

HUNT MEMORIAL HOSPITAL DISTRICT  
**BOARD OF DIRECTORS**

September 22, 2020

The Hunt Memorial Hospital District Board of Directors conducted a meeting on Tuesday, September 22, 2020 at 6:30 p.m. in the sixth floor Homer Horton, Jr. Boardroom at Hunt Regional Medical Center, 4215 Joe Ramsey Blvd., E., Greenville, Texas with the following members:

Mr. John C. Nelson, Jr., Vice Chairman presiding  
Mrs. Sarah Alderman  
Dr. James Barr  
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  
Mr. 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, VP Quality & Clinical Integration  
James Sandin, M.D., Vice President Medical Staff Affairs  
Ms. Lisa Hill, Foundation Development Marketing Communications Director  
Mr. Andrew Lawrence, Senior Financial Analyst  
Ms. Jamie Morgan, Accountant  
Ms. Katie McKenna, Assistant Director Hunt Regional Healthcare Foundation  
Ms. Kim Mulder, BSN, Rn, Emergency Department Director  
Ms. Mary Pattberg, Decision Support Director  
Ms. Janece Sims, Patient Financial Services Director

Absent was:

Mr. William Rutherford

<b>Public Hearing On HMHD FY 2021 Budgets</b>	Mr. Nelson opened the floor for public comments on the Hunt Memorial Hospital District fiscal year 2021 Operating and Capital Investment Plan Budgets. There being no public comments made, the public hearing was adjourned.
<b>Remarks By Vice Chairman</b>	Mr. Nelson acknowledged Mr. Johnson's contributions to the Board, thanked him for his years of service, and on behalf of the Board of Directors, wished him well in his retirement.
<b>Approval of Minutes</b>	Mrs. Peek moved, seconded by Dr. Barr, to approve the budget workshop and meeting minutes held on August 25, 2020. The motion carried unanimously.

**HRMC Medical  
Staff Report**

There was no medical staff report.

**Citizens To  
Be Heard**

There were no comments.

**Public  
Testimony**

There were no comments.

**Unfinished  
Business**

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

Mr. Carter reported last month the Board of Directors requested observation services, nurse staffing and the annualized fiscal year 2020 budget be evaluated for the Commerce Emergency Medical Center. The evaluation revealed that for fiscal year 2020, Commerce had a total of 548 inpatients and observation patients of which 406 were admitted. For the period October 2019 through August 2020 there were 126 actual observation patients and if annualized through September observation patients would total 137. Medicare reimbursement for observation patients is a bundled payment totaling \$2,216.86 with \$525 of it the responsibility of the patient and commercial insurance reimbursement is \$49.46 per hour for a maximum of 48 hours totaling \$2,374.08. Of the 126 who were in observation status, 71 changed to inpatient status and the remaining 55 remained as observation. 109 of the 126 observation patients required specialists and 17 did not. It was noted of the 126 patients, only 8 would be appropriate for observation in Commerce and the remaining 118 required a specialist or diagnostic testing/procedures not available in Commerce. The payor mix reveals 19% Medicare/Medicare HMO, 27% Medicaid/Medicaid HMO, 26% commercial and 28% self-pay/charity. In summarizing the observation analysis, 12 patients annually could receive observation at the Commerce EMC (no specialist consult, surgery, or advanced diagnostic testing), incremental revenue increase in Commerce taken from Greenville would be \$17,977 and incremental revenue increase in Commerce if all Medicare is \$26,604. Keeping Commerce observation patients at Commerce EMC would shift revenue and cost from Greenville to Commerce and would not be generating additional revenue. The nurse staffing matrix for safe emergency care is a minimum of two RN's responsible for providing care in the Emergency Department at all times regardless of the emergency department size, maximum capacity, census, or acuity. A review of an updated fiscal year 2020 Commerce EMC income statement (post COVID) and prior years income statements for fiscal years 2016 through 2020 were presented and discussed. An

