

**Board of Directors  
Muenster Hospital District  
January 29, 2020  
MMH Board Room**

The Board of Directors of the Muenster Hospital District met at 7 p.m., Wednesday, January 29, 2020, in regular session in the Board Room of Muenster Memorial Hospital. Present were board members Beverly Fuhrmann, Aaron Hess, Jon Reed, Don Richardson and Ronnie Weinzapfel. Also present: Brian Roland, Chief Executive Officer, and Marion Willimon, Chief Financial Officer. Board members Lisa Schilling and T.J. Walterscheid were absent. Beverly Fuhrmann left following the audit.

President Ronnie Weinzapfel announced quorum and called the meeting to order at 7:02 p.m. Invocation was led by Fuhrmann.

There were **no public comments**.

**FY2019 Audit:** Presented by Deborah Whitley, CPA, of BKD, LLP.

Whitley began by discussing what is going on in healthcare currently, including changes in the funding of uncompensated care/DSRIP, which is expected to decrease in 2020. She also briefly discussed UHRIP, which is being touted as the replacement funding for reduced uncompensated care, but is significantly less money, and the concerns regarding Pricing Transparency Guidelines going into effect January 2021.

Overall, in the Fiscal Year ending June 30, 2019, the District showed a decrease in cash of \$368,000; an increase in gross patient revenue of \$2.5 million (Lab Project \$3.2 million) with a net patient revenue increase of \$1.3 million. Operating expenses (employee benefits and purchased/contracted services) were up, resulting in an operating loss of \$1.8 million in 2019. Net loss was \$566,038 in 2019, down from \$851,130 in 2018.

Comments: Good cost management, with exception of employee benefits. Limited risk. Solid tax revenue. Days cash on hand low. Inpatient/Outpatient-50/50 on gross revenue. MMH swing bed program praised as being one of the finest in the state for a facility our size. Salaries higher than peers as percentage of net revenue. Bad debt has increased. Less net revenue.

Recommendations: Optimize Collections and Billing Processes. Volume/Utilization – Focus on Good Growth – Advantage Plans affect Critical Access Hospitals Negatively. Continue to Manage Costs. Look at Charity vs Bad Debt.

Following Whitley's report, the board took a short break and came back in session, minus Board Member Fuhrmann, at 8:16 p.m.

Motion made to approve the 2019 audit by Weinzapfel, seconded by Richardson. Approved 4-0.

**Minutes:** A motion was made by Hess and seconded by Richardson to approve the minutes from the December 2019 board meeting as presented. Approved 4-0.

CFO Willimon began her monthly **financial report** with utilization statistics for December. Total patient days were 340 for the month and 1847 for the year, which is 13% lower than last year. Clinic visits are up 17.75% over last year with a total of 3005 visits for the year. Other ancillary stats were also reviewed. Medicare utilization in the hospital was reported at 81% for December and 66% for the year.

The financial report for the District (Hospital, Family Health Clinic and Retail Pharmacy combined), December 2019 was presented by CFO Willimon as follows: Total Gross Revenue of \$1,106,685.18, which was up from November. Net patient revenues for the month were \$771,900.36. Total operating revenue for December was \$916,146.46. Total expenses for the month were \$747,889.43, which gave December an operating gain of \$168,257.03. The gain minus taxes is \$56,381.97. Year-to-date operating revenues are \$5,983,082.89 with expenses of \$5,526,598.89, resulting in a YTD income of \$406,784.69. Minus tax revenue of \$671,250.18, the District shows a YTD loss of \$264,465.49.

CEO Roland referred board members to the salary line for the current fiscal, pointing out that it had already decreased significantly, as recommended by the auditors. He stated that several of the auditors' suggestions are already in place and showing returns.

Board members also reviewed individual financials for entities of the District. Hospital revenue was up; net revenue for the clinic is down; retail pharmacy is up.

Other financial indicators including patient type and financial class, revenue by payer source, collections, bad debt, AR days and cash on hand were also reviewed and questions answered. \$100,000 in tax money was drawn in December.

Richardson made a motion to approve December 2019 financials as presented. Reed seconded. Approved 4-0.

**Consider and Call 2020 Board Election:** Terms of Reed and Richardson expiring. Election would be held first Saturday in May if required. Hess made the motion, seconded by Weinzapfel, approved 4-0.

CEO Roland presented five physicians for **reappointment** to the Courtesy Staff. All are teleradiologists - two-year reappointments.

- Tony Maung, M.D.
- Benoit Luyckx, M.D.
- Eric Lizerbram, M.D.
- James Hsu, M.D.
- Mary Grebenc, M.D.

Richardson made the motion to approve the credentialing as presented. Reed seconded. Approved 4-0.

Roland presented **Policies or Procedures** for review:

**Public Comments Policy:** Brought back from November Meeting. Clarification was received on limiting number of speakers. You cannot limit number of speakers but you can limit time allotted each speaker. Motion to approve Public Comments Policy made by Hess and seconded by Richardson. Approved 4-0.

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| a) <b>Biohazardous Waste Management Plan</b> | d) <b>Doctor Gray: Combative Person</b>        |
| b) <b>Code Brown: Bomb Threat</b>            | e) <b>Code Pink: Infant or Child Abduction</b> |
| c) <b>Code Black: Severe Weather</b>         | f) <b>Code Silver: Firearm, Active Shooter</b> |

Roland explained that these policies used to reside within one document, and they wished to update them as separate policies. Richardson made the motion; Hess seconded, and the motion was approved 4-0.

There was no **Hospital QA** report. The last quarter of 2019 will be reported next month.

Roland reminded members of the board meeting schedule: February 26, March 25 and April 29, 2020.

Roland reviewed **Hospital Insurance:** Directors and Officers Liability, renewed 1/20/20 – in effect; Property and Business Interruption, renews 4/1/20 – application submitted; General Liability/Professional Liability/Auto, renews 4/1/20 – application submitted.

At 8:42 p.m., Hess made the motion that the board move into closed session pursuant to Sections 551.074 and 551.085 of the Texas Government Code. Reed seconded. Approved 4-0.

The Board of Directors of the Muenster Hospital District adjourned its closed session and returned to open session at 9:03 p.m., on a motion by Reed, seconded by Richardson, and approved unanimously.

No action was announced.

At 9:04 p.m., a final motion was made by Reed to adjourn the meeting. Motion was seconded by Hess. Motion carried and the meeting was adjourned.

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Ronnie Weinzapfel - Board Chairman

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Aaron Hess - Board VP/Secretary

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