

**Hamilton County Hospital District  
Board Meeting Minutes  
April 26, 2023**

**Presiding: Robert Witzsche**

**Board members in attendance: Robert Witzsche, Doug Forrest, Mike Collett, Karen Craig**

**Others Present: Grady Hooper, Chief Executive Officer; Melissa DeLaGarza, Chief Operating Officer; Debbie Martin, Chief Nursing Officer; Tracey Karasek, Chief Administrative Officer; Tammy Schreiber, Interim Chief Financial Officer; Jordyn Powers, Recording Board Secretary; Chad Reinert, Director of Information Technology; Patrick Cobb, Director of Emergency Medical Services; Bobbie Nichols, Director of QIPP; Maria Weaver, Hamilton-Herald News; Deborah Whitley, Forvis Partner; Cheyenne Tanner, Forvis Senior Manager**

**Date and time: Wednesday, April 26, 2023, 10:00a.m., Hamilton General Hospital Board Room, 400 N Brown St, Hamilton, Texas 76531**

**Call to order:** Witzsche called the meeting to order. A quorum was present.

**Citizen comments (limit of 3 minutes per person):** There were none.

**Consider and act on minutes of January 23, 2023 regular called meeting, February 13, 2023 special called meeting, March 3, 2023 regular called meeting, and March 27, 2023 regular called meeting:** Collett moved, Forrest seconded approval of minutes for January 23, 2023 regular called meeting, February 13, 2023 special called meeting, March 3, 2023 regular called meeting, and March 27, 2023 regular called meeting. Motion carried.

**Presentation of 2022 Audit by Forvis– Deborah Whitley:** Deborah Whitley presented a draft of the 2022 Audit. The company that was previously BKD has merged with DHG, and they are now FORVIS (Forward/Vision). Whitley stated that although this is a draft there is nothing expected to change on their part. The draft is initially set so Tammy can have time to review the report. Healthcare is seeing economic changes like supply chain issues and wage pressures. Also, there are challenges with dilution of Medicare that will be shown in the financials. Many supplemental payment programs and some of these recent programs are not good for rural health facilities. There is a disruption of nursing facilities participating in QIPP, much of it due to the state decreasing threshold for non-government homes to participate. Price transparency for ensuring compliance will need to be under constant review to avoid noncompliance penalties. REH is hitting hospitals in Texas, only open for outpatient and ER services. Current cash and equivalents are up \$7.3 million. Gross Patient Service Revenue increased by \$13.3 million. Hospital Net Patient Revenue increased \$4.3 million. Operating Expenses increased \$5 million. District Operating Income for 2022 is \$2.4 million compared to PY Operating Loss of \$2.5 million. Nonoperating Revenue decreased by \$11.1 (PRFs). Net Position increased \$9,890,101 and \$18,773.962 in PY. Cheyenne Tanner reviewed the Balance Sheet. There was a \$6.7 million decrease in nursing facility AR due to the loss of 7 homes. The increase in prepaid expenses is

due to self-insurance claims. Capital Assets is high from EMS purchases. Total assets are \$89.9 million. Third party settlements are from Medicare, UC receivable, CHIRP, RAPPS, and QIPP. Liabilities and Net Position has an \$8 million decrease on nursing facility payable. Also, there is a \$900K Medicare advance payment. Current Liabilities show an \$8.6 million decrease in. The Income Statement shows an increase in salaries, wages, and employee benefits. The Provider Relief Fund can be seen in the noncapital grants and gifts. Liquidity shows how much cash is on the books compared to payables which shows steady growth. Days cash on hand- 250 days for 2022 (higher than average of per group). Net days in AR- lower is better, around 27 days for 2022, may see uptick in 2023. Average Payment period is right in line with pers for over the last 4 years. Hospital Patient Days has around 3,000 in-patient days. Discharge summary shows 450 in 2022. Length of Stay is currently under the 96-hour requirement (which was exempt for COVID-19). Revenue trends from 2017-2022 show a 60% growth. Peer Comparison measurements are right on track with CAH, Governmental, Hamilton 2021, and Hamilton 2022. Report on Internal Control has significant deficiencies with segregation of duties and upcoming changes in accounting standards which is GASB Statement No. 96. Deborah Whitley wrapped up the ending of the audit with questions from Board members. Forrest moved, Craig seconded approval, with contingencies on terminology or material changes, for the Presentation of 2022 Audit by Forvis. Motion carried

**Consider and act on Financial Reports for February 2023:** Schreiber reviewed EMS Financials. FY 22 had large losses due to bad debt and re-billing issues. We restated FY 21 with new methodology for FY22 & FY23. There is a \$715K in depreciation for 2022 (San Saba, Llano) and \$396K for 2023 (San Saba, Llano, Lampasas). The two components for bad debt are write-offs and change in the reserve. In the Payor Mix you can see a quarter of payers are self-pay with minimal collection and multiple write-offs. The billing company we currently use does not get us the support and functional billing needed for EMS. Billed Revenue is broken out by stations with San Saba, Llano, Lampasas having comparisons to the Pro Forma. Collection percentages are FY21 with 25%, FY22 with 26%, and FY23 with 37%. Net Revenue collections are broken out by EMS stations with no Net Revenue in 2022 for Hamilton. We have two employees who are EMS certified for billing, with one more acquiring certification. Janice Lewis is working with EMS specialist to help us create a better system for billing in-house and help with the transition to in-house billing. We have missed 200K in Medicaid reimbursements, but Janice recertified us in March of 2023. The EMS department personally took over supplying and has saved \$55K. Fuel charges have caused an increase in Other Expenses. We are on a 9-month interim cost report for Lampasas. Patrick Cobb summarized HEMS initiatives they have taken over inventory and control management. We are giving a 120-day notice of cancellation of the billing contract with our current company, which expires on 9/30/23.

Schreiber presented the February Financial Reports. We have a \$42K Bottom Line and \$283K YTD. Variances are due to shorter days in the month. Days in AR are at 38. Employee benefits showed unfavorable, and liability for self-insurance had to increase. Purchased Services had \$66K in expenses for nursing home CHOW's. Advertising is high mainly due to the volume of employment ads. Capital Grants & Gifts had the Mitigation and Testing Grant with the state, and we got \$10K back. The balance sheet shows \$2.9 million has been collected. We have received almost all the \$6 million QIPP payment. Collett moved, Forrest seconded approval on Financial Reports for February 2023. Motion carried.

**QIPP Report:** Nichols reported. The HMS report has the facility components showing who did not meet the metrics due to extra RN staffing. Component and Lapse Monthly Payment Tracking shows how funds are paid if they meet metrics (for complete quarter). The Projected Annual Revenue has percentages of money collected with positive percentages for Quarter 1. Laps funds picked up \$1 million. Preliminary Component Four, which is infection control, had some rule changes and due to that some facilities did not meet the metric. On the 5star report you will see facilities with a slash next to the first metric also have 5star metric from CMS. The facilities highlighted in red are facilities that are on watch, and one highlighted in light red are ones to keep a watch on.

**Quality/Compliance Report Quarter 1:** Karasek reviewed Quality and Compliance. There are 2 inpatient complaints, 10 outpatient complaints, 2 HIPPA violations and 2 transfusion reactions. ER returns are staying about the same (3.6%), so we are working on looking for trends in the return percentages. There were 3 clinic falls and 4 falls in the hospital, but some of these are assisted falls (example, when someone gets dizzy). HCAHPS positive trends were that doctors show courtesy & respect, and explanation of symptoms and problems to expect. The negative trend was explanation of medicine side effects. We have made our stretch goal for patient satisfaction. Inpatient comments had no trends. The outpatient comment trend is patient portal issues, and we reached out to help the patients who left call-back information. The “no masking required” had some negative comments.

**Annual Evaluation of EOC and Quality:** Karasek went over the 2022 goals and safety program metrics. This evaluation shows the year’s re-cap. Annual evals are required by DNV. Craig moved, Forrest seconded approval on the Annual Evaluation of EOC and Quality. Motion carried.

**EMS updates:** Cobb went over an incident that happened in March where three young boys were injured at a riverbank cave that collapsed. Kempner EMS swam to the location of the boys due to no road access and successfully got them back across the water to safety. All EMS personnel received a high honor award from the state of Texas, House Resolution 1080. Mills County decided to cancel the new provider contract and want to keep our EMS services. Goldthwaite’s new EMS building should be completed in August of this year.

**Administrator’s Report:** Hooper stated we are still moving forward with security door upgrades, water storage, and the parking lot. Bill Peeples is finishing up plans for the specialty building, and once he is done, he will go out for bids for the laundry building. The Goldthwaite Outpatient Clinic is still moving forward. We talked about the changes needed for the physical therapy building in Hico. Melissa talked about the final details needed for Hico PT. There is still a lead time on the tank for the Water Storage. We are going to re-look at Larry Anglin’s building for Business Office Friday the 28<sup>th</sup>.

**Adjourn:** Forrest moved, Craig seconded at 12:20pm that the meeting be adjourned. Motion carried.



**Robert Witzsche, Vice President  
Hamilton County Hospital District**