

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

MINUTES

February 28, 2023

On this 28th day of February, 2023 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.

MEMBERS PRESENT

Danny Hewitt
Martha Stanton
Glenda O'Neal
Diana Diaz
Arnold Gray
Tyrell Hobbs
Kent Wilson

MEMBERS ABSENT

None

OTHERS PRESENT

Larry Price
Michael Williams
Pam Armstrong
Debbie Brewer
Shelton Chapman
Leeann Freeman
Courtney Harryman
Jennifer Haynie
Misty Hutchison
Emily Jones
Brandy Kennedy
B. C. Lee

Michelle Mullinnix
Adrienne Rettig
Melanie Richard
Tami Taylor
Corey Tunnell
Hope Wallace
Julie Wilson
Jean Wragge
Kody Yerger, M.D.
Robert York
Cathy Knouse

CALL TO ORDER, ESTABLISH QUORUM

The meeting was called to order by Mr. Danny Hewitt at 3:00 p.m. A quorum was present.

INVOCATION

Mr. Tyrell Hobbs 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

Ms. Amy Eskew, Chief Executive Officer and President, Texas Healthcare Trustees, has written to congratulate Mr. Kent Wilson for successfully completing the Certified Healthcare Trustee examination. He will serve as a certified trustee from February 5, 2023 through February 6, 2026.

A Facebook post from Ms. Kara Hardin was read. In her post she expressed her appreciation for Limestone Medical Center's doctors, nurses and paramedics and the quick and attentive care that was provided for her mother.

Mr. Hobbs was recognized for recently being named citizen of the year by Groesbeck Chamber of Commerce.

CONSENT AGENDA ITEMS

The Board minutes, Finance Committee minutes, Accounts Receivable report, Family Medicine Center report, Infectious Disease report, Kosse Community Health Clinic report, Marketing report, Medical Staff minutes, Nursing Home maintenance and operations report, Nursing report, Nurse Staffing Committee report, Plant Operations report, Rettig Family Health Care report, Rucker Clinic report and Inservice were presented. Motion was made by Mr. Hobbs, seconded by Mr. Gray and unanimously carried to approve the consent agenda.

FORVIS AUDIT REPORT

Effective June 1, 2022 Dixon Hughes Goodman, LLP and BKD, LLP merged and formed Forvis, a top ten accounting firm. Mrs. Christa Worley and Mrs. Cheyenne Tanner distributed the 2022 audited results report for the fiscal year ended September 30, 2022. Mrs. Worley spoke briefly concerning the Hospital's financial condition, comparisons with previous years and other hospitals and what is going on in the community hospital industry.

The auditors are issuing an unmodified, or "clean" opinion. Qualitative components of the audit include the review of significant accounting policies and comparisons to industry practice; the review of accounting treatments for variations from generally accepted accounting principles (GAAP); the review of financial statement disclosures for completeness and accuracy and the challenging of methodologies for developing accounting estimates and subsequent review for reasonableness and evidence of management bias. While conducting the audit, there were no difficulties encountered by the audit team; there were no disagreements with management; there were no contentious accounting issues and there were no consultations with other accountants. The management letter and management representation letter are included with the audit.

Mrs. Worley provided a report on internal controls that reveals that a deficiency exists in the segregation of duties; however, it was noted that this is typical of rural hospitals similar in size. Other matters addressed in a separate letter concern the 340B Drug Pricing Program and

Governmental Accounting Standards Board (GASB) Statement No. 96 Subscription-Based Information Technology Arrangements.

The Balance Sheets were reviewed and there was discussion concerning Hospital assets, liabilities and net position along with the statement of changes in net position. Lease assets are a new line in the balance sheets under GASB No. 87. The provider relief funds were recognized in the balance sheets as well..

Mrs. Worley provided an overview of the Nursing Home Quality Incentive Payment Program (QIPP) Minimum Payment Amount Program (MPAP) results comparing years 2019, 2020 2021 and 2022 with regard to resident revenue, management expenses, provider relief funds, 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 \$757,000; DY11 Final UC receivable of \$780,000; Prepaid CHIRP of \$67,000 and UC overpayment estimate of \$508,000 (CHJAT settlement). The current year nursing home QIPP receivable of \$11,984,000 includes prepaid Intergovernmental Transfer (IGT) of \$7,976,000 and QIPP receivable of \$4,008,000.

