

GRAHAM HOSPITAL DISTRICT  
BOARD OF DIRECTORS MINUTES  
July 28, 2020

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

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

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

Members of management present via Zoom: Curtis Rojas, Sharon Hilliard, Terri Busey, and Jeff Clark

Others present via Zoom: Shelly Walls, Pamela Harvell, and Melannie Stansell

Others present: 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. Meeting Minutes**

The Directors were asked to review the minutes of the regular meeting on June 23, 2020, for any revisions or corrections.

**Action**

Motion by Sylvia Overton, second by Jon Garvey to approve the regular board minutes of June 23, 2020. Motion carried.

**4. Finance Committee Report**

June 2020 Financials – Jeff Casbeer

- Presented and reviewed were the Financial Highlights for June; Income and Expense Statement for the Month Ended June 30, 2020; Balance Sheet as of June 30, 2020; Statement of Sources and Uses of Cash Flow, June 2020; Scorecard for June 2020 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, and Visits Statistics. Also presented were the Statistics Trended; Net Revenue to Cash Analysis; GRMC POS Cash Analysis; MD Save Tracker; FTE/AOB Analysis; Scorecards for June 2020 showing DCOH, EBIDA Margin, Debt Service Ratio, Average Payment Period, SWB/Net Patient Revenue, Salary % Net Patient Revenue, Operating Loss, EBIDA, and Days of Cash on Hand.
- July cash is projected to increase by \$67K based on collections through July 14, 2020. This includes a net payment of \$637K for DSRIP.
- Development of the 2021 Budget has commenced with the first version to be presented at the August Finance Committee Meeting.

- GRMC has spent \$38,499 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 May, GRMC spent \$9,561 on payroll for staff who screened patients in the lobby. In June, GRMC spent \$9,430 on payroll for staff who screened patients in the lobby.
- 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. Estimated cash collections were impacted by \$18,780 for cataracts, \$94,038 for orthopedic cases, and \$11,334 for general surgery cases, for a total of \$124,152. In the month of April, GRMC deferred 23 cases. The procedure count consisted of 17 orthopedic cases and 6 general surgery cases. Estimated cash collections were impacted by \$125,304 for orthopedic cases and \$4,623 for general surgery cases, for a total of \$129,927. There were no deferrals in May or June. Elective IP surgical cases were suspended on July 17, 2020, in order to ensure that beds were available for COVID patients, per the Governor's state guidelines.
- 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. In May, GRMC received \$3,499,887 from the Rural Relief Fund, \$293,667 for the RHC, and another \$49,461 for the RHC.
- 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 GRMC will be allowed to keep.
- Curtis Rojas reviewed the Revenue Cycle charts.

## **Action**

Motion by Terry Bishop, second by Barrie Strickland to approve the financial statements as presented. Motion carried.

## **5. Action Items**

### **a. Gastroscopes**

Our gastroscopes are over 14 years old, and the camera on the tower no longer works. We reached out to Olympus, The Surgical Equipment People, and Pentax Corporation for bids. Olympus provided two bids, one on new equipment and one on refurbished equipment. The Surgical Equipment People provided one bid on refurbished equipment. We never heard back from Pentax Corporation. The recommendation is to go with Olympus and purchase the new equipment. This will include five scopes – three pediatric colonoscopes and two EGD scopes. The doctors use pediatric scopes which are suitable for adults. The first 12 months are under warranty. There is a service agreement for 36 months, but it is \$384,000.

It is cheaper for us to have the current company we use make the repairs as needed. The scopes will be paid for in nine to ten months.

**Action**

Motion by Dr. Behr, second by Terry Bishop to approve the purchase of the Olympus new equipment and forgo the service warranty as presented. Motion carried.

**b. Fitness and Rehabilitation Bids for Renovation**

Two bids were submitted for renovation of the Fitness Center. One from JAM Construction out of Altus, Oklahoma and one from C&G General Contractors who are local. Both companies came on site and inspected the areas needing renovation. JAM Construction's bid was for \$49,052.75 and C&G's bid was for \$66,325.00. The board is required to select the lowest responsible bidder. Mr. Kernell consulted with legal counsel, Robert Spurck, and shared his email along with the criteria to consider when selecting the lowest responsible bidder. We have used C&G before and know their experience, reputation, and quality of their services. We requested two references from JAM which were provided. Only one reference responded back to us.

**Action**

Motion by Terry Bishop, second by Sylvia Overton to approve the bid from C&G General Contractors as presented. Motion carried.

**c. Business Plan**

Mr. Kernell presented Graham Regional Medical Center's 2021 Business Plan. The Business Plan is the basis for the budget. The key components of the plan are Quality, Growth, Financial Strength, and Community Engagement.

**Action**

Motion by Dr. Behr, second by Suzy Graham to approve the 2021 Business Plan as presented. Motion carried.

**6. Reports**

**a. Medical Chief of Staff Report**

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

**b. CEO Report – Shane Kernell**

- i. Mr. Kernell's report was covered in the Business Plan.

**7. Executive Session**

President Pettus convened into Executive Session at 2:08 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 2:40 P.M.

**8. Open Session**

The Board reconvened in open session at 2:40 P.M.

**Action**

Motion by Suzy Graham, second by Sylvia Overton to approve the Physician Appointments and Privileges of:

- a. NEW APPOINTMENTS
  - 1. Provisional, Emergency Medicine
    - a. Mercy Fultang, DO
    - b. Ann Lopez, DO
  - 2. Provisional, YCFC
    - a. Kippi Lattimore, FNP
  - 3. Provisional, Sports Medicine
    - a. Chad Stephens, DO
  - 4. Provisional, Radiology
    - a. Lauren Martinez, MD

**Action**

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

**Action**

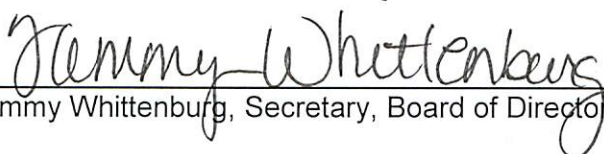
Motion by Dr. Behr, second by Terry Bishop to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 2:42 P.M.



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Wyatt Pettus, President, Board of Directors



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Tammy Whittenburg, Secretary, Board of Directors