Morton County Health System
Board of Trustees Meeting
Minutes of May 26, 2026

1. **Call to Order:** Karen Gates, Vice Chairman of the board, called the meeting to order at 12:00 pm.

   Attendees:
   Richard Adams, CEO
   Dr. Matthew Bowles, CMO
   Gail Horner, HIM Director
   Jeanie Schumacher, Clinic Director
   Sharmilla Hall, Lab Director
   Jackie Gullet, Nursing Director
   Rita Granados, Pharmacy Director
   Karen Gates, Board Vice Chairman
   Ronn Martin, Board Secretary
   Craig Sinclair, Board Member

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

3. **Approval of Minutes:** Board members read the April 28, 2026, regular meeting minutes. Karen asked for a motion to approve the minutes as written. Ronn made a motion to approve the minutes, seconded by Craig, motion carried.

4. **CEO Report Richard**
   - PBS "Small Towns, Big Care" media opportunity
     - Soliciting MCHS participation for a segment
     - Investment
       - MCHS production cost $29,500 (total production cost $250K)
       - 8 – 10 hours of onsite filming, interviews (3-5 staff)
       - September/October PBS onsite
     - Audience - 60 million households
     - Airings – 45-60 per quarter
       - 60 second promotion spots targeted at MCHS-selected geographies
       - Fox News, CNN, ESPN, Discovery, Hallmark outlets
     - Andy Garcia hosts
     - Leverage as a promotional, recruiting tool for MCHS
       - MCHS would own rights to the finished segments
     - Potential Funding
       - High Plains Health Foundation 501c3
         - May be able to cover a substantial portion of the cost
       - Community donations
     - Motion to approve Richard's pursuit of the project. Ronn made the motion, Craig seconded. Motion carried.

5. **CFO Report Braden**
   - Wins
     - March 2026 gross charges exceed budget projections by +25%

- Nursing driving the bulk of the gains due to higher inpatient rates
- Year to date cash collections $528K (+15% year over year)
- $1.4 million cash on hand (43 days)
- Collections
  - +20% year to date vs budget goal
  - +15% year over year
- Net revenue higher than expected overall and operating expenses lower than expected

- Losses
  - 340b pharmacy program not yet reinstated. Estimated $340K lost revenue year to date
  - ER down $220K year to date vs. budget projections
- Priorities
  - Improved revenue cycle management (AI tooling for filling Excel limitations)
- DNFB
  - 11.8 days (exceeds 10 day goal but not excessively) higher due to increased inpatient load and holiday
- Charge master (re-pricing initiative)
  - Former management increased pricing 300% across the board in 2024
  - Put us in a position where we were generally 1.4x higher than other regional providers
    - In some cases, exorbitantly higher (CT abdomen scan MCHS $6800 vs. other area providers $1900)
    - Impacted community trust / credibility
  - Peer Benchmarks
    - Forvis (3rd party auditors) compared us to ten regional health systems finding we were the highest priced of all comparable providers
  - Pricing alignment approach
    - 200 total charge line items considered
    - Categories
      - Aggressive cuts – CT, MRI, Xray
      - Surgical cuts – drug administration, infusion
      - Hold or trim slightly – supplies
      - Hold or raise carefully – 73 total items priced below Medicate allowed thresholds
    - Will need to account for obvious reduction in gross MCHS revenues
      - Projected 25% reduction in gross charges when fully implemented
        - E.g. Current $14.1 million annual budget revenue projection would be in range of $10 million if the new schedule implemented
    - Implementation
      - Several options presented (immediate, staged, defer)
      - Braden asked for motion to implement 50/50 approach
        - All aggressive cut items put in place this year (roughly half of total reduction plan) in approximately three months
        - Second wave of cuts to be implemented in one year
      - Motion to implement 50/50 charge master plan. Karen made the motion, Ronn seconded. Motion carried

6. CMO Report Dr. Bowles

- ER revenue contribution down due to lower acuity rates. Activity rates remain healthy
- Beam
  - Advising of some cases where patient observation might have been advantageous for the hospital and promoted better care for patients. Opportunities include -
    - Asthma

- Non-surgery grade kidney stones
- Transient Ischemic Attack

7. **Old Business:**

- 5/31 Cancer screening
  - Derek Releford interviews well received
  - Almost all mammogram openings booked
  - Need volunteers
  - Opportunity for MCHS directors to promote services
  - Jeanie / leverage test results for required clinic follow-ups

8. **Public Comments:**
   - None

9. **New Business**:
   - Jackie – quality reporting up to date
     - No Q1 reportable incidents
     - March and April infection reports outstanding
   - Sharmilla - Infection Report
     - Donning / doffing validation in June
     - Higher blood needs – 9 units required
     - One pathology (no cancer
     - No pap smears

10. **Executive Session:**

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

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Ronn Martin, Secretary **Date**