

**SOUTH LIMESTONE HOSPITAL DISTRICT  
LIMESTONE MEDICAL CENTER  
701 McCLINTIC, GROESBECK, TX 76642**

**MINUTES**

**February 23, 2021**

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**On this 23<sup>rd</sup> day of February 2021 the Board of Directors of South Limestone Hospital District convened at the regular meeting place of said District. The meeting, open to the public, and notice of said Board in said District giving the date, place and subject thereof, has been posted as described by Article 6252-17, Section 3A,V.A.T.C.**

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**MEMBERS PRESENT**

Danny Hewitt  
Martha Stanton  
Glenda O'Neal  
Arnold Gray  
Jennifer Mackey  
Jack Milstead  
Chet Seelinger

**MEMBERS ABSENT**

**OTHERS PRESENT**

Larry Price  
Michael Williams  
Debbie Brewer  
Shelton Chapman  
Staci Doyle  
Emily Jones  
B. C. Lee  
Allec Lincoln  
Michelle Mullinnix  
Adrienne Rettig  
Linda Rojas  
Corey Tunnell  
Hope Wallace  
Lori Wheeler  
Christa Worley  
Jean Wragge  
Kody Yerger, M.D.  
Robert York  
Cathy Knouse

**CALL TO ORDER, ESTABLISH QUORUM, EXCUSE ABSENTEES**

The meeting was called to order by Mr. Danny Hewitt at 3:03 p.m. A quorum was present.

### **INVOCATION**

Mr. Jack Milstead offered the invocation.

### **PLEDGE TO THE FLAG**

Those present recited the Pledge of Allegiance to the United States flag.

### **COMMENTS FROM CONCERNED CITIZENS**

There were no concerned citizens in attendance.

### **CORRESPONDENCE**

The directors read a letter written by Ms. Karmen Hoffpaur concerning the care provided to Mr. Ernest Hoffpaur. She recognized James Clark, M.D. for going above and beyond the call of a doctor and for the life-saving care that he provided.

The directors read a letter written by Mr. Ron Cox concerning the care that was provided to Mr. Herman Reicher by the LMC nurses and doctors. He recognized the staff for the awesome care that was provided to his brother and the exemplary attention that was given to the family.

A letter of appreciation from Mr. Kent Wilson, Groesbeck Funeral Home, was read. In the letter Mr. Wilson expressed his appreciation to Mr. Zach Barkouskie and Mr. Catlin Samuels for their assistance with a patient. He recognizes the staff for their assistance in several capacities. He commended the EMS staff for responding to almost every death call and the Nursing and Emergency Department staff and the professional rapport that is shared.

### **CONSENT AGENDA ITEMS**

The Board minutes, Executive Committee minutes Accounts Receivable report, Family Medicine Center report, Kosse Community Health Clinic report, Marketing report, Nursing Home Maintenance and Operations report, Nursing report, Nurse Staffing report, Plant Operations Report, Rettig Family Health Care report and Inservice were approved. Motion was made by Mrs. Glenda O'Neal, seconded by Mr. Chet Seelinger and unanimously carried to approve the consent agenda.

### **DISCUSSION AND ACTION ON NEWLY CREATED AND REQUESTED CHANGES TO POLICIES AND PROCEDURES**

#### Human Resources

A new Payroll policy and procedure has been created to include verbiage concerning pay period/paydays, timekeeping and overpayment/underpayment. The previous individual policies and procedures for payroll deductions, overtime, final pay, pay advances and salary ranges have been combined in the Payroll policy and procedure.

#### Marketing/Public Relations

There are no changes to the Marketing/Public Relations policies and procedures.

#### Purchasing

There are no changes to the Purchasing policies and procedures.

#### Rehabilitation

Mrs. Allec Lincoln informed the directors concerning a new policy and procedure Incomplete Medical Records that has been written to comply with Centers for Medicare and Medicaid Services (CMS) guidelines for unsigned patient plan of care (POC) and re-evaluations from the referring physicians/providers for outpatient therapy services. Rehabilitation Services has difficulty securing a referral doctor's signature POC and re-evaluation forms within the allotted time frame of 30 days. This policy addresses the documentation required to get this to Medical Records for coding and meet CMS guidelines. Mrs. Lincoln will present this policy to the Medical Staff at the March 16, 2021 meeting and if approved present it to the directors at the March 23, 2021 meeting.

The members of the Board examined each policy and procedure and the motion was made by Mr. Seelinger to approve the new policy and procedure for Human Resources. Additionally as there were no changes made to the Marketing/Public Relations and Purchasing policies and procedures, those existing policies and procedures are approved as written. The motion was seconded by Mr. Arnold Gray and unanimously approved.

#### **QUALITY, RISK AND REGULATORY DISCUSSION AND ACTION**

The February 10, 2021 minutes of the Quality Assurance and Performance Improvement Committee and the Risk Management/Safety Committee were presented and reviewed.

Mrs. Debbie Brewer is requesting the deletion of the Business Office indicator to monitor charges with incorrect service date as this indicator issue has been resolved. She is also requesting to change "charges with incorrect service date" to "Emergency Department to Medical accounts with level of care." Since the new Emergency Department system has been implemented, there has been an issue with some accounts having a level of care change when the patient is admitted to the medical floor from the Emergency Department. This level of care will automatically split the account for billing. This happens randomly and there is the need to monitor to find where the issue is occurring during the admission process. She is requesting the deletion of the indicator to monitor accurate coding and charging for COVID services orders. A system has been developed to monitor and maintain updates on the continuous changes with the COVID services. She is requesting that this indicator be changed to "ensure all admission room charges and observation hours post automatically." There have been some issues during the admission process and discharge process that will cause the system not to post automatically. This method will help track and address the accounts being reviewed.

Ms. Jean Wragge is requesting the deletion of the Emergency Department indicator IV fluid op time documented. This indicator has met the desired results for the past four months. She is requesting the addition of Emergency Department indicators (1) vital signs completed on discharge and (2) vital signs completed hourly. There is the need to ensure vital signs are completed hourly and on discharge with the Emergency Department Information System (EDIS) that was implemented last November.

To comply with Centers for Medicare and Medicaid Services (CMS) guidelines, Mrs. Allec Lincoln is requesting the deletion of the Rehabilitation Services indicators (1) all evaluations to be completed within two working days and (2) Speech Therapy to begin using e-form to assist Medical Records Department receiving patient evaluation within two working days from the date of evaluation. She is requesting the addition of Rehabilitation Services indicators (1) all evaluations to be completed within 24 hours and (2) Speech Therapy to use e-form to assist Medical Records Department receiving patient evaluation within 24 hours from date of evaluation.

The motion was made by Mr. Gray to approve the quality improvement indicator changes for the Business Office, Emergency Department and Rehabilitation Services. The motion was seconded by Mr. Seelinger and unanimously approved.

### **BKD, LLP AUDIT REPORT**

Mrs. Christa Worley, Managing Director, BKD, LLP, distributed the 2020 audited results report for the fiscal year ended September 30, 2020. Mrs. Worley spoke briefly concerning the community hospital industry, the Hospital's financial condition and comparisons with previous years and other hospitals.

BKD, LLP has issued an unmodified or clean opinion. Significant accounting policies were reviewed and compared to industry practice. Accounting treatments were reviewed for variations from Generally Accepted Accounting Principles (GAAP). Financial statement disclosures were reviewed for completeness and accuracy. Methodologies for developing accounting estimates were challenged and recorded estimates were reviewed for reasonableness and evidence of management bias. Mrs. Worley reviewed the management letter and the management representation letter with the Board members. The report on internal controls reveals that a deficiency exists in the segregation of duties; however, it was noted that this is typical of rural hospitals similar in size. Upcoming changes in accounting standards include Governmental Accounting Standards Board (GASB) Statement No. 84 Fiduciary Activities; GASB Statement No. 87 Leases; COVID-19, changes to Rural Health Clinic (RHC) payments and Medicare payments for COVID-19 discharges. For new RHCs or RHCs subject to the per visit limit, the rates will begin at \$100 per visit in 2021 and decrease to \$19 by 2028. Beginning in 2029 the reimbursement cap will be set at \$190 plus the Medicare Economic Index (MEI). This will negatively impact the Hospital District.

The Balance Sheets were reviewed and there was discussion concerning Hospital assets, liabilities and net position and the statement of operations. Mrs. Worley provided an overview of the Nursing Home Quality Incentive Payment Program (QIPP) Minimum Payment Amount Program (MPAP) results comparing years 2018, 2019 and 2020 with regard to resident revenue, management expenses, program income, quality incentives to managers and the net retained by the Hospital District. Third party settlements include the current year Medicare receivable in the amount of \$341,200; Uncompensated Care (UC) overpayment estimate of \$1,433,651 and current year nursing home QIPP receivable of \$8,989,871. The current year nursing home QIPP receivable includes prepaid Intergovernmental Transfer (IGT) of \$7,930,026 and QIPP receivable of \$1,059,845.

