Hereford Regional Medical Center
DEAF SMITH COUNTY HOSPITAL DISTRICT

Board of Directors Meeting Minutes August 20, 2026

The Deaf Smith County Hospital District Board of Directors met in a regular monthly meeting on Thursday August 20, 2026, at 5:30 pm in the Board Room of Hereford Regional Medical Center.

Directors present: Kevin Bunch, Robert de la Cruz, Carla Purcella, Tim Laws, and Troyce Sturgess.

Other attendees: Candice Smith, CEO; Paul Gafford, CFO; Kristin DeLosSantos, COO; Kay Gudgell, CNO; Jodi Jordan, Admin Asst.; Dr. Trevor Rohm, Medical Director; BJ Gililland, Gililland Insurance; Parker Rittenberry, IMS Representative; Michael Smith, Butler/High Plains Representative; Alicia Nily and Jason Burr, Alera Representatives

1. Call to Order

Kevin Bunch, Chairman, called the meeting to order at 5:32 pm. Kevin led the Pledge of Allegiance and offered the invocation.

2. Approval of Minutes

Troyce Sturgess made a motion to approve July 23, 2026, minutes with a correction to change a reference from June to July. The motion was seconded by Tim Laws. The motion carried unanimously.

3. Employee Health Insurance 2027 Presentation

The Board received presentations from three groups regarding employee health insurance options for the 2027 plan year.

Gilliland Insurance / Insurance Management Services (IMS)
BJ Gilliland introduced Parker Rittenberry with Insurance Management Services. IMS presented a self-funded proposal that would change the third-party administrator and stop-loss carrier while maintaining a similar three-tier benefit structure. The proposal included the Omni network with a UnitedHealthcare wrap, a $60,000 specific deductible, stop-loss coverage through Voya, and a lower aggregate attachment point than the current plan. IMS also discussed laser provisions, potential stop-loss premium refunds, prescription drug rebate arrangements, network access, and optional transplant coverage.

Butler Benefits and Consulting / High Plains Health Plan
Michael Smith presented the High Plains Health Plan proposal. The plan uses a three-tier structure, with Tier One designed to provide reduced or no member cost-sharing for many services, including services available through Hereford Regional Medical Center. Tier Two utilizes the Aetna network and Tier Three provides out-of-network benefits. The proposal included a 24/12 stop-loss contract, a $60,000 specific deductible, Nationwide stop-loss coverage, and two identified lasers. High Plains also presented a copay plan, an HSA-compatible high-deductible option, network discount analysis, and estimated employee out-of-pocket savings.

Alera Group / 90 Degree Benefits
Jason Burr and Brant Couch with Alera Group, along with Alicia Nieland with 90 Degree Benefits, reviewed the District's current Community Hospital Insurance Coalition arrangement. The presentation discussed the benefits of group purchasing with other rural hospitals, the current stop-loss structure, pharmacy benefit arrangements, claims performance, and the potential for distributions back to participating hospitals when the program performs favorably. The presenters also reviewed the current plan's local support and service structure.

The Board asked questions and discussed the proposals. No final selection was made during the presentations.

4. **Review preliminary 2026-2027 Deaf Smith County Hospital District Budget**
   The 2026-2027 preliminary budget was presented by Paul Gafford for review.
   Review and record vote on Deaf Smith County Hospital District proposed tax rate.
   Mr. Gafford presented the 2026 certified value for Maintenance and Operations (M&O), along with the no-new-revenue and voter-approval tax rates. Mr. Gafford also presented the 2026 certified value for Interest and Sinking (I&S), along with the no-new-revenue and voter-approval tax rates. After review and Board discussion, Robert de la Cruz made a motion to approve the proposed voter-approval M&O tax rate of 0.263285. The motion was seconded by Troyce Sturgess. Voting individually in favor of the proposed M&O rate were Kevin Bunch, Robert de la Cruz, Carla Purcella, Tim Laws, and Troyce Sturgess. Board members Tanner Black and Chris Woodard were absent. Carla Purcella then made a motion to approve the voter-approval I&S tax rate of 0.074521. The motion was seconded by Tim Laws. Voting individually in favor of the proposed I&S rate were Kevin Bunch, Robert de la Cruz, Carla Purcella, Tim Laws, and Troyce Sturgess. Board members Tanner Black and Chris Woodard were absent.

