**CONCHO COUNTY HOSPITAL DISTRICT**

**MEETING MINUTES**

**STATE OF TEXAS**

**COUNTY OF CONCHO**

**1.) Call to Order**

The Concho County Hospital District Board of Directors, met in Eden, Texas at the Concho Medical Clinic Lobby, 551 Eaker Street, for a Called Meeting on Tuesday, May 26, 2026, at 5:32 p.m.

**2.) Roll Call & Attendance**

Board Members

Julie Jones, President

Rosa Schreiber, Vice President

Anita Aguilar, Member-Absent

Brandi Gloria, Member

Donna Magill, Member

**Other Present**

Robert A. Pascasio, CEO

Sheri Lowe, HR/ Admin Assistant

Mackenzie Hopkins, Radiology Director

Deborah Fort

Kelly Helms

Tiffany Helms

**3.) Welcome & Swear in New Board Member(s)**

Pascasio welcomed Donna Magill to the Board and the swearing in was done on May 11, 2026. (Agenda Item was addressed on May 11, 20226, No Action Needed)

**4.) Public Comment**

No Public Comments

**Open Sealed Bids from 33 acres** - Benny Holesher $120,000, Helms $158,000, City of Eden $75,000, Castillo $75,000- Bids tabled and would be discussed more in closed session.

**5.) Board Minutes**

a.) May 5, 2026, Regular Meeting

b.) May 11, 2026, Called Meeting- Election Canvass

Rosa Schreiber made a motion to approve the minutes of May 5, 2026, and May 11, 2026, with the correction of the spelling of her last name. Donna Magill seconded the motion. There were no further comments or discussions. The motion passed unanimously, 4–0.

**6.) Finance Report**

Will Martin presented the Finance Report to the Board of Directors.

Rosa Schreiber asked about payments related to Mike Ross. Pascasio explained that the numbers were not displayed properly and noted that Mike Ross was a contract employee.

Rosa Schreiber also inquired about the audit figures. Will Martin stated that several factors combined could account for the reported amount.

Rosa Schreiber asked Pascasio about Alero Group. Pascasio explained that Alero Group is the new Health Sure insurance company that handles the hospital's liability insurance and receives monthly payments.

Julie Jones asked about Ogletree Deakins. Pascasio stated that Ogletree Deakins is the law firm handling an ongoing lawsuit.

Rosa Schreiber requested that Pascasio and Will Martin provide a report to the Board showing a breakdown of clinic provider-related numbers.

The Board discussed the slow patient volumes during February and March, noting that these months had a negative impact on the financial statements.

There being no further questions or comments, Rosa Schreiber made a motion to approve the Finance Report as presented. The motion was seconded by Brandi Gloria. The motion passed unanimously, 4–0.

**7.) CEO Report**

CEO Pascasio presented his report to the Board and noted that CMS had issued a six-month moratorium on new Medicare-certified home health and hospice agency applications. While the moratorium does not have an immediate impact on the hospital, discussion occurred regarding the potential future benefits of establishing a home health agency. It was noted that planning and preparation could continue during the moratorium period should the Board choose to pursue the opportunity.

An update was provided regarding the Rural Emergency Hospital (REH) survey and Medicare application process. Rebecca Reed, the survey director, completed a review, and hospital licensing representatives conducted an on-site visit the previous week. The hospital received notice of a few deficiencies that delayed submission of the Medicare REH application; however, corrective actions were being implemented, and the process was moving forward.

The Board received an update regarding ambulance services. Administration recently met with representatives from City Ambulance. City Ambulance will began providing coverage for Menard County Hospital District under a five-year contract. Additional meetings are planned to coordinate operations, reporting systems, and service integration.

An update was also provided regarding services at the Eden Detention Center/ Core Civic. Administration reported that Immigration and Customs Enforcement (ICE) had reportedly reduced its presence at the facility. Discussions continue regarding future patient volumes and service needs. Concerns were expressed regarding outstanding payments owed by ICE for services previously provided by the hospital. Administration noted that efforts to collect those payments are ongoing.

During review of the Human Resources report, a Board member noted a typographical error regarding an employee credential listing. The report also highlighted a 26% increase in Blue Cross participation. The Board Chair Julie Jones expressed appreciation to staff for their continued efforts in maintaining operations and organizational performance.

There being no further questions or comments, a motion was made by Brandi Gloria and seconded by Donna Magill to approve the CEO Report as presented. The motion carried unanimously, 4–0.

**8.) Organization Policy & Procedure Statements**

a.) Funded Depreciation

b.) Procedure for Determining Allowability, Allocability, and Reasonableness of Costs Purpose c.) Investment

Pascasio presented three policy items for Board consideration, including a Funded Depreciation Policy; Procedures for Determining the Allowability, Allocability, and Reasonableness of Costs; and an Investment Policy.

Pascasio explained that the funded depreciation policy was developed in response to grant program requirements. Certain grant funding sources expect participating organizations to establish reserve funding practices. The proposed policy would allow the district to demonstrate compliance with those expectations while requiring specified reserve levels to be met before implementation.

