

HUNT MEMORIAL HOSPITAL DISTRICT
BOARD OF DIRECTORS
January 26, 2021

The Hunt Memorial Hospital District Board of Directors conducted a meeting on Tuesday, January 26, 2021 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 and reported due to COVID-19, Board members who so choose are calling in to the meeting. Dr. Pierce noted due to the length of the Board agenda presentations will be limited to 15 minutes unless it is determined additional time is needed .

ROLL CALL:

Mrs. Sarah Alderman
Dr. James Barr
Mrs. Deborah Clack
Mr. John C. Nelson, Jr.
Mrs. Janet Peek
Dr. Scott Pierce
Mr. William Rutherford (Absent)
Mr. Michael Taylor
Mrs. Julia Wensel (via phone)
comprising a quorum of the Board; also,
Mr. Richard Carter, President/CEO
Ms. Leah Curtis, Hospital Counsel
Lee Boles, Vice President/CFO
Mr. Reese Hurley, MSN-Adm., RN, Vice President/CNO
Mr. John Heatherly, Vice President Operations/Support Services
Ms. Emily Sundeen, DNP, FNP-BC, Vice President Quality & Clinical Integration
James Sandin, M.D., Vice President Medical Staff Affairs
Ms. Marie Castro, Managing Director of BKD, LLP
Mr. Ken Sidebottom, TRANE
Mr. Anthony Martin, TRANE
Mr. Jeffrey Constantino, Facilities Management Director
Mr. Pete Harrell, Assistant Facilities Management Director
Ms. Kim Mulder, Emergency Department Director
Mr. Billy Robinson, Resource Management Director
Ms. Stacey Lane, Human Resources Director
Ms. Mitzi Parker, Benefits Coordinator
Ms. Lisa Hill, Foundation Development Marketing Communications Director
Ms. Janece Sims, Patient Financial Services Director
Ms. Linda Yeager, Patient Financial Services Manager
Ms. Mary Pattberg, Decision Support Director

Mr. Andrew Lawrence, Senior Financial Analyst
Ms. Jamie Morgan, Accountant
Mr. Travis Potter, Service Excellence/LEAN/Business Development Director

**HRMC Medical
Staff Report**

There was no medical staff report.

**Approval of
Minutes**

Mr. Taylor moved, seconded by Mrs. Wensel, to approve the December 22, 2020 minutes. 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.

**Tour of
Emergency
Department**

Dr. Pierce reported Kim Mulder, Emergency Department Director, will tour only the Board members through the Emergency Department. He reminded everything seen in the Emergency Department is confidential and not to be discussed.

Brief Recess

Following a brief recess to tour the Emergency Department, Dr. Pierce called the meeting back in session.

**Unfinished
Business
HMHD
Board
Bylaws
Amendments**

Mrs. Peek reported the Board Bylaws Committee met and is recommending the amendments to the Hunt Memorial Hospital District Board of Directors Bylaws as presented and reviewed during the January 7, 2021 Board of Directors meeting. Mrs. Curtis reported she emailed the final proposed Bylaws on January 8, 2021, thus meeting the fifteen day notice requirement outlined in Article XIV of the Board Bylaws. Mrs. Wensel requested amendment dates be included on Articles IX, XI, XII and XIII. Mrs. Peek moved, seconded by Mrs. Wensel, to approve the amendments as presented and to include amendment dates as outlined. The motion carried unanimously.

**New
Business
Consent
Agenda**

Mr. Taylor moved, seconded by Dr. Barr, to approve the following consent agenda items as recommended. The motion carried unanimously.

To approve the recommendations for an appointment, changes in staff status, reappointments, and resignations

for the Hunt Regional Medical Center Medical Staff and the Allied Health Professional Staff upon recommendation of the Credentials Review.

To approve \$85,256.00 to replace the portable X-ray unit for Hunt Regional Medical Center upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve \$11,789.95 to replace the Radiologist reading monitor for Hunt Regional Open Imaging-Rockwall upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve \$9,797.00 to replace the cooling towers controls for Hunt Regional Medical Center upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the resale of two Hunt County properties: #95647 - 604 Pickett Street and #95648 - 1604 Division Street, Commerce for \$2,005, upon recommendation of the Finance/Budget Committee and approval by all taxing entities.

To approve a physician contract for Neurology upon recommendation of the Finance/Budget Committee.

To approve two Family Practice Physician contracts upon recommendation of the Finance/Budget Committee.

