

Cochran County Hospital District
Board of Directors
2023 Budget Meeting
Meeting Minutes
September 28, 2022

Cochran Memorial Hospital Lobby
201 E Grant Ave
Morton, Texas 79346

ATTENDANCE

Board of Directors

Betty Lyon
Richard Houston
John Schmidt
Ray O'Brien

Minute Taker

Mary McKnight

Guests

Rick Levitt

Hospital Administration

Kody Kitchens

1. Open

- a. Quorum present
- b. Called to order 1702
- c. Invocation led by Ray O'Brien
- d. Public Comments
 - i. None

2. 2023 Budget Meeting

- a. Kody Kitchens
 - i. 2021 Audit was supposed to be completed in April 2022; we still have not received that back from the auditors. Was able to speak with Aaron, who has been sick and out of the office. Without the information from auditors, we used last year's budget and tweaked it as necessary.
- b. Patient Revenue IP
 - i. Increases in revenue in Lab and Radiology based on new equipment and increases seen there since obtaining new equipment.
- c. Patient Revenue OP
 - i. RT (Respiratory Therapy)
 1. Explanation as to why revenue is low for that category: cannot charge full amount without a respiratory therapist. Inquiry made about obtaining a respiratory therapist. Not cost effective to have a respiratory therapist based off the amount of respiratory procedures performed.
- d. Salaries and Wages
 - i. Nursing Salaries
 1. Inquiry made as to increase in nursing salaries. Number given for the 2022 was low; the number present today is based off what Maggie stated those salaries would be for 2023. Salaries have not increased; we were just paying more than what was stated in the 2022 Budget.

- ii. Pharmacy
 - 1. Inquiry made to if we are paying Oscar's salary. Pharmacy salaries listed here are for the hospital pharmacy near the nurse's station. Oscar is not employed by Cochran Memorial Hospital.
- iii. IT Salaries
 - 1. Salary was not accurate on the 2022 budget; as we pay him \$75,000. He was paid that amount in 2021 and 2022.
- iv. Admin Salaries
 - 1. Inquiry as to which employees are paid out of administrative salaries.
 - a. Kody, Joann, Stacy, Shiloh, Billie Jean, Maggie, Leslee, Anna, Josie, HR.
- v. Dietary
 - 1. Lost an employee, but moved Elizabeth from CS to Dietary, she makes more than the employee we lost, that is where that increase comes in.
- vi. Screening.
 - 1. CDC no longer requires we have a screen, so that position is no longer needed, however, housekeeping is needing some help as does medical records as we have buildings full of medical records that need to be logged and destroyed. Employee screening will be working in those roles, we will not need to hire.
- e. Supplies
 - i. Dietary Supplies increase due to addition of selling breakfast trays each morning to employees as well as increases in prices of supplies. Breakfast service is going well, employees enjoy it.
 - ii. Radiology Supplies
 - 1. Shouldn't need as many supplies now that we have the new digital equipment.
- f. Audit Fees
 - i. Concern expressed over continuing to pay auditors when they have not been out the past couple years.
 - ii. Kody stated in a note he found addressed to Larry and the Board for 2021, stated the budget would be completed in April and they would present it to the board. Leslee says that it is because there was information that we were unable provide at the time from the new system, it has since been provided to them.
 - iii. Texas mandates the American Hospital Association survey. Last year it was sent to the auditors to do, Durbin & Company doesn't typically do the survey, and quoted us \$4,000-\$5,000 and we paid it. They did fill it out and they did make some mistakes, Kody corrected then information. Kody will fill out the survey in 2023 rather than pay the auditors to do it.
 - iv. Did have a field audit a few months ago, was told at the time that it would be finished soon.
 - v. Kody will call Aaron and speak with him regarding status of the audit.