Pascasio further advised that the procedures for determining the allowability, allocability, and reasonableness of costs are required as part of various grant application packages. Grant applications include questionnaires asking whether such policies are in place, and adoption of the procedures would enable the district to affirm compliance with those requirements.

The proposed investment policy was presented in response to recommendations identified during recent audits. Pascasio reported that auditors had indicated the district should maintain a formal investment policy. Sample policies were reviewed from both the audit firm and industry resources and used in the development of the proposed policy. The Board discussed policy requirements, including training obligations associated with oversight of district investments.

Following discussion, the Board agreed to consider all three policy items under a single motion.

A motion was made to approve the Funded Depreciation Policy; Procedures for Determining the Allowability, Allocability, and Reasonableness of Costs, and the Investment Policy, by Donna Magill and, seconded by Brandi Gloria. The motion was carried by a vote of 4-0.

**9.) T Systems (Evolved) License Agreement**

Pascasio presented the proposed T-System software license agreement, which had been discussed at the previous board meeting. The software is intended to enhance emergency department documentation and support more accurate coding and billing of emergency room services.

Pascasio explained that recent reviews identified documentation deficiencies that limited the organization's ability to fully support billed emergency department services. Accurate emergency department billing is based on the level of care provided, with higher-acuity visits requiring more extensive documentation to justify reimbursement. Examples were discussed in which patient encounters may have qualified for higher billing levels, but documentation was insufficient to support the services rendered.

T-System is a long-established emergency department documentation platform designed to guide providers and nursing staff through the documentation process. The software requires completion of all necessary documentation fields before records can be finalized, helping ensure that clinical information needed for coding and billing is captured consistently.

Representatives from the vendor previously conducted an assessment of the district's emergency department operations and estimated that implementation of the software could increase annual gross billings by approximately $350,000. After accounting for fees, contractual adjustments, and actual reimbursement rates, staff indicated that the system could still generate a meaningful increase in net revenue for the organization.

The Board discussed implementation costs, contract terms, and integration with the district's existing electronic medical record (EMR) system. Pascasio reported that the agreement would not require a significant upfront investment, with payments beginning only after the system is fully operational. Implementation is expected to take several months due to interface development requirements.

Pascasio further explained that the proposed agreement includes a three-year contract term. Questions were raised regarding the district's current agreement with its EMR vendor and potential future changes to the organization's medical records and billing systems. Pascasio noted that the T-System product functions as a supplemental module and could continue to be used if only billing services change; however, if the district replaces its EMR platform entirely, the software would require reinstallation and integration with the new system.

In response to board questions, Pascasio stated that multiple documentation solutions had been evaluated and that T-System appeared to provide the most effective method for improving documentation compliance and supporting accurate coding and reimbursement. Motion was made by Brandi Gloria to approve the T-System software license agreement. Second by Donna Magill, the motion carried 4-0 unanimously.

**10.) DY 10 QIPP IGT Funding**

Pascasio presented information regarding funding for the district's participation in the IGT program. Previous discussions have occurred over the past several months, and staff reported that the next IGT payment would be due in June.

Pascasio advised that loan documents had been finalized with the district's banking institution to provide financing for the required IGT payments. Approval was requested to authorize execution of the loan documents on behalf of the district.

The proposed financing would provide up to $719,860 in funding, structured similarly to a line of credit. Approximately $359,930 would be drawn in June, with the remaining amount to be drawn in December to cover the second IGT payment. Staff estimated a net return of approximately $175,000 per payment cycle, although actual amounts may vary.

Board members discussed the financing structure, including interest costs and associated fees. Pascasio explained that the district would begin incurring interest expenses upon drawing the funds and that revenue generated through the program was not expected to begin returning to the district until early 2027. Once revenues are received, the district may use those proceeds to reduce the outstanding loan balance and associated interest expenses.

Pascasio reported that the estimated total cost of financing, including interest and loan fees, is approximately $48,000 over the life of the arrangement. Additional details regarding interest rates and repayment schedules were provided by the lending institution.

Discussion also included participation by local nursing facilities. Pascasio noted that while three facilities were initially considered, only one currently participates because the others qualified for alternative programs. Pascasio indicated that efforts would continue to identify additional participation opportunities in the future.

Donna Magill made a motion to authorize execution of the loan documents necessary to fund the district's IGT program participation. Second by Brandi Gloria. 4-0 Motion carries.

**11.) CCHD Enabling Legislation**

Pascasio introduced a discussion regarding potential changes to the district's enabling legislation and governance structure. No action was requested at this time; the purpose of the discussion was to begin considering possible legislative priorities for the upcoming legislative session.

Pascasio noted that several items had been discussed previously but may warrant further review. Topics presented for consideration included:

Evaluate the requirement that all actions receive four affirmative votes and consider amending it to allow approval by a simple majority vote

Evaluating whether the Board Secretary position must be held by a board member or whether a non-board member could serve in that role, as permitted by some other districts.

Considering whether all board positions should be elected at large rather than maintaining the current structure of three at-large positions and four district-based positions.

