

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
January 28, 2021

The Board of Directors of Graham Regional Medical Center met via Zoom and in the Education Conference Room Thursday, January 28, at 12:00 P.M.

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

Board member via Zoom: Barrie Strickland

Members of management present: Shane Kernell, Jeff Casbeer, Sharon Hilliard, and Terri Busey

Members of management present via Zoom: Jeff Clark and Shelly Walls,

Others present via Zoom: Mike Williams with the *Graham Leader* and Curtis Rojas

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 November 17, 2020, for any revisions or corrections.

Action

Motion by Sylvia Overton, second by Suzy Graham to approve the regular board minutes of November 17, 2020. Motion carried.

4. Finance Committee Report

November and December 2020 Financials – Jeff Casbeer

- Presented and reviewed were the Financial Highlights for November and December; Income and Expense Statements for the Months of November and December 2020; Balance Sheets as of November 30, 2020, and December 31, 2020; Statement of Sources and Uses of Cash Flow for November and December 2020; Scorecards for November and December 2020 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, and Visits Statistics. Also presented was the Statistics Trended FY 2021 and 2020; Net Revenue to Cash Analysis; GRMC POS Cash Analysis; MD Save Tracker; FTE/AOB Analysis; Scorecards for November and December 2020 showing DCOH, EBIDA Margin, Debt Service Ratio, Average Payment Period, SWB/Net Patient Revenue, Salary % Net Patient Revenue, Days of Cash on Hand, and EBIDA.

- As of December, GRMC has spent \$85,047 on supplies that are directly tied to the preparation of treatment of patients with COVID. In addition, there have been expenditures of \$307,309 for Salaries, \$47,987 for Purchased Services, and \$79,033 for Admin Fees that are all directly tied to COVID-19.
- 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. In November, IP surgeries were deferred for two weeks. The physicians and Administration are conferring every week in order to determine whether it is safe to move forward with IP surgical cases.
- 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 on September 15, 2020. CMS announced the new repayment terms on October 8, containing the following guidelines:
 - **Repayment start time:** Repayment begins one year from the date the Accelerated and Advanced Payment (AAP) was issued. Previously, repayment began 120 days after the issuance of payment.
 - **Recoupment schedule:** Once repayment begins, Medicare payments owed to providers and suppliers will be recouped at a rate of 25% for 11 months. After the 11-month period, Medicare payments will be recouped at a rate of 50% for six additional months. The withhold/recoupment rate had previously been 100%.
 - **Remaining balance:** After the repayment period ends (i.e., after the 12-month grace period and 17-month repayment period), a letter for any remaining balance of the AAPs will be issued. Providers and suppliers will have 30 days from the date of the letter to repay the balance in full. If payment is not received within 30 days, interest will accrue at the rate of 4% from the date the letter was issued and will be assessed for each full 30-day period that the balance remains unpaid.
- 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 have provided documentation to BKD and the application has been completed. The application and other required documentation were submitted to Ciera Bank on January 20, 2021.
- 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.

5. Action Items

a. Incentive Compensation Plan

Mr. Kernell presented the Incentive Compensation Plan. It was presented to the Finance Committee last Tuesday, and there were a couple of things recommended to change. The first was to change EBIDA to Net Income. The second recommended change is the payout level for CEO, Senior Leadership, and Exempt Management. Instead of up to 4%, the Finance Committee recommends changing it to a percentage of annual salary as determined by the Board of Directors upon final Audited Financials. We are bringing this for the entire hospital because it rewards good behavior, it rewards good quality, and we want to recognize everyone in the hospital for that. This matrix is built upon three sections. The financial section is first and the last two are quality sections. 40% is financial. If you don't make net income to your budget, there is no incentive compensation plan at all. It ends there. All the things in the quality portion, which is 60% of the plan, are things you see every month that Sharon Hilliard, CNO, reports in executive session on quality. The 10% are objective measures. The last section is the subjective quality portion. Another reason we picked these measures is that every single measure on here can be affected by anybody in the organization. We did this by design. The policy is included to manage the plan. This was reviewed by our legal counsel. It is possible that the bonus payout can lag six to seven months behind. This plan will start February 2, 2021, and will be prorated for the year.

