Hereford Regional Medical Center
DEAF SMITH COUNTY HOSPITAL DISTRICT

Board of Directors Meeting Minutes March 26, 2026

The Deaf Smith County Hospital District Board of Directors met in a regular monthly meeting on Thursday, March 26, 2026 at 5:30pm in the Board Room of Hereford Regional Medical Center.

Directors present: Tanner Black, Kevin Bunch, Robert Delacruz, Tim Laws, Carla Purcella, Troyce Sturgess and Chris Woodard
Other attendees: Candice Smith, CEO; Paul Gafford CFO; Kay Gudgell, CNO; Jodi Jordan, Admin Asst.; Dr. Trevor Rohm; and Jim Steiert, Hereford Brand.

1. **Call to Order, Pledge and Invocation**
   Kevin Bunch, Chairman, called the meeting to order at 5:32 p.m. Kevin led the Pledge of Allegiance and Tim Laws offered the Invocation.

2. **Approval of Minutes**
   Tanner Black made a motion to approve February 19, 2026, board minutes. The motion was seconded by Troyce Sturgess. Motion carried.

3. **Chief Financial Officers Report**
   Presentation of financial statements
   Paul presented the financial report for February. The district experienced a slightly improved month compared to the prior year, ending with a positive bottom line of $57,331 and a year-to-date loss of ($165,717). Cash increased $2.1 million from last month because February is the best property tax collection month. Also, the District revenue bond payment of $1,379,000 was made before month end. Net patient revenue is $2,071,228 with inpatient services down with fewer admissions and a slight increase in outpatient services. Key operating indicators reflect declines in inpatient volumes, emergency room visits, rural health clinic visits, and therapy services when compared to the prior year. Contributions from L'Allegra and the Auxiliary supported the improved monthly performance. Chris Woodard made a motion to approve the financials as presented. The motion was seconded by Tim Laws. The motion carried.

4. **Chief Executive Officer Report**
   Physician Recruitment Update
   Candice updated the board on physician recruitment efforts. A highly qualified candidate was unable to be secured due to insurance credentialing limitations related to current legislation. Communication has been initiated with state representatives to address these barriers. Another physician candidate is scheduled to visit; however, availability is not until 2027. Recruitment challenges remain ongoing.
   Bylaws Review
   Candice presented the updated bylaws as part of the required biennial review. Revisions included the addition of required statutory language, removal of outdated provisions, and minor corrections. Legal review was completed prior to presentation. Tanner Black made a motion to approve the updates as presented. The motion was seconded by Troyce Sturgess. Motion carried.

Long Range Planning Committee
The Board discussed ongoing strategic planning efforts, including financial stabilization, community needs assessment activities, and marketing initiatives to encourage local utilization of services.
CAH Discussion
Candice provided an update to the Board regarding the potential transition to Critical Access Hospital (CAH) designation. Leadership outlined potential benefits, including cost-based reimbursement, increased operational flexibility, and access to additional funding opportunities. The transition would require reducing licensed beds from 42 to 25, which could be achieved with minimal facility modifications. While the Board expressed interest in pursuing this opportunity, it was noted that this is not an option for us at this time; however, should it become an option to apply in the future, we would need to have the facility physically ready. No formal action was taken as this item was presented for discussion only. Additional research will be conducted, including discussion with other facilities that have undergone similar transitions. The item will be brought back for further discussion at the next board meeting.

5. **Chief Nursing Officer Report**
Update on respiratory Director hiring progress
Kay updated the board regarding the respiratory director position, which is currently vacant. An internal candidate is being considered for the role on an interim basis for a 90-day evaluation period.

6. **Medical Staff Report**
Dr Rohm reports indicated stable but modest activity levels. Average daily census remained consistent with historical trends. Swing bed utilization continued to provide positive support to overall volumes. Clinic activity showed some improvement due to increased provider capacity. Overall, patient volumes remain below prior year levels across multiple service lines and continued focus on utilization and efficiency is necessary.

Executive Session
At 6:30 pm, Kevin Bunch announced that a closed meeting would be held pursuant to Tex. Gov Code 161.032, Tex. Gov Code 551.071 and Health and Safety Code 161.032 and Tex. Gov't Code 551.074. At 6:40 pm, Tanner Black made a motion to reconvene in open session. Motion was seconded by Carla Purcella. The following action was taken:

Tim Laws made a motion to approve the reappointment, appointment, and voluntary resignation of the following providers:

<u>Initial Appointment – Provisional</u>
Algilani, Kamran, MD – Emergency Medicine (Red Flag)
Brown, Benjamin, DO - Emergency Medicine
Fagan, Scott, MD - Emergency Medicine
Failes, Lori, MD - Emergency Medicine
Khan, Musharaf, DO – Radiology
Lewis, Chad, MD - Emergency Medicine (Red Flag)

Sidransky, Arturo, MD - Emergency Medicine (Red Flag)

Advancement

Bishop, Neal, MD – Emergency Medicine
Guo, Tao, MD – Pathology
Vest, Eric, MD – Emergency Medicine

Voluntary Resignations

Palomarez, Rigo, MD – Emergency Medicine – chose not to renew privileges
Tatah, Andrew, MD – Emergency Medicine – chose not to renew privileges

Chris Woodard seconded the motion. Motion passed unanimously.

7. **Adjournment**
Tanner Black made a motion to adjourn. Troyce Sturgess seconded. Motion passed unanimously. The meeting adjourned at 6:41 pm.

Kevin Bunch, Board Chairman

Chris Woodard Board VP