Graphs demonstrating operating income/loss excluding nursing home trends 2015-2019 as a percentage of Gross Patient Service Revenue (GPSR); property tax rates – maintenance and operations 2017-2020; liquidity; days cash on hand; net days in A/R – Hospital only; average payment period; Hospital patient days; discharges – routine; patient encounters – length of stay; net revenue trends; peer comparison – percent net revenue; peer comparison – percent gross revenue were reviewed.

There was general discussion concerning the management of cash including Payroll Protection Program loans and the additional steps required for loans over \$2M, Medicare accelerated payments short term loan and the Provider Relief Funds (PRF) and associated complications and continual changes.

Mrs. Worley led a discussion concerning COVID-19 challenges and the Hospital's definition of recovery from COVID-19, the current PRF program ending June 30, 2021; the timing and impact of vaccines; the impact on continuing volumes and employees and how much PRF the Hospital will retain.

With regard to the Medicaid 1115 Waiver, the final ruling on Children's Hospital Association of Texas (CHAT) lawsuit came in November 2020. The FY7 and FY8 overpayments are expected to be settled through normal audit reconciliation process. The UC waiver extension is approved for ten more years; however, Delivery System Reform incentive Payment (DSRIP) program is ending.

The Comprehensive Hospital Increased Reimbursement Program (CHIRP) will provide an increase to Uniform Hospital Rate Increase Program (UHRIP) but is not expected to provide much in additional funding.

On behalf of BKD, LLP, Mrs. Worley commended management for making this facility work as such a profitable entity and for being fiscally responsible with the tax funds received. Mrs. Worley indicated that the Hospital is in a good financial position moving forward.

### **FINANCIAL REPORT**

Mr. Michael Williams presented the Financial Report for the month ending January 31, 2021. Total inpatient revenues for the month of January were \$598,708.58 and the amount budgeted was \$166,116 which is 260.42% more than budget. The prior year inpatient revenues were \$110,886.17. Swingbed revenues for the month of January were \$508,328.03 and the amount budgeted was \$255,455 which is 98.99% more than budget. The prior year Swingbed revenues were \$203,917.18. Outpatient revenues for the month of January were \$3,973,891.25 and the amount budgeted was \$3,857,675 which is 3.01% more than budget. The prior year outpatient revenues were \$4,059,761.56. The total revenues for the month of January were \$7,081,799.02 and the amount budgeted was \$5,626,564 which is 25.868% more than budget. The prior year total revenues were \$6,915,815.02. Total revenue deductions for the month of January were \$3,280,774.84 and the amount budgeted was \$2,909,311 which is 12.77% more than budget. The prior year deductions from revenue were \$3,081,693.87. Expenses for the month of

January were \$2,168,412.06 and the amount budgeted was \$2,062,949 which is 5.11% more than budget. The prior year expenses were \$1,990,854.62. The actual net operating profit for the month of January was \$1,632,612.12 and the amount of \$654,304 was budgeted which is 149.52% more than budget. The prior year net operating profit was \$1,843,266.53. Special items affecting the profit and loss statement include recording DSRIP 115 Waiver Net funds receipts in the amount of \$276,409.14. The net operating profit without the special item is \$1,356,202.98. The operating revenue/expense comparison by department and operating revenue/expense comparison by supervised patient service department reports were reviewed for the month ending January 31, 2021. A report of collections and expenses reflects that in the past twelve months collections total \$17,604,847.74 and expenses total \$23,146,949.93 and that 76.06% of Hospital expenses are covered by collections.

The Coronavirus Aid, Relief and Economic Security (CARES) Act and COVID-19 relief update dated February 17, 2021 was reviewed. The current status of the recognition of the COVID-19 funding continues to be a complex situation. There is the need to evaluate the use of funds for COVID-19 expenses while considering the applicable restrictions and limitations of such other sources of funding limits recognition because of the expenses that have been or will be reimbursed under any federal program. As it relates to expenses, providers identify health care related expenses and then apply any amounts received through other sources that offset the health care related expenses. Provider Relief Fund payments may be applied to the remaining expenses or cost, after netting the other funds received or obligated to be received which offset those expenses. Tables indicating the Hospital District's position as of February 17, 2021 along with CARES Act and other COVID-19 grant resources and the cash positions at March 30, 2020 and February 17, 2021 were reviewed. Unaudited revenue and expense comparisons for the calendar year 2020 actual vs. budget and calendar year 2020 vs. calendar year 2019 actual were provided. While there are many expense being recorded and contributable to COVID-19, most of those have other funding sources including insurance payor sources and donated supplies. A list of equipment purchases needed to combat and assist in the pandemic response was reviewed.

