McDonough District Hospital
Finance Committee of the Board of Directors
Meeting Minutes
August 12, 2026

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

Present from MDH were Brittany Doll, Alexis Vonholt, Patrick Osterman, Sydney Boston, and Kim Thorman, Executive Assistant.
Media Representation: Darcie Shinberger, Community News Brief

Public Comment
There were no public comments.

Revenue Cycle Steering Committee Update – Brittany Doll
- Brittany Doll reported that the Revenue Cycle Steering Committee has been meeting frequently over the past three weeks and includes a multidisciplinary group of 10 participants focused on identifying revenue cycle issues and opportunities for improvement.
- The committee has flowcharted the full revenue cycle process and has begun multiple workstreams, including charge master process improvement, denial reduction, discharged-not-final-billed work, patient access and registration optimization, quality auditing, insurance training, pharmacy wastage workflows, cash posting and reconciliation, EMR optimization, and development of a data dashboard.
- Committee discussion noted that parts of the revenue cycle process are already outsourced and that additional outside support may be considered once the committee further defines specific needs.
- The RSM report, provider input, and revenue cycle staff feedback are being reviewed together; the committee noted that the RSM report contained useful information, though not all items were found to be fully accurate.
- The committee requested ongoing monthly updates on the Revenue Cycle Steering Committee's progress.
- Dr. Biagini discussed provider concerns regarding RVU tracking and discrepancies between expected coding/billing and hospital-generated billing records.
- The committee discussed the importance of accurate RVU and collections data before considering the continuation of tying provider productivity incentives to performance.

July Financial Report – Sherri Hitchcock
- Sherri Hitchcock reported that July was a profitable month, with net operating revenue up 18.3% over the prior year and operating expenses favorable to budget.
- Operating margin was positive for the month. Debt service coverage ratio was below the bond requirement on a trailing 12-month basis; however, discussion noted that July alone would have met the requirement due to profitability and depreciation.
- Days cash on hand decreased, approximately 49 days below the same period last year. ERC funding will be reflected in August and is expected to improve days cash on hand but not operating profitability.
- Capital expenditure was low for the first month of the fiscal year, with most activity related to prior-year rollover items.

- Net days in accounts receivable increased to approximately 47 days compared to the target of 40 days, with discussion noting that discharged-not-final-billed items and revenue cycle processes are contributing factors.
- Self-pay balances remain elevated and are harder to collect as they age. The committee discussed the need for improved coding and categorization of write-offs and denials to better track collection performance.
- Paid FTEs were steady compared to the prior year, including a similar level of contracted labor.
- Positive volume trends were noted in community pharmacy scripts, outpatient procedures, swing bed days, outpatient surgeries, laboratory activity, ophthalmology/optometry visits, CT scans, emergency room visits, operating room procedures, chemistry testing, and general radiology.
- The operating room completed 340 procedures, the highest level since October 2020.
- Laboratory volume increases were discussed in relation to MDH providers ordering additional services, with the committee noting the impact of provider-generated referrals on ancillary volumes.
- Expense analysis showed favorable salary and health insurance utilization variances. Professional fees and utilities were identified as unfavorable areas, with professional fees driven by contracted services and locums and utilities affected by a water main leak.
- Capital projects included contingency rollover items and construction-in-progress balances. The average age of plant improved to 12.99 years, and the fiscal year capital target remains $3.5 million.
- The balance sheet reflected temporary use of the safety reserve due to payroll timing. ERC funding is expected to reduce the need for safety reserve usage going forward.
- The committee discussed the community pharmacy cash account, the intended transfer of Development Fund dollars from the hospital balance sheet to the Foundation, and confirmation that restricted funds are not included in days cash on hand.
- Other non-operating income items included interest income, rent, property expense, lease revenue, and miscellaneous items.
- Cash decreased by approximately $1.8 million for the month, which remained favorable compared to the prior year. Net income for July was reported at approximately $238,000.
- The Monmouth location was discussed due to lower physical therapy volume. Staffing gaps, vacations, FMLA, posted job openings, and a lease expiring at the end of the fiscal year were noted as factors for future evaluation.

Executive Session

At 12:40 p.m., a motion was made by Dan O’Neill and seconded by Dave Garner 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.

	Yea	Nay	Abstain
Riggins, Ryan	**x**		
Garner, Dave	**x**		
Neumann, Kathy	**x**		
O’Neill, Dan	**x**		
Biagini, Dr. Tim	**x**		

At 1:13 p.m., a motion was made by Dave Garner and seconded by Kathy Neumann to reconvene to Open Session. A roll call vote was taken, and the motion carried.

	Yea	Nay	Abstain
Riggins, Ryan	**x**		
Garner, Dave	**x**		
Neumann, Kathy	**x**		
O'Neill, Dan	**x**		
Biagini, Dr. Tim	**x**		

Brittany Doll, Todd Lester, Sydney Boston, and Kim Thorman remained present when the meeting was reconvened to open session. Patrick Osterman and Darcie Shinberger joined the meeting for open session.

At 1:14 p.m., there being no further business to discuss, a motion was made by Dave Garner and seconded by Dan O'Neill to adjourn. Motion carried.

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Ryan Riggins, Secretary/Treasurer
MDH Board of Directors