

**REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
February 25, 2025 @ 5:15 P.M.**

Minutes

IN ATTENDANCE:

Philip Blackburn, President
David Schaefer, Vice-President
John McLaren, Secretary
Justin B. Sowell
Ahammed Hashim, M.D.

MEDICAL STAFF

Ahammed Hashim, M.D.

ABSENT

John Sparks
Rikki Leigh Willoughby

ALSO IN ATTENDANCE:

Rhonda McCabe, CEO
Lynn Lindsey, CFO
Stacy Garcia, VP Clinical Operations / CNO
Scott Skelton, Legal Counsel
Ella B. Nobles

1. **CALL TO ORDER:** Philip Blackburn called the scheduled board meeting to order at 5:15 p.m.
2. **WELCOME, VISITORS:** Philip Blackburn welcomed all the visitors.
3. **COMMENTS FROM THE AUDIENCE**

Public comments on any topic at regular monthly Board meetings are encouraged. Individuals who wish to speak during the public comment portion of the meeting must sign in before the meeting.

- There was no public communication.

4. ADMINISTRATIVE REPORTS- INFORMATION ONLY

4.1 Report from CEO: Rhonda McCabe

Cindi Reynolds, Compliance and Risk Officer, has resigned. Her effective end date is March 20, 2025. We are grateful for her service to this hospital and are actively searching for her replacement.

Lynn and I have received an invitation from the PRB to speak to the Actuary Committee on Thursday, February 27.

Patient volume has been strong, with an increase in ER visits. Lynn will provide further details.

The next Board meeting is scheduled for Tuesday, March 25, 2025, at 5:15 PM.

March 11 marks the one-year anniversary of taking back the hospital. Ms. McCabe stated that this has been the most challenging experience in her professional career. She expressed her gratitude to the Board of Directors, physicians, and, most importantly, the employees.

Ms. McCabe urges the community to choose Memorial, emphasizing that the hospital cannot survive without their support. She welcomes any suggestions for improvement and reassures everyone, *"We are here for you."*

4.2 Report for CFO: Lynn Lindsey

Lynn Lindsey reported that there was no display on the screen because Wester was out of town, and the hospital email server went down. Jose is currently working on resolving the issue, and Lynn did not want to pull him away to set up the display.

Statement of Revenue Report:

- **Total Gross Patient Revenue:** \$21,705,086
- **Net Patient Revenue:** \$2,214,653
- **Other Revenue (Sales Taxes):** \$826,597
- **Net Operating Revenue:** \$3,305,031
- **Total Expenses:** \$5,140,213
- **Operating Net Income/(Loss):** (\$1,835,182)
- **EBIDA:** \$3,715,705

Ms. Lindsey is actively looking for ways to reduce third-party expenses.

Discussion:

Dr. Hashim inquired about the number of patients the hospital sees each month. He also asked about contractual adjustments related to self-pay patients and the bad debt from last month, which showed a negative balance.

Ms. Lindsey explained that some adjustments had been made by the business office and were expected to correct themselves this month. She will be attending a meeting to discuss the issue further.

Dr. Hashim also suggested that the payor mix should be provided monthly, and Ms. Lindsey agreed.

Ms. Lindsey presented a proposal for a future financial report to be conducted by CHC for \$2,500. Board member Justin Sowell asked whether this expense was included in the budget.

Ms. Lindsey stated that increased patient volume is essential for the hospital's sustainability. She emphasized that while the community has expressed the need for two hospitals, it is crucial that they also utilize this facility.

Dr. Hashim inquired about EMS runs, and Ms. Lindsey confirmed that they have increased.

5. DISCUSSION AND POSSIBLE BOARD APPROVAL OF CONSENT AGENDA

Any board member may request that any or all of the items on the consent agenda be removed and considered as a separate item. If no such request is made, all items on the consent agenda may be approved by a single action.

- 5.1** Minutes of January Meeting (01/28/25)
- 5.2** CFO Financial Report

Philip Blackburn requested that the board acknowledge the necessary corrections marked in red on the January 28 minutes.

The motion was made by Justin Sowell to approve the Consent Agenda items 5.1 and 5.2. The motion was seconded by John McLaren, and the board approved.

6. REPORT FROM MEDICAL EXECUTIVE STAFF COMMITTEE REQUIRING DISCUSSION, UPDATE, DELIBERATION, ACTIONS, AND/OR POSSIBLE APPROVAL, INCLUDING MINUTES OF MEDICAL STAFF COMMITTEES

6.1 Request for Approval of Medical Staff Appointments and Privileges: A Motion was made by David Schaefer to approve Medical Staff Appointments, Privileges and Policies and Procedures. The motion was seconded by John McLaren, and the board approved.

6.2 Request for Approval of Amendments to Surgery Policies: A Motion was made by David Schaefer to approve Medical Staff Rules and Regulations and Medical Staff Bylaws. The motion was seconded by John McLaren, and the board approved.

7. UPDATE FROM BOARD RETIREMENT COMMITTEE – PHILIP BLACKBURN

Philip Blackburn, Retirement Committee Chair, provided an update to the board regarding the first Retirement Committee meeting, which was held on February 13, 2025, at 5:30 p.m. The committee members are Philip Blackburn, John McLaren, Ahammed Hashim, M.D., Glenda Webb, and Robbie Marshall.

Mr. Blackburn emphasized that the committee serves as an informational body and will comply with the rules of the Texas Open Meetings Act. To ensure transparency, meeting agendas will be posted, minutes will be recorded, and meetings will be open to the public. The committee will not vote on any items but will discuss matters, with all decisions being made by the full board.

Mr. Blackburn is awaiting the audited financial report and information from the actuary. These reports, due in the first quarter, will help guide decisions regarding the pension plan and explore options for fully funding it.

The committee has been researching other pension plans that faced financial distress and successfully recovered. They are particularly interested in determining whether similar solutions could apply to their plan.

On Thursday, February 27, 2025, a Pension Review Board meeting will be held in Austin, Texas, where they have a hearing with the Actuary Committee. The Pension Review Board seeks information on the direction of the hospital's pension plan.

Mr. Blackburn assured the board that the committee is taking its responsibilities seriously and is currently working on a mission statement to reflect its purpose and commitment. A full report from the committee will be provided in due course.

8. **DISCUSSION AND POTENTIAL ACTION TO APPROVE RESOLUTION AMENDING BYLAWS TO ENLARGE PUBLIC COMMENTS TIME PERIOD.** John McLaren made a motion to amend the Bylaws to increase the time for public comments from two minutes to four minutes. The motion was seconded by David Schaefer, and the board approved.
9. **DISCUSSION AND POTENTIAL APPROVAL OF SETTLEMENT AGREEMENT WITH SCG CAPITAL CORPORATION.** This item will be discussed in Executive Session.
10. **DISCUSSION AND POTENTIAL APPROVAL OF SALES AGREEMENT WITH RAMSOFT USA INC. FOR POWERSERVER SUBSCRIPTION.** Dr. Hashim made a motion to approve the Sales Agreement with Ramsoft USA Inc. for the PowerServer subscription. The motion was seconded by John McLaren, and the board approved.
11. **DISCUSSION AND POTENTIAL ACTION TO APPROVE RESOLUTION TO DELEGATE TO ADMINISTRATOR THE BOARD'S AUTHORITY TO APPOINT COMPLIANCE OFFICER.**
After a discussion regarding why this item required board approval, it was noted that due to a change in the bylaws in July 2024, the CEO must have the authority to appoint a Compliance Officer.

David Schaefer made a motion to approve the resolution delegating to the administrator the authority to appoint a Compliance Officer. The motion was seconded by Justin Sowell and approved by the board.
12. **DISCUSSION AND POTENTIAL ACTION TO AMEND COMMITTEE CHARTER AND APPOINTMENTS CORRESPONDING TO THE CHANGES:**

12.1 Strategy and Planning Committee Charter:

The amendment identifies specific District representative members on the Committee to include the Chief Executive Officer/Administrator, Chief Financial Officer, Chief Medical Officer, and the Vice President of Clinical Operations/Chief Nursing Officer.

12.2 Quality Committee:

Amendment revises District representative members to include Chief Executive Officer/Administrator, Chief Financial Officer, Chief Medical Officer, Vice President of Clinical Operations/Chief Nursing Officer, and Director of Risk Management and Compliance.

12.3 Retirement Committee:

Amendment clarifies District voting member (CEO/CFO) and allows the Committee to prepare a Mission Statement.

Motion was made by John McLaren to approve 12.1., and 12.2. The motion was seconded by David Schaefer and the board approved. No Action was taken on 12.3.

13. CLOSED SESSION: Convened to Closed Session 5:52 p.m.

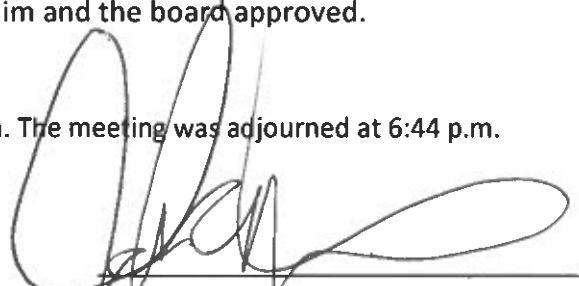
- 13.1** Tex. Gov't Code §551.071, .129 (consultation with attorney)
- 13.2** Tex. Gov't Code §551.072 (deliberation on issues with real property)
- 13.3** Tex. Gov't Code §551.074 (deliberation on personnel matters)
- 13.4** Tex. Gov't Code §551.076, .089 (deliberation on security issues)
- 13.5** Tex. Gov't Code §551.078, .0785 (deliberation involving confidential patient medical records)
- 13.6** Tex. Gov't Code §551.085 (deliberation on contract negotiations for services or product lines and relating to a proposed new service or product line)
- 13.7** Tex. Health & Safety Code §161.031, .032 (disclosure of medical information and peer review)

RETURNED TO OPEN SESSION: @ 6:43 p.m. with Item: 9.

Item: 9. Discussion and Potential Approval of Settlement Agreement with SCG Capital Corporation. Motion made by John McLaren to approve the Settlement Agreement with SCG Capital Corporation. Motion seconded by Dr. Hashim and the board approved.

ADJOURNED: Justin Sowell made a motion to adjourn. The meeting was adjourned at 6:44 p.m.


Philip Blackburn, President


John McLaren, Secretary