

**MEDINA COUNTY HOSPITAL DISTRICT  
FINANCE COMMITTEE MEETING  
August 23, 2021  
Minutes**

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

Janice Simons, CEO  
Kevin Frosch, CFO  
Billie Bell, CNO  
Marc Strode, Methodist Healthcare System  
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 5:00 p.m. He stated for the record that the
2. **QUORUM CHECK** Committee has four members present, representing a quorum.

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

4. **MINUTES** **MOTION**
- A. Regular Meeting of July 26, 2021 Mr. Hardt made a motion to approve the Finance Committee Minutes of July 26, 2021 as presented in the packet. Mr. Bain seconded.

**VOTE**  
The motion passed unanimously.

5. **REVIEW JULY FINANCIALS** There was discussion regarding the financial report for July, 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 July.

- A. **Summary** Mr. Frosch reviewed the July financial statement.
- B. **Financial Summary** Mr. Frosch stated that the Gross Revenue was 11.4% above budget for the month, bringing Medina Regional Hospital to a 1.0% deficit YTD. The Net Revenue for the month was 11.5% above budget, and remains 0.14% below on a YTD basis. Expenses were 5.8% above expected levels for the period, and remain 1.1% above YTD. Solid volumes for the month of July helped boost revenue, particularly the patient days and emergency department visit metrics. Mr. Frosch noted that the nursing facility revenue was above budget for July, with an accrual adjustment following the receipt of quarterly quality incentive payments.
- C. **Income Statement**
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation**

Mr. Frosch moved to the volumes section of the report, noting that many of the metrics were above budgeted levels for the month. Patient days were above by 72 days, swingbed days were up by 95, and RHC visits were above by 187 for the July reporting period. Emergency Department visits were well ahead of budgeted amounts, up by a total of 117 visits. This is the first time this metric has seen such strong volumes since the emergence of the COVID-19 pandemic. Total surgeries were below expected levels for the month, but strong colonoscopy procedures helped boost revenue in that department despite volumes being slightly down.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the July Financial Report. As previously mentioned, the net revenue for the month was 11.5% above budget for the month. This brings the YTD deficit to 0.14%. The net revenue for the month was boosted by strong gross revenue and cash collections during the period. The Deductions as a Percentage of Gross Revenue line item was moderately below the level budgeted for the month, but is trending close to budget on a YTD basis.

Mr. Frosch moved to the Expenses report for July. Total Operating Expenses were above budget by 5.8%. The Salaries line item was \$45K above budget, largely due to increased staffing needs requiring nurses to work extra shifts and accrue overtime to meet growing demands of the ongoing COVID-19 surge. With increased ED visits, the Physician Fees - ER line was \$19K below budget because of the decreased compensation for the Emergency Department physicians. The Supplies and Drugs line was \$34K above budget with the increased use of COVID-19 drugs and PPE items. Mr. Frosch noted that there was also an inventory adjustment error that resulted in over-expensing this period. This will be corrected in the next period. The Legal and Professional line item was \$19K above budget with ongoing legal consultations regarding nursing facilities, reporting of Provider Relief Funds, the Interim Cost Report, and the telephone system replacement project. Finally, the Maintenance and Repairs item was \$34K above budget from repairs to the facility that resulted from the hail storm several months ago.

Finally, Mr. Frosch reviewed the ongoing action items and accomplishments for the period. Tax and budget season is in full swing and administration has been working to meet all the necessary deadlines and requirements that go along with that process. The interim cost report has been completed and initial results look positive. Finally, the process of reporting provider relief funds is well underway. Mr. Frosch is working with the nursing facility staff to ensure that the guidelines are followed correctly and the reporting is accurate.

Dr. Young asked about a reported loss of \$14,925 in Grant Proceeds for the month. Mr. Frosch explained that this was a bookkeeping correction from the prior period and should be back to normal next period.

Finance Committee members commended Mr. Frosch and all of hospital senior management on their hard work and continued success during a global pandemic.

**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 5:29 p.m.

  
Dr. Carlton E. Young, Chair