

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
September 28, 2022

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room Wednesday, September 28, at 12:00 P.M.

Board members present: Wyatt Pettus, Barrie Strickland, Terry Bishop, Dr. Behr, Sylvia Overton, Jon Garvey, and Suzy Graham

Members of management present: Shane Kernell, Terri Busey, Enoc Espinoza, Bob Lonis, Jeff Clark, Kayla Ellis, Bobby Hadderton, and Shelly Walls

Others present: Curtis Rojas with Endeavor Healthcare; Alex Gross and Cameron Madison with JDMA Architects; Mike Williams with the Graham Leader; and Erin Freeman

Others present via telephone: Luke Robbins, Chief Appraiser with Young Central Appraisal District

Presiding Secretary: Tammy Whittenburg

1. Call to Order and Record of Attendance

President Pettus called the meeting to order at 12:00 P.M. Invocation was given by President Pettus.

2. Public Comment

Sylvia Overton gave an update on the Auxiliary Golf Tournament. Money is still coming in. They have netted approximately \$72,432. Next year, they have two venue options – Young County Arena or Graham Country Club.

3. Architect Updates

Mr. Gross provided updates on the construction project. The construction plans are 75% complete. They will be back in October with the construction plans 95% complete. They hope to bring contractors to the January board meeting.

4. Meeting Minutes

The Directors were asked to review the minutes of the regular meeting on August 25, 2022, for any revisions or correctbns.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the regular board minutes of August 25, 2022, as presented. Motion carried.

5. Finance Committee Report

Financials – Bob Lonis

- Presented and reviewed were the Financial Highlights for August; Income and Expense Statements for the Month Ended August 31, 2022; Balance Sheet as of August 31, 2022; Statement of Sources and Uses of Cash Flow for the Month Ended August 31, 2022; Key Operational Indicators FY 2021 and FY 2022; Scorecards for August 2022 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, Visits Statistics, Net Revenue to Cash Analysis, GRMC POS Cash

Analysis, and FTE/AOB Analysis. Also presented were the Scorecards showing DCOH, EBIDA Margin, Debt Service Ratio, Average Payment Period, SWB/Net Patient Revenue, Salary % Net Patient Revenue, Days of Cash on Hand, EBIDA, Medicare Advances Payments, and Surgery Statistics from October 2021 through September 2022.

- Curtis Rojas reviewed the Revenue Cycle charts.

Action

Motion by Terry Bishop, second by Dr. Behr, to approve the financial statements as presented. Motion carried.

6. Action Items

a. Hospital Ad Valorem Rate

Mr. Kernell presented the 2022 Tax Rate Calculation Worksheet. The voter-approved rate of \$0.319184 was the recommendation for the 2023 budget. This rate will raise the same amount of property tax revenue from the same properties in the 2021 and 2022 tax years. This tax rate is lower than last year but produces more tax revenue because values have increased. A discussion ensued regarding the verbiage on the required resolution to be signed. A phone call was made to Luke Robbins, Chief Appraiser, Young Central Appraisal District, about the verbiage. Per Mr. Robbins, no changes could be made to the required resolution. Let the record stand that a \$100K home valuation in 2021 produces a tax of \$330.40 and a \$100,000 home value in 2022 produces \$319.18. This is a reduction of \$20.22.

Action

Motion by Terry Bishop, second by Dr. Behr, to approve that the 2022 property tax be decreased from the 2021 tax rate of 0.339400 to 0.31984, which is effectively an 8.00% property tax rate increase above the No New Revenue rate of 0.295541 as provided by the chief appraiser on the 2022 tax rate calculation worksheet. Motion carried.

b. Public Hearing on the FY 2023 Budget

Mr. Lonis presented the budget process and the 2023 proposed budget with the voter-approved rate of \$0.319184. The operational volumes, growth initiatives, net revenue material effects, and operational expenses were considered. The hospital has seen growth in surgery, physical therapy, ER, and radiology but has seen a decline in inpatient activity. It has also lost approximately \$552,000 between sequestration and low-level payments from federal government funding.

Action

Motion by Dr. Behr, second by Terry Bishop, to approve the FY 2023 Budget as presented. Motion carried.

c. Public Hearing on 3-Year Capital Budget

Mr. Lonis presented the 3-Year Capital Budget. Every year we are required to put this forward to see what equipment needs we have. This is for the years 2022 thru 2025. Most items listed are necessary, but not all are revenue-producing. Justifications for needing the equipment are listed. We listed \$100,000 for Contingency Needs. We take the approach that if you buy something that is not budgeted, then you will need to substitute for it. There are always unforeseen items we find critical that we may need. We also let our department directors know that just because we budget an item doesn't guarantee that you get it.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the 3-Year Capital Budget as presented.
Motion carried.

7. Reports

a. Medical Chief of Staff Report

- i. Dr. Steve Jones was not in attendance.

b. CEO Report – Shane Kernell

- i. The Belimed sterilizers and washers are in and operating. Installation went smoothly and functioning.
- ii. The health benefit will be brought to the Board in October.
- iii. Mr. Kernell is keeping in front of the local, state, and federal representatives on the low volume adjustment. Our lobbyist said there is a chance this week it could pass. It has been introduced by two different representatives. Jodey Arrington has also introduced his own bill. The goal is to make his permanent.
- iv. It is time to get on the stick for our fundraising for the construction. Mr. Kernell will be meeting with the hospital foundation in October. We must also get in front of small groups to finish our fundraising drive. We have the pro forma, pictures, and 75% completion on the blueprints. We want to show what it will do for us, what it will look like, how it benefits the community and the overall vision of it.

8. Executive Session

President Pettus convened into Executive Session at 3:00 P.M.

Executive Session: The Board will meet in closed session pursuant to:

- a. Texas Health and Safety Code §161.032, deliberation of information from the Medical Staff regarding applications for appointment and/or reappointment to the Medical Staff, and information from the Compliance Officer to consider quality assurance/performance improvement reports

Executive Session adjourned at 3:12 P.M.

9. Open Session

The Board reconvened in open session at 3:12 P.M.

Action

Motion by Terry Bishop, second by Suzy Graham, to approve the appointments, reappointments, and delegated credentialing of:

A. Appointments:

- Provisional – Anesthesiology
 - Joshua Jordan, CRNA
 - Charles Hall, CRNA
 - Karrienne Moore, CRNA

B. Reappointments

- Hospital Based – Emergency Medicine
 - Matthew Muller, MD

C. Delegated Credentialing

- Teleradiology
 - Nidhi Gupta, MD

Motion carried.

Action

Motion by Suzy Graham, second by Dr. Behr, to approve the Quality Report as presented. Motion carried.

Action

Motion by Sylvia Overton, second by Suzy Graham, to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 3:13 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors