

Minutes

BOARD MEMBERS PRESENT

Lori Penner
Jeff Yarrow
Richard Cott
Sandy Fox
Terri Parry

OTHER PERSONS PRESENT

Austin Gillard, CEO
Angela Kobel, CFO
Dr. John Kelley, CMO

CALL TO ORDER

Lori Penner called the meeting to order at 7:05 p.m.

BOARD MEETING MINUTES

Lori Penner asked if there were any corrections to the board minutes from December 1, 2025. Motion made by Richard Cott, seconded by Terri Parry, to approve the board minutes with one correction. Motion carried 4-0.

AGENDA REVIEW

Nothing to add

OLD BUSINESS

Nothing to add

NEW BUSINESS

a. 2026 Budget

Angela Kobel presented the 2026 Clay County Medical Center budget. Overall, we expect operating revenue to increase by five percent, operating expenses to increase by five percent, and our net income to be down by around \$380,000 from last year. We have budgeted for wage adjustments within this 2026 budget. After discussion, motion made by Sandy Fox, seconded by Terri Parry, to approve the 2026 Clay County Medical Center budget. Motion carried 4-0.

b. Kansas Gas Service

The Kansas Corporation Commission approved revisions to the Kansas Gas Service Transportation tariffs that became effective on Jan. 1, 2024. All transport meters must have Electronic Flow Measurement (EFM) devices installed. The cost of installing EFM devices is \$2,400 per meter. The total monthly charge for the EFM device use is \$32.40 per meter. This amount includes a \$17.40 EFM maintenance fee and a \$15.00 cellular charge.

c. Chiller Coils

Since July 2023, we have been in conversations with Carrier regarding the thermal fatigue spots on our chiller coils. This is caused by hot gas and cold coils excessively cycling over time. After over two years of playing the blame game, Carrier will be providing 16 new coils, refrigerant, and wind baffles for the chillers, at their cost of \$65,628. Central Mechanical will need to uninstall the defective equipment and install the new equipment. Their cost is \$37,475. After discussion, motion made by Terri Parry, seconded by Richard Cott, to approve the Carrier and Central Mechanical quotes. Motion carried 4-0.

d. Credentialing

The board reviewed the credentialing files recommended by the Medical Executive Committee for the following:

Courtesy Staff

Tony Brown, OD — Optometry – Reappointment

Allied Health

Crystal Hathorne, PMHNP — Mental Health — Initial Appointment

Levi Lear, PA — Emergency Medicine — Initial Appointment

Linda Bott, APRN — Family Medicine — Initial Appointment

Motion made by Jeff Yarrow, seconded by Richard Cott, to approve the credentialing files recommended by the Medical Staff. Motion carried 4-0.

AUSTIN GILLARD, CEO

a. 2026 Goals

We will be slowing the organization down in 2026 and building upon what we have already. We have been in growth mode for 10 years. Our main focus will be communication, wage adjustments, fixing broken processes, strategic planning, and culture.

b. Construction Update

The interior remodel of Physical Therapy and Cardiac Rehab are 95 percent complete. We still have lighting to replace in Cardiac Rehab. A new roof will also be installed in February. Riley Family Physicians will be 100 percent complete by the third week of January.

c. General Update

- The Centers for Medicare & Medicaid Services (CMS) today announced that all 50 states will receive awards under the Rural Health Transformation Program. Kansas has been awarded \$221,898,008 for 2026. This federal investment will help states expand access to care in rural communities, strengthen the rural health workforce, modernize rural facilities and technology, and support innovative models that bring high-quality, dependable care closer to home.
- The U.S. District Court of Maine today granted a preliminary injunction blocking implementation of the Department of Health and Human Services (HHS) 340B Rebate Model Pilot Program. In its decision, the court held that the Health Resources and Services Administration's (HRSA) approval of the nine manufacturer applications that collectively comprise the entire 340B Rebate Model Pilot Program likely violated the Administrative Procedures Act.

The meeting adjourned at 8:00 p.m.

Next Meeting: January 26, 2026 at 7:00 p.m.

Minutes recorded by Austin M. Gillard