

**MINUTES
BOARD OF DIRECTORS
MEDINA COUNTY HOSPITAL DISTRICT**

August 25, 2025

TIME AND PLACE:

The Medina County Hospital District Board of Directors met in regular session on Monday, August 25, 2025, at 6:30 p.m. at the Medina Regional Hospital Boardroom, 3100 Avenue E., Hondo, Texas.

PRESENT:

Tim Hardt, President
Tony Johnson, Secretary
Carlton "Corky" E. Young, DVM, Vice President
William "Bill" Bain, Director
Judy Winkler, Director
Mary Mangold, Director
Zachary Windrow, MD, Director

Billie Bell, Chief Executive Officer
Kevin Frosch, Chief Financial Officer
Marc Strode, Methodist Healthcare System
Rebecca Deen, Chief Nursing Officer
Ashley Lowe, Chief Operating Officer
Louisa Cuellar, Executive Assistant/Recording Secretary

ABSENT:

GUEST:

1. **CALL TO ORDER
AND RECORD OF
ATTENDANCE**
2. **PUBLIC COMMENT**
3. **MOTION TO AMEND
THE AGENDA TO ADD A
NEW ITEM -
CONSIDERATION AND
APPROPRIATE ACTION
ON A REQUEST FOR
APPROVAL OF
RENOVATIONS OF THE
NEW MEDICAL
RECORDS BUILDING IN
THE AMOUNT OF
\$50,000.00**
4. **BOARD EDUCATION
Medina Healthcare
System's Role in the
San Antonio Mass
Casualty Exercise and
Evaluation (SAMCEE)**

Mr. Hardt called the meeting of the Medina County Hospital District Board of Directors to order at 6:30 p.m. He stated for the record that the Board of Directors has seven members with seven members present, representing a quorum.

There were no members of the public present.

MOTION

Mr. Bain made a motion to amend the agenda to add a new item. Ms. Winkler seconded

VOTE

The motion passed unanimously.

MOTION

Ms. Winkler made a motion to approve the renovations of the new Medical Records building in the amount of \$50,000.00. Ms. Mangold seconded

VOTE

The motion passed unanimously.

Ms. Deen presented a PowerPoint on Medina Healthcare System's role in the San Antonio Mass Casualty Exercise and Evaluation (SAMCEE). This annual disaster preparedness drill is held in partnership with Southwest Texas Regional Advisory Council (STRAC).

Informational only. No action taken.

CONSENT AGENDA

5. CONSIDER THE APPROVAL OF MINUTES

a. Regular Session of July 28, 2025

The Minutes from the Board Meeting of July 28, 2025, were approved as presented in the Board Packet.

6. CONSIDER THE APPROVAL OF CHIEF NURSING OFFICER'S REPORT

Ms. Deen reported the following: M. Williams received her RN degree. She previously worked as an ED technician and EMT. Y. Proctor, Surgical Services Director, and J. Williams, Maternal Services Director, participated in the Methodist Nursing Leadership Certification (NLC) program. K. Evans, Trauma Manager, attended the Texas Trauma Coordinators Forum (TTCF) quarterly meeting. R. Deen, CNO, completed a grant writing course offered by the University of Texas at Arlington. Customer Service training is being offered to all staff members.

The Surgical Services Department achieved 100% compliance in both medication and patient scanning. The recently purchased surgical towers were installed in both operating rooms. The surgical towers hold specialized equipment utilized during surgical procedures.

The clinical team met with Mindray to review options for cardiac monitors/telemetry integration in the Medical Surgical Department.

R. Deen, CNO, participated in a meeting with city officials to address mental health concerns in Medina County. The meeting was facilitated by Congressman Tony Gonzales's Legislative Director, Kellie Chong, along with Regional District Director, Regina Aviles. The meeting provided a crucial opportunity to address the urgent mental health challenges facing the community and to identify the necessary support for effective mental health management.

7. CONSIDER THE APPROVAL OF CHIEF OPERATING OFFICER'S REPORT

Ms. Lowe reported the following: A search for a contract provider for the clinics is underway as the team gears up for flu season.

The GI volume in July was above target. August is projected to be a slow month as Dr. Munoz will be out of office for two weeks. To date a total of 1,145 procedures have been completed in this fiscal year.

The Baptist Health Foundation application remains in the review selection phase.

