

**MINUTES  
BOARD OF DIRECTORS  
MEDINA COUNTY HOSPITAL DISTRICT**

January 25, 2021

**TIME AND PLACE:**

**THIS MEETING WAS HELD VIRTUALLY DUE TO GOVERNOR'S Proclamation 41-3746.** At least a quorum of the board did participate in accordance with the provisions of Sections 551.125 of the Texas Government Code that have not been suspended by order of the governor. Any person was welcome to join the meeting via GoToMeeting: <https://global.gotomeeting.com/join/178130637>  
**Access Code: 178-130-637 or by phone by calling: (408) 650-3123 Access Code: 178-130-637**

**PRESENT:**

Tim Hardt, President  
Dr. Carlton "Corky" E. Young, Vice President  
Tony Johnson, Secretary  
William "Bill" Bain, Director  
Zachary Windrow, MD, Director  
Lori Krieger, Director  
Judy Winkler, Director

Geoff Crabtree, Methodist Healthcare System  
Janice Simons, Chief Executive Officer  
Kevin Frosch, Chief Financial Officer  
Billie Bell, Chief Nursing Officer  
Randi Davis, Executive Administrative Assistant

**ABSENT:**

None.

**GUESTS:**

None.

1. **CALL TO ORDER  
AND RECORD OF  
ATTENDANCE** Mr. Hardt called the meeting of the Medina County Hospital District Board of Directors to order at 6:01 p.m. He stated for the record that the Board of Directors has seven members with seven members being present at that time and representing a quorum.
2. **PUBLIC COMMENT** None.
3. **CONSENT AGENDA** The Minutes from the Regular Session of December 28, 2020 were approved as presented in the Board packet.  
**Consider Approval of Minutes**  
A. Regular session of December 28, 2020
4. **CONSIDER  
APPROVAL OF CNO  
REPORT** Ms. Bell reported that Medina Regional Hospital has gone 85 days without a patient fall which is a difficult milestone to reach. Ms. Bell praised the Medical/Surgical staff for their continued hard work and success in keeping patients safe. Additionally, Ms. Bell noted that vaccine clinics will be held over the next two weeks to administer the second-dose vaccines to those that had previously received their first dose at Medina Regional Hospital.
5. **CONSIDER  
APPROVAL OF  
RURAL HEALTH  
CLINICS REPORT** Ms. Simons reported that the clinic volume for the Medical Clinic of Devine was 0.9% below budget and the Medical Clinic of Castroville volume was aligned with budget for the month. Additionally, the volume for the Medical Clinic of Hondo was well above expected, at 12.2% above the budgeted levels. Telemedicine visits continue to drive these volumes up and are expected to remain high. Mr. Hardt asked about vaccine clinics at all three clinic locations, and Ms. Simons stated that the Medical Clinics of Castroville and Hondo are set up to administer vaccines, but the Devine clinic space is not as conducive to being a COVID-19 vaccine hub. There were no changes to the Rural Health Clinics report presented in the Board packet.

**6. CONSIDER MEDICAL STAFF REPORT**

Ms. Simons reported that all of the clinic physicians had received the second dose of the COVID-19 vaccination. Dr. Zach Windrow added that cases are down even in larger facilities, and are continuing to slowly trend down as the holiday spike recedes. Ms. Simons reported that roughly 2/3 of the Medina Healthcare System employees have taken the vaccine. Dr. Windrow noted that there was an outbreak in a local nursing home.

**MOTION**

Mr. Bain made a motion to approve the Consent Agenda. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**7. CONSIDER PUBLIC CORRESPONDENCE REPORT**

Mr. Johnson presented the public correspondence report in the Board packet. Mr. Johnson reported there were 14 questionnaires returned. There were no negative comments to report this month. Additionally, Mr. Johnson reported that there were 4 emails and letters that were received. He read each out loud to the Board of Directors. All contained praise for the staff and facilities at Medina Regional Hospital.

**MOTION**

Mr. Johnson made a motion to approve the Public Correspondence Report as presented. Ms. Krieger seconded.

**VOTE**

The motion passed unanimously.

**8. CONSIDER CHIEF EXECUTIVE OFFICER'S REPORT**

Ms. Simons started by discussing COVID-19 updates. Ms. Simons explained the theoretical formula for vaccine allotments, but reported that there were no first-dose vaccines received by the Hospital this time. Only 100 vaccines were sent to Medina County this week. The Medical Clinic of Hondo was approved as a vaccine hub but with no vaccines to administer, this remains in a holding pattern. The first set of 300 second-dose vaccines were received and will be administered this week. An additional 200 second-dose vaccines are expected in the next week.

