

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
January 27, 2020
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Geoff Crabtree, Methodist Healthcare System
Stacie Hall, Recording Secretary

ABSENT:

GUESTS:

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:06 p.m. He stated for the record that the Committee has three members with three members being 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 December 16, 2019 Mr. Hardt made a motion to approve the Finance Committee Minutes of December 16, 2019 as presented in the packet. Mr. Bain seconded.

VOTE
The motion passed unanimously.

5. **REVIEW DECEMBER FINANCIALS**
 - A. **Summary** There was discussion regarding the financial report for December, as presented in the board packet.
 - B. **Financial Summary**
 - C. **Income Statement** Mr. Frosch reviewed the December financial statement. Dr. Young stated that the December financials reveal a strong month and solid start to the year. Mr. Frosch stated that December gross revenue was above budget for the month. Mr. Frosch explained that patient revenues were quite similar to budget in each of the major categories. Mr. Frosch stated that the year-to-date gross revenue is ahead of budget with strong inpatient revenues setting the pace. Mr. Frosch said that net revenue was ahead of budget for the period, and is ahead of budget on a year-to-date basis. Mr. Frosch stated that expenses were above budget in this period. Mr. Frosch said that both net income and EBIDA were well above budget in the period.
 - D. **Balance Sheet**
 - E. **Cash Flow /Reconciliation**

Mr. Frosch said that key items in the month of December included; cash collections were strong and contractual deductions were below the level budgeted, which was a key driver of strong net revenue in the period. Mr. Frosch stated that the Hospital District Tax Revenue was strong in the period and anticipates collecting the budgeted level with variances/timing differences moderating. Mr. Frosch explained that the 340B revenue was ahead of budget in the period, rebounding from the prior period where the impact of Wal-Mart changing their process resulted in a delay to the claim capture and reporting. Mr. Frosch stated that the year-to-date 340b revenue remains below budget. Mr. Frosch stated that Gods Country Pharmacy has been added with some revenue.

Mr. Frosch stated that volume metrics were solid in December. Mr. Frosch said that Emergency Department visits and rural health clinic visits were ahead of budgeted levels in December and year-to-date. Mr. Frosch said that patient days and Swingbed days were well ahead of the budget and prior year.

Mr. Frosch stated that net revenue was above budget with below budget contractals and a firm 340b impacting this result. Mr. Frosch stated that contractual expenses and deductions were below the level budgeted.

Mr. Frosch stated that bad debt expenses were well below budget as patient cash was strong in the period.

Mr. Frosch stated that the cost report from BKD should be completed within the next few weeks and will be presented at the February 24, 2020 Finance meeting. Dr. Young stated that the audit presentation will take place at the Finance meeting and any Board member interested in this cost report should attend the Finance meeting on February 24, 2020 at 5:00 p.m.

Mr. Frosch stated that current actions item is the UC/DSH audit which is an annual audit and BKD is assisting with this audit.

Mr. Frosch said that there is a HCA audit in February with the internal audit staff for HCA. Mr. Frosch explained that the audit staff reviews the management contract to verify that HCA is providing services outlined in the management contract. Mr. Crabtree stated that HCA is confirming that services that are outlined in the contract are being provided; nothing more, nothing less.

Ms. Simons stated that there is new legislation in regards to balance billing. Ms. Simons stated that our contractor, VEA does not balance bill.

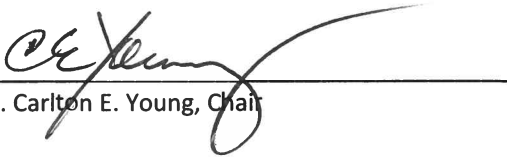
Mr. Frosch said that there is a new rule in regards to transparency pricing. Mr. Frosch stated that as of now, hospitals must post their charge master on the hospital website, but in the future may be directed to post the cash price and contracted price as well. Mr. Frosch explained that this would not be an easy task and he may need to contract with a vendor to assist.

F. OTHER REPORTS

- A. Aged Trial Balance
- B. Accounts Payable Aging
- C. Rural Health Clinic Schedules
- D. Key Indicators and Scorecard
- E. Investments
- F. Blue Cross Blue Shield Contract Update

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:45 p.m.



Dr. Carlton E. Young, Chair