Outpatient productivity in the lab was slightly below target in June but remains a busy month as there was an increase in July 2025 compared to July 2024.

The deep dive Security Risk Analysis will begin in August 2025 for the system. This review is aimed at identifying, assessing, and mitigating potential threats and vulnerabilities to an organization's information systems and physical assets.

The Rural Health Clinic report and graph was presented: Review of availability of appointments is a key priority in all the clinic locations and with staffing changes and the upcoming busier season, the need to ensure availability is key. New patient visits remain at 1,000 additional visits this rolling 12 months compared to the previous 12 months. Total volume remains strong.

In the Call Center, this month the team remains focused on the goal response to patient needs and is staying on track with a 95% patient response rate for July. The team had 16,083 calls and responded to 15,324.

The 2025 total for weekend clinic volume is 1,959 as of August 17, 2025.

8. CONSIDER THE APPROVAL OF THE MEDICAL STAFF REPORT

Dr. Windrow presented a verbal report. No issues or concerns.

9. CONSIDER PUBLIC CORRESPONDENCE

Mr. Johnson presented the public correspondence report for the month of August. There were 29 questionnaires returned after receiving care at MHS. There was one negative comment.

MOTION

Dr. Young made a motion to approve the Consent Agenda. Ms. Mangold seconded.

VOTE

The motion passed unanimously.

**10. CONSIDER APPROVAL
OF THE CHIEF
EXECUTIVE OFFICER'S
REPORT**

Ms. Bell reported the following: Legislative updates: The One Big Beautiful Bill Act (OBBA) includes the Rural Fund distribution which will provide 50% equal allocation to states, up to 10% of which is allocated to states at their discretion for administrative costs. By December 31, 2025, Centers for Medicare and Medicaid Services (CMS) will have approved all state applications. The Rural Funds Distribution will end September 20, 2029. CMS will develop and distribute guidance to states for applications. Once a state is approved, CMS will determine future allocations. \$10 billion each year for 5 years, FFY 2026-2030. States must submit an application that outlines a plan and discuss the applicable uses of funds including payments to providers; qualifying providers include but are not limited to: Hospitals (located in rural areas, reclassified rural, located in rural census tract of MSA), CAHs, SCH, MDH, LVH, REHs, FQHCs, and CMHCs.

The Texas Rural Health Stabilization & Innovative Act (HB18) - The law's goal is to strengthen rural hospitals, especially those at risk of closure, and improve healthcare in small communities. It creates a state office to help with financial planning, launches a leadership training program for hospital staff, and offers grants to support struggling hospitals and encourage new ideas in healthcare.

As we prepare for the Medicaid reimbursement reductions scheduled for January 1, 2026, we remain actively engaged with TORCH, THA, and FORVIS to monitor developments and advocate for rural hospitals. While the full financial impact is still uncertain, we are taking proactive steps to protect revenue and ensure operational resilience. In parallel, the strategic expansion projects taking place in 2026 will add clinical space for new providers and accommodate increased patient volumes. These investments are designed to strengthen our service capacity and position us for long-term sustainability, even as we navigate the challenges ahead with caution and readiness. The system continues to modernize IT infrastructure and strengthen cybersecurity efforts. Nutanix was selected to replace VMware, enhancing disaster recovery with a 4th recovery node in Castroville. This move aligns service continuity goals and mitigates rising VMware costs. Led by IT, Department Managers participated in a ransomware tabletop exercise to improve departmental readiness and incident response clarity.

The ED Transfer Patient Distribution by age and percentage graph was presented.

Medina Healthcare System was approached by the County Judge regarding a potential partnership to provide medical care for inmates at the county jail. The service was previously outsourced, and the county is exploring local options to reduce costs and improve oversight. After reviewing the preliminary scope of services and staffing requirements, we determined that the operational demands and state compliance standards exceed our current capabilities. As such, we are unable to pursue this opportunity.

The Marketing team actively engaged with the community through strategic outreach initiatives that strengthened local partnerships and promoted wellness across all age groups.

