

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
January 23, 2023
Minutes**

PRESENT: Dr. Carlton "Corky" Young, Chairman
Tim Hardt, Director
Tony Johnson, Director
Judy Winkler, Director

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

ABSENT: William "Bill" Bain, Director

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:01 p.m. He stated for the record that the
2. **QUORUM CHECK** Committee has four Board members present, representing a quorum.

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

4. **MINUTES** **MOTION**
A. Regular Meeting of December 19, 2022 Mr. Johnson made a motion to approve the Finance Committee Minutes of December 19, 2022 as presented in the packet. Mr. Hardt seconded.

VOTE
The motion passed unanimously.

5. **REVIEW DECEMBER FINANCIALS** There was discussion regarding the financial report for December, 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 December.

- A. **Summary** Mr. Frosch reviewed the December financial statement.
- B. **Financial Summary** Mr. Frosch stated that the Gross Revenue was 8.3% above budget for the month, and 13.9% above for the year. The Net Revenue for the month was 25.2% above budget, 15.3% ahead YTD. Expenses were 0.8% above expected levels for the period, and 2.4% 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 finished below budget for the month but is ahead YTD. Mr. Frosch explained that this is due to timing of tax district revenue receipts being slower than expected. The tax district revenue line was \$1.07M below budget. Mr. Frosch noted that the budget for nursing facilities is less than the prior year because the program net revenues in the prior year benefitted from IGT return relating to COVID and COVID funds at the program level that impacted all participants.

Mr. Frosch reviewed the December volumes. Patient days were above expectations by 108 days, swingbed days were up by 67, outpatient visits were below expected levels by 271 visits, and RHC visits were above budget by 446

visits for the December reporting period. Emergency Department visits were up by a total of 118 visits, total surgeries were down by 1 for the month, and births were below budget by 2. Outpatient visits were moderately below budget for the period but remain well ahead of budget on a YTD basis.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the December Financial Report. As previously mentioned, the Net Revenue for the month was 25.2% above budget for the month. MRH experienced a positive trend in cash collections for the month of December. The deductions as a percent of gross revenue line item was 4.5% below the expected level for the period, and is 0.9% above YTD. There was a small 340B revenue associated with the period, but this trend is not expected to continue throughout the fiscal year.

Mr. Frosch moved to the Expenses report for December. Total Operating Expenses were above budget by 0.8% for the month and 2.4% above for the fiscal year. The expense variances to budget were relatively few and minor in nature. The single largest expense variation was the Employee Benefits line at \$32K above budget for the period. Depreciation expense is \$16K below budget.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The new Paylocity Human Resources/Payroll system is on-line and is in the process of being refined. The Meditech EHR mock-live event and training is also currently in process. Finally, cost report data submissions have been completed.

There was a brief discussion regarding a portion of unclaimed state funds associated with MRH and obtained by MRH with the assistance of a consultant specializing in these matters. Due to limited information relating to the funds, hospital administration consulted legal counsel and was advised to set the funds aside for a time in order to allow for further discovery. After a reasonable period, assuming no change, MRH would recognize the funds as additional revenue.

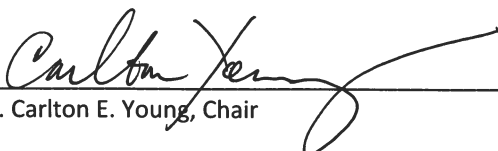
Mr. Hardt asked about any known approaching expenditures. Mr. Frosch and Ms. Simons noted that the purchase of a new boiler, as well as the temporary rental unit, is being presented at the Board meeting for approval. Additionally, the campus beautification project is expected to begin within the next few years and will include many upgrades to existing hospital systems and infrastructure. Finally, a new MRI unit will be needed within the next few years. Hospital administration is already working to secure funding for the project through grants and other avenues.

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