

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

DATE: Tuesday, December 15, 2015

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: M. Bechtle, K. Botros, A. Boutros, M.D., FACHE, A. Connors, M.D, G. Himes, W. Jones, J. Kerkay, D. Lewis, A. Ortega, M. Phillips, D. Reichert, C. Richmond, T. Rose and M. Stern

GUESTS: K. Williams (Catholic Charities Services)

Dr. Silvers called the regular meeting of the Finance Committee to order at 1:59 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 26, 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 November operating loss was (\$0.6) million which was \$0.1 million favorable to budget. Year-to-date operating income was \$24.0 million and \$8.4 million favorable to budget.

Net patient revenue was \$66.1 million and \$0.5 million favorable to budget for the month of November. Discharges, outpatient visits and surgical volumes were below budget by (6.2%), (3.6%) and (8.4%), respectively. Year-to-date net patient revenue was \$742.2 million and \$0.6 million favorable to budget.

Mr. Richmond stated other operating revenue was \$10.0 million and \$0.4 million favorable to budget for the month. Year-to-date other operating revenue was \$112.6 million and \$6.7 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 November was \$76.1 million which was \$0.9 million favorable to budget. Year-to-date total operating revenue was \$854.9 million and \$7.4 million favorable to budget.

Total operating expenses are \$76.6 million and (\$0.8) million unfavorable to budget for the month. Year-to-date operating expenses were \$830.9 million and \$1.0 million favorable to

budget. For the month, salaries and benefits are \$51.3 million and (\$1.0) million unfavorable to budget and department expenses are \$20.8 million and (\$0.5) million unfavorable to budget.

Mr. Richmond, presented an overview of the November 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 \$26.3 million. Mr. Richmond discussed the Restricted / Unrestricted Cash & Investments, highlighting the Restricted Build America Bond Project Fund.

Ann Ortega, Manager of Electronic Health Records (EHR) Incentive Programs, presented the Meaningful Use Update. Ms. Ortega discussed the System's 2015 Meaningful Use goals and how efficiently the EPIC system is being used to improve patient care. MetroHealth successfully reached the System's 2015 Meaningful Use stretch goal of a 99% passing rate for all Eligible Professionals (EPs). For the EPs who did not pass, penalty would be assessed on their Medicare professional reimbursement. MetroHealth will receive approximately \$4.5 million in Meaningful Use incentives for 2015. Meaningful Use will eventually transition from an incentive program to a penalty program.

Don Reichert, Vice President and Chief Information Officer, presented the Information Systems (IS) Update discussing the IS Strategic Planning Process and identifying the key IS initiatives over the next several years. IS goals included utilizing tools and processes that engage customers and enhance the customer service; developing the knowledge and expertise in emerging technologies to support the MetroHealth transformation efforts to drive operational and clinical innovation; maximizing the strength and value of our systems through the growth and support of a core vendor strategy; and collaboration with clinical and operational leadership to enable a strategy that supports the use of mobile technology.

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 as listed in Exhibit A

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 2:49 p.m.

- B. A recommendation for the renewal of lease for space in Middleburg Hts., Ohio

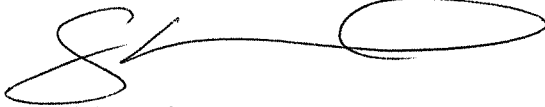
The Committee unanimously approved the recommendation for full Board action.

- C. A recommendation for the approval of lease for space located in Cleveland, Ohio

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 2:50 p.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line that ends in a large, oval-shaped flourish.

Craig Richmond
Chief Financial Officer