

Governing Board Meeting Agenda

January 19, 2022 - Zoom Meeting

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I.	Call to Order	Michael Foster
II.	Consent Agenda	Michael Foster
	*December 2021 Board Minutes	P. 2
	*December 2021 Financial Committee Minutes	P. 5
	*December 2021 Financials	P. 7
	*December 2021 Quality Committee Minutes	P. 11
	*January 2022 MarCom Report (including approval of grants)	P. 13
III.	CEO Report	Doreen Rue
	Dashboard	P. 14
IV.	Committee Reports	
	Finance Committee	Dale Tampke
	Finance Report	
	*Release of 403b Retirement Plan Matching Funds	P. 18
	2022 Financial Incentive Goals	
	Quality Committee	Dr. Howard Shaw
	Quality Report	
	*2021 Risk Report	P. 19
	2022 Quality Incentive Goals	
	Strategic Planning Committee	Sara Schroeder
	Strategic Planning Report	
	2021 Strategic Priorities Progress	
	*Incentive Goals 2022	
	Personnel Committee	James Henderson
	*2022 Board Workplan	P. 24
V.	Old Business/New Business	Michael Foster
VI.	Executive Session	Michael Foster
	*2021 Incentive Goals Performance - Strategic Planning Committee	P. 25
	* 2021 Incentive Pay Rollout - Personnel Committee	
	Annual Board Self Assessment - Personnel Committee	
	*Annual CEO Performance Review - Personnel Committee	
	Progressive Auto Claim # 19-4874088, Personal Injury File # 260052	
VII.	Important Dates and Adjourn Meeting	Michael Foster
	February Board Meeting - February 16th @ 6pm	
	* Items Requiring a Vote	

Agenda Item I: Called to order at 6:01pm by Michael Foster

Attendees: Michael Foster, Trang Dang-Le, Dale Tampke, James Henderson, Belinda Hernandez, Melissa Winans, April Powell, Dr. Howard Shaw, Hamed Husain, Sara Schroeder, Dr. Kimberly Middleton

Absent: Judge Chance Oliver, Lee Brown

Quorum was met.

Staff: Doreen Rue, Pam Barnes, Larry Bisno

Guests:

Agenda Item II: Consent Agenda - Approval of November 2021 Board Minutes, November 2021 Financial Committee Minutes, November 2021 Financials, November 2021 Quality Committee Minutes, December 2021 MarCom Report (including approval of grants)

Motion to approve all consent items: *Dr. Howard Shaw*

Seconded: *Melissa Winans*

Motion Passed Unanimously

Agenda Item III: Board Training

- Legislative Mandate Review, presented by Doreen Rue
 - HSNT reviews this policy on the passage of the annual appropriations bill to ensure compliance.
 - These mandates place restrictions on the use of federally granted funds.
 - There have been no changes to the legislative mandates since 2019.
 - This policy will be updated after the passage of the next appropriations bill if needed.
 - Currently a continuing resolution is in place, a new bill is expected in February 2022.

Agenda Item IV: CEO Report

- Thank you to Belinda Hernandez for participating in the LINKS group check presentation and story sharing event.
- HSNT recognized DATCU for 20 years of service to HSNT and the community.
- Dashboard
 - Days in Cash and Operating Margin numbers are holding strong.
 - HSNT payor mix includes 48% Medicaid – this is strong support for HSNT’s uninsured patients.
- HSNT Toys for Tots Events – Volunteers are needed, please contact Doreen or Keley if you are available.
- Christopher Redden, CIO, will be retiring in early 2022.
 - HSNT is working with Eon Consulting on this transition.
 - HSNT has steadily increased our work with Eon over the course of 2021.

Agenda Item V: Committee Reports

- **Finance Committee – Dale Tampke Reporting**

- Meeting Report

- The committee is reviewing more detailed analysis of specific areas.
 - Ex. patient expenses vs. revenue, etc.
 - Working to identify the areas in which HSNT can invest to increase revenue.
- HSNT's ARP grant funds will continue to spend down over the course of 2022.
- HSNT is considering refinancing the 4304 Mesa Dr. construction loan prior to balloon payments scheduled for 2024.

- **Quality Committee – Dr. Howard Shaw Reporting**

- Meeting Report

- The committee reviewed 11 months of progress on the quality incentive goals.
 - Progress on these numbers is expected in the next month.
 - The committee will present in more detail at that time.
- The committee also discussed the planning for 2022.
 - The structure used in 2020 will be used as a reference for this process.

- **Strategic Planning Committee – Sara Schroeder Reporting**

- Meeting Report

- The committee is awaiting final reports on the HSNT BEST initiative.
- Renovations at 4308 Mesa Dr.
 - HSNT has received 4 bids on this construction project and is working to select a vendor to move forward on this project.
- As part of the radical retention program, HSNT is drilling down on what can be done to increase retention.
- The committee reviewed progress on the 2021 incentive goals.
 - Currently 3 of the measures are being met.
 - The committee is awaiting on the completed data for 2021.
 - A vote is expected in January 2022.

- **Personnel Committee – James Henderson Reporting**

- HR Policies – Time Off Benefit Policy

- This policy does not have a substantial change.
 - Clarifying language was added around HSNT's accrual process.

The Personnel Committee recommends the approval of the Time Off Benefit Policy to the Governing Board.

Seconded: *Hamed Husain*

Motion Passed Unanimously

- COVID-19 Vaccine Policy
 - HSNT will be holding on the implementation of this policy until legal challenges to the vaccine mandate are settled.
 - 75% of HSNT’s staff has already submitted vaccine documentation.
 - This mandate and policy will include board members once implemented.
- Governing Board Self Evaluation and CEO Evaluation
 - Links to complete these evaluations will be sent in January.

Agenda Item VI: Old/New Business

- Old Business – none to report.
- New Business – none to report.

Agenda Item VII: Executive Session

- Progressive Auto Claim # 19-4874088, Personal Injury File # 260052
 - No report at this time.

Agenda Item VIII: Important Dates

- January Board Meeting – January 19th @ 6pm – Virtual Meeting

Adjourned by Michael Foster at 6:31pm.

Board Secretary Approval _____ **Date** _____

Board President Approval _____ **Date** _____



Finance Committee Meeting

Meeting Facilitator: Dale Tampke
Meeting Date: December 14, 2021
Time: 7:30 a.m.
Location: HSNT HQ ZOOM

Attendees: Dale Tampke and Lee Brown
Staff Present: Doreen Rue, Pam Barnes and Debra Layman

Agenda Item I: Review and Approve November 2021 minutes

Motion to accept: Lee Brown
Seconded: Dale Tampke
Motion Passed 2-0

Agenda Item II: Review and Approve November 2021 Financials

Dale acknowledged notes to the financials sent out prior to this meeting. Pam gave a quick overview of HSNTs 7 expense categories on the Statement of Operations, noting that 79% of all expenditures are for personnel, medical care and other patient care expenses paid by HSNT on behalf of patient services. Details are in the notes to the financial included as part of the minutes. Dale discussed the relationship between increase of personnel has a direct affect on the increase in total patient revenue. HSNT personnel is synonymous with increased services resulting in increased total patient revenue. HSNT leadership and finance committee is watching HSNT finances for sustainability after one time ARP funding is complete. Notice the “less negative” operating margin without ARP funding show our work is moving toward sustainability. Most positive.

Motion to accept: Lee Brown
Seconded: Dale Tampke
Motion Passed 2-0

Agenda Item III: Construction Loan Refinance Update

Doreen and Pam met with the leadership loan team at First United Bank last Friday. We gave this team an outside tour of 4304 and 4308 Mesa Drive Medical Campus. First United Bank is working on a proposal and should have that to HSNT very soon. Pam has also reached out to two other banks for refinancing quotes. First American Bank sent a FedEx brochure and CIBS Commercial Banking Managing Director I met at the CFO of the Year reception is also interesting in discussing a refinance. HSNT current construction loan is with Capital Impact at 4.75% interest rate and matures on July 1, 2024.

Doreen made mention of HSNT Annual Goal progress. HSNT is achieving 3 of 4 goals: Days in Cash, Operating Margin and Compliance. HSNT is below goal on quality measures. This is not a reflection of the quality healthcare HSNT provides to patients, it reflects documenting all the health outcome measures in the medical chart during the year. These goals will be reviewing in January for HSNT for completeness.

HSNT Finance Committee was also updated on HSNT Legislative Mandates Restricting the Uses of Federal Grant Funds Policy. This will policy update will be discussed with the full board tomorrow evening.

Agenda Item VI: 7:50 am adjourned

December minutes include notes to the financials.

Board Treasurer Approval: _____
Dale Tampke, HSNT Board Treasurer

A large, stylized handwritten signature in black ink, which appears to be 'Dale Tampke', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Health Services of North Texas, Inc.
Statement of Financial Position
As of 12/31/2021

	Current Period	Last Month	Beginning Year Balance	YTD Change	YTD % Change
ASSETS					
Current Assets					
Operating Cash	3,392,289.22	3,334,460.78	1,965,114.47	1,427,174.75	72.63
Other Current Assets					
Medical Receivable	312,891.96	358,591.93	379,021.86	(66,129.90)	(17.45)
Grant Receivable	594,599.28	453,395.09	439,228.86	155,370.42	35.37
340B Receivable	668,570.63	586,293.79	816,078.27	(147,507.64)	(18.08)
Prepaid Expenses	91,564.64	95,246.77	51,445.64	40,119.00	77.98
Deposits	<u>11,429.25</u>	<u>11,429.25</u>	<u>11,429.25</u>	0.00	0.00
Total Other Current Assets	1,679,055.76	1,504,956.83	1,697,203.88	(18,148.12)	(1.07)
Short Term Investments					
Investment CDs	564,649.38	564,649.38	564,649.38	0.00	0.00
Long Term Assets					
Fixed Assets					
Medical Equipment	60,525.84	60,525.84	60,525.84	0.00	0.00
Building Improvements	92,664.56	92,664.56	92,664.56	0.00	0.00
4308 Mesa Denton Office	308,335.28	308,335.28	308,335.28	0.00	0.00
4304 Mesa Medical Center	2,324,761.13	2,324,761.13	2,324,761.13	0.00	0.00
Software Applications	15,240.00	15,240.00	15,240.00	0.00	0.00
Telephone Systems	95,499.55	95,499.55	95,499.55	0.00	0.00
IT Equipment	110,348.65	110,348.65	99,323.65	11,025.00	11.10
Vehicles	102,255.00	102,255.00	102,255.00	0.00	0.00
4304 Land	257,000.00	257,000.00	257,000.00	0.00	0.00
Accumulated Depreciation	<u>(637,707.87)</u>	<u>(626,375.92)</u>	<u>(500,738.53)</u>	(136,969.34)	27.35
Total Fixed Assets	2,728,922.14	2,740,254.09	2,854,866.48	(125,944.34)	(4.41)
Total Long Term Assets	<u>2,728,922.14</u>	<u>2,740,254.09</u>	<u>2,854,866.48</u>	(125,944.34)	(4.41)
Total ASSETS	<u>8,364,916.50</u>	<u>8,144,321.08</u>	<u>7,081,834.21</u>	1,283,082.29	18.12
LIABILITIES					
Current Liabilities					
Accounts Payable					
Credit Card Clearing Account	26,405.09	36,039.30	21,316.68	5,088.41	23.87
Other	<u>512,175.82</u>	<u>394,378.15</u>	<u>446,751.62</u>	65,424.20	14.64
Total Accounts Payable	538,580.91	430,417.45	468,068.30	70,512.61	15.06
Accrued Payroll	747,753.06	719,366.39	668,636.39	79,116.67	11.83
Accrued Retirement	172,875.25	157,956.82	125,320.83	47,554.42	37.95
Payroll Liabilities	3,967.94	3,995.22	8,025.68	(4,057.74)	(50.56)
Other Current Liabilities	<u>261,976.34</u>	<u>261,976.34</u>	<u>262,360.64</u>	(384.30)	(0.15)
Total Current Liabilities	1,725,153.50	1,573,712.22	1,532,411.84	192,741.66	12.58
Long Term Liabilities					
Capital Loan	<u>1,266,300.78</u>	<u>1,270,511.40</u>	<u>1,314,891.20</u>	(48,590.42)	(3.70)
Total LIABILITIES	<u>2,991,454.28</u>	<u>2,844,223.62</u>	<u>2,847,303.04</u>	144,151.24	5.06
NET ASSETS					
Fund Balances					
Net Assets at Beginning of Year	4,234,531.17	4,234,531.17	4,234,531.17	0.00	0.00
Current Net Assets(Liabilities)	<u>1,138,931.05</u>	<u>1,058,566.29</u>	<u>0.00</u>	1,138,931.05	100.00
Total Fund Balances	5,373,462.22	5,293,097.46	4,234,531.17	1,138,931.05	26.90
Total NET ASSETS	<u>5,373,462.22</u>	<u>5,293,097.46</u>	<u>4,234,531.17</u>	1,138,931.05	26.90
TOTAL LIABILITIES & NET ASSETS	<u>8,364,916.50</u>	<u>8,137,321.08</u>	<u>7,081,834.21</u>	1,283,082.29	18.12

