

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
SWEENEY HOSPITAL DISTRICT**

September 15, 2026

Time 18:00

Members Present: Mason Nichols, President; Leeda Wood, Vice President
Scott Swift, Dale Thames, Aaron Jackson, Millie Walker

Members Absent: Patti Foster, Secretary

Others Present: Tom Ronayne

Employees Present: Kelly Park, Cindy Burge, Travis Alford, Rosalind Brooks, Cody Marlette,
Kari Schroeter

1. **Call to Order** Mason Nichols called the meeting to order at 1800 (6:00 p.m.).

2. The invocation was given by Scott Swift.

3. **Record Members Present and Establish A Quorum**
There being 6 members present, a quorum was established.

4. **Public Comments**

A. Tom Ronayne said two things, several years back he had made statements and disagreements with decisions being made, the taxpayers commented that the district should take the money they need to operate the business and not a dollar more. In times expressed of what was going on, surplus budgets and putting several million dollars away every year, in his mind he compared those actions to those peoples' policies. He commented, if I did that in a way that instead of saying those policies are like those peoples' policies, if he said you are like those people he said he was wrong. He apologized.

The second item is on the budget. He said he still believes that there is several opportunities for improvement before the adoption of the last year's tax rate. He feels there is no reason to not pass a balanced budget. He commented there is a hiccup with Medicaid right now. We are in position to take care of business until that is resolved. After more than a decade, there is high surplus and it is time to adopt a tax rate that gives us a balanced budget.

5. **New Business**

A. Review / Approve Proposed Fiscal Year 27 Budget and adopt tax rate for 2026

Mason Nichols said we are here for the public hearing regarding the proposed tax rate that was given several weeks ago. We can adopt the 2026 tax rate tonight or at the next meeting scheduled next week if not adopted tonight. If we do adopt it tonight, we will move the board meeting to the end of the month at the normal meeting time, the last Tuesday of the month. We are open for any and all discussion now. Mason did say the news article regarding Medicaid could have impact on our discussion tonight.

Travis Alford gave an overview of the newspaper article regarding Medicaid. A couple of scenarios, and a little murky on what it means. So far, we have seen about a 6% decrease in Medicaid across the State. It is not necessarily pertinent to any specific area, that is a state wide guide. The big players within Medicaid come into effect on January 1, 2027. A lot of

the Medicaid population is seniors, children and pregnant moms. Those on Medicaid as of January 1st will have to submit at least 80 hours of work. There will be people that will fall off the program that do not meet that requirement. There will be an addition to that 6%. Medicaid is very slow about processing applications. That is where we will see coverage lapses. A lot of the patients will become self-pay patients. We have already seen an uptick in our self-pay population. We still have to take care of those patients and the cost still follows but we do not see payments following it. Medicaid usually pays 32% historically for us. Anybody that drops off Medicaid will be about 6% of those patients which equates to about \$180,000 to \$200,000 in net patient revenue not including the cost that we retain, because they are not leaving. That does not get into the payment programs, Chirp Program which is what most of the article was about, that is expecting to go away. QIPP is a little mirky, as we lose Medicaid patients in nursing homes, reimbursement will get smaller so we have less nursing home program funding. Uncompensated Care funding is a little mirky. Texas is not an expanded Medicaid State, meaning we have not opened up more Texas residents to the Medicaid program. That is why we have QIPP, uncompensated care and Chirp programs. He said he would estimate about 8 to 10% decrease in reimbursement. All of the rules don't come out until 2028. We are seeing an increase of patients in our ER this past month. Short story long probably a minimum of about a moderate outlook would be about \$400,000, 200,000 from Medicaid and 200,000 from the Chirp program. That is assuming no changes to QIPP, no changes to uncompensated care and a reduction in payments from Medicaid. The cost is what scares him, how many patients do we continue to see moving forward and not receive payments from those patients. In a hospital this size we can medically screen, but would be crucified for it by the patients. We would be turning people away that are not emergent and do not have the ability to pay for their care.

Scott Swift said we as a board should be a little more cautious in bringing more nursing homes on board in the QIPP program. Travis Alford said the 1115 Waiver is approved until 2035, so we are good for now.

Scott Swift asked in our budget, does it have this reduction regarding Medicaid anticipated in it. Travis responded, it somewhat does. Scott said what does somewhat mean. Travis said we have the Medicaid but not the assumption of Chirp loss.

They briefly discussed the days cash on hand. Mason Nichols said for the last decade, there has been 6 months to one year days cash on hand.

After discussion, Aaron Jackson said we owe it to the taxpayers to lower the rate and wanted the board to consider moving to a 16% decrease and a tax rate of 0.164830. Mason Nichols said he would not agree with that.

After further discussion, Aaron Jackson made a motion to adopt a tax rate with a decrease of 8% and rate of 0.180529. Scott Swift seconded the motion. After the vote, Dale Thames, Millie Walker and Leeda Wood opposed. Motion did not pass.

After further discussion, Dale Thames made a motion to approve the fiscal year budget for 2027 and adopt a tax rate of 0.186415 per hundred-dollar valuation for 2026, which is a decrease of 5%. Leeda Wood seconded the motion. After vote, Aaron Jackson and Scott

Swift opposed, Millie Walker, Dale Thames and Millie Walker were in favor. Motion passed.

This year's proposed tax rate does not exceed the no-new-revenue tax rate. A motion to adopt an ordinance, resolution, or order setting the tax rate does not require the language about "tax increase" as stated in §26.05(b) of Property Tax Code.

This year's tax levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy and will raise \$299,005 less for Maintenance and operations than last year's tax rate.

6. **CLOSED EXECUTIVE SESSION:**

Mason Nichols announced the Board would go into closed, Executive Session at 1930 (7:30 p.m.) to review the following:

- A. Personnel matters
- B. Deliberations concerning real property

End of Executive Session

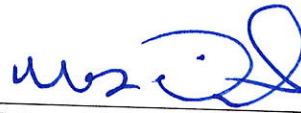
Went out of Executive Session at 2013 (8:13p.m.)

7. **Action regarding Executive Session: None**

Since the 2027 budget has been approved and tax rate adopted for 2026, the Board meeting has been moved to the last Tuesday, 9/29/2026. Also included on the next agenda will be the review of the Abatement Guidelines and Days Cash on Hand discussion.

8. **Adjournment**

Scott Swift moved for adjournment, seconded by Aaron Jackson. Meeting adjourned at 2016 (8:16 p.m.).



Mason Nichols, President
Recorder: Cindy Burge