Pascasio emphasized that these ideas were presented only as options for consideration and that any decisions regarding legislative requests would be determined by the Board. The discussion was initiated early to allow adequate time for review, public input, and preparation before legislative agendas are finalized for the next session.

Board members expressed general agreement with gathering additional information and continuing discussions regarding potential legislative changes. Pascasio indicated that further research and recommendations would be brought back to the Board as appropriate and that any future proposals would be developed with transparency and public communication in mind.

No formal action was required or taken. Board consensus was to allow Pascasio to continue researching and gathering information on the potential legislative options discussed.

**12.) 501 (c)(3) Foundation**

Pascasio discussed the potential benefits of establishing a separate nonprofit foundation to support the Concho County Hospital District. It was noted that many private foundations and charitable organizations provide grant funding for healthcare-related projects, including capital improvements and, in some cases, operational support. However, many of these funding sources limit eligibility to organizations recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

Pascasio explained that the district itself is not a 501(c)(3) organization and therefore is ineligible to apply directly for certain grant opportunities. To address this limitation, the district could establish a separate Texas nonprofit corporation and apply to the Internal Revenue Service for 501(c)(3) tax-exempt status. Once established, the nonprofit organization would be authorized to pursue grants, accept charitable contributions, and conduct fundraising activities for the exclusive benefit of the hospital district.

The Board discussed the process for establishing the organization, including incorporation with the State of Texas and submission of the required application to the IRS. Staff reported that the estimated cost to establish the nonprofit organization would be approximately $5,000.

Board members also discussed the potential for expanding access to grant funding opportunities through the creation of the 501 (c)(3). Board members noted that obtaining 501(c)(3) status may be beneficial, as several organizations identified as potential funding sources require applicants to be recognized tax-exempt entities under Section 501(c)(3).

A motion was made by Rosa Schreiber to authorize Pascasio and legal counsel to proceed with the formation of a nonprofit foundation and pursue 501(c)(3) tax-exempt status. Motion seconded by Brandi Gloria, the motion carried unanimously.4-0. For Pascasio proceed with the formation of the nonprofit organization and application for 501(c)(3) status.

**13.) Imaging Equipment Warranty**

Staff reported that the district received a $350,000 grant from the State of Texas to purchase a new imaging room system and portable X-ray unit. As part of the grant application, it was anticipated that any difference between the grant amount and the actual equipment cost would be used to prepay future warranty coverage.

A quote was received for a six-year warranty agreement covering both the imaging room equipment and portable X-ray unit at a total cost of $45,896. The warranty also includes coverage for two detectors associated with each machine. Without detector coverage, replacement of a damaged detector would cost approximately $10,000 per detector. In addition, certain equipment components could cost as much as $68,000 to replace if not covered under warranty.

Mackinze Hopkins – Radiology Director advised that approximately $16,000 remains from the grant funds. To close out the grant, documentation must show that the full grant amount was spent, including invoices and proof of payment. The current manufacturer warranty remains in effect through the end of April; therefore, staff recommended purchasing the extended warranty now so the grant can be properly closed. Any prepaid warranty amount would remain as a credit until the extended coverage period begins.

Board members discussed the cost of the warranty and the potential expense of future equipment repairs if coverage is not maintained. Staff noted that replacement costs are expected to continue increasing over time. Brandi Gloria made a motion to approve the warranty contract for the imaging equipment. Second by Donna Magill- all in favor 4-0 motion carries.

**14.) Equipment Associated with Former Development Project**

Pascasio discussed property and materials associated with the former development project, including equipment and other items currently being stored by the district. It was noted that a proposal and request related to the property had been submitted for Board consideration.

Following discussion, Board members determined that additional information related to the proposal would be addressed in conjunction with matters scheduled for executive session.

The Board agreed to table consideration of the item and carry it forward pending further discussion. No formal action was taken in open session.

**At 6:31 p.m., the Board recessed into executive session in accordance with the posted agenda.**

**At 7:19 p.m., the Board reconvened in open session.**

**15.) Real Easte**

**a.) Disposition of District Property; Former Development Site**

Board determined that additional review and discussion were necessary before acting.

The item was tabled and deferred for future discussion. No action was taken at this meeting.

**16.) Board Appointments**

The item was tabled and deferred for future discussion. No action was taken at this meeting.

**17.) Organization Financing**

Donna Magill moved to authorize Board Chair Julie Jones to execute the documents to be prepared by legal counsel. The motion was seconded by Brandi Gloria. The motion passed unanimously, 4–0.

**18.) Medical Staff Credentials, Policies and Reports**

Rosa Schreiber moved to approve the medical staff appointments and privileges as recommended by the Medical Staff. The motion was seconded by Donna Magill. The motion carried. 4-0.

**24.) Future Board Meeting Dates**

Chair Julie Jones announced that the next Board meeting is scheduled for June 23, 2026, at 5:30 p.m.

**25.) Adjourn**

There being no further business to consider, meeting adjourned at 7:22 P.M.- Motion by -Brandi Gloria, seconded by Rosa Schreiber. Motion passed 4-0.

Julie M. Jones CCHD Board President 6/24/2026

**Concho County Hospital Board President** **Date**