

HUNT MEMORIAL HOSPITAL DISTRICT
BOARD OF DIRECTORS
September 26, 2023

The Hunt Memorial Hospital District Board of Directors conducted a meeting on Tuesday, September 26, 2023 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 (Absent)
Mrs. Leslie Killgore (Absent)
Mr. John C. Nelson, Jr. (Absent)
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
Steven Brancheau, D.P.M., Podiatric Residency Director
Mr. Chris Janning, Hilltop Securities
Mr. Abe Benavides, McCall, Parkhurst & Horton, LLP
Mr. Chad Martin, Vice President Clinic Operations
Mr. Reese Hurley, MSN-Adm., RN, Vice President/CNO
Mr. Travis Potter, Vice President Business Development
Ms. Jamie Morgan, Vice President/CFO
Ms. Brandi Isham, Vice President Coordinated Care/Quality/Medical Staff
Ms. Lisa Hill, Marketing/Development & Communications Director
Ms. Mary Pattberg, Finance Projects Director

**Public
Hearing
on HMHD
FY 2024
Budgets**

Dr. Pierce opened the floor for public comments on the Hunt Memorial Hospital District Fiscal Year 2024 Operating and Capital Investment Plan Budgets. Ms. Morgan provided an overview of changes made to net patient revenue, total operating revenue, operating expense and on-operating expense changes the excess of revenue over expenses from \$1,393,018 to \$4,704,951. The Blue Cross Blue Shield negotiated contract was discussed and Mr. Boles reported Blue Cross Blue Shield has agreed to a 7½% increase this year and a 5% increase next year and we countered with a 7½% next year which is a \$2.4M impact to our bottom line and a 5% increase in

year three. The cash flow projections, the days of cash on hand and the 2024 capital budget summary were presented and reviewed. Ms. Morgan reported capital requests total \$7,692,127 of which \$2,004,912 is for facilities/infrastructure, \$5,437,215 for routine equipment and \$250,000 for contingency. The tax rate of \$0.197792 on each \$100 of assessed valuation of property was adopted during the September 19 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.

Approval of Minutes Mrs. Peek moved, seconded by Mrs. Clack, to approve the budget workshop meeting minutes and Board meeting minutes of August 22, 2023 as presented. The motion carried unanimously.

Medical Staff Report Mr. Boles reported Dr. Elisco is the new Chief of Staff and his two-year term begins October 1, 2023.

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 Consent Agenda Mr. Boles reported there is a 40% increase in the property insurance of which 26% is related to market conditions and the remaining is due to updating our building valuations. Mr. Taylor moved, seconded by Mr. Oswald, to approve the following consent agenda items as presented and recommended. The motion carried unanimously.

To approve the recommendations for appointments, requests for additional privileges, change in call coverage, requests to change staff status, reappointments, a reappointment with change in staff category, 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 2024 upon recommendation of the Development and Communications Committee.

To approve the \$14,501 Progressive Commercial Automobile insurance quote upon recommendation of the Finance/Budget Committee.

To approve the \$419,000 CNA Property insurance quote upon recommendation of the Finance/Budget Committee.

To approve \$33,894 for Palo Alto NextGen Firewall Technology Refresh for Hunt Regional Emergency Medical Center-Commerce and Hunt Regional Emergency Medical Center-Quinlan upon recommendation of the Facilities Planning Committee and the Finance/Budget Committee.

Action Items Dr. Brancheau expressed his appreciation to the Board for their support of the Podiatric Residency Program but he will be stepping down from his practice the end of November and as the Podiatric Residency Program Director the end of December 2023. He recommended Paul Brancheau, DPM, as the Program Director and Kevin Huntsman, DPM as the Assistant Director effective January 1, 2024. On behalf of the Board of Directors, Dr. Pierce thanked Dr. Brancheau for his 30+ years of service and the excellent care he provided clinically and academically to our community. Following discussion, Mrs. Clack moved, seconded by Mrs. Wensel, to approve Dr. Paul Brancheau as Program Director and Dr. Huntsman as Assistant Program Director as recommended. The motion carried unanimously.

