

HUNT MEMORIAL HOSPITAL DISTRICT  
**BOARD OF DIRECTORS**  
January 25, 2022

The Hunt Memorial Hospital District Board of Directors conducted a meeting on Tuesday, January 25, 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. Sarah Alderman  
Mrs. Deborah Clack  
Mrs. Leslie Killgore  
Mr. John C. Nelson, Jr.  
Mrs. Janet Peek  
Dr. Scott Pierce  
Mr. Michael Taylor  
Mrs. Julia Wensel (Absent)

comprising a quorum of the Board; also,

Mr. S. Lee Boles, Jr., President/CEO  
Mr. Reese Hurley, MSN-Adm., RN, Vice President/CNO  
Mr. John Heatherly, Vice President Operations/Support Services (via phone)  
Mr. Stuart O'Neil, General Counsel  
Mr. Tim Roberts, Robins & Morton  
Mr. Josh Whittle, Robins & Morton  
Mr. Mark Mattox, Robins & Morton  
Mr. Chris Clark, Partner, BKD  
Mr. Chris Janning, Hilltop Securities  
Ms. Lindsey Evans, Hilltop Securities  
Mr. Jeffrey Constantino, Facilities Management Director  
Mr. Pete Harrell, Assistant Facilities Management Director  
Ms. Lisa Hill, Foundation Development Marketing Communications Director  
Ms. Stacey Lane, Human Resources Directors  
Ms. Katie McKenna, Assistant Director Hunt Regional Healthcare Foundation  
Ms. Jamie Morgan, Controller  
Ms. Mary Pattberg, Decision Support Director  
Mr. Travis Potter, Customer Experience Director

**Medical Staff Report**                      There was no report.

**Approval of Minutes**                      Mrs. Killgore moved, seconded by Mrs. Peek, to approve the December 21, 2021 minutes as presented. The motion carried unanimously.

<b>Citizens To Be Heard</b>	There were no citizens to be heard on non-agenda items.
<b>Public Testimony</b>	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.
<b>Unfinished Business Open Board Member Seat Precinct 1</b>	Mr. O'Neil reported redistricting for Hunt County is complete and as a result of redistricting, the residence of Dr. Pierce is moved from Precinct 2 to Precinct 1. Best practice is with an opening in Precinct 1 to transfer Dr. Pierce from Precinct 2 to the open spot in Precinct 1. This position is for an unexpired term and Dr. Pierce will be required to run for this position in the May 7, 2022 election. Mr. Taylor moved, seconded by Mrs. Peek, to move Dr. Pierce from Precinct 2 to Precinct 1. The motion carried unanimously.
<b>Oath of Office</b>	The Oath of Office was administered to Dr. Pierce as a member of Precinct 1.
<b>May 7, 2022 Candidate Applications</b>	Dr. Pierce reminded the May 7, 2022 election candidate application packets for Precincts 2 and 4 and for the unexpired terms of Precinct 1 and 3 are available from Sherie Tice. The filing deadline is 5:00 p.m., Friday, February 18, 2022.
<b>New Business Expansion Report</b>	Mr. Roberts reported forms are going up now and site concrete will be poured next week. Drywall is going well as they are a couple of weeks from being 100% hung out on levels 2 and 3. Level 2 now has some areas with prime and first coat of paint. Work on the central utility plant (CUP) is moving forward and in about two to three weeks that area will be ready for inspection. The inspection on 80% of the building is scheduled with the State for mid-February. The air handlers were set today on the roof and cranes will be used to set the generator and to place steel on the roof for pipes to run the chilled water which will be five to six weeks out. The project is going well and he reminded tours of the site may be scheduled through the office trailer on the back parking area.
<b>Consent Agenda</b>	Mr. Taylor moved, seconded by Mrs. Clack, to approve the following consent agenda items as presented. The motion carried unanimously.

To approve the recommendations for appointments, requests to change staff status, a request to change staff category, reappointments, requests to change staff category at time of reappointment, 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 \$34,519 for the purchase of BlackBox Gateway hardware for Telecommunications upon recommendation of the Finance/Budget Committee.

To approve \$6,201.95 for the purchase of a commercial grade dryer for Facilities Management upon recommendation of the Finance/Budget Committee.

To approve the Spending and Approval Limits for Purchase of Supplies, Equipment and Services Policy upon recommendation of the Finance/Budget Committee.

To approve the Hunt Regional Medical Partners Employment Agreement for Megan McKenna, D.O. upon recommendation of the Finance/Budget Committee.

