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, June 27, 2024, at 5:31 p.m.

II. Board of Directors

Anita Aguilar, President
Elizabeth Eureste, Member
Rosa Schreiber, Member
Brandi Gloria, Member
Priscilla Aguirre, Member
Julie Jones, Member
James Rannefeld, Member
Melissa Wilson, CEO

Others Present:

Trent Krienke, Concho County Hospital District Attorney (via Microsoft Teams)
Jerry Pickett, Interim CFO
Michelle Saucedo, Director of Nursing
Dr. Brett McFadden, Medical Director
Mackenzie Hopkins, Radiology Manager
Sheri Lowe, HR Manager
Sunny Sifuentes, Lab Manager
Kelly Eaves, Employee
Lori Nunn, Employee
Lee "Smokey" Taylor, Pharmacist
Hasnain Hashmi, Pharmacist
Antonio Aguilar, Guest
Katherine Gloria, Guest
Ruben Gloria, Guest
Agapito Torres, Guest
Layla Castleberry, Guest
Victoria Ramirez, Guest
Lesa Grumbles, Guest
Hazel Medders, Guest
Johnathan Gaballo, Deputy Sheriff
Tony Cook, Deputy Sheriff

III. Open Forum for Public Comments (limited to 5 minutes)

Kathy Gloria: Stated that she recognizes the sacrifice it takes to work together for the good of the community. She expressed her sadness that the board has not come together. She emphasized that the hospital is crucial for the community, as it saves lives, including her son's. She urged the board to support the hospital and work together for the town's benefit. She highlighted the importance of having a good hospital, good schools, and good doctors, stressing that the board was elected to serve the people. She shared her desire to rely on the local hospital in emergencies rather than going to a larger city. Finally, she encouraged the board to allow the CEO to do her job and for members to help each other in service.

Layla Castleberry: She expressed her disappointment from last month, mainly because she frequently encourages people to register and vote without telling them who to vote for. She emphasized the importance of local and state governments over federal government, stating that local decisions matter more. She highlighted that despite varying precinct sizes, everyone voted for each precinct, meaning the majority decided the outcome. She was frustrated that some board members didn't respect the voters' choice, noting that numbers are objective and should guide decisions. She urged everyone to vote to ensure their voices are heard, emphasizing that more voter participation would prevent such issues. She concluded by expressing trust in the board to resolve the matter.

Lesa Grumbles: She read from part of the Texas government code 552, specifically the introduction, which states that under the fundamental philosophy of American constitutional government, the government is the servant, not the master, of the people. She emphasized that the state policy entitles each person to complete information about government affairs and the official acts of public officials and employees. She reiterated that the people do not give public servants the right to decide what information is good for the public to know. The public insists on being informed to retain control over the government instruments they created, and voting is a keyway to exercise this control. She agreed with previous speakers about the importance of transparency and service. She mentioned experiencing unnecessary delays in obtaining information, having to go through the Attorney General and pay money to rebut denied information requests. She highlighted that public salary information and contract details should be accessible, as stated in the government code, and criticized the local hospital for not making this information readily available. She felt it was a waste of time and resources to deny such requests. She expressed appreciation for the board's efforts. She then acknowledged Michelle Saucedo's professionalism, even when they disagreed, and appreciated her helpful attitude. She thanked the board for their time and service.

IV. Election of new board officer positions (Action Item)

This item was completed after agenda item VI.

Ms. Eureste nominated Mrs. Aguilar as President and Mrs. Aguirre seconded, motion did not carry at a 3-4 vote. Ms. Schreiber nominated Mrs. Jones as President and Mrs. Gloria seconded, motion carried 4-3.

Mrs. Jones made a motion to elect Ms. Schreiber as Vice President, Mrs. Gloria seconded, motion carried 4-3.

Mrs. Aguirre made a motion to elect Mrs. Gloria as Secretary, Mrs. Jones seconded, motion did carried 4-3.

With newly elected board officer positions, Mrs. Jones changed seats to continue to run the meeting.

V. Approval of Minutes (Action Item)

This item was completed after agenda item XIII. Mrs. Aguirre and Mrs. Aguilar left the meeting prior to restarting from executive session. Open session was called back to order at 6:53 p.m.

Ms. Eureste made a motion to approve the minutes with corrections noted for May 29, 2024. Ms. Schreiber seconded. Motion carried 5-0.

VI. Discussion and approval of member-at-large board appointment (Action Item)

This item was moved and completed after item III. Mr. Rannefeld was excluded from voting on his own position per the attorney.

Mrs. Aguilar states: Per Trent, he stated we needed to look at the skill sets which will benefit moving forward, such as legal, accounting or healthcare expertise. He also recommended that perhaps a candidate who could be a compromised choice, someone who is well-rounded and would efficiently serve the community, could be appointed. That's what Trent told us last month. So as your President, the candidate that I would like to nominate for our member at large board appointment has knowledge in the legal field. He is well versed in projecting and implementing $1,000,000 budget. He has construction experience, which will be very important to this board due to the fact that our past Board and CEO made a large investment on property and infrastructure of the property, including lift stations and generators. Most of all, this individual has experience of listening to our taxpayers with the objective of bettering our community. I would say that this candidate meets all of our attorneys' recommendations for our member at large board position. I, Anita Aguilar, your president, makes the motion to nominate Agapito Torres for the at large position. Agapito Torres is a graduate of Eden high school. He has lived all his life here. He has served as the mayor for six years. He has excellent knowledge. In the legal field in construction and budgeting. So that will be my recommendation. I would say that he would do an outstanding job serving as the board at large board member for Concho County. Anita asks for a second. James Rannefeld seconds the motion. Anita Aguilar apologized to James Rannefeld and reports that he is unable to make a motion to replace his position. Trent Krienke confirms. James Rannefeld stated "I retract my statement." Ms. Eureste seconded. Motion did not carry 3-3. Mrs. Jones nominated Kathy Gloria due to her well-roundedness, plus experience and community involvement as a business owner. Mrs. Aguilar asked if she was registered to vote in the county within the last six months, and Mrs. Kathy Gloria stated yes, she is. Mrs. Brandi Gloria seconded the motion. Motion did not carry 3-3.

VII. Discussion and approval to remove Brent Frazier from First State Bank of Paint Rock signature cards, and discussion and vote to add a replacement (Action Item)

This item was moved and completed after item V.

Ms. Eureste made a motion to remove Mr. Frazier from the First State Bank of Paint Rock signature card and keep the same signers as the Eden State bank which are Mrs. Aguilar and Ms. Schreiber and add them to the signature card at The First State Bank of Paint Rock. Mrs. Gloria seconded. Motion passed 5-0.

VIII. Discussion regarding Endeavor billing company

This item was moved and completed after item VII.

Mrs. Jones conferred that this item was discussed appropriately in executive session due to confidentiality statements in the contract. No action needed.

IX. Discussion regarding CCH Facebook Live for board meetings (Action Item)

This item was moved and completed after item VIII.

Mrs. Wilson announced that the hospital is now conducting its own Facebook Live sessions, a decision made during the last board meeting. To ensure fairness and prevent bias, comments will not be permitted on these live sessions. This is also due to the hospital and board lacking the resources to monitor the Facebook page for comments. Once the Facebook Live videos are created, they will be downloaded onto the hospital's website along with the meeting minutes, making them part of the public record. When asked if comments could be submitted on the website, she suggested that anyone with questions or comments should see her directly, as she is happy to address any concerns in person. She confirmed that not allowing comments on Facebook Live is legal, as discussed with the attorney, and reiterated that the videos will be available on the Concho County Hospital website once minutes are approved and the video is downloaded.

X. Discussion and approval of new or revised forms (Action Item)

This item was moved and completed after item IX.

Mrs. Wilson explained that there are four forms: two for the hospital and two for the Concho Medical Clinic. The hospital forms are the Consent to Treatment / Health Care Agreement for patients to sign, ensuring clear consent to treatment, available in both English and Spanish. Similarly, the Concho Medical Clinic forms have the exact same content, also available in English and Spanish, with only the letterhead differing.

Mrs. Saucedo spoke about three other forms requiring approval. The Important Message from Medicare form for inpatient stays, which is patient rights to appeal discharge. One is in English and one in Spanish. Mrs. Saucedo presented the Trauma Service Provider Professional Practice Evaluation Credentialing Form. She explained that their trauma program requires all providers to meet specific credentials for trauma education. Annually, they credential all physicians, locums, and anyone working in the ER. The medical director and the trauma director handle this process. She mentioned the need to approve the trauma evaluation form that providers sign, confirming they meet the necessary criteria. This form verifies that providers have the required credentials, such as ACLS, ATLS, and PALS. The process involves reviewing each provider's credentials, documenting them, and presenting them to the trauma committee for the trauma medical director's approval. This documentation is crucial for audits during trauma designation reviews, ensuring all ER providers are properly credentialed.

Ms. Eureste made a motion to approve all forms, Mr. Rannefeld seconded. Motion carried 5-0.

XI. Business Items

A. Monthly Performance Improvement/QA monitors (M. Saucedo)

Mrs. Saucedo reported, stating she would discuss the measures by exception. She mentioned that she has the data, noting that the last 14 were concerning their registration, which was in the low 60s. When examining the measures, it was found that the registration percentage is affected by whether the person validating their insurance uses the patient portal. However, CNAs (Certified Nursing Assistants) do not have access to the Internet, which is impacting the results negatively. To address this issue, they plan to change the measure to more appropriately reflect what the CNAs are required to ensure.

