CONCHO COUNTY HOSPITAL DISTRICT
MEETING MINUTES

STATE OF TEXAS
COUNTY OF CONCHO

1. **Call to Order**

   The Concho County Hospital Board of Directors met in Eden, Texas at the Concho County Hospital Dining Room on April 28, 2020 at 5:30 PM.

Board of Directors:	Leah Brosig	Vice President
	Eric Sanders	Secretary/Treasurer
	Mary Castanuela	Member
	Richard Doane	Member
	Ricky Thomas	Member
Others Present:	Brian Lady	CEO
	Priscilla Aguirre	Hospital Operations Manager
	Melanie Lozano	Finance Manager
	Lindee Pyle, RN, BSN	QA/Infection Control Coordinator
	Chris Beard	Chief Nursing Officer
	Steven Thummel, CPA	Durbin & Company (Telephone)

2. **Open Forum for Public Comment**

   There was no comment from the public.

3. **Approval of March 2020 Minutes**

   Mr. Doane made a motion to approve the March 24, 2020 minutes as presented. Mrs. Castanuela seconded the motion. The motion passed 5-0.

4. **Monthly Performance Improvements/QA Monitors**

   Lindee Pyle reported on the QA for the month of March. She stated that the problem of the verbal orders has been closed because it was down to 1%. For now, the trauma registry information is being worked on since the trauma coordinator left abruptly. No hospital acquired infections have been noted, and the COVID testing has slowed down.

5. **Billing & Revenue Cycle Management**

   Mrs. Aguirre presented the billing and revenue cycle reports for the month of March to the Board. She pointed out to the Board that payments from CCA have started to come in and the self pay account is high. 91.4% of the maintenance workloads were completed for the month. Mrs. Castanuela asked if there were very many people that qualify for indigent care.

Mrs. Aguirre replied that charity forms are sent out, but most patients will not complete and return the forms.

6. **Financial Statement and Accounts Payable for March 2020**
The financial summary for March was presented to the Board by Melanie Lozano. She stated that inpatient cash decreased which was the result of patient days being lower in February. Tax revenue was lower for the month and will continue to be lower due to the passing of the 3 months of large tax revenue collections. The result was a decrease in cash and a loss of about $230,000 of cash to expenses for the month. Mrs. Castanuela asked what Hospitalist Wages were. Mr. Lady replied that was Dr. Papillion's wages for working at the hospital. Mrs. Castanuela then asked what Rural Health Contract labor was. Mrs. Lozano answered that is Dr. Papillion's contract wages for the clinic. She is paid through Discovery, resulting in it being contract instead of regular wages. Mr. Beard stated that the Quality Assurance Surveys have changed and have been coming back with positive results. Five have been returned so far and all had 5's ranked across the survey. The Board was pleased hearing that the patients are giving satisfied results.

7. **Staff Appointments**
There were no staff appointments needing approval at this time.

8. **Approval of Policies**
No policies were available for approval for this meeting.

9. **Approve up to $60,000 for parking lot repairs/repaving**
Mr. Lady showed the Board a bid that has been running in the paper for 2 weeks. The Hospital has applied for a Capital Improvement Grant of $75,000 to assist with the parking lot repairs. There are 2 parking lots that need repairs, the Concho Medical Clinic parking lot and the parking on the east side of the hospital. The bids close at 5pm on Thursday. Mr. Thomas made a motion to give Mr. Lady the authority to go with the bids for the parking lot repair. Mr. Doane seconded the motion. Motion carried 4-1 with Mr. Sanders voting against.

10. **Virtual 2019 Audit Presentation**
Steven Thummel with Durbin & Company presented the Hospital's 2019 audit virtually. Current year resulted in an unmodified opinion being issued, which is the best opinion that can be provided. Total assets and deferred outflows of resources increased by approximately $450,000 in 2019. Total liabilities increased by a total of $345,000 for the year. Net position increased by $176,000, which is the net income for the year compared to a $438,000 loss from last year. Operating loss was $610,000 compared to $869,000 from last year which is a $250,000 improvement. Cash flows showed a net decrease of cash and cash equivalents of $137,272 for the year. The current ratio decreased this year from 9.8 to 6.8, but the hospital is still above peers. Days cash on hand decreased slightly from 232 days to 219 days, but the days are still above peer numbers. Mr. Thummel then went on to show the hospital how the supplemental payment programs affects the operating income. With the supplemental programs the hospital's operating loss was $610,000, and without the supplemental programs the operating loss would have been $1.4 million. Two material weaknesses were found this year: accounting estimates of third party payor settlements (cost report settlement) and capital assets, net of accumulated depreciation. A significant deficiency was found in segregation of duties due to the small size of staff. The Board asked if they would be

receiving a copy of the audit report. Mr. Thummel replied that they can send the final copies of the report after they receive the signed management letter. The Board thanked Mr. Thummel for his time.

11. **Administrator's Report**
- Mr. Lady passed out the cyber security assessments executive summary performed by Troutman and Associates, and the hospital continues to do well.
- The hospital has plenty of tests for the Coronavirus and has done well keeping a supply of PPE.
- The clinic internet service has been very poor due to the poor performance of CMC's Internet Service Provider. He stated that internet service is being updated to fiber. Ms. Brosig asked what the price difference will be. Mr. Lady responded that it would be $240/month.
- Mr. Lady stated that he would like to renovate the nurses' station from a security standpoint, and also to modernize it since it is a focal point of the hospital.
- Mr. Lady informed the board that money is coming in due to the coronavirus, and it allows the hospital to look into technology such as a robotic UV sanitizer. He also stated that the hospital was eligible for the Payroll Protection Program and will be receiving an estimated $580,000 that will help cover a couple of payrolls and utilities.

12. **Executive Session**
The Board went into Executive Session at 6:54pm to discuss strategic planning.

13. **Action from Executive Session**
The Board came out of Executive Session at 7:10pm. There was no action from Executive Session.

14. **Adjournment**
Mr. Doane made a motion to adjourn the meeting at 7:10pm. Mr. Thomas seconded the motion, with everyone in favor.

______________________ Date 5/26/20