

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

DATE: Tuesday, December 19, 2017

TIME: 1:30 to 3:00 pm

PLACE: MetroHealth Medical Center
K107, Business Services Building

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

ADDITIONAL TRUSTEES: Ms. Dee

STAFF: B. Boulanger, A. Boutros, M.D., N. Chehade, M.D., D. Graham, G. Himes, J. Kerkay, D. Lewis, S. Mego, M. Phillips, J. Platten, C. Richmond, M. Stern

GUESTS:

Dr. Silvers called the regular meeting of the Finance Committee to order at 1:44 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 24, 2017 were approved as presented.

II. INFORMATION ITEMS

Craig Richmond, Senior Vice President and Chief Financial Officer provided an overview of the November 2017 Monthly Operating Performance Statistics and Ratios Summary. As many of these metrics are focused on the efficiency of the organization's operations, both Daniel Lewis, Executive Vice President and Chief Operating Officer and Bernard Boulanger, MD, Executive Vice President and Chief Clinical Officer will present the results for the month and year-to-date. Jeff Kerkay, Treasurer will present the organization's liquidity, capital structure and working capital ratios.

Dr. Boulanger provided an overview of the Utilization Metrics for the month ending November 30, 2017 and year-to-date. Comparing the same period last year, overall utilization performance had increased within many clinical services for the month of November. Inpatient discharges were down slightly; however, both the Medicare and total case mix index (CMI) were up due to patient acuity. Equivalent admissions had increased (adjusts for outpatient volumes), surgical volumes continued to show growth due to outpatient cases over prior year, as well as emergency department. Dr. Boulanger concluded by highlighting that both Patient Experience and Quality metrics are within targets and continue to show progress.

Mr. Lewis provided an overview of the Access Metrics and discussed the increase in appointment lag time for both new and established patients, which continues to be an area of focus. Similar to prior months, the percent of no-shows have remained consistent and the Network Service Center (NSC) continues to demonstrate significant performance improvements within the call abandonment rate and service level percent from the prior years. Lastly, Mr. Lewis reviewed the Productivity statistics with emphasis on the total FTEs and work Relative Value Units (wRVUs).

Mr. Richmond provided an overview of the Payor Mix (measured as a percent of gross revenue), and stated that the System continues to see growth within the Medicare and Commercial mix in 2017. Similar to prior discussions, Mr. Richmond mentioned the System has seen a slight increase with uninsured patients during the month and year-to-date. Mr. Richmond concluded the report with a review of the Expense and Revenue metrics.

Mr. Kerkay presented the Liquidity Ratios and indicated the adjusted days cash on hand had improved as a result of operating performance. Within the Capital Structure Ratios, the adjusted debt service coverage also improved due to operating performance, and the adjusted debt to earnings before interest, depreciation and amortization (EBIDA) increased from prior year due to our recent bond issuance. Mr. Kerkay concluded with a review of the Working Capital Ratios which mainly fluctuate due to timing of payments. Mr. Himes proceeded with discussing the Liquidity Ratios and stated adjusted days cash on hand was down slightly due to timing. Within the Capital Structure Ratios, the adjusted debt service coverage improved due to strong operating performance, and the adjusted debt to earnings before interest, depreciation and amortization (EBIDA) increased from prior year due to our recent bond issuance. Mr. Himes concluded with a review of the Capital Ratios, and Expense and Revenue metrics.

Donna Graham, Executive Director Revenue Cycle provided a Revenue Cycle Update. Ms. Graham started with an overview of the processes that entail the Revenue Cycle Management operations. Ms. Graham proceeded with a review of the outreach enrollment process and the education the revenue cycle professionals provide to the consumers and patients in the community about their respective financial matters. Ms. Graham mentioned that the Healthcare Financial Management Association (HFMA) named MetroHealth in 2014 as the nation's first Adopter of HFMA's Patient Financial Communications Best Practices, and received recertification in 2016. Then the discussion proceeded with certification and credentialing of the revenue cycle professionals, as well as how financial guidance is provided to the consumers and patients throughout the healthcare process. Further discussion revolved around health information management and the clinical documentation improvement program within revenue cycle. Lastly, Ms. Graham discussed innovation within the revenue cycle operations and the sharing of revenue cycle best practices with other healthcare organizations.

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.

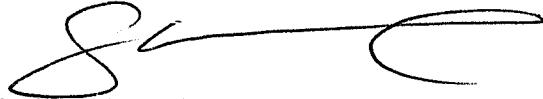
At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 2:44 p.m.

- 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.

There being no further business to bring before the Committee, the meeting was adjourned at 3:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Craig Richmond', with a long horizontal flourish extending to the right.

Craig Richmond
Senior Vice President and
Chief Financial Officer