

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
May 18, 2020
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director
Lori Krieger, Director
Tony Johnson, 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/849786909> or by calling phone number: (872) 240-3212, and using access code: 849-786-909.

Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:04 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 April 27, 2020

MOTION

Mr. Bain made a motion to approve the Finance Committee Minutes of April 27, 2020 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.

5. **REVIEW APRIL FINANCIALS**

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

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

Mr. Frosch reviewed the April financial statement. Dr. Young stated that the April financials reveal a stronger month than he anticipated. Mr. Frosch stated that April gross revenue was below budget for the month, and due to the decrease in the period, the year-to-date budget is down as well. Mr. Frosch said that net

/Reconciliation

revenue fared better and was due to the strength of collections. Mr. Frosch stated that the April net revenue was below budget for the month and ahead of budget for the year-to-date.

Mr. Frosch said that the volume metrics were below budgeted levels for the period and the negative impacts to volumes were significant throughout the April reporting period. Mr. Frosch stated that all areas were significantly impacted. Mr. Frosch said that the cessation of elective procedures and surgeries was in place for the April period.

Mr. Frosch stated that net revenue was below budget for the month and this result was much better than the decline in gross revenues would have otherwise suggested due to strong collections and lower contractuals. Mr. Frosch stated that net revenue is exceeding budget on a year-to-date basis. Mr. Frosch explained that the continued strength in cash collections, when net revenue fell, brought down accounts receivable and dramatically decreased the needed level of contractual reserves. Mr. Frosch said that the 340b net revenue was below budget in the period, but the program is performing solidly year-to-date with minor periodic variances.

Dr. Young asked, "Were adjustments made for the new Blue Cross Blue Shield contract?" Mr. Frosch responded that yes, adjustments were made with new payment factors in place at this time. Mr. Frosch explained that the new cost factors from Medicare and Medicaid are updated as Medina Healthcare System receives them.

Mr. Hardt asked, "Why do we see such a drop in visits?" Mr. Frosch stated that patients were advised to stay home and to seek medical attention if they were having a list of particular symptoms. Ms. Simons stated that she spoke with Dr. Windrow, Chief of Staff and he had not had an appointment with a sick patient in a week. Ms. Bell stated that there were "few emergent" appendectomies performed because the patients were so apprehensive about coming into the hospital emergency department, and patients are "afraid of the coronavirus".

Mr. Hardt asked, "We are eighteen days into May, how are the volumes thus far?" Ms. Simons stated that the rural health clinics were at about 80% compared to 50-55% in the month of April.

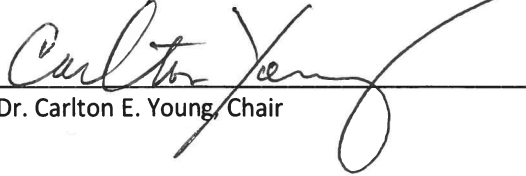
Mr. Frosch explained that the total operating expenses were below budget in the month of April, and is above budget for the year-to-date. Mr. Frosch said that there were a number of actions instituted in the period to lower expenses in response to the decrease in patient volumes. Mr. Frosch stated that salaries were below the level budgeted in the period. Mr. Frosch explained that screening stations were staffed with staff from reduced volume clinical departments. Mr. Frosch said that operating room nurses were cross trained to work in the emergency department. Mr. Frosch explained that staff was approved to use paid time off. Mr. Frosch stated that contract services were reduced in the coding department. Mr. Frosch said that the physician emergency department services were above budget due to reduced emergency department volumes in the period. Mr. Frosch stated that supplies and drugs were also below budget due to reduced volumes.

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 5:48 p.m.



Dr. Carlton E. Young, Chair

