HASKELL COUNTY HOSPITAL DISTRICT

SPECIAL CALLED MEETING MINUTES FOR MARCH 30, 2022

The Haskell County Hospital District Board of Directors met for a special meeting on March 30, 2022, at 5:30PM in the Haskell Hospital Education Building, per the open meetings act.

Attending: President Robbie Peiser; Vice-President Tom Long; Secretary Jerry Cannon; Member Reida Penman; Member Amy Martin; CEO Michelle Stevens (zoom); COO Mary Belle Olson; CFO Elizabeth Miller; CNO Tammy Mason; Controller Crystal Molina; and Patient Relations Coordinator Carla Long RN.

Absent: None.

President Robbie Peiser called the meeting to order at 5:30PM.

1. Public Comment: None.
2. Review of minutes from 3/22/2022 Meeting. Minutes reviewed and approved as presented.
3. New Business:
    a. Discuss and approve ER loan Restructuring and/or line of credit: CFO presented cash flow gap information: low patient census, decreased revenue, MRI grant funding slow to arrive, Cerner implementation, MRI Construction, new phone system, need to pay back money from coding errors, and increased days in AR.
    b. CFO presented the methods being used to avoid borrowing:

        1. Staffing – not replacing people when they leave and redistributing their duties to others.

        2. Ways to increase revenue like the new sleep study program.

        3. Weekly TRC conversations about working large claims and critical date claims first.

        4. Assessing vendor contracts for those we can do without and those that are critical to keep.

        5. Income from MRI once functioning on April 11, 2022.

    c. CFO presented option to restructure and combine ER loans into one low interest monthly payment with Spirit Bank, which would lock in a low rate and be beneficial to cash flow but requires an Issuance Fee of $45,000.

    d. CFO also presented the option to obtain a one-year line of credit with no withdrawal penalties that would allow withdrawal of only what is needed and pay no extra fees.

        Tom Long asked about borrowing from the CDs. CFO and Controller explained that CDs had been spent and the remainder combined to secure MRI loan. CFO and Controller to present Board with spreadsheet detailing how CD money was used.

        CEO also stated that patient census and financial numbers are low like pre-covid levels, and that several hospital administrators have told her it takes 6 to 12 months to get revenue back up after a change in EMR systems.

        Tom Long asked if the goal was to replace the money in the CDs to maintain a safety net for Hospital. The CFO said Yes, it is important to have a cushion. CFO stated that working with TRC on the Accounts Receivable will also help cash flow, and we should recoup 40 to 60% of amounts owed. Tom Long asked if some of this would be taken away with the cost report. CFO stated some of it would be reimbursed, and our reimbursement rate adjusted upward.

Jerry Cannon asked what the Government Capital Corporation papers were, and CFO explained it was the ER loan restructuring proposal from Spirit Bank. She explained the line of credit would be for one million dollars over a year's time, with the hope of only using about $500,000 at most, once grant money comes in and AR is recouped.

Tom Long asked how TRC works. How do they help? CFO explained they are to help clear up the AR, but they had a different approach than we expected. They were collecting by Que ues, as instructed by Cerner, and not dollar amount. We need these accounts to be collected by dollar amount, with the largest ones collected first and then those with critical filing dates. We are working to improve workflow issues we noted, and self-pay claims. The CFO also stated Self Insurance is working well and to the hospital's benefit.

Tom Long asked if the hospital had considered setting up a permanent line of credit for times of low cash flow like this. The CFO stated no, but that would be a good idea. Jerry Cannon suggested we use the local banks for the permanent line of credit. CFO suggested we do the 1-year line of credit with Spirit Bank as presented then after that, work to establish the permanent line of credit with a local bank. All agreed. CFO asked if the Board wanted her to approach Spirit Bank about the potential remodel and/or facility building project being discussed. President Robbie Peiser stated it was too early to do that yet. He also suggested there was a need for a PRN MRI Tech to give our current MRI Tech time off and relief. The CEO said we could investigate that and ask Hendrick Medical Center to see if they had anyone who was willing to work extra PRN.

Tom Long made a motion to pursue the 1-year line of credit with Spirit Bank, and not the ER loan restructuring with the $45,000 Issuance Fee. Jerry Cannon Seconded the motion and the motion carried.

4. Executive Session: None needed.
5. Adjourned- Meeting adjourned at 6:26PM. Next meeting to be April 26th, 2022.

Carla Long CPA — 3/30/22

Notes taken and typed by — Date

Robbie Peiser — 3/30/22

Board President — Date

Jerry Cannon — 3/30/22

Board Secretary — Date

Michelle Stevens — 3/30/22

CEO — Date