

CUERO REGIONAL HOSPITAL  
BOARD OF DIRECTORS MEETING

March 21, 2019

The Board of Directors of Cuero Regional Hospital held their regular monthly meeting on Thursday, March 21, 2019, in the Education Classroom of the Cuero Regional Hospital, DeWitt County, Texas, at 12:00 P.M.

Board members present were:

Mr. Richard Wheeler, Chairman  
Mrs. Cindy Sheppard, Vice Chairman  
Mr. Charles Papacek, Secretary  
Dr. John Frels, DDS, Member  
Mr. Carlyle Stakes, Member

Leadership members present were:

Mrs. Lynn Falcone, Chief Executive Officer  
Mrs. Denise McMahan, Assistant Administrator  
Mrs. Alma Alexander, Chief Financial Officer  
Mrs. Judy Krupala, Chief Nursing Officer  
Mr. Greg Pritchett, Clinic Administrator  
Dr. David Hill, D.O., Chief Medical Officer  
Mrs. Kathy Simon, Administrative Assistant

Guests: Mr. Geoffrey Crabtree, Methodist Healthcare, Mrs. Deborah Whitley, BKD, Inc., Mrs. Faye Sheppard and Ms. April Flores, Cuero Record

The Board Chairman called the meeting to order at 12:00 p.m.

CALL TO  
ORDER

Community Input: None

COMMUNITY  
INPUT

Mrs. Whitley, with BKD, reviewed their Report to the Board of Directors and Auditor's Report and Financial Statements at the March Board meeting. Increase in net position for the fiscal year ending September 30, 2018 was \$4.5M or 10.6%. Also in 2018, the District reported an operating income, while in 2017 and 2016, the District reported operating losses. The operating income in 2018 increased by 104.3%, over 2017. Deficiencies were noted in audit adjustments and segregation of duties relative to revenue cycle. Other deficiencies listed were segregation of duties in the cash outflows cycle and payroll cycle. Mrs. Whitley noted that many small rural hospitals have the same deficiencies. Management must make a decision on the risk versus the cost of mitigating the risk. Mr. Papacek moved, Mr. Stakes seconded to approve the Annual Audit Report as presented pending the removal of an audit adjustment of \$261,000.00. Motion carried unanimously.

ANNUAL  
AUDIT

Mr. Papacek moved, Dr. Frels seconded, to approve the minutes of the regular called meeting on February 28, 2019 as presented; the motion carried unanimously.

MINUTES

The Chief Financial Officer's Financial Statement and Statistical Report were provided.

FINANCIAL/  
STATISTICAL

Cuero Regional Hospital  
Board of Directors Meeting  
2

The Chief Financial Officer spoke on hospital financials. The Clinic Administrator spoke on clinic financials. The reports were accepted as presented.

Chief of Staff Report: None

MEDICAL  
STAFF

The Marketing and Development Director report was provided.

MARKETING

The Clinic Administrator's report was provided.

CLINIC  
LEADERSHIP

The Assistant Administrator's report was provided. Mrs. McMahan noted the Nuclear Medicine camera was being installed. She also noted that a contract was being looked at to do lab work for La Bahia Nursing and Rehabilitation.

ASST. ADMIN.  
REPORT

The Chief Nursing Officer's report was provided. Mrs. Krupala noted that the third phase of bathroom renovation was in progress.

CNO REPORT

The Chief Executive Officer's report was provided.

CEO REPORT

Committee Reports: Physician Committee met today. It was noted that Dr. Cody Walthall would be here August 1<sup>st</sup>.

COMMITTEE  
REPORT

Old Business:

The Chief Executive Officer requested the capital expenditure purchase for (5) Sleeper Recliners for Med/Surg Patient Rooms. The hospital volunteers are donating the funds to purchase the recliners. Mr. Papacek moved, Dr. Frels seconded, to approve the capital expenditure purchase up to \$15,069.70 from ORI for (5) Sleeper Recliners for Med/Surg Patient Rooms; motion carried unanimously.

