

HUNT MEMORIAL HOSPITAL DISTRICT
BOARD OF DIRECTORS

September 27, 2022

The Hunt Memorial Hospital District Board of Directors conducted a meeting on Tuesday, September 27, 2022 at 5:30 p.m. at Hunt Regional Medical Center, sixth floor Homer Horton, Jr. Boardroom, 4215 Joe Ramsey Blvd., E., Greenville, Texas.

Dr. Pierce, Chairman, called the meeting to order.

ROLL CALL:

Mrs. Deborah Clack
Mr. Jefferson Helton
Mrs. Leslie Killgore
Mr. John C. Nelson, Jr.
Wesley Oswald
Mrs. Janet Peek
Dr. Scott Pierce
Mr. Michael Taylor
Mrs. Julia Wensel

comprising a quorum of the Board; also,

Mr. Steven Lee Boles, Jr., President/CEO
Mr. Stuart O'Neil, General Counsel
Mr. Chad Martin, Vice President Clinic Operations
Mr. John Heatherly, Vice President Operations/Support Services
Mr. Reese Hurley, MSN-Adm., RN, Vice President/CNO
Mr. Travis Potter, Vice President Business Development
Mr. James A. Robertson, Jr., Vice President/CFO
Robert Deuell, M.D., Vice President of Medical Staff Affairs
Mr. Logan Burgess, Robins & Morton
Mr. Bob Bastian, Stephens, Bastian and Cartwright, LP Insurance
Ms. Tammie Brooks, Decision Support Director
Mr. Jeffrey Constantino, Facilities Management Director
Mr. Pete Harrell, Projects Manager
Ms. Lisa Hill, Marketing/Development & Communications Director
Ms. Jamie Morgan, Controller

**Public
Hearing
on HMHD
FY 2023
Budgets**

Dr. Pierce opened the floor for public comments on the Hunt Memorial Hospital District Fiscal Year 2023 Operating and Capital Investment Plan Budgets. Mr. Robertson provided an overview of changes made to net patient revenue, total operating revenue, operating expenses and non-operating revenue changing the excess of revenue over expenses for fiscal year 2023 from \$500,310 to \$805,959. The cash flow projection was presented and reviewed and

Mr. Robertson reported capital requests total \$29,124,602 of which \$4,192,665 is for facilities/infrastructure, \$5,341,936 is for routine equipment, \$6,090,000 for strategic items and \$13,500,000 for multi-year projects that includes fifth and sixth floor expansion and the Emergency Room. He reviewed the 2023 capital budget funding for the \$29.1 million expenditures. The tax rate of \$0.208956 on each \$100 of assessed valuation of property was adopted during the September 20 public hearing and special board meeting and has been submitted to the Tax Assessor-Collector for processing. There being no public comments on the budget or questions on the budget presentation, Dr. Pierce closed the public hearing.

Medical Staff Report Dr. Deuell reported the ICU personnel report the new ICU Intensivists program is doing well. American Radiology Associates is providing after hours reads and the Emergency Room physicians' report they are receiving timely reads. The Cath Lab is going smoothly and Dr. Farley will be joining the Cardiology practice with Dr. Belbel soon. It was noted Presbyterian and Baylor Cardiologists are assisting with Cath Lab coverage until Dr. Farley arrives. Physician recruitment has been busy and they are currently speaking with six primary care physicians. He noted Dr. Lay is leaving the Quinlan clinic to relocate to Oregon to be with her parents so a replacement will be needed in Quinlan and the Greenville clinics. The new GI physician will be here next summer and recruiting is ongoing for General Surgery.

Approval of Minutes Mrs. Clack moved, seconded by Mrs. Peek, to approve the budget workshop and meeting minutes of August 23, 2022 as written. The motion carried unanimously.

Citizens to Be Heard There were no citizens to be heard on non-agenda items.

Public Testimony There were no members of the public present to address the Board of Directors regarding any item on the agenda before or during the Board's consideration of said items.

Unfinished Business There was no unfinished business.