Urgent Care pro forma was presented outlining the number of visits and the net income/(loss). Mrs. Alderman stated she did not understand why Commerce Emergency Department could not do the same things as the Quinlan Emergency Department is planning to do to improve their volume and she discussed concerns with where the 28% of charity patients were going to go for their healthcare if the Emergency Department transitioned into an Urgent Care Center. Mr. Carter reported if the Board requested a financial change to accommodate the charity care patients in the Urgent Care Clinic, the hospital would do that but that he did not recommend it. There was discussion on radiology and laboratory services and their associated costs and Mr. Carter reported last month the decision was made to maintain the CT scanner in Commerce for community convenience. Should the facility transition to an Urgent Care Center, expenses will decrease as hours of operation would be 8-10 hours a day versus 24 hours. Following discussion on providing additional marketing on the Emergency Department and outpatient services, Mrs. Alderman moved, seconded by Mrs. Peek, to keep the Commerce Emergency Medical Center operating as an Emergency Department. The motion carried with Mrs. Wensel opposing and Dr. Pierce abstaining. Mr. Taylor requested financial information on the Emergency Medical Centers in Commerce and Quinlan be provided at each Board meeting so the Board may be kept apprised of their financial position. Dr. Sundeen reported the hospital receives approximately \$8 million of DSRIP funds (Medicaid and unfunded supplement monies) and an additional \$7 million in uncompensated care. DSRIP is being phased out over the next two years (last year of funding will be 2022) CMS has just announced their proposal on a transition plan from DRSIP to Value Based Purchasing, which is shared savings. She emphasized the most expensive way to provide care to an unfunded or Medicaid person for a non-emergent visit is in the Emergency Department. The Medicaid ACO will be pushing over the next two years to reduce costs and that will begin in the Emergency Department.

**New  
Business  
Consent  
Agenda**

Dr. Barr requested to remove "Approve a physician contract for Neurology upon recommendation of the Finance/Budget Committee" and Mr. Carter reported the Neurologist is requesting to renegotiate some of the terms of the contract. Dr. Barr moved, seconded by Mrs. Alderman, to approve the following consent agenda items as recommended. The motion carried unanimously.

To approve the recommendations for appointments, requests to change staff status, reappointments, reappointments with change in staff category, request for

exemption from town call coverage and resignations for the Hunt Regional Medical Center Medical Staff and the Allied Health Professional Staff upon recommendation of the Credentials Review.

To approve an amendment to the Hunt Regional Medical Center Medical Staff Bylaws, Article VI. as follows upon recommendation of the Medical Staff: Medical Staff Categories 6.1.3 Active Community Staff to allow non-physicians on the Allied Health Professional Staff to not be required to have a supervising physician with active privileges at Hunt Regional Medical Center.

To approve the insurance renewal quotes for the mobile mammography coach with CRC Insurance Services for \$1,974 for the period August 31, 2020 through August 31, 2021 and for the automobiles with Mercury County Mutual for \$8,773 for the period October 1, 2020 through October 1, 2021 upon recommendation of the Finance/Budget Committee.

To approve the renewal insurance quote for the Hunt Memorial Hospital District property/insurance with CNA for the period October 1, 2020 through October 1, 2021 for \$204,186 upon recommendation of the Finance/Budget Committee.

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

To approve the purchase of Passport Electronic Forms for the Hunt Regional Financial Services department in the amount of \$103,600 upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the purchase of a GE Bone Density Unit for the Hunt Regional Mammography department in the amount of \$57,000 upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the purchase of a tube system for the Hunt Regional Facilities Management department in the amount

of \$106,400 upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

To approve the Physician Coding Module for the Hunt Regional Health Information Management department in the amount of \$31,240 upon recommendation of the Facilities Planning Committee and the Finance/Budget

**Order 329  
Adopting  
FY 2021  
Budget**

Mr. Boles reviewed the proposed operational and capital budgets and the projected cash flow for fiscal year 2021. He reported the operational budget reflects a \$1.9 million excess of revenue over expense with capital expenditures at \$5,648,578 and tax support at \$17.8 million. Following the overview, Ms. Curtis presented Order Number 329, an order adopting the budget of Hunt Memorial Hospital District for the period October 1, 2020 through September 30, 2021. Mrs. Peek moved, seconded by Mrs. Wensel, to adopt Order Number 329 as presented. The motion carried unanimously.

