

TAOS HEALTH SYSTEMS, INC.
BOARD OF DIRECTORS MEETING
MINUTES
September 24, 2025
2:00 p.m.

Present: Trinidad de Jesus Arguello, Abe Balsamo, Andrew Chavez, Robyn Chavez, Lucille Gallegos, Eileen Lujan, Jonathan Moran, DO, Steven Slikkers, MD, and Chris Stagg

Members Absent: Paul Sands, Carl Gilmore, Cristina Martinez, Don Mooney

Hospital Staff: James Kiser, Connie Prewitt, Vivian Santistevan, Brittany Hamilton, Misty Carruth and Lenora Cisneros

Guests: Eric Jones, Ovation Healthcare, Stephanie Gates, Taos News

- I. **Call to Order** – Holy Cross Hospital, a division of the Taos Health Systems, Inc., Board of Directors meeting was called to order at 1:05 p.m., Wednesday, September 24, 2025, by Lucille Gallegos, Vice-Chair. Attendance was recorded and a quorum was present.
- II. **Approval of Agenda** - The agenda was presented for review and approval. Following review and discussion, a motion was made and seconded to approve the agenda as presented. All were in favor and the motion carried.
- III. **Approval of the August 27, 2025 Taos Health Systems (THS) Board Minutes** - Following review and discussion, a motion was made and seconded to approve the August 27, 2025, THS Board Minutes as presented. All were in favor and the motion carried.
- IV. **Public Comments** – There were no public comments presented.

Development Update: Ms. Victoria Santistevan, Development Director, reported on the ongoing funding applications, including the Net Rural Health Care Delivery Fund and the Rural Healthcare Provider Transition Project. She reported on the \$50 billion federal funding released for rural stabilization projects. Ms. Santistevan also announced that they have chosen a donor software platform called Bloomerang, for donations. Discussion ensued regarding the importance of reassuring donors that restricted funds will remain restricted.

Ms. Santistevan asked the board what they would like the Foundation to focus on in terms of fundraising. She asked that they share their ideas with James. Ms. Santistevan mentioned the idea of hosting a dinner sometime in the Spring where everyone dresses up and do a friend raiser to let people know the hospital’s initiatives. The Foundation is planning to do a push for a new MRI.
- V. **Declaration of Conflicts of Interest** – There were no conflict of interests presented.

VI. **Lifewings Quality & Safety Council Report** – Misty Carruth, Director of Quality, Risk & Compliance

- Lifewings Quality & Safety Council Report – September 2025

Ms. Misty Carruth reported on the NM Health Care Delivery and Access Act, highlighting the hospital's performance in various measures. Discussion was held regarding importance of maintaining high standards in patient care and the impact of Medicaid cuts.

Following review and discussion, a motion was made and seconded to accept the Lifewings Quality & Safety Council Report as presented. All were in favor and the motion carried.

VII. **Approval of the Consent Agenda**

- CNO Report
- CAPS Report
- CHRO Report
- CSO Report

Following review and discussion, a motion was made and seconded to approve the Consent Agenda as presented. All were in favor and the motion carried.

VIII. **Acceptance of the Finance Committee Executive Summary & Approval of the September 2025 Capital Requests** - Ms. Connie Prewitt presented an executive summary for the August 2025 Financials and the capital requests for approval.

Financial Highlights (YTD – August)

- Gross revenue is **\$3.5 million below budget**, reflecting a slower first quarter compared to previous years.
- Contractuals remain favorable at **52.9%**, better than the **54%** budget target.
- Other income is **\$1.4 million over budget**, driven by HDAA.
- Salaries and wages are **\$1,223K under budget** year-to-date.
- Combined salaries, benefits, locums, and contract labor are **\$626,000 under budget**, totaling **81.8% of net patient revenue** compared to **80.2% budgeted**. This budget variance decreased **\$348,000** to the bottom line.
- Supplies are at **7.5% of gross revenue** compared to a **7% budget**.

Summary

Despite lower-than-budgeted gross revenues, favorable contractual performance and HDAA-related income led to a positive financial outcome for the month and quarter. Cost control measures, particularly in contract labor and high-expense departments, will continue to be a focus moving forward.

Following review and discussion, a motion was made and seconded to accept the Finance Committee Executive Summary as recommended by the Finance Committee. All were in favor and the motion carried.

Following review and discussion, a motion was made and seconded to approve the capital requests (Facility Nurse Call Replacement & GE Meditech Interfaces), as recommended by the Finance Committee. All were in favor and the motion carried.

IX. **CEO Report** - Mr. James Kiser reported on the following:

- Medicaid Cuts Update - It was noted that recent media reports across the state have suggested that all rural hospitals in New Mexico are at risk due to potential Medicaid cuts. Because of our high dependency on Medicaid and Medicare—approximately 25% of our patients are on Medicaid and nearly 50% on Medicare—this raised some concerns among staff and the community.

When the press released their report, they specifically mentioned “across Taos,” which caused unnecessary alarm among staff, providers, and community members. One patient even inquired whether the hospital was closing. In response, an internal email was sent to reassure staff that Holy Cross Hospital is at *less* risk compared to many other facilities, largely due to the \$50 billion in rural stabilization funds and the state’s ongoing support for rural hospitals.

It was emphasized that urban hospitals may face greater challenges, as they are also heavily dependent on Medicaid funding. However, this poses broader concerns since rural hospitals rely on urban facilities for higher levels of care.

