

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

March 25, 2013

The Sabine County Hospital District Board of Directors met for a Regular Meeting on March 25, 2013 at 5:30 PM in the Sabine County Hospital Board Room 167.

Present

Phil Yocom, President
Earl Willis, VP & Treasurer
Joe McNaughten, Secretary
Mark Pearson, Member at Large
Dr. Lana Comeaux, Member
Diane Powell, Office Manager

Others Present

Diana Taylor, Hospital Administrator
Duane Keating, Hospital Board Attorney
Penny Ferguson, Sabine County Reporter
Montez McNaughten, Sabine County Citizen
Larry Stephens, CFO Preferred Management
Andy Freeman, CEO Preferred Management
Connie Hulibar, Preferred Management

- I. President Yocom called the meeting to order at 5.30 p.m.
- II. Mr. Willis opened the meeting with prayer.
- III. With no members of the public desiring to comment, Mr. Yocom continued the meeting. No action taken.
- IV. Mr. Willis moved to accept all consent items. Mr. Pearson seconded. Motion carried.
- V. Ms. Taylor reported that Year to Date: the Inpatient Census Days decreased 36%, Swing Bed Days decreased 44%, the average length of stay is 3.2 days, Emergency Room visits increased 7%, Transfers increased 11%, and Clinic Visits increased 33%.

The Swing Bed goal for February was not attained; the goal set was 48 days, with the Sabine County Hospital reaching 27 days for the month of February. She stated that since

the hospital surpassed its goal in January the result was four days under the year to date goal.

The Pineland Health Fair has been postponed until October, due to West Sabine ISD scheduling.

The new phone system was installed and operational in February. A substantial improvement of communication has resulted from this purchase.

The remodeling of patient rooms 203 and 204 is scheduled to begin April 1, 2013 due to delivery problems with the flooring.

The First Annual Employee Resource Fair was held on Wednesday February 27, 2013. Hanse Ellison, Human Resources Sabine County Hospital, coordinated all the activities; the department directors provided exhibits and brunch foods. All but five Sabine County Hospital employees participated in this event.

Toledo Bend Family Medicine received approval from Novitas, the Medicare third party administrator, with confirmation that everything is set up to start billing claims.

The maintenance and utility software, HIPPO FM, is installed and operational. This software allows the maintenance departments at Sabine County Hospital to track preventative maintenance tasks, accept work orders, and maintain better record-keeping regarding utilities, biomedical equipment, computer equipment, and emergency management systems. This software was required because of a Joint Commission Survey.

Laura Crowell, Amy Cummings, and Diana Taylor attended the National Association of Rural Health Clinics meeting in San Antonio. Ms. Taylor stated that one seminar dealt with risk management issues because of employees using cell phones while on the job.

Ms. Taylor stated that there will be a new re-enrollment period for Medicaid providers beginning in September, with that the Office of the Inspector General or Medicaid will be onsite to do a pre and post survey around the enrollment period.

Ms. Taylor stated unless a federal budgetary agreement is reached, sequestration or automatic spending cuts across the board would take place on April 1, 2013 with a 2% reduction of Medicare cuts for the Hospitals and Clinics.

Sabine County Hospital will once again be offering MRI Services. DMS will be the new vendor and those services are expected to begin the second week of April. The mobile van is scheduled to be at the Sabine County Hospital every Thursday.

The Grief Support Group met again on Tuesday, March 20, 2013 with an increased attendance. The speaker was Paul Jackson with The Burke Center. The meeting is open

to anyone in need. The next meeting is scheduled for Tuesday April, 16, 2013 at 6:30 in the Sabine County Hospital Board Room.

The Sabine County Hospital participated in a Disaster Drill on Friday March 22, 2013 in conjunction with the county and city law enforcement, Department of Public Safety, the Sabine County Emergency Management Coordinator, Acadian Ambulance Service, The Office of Emergency Management and Homeland Security, as well as Stephen F. Austin (SFA) Nursing and ROTC Departments. SFA provided 20 students for the disaster drill. Ten of those students were “victims”, five were nursing students who worked in conjunction with the Sabine County Hospital staff, and five were ROTC students who assisted with Security. Silsbee Propane provided a propane truck for the scene scenario. The drill began at 10:30 a.m. with a scenario setting on the driveway linking the hospital with the Toledo Bend Clinic and ended at 12:15 p.m. An evaluation meeting was held by hospital staff on Monday afternoon to compile observations and suggestions for improvement. An additional meeting will be held in April with the county, city, Acadian Ambulance Service, Stephen F. Austin representatives, and the Office of Emergency Management and Homeland Security to combine all recommendations and observations.

Mr. Pearson moved to accept the Hospital Administrator’s Report. Mr. Willis seconded the motion. Motion carried.

- VI. Mr. Willis moved to cancel the May 11, 2013 Sabine County Hospital District Election due to unopposed candidates in Precinct 2 and Precinct 4 and no candidates for Precinct 3. Mr. McNaughten seconded. Motion carried.
- VII. Andy Freeman, CEO Preferred Management, stated that the contract for the remodeling of the patient rooms has been signed with Chance Construction of Hemphill, TX that project is scheduled to begin on April 1, 2013. Mr. Freeman informed the Sabine County Hospital Board that the nurse call system was antiquated, the parts could no longer be found to repair the current nurse call system, and it would have to be replaced at a cost of approximately \$50,000. He stated that Preferred Management originally thought that they could save around \$5,000 if they did not put the nurse call in the offices located in the east hall of the Sabine County Hospital; however, those offices have to serve as patient rooms in the event Sabine County Hospital reaches capacity. Mr. Freeman stated the telephone system was installed and the final cost on that project was approximately \$40,000. He stated that the next project would be a new Boiler, which would cost approximately \$20,000, the current Boiler is marginal at best if this were to go out Sabine County Hospital would lose all heating capabilities. He stated that project would begin as soon as the weather permits. Mr. Freeman explained that the Medicare Advantage Program is an insurance product; he stated most patients do not realize that they are purchasing an insurance product rather than traditional Medicare. He hopes in the future to have grassroots type meetings with the public to let them know exactly what they are buying. He stated that the Medicare Advantage Program has discouraged patients from the Swing Bed Program due to budget cuts in the Medicare Advantage Program