

**THE METROHEALTH SYSTEM  
FINANCE COMMITTEE  
BOARD OF TRUSTEES  
REGULAR MEETING MINUTES**

**DATE:** Monday, September 21, 2015

**TIME:** 3:00 to 4:30 pm

**PLACE:** MetroHealth Medical Center  
K107, Business Services Building

**COMMITTEE TRUSTEES:** Mr. McDonald, Mr. Monnolly and Dr. Silvers

**ADDITIONAL TRUSTEES:** Dr. Macon Sr., Mr. Spain and Ms. Whiting

**STAFF:** M. Bechtle, K. Botros, A. Boutros, M.D., FACHE, A. Connors, M.D,  
G. Himes, S. Huggins, W. Jones, J. Kerkay, D. Lewis, M. Phillips, D. Reichert,  
C. Richmond, and M. Stern

Dr. Silvers called the regular meeting of the Finance Committee to order at 3:10 p.m. Please note the minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

I. The minutes of the regular meeting held on July 21, 2015 were approved as presented.

**II. INFORMATION ITEMS**

Craig Richmond, Chief Financial Officer began the meeting reviewing the Statement of Operations and Volume Metrics stating the August operating income was \$2.4 million which was (\$1.9) million unfavorable to budget. Year-to-date operating income was \$18.2 million and \$7.2 million favorable to budget.

Net patient revenue was \$69.4 million and (\$1.4) million unfavorable to budget for the month of August. Discharges, outpatient visits and surgical volumes were below budget by (1.8%), (6.6%) and (5.9%), respectively. Year-to-date net patient revenue was \$539.4 million and \$3.6 million favorable to budget.

Mr. Richmond stated other operating revenue was \$9.5 million and (\$0.1) million unfavorable to budget for the month. Year-to-date other operating revenue was \$79.8 million and \$2.9 million favorable to budget. Additional contracted pharmacy locations have contributed to the overall 2015 operating revenue results.

Mr. Richmond mentioned total operating revenue for the month of August was \$78.9 million which was (\$1.6) million unfavorable to budget. Year-to-date total operating revenue was \$619.2 million and \$6.5 million favorable to budget.

Total operating expenses are \$76.5 million and (\$0.3) million unfavorable to budget for the month. Year-to-date operating expenses were \$600.9 million and \$0.7 million favorable to budget. For the month, salaries and benefits are \$51.4 million and (\$1.2) million unfavorable to budget and department expenses are \$19.9 million and \$0.9 million favorable to budget.

Mr. Richmond, presented an overview of the August Statement of Net Position highlighting the changes from 2014 year-end within patient accounts receivable, other receivables, current and long-term liabilities. Total net position had increased by \$22.9 million or 5.7% from the prior year-end. Mr. Richmond discussed the annual review meetings have either been held or scheduled with all three credit rating agencies. Moody's affirmed our A3 bond rating and stable outlook, and the reviews of S&P and Fitch are still in-process.

Geoff Himes, Vice President of Finance presented the 2016 Budget Update stating the capital budget had concluded and that the operating budget is being brought to a close. Mr. Himes also provided an update on GASB Statement No. 68 – Accounting and Financial Reporting for Pensions stating that we are continuing to work through the proper accounting treatment with our external audit partners at McGladrey, and it will be implemented by year-end 2015.

### III. NON-CONSENT/ACTION ITEMS

A. There are no items to report at this time.

### IV. CONSENT ITEMS

A. A recommendation for changes to the Hospital and Professional Charge Description Master (CDM) file

The Committee unanimously approved the recommendation for full Board action.

B. A recommendation for the purchase of certain capital equipment and related improvements as listed in Exhibit A

The Committee unanimously approved the recommendation for full Board action.

C. A recommendation for a sponsorship contribution to the family medicine education consortium, a charitable nonprofit corporation

The Committee unanimously approved the recommendation for full Board action.

D. A recommendation for the Engagement of an Investment Advisor

The Committee unanimously approved the recommendation for full Board action.

There being no further business to bring before the Committee, the meeting was adjourned at 4:20 p.m.

Respectfully submitted,



Craig Richmond  
Chief Financial Officer