To approve the Symetra Stop Loss coverage of \$250,000 as the annual specific deductible per individual with an annual premium of \$975,685 upon recommendation of the Finance/Budget Committee.

To approve the resale of Hunt County Property #70176, Block 70, Lot 1C, 2B, Acres .662, Commerce for \$2,955 upon recommendation of the Finance/Budget Committee and approval by all taxing entities.

**ACTION ITEMS**  
**Fiscal Year**  
**2021 HMHD**  
**Annual Audit**

Mr. Clark reported the audit of the Hunt Memorial Hospital District for year ending September 30, 2021 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. He reviewed required communications noting the District's net position increased in 2021 by \$13,921,687 or 18.1%. Audit risk areas and key disclosures and audit recorded and passed adjustments were noted and he 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, uncompensated care/gross revenue and property tax revenue. Following the presentation, Mr. Taylor moved, seconded by Mrs. Alderman, to approve the audit as presented. The motion carried unanimously.

**FY 2021  
Shared  
Success**

Mr. Boles presented the fiscal year 2021 Success Sharing distributions. He reminded distribution is based on levels of responsibility and hours worked. Financial, Quality and Customer Service criteria are each weighted at 33.3% and based on the criteria met, \$557,950 is available for distribution to 1,109 employees, less the employed physicians, through September 30, 2021. Following the presentation and discussion, Mrs. Clack moved, seconded by Mrs. Peek, to approve the Success Sharing distribution as presented. The motion carried unanimously. Mr. Boles reported the distribution will be reflected on the next payroll.

**Election  
Services  
Contract**

Mr. O'Neil presented a proposed Election Services Contract between the Hunt County Elections Administrator Office and Hunt Memorial Hospital District for the May 7, 2022 Board of Directors' election. Following the overview, Mrs. Killgore moved, seconded by Mr. Nelson, to approve the contract as presented. The motion carried unanimously.

**Election  
Order**

Mr. O'Neil presented Order Number 337, an order of Election of Hunt Memorial Hospital District for the purpose of electing two hospital directors from each of Commissioner's Precincts Two and Four and one hospital director each from Commissioner's Precincts One and Three in Hunt County. Applications for a place on the ballot shall be filed by 5:00 p.m. on Friday, February 18 at 4215 Joe Ramsey Boulevard, Greenville, Texas. Following the review, Mr. Nelson moved, seconded by Mr. Taylor, to approve Order Number 337 as presented. The motion carried unanimously.

**TxDOT  
Drainage  
Easement**

The agenda item, "TxDOT Drainage Easement for Royse City Property" may be considered following the Executive Session.

**Development  
Of a Royse  
City Facility**

The agenda item, "Development of a Royse City Facility" may be considered following the Executive Session.

**Financial  
Statements**

Ms. Morgan presented the December financial statements and statistical data. Following the review, Mr. Taylor moved, seconded by Mrs. Clack, to accept the December 2021 financial statements, subject to audit. The motion carried unanimously.

**DISCUSSION ITEMS**

**Strategic  
Initiatives**

Strategic initiatives will be discussed in Executive Session.

**Chairman's  
Report**

Dr. Pierce reported IT is analyzing audio/visual equipment to have the boardroom be more accommodating for meetings and a presentation on the layout and budget will be presented at a later meeting. An advertising/marketing update from Ms. Hill will be presented during the February Board meeting. An updated Board member telephone listing is included in the board folders.

**President/CEO  
Report**

Mr. Boles reported the following:

Megan McKenna, D.O. has signed her contract with Medical Partners and is expected to begin this fall following the completion of her residency the end of June 2022.

James "Jimmy" Robertson the new Chief Financial Officer from Yuma, Arizona will begin on February 14, 2022.

He met with the Hunt County Commissioner's Court this morning to request an additional \$1.8 million to meet the unfunded obligation we had from October 30 for caring for the COVID patients and this afternoon the Commissioners approved \$750,000.

The 2,000 sq. foot shell space behind the retail Pharmacy on the second floor is being renovated for approximately \$20,000 to be used as a patient holding area.

Standard and Poor's conducted their annual review of our bond rating and we maintained the BBB+ with stable outlook rating.

**COVID -19  
CMS Vaccine  
Requirements**

Ms. Lane reported CMS guidelines require first dose of the COVID-19 vaccine by February 19, 2022 and the full series or exemptions by March 21, 2022. Those filing exemptions will be required to wear ear loop masks. She reported this policy is now a condition of employment, thus every employee hired from this point will be offered the vaccine or medical/religious exemption and employees out of compliance on March 21, 2022 will be suspended and given a two week grace period. She reported the unknown list of 280 has been reduced to 125 and reviewed the statistics. The updated quarantine requirements were discussed and Ms. Lane reported the reduced days in quarantine whether vaccinated or not has allowed many of our employees to return to work after five days as long as they wear a N95 mask for the full ten day period.

