

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

May 23, 2016

The Sabine County Hospital District Board of Directors met for a Regular Meeting on May 23, 2016 at 5:30 PM in the Sabine County Hospital Board Room.

Present

Phil Yocom, President
Earl Willis, Board Member
Joe McNaughten, Secretary
Mark Pearson, Vice President
Emily Taylor, Administrative Assistant
Tyler Williams, Director of Operation EMS

Others Present

Jerry Howell, Sabine County Hospital Administrator
Penny Ferguson, Daily News and More
Montez McNaughten, Sabine County Citizen

- I. Mr. Yocom called the meeting to order at 5:30 p.m.
- II. Mr. Pearson opened the meeting with prayer.
- III. Public comments:
Mary Hill stated she thinks after being in some of the meetings that we need to contact people every day. She stated that she does not care who is spoken with or who the conversation is with but they need to be reminded that Sabine County has a good thing going in Sabine County Hospital. Ms. Hill stated we have good doctors and if they don't like the Doctor they are going to then invite them to come find a doctor in Sabine County to find out how lucky this town is. She stated let's stop the rotten gossip that goes around town. Ms. Hill stated that it is like there is going to be a tea party to discuss the Hospital. She stated let's have a tea party and when we discuss the Hospital let's remind people it's here, we can use it, we have a number of good doctors here to serve us and when you go to that doctor and make sure when you go to one of those doctor you show them appreciation for spending their life in Sabine County. Ms. Hill stated that she is just asking that everyone here be a publicity person for the health care we have and let's stop gossip and let's promote the best thing in the county for everyone to use day in and day out. She stated to never ever forget to tell your doctors thank you. Mr. Yocom thanked her for her comment.

Jamie Payne stated that he would be brief. He stated that he would like to complement Mark, Earl, and Joe for a good job they are doing and for doing the will of the people. He stated he would recommend that Mr. Yocom resign. Mr. Yocom thanked him for his comment
- IV. Mr. Yocom asked if there was any motion or discussion on this item. Mr. Yocom asked again if there was a motion on this item. Mr. Willis stated that he would like to make a comment it is not a motion it is just a comment. He stated that he believes the people of Sabine County have made their wishes known

about what they would like the board to do and the preference would be for Mr. Yocom to resign from the Board. Mr. Yocom stated that issue dies due to lack of motion.