Ms. Simons noted that Grace McBride is the new Marketing and Business Development Director and started today. Eli Lainhart, the new Information Technology Director, starts February 22<sup>nd</sup> and will make a wonderful addition to the team.

Ms. Simons praised Geoffrey Crabtree and Tim Hardt for being willing to meet with officials from the Eastern Idaho Regional Medical Center and answer questions from their administration team and Board of Directors as they apply to manage a critical access hospital in Wyoming.

Ms. Simons stated that the state's Medicaid 1115 Demonstration Waiver has been extended for an additional 10 years which will allow the state to continue providing health care to millions of Texans.

Ms. Simons announced that Dr. Dawn Mayo delivered the first newborn baby of the year at Medina Regional Hospital. The parents received a special gift basket and were very appreciative of the gifts they received.

Ms. Simons informed the Board of Directors that Trinity Healthcare extended an offer to donate 2 acres of land in Hondo. This is the site of the now-closed Hondo Health and Rehabilitation Nursing Home. Upon advice from the legal team, the offer was declined due to the cost of removing the existing building and renovating the property.

**MOTION**

Ms. Winkler made a motion to approve the CEO report as presented. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

9. **CONSIDER**  
**FINANCIAL REPORT**  
A. Consider  
approval of the  
December 2020  
Financial  
Report

Dr. Young mentioned that December was a straightforward month in terms of finances and referenced the financial summary sheet. Dr. Young opened up the floor for questions but no members of the Board had any additional inquiries.

There were no changes to the report presented in the board packet.

**MOTION**

Dr. Young made a motion to approve the Financial Report for December 2020 as presented during the Finance Committee meeting. Mr. Bain seconded.

**VOTE**

The motion passed unanimously.

10. **REVIEW**  
**ASSIGNMENT OF**  
**COMMITTEES FOR**  
**THE BOARD OF**  
**DIRECTORS FROM**  
**NOVEMBER 23, 2020**  
**REGULAR MEETING**

Mr. Hardt reviewed the Board Assignment of Committees that were noted at the November 23<sup>rd</sup> Board meeting. There were no changes to the assignments as presented in the board packets. Mr. Hardt and Ms. Simons cleared up any confusion regarding the assignments and who could attend the Finance Meetings every month.

**MOTION**

There was no action taken on this item.

11. **REVIEW, CONSIDER,**  
**AND APPROVE**  
**ANNUAL CONTRACT**  
**LIST**

Ms. Simons reiterated that these contracts are for any organization or group that has patient contact, such as the Victoria Emergency Associates group that provides Emergency Department physicians and personnel. The annual contract list has been approved by the Medical Staff Committee at their last meeting as well.

**MOTION**

Mr. Bain made a motion to approve the Annual Contract List as presented in the Board packet. Dr. Young seconded.

**VOTE**

The motion passed unanimously.

12. **REVIEW, CONSIDER,**  
**AND APPROVE**  
**ANNUAL PROGRAM**  
**EVALUATIONS FOR**  
**THE MEDICAL**  
**CLINICS OF**  
**CASTROVILLE,**  
**DEVINE, AND**  
**HONDO**

Ms. Simons noted that this is an annual requirement from the Centers for Medicare and Medicaid Services organization. Each of the reports was compiled by Ashley Lowe and reviews the schedule, the number of visits, and other metrics that the clinics are evaluated on.

**MOTION**

Dr. Young made a motion to approve the Annual Program Evaluation for the Medical Clinic of Castroville as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**MOTION**

Mr. Bain made a motion to approve the Annual Program Evaluation for the Medical Clinic of Devine as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**MOTION**

Ms. Winkler made a motion to approve the Annual Program Evaluation for the Medical Clinic of Hondo as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**13. REVIEW, CONSIDER, AND APPROVE ANNUAL CRITICAL ACCESS HOSPITAL PROGRAM EVALUATION FOR FY2020**

Ms. Simons noted that this report evaluates the services provided by the hospital as well as review the goals set forth in the previous year's report and the progress toward those specific goals.

**MOTION**

Dr. Windrow made a motion to approve the Annual Critical Access Hospital Program Evaluation for FY2020 for Medina Regional Hospital as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**14. REVIEW, CONSIDER, AND APPROVE TORCH CLINICALLY INTEGRATED NETWORK AGREEMENT**

Ms. Simons discussed the difficulties small rural hospitals encounter when negotiating with larger corporations for products and services. Ms. Simons explained that the Texas Organization of Rural and Community Hospitals (TORCH) group has initiated a clinically integrated network agreement that allows participants to collectively move forward with making decisions and provides rural hospitals with more leverage against large corporations and managed care contracts. Ms. Simons reiterated that small rural hospitals are able to opt-in if they so choose, and the more that agree to participate will increase the bargaining power of the integrated network. Mr. Frosch noted that this is only the first step in the agreement, and cautioned the Board that more negotiations may be needed before the agreement takes effect.

