Morton County Health System
Board of Trustees Meeting
Minutes of April 28, 2026

1. **Call to Order:** Troy Barnett, Chairman of the board, called the meeting to order at 12:00 pm.

   Attendees:
   Richard Adams, CEO
   Dr. Matthew Bowles, CMO
   Meghan Smith, CEO Candidate
   Gail Horner, HIM Director
   Jennifer Pearlstein, Administrative Assistant / Credentials
   Rita Granados, Pharmacy Director
   Jeanie Schumacher, Clinic Director
   Jackie Gullet, Nursing Director
   Michele Reust, Finance
   Troy Barnett, Board Chairman
   Karen Gates, Board Vice Chairman
   Ronn Martin, Board Secretary
   Craig Sinclair, Board Member

2. **Approve Agenda:** Troy asked for motion to approve the agenda for the meeting. Karen made a motion to approve the agenda as written, seconded by Ronn, motion carried.

3. **Approval of Minutes:** Board members read the March 24, 2026, regular meeting minutes. Troy asked for a motion to approve the minutes as written. Karen made a motion to approve the minutes, seconded by Ronn, motion carried.

4. **CEO Report Richard**
   - Introduction of new hospital board member, Craig Sinclair
   - Introduction of hospital CEO candidate, Meghan Smith
   - 2026 Strategic Plan – Stabilize, Strengthen, Grow
     - Financial Stability and Margin Recovery
       - Coding, billing functions moved in-house
         - Improved processing speed
         - Fewer denials and rejections
         - Faster cash flow churn
       - Reduce Accounts Receivables
         - Target under 50 days (currently 55)
         - Strengthen denial recovery
       - Cost structure realignment
         - Reduced contract labor
         - Reduce purchased third-party services
     - Pharmacy Acquisition and 340b Program Expansion
       - Acquire C&R Pharmacy
         - Eliminate current financial inefficiencies
         - Structure as hospital debt under Critical Access Hospital
         - Target close date 7/1/26
       - 340b Program Expansion
         - Increase capture rate +30%

- Service Line Expansion / Swing Bed Optimization
  - Expand regional partnerships to add
    - Colonoscopy
    - Pain management
    - Wound care
    - Specialty outreach (neurology, urology, cardiology)
  - Cancer Screening
    - Partner with Southwest Kansas Prevention and Cancer Access Network
    - 5/31
  - Swing Bed
    - 10% growth year-over-year vs. 2025
    - Strong referral pipeline
    - New intermediate swing bed program
- Workforce Stabilization
  - Implement apprenticeship program (nursing, lab, radiology)
    - One current high school student already approved
  - Expand career day outreach
  - Retention
    - Build internal workforce capacity
    -
- Community / Market Recapture
  - Partner with peer organizations (Health Clinic, Main Street Clinic)
  - Health fair, screening and education events
  - Direct admission program implementation
  - Measurable decrease in outmigration
  - Improved pharmacy services post-acquisition
  - Marketing
    - Wine Walk
    - Facebook
- Goal Metrics
  - Financials - +$1.6 million 2026 net income improvement
  - Revenue Cycle - < 50 days outstanding receivables
  - Pharmacy / 340b - +30%
  - Swing Bed - +10%
  - Workforce - -84% (contract labor cost reduction)
  - Volume - +20% clinic visits per provider

- Grant programs in process
  - Primarily (but not exclusively) infrastructure focused
    - Transformation Capital Investment Grant - $1.456 million application, awards announced 5/15/26
    - Regional Partnership Grant - $2 – 5 million, awards announced 5/15/26
    - CDS Grant (Senator Moran) - $1 million,
    - Evidence-Based Practice Program - $100K
- Patient Visit Trends
  - Emergency Room
    - Overall fewer transports out
  - Outpatient
    - Lab volumes down
    - Radiology steady
  - Swing Bed
    - Strong through Q1 '26
  - Clinic

        - Volumes levelling off
        - Visits per provider up nominally
    - Retention
        - Nursing and independent living lagging other units strong
        - Year-over-year overall headcount down from 87 to 72 employees currently
        - Full time employees 64 currently vs. 72 in 2025
        - No Q1 attrition

5. **CMO Report Dr. Bowles**
    - Addressing documentation gaps
    - Working to resolve legacy QLogix coding backlog
    - Beam advised improvements to observation policies
    - Physicians more closely coordinating with frontline providers
    - Diagnosis-specific discharge instructions underway

6. **CFO Report Michele (for Braden)**
    - Wins
        - Q1 gross income exceeds budget projects
        - Cash flow positive for Q1
        - Year-to-date collections exceeding budget projections by +22%
        - DNFB
            - Currently 10 days / on target
        - Cash position
            - $1.094 million / 34 days cash on hand
    - Losses
        - Delayed 340b program reinstatement led to $360K miss through April
    - Priorities
        - Align charge master to regional peers
        - ERC appeal
    - Challenges
        - April gross charges trending below projections
        - ERC potential liability
            - Pressure from Raistone to increase our monthly payment to $10K. Exploring legal options

7. **Old Business:**

- Apri 7th Emergency Simulation Exercise
    - Re-writing portions of emergency preparedness operations plan
- Michele / Upcoming annual audit
    - Sent required documentation to auditor
    - Cost report due 5/31/26
    - Forvis (auditor) presenting results in June

8. **Public Comments:**
    - None

9. **New Business:**
    - Credentialling
        - Real Radiology Dr. Theodore Baker, Dr. Randall Snyder, Dr. Kevin Selting, Dr. Nidhi Desai initial appointment of privileges

    - Beam – Dr. Hamilton Lam deferral of appointment and all requested privileges due to termination of employment with Beam
    - Ronn moved to approve, Karen seconded motion carried
- Policies and Procedures
    - Administration – Contracts Policy & Vendor Visitation Policy updated signatures
    - ED – Updated signatures, Update EMR information, changed from CBOS to G&A worksight, remove staff assigned holidays to work, Change CPR to BLS, add respiratory staff, update documentation policy notes needed for admission, per shift, and ER, change vocational nurse to practical nurse
    - Cardiac Rehab – updated signatures, removed duplicate pages, removed respiratory therapist instructions for use
    - Ronn moved to approve, Karen seconded motion carried
- Infection Report (Richard for Sharmilla Hall)
    - 3 units infused in March
    - No pathologies
    - No pap smears
    - No reportable March infections
    - Jackie – NHSM Jan./Feb. reports filed
    - Sharmilla applied for a grant for apprentice training

10. **Executive Session:**

11. **Adjournment:** Troy asked for a motion to adjourn the meeting at 1:15. Karen made a motion to adjourn the meeting, seconded by Ronn, motion carried.

5-26-26

Ronn Martin, Secretary **Date**