Freestone Medical Center
Fairfield Hospital District
Board of Directors Meeting
February 26th, 2026

The Fairfield Hospital District met on February 26, 2026, in the J.R. Corne Boardroom inside Freestone Medical Center at 12:00 p.m. 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 - via Google Meet), Dr. Darryl White (Chief of Medical Staff), and Brittany Walthall (RHC Director).

A. CALL TO ORDER - The meeting was called to order at 12:20 pm 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 reminded the Board that the District will now conduct annual elections going forward and reviewed the upcoming election cycle. He stated that positions currently held by Brent Moore, David Lott, and Danny Wren would be up in the November cycle and noted that he had already received informal inquiries from individuals interested in the election process. General discussion occurred regarding the filing process and election timing.

E. COMMUNITY HOSPITAL CORPORATION UPDATE - Craig Sims reported that he had nothing significant to add beyond the prior evening's discussion with the Board and noted that Jennifer Azua would review updated revenue cycle information during the financial report. He remained available for questions from the Board.

F. CONSENT AGENDA - The Board reviewed the Consent Agenda, which included the January 22, 2026 minutes, the February 2, 2026 Called Meeting minutes, the February 25, 2026 Called Meeting minutes, January financials, medical staff credentialing actions as listed on the agenda, and policies and procedures including Emergency Department trauma-related policies, Burn Policy, and first quarter policy reviews as listed. A motion to approve the Consent Agenda as presented was made by Carman Mannen and seconded by Danny Wren. Motion carried unanimously.

G. DISCUSSION ITEMS -

1. **RHC Director Introduction.** Melissa Wilson introduced Brittany Walthall as the Rural Health Clinic Director. Ms. Walthall provided an overview of her healthcare and clinic operations background and shared initial observations regarding clinic operations. She reported that the clinics have several strengths, including providers with strong community roots, collaborative provider relationships, and staff willingness to adapt and support improvement efforts. She also noted areas of focus including transition of care billing, EKG billing, front office collections, no-show reduction, and operational efficiencies intended to improve volume and financial performance. Melissa Wilson stated that she was pleased with Ms. Walthall's early engagement and performance and proposed continuing to introduce additional department or program leaders to the Board in future meetings to further Board understanding of operations. Board members welcomed Ms. Walthall and asked questions regarding staffing response, collections, and clinic operations.

H. REPORTS

1. **CFO -** Jennifer Azua reviewed January financial and revenue cycle information. She reported positive trends since the transition to the current revenue cycle management vendor in August, including a decrease in aged accounts receivable balances, improved monthly cash collections, and reduced credit balances. She noted that December was the highest collection month in the prior twelve months and reported improvements in

coding turnaround times. She stated that reporting enhancements are still being requested from the vendor, but that the overall transition has been beneficial and is expected to continue improving.

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

   Nicki Hagen reviewed clinical operations and quality indicators. She reported 23 inpatient admissions, 40 observations, 802 emergency department visits, and 1,982 combined visits across the three clinics for January. She also noted three deaths for the month and stated there were no grievances or complaints reported.

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

   Melissa Wilson provided verbal comments supplementing her written report. She addressed current operational and financial conditions, including cash flow pressures, generator and infrastructure concerns, clinic performance, workforce expectations, leadership development, and ongoing efforts to strengthen revenue cycle performance and stabilize the organization. She also discussed continued focus on service line productivity, clinic sustainability, employee health plan monitoring, and maintaining a stable and professional leadership environment. She noted that Buffalo clinic operations continue to stabilize and that recruitment efforts remain active.

I. Executive Session - The Board entered into Executive Session at 12:27 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).

ACTION FROM EXECUTIVE SESSION - The Board reconvened in Open Session at 12:52 p.m. Action taken:

1. **CAH Conversion.** A motion was made by Danny Wren to authorize administration to begin the process of converting Freestone Medical Center from PPS designation to Critical Access Hospital designation. The motion was seconded by Brent Moore. Motion carried unanimously.
2. **Teague Clinic Closure.** A motion was made by Lisa Tate to authorize the CEO to implement closure protocols for the Teague clinic. The motion was seconded by Carman Mannen. Motion carried unanimously.
3. **Rock Surgical Notice.** A motion was made by Lisa Tate to authorize the CEO to issue notice of termination to Rock Surgical, with administration first attempting discussion regarding possible alternatives or renegotiation as appropriate. The motion was seconded by Danny Wren. Motion carried unanimously.
4. **ACPHealth Notice.** A motion was made by Lisa Tate to authorize the CEO to issue notice of termination to ACPHealth, while continuing discussions during the notice period regarding any possible alternative structure or renegotiation. The motion was seconded by Danny Wren. Motion carried unanimously.
5. **Beam Healthcare Notice.** Discussion occurred regarding Beam Healthcare. No action was taken at this time.

J. ADJOURNMENT - Meeting adjourned at 1:00 p.m.

K. Next Meeting - March 26th, 2025 at 12:00 p.m. at the J. R. Corne Board Room in Freestone Medical Center.

George Robinson
FHD Board President

Melissa Wilson
CEO, Freestone Medical Center