- V. Mr. Yocom moved to keep the same officer positions that the Board members are currently holding. Mr. McNaughten seconded. Motion passed.
- VI. Mr. Yocom asked if everyone had a chance to approve the minutes and financials. Mr. Willis stated that he had not been able to review the minutes and financials. He stated that he just got them that afternoon due to problems with his computer so he would like to wait to approve them. Mr. Yocom asked if he had the minutes from the previous packets from March 28 and April 5. Mr. Willis stated yes and he has a chance to look at those. Mr. Yocom asked if we could approve those. Mr. Willis stated yes. Mr. Willis moved to approve the March 28 and April 5 minutes. Mr. Yocom seconded. Motion passed. Mr. Yocom asked if everyone has had a chance to look at the financials and invoices or have any questions. Mr. Willis stated it was the same problem with this month's financials he just received them. Mr. Willis moved to approve the March 28 financials but postpone approval of the April 23 financials. Mr. McNaughten seconded. Mr. Pearson stated that he would like to have the record show that he received his packet on May 17. Motion passed.
- VII. Mr. Howell stated that for the month of April the Hospital has 82 inpatient days which is equal to where it was last year. He stated that swing bed days are up 52 days. Mr. Howell stated that if you look at 2016 vs 2015 discharge days the hospital is up 52 and that is a 51% increase. Mr. Howell stated that ER Visits, Admissions from the ER and Outpatient Visits are all down but Clinic Visits are up. Mr. Howell stated that the Hospitals Annual Health Fair was held on May 13 on the Court House Square. He stated that there was a good local response and was also pleased with the amount of vendors showed up. Mr. Howell stated that they would like a bigger turn out in the future so Preferred is going to be looking into changing somethings around. Mr. Howell stated that the base covering had been installed after several setbacks. He stated that the Hospital staff was the focus during the recent National Hospital Week and Nurses Week. He stated that the Hospital is blessed with having a quality staff who provides quality care with caring attitudes. Mr. Howell stated that they had two ladies Kelly Kapraun and Devin McClelland that graduated with their RN and will be continuing school to receive their BSN. He also stated that Preferred will be holding there bi-annual board retreat November 9-11 in San Antonio at the JW Marriott and would like to invite Sabine County Hospital District Board to attend and if they would like to attend they could tell himself or Laura Simpson. Mr. Howell stated that they anticipate the ER volume to decrease over the rest of the month and into the summer. He stated that the number of positive flu tests have went to nearly zero at the hospital and the clinics. Mr. Howell stated that there are six staff members at Sabine County Hospital that have children graduating from Hemphill and one from Pineland. He stated that means 9% of kids graduating from Hemphill School have parents working at the Hospital. Mr. Pearson asked if Kelly Kapraun was the young lady that received the Grover Winslow Scholarship a few years back. Laura McCrosky stated yes. Mr. Willis moved to accept the Hospital Administrator report. Mr. McNaughten seconded. Motion passed.
- VIII. Mr. Howell stated that he has no request. Mr. Willis stated this was held over from the last two meetings because we tabled something about 1115 waiver. Mr. Howell stated that this item has to stay on the agenda. Mr. Willis stated that whether it has been on here now or before, what is being looked at on this item just discussion? Mr. Yocom stated there is no action to be taken as of now. Mr. Pearson stated that this item is a standard agenda item due to the timing of the calls for 1115 Waiver Funding in order for the board to vote on the amount of money being sent up. Mr. Willis asked, "and we are going to do that correct?" Mr. Howell stated that he does not have a request at this time. Mr. Willis stated that he understands Mr. Howell does not have a request tonight but it would happen sometime this year. No Action.

