

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
April 26, 2021
Minutes**

PRESENT: Dr. Carlton Young, Chairman
Tim Hardt, Director
William "Bill" Bain, Director
Geoff Crabtree, Methodist Healthcare System

Janice Simons, CEO
Kevin Frosch, CFO
Billie Bell, CNO
Randi Davis, Executive Administrative Assistant

ABSENT: None

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:03 p.m. He stated for the record that the
2. **QUORUM CHECK** Committee has three Board Members present, representing a quorum.

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

4. **MINUTES** **MOTION**
A. Regular Meeting of March 22, 2021 Mr. Hardt made a motion to approve the Finance Committee Minutes of March 22, 2021 as presented in the packet. Mr. Bain seconded.

VOTE
The motion passed unanimously.

5. **REVIEW MARCH FINANCIALS** There was discussion regarding the financial report for March, as presented in the board packet.

Dr. Young stated that the financials for this month were solid, and asked Kevin to proceed with the Financial Report for March.

- A. **Summary** Mr. Frosch reviewed the March financial statement.
- B. **Financial Summary** Mr. Frosch stated that the Gross Revenue was 3.9% above budget for the month, making the YTD value 6.5% below budget. Total Net Revenues were 10.6% below the budgeted amount, with the YTD amount at 4.6% below budget. Mr. Frosch noted that the Total Operating Expenses for the month were 6.3% below what was expected, which brings the YTD variance to budget at 0.01%. Mr. Frosch praised staff members for continuing to work hard despite several setbacks this fiscal year.
- C. **Income Statement**
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation**

Mr. Frosch reported that the Net Income for the month was 153.2% above budget, bringing the YTD value to 3.8% above expected amounts. This result was due to several factors, including high-yielding volumes for the month, such as colonoscopies and telemedicine visits. Additionally, tax district revenue recognized in the period was \$536K above budget as the weather and mail delays in February appear to have rebounded in March. Grant proceeds of \$354K were recognized for the month in expectation of earned COVID provider relief funds. Finally, 340B revenue for the month was below budget by \$58K, but still remain \$283K above budget on a YTD basis.

Mr. Frosch discussed the volumes for March. RHC visits for the month were well ahead of expected levels, including telemedicine visits. Outpatient visits were slightly below budget, as well as Swingbed days. While the Total Surgeries measure was below budget, a large percentage of the procedures performed were colonoscopies, which is a significant contributor to revenue. Mr. Frosch noted that the numbers for the month can be deceiving, as many volumes were below expected values but Net Revenue remained well above budget for the month.

Mr. Frosch moved on to the Revenue/Net Revenue section of the March financial statement. Net Revenue was below budget for the month by 10.6%, and is below by 3.3% YTD. There were strong cash collections noted for this period due to billing and other collections activities being pushed by inclement weather in February to March. Deductions as a percent of gross revenue were above the level budgeted for the month.

Finally, Mr. Frosch moved to the Expenses portion for the month of March. Total operating expenses were 6.3% below budget for the month, and 0.01% above budget YTD. The salaries line was \$79K below budget. Mr. Hardt asked about the bad debt and charities line item. Mr. Frosch explained that variances to budget have occurred as the prospective charity process, which identifies bad debt accounts that fit charity criteria and re-categorizes them to charity, had been an annual process in the past. Staff would run budget variances until the process was completed. Medina Regional Hospital is working to move this to a monthly process in order to cut down on the budget variances.

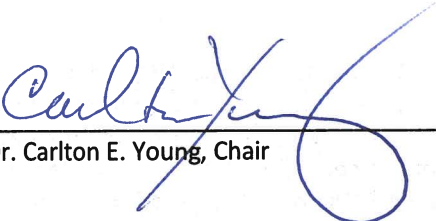
Mr. Frosch noted that one key item that administration is monitoring closely is the status of the Texas 1115 Waiver extension. The extension was previously approved, but it now appears that this extension may be changed or reversed, which could have impacts on rural hospitals in Texas. Mr. Frosch also gave an update on the PPP loan forgiveness program and the status of the hospital's ongoing application. Administration will continue to provide updates to the Board of Directors as the application moves through the process.

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 5:40 p.m.



Dr. Carlton E. Young, Chair