

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
May 19, 2020

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room Tuesday, May 19, at 12:00 P.M.

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

Members of management present: Shane Kernell, Jeff Casbeer, Sharon Hilliard, Jeff Clark and Karl Hittle

Members of management via telephone: Curtis Rojas

Others present via Zoom: Kevin Reed, attorney with Reed, Claymon, Meeker & Hargett PLLC

Others present: Madalyn Heimann 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. Invocation was given by President Pettus.

2. Public Comment

There were no public comments.

3. Statement of Officer and Oath of Officer

The Statement of Officer and Oath of Office were administered to Dr. Donald Behr, Terry Bishop, Jon Garvey, and Barrie Strickland. GRMC's Conflict of Interest Disclosure Statement was signed by all board members.

4. Election of Officers

The decision was made that the officers of the Board should remain the same. Wyatt Pettus will remain Board President and Dr. Behr will remain Board Vice President. Terry Bishop will continue to serve as Chairman of Finance, Tammy Whittenburg will continue as Board Secretary, and Barrie Strickland will represent the Board at the Compliance Committee Meetings.

Action

Motion by Sylvia Overton, second by Jon Garvey to approve Wyatt Pettus, Board President; Dr. Behr, Board Vice President; Terry Bishop, Chairman of Finance; Tammy Whittenburg, Board Secretary; Barrie Strickland, Board representative at Compliance Committee Meetings. Suzy Graham was not present to vote. Motion carried with a quorum of votes.

5. Board Education

Kevin Reed presented hospital updates and changes occurring in Texas and nationally.

6. Meeting Minutes

Consider and take action on minutes of regular meeting April 21, 2020, and special meeting May 1, 2020

The Directors were asked to review the minutes for any revisions or corrections.

Action

Motion by Terry Bishop, second by Dr. Behr to approve the regular board minutes of April 21, 2020. Suzy Graham was not present to vote. Motion carried with a quorum of votes.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the special board minutes of May 1, 2020. Suzy Graham was not present to vote. Motion carried with a quorum of votes.

7. Finance Committee Report

April 2020 Financials – Jeff Casbeer

- Presented and reviewed were the Financial Highlights for April; Income and Expense Statement for the Month Ended April 30, 2020; Balance Sheet as of April 30, 2020; Statement of Sources and Uses of Cash Flow, April 2020; Scorecard for April 2020 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, and Visits Statistics. Also presented were the Statistics Trended; Operating Indicators; Net Revenue to Cash Analysis; GRMC POS Cash Analysis; MD Save Tracker; FTE/AOB Analysis; Scorecard for April 2020 showing DCOH, EBIDA Margin, Debt Service Ratio, Average Payment Period; and Days of Cash on Hand.
- GRMC has received the Medicare Accelerated Payments of \$128,287; CARES grant funds of \$441,591; the tobacco settlement payment of \$61,322; a \$70,157 grant from the Foundation for fitness equipment; and the SHIP COVID grant of \$84,317.
- May cash is projected to increase by \$4,746,658 based on collections through May 12, 2020. This includes a \$3.5M stimulus payment and the \$1.7M Paycheck Protection loan.
- We have spent \$17,832 on supplies that are directly tied to the preparation of treatment of patients with COVID.
- GRMC nursing personnel are screening patients from 6:00 A.M. to 5:00 P.M. Monday through Friday. In the month of March, there were 12 days that were covered by screeners for a cost of \$5,578. In April GRMC spent \$24,937 on payroll for staff who were reallocated due to COVID.
- In the month of March, GRMC deferred 39 surgical procedures. The procedure count consisted of 17 orthopedic cases, 12 cataracts, and 10 general surgery cases. In the month of April, GRMC deferred 23 cases. The procedure count consisted of 17 orthopedic cases and 6 general surgery cases.
- Accelerated Payments have been received for EMS in the amount of \$88,394 and the Ortho Clinic for \$39,893. YCFC and the hospital's payments are on hold per Novitas pending further direction from CMS
- In April GRMC received CARES grants in the amount of \$390,664.27 for GRMC, \$32,757 for EMS, \$5,575 for YCFC, and \$12,595 for the Ortho Clinic. On May 6, GRMC received \$3,499,887 from the Rural Relief Fund.
- GRMC was also paid \$84,317 from the SHIP COVID Funding.
- The Payroll Protection Act loan was received on May 4, 2020, in the amount of \$1,732,538. This is an 8-week loan to be used for payroll expenses and maintaining the same number of employees as in the prior 4 months.
- The newest concern raised by our auditors as well as TORCH is that all of these funds will need to be justified via audit that they were used to prevent, prepare for, and respond to the

coronavirus. Therefore, all monies, excluding the SHIP grant, have been recorded as a payable until such time as there is confirmation of which funds GMRC will be allowed to keep.

Action

Motion by Terry Bishop, second by Sylvia Overton to approve the financial statements as presented. Motion carried.

8. Action Items

a. Resale Lots 11-16, Block 1, Scott 1/South Bend

The Tax Resale Deed was presented for Lots 11-16, Block 1, Scott 1/South Bend which is located in Young County and has been struck off and is held in trust by the taxing entities. A bid of \$500.00 has been offered for the property.

Action

Motion by Terry Bishop, second by Dr. Behr to approve the Tax Resale Deed for Lots 11-16, Block 1, Scott 1/South Bend as presented. Motion carried.

b. Paycheck Protection Program Resolution

Mr. Kernell presented the Paycheck Protection Program Resolution. The Small Business Administration has opined that nonprofit hospitals exempt from taxation under Section 115 of the Internal Revenue Code will be treated as nonprofit organizations for the purposes of Section 1102 of the CARES Act if the hospital reasonably determines that it is an organization described in Section 501(c)(3) even if the hospital has not obtained from the IRS a determination to that effect. The IRS never changed the law in the actual code, so what we have to do is make sure we act and look like as much of the 501(c)(3) as possible. Part of that is to approve a board resolution which was put together by Reed Claymon. The criteria the District must meet is 1) operates exclusively for the charitable purpose of providing hospital and medical care; 2) As a government entity, the District is not organized or operated for the benefit of private interests, and no portion of its earnings inure to the benefit of a private shareholder or individual; and 3) The District does not support or oppose candidates or measures in political campaigns.

Action

Motion by Dr. Behr, second by Terry Bishop to approve the Board Resolution for the Paycheck Protection Program as presented. Motion carried.

9. Reports

a. Medical Chief of Staff Report

- i. Dr. Pat Martin was not in attendance.

b. CEO Report – Shane Kernell

- i. A close date of June 11 at 10:00 A.M. for Home Health and Hospice in Mr. Kernell's office has been set. We finally received our license for Hospice. It was held up because state employees were working from home due to COVID-19. We are working our way through the change of ownership.
- ii. Dr. Hay had a bicycle accident and broke his left collar bone. He will have surgery this week. He will be out of commission on the big surgeries for four weeks meaning total joints, total knees, and total hips. He is scheduled back in the clinic this week. He has three small surgeries scheduled.

- iii. We are still in negotiations with Dr. Castillo. We spoke with him a year ago about pain procedures. He was a primary care physician who graduated from JPS. He went through a year's worth of fellowship for pain medicine. He is currently employed by UT Southwestern and comes off contract in September and is interested in coming to Graham to work at GMA. He will do primary care clinic at GMA and pain procedures at the hospital. Dr. Chad Stephens is also interested in coming back to Graham to do those same type of procedures. We would like for him to set the program up. He is a veteran at it. Dr. Castillo would want an income guarantee. Mr. Kernell is working on the income guarantee.
- iv. Phase I and now Phase II has been initiated by the governor on reopening and we are following the president's guidelines. We are waiting for Phase III which should be coming up in the next couple of weeks. We still allow one visitor per patient per the CDC and state of Texas guidelines. We are following the strictest of those rules. All gyms were allowed to open on May 18. We decided not to open. We are waiting for Phase III. We are not a gym like Anytime Fitness. We have patients in our gym from physical therapy and cardiac rehab.
- v. John Henderson, TORCH President, will be speaking at the June board meeting.

10. Executive Session

President Pettus convened into Executive Session at 2:13 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 2:32 P.M.

11. Open Session

The Board reconvened in open session at 2:32 P.M.

Action

Motion by Jon Garvey, second by Suzy Graham to approve the Physician Appointments and/or Reappointments and Privilege Change Request of:

- a. NEW APPOINTMENTS
 - 1. Provisional, Family Medicine
 - a. Christie Caceres, MD
- b. REAPPOINTMENTS
 - 1. Allied Health, Family Medicine
 - a. Catherine Feist, FNP
- c. PRIVILEGE CHANGE REQUEST
 - 1. Provisional, Family Medicine
 - a. Audra Kennedy, MD

Action

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

Action

Motion by Dr. Behr, second by Sylvia Overton to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 2:34 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors