

REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
DECEMBER 16, 2025 @ 5:15 P.M.

Minutes

IN ATTENDANCE:

Philip Blackburn, President
David Schaefer, Vice-President
John McLaren, Secretary
Ahmed Hashim, M.D.
Rikki Leigh Willoughby
John Sparks
Almarie Henderson Shumate
Pamela Wheeler

MEDICAL STAFF:

Ryan Head, M.D.

ALSO IN ATTENDANCE:

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

1. CALL TO ORDER

Philip Blackburn called the scheduled board meeting to order at 5:16 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. No one signed in to speak.

4. ADMINISTRATIVE REPORTS – INFORMATION ONLY

4.1 Report From the CEO

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

Ms. McCabe highlighting recent events and staff recognitions.

DAISY and Sunshine Awards

The DAISY Award recognizes nurses for exceptional care and compassion, based on nominations from patients, families, and coworkers. The following nurses were nominated: Dylon Cox, RN; Taylor Faulk, RN; Patsy Leaman, RN; Jessie Owens, RN; Michael Rhoden, RN; Faye Rhodes, RN; Contrina Scott, RN; Anthony Vargas, RN; Robert Y'Barbo, RN; and Patricia Zamarron, RN.

DAISY Award Winner: Patsy Leaman, RN.

The Sunshine Award recognizes outstanding service and compassionate care provided by ancillary services staff. Nominees included Andrea Bryant, Ja'Real Cavitt, Wester Couch, Anne Ellis, Michelle Hutchinson, Marie Moore, Shanna Poole, Jamas Sanders, Lauren Smith, and Melinda Waring.

Sunshine Award Winner: Anne Ellis.

Ms. McCabe congratulated all nominees and award recipients.

Love INC Toy Drive

The organization participated in the Love INC Toy Drive, contributing more than three large boxes of donated items.

Employee Christmas Party

An Employee Christmas Party was held on December 5 at Mast Hall and hosted by the Employee Engagement Committee, including Anne Ellis, Sylvia Thompson, Katie Howard, and Honey Casey. The event was well attended and included gifts, music, and dancing.

Volunteer Christmas Party and Retirement Recognition

A Volunteer Christmas Party was held in conjunction with the retirement recognition of Ms. Mary Birdsall. Ms. Birdsall, age 94, volunteered a total of 7,680 hours between 2017 and 2025.

Calendar Updates:

- January 20 – Executive Committee Meeting
- January 27 – Board Meeting

Ms. McCabe wishes everyone holiday greetings.

4.2 Report From CFO

James Pool, Chief Financial Officer, presented the internal preliminary and unaudited financial statements for November 2025, excluding the QIPP Nursing Homes and Foundations activity.

Financial Summary – 2025:

Mr. Pool presented the Balance Sheet as of November 30, 2025, a point-in-time report, and the Income Statement reflecting financial performance for both the current month and year-to-date.

Discussion focused on working capital and liquidity. Working capital was a negative \$21.0 million, calculated as total current assets of approximately \$31.0 million less total current liabilities of approximately \$52.0 million. Current liabilities include an estimated \$11.0 million related to third-party payor settlements and approximately \$6.5 million representing the current portion of long-term debt.

Cash and cash equivalents totaled approximately \$2.3 million at November 30, 2025, representing an estimated 13 days cash on hand. This compares to \$2.3 million in the

prior month, a negative \$546 thousand in November 2024, and a negative \$1.2 million as of June 2025.

For November 2025, the organization reported a net loss of approximately \$481 thousand. This was driven by total net revenue of approximately \$6.1 million, total operating expenses of approximately \$5.6 million, and other non-operating expenses of approximately \$993 thousand. Results for the month included \$1.9 million in Disproportionate Share Hospital (DSH) revenue, partially offset by a \$990 thousand reserve related to the State Emergency Grant recorded earlier in the fiscal year as non-operating revenue.

Year-to-date through November 2025, the organization reported a net loss of approximately \$3.1 million. Year-to-date results reflect total net revenue of approximately \$24.8 million, total operating expenses of approximately \$28.1 million, and approximately \$128 thousand of grant revenue, primarily related to information technology grants.

4.3 Report from VP Clinical Operations

- Quality Committee Report
- Quality Organization – Wide Performance Improvement Program

Stacy Garcia, VP of Clinical Operations, presented the clinical update and the Quality Committee report to the Board. The Quality Committee met on December 3, 2025, and is chaired by David Schaefer. Ms. Garcia also presented the Quality Organization-Wide Performance Improvement Program policy for approval. The full report will be available for future reference.

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 November 18, 2025, Regular Board Meeting
- **5.2** CFO Financial Report
- **5.3** Quality Committee Report
- **5.4** Quality Organization – Wide Performance Improvement Program

The motion was made by David Schaffer to approve Consent Agenda items 5.1, 5.2, 5.3, and 5.4. The motion was seconded by Philip Blackburn and approved by the board.

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

6.1 Request for Approval of Medical Staff Appointments and Privileges

The Medical Staff Report was given by Ryan Head, M.D. Motion was made by A. Hashim, MD, to approve the Medical Staff Appointments and Privileges. The motion was seconded by John McLaren and approved by the board.

7. DISCUSSION AND POSSIBLE APPROVAL OF OMNICELL UPGRADE G5 TO XT BRIDGE SERVICE AGREEMENT.

The motion was made by David Schaffer to approve the Omnicell Upgrade G TO XT Bridge Service Agreement at the rate of \$100,000.00. The motion was seconded by Philip Blackburn and approved by the board.

8. UPDATE FROM RETIREMENT COMMITTEE DISCUSSION AND POTENTIAL APPROVAL OF RETIREMENT COMMITTEE MINUTES FROM AUGUST 12, 2025.

The motion was made by Philip Blackburn to approve the Retirement Committee minutes from August 12, 2025. The motion was seconded by John McLaren and approved by the board.

9. DISCUSSION AND APPROVAL OF LETTER TO THE PENSIONERS.

10. DISCUSSION AND APPROVAL OF THE APPEAL FROM PENSION FUND DISTRIBUTION.

11. DISCUSSION AND POTENTIAL APPROVAL OF PHYSICIAN EMPLOYMENT AGREEMENT.

The motion was made by A. Hashim, MD, to move items 9, 10, and 11 to Executive Session for discussion. The motion was seconded by Almarie Henderson and approved by the board.

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).

13. CONVENE TO EXECUTIVE SESSION

Meeting convened in Executive Session at 5:45 P.M.

14. RETURNED TO OPEN SESSION

Meeting returned to Open Session at 7:23 P.M. with items 9, 10, and 11.

Item 9. The motion was made by Philip Blackburn to approve the Letter to the Pensioners pending attorney approval. The motion was seconded by John McLaren, and the board approved.

Item 10. The motion was made by Philip Blackburn to approve the Appeal for Pension Fund Distribution for the sum of \$17,000.00. The motion was seconded by John McLaren, and the board approved.

Item 11. The Board took **No Action** on the Physician Employment Agreement.

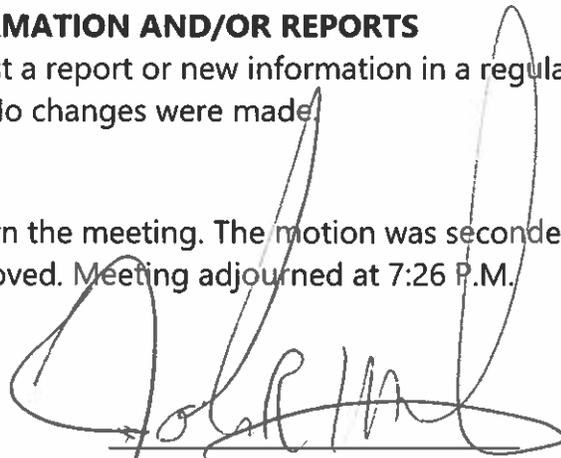
15. BOARD REQUEST FOR NEW INFORMATION AND/OR REPORTS

An individual Board member may request a report or new information in a regular board meeting by majority vote of the Board. No changes were made.

16. ADJOURNMENT

Motion made by David Schafer to adjourn the meeting. The motion was seconded by Almarie Henderson, and the board approved. Meeting adjourned at 7:26 P.M.


Philip Blackburn, President


John McLaren, Secretary