Davis, Executive Administrative Assistant

ABSENT:

Judy Winkler, Director

GUESTS:

None

1. **CALL TO ORDER
AND RECORD OF
ATTENDANCE** Mr. Hardt called the Special Session meeting of the Medina County Hospital District Board of Directors to order at 5:00 p.m. He stated for the record that the Board of Directors has seven members with six members being present and representing a quorum.

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

3. **CONSENT AGENDA
Consider Approval of
Minutes** The Minutes from the Regular Session of August 23, 2021 were approved as presented in the Board packet.

A. **Regular session
August 23, 2021**

MOTION

Mr. Johnson made a motion to approve the Consent Agenda. Dr. Young seconded.

VOTE

The motion passed unanimously.

4. **PUBLIC HEARING ON
TAX RATE** Mr. Frosch reminded Board members that the proposed tax rate for the upcoming fiscal year ending September 30, 2022 is \$0.0984 for every \$100 valuation of taxable property located within the Medina County Hospital District, as proposed in the August 23, 2021 Board meeting. This is the same as the voter approval rate for Medina County, and is the highest taxable value without requiring a public election to vote on the proposed rate. Ms. Simons reiterated that the voter approval rate was formerly known as the rollback rate, for those Board members unfamiliar with

A. **Discuss and
Approve the
Proposed Tax
Rate**

the changes in terminology. The Board members discussed how quickly the county was growing and the benefits that this growth brings to the Hospital District. There being no members of the public present at the public hearing, the Board moved forward with approval of the tax rate as presented in the Board packet.

MOTION

Ms. Krieger made a motion to approve the proposed tax rate of \$0.0984 for every \$100 valuation of taxable property located within the Medina County Hospital District. Mr. Johnson seconded.

VOTE

The motion passed unanimously.

5. PUBLIC HEARING ON PROPOSED BUDGET

- A. Proposed Budget and Key Assumptions**
- B. Budget Volume**
- C. Budget Net Patient Revenue Support Documents**

Mr. Frosch began the discussion by describing the process for drafting the annual budget each fiscal year. He mentioned that the interest expense line item has been reduced for the upcoming year to account for the paying down of the USDA loan later this calendar year as previously discussed by the Board of Directors. Mr. Frosch began by explaining the key volume metrics. The volume roll forward calculations can be used as a forecasting tool to project the net revenue totals. The same process occurs for the expenses; statistics from the previous year are analyzed as predictive factors to draft the budget.

Mr. Frosch moved into the key assumptions for the FYE 09/30/2022 budget. The DSRIP Program was recently renewed for the 2022 year and was kept in consideration during the formulation of values for the upcoming year. The program has been in limbo but a recent deal with CMS projects similar funding as 2021. One big item on the expense section of the budget that Mr. Frosch highlighted was the salaries line. Many new full time employees are projected to be brought on staff, including schedulers to help with the new phone system. The hospital is also working on bringing on additional respiratory therapists, physical therapists, maintenance, warehouse staff, and environmental services staff members to offset the growth seen by the Medina Healthcare System. In addition, hospital administration is working to add hired nursing staff rather than using agency staffing.

Mr. Frosch moved to the income statement for the 2022 budget. He explained the difference between the income statement and the normalized income statement. The normalized statement has several one-time items removed to reflect a more accurate budget projection for the upcoming fiscal year. These included items like the COVID-19 hero bonuses given to staff members, as well as other Provider Relief Funding items that are likely to skew the new budget projections.

Dr. Young asked about the inpatient revenue line item, which was increased by 14.8% from the previous fiscal year budget. Mr. Frosch stated that there were many factors that went into that projected percent increase, including an uptick in the number of swingbed patients. Ms. Simons noted that this is still relatively uncertain, as the relaxed COVID-19 guidelines for swingbed patient eligibility may be reversed or changed within the next year depending on the direction of the pandemic. Mr. Frosch also noted that this is also impacted by an increase in pharmacy revenue from the drugs used to treat COVID-19 positive patients. In addition, revenue from Labor and Delivery as well as Surgical Inpatient procedures are expected to increase which add to the inpatient revenue projections for the fiscal year.