- IX. Mr. Tyler Williams stated that EMS had one of the best call volume months in April and it seems like it is still going into May. He stated that the average response time is low with 9 Minutes 21 Seconds being the average response time for the month of April. The break down on response time is as follows: 50% being under 5 minutes. Mr. Tyler Williams stated that 12% of the 911 calls went to CHI Lufkin, 4% to Christus Jasper, 4% Landing Zones, 3% to Nacogdoches Medical Center ER, 4% to Nacogdoches Memorial, 40% to Sabine County ER, 5% to Woodland Heights ER, 7% to San Augustine ER, and 19% were Refusals. He stated that the Non-Emergent Transfers destinations were as follows: 5% go to CHI St. Luke's ER, 10% went to some Doctors office, 47% to Hemphill Care Center, 5% to Mount Mariah, 21% to Sabine County ER, 5% to Woodland Heights ER. He stated that the emergent Transfers we had 47% go to CHI St. Luke's, 20% to Nacogdoches Memorial, 27% to Woodland Heights ER, and 7% to San Augustine ER. Mr. Williams stated that we had one patient that went to the Dental Center of East Texas, 43% to Hemphill Care Center, 17% to Mount Mariah 4% to East Texas Medical Center, 13% to Sabine County Hospital 9% to Nacogdoches Medical Center, 4% to Woodland Heights and that it all the medical transports. He stated the Call Location Breakdown is: 3% Doctor's Offices, 38% Home, 26% to the Hospitals, 24% to the Nursing Homes, and 1% other Specified Places, 2% places of Business, 5% to Street or Highway. Mr. Williams stated that the Zone break down are 4 calls in Bronson, 7 in Fairmount, 14 in Hemphill, 37 to Hospitals, 5 in Nacogdoches, 36 calls in Nursing Homes, 14 in Pendleton, 22 calls in Pineland, 2 in Rosevine, 2 in San Augustine County, 7 in Shamrock, and 4 in Six mile. He stated we had one dead on scene, 17 no treatment no transport, 21 Transports lights and sirens, 115 Transports No lights or sirens, 1 assist, and 1 call cancelled. Tyler stated you can see that the main to units we are keeping about the same amount of miles on them med 3 about half the mileage due to it only being used half the week and med 4 hardly any miles because its only used if Gary and I need to make a call from the office. Mr. Willis moved to accept the EMS Administrator report. Mr. McNaughten seconded. Motion passed.
- X. Mr. Yocom moved to enter into negotiations to renew the EMS contract with Sabine County Hospital and Hemphill Care Center. Mr. McNaughten seconded. Motion passed
- XI. No Action Taken.
- XII. Mr. McNaughten stated that he was kind of shocked when he saw a very good little magazine put out by the chamber of commerce. He stated that there was a very well written article written by Lee Dutton that talked about all the great things in Sabine County but there was no talk of the Hospitals, Doctors, or the wonderful nurses at Sabine County Hospital. Mr. McNaughten stated that someone needs to tell the Chamber about what we have here and if we didn't have the Hospital a lot of the things they was bragging on would not be happening. Mr. Howell stated he met with them regarding an ad and it was his understanding they would circle back and they would talk about health care. He stated that the next thing he knew the magazine was coming out. Mr. Pearson stated that business owners and people of the community should know that it has been disorganized for some time now. He stated that they just recently reelected officers last month so maybe moving forward it would be brought to their attention. No Action Taken.
- XIII. Mr. Yocom stated he was appointing Mr. McNaughten and himself to seek out a qualified candidate to replace the precinct 3 position. He stated that position covers Pineland, up around Rosevine and down through Bronson. Mr. Yocom stated that that he feels that Mr. McNaughten and himself probably know more people around that area than anyone else on the Board. He stated that they would bring back a unanimous recommendation to the Board. Mr. Pearson stated that with the publication with the news media he would like to let people know that anyone that may be interested needs to contact Mr. Yocom or Mr. McNaughten. Mr. Yocom stated they could also contact the Hospital District Office. Ms. McCroskey asked what the restrictions are when considering a candidate that is related to an employee of the hospital. Mr. Yocom stated they could be related to an employee if it is an employee that is already working, but if the Board has to vote on something that will affect that employee personally that

Board Member would have to recuse themselves from the vote and discussion. Mr. Willis stated that there are currently four Board members and he does not feel that there needs to be a committee to go look for people to come serve on the Hospital District Board. He stated that he feels that it needs to be something done by the four current members and not a committee that is going to come back and say let's do this and let's do that. Mr. Pearson stated that the whole Board would still have to vote on it. Mr. Willis stated he was talking about not including some people that should be included. Mr. Yocom stated to send them to Mr. McNaughten or himself. Mr. Pearson stated that he just gave an open invitation for the media to share to please come forward if they are interested because we need someone that wants to be involved. Mr. Yocom stated that he said that Mr. McNaughten and he would bring back a unanimous recommendation and would not bring back a split vote. Mr. Willis stated that if that was the issue at hand and everyone gets a vote why we needed a committee to bring someone back. Mr. Yocom and Mr. Pearson stated the Board would have to vote. Mr. Willis stated that he understood that the Board will vote but why do we need a committee to bring us someone to vote on. Mr. Yocom stated it was because if the Board interviews someone for a position you have to be ready to accommodate them and their time. He stated then we would have to post a meeting agenda 72 hours in advance and that was just too unwieldy. Mr. Yocom stated that Mr. McNaughten and he would not bring before just one qualified candidate but every qualified candidate they agree on. Mr. McNaughten stated that the problem is that there are a lot of people qualified but finding someone that is willing to do it. Mr. Willis stated so you're not going to include us all in on asking people to vote. Mr. Yocom stated that Mr. Willis could ask anyone he would like to run. Mr. Howell asked how long they would serve. Mr. Yocom stated they would fill the unexpired term which would put the election in 2018. Mr. Pearson stated that whoever fills the spot would have to be approved by the whole Board all Mr. Yocom and Mr. McNaughten are doing is looking for qualified person to recommend Mr. Willis asked what the time frame was on filling the position. Mr. Pearson stated as soon as possible. Mr. Yocom stated he does not have a time frame the sooner the better but he does not have a time frame. Mr. Willis asked how it would be discussed if it was not on the agenda. Mr. Yocom stated it would be on the regular board meeting agendas but if necessary there will be a special meeting called to discuss the issue. Mr. Willis asked at that time we would discuss who, what, when, why and how. Mr. Yocom stated we would discuss every one of them. Mr. Payne asked if the two go together and talked wouldn't that be an illegal meeting. Mr. Yocom stated you had to have three to make it an illegal meeting. Mr. McNaughten stated that Mr. Yocom and he would not be making a decisions on anything they are just going to make recommendations to the board.