Graphs demonstrating operating income/loss excluding nursing home trends as a percentage of Gross Patient Service Revenue (GPSR); property tax revenues – maintenance and operations; property tax rates – maintenance and operations; 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 2015-2022; peer comparison – percent net revenue; peer comparison – percent gross revenue were reviewed.

There was general discussion concerning current events in health care. The economic challenges of wage pressures and supply chain issues continuing with inflation adding more strain to costs while reimbursement is reducing to pre-COVID levels. The Texas hospital industry is seeing disruption of nursing facilities participating with hospital districts due to (1) other hospital districts luring facilities away offering higher share to nursing facility which may lower percentages or potentially lose facilities and (2) state decreasing the threshold for non-government nursing homes to participate which may allow facilities to participate on their own and retain 100% of revenue but also dilutes the benefit of the program for governments and the nursing home manager partners as the IGT costs increase to cover these non-government facilities.. There is increasing pressure to lure Medicare eligible participants away from traditional Medicare to managed care plans which is resulting in dilution of Medicare costs and reimbursement. Medicare requires a minimum of 4,200 visits per physician full time equivalent in Rural Health Clinics. Physicians falling below this standard could negatively impact the Hospital's reimbursement as the cost per visit will be calculated based on the minimum rate versus actual visits. Mrs. Worley reviewed the existing supplemental payment programs and price transparency.

Mrs. Worley concluded the presentation and indicated that the Hospital is in a good financial position moving forward.

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

Emergency Room/Nursing

New Sepsis Guideline/Protocol to implement clinical practice guidelines for sepsis.

Human Resources

Update Employee Handbook Benefits policy and procedure B 103 to reflect the change in life insurance benefits in the amount of \$50,000 plus the buy up option.

Added policy and procedures to address the process to file a harassment complaint and subsequent investigation.

Affirmative Action Plan policies and procedures added to comply with federal regulations.

Marketing/Public Relations

There are no changes.

Purchasing

There are no changes.

Specialty Clinic

The Scope Hanging Time policy and procedure is being changed from reprocessing every scope every 5 days to reprocessing the scope prior to use if it hangs more than 7 days without use.

The members of the Board examined each policy and procedure and the motion was made by Mrs. Glenda O'Neal to approve the revisions being recommended by the department managers for the Emergency Room/Nursing, Human Resources and Specialty Clinic policies and procedures. 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. Hobbs and unanimously approved.

QUALITY, RISK AND REGULATORY DISCUSSION AND ACTION

The February 8, 2023 minutes of the Quality Assurance and Performance Improvement Committee and the Risk Management/Safety Committee were presented and reviewed. Ms. Julie Wilson informed the directors that she is now a certified professional quality manager.

COMPLIANCE OFFICER REPORT

There are no policy and procedure updates.

None of the Hospital associates are listed in the OIG Exclusion Database and none of the Hospital associates are listed with the Texas HHSC OIG.

Audits of 45 Hospital charts and 25 Clinic charts were completed.

Human Resources Department Regulatory Compliance Audit reveals that the remaining items have been completed including posting all new Human Resources signs in clinics, policy on how to file a harassment complaint and investigation procedures and Affirmative Action Plan to comply with federal regulation.

Infection Control and QAPI managers attended monthly TMF HQIC meeting. Focus is on developing and implementing Patient Family Engagement program. Provided additional education to the providers and the Hospital laboratory staff about how to properly order Hepatitis B screening and Hepatitis panels. This was addressed in July of 2022 but we have starting getting denials because they are being ordered incorrectly. We will continue to monitor for improvement.

There were no compliance complaints, investigation and remedial action.

The 340B compliance review reveals that 100% of claims reviewed were in compliance. The 340B second sight report uploaded to 340Besp website for review.

The Good Faith Estimate policy was put in place in the Hospital and all clinics according to regulatory guidelines. All Clinics are in compliance with the price transparency process.

