

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
October 24, 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
Randi Davis, Executive Administrative Assistant
Marc Strode, Methodist Healthcare System

ABSENT: Billie Bell, CNO

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 Board members present, representing a quorum.

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

4. **MINUTES** **MOTION**
 - A. Regular Meeting of September 26, 2022 Mr. Johnson made a motion to approve the Finance Committee Minutes of September 26, 2022 as presented in the packet. Mr. Hardt seconded.

VOTE

The motion passed unanimously.

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

Dr. Young noted that the financials for this month were extremely positive, and asked Kevin to proceed with the Financial Report for September.
 - A. Summary Mr. Frosch reviewed the September financial statement.
 - B. Financial Summary
 - C. Income Statement Mr. Frosch stated that the Gross Revenue was 12.2% above budget for the month, and 6.5% above budget for the fiscal year. The Net Revenue for the month was 7.6% above budget and remains 7.9% above budget for the year.
 - D. Balance Sheet Expenses were 0.2% above expected levels for the period and are 1.9% above for the year. Mr. Frosch noted that Net Operating Income was in the black for the month. 340B revenue remained significantly below budget this fiscal year, with this month contributing \$90K to the negative variance.
 - E. Cash Flow /Reconciliation
Mr. Frosch reviewed the September volumes. Admits were above budget by 1. Patient days were below expectations by 10 days, swingbed days were down by

31, outpatient visits were above expected levels by 648 visits, and RHC visits were above budget by 1,124 visits for the September reporting period. Emergency Department visits were up by a total of 147 visits, surgeries were down by 8 for the month, and births were in line with budget.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the September Financial Report. As previously mentioned, the Net Revenue for the month was 7.6% above budget for the month. Cash collections were strong in the September reporting period. The deductions as a percent of gross revenue line item was in line with the expected level for the period and concluded at 2.5% below expectations for the year. 340B Revenue came in well below budget for the fiscal year, and FY2023 has a reduced budget to better align with the FY2022 program results. Mr. Frosch explained the CHIRP and RAPPs program payouts and how these affect calculations in the reserve process.

Mr. Frosch moved to the Expenses report for September. Total Operating Expenses were above budget by 0.2% for the month and are 1.9% above budget for the fiscal year. The Agency Staffing line item for September was \$44K above expected levels. The Salaries line item was \$63K below budget due to several unfilled positions. Contract Services were above budget by \$38K due to the installment of the new Meditech service contract. The Interest Expense was \$17.5K below budget for the month and is below budget for the year due to the payoff of USDA bonds earlier in FY2022.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The DSH/UC application process is underway. Additionally, the provider relief period 3 reporting has been completed. Finally, the Meditech EHR build is underway, and staff have been working extremely hard within their respective departments to ensure that the process is running as smooth as possible.

On a final note, Mr. Frosch discussed a question that Dr. Young posed at the September Finance Committee Meeting regarding the RHC Report, explaining that budget is based in large part on same month prior year. The prior year had seen high contractual deductions assessed to the RHC, and so this year's budget had projected a similar level of expense.

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 5:43 p.m.


Dr. Carlton E. Young, Chair