**MOTION**

Dr. Young made a motion to approve the TORCH Clinically Integrated Network Agreement as presented in the packet. Ms. Winkler seconded.

**VOTE**

The motion passed unanimously.

**15. REVIEW, CONSIDER, AND APPROVE OB RN MEDICAL SCREENING AUTHORIZATION**

Ms. Bell stated that this report authorizes which nurses are able to perform exams in the emergency department for pregnant patients who are greater than 20 weeks gestation. There are no changes since the last time this was presented to the Board.

**MOTION**

Mr. Bain made a motion to approve the OB RN Medical Screening Authorization as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**16. REVIEW, CONSIDER, AND APPROVE MEDINA REGIONAL HOSPITAL "SPECIAL COMPENSATION" POLICY AND PROCEDURE**

Ms. Simons noted that the administrative team has been working on this policy for several weeks. This policy outlines hazard pay guidelines for employees who worked for the ten months from March 2020-December 2020 during the COVID-19 pandemic. This one-time bonus allows for up to \$7000, less taxes, for full-time employees. Part-time and PRN employees will receive their bonus based on a pro-rated scale, with a maximum payment of \$6300, less taxes. The total amount for this bonus is roughly \$1,480,000.00, to be paid out later in the week. Employees must still be employed by Medina Healthcare System on Friday, January 29<sup>th</sup> in order to be eligible for their bonus. Mr. Frosch explained that these funds did not come from taxpayer dollars, but rather from the Provider Relief Funds received by the Hospital. These funds would need to be given back if they aren't disbursed to the employees, and that the administrative team wanted to thank staff members for all of their hard work during the pandemic. Dr. Zach Windrow added praise for all of the hospital staff and stated his support for the policy, noting that many employees will really benefit from these funds.

**MOTION**

Mr. Bain made a motion to approve the Special Compensation Policy and Procedure as presented in the Board packet. Dr. Young seconded.

**VOTE**

The motion passed unanimously.

Mr. Frosch reviewed the budget attachments presented in the Board packet. Under the Expenses

**17. REVIEW, CONSIDER, AND APPROVE BUDGET AMENDMENT REGARDING FINANCIAL IMPACT OF THE "SPECIAL COMPENSATION" POLICY**

tab on the 2021 budget breakdown, the amount added for the special compensation policy payout totals \$1,273,154.00. An additional \$271,936.00 was added to the 'Payroll Taxes' line item to accommodate the funds from the policy as well. This totals \$1,545,090.00. Mr. Frosch noted that this number is slightly higher than the actual payout, but the administration team wanted to err on the side of caution when budgeting the costs of the bonus. These funds will be added to the 'Grants and Donations' line item to acknowledge the use of the Special Provider Relief Funds and all of the expenses will offset from an accounting standpoint. Mr. Frosch stated that there will be no change to the net income.

**MOTION**

Ms. Krieger made a motion to approve the Special Compensation Policy and Procedure Budget Amendment as presented in the Board packet. Dr. Young seconded.

**VOTE**

The motion passed unanimously.

**18. REVIEW, CONSIDER, AND APPROVE BUILD-OUT OF SPECIALTY CLINIC 3 IN PREPARATION FOR COVID-19 VACCINATION CLINIC IN THE AMOUNT OF \$80,000.00**

Ms. Simons explained that the back of Specialty Clinic 3 was left unfinished when the building was constructed. Administration plans to convert this space to a vaccine clinic for COVID-19 shots when they become available. Ms. Simons noted that there will not need to be many changes to the existing space, just the addition of flooring, ceiling, lights, and a restroom for patients. The former WIC building across the street has finally been vacated by the existing organization and will open up additional parking for employees and patients. A Request for Proposal was sent to the local newspaper for two weeks and administration will be taking bids for the project over the next few weeks and will proceed with a contractor to build out the space. Due to the nature of the project, Mr. Frosch believes that the project should be funded by the Provider Relief Funds that were received by the hospital as well.

**MOTION**

Mr. Bain made a motion to approve the Build-out of Specialty Clinic 3 in preparation for a COVID-19 Vaccine Clinic. Ms. Winkler seconded.

**VOTE**

The motion passed unanimously.

