

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

February 23, 2026

**TIME AND PLACE:**

The Medina County Hospital District Board of Directors met in regular session on Monday, February 23, 2026, 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

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

**ABSENT:**

Billie Bell, Chief Executive Officer

**GUEST:**

Trenton Wilson, Radiology Director  
Brandon Haby, Facilities Superintendent  
Rosanne Fohn, Reporter, Hondo Anvil Herald

1. **CALL TO ORDER  
AND RECORD OF  
ATTENDANCE**

Mr. Hardt called the meeting of the Medina County Hospital District Board of Directors to order at 6:35 p.m. He stated for the record that the Board of Directors has seven members with seven members present, representing a quorum.

2. **PUBLIC COMMENT**

Ms. Fohn, a reporter with the Hondo Anvil Herald, was present.

3. **BOARD EDUCATION  
Imaging Initiatives and  
Vision for the Future**

Mr. Wilson presented a PowerPoint of the Imaging Initiatives and Vision for the Future. Informational only. No action taken.

4. **MOTION TO AMEND  
AGENDA - REQUEST TO  
APPROVE RESOLUTION  
AUTHORIZING KEVIN  
FROSCH TO SIGN  
NECESSARY DOCUMENTS  
FOR MEDINA VALLEY  
HEALTH &  
REHABILITATION CENTER**

**MOTION**

Mr. Bain made a motion to amend the agenda. Mr. Johnson seconded.

**VOTE**

The motion passed unanimously

Mr. Frosch presented a request to approve a resolution authorizing Mr. Frosch to sign necessary documents for Medina Valley Health and Rehabilitation Center.

**MOTION**

Ms. Winkler made a motion to approve the resolution authorizing Mr. Frosch to sign necessary documents for Medina Valley Health and Rehabilitation Center. Ms. Mangold seconded.

**VOTE**

The motion passed unanimously.

**CONSENT AGENDA**

5. **CONSIDER THE APPROVAL OF MINUTES**  
a. **Regular Session of January 26, 2026**
- The Minutes from the Board Meeting of January 26, 2026, were approved as presented in the Board Packet.
6. **CONSIDER THE APPROVAL OF CHIEF NURSING OFFICER'S REPORT**
- Ms. Deen reported the following: Dr. Teofilo Sanchez stepped down from his role as ED Medical/Trauma Director. Dr. John Fanning has taken on the role of Interim ED Medical/Trauma Director.
- Our System Resource Nurse, Rene Santacruz and Med/Surg Charge Nurse, Stephany Angel, attended the first class for the Nursing Leadership Certificate Program. The HCA Healthcare Nursing Leadership Certificate is designed to enhance leadership capabilities, ensuring an outstanding care experience.
- Amanda Zavala, RN, Nurse Peer Review Committee Chair, participated in a Nurse Peer Review course offered by the Texas Nursing Association.
- Ms. Deen reported that the Quality Incentive Payment Program (QIPP) is a Texas Medicaid initiative designed to provide incentive payments to nursing facilities that enhance care quality and adopt person-centered innovative practices. Managed by the hospital quality team, the program fosters communication with nursing home administrators and conducts performance improvement meetings that address key areas such as resident observations, regulatory compliance, quality metrics, grievances, staffing data, risk management incidents, and infection control strategies. The team meticulously documents these meetings and monitors the progress of the program's objectives.
- In addition, the quality team engages in training sessions offered by the nursing homes and performs annual onsite visits as necessary.
- The Medina Regional Hospital Emergency Room (ER) was recognized as 2026 Best Hospital for ER Wait Time and Efficiency, for the second consecutive year, by the Women's Choice Award.
- Ms. Deen, CNO, attended the South Texas Regional Advisory Committee's Perinatal Committee meeting.
7. **CONSIDER THE APPROVAL OF CHIEF OPERATING OFFICER'S REPORT**
- Ms. Lowe reported the following: Rural Health Clinic provider recruitment is ongoing. Specialty provider growth continues in orthopedics/pain management and dermatology, with anticipated changes with hematology/oncology.
- Construction will commence in March for Specialty Clinic 1, Rehab, and Medical Clinic in Castroville.
- The Service Line and Outpatient Volume report was presented.
- Lab outpatient productivity was presented.
- The Rural Health Clinic report provided a summary of new and established patient visit trends for the current year-to-date, along with a 12-month historical comparison.
- The hospital lobby will undergo a refresh on March 7<sup>th</sup>.
8. **CONSIDER THE APPROVAL OF THE MEDICAL STAFF REPORT**
- Dr. Windrow provided a verbal report. There are no issues and concerns.
9. **CONSIDER PUBLIC CORRESPONDENCE**
- Mr. Johnson presented the public correspondence report for the month of February. There were 11 questionnaires returned after receiving care at MHS. There were no negative comments.