Action

Motion by Dr. Behr, second by Terry Bishop to approve the Incentive Compensation Plan as presented. Motion carried.

b. HR/Payroll System

Currently, we use Meditech to do our payroll, and we have a full-time payroll person as well. We have no HR system currently. We have a system for applicants to submit their applications, and we have another system for timekeeping called Kronos. We are proposing to bring it all together into one cloud-based system. We reached out to five companies and did get quotes from four of them. We looked at ADP, Paycore, Paylocity, Ultipro, and Paycom. Ultipro never responded to us. We narrowed it down to two – Paycore and Paylocity. The team liked Paylocity the most. The contract was reviewed by legal counsel. This will streamline our process and if we switch EHRs, this system can tack on with it.

Action

Motion by Sylvia Overton, second by Suzy Graham to approve the HR/Payroll System with Paylocity as presented. Motion carried.

c. Nurse Locator Call System

This is a capital expenditure item. The capital items we are bringing to you are for COVID purposes. We received 4.2 million in CARES Act money for the purpose to prepare and take care of COVID patients. About a year and a half ago, we received donated money from Mr. and Mrs. Street for the nurse call system. Hillrom is the system we went with. One of the initial things we wanted but did not get because we ran out of money was the nurse locator system. It is an additional \$85,000. This system will be added to our existing Hillrom call system. This system tracks where the nurse goes and is also a communication system. Right now, we have so many COVID patients, and we don't know if the nurse is behind closed doors with a patient. It is hard to locate nurses and communicate back and forth. This

will allow nursing directors to run reports to say how fast we responded to a nurse call and how long the nurse was in the room. It will serve both our medical-surgical area and ER. Everything is wireless, and it can also go through a phone if we decided to add phones. It is an enhancement that is needed. This was listed on the 3 Year Capital Budget.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the Hill-Rom's Nurse Call System as presented. Motion carried.

d. Patient Stretchers

Our current stretchers in the OR only let your feet go up and not your head. They are old. They also have mechanical issues with hydraulics and functional defects which cause the beds to not lock or break in place. The ones in the ED are weigh beds, and you can take an x-ray through them. The proposed ER stretchers are all "Demo" equipment. They will be capable of weighing the patient and will allow the physician to obtain beside x-rays without moving or disturbing the patient. Stryker stretchers were chosen as continuity of features, and Stryker is a leading product in Stretchers and has proven to be durable. This was listed on the 3 Year Capital Budget.

Action

Motion by Suzy Graham, second by Dr. Behr to approve the Stryker Stretchers for ER and Day Surgery as presented. Motion carried.

e. Cardiac Rehab Telemetry

Cardiopulmonary Rehab was relocated to the Wellness Center in March after the COVID-19 pandemic. This was for the safety of the outpatients in cardiopulmonary and to make room in the hospital for the surge capacity. Due to the need to locate out of the main hospital, a monitoring system is required. We are currently utilizing defibrillator monitors. Three vendors were reviewed. Life Systems International (LSI) is the preferred vendor. The other two could not perform the complete package of monitoring and documentation. LSI is the leading monitoring system and allows the tools for meeting National Registry Certification. Education and consultation are included with the relationship of LSI as a provider of service. This was listed on the 3 Year Capital Budget.

Action

Motion by Sylvia Overton, second by Suzy Graham to approve the Life Systems International Cardiac Rehab Telemetry system as presented. Motion carried.

f. Mobile Computer Carts

The workstation on wheels we currently use is 10 years old. They are unrepairable due to their age and lack of parts. The carts allow nurses to go to the bedside and dispense medications and document more efficiently. This quote is for 12 carts. There are two types of carts. The Capsa cart has a narrow base and no workspace on top. The Ergotron cart has a wider base and has a workspace on top. The carts were listed on the 3 Year Capital Budget.

Action

Motion by Terry Bishop, second by Dr. Behr to approve the Ergotron Mobile Computer Carts as presented. Motion carried.

g. Proximity Badge System

C & I Electronics, The Flying Locksmith, and Tex-Oma Building Supply submitted proposals for the proximity badge system. This system creates a touchless environment and allows better security for employees and patients. Door access control will allow GRMC to control who has access to different areas of our facility. All vendors are providing similar hardware and software.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the Tex-Oma Builders Supply Co. Bid Proposal as presented. Motion carried.

h. Convey Deeds to the City of Graham for Properties at 1702 Family Lane, Graham, TX and 204 Second Street, Graham, TX

The City of Graham, Trustee for these properties, is requesting that the deeds to these two properties be transferred to the City which requires the agreement of all taxing entities. The property at 1702 Family Lane is a vacant lot adjacent to the city sewer plant facility and has been utilized in the past by city crews in boats when the region has flooded. To enable access to the area. The City's proposal is to build a bridge to allow easier access. The property at 204 Second Street has been utilized for drainage purposes by the City for several years.

