

**MEDINA COUNTY HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
March 27, 2023
Minutes**

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

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

ABSENT: None

GUESTS: None

1. **CALL TO ORDER** Dr. Young called the meeting of the Finance Committee of the Medina County Hospital District to order at 5:01 p.m. He stated for the record that the Committee has four Board 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 February 27, 2023 Mr. Bain made a motion to approve the Finance Committee Minutes of February 27, 2023 as presented in the packet. Mr. Hardt seconded.

VOTE
The motion passed unanimously.

5. **REVIEW FEBRUARY FINANCIALS** There was discussion regarding the financial report for February, 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 February.

Mr. Frosch reviewed the February 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 2.1% above budget for the month, and 8.4% above for the year. The Net Revenue for the month was 14.7% above budget, 12.3% ahead YTD. Expenses were 1.3% below expected levels for the period, and 1.5% above budget on a YTD basis. Mr. Frosch noted that Net Operating Income was in the black for the month by a solid margin. The tax district revenue line was \$217K below budget due to timing and reporting of collections this year varying from the prior year. The nursing facility program revenue for the period was minimal due to the correction of a prior period accrual.

Mr. Frosch reviewed the February volumes. Patient days were above expectations by 73 days, swingbed days were up by 51, outpatient visits were above expected levels by 15 visits, and RHC visits were above budget by 417 visits for the February reporting period. Emergency Department visits were down by a total of 92 visits but remain ahead of budget on a YTD basis. Total surgeries were up by 14 for the month, and births were below budget by 6.

Mr. Frosch proceeded with the Revenue/Net Revenue portion of the February Financial Report. As previously mentioned, the Net Revenue for the month was 14.7% above budget for the month. MRH experienced strong cash collections for the month of February. The deductions as a percent of gross revenue line item was 2.2% below the expected level for the period, and is 0.5% above YTD. Other revenue is well ahead of budget based upon a large increase in interest income earned. Finally, 340B contract pharmacy revenues were below the prior year level but ahead of budget by \$57K.

Mr. Frosch moved to the Expenses report for February. Total Operating Expenses were below budget by 1.3% for the month but are 1.5% above for the fiscal year. The Salaries line item was below budget by \$61K, and the Employee Benefits line was \$100K above budget due to an under accrual in the prior month. Mr. Frosch noted that the Benefits Line YTD is moderately above budget but still within the expected range of fluctuation. The Supplies and Drugs line item was \$158K below budget due to inventory accounting adjustments in preparation for the Meditech Go-Live date.

Mr. Frosch reviewed the ongoing action items, as well as accomplishments since the last reporting period. The Meditech Go-Live date was March 1st and the implementation process will continue to occur over the next several months as staff learn the new system. The Provider Relief Fund Period 4 Reporting is underway and should be done within the next week following a meeting with consultants with FORVIS. Finally, the QIPP YR7 Application has been submitted.

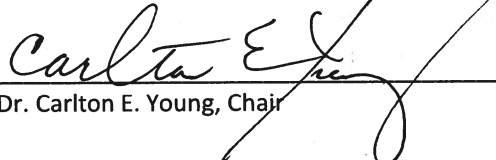
There was a brief discussion regarding a new investment opportunity for MHS to undertake. Hospital Administration is recommending that the Board invest up to \$6M in certificate of deposit accounts. Administration has been researching current rates and is recommending that the Board move forward with this investment project. Mr. Bain asked about the penalty for early withdrawal and if the hospital would be subject to interest rate risks. The Finance Committee expressed their interest in using local banks as well for this investment to support the local community as well. Mr. Frosch answered any lingering questions from the Board regarding this recommendation from administration.

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 5:50 p.m.



Dr. Carlton E. Young, Chair