

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
September 22, 2020

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room Tuesday, September 22, at 12:00 P.M.

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

Members of management present: Shane Kernell, Sharon Hilliard, Karl Hittle, and Curtis Rojas

Others present: 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 12:01 P.M. Invocation was given by President Pettus.

2. Public Comment

There were no public comments.

3. Executive Session

President Pettus convened into Executive Session at 12:06 P.M.

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

- a. Texas Government Code §551.071, Consultation with Attorney either in person or by telephone, to seek the advice of its attorney about pending litigation and on a contractual matter in which the duty of the attorney to the District under the attorney's Texas Disciplinary Rules of Professional Conduct requires a confidential discussion.
- b. 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 1:20 P.M.

4. Open Session

The Board reconvened in open session at 1:21 P.M.

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

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

Others present: Mike Williams with the *Graham Leader*, Erin Freeman, Shelly Walls, and Enoc Espinoza

Presiding Secretary: Tammy Whittenburg

Action

Motion by Suzy Graham, second by Dr. Behr to approve the Appointments, Reappointments, and Delegated Credentialing of:

NEW APPOINTMENTS

1. Provisional, Allied Health
 - a. Kimberly Malley, CRNA
2. Provisional, Neurology
 - a. Umair Saeed, MD

B. REAPPOINTMENTS

1. Hospital Based, Emergency Medicine
 - a. Drew Lowry, MD
 - b. Matthew Muller, MD
 - c. Jose Rosillo, MD

C. DELEGATED CREDENTIALING

1. Schedule 1, Teleradiology
 - a. Benoit Luyckx, MD
 - b. Linda Petrovich, MD
 - c. John Sandoz, MD
 - d. Adina Weis, MD

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

5. Meeting Minutes

The Directors were asked to review the minutes of the regular meeting on August 18, 2020, for any revisions or corrections.

Action

Motion by Sylvia Overton, second by Suzy Graham to approve the regular board minutes of August 18, 2020. Motion carried.

6. Finance Committee Report

August 2020 Financials – Jeff Casbeer

- Presented and reviewed were the Financial Highlights for August; Income and Expense Statement for the Month Ended August 31, 2020; Balance Sheet as of August 31, 2020; Statement of Sources and Uses of Cash Flow, August 2020; Scorecards for August 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 August 2020 showing DCOH, EBIDA Margin, Debt Service Ratio, and Average Payment Period, SWB/Net Patient Revenue, Salary % Net Patient Revenue, Days of Cash on Hand, and EBIDA.
- September cash is projected to decrease by \$673K based on collections through September 14, 2020.
- Development of the 2021 Budget has commenced with the first version presented at the August Finance Committee Meeting.

- GRMC has spent \$61,263 on supplies that are directly tied to the preparation of treatment of patients with COVID. In addition, there have been expenditures of \$120,507 for Salaries, \$15,559 for Purchased Services, and \$41,724 for Admin Fees that are all directly tied to COVID-19.
- 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 July, GRMC spent \$9,562 on payroll for staff who screened patients.
- 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. This deferral lasted through July 29, 2020, and 4 cases were moved to August.
- Accelerated Payments have been received for EMS in the amount of \$88,394 and the Ortho Clinic for \$39,893. The Hospital's accelerated payment of \$2,501,472 was received September 15, 2020.
- 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 in April 2020.
- The Payroll Protection Act loan was received on May 4, 2020, in the amount of \$1,732,538. This is a 24-week loan to be used for payroll expenses and maintaining the same number of employees as in the prior 4 months. The payroll and accounting staff are currently providing documentation to BKD so that when the SBA opens up reporting, all of the records will be prepared.
- 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 Sylvia Overton to approve the financial statements as presented. Motion carried.

7. Action Items

a. Hospital Ad Valorem Rate

Mr. Casbeer presented the Tax Rate Calculation showing Total Taxable Value, Tax Rate, and Levy Amount for FY 2017 through FY 2021. The proposed tax rate for FY 2020 is the no new tax rate of \$0.349405. Valuations increased over \$125M so the tax rate to produce the same revenue went down.

Action

Motion by Terry Bishop, second by Dr. Behr to approve the tax rate of \$0.349405 for the FY 2020 as presented. Motion carried.

b. Public Hearing on FY 2021 Budget

Mr. Casbeer presented the FY 2021 Budget Process and the budget with the effective rate for tax revenues. Included was what GRMC has accomplished over the last five years, the fiscal Year 2021 initiatives, and revenue and expense projections for fiscal year 2021.

Action

Motion by Dr. Behr, second by Terry Bishop to approve the FY 2021 Budget as presented. Motion carried.

c. Public Hearing on 3 Year Capital Budget

Mr. Kernell presented the 3 Year Capital Budget, 2021 through 2023. 98% of the requests listed are clinical. The Stryker 4K Video Platform and Endoscopes will be brought before the board in October. The big-ticket item for 2021 and 2022, which we are evaluating, is the Electronic Health Record moving to a cloud-based system. Also presented was a 4 Year Capital Expenditures showing purchases in Budget Years 2017 through 2020.

Action

Motion by Barrie Strickland, second by Terry Bishop to approve the 3 Year Capital Budget as presented. Motion carried.

d. The Establishment of a 457 Plan

GRMC currently has a retirement plan that is state run and a true pension plan that employees must participate in. Employees must contribute 4% of their salary and GRMC matches 4%. We would like to offer a 457b plan with only elective employee contributions and no employer matches. Three quotes were received from Texas Hospital Association, Marsh & McLennan Agency, and Edward Jones. The custodial fees will be passed along to the employees.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the 457b Plan with Texas Hospital Association as presented. Motion carried.

e. BCBS Moonshot Project

The Moonshot Project 3 is one of the four Texas A&M Health Science Center Rural Moonshot initiatives funded by Blue Cross Blue Shield and led by the Texas A&M Rural and Community Institute (ARCHI). This project has facilitated a collaboration with independent, locally supported community hospitals in a rural region of Texas to determine how to preserve access to health care. There is no cost to GRMC and the collaboration agreement can be terminated with a 30-day notice.

Action

Motion by Suzy Graham, second by Dr. Behr to approve the Blue Cross Blue Shield Moonshot Project as presented. Motion carried.

8. Reports

a. Medical Chief of Staff Report

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

b. CEO Report – Shane Kernell

- i. Dr. Michael Castillo is on board at GMA and started September 1. He will be performing eight procedures a day in the hospital every other Monday opposite Dr. McAdams.
- ii. We continue to monitor our COVID numbers. We have seen a recent spike and are back to our mid-July numbers because of back to school. Most are reporting that symptoms are light.

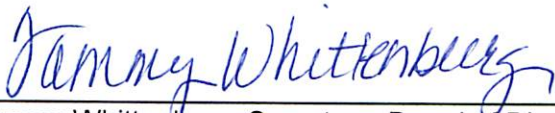
Action

Motion by Jon Garvey, second by Suzy Graham to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 2:37 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors