

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
June 27, 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 Committee has five 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 May 23, 2022 Mr. Bain made a motion to approve the Finance Committee Minutes of May 23, 2022 as presented in the packet. Mr. Hardt seconded.

VOTE
The motion passed unanimously.

5. **REVIEW MAY FINANCIALS** There was discussion regarding the financial report for May, 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 May.

- A. **Summary** Mr. Frosch stated that the Gross Revenue was 7.6% above budget for the month, and 3.9% above budget on a YTD basis. The Net Revenue for the month was 3.6% below budget but remains 8.3% above budget for the YTD. Expenses were 4.1% above expected levels for the period and are 3.0% above YTD. Mr. Frosch noted that Net Operating Income was in the red for the month but still ahead on a YTD basis. Grant Proceeds recorded in the period were \$446K, which represents the recognition of the remaining portion of Provider Relief Fund phase 1 funding and a \$300K state grant for COVID testing. 340B revenue was \$211K below budget for the month and \$717K below for the year. Unfortunately, this trend is expected to continue for the remainder of the fiscal year.
- B. **Financial Summary**
- C. **Income Statement**
- D. **Balance Sheet**
- E. **Cash Flow /Reconciliation**

Mr. Frosch reviewed the May volumes. Admits were below budget by 18. Patient days were below expectations by 32 days, swingbed days were up by 17, outpatient visits were above expected levels by 691 visits, and RHC visits were above budget by 717 visits for the May reporting period. Emergency Department visits were up by a total of 111 visits, surgeries were down by 6 for the month, and births were down 8 from the expected levels.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the May Financial Report. As previously mentioned, the net revenue for the month was 3.6% below budget for the month. Cash collections were not as strong as in previous months, but this is expected to rebound in the June reporting period. The deductions as a percent of gross revenue line item was 1.1% above the expected level for the period but remain at 3.9% below expectations for the year. 340B revenue came in at \$717K below budget, particularly due to pharmaceutical manufacturers limiting their participation in the program to a single designated contract pharmacy. Mr. Frosch noted that Devine's Crawford Pharmacy pulled out of the program, and God's Country Pharmacy in Hondo has closed permanently.

Mr. Frosch moved to the Expenses report for May. Total Operating Expenses were above budget by 4.1% for the month and are 3.0% above budget for the year. The Salaries line item remained below budget due to several remaining employee position openings. The Agency Staffing line item for May was \$114K above expected levels due to high agency rates and high Medina Regional Hospital usage. The Employee Benefits line item was \$48K above budget in the period. The Maintenance and Repairs line item was \$44K above budget due to campus-wide tree trimming. The Supplies and Drugs line was \$20K above budget due to several medication shortages and price escalations on several important items.


Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The single audit by BKD for Period 1 of Provider Relief Fund reporting is underway. In addition, the QIPP, CHIRP, and RAPPS program IGT processes have been completed.

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 5:38 p.m.



Dr. Carlton E. Young, Chair