

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

**DATE:** Tuesday, December 20, 2016

**TIME:** 12:00 – 2:00 pm

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

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

**ADDITIONAL TRUSTEES:** Ms. Dee and Mr. Spain

**STAFF:** B. Boulanger, M.D., A. Boutros, M.D., FACHE, N. Chehade, M.D., G. Himes, J. Kerkay, D. Lewis, M. Phillips and C. Richmond

Dr. Silvers called the regular meeting of the Finance Committee to order at 1:50 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 October 25, 2016 were approved as presented.

**II. INFORMATION ITEMS**

Craig Richmond, Senior Vice President and Chief Financial Officer began the meeting by providing an overview of the 2017 Annual Operating Budget presentation given to Cuyahoga County Council on December 6, 2016. Mr. Richmond emphasized how Cuyahoga County's annual contribution of \$32.4 million supports the patient care needs of those unable to afford health care. The presentation highlighted how MetroHealth's footprint has expanded since 2013 to serve more Cuyahoga County residents by adding 10 new locations and providing care at more than 20 facilities. Mr. Richmond also discussed key partnerships and how MetroHealth continues to collaborate with others to improve patient care. MetroHealth has been partnering with Discount Drug Mart to establish walk-in clinics to provide greater access to care; launched the largest Medicaid population health agreement in Ohio with CareSource; and introduced a new HMO, CLECare, in partnership with Medical Mutual of Ohio. Lastly, the presentation highlighted MetroHealth's \$223 million of community benefit which covers the costs of programs to increase access to health care services and improve community health.

Mr. Richmond proceeded by revisiting the monthly financial reporting changes that were made as new operating targets were developed for the reporting periods August through December 2016 and that the current report compares operating results to the November 2016 and year-to-date targets. This reporting change was originally discussed at the September Finance Committee meeting and stated in the Management Discussion and Analysis.

In addition, the November financial report included the presentation of adjusted operating income, adjusted operating margin, adjusted EBIDA and adjusted EBIDA margin. These additive metrics as we measure it for management purposes (excludes non-recurring items and GASB 68 Pension) enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our business. This was also stated in the Management Discussion and Analysis.

Mr. Richmond continued with providing an overview of the Statement of Operations and Volume Metrics for the November financials stating the adjusted operating income for the month ended was \$3.5 million, which was (\$2.5) million unfavorable to target. Year-to-date adjusted operating income was \$18.2 million and \$6.4 million favorable to target.

Net patient revenue was \$75.2 million and (\$2.7) million unfavorable to target for the month of November. Discharges and surgical cases were below target by (5.6%) and (7.2%). Outpatient visits, emergency room visits and the case mix index were above target by 5.5%, 10.8% and 6.0%. Year-to-date net patient revenue was \$821.0 million and (\$6.4) million unfavorable to target.

Mr. Richmond stated other operating revenue was \$15.3 million and \$3.8 million favorable to target for the month primarily due to higher meaningful use revenue and retail pharmacy revenue. Year-to-date other operating revenue was \$130.7 million and \$5.0 million favorable to target.

Mr. Richmond mentioned the total operating revenue for the month of November was \$90.5 million and \$1.1 million favorable to target. Year-to-date total operating revenue was \$951.7 million and (\$1.4) million unfavorable to target.

Lastly, total adjusted operating expenses were \$87.1 and (\$3.6) million unfavorable to target for the month. Year-to-date adjusted operating expenses were \$933.4 million and \$7.9 million favorable to target.

### **III. NON-CONSENT/ACTION ITEMS**

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

### **IV. CONSENT ITEMS**

A. A Recommendation for the Purchase of Certain Capital Equipment and Related Improvements

The Committee unanimously approved the recommendation for full Board action.

B. A Recommendation to Approve Changes to the Hospital and Professional Charge Description Master (CDM) file

The Committee unanimously approved the recommendation for full Board action.

C. A Recommendation for the Approval of Medical Plan Third Party Administrative Services From Medical Mutual of Ohio

The Committee unanimously approved the recommendation for full Board action.

D. A Recommendation for the Approval of Dental Plan Third Party Administrative Services From Cigna Health Insurance

The Committee unanimously approved the recommendation for full Board action.

- E.** A Recommendation for the Approval of Vision Plan Third Party Administrative Services From EyeMed Vision Care

The Committee unanimously approved the recommendation for full Board action.

- F.** A Recommendation for the Approval of Workers' Compensation Third Party Administrative Services From Associated Compensation Resources

The Committee unanimously approved the recommendation for full Board action.

- G.** A Recommendation for the Approval of Medical and Prescription Drug Stop Loss Insurance From Medical Mutual of Ohio

The Committee unanimously approved the recommendation for full Board action.

- H.** A Recommendation for the Approval of a Lease to Establish a Retail Care Location in Cuyahoga County, Ohio

The Committee unanimously approved the recommendation for full Board action.

- I.** A Recommendation for the Approval of Sublease of Space Located in Cuyahoga County

The Committee unanimously approved the recommendation for full Board action.

- J.** A Recommendation for the Continued On-Going Assistance of Kaufman Hall as the System's Financial Advisor for Transformation

The Committee unanimously approved the recommendation for full Board action.

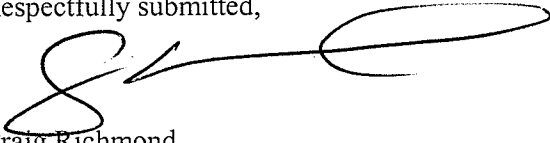
- K.** A Recommendation for the Approval of the Engagement of Investment Banking Firms to Manage MetroHealth's Proposed Issuance of Bonds for the Transformation Financing

The Committee unanimously approved the recommendation for full Board action.

At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 3:14 p.m.

There being no further business to bring before the Committee, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,



Craig Richmond  
Senior Vice President and  
Chief Financial Officer