Freestone Medical Center
Fairfield Hospital District
Board of Directors Meeting
April 1st, 2026

The Fairfield Hospital District met on April 1, 2026, in the J.R. Corne Boardroom inside Freestone Medical Center. Board Members in attendance were George Robinson, Vance Oglesbee, Brent Moore, Lisa Tate, Carman Mannen, Danny Wren, and David Lott. Others in attendance included Tony Price (FHD Advisor), Melissa Wilson (CEO), Jennifer Azua (CFO), Nicki Hagen (CNO), Craig Sims (CHC), and Dr. Darryl White (Chief of Medical Staff).

A. CALL TO ORDER - The meeting was called to order at 5:48 p.m. by George Robinson.

B. INVOCATION - The invocation was led by Mr. Tony Price.

C. PUBLIC FORUM - No public comments were made.

D. FAIRFIELD HOSPITAL DISTRICT UPDATE - Tony Price provided a brief update and noted that the hospital's line of credit had been extended and restructured, allowing continued operational flexibility. He also reported that a resolution related to the line of credit would be presented for Board consideration. Additionally, Mr. Price informed the Board that Mark Chilcoat with Farmers State Bank expressed interest in attending a future Board meeting to better understand hospital operations and the District's financial position.

E. COMMUNITY HOSPITAL CORPORATION UPDATE - Craig Sims provided an update and reported continued work with administration on financial stabilization efforts, revenue cycle improvements, and operational planning. He noted that discussions are ongoing regarding Rural Health Transformation funding opportunities and potential grant funding, including the "Keep Texas Healthy" initiative. Mr. Sims also discussed continued support for evaluating hospital designation options and operational strategies moving forward.

F. RURAL HEALTH REDESIGN CENTER (RHRC) REH Q&A - The Board attempted to connect with Ken Harman (RHRC) for additional discussion regarding the Rural Emergency Hospital (REH) model; however, due to connectivity issues, the discussion was not completed. The Board agreed not to continue attempts to connect during the meeting and to follow up at a later time if additional questions arise.

G. REH vs CAH vs PPS DISCUSSION - The Board acknowledged the agenda item regarding hospital designation options, including Rural Emergency Hospital (REH), Critical Access Hospital (CAH), and continuation as a PPS hospital. Limited discussion occurred in open session, and the item was deferred for further consideration in Executive Session.

H. UNANIMOUS RESOLUTION FOR RENEWAL OF COMMITMENT TO FARMERS STATE BANK FOR CURRENT LINE-OF-CREDIT - Tony Price presented the resolution related to renewal and continuation of the hospital's line of credit with Farmers State Bank. A motion to approve the resolution was made by Danny Wren and seconded by Vance Oglesbee. Motion carried unanimously.

I. CONSENT AGENDA - The Board reviewed the Consent Agenda, which included the February 26, 2026 minutes, March 19, 2026 minutes, February financials, medical staff credentialing actions as listed on the agenda, and policies and procedures including Emergency Department surge policy updates and dietary policy revisions. A motion to approve the Consent Agenda as presented was made by Carman Mannen and seconded by Brent Moore. Motion carried unanimously.

J. REPORTS

1. **CFO -** Reports were included in the Board packet.

   Jennifer Azua reported continued improvement in revenue cycle performance, including reduced aged accounts receivable balances and improved claim resolution timelines. She noted increased collections in March compared to February and stated that financial performance appears to be improving, with audit results expected to be presented at the next meeting.

2. **CNO and QA/PI -** Reports were included in the Board packet.

   Nicki Hagen reviewed clinical operations and reported improvements in inpatient admissions and observation volumes compared to prior months. She noted increased respiratory procedures and stable emergency department volumes. She also discussed surgical activity and staffing considerations.

3. **CEO Comments-** A written report was provided in the Board packet.

   Melissa Wilson provided verbal comments supplementing her written report. She updated the Board on progress toward Critical Access Hospital conversion, including readiness for submission of required documentation, and facility modifications needed for compliance. She also reviewed the status of the Teague clinic closure, noting anticipated timelines for provider transition and facility exit. Ms. Wilson discussed ongoing contract negotiations, recruitment efforts, and operational improvements, including participation in a TORCH Foundation-funded facility beautification project. She emphasized continued focus on financial stability, operational efficiency, and maintaining service levels for the community.

K. EXECUTIVE SESSION - The Board entered into Executive Session at 6:06 p.m., in accordance with Texas Government Code Sections 551.071 (Consultation with a Lawyer), 551.072 (Real Property), 551.074 (Personnel Matters), and 551.086 (Economic Development).

The Board reconvened in Open Session at 7:05 p.m.

The Board entered into Executive Session again at 7:13 p.m. pursuant to the same statutory authority.

ACTION FROM EXECUTIVE SESSION - The Board reconvened in Open Session at 7:36 p.m. Action taken: REH Model. A motion was made by Carman Mannen to pursue transition of Freestone Medical Center to the Rural Emergency Hospital (REH) designation and to discontinue further pursuit of Critical Access Hospital (CAH) conversion at this time. The motion was seconded by Brent Moore. Motion carried unanimously.

L. ADJOURNMENT - Meeting adjourned at 7:39 p.m.

M. Next Meeting - April 23rd, 2026 at 12:00 p.m. at the J. R. Corne Board Room in Freestone Medical Center.

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George Robinson
FHD Board President

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Melissa Wilson
CEO, Freestone Medical Center