Cochran County Hospital District
Board of Directors
Meeting Minutes
July 16, 2025

Cochran Memorial Hospital
201 E Grant Ave
Morton, Texas 79346

ATTENDANCE

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

Hospital Administration
Kody Kitchens CEO
Grant Turner COO, CNO

Guests
Maggie Ramon
Shonna Cannaday

Minutes Taker
Mary McKnight

1. **Opening**
    a. Quorum present
        i. Meeting called to order 5:04 p.m.
    b. Invocation led by Bill Albus.
    c. Public Comments
        i. None
    d. Review and Consider Approval of Previous Meeting Minutes
        i. Motion made to approve the June 18, 2025; regular session meeting minutes as read. Motion seconded. Four (4) votes in favor of approving minutes; zero (0) votes against. Motion passed; minutes approved as read.
2. **Matters for Discussion and/or Action**
    a. Discovery Consulting Presentation by Shonna Cannaday
        i. Uncompensated Care
            i. Uncompensated Care (UC) is part of the Texas Medicaid 1115 Waiver Program and provides supplemental payments for uncompensated costs of care; it funds some, not all, of the costs to treat uninsured, qualified charity patients. Application process takes place every Fall and is based off of data from two years before. That old data is then used to base future payments on, this can be problematic when what was predicted to happen, based off that old data, doesn't happen or data is missing from the application, and we have to pay back some of those funds. That is part of Discovery Consulting's job, to look at the trends and what is actually happening at Cochran Memorial make suggestions based off of those trends, which is what we did with the 2025 application we filed in November 2024. The audit process occurs in the Spring three years after the application.
        ii. Disproportionate Share Hospital
            i. Disproportionate Share Hospital (DSH) had been amended to make rural hospitals eligible for funding under the program. DSH uses the same application as UC and is basically uninsured and Medicaid population, however with DSH, unlike UC, the uninsured patient does not have to qualify for charity. The hospital does have to have

at least two physicians who are willing to treat non-emergent OB situations in order to qualify for DSH funds.

ii. Kody stated our facility wouldn't not be looking at applying for DSH funds due to the DSH payments not being enough to cover the services of the physicians.

iii. Cost Report

i. The Cost Report is paid in two ways. The first area looked at is your cost per diem, that's how you get paid. For every Medicare patient you get paid a per diem; on the outpatient side that's your charge-to-cost ratio. That is further broken down into allowable and non-allowable. Allowables are always patient-care oriented services outside of your physicians. One item that is non-allowable is physician cost of treating a patient, which is why time studies are important and making sure you are tracking the physician's face-to-face time with the patient. For Cochran Memorial the cost per diem is pretty consistent from year to year. What changes is costs and charges, that is the second area looked at, cost-to-charge ratio on the outpatient side by department. It is calculated by looking at the cost for that year and the charges for that year. All this data is submitted to Medicare and they determine if they have underpaid you and need to send you a check or overpaid you and need to recoup their money

iv. Cost-Based Reimbursement for Ambulance

i. Now that the hospital owns the ambulance service, you can look at cost-based reimbursement for the ambulance. To do that you need to the legally authorized provider as it is not the only ambulance provider within 35 road miles. There is a lot of paperwork involved but you'd get back 101% of your cost. The templates have been established, the letters have been established, what is needed now is the inner-local agreement, in writing, stating the to and from and the state licensing establishing the geographic region. After all of this is done, you can seek the cost-based reimbursement with CMS for Medicare. Currently reimbursement is based off a fee schedule.

ii. Kody stated our ambulance is the only ambulance that comes in and out of our facility within 35 miles. Basically, we only have Levelland, and they won't come pick up patients here. Muleshoe might be within 35 miles, but they don't have the staffing. We've used Sudan in the past but they're over 35 miles. Aerocare's kind of different.

iii. John suggested Kody take this information to the next commissioner's court meeting he attends.

b. CFO Consulting Agreement

i. Motion made to hire Diane Moore as the consulting CFO for Cochran Memorial Hospital at a rate of $3,000 per month and grant her remote access to our system. Motion was seconded. Four (4) votes in favor; zero (0) against. Motion passed. Diane Moore will be hired as consulting CFO for Cochran Memorial Hospital at a rate of $3,000 per month and be granted remote access to our system.

