

**Morton County Health System  
Board of Trustees Meeting  
Minutes of August 19, 2025**

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

**Attendees:**

Richard Adams, CEO  
Braden Anderson, CFO  
Troy Barnett, Board Chairman  
Karen Gates, Board Vice Chairman  
Ron Rich, Board Treasurer  
Ronn Martin, Board Secretary  
Michele Reust, Finance  
Cassie Mason, Radiology  
Kim Schoenfeldt, Radiology  
Kathy Chrin, community  
Donna Whisennand, community

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 Ron R., motion carried.
3. **Approval of Minutes:** Board members read the July 15, 2025, 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 M., motion carried.
4. **CEO Report Richard:**
- Wins
    - Withdrawal from REH process (confirmed with CMH)
    - 340b program reinstated
    - ER visits up 10% YoY (July), up 39% YTD
    - Inpatients up 150% (July 5 vs 2 in 2024), up 7% YoY (47 total inpatients)
  - Losses
    - Medicare payable
    - Swingbed down 35% YoY
    - Employee Retention Credit (ERC) repayment (potential \$1.2 million liability)
  - Priorities
    - Medicare 60-month repayment plan
    - ERC appeal (estimated 5-8 months resolution)
      - Asking Senator Moran's office for any assistance they can provide
  - Challenges
    - Restoring community trust (highest priority)
    - Course correction for swingbed under-performance
    - Clinic utilization (down 13% YTD)
    - Path to sustainability
  - Clinic Initiative
    - 25% utilization increase goal over next 12 months
    - Promote Rolla clinic, walk-in / same day appointments

- Promote preventative health
- Reinforce same day / walk-in appointments in Elkhart clinic
- Next steps
  - Staff communication / identify weaknesses
  - Promote existing providers
  - Presence at monthly Chamber meetings
  - CEO open door policy
- Updated procedure room
  - Renovated space maximizes reimbursements
  - Pain management, general injections
  - 6 total treatments since 6/30
- Retention / Attrition
  - 60% annual attrition has to be addressed
  - Scant exit interview data for review
- People
  - Jeanie Shumacher, Employee of the month July

#### 5. CFO Report Braden:

- Wins
  - Books closed through June 2025
  - Medicare extended payment plan
  - Accounts receivable cleanup process with QLogix (kudos to Mandy for her efforts)
  - \$2.6 million outstanding receivable significantly reduced
  - 25 days of cash on hand (\$1.4 million)
  - DNFB win - 9.8
- Losses
  - Sustainability
- Detail
  - YoY patient revenue decline
    - 27% patient revenue decline YTD
    - Other (340b, etc.) down 13.5%
  - YoY labor / professional services increases
    - Payroll up 26%
    - Total expenses up 44%
  - YoY net revenue slightly down
  - Operating expenses trending down
  - EBTIDA (flat / unprofitable)
  - January and June only cash flow positive months YTD
  - DNFB - 9.3
  - Medicare repayment
    - With interest will total \$2.4 million

#### 6. Old Business:

- Karen confirmed presentations were being uploaded to board shared folder

#### 7. Public Comments:

- Donna Whisennand asked if it were the case that inpatients were no longer being admitted to the hospital. Richard confirmed that this is not the case.
- Kathy Chrin asked why inpatients could only be admitted via processing through the emergency room. Richard will evaluate this process implemented by prior management. No existing documentation has been uncovered to date.

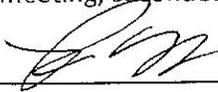
**8. New Business:**

- Motion to change monthly board meetings from the 3<sup>rd</sup> to the 4<sup>th</sup> Tuesday of each month.
  - Karen moved / Ronn seconded. Motion passed
  - Jennifer will update notice in the paper
  - Marco will update the website
- Motion to revoke Lisa's signature authority, add signing authority for Mandy, Troy, Karen
  - Ron R. moved / Karen seconded. Motion passed

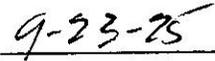
**9. Executive Session:** Troy asked for a motion to enter executive session at 1:10 pm with the board Richard and Braden for 30 minutes. Karen made a motion to enter executive session, seconded by Ronn M, motion passed. Executive session ended at 1:44 pm with no action taken.

Motion made to reinstate physical therapist contract after prior CEO had cancelled. Karen moved / Ronn M. seconded. Motion passed

**10. Adjournment:** Troy asked for a motion to adjourn the meeting. Ronn M made a motion to adjourn the meeting, seconded by Karen, motion carried.



Ronn Martin, Secretary



Date