

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
July 24, 2023
Minutes**

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

Billie Bell, CEO
Kevin Frosch, CFO
Rebecca Deen, CNO
Ashley Lowe, COO
Marc Strode, Methodist Healthcare System
Louisa Cuellar, Executive Assistant

ABSENT: None

GUESTS: None

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:30 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 June 26, 2023 Mr. Hardt made a motion to approve the Finance Committee Minutes of June 26, 2023, as presented in the packet. Mr. Bain seconded.

VOTE
The motion passed unanimously.

5. **REVIEW JUNE FINANCIALS** There was discussion regarding the financial report for June, as presented in the board packet. Mr. Frosch mentioned June was a good month and was excited to be able to provide more of the documents historically presented.

Mr. Frosch reviewed the June financial statement.

- A. **Summary**
B. **Financial Summary**
C. **Income Statement**
D. **Balance Sheet**
E. **Cash Flow /Reconciliation**
- Mr. Frosch reported June gross revenue was 12.4% above the budget for the month and is now 7.2% ahead of the budget for the YTD. This was driven by strong revenues in all the major service categories, which occurred for the second consecutive month. Mr. Frosch reported net revenue was above budget for the month by 5.5% and is 8.7% ahead of the budget for the YTD. He noted that Net Operating Income was above budget for the month and YTD by a solid margin. The Net Income and EBIDA both finished ahead of budget for the month and for the YTD. The items that had an impact were contractual deductions and

allowances for doubtful accounts, which improved but remained above budget. Mr. Frosch reported that the transition to Meditech caused staff to have to perform billing and collection activities from both new and old systems. Although MRH collections were solid in June, it hasn't caught up all the way from the lag that happened in March and April. Mr. Frosch mentioned that the level of deductions as a % of gross revenue for the month is above budget due to the increase in accounts receivable and the relative age of the accounts receivables. He mentioned that Other Revenue continues to outpace the budget due to better than budgeted interest rates. The 340b revenue performed above budget and appears that our work with the consultant to optimize the program data reporting process has resulted in improved claim approval rates by most of the drug manufacturers. The nursing facility program revenue recorded in the period was a large positive variance due to the state completing a year 5 program reconciliation.

Mr. Frosch reported that MRH volumes continue to show strength overall, coming, in ahead of budget in many of the key metrics, such as the outpatient categories: RHC visits, ED visits, and outpatient visits. He mentioned that inpatient and Swing bed were below budget and hospital births were above budget in June.

Mr. Frosch reported total operating expenses were 0.5% below budget for the month but are 3.7% above budget on a YTD basis. Mr. Frosch mentioned there were a variety of relatively small expense category variances that were mostly offsetting in the aggregate, typical of our monthly variations.

Other items discussed:


- Mr. Frosch informed the committee that at the next Board meeting the Budget and Tax rate would be discussed and voted on.
- The audit of UC/DSH funds could affect hospitals statewide.
- S.B. 490 requires hospitals to provide itemized statements to patients after services are provided and before the hospital initiates debt collection actions.

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 5:53 p.m.



Dr. Carlton E. Young, Chair