**MOTION**

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

**VOTE**

The motion passed unanimously.

10. **CONSIDER APPROVAL OF THE CHIEF EXECUTIVE OFFICER'S REPORT**
- Due to Ms. Bell being out on a leave of absence, Mr. Frosch presented the CEO report.
- Mr. Frosch presented a report and graph on consumer engagement with health care and how primary care and urgent care are being utilized by age group, 2023. These trends will need to be incorporated into Medina's strategic planning to ensure we keep pace with the younger patients' preference to access care and the types of services they expect.

The Emergency Department volume graph was presented. Our google rating remains one of the strongest in the region, reflecting consistent positive patient experiences and reinforcing our reputation in the community. The Rural Health Clinics participate in Traditional Medicare and Managed Medicare Accountable Care Organizations (ACO), aligning us with value-based care models focused on improving quality. In February the Information Technology (IT) department focused on continued infrastructure and strategic vendor discussions. The Employee Engagement Committee (EAG) hosted a Valentine's Candygram fundraiser. Thanks to the generosity of our team, the initiative raised over \$1,000 for the Healthcare Fund. The Texas Hospital Association recently released a white paper on the drivers of hospital care costs. Spurred by factors ranging from inflation to high utilization and worker burnout, hospitals across the United States continue to face cost containment challenges. The Medina Healthcare System was nominated for Business of the Year by the Hondo Chamber of Commerce.

#### MOTION

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

#### VOTE

The motion passed unanimously.

#### **11. REQUEST TO APPROVE THE FINANCE REPORT FOR JANUARY 2026**

Due to the FORVIS presentation during the Finance Committee Meeting, Dr. Young asked Mr. Frosch to provide a summary of the Financial Report for January 2026.

Mr. Frosch began by reporting that we did not meet budget in January. Gross Revenue was below budget for the month, and two of the four major sub-categories (Outpatient Revenue and Emergency Department) reported above budget revenues for the month and YTD.

Mr. Frosch noted that Net Revenue was below budget but remains ahead of budget for the YTD. Net Operating Income results were positive but below budget for the month, but the YTD variance remains positive and well ahead of budget. Mr. Frosch commented that EBIDA was also below budget for the month, but remains ahead of budget YTD.

Nursing Home Revenue was less than budgeted because QIPP program payments are coming in slower this year than the prior year; in January 2025 we had received the first quarter payments and recorded a positive quarterly adjustment.

Speaking in more detail about the Net Revenue drivers, Mr. Frosch reported that collections in the period were lower than trend; early into the new calendar year the collection pace can slow a bit as a greater portion of allowable amounts for commercially insured patients is due from the patients themselves in the form of deductibles, and is billed to them after adjudication by the insurance company. He also pointed out that January was above budget with regards to 340b revenue.

Mr. Frosch noted that volumes were in-range of budget with most key statistics showing a small variance below budget in the period. Specifically, Swingbed days and Births were ahead of budget. Patient Days were slightly below budget for January but remain ahead of budget for the YTD. Outpatient visits, RHC Visits, and ED Visits were each below budget with minimal variances, and there were some provider vacations that impacted the period. Total Surgeries and Colonoscopies lines were each just shy of the level budgeted for January

Mr. Frosch provided some details regarding expenses, noting that Total Operating Expenses were above budget for the month. He noted that the Salaries line was above budget, but Agency staffing was below budget; the system accrual is on the high side, as it reflected a busy staffing period that included some bonus payouts, so this is expected to move back toward budget in the coming periods. The Employee Benefits was above budget; this expense category tends to experience some month-to-month variance in the short term that is associated with the system accruals, but tends to align with budget when viewed over a longer time horizon. Mr. Frosch noted the Physician Fees line was above budget due to the quarterly bonus amounts, these were built into the overall budget total but did not align with the specific month of the payout in this case.

