



BOARD OF DIRECTORS MEETING MINUTES

Tuesday, January 27, 2026

6:00 p.m.

MEMBERS PRESENT:

Wayne Morris

Kenny Ayt

Marilyn Cross

Greg Muehlenbein

Carrie Ragan

Kim Vaughan

Jason Waier

MEMBERS ABSENT:

Christina Epperson

Kelly Karcher

OTHERS PRESENT:

Justin Epperson, CEO

Sara Luffman, Controller

Jenee Wilson, CNO

Staci Frank, Quality

Bobbie Hamblin, HR Director

Nick Hansen, Director of Facilities Management

Lindsay Hansen, Marketing/Foundation Manager

Holly Hubele, ASC

Wayne Morris, Board President, called the meeting to order at 6:00 p.m. This meeting was held at the Hamilton Memorial Hospital located at 611 S. Marshall Avenue, McLeansboro, Illinois and will be the site of all future meetings unless communicated otherwise.

Roll call was taken and with a quorum present, the meeting proceeded.

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Topic of Discussion	Description	Action Taken
<u>Public Comment</u>	No comments were made.	
<u>Board of Directors December 2025 Meeting Minutes</u>	<p>Regular Session minutes were reviewed and approved.</p> <p>Executive Session minutes were reviewed and approved.</p>	<p>Carrie Ragan made a motion to approve the December 2025 Board of Directors Regular Session minutes. Marilyn Cross seconded the motion. Motion carried.</p> <p>Kenny Aydt made a motion to approve the December 2025 Board of Directors Executive Session minutes. Jason Waier seconded the motion. Motion carried.</p>
<u>December 31, 2025 Financial Statement Narrative</u>	<p>Sara Luffman, Controller, stated that revenue increased this month due to more acute admissions and higher ER and surgery volumes. A large increase in 340B revenue was seen and is due to the lag in receiving checks from previous months.</p> <p>Contracted employee expenses and payroll continue to be well above budget. Due to the continued and unexplained increase in payroll expense, an audit on the payroll line of financials will be carried out by Clifton Larson Allen (CLA) to verify that the data is pulling correctly from the HMHD General Ledger.</p> <p>Employee benefits continue to track higher since the transition to the Preferred Health Plan of the Carolinas (PHPC).</p>	<p>Marilyn Cross made a motion to approve the December 31, 2025 Financial Statement. Jason Waier seconded the motion. Roll Call Vote: Marilyn Cross- Yes; Jason Waier- Yes; Kenny Aydt- Yes; Greg Muehlenbein- Yes; Carrie Ragan- Yes; Kim Vaughan- Yes. Motion carried.</p>

<p><u>December 31, 2025 Financial Statement Narrative (continued)</u></p>	<p>Operating supply expenses were above budget due to a large order of eye surgery supplies as well as more supplies being purchased for flu and covid testing. Drug expenses increased due to more vaccines being purchased, and equipment repairs and maintenance costs were up slightly due to annual fees related to Epic. These increases caused a \$361K loss for the month.</p>	
<p><u>Balance Sheet</u></p>	<p><b><u>Current Assets</u></b>  <b>Cash-</b>                  Cash is at \$7.6M, a decrease of \$324K from the prior month.</p> <p><b>Accounts Receivables-</b>                  Net A/R is \$1.9M, a decrease of \$54K from the previous month.</p>	
<p><u>Income Statement</u></p>	<p><b><u>Gross Patient Revenue-</u></b>                  Total revenue was \$3.3M, which was \$472K below budget.</p> <p>Gross Patient Revenue is broken down into two areas:                  -\$2.9M Hospital Revenue                      (\$539K below budget)                  -\$332K Clinic Revenue                      (\$67K above budget)</p> <p><b><u>Deductions</u></b>                  Contractual adjustments and bad debt allowances are recorded at 42% of gross revenue, which is the same as the previous month.</p>	
<p><u>Cash Collections</u></p>	<p><b><u>Cash Collections</u></b>                  Cash collections were \$2.6M in December, an increase of \$860K from the previous month and is largely due to cost report</p>	

<p><u>Cash Collections (continued)</u></p>	<p>settlement payments; however, overall cash was slightly down due to HMHD’s semi-annual loan payment.</p>	
<p><u>Cost Report</u></p>	<p>The <i>FY26 Cost Report Template</i> has been received. As of December 31, 2025, there is a receivable of \$500K. A temporary allowance payment for FY26 of \$93k was received in December, which makes the net allowance \$407K. Payment for the tentative settlement of the <i>FY25 Cost Report</i> in the amount of \$320K, was also received in December.</p>	
<p><u>Key Statistics</u></p>	<p><b><u>Days Cash on Hand:</u></b> 120</p> <p><b><u>Days in Net A/R:</u></b> 33</p> <p><b><u>Hospital A/R Over 90 Days</u></b> Decreased to 19.7% from the prior month of 23.2%.</p> <p><b><u>Hospital A/R Over 90 Days for Medicaid</u></b> Decreased to 16.2% from the prior month of 25.2%.</p> <p><b><u>Point of Service</u></b> Payments had a significant increase from the prior month of \$3,765 to \$8,129.</p> <p><b><u>MyChart Payments</u></b> Payments had a significant increase from the prior month of \$13,643 to \$24,801.</p>	
<p><u>HB Aging Summary</u></p>	<p><b><u>HB Aging Summary</u></b> The <i>HB Aging Summary</i> is a comparison of A/R buckets from December of 2025 to one year</p>	

<p><u>HB Aging Summary (continued)</u></p>	<p>prior. These panels show new buckets reflected in EPIC reports with Hospital and Ambulatory combined. Review took place noting that Medicare and Commercial and Medicare both come in at 30%.</p>	
<p><u>Run Rate</u></p>	<p>The <i>Debt Service Coverage Ratio (DSCR)</i> sits at .67 due to the <i>Cost Report Template</i> not being completed in time, with it, the <i>DSCR</i> would have been at 1.06.</p>	
<p><u>Inzo Nurse Call System Quote</u></p>	<p>The Nurse Call System has been a work in progress with many discussions to determine the appropriate system and features that are needed. The Centers for Medicare and Medicaid Services (CMS) states that a Real-Time Location System (RTLS) needs to be integrated. This system will ensure added security by automatically tracking staff, patients and equipment when they enter or leave a patient's room.</p> <p>The initial quote that was previously reviewed and budgeted for has increased substantially to \$252,069.51 with the additional security features. At this time, HMHD is uncertain whether the current wiring can accommodate the system or if new wiring will be mandatory. A walk-through review and discussion of the wiring was canceled due to poor weather conditions but will be rescheduled in the near future. If new wiring is a requirement, that will be an additional expense. The Finance Committee decided that</p>	





<p><u>CEO Report (continued)</u></p>	<p>--Contract staffing is being evaluated, with a reduction of one PTA taking place and contract nursing being evaluated.</p> <p>--Illinois received \$192M in the first year of the <i>Rural Health Transformation Grant</i></p> <p>--HMHD Memorial Foundation Nursing Scholarship has been created in collaboration with Rend Lake College. This full ride scholarship for nursing students will give priority to students from Hamilton County, Carmi and Norris City students.</p> <p><b><u>January 2026 Flash Reporting</u></b></p> <p><b>Hospital &amp; Clinic Charges:</b></p> <p><b>January 26th:</b></p> <p>--Gross: \$2.6M</p> <p>Flash reporting has not been completed due to weather-related absences of HMHD staff.</p> <p>Key revenue driver's data including acute and transitional care volumes, average daily census (ADC), CT scans, and ED visits were reviewed compared to the prior 24-month activity. Outpatient and inpatient revenue, as well as total payroll expenses and RHC volumes for the prior 24-months, were also reviewed and discussed.</p> <p><b><u>Statistics for the month of December 2025</u></b></p> <p>--Acute Admissions: 42</p> <p>--IP Observation: 38</p> <p>--Transitional Care: 8</p> <p>--ER: 396</p> <p>--Clinics combined had 1472 patient visits</p>	
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<p><u>CEO Report (continued)</u></p>	<p>Carmi: 402 McLeansboro: 1070 --IRCCO ACO Quality Driver/ Rural Health Clinic Annual Wellness Visits (AWV): 20 This is a key component for ACO success with a goal of 54 AWV per month. --General Surgery and Scopes: 16 General surgery numbers were incorrect last month at 32 due to including eye surgeries. The correct number for November is 12. --Total Labor Expense (Payroll and Contract Labor): \$1.2M</p>	
<p><u>Q2 Reports</u></p>	<p><b><u>Quality Assessment &amp; Performance Improvement Report (QAPI)</u></b> Staci Frank, Quality/ Risk Director reviewed the QAPI report for the 2nd quarter that includes October, November and December. Performance Improvement Project (PIPs) continue in all departments to ensure issues are acknowledged, reviewed and resolved by identifying a corrective action to follow.</p> <p><b>Current and Completed PIPs:</b></p> <ul style="list-style-type: none"><li>- Stroke Measure Compliance</li><li>- Diagnostic Safety</li><li>- Care Management Program</li><li>- Blood Culture Utilization</li><li>- Review on Contaminants</li><li>- AccuCheck Interface</li><li>- Cepheid Interface</li><li>- Anion Gap</li><li>- Vaccine Management</li><li>- TXA Medication Safety</li></ul>	<p>Carrie Ragan made a motion to approve the 2<sup>nd</sup> quarter Quality Assessment &amp; Performance Improvement Report. Kim Vaughan seconded the motion. Motion carried.</p>

<p><u>Q2 Reports (continued)</u></p>	<ul style="list-style-type: none"><li>- Medication Reconciliation during care transitions</li><li>- Vesicant Drug Administration and Extravasation</li><li>- Nuc Med- Wasted Doses</li><li>- Incidental Findings</li><li>- Equipment Logs</li><li>- Latex Allergy Identification</li><li>- Limb Restriction Identification</li><li>- New Hire Retention</li><li>- Nursing Retention</li><li>- Outpatient Therapy Process</li><li>- BID Treatments on Transitional Care Patients</li><li>- Misc. Staff Training</li><li>- IV Classes</li><li>- CE Hours for nursing staff</li><li>- Dynamic Health Skills</li><li>- Telemetry Classes</li><li>- T-1 Ventilator and BiPap Training</li><li>- DKA Reference Book</li><li>- OR- Education and Competency Plans</li><li>- ED- Education and Competency Plans</li><li>- AHA Faculty Recognition</li><li>- AHA Guideline Updates</li><li>- BH Progress Note Import</li><li>- ASL Interpreter Services</li><li>- Ancillary Services Routing Sheet</li><li>- Refund Process</li><li>- Financial Assistance Process</li><li>- Payment Arrangement</li><li>- HLD Record Maintenance</li><li>- Surgery Capital Asset Form</li><li>- Banding Project</li><li>- Inventory Utilization and Management</li><li>- End of Life- Surgical Equipment</li><li>- Equipment Labeling</li><li>- Order Sets for Dr. Miller</li></ul>	
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<p><u>Q2 Reports (continued)</u></p>	<ul style="list-style-type: none"><li>- FEMA classes are again available and will be completed by December 31, 2026. HMHD is in the process of reviewing options for FEMA 300 &amp; 400 training.</li><li>- The panic alarm issue at the Carmi clinic has been resolved</li><li>- Safety Incidents: 5</li><li>- Security Incidents: 1</li><li>- Type II Incidents: 3</li><li>- Equipment/System Failures: 2 with both being resolved</li><li>- Full load generator test continues to be performed monthly with no issues noted</li><li>- Fire drills completed at HMHD hospital and clinics with no issues noted</li></ul>	
<p><u>Policies</u></p>	<p><b><u>Employee Grievance</u></b> Purpose: This revised HR policy outlines the process for providing employees with a fair, consistent, and timely process to raise work-related grievances and to appeal certain employment decisions. HMHD encourages resolution of concerns at the lowest appropriate level while being compliant with applicable collective bargaining agreements (CBA) and all state and federal laws. This policy applies to non-union employees of HMHD.</p> <p><b><u>PRN Employee</u></b> Purpose: This revised HR policy is to define the expectations, eligibility criteria, compliance requirements, and Paid Leave for All Workers (PLAW) provisions applicable to PRN employees of</p>	<p>Carrie Ragan made a motion to approve the revised <i>Employee Grievance</i> policy. Kenny Aydt seconded the motion. Motion carried.</p>

<p><u>Policies (continued)</u></p>	<p>Hamilton Memorial Hospital District (HMHD). RN PRN Classification and Compensation was reviewed, noting that three classifications have been created to support operational flexibility and align compensation with availability commitments. The revised policy was presented as an action item but following discussion and questions, it was noted that additional clarification was needed to help ensure complete understanding by the Board. The employee agreement will be brought to the next Board meeting for review along with the policy. No motion was made, and the Board proceeded to the next agenda item.</p> <p><b><u>Post-Incident/For Cause Drug &amp; Alcohol Testing</u></b></p> <p>Purpose: This revised HR policy is to provide guidelines in order to promote a safe working and caring patient environment, Hamilton Memorial Hospital District (HMHD) is an alcohol and drug free workplace. Employees are expected to remain free of impairment due to drugs and alcohol while they are on duty, working on behalf of HMHD regardless of location, acting as a representative, on call, or on any property owned or leased by HMHD, or while operating any vehicle or other property of HMHD.</p>	<p>Jason Waier made a motion to approve the revised <i>Post-Incident/For Cause Drug &amp; Alcohol Testing</i> policy. Marilyn Cross seconded the motion. Motion carried.</p>
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<p><u>Policies (continued)</u></p>	<p><b><u>HIPAA Compliance- Minimum Necessary, Workforce Access, Employee Snooping</u></b></p> <p>Purpose: This new Compliance policy replaces the previous one that just covered the minimum necessary. This new policy is to establish requirements to ensure compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including the Privacy Rule, Security Rule, and Breach Notification Rule, and applicable Illinois confidentiality and data protection laws. The policy enforces the minimum necessary standard, prohibits unauthorized access to protected health information (PHI), and defines breach response expectations.</p>	<p>Jason Waier made a motion to approve the new <i>HIPAA Compliance- Minimum Necessary, Workforce Access, Employee Snooping</i> policy. Carrie Ragan seconded the motion. Motion carried.</p>
<p><u>Conflict of Interest</u></p>	<p>The annual Conflict of Interest Statement was distributed to the Board of Directors for completion.</p>	
<p><u>Statement of Economic Interest</u></p>	<p>The process for completing the required annual Statement of Economic Interest has been changed. A web-based filing system called <i>LRS Statement Connect</i> has been implemented by Hamilton County and will help simplify and streamline the Statement of Economic Interest (SEI) filing process. This platform is built to scale and can be tailored to fit the specific requirements of individual county governments. HMHD Board of Directors will be receiving an email from the LRS Connect with information on how to complete the SEI.</p>	

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<p><u>Executive Session Recordings</u></p>	<p>Discussion and/or Action to destroy Executive Session recordings for months prior to January 2024 under 2.06 Section C of the Open Meetings Act.</p>	<p>Carrie Ragan made a motion to destroy Executive Session recordings prior to January 2024. Kenny Aydt seconded the motion. Motion carried.</p>
<p><u>Executive Session</u></p>	<p>Convened into Executive Session under Section 2a of the Illinois Open Meetings Act. Review of hospital personnel took place.</p>	<p>Marilyn Cross made a motion to enter Executive Session at 7:10 pm. Kenny Aydt seconded the motion. Motion carried.</p> <p>Greg Muehlenbein made a motion to exit Executive Session and return to Regular Session at 8:06 pm. Kenny Aydt seconded the motion. Motion carried.</p>
<p><u>Meeting Adjournment</u></p>		<p>Jason Waier made a motion to adjourn the meeting at 8:07 pm. Marilyn Cross seconded the motion. Motion carried.</p>

HAMILTON MEMORIAL HOSPITAL DISTRICT

Jason Waier  
Board of Directors Secretary