Health Services of North Texas, Inc.
Statement of Operations
From 12/1/2021 Through 12/31/2021

	Current Month	Last Month (11/01/2021 - 11/30/2021)	Current YTD	Prior YTD	FY2021 Budget	YTD Difference	% Budget
Patient Revenue							
Net Patient Rev	2,133,063.96	1,772,040.60	22,359,381.19	17,027,377.58	28,784,071.00	5,332,003.61	(77.67)%
Uncollectible	(812,500.60)	(800,545.55)	(9,758,156.91)	(9,646,426.08)	(17,351,691.00)	(111,730.83)	(56.23)%
Total Patient Revenue	<u>1,320,563.36</u>	<u>971,495.05</u>	<u>12,601,224.28</u>	<u>7,380,951.50</u>	<u>11,432,380.00</u>	<u>5,220,272.78</u>	<u>(110.22)%</u>
Other Revenue							
Grants	394,973.90	411,079.81	5,868,998.09	4,800,901.28	4,337,269.00	1,068,096.81	(135.31)%
Other	6,933.07	72,063.77	1,197,380.62	2,982,337.37	902,067.00	(1,784,956.75)	(132.73)%
Total Other Revenue	<u>401,906.97</u>	<u>483,143.58</u>	<u>7,066,378.71</u>	<u>7,783,238.65</u>	<u>5,239,336.00</u>	<u>(716,859.94)</u>	<u>(134.87)%</u>
TOTAL Revenue	<u>1,722,470.33</u>	<u>1,454,638.63</u>	<u>19,667,602.99</u>	<u>15,164,190.15</u>	<u>16,671,716.00</u>	<u>4,503,412.84</u>	<u>(117.96)%</u>
Expenses							
Personnel	774,438.44	751,180.21	9,401,026.23	8,261,142.71	9,383,920.00	1,139,883.52	100.18%
Medical Services	573,426.45	317,462.48	4,596,908.86	2,871,227.32	2,957,381.00	1,725,681.54	155.43%
Patient Care	52,755.21	51,191.86	565,634.08	450,090.99	641,500.00	115,543.09	88.17%
IT	71,067.38	77,658.36	996,156.88	845,943.09	789,027.00	150,213.79	126.25%
MarComm	14,213.42	2,910.60	191,255.83	117,403.57	154,680.00	73,852.26	123.64%
Occupancy	44,390.11	52,863.88	606,272.44	512,479.47	522,067.00	93,792.97	116.12%
Operating Costs	111,814.56	244,649.36	2,171,417.62	2,064,955.50	2,159,093.00	106,462.12	100.57%
Total Expenses	<u>1,642,105.57</u>	<u>1,497,916.75</u>	<u>18,528,671.94</u>	<u>15,123,242.65</u>	<u>16,607,668.00</u>	<u>3,405,429.29</u>	<u>111.57%</u>
Operating Income(Loss)	<u>80,364.76</u>	<u>(43,278.12)</u>	<u>1,138,931.05</u>	<u>40,947.50</u>	<u>64,048.00</u>	<u>1,097,983.55</u>	<u>.,778.24)%</u>
Net Assets	<u>80,364.76</u>	<u>(43,278.12)</u>	<u>1,138,931.05</u>	<u>40,947.50</u>	<u>64,048.00</u>	<u>1,097,983.55</u>	<u>.,778.24)%</u>

Health Services of North Texas, Inc.
Statement of Cash Flows
As of 12/31/2021

	<u>Current Period</u>	<u>Current Year</u>	<u>Prior Year YTD</u>
Cash Flows from Operating Activities			
Medicaid	628,829.99	6,251,690.36	4,166,182.15
Medicare	34,459.17	615,958.34	267,972.32
Private/Commercial	99,228.35	652,913.44	432,963.54
Self Pay	45,913.86	1,134,334.14	892,410.49
Program Income	557,831.96	4,355,235.83	1,812,479.44
Grants	171,492.87	5,861,135.31	4,178,888.47
Receipts from Contributors	6,933.07	1,197,380.62	2,977,409.65
Change in Inventory	0.00	0.00	9,185.53
Interest Received	0.00	0.00	4,927.72
Payments to Employees & Suppliers	<u>(1,463,770.37)</u>	<u>(18,528,058.97)</u>	<u>(14,556,281.42)</u>
Total Cash Flows from Operating Activities	<u>80,918.90</u>	<u>1,540,589.07</u>	<u>186,137.89</u>
Cash Flows from Capital Activities			
Capital Activity/Disposal of Assets	0.00	(11,025.00)	336.00
Capital Loan	<u>(9,407.35)</u>	<u>(112,888.20)</u>	<u>(112,888.20)</u>
Total Cash Flows from Capital Activities	<u>(9,407.35)</u>	<u>(123,913.20)</u>	<u>(112,552.20)</u>
Change in Medical Liability			
Change in Patient Refunds	<u>2,951.10</u>	<u>5,410.47</u>	<u>(37,175.56)</u>
Total Change in Medical Liability	<u>2,951.10</u>	<u>5,410.47</u>	<u>(37,175.56)</u>
Beginning Cash & Cash Equivalents	<u>3,863,070.86</u>	<u>2,508,447.17</u>	<u>2,472,037.04</u>
Ending Cash & Cash Equivalents	<u><u>3,937,533.51</u></u>	<u><u>3,930,533.51</u></u>	<u><u>2,508,447.17</u></u>

Health Services of North Texas, Inc.
Financial Ratios
December 2021

	FY2020 Goals	Fiscal Year To Date 2021	Fiscal Year End 2020
Quick Ratio Current Assets/Current Liabilities	9:1	3.21 : 1	3.07 : 1
Debt/Equity Total Liabilities/Total Net Assets	13.0%	55.7%	60.5%
Working Capital to Expense Ratio CA/CL divided by Expense/# month in Period	3 : 1	2.53 : 1	2.39 : 1
Long Term Debt to Equity Ratio	25%	23.6%	29.6%
Percentage of Admin & Fundraising <i>included estimate of new accounting standard</i>	25.0%	15.1%	15.6%
Number of Days - Cash	60	74	58
Number of Days - Liquidity	180	105	101
Accounts Receivable Days (Medical AR Collection Period)	50	15	28
Change In Net Assets to Expense (Net Assets/Total Expense)	3.0%	6.1%	1.6%
Operating Margin (Change in Net Assets/Total Revenue)	0.5%	5.8%	1.56%
Cash Flow	1.5%	61.8%	6.0%
			FY2020
Cost per Employee this month		\$6,049.91	\$5,037.72
		Rolling 12 Month Data	Fiscal Year End 2020
Cost per Employee R12		\$71,552.31	\$65,398.18
Average Hourly Rate R12		\$36.07	\$32.73
Cost Per Medical Encounter *45,510		\$265.89	\$354.79
Cost Per Medical Patient *16,324		\$1,135.06	\$1,053.75
Federal Cost Per Medical Patient		\$106.39	\$103.91

* Cost per Medical Encounter and Cost per Patient calculations updated for 2018 year end financials moving forward.

*Cost per Employee and Hourly Rate updated to a rolling 12 months in August 2019



Governing Board Quality Committee Minutes

December 15, 2021

Present: Dr. Howard Shaw, Belinda Hernandez, Dr. Kimberly Middleton, Melissa Winans, Trang Dang-Le

Absent: Judge Chance Oliver

Staff: Doreen Rue, Debra Layman

Quorum met.

Called to order: 5:03pm

I. Roll Call and Acceptance of the Consent Agenda

- November 2021 Minutes
 - Staff Quality Meeting
 - Governing Board Meeting
- Patient Satisfaction
- Quality Dashboards

Motion to approve the Consent Agenda: Belinda Hernandez

Seconded: Melissa Winans

Motion Passed Unanimously

II. 2021 Incentive Goals Progress

- HSNT utilized a different approach than in the past when setting goals for 2021.
 - Incorporated metrics from UDS, HEDIS, and internal HSNT goals.
- Status of quality metrics:
 - HEDIS – 33%
 - UDS – 53%
 - HSNT – 100%
- HSNT is overall meeting goals where providers have direct control on outcomes – HSNT measures.
- Providers selected the measures on which they would be scored.
 - Goals were assigned by department.
- In 2020 measures were preselected for providers.
 - This approach worked well and will be revisited in 2022.
- 7 quality measures are on the verge of conversion.
- The current goal structure does not reflect the improvements HSNT has made to its quality of care.



- Diabetic A1C control and early trimester entry to care are performing at higher levels than any point in HSNT's past.

III. 2022 Incentive Goals

- HSNT and the committee will use the progress on the 2021 incentive goals to inform planning for 2022.
- How do we approach goal setting in 2022?
 - Recommendation to move back to the previous monitoring system.
 1. Provider feedback has been similar for both systems, it is easier to monitor and manage a limited number of metrics.
 - The focus for incentive goals should be on those measures where the provider can influence the outcome.
 1. Goals should be achievable but meaningful.
 - Recommendation to review HSNT's patient population and select those measures that are most relevant to HSNT's patients.
 1. What are the priority measures?
 - a. Diabetic control, hypertension, etc.
 2. Incorporate a targeted effort that benefits HSNT and its patient population.
 - What metrics and pieces are important to the PCMH program?
 1. Ex. Group visit pilot for diabetic patients
 - a. What would outcome measures for this group look like?
 - i. Support in this type of group setting can increase adherence to and success of care plans.

IV. Medical Director Transition Update

- Dr. Siegel will be exiting HSNT on December 31, 2021.
- Clinical teams are currently working through his panel to help reassign patients to other providers.
- Dr. Starr will be taking on the supervision of family practice APPs.
- HSNT is currently screening candidates.

V. Reports to the Board

- Patient Satisfaction
- 2021 Quality Goals
- 2022 Goal Planning
- Medical Director Transition

Adjourned: 5:29pm

Grants & MarCom Monthly Report January 2022

Keeping HSNT Top of Mind & Building Relationships

- Investment in patient care at HSNT by generous individual donors who gave from November 15th through the end of the year reached a total of \$10,377. We are thankful for the way our loyal donors support this important work without HSNT having fundraising events.
- HSNT's Toys for Tots event in Denton and Plano served a combined 1,200 children with gifts. The events were used to elevate the HSNT Pediatrics program in both communities.
- In person visits and follow-ups to OB offices in Plano that accept Medicaid are going well and we hope to continue to strengthen these referral relationships 1st Q2022.

Digital Marketing and Website

- Website traffic reached an all time high in December with 14,763 unique visitors. Key contributor is Covid surge as we have several blogs that are of interest and creating traffic.
- Google Ad Grant spend declined slightly with a spend of \$4.77K, however impressions increased with 14.5K impressions and 485 clicks. This is FREE, in-kind advertising secured through a Google Grant. We are using these dollars to specifically target Pediatrics and infectious disease.

Key Campaigns

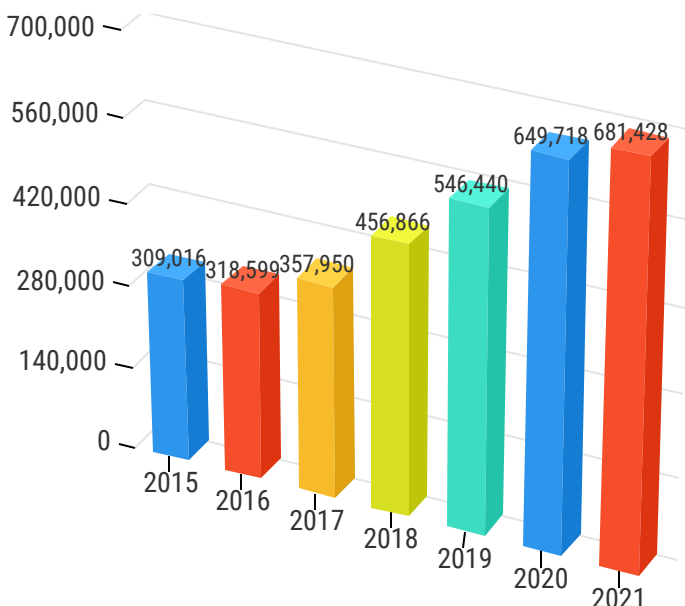
- HSNT Plano- Raising the bar for quality care in Plano for the entire family
- Pediatrics- position HSNT as a leader in pediatric care
- General Awareness Campaigns | Pediatrics | HIV & Infectious Disease Services
- COVID Vaccines for children and boosters for adults

Up Next

- Pediatric ads on the Kroger grocery carts at the Kroger closest to HSNT Plano
- Tours of Wylie Children's Medical Clinic to strengthen community engagement
- Ongoing outreach work to raise awareness of pediatrics in Plano
- Website and Google My Business audits

Key Grant Metrics

Corporation, Foundation & United Way Grant Revenue



6 Grant Proposals in Process
\$313,000 Value

9 Grant Proposals Awaiting Decision
\$1,948,205

****No grant proposals/submissions for approval this month****

In 2021 HSNT submitted 57 proposals, 20 to new funders.

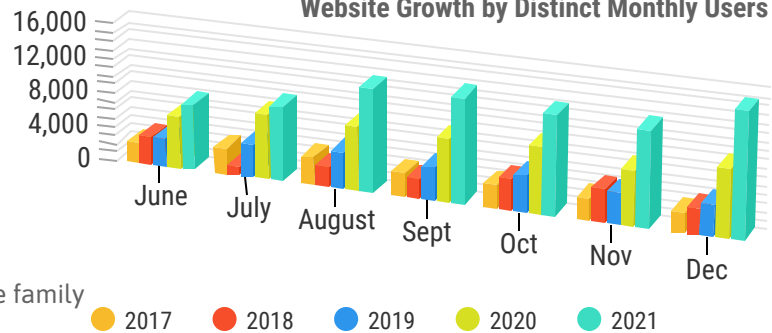
524

NEW PATIENTS
in December

245 (47%)

of these are
Pediatric Patients
88 Newborns

Website Growth by Distinct Monthly Users



Patient Feedback

"I have been a patient for 3+ years and I have experienced a friendly, professional office. Started out on sliding scale which was the only way I could afford to go to the doctor. Now I have a Medicare Advantage plan. I never felt treated as a "charity" patient and received the full attention and excellent medical care."

Awarded since Dec. Board Meeting- \$658,084

Plano North Metroplex Chapter of the Links, Inc	BH for HIV patients	\$3,000
CoServ Charitable Foundation	Denton Medical	\$20,000
Denton Benefit League	Denton Medical Equipment	\$10,360

2022 Kickoff Expanded Leadership Meeting

Senior and midlevel managers met to identify opportunities for improvement in 2022. Through a guided feedback session, we were able identify to 62 opportunities. The team then categorized the feedback and named the categories. The seven categories are Team Connections, Occupancy, Barriers to Care, Radical Retention, Operations and Sustainability, Evaluation of Program and Process, and Leadership. A similar feedback session will be repeated with other staff teams to collect additional feedback. The expanded leadership team will prioritize and utilize a problem-solving model to define, measure, analyze, implement change, and monitor progress. This process is similar to that used in HSNT BEST with more of a focus on defining the problem.

Workforce

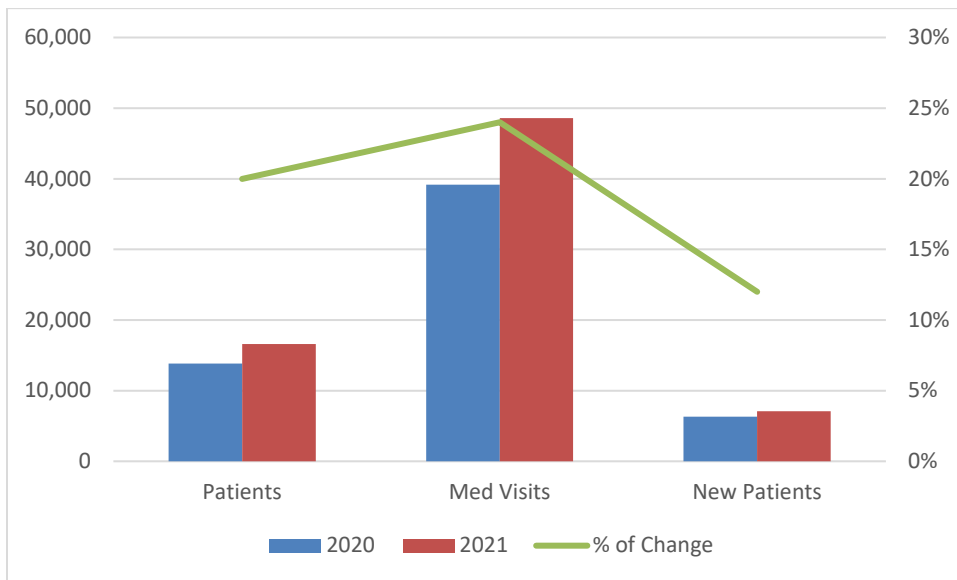
Now, more than ever, the need to refocus and change our personnel management practices is critical to our path forward. The Radical Retention Initiative strategy is focused on 11 objectives:

- Focus on recruitment
- Eliminate communication barriers
- Focus on culture
- Training and development
- Work life balance
- Employee benefits
- Compensation review
- Career paths and succession planning
- Fostering praise and recognition
- Consistent monitoring of dashboards
- Leverage employee appreciation committee

The objectives were identified through our 2021 Employee Survey, HR best practices, and current issues and impact of the great resignation. The 2022 Employee Survey is scheduled for distribution the week of January 24, 2022.