Action

Motion by Dr. Behr, second by Terry Bishop to approve conveying the deeds to the City of Graham for Properties at 1702 Family Lane, Graham, TX and 204 Second Street, Graham, TX as presented. Motion carried.

i. Agreement for Sealed Bid Process for Properties at 1001 Fourth Street, Graham, TX and 417 Pecan, Graham, TX

The City Council discussed these Trustee properties at a meeting and recommended that advertising for sealed bids would be the best option for all the entities. These properties are of no use to the city and have produced considerable expenses, including structure demolition, removal of debris, and mowing plus the city manpower hours for the maintenance.

Action

Motion by Dr. Behr, second by Suzy Graham to approve the Agreement for Sealed Bid Process for Properties at 1001Fourth Street, Graham, TX, and 417 Pecan, Graham, TX as presented. Motion carried.

j. Compliance Plan

Mr. Kernell presented the GRMC 2021 Compliance Work Plan which he and Terri Busey, HR Director and soon to be Compliance Officer, worked on together. The Compliance Officer will review the OIG Active Work Plan Items monthly. In addition, Advisory Opinions and Special Fraud Alerts will be monitored monthly. There are 10 Focus Areas for 2021. They are Hospital Preparedness Program with Respect to Crisis Standards of Care; Security of Certified Electronic Health Record Technology Under Meaningful Use; CMS Validation of Hospitals' Submitted Quality Reporting Data; Medicare Part B Payments for Laboratory

Services and Medicare Laboratory Billing for Potential Fraud and Abuse with COVID-19 Add-on Testing; Assessing Inpatient Hospital Billing for Medicare Beneficiaries and Medicare Claims for Outpatient Services Provided during Inpatient Stays; Cares Act Provider Relief Funds – General and Targeted Distribution to Hospitals; Audit of Medicare Payments for Inpatient Discharged Billed by Hospital Beneficiaries Diagnose with COVID-19; Medicare Data Review to Understand Hospital Utilization during COVID-19; Use of Medicare Telehealth Services during the COVID-19 Pandemic; and Audit of Health Resources & Services Administration’s COVID-19 Uninsured Program.

Action

Motion by Barrie Strickland, second by Suzy Graham to approve the Compliance Plan as presented. Motion carried.

6. Reports

a. Medical Chief of Staff Report

- i. Dr. John Lucas was not in attendance.

b. CEO Report – Shane Kernell

- i. The new sign is up at YCFC. It has their names and phone numbers on it. We got our vaccine in on Tuesday for the hospital. We booked up all 200 slots and will be done next Tuesday. The vaccines were administered through YCFC. We should be getting another 200 rounds for YCFC. It has been very frustrating because vaccines are in short supply and they are moving towards hubs. GMA received 200 vaccines and the second round of 200, but not anymore. United Supermarket received 100 doses, Urgent Care received a few, and Olney received 500 – that was 200 for the hospital, 200 for their clinic, and 100 for their Archer City clinic.
- ii. It has been hard to transfer our patients out when needed because area hospitals have been full of COVID patients. We had one gentleman that came in with a bad heart, but not so bad that United Regional or any other hospital around would take him. We called 43 hospitals and found one near Austin that would take him. We sent him by helicopter. We sent one patient on a vent in a snowstorm to Lubbock. Hopefully, we are past this. We need to tell the public what we have done for our patients. Other counties around us have not done as much as we have.
- iii. The Code of Conduct booklet and acknowledgment page are behind Tab 4. We need all board members to sign the acknowledgment page.

7. Executive Session

President Pettus convened into Executive Session at 2:15 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 2:35 P.M.

8. Open Session

The Board reconvened in open session at 2:35 P.M.

Action

Motion by Terry Bishop, second by Suzy Graham to approve the Appointments, Reappointments, and Delegated Credentialing of:

New Appointments:

- Provisional Allied Health
 - Glenn Cochrane, CRNA

Reappointments:

- Family Medicine
 - Ryan Easterling, MD
 - Audra Kennedy, MD
- Emergency Medicine
 - Charles Taylor, DO
- Radiology
 - Nanette Evans, MD

Delegated Credentialing

- Teleradiology
 - Andrew Harrison, DO
 - Elaine Zabak, MD

Motion carried.

Action

Motion by Suzy Graham, second by Sylvia Overton to approve the Quality Report as presented. Motion carried.

Action

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

Action

Motion by Suzy Graham, second by Sylvia Overton 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