FINANCIAL REPORT

Mr. Williams presented the Financial Report for the month ending January 31, 2023. Total inpatient revenues for the month of January were \$465,929.32 and the amount budgeted was \$241,624 which is 92.83% more than budget. The prior year inpatient revenues were \$282,340.92. Swingbed revenues for the month of January were \$328,874.88 and the amount budgeted was \$279,565 which is 17.649% more than budget. The prior year Swingbed revenues were \$219,925.47. Outpatient revenues for the month of January were \$5,091,185.34 and the amount budgeted was \$4,795,677 which is 6.16% more than budget. The prior year outpatient revenues were \$4,402,485.10. The total revenues for the month of January were \$6,831,147.20 and the amount budgeted was \$6,780,578 which is 0.75% more than budget. The prior year total revenues were \$7,342,141.95. Total revenue deductions for the month of January were \$3,847,441.89 and the amount budgeted was \$3,740,335 which is 2.86% more than budget. The prior year deductions from revenue were \$3,395,100.16. Expenses for the month of January were \$2,262,995.14 and the amount budgeted was \$2,417,879 which is 6.41% less than budget. The prior year expenses were \$2,221,397.16. The actual net operating profit for the month of January was \$720,710.17 and the amount of \$622,364 was budgeted which is 15.80% more than budget. The prior year net operating profit was \$1,725,644.63. A report of collections and expenses reflects that in the past twelve months collections total \$21,467,626.08 and expenses total \$26,171,799.84 and that 82.03% of Hospital expenses are covered by collections.

INVESTMENT REPORT

The South Limestone Hospital District invested funds report was presented by Mr. Michael Williams. The Hospital has a total of \$58,499,469.27 invested in texpools and certificates of deposit as of January 31, 2023. Currently the Hospital has three texpool accounts, two for the general fund and one for the ambulance. The Hospital has five certificates of deposit in terms of 12 months or less. The year-to-date interest is calculated beginning with the first day of the Hospital's fiscal year October 1. The Hospital is in compliance with its investment strategy and the Public Funds Investment Act.

RESOLUTION AND AMENDMENT FOR THE THA SECTION 457 PLAN FOR LMC AND THE LMC MONEY PURCHASE PENSION PLAN

A few years ago, the Texas Hospital Association Section 457 Plan for Limestone Medical Center and the Limestone Medical Center Money Purchase Pension Plan were changed to allow employees to enroll at any time. Mr. Williams conveyed the difficulties experienced with reconciling the transactions with this year-round schedule. Management is requesting that the enrollment schedule return to the quarterly enrollment periods. The motion was made by Mr. Arnold Gray to approve the resolutions and amendments for the Texas Hospital Association Section 457 Plan for Limestone Medical Center and the Limestone Medical Center Money Purchase Pension Plan. The motion was seconded by Mrs. Martha Stanton and unanimously approved.

RESOLUTION AUTHORIZING THE AMENDMENT OF THE TEXAS HOSPITAL ASSOCIATION SECTION 457 PLAN (DEFERRED COMPENSATION AGREEMENT) FOR LIMESTONE MEDICAL CENTER

WHEREAS, Limestone Medical Center (the employer) has maintained an eligible deferred compensation plan under Internal Revenue Code Section 457 for eligible employees continuously from an original effective date of July 1, 2001;

WHEREAS, it is not the desire of the employer to amend without interruption such plan, to change form monthly to quarterly entry dates for administrative ease and to change the optional forms of distributions to match those available in the companion Money Purchase Pension Plan;

BE IT RESOLVED, that the amendment of the plan as presented is hereby approved and that the officers of the employer are authorized and directed to execute such document and to take any other actions necessary to secure IRS approval of the plan's and related assets' qualified status as amended under the appropriate sections of the Internal Revenue Code (including the addition of any further amendments identified by the IRS as necessary to secure a favorable determination letter).

RESOLUTION AUTHORIZING THE AMENDMENT OF THE LIMESTONE MEDICAL CENTER MONEY PURCHASE PENSION PLAN

WHEREAS, Limestone Medical Center (the employer) has maintained a money purchase pension plan for eligible employees continuously from an original effective date of October 1, 1983;

WHEREAS, it is now the desire of the employer to amend without interruption such plan to change from monthly to quarterly entry dates for administrative ease;

BE IT RESOLVED, that the amendment of the plan as presented is hereby approved and that the officers of the employer are authorized and directed to execute such document and to take any other actions necessary to secure IRS approval of the plan's and related assets' qualified status as amended under the appropriate sections of the Internal Revenue Code (including the addition of any further amendments identified by the IRS as necessary to secure a favorable determination letter).

LMC FOUNDATION REPORT

Mr. Price reported that the LMC Foundation members met on Monday, February 13, 2023. LMC Foundation Board members are continuing to make plans for a spring fundraiser.

ADMINISTRATIVE REPORT

Savannah Wetzler, PA-C began treating patients at Family Medicine Center on Monday, February 6, 2023.

Mrs. Brandy Kennedy and Mrs. Natasha Rash were featured in the February 16, 2023 issue of *Groesbeck Journal*. February is recognized as Heart Health Month. Mrs. Kennedy and Mrs. Rash provided information to promote the importance of educating the community about the risk factors of heart disease.

Ms. Julie Wilson has met the standards established by the Healthcare Quality Certification Commission and passed the written examination thereby attaining the designation of certified professional in Healthcare Quality.

Ms. Kim McAlpine resigned from her position as Human Resources Director effective February 17, 2023. Seven candidates interested in this position are scheduled to be interviewed March 2-6, 2023. Mr. Price recognized Mr. Williams for handling all of the Human Resources duties in addition to his own work in the interim. In addition to regular Human Resources day-to-day operations, there have been questions raised concerning FMLA, retirement and it is the Hospital's open enrollment period for employee benefits. Mr. Price stated that Mr. Williams has done a great job and Mr. Price is very appreciative of his hard work.

Mr. Price recognized the employees for their professionalism and response to the incident that occurred at the Hospital February 16-17, 2023. Every employee had a role in the ensuring the best outcome for the situation. Tomorrow afternoon the managers will meet for the after action review. Mr. Wilson raised a question concerning the possibility of installing bullet-proof glass in the Emergency Room windows and doors. Mr. Price responded by stating that he will speak with Mr. Robert York concerning this matter.

Ms. Rachel Bierman from BioVigil was at the Hospital February 21-23 for revitalization, training and process management.

Open enrollment for the BlueCross BlueShield employee benefits was conducted February 22-23, 2022. Mr. Price reiterated that Mr. Williams has been instrumental in this process.

Mr. Price, Mr. York, Mr. B. C. Lee, Mrs. Corey Tunnell and Mrs. Courtney Harryman met with City of Kosse officials on Friday, February 24, 2023 to discuss the expansion of Kosse Community Health Clinic. The building architect was also present and he is going to make some changes based on suggestions made by Hospital staff.

Limestone Medical Center's profit for the 340B program was \$37,661.73 in January. Walmart pharmacy in Marlin will be added to the program effective April 1, 2023. Research reveals that patients of Kosse Community Health Clinic use this location to have prescriptions filled.

Falls Community Hospital in Marlin has received a new designation as rural emergency hospital. Only observation patients are admitted and stays cannot exceed 24 hours. There may be the need for ambulance services to transport patients to hospitals in Waco for inpatient stays.

The Hospital received a check from Texas Hospital Insurance Exchange in the amount of \$2,297.15 representing the Hospitals subscriber distribution savings.

Ms. Emily Jones provided those present with an update concerning the successful completion of Promoting Interoperability attestation reporting FY2022 for payment year 2024. Electronic clinical quality measures are currently reported for three quarters; however, next year reporting will be required for the full year.

Limestone Medical Center has participated with group purchase organization First Choice Cooperative for a number of years to save money on supply and equipment purchases. Some purchase orders are now being directed to other group purchase organizations namely Vizient, Inc. and Alliant Purchasing for better pricing. Last year the Hospital received over \$22,000 as a dividend from First Choice Cooperative and it was noted that the dividend amount may continue to decrease. Vizient and Alliant do not offer dividends, but do offer beneficial cost savings. In addition, with the increasing costs of food items, Mrs. Janie Marler has reported that the Dietary Department is realizing cost savings after transitioning to US Foods.

EXECUTIVE SESSION

The Board of Directors of South Limestone Hospital District entered into Executive Session at 4:29 p.m. This closed session is held pursuant to Section 551.074 of the Texas Government Code “Personnel Matters.”

RETURN TO REGULAR SESSION

The Board of Directors adjourned from closed session at 5:16 p.m. and returned to open session. There was no action.

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.”

SETTING OF NEXT REGULAR BOARD MEETING

The next regular meeting of South Limestone Hospital District Board of Directors was set for Tuesday, March 28, 2023, at 3:00 p.m. in the Hospital’s Board Room.

ADJOURN

There was no further business and the meeting adjourned at 5:18 p.m.

_____/s/
Glenda O’Neal
Secretary/Treasurer