

HUNT MEMORIAL HOSPITAL DISTRICT
BOARD OF DIRECTORS

August 25, 2020

The Board of Directors of Hunt Memorial Hospital District conducted a meeting on Tuesday, August 25, 2020 at 6:30 p.m. on the second floor Atrium at Hunt Regional Medical Center, 4215 Joe Ramsey Blvd., Greenville, Texas with the following members:

Mr. Joe C. Johnson, Chairman
Mrs. Sarah Alderman
Dr. James Barr
Mr. John Cecil Nelson, Jr.
Mrs. Janet Peek
Dr. Scott Pierce
Mr. Michael Taylor
Mrs. Julia Wensel

comprising a quorum of the Board; also,

Mr. Richard Carter, President/CEO
Ms. Leah Curtis, Hospital Counsel
Nathan Trayner, M.D., Medical Director, HREMC-Commerce & Quinlan
Ms. Gail Grace, Milestone
Mr. Chris Janning, Hilltop Securities
Ms. Lindsey Evans, Hilltop Securities
Mr. Lee Boles, Vice President/CFO
Mr. Reese Hurley, MSN-Adm., RN, Vice President/CNO
Mr. John Heatherly, Vice President Operations/Support Services
James Sandin, M.D., Vice President Medical Staff Affairs
Ms. Emily Sundeen, DNP, FNP-BC, VP Quality & Clinical Integration
Mr. Phillip Martin, Hunt County Commissioner Precinct 3
Mr. Jeffrey Constantino, Facilities Management Director
Ms. Lisa Hill, Foundation Development Marketing Communications Director
Ms. Katie McKenna, Assistant Director Hunt Regional Healthcare Foundation
Ms. Kim Mulder, BSN, Rn, Emergency Department Director
Ms. Kim Saenz, BSN, RN, CEN, Asst. Director HREMC-Commerce & Quinlan
Mr. Raymond Lenz, Acute Rehab Unit Director
Mr. Chad Martin, Hunt Regional Medical Partners Director
Ms. Stacey Lane, Human Resources Director
Ms. Mary Pattberg, Decision Support Director
Ms. Jamie Morgan, Accounting

Absent was:

Mr. William Rutherford

**Approval of
Minutes**

Mrs. Alderman moved, seconded by Mrs. Peek, to approve the July 28, 2020 minutes. The motion carried unanimously.

**HRMC Medical
Staff Report**

There was no medical staff report.

**Citizens To
Be Heard**

Dr. Trayner provided his thoughts regarding the transition of the Commerce Emergency Medical Center to an Urgent Care Center and requested the Board of Directors allow him three months to develop a comprehensive plan for the facility in Commerce to include observation beds.

**Unfinished
Business
Consider
Plans to
Address
Changes to
Service Lines
Currently
Offered in
Commerce**

Mr. Carter reviewed a presentation given to the Commerce Task Force outlining the EMC pro forma projections, the Commerce EMC volume by zip code, triage emergency severity index levels, EMS response calls for the period February 2020 through May 2020, and total volume of outpatient services for the period October 2019 through April 2020. Urgent Care and Emergency Services were defined and Mr. Carter reported the financial distress solutions for the Commerce EMC are to reduce cost ~ labor, increase revenue ~ promotion to outlying community, change payor mix and increase tax support and outlined the advantages and disadvantages of an Urgent Care. The Task Force is recommending to transition the Commerce EMC to an Urgent Care Center and Mr. Carter outlined an operational plan and communications plan for an Urgent Care Center effective November 2, 2020. Mrs. Alderman discussed the Task Force meetings and noted the change to an Urgent Care Center was the correct conclusion. Mrs. Peek thanked Dr. Trayner for his comments and reported it was a hard decision to change the EMC to an Urgent Care Center. She emphasized the importance of marketing the change noting it was incumbent on the hospital to make certain the Commerce citizens know about the change. Following comments by Dr. Pierce and discussion, Mr. Peek moved, seconded by Dr. Barr, that the Board table the discussion pending information related to the medical services and new lines that are possible to operate at the Commerce facility. The motion carried with Dr. Pierce abstaining.