ACTION ITEMS

Fiscal Year 2020 HMHD Annual Audit

Ms. Castro reported the audit of the Hunt Memorial Hospital District for year ending September 30, 2020 expresses an unmodified, or clean opinion on the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States. She reviewed required communications noting the District's net position increased by \$9,193,924 (13.6%). Audit risk areas and key disclosures and audit adjustments were noted and she provided an overview of the balance sheets, days cash on hand, net days in accounts receivable, debt to equity, statement of revenues and expenses, collections versus net revenue, capital asset purchases, and

property tax revenue. She reviewed the management letter and outlined the significant deficiency with respect to segregation of duties in the Revenue Cycle and Purchasing Cycle. She reported on May 7, 2020 the GASB issued statements on: GASB 84 (Fiduciary Activities) to be effective for the District's fiscal year ending September 30, 2021 and GASB 87 (Leases) to be effective for the District's fiscal year ending September 30, 2022. In other industry matters, she discussed the extension of the 115a Waiver through September 30, 2030, the DSRIP phase out through September 30, 2021, and the accounting and cash flow implications for Medicare accelerated and advance payments. Following the presentation, Mr. Taylor moved, seconded by Mrs. Peek, to approve the audit as presented. The motion carried unanimously.

**HMHD
Self-
Funded
Stop Loss
Amendments**

Mr. Carter reviewed the historical Stop Loss performance of the District's self-insured medical insurance plan for the period 2018 to date pointing out an excessive loss ratio averaging 147% over the past three years, thus causing the premium cost to increase 50%. He reported if the deductible was raised from \$225,000 to \$250,000, it will reduce our premium from \$884,221 to \$807,130 and improve our loss ratio. The recommendation to change the pharmacy benefit manager (PBM) from MedOne to Express Scripts was presented and Mr. Carter reported it is projected to save the District \$708,984 and will have no impact on the employees. Following the presentation and discussion on health insurance costs, Mrs. Alderman moved, seconded by Mrs. Peek, to approve Symetra with a deductible of \$250,000 and premium of \$807,130 and to change our PBM to Express Scripts. The motion carried unanimously.

**Central
Utility
Plant**

Mr. Martin and Mr. Sidebottom discussed a water-cooled chiller option outlining the electrical power and steam distribution concerns. Option 1 is to service the new Women's Center from a new 50 kW generator dedicated to the new building and future phase 2 addition and Option 2 is to install a new 2MW generator near the Central Utility Plant (or Cooling Towers) and rework the existing feeders and switchgear to accommodate additional future loads. A review of the pricing summary and next steps were presented and following the presentation and discussion, Mr. Martin and Mr. Sidebottom were thanked for their presentation and no action was taken.

**Royse
City
Clinic**

Mr. Carter reported the Medical Partners Board is recommending subleasing the Royse City office of Dr. Liao to develop a primary care clinic with a Nurse Practitioner who lives in the area. The pro forma duplicates the Caddo Mills clinic with a daily census of 14-15 patients to

break even. There was discussion on the performance of the primary care clinics and Mr. Taylor expressed concern with the continued deficit of the Emergency Medical Centers. Mr. Carter reported the philosophy of increasing access to primary care access improves our volumes and makes us more successful. Following discussion, Mrs. Clack moved, seconded by Mr. Nelson, to approve the lease in Royse City as presented. The motion carried unanimously. A report on our primary care clinics will be provided next month for review.

**Dashboard
Modifications**

Mr. Carter presented the following proposed modifications to the District and Greenville Hospital Performance Measures: **Quality:** 1) Increase the ER door to discharge time from 140 minutes to 160 minutes (due to a change in statistical methodology); 2) Reduce the Cath Lab Stemi goal from 90 minutes to 60 minutes; and 3) Reduce the 30-day Readmission rate from 10% to 9%; **Growth:** 1) Increase the Market Share from 52% to 54%; and **Customer Service:** 1) Increase the ER rate from 48.7 to 50; 2) Decrease the Overall rating from 74 to 72 due to COVID; 3) Decrease the Communication with Nurse rating from 85 to 81 due to COVID; and 4) Decrease the Cleanliness rating from 77 to 73 due to COVID. Following review, Mr. Taylor moved, seconded by Mrs. Alderman, to approve the dashboard modifications as presented. The motion carried unanimously.

**Consultant
Evaluation**

The agenda item, "Consultant to Evaluate Market Opportunity" may be considered following an Executive Session.

**Financial
Statements**

Mr. Boles presented the December 2020 financial statements and reviewed financial data, statistical information, and discussed investment COVID funding expenditures and application for additional COVID funding a month ago and the EMC P&L reports for Commerce and Quinlan and the variances in professional fees for each facility, Mr. Nelson moved, seconded by Mr. Taylor, to accept the statements subject to audit. The motion carried unanimously. Mrs. Alderman inquired if there is an inhouse task force looking at solutions for the Emergency Departments. Mr. Carter reported there is not an official task force but there is a perpetual one. The hospital is always looking at ways to improve the operations and in Commerce and Quinlan they continue efforts on marketing and improving outpatient volume.