Mr. Frosch concluded by mentioning that the cost report was completed and enrollment in

CHIRP/RAPPS/QIPP program is in progress.

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

MOTION

Dr. Young made a motion to approve the Financial Report for January 2026 as presented. Mr. Johnson seconded.

VOTE

The motion passed unanimously.

**12. CONSIDER APPROVAL OF THE AUDIT AND COST REPORT FOR FY 10/01/2024 – 09/30/2025 AS PRESENTED BY FORVIS MAZARS AT THE FINANCE COMMITTEE MEETING**

Dr. Young asked if any of the Board members had any questions or concerns about the Audit and Cost report presented by Forvis Mazars at the Finance Committee Meeting. There were no additional questions or concerns from any of the Board members.

MOTION

Dr. Young made a motion to approve the audit and cost report for FY 10/01/2024 – 09/30/2025 as presented by Forvis Mazars at the Finance Committee. Mr. Bain seconded.

VOTE

The motion passed unanimously.

**13. REPORT THE FACILITIES COMMITTEE'S CONTRACTOR SELECTION FOR THE REHABILITATION EXPANSION PROJECT AND REQUEST TO APPROVE A RESOLUTION**

Mr. Bain deferred to Mr. Haby to present the Facilities Committee's recommendation for a contractor of the Rehabilitation expansion project and approve a resolution authorizing NC Construction as the contractor.

MOTION

Ms. Winkler made a motion to accept the Facilities Committee recommendation and authorize NC Construction as the contractor of the Rehabilitation expansion project as presented in the Board packet. Ms. Mangold seconded.

VOTE

The motion passed unanimously.

**14. REPORT THE FACILITIES COMMITTEE'S RECOMMENDATION FOR A CONTRACTOR OF THE CASTROVILLE RHC EXPANSION PROJECT AND REQUEST TO APPROVE A RESOLUTION**

Mr. Bain deferred to Mr. Haby to present the Facilities Committee's recommendation for a contractor of the Castroville Rural Health Clinic expansion project and approve a resolution authorizing WR Griggs as the contractor.

MOTION

Dr. Young made a motion to accept the Facilities Committee recommendation and authorize W.R. Griggs as the contractor of the Castroville Rural Health Clinic expansion project as presented in the Board packet. Ms. Winkler seconded.

VOTE

The motion passed unanimously.

**15. REQUEST TO APPROVE A RESOLUTION TO ENGAGE O'CONNELL ROBERTSON FOR COMPLETION OF ARCHITECTURAL PLANS FOR THE REGISTRATION AND MAIN LOBBY RENOVATIONS IN THE AMOUNT OF \$119,500**

Mr. Frosch presented a request to approve a resolution to engage O'Connell Robertson for completion of architectural plans for the registration and main lobby renovations in the amount of \$119,500.

MOTION

Dr. Windrow made a motion to approve a resolution to engage O'Connell Robertson for completion of architectural plans for the registration and main lobby renovations in the amount of \$119,500 as presented in the Board packet. Ms. Mangold seconded.

VOTE

The motion passed unanimously.

**16. REQUEST TO APPROVE THE FINAL ACQUISITION OF WINDCREST NURSING & REHABILITATION CENTER**

Mr. Frosch presented a request to approve a resolution finalizing the acquisition of Windcrest Nursing & Rehabilitation Center.

**MOTION**

Ms. Winkler made a motion to approve the resolution finalizing the acquisition of Windcrest Nursing & Rehabilitation Center. Ms. Mangold seconded.

**VOTE**

The motion passed unanimously.

**17. REQUEST TO APPROVE A RESOLUTION TO NAME KEVIN FROSCH AS THE ACTING CEO, GRANT SIGNING AUTHORITY UP TO \$50,000 AND APPROVE A \$5,000 BOND DURING BILLIE BELL'S MEDICAL LEAVE OF ABSENCE**

Mr. Hardt presented a request to approve a resolution to name Kevin Frosch as the Acting CEO, grant signing authority up to \$50,000 and approve a \$5,000 bond during Billie Bell's medical leave of absence.