Texas Capital Bank Financing Mr. Janning discussed a Continuing Covenant Agreement between the Hunt Memorial Hospital District and Texas Capital Bank Community Development Corporation for the issuance of Hospital Revenue Bonds, Series 2023A [\$6,085,000] for equipment with a 7 year amortization and Hospital Revenue Bonds, Series 2023B [\$13,175,000] for tenant improvements on the Royse City project with an assumed 20 year amortization including a ten year balloon payment with a March 1, 2025 call option. It was noted this will be interim financing until the HUD financing is available. The all-inclusive interest rate on the \$6.1M revenue bonds is 6.61% and

7.71% on the \$13M revenue bonds. Mr. Benavides confirmed two covenants relating to liquidity; days cash on hand and cash to indebtedness that will be tested on a quarterly basis, except at September end, the hospital will only report the information. The loan is targeted to close on October 11, 2023 and funds will be invested with a 5% interest rate on deposits until needed. Following review and discussion, Mr. Oswald moved, seconded by Mrs. Clack, to adopt an order authorizing the issuance of Hunt Memorial Hospital District Revenue Bonds, Series 2023 A [\$6,085,000] and Series 2023B [\$13,175,000]; Prescribing the terms and provisions thereof; making provisions for the payment of interest thereon and the principle thereof; approving and authorizing the sale thereof; approving a paying agent/registrar agreement and a continuing covenant agreement; and containing other provisions relating to the subject. The motion carried unanimously.

**Develop-
ment of
Services
In Royse
City**

The agenda item, "Development of Services and Land Release in Royse City" may be considered following the Executive Session.

**Adoption of
FY 2024
HMHD
Operating
And Capital
Budgets**

Mr. Taylor moved, seconded by Mrs. Peek, to adopt Order No. 347, an order adopting the budget of Hunt Memorial Hospital District for the period of October 1, 2023 through September 30, 2024. The motion carried unanimously.

**Temporary
Chair**

Mr. Taylor served as temporary Chair during the vote on the following three budget agenda items.

**Adoption of
FY 2024
Supple-
mental
Budget**

Mrs. Clack moved, seconded by Mrs. Wensel, to adopt Order No. 348, an order adopting separate items of the budget of Hunt of Hunt Memorial Hospital District for the period of October 1, 2023 through September 30, 2024 related to a contract with Texas Medicine Resources. The motion carried with Dr. Pierce abstaining.

**Adoption of
FY 2024
Supple-**

Mr. Oswald moved, seconded by Mrs. Peek, to adopt Order No. 349, an order adopting separate items of the budget of Hunt of Hunt Memorial Hospital District for the period of October 1, 2023

mental Budget through September 30, 2024 related to contracts with Texas Docs Unlimited, PA and Practice Associates, LLC regarding Urgent Care facilities. The motion carried with Dr. Pierce abstaining.

Adoption of FY 2024 Supplemental Budget Mrs. Clack moved, seconded by Mrs. Peek, to adopt Order No. 350, an order adopting separate items of the budget of Hunt Memorial Hospital District for the period of October 1, 2023 through September 30, 2024 related to a contract with Texas Docs Unlimited, PA regarding Texas A&M University-Commerce Sports Medical Director Services. The motion carried with Dr. Pierce abstaining.

Adoption of Tax Rolls Mr. Taylor moved, seconded by Mrs. Clack, to adopt Ordinance No. 351, an ordinance approving and adopting the tax rolls of Hunt Memorial Hospital District for 2023. The motion carried unanimously.

