

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

July 16, 2018

The Sabine County Hospital District Board of Directors met for a Special Meeting on July 16, 2018 at 5:30 PM in the Sabine County Hospital Board Room.

Present

Tiffani Bradberry, President
Byron Starr, Vice President
Joe McNaughten, Secretary
Earl Willis, Board Member
Pennie, Ferguson, Board Member
Chloe Schafer, EMS Administrator

Others Present

Jacy Daugherty, Administrative Assistant
Jerry Howell, Sabine County Hospital Administrator
Cecil Tatum, Sabine County Reporter
Linda Durden, Daily News & More
Montez McNaughten, Citizen
Jake Wagner, Sabine County EMS
Erin Hudson, Sabine County EMS
Cohen Hudson, Sabine County EMS
Jack Legind, Sabine County EMS
Margaret Moore, Sabine County Hospital
Devin McClelland, Sabine County Hospital
Tracy Lane, Citizen

- I. Ms. Bradberry called the meeting to order at 5:30 p.m.
- II. Mr. McNaughten opened the meeting in prayer.
- III. Public Comments: None
- IV. Mr. Willis stated that there are several problems with the financial statement the board members receive every month. Mr. Willis stated that he has been trying to get one of the big problems changed for the past 4 years. Mr. Willis stated that they have two different years that they work with when they pay people. Mr. Willis stated that one of them is a year-to-year basis, January-December, and the other one is with Preferred from February to the following February. Mr. Willis stated that he wanted everyone to know that he's not blaming anyone that has been here in the past. Mr. Willis stated that after they do

their budget talk and what they're going to do on the tax rate, they will start receiving money into the District around October, November, and December. Mr. Willis stated that some of those are pretty high checks over \$400,000. He stated that the problem that he has been telling the board about for a long time was that the financials show that on January 1 but it's really not there because it was on the previous four months and it was already spent. Mr. Willis stated that, in other words, they are spending tax money for the following year during that period of time. He stated that you can do it a little while but it will catch up with you, and it has caught up with them, right now. Mr. Willis stated that if they are going to designate any money to the District, he thinks it needs to start on January 1 not in October of the prior year. Mr. Willis stated that it can be done fairly easy because all they need is just another line item. Mr. Willis stated that at the last meeting they had trouble with those numbers from Preferred before, bad problems, and even before that they had problems because they were keeping up with what they thought was the right thing. Ms. Ferguson asked if there was a fiscal year difference, so they're not on the same page and they're estimating. Mr. Willis said that's exactly right. Ms. Ferguson asked what the fiscal year for Preferred is. Mr. Howell stated that it is March 1-February 28. Mr. Willis stated that the tax money is January-January, but they start receiving money in October and sometimes, if they're quick, it starts coming in September. Ms. Daugherty stated that the property tax revenue comes in every month, but they get the big check in November when the new fiscal year for the tax office begins. Mr. Willis stated that they work out a budget and the budget is a problem right now because they are spending more than what they are going to get out of the tax money. Mr. Willis stated that, in the past, it has worked out. He stated that he talked to Diane Powell long and hard about this and said it is going to catch up with them. Mr. Willis stated that the last time he talked with Ms. Powell he showed her what he was talking about and it is called lean six sigma. Mr. Willis stated that if you put enough numbers in it, it will give you the answer. Mr. Willis stated that, for the budget that they are going to do this year, they don't know what the tax money is going to be, yet. Mr. Willis stated that the Appraisal District hasn't met for their final thing, yet. Mr. Willis stated that they will know before September. Mr. Willis stated that he doesn't care how it is done, but when board members look at the financials, they look at them as actual money that is there. Ms. Daugherty stated that the financials are actual money that is being sent and received. Mr. Willis asked how many payments they have to make to Preferred from now until the end of the year. Mr. Howell stated that there won't be an actual payment to Preferred until, he anticipates, the end of December or first of January. Ms. Ferguson asked if the State mandates when the money is sent. Mr. Howell replied that is correct. Mr. Willis stated that the last figure he got to redo and rebox an ambulance was \$198,000. Ms. Schafer stated that a remount for the ambulance is \$92,800 and a brand-new ambulance is around \$180,000. Mr. Willis stated that that can throw a big whole in your budget really quick. Mr. Willis stated that you don't see these things ahead; when they happen, you have to be prepared for them. Mr. Willis stated that you best have some money where it says property tax to where you can take care of the other things. Mr. Willis stated that they had a piece in the financials that was for capital expenditures. Mr. Willis stated that, by the time they did their budget, it used to run around \$200,000. Mr. Willis stated that it would stay there because they knew that if anything ever happened to the hospital they would have to pay for it. Mr. Willis stated that if there was some big thing they had to fix, they don't have the money for it.