XIV. Mr. Willis stated he has no information at the meeting. No action.

XV. Mr. Pearson stated that the finance committee met recently and felt due to the lack of bids from one bank and the benefits from Shelby Savings Bank, he stated the finance committee recommends that the District Board move the depository to Shelby Savings Bank in Hemphill. Mr. Willis asked how many banks showed interest in this. He stated that Mr. Pearson said one bank did not submit a bid. Mr. Pearson stated correct. Mr. Willis asked that Sabine State Bank did not submit a bid but Shelby Savings Bank did? Mr. Pearson stated yes and that is our recommendation at this time. Mr. Yocom stated we cannot consider our current Sabine State Bank depository due to then not giving a bid. Mr. Willis asked if there was a requirement that this was handled now. Mr. Yocom stated yes we were actually past due. Mr. Willis asked what the requirements are. Mr. Yocom stated it is in the enabling regulation that we go out for bids on depository every two years. Mr. Willis asked what the difference was and why the committee was recommending Shelby Savings. Mr. Pearson stated there was a multitude of differences or pros. Mr. Yocom stated there was anywhere from 60% to 400% difference in the money we could make going with Shelby Savings versus First Bank and Trust or First State Bank. Mr. Willis stated that 400% was a big number when there probably isn't \$400 in this whole thing. Mr. Yocom stated the CDs from Shelby would pay approximately \$3600 when another bank would only pay us \$900 on the same amount. He stated to him that was 400%. Mr. Willis stated so Shelby Savings would pay us more than the other bank would pay us? Mr. Willis asked what two banks Mr. Yocom is talking about. Mr. Yocom stated that First Bank and Trust East Texas pays \$900 on CDs and First State Bank paying \$2160 and

Shelby Savings \$3601 for the year. Mr. Yocom stated interest on Checking account giving the average balance over the 2015 year would be \$783,653. He stated if you take the amount that First Bank and Trust was willing to pay was \$509, First State Bank \$2350 and Shelby Savings would pay \$3918. Mr. Willis asked if there was a difference in the way money it being handled at its self not interest rates, loans, etcetera? Mr. Yocom stated that the money is backed just like we are now with Sabine State Bank. Mr. Willis asked if they was aware they would have to put up more money than just a small amount. Mr. Yocom stated yes they was aware of that. Mr. Willis stated ok. Mr. Willis asked who was on the committee. Mr. Yocom stated Mr. Pearson, Ms. Powell and himself. Mr. Yocom moved to award the depository contract to Shelby Savings Bank. Mr. Pearson Seconded. Mr. Yocom, Mr. Pearson voted yes and Mr. Willis voted No. Motion Passed.

XVI. Mr. Yocom stated that the properties will be put back on the tax roll. Mr. Yocom moved to approve the bids on delinquent property from LineBarger, Goggan, Blair and Sampson, LLC. Mr. McNaughten seconded. Motion Passed.