**Order 330  
Adopting  
Separate  
Items of the  
Budget**

Ms. Curtis presented Order Number 330, an order adopting separate items of the budget of Hunt Memorial Hospital District for the period October 1, 2020 through September 30, 2021 related to a contract with Texas Medicine Resources for the provision of physicians for the Emergency Department of Hunt Regional Medical Center. A board member is a physician in the Emergency Department and due to the contractual relationship with the Contractor the items in the fiscal year 2021 budget dealing with the Contractor must be voted on separately. Following discussion, Mrs. Alderman moved, seconded by Mrs. Peek, to adopt Order Number 330 as presented. The motion carried with Dr. Pierce abstaining.

**Ordinance  
331 Adopting  
Tax Rolls**

Ms. Curtis presented Ordinance Number 331, an ordinance approving and adopting the tax rolls of Hunt Memorial Hospital District for 2020. Mrs. Alderman moved, seconded by Mrs. Peek, to adopt Ordinance Number 331 as presented. The motion carried unanimously.

**Ordinance  
332  
Levying  
Ad Valorem  
Tax**

Ms. Curtis presented Ordinance Number 332, an ordinance levying an ad valorem tax for the maintenance and operation of the Hunt Memorial Hospital District and the hospital system for the year 2020; providing for the date of payment for such taxes; making an appropriation of all monies collected under this ordinance; finding compliance under this ordinance; finding compliance with Chapter 26 of

the Texas Property Tax Code; and providing savings clauses. The proposed tax rate is \$0.2438157; \$0.1884000 for the Maintenance and Operation Fund and \$0.0554157 for the Interest and Sinking Fund, on each \$100 of assessed valuated of property and will raise more taxes for maintenance and operations that last year's tax rate. Dr. Pierce moved, seconded by Mrs. Wensel, to adopt Ordinance Number 332 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 District received two positive bond rating interviews with Standard & Poor's and Moody's and although we may not receive a rate improvement, each were complimentary of our operations.

Board orientation for Mr. Taylor is scheduled for Friday, October 23, 2020 and if anyone else would like to attend they are welcome to do so. Ms. Curtis reported training is available on the Attorney General's website on Open Meetings/Open Records if there is a board member who has not taken it. She will forward the information to the members.

**Quality  
Performance  
Report**

Dr. Sundeen provided a Quality Value Based Purchasing update comparing the domain weights of Patient Experience, Outcomes, Safety of Care and Efficiency for fiscal year 2020. She outlined the VBP scoring and impact estimates used to calculate the points for each measure in the domains and noted for fiscal year 2020 value based purchasing, the hospital performance on all measures with the exception of the Mortality and Complications of the Hip and Knee measures, were evaluated during January 2016 through December 2016 and January 2018 through December 2018; the Mortality and Complications of the Hip and Knee measures were evaluated during July 2010 through June 2013 and July 2015 through June 2018. She reported the total performance score for FFY 2020 is 29.0% compared to 27.8% for 2019. Following the overview, the Board thanked her for the presentation.

**Customer  
Service**

There was no report.

**Compliance  
Report**

There was no report.

**Financial  
Statements**

Mr. Boles presented the August 2020 financial statements and provided an overview of the financial and statistical data. Following the presentation, Mr. Taylor moved, seconded by Mrs. Alderman, 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, 551.074, and 551.085. 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 9:08 p.m.

  
James Barr, Ph.D.  
Secretary

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