c. 2026 appointment of Dixie Mendoza as Hospital Tax Assessor
    i. Motion made to appoint Dixie Mendoza as Tax Assessor/Collector for Cochran Memorial Hospital for the 2026 Fiscal Year. Motion seconded. Four (4) votes in favor; zero (0) against. Motion passed; Dixie Mendoza appointed as Tax Assessor/Collector for the 2026 Fiscal Year.
d. Senior Citizen Financial Report
    i. Monthly financial report for the Senior Citizens reviewed.
    ii. Ray stated the Senior Citizens Board of Directors met Monday, July 14, 2025. Issues with mismanagement seems to have been corrected.
    iii. John stated he attended the Commissioner's Court meeting on Monday, July 14, 2025. He stated Dolle Barker had addressed the commissioners and stated that was her last day as interim due to everything being in good shape now.
    iv. Kody asked if Dionna was still helping out, Ray reported that she was.
    v. Ray reported the new manager, Lexi, is doing very well.
e. Cochran Foundation Meals Report
    i. Kody reported the Dietary Department cooked 566 meals in June.

3. Reports

a. Clinical Report
    i. Clinic
        a. Jessica has picked up quite a bit in ER and Clinic
    ii. EMS
        a. 25 calls in June, majority of which were in Morton
        b. Will continue using licensed personnel in the front of the truck rather than using drivers.
        c. Matt inquired about purchased services, Kody will have to ask Diane what those are.
        d. Unit 43 is currently getting serviced in Lubbock. They are going to do the recall conditions notice. The air conditioner is also going in and out, might be an actuator valve causing it to kick on and off. There is also a power steering issue that is getting looked at. The unit typically parked at Whiteface has been put in service in the meantime.
        e. John inquired if we would be pursing Cost-Based Reimbursement for Ambulance, Kody stated yes.
b. Financials
    i. Still having some trouble printing out report, believe we have it fixed.
    ii. Dixie's tax letter did not come in until today, so it is not available.
    iii. Have not deposited vending yet.
    iv. Patient receivables
        i. Maggie is learning how to reconcile the bank accounts with daily deposits in the new system. Don't anticipate the trends moving much.
    v. Moved $10,000 from the vending account to the operating account.
    vi. Cashed in a CD on July 15th and placed it in to the operating account. This was done because the IGT we have to make around August 31st is going to be around $2.6 million.

vii. Received a check of $338,905 for the COVID Employee Tax Credit. We could get up to four of these, unknown if they will be recouping these, it was placed in to CDs.
viii. 340B Pharmacy Program
    i. Pharmacy is making a little more money, we had a profit of $40,000 from that program.
ix. Check Registry
    i. Line 38 Anthony Mechanical Services. Contract work
    ii. Robertson & Agnew. New air conditioner system.
    iii. US Foods: Groceries. Includes hospital and meals on wheels use.
    iv. Line 70 Anthony Mechanical: Service Contract monthly fee.
    v. Line 84 Premier Water Works: Back Flow Valve replacement

c. Administrator's Report
    i. New oxygen manifold installed last weekend and was certified.
    ii. Will not be able to use Germ Blast for new flooring, new rule with the grant, must use the company the estimate came from.
    iii. Mary McKnight submitted the Price Transparency requirements on the website to state. We received an email from the Texas Department of Health and Human Services stating we were in substantial compliance with all of that.
    iv. Bought AT&T FirstNet radios, they have not upheld their end of coming out and setting them up and training us. We are unable to contact either of the two sales reps, they do not respond to emails and won't answer phones and the guy in Lubbock no longer works for the company. We may have to purchase new radios.
        i. John suggested talking with Ben as he is working with the County with FirstNet system, they're trying to sell it to the County, and they should be aware of what's going on.

4. Executive Session

a. Kody Kitchens requested the meeting move into executive session and Grant Turner be allowed to stay.
    i. Request approved
    ii. Entered executive session 6:52 p.m.
    iii. Exited executive session 7:19 p.m.

5. Personnel

a. No new business

6. Open Forum

a. No new business

7. **Adjournment**
    a. Motion made to adjourn. Motion seconded. Four (4) votes in favor; zero (0) opposed. Motion carried.
        i. Meeting adjourned 7:19 p.m.

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Cochran Memorial Hospital CEO Date

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Cochran Memorial Hospital President, Board of Directors Date