

**MEDINA COUNTY HOSPITAL DISTRICT  
FINANCE COMMITTEE MEETING  
August 22, 2022  
Minutes**

**PRESENT:** Dr. Carlton "Corky" Young, Chairman  
Tim Hardt, Director  
William "Bill" Bain, Director  
Tony Johnson, Director  
Judy Winkler, Director  
  
Janice Simons, CEO  
Kevin Frosch, CFO  
Billie Bell, CNO  
Randi Davis, Executive Administrative Assistant

**ABSENT:** Marc Strode, 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 5:02 p.m. He stated for the record that the Committee has five Board members 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 July 25, 2022 Mr. Bain made a motion to approve the Finance Committee Minutes of July 25, 2022 as presented in the packet. Mr. Hardt seconded.

**VOTE**  
The motion passed unanimously.

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

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

- A. **Summary** Mr. Frosch stated that the Gross Revenue was 14.5% above budget for the month, and 5.3% above budget on a YTD basis. The Net Revenue for the month was 13.6% above budget and remains 7.8% above budget for the YTD. Expenses were 4.3% below expected levels for the period and are 2.4% above YTD. Mr. Frosch noted that Net Operating Income was in the black for the month. 340B revenue was \$99K below budget for the month and \$934K below for the year. Unfortunately, this trend is expected to continue for the remainder of the fiscal year. The waiver funds category is showing \$56K ahead of budget due to revenues relating to the new CHIRP and RAPPS programs.
- B. **Financial Summary**
- C. **Income Statement**
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation**

Mr. Frosch reviewed the July volumes. Admits were below budget by 6. Patient days were below expectations by 26 days, swingbed days were down by 38, outpatient visits were above expected levels by 273 visits, and RHC visits were above budget by 408 visits for the July reporting period. Emergency Department visits were up by a total of 167 visits, surgeries were down by 13 for the month, and births were down 3 from the expected levels.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the July Financial Report. As previously mentioned, the Net Revenue for the month was 13.6% above budget for the month. Cash collections were strong in the July reporting period. The deductions as a percent of gross revenue line item was 0.8% below the expected level for the period and remains at 3.1% below expectations for the year. 340B revenue came in at \$99K below budget and is \$934K below budget YTD. Mr. Frosch explained that MHS contractual expenses and reserves against accounts receivable were set to a level that has Cash as a Percent of Net Revenue slightly above 100%. This is conservative positioning and was selected due to cost report uncertainty.

Mr. Frosch moved to the Expenses report for July. Total Operating Expenses were below budget by 4.3% for the month and are 2.4% above budget for the year. The Agency Staffing line item for July was \$83K above expected levels due to high agency rates and high Medina Regional Hospital usage. The Benefits line was below budget by \$78K due to a 3 pay period month and heavy PTO usage. The Telephone and Utilities item was \$61K below budget due to a large credit from AT&T after billing MHS above contracted rates. Finally, the Depreciation expense line showed a \$36K variance to budget as the first period of Meditech implementation fees has been charged.

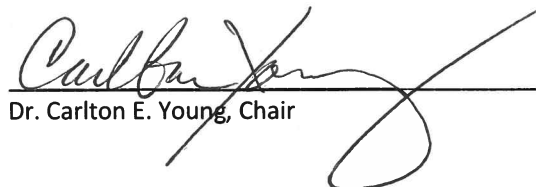
Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The interim cost report with BKD is due out, and the DSH/UC application support work has been completed. Budget planning is underway for the 2022-2023 fiscal year. Finally, the new Electronic Health Record (EHR) Project is underway as well.

**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 5:40 p.m.

  
Dr. Carlton E. Young, Chair