SLEEPER  
RECLINERS  
MED/SURG  
PT. ROOMS

The Clinic Administrator presented the Investment Policy with no changes noted, a resolution to Adopt Investment Strategies of DeWitt Medical District with no changes noted, and the List of Approved Investment Brokers with no changes noted. Mr. Stakes moved, Mrs. Cindy Sheppard seconded, to accept the Investment Policy, Strategies and Approved Investment Brokers List; the motion carried unanimously.

INVESTMEN  
POLICY  
STRATEGIES  
APPROVED  
BROKER

New Business:

The Secretary of the Board for DeWitt Medical District certified Mrs. Faye Sheppard and Mr. Charles Papacek as unopposed candidates for the election scheduled to be held on May 4, 2019. Dr. Frels moved, Mr. Stakes seconded, to receive and accept the Certification of Unopposed Candidate; the motion carried unanimously.

UNOPPOSED  
CANDIDATE

The Secretary of the Board for the DeWitt Medical District requested the election scheduled to be held on May 4, 2019, be canceled in accordance with Section 2.053 of the Texas Election Code, and the unopposed candidates, Mrs. Faye Sheppard and Mr. Charles Papacek, be certified as elected. Dr. Frels moved, Mr. Stakes seconded, to adopt the Cancellation

CANCELLATION  
ORDER/ORD OF  
ELECTION

Order/Ordinance of Election to cancel the election scheduled for May 4, 2019, in accordance with Section 2.053 of the Texas Election Code and to declare Mrs. Faye Sheppard and Mr. Charles Papacek elected; the motion carried unanimously. Mrs. Faye Sheppard and Mr. Charles Papacek completed the Statement of Elected Officer. The Order of Cancellation will be furnished to the Election Administrator and will be posted at the voting site, County Annex, on Election Day as required by law.

The Chief Executive Officer requested to table annual approval of the Quality Assessment of all Hospital Contracts to the April Board meeting for further review. Dr. Frels moved, Mr. Papacek seconded, to table the annual Quality Assessment of all Hospital Contracts approval until the April Board meeting; the motion carried unanimously.

QA HOSPITAL  
CONTRACTS

The Assistant Administrator presented the Quality Assessment/Performance Improvement Plan for approval. Mr. Papacek moved, Mr. Stakes seconded, to approve the Quality Assessment/Performance Improvement Plan as presented; the motion carried unanimously.

QA/PI PLAN

Medical Safety Plan, Utilization Review Plan, Risk Management Plan and Discharge Planning Program were presented by the Assistant Administrator for annual review. Mrs. Cindy Sheppard moved, Mr. Stakes seconded, to accept the plans and program as stated in the agenda; the motion carried unanimously.

ANNUAL RVV  
POLICIES AND  
MANUALS

The Board Chairman briefly discussed upcoming Board conference dates: TORCH Conference will be April 10-12, 2019 in Dallas and THT Conference will be July 19-20, 2019 in San Antonio.

UPCOMING  
CONFERENCE  
DATES

The Board entered Executive Session at 1:39 p.m. under Texas Government Code Section 551.074. Personnel Matters.

EXEC SESS

The Board exited Executive Session at 1:47p.m. Mr. Papacek read the resolution of support of the hospital board in regards to freezing the current 401 (a) Money Pension Purchase Plan effective April 1, 2019 so that the new 401(a) plan will be opened for employer contributions to be received by staff. Mrs. Cindy Sheppard moved, Mr. Stakes seconded, to approve the resolution regarding the 401 (a) Money Pension Purchase Plan; the motion carried unanimously.

The Board reviewed the Foundation Minutes and communication.

COMMUNICATI

There was no further business; Mr. Stakes moved, Mrs. Cindy Sheppard seconded, to adjourn; the motion carried unanimously. The meeting adjourned at 1:48 p.m.

ADJOURN



Richard Wheeler, Chairman



Charles Papacek, Secretary