

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
December 19, 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

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 5:00 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**
 - A. Regular Meeting of November 28, 2022

MOTION

Mr. Bain made a motion to approve the Finance Committee Minutes of November 28, 2022 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.
5. **REVIEW NOVEMBER FINANCIALS**

There was discussion regarding the financial report for November, as presented in the board packet.

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

 - A. **Summary**
 - B. **Financial Summary**
 - C. **Income Statement**
 - D. **Balance Sheet**
 - E. **Cash Flow /Reconciliation**

Mr. Frosch reviewed the November financial statement and reminded Board members that this is the second month of the new fiscal year.

Mr. Frosch stated that the Gross Revenue was 16.7% above budget for the month, and 16.8% above for the year. The Net Revenue for the month was 13.3% above budget, 9.9% ahead YTD. Expenses were 4.4% above expected levels for the period, and 3.2% above budget on a YTD basis. Mr. Frosch noted that Net Operating 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 whole fiscal year. Mr. Frosch noted that the cash collection in the period had improved since last month. There was discussion regarding the improvement in case management at MRH, which has helped increase ED Admission Rates as well as the volume of Swingbed days.

Mr. Frosch reviewed the November volumes. Mr. Frosch noted that all metrics were above expected levels for the month, with the exception of total surgeries. Patient days were above expectations by 58 days, swingbed days were up by 31, outpatient visits were above expected levels by 389 visits, and RHC visits were above budget by 842 visits for the November reporting period. Emergency Department visits were up by a total of 279 visits, total surgeries were down by 9 for the month, and births were in line with budget. Mr. Frosch explained that the decline in surgeries was due to the holiday schedule for both Dr. Mayo and Dr. Soulas, as well as the limited ENT providers for the period. There was discussion regarding the significant growth in the eastern side of the county, with several new subdivisions and developments being approved along the far west side of San Antonio. The Board discussed the potential implications of this significant growth on Medina Healthcare System.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the November Financial Report. As previously mentioned, the Net Revenue for the month was 13.3% above budget for the month. MRH experienced below trend cash collections for the month of October, but this improved in the November reporting period. The deductions as a percent of gross revenue line item was 2.3% above the expected level for the period, and is 3.6% above YTD.

Mr. Frosch moved to the Expenses report for November. Total Operating Expenses were above budget by 4.4% for the month and 3.2% above for the fiscal year. The Supplies and Drugs line item for November was \$29K above expected levels, mostly due to restocking clinic and lab supplies due to the increased volumes. The Physician Fees line was above budget by \$39K relating to the high volumes in the RHCs. Conversely, the Physician Fees ER line was \$20K below budget due to the strong ED volume metrics. The Interest Expense item was \$21K below budget, primarily due to adjustments following the recent payoff of several outstanding loans. Finally, the Depreciation expense is \$17K 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 annual audit site work has been completed. Additionally, the Paylocity implementation is in process. Finally, the Meditech EHR build remains in progress.

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 5:52 p.m.



Dr. Carlton E. Young, Chair