McDonough District Hospital
Finance Committee of the Board of Directors
Meeting Minutes
October 14, 2026

McDonough District Hospital (MDH) Finance Committee met on Wednesday, October 14, 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, Kathy Neumann, and Dr. Timothy Biagini. Non-voting committee members in attendance included Todd Lester, Dr. Mary Kathleen Lockard, and Jere Greuel.

Excused: Dan O'Neill

Present from MDH were Wanda Foster, Elizabeth Knowles, Brittany Doll, Alexis Vonholt, Patrick Osterman, Bill Corbin, Gloria Bamforth and Sydney Boston.
Media Representation: None

Public Comment
There were no public comments.

Year End Audit Report- Paul Traczek and Ashley Berens

- FY2026 financial results and year-over-year comparison: Hospital/captive assets decreased to about $128.8 million from $134.5 million; liabilities rose to about $47.3 million from $45.8 million; and net position fell to about $77.4 million from $86.0 million. Revenue increased about 6%, to $89.6 million from $84.4 million, while expenses rose to about $101 million from $91 million. The operating loss widened to about $11.3 million from $6.8 million, and the decrease in net position widened to about $8.5 million from $5.7 million.
- Foundation results: Assets increased to about $4.0 million from $2.5 million, driven mainly by transferred Auxiliary funds and donated land. FY2026 revenue was about $2.2 million, expenses about $685,000, support to the hospital about $200,000, and the increase in net assets about $1.5 million, compared with an approximately $81,000 decrease in FY2025.
- Ratio and liquidity observations: Operating margin deteriorated and days in patient accounts receivable trended upward amid billing, authorization, and clinic-onboarding issues. Unrestricted days cash on hand at fiscal year-end was just under 150 and remained above industry comparisons, but management wants it to rise. Average age of plant was near or slightly better than industry benchmarks. The debt-service coverage covenant was not met and a bank waiver remained pending, while the bond-document days-cash requirement was met.
- Strategic financial opportunities: Priorities included rural health clinic reorganization, improving community-pharmacy access to 340B discounts and evaluating program registration options, reviewing the Monmouth clinic, improving or restructuring home health and hospice, and increasing swing-bed utilization. The rural-health-clinic opportunity was estimated at roughly $570,000 annually at minimum and potentially $800,000–$900,000, with an estimated three-to-six-month implementation period dependent in part on Cerner billing changes; pharmacy/340B work could add further savings.

Revenue Cycle Steering Committee Update – Brittany Doll

- Cerner Subscription Quote- we will be getting this shortly.
- Gloria and Brittany- Rev Cycle boot camp with and at Oracle
    - 30,60, 90 day plan
- MDH Team has been very engaged in making changes and fixing problems
- Seth Minter asked- Cerner has many issues- With a new CEO coming in and is there a possibility to switching to Epic?
    - Cerner has its flaws, but Brittany Doll and Gloria Bamforth are going to Oracle this month and will gain insight and contacts that will help with our concerns with Cerner.

September Financial Report – Alexis Vonholt

- September financial report: September improved from August, but operating revenue was about $70,000 below budget and operating expenses about $296,000 over budget, with employee benefits, drugs and supplies, and surgery-clinic professional fees cited. The month produced an operating loss of about $929,000, approximately $367,000 unfavorable to budget. First-quarter operating expenses were modestly under budget, and the non-operating result benefited from unbudgeted ERC funds. Days cash on hand declined about 4.75 days during September, continuing a roughly four-day monthly decline pattern discussed by the committee.

Roundtable Discussion

No other comments or questions at this time.

Executive Session

No Executive Session Needed

At 1:38 p.m., there being no further business to discuss, a motion was made by Jere Greuel and seconded by Kathy Neumann to adjourn. Motion carried.

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Ryan Riggins, Secretary/Treasurer
MDH Board of Directors