

**MINUTES  
BOARD OF DIRECTORS  
MEDINA COUNTY HOSPITAL DISTRICT**

September 14, 2020

**TIME AND PLACE:**

The Medina County Hospital District Board of Directors met in special session on Monday, September 14, 2020 at 5:00 p.m.

***THIS MEETING WILL BE HELD VIRTUALLY DUE TO GOVERNOR'S Proclamation 41-3746. At least a quorum of the board will be participating in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Any person may join the meeting via GoToMeeting: <https://global.gotomeeting.com/join/973666165> Access Code: 973-666-165 or by phone by calling: (408) 650-3123, Access Code: 973-666-165.***

**PRESENT:**

Tim Hardt, President  
Dr. Carlton "Corky" Young, Vice President  
Tony Johnson, Secretary  
William Bain, Director  
Lori Krieger, Director  
Judy Winkler, Director  
Zachary Windrow, MD, Director

Janice Simons, Chief Executive Officer  
Kevin Frosch, Chief Financial Officer  
Billie Bell, Chief Nursing Officer  
Geoff Crabtree, Methodist Healthcare System  
Louisa Cuellar, Recording Secretary

**ABSENT:**

**GUESTS:**

None

1. **CALL TO ORDER AND RECORD OF ATTENDANCE** Mr. Hardt called the meeting of the Medina County Hospital District Board of Directors to order at 5:00 p.m. He stated for the record that the Board of Directors has seven members with six members being present at that time and representing a quorum. Dr. Zach Windrow joined the meeting at 5:15pm.

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

3. **CONSENT AGENDA** The Minutes from the Regular Session of August 24, 2020 were approved as presented in the packet.  
**Consider Approval of Minutes**

A. **Regular session of August 24, 2020**

**MOTION**

Ms. Krieger made a motion to approve the minutes. Mr. Bain seconded the motion.

**VOTE**

The motion passed unanimously.

4. **Consider and Approve Strategic Plan** Ms. Simons presented the Strategic Plan. Ms. Simons reported the strategic plan has four major strategies: Improve the overall patient experience in the rural health clinic, increase volume of outpatient visits, reorganization of I.T. services and improve the COVID patients' experience. Strategic Plan was approved as presented.

MOTION

Ms. Krieger made a motion to approve the minutes. Mr. Bain seconded the motion.

VOTE

The motion passed unanimously.

**5. Consider and Approve 3 Year Capital Equipment List**

Ms. Simons presented the 3 year Capital Equipment List. Ms. Simons reported MHS is required to have a 3 year capital equipment plan and is a staff wish list. Ms. Simons stated that purchases of \$5,000 or more requested, it will be presented to the Board.

MOTION

Dr. Young made a motion to approve the minutes. Mr. Johnson seconded the motion.

VOTE

The motion passed unanimously.

**6. Public Hearing on Tax Rate**

**a. Discuss and approve the proposed tax rate**

Mr. Hardt opened the Public Hearing on Tax Rate at 5:00 PM  
Mr. Hardt stated that there were no changes regarding the tax rate since the last meeting.  
Mr. Frosch provided a copy of the 2020-2021 Tax Rate Information in the Board Packet. A copy of the Tax Rate Information is attached hereto and made a part hereof.

There were no members of the public present.

MOTION

Dr. Young made a motion to approve the minutes. Ms. Krieger seconded the motion.

VOTE

The motion passed unanimously.

**7. Public Hearing on Proposed Budget. Discussion regarding proposed budget for FYE 09/30/2021**

**a. Proposed Budget & Key Assumption**  
**b. Budget Volume**  
**c. Budget Net Patient Revenue Support Documents**

Mr. Hardt opened the Public Hearing on Proposed Budget at 5:00 PM.

There were no members of the public present.

Mr. Frosch discussed in detail the proposed budget for Medina County Hospital District. Mr. Frosch mentioned the key assumptions for 2021 and the statement of revenue and expenses. Mr. Frosch stated the budget process is a difficult process because it involves projection of estimates of the future; and this year was more difficult for a number of reasons; including, significant impact due to decreased patient volumes and funding received from HHS associated with COVID-19. At this point in time, we were projecting things to return back to normal from a patient volume side. Mr. Frosch stated the amount of economic impact in our community, that will affect the patients' ability to pay and their ability to stay employed and have insurance with their employers can be significant uncertainty. We have made estimations for how that will impact us, but it leaves a lot of room for error because it is uncharted waters.

Regarding the HHS funds we received, Mr. Frosch stated we recognize a portion of those funds in the current fiscal year and some of those funds we anticipate we can recognize in the 2020-2021 fiscal year. All of that creates a degree of uncertainty too, because at this point of time HHS has extended those monies and we think we will be able to retain a majority of it.

Mr. Frosch reported the key metrics that drive the revenue begin with the volume roll forward. The Growth factors are Dr. McGehee, Castroville Clinic expansion, Specialty Provider space, and Nuero Physician, and normalizing volumes after COVID-19.

The Declines include COVID-19 impact and Dr. Hansen decreasing work schedule.

Mr. Frosch stated there is an item he would like to note on the Proposed Budget report, if you scroll down to the bottom line, you will see that it shows on the surface we are projecting a decrease in 2021 from 2020; you can see both of those years are considerably higher than 2018 and 2019. With that said, a lot of the impact that brought particularly 2020 projected up to where it is, is if you will look at the grant/donation line, the \$3,078,256 received from HHS is projecting to be income in 2020 but we don't expect to have in 2021. We are projecting to have \$1,300,000 into next year. It's very possible we won't be able to claim the full amount of net revenue next year; that is an uncertainty. Mr. Frosch stated a big change from 2020 to 2021 is the private waiver program is done; we will have no revenue from that program.

Mr. Frosch stated the Normalize Income Statement shows the impact operational factors have on the budget.

Mr. Hardt asked if the PPP Loan the hospital received was included in 2021. Mr. Frosch responded that it is one of the factors when he stated the HHS funds net income in 2020 and does not anticipate including that in 2021.

Ms. Krieger expressed her thanks and appreciation to Mr. Frosch presentation of the budget. Dr. Young thanked Mr. Frosch for the great job.

Mr. Hardt closed the Public Hearing on Proposed Budget at 5:40 P.M.

A copy of the Proposed Annual Budget for the Medina County Hospital District FYE 09/30/2021 is attached hereto and made a part hereof.

MOTION

8. **Review, Consider and Approve Resolution to adopt Medina County Hospital District Annual Budget FY E 09/30/2021**

Mr. Hardt made a motion to approve the Resolution for the Medina County Hospital District Annual Budget for 2020 as presented. Ms. Krieger seconded.

VOTE

The motion passed unanimously.

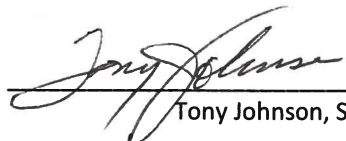
9. **EXECUTIVE SESSION**

The Board of Directors of Medina Regional Hospital District did not go into Closed Session, this date of September 14, 2020.

10. **ADJOURNMENT**

There being no further business to come before the Board, meeting was adjourned at 5:40 p.m.

  
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Tim Hardt, President

  
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Tony Johnson, Secretary