**Consider
Plans to
Address
Changes to
Service Lines**

Mr. Carter reported the Quinlan Task Force met and submitted a letter of recommendation to make no changes or at least none that would eliminate the Emergency Medical Center in Quinlan. The Task Force is committed to marketing the emergency room and the outpatient services through their areas of influence within their community and

Currently Offered in Quinlan endorse the recommendation to market to Wills Point and surrounding areas through billboards and additional signage. Following discussion, Mr. Nelson moved, seconded by Mrs. Wensel, to approve the recommendations as presented. The motion carried with Dr. Pierce abstaining.

New Business Mrs. Peek moved, seconded by Mrs. Wensel, to approve the following consent agenda items as recommended. The motion carried unanimously.

Consent Agenda To approve the recommendations for appointments, requests to change staff status, reappointments, a request for leave of absence, and resignations for the Hunt Regional Medical Center Medical Staff and the Allied Health Professional Staff upon recommendation of the Credentials Review.

To approve the resale of Hunt County property #54646, 806 Plum Street, Commerce, Texas \$1,380.00 upon approval of the Finance/Budget Committee and all Hunt County taxing entities.

To approve the purchase of a Thermo Fisher biological safety cabinet in the amount of \$7,437.41 for the Hunt Regional Medical Center Laboratory upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the purchase of a new nurse call system in the amount of \$137,600 for the Surgical Unit and \$137,000 for Tele West upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the purchase of a new call system for the second floor West Wing to include the ICU and Cath Lab in the amount of \$126,471 upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To replace the Wi-Fi in the amount of \$118,460 for the IS/Data Processing Department upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the purchase of an Algo 5 Newborn Hearing Screener in the amount of \$21,636 for the Mother/Baby Unit upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the following two plan structure changes to the Hunt Memorial Hospital District Retirement Savings Plan & Trust upon recommendation of the Retirement Savings Plan & Trust Committee:

Employees will be allowed to make fund allocation changes to both the employer match and the employee contribution portions of their retirement plan; and

Employees will be able to make fund allocation changes on a daily basis (as the fund manager allows) rather than on a quarterly basis.

**Annual
Milestone
Report
On The
Acute
Rehab
Unit**

Ms. Grace provided an operational review of the Acute Rehabilitation Unit highlighting the average daily census, referrals admissions, discharges and reimbursement per discharge for fiscal years 2017, 2018, 2019, and year to date 2020. Outcomes based on the latest UDS report (July 1, 2019 through June 30, 2020) were reviewed. Key factors of success included: continued financial and operational growth; education provided by the Medical Director has improved Inpatient Rehabilitation Unit (IRU) Clinical Team Development, resulting in a broader scope of service, a more clinically complex patient population and a learning environment; consistent , effective external marketing, accounting for 20% of total referrals; pro-active, aggressive program leadership and interdepartmental and administrative support; IRF is truly integrated into hospital wide operations; aggressive management of MAC/RAC targeted claims review, finalizing a multi-year RAC audit through 2019 with a 93% favorable decision and repayment; improved identification of co-morbid conditions to increase admissions, support medical necessity and improve reimbursement; and Hunt Regional Medical Center has recruited a multitude of medical specialists who have compliments and broadened the scope of services of the IRU, reducing the number of patients having to be transferred out for specialty services. The top ten facilities who refer to the program and the return on investment were reviewed. Ms. Grace requested the Board renew the Management Agreement effective September 1, 2020 for three years expiring August 31, 2023 with a fee increase of 1%. Following the presentation, Mr. Taylor moved, seconded by Dr. Pierce, to approve the

operational report and to amend the current Management Agreement with a three-year renewal with a 1% fee increase. The motion carried unanimously.

**Hilltop
Securities
Presentation**

Mr. Janning presented a pro forma tax rate impact analysis on the May 2019 bond election and refunding bonds and outlined the potential uncertainties related to the November national elections and the current historically low interest rates. He noted a risk factor that may disrupt interest rates, is the possible “second wave” of COVID-19 illnesses and the response to such an event. Mr. Janning stated that current rates allow the Hunt Memorial Hospital District to issue debt at lower rates than were utilized during the bond election and concluded the current time is a very favorable time to sell the bonds that were authorized by the electorate and as it affects the refunding of other bonds, which is discussed below. Following the presentation, Mr. Taylor moved, seconded by Mrs. Wensel, to authorize the preparation of the sale of the Series 2020 General Obligation Bonds as discussed. The motion carried unanimously.

