

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

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director
Judy Winkler, Director
Tony Johnson, Director

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Geoff Crabtree, Methodist Healthcare System
Randi Davis, Executive Administrative Assistant

ABSENT:

GUESTS: Travis Skinner, BKD joined virtually
Christa Worley, BKD joined virtually

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:01 p.m. He stated for the record that the Committee has five Board Members present, representing a quorum.
2. **QUORUM CHECK**
3. **PUBLIC COMMENT:** There were no members of the public present.
4. **MINUTES** **MOTION**
 - A. Regular Meeting of February 22, 2021 Mr. Bain made a motion to approve the Finance Committee Minutes of February 22, 2021 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.
5. **AUDIT AND COST REPORT FOR FY 10/01/2019 – 09/30/2020 AS PRESENTED BY BKD**

Ms. Worley and Mr. Skinner of BKD presented the Audit and Cost Report results. A copy of the draft audit and management letter was given to the Board of Directors.

Ms. Worley and Mr. Skinner introduced themselves to the Board members present, and commended Medina Healthcare System on a strong report with consistent financial performance even through a global pandemic.

Ms. Worley started the presentation by reviewing some of the most notable balance sheet values for the fiscal year. Ms. Worley noted that the 'Other receivables' line on the assets sheet increased significantly in 2020 due to the recognition of provider relief funds. On the 'Liabilities, Deferred Inflows of Resources, and Net Position' sheet, Ms. Worley stated that the 'Current maturities of long-term debt' and 'Accounts Payable' line items had both decreased slightly in the fiscal year. Ms. Worley also noted that the addition of an 'Unearned revenue – provider relief funds' line item had been added this year due to the pandemic. Funds from the provider relief fund programs were accounted for here. Further, Ms. Worley discussed the increase in the 'Long-term debt' item, citing the new Hondo clinic loan as well as the PPP loan as contributors to the increase. The total increase in net position was near \$7,000,000.

Mr. Skinner discussed many of the ongoing and upcoming programs that Medina Healthcare System will need to be aware of. Mr. Skinner mentioned that the Medicaid 1115 Waiver has officially been extended for an additional 10 years. He also mentioned that the DSRIP program will no longer exist after this year. Mr. Skinner mentioned the CHIRP program, which contains both the UHRIP as well as the ACIA programs. He mentioned that both of these will have applications that senior management will need to complete to successfully enroll in these new programs. Additionally, Mr. Skinner explained both the Texas Incentives for Physician and Professional Services (TIPPS) and Rural Access to Primary and Preventive Services (RAPPS) programs to the Board members. Mr. Skinner gave an update on the CHAT ruling, and went into great detail about the Provider Relief Funds. He provided Board members with a brief update on the timeline of changes to the rules and regulations regarding the funds, and explained that the new updates add more questions than answers.

Mr. Skinner answered questions from Mr. Hardt and Ms. Simons about the provider relief funds. He noted that there is still a lot of uncertainty regarding the forgiveness of these funds, and that the rules for spending the money are always changing, providing challenges to hospital administrators. Mr. Skinner gave the Board members his and Ms. Worley's contact information for any additional questions.

Each of the present Board members thanked the Medina Healthcare System staff members for their outstanding work this fiscal year despite the global pandemic. Many expressed disbelief in the amount of work that senior management has put in behind the scenes to make sure the hospital ended the fiscal year with positive values. Due to time constraints, the Board elected to move the February financial report to the regular Board meeting.

MOTION

Mr. Hardt made a motion to approve the Audit and Cost Report for FY 10/01/2019 – 09/30/2020 as presented by BKD. Mr. Bain seconded.

VOTE

The motion passed unanimously.

6. ADJOURNMENT

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:57 p.m.



Dr. Carlton E. Young, Chair