Financial Statements Ms. Morgan presented the August 2023 financial statements and statistical data. Following the review, Mr. Taylor moved, seconded by Mrs. Peek, to accept the August 2023 financial statements as presented, 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 the following:
The following changes were made to the board committee assignments: Julia Wensel will serve on the Strategic Implementation Plan Committee and the Development and Communications Committee in place of Janet Peek.

He expressed his appreciation to Mrs. Peek and Mrs. Wensel for their years of service on the Foundation Board but as approved last month, the Foundation Bylaws provide for only one Hospital Board member in addition to the Hospital District Board Chairman to serve on the Foundation Board. Anyone interested in serving on the Foundation Board should contact him and he will appoint a new member at the October board meeting.

A Board/Medical Staff/Leadership Retreat is being planned for November/December and Mrs. Peek volunteered to assist.

**President/CEO
Report**

The following was reported:

Mr. Martin reported the following recruitment update: recruitment and interviews for Family Medicine physicians is on-going; an offer is being extended to Dr. Varghese who recently interview for a Pediatrician position; Dr. Wilson and Dr. Young, Orthopedics, will be coming in November 2023 and Spring/Summer 2024, respectively; OB/GYN interviews are being scheduled; several physicians are being brought on full time for the Commerce Emergency Department; and beginning tomorrow a locum tenens Urologist, who is looking for a permanent position, will be filling in for Dr. Elisco during his vacation.

Mr. Hurley reported the Cerner transition is improving with focus on revenue cycle, revenue mapping, and laboratory turn-around times. Most work groups have completed their Cerner leadership assessments and are being closed out as completed. An issue with registration faxing was identified and is being corrected. Mr. Boles expressed appreciation to the hospital and Medical Staff for their grace and support during the transition.

Mr. Boles reported we are moving forward with the Blue Cross Blue Shield contract and in process of negotiating ten additional managed care contracts.

Mr. Potter reported the Rockwall and Royse City Urgent Care facilities will open as Hunt Regional on September 29. He commended Erica Whirley, Director of the Urgent Care facilities, Dr. Pierce and Dr. Usman for their work in transitioning these facilities to Hunt Regional and for bringing in the Commerce and Greenville facilities. The Fate Urgent Care will open November 1, the Emory facility is expected to open the spring of 2024, and the location for the Quinlan facility has not yet been determined but is expected to open in 2024.

Radiologist coverage will be discussed in Executive Session.

Mr. Boles reported the hospital is moving forward with transitioning facilities services and management from Vanguard to the hospital with substantial savings. Jeffrey Constantino, Director, was to remain with Vanguard but has accepted an opportunity in Oklahoma.

Mr. Hurley reported over the last 45 days 150 home health patients have been placed with either alternative providers, discharged from service or plan to use our outpatient services. The last two patients were closed out yesterday and the official close date with the State should be completed within the next few weeks.

**Customer
Service
Report**

Mr. Potter presented HCAHPS scores for 2020 through year to date 2023 and commended the staff for the improved scores in 2023. He reported Hunt Regional received national recognition from NRC Health regarding our customer service programs and services established over the past few years to boost engagement and productivity of our patients and employees. Following the presentation, the Board accepted the report.

**Executive
Session**

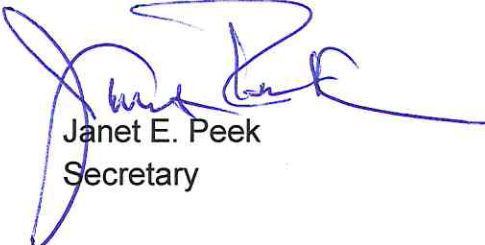
An Executive Session was held under Texas Government Code §551.071, §551.072 and §551.085. Following the Executive Session the following action was taken.

**Services
And Land
Release
In Royse
City**

Mr. Taylor moved, seconded by Mrs. Peek, to take all avenues to pursue the joint venture including the ground lease on the land that we own. The motion carried unanimously.

Adjournment

There being no further business, the meeting adjourned at 7:39 p.m.


Janet E. Peek
Secretary