5. **Medical Staff Report**
   Dr. Trevor Rohm provided the medical staff update. Dr. Okobi has joined the medical staff and is training in women's health and obstetrics, including C-sections. Dr. McCullough is expected to return in September. The clinic continues wellness visits, chronic care management, and remote patient monitoring. Orthopedic services with Dr. Rollins continue monthly, and pain management services remain available. Dr. Rohm also advised the Board that the cardiology group currently providing monthly services had announced a change in ownership, and administration will evaluate any impact on the existing arrangement. Operational volumes were also reviewed. July showed improvement in swing bed utilization, emergency room visits, and Rural Health Clinic encounters. The combined hospital census remains an area of focus, and administration continues efforts to improve utilization and service volumes

6. **CFO Report**
   Mr. Gafford presented the July 2026 month-end financial statements along with comparative statistical graphs. Stats show an increase in emergency room visits and Rural Health Clinic encounters, with July reporting 662 emergency room visits and approximately 2,500 clinic encounters. July also included 24 newborn deliveries and 26 observation visits. Inpatient revenue was below the prior year, while outpatient revenue increased, primarily due to higher emergency room and laboratory volumes. Key financial indicators continue to show strong ratios, with 324 days cash on hand, 42 net days in accounts receivable, and a current ratio of 5.7. July 2026 resulted in a net loss of ($249,371), with a year-to-date net gain of $1,223,670. Robert de la Cruz made a motion to approve the June financials as presented. The motion was seconded by Tim Laws. The motion carried unanimously.
7. **Certification of Unopposed Candidates**
   Carla Purcella made a motion to approve the certification of unopposed candidates. The motion was seconded by Troyce Sturgess. Motion carried.

8. **Chief Executive Officers Report**
   Approval of Capital Purchases
   Mrs. Smith presented two capital purchases for Board approval. The first was for lighting improvements in Labor and Delivery totaling over $70,000. The second was for a new camera system for the District at a cost of approximately $61,000. Three bids were received for the camera system. Based on the recommendation of the District's IT Director, administration recommended the proposal from Sound by Design. Tim Laws made a motion to approve both capital purchases as presented. Carla Purcella seconded the motion. The motion carried.

9. **Chief Operating Officer**
   Quality and Compliance Report
   Kristin DeLosSantos reviewed the quality indicators and provided a compliance update regarding a recent state survey and EMTALA findings. Of the two complaints reviewed during the survey, one was unsubstantiated and one was substantiated. A Plan of Correction has been submitted and includes EMTALA education for emergency department staff and providers, additional documentation review, and HIM review to ensure documentation requirements are met prior to the release of records. Provider chart audits are also being conducted and will continue as part of the corrective action process. The Board was also advised of a recent emergency department complaint that has been referred to for peer review.

10. **Chief Nursing Officer**
    Approval of Resolution of Support for Level IV Trauma Designation
    The Board reviewed a Resolution of Support for Hereford Regional Medical Center's continued Level IV trauma designation. The resolution supports timely and effective trauma care, staff and community education, participation in the Regional Advisory Council (RAC) and GETAC, and continued participation in regional and statewide emergency medical outreach. The upcoming trauma designation survey and required supporting documentation were also discussed. Troyce Sturgess made a motion to approve the Resolution of Support and was seconded by Robert de la Cruz. The motion carried unanimously.

Executive Session
At 7:40 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. At 7:42 pm, Troyce Sturgess made a motion to reconvene in open session. The motion was seconded by Carla Purcella. Motion carried.

The following action was taken:
Robert de la Cruz made a motion to reappoint, appoint and voluntary resignation the following providers:

<u>Physician Initial or Reappointment Advancement</u>
Bigelow, Matthew – MD – Hospitalist
Collins, Shaun, DO – Emergency Medicine

El-Asward, Naim, MD – Emergency Medicine
Jansen, Phillip, DO – Family Medicine
Lewis, Karyn, DO – OB/GYN

Voluntary Resignations

Pham, Justin, MD – Radiology – no longer reads for the company
Tsai, Charles, MD – Radiology – no longer reads for the company

Allied Physician Initial or Reappointment Advancement

Covey, Sean, CRNA – Nurse Anesthetist
Yardley, Vanessa, CRNA – Nurse Anesthetist

Carla Purcella seconded the motion. Motion passed unanimously.

11. **Adjournment**

Troyce Sturgess made a motion to adjourn. Robert de la Cruz seconded. Motion passed unanimously. The meeting adjourned at 7:43 pm.

Kevin Bunch, Board Chairman