**19. DISCUSS, CONSIDER AND, IF NECESSARY, TAKE ACTION TO APPROVE ADMINISTRATION TO PERFORM DUE DILIGENCE, TIMELY FILE NECESSARY CHANGE OF OWNERSHIP PAPERWORK, AND TO FINALIZE THE CONSUMMATION OF QIPP TRANSACTIONS WITH NURSING FACILITIES TO ADD CIBOLO CREEK AND OTHER NURSING FACILITIES**

Mr. Frosch stated that this item is for the addition of the Cibolo Creek Nursing Facility to the QIPP Program under the management of Medina Healthcare System. Mr. Frosch explained the QIPP Program to the Board members who were unfamiliar with the program. Medina Healthcare System is able to provide the funds for the nursing facility up front, and the facility and the hospital share the funds from the Quality metrics in return. This would be an additional source of revenue for the hospital. The owner of the Medina Valley Health and Rehabilitation facility approached hospital administration with another facility in Boerne that he is interested in partnering with the hospital to bring into the QIPP Program as well. Mr. Frosch estimates that this will bring in \$450,000.00 in the first year. Mr. Frosch explained in detail the process for switching ownership and the agreement between the hospital and the nursing facility. This agreement would bring in more Medicaid days for Medina Healthcare System which benefits the hospital. Mr. Frosch noted that he has been reaching out to the legal team and they are in agreement that this is acceptable. There were no concerns noted from either a legal or an operations standpoint. Mr. Frosch noted that this may open up the door for future business operations with the owner of these facilities in the future. Mr. Frosch also stated that the agreement will be a 50/50 split between the owner and the hospital, with the opportunity to earn 5% on existing capital as well. Dr. Young added that the Finance Committee discussed the transaction at length and all three members are in support of the agreement. These arrangements help to benefit the quality of care to nursing facility patients.

**MOTION**

Dr. Young made a motion to approve the authorization of hospital administration to move forward with nursing facility QIPP transactions as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**20. REVIEW, CONSIDER, AND APPROVE AMENDMENT #2 TO THE METHODIST MANAGEMENT AGREEMENT**

Mr. Crabtree noted that this is a straightforward amendment to the existing management agreement between the Medina County Hospital District and Methodist Healthcare System of San Antonio. This agreement will lower the management fee from \$154,000 per year to \$101,000 per year. Mr. Crabtree noted that this is a 4-year agreement.

**MOTION**

Mr. Bain made a motion to approve the second amendment to the Methodist Management Agreement as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**21. REVIEW, CONSIDER, AND APPROVE ANNUAL CEO EVALUATION SUMMARY**

Mr. Hardt reviewed the summarized results of the annual CEO Evaluation. Mr. Hardt praised Ms. Simons for her outstanding work for the hospital and within the community.

**MOTION**

Ms. Winkler made a motion to approve the CEO evaluation summary as presented in the Board packet. Ms. Krieger seconded.

**VOTE**

The motion passed unanimously.

**22. REVIEW, CONSIDER, AND APPROVE ANNUAL CFO EVALUATION SUMMARY**

Mr. Hardt reviewed the summarized results of the annual CFO Evaluation. Mr. Hardt praised Mr. Frosch for his dedication to the hospital and continued success with the financial stability of the Medina Healthcare System.

**MOTION**

Mr. Bain made a motion to approve the CFO evaluation summary as presented in the Board packet. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously.

**23. EXECUTIVE SESSION**

The Board of Directors of Medina County Hospital District went into Closed Session at 7:15 p.m., this date of January 25, 2021. The Closed Session is being held pursuant to Section 551.075 of Texas Government Code.

CONSIDER PERSONNEL MATTERS-551.074  
PHYSICIAN CHART REVIEW-551.075  
LEGAL MATTERS/LITIGATION MATTERS 551.071.

The Board of Directors of Medina County Hospital District now adjourns its Closed Session at 7:18 p.m., and returned to Open session at 7:19 p.m.

**24. REVIEW, CONSIDER, AND APPROVE CREDENTIALING OF BOTH ALLIED AND COURTESY STAFF AS DISCUSSED IN EXECUTIVE SESSION**

**MOTION**

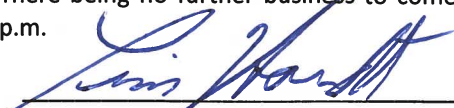
Ms. Krieger made a motion to approve the Credentialing Committees' Allied and Courtesy staff appointments/reappointments made by the Medical Staff. Ms. Winkler seconded.


**VOTE**

The motion passed unanimously.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 7:23 p.m.

  
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Tim Hardt, President

  
\_\_\_\_\_  
Tony Johnson, Secretary