It was also noted that the hospital, now 30 years old, remains in need of significant maintenance and equipment upgrades to ensure the continued delivery of safe, quality patient care. Much of the medical equipment has reached or surpassed its end of life. Thanks to Administrations’ efforts, the hospital received a \$22 million GRT bond over 10 years to help address these needs. Since the County serves as the fiscal agent, reimbursements can only be requested once the purchased equipment is in service. This means the hospital must initially cover costs upfront.

- Ms. Brittany Hamilton and Ms. Sue Romansky discussed the recent upgrades to cardiac monitors, anesthesia machines, chemical analyzers, new ultrasound for Hospitalist, and other equipment. They mentioned that the new equipment has significantly improved staff morale and the quality of care provided.
- Mr. Kiser reported on the Cancer Support fundraisers held.
- A Patient-Led Health Summit has been scheduled in Taos on November 13th at the UNM Bataan Hall from 5:00 p.m. to 7:00 p.m. Four locations in New Mexico were selected to host the summits. The summits will be held in Las Cruces, Grants, Albuquerque, and Taos. The primary focus of the Health Summits will be focusing around medical malpractice

reform and Medicaid reform. We have invited Dr. Alfredo Vigl and Ms. Deanna Jennings, from Gallagher Healthcare, our professional liability insurance broker, to be our keynote speakers. The board was invited to attend.

- Continue to promote the Mill Levy. Marketing has been working hard. They are taking community leadership photos and employee group photos and posting them on Facebook, Questa newspaper, and in the Taos News. They are also working on promoting the radio ads on the local stations.

X. **Medical Staff Recommendations** – Jonathan Moran, DO, Chief of Staff

Initial Appointments:

- **Coaxion Teleradiology:** Appointment in the Pediatric and Adult Medicine Department.
 - Cospier, David Shaun, MD
 - Reynolds, Arich, MD
 - Simmons, Garrett, MD

Reappointments:

- **Botros, James, MD (Tele Neuro)** - Re-appointment in Pediatric and Adult Medicine Department.
- **Guillory, Tesha, MD (Pathology)** - Re-appointment in Pediatric and Adult Medicine Department and Surgery and Anesthesia Department.
- **Kogan, James, MD (Tele Neuro)** - Re-appointment in Pediatric and Adult Medicine Department.
- **Ninneman, Alexandra, MD (Hospitalist)** - Re-appointment in Pediatric and Adult Medicine Department.
- **Scarabelli, Tiziano, MD (Cardiology)** - Re-appointment in Pediatric and Adult Medicine Department.
- **Singh, Rameet, MD (OBGYN)** - Re-appointment in Perinatal Department and Surgery and Anesthesia Department.
- **Smith, Theresa, MD (Pathology)** - Re-appointment in Surgery and Anesthesia Department and Pediatric and Adult Medicine Department.

Locums:

- **Arghiropol-Grigorescu, Constantin, CRNA**

Following review and discussion, a motion was made and seconded to approve the medical staff recommendations as presented. All were in favor and the motion carried.

XI. **Ovation Healthcare Report** – Eric Jones, Ovation Healthcare presented on the following:

Mr. Eric Jones reminded the Board that a few months ago, they had discussed starting a series focused on improving board financial literacy. The goal is to introduce one financial performance

dimension at a time, rather than reviewing all eight at once. This month's topic is focused on **Capital Structure**, with future sessions covering additional performance areas. Mr. Jones reviewed the following components:

- **Overview of Capital Structure**
- **Debt and Equity Concepts**
- **Not-for-Profit vs. For-Profit Structures**
- **Example of Capital Structure Balance**
- **Strategic Use of Debt**
- **Equity Financing Ratio**
- **Benchmark Comparison**

The session emphasized that **capital structure is an important governance metric** that supports long-term planning and financial sustainability. Boards should periodically review this metric in alignment with strategic planning efforts and future service expansion goals.

Mr. Eric Jones reported that he is working on following up on the Board Self-Assessment and Board Development Plan.

XII. **New Business**

Ms. Lucille Gallegos congratulated board member Abe Balsamo for being nominated as one of this year's Unsung Heroes. Mr. Balsamo shared the details about the baseball program, including its impact and future plans. The board expressed their appreciation for Mr. Balsamo's contributions to the community.

XIII. **Monthly Board Committee Meeting Calendar (October 2025)** – Informational.

XIV. **Old Business** - There was no old business presented.

XV. **Review Meeting Effectiveness**

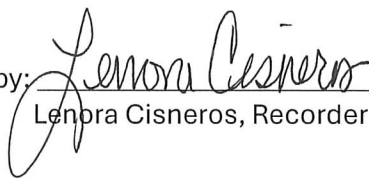
Ms. Lucille Gallegos, Vice-Chair, was praised for running an efficient meeting.

XVI. **Executive Session**

- a) A motion was made and seconded at 3:13 p.m. to enter into Executive Session to discuss legally protected matters. All were in favor and the motion carried.
- b) A motion was made and seconded to reconvene into open session at 4:24 p.m. All were in favor and the motion carried.

XVII. **Adjournment** - There being no further business, a motion was made and seconded to adjourn the meeting at 4:25 p.m. All were in favor and motion carried.

Respectfully submitted by:


Lenora Cisneros, Recorder

Approved by:


Cristina Martinez, Secretary