To put HSNT’s current workforce in perspective we started 2021 with 126 employees. We expanded service lines at the Plano location with resources from the American Rescue Plan funding and added 14 positions to support this initiative. We started 2022 with 122 employees. In 2021 we put more structure around hiring and implemented a position control process that included position numbers tied to the budget and an approval process to back fill positions and hire new budgeted positions. See graph of the data.

	2020	2021	% of Change
Patients	13,859	16,583	20%
Med Visits	39,179	48,596	24%
New Patients	6,319	7,105	12%



Medical Director

We have received 9 responses in our recruitment for our next Medical Director. The job posting is refreshed weekly, and we look forward to more response. Two applicants were screened and interviewed, and others are in the process. Please note that Dr. Starr is in the candidate pool as he expressed interest in serving in this role or in any capacity that supports HSNT.

The interim plan includes a team made up of physicians from each practice area to discuss and address duties that otherwise would be directed to the Medical Director. This format was used to address the increase in COVID-19 cases in our community and the decision to return to health screenings used early in the pandemic was reinstated. All advanced practice nurses (APRN) and physician associates (PA) have

been assigned to a HSNT physician as required by the Texas Medical Board. Job descriptions for all providers and collaborative agreement for supervision have been updated and executed.

Chief Information Officer

During by-weekly meetings with Quinton Thomas from EON Consulting, we are preparing an IT strategic plan for HSNT and conducting a gap analysis of duties stemming from Christopher’s departure. We are including EON in leadership communications and planning. Next steps with EON include:

- 2022 Budget and planning for 2023 Budget
- Workplan for Health Center Controlled Network
- Review and Streamline all IT process and prioritize action

Patient Access to Medication

In 2021 HSNT assisted 686 patients in accessing medications valued at \$6,252,597 to manage chronic health conditions. HSNT case managers enroll and manage prescriptions written by HSNT clinicians and address the barriers of care and medication adherence. In 2022 we will link medication accessed through this program with clinical measures as part of a quality initiative.

Another method of improving access to medication is through our 340b pharmacy pricing program made available through our HRSA funding (FQHC, Ryan White, and Title X Family Planning). Over the last 18 months there have been numerous attempts to by pharmaceutical companies to limit or control access to medication through this federal pricing program.

The dispute between safety-net hospitals and a growing group of drug companies over community-based pharmacies in the 340B drug pricing program is heading into a new phase of legal wrangling that ensures this fight will remain a dominant issue in the 340B world for months to come.

HSNT has been focused on increasing access to this program by increasing pharmacies in our program and the partnership with ReNue RX at Serve Denton and HSNT Plano. ReNue RX has also taken over managing our Ryan White pharmacy activity. We are paying close attention to legislation and the Department of Health and Human Services to guide and support the function and benefit of this intended resource to our patients through the 340b pharmacy pricing program. More to come decisions become known.

Information

- The HSNT United Way of Denton County grant presentation is scheduled on 2/7/22. Thank you, Dale Tampke, for agreeing to participate in this virtual presentation.
- The City of Lewisville site visit is scheduled on 2/19/22 at our Serve Denton location. Board members are welcome to attend. Please contact Doreen or Kelsey for details.
- The City of Lewisville is hosting a Vision Session for the potential Lewisville Nonprofit Center and to discuss the potential and next steps for this project. HSNT Board members are welcome to attend. Please contact Doreen or Kelsey for details.
- HSNT is in the process of implementing credentialing software.
- Currently adding compensation and performance modules to our electronic payroll system (Paylocity) to integrate and streamline these two important processes in managing our staff.
- The Toys for Tots events in Denton and Plano were a huge success. 686 children in Denton received gifts, 128 families in Plano benefited from the event, and we were able to showcase our pediatric program.
- HSNT is analyzing the Supreme Court ruling and the Texas state level challenge to the federal COVID-19 vaccination mandate.
- The final review session for HSNT's Behavioral Health PCMH designation was held this week. We should receive a final decision soon and are optimistic that the designation will be granted.

Thank you for your support,

Doreen Rue, CEO



Release of 403b Retirement Plan Matching Funds

Summary:

- HSNT accrues the funds for the 403b retirement plan on a monthly basis.
- The release of funds is accounted for and will not impact HSNT's financial standing.

ACTION:

Reviewed by:

• Pam Barnes, CFO _____ Date: _____

• Doreen Rue, CEO _____ Date: _____

Governing Board Finance Committee Approval:

_____ Date: _____

Governing Board Approval:

_____ Date: _____

(President)



2021 Risk Report

Summary:

The Governing Board has reviewed and approved the 2021 HSNT Risk Report, including the Risk Committee goals for 2022.

ACTION:

Reviewed by:

- Larry Bisno, Director of Strategic Initiatives _____ Date: _____
- Doreen Rue, CEO _____ Date: _____

Governing Board Quality Committee Approval:

_____ Date: _____

Governing Board Approval:

_____ Date: _____

(President)



GOVERNING BOARD ANNUAL SUMMARY REPORT

RISK MANAGEMENT COMMITTEE

Reporting Dates: 1/1/2021-12/31/2021

Members: Christopher Redden (Chair), Kelsey Moore (Secretary), Jason Siegel, Brandi Ruiz, Debra Layman, Larry Bisno, Marielena Bailey, Pamela Barnes

Incident Reports: Looking at the chart below, it appears that we missed our <6% HIPAA goal. Once we correct for 2 duplicates and 1 dismissed, then we are closer, but still missed the goal with a 5.26%. No incidents required disclosure to the OCR (Office for Civil Rights). Using the newly approved Breach Notification Risk Assessment Tool, HSNT was able to quickly demonstrate and document the appropriate actions.

Larry Bisno, Mari Bailey, and Christopher Redden were responsible for assigning the initial investigators for each incident. All HIPAA related incidents were assigned to the HIPAA Security/Privacy officer for final approval and closure.

There were no unjust risk or harm incidents reported in 2021.

