The MetroHealth System Board of Trustees

FINANCE COMMITTEE MEETING
Date: Wednesday, May 27, 2026
Time: 1:00pm - 3:00pm
MetroHealth System Board Room (K107) / Virtual

Committee Members: John Moss-I[1], Artis Arnold, III-I, Ronald Dziedzicki-I, E. Harry Walker, M.D.-I

Other Trustees: John Corlett-I, Gail Long-I, Michael Summers-I

Staff: Christine Alexander-Rager, M.D.-I, Robin Barre-I, Nick Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Robert (Doug) Bruce, M.D.-I, Robert Glick-I, Joseph Golob, M.D.-I, Kinsey Joliff-I, Christina Morales-I, Allison Poulios-I, Jeff Rooney-I, Tamiyka Rose-I, Erin Smith-I, Deborah Southerington-I, David Stepnick, M.D.-I, James Wellons-I, Patrick Woods-I

Invited Guests:

Guests: Guests not invited by the Finance Committee are not listed as they are considered members of the audience, and some were not appropriately identified.

<u>Meeting Minutes</u>

Mr. Moss called the meeting to order at 1:00 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.

I. Approval of Minutes

The minutes of the April 22, 2026, Finance Committee meeting were approved by majority vote as submitted.

II. Information Items

A. April 2026 Financial Report-P. Woods, C. Morales, J. Rooney

Mr. Moss introduced Patrick Woods, Executive Director Corporate Controller, Christina Morales, Deputy Chief Financial Officer, and Jeff Rooney, Chief Financial Officer. Mr. Rooney began by outlining the report and mentioned that the financial report includes an unbudgeted state-directed "canoe" funding. Mr. Woods states that with the canoe money, approximately $52.5 million was

[1] I-In-person, R-Remote

recognized in April. This drove a $44 million favorable net patient revenue variance and approximately $40 million in operating income. The cash was received in May and recorded as an April receivable. Excluding this funding, financial trends were generally consistent with the first quarter.

Mr. Woods noted that inpatient revenue and surgical activity were favorable, supported by operating room volume. Outpatient visits exceeded budget by approximately 2,400; however, revenue remained below expectations due to service mix and rate variance. Emergency visits remained below trend.

Mr. Woods went on to state that pharmacy continued to support other revenue through improved revenue per prescription and employee health plan changes, despite lower prescription volume. He noted that expenses were unfavorable to budget and prior year, primarily due to unbudgeted pay increases, incentive accruals, contracted labor, pharmacy timing, OPHC project and associated moving costs, and higher medical supply costs associated with OR volume.

He mentioned that departmental expenses remained favorable year to date. Depreciation and interest were favorable due to OPHC timing, and non-operating revenue improved with April investment gains. Mr. Woods then discussed key indicators and stated that they were generally favorable for operating income and margin.

Mr. Woods went on to say that inpatient revenue exceeded budget and prior year, while outpatient revenue remained pressured by early-year performance and reimbursement mix. Yields were generally on budget, though bad debt and charity care exceeded prior year. Excluding the canoe impact, labor and supply metrics were relatively stable month over month.

The discussion was turned over to Ms. Morales, who began with discussing payer mix that reflected a modest increase in self-pay and a decline in commercial coverage which may affect revenue due to lower self-pay reimbursement. Ms. Morales mentioned that commercial revenue decline was partly attributed to patients losing exchange coverage, with approximately 9,000 MetroHealth patients projected to be affected by year-end. She also noted that most of MetroHealth's Medicaid population have shifted from traditional to managed care, with potential supplemental revenue implications.

Ms. Morales then transitioned the supplemental payment discussion to focus on HAP and canoe funding. She stated that HAP was budgeted at approximately $185 million and is running below projections, with a $13.7 million year-to-date shortfall expected to reach approximately $40 million by year-end. The canoe payment partially offset the shortfall. Management expects approval for the current year's program and plans to accrue the remainder, while noting future budgets may require more conservative assumptions. Ms. Morales stated that the balance sheet changes were primarily timing-related. Other current assets increased due to the April canoe receivable, while investments increased to $560M a $11.6 million gain. Cash and days cash on hand were relatively flat, and debt service coverage improved as canoe recognition strengthened reported operating performance.

III. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61 and to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, or the investigation of charges or complaints against a public official, and to conference with the public body's attorney to discuss disputes involving the public body that are the subject of pending or imminent court action as defined by ORC 121.22(G). Mr. Arnold made a motion and Dr. Walker seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at 1:24 pm.

Following executive session, the meeting was reconvened in open session at approximately 2:57 pm.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 2:57 pm.

THE METROHEALTH SYSTEM

John Moss, Chairperson