XVII. Mr. Howell stated that the income statement was attached. He stated that the gross patient revenue for the first quarter was \$3.7 million vs. a budget of \$3.9 million. Mr. Howell stated the deductions from revenue is \$1.1 million is about \$300,000 below the budget which means the net patient services is \$2.5 million and about \$60,000 ahead of last year and the Provision for bad debts is \$355 vs \$431. Mr. Howell stated the total revenues, gains and other support to \$2.2 million in gains for the first quarter of this year vs the \$2 million budget. Mr. Howell stated he would like to point out the asterisks. He stated that at the bottom of the page it states: Included in the deductions from revenue actual is approximate \$319,000 related to the 1115 waiver, and included in the deductions from revenue budget is approximate \$255,000 related to the 1115 waiver. He stated that is where the portion that comes back to Sabine County Hospital from the 1115 waiver can be seen outside that amount that was originally sent up. Mr. Yocom asked if Mr. Howell is stating that \$319,000 is out of the actual deductions from revenue? Mr. Howell stated correct. Mr. Yocom asked so if you add the \$319,000 back you would have \$1.64 million. Mr. Howell stated it would be \$1.46 million. Mr. Yocom asked why that amount came out. Mr. Howell stated the way the money is handled that comes back from the money that is sent up through the 1115 waiver is a Medicaid program so in essence it reduces the amount of contractual adjustments that the hospital has for Medicare and Medicaid. He stated the typical way Hospital normally you have an amount that adds up all deductions for contractual adjustments and that goes on one side of the ledger and money that comes in off sets the total write offs. Mr. Yocom stated the Hospital hadn't received any money this year. Mr. Howell stated that this was the money that was sent up in December that we did not receive back until January. Mr. Howell stated the bottom line is we are about \$250,000 in the positive for the first quarter which is important to get ahead in the winter months because things tend to slow down in the summer months. Mr. Yocom stated if you take the \$319,000 out of the actual deductions from revenue the \$1.145 million that leaves you \$826,000. Mr. Howell stated that the amount will go up because it has an opposite effect. Mr. Willis moved to accept the Hospital Administrators Report. Mr. McNaughten Seconded. Mr. Willis, Mr. Pearson voted yes Mr. Yocom voted no. Motion passed.

XVIII. Mr. Howell stated that Preferred pays the auditor an additional fee to calculate the proper report. He stated that the auditor's report should be complete next month and that report will be with it. Mr. Yocom asked if the board would have it next month. Mr. Howell stated yes he believes so. No action

XIX. Executive session at 6:16 P.M.

A. Concerning the Sabine County EMS Ambulance Station.

XX. Return to open meeting at 6:34 p.m.

XXI. Mr. Yocom moved to allow the financial officer to enter into negotiations in an attempt to negotiate a lower price on a piece of property that was discussed during closed session. Mr. McNaughten seconded. Motion passed.

XXII. Board member comments:

Mr. Willis: No comment

Mr. Pearson stated he brought his daughter to the ER the Friday before the Monday meeting. He stated that he had dealings with Shelly Schultz and she does a wonderful job getting them into the ER and helping comforting her. Mr. Pearson stated that they seem Dr. Backofen and he did a wonderful job. He stated that he was set back by the quality of care that he received at Sabine County ER for his daughter. He stated that is why the Board does what they do it to make sure the people of Sabine County get the quality of care that they deserve and he knows he received it Friday. Mr. Howell stated that he did not think about it until after he left he didn't tell anyone that Mr. Pearson was on the Board. Mr. Pearson stated that he was not sure if anyone recognized him or not. He stated that a lot of time people don't recognize him in his work clothing and he can blend in.

Mr. McNaughten: No comment

Mr. Yocom: No comment.

XXIII. Meeting adjourned at 6:39 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors