

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
April 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**
 2. **QUORUM CHECK**
- Due to health and safety concerns related to the COVID-19 coronavirus, this meeting was conducted by telephone call. A quorum of the board participated by Go To Meeting or phone call in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Members of the public were able to access the meeting by joining from their computer, tablet or smartphone by accessing <https://global.gotomeeting.com/join/478589837> or by calling phone number: (872) 240-3412, and using access code: 478-589-837.

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 three members with three members being present representing a quorum

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

4. **MINUTES**

- A. Regular Meeting of February 24, 2020
- B. Regular Meeting of March 23, 2020 (Cancelled)

MOTION

Mr. Bain made a motion to approve the Finance Committee Minutes of February 24, 2020 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.

5. **REVIEW MARCH FINANCIALS**

- A. Summary
- B. Financial Summary
- C. Income Statement

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

Mr. Frosch reviewed the March financial statement. Dr. Young stated that the March financials reveal a stronger month than he anticipated due to COVID 19.

D. Balance Sheet
E. Cash Flow
/Reconciliation

Mr. Frosch said that the COVID-19 impact is significant in the latter half of the month where there was a sharp decrease in volume. Mr. Frosch stated that March gross revenue was below budget for the month, but slightly above budget for the year-to-date. Mr. Frosch added that the March gross revenue was impacted, but not far off from prior year. Mr. Frosch said that net revenue was above budget for the month, with strong collections and lower contractuals.

Mr. Frosch said that the volume metrics were below budgeted levels for the period and the negative impact to volumes began in the middle of the March reporting period. Mr. Frosch stated that the three day rule for swingbed patients was relaxed during the COVID 19 pandemic. Mr. Frosch said, "Telemedicine visits began in April and helped offset Rural Health Clinic visit decrease."

Mr. Frosch stated that March was a strong cash collection period due to Blue Cross Blue Shield contract and corresponding pricing adjustments. Mr. Frosch said that the 340B net revenue was below budget in the period, but the program is performing solidly year-to-date with only minor periodic variances.

Mr. Frosch explained that expenses were above budget in the month of March and year-to-date with a number of actions instituted in the period to lower expenses in response to the decreases in patient volumes. Mr. Frosch stated that these changes will manifest in future periods. Mr. Frosch said that salaries and benefits were moderately above the level budgeted in the period. Mr. Frosch explained that changes were put in place and will show in the next period numbers such as staffing screening stations with staff from reduced volume clinical departments, cross training to include cross use of operating room nurses in emergency department, voluntary paid time off usage program, no overtime unless administration approves, and reduced contract services in coding.

Mr. Frosch stated that the physician emergency department services were above budget due to the reduced emergency department volumes in the period. Mr. Frosch explained that education and training variance was from the wellness seminar that was held in February, the director's retreat which was planned, and paid for, but rescheduled due to the COVID 19 pandemic, and CPR classes for staff.

Dr. Young asked, "Are the telemedicine visits the same cost as a regular in person clinic visit?" Mr. Frosch responded that the telemedicine visit cost is slightly below and the telemedicine visits will impact the month of April.

Dr. Young said, "I applaud you Kevin for negotiating the Blue Cross Blue Shield contract." Mr. Frosch responded that the consultant provided exceptional guidance in negotiating the Blue Cross Blue Shield contract.

Mr. Frosch explained that the construction loan from Hondo Clinic build-out is in final stages and expected to be finalized very soon.

Dr. Young asked if Medina Healthcare System was receiving money to help with the COVID 19 response. Mr. Frosch stated that due to the COVID 19 pandemic Medina Healthcare System received money which is associated with the CARES Act. Mr. Frosch said that Medina Healthcare System is also looking at grant money that will have reporting attached to it such as COVID 19 expenditures, staffing and personal protective equipment. Mr. Frosch responded that the facility has received money from the Small Business Association and the State Office of Rural Hospitals. Mr. Frosch stated Medina Healthcare System is currently applying for a FCC grant to help with the telemedicine costs. Mr. Frosch stated that Medina Healthcare System is expecting a net income loss of \$400, 000 to

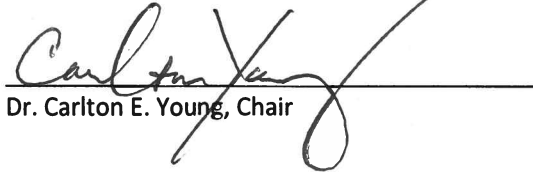
\$800,000 if the month of May resembles the month of April.

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 5:41 p.m.



Dr. Carlton E. Young, Chair