

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

June 27, 2016

The Sabine County Hospital District Board of Directors met for a Regular Meeting on June 27, 2016 at 5:30 PM in the Sabine County Hospital Board Room.

Present

Mark Pearson, VP/Financial Officer
Joe McNaughten, Secretary
Earl Willis, Board Member
Emily Taylor, Administrative Assistant
Tyler Williams, EMS Director of Operations

Absent

Phil Yocom, President
Gary Williams, EMS Administrator
Diane Powell, District Administrator

Others Present

Jerry Howell, Sabine County Hospital Administrator
Larry Stephens, CFO Preferred Hospital Leasing
Jared Chanski, Preferred Hospital Leasing
Andy Freeman, CEO Preferred Hospital Leasing

- I. Mr. Pearson called the meeting to order at 5:30 p.m.
- II. Mr. McNaughten opened the meeting with prayer.
- III. Public comments:
Mary Hill stated that she always like to go to school when it was show and tell. She stated that she seem to always learn something new. Ms. Hill stated tonight she wanted you to learn something. She stated that she had a book with a paper clip on it and when you open it up what are you going to see? She stated it was six smiling faces around a picnic table. Ms. Hill stated that the Hospital was very well represented in a beautiful publication. She stated it catches your eye. Ms. Hill state that if you read the articles in the magazine written by people who have jobs at the hospital and part of the community they talk about the medical conditions and how they are improving. Ms. Hill stated that you could learn a world of value from that little book that cost absolutely nothing. Ms. Hill stated look at that picture what do we got? Mr. Howell stated a good looking guy in the middle. Ms. Howell stated six smiling faces and all of them are attractive and nice to

look at. She stated that when she first looked at that she would be like there is a couple guys there I would like to see. Mr. Howell stated that was an ad that the hospital did place, but what they would have like to have seen was the publishers of the book put more of the information and services combined in one location or maybe even an interview with one of the providers. Mr. Howell stated that Ms. Hills point was well made but he hopes that next time one of those book are put together they make an effort and come back to follow up. Mr. Howell stated he was out of line and he apologized. Ms. Hill stated that Mr. Pearson had a big beautiful ad in the book. Ms. Hill stated that the copies she handed out if they are unwanted to leave them in the front room for others to see. Ms. Hill stated everyone needed to go to the chamber of commerce and get half a dozen copies and when you go to a doctor's office, lawyer's office or any office out of town leave it in the front for people to look at. She stated lets sell Sabine County and it was up to the community to sell Sabine County. Ms. Hill stated that all she was asking was for everyone to get there saliva worked up, their feet and mouth working and let's see what can do for the community. Mr. Pearson thanked her for her comment.

- IV. Mr. Pearson stated that two sets of minutes have been tabled in the past. Mr. Willis stated correct and he has no problem approving the minutes but he did have a few questions about the financials. Mr. Willis moved to accept the minutes for April 25, 2016 and May 23, 2016. Mr. Pearson seconded. Motion Passed.
- V. Mr. Howell stated Year to Date; Inpatient days have increased 8%, Swing Bed Days have increased 150%, ER Visits have decreased 7%, Admits from the ER have decreased 5%, Outpatient Visits have increased 4% and Clinic Visits have increased 18%. Mr. Howell showed his appreciation to the Providers, Laura McCroskey and Pat for doing an outstanding job with the Swing Bed Program. Mr. Willis asked if Mr. Howell had seen a change in the clinics since the numbers are up that high and the ER visits maybe some of the ER patients are now going to the clinic and not the ER. Mr. Howell stated when you look at ER visits this year to last year the Hospital is down about 7%. He stated not only is it that more people are going to the clinic but it's now easier to get appointments at the clinics because in years past there was a shortage of doctors in the clinic and some clinics had to close at certain times because of the shortage. Mr. Howell stated this year they have been able to avoid closing the clinics so he believes this would be the reason the ER patients are down. Mr. Howell reminded the board members that the Board retreat will be held in San Antonio, TX November 9-11, 2016, he asked that they contact him or Laura Simpson if they would like to attend. He stated there would be more details on that as it gets closer. Mr. Howell stated that about 3 months ago the hospital applied for a Capital Improvement Grant through the stated and they have been denied for that grant. Mr. Howell stated that the Chronic Care Nursing program is on target. The training for this program and the installation of the hardware and software is proceeding forward. He stated that there has been a lot of work done getting this program on track for September. Mr. Howell stated that Sabine County Hospital participated in a disaster drill with SETRAC and was held for a period of two days. This was a table top drill. He stated it identified a few weak areas that can be improved on. Mr. Howell stated that they had another training day scheduled for July 6. Mr. Howell explained that Dr. Natalia will be out the whole month of July. He stated that it was part of the negotiations when signing a

