

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
October 26, 2022

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room Wednesday, October 26, 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, 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

Presiding Secretary: Tammy Whittenburg

1. Call to Order and Record of Attendance

President Pettus called the meeting to order at 12:00 P.M. A minute of silence was held in remembrance of Jackie Pokuaa and Annette Flowers, who was killed at Methodist Dallas Medical Center on Saturday, October 22, 2022, by an active shooter. Invocation was given by President Pettus.

2. Public Comment

There was no public comment.

3. Architect Updates

Mr. Gross provided updates on the construction project. The construction plans are 90% complete. Because of the renovation of the bathrooms, the State wants a feasibility study. They will be back in November 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 September 28, 2022, for any revisions or corrections.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the regular board minutes of September 28, 2022, as presented. Motion carried.

5. Finance Committee Report

Financials – Bob Lonis

- Presented and reviewed were the Financial Highlights for September; Income and Expense Statements for the Month Ended September 30, 2022; Balance Sheet as of September 30, 2022; Statement of Sources and Uses of Cash Flow for the Month Ended September 30, 2022; Key Operational Indicators FY 2021 and FY 2022; Scorecards for September 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 Suzy Graham, to approve the financial statements as presented. Motion carried.

6. Action Items

a. Investment Initiatives

Mr. Lonis presented the Proposed GRMC Cash Investment Policy/Short-Term Reserves. The purpose of the policy is to ensure cash not needed in the short term (cash in excess of 60 days on hand) is earning a reasonable rate of return without the assumption of undue risk and is invested in instruments in accordance with the Tax District regulations and with approval by the Board. Mr. Lonis met with Kyle Peavy, Ciera Bank, about our bank accounts. We have eight or more bank accounts, and Mr. Lonis wants to consolidate them for administrative ease as well as to consolidate them for investment purposes. GRMC currently has two strictly depository accounts for EMS and the Wellness Center. We will keep \$25,000 in each new sweep account established as a compensating balance, with balances above \$25,000 being swept into a treasury-based mutual fund to earn currently approximately 2% interest. Each new sweep account will require a trust agreement. The sweep accounts will constantly be putting excess cash balances into the treasury-based short-term mutual funds. In addition, the excess cash above 60 days will be invested in US government securities (T-Bills) to garner a higher rate of return for longer-term needs.

Action

Motion by Jon Garvey, second by Terry Bishop, to approve the Cash Investment Policy/Short Term Reserves to the Board as presented. Motion carried.

b. Health Benefit Plan

Graham Regional has been with Blue Cross Blue Shield (BCBS) comprehensive coverage for the last three years. We did very well in the fully insured plan in the first two years. In the third year, we received a 37% increase. We started working with Summer Powers and her team in the spring for our health plan for 2023. We anticipated another double-digit increase. We looked at reference-based pricing, self-funded, TPA options, reinsurance options, and looked at fully insured. We received a quote from BCBS, and it was over a 20% increase. They have come back to a 12% negotiated increase. Aetna priced us the same percentage. We put forth the next challenge to look at self-funded options. We have been looking at the self-funded options for the last two months and leaning towards it unless, at the last minute, BCBS comes back with a 0% increase. If we keep with the fully insured model, we will be guaranteed a price increase. The recommendation is to go self-funded again. Some considerations for self-funding were to reduce renewal rate volatility, lower overall healthcare costs for GRMC employees and dependents, incentivize and steer members to GRMC, and create significant plan savings in drug costs.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the Self-Funded Health Insurance Benefits to the Board 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. There were no updates.

8. Executive Session

President Pettus convened into Executive Session at 1:11 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 2:04 P.M.

9. Open Session

The Board reconvened in open session at 2:04 P.M.

Action

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

- A. Appointments:
 - Provisional – Anesthesiology
 - Trey Ramos, CRNA
- B. Reappointments
 - Hospital Based – Emergency Medicine
 - Terrence McCarthy, MD
 - Allied
 - David Hoodenpyle, FNP
- C. Delegated Credentialing
 - Teleradiology
 - Tony Maung, MD

Motion carried.

Action

Motion by Dr. Behr, second by Barrie Strickland, to approve the Quality Report as presented. Motion carried.

Action

Motion by Dr. Behr, second by Barrie Strickland, to approve the Compliance Report as presented. Motion carried.

Action

Motion by Dr. Behr, second by Terry Bishop, to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 2:06 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors