CASTRO COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS MONTHLY MEETING
March 23, 2023

PLACE: Ettie McDermitt Education Room at Plains Memorial Hospital

BOARD PRESENT: Jim Bradford, Chairman; Zach Smith, Vice-Chairman; Shelley Bills, Secretary; Kim Birkenfeld, Member; Martha Ibarra, Member

EMPLOYEES PRESENT: Elisha Rosier, CEO, Laura Case, CFO; Laura Kimball, CVL Administrator; Mitchell Brockman, QEC Director; Olivia Herrera, Administrative Assistant

MEDICAL STAFF PRESENT: None.

GUESTS PRESENT:

PUBLIC PRESENT: None.

1. Lunch served. Called to order at 12:09pm. Prayer led by Mitchell Brockman. Mission and Vision Statement was read by Zach.

2. Public Comments: None

3. Healthsure Property & Cyber Liability Insurance Renewal:
   Elisha reported to the board that Axis Cybersecurity Insurance is expiring and will no longer offer coverage to hospitals due to the rising rate changes and high deductibles. The district was paying Axis $6,378 on Cybersecurity and Tokio Marine is offering coverage for $5,509, Beazley quoted us at $12,654. Elisha asked the board that we move with Tokio Marine saving us a little money.

   Healthsure was not able to offer a treatment plan for the property insurance but did tell us that Travelers was looking at a 15% renewal rate increase. Healthsure was able to negotiate with Travelers an 11%-13% increase at the most. We did have some changes in the property renewal, we removed the old clinic and added the barn at CVL. With these changes and the increase in value of the hospital by $1.2 million, Laura estimated that we would have an $11k-$13k increase in property insurance.

   The board approved Elisha to go with the renewal as long as it falls within the quotes. Shelley made the motion to approve. Zach seconded. All in favor. Motion carried.

4. Review of January 2023 Financials;
Laura presented some highlighted items in the January financials. Laura applied for the Senate Bill Competitive Award and received $455,661 & $50k which have already been utilized for the EMS ambulances and staff. We are also expecting our Employee Retention Tax Credit to arrive soon.

A payment of $137k was made on the 2017 Revenue Bond. The Revenue Bond interest rate is repriced every three years and the interest rate increased from 3.575% to 4.575%.

Total Net Revenue for the District was $1.3M which is up $132K from 2022. We had an increase in other revenue of $76k. This consists of an increase in 340B Pharmacy Revenue & SOWT benefit revenue recognized.

Salary expenses increased $17k from prior year. Employee benefits had a decrease of $33k due to a large group insurance payment made in January 2022.

COVID expenses decreased by ($232k) from prior year. There was also a decrease in Repairs & Maintenance.

Net Income for the District was $118k, which was up $433k from prior year.

On the Balance Sheet Cash and Investments year over year is down ($839k). $1.2M was used to prepay our DMN, we will receive approximately 40% benefit on this IGT.

AR is down ($47k) from PY. AR is continually getting better since Lydia has been helping us out with coding and is managing our charts well.

There is an increase of $2.5M in Other Current Assets which is made up of our property tax not received and our ERC Tax Credit that has not come in yet.

There is an increase of $736k in prepaid expenses.

The COVID-19 CARES act stimulus funds include those in which we have received after the utilization of the initial funds. We will utilize the remaining $267k in the next fiscal year to align the recognition of income with the utilization of expenses.

All Bank accounts are reconciled and are up to date through January 2023.

5. Consent Agenda:
   a. Approval of 2/23/2023 Board Meeting Minutes
   b. Quarterly Review of Pledged Securities
   c. Departmental P & P Approval

   The board approved the consent agenda as presented. Departmental P & P approved were: Plant OPS, Housekeeping, QEC, Chronic Care & CVL.

   Zach made the motion to approve. Kim seconded. All in favor. Motion carried.

6. General Information:
   a. Department Monthly Reports
   b. Thank You Notes
   c. Other Reading

   Laura Kimball reported that CVL is up to 49 residents at the moment and currently have 8 people on a waiting list for a private room. The therapy department is staying very busy and is doing very well.

   Elisha told the board that Dr. Hardee is retiring and not renewing his license. His last day in the clinic is May 31st.

7. Medical Staff:
   a. Review 3/14/2023 Med Staff Minutes
   b. Request Appointment to Temporary ER Staff Privileges: Elroy Cantrell, DO; Andrew Adusei, MD

   The board reviewed the Medical Staff minutes and approved the physicians listed for appointment.

   Shelley made the motion to approve. Martha seconded. All in favor. Motion carried.

8. Administrator's Report:
   Elisha gave a brief report on the EMS Ambulance Service. They hired Paul Garza to be the EMS Director and he will start the interviewing process to get his staff in place. The first ambulance is scheduled to arrive in April and the second one in June.

   Stephen with Korte will be onsite to review what was discussed with corporate. Elisha is hoping they cooperate and help us get things fixed at CVL. The roofing company has also been onsite twice, patching and replacing shingles at CVL.

Elisha has started the process of looking for an ER physician. She is working with Goldfish as the recruiting firm. She is also looking at recruiting a clinic locums to start until Dr. Smith comes in June.

Elisha also reported that Mary and Meagan Rowland are actively working on the Gala plans for April 22nd.

9. Executive Session: Entered Executive Session at 12:44PM, with no motions made.
   a. Quality & Regulatory Compliance
   b. Personnel. Consider and Discuss Personnel Matters Pursuant to Texas Government Code Section 511.074

10. Adjournment – Meeting adjourned at 1:30PM.

- Kim made the motion to adjourn. Martha seconded. All in favor. Motion carried.

Jim Bradford, President — Date: 6/20/2023

Shelley Bills, Secretary — Date: 6/20/2023