new two year contract but she would attend a one week CME during July and would be back in the office on August 1. Mr. Howell gave a special acknowledgement to Mr. David Jones and Mr. Casey Clark. He stated they have taken on a couple new projects and have done a really good job staying on track and getting them finished in a timely manner with a good attitude. Mr. Howell stated that he had handed out two documents before the meeting started. He stated that the small report was an indigent and uncompensated care report that is provided to the district each year. Mr. Howell stated that the way Preferred prefers to do this is by completing the cost report. He stated that the cost report is something the Hospital had to complete at the end of the year and file it with Medicare. Mr. Howell stated that on page 10 of the report it breaks down the cost of uncompensated care. Mr. Howell stated included in this calculation is the total cost of uncompensated care that is adjusted from the 1115 Waiver money that comes back to the Hospital with the state match. He stated then it breaks down how much the uncompensated care cost to deliver and the bottom line for 2015 the Hospital delivered in excess of \$1.6 million in cost of care by the time DSRIP is changed and reduced from what the Hospital delivered \$1,154,000.00 of uncompensated care to the individuals of Sabine County. He stated that he would like to remind the board that is after the 1115 Waiver money is subtracted from the amount. Mr. Howell stated that the other report is a cost report and he did not expect the agenda to go out early and it did go out earlier than normal and was told it would not be amended so therefore he missed adding it to the agenda. Mr. Howell did supply a copy of the audited financials for FY15 and it shows a net loss of just under \$2,000. He stated that the Board could review that and if they had any question Preferred could go over it directly with them. Mr. Willis asked if there would be a change on the report that he was given on the last line of \$200,000. Mr. Howell asked changed from when. Mr. Willis stated last year. Mr. Howell asked the year end unaudited. Mr. Willis stated yes. Mr. Larry Stephens stated there was about a \$30,000 change. Mr. Willis moved to accept the Hospital Administrator's report. Mr. McNaughten Seconded. Motion passed.

- VI. Mr. Howell handed out a report that comes from HHSC whom is the administrator of the 1115 Waiver DSRIP program. He stated he would like to point out that highlighted in yellow are the metrics that were reviewed, and HHSC found the provider submitted documentation to support this achievement. The metrics are approved and eligible for payment. Mr. Howell stated that this is part of the DSRIP program that was randomly chosen for audit. He stated that the Hospital did submit a large amount of paper work that had been reviewed and decided that the Hospital did meet the requirement and because of that the Hospital does have a chance to pull down from DSRIP Payment. Mr. Howell stated that he did have a request at this time for that. He stated that through May \$334,999.99 is due to Preferred, through the month of June Preferred would have earned \$68,333.33 more. Mr. Howell stated that the payment would not be deducted from the District Account until July and would like to request July's payment as well. Mr. Howell stated that he was requesting \$471,666.65 which would include the months of June and July. Mr. McNaughten moved to transfer \$471,666.65 for DSRIP Payment. Mr. Willis seconded. Mr. Willis asked since this is being requested tonight, when would Preferred like this money in Oklahoma. Mr. Howell stated that the funds do not go to Oklahoma it

all done through the District. He stated that Preferred never takes possession of the funds transferred. Motion Passes.

- VII. Mr. Tyler Williams stated the number of call for May are approximately the same as April. He stated the numbers are staying pretty steady and that is normal for this time of year due to the high humidity and heat. He stated the average response time is still 10 min and 30 seconds and 50% of the calls being under 5 minutes. He stated with 911 destinations Sabine County EMS carried 13 to CHI St. Luke's, 40 to Sabine County ER, and had 29 refusals. Mr. Tyler Williams stated that refusals are still pretty high but that is because people are getting hot and before the ambulance can get there someone has already gave them ice water and cooled them down. Mr. Tyler Williams stated there they carried 15 wait and returns to different doctors' offices. He stated that the zone breakdown is as follows; Bronson 2, Fairmount 14, Hemphill 22, Hospital 37, Lufkin 2, Nacogdoches 2, Nursing Home 29, Pendleton 13, Pineland 16, Six Mile 10. He stated that the mileage on Med One is more than the other units. He stated this is typical of a service this size due to the scheduling of remounts. Mr. Pearson asked how Med 3 has been since purchasing and putting it into service besides the incident where there was a deer hit. He stated that the Unit is outstanding, the only maintenance issue with it as of now is the shocks need replacing. Mr. Pearson asked if that would be s comfort to the driver, patient or both. Mr. Tyler Williams stated it was more for the driver. He stated that there is an air ride system on the box so it is not bad in the back at all. Mr. Willis asked who Dr. Overturf was. Mr. Tyler Williams stated it was a doctor in Nacogdoches. Mr. Willis stated that the only thing really adaptable besides getting on the ambulance which is still good and he really appreciates what they service is doing the Community has needed it for a long time. Mr. Willis stated the people in the far corners of our county down in Beechwood, over in Bronson, and up in Pioneer Park they do not receive the 10 minute average because it's locked in with the close calls. He stated the only reason he is asking is so maybe there will is some way to get those places times down so that when people call him at 10 p.m. and ask where is the ambulance is he doesn't know where it is. Mr. Pearson stated that the previous provider the county was at a 45 minute wait time on average in the City of Hemphill. Mr. McNaughten motion to approve Administrator's report. Mr. Willis seconded. Motion Passed

