

**REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
AUGUST 26, 2025 @ 5:15 P.M.**

MINUTES

IN ATTENDANCE:

Philip Blackburn, President
David Schaefer, Vice-President
John McLaren, Secretary
John Sparks
Almarie Henderson Shumate

MEDICAL STAFF:

Ryan Head, M.D.

ABSENT:

Ahamed Hashim, M.D.
Rikki Leigh Willoughby

ALSO IN ATTENDANCE:

Rhonda McCabe, CEO
James Pool, Interim CFO
Stacy Garcia, VP Clinical Operations / CNO
Noella Crayton, Compliance Officer
Robert Spurck, Legal Counsel / Zoom
Ella B. Nobles, Operations Manager

1. CALL TO ORDER

Philip Blackburn called the scheduled board meeting to order at 5:17 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.

Sean Hightower, President of the Healthcare Foundation, presented three scholarships funded by the Foundation, the Auxiliary, and a personal contribution from Mr. Hightower.

- **Nathan Landrum**, a student at Panola College, received a \$3,000 scholarship.
- **Munachiso S. Nwatu**, an international student from Nigeria attending Stephen F. Austin State University (SFA), received a \$3,000 scholarship. Munachiso also volunteers on weekends in the Nacogdoches Memorial Hospital Emergency Department.
- **Davidson Reyes**, an international student attending Stephen F. Austin State University (SFA), received a \$3,000 scholarship but was unable to attend due to clinical rotations. He expressed his plans to work at Nacogdoches Memorial Hospital to give back to the community.

Glenda Webb (Joe Bartnik) addressed the NCHD Board of Directors on behalf of the 582 vested pensioners. She commended **Phillip Blackburn** for his consistent efforts to promote clarity and transparency in the pension program. She praised the Committee for consulting experts to ensure the plan's long-term stability.

Ms. Webb noted that she will submit the letter, along with 25 supporting signatures, to the PRB.

Ms. Webb also requested that the Board reconsider the property tax, highlighting that the additional funding could benefit the hospital and support future employees.

4. ELECTION MATTERS

4.1 Election Update

Philip Blackburn addressed the Board regarding the Executive Committee's decision to proceed with appointing **Almarie Henderson** to the At-Large position. Mr. Blackburn explained that no opposing applications were received for **Precinct 3** and none for **Precinct 1**, only one application was submitted for the **At-Large** position, from Ms. Henderson.

Due to current issues and several Board member absences, the Executive Committee recommended moving forward with filling the At-Large position previously held by **Justin Sowell**. **Precinct 3** remains unopposed, and **David Schaefer** will continue to serve in that position. **Precinct 1** will remain vacant until an appointment is made.

4.2 Discussion and possible appointment of a member to fill the vacancy of the at-large position of the Board of Directors. A motion was made by David Schaefer to appoint Almarie

Henderson Shumate to complete the unexpired term of Justin Sowell for the At-Large position. The motion was seconded by John McLaren, and the Board agreed.

Almarie Henderson Shumate was administered the **Oath of Office** by **Ella B. Nobles**, serving as Notary Public and Board Secretary.

5. ADMINISTRATIVE REPORTS – INFORMATION ONLY

5.1 Report From the CEO

Rhonda McCabe, CEO, presented the Administrative Update to the Board of Directors.

The Nacogdoches Coalition meeting was held at our facility again in August. It was a successful event, and we appreciate the coalition for utilizing our space and for the valuable work they do in support of our community.

Calendar Updates:

- No retirement meeting was held in September.
- The next regular Board Meeting is scheduled for September 23, 2025.
- Special Board Meetings will be scheduled as needed.
- As a reminder, notice of a meeting of a governmental body must be posted at least three (3) business days before the meeting.

5.2 Report From CFO

James Pool, Interim Chief Financial Officer, presented an informational report outlining the programs overseen by the Nacogdoches County Hospital District.

Mr. Pool reported that the hospital entered into a financial reporting contract with CHC in July 2025, as the existing system was deemed inadequate. He also provided an overview of the **Case Mix Index (CMI)**, explaining that it represents a relative value assigned to diagnosis-related groups of patients and is used to determine the appropriate allocation of healthcare resources. Mr. Pool reviewed the **July 2025 CMI** data, noting that the Board has a general understanding of the variances presented.

Financial Summary – July 2025:

- Net Loss (unadjusted): **\$1.6 million**
- Net Loss (adjusted): **\$1.2 million**
- Total Revenue: **\$2.9 million**
- Total Operating Expenses (including Depreciation & Amortization): **\$5.6 million**

Mr. Pool also reviewed inpatient and outpatient revenue, revenue deductions, total net patient revenue, tax subsidy revenue, and other income.

He further reported that **professional fees**—including medical coverage, agency audit, legal, and consulting expenses—may be **overstated by approximately \$305,000**.

Sales tax revenue for the month totaled **\$949,397.88**, a **15.54% decrease (\$174,727.90)** from the prior year's August amount of **\$1,124,125.78**.

Mr. Pool concluded his report with a presentation of the **revised FY25 budget**, which reflects updates based on FY25 actuals and adjustments from the FY24 audit.

5.3 Report from VP Clinical Operations

Stacy Garcia, VP of Clinical Operations, presented the clinical update and the Quality Committee report to the Board. Ms. Garcia reviewed the standard items considered by the Quality Committee. The full report will be attached to the minutes for future reference.

Additionally, Brittany Henson presented awards from the American Heart Association, including:

- 2025 Rural Coronary Artery Disease (NSTEMI-ACS) Bronze Award
- 2025 Rural Heart Failure Silver Award
- 2025 Rural Stroke Bronze Award

The Quality Committee met on August 14, 2025, to review and approve the items presented to the Board.

5.4 Report from Compliance Officer

Noella Crayton, Compliance Officer, presented the Compliance Report in Executive Session. No action taken.

6. 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.

- **6.1** Minutes of July 29, 2025, Regular Board Meeting and Special Board Meeting Minutes from August 21, 2025
- **6.2** CFO Financial Report

The motion was made by John McLaren to approve Consent Agenda items 6.1 and 6.2. The motion was seconded by John Sparks and approved by the board.

7. DISCUSSION AND POSSIBLE BOARD APPROVAL OF AMENDED AND REVISED BYLAWS.

No Action Taken.

8. REPORT FROM MEDICAL EXECUTIVE STAFF COMMITTEE REQUIRING DISCUSSION, UPDATE, DELIBERATION, ACTIONS, AND/OR POSSIBLE APPROVAL

- **8.1 Request for Approval of Medical Staff Appointments and Privileges**

The Medical Staff Report was given by Ryan Head, M.D. Motion was made by David Schaefer to approve the Medical Staff Appointments and Privileges. The motion was seconded by John Sparks and approved by the board.

9. UPDATE FROM BOARD RETIREMENT COMMITTEE. DISCUSSION AND POTENTIAL APPROVAL OF RETIREMENT COMMITTEE MEETING MINUTES FROM JUNE 2, 2025.

David Schaefer made a motion to approve the minutes from June 2, 2025. Motion seconded by Philip Blackburn. The motion was approved by the board.

10. PRESENTATION AND DISCUSSION REGARDING CAPTRUST FINANCIAL ADVISORS, PRESENTED BY LISA IVIE MILLER, AIF.

Lisa Ivie Miller, AIF, Principal Financial Advisor with **CAPTRUST**, presented the **Retirement Advisory Services Centralized Model** for NCHD pensioners. **Philip Blackburn** requested the presentation, as the **Retirement Committee** believed the information was significant enough for the full Board to hear. The model provides pensioners with comprehensive resources to help optimize their retirement plans.

Mr. Blackburn stated that he would like to schedule a **future workshop** to devote an entire meeting to this topic, noting that it is the **fiduciary duty of the Board** to review such information due to the fees paid to the current company, which are drawn from the pension fund. **No action was taken at this time.**

11. DISCUSSION AND POTENTIAL APPROVAL OF RESOLUTION FOR THE FUNDING SOUNDNESS RESTORATION PLAN TO THE TEXAS PENSION REVIEW BOARD.

The **Nacogdoches County Board of Directors** was asked to submit a **Resolution** to the **PRB** by September 1 as part of a soundness plan to fund the pension plan for the future. The Resolution was read in its entirety by **Rhonda McCabe**.

A motion was made by **David Schaefer** to approve the Resolution for the **Nacogdoches County Hospital District Funding Soundness Restoration Plan** to be submitted to the **Texas Pension Review Board**, with the correction to amend the date to **FY27** for inclusion in the budget. The motion was seconded by **John McLaren** and carried unanimously.

12. THE BOARD WILL MEET IN CLOSED SESSION (AS APPLICABLE) PURSUANT TO:

- Tex. Gov't Code §551.071, .129 (consultation with attorney).
- Tex. Gov't Code §551.074 (deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee).
- Tex. Gov't Code §551.076, .089 (deliberation on security issues).
- Tex. Gov't Code §551.078, .0785 (deliberation involving confidential patient medical records).
- 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).
- Tex. Health & Safety Code §161.031, .032 (disclosure of medical information and peer review).

14. CONVENE TO EXECUTIVE SESSION

Meeting convened to Executive Session at 7:01 P.M.

15. RETURNED TO OPEN SESSION

Meeting returned to Open Session at 8:00 P.M.

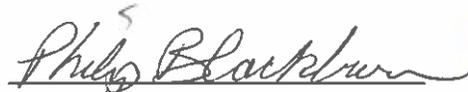
16. BOARD REQUEST FOR NEW INFORMATION AND/OR REPORTS

An individual Board member may request a report or new information in a regular board meeting by majority vote of the Board. Request to make changes to Item 11.

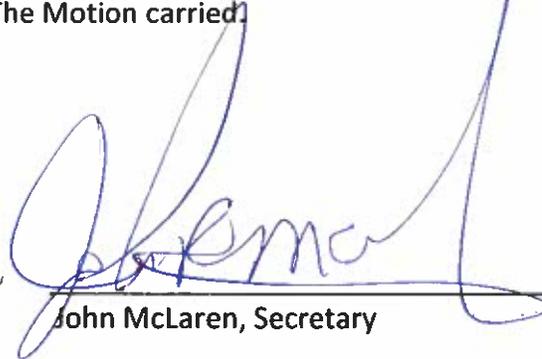
Correction on motion - Item 11: Motion was made by Philip Blackburn to approve the Resolution for the Funding Soundness Restoration Plan. The motion was seconded by John McLaren. David Schaefer and Almarie Henderson Shumate abstained from voting due to being recipients of the Retirement Plan. The Motion carried.

17. ADJOURNMENT

Meeting adjourned at 8:01 P.M.



Philip Blackburn, President



John McLaren, Secretary