

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

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

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

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 Committee has four 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 October 24, 2022 Mr. Johnson made a motion to approve the Finance Committee Minutes of October 24, 2022 as presented in the packet. Mr. Hardt 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 extremely positive, especially for the first month of the new fiscal year, and asked Kevin to proceed with the Financial Report for October.

 - A. **Summary** Mr. Frosch reviewed the October financial statement and reminded Board
 - B. **Financial Summary** members that this is the first month of the new fiscal year.
 - C. **Income Statement** Mr. Frosch stated that the Gross Revenue was 16.9% above budget for the month. The Net Revenue for the month was 6.4% above budget. Expenses were
 - D. **Balance Sheet** 2.0% above expected levels for the period. Mr. Frosch noted that Net Operating
 - E. **Cash Flow /Reconciliation** Income was in the black for the month by a solid margin. EBIDA also finished well ahead of budget. Board members discussed that this was an extremely strong start to FY2023 and will hopefully set the trend for the new fiscal year.

Mr. Frosch reviewed the October volumes. Mr. Frosch noted that all metrics were above expected levels for the month, which does not occur regularly. Patient days were above expectations by 138 days, swingbed days were up by 55, outpatient visits were above expected levels by 637 visits, and RHC visits were above budget by 669 visits for the October reporting period. Emergency Department visits were up by a total of 190 visits, total surgeries were up by 16 for the month, and births were ahead of budget by 4.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the October Financial Report. As previously mentioned, the Net Revenue for the month was 6.4% above budget for the month. MRH experienced below trend cash collections for the month of October, but this is expected to be a short-term fluctuation and Mr. Frosch expects cash collections to level out over the next few months. The deductions as a percent of gross revenue line item was 4.8% above the expected level for the period.

Mr. Frosch moved to the Expenses report for October. Total Operating Expenses were above budget by 2.0% for the month and the fiscal year. The Agency Staffing line item for October was \$25K above expected levels. The Salaries line item was \$23K above budget due to several unfilled positions. The Physician Fees line was above budget by \$26K relating to the high volumes in the RHCs. Conversely, the Physician Fees ER line was \$10K below budget due to the strong ED volume metrics. Finally, the Depreciation expense is \$23K below budget in the period because some portions of the budgeted increases in this category have not come on-line yet.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The DSH/UC application process is underway. Additionally, documentation preparations in association with the annual financial audit with FORVIS is in process. Finally, the Meditech EHR build remains in progress.


Mr. Hardt asked about the fluctuation in surgery volumes by month and what metrics are used to budget volumes for surgery, with many of these procedures being difficult to predict or account for. Mr. Frosch and Ms. Simons explained that surgery volumes fluctuate depending on the schedule of the general surgeon, as well as the Specialty providers that perform procedures at MRH. It can be difficult to predict exact trends in surgical volumes, but prior fiscal year data is taken into consideration as well when budgeting volume projections. Finally, Mr. Hardt inquired about the new Specialty Clinic in Castroville and how full the clinic schedule is. Ms. Simons announced that Medina Specialty Care is running at about 70-75% capacity at the moment, with other specialty providers potentially being brought in over the next few months.

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 5:46 p.m.



Dr. Carlton E. Young, Chair