**Resolution
On the
HMHD
Outstanding
GO Refunding
And Improve-
ment Bonds,
Series 2008**

A resolution calling a portion of the District’s outstanding general obligation refunding bonds, Series 2008 for redemption prior to maturity, subject to certain conditions; and enacting other provisions relating to the subject was presented. Mr. Janning reported the Board has the option to call in the 2008 3% bonds that are now considered high interest bonds because of the low interest rates and may refinance at 1.5% which will be a substantial savings. Following discussion, Mr. Taylor moved, seconded by Mrs. Alderman, to approve the resolution as presented. The motion carried unanimously.

**Schedule
A Special
Meeting to
Select a
CMAR**

Mr. Carter discussed the need to schedule a special meeting for the Board to interview two to three Construction Manager at Risk candidates before the next regular Board meeting so they may begin working on our renovation and expansion project. Dr. Pierce moved, seconded by Mrs. Alderman, to conduct the special meeting on Wednesday, September 9, 2020 at 9:00 a.m. in the sixth floor boardroom. The motion carried unanimously.

**Amendments
To The Guide-
lines and**

Mr. Carter presented proposed amendments to the Hunt Memorial Hospital District Guidelines and Criteria for Tax Abatement In A Reinvestment Zone Created in Hunt County. He outlined the

**Criteria for
Tax Abatement
In a Reinvest-
ment Zone**

amendments as follows: City of Greenville is deleting H.2. *"Must be expected to prevent the loss of employment, retain or create employment for at least ten (10) people on a permanent bases in Hunt County"* as it is not market competitive; the Hospital District is adding in section III.A. *"The Hunt Memorial Hospital District considers itself a secondary jurisdiction to the other affect jurisdictions and removes itself from consideration"*; the City of Greenville is deleting III. F. *"Variance. Requests for variance form the provision of Subsection (a) and (g) of Section 2 may be made in written form to the presiding officer of the governing body of the affected jurisdiction; provided, however, the total duration of an abatement shall in no instance exceed seven (7) years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a two-thirds (2/3) vote of the governing body, and adding III. F. "Variance. The Council may, upon its own motion, approve a variance to extend the abatement periods in Section 2(g)(1) and (2), above to the maximum time and abatement percentage allowed by state law. Approval of such variance requires a two-thirds (2/3) vote of the governing body."* the City of Greenville is adding to section IV. Reinvestment Zone Advisory Committee, *"The initial members of the Committee shall be appointed as soon as possible after the adoption of these guidelines and criteria, and the Committee shall hold its initial meeting as soon as a majority of its membership has been appointed."*; under VI. Recapture C. the Hospital District added to their policy *"or its designee"* and *"In the event that the company fails to cure, the governing body or its designee shall notify the CEO of Hunt Memorial Hospital District who shall notify the Hunt County Tax Assessor Collector and the Hunt County Appraisal District that the abated taxes need to be collected as due and owing."*; and the City of Greenville is deleting from section VIII. Assignment, *"After approval, the company shall obtain the approval of the appropriate boards of economic development"*. Following the presentation, Mrs. Peek moved, seconded by Mrs. Alderman, to approve the amendments as presented. The motion carried unanimously.

**Strategic
Initiatives**

The agenda item, "Consider strategic initiatives and take all necessary action" may be considered following the Executive Session.

**President/CEO
Report**

Mr. Carter reported the following:

The PCR Analyzer has arrived and testing is delayed due to a national reagents shortage.

The Trauma Designation survey was held Sunday and Monday with three to four recommendations cited. A plan of correction will be submitted when the final written report is received.

The ACO has been operational for three years and our first shared savings distribution is expected soon.

Quality Report

There was no report.

Customer Service

There was no report.

Compliance Report

There was no report.

Financial Statements

Mr. Boles presented the July 2020 financial statements and provided an overview of the financial and statistical data. Following the presentation, Mrs. Peek moved, seconded by Mrs. Wensel, to accept the statements, subject to audit. The motion carried unanimously.

Executive Session


There was an Executive Session held under the provision of Section 551.001 et seq., Texas Government Code, for the purpose of 551.071. Following the Executive Session, there was no action taken.

Strategic Initiatives

There was no action taken.

Adjournment

There being no further business, the meeting adjourned at 8:02 p.m.


James Barr, Ph.D.
Secretary