

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
November 22, 2021
Minutes**

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

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Marc Strode, Methodist Healthcare System
Randi Davis, Executive Administrative Assistant

ABSENT: None

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
2. **QUORUM CHECK** Committee has four members present, representing a quorum.

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

4. **MINUTES** **MOTION**
- A. Regular Meeting of October 25, 2021 Mr. Hardt made a motion to approve the Finance Committee Minutes of October 25, 2021 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 October, as presented in the board packet.

Dr. Young noted that the financials for this month were positive, and asked Kevin to proceed with the Financial Report for October.

Mr. Frosch reviewed the October financial statement.

- A. **Summary** Mr. Frosch stated that the Gross Revenue was 15.0% above budget for the month, starting off the new fiscal year on a positive note. The Net Revenue for the month was 32.2% above budget, due to strong gross revenues and excellent cash collections. Expenses were 4.3% above expected levels for the period. Mr. Frosch noted that cash collections for the month totaled roughly \$2.9M.
- B. **Financial Summary**
- C. **Income Statement**
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation** Mr. Frosch reviewed the October volumes. Patient days were above expectations by 129 days, swingbed days were up by 125, outpatient visits were above

expected levels by 132 visits, and RHC visits were above budget by an astounding 773 visits for the October reporting period. Emergency Department visits were down by a total of 23 visits, surgeries were 20 encounters below expected levels for the month, and births were down 10 from the expected levels.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the October Financial Report. As previously mentioned, the net revenue for the month was 32.2% above budget for the month. Cash collections were extremely strong for the period, totaling \$2.9M. The deductions as a percent of gross revenue line item was 8.2% below the expected level for the period. Contractual Deductions were above the budgeted amount due to several factors, including a shift in Accounts Receivable reserves from the bad debt category and into the contractual deductions category. Mr. Frosch noted that a shift of this magnitude doesn't normally occur, and he does not expect the trend to continue into the coming months. No charity capture occurred in the period. 340B revenue was significantly below expected levels for the month.

Mr. Frosch moved to the Expenses report for October. Total Operating Expenses were above budget by 4.3%. The Salaries line item was \$78K below budget due to several employee position openings that have not been filled. The Agency Staffing line item for October was \$98K above expected levels due to high agency rates and high Medina Regional Hospital usage. Many of the open staff positions are in the Med/Surg and Emergency Departments, which require agency nurses to help support the high census rates. The Supplies and Drugs line was \$120K above budget due to several different factors. The main reason for this variance was the installation of two new chemistry analyzers in the laboratory department. The analyzers increased the capabilities of the lab department, and many of the new reagents had to be ordered for inventory. There was also a recent rabies outbreak in the Castroville area that caused a spike in the Supplies and Drugs line as many individuals required the expensive treatments. The Interest and Depreciation expense lines were both moderately below budget due to accrual adjustments in the period.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The BKD Audit site work was officially completed for the annual financial audit. The results will be presented to the Board of Directors when they become available. The DSRIP project audit submission was also recently completed. This project required the reporting of diabetic foot exams that occurred in the clinic. Ms. Simons noted the difficulties with this measure, as the current EHR lacks appropriate ways to easily track and report on these exams and has experienced several technical difficulties that resulted in downtime events in which reporting could not be completed. Finally, the Provider Relief Fund reporting was filed on mid-November and is currently under review. Hospital Administration elected to report using option 3 and will need to submit using a different reporting option if the application is not approved. There will be 30 days to resubmit the application if it does not receive full approval. Mr. Frosch noted that BKD has been overseeing the hospital's application and providing guidance and support as needed.

Mr. Frosch opened the floor for any questions or discussions from the committee members. The Finance Committee commended Mr. Frosch and the rest of administration on their hard work and great first month of the new fiscal year.

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 5:50 p.m.



Tim Hardt, Committee Chair

