CONCHO COUNTY HOSPITAL DISTRICT
MEETING MINUTES

STATE OF TEXAS
COUNTY OF CONCHO

I. Call to Order

The Concho County Hospital District Board of Directors met in Eden, Texas at the Concho Medical Clinic Lobby, 551 Eaker Street, on Tuesday, March 26, 2024 at 5:32 p.m.

II. Board of Directors

Anita Aguilar, President
Donna Magill, Secretary
Elizabeth Eureste, Member
James Rannelfeld, Member
Rosa Schreiber, Member

Brent Frasier, Vice President, Absent
Brandi Gloria, Member, Absent

Others Present:

Melissa Wilson, CEO
Michelle Saucedo, Director of Nursing
Melanie Lozano, Finance Manager
Dr. Brett McFadden, Medical Director
Deborah Fort, IT Liaison
Sheri Lowe, HR Manager
Mackenzie Hopkins, Radiology Manager

Antonio Aguilar, Guest
Chyna Allgood, Guest
Kathy Falcon, Guest
Layla Castleberry, Guest
Lesa Grumble, Guest
Julie Jones, Guest

III. Public Comments Regarding Agenda and Non-Agenda Items

Kathy Falcon spoke. She stated how policies and procedures are the heart of the hospital. She stated how the CEO made comments about how things were done previously and is speaking with misinformation, putting the CEO's integrity into question. She stated they had previously kept laws from being broken. She stated they also called and got charges approved on every credit card because of how policy was written and that it's against the law to charge someone's credit card without their knowledge. She stated concern that Medicaid patients are being charged because of Express Scripts being lapsed, which she states is against the law. She stated ten pharmacists had been through the pharmacy before this pharmacist, who has no hospital, rural, or Medicaid experience. She states that everyone needs to find out information before accusations about previous employees. She stated several people quit when the pharmacist came on-board, and that she left because she didn't want to have any part of someone having a heart attack because the pharmacy wouldn't supply them their pain medicine. She stated concern that the CEO may not be following up on complaints due to not being notified by the CEO of the outcome of her own complaint. She stated that she's concerned because many people who still trust her talk to her about complaints they have, and that she will bring them to the board meetings. She also stated concerns about how many people have left the hospital and that it says a lot when local employees no longer want to work there.

Layla Castleberry spoke. She stated concern about if there is no Medicaid policy at the pharmacy that it should be posted. She stated concern that if the pharmacy takes money from a Medicaid patient, then it is a crime.

IV. Approval of Minutes

A motion was made to approve minutes for February 27, 2024 and March 12, 2024 by Ms. Magill and seconded by Mr. Rannefeld. Motion carried 5 – 0. Minutes from January 29, 2024 were tabled until the next meeting on April 23, 2024.

V. Business Items

A. Monthly Performance Improvement/QA monitors

Mrs. Saucedo presented the report. She stated she continues to monitor the same measures. She stated Theresa Robbins from Physical Therapy will be reviewing and reporting quality measures for the department. She is also in the process of getting Sheri Lowe from Human Resources into the system to review HR specific quality measures. She stated they've been working with DSHS regarding closing out trauma measures and bringing on the new applicable trauma measures.

B. Billing and Revenue Cycle Management

Mrs. Wilson stated that the board not only has the standardized reports, but also presented the board members with another way to look at the numbers to show historical trends for fiscal year and monthly analysis. Inpatient admissions went down as of the end of February from three to one. Various factors contribute to the qualification process for inpatient stays versus observation, including collaboration with Dr. McFadden and emergency department providers. Tracking inpatient days provides insights into the average length of hospital stays monthly. Outpatient admissions increased slightly from 143 to 148. Swing bed days improved significantly from 18 to 29 compared to the previous fiscal year. Clinic admissions rose from 62 to 69, attributed partly to adjustments in patient scheduling and Dr. McFadden's clinic hours. Dr. McFadden specializes in internal medicine for patients aged 18 and older. Anticipated increases in clinic visits are expected as Dr. McFadden dedicates more time to his clinic, with personal invitations being sent out for appointments. January had 130 admissions and February had 129, while discharges increased from 350 to 363. Observation hours remained consistent at 151 in January and 150 in February.

In discussing receivables, Mrs. Wilson state there was a decrease from $314,914 in January to $214,522 in February, partially due to ongoing billing issues. Year-to-date comparisons show an increase from $1.86 million last year to $2.08 million in February, which is positive. Adjustments amounted to $136,053 in January and $343,515 in February, with January figures down compared to last year. Though February saw a slight increase, likely influenced by various factors.