Mr. Willis stated that he doesn't think anybody set out to do this. Mr. Willis stated that he thinks it just happened because of the way they were handling it and the way the board put up with it. Ms. Bradberry stated that the budget still has the line item for capital expense for \$260,000. Mr. Willis stated that he went through a lot of numbers over the last three months and that it is pretty easy to segregate the numbers out, but you have to be careful when you do that. Mr. Willis stated, for example, the last four months of subsidizing the ambulance service was \$60,000 a month. Mr. Willis stated that if you add that up through the end of the year, that's \$720,000. Mr. Willis stated that if you add Preferred's pay on top of that, they are out of money. Mr. Starr stated that he had a meeting with the Sabine County EMS supervisors and they came up with a lot of good ideas that would trim down the cost of the ambulance service a lot. Mr. Willis stated that that's what they need to do because he doesn't want Preferred to go and the hospital to shut down. Mr. Willis stated that everyone there would be hung in the county courthouse. Mr. Willis stated that he doesn't want the ambulance service to go, but he doesn't know how much of the ambulance service that they can afford. Mr. Willis stated that if they are able to cut back on that subsidy that will help them on other things on their budget.

Mr. Willis stated that he has been talking to a lady from Emergicon about collecting bad debts and that she said you don't receive very much from collections. Mr. Willis stated that they needed to try to get that money no matter how much it is. Ms. Schafer stated that they have the opportunity for a business agreement available with a collections company that she met at the last conference she attended. Ms. Schafer stated that she planned to find out the rates and present them at the next board meeting. Ms. Schafer stated that Emergicon doesn't send anyone to collections after 90 days because when Sabine County EMS started the board chose not to send people to collections because it is taxpayer-funded. Ms. Bradberry stated that what she understood is that no one in Sabine County has ever been billed and that Emergicon just bills the insurance companies. Ms. Daugherty stated that if the patient doesn't have insurance they are billed three times. Ms. Bradberry asked if patients were billed if they have insurance. Ms. Schafer stated that they are billed.

Ms. Bradberry stated that everyone needs to come up with ideas to increase revenue and decrease expenses and billing is a good place to start. Ms. Bradberry stated that they need to first start getting reimbursed for the services they provide. Ms. Bradberry stated that they can't continue to give a service to the community if they don't get paid for it. Ms. Bradberry stated that people have to have a job and get paid for it and they have to have ambulances, and the only way to do that is to get reimbursed for what services they can. Ms. Ferguson asked if there were other companies that Ms. Schafer could check the rates. Ms. Ferguson stated that maybe since they already do business with Emergicon, their collections service may cost less.

Mr. Howell stated that a large portion of the 1115 Waiver program will be for uncompensated care beginning next year. Mr. Howell stated that there is an element of that program for ambulance services. Mr. Howell stated that the general guidelines are just like the hospital's. He stated that there may be some significant money available for the ambulance service if they start now. Mr. Howell stated that it may be worthwhile for

the board to talk to a consultant to see if there is an opportunity for it. Ms. Ferguson asked if this information was available on the Health and Human Services website. Mr. Howell stated yes but he doesn't think the board has the time or knowledge to do it on their own without getting someone who knows what they are doing. Mr. Howell stated that it is a significant process, but it is possible that there is a lot of opportunity for this. Mr. Willis asked if it would interfere with the UPL program that Sabine County EMS already participates in. Mr. Howell replied that he thinks it is two separate programs. Mr. Howell stated that this program doesn't have the disadvantage like UPL of the bigger services taking away a lot of the proceeds, but, instead, rural ambulance services will get 100% of what there are due.

