

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
February 28, 2022
Minutes**

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

GUESTS: Travis Skinner, BKD
Deborah Whitley, BKD

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 five Board Members present, representing a quorum.

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

4. **MINUTES** **MOTION**
- A. Regular Meeting of January 24, 2022 Mr. Hardt made a motion to approve the Finance Committee Minutes of January 24, 2022 as presented in the packet. Dr. Young seconded.

VOTE
The motion passed unanimously.

5. **AUDIT AND COST REPORT FOR FY 10/01/2020 – 09/30/2021 AS PRESENTED BY BKD** Ms. Whitley and Mr. Skinner of BKD presented the Audit and Cost Report results. A copy of the draft audit and management letter was given to the Board of Directors.

Ms. Whitley and Mr. Skinner introduced themselves to the Board members present, and commended Medina Healthcare System on a strong report with continued consistent financial performance even through a global pandemic. They announced the merger between BKD and Dixon Hughes Goodman to broaden their geographical footprint and become a top ten accounting firm nationally. This will have no effect on future business between MHS and BKD.

Ms. Whitley and Mr. Skinner started the presentation by reviewing some ongoing items. First, they noted that MHS is in full compliance with the new price transparency guidelines. Mr. Skinner also reviewed updates to the Medicaid 1115 Waiver. The DY11 Application period for this year may be impacted by the decision regarding the waiver. The final funds from the DY10 period are still forthcoming and should be roughly \$850K for Medina Regional Hospital. In future years, critical access hospitals may be capped based on the DY10 payment. BKD will continue to advise MHS as updates regarding the waiver are released by CMS. Mr. Skinner reviewed the CARES Act and updates to the provider relief funds and reporting period. Medina Healthcare System received \$10.6M in funding which was split between the hospital and the nursing home facilities. The PPP Loan was fully forgiven. The reporting process for CARES Act funds has begun and MRH has completed reporting accordingly. Ms. Whitley noted that there are two audits that are anticipated for these funds: a single audit which will be performed by BKD, and a CMS audit.

Mr. Skinner and Ms. Whitley moved to the balance sheet portion of the report and reviewed several key figures with the Board. The restricted cash line item increased in 2021 with the payoff of several bonds on October 1st. The Medicaid Supplemental Program Receivable item also increased due to the DY10 funds as well as DSRIP funding. Capital Assets, Net increased by roughly \$900K with the addition of some properties, building improvements, and construction projects in progress. Long term debt decreased by \$14M with the repayment of several loans.

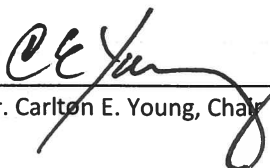
Moving to the Statements of Revenues, Expenses, and Changes in Net Position portion of the audit, Mr. Skinner and Ms. Whitley reviewed several key figures. The total operating revenues increased by \$10.4M. The employee bonuses given out throughout the year increased the salaries and wages line by \$3M. The Noncapital Grants and Gifts line increased by \$6.3M after recognizing the Provider Relief Funds monies. As a special item, the PPP Loan forgiveness totaled \$2.7M. Finally, the total net position increased by \$12M, an extremely positive trend for Medina Healthcare System. This is compared to a \$7M increase seen in the 2020 fiscal year.

Mr. Skinner answered questions from Mr. Hardt and the other Board members about the provider relief fund reporting. He noted that there is still a lot of uncertainty regarding the forgiveness of these funds, and that the rules for spending the money are always changing, providing challenges to hospital administrators.

Each of the present Board members thanked the Medina Healthcare System staff members for their outstanding work this fiscal year despite the global pandemic. Each member also expressed appreciation to Mr. Skinner, Ms. Whitley, and the entire BKD team for their guidance and support. Due to time constraints, the Board elected to move the January financial report to the regular Board meeting.

6. ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 6:05 p.m.



Dr. Carlton E. Young, Chair