The breakdown of these reported incidents (unadjusted) for 2021 are listed below.

Category Name	Percentage	TOTAL	GOAL
Clinical	34.21%	39	
Miscellaneous	19.30%	22	
Risk	12.28%	14	
HIPAA	7.89%	9	<6%
Quality	6.14%	7	
Documentation	5.26%	6	
Grievance	4.39%	5	
MedRec	2.63%	3	
Human Resource	1.75%	2	
Forms	1.75%	2	
Coding/Billing/Payments	0.88%	1	
OSHA	0.88%	1	
Reasonable and Necessary Services	0.88%	1	
Theft	0.88%	1	
Incident Report -fall incident	0.88%	1	



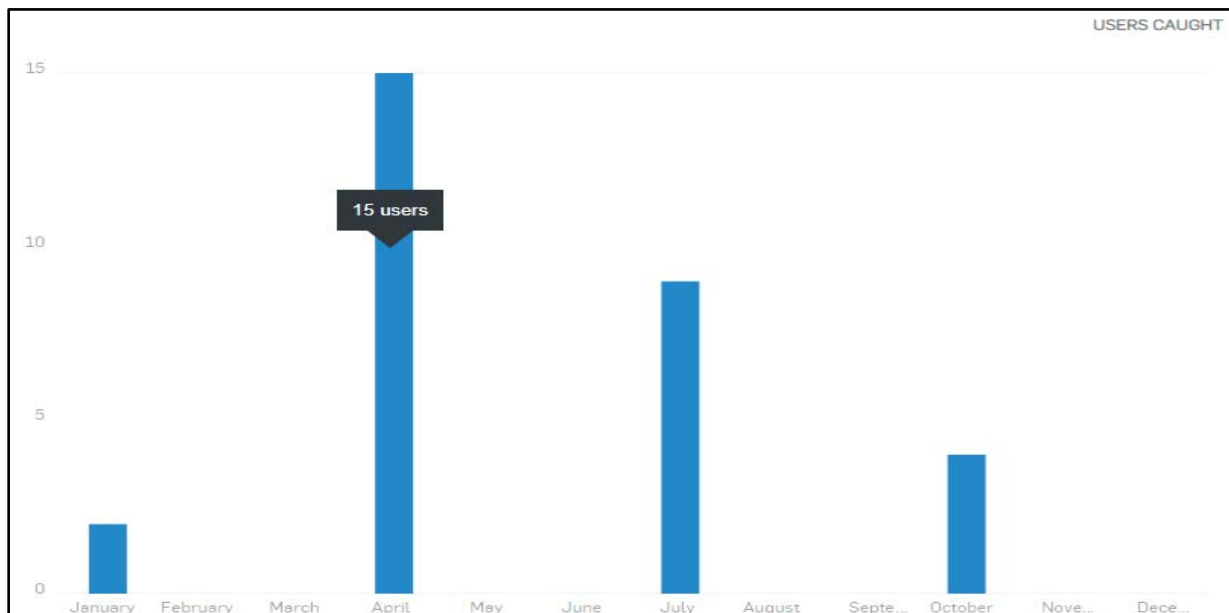
Each incident has a guided procedure to investigate, interview, add supporting documents, summarize, identify root causes, record corrective actions, and finally resolve/approve. Investigators apply the principles of “Just Culture” to promote a culture of safety. When appropriate, and additional training, sanctions, or punitive measures were performed. Incidents requiring further evaluation was brought to the Risk Committee for discussion, trending, and Risk awareness. The discussions provide insight and allow review of system issues that may have contributed to the incidents, encouraging further discussions of specific actions HSNT can take to mitigate future instances.

When trends are identified, we take the opportunity to examine systems to help identify opportunities to workflow changes or provide additional training to the general staff to mitigate future events. When risk issues are identified across patient care delivery and or quality metrics, the Medical Director and or Clinical Informatics Provider addresses with documented training for all Provider Teams.

Phishing Threat & Security

More emphasis was placed on Cybersecurity training this year. HSNT as instituted SOPHOS as the automated Phish Threat Campaign manager. SOPHOS sends quarterly test messages to all HSNT users. This year has seen an increase in Spear Phishing emails. Although HSNT provides the required annual Cybersecurity training, a spike in risk was seen in the April risk. HSNT responded with the required training starting in July. The results of the mitigation of risk can be seen in the chart below.

Team members who “clicked” on potentially dangerous emails:





Patient and Employee Safety: During the year, the Risk Committee discussed various aspects of agency safety such as building concerns, maintaining regular biomedical engineering audits and Stericycle audit results.

Information Technology (IT) Security/HIPAA: The Risk Committee continues to monitor compliance with required training and testing for all employees.

- HIPAA training – Standard required interactive classes and testing for both Privacy and security to maintain awareness and understanding of HIPAA and Texas HB 300 laws and requirements.
- HITECH walk through – Supervisors make an unscheduled walk-through each site using a checklist of HITECH items to check, scoring each site and mitigating issues found.
- HIPAA security and privacy score – Using the automated systems in the HIPAA compliance software (Healthicity), an overall assessment score is generated.
- Phishing awareness training – Quarterly emails are sent to all employees to maintain awareness of one of our more vulnerable areas, email. The emails contain opportunities for the recipient to click on phishing simulation scenarios, landing pages, attachments, and educational content.
- PCI DSS training – New compliance measure for 2020. Training and awareness for all employees who accept credit card payments, or stores, processes, and transmits cardholder data.

The scores and goals for 2021 are listed in this next table, as well as the 2022 goals for these items and new items recommended.

Metric	2021 Score	2021 Goal	2022 Goal
HIPAA/PCI DSS training	100%	100%	100%
HITECH walk through	98%	>95%	>95%
HIPAA Incidents	5.26%	<=5%	<=5%
HIPAA security and privacy score	3	<=5	<=5
Phishing awareness training	93%	>95%	>95%
Unjust risk or harm incidents	3%	<=5%	<=5%



Goals for 2021: - **Not all goals for the 2020 year have been met.**

1. Cybersecurity Phishing Awareness did not meet our goal of >95% success. In 2021 the average of quarterly awareness testing was 93% with a low point of 84%.
2. The total number of incidents in the category HIPAA/Security did not meet the goal of <=5%. HIPAA incidents were over by 0.26%.

Approved Goals for 2022:

1. Security and Privacy score will be on average <5 for the year.
2. The total number of incidents in the category Unjust risk or harm will be 5% or less of the total number of incidents for 2021.
3. The total number of incidents in the category HIPAA/Security will be 5% or less of the total number of incidents for 2021.
4. HIPAA training will remain 100% compliance
5. HITECH Walk-throughs will maintain an average score >95%.
6. Phishing awareness will maintain a score > 95%.
7. PCI DSS training will remain at 100%

Closing:

This year HSNT took a new approach to the Risk Committee. Using ECRI (Emergency Care Research Institute) certification guidelines, we worked to separate the duties of Risk and Quality committees. We changed the committee membership structure as well to allow a higher-level discussion of risks that required more confidentiality. For additional efficiency we went to an all-digital format, storing the minutes, agendas and any attachments for discussion or approval on a shared drive. Using this digital format we were able to use the previous month's minutes to pass discussion information to the next month's agenda – helping to prevent loss of subject matter and follow-up items.

HSNT 2022 Board Work Plan

January	Last Reviewed/Approved	Action Taken January 2022	February	Last Reviewed/Approved	Action Taken February 2022	March	Last Reviewed/Approved	Action Taken March 2022
Monthly Reports:			Monthly Reports:			Monthly Reports:		
Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing	
Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing	
HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:		
Governing Board Workplan	2021 January		Sliding Fee Discount Program	2021 February		Coverage for Medical Emergencies During and After Hours	2021 March	
			Financial Management and Accounting Systems	2021 February		Continuity of Care and Hospital Admitting	2021 March	
			Billing and Collections	2021 February		Contracts and Subawards	2021 October	
						Collaborative Relationships	2021 October	
Assigned Functions:			Assigned Functions:			Assigned Functions:		
Incentive Rollout	2021 January		Workforce Development & Org Culture Update	Quarterly		RW Review/Update		
Annual Board Assesment	2021 January					Compliance Report	Quarterly	
Annual CEO Performance Review	2021 January					Incentive Goals 2022 Review	Quarterly	
Release of 403b Retirement Plan Matching Funds	2021 January							
Risk Plan/Report	2021 January							
2021 Incentive Goals Performance	2021 January							
April	Last Reviewed/Approved	Action Taken April 2022	May	Last Reviewed/Approved	Action Taken May 2022	June	Last Reviewed/Approved	Action Taken June 2022
Monthly Reports:			Monthly Reports:			Monthly Reports:		
Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing	
Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing	
HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:		
Board Authority	2021 April		Clinical Staffing (Credentialing)	2021 June		Required and Additional Health Services	2021 May	
Board Composition	2021 April		Key Management Staff	2021 June		Quality Improvement / Assurance	2021 May	
Conflict of Interest	2021 April		FTCA Deeming Requirements	2021 June		Accesible Locations and Hours of Operations	2021 May	
Health Center Program Eligibility	2021 July					Program Monitoring and Data Systems	2021 September	
Assigned Functions:			Assigned Functions:			Assigned Functions:		
Slate of Officer and Members	2021 April		Workforce Development & Org Culture Update	Quarterly		Strategic Planning	ongoing	
Bylaws	2021 April					Incentive Goals 2022 Review	Quarterly	
						Compliance Report	Quarterly	
July	Last Reviewed/Approved	Action Taken July 2022	August	Last Reviewed/Approved	Action Taken August 2022	September	Last Reviewed/Approved	Action Taken Spetmeber 2022
Monthly Reports:			Monthly Reports:			Monthly Reports:		
Patient Satisfaction and Quality Summary	ongoing	Reviewed	Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing	
Monthly Financials and Summary	ongoing	Reviewed	Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing	
HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:		
Needs Assesment	2021 November							
Budget (Process)	2021 November							
Assigned Functions:			Assigned Functions:			Assigned Functions:		
Audit Results and Form 990	2021 July		Strategic Planning	ongoing		Review of Retirement Plan Documents and Program	2021 October	
Strategic Planning	ongoing		Workforce Development & Org Culture Update	Quarterly		Compliance Report	Quarterly	
						Strategic Plan	ongoing	
						Incentive Goals 2022 Review	Quarterly	
October	Last Reviewed/Approved	Action Taken October 2022	November	Last Reviewed/Approved	Action Taken November 2022	December	Last Reviewed/Approved	Action Taken December 2022
Monthly Reports:			Monthly Reports:			Monthly Reports:		
Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing		Patient Satisfaction and Quality Summary	ongoing	
Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing		Monthly Financials and Summary	ongoing	
HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:			HRSA Compliance/ Board Training:		
			HRSA BPR Application Pre Approval	2021 October (SAC)		HRSA BPR Application Ratification	2021 October (SAC)	
Assigned Functions:			Assigned Functions:			Assigned Functions:		
Title X Review/Update	2021 October		2023 Budget	2021 November		Employee Handbook	2020 December	
			Legislative Manadate Review	2021 December		Compliance Report	Quarterly	
			Employee Benefits Summary	2021 November		Incentive Goals 2022 Review	Quarterly	
			Workforce Development & Org Culture Update	Quarterly		Incentive Goals 2023 Setting	Annual	

Other Duties to be Performed as Needed:

- Approval of Change in Scope
- Approval of Grant Opporunities
 - Legal Matters
 - Capital Expenditures
 - Budget Revisions
 - Compliance
- HRSA Application Approvals

Informational Functions:

- Program Audit Reports
 - Trainings
 - Events
 - Outreach Activities
- State and Federal Policy Updates

The HSNT Annual Board Workplan will serve as a guideline for the performance of required board functions. The timeline for performance of these functions may change based on the business needs of HSNT.

Finance
Personnel/Nominating
Quality Assurance
Strategic Planning
Executive Committee

Incentive Goals

Incentive Goal	2021 Goal	2021 YTD (as of 12.2021)	Suggested 2022 Goal
Days in Cash	60	74	TBD
Operating Margin	.5%	5.8%	TBD
Quality Goals	80%	54.84%	TBD
Compliance	92%	97.54%	TBD