Mr. Willis stated that he thinks a problem with the budget is that expenses are being put into line items they don't belong in when other budget lines run out of money. Ms. Bradberry stated that she thinks the problem is there just isn't enough line items, so expenses get put into the one that closest fits. Ms. Bradberry stated that, moving forward and when they do a new budget, maybe they can add more line items and itemize it out more. Ms. Bradberry stated that that will be for the new budget, and right now, they need to work on the new budget because, if she's doing the math right, they are going to be about \$800,000 in the hole by the end of the year. Ms. Bradberry stated that they need to make some major changes quickly and asked if anyone else had ideas.

Mr. Starr stated that some of the ideas he has will have to wait until an executive session, and he would have it put on the agenda for the meeting the following Monday.

Ms. Bradberry stated that they had talked about the med unit that was supposed to be remounted in the next couple of weeks. Ms. Bradberry asked if that was on hold. Ms. Schafer replied that it is not on hold because the board hasn't voted on it, yet. Mr. Willis stated that he thinks we should shop around to see if anyone else could remount the truck because he doesn't understand how the med unit can only last one and a half to two years before the box starts sliding around. Ms. Schafer stated that Med One has 175,000 miles on it in four years. Ms. Schafer stated that you're allowed to remount a box three times before you have to buy a new ambulance, and if you had to buy a new ambulance, it would cost around \$180,000-\$190,000. Ms. Schafer stated that the remount for just the chassis is about \$47,800 and the renovations to the actual box, like lights and the electrical system, adds to the rest of the cost for the remount. Ms. Schafer stated that they would get the old chassis back and sell it like they did med three's chassis. Ms. Schafer stated that if all else fails, if they sold the ambulance as a brand-new remount, they would get at least \$150,000 for it. Ms. Bradberry stated that we don't have the \$90,000 it would cost to have the remount done right now. Ms. Schafer stated that the way they did it last year is that the remount started in August and was finished in October and they paid for it with the UPL money that came in. Ms. Bradberry stated that they needed to save the UPL money because they might need it to pay their employees.

Ms. Schafer stated that we own all of our assets except for the station that we rent. Mr. Starr stated that one thing that was talked about was moving from the station to the office on the property that they own. Ms. Ferguson stated that she believes it has to be brought

before the city. Mr. Starr stated that he was told that they just had to send a letter stating that it wouldn't be permanent. Ms. Ferguson stated that she was told by the city that it would have to be put on the city's agenda and agreed on by council. Mr. Starr stated that that would be fine. Ms. Schafer stated that, if they do get approved to move into the office, it would have to be cleared with the DEA and DSHS. Mr. Starr stated that he is pretty sure it would be approved as long as it was temporary, and they were moving towards something else. Mr. Starr suggested forming a committee to look into building a station, eventually. Ms. Ferguson stated she would still like it in writing. Mr. Willis asked how much rent was. Ms. Daugherty replied \$900. Ms. Bradberry asked how much utilities were. Ms. Daugherty replied that they were also around \$900 a month. Ms. Bradberry stated that that is a significant amount of savings if they were able to move everyone to one place. Mr. Starr suggested finishing this discussion at the next meeting.

Ms. Schafer stated that they could sell the Fly Car and the gym equipment. Ms. Bradberry asked how much gym equipment there was. Ms. Schafer replied around \$2,500-\$5,000 worth depending on how it was broken down or bundled together. Ms. Bradberry asked if it was used. Ms. Schafer replied by some people but not very many, and if they were all moving into one building, they would need the space. Mr. Starr asked if, because it was bought with a grant, would there be stipulations on if they could sell it. Ms. Schafer replied no.

Mr. Willis asked what the \$18,375 in capital expense in January was used for. Ms. Schafer replied that that was for the Toughbook computers that the board voted to buy.

Ms. Bradberry asked what everyone thought about selling the Fly Car. Everyone agreed that they should sell it. Ms. Daugherty stated that they would have to accept sealed bids on it and that the board would need to agree on a minimum bid amount. Ms. Bradberry said to make that an item on the next agenda. Ms. Bradberry stated that that would generate some revenue and help with expenses monthly.

Ms. Bradberry stated that they are at a standstill until they can vote on some things next week.

- V. Board Member Comments: Mr. Willis told Ms. Daugherty that when she has a board member come into the office to talk to her, he wants her to call all of the other board members to tell them what they discussed.
- VI. Board meeting adjourned at 6:27 p.m.

Tiffani Bradberry, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
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