

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
January 24, 2022
Minutes**

PRESENT: Dr. Carlton "Corky" Young, Chairman
Tim Hardt, Director
Tony Johnson, Director

Janice Simons, CEO
Kevin Frosch, CFO
Randi Davis, Executive Administrative Assistant
Marc Strode, Methodist Healthcare System

ABSENT: William "Bill" Bain, Director
Billie Bell, CNO

1. **CALL TO ORDER**
 2. **QUORUM CHECK**
- Due to health and safety concerns related to the COVID-19 coronavirus, this meeting was conducted by telephone call. A quorum of the board participated by Go To Meeting or phone call in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Members of the public were able to access the meeting by joining from their computer, tablet, or smartphone by accessing <https://global.gotomeeting.com/join/517875773> or by calling phone number: (872) 240-3311, and using access code: 517-875-773.

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 Committee has three members present, representing a quorum.

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

4. **MINUTES** **MOTION**
 - A. Regular Meeting of December 20, 2021Mr. Hardt made a motion to approve the Finance Committee Minutes of December 20, 2021 as presented in the packet. Dr. Young seconded.

VOTE

The motion passed unanimously.

5. **REVIEW DECEMBER FINANCIALS**
- There was discussion regarding the financial report for December, as presented in the board packet.

Dr. Young noted that the financials for this month were positive, and asked Kevin to proceed with the Financial Report for December.

Mr. Frosch reviewed the December financial statement.

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

Mr. Frosch stated that the Gross Revenue was 2.0% above budget for the month, and 8.3% above budget on a YTD basis. The Net Revenue for the month was 20.1% above budget and 23.5% above YTD, driven by the RHC and ED revenue categories. Expenses were 0.6% below expected levels for the period but are 2.6% above YTD. Mr. Frosch noted that cash collections for the month were very strong, as well as the EBIDA for the period. Nursing Facility revenues were \$800K above budget due to reconciliation following QIPP and IGT adjustments.

Mr. Frosch reviewed the December volumes. Patient days were below expectations by 17 days, swingbed days were down by 5, outpatient visits were above expected levels by 149 visits, and RHC visits were above budget by 787 visits for the December reporting period. Emergency Department visits were up by a total of 99 visits, surgeries were 13 encounters below expected levels for the month, and births were in line with expected levels.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the December Financial Report. As previously mentioned, the net revenue for the month was 20.1% above budget. Cash collections were extremely strong, totaling roughly \$3,000,000. The deductions as a percent of gross revenue line item was 9.6% below expectations for the period. 340b revenue was again significantly below expected levels for the month. An investigation into this trend has been initiated with the 340b vendor to identify and correct any issues. This issue is not unique to Medina Healthcare System, as other local entities are experiencing similar issues. Several drug companies are attempting to pull out of the program, which is disrupting hospital revenues. Administration will continue to update the Finance Committee on this issue as more information becomes available.

Mr. Frosch moved to the Expenses report for December. Total Operating Expenses were below budget by 0.6% for the month but are above budget by 2.6% for the year so far. The Salaries line item was \$44K below budget due to several employee position openings that have not been filled. The Agency Staffing line item for December was \$49K above expected levels due to high agency rates and high Medina Regional Hospital usage. The Supplies and Drugs line was \$37K below budget for the month. The Rental Expenses line was \$45K above budget due to the rental of a domestic water heater while a replacement is ordered and installed.

Mr. Frosch reviewed the ongoing action items and accomplishments since the last reporting period. The employee health insurance contracting and re-enrollment has been successfully completed. Medina Regional Hospital absorbed a large sum of money in order to prevent employees' rates from going up for the year. Additionally, the DSRIP audit and reporting process is underway.

Finally, Mr. Frosch opened the floor for any questions or discussions from the committee members. The Finance Committee commended Mr. Frosch and the rest of administration on their hard work and continued success

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 5:36 p.m.



Dr. Carlton E. Young, Chair