Medina Healthcare System is advancing into Phase 2 of its System Master Plan, with key upgrades underway to enhance patient care and operational efficiency. Renovations to the former Administration Building will begin within 4–6 weeks, transforming it into the new home for IT and Medical Records. The Rehab Department will more than double in size by early 2027, featuring expanded treatment areas, a new patient drop-off, and advanced equipment. The Castroville RHC will add a covered drop-off and a second floor to accommodate five new providers. Specialty Clinic 4 renovations remain on track for year-end completion, with continued focus on orthopedics, ophthalmology, and ENT. Infrastructure upgrades include a new generator this fall and early design work for a Registration and Main Lobby remodel. State grant funding will support four cardiac monitoring beds and enhance the OB unit with new equipment, updated furnishings, and a certified lactation specialist.

MOTION

Mr. Bain made a motion to approve the CEO report as presented in the Board packet. Ms. Mangold seconded.

VOTE

The motion passed unanimously.

**11. CONSIDER APPROVAL
OF THE FINANCE
REPORT FOR JULY 2025**

Dr. Young asked if any of the Board members had any questions or concerns from the Finance Committee Meeting. There were no changes to the finance report presented by Mr. Frosch.

MOTION

Mr. Johnson made a motion to approve the Financial Report for July 2025 as presented during the Finance Committee meeting. Mr. Bain seconded.

VOTE

The motion passed unanimously.

12. REVIEW AND CONSIDER TAX RATE REPORT FOR MEDINA COUNTY HOSPITAL DISTRICT FOR 2025 TO INCLUDE THE MEDINA COUNTY TAX ASSESSOR/COLLECTOR'S COMPUTED NO-NEW-REVENUE TAX RATE AND VOTER-APPROVAL TAX RATE, AND THE 2025 YTD TOTALS OF CHARITY CARE AND OTHER UNCOMPENSATED CARE THAT HAVE BEEN PROVIDED BY MEDINA COUNTY HOSPITAL DISTRICT

Mr. Frosch presented and discussed the no-new revenue and voter approval rates. The 2024 adopted rate was 0.0929. The 2025 No-New Revenue Rate is 0.0884, and the 2025 Voter-Approval Rate is 0.0961. It was noted that the Tax District Maximum rate is 0.1000, but that any proposal exceeding the 0.0961 Voter-Approval Rate would require an election. Mr. Frosch provided an information sheet showing several different possible rates that could be proposed, along with the expected collections associated with each rate and the tax impact to the average Medina County household. Mr. Frosch also presented the annual cost of charity & indigent programs that we are required by law to maintain; and noting that there was a deficit in the gross cost of those programs relative to the annual tax support, which has to be subsidized by hospital operations. Mr. Frosch and the administration recommended that the Board adopt a new rate of 0.0961 for the upcoming fiscal year. It was mentioned that following the proposal at tonight's meeting, the Board will need to hold a formal public hearing to allow Medina County citizens to make comments on the proposed rate. The public hearing is planned for September 15, 2025, at 5:00 p.m. in the hospital Boardroom. The Board will have the option to approve the FY2026 Budget at the September 15 meeting.

Mr. Frosch asked if any Board members had any additional questions regarding the proposed tax rate of 0.0961 or any of the calculations.

MOTION

13. RECORD A VOTE ON A PROPOSED TAX RATE FOR 2025

Ms. Winkler made a motion to propose a new tax rate of 0.0961 for the upcoming fiscal year as recommended by Mr. Frosch and the hospital administration. Ms. Mangold seconded the motion.

Mr. Hardt voted yes. Dr. Young voted yes. Mr. Bain voted yes. Ms. Winkler voted yes. Mr. Johnson voted yes. Ms. Mangold voted yes. Dr. Windrow voted yes.

VOTE

The motion passed unanimously.

14. REQUEST TO APPROVE A RESOLUTION RATIFICATION DECREASING THE COST OF THE PREVIOUSLY APPROVED PURCHASE OF OVERHEAD PAGING SYSTEM FROM \$112,500.00 TO \$110,700.00

Ms. Bell presented a request to approve a resolution ratification decreasing the cost of the previously approved purchase of the overhead paging system from \$112,500.00 to \$110,700.00.

MOTION

Dr. Young made a motion to approve the resolution ratification decreasing the cost of the previously approved purchase of the overhead paging system from \$112,500.00 to \$110,700.00 as presented in the Board packet. Dr. Windrow seconded the motion.

VOTE

The motion passed unanimously.