Dr. Young asked why the revenue from the nursing homes only slightly increased, even with the addition of a new nursing facility. Mr. Frosch explained that even though the addition of the new facility will increase nursing home revenue, there were other factors that decreased revenue simultaneously, which offset the increase in revenue.

Ms. Simons reiterated that the salaries line was a considerable change to the new budget, because of the addition of several new Full Time Employees to include scheduling staff and full time respiratory therapists. The line item is also impacted by overtime from employees who have had to pick up extra shifts due to the ongoing pandemic, as well as the nursing staff bonuses that were

enacted to promote picking up extra shifts during critical times. These have all played a part in the increase in salary expenses for the hospital and are expected to continue as the pandemic remains.

Mr. Hardt praised hospital staff and administration for their continued success despite the ongoing global pandemic. Community awareness about the facilities and the services offered by Medina Healthcare System has steadily increased and citizens are starting to become more aware of the benefits the hospital has to offer. Ms. Krieger stated that more marketing efforts should be devoted to the eastern side of the county, to include Castroville. Ms. Simons offered to introduce her to Grace McBride, Marketing and Business Development Director for the hospital, so Ms. Krieger could assist with these efforts.

Mr. Frosch opened up the floor for any final questions or concerns from the Board of Directors. All Board members expressed approval of the budget as proposed in their board packets. There were no members of the general public present at the hearing to comment on the proposed budget items.

MOTION

There was no motion taken on this item.

6. REVIEW, CONSIDER, AND APPROVE RESOLUTION TO ADOPT MEDINA COUNTY HOSPITAL DISTRICT ANNUAL BUDGET FOR FYE 09/30/2022

There being no members of the public present at the public hearing, the Board of Directors moved forward with approval of the proposed budget for the upcoming fiscal year ending September 30, 2022 as presented in the Board packet.

MOTION

Dr. Young made a motion to approve the proposed budget for FYE September 30, 2022 as presented. Mr. Bain seconded.

VOTE

The motion passed unanimously.

Old Business:
COVID-19 Updates

Ms. Simons reviewed the latest COVID-19 updates with the Board of Directors. The Pfizer booster vaccine was recently approved for eligible individuals with compromised immune systems, to be given 8 months following the second dose of the original vaccine. Ms. Simons expects that the Moderna vaccine will be approved within the next few weeks as well as a booster dose for eligible patients. Mr. Hardt asked if the hospital would be sending out an announcement when patients would be eligible to receive their booster shot, and Ms. Simons stated that hospital administration and other county officials were still working on a plan for booster vaccine roll-outs within the community as more information becomes available. Ms. Simons mentioned that the Medina Regional Hospital Laboratory Department would soon have the capability to test for vaccine antibodies in the blood and patients with appropriate lab orders would soon be able to determine their antibody levels and make an informed decision with their provider about receiving a booster dose of the COVID-19 vaccine. Dr. Young asked about the rate of COVID-19 positive patients being seen by Medina Regional Hospital. Ms. Simons stated that roughly 90% of all positive patients treated within the hospital are unvaccinated. Mr. Bain inquired about the census within the hospital. Ms. Bell answered that the hospital had been at capacity several times within the past several weeks but had available beds at the time of the meeting. Mr. Johnson asked about flu vaccines this year and the plan for distributing flu shots to residents of the county with the ongoing COVID-19 pandemic. Ms. Simons mentioned that the Medical Staff had approved the administration of flu vaccines to begin on October 1st. It is still recommended that all citizens receive a flu vaccine, even if they have received a COVID-19 vaccine as well. Ms. Simons would work with hospital staff to have flu vaccines available for the Board members at the next Board meeting.

Ms. Simons reminded the Board members of the next Regular Session meeting to be held on September 27th, 2021 at the Hospital Boardroom.

7. **EXECUTIVE SESSION**

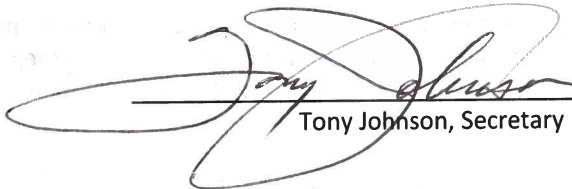
The Board of Directors of Medina Regional Hospital District did not go into Closed Session, this date of September 13, 2021.

ADJOURNMENT

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



Tim Hardt, President



Tony Johnson, Secretary