As for Rural Health Clinic visits, Mrs. Wilson stated Physician Assistant Mr. Alexander's numbers are rising steadily, and we anticipate similar growth with Dr. McFadden's outreach efforts. However, the report lacks data on available appointments, no-shows, and cancellations, which are crucial for understanding demand. Notably, our no-show rate has hovered around 50% in recent months. Several board members stated concern about the clinic not charging patients for no-shows, which is a standard practice across other medical practices.

C. Financial Statement/Accounts Payable

Ms. Lozano shared information from the financial reports. She stated we received the last large piece of tax money for the year, however smaller amounts will continue to come in. She stated total expenses decreased by $100,000 from the previous month. She stated we still expect to see the IGT money coming in March. She also stated that we received the COVID SHIP check early March, providing the ability to mail checks in holding. She stated there's a cost report receivable expected in May for over $600,000.

D. Staff Appointments

Mrs. Saucedo presented Radiology Partners providers to be added. Ms. Eureste made a motion for approval of staff appointments, Mr. Rannefeld seconded. Motion passed 5 – 0.

E. Approval of Joint Election Agreement

Ms. Lozano presented the need to pay $1500 for the county to handle the election. Ms. Magill made a motion, Ms. Schreiber seconded. Motion passed 5 – 0.

F. Remove Concho County Hospital Auxiliary bank account from under the umbrella of Concho County Hospital's Tax ID number

Mrs. Aguilar presented that it was recently discovered that our auxiliary account, established in the 1960s under the hospital's tax number, was unknowingly still linked to the hospital's tax ID. In 2009, the auxiliary created its own LLC and obtained a separate tax number, but this information wasn't updated with the bank. In March, we were informed of the need to rectify this situation. A motion is required for the hospital to remove the auxiliary from its tax number, as per the request of another bank. Ms. Eureste made the motion, Mr. Rannefeld seconded. Motion passed 5 – 0.

G. Audit Committee update

Mr. Rannefeld presented an update from a review done by the Audit Committee. The audit committee was formed to oversee financial integrity and compliance, in response to SEC mandates post-Enron scandal. Despite being uncommon for rural hospital boards, our board approved an audit committee and its charter last fall. The committee's main focus is ensuring financial statement integrity, legal compliance, and independence of auditors. Challenges in initiating audits since fiscal 2019, particularly due to uncertainties related to COVID-19 stimulus payments, have been encountered. Efforts are underway to rectify delays and ensure timely completion of audits, with the 2022 and 2023 audit engagement letter signed in March 2024. Despite delays, the final audited statements for 2020 and 2021 highlight operational losses offset by non-operating revenues, primarily COVID-related funding. However, the audit committee identified significant deficiencies in internal controls, such as weaknesses in third-party payer settlements, financial close processes, and estimates for uncollectible patient accounts. Recommendations include updating internal control documentation, enhancing budgetary compliance, and improving board reporting and onboarding processes. Seeking external expert guidance, such as from Preferred Management Corporation, has been suggested to address complex challenges. While concerns about fraud have been raised, the committee does not recommend a forensic audit at this time, prioritizing engagement with external firms to strengthen financial compliance and oversight. The composition and qualifications of the audit committee members, including requirements for financial literacy and independence, were also discussed. Finally, it was emphasized that public hospitals, like ours, are legally obligated to undergo annual financial audits, and non-compliance since 2019 has financial implications.

VI: Pursuant to Texas Government Code Sections 551.071 and 551.085, the CCH Board entered into executive session

The board went into Executive Session at 6:46 p.m. for Consultations with Attorney, as well as Deliberation by Governing Board of Certain Providers of Health Care Services. Executive Session ended at 8:00 p.m.

VII: Action from Executive Session

Mr. Rannefeld made a motion to approve a new contract for Macro Helix along with the required interface fee for the electronic health record for the 340B program. Ms. Magill seconded the motion. Motion passed 5 – 0.

VIII: Meeting Adjournment

Ms. Eureste made a motion and Mr. Rannefeld seconded the motion to adjourn at 8:02 p.m. Motion passed 5 – 0.

The next board meeting will be April 23, 2024 at 5:30 p.m.

Anita Aguilar — 24 April 2024

Conccho County Hospital Board President — Date