

**McDonough District Hospital
Finance Committee of the Board of Directors
Meeting Minutes
September 16, 2026**

McDonough District Hospital (MDH) Finance Committee met on Wednesday, September 16, 2026, at 12:00 p.m. in the MDH Board Room. The Finance Committee meeting was called to order by Finance Committee Chairman; Ryan Riggins and the following members were also present: Dave Garner, Seth Minter, Dan O'Neill, Kathy Neumann, and Dr. Biagini. Non-voting committee members in attendance included Todd Lester.

Excused:

Present from MDH were Wanda Foster, Melissa Onion, Elizabeth Knowles, Brittany Doll, Alexis Vonholt, Patrick Osterman, and Sydney Boston.

Media Representation: Darcie Shinberger, Community News Brief

Public Comment

There were no public comments.

Revenue Cycle Steering Committee Update – Brittany Doll

- Cross-organizational collaboration is reinforcing current revenue-cycle changes and generating additional improvement ideas.
- Department directors completed education on charge capture and revenue-cycle accountability.
- A 20-, 40-, and 60-day improvement plan was implemented to strengthen daily charge capture, director accountability, and billing accuracy.
- By day 60, the plan calls for re-auditing corrected processes, reviewing denials and variances, assigning recurring monitoring, adding charge review to change control, establishing quarterly reviews, and reporting successes and unresolved risks.
- Leadership is evaluating organizational structure and alignment, so revenue cycle becomes a key organizational focus.
- Members requested clearer visibility into where revenue is being lost, including denials and adjustments; no firm timeline was available.
- Current outsourced support includes approximately 10 vendors and 14 contracts; vendor performance and contracts are under review.
- AI-assisted clinical documentation was discussed as an opportunity to improve provider efficiency and allow more time for patient care.
- Additional data-analytics support is needed. A possible remote contractor and former employee who knows the organization was contacted to help accelerate and sustain the work.

August Financial Report – Alexis Vonholt

- August gross revenue was budgeted at approximately \$21 million and came in at \$18.7 million, an unfavorable variance of about \$2.2 million.
- The revenue decline was broad-based rather than attributable to one department. Visits and revenue remained up year to date.
- Revenue deductions were budgeted at 60.39% and came in at 64.26%.
- August net patient revenue was budgeted at \$8.3 million and came in at \$6.7 million, an unfavorable variance of approximately \$1.6 million.
- Total operating expenses were viewed favorably overall, but employee benefits, professional fees, and utilities require attention.
- Higher August health-insurance premiums drove the employee-benefit variance.
- Professional fees consist of physicians who are not hospital employees and will be reviewed.
- The utilities variance may reflect budgeting methodology and seasonality rather than higher year-over-year cost.
- August operating loss was budgeted at \$581,000 and came in at approximately \$2.2 million.

- The hospital received approximately \$4.3 million in Employee Retention Credit funds, including about \$1.1 million in interest, recorded in non-operating income.
- August net income was budgeted as a \$570,000 loss and came in at approximately \$1.1 million positive, a favorable variance of about \$2.4 million.
- Year-to-date gross revenue was budgeted at \$42 million and came in at \$40.1 million, an unfavorable variance of approximately \$1.9 million.
- For July and August combined, a \$1.1 million loss was budgeted; actual net income was approximately \$2 million, a favorable variance of about \$3.2 million.
- Community-pharmacy revenue and drug expense appear to offset one another and are being reviewed as part of the audit.
- Operating cash flow remains negative because operating cash payments exceed operating cash collections.
- The ERC improved cash and days cash on hand but does not improve operating income or the debt-service coverage ratio.
- Cash increased from approximately \$20 million to \$23 million, and days cash on hand increased by about 18 days to 158.
- Annual capital spending was budgeted at \$3.5 million; approximately \$105,000 had been spent through the first two months, with no single August item over \$25,000.

Roundtable Discussion

- Prescription volume is increasing and may be reaching new records.
- Some 340B savings may be recorded in the hospital column rather than the community-pharmacy column.
- The committee asked whether results can be allocated differently to show a more accurate picture of pharmacy performance.
- No immediate risk of losing 340B eligibility was identified.
- A possible shift from upfront 340B savings to a rebate model could create a cash-flow lag.
- The originally projected pharmacy break-even volume was approximately 240 prescriptions, but the committee noted that this figure still needs validation.
- Members were invited to request additional charts, graphs, or information for future finance packets.
- The chair and finance staff plan to meet before future committee meetings to continue refining the presentation.
- The committee requested continued refinement of the financial packet, with larger print and board-level information that is easier to digest.

Executive Session

At 12:31 p.m., a motion was made by Dave Garner and seconded by Seth Minter to move into Executive Session pursuant to 5 ILCS 120/2 § 2. (c)(1) for the appointment, employment, compensation, discipline, performance, or dismissal of specific employees. A roll call vote was taken, and the motion carried.

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
Riggins, Ryan	x		
Garner, Dave	x		
Minter, Seth	x		
Neumann, Kathy	x		
O'Neill, Dan	x		
Biagini, Dr. Tim	x		

At 1:08 p.m., a motion was made by Dave Garner and seconded by Dan O'Neill to reconvene to Open Session. A roll call vote was taken, and the motion carried.

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
Riggins, Ryan	x		
Garner, Dave	x		
Minter, Seth	x		
Neumann, Kathy	x		
O'Neill, Dan	x		
Biagini, Dr. Tim	x		

Wanda Foster, Todd Lester and Sydney Boston remained present when the meeting was reconvened to open session. Patrick Osterman and Darcie Shinberger joined the meeting for open session.

At 1:10 p.m., there being no further business to discuss, a motion was made by Ryan Riggins and seconded by Dan O'Neill to adjourn. Motion carried.

Ryan Riggins, Secretary/Treasurer
MDH Board of Directors