B. Billing and Revenue Cycle Management (M. Wilson)

Mrs. Wilson presented an overview of the hospital's recent operational and financial performance during the board meeting. She distributed additional documents aimed at providing clearer insights into the hospital's metrics. This information breaks down last fiscal year and this fiscal year, allowing for trend analysis and comparison of performance metrics.

She reported that they had six inpatient admissions, an increase from last year and last month. Inpatient days totaled 22, down by one day from last month but up from the previous fiscal year. While larger health systems track inpatient days due to penalties for extended stays, they are monitoring this data for future standards.

She reported outpatient admissions decreased from last month and last year, while other admissions were up from last month but slightly down from last year. Swing bed days significantly improved to 41, compared to seven last month and 12 last year, which Mrs. Wilson attributed to the diligent efforts of Mrs. Saucedo, Dr. McFadden, the Leone contract team, and the rest of the hospital team.

Mrs. Wilson stated that clinic admissions were 62, down from last year but up by one from last month. ER admissions totaled 122, a decrease from both last year and the previous month. She is still investigating the discharges data to understand its implications better. Observation hours, counted as outpatient visits, need further information for better utilization.

Outpatient lab visits reached 1,060, showing a positive trend despite the clinic visits not improving substantially. Radiology studies totaled 173, including five weekly ultrasounds, a new service previously approved by the board. The program is running well, with positive feedback from patients.

Regarding financials, May saw collections of $779,437, with year-to-date collections at approximately $3.8 million, indicating a positive trend despite earlier billing issues. Adjustments, largely influenced by payer contracts, were explained by Mr. Pickett, highlighting variations in payments from Medicare and Medicaid.

C. Financial Statement/Accounts Payable (J. Pickett)

Mr. Pickett, the new interim CFO, presented the financial updates for May since Mrs. Lozano was absent, in addition to moving to another position outside the hospital system. Mrs. Wilson stated that Mr. Pickett comes to us through TORCH Management Services.

Mr. Pickett led the discussion, starting with a positive note about cash flow for the organization. He pointed out that the cash balance rose significantly from approximately $300,000 at the end of April to nearly $1.9 million by the end of last month. This increase was primarily due to two substantial cash inflows, including $461,000 received for swing bed payments from a long-term patient. He then noted that they received a significant Medicare payment of over $760,000, which was part of an annual settlement process where underpayments from previous years are reconciled based on patient care metrics. This payment is a one-time adjustment that reflects their performance in the past fiscal year.

Mr. Pickett highlighted that although total cash last month was about $639,256 and expenses were $809,874, the overall cash flow still demonstrated improvement. The recent cash infusion allowed them to put money back in the bank, which was considered excellent news. In terms of operational profit, they previously announced an operating profit of about $200,000, then a cash profit of approximately $22,000, and now, for the current month, a cash profit exceeding $69,000, emphasizing that this figure was not influenced by the recent Medicare cash settlement but was a result of the team's hard work and community support. Three months would indicate a clear trend of improvement.

During the discussion, Mr. Pickett provided updates on the status of the audits for 2022 and 2023, indicating he had just started and would need time to gather necessary information. The group addressed issues with accounts receivable, with concerns about negative balances, particularly with Medicaid. They noted that the hospital had previously been a recipient of funds from the Disproportionate Share Hospital (DSH) program, which would help mitigate losses from serving a high volume of low-income patients.

Mr. Pickett expressed the need to complete a revised budget before the end of the fiscal year in September and emphasized the importance of providing training for department heads to better manage their budgets. He acknowledged that while the financial situation had improved significantly under Mrs. Wilson's leadership, ongoing work is necessary to maintain this positive trajectory.

The discussion concluded with an acknowledgment of the team's efforts in bringing the organization from a difficult position to a healthier financial state, as well as recognition of the hospital's capabilities and resources, including advanced medical equipment.

D. Staff Appointments (Action Item)

Mrs. Saucedo presented the staff appointments, which included 11 for Radiology and one for the hospital. Ms. Eureste motioned to approve the staff appointments, Mrs. Gloria seconded. Motion passed 5-0.

XII: Chief Executive Officer's report (M. Wilson)

A. Mrs. Wilson is pleased to report excellent results from the recent fire safety inspection, with most buildings passing without violations and two passing after corrections during the inspection. This improvement highlights the commitment to maintaining a safe environment for patients, staff, and visitors. Moving forward, safety will remain a priority with regular maintenance, annual fire safety inspections, and a comprehensive five-year suppression system review to ensure compliance and readiness for any issues. She thanks Mario Aguirre, Sebastian Butler, and all involved for their hard work in achieving these outstanding results..