- g. County Tax Collection Fee
 - i. They collect about two million from us. John stated he sat down with Treva Jackson, the County Tax Assessor-Collector at the time, and looked at the contract and they ended up drawing up a new one as the hospital was paying more than others due to the way the old contract was figured. The \$45,000 we currently pay is about half of what we used to pay.
- h. Tax District Fee
 - i. This fee is for the county tax appraisal office.
- i. Education/Travel
 - i. Increases in Lab and Radiology is in case we need to train more to help cover.
- j. Roof Repair
 - i. No known repairs needed at this time
- k. Landscaping
 - i. Mostly done by Rosie Acevedo, Housekeeping, who typically purchases flowers and such from Lewis Farm & Ranch. No other plans at this time.
- l. Admin License
 - i. Some of this was for EMS and is no longer needed.
- m. Nursing Equipment
 - i. One new nurse on a stick for nursing, one for ED about two years ago. Clinic reported they did not need any.
- n. Benefit Group Health
 - i. Inquiry made if known if health insurance for employees would increase. Unknown at this time, Kody will check with Amanda.
 - ii. Inquiry if employees pay part of the insurance. Employees do pay a lower portion; it is one of the benefits employees receive.
- o. Benefit Bonus
 - i. Unsure what this is.
- p. Benefit Unemployment
 - i. Unemployment insurance
- q. Revenue
 - i. Bad Debt and Charity separated out as we cannot combine those together.
 - ii. Estimated more in taxes due to tax rate decreasing but values increasing.
- r. Expenses
 - i. Ambulance
 - 1. Last year we gave EMS \$20,000 plus \$6,000 in supplies. This year EMS is asking for \$25,000. The county also gives \$25,000. City of Morton gives over \$24,000 and the City of Whiteface gives \$500. Will not use any of these funds for meeting the grant.
 - 2. Inquiry made about whether Priscilla worked something out with Kody in regards to EMS purchasing supplies from the hospital and billing the city. Kody stated he has not seen Priscilla since the previous week when she attended training provided by Aero Care at the hospital and she was introducing a new EMT and wanted to show him where central supply was to get supplies. She was told

they could not get supplies at this time as they had no budget left and that they did not go to central supply for supplies, they were to go to Mary for supplies because she has the book to track it. Priscilla sent Peggy Neal here yesterday to get supplies, including an ET Tube they claimed we gave them expired a few days after they got it several months ago, the ET tubes they were given expire in 2027. Mary stated Peggy called Priscilla on the phone so that she could speak with her, and Priscilla told her that Kody had told her they could charge supplies to the city. Mary said she would have to speak with Kody first as she was unaware of this agreement. Kody never made that agreement with Priscilla as Priscilla was wanting to purchase the supplies from other places and the hospital reimburse EMS for them. John asked if it would be okay for Priscilla to charge supplies to the city. Rick stated he cannot promise that the city will pay it. If the city is unwilling to pay for the supplies, we cannot allow them to charge them.

3. Three (3) members agree to provide \$25,000 to the ambulance. No amount allotted for supplies at this time. No disagreements/opposition voiced

ii. Employee Bonus

1. 2022 budget listed \$3,000 for bonuses, but a 3% bonus was given, which was \$54,000 and that was never included in last years budget. Every year Larry also gave certain employees an additional bonus, last year it was 5 people but that was more than \$3,000.
 2. Board members agreed that should bonuses be given it should be for all employees.
 3. The previous 3% bonus was 3% of the employee's annual salary.
 4. Three (3) board members agreed to set the budget for Employee Bonuses at \$60,000 but will not make final decision on whether or not bonuses will be given until it can be determined if health insurance would be going up and by how much. No disagreements/opposition voiced.
- s. Motion made to approve the 2023 Budget presented with the addition of \$60,000 for Employee Bonus and \$25,000 for Ambulance. Motion seconded. Three (3) votes in favor of approving the 2023 Budget presented with the addition of \$60,000 for Employee Bonus and \$25,000 for Ambulance. Zero (0) votes against. Motion carried, the 2023 Budget is approved as presented with the addition of \$60,000 for Employee Bonus and \$25,000 for Ambulance.
- t. Budget is to be published on hospital website.
- i. Copies will be provided to the County Judge and the City of Morton,

3. Executive Session

- a. Entered Executive Session at 6:43 p.m.
- b. Exited Executive Session at 7:05 p.m.

4. Adjournment

- a. Motion made to adjourn. Motion seconded. Three (3) votes in favor; zero (0) oppose. Motion carried.
 - i. Meeting adjourned 7:13 p.m.

Cochran Memorial Hospital CEO

Date

Cochran Memorial Hospital President, Board of Directors

Date