VIII. Item Tabled

- IX. Mr. Willis stated that the board actions over the last 6 months or however long it has been has made a lot of things going hay wire in this building. He stated that he would not be involved in that anymore. Mr. Willis stated that either the Hospital Board will have a regular meeting or he will not get involved in the shouting and everything else. Mr. Willis stated the reason he wanted to add this agenda item was because the Board was deficit spending today. He stated that we receive tax money and start getting big lump sums in October, November, December, and January. He stated by the time it rolls around to January the biggest part is already spent so by the time we get to this point in the year our ambulance service was running \$140,000 in the negative. Mr. Willis stated that when this issue was brought up a few weeks back Mr. Yocom asked him how much was being spent on the previous ambulance service. Mr. Willis stated that we paid the

previous ambulance service \$330,000. He stated that he does not want that to fool anyone because the ambulance service is a money drain. He stated that it is one of those things you have to have and need to have and we do have it but we have to be careful on deficit spending on the ambulance service. Mr. Willis stated the Board is watching the numbers very closely in everything and that's good but we can't continue this kind of spending for the next 5 years like this because pretty soon it will catch up with the district on the actual amount of money spent then you start spending money for next year. He stated that the tax money is done in October we come up with a rate then it is set for the next year then we get the money from the Tax office mostly in November, December and January. Mr. Willis stated that money isn't set aside for later spending it is spent because it all goes in the same pot. Mr. Willis urges and recommends to the board that if they do not know what the numbers are he would highly suggest that they look at the numbers to see where we will be in two years versus where we will be coming out in two years. Mr. Pearson stated we had some startup cost, is that not correct? Mr. Willis stated yes we did. Mr. Pearson stated when the Board started EMS it was to provide a better service to the community not to make money. He stated that we do have to do our due diligence with the tax payer dollars. Mr. Pearson stated that when the plans for EMS were drawn up it was planned to subsidize EMS. Mr. Pearson asked that we were paying the previous EMS service how much? Mr. Willis stated \$330,000. Mr. Pearson asked how many units were provided to Sabine County with the previous service. Mr. Willis stated sometimes none. Mr. Pearson stated that was correct. He stated with the amount of care the citizens of the Sabine County are getting with the small amount of subsidy that he is seeing, there is no comparison. Mr. Willis stated that the reason he brought this issue up is because he wants the board to look at the financials. Mr. Pearson stated that the Board does always look at the financials like they always do. No Action

- X. Ms. Taylor stated that what we would like is for the Board to approve the current signatures to be moved from Sabine State Bank to Shelby Savings Bank with the exception of Dr. Comeaux. Mr. Willis asked if this had already been approved. Ms. Taylor stated that the Board did approve to change banks but we are now needing approval to change signatures so that everyone who can currently sign checks could still do so through Shelby Savings Bank. Mr. Willis moved to approve the signatures with the exception of Dr. Comeaux. Mr. McNaughten seconded. Motion passed.
- XI. Tabled.
- XII. Tabled
- XIII. Tabled
- XIV. Mr. Willis stated that this has already been approved by the other entities for some reason the Hospital Board always gets it last. Mr. Willis moved to accept the delinquent property. Mr. McNaughten seconded. Motion passed
- XV. Tabled

XVI. Mr. Willis moved to allow the District Administrator, EMS Administrator, and Director of Operations to attend Texas EMS Conference. Mr. McNaughten second. Motion passed.

XVII. Executive session none.

A. Concerning the Sabine County EMS Ambulance Station.

XVIII. Return to open meeting.

XIX. Mr. Willis stated that he went and inspected the current ambulance station. He stated that he did not see anything that would make him think there was mold in the building. He stated that it may be behind the wall he was unsure but there are all kinds of mold to be had. Mr. Willis stated that he was shown the leaking around the French doors in the back and some other things. He stated that they had been out several times but they still needed to come back to fix these problems. No action.

XX. Board member comments:

Mr. Willis stated that goodness we had a decent meeting today.

Mr. Pearson thanked the Preferred team for flying down to attend the meeting. He stated it is always good to see them at the meetings. Mr. Pearson stated that he would also like to thank the members of the community for getting involved. Mr. Pearson stated that he did enjoy the meeting except for his learning curve.

Mr. McNaughten stated that it was good to see the Preferred team in attendance. He stated that he remembers well the night Mike Easley called him. Mr. McNaughten stated also he is glad to see his champion golf player. Mr. McNaughten stated that he pulled himself off his death bed to come to the meeting he really didn't feel like coming. He stated that Dr. Natalia had him on Cipro and it's about to kill him. He stated he would like to discontinue taking it.

XXI. Meeting adjourned at 6:10 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors