

EXECUTIVE/PERSONNEL COMMITTEE MEETING
BOARD OF TRUSTEES
THE METROHEALTH SYSTEM
April 12, 2017

Committee Members Present: Mr. McDonald, Mr. Monnolly, Dr. Silvers, Ms. Whiting

Additional Trustees Present: Ms. Dee, Rev. Minor, Mr. Moss, Mr. Schneider, Mr. Spain

Staff Present: Dr. Boutros, Mr. Lewis, Dr. Boulanger, Dr. Connors,
Mr. Phillips, Mr. Richmond, Ms. Platten

Mr. McDonald called the meeting to order at approximately 8:00 a.m.

The minutes for the meeting of March 8, 2017, were approved as submitted.

Review of Quarterly Financial Results

Mr. Richmond provided a preliminary review of the System's financial results for the first quarter of 2017. He indicated that this was the first reporting under the new practice of focusing on quarterly results, noting that Actual results were compared to Target and to Prior Year.

Mr. Richmond reviewed Actual to Target, noting that Net Patient Revenue was almost at Target, being only \$450,000 under with Net Patient Revenue of \$235.6 million. He did state that Total Operating Revenue was under Target by approximately \$6.7 million, largely as a result of a shortfall in Other Operating Revenue. Total Operating Expenses were under Target by approximately \$9 million, resulting in Adjusted Operating Income of \$3.375 million or approximately \$2.2 million in excess of Target.

Next Mr. Richmond reviewed operations for the Year-to-Date compared to Prior Year. Net Patient Revenues exceeded Prior Year (\$204 million) by approximately \$31 million and Total Operating Revenue was positive by approximately \$34.1 million. Total Operating Expense for the quarter was approximately \$267 million as compared with \$245 million for the Prior Year. This resulted in Adjusted Operating Income exceeding the Prior Year by approximately \$11.8 million, with the Prior Year being a loss of approximately \$8.5 million as compared to a positive \$3.375 million for 2017.

Mr. Richmond then reviewed volumes, discussing developments including trauma volumes, the impact of the new Emergency Departments, increased reimbursements under managed care contracts and increased Acuity/Case Mix Index. A variety of other financial metrics were reviewed and numerous questions were discussed fully with the Committee.

Mr. Richmond indicated there would be a more detailed review at the April Finance meeting.

Executive Session

Mr. McDonald indicated that the matters to be considered involved Trade Secrets. Upon unanimous roll call vote, the Committee went into Executive Session to discuss such matters.

At the end of Executive Session, the Committee reconvened the meeting in open session.

The meeting was adjourned at approximately 10:00 a.m.

Respectfully submitted,

Mr. Thomas M. McDonald
Chair