15. REQUEST TO APPROVE THE PURCHASE OF A NEW DATA CENTER SYSTEM IN THE AMOUNT OF \$224,997.10

Ms. Bell presented a request for the purchase of a new data center system in the amount of \$224,997.10.

MOTION

Mr. Bain made a motion to approve the purchase of a new data center system in the amount of \$224,997.10 as presented in the Board packet. Ms. Winkler seconded.

VOTE

The motion passed unanimously.

16. REQUEST TO APPROVE THE PURCHASE OF TWO REPLACEMENT HEMATOLOGY ANALYZERS IN THE AMOUNT OF \$120,650.00 Ms. Bell presented a request to approve the purchase of two replacement hematology analyzers in the amount of \$120,650.00.
- MOTION
- Dr. Young made a motion to approve the purchase of two replacement hematology analyzers in the amount of \$120,650.00 as presented in the Board packet. Ms. Mangold seconded.
- VOTE
- The motion passed unanimously.
17. ANNUAL REVIEW OF THE MEDINA HEALTHCARE SYSTEM'S PUBLIC COMMENTS AT BOARD MEETINGS POLICY – WITH CHANGES Ms. Bell mentioned that this is an annual review of the policy and reported a change. Ms. Bell informed the Board that an official timekeeper needs to be designated. The Board nominated Ms. Mangold, and she accepted.
- MOTION
- Mr. Johnson made a motion to approve the Medina Healthcare System's Public Comments at Board Meetings policy as presented in the Board packet; and appoint Ms. Mangold as the official timekeeper. Dr. Windrow seconded.
- VOTE
- The motion passed unanimously.
18. ANNUAL REVIEW OF THE MEDINA HEALTHCARE SYSTEM'S WORKPLACE VIOLENCE PREVENTION AND PLAN POLICY – NO CHANGES Ms. Deen reported that this is an annual review of the policy and there have been no changes made since the last Board approval.
- MOTION
- Ms. Mangold made a motion to approve the Medina Healthcare System's Workplace Violence Prevention and Plan policy as presented in the Board packet. Dr. Windrow seconded.
- VOTE
- The motion passed unanimously.
19. REQUEST TO APPROVE A NEW EMERGENCY RESPONSE PLAN POLICY AND REPLACE HOSPITAL DISASTER PLAN POLICY Ms. Deen presented a new Emergency Response Plan policy that will replace the Hospital Disaster plan policy.
- MOTION
- Ms. Winkler made a motion to approve the new Emergency Response Plan policy and retire the Hospital Disaster Plan policy as presented in the Board packet. Mr. Bain seconded.
- VOTE
- The motion passed unanimously.
20. REVIEW AND REQUEST TO APPROVE THE COMPLIANCE ADVISORY COMMITTEE'S SECOND QUARTER REPORT Ms. Lowe presented an overview of the Compliance Advisory Committee's Second Quarter report.
- MOTION
- Mr. Johnson made a motion to approve the Compliance Advisory Committee's Second Quarter report as presented in the Board packet. Ms. Winkler seconded.
- VOTE
- The motion passed unanimously.
21. REVIEW AND REQUEST TO APPROVE THE AUXILIARY BYLAWS – NO CHANGES After discussion, the board agreed to table this item for a later date to allow time for additional research on the Auxiliary Bylaws.

22. **TIDBIT OF THE MONTH**
– “DID YOU KNOW”
SEPTEMBER CAMPAIGN Ms. Bell presented a brief overview of the “Did You Know” September campaign of Laboratory Services available 24/7.
Informational only. No action taken.
23. **EXECUTIVE SESSION** The Board of Directors of Medina Regional Hospital District went into Closed Session, at 7:36 p.m., this date August 25, 2025. The Closed Session is being held pursuant to the Texas Government Code Section 551.071, Consultations with an Attorney.

Sec. 551.071 et. Seq., Texas Government Code, for Consultations with an Attorney

The Board of Directors of Medina Regional Hospital District adjourned Closed Session at 7:43 p.m. and returned to Open Session at 7:44 p.m.
24. **CONSIDER ANY**
NECESSARY ACTION
FROM EXECUTIVE
SESSION No action taken.
25. **NEXT BOARD MEETING** Special Session September 15, 2025
26. **ADJOURNMENT** There being no further business to come before the Board, the meeting was adjourned at 7:45 p.m.



Tim Hardt, President



Tony Johnson, Secretary