New Business Expansion Report Mr. Burgess reported the hospital passed the 100% state inspection on the expansion for the second and third floor and the PACU and Level 3 areas. There is an upcoming inspection for the two smaller patient areas, north of the PACU for the week of

October 3rd. Punch list items are being addressed with Ms. Stevens and Jacobs on the second floor area. Move in should be in October and renovation for the LDR 6-9 area on third floor and Broncho and Endoscopy and prep area will be the next phases.

**Consent
Agenda**

Mr. Taylor moved, seconded by Mrs. Clack, to approve the following consent agenda items as presented and recommended. The motion carried unanimously.

To approve the recommendations for appointments, requests to change staff status, reappointments and resignations for the Hunt Regional Medical Center Medical Staff and the Allied Health Professional Staff upon recommendation of the Board Credentials Review Committee.

To approve the Marketing and Communications Plan for FY 2023 upon recommendation of the Development and Communications Committee.

To approve the engagement of a Public Relations Firm upon recommendation of the Development and Communications Committee.

To approve \$78,802.30 for the purchase of a DxU 840 Workcell for the Hunt Regional Medical Center Laboratory upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve \$10,843.23 for the purchase of a Thermo Fisher Ultra-low temp freezer for the Hunt Regional Medical Center Laboratory upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the \$8,069 Progressive Automobile insurance quote upon recommendation of the Finance/Budget Committee.

To approve \$750,000 for improvements to the shell space at Hunt Regional Emergency Medical Center - Commerce for an Urgent Care Center upon recommendation of the Finance/Budget Committee.

Action Items Mr. Bastian apprised the Board of trends seen in the insurance
Property property market as premiums are increasing and the quote received
Insurance from our incumbent carrier, CNA, is a 17% increase (\$40,000) from
Renewal our expiring rate due to reported catastrophic losses unrelated to the
hospital as the insurance companies are spreading that risk among
everyone. Wind and hail deductibles are increasing from a \$100,000
deductible to 3% of total insurable value and CNA has agreed to re-
evaluate our coverage after we complete our roof replacements
scheduled for next fiscal year. He reported insurance companies are
now applying a co-insurance penalty when businesses are not
insuring property for what the insurance company believes the value
should be. He reviewed our current Statement of Values and noted
values listed are not adequate to replace the structures any longer
and the insurance company after negotiation, accepted the values
except those on the Ridgecrest annex property which they attached a
co-insurance penalty. The deductible for water damage is increasing
an additional \$50,000 and Mr. Boles reported we did have a
\$700,000 claim from the winter freeze due to water damage from
frozen pipes in several locations. Following discussion on business
interruption values, and terrorism coverage, Mrs. Killgore moved,
seconded by Mrs. Peek, to approve the CNA quote with the
exception of the terrorism coverage for property coverage, effective
October 1, 2022 with the understanding Administration will be
reviewing further and making recommendations back through to the
Finance/Budget Committee. The motion carried unanimously.

Resolution Mr. Boles presented a Resolution of the Hunt Memorial
Level III Hospital District to support the Hunt Regional Medical Center Trauma
Trauma Center as a Level III Trauma Center from a Level IV designation. The
Center requirements for Level III designation include having Orthopedic
Support coverage and the Trauma Medical Director must be a Trauma
Surgeon. Following discussion on reimbursement, the five levels of
designation and medical staff participation, Mrs. Clack moved,
seconded by Mr. Helton, to approve the Level III designation and
adopt the resolution as presented. The motion carried unanimously.

Adoption of Mr. O'Neil presented Order Number 342, an order adopting
FY 2023 the budget of Hunt Memorial Hospital District for the period of
HMHD October 1, 2022, through September 30, 2023 and reported as
Operating required by statute, notice was given by publication in the *Greenville*
And *Herald Banner* ten days prior to the date set for the public hearing.
Capital Mr. Taylor moved, seconded by Mrs. Killgore, to adopt Order No.
Budgets 342 as presented. The motion carried unanimously.

