

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
April 25, 2022
Minutes**

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

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

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 five members present, representing a quorum.

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

4. **MINUTES** **MOTION**
A. Regular Meeting of March 28, 2022 Mr. Bain made a motion to approve the Finance Committee Minutes of March 28, 2022 as presented in the packet. Mr. Hardt 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 noted that the financials for this month were fairly positive, and asked Kevin to proceed with the Financial Report for March.

- A. **Summary** Mr. Frosch reviewed the March financial statement.
- B. **Financial Summary**
- C. **Income Statement** Mr. Frosch stated that the Gross Revenue was 7.6% above budget for the month, and 3.8% above budget on a YTD basis. The Net Revenue for the month was 7.1% above budget and is 11.2% above budget for the YTD. Expenses were 7.1% above expected levels for the period and are 2.2% above YTD. Mr. Frosch noted that Net Income and EBIDA both finished below budget for the month but remain well ahead of budget on a YTD basis. Hospital District Revenue was \$553K below
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation**

budget for the period, bringing the YTD total to \$158K below budget. 340B revenue was \$73K below budget for the month and \$390K below for the year. Unfortunately, this trend is expected to continue for the remainder of the fiscal year.

Mr. Frosch reviewed the March volumes. Admits were below budget by 10. Patient days were below expectations by 9 days, swingbed days were down by 10, outpatient visits were above expected levels by 454 visits, and RHC visits were above budget by an astounding 938 visits for the March reporting period. Emergency Department visits were down by a total of 4 visits, surgeries were up by 8 for the month, and births were down 4 from the expected levels. Mr. Frosch noted that this was a good month in terms of endoscopies.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the March Financial Report. As previously mentioned, the net revenue for the month was 7.1% above budget for the month. Cash collections were extremely strong for the period. The deductions as a percent of gross revenue line item was 1.7% below the expected level for the period and remain at 4.9% below expectations for the year. 340B revenue came in at \$73K below budget. Mr. Frosch noted that this item is still unfortunately expected to underperform relative to budget in the coming months.

Mr. Frosch moved to the Expenses report for March. Total Operating Expenses were below budget by 0.5% for the month but are 1.2% above budget for the year so far. The Salaries line item remained below budget due to several employee position openings that have not been filled. The Agency Staffing line item for March was \$148K above expected levels due to high agency rates and high Medina Regional Hospital usage. The Employee Benefits line item was \$127K above budget in the period, bringing the YTD total much more in-line with the budget.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The Provider Relief Fund Period 2 reporting was completed at the end of March. In addition, administration is working on an ongoing Provider Relief Fund single audit with BKD as well.

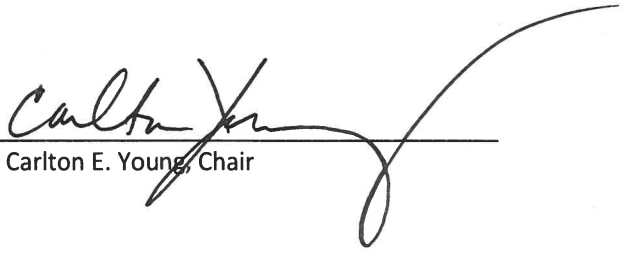
Finally, Mr. Frosch provided information regarding the relative profitability of the clinics and changes in the clinic trends over time. Several factors go into these values, including depreciation expenses, the difference in payer mixes for each of the clinics, as well as the different cost per visit. For example, the Devine clinic is predominantly mid-level provider visits, which cost less than physician visits. The Medicare and Medicaid rates are also different for each of the three clinic locations. Mr. Frosch explained that each of these factors will cause the relative profitability of the clinic trends to fluctuate over time.

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 5:42 p.m.



Dr. Carlton E. Young, Chair

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