**COVID  
Update**

Mr. Hurley provided a COVID surge update and reported on Monday we had 67 COVID+ inpatients, 13 Tele holds in the Emergency Department, 12 COVID+ with 7 double occupancy in the ICU, 6 patients in the inpatient alternate care site (Same Day Surgery), and 2 non-COVID inpatients on the Acute Rehab Unit. We have been over capacity are over capacity at 25-45 patients. He reported the shell space is being renovated and equipment obtained for a 6-8 bed unit but it is not currently staffed. He reported our TSA-E data reveals the trend of Emergency Department visits is trending down but COVID+ admissions is trending up. He reported the travel RN demand has increased by 3.4% over the last 30 days and the agency rate has gone from \$130 to \$171 per hour, noting the average RN rate at Hunt Regional is \$33 per hour. A STAR request was made on December 30 for 44 RNs and 10 RTs and the hospital received 24 RNS and 4RT and we have 35 RNs and 5 RTs from private agencies. He reviewed staffing trends and reported the hospital currently has 31 core openings.

**Recruitment  
Retention  
Strategy**

Ms. Lane discussed recruitment/retention strategies. Contract rates for peak and non-peak times are being negotiated and the hospital has created their own staffing pool for seasonal contracts at half the cost of agencies and discussed some challenges associated with that. The hospital is contracting with a firm to fill 10 positions with international nurses, expand our extern nursing program from 15 to 30 nurses, utilize a digital marketing plan beginning February 1, 2022, contract with a permanent placement recruiter to fill 10 positions and continue to watch the market to maintain competitive salaries and make adjustments as needed. She reported the strategy is a six month plan.

**Bed  
Expansion  
Options**

Mr. Mattox presented four bed expansion options to consider. The first option outlined renovations to the fifth and sixth floors with 20 beds on each floor at a project cost of \$13,514,340 with design taking four to six months and construction 9 to 11 months. Option 2 outlined vertical expansion over the existing West Wing with building shell and build out for fifth and sixth floors, building shell on the seventh and eighth floors, upgrading the Central Plant for a total project cost of \$59,820,000 which will provide for 50 beds and an additional 50 beds from future build out of the seventh and eighth floors. Design will take 10 to 12 months with construction 18 months for the fifth and sixth floors and an additional six months to shell the seventh and eighth floors. Option 3 outlined a horizontal expansion with building a shell and build out on the first two floors, building a shell on third and fourth floors, upgrading the Central Plant for a total project cost of \$59,980,000 which will provide 50 additional beds and 50 additional future beds on third and fourth floors. The design will take 10 to 12 months with construction 18 months for the first and second floors and an additional six months to shell the third and fourth floors. Option 4 outlined vertical expansion over current OB and Surgery Expansion with building the shell and build out on fourth and fifth floors for a total project cost of \$32,807,689 which will provide 50 additional beds. The design will take 10 to 12 months with construction at 18 months. Following the presentation and discussion, Mr. Boles reported this will be discussed further at the upcoming Strategic Plan Implementation Committee and Dr. Pierce requested the presentation be forwarded to the Board members.

**Quality  
Performance  
Report**

There was no report.

**Customer  
Service  
Report**

There was no report.

**Compliance  
Report**

There was no report.

**Executive  
Session**

An Executive Session was held under Texas Government Code §551.072. Following the Executive Session, the following action was taken.

**TxDOT  
Drainage  
Easement**

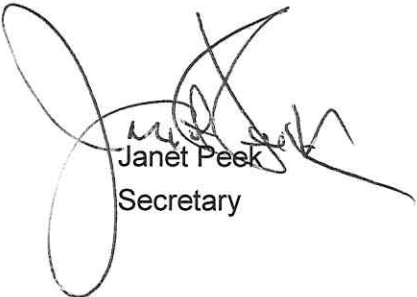
Mr. Taylor moved, seconded by Mrs. Peek, to accept the terms of the TxDOT Royse City Easement. The motion carried unanimously.

**Development  
of a Royse City  
Facility**

Mr. Taylor moved, seconded by Mrs. Clack, to continue to explore the expansion into Royse City to include an architect, engineer and cost estimates to include a 25 to 50 bed hospital to Include BKD costs. The motion carried unanimously.

**Adjournment**

There being no further business, the meeting adjourned at 8:15 p.m.



Janet Peek  
Secretary

slt