**Adoption of
FY 2023
HMHD
Supple-
mental
Budget** Mr. O'Neil presented Order Number 343, an order adopting separate items of the budget of Hunt Memorial Hospital District for the period October 1, 2022, through September 30, 2023 related to a contract with Texas Medicine Resources and reported as required by statute, notice was given by publication in the *Greenville Herald Banner* ten days prior to the date set for the public hearing. Mr. Taylor moved, seconded by Mrs. Clack, to adopt Order No. 343 as presented. The motion carried with Dr. Pierce abstaining.

**Adoption of
Tax Rolls** Mr. O'Neil presented Ordinance Number 344, an ordinance approving and adopting the tax rolls of Hunt Memorial Hospital District for 2022. Mr. Nelson moved, seconded by Mrs. Killgore, to adopt Ordinance No. 344 as presented. The motion carried unanimously.

**Capital
Financing** Mr. Robertson presented a capital investment financing plan in the amount of \$6.5M for a lease arrangement with JP Morgan. This funding will be used to purchase equipment approved in the FY 2023 budget. He presented the terms of the taxable term loan in the amount not exceeding \$3.5M for the purpose of purchasing land for future expansion efforts. The effective interest rate has changed from 5.14% to 5.65% per annum. Following review, Mr. Nelson moved, seconded Mrs. Killgore, to approve the JP Morgan loans and capital financing plan as presented. The motion carried unanimously.

**Financial
Statements** Mr. Robertson presented the August 2022 financial statements and statistical data. Following the review, Mr. Taylor moved, seconded by Mr. Helton, to accept the August 2022 financial statements as presented, subject to audit. The motion carried unanimously.

DISCUSSION ITEMS

**Strategic
Initiatives** There were no strategic initiatives to consider.

**Chairman's
Report** Dr. Pierce reported the following:
Thanked the new board members for attending board orientation this week.

The October meeting calendar was included in the board packets. There has been one additional committee member change with Mr. Taylor coming off and Mr. Oswald being added to the Development and

Communications Committee with Mr. Nelson as Chairman.

A Trustee Guidebook from Texas Healthcare Trustees is being ordered for each of the new board members and will be distributed next month. Dr. Pierce reported he has a few Health Care Terms and Abbreviations handbooks for those who want one.

**Required
Board
Training**

Mr. O'Neil reported the Texas Attorney General has two training videos, Texas Open Meetings Act and Public Information Act, that each board member must complete for compliance purposes. A certificate after each video is available for printing and a copy should be forwarded to Sherie Tice. Ms. Tice will forward the training links to each board member to complete.

**President/CEO
Report**

Mr. Boles reported the following:

The hospital has engaged with the PR firm, Crosswinds, which the Development and Communications Committee vetted and the board approved this evening.

Mr. Hurley reported two weeks ago, Women's Services received a favorable survey by ACOG for their Maternal Designation. He reported their initial survey 2½ years ago had 33 deficiencies and this year there were six deficiencies cited. This group was nominated through the ACOG Certification to be nominated as the most improved program they have seen this year. The surveyors were very complimentary of our service. Dr. Zapata serves as Medical Director for Maternity Services and Lori Woodford and Tammy Moore did a lot of work prior to the survey to make sure all regulations were being met and he commended them for their work.

WellMed and Caravan are ACO's we participate in and our focus this next year will be to improve our metrics involving well visits and follow-up on our chronic care population.

The Foundation is sponsoring a VIP event for the Surgery and Maternity Expansion on Thursday, September 29 from 5:30 to 7:30 pm and the public

open house and Greenville Chamber ribbon cutting will be held on Friday, September 30 from 2-4 pm. NICU will be moving into the new expansion next week and Post-Partum will move in two weeks.

There are two physician recruitment contracts being negotiated; one for general surgery and one for a primary care physician.

Ms. Lane and Mr. Martin are collaborating to employ a professional physician recruiter to assist with our recruitment needs.

Ms. Lane reported in addition to the year-end Town Hall meetings, front line leadership will be invited to participate in a small Town Hall group, have a meal, and meet with Executive Team throughout the month of October/November.

Executive Session An Executive Session was held under Texas Government Code §551.071 and §551.072. Following the Executive Session there was no action taken.

Adjournment There being no further business, the meeting adjourned at 7:28 p.m.

Janet Peck
Secretary



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