Cochran County Hospital District
Board of Directors
Meeting Minutes
June 19, 2024

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

ATTENDANCE

Board of Directors
Betty Lyon
Richard Houston
John Schmidt
Ray O'Brien
William (Bill) Albus

Absent

Hospital Administration
Kody Kitchens

Minutes Taker
Mary McKnight

Guests
Maggie Ramon
Amanda Turney

1. **Opening**
    a. Quorum present
        i. Meeting called to order 5:02 p.m.
    b. Invocation led by John Schmidt
    c. Public Comments
        i. John Schmidt requested that the $30,000 approved and budgeted by the Board of Directors at the September 13, 2023 regular session meeting in support of Frontier Ambulance Service be released to the service.
    d. Review and Consider Approval of Previous Meeting Minutes
        i. John Schmidt requested the word "Grand" on Page 2 section C. V. V.1. be corrected to read "Grant"
        ii. Motion made to approve the May 15, 2024 regular session meeting minutes with the word "Grand" on Page 2 section C. V. V.1. be corrected to read "Grant". Motion seconded. Four (4) votes in favor of approving minutes, zero (0) votes against. Motion passed; minutes approved with corrections noted.
2. **Matters for Discussion and/or Action**
    a. Durbin & Co. Governance Letter
        i. Kody Kitchens presented the Durbin & Company Governance Letter to the Board of Directors.
    b. Tax Deeds
        i. Parcel 12548
        ii. Motion made to accept bid on Parcel 12548. Motion was seconded. Four (4) votes in favor of accepting the bid, zero (0) votes against. Motion passed; bid on Parcel 12548 accepted.

3. **Reports**
    a. Financials
        i. CDs
            1. One (1) CD matured on May 30, 2024,m was a twelve (12) month term with an interest rate of 3.75% APR 3.79%. Inquired about a twenty-four (24) month rate for the CD, was offered a twelve (12) month rate of 4% or a twenty-four (24) month rate of 3.2%. CD was renewed at the twelve (12) month rate.
        ii. Fraudulent Checks
            1. Kody Kitchens provided the Board of Directors with copies of Fraudulent Checks written on the hospital's bank account in the amounts of $1,500 and $4,500, totaling $6,000. Both checks were from a personal checking account from Roseville, California under the name Wesley Harriman. Both checks were written by Wesley Harriman, to Wesley Harriman, and signed by Wesley Harriman. Both checks were mobile deposits to BMO Bank N.A. out of Chicago. Both checks used our hospital's operating account number and the City Bank routing number. We did receive the $6,000 back in to our account.
            2. Our checking account requires specific checks, and two (2) signatures. Kody made inquires with City Bank's fraud department about why these checks were not caught when they were clearly fraudulent. The answer he received from the fraud department stated that they (the fraud department) were limited on staff to catch this type of activity.
            3. City Bank does offer a program called Positive Pay. The program allows Maggie to upload every check she writes and we sign in to the system. Should there be a check or auto-draft that tries to come through that is not Maggie's list, it will be flagged and a text message and email will be sent directly to Kody and Maggie. There is a fee associated with this service, however Ben Wells waived the fee. Kody and Maggie Ramon both received training on how to use the Positive Pay program and it has been set up. Kody never received a clear answer on whether or not if we miss a fraudulent check, is it still covered by the bank.
            4. Two (2) additional fraudulent checks, were written since Kody passed out the Board Packets, members of the Board of Directors were presented with copies of the two (2) new fraudulent checks to total four (4). Kody and Maggie were able to decline the two (2) new fraudulent checks. We can decline until the checks post. We received all funds back from all fraudulent checks.

iii. Banking
   1. Kody made the request that, with the low rates we are being offered by City Bank along with the issues we have faced in regards to fraudulent checks, he be allowed to "shop" around at other banks to see what they might be able to offer us. The Board of Directors were in agreement and granted Kody permission to shop around other banks.

iv. Line items discussed
   1. Inquiry made in regards to how often Dr. Helak works.
      Dr. Helak does not see patients, he serves as backup on-call physician for the mid-level on call in the emergency department and reviews their charts. Dr. Helak takes call every other weekend, typically six (6) days a month, and when Dr. Hughes is unavailable. Dr. Helak is also willing to cover as Medical Director in the event Dr. Hughes retires or is unable to perform his duties as Medical Director.
   2. Inquiry made about Immediate Nurse Care.
      a. We have a LVN who is sick and currently waiting on surgery. We hired an agency nurse to fill in. He works three to four shifts a week currently.

b. Administrator's Report
   i. Smart Medical supplies the PAX system in radiology, which allows digital transfer of x-rays from our facility to another.
   ii. Capital Improvement Program Grant
      1. Have withdrawn from the Capital Improvement Program Grant. We were granted $37,000 of the $100,000 grant due to state officials only being able to make out the $37,000 estimate for the wood working project. They were unable to read the estimate for the floor repair and would not allow it to be resubmitted. We will re-apply for the full amount of the grant again next year.
   iii. Uncompensated Care Audit for DY10
      1. Received $363,183 in 2021, they will be recouping $246,964. This recoup is because we filled $0 of uninsured charity that year. Anna Honesto was questioned about this, she stated Larry Turney instructed her to file all of the write-offs as bad debt. Shonna Cannaday of Durbin and Co. was also questioned regarding why they didn't instruct Larry Turney as this matter, she stated she called several times and sent several emails to Larry, all of which went unanswered. Kody wrote a memo, with the help of our consultants, to Myers & Stauffer to explain the circumstances. Board members were provided with a copy of the email from Gage Reynolds and the signed letter to Myers & Stauffer.

4. Personnel

a. No new business

5. **Open Forum**
    a. John Schmidt inquired about the status of the charge master.
        i. Not sure when they will be able to get out here to us or how long they will be here. We need to do a complete Charge Master review. We need to go in find the top fifteen (labs) and top ten (10) x-rays and analyze those costs based on what insurance will pay bring those charges up. Amanda Turney is currently reviewing the charge master. When the students from Texas A & M get here, they will review the entire thing. As far as emergency room charges, we only charge $181 for the ER, and it is the lowest charge in the entire state for emergency room.
    b. Richard Houston inquired what was done over Ashley Davidson's contract.
        i. Kody stated he and Ashley both had signed the contract. Richard stated did not remember the board voting on that and that he would have to review the minutes. Kody stated discussions regarding Ashley's contract were held during executive session. The Board of Directors did not vote on the issue as the authority to write and sign contracts, was granted to Kody in his own contract, without approval from the Board of Directors.
    c. Bill Albus inquired about the Board of Directors elections.
        i. There are two seats, Precincts 2 and 4, that are up for re-election this year. Kody will type up the notice in July, we will publish it in the newspaper and post it around town. If no one runs against the current members, we will vote that person in as uncontested, if someone does run against them, we will hold the election in November through Sherry Butler. It is a four (4) year term. We do have to stay as precincts. Next year Precincts 1 and 3 and the at-large seat will be up for election.
6. **Adjournment**
    a. Motion made to adjourn. Motion seconded. Four (4) votes in favor; zero (0) oppose. Motion carried.
        i. Meeting adjourned 6:21 p.m.

Cochran Memorial Hospital CEO	Date
Cochran Memorial Hospital President, Board of Directors	Date