

McDonough District Hospital  
Board of Directors  
Finance Committee

McDonough District Hospital (MDH) Finance Committee met on Thursday, April 11, 2024, at 7:00 a.m. in the third-floor Board Room. Finance Committee members present: Scott Clauson, Dave Garner, Dan O'Neill, Jere Greuel, Dr. Mary Kathleen Lockard, Dr. Tim Biagini, Kathleen Neumann, and Todd Lester. Hospital Administration members present: Bill Murdock, Sherri Hitchcock, Bill Corbin, Adrian MacGregor, Gloria Bamforth, Alexis Vonholt. Administrative Assistants: Ronda Baker and Kim Thorman.

Guests: Carol Steward, and Dr. Curt Farr.

Scott Clauson, Chairman of the MDH Finance Committee, called the meeting to order at 7:00 a.m.

### **Review and Recommend Approval of Final Audit Reports**

No changes to the FY2023 audit since the last presentation outside of wording formats due to the internal investigation. The final audit had been sent electronically to the group when it was released and a hard copy was available for distribution at today's meeting.

**A motion was made by Dan O'Neill to approve the final audit report, and seconded by Jere Greuel. Motion carried.**

### **Request for Proposal for Annual Audit**

Discussed getting RFPs for the annual audit. The appropriateness of having a new auditing firm every 3-5 years was noted, and now is a good time to begin looking. Discussed advantages and disadvantages of keeping cost reports, and audits within the same firm, and what the interview process would look like. The consensus within the group was to move forward with RFPs for FY2025.

### **Financial Performance 3<sup>rd</sup> Quarter**

Capital projects expenditures over \$25k, and a summary report of projects in process, on-hold, and completed were discussed. Capital project budgeted versus variance whether favorable or unfavorable were also noted and discussed. Additionally, comparisons of volumes, operating revenues, operating expenses, and the negative financial impact of the cyberattack on Change Healthcare were pointed out on the spreadsheets. Sherri asked for feedback on the details of the reports and what the committee would like to see in the future. Sherri recently called the IRS regarding the status of the 2<sup>nd</sup> ERC payment, and it was reported that no payments are being processed at this time. There was no update to report on the litigation that continues with the previous bad debt vendor. The development stages of the financial stabilization plans that have been proposed by the department directors and the plan of action for moving forward were shared with the group.

### **Draw on Community Pharmacy Line of Credit Update**

An update was shared that we will be making a draw on the Community Pharmacy Line of Credit.

### **Change Healthcare – Cyber Claim Update**

Bill Murdock shared the details and negative financial impact on healthcare organizations across the country, as well as MDH as a result of the cyberattack on Change Healthcare, which has disrupted the flow of claims and payments from many insurance payers.

Bill Murdock introduced Alexis Vonholt as the interim controller. Alexis has been a financial analyst for MDH for 4 years.

### **Monmouth Clinic | Community Pharmacy Update**

Gloria Bamforth distributed a packet regarding the Monmouth Clinic which covered details about the service lines, hours of operations, and financial performance. She noted they are using this information to

strategically adapt and focus adjustments on areas that will maximize their ability to meet the patient needs in that area.

Adrian distributed a packet and shared a detailed timeline for the community pharmacy, a breakdown for the next 3 weeks, a budget progress report, and noted areas of cost savings. Shared operational goals and progress and answered questions from the group. Adrian offered to give tours to the board members who have yet to tour the facility, in groups of two.

Dr. Biagini left the meeting at 7:54 a.m.

**Miscellaneous / Items for discussion**

The progress of Critical Access status was discussed.

**At 8:36 a motion was made by Kathy Neumann and seconded by Dan O’Neill to go into executive session, for the purpose of 5 ILCS 120/2 (C) (1) The appointment, employment, compensation, discipline, performance, or dismissal of a specific employee or legal counsel for the public body. Specifically all Vice Presidents and higher-ranking officers within the hospital. And Executive Session for the purpose of 5 ILCS 120/2 (C) (6) The setting of a price for sale or lease of property owned by the public body. A roll call vote was taken**

	<u>Yea</u>	<u>Nay</u>
Clauson	x	
Garner	x	
Greuel	x	
Neumann	x	
O’Neill	x	

**Motion carried.**

At 9:44 the meeting returned to open session with Scott Clauson, Dave Garner, Jere Greuel, Kathy Neumann, Carol Steward, Dan O’Neill, Ronda Baker, and Kim Thorman present.

**At 9:45 a.m., there being no further business to discuss, a motion was made by Dave Garner, and seconded by Kathy Neumann to adjourn. Motion carried.**

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Scott Clauson  
Secretary/Treasurer of MDH Board of Directors