B. Mrs. Wilson is excited to share the initial feedback from the annual risk assessment survey, which has shown excellence across multiple areas and an impressive improvement from the last survey. This positive outcome highlights the steadfast commitment to risk management and continuous improvement in operational practices. While awaiting final feedback on all components, the preliminary results already reflect a dedication to high standards in risk mitigation and organizational resilience. The final report will provide further insights and opportunities to enhance processes, ensuring the continued upholding of the highest standards of safety and security. Mrs. Wilson extends her gratitude to Deborah Fort, Mario Aguirre, Sebastian Butler, and the entire team for their hard work and dedication in achieving these exemplary results. Together, they will continue to build on this success and further strengthen the risk management framework.

C. Mrs. Wilson addresses concerns regarding her open-door policy, affirming that she indeed has one. Staff, community members, and partners can all attest to this. She acknowledges inheriting a challenging situation that has required significant effort to improve. She reminds everyone that resolving these issues takes time, especially as more issues arise and with new staff and continued vacancies in our remote location. Due to her busy schedule, she asks that emails and phone calls be minimized where possible. For legitimate concerns, she invites people to visit her directly, with Mrs. Lowe managing her calendar. If a visit is not possible, leaving a message is an alternative. Mrs. Wilson also explains that she may not always provide the answers people expect. She compares it to a school administration handling a complaint about a teacher: they investigate and address it according to policy but do not necessarily share specific personnel decisions. She asks for understanding and patience, emphasizing her commitment to taking all information and complaints seriously and investigating them thoroughly, even if outcomes are not always shared.

D. Pharmacy Updates:

1. CCH's own 340B program is live with our clinic. 200 claims were qualified from April to May. Total accumulations (93, items worth $9000) were shipped. Some items were returned back to McKesson for a credit of $3000 which were purchased prior to 340B live date. Our cost would have been close to $30K-$40K on these 93 items without 340B pricing. The hospital 340B program will go live in

approximately two weeks. As we transition, we are acquiring medicines on 340B pricing with higher profits.

2. Expired medicines return is generating revenue and we have been receiving money back (70% of our purchase price for outpatient and 80% for inpatient). Medicines have to be sent 90 days prior to expiration and we process them on monthly basis pulling 90 days in advance. Please be advised that this process never existed, meaning a loss of thousand of dollars over the years. Previously, we paid an Inmar representative to come on site who put all expired in a box and shipped them to a destruction site.
3. Inventory last year was the first time inventory was executed by using handheld devices. We are now scanning each and every item, while putting exact counts of the medicines for both inpatient and outpatient pharmacies. We installed pinpoint inventory management system to maintain tight control on the inventory. In addition, TrueMed inventory system was installed in the inpatient pharmacy. Previously we had no system since hospital was started operations.
4. Point of Sale (POS) system was installed and integrated with pharmacy. Software is now in the outpatient pharmacy to track the sales of prescriptions, over-the-counter (OTC), and psuedophed sales to ensure compliance with federal and state laws. The system helps in monitoring that exact copays while prices are recorded. Previously there was no POS system.
5. Security of C2 medicines have been ensured by putting them in safe to avoid theft and diversion. Only pharmacists have access to the safe.
6. Medication error reporting and peer review has been implemented. Quarterly peer review are now done as per board of pharmacy rules to address the errors and institute procedures to avoid such errors.
7. Vaccine reporting vaccines had not previously been entered in to the pharmacy system for processing and records. Reporting was done manually. Now all vaccines are processed through pharmacy system and reported automatically to the state at midnight.
8. Express Scripts. All required documents submitted and accepted by Express Scripts. Will be in network anytime.

E. Mrs. Wilson urges everyone in the community to join forces and support the hospital. She asks that negativity about the hospital not be accepted and encourages fighting for what is right and the great care provided. With a positive trend underway, continued positivity towards the hospital and staff is essential. She thanks everyone for their support.

XIII: Pursuant to Texas Government Code Sections 551.071 and 551.074, the CCH Board entered into executive session

This item was moved and completed after agenda item IV.

The board entered into Executive Session at 5:51 p.m. for Consultations with Attorney, as well as to review a complaint against an officer. Executive Session ended at 6:46 p.m.

XIV: Action from Executive Session

This item was moved and completed after agenda item XII.

Mr. Rannefeld made a motion to have the complaint investigated by our legal council, Ms. Schreiber seconded, motion passed 5-0.

XV: Meeting Adjournment

Mr. Rannefeld made a motion and Mrs. Gloria seconded the motion to adjourn at 7:55 p.m.
Motion passed 5 – 0.

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

Julie M. Jones 10/2/2024

Concho County Hospital Board President Date