

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
October 26, 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
Louisa Cuellar, Recording Secretary
Randi Davis, Executive Administrative Assistant

ABSENT:

GUESTS:

1. **CALL TO ORDER**
2. **QUORUM CHECK**

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/120250821> Access Code: 120-250-821 or by phone by calling: (872) 240-3311, Access Code: 120-250-821.

Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:05 p.m. He stated for the record that the Committee has three Board Members present, representing a quorum.

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

4. **MINUTES**

- A. Regular Meeting of September 28, 2020

MOTION

Mr. Bain made a motion to approve the Finance Committee Minutes of September 28, 2020 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.

5. **REVIEW SEPTEMBER FINANCIALS**

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

Dr. Young commented that looking at the yearly numbers and considering everything that has been going on, we are doing well.

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

Mr. Frosch reviewed the September financial statement.

Mr. Frosch stated that the MRH volumes were below budget in most metrics this period. Mr. Frosch reported that RHC visits and births were the two areas that exceeded budget in the period; all other key statics were moderately below prior year levels. Mr. Frosch mentioned the Emergency Department visits remained below budget by a similar level to the preceding months and appears to be somewhat of a new normal post COVID. Mr. Frosch said that the net revenue was above budget for the month with the Waiver funds adjustment and is above budget on a YTD basis. Mr. Frosch explained that this result was largely a product

of fair cash collections relative to gross revenues. The 340b net revenue was below budget in the period and below for the YTD; this program may be challenged going forward as several of the drug manufacturers are beginning to limit participation.

Mr. Frosch stated that the total operating expenses were above budget in September, but below budget overall for the YTD. Mr. Frosch explained the supplies and drugs line was above budget and was the single expense category with the largest variance. There was variance relating to the year-end inventory process as well. Mr. Frosch reported agency staffing was above budget relating to some open nursing positions.

Mr. Frosch summarized the September financial report.

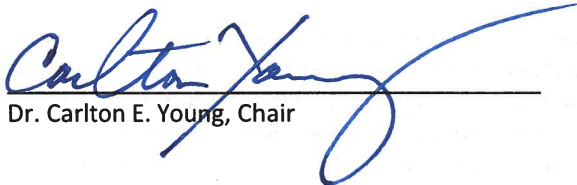
Mr. Frosch stated that September gross revenue was below budget for the month and for the YTD. The COVID business impact was present but reduced from the level of impact felt earlier in the year. Mr. Frosch reported the net revenue for the month was above budget by a large margin, primarily due to a Waiver funds revenue pick-up; and on a YTD basis, net revenue remained ahead of budget. Mr. Frosch reported expenses were above budget in the period, but below budget on a YTD basis. Mr. Frosch explained the COVID-19 impact was present but less severe than the preceding periods; volumes were below budget in the majority of metrics. Mr. Frosch reported that there was a large positive Waiver Funds revenue adjustment in the period due to earning prior year carryforward DSRIP project, more UC dollars, and a better return with the FMAP rate increased as part of the COVID response. Mr. Frosch stated on the other side there was a large negative Grant Proceeds revenue adjustment to roll-back recognition of CARES Act Provider Relief Funds following issuance of new guidance relating to qualifying conditions for retaining the funds. Mr. Frosch stated there was a significant shifts among contractual deductions categories associated with year-end process and charity policy as a portion of the account totals that had been in Bad Debt met the criteria for, and were transferred to, Charity Care under the presumptive charity portion of the Charity Care Policy; practice was similar to that of the preceding years and the final totals are also proportional to prior year levels.

F. OTHER REPORTS

- A. Aged Trial Balance
- B. Accounts Payable Aging
- C. Rural Health Clinic Schedules
- D. Key Indicators and Scorecard
- E. Investments
- F. Debts & Cash Review and Analysis: MRH Debt & Cash Review report was presented and reviewed. Mr. Frosch and Ms. Simons made the recommendation that the Board review and consider paying off some debt at the next Board meeting.

ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:50 p.m.


Dr. Carlton E. Young, Chair