#### **INVESTMENT REPORT**

The South Limestone Hospital District invested funds report will be presented at the March 23, 2021 meeting.

#### **LMC FOUNDATION REPORT**

Mr. Price reported that the LMC Foundation members met on Monday, February 22, 2021. Foundation members are considering a fundraiser to be conducted this spring or summer. The Foundation members will sponsor a booth at the Heritage Days Festival.

#### **ADMINISTRATIVE REPORT**

Kody Yerger, M.D. has renewed his Physician Employment Agreement with the Hospital. Dr. and Mrs. Yerger have purchased property in the community and intend to build a home. Mr. Price will speak with Kenneth Lomenzo, M.D. tomorrow concerning the renewal of his agreement. There was general discussion concerning the agreements.

Staff worked together very well through last week's winter storms. Supplies were adequate to maintain the facility. Delivery trucks including the food trucks were not able to get to the Hospital until Saturday, February 21, 2021. Groesbeck Independent School District offered to provide the Hospital vehicles with gasoline or diesel if there was a shortage and another individual in town offered diesel for the Hospital vehicles. Even though it was not needed, management is very appreciative of these offers for the provision of fuel.

This month the Hospital received a check in the amount of \$57,028.37 for the 340B Program participation. Management has executed the contract documents to affiliate with AmerisourceBergen to add Pharmacy Plus in Groesbeck to the 340B program effective Thursday, April 1, 2021.

South Limestone Hospital District has submitted all of the required change of ownership documentation for the affiliation with Park Place Manor Nursing & Rehabilitation in Belton and has established a checking account at Farmers State Bank.

Mr. Price contacted Farmers State Bank concerning the status of the Payroll Protection Program loan. He was informed that the Small Business Administration website still reflects that the loan is pending validation.

Mrs. Michelle Mullinnix reported that the new step equipment has been received to replace the one that was broken. She has examined the department space and determined that it would be difficult to accommodate an additional treadmill while maintaining the six feet social distancing measurements at this time.

Mr. Price has not received any updates concerning the Limestone County Dialysis Center.

Mrs. Lori Wheeler and Dr. Yerger expressed some of the issues being experienced while attempting to refer patients to the Behavioral Health Program and other programs for psychiatric evaluation. There are often delays of up to ten weeks before a patient can be seen. There was general discussion concerning staffing and psychiatrists. There are a limited number of psychiatrists and especially child psychiatrists and the number of referrals are increasing. There are two psychiatrists that treat patients at the Hospital. With the restrictions for Schedule III drugs, primary care providers are referring patients to psychiatrists because of the oversight requirements for these medications. This has significantly increased the patient census for psychiatrists. Mr. Price stated that he will speak with Mrs. Linda Chambers about staffing, providers and communication issues. He continued by stating that it is very difficult to get psychiatrists in rural health areas.

There was general discussion concerning the number of pain management and addiction treatment visits and the prescribing of Soboxone that are being conducted at Family Medicine Center. The Prescription Monitoring Program monitors all narcotics being prescribed. Mr. Price will convey to Dr. Lomenzo that the Board fully supports him in his position as Family Medicine Center Medical Director to speak with the physicians about pain management and addiction treatment concerns.

**EXECUTIVE SESSION**

The Board of Directors of South Limestone Hospital District entered into Executive Session at 4:09 p.m. This closed session is pursuant to Section 551.074 of the Texas Government Code “Personnel Matters.”

The Board of Directors of South Limestone Hospital District did not enter into Executive Session pursuant to Section 551.085 of the Texas Government Code “Governing Board of Certain Providers of Health Care Services.”

**RETURN TO REGULAR SESSION**

The Board of Directors adjourned from closed session at 4:40 p.m. and returned to open session. It was agreed that Mr. Price will speak with Kenneth Lomenzo, M.D. Family Medicine Center Medical Director concerning the prescribing of Soboxone.

**SETTING OF NEXT REGULAR BOARD MEETING**

The next regular meeting of South Limestone Hospital District Board of Directors was set for Tuesday, March 23, 2021, at 3:00 p.m. in the Hospital’s Board Room.

**ADJOURN**

There was no further business and the meeting adjourned at 4:41 p.m.

\_\_\_\_\_/s/  
Glenda O’Neal  
Secretary/Treasurer