**Price
Transparency
Report**

Ms. Sims reported beginning January 1, 2021, CMS is requiring all hospitals provide a comprehensible machine-readable file with all items and services and to display "300" shoppable services to make it easier for consumers to shop and compare prices with other hospitals so they may estimate the cost of their care prior to going to the hospital.

Ms. Yeager demonstrated the ease of accessing the information regarding the District's Price Transparency report on the hospital's website that includes service bundles individual services and inpatient DRGs. Following the presentation and demonstration, the Board thanked Ms. Sims and Ms. Yeager for an exceptional report.

DISCUSSION ITEMS

Strategic Initiatives

There was no action taken.

Chairman's Report

Dr. Pierce thanked everyone for complying with the time limit on their reports. He inquired if members had read their Trustee handbooks distributed in December and commented from what he has read, our Hospital Board operates and functions very well.

President/CEO Report

Mr. Carter reported the following:

CMS has approved a ten-year extension of the 1115 Waiver through September 30, 2030 which means 11.4 billion dollars for Texas. The new waiver will extend the uncompensated care pool and will change DSRIP but it is not certain how.

We received notification from the Texas Department of State Health Services designating Hunt Regional Medical Center as a Level IV Trauma Center and a Level II (Specialty Care) Maternal Facility in Perinatal Care Region-E. Congratulations to Bret Freeman, Kim Mulder, Lori Woodford and Reese Hurley. The NICU designation survey was completed last week.

Dr. Sandin has announced his retirement in September 2021. Dr. Sandin has been the Chief Medical Officer for the District for the past 14 years and has done an exceptional job bridging the gap between the Medical Staff and Administration. Dr. Sandin reported he has been a physician for 50 years and it has been a privilege being a part of Hunt Regional Medical Center.

Contracted Services

Mr. Carter clarified for Mr. Taylor that Vanguard is contracted with the hospital to provide management services for our Facilities Department, Security and Environmental Services. Other contracted services include Pharmacy through Complete Rx and the Acute Rehab Unit on the seventh floor through Milestone.

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| EMC Update | Mr. Carter reported the census for the Quinlan Emergency Medical Center is currently 52 patients per day and Commerce Emergency Department is 24.5 patients and pre-COVID census was 60 and 30, respectively. |
| Physician Recruitment | Mr. Carter reported Abdul Jalil, MD, Neurology, is expected to begin May 15. He will be providing full time care and growing our Stroke Program. Recruitment continues for General Surgery, GI, and Obstetrics. |
| Patient Services Environment | Mr. Carter reported a transfer agreement has been successfully negotiated between Hunt Regional Medical Center and Quality Care ER. |
| Expansion Project Update | Work continues on reviewing the Robins & Morton supplemental report and estimates on hot water versus steam for the Central Utility Plant are being obtained. Ms.Hill will send out an invitation for the groundbreaking ceremony and Robins & Morton will tentatively set up their site during the first week of February across Ridgecrest. |
| Quality Performance Report | Ms. Sundeen reported the TSA for our region is currently 22.3% with the high reported at 27.11%. She reviewed the vaccine plan and reported 660 individuals who met the criteria in Tier 1b were scheduled On a first come first serve basis and were successfully vaccinated on the Wesley Methodist Church parking lot. She reported CVS pharmacies will be responsible for vaccinating the nursing homes and skilled nursing facilities. Mr. Hurley reported inpatient census peaked two weeks in December and two weeks in January. Bed capacity has increased with 18 beds in Day Surgery, double occupancy in ICU, and with the use of a special waiver we are able to place eight to ten patients on the Acute Rehab Unit. We currently have 51 additional nurses through the State and private sector and six additional Respiratory Therapists. We currently we have 44 COVID positive inpatients, with 12 in Day Surgery, three in Acute Rehab, four in ICU. There continues to be several holds in the Emergency Department. |
| Customer Service | There was no report. |
| Compliance Report | Mr. Heatherly presented the Fourth Quarter Compliance Report (October through December 2020). A total of 101 employees completed compliance training; sanction checks for the quarter totaled 185 and were completed prior to start dates and were negative. Under investigations/ |

hotline reports and eComplaint reports: there was no hotline/ investigations for the quarter and there were no exit interviews with questions. There was one physician compensation agreement approved during the quarter in October. Following the overview, the report was accepted

**Executive
Session**

An Executive Session was held under Texas Government Code §551.071 and §551.085. Following the Executive Session, the following action was taken.

**Consultant
To Evaluate
Market
Opportunity**

Mr. Taylor moved, seconded by Mr. Nelson, to retain a consultant to evaluate a market opportunity. The motion carried unanimously.

Adjournment

There being no further business, the meeting adjourned at 8:38 pm.



James Barr, PhD
Secretary