

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

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
Tony Johnson, Director

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Stacie Hall, Recording Secretary

ABSENT: William "Bill" Bain, Director
Geoff Crabtree, Methodist Healthcare System

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/615878789> or by calling phone number: (224) 501-3412, and using access code: 615-878-789.

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 June 22, 2020

MOTION

Mr. Hardt made a motion to approve the Finance Committee Minutes of June 22, 2020 as presented in the packet. Mr. Johnson seconded.

VOTE

The motion passed unanimously.

5. **REVIEW JUNE FINANCIALS**

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

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

Mr. Frosch reviewed the June financial statement.

Mr. Frosch stated that the volume metrics were below budgeted levels for the period, but variances were much less than the prior months. Mr. Frosch said that Swingbed days and birth metrics were each ahead of budget in the period. Mr. Frosch explained that Rural Health Clinic visits, aided by telehealth visits, were

close to the level budgeted and exceeded the level of prior year visits. Mr. Frosch stated that surgeries were relatively firm in the period when considering the impact of COVID on elective care.

Mr. Frosch said that the net revenue was below budget for the month. Mr. Frosch explained that this result was in-line with the variance in gross revenue. Mr. Frosch stated that on a year-to-date basis, net revenue is exceeding budget. Mr. Frosch said that the 340b net revenue was below budget in the period.

Mr. Frosch stated that the interim cost report is in process and Medina Healthcare System has maintained an allowance for Medicare payable based upon increasing charges and decreasing volumes. Mr. Frosch explained that Medina Healthcare System will adjust this allowance based upon the results of the interim cost report once completed.

Mr. Frosch stated that the total operating expenses were below budget in June and below budget for the year-to-date. Mr. Frosch explained that the moderately below budget volumes have had a corresponding reduction on some expense line items relative to the budget in recent periods.

Mr. Frosch said that salaries were slightly below budget despite adding screening stations and maintaining staffing levels. Mr. Frosch said that Human Resources continue to hire and train additional staff for COVID screening positions. Mr. Frosch explained that Medina Healthcare System did have some attrition, particularly with environmental services staff and admitting staff that resigned when the pandemic began. Mr. Frosch stated that various nursing positions have opened with routine turnover and are proving difficult to fill at this time. Mr. Frosch said that there are reduced contract services in coding as internal resources are able to carry more of the load.

Mr. Frosch said that the physician Emergency Department services were above budget due to reduced Emergency Department volumes in the period.

Mr. Frosch said that supplies and drugs were above budget in the period related in part to personal protective equipment being purchased. Mr. Frosch explained that the reason the drug line item was above budget was due to ordering of vaccines ahead of prior year levels and at higher levels in some cases.

Mr. Frosch summarized the June financial report. Mr. Frosch stated that June gross revenue was below budget for the month. Mr. Frosch explained that this decrease in the period pulled the year-to-date total down as well. Mr. Frosch said that the net revenue for the month was below budget, at 10.9% below target. Mr. Frosch said that on a year-to-date basis, net revenue remained ahead of budget. Mr. Frosch said that expenses were below budget for the month and below budget on a year-to-date basis. Mr. Frosch explained that the COVID-19 impact was present, but much less severe than the preceding periods, with below budget, but rebounding volumes and revenues. Mr. Frosch recognized a portion of the CARES act payments with lost net revenue year-to-date as the basis of recognition.

F. OTHER REPORTS

- A. Aged Trial Balance
- B. Accounts Payable Aging
- C. Rural Health Clinic Schedules
- D. Key Indicators and Scorecard
- E. Investments

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:49 p.m.



Dr. Carlton E. Young, Chair