**MOTION**

Dr. Young made a motion to approve a resolution naming Kevin Frosch as the Acting CEO, granting signing authority up to \$50,000 and approving a \$5,000 bond during Billie Bell's medical leave of absence, as presented in the Board packet. Dr. Windrow seconded.

**VOTE**

The motion passed unanimously.

**18. REQUEST TO APPROVE THE ORGANIZATIONAL CHART DURING BILLIE BELL'S MEDICAL LEAVE OF ABSENCE**

Mr. Frosch presented the organizational chart that will be in effect during Billie Bell's medical leave of absence.

**MOTION**

Mr. Bain made a motion to approve the organizational chart during Billie Bell's medical leave of absence, as presented in the Board packet. Mr. Johnson seconded the motion.

**VOTE**

The motion passed unanimously.

**19. DISTRIBUTION OF THE BOARD OF DIRECTORS ANNUAL SELF-EVALUATION TOOL – DUE MARCH 6**

The Board of Directors' annual self-evaluation tool were distributed. Information only. No action taken.

**20. DISTRIBUTION OF THE CEO AND CFO ANNUAL EVALUATION FORMS FOR BOARD COMPLETION – DUE MARCH 6**

The CEO and CFO annual evaluation forms were distributed. Informational only. No action taken.

**21. CONSIDER THE APPROVAL OF THE ANNUAL INFECTION CONTROL EVALUATION**

Ms. Deen presented the annual Infection Control Evaluation.

**MOTION**

Ms. Winkler made a motion to approve the annual Infection Control Plan as presented in the Board packet. Dr. Windrow seconded.

**VOTE**

The motion passed unanimously.

**22. CONSIDERATION AND REQUEST TO APPROVE THE COMPLIANCE ADVISORY COMMITTEE'S FOURTH QUARTER REPORT**

Ms. Lowe reported the Compliance Advisory Committee's fourth quarter report was approved in January 26, 2026, therefore, there was nothing to report.

23. **DID YOU KNOW? SERIES #7 – Medina Regional Hospital uses a telestroke robot to connect patients with neurologists in minutes, giving our community access to expert stroke care right here at home when every minute counts** Mr. Frosch presented Did You Know, Series #7 – Medina Regional Hospital uses a telestroke robot to connect patients with neurologists in minutes, giving our community access to expert stroke care right here at home when every minute counts.  
Informational only. No action taken.
24. **REQUEST A HEADCOUNT FOR THE MEDINA HEALTHCARE FUND BOOTS AND BOTTLES GALA ON APRIL 23, 2026, 6:00 P.M.-9:00 P.M., MEDINA COUNTY FAIR HALL** Informational only. No action taken.
25. **CONFIRM THE HEADCOUNT FOR THE TEXAS HEALTHCARE TRUSTEES ANNUAL CONFERENCE ON JUNE 5-6 IN SAN ANTONIO** Informational only. No action taken
26. **EXECUTIVE SESSION** The Board of Directors of the Medina County Hospital District went into Closed Session, at 8:06 p.m., this date February 23, 2026. The Closed Session is being held pursuant to Section 551.071 of the Texas Government Code.  
  
Section 551.071 of the Texas Government Code  
CONSULTATION WITH ATTORNEY
27. **CONSIDER ANY NECESSARY ACTION FROM EXECUTIVE SESSION** The Board of Directors of Medina Regional Hospital District adjourned Closed Session at 8:09 p.m. and returned to Open Session at 8:09 p.m.  
No action was taken by the Board.
28. **THE FINANCE COMMITTEE WILL RESUME THE 5:15 P.M. MEETING SCHEDULE IN MARCH** Informational only. No action taken.
29. **NEXT BOARD MEETING** March 23, 2026
30. **ADJOURNMENT** There being no further business to come before the Board, the meeting was adjourned at 8:10 p.m.

  
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Tim Hardt, President

  
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Tony Johnson, Secretary