

**MEDINA COUNTY HOSPITAL DISTRICT  
FINANCE COMMITTEE MEETING  
February 22, 2021  
Minutes**

**PRESENT:** Tim Hardt, Director  
William "Bill" Bain, Director  
  
Janice Simons, CEO  
Kevin Frosch, CFO  
Billie Bell, CNO  
Randi Davis, Executive Administrative Assistant

**ABSENT:** Dr. Carlton Young, Chairman  
Geoff Crabtree, Methodist Healthcare System

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

**THIS MEETING WAS HELD VIRTUALLY DUE TO GOVERNOR'S Proclamation 41-3746.** At least a quorum of the board participated 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 was welcome to join the meeting via GoToMeeting: <https://global.gotomeeting.com/join/315778797> Access Code: 315-778-797 or by phone by calling: (571) 317-3122, Access Code: 315-778-797.

Mr. Bain 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 two Board Members present, representing a quorum.

3. **PUBLIC COMMENT:**

There were no members of the public present.

4. **MINUTES**

**MOTION**

- A. Regular Meeting of January 25, 2021

Mr. Hardt made a motion to approve the Finance Committee Minutes of January 25, 2021 as presented in the packet. Mr. Bain seconded.

**VOTE**

The motion passed unanimously.

5. **REVIEW JANUARY FINANCIALS**

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

Mr. Bain asked Mr. Frosch to proceed with the Financial Report for January.

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

Mr. Frosch reviewed the January financial statement.

Mr. Frosch stated that overall, the month of January fell below the expected budget, but the YTD value remains slightly above budget. Volumes continue to be lower than expected with ongoing COVID impacts and lower observed levels of flu and other seasonal illnesses. The gross revenue was 8.9% below budget for the month, making the YTD value 5.8% below budget. The Special Compensation policy payout and associated amendments, totaling \$1,587,089.36, was reflected in the budget for the month, roughly \$30K more than anticipated. Tax District Revenue recognized in the period was \$270K below budget, but Mr. Frosch expects this variance to level out in the coming months. The nursing facility quarterly revenue for the first quarter resulted in a positive variance of \$112K. Finally, Mr. Frosch reported that expenses were 1.6% above budget for the month, and 2.1% above on a YTD basis, due to COVID costs and additional staffing for vaccine clinics.

Mr. Frosch reported the volumes for the month of January. Most fell below budget, including: inpatient days, swingbed days, ED visits, and surgeries. Patient days remain 208 days below budget YTD, with swingbed days below YTD by 32 days. ED visits remain the most significant below budget, with 667 days below budget on a YTD basis. Mr. Frosch moved on to the positive variances for the month. RHC visits, including telemedicine appointments, continue to remain high, 138 above for the month and 1,167 above YTD. Births have also continued to remain high, 2 above budget for the month and 11 YTD. Total surgeries are below budget by 48 in January, and below by 74 on a YTD basis. Mr. Frosch explained that there has been an increase in the demand for colonoscopies in the past month, but there has been a delay in getting these procedures scheduled due to several contributing factors.

Mr. Frosch discussed the Revenue/Net Revenue section of the financial summary. Net revenue was below budget by 17.7% for the month, but only 1.0% below on a YTD basis. Cash collections for the month were fair but still below previous periods. The Deductions as a Percentage of Gross Revenue line item was 5.0% above budget for the month, but still 0.4% below for the YTD. Contractual Deductions are very near budgeted levels relative to gross revenue on a YTD basis. This is a change in the timing of the prospective charity review process from annually to monthly. Some shifts in accounts of bad debt and into charity care took place in the month.

Mr. Frosch moved into the Expenses for the month of January. Total Operating Expenses were 1.6% above budget for the month, and 2.1% above for the YTD. The Salaries line item was well above than the previous year due to recognition of the COVID bonus funds. The Employee Benefits line item was \$122K below budget, which Mr. Frosch explained is a system-generated accrual and monthly fluctuations are expected. The Physician Fees – ER line item was \$22K above budget due to the continued decrease in ED visits this year. The Supplies and Drugs line was \$51K over the budgeted amount due to a resupply of rapid COVID testing supplies.

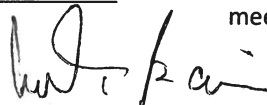
Finally, Mr. Frosch reviewed the action items for the month of January. Hospital administration has been working diligently to plan vaccine clinics and distribution of doses, which required the addition of several new staff members. The annual financial audit and cost report presentation by BKD was pushed back to the March Board meeting due to delays caused by recent inclement weather events. Finally, the CHOW process for the addition of a new Board-approved nursing facility has completed the initial requirements. Supporting documents will be submitted over the coming weeks as they are requested.

**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.

**6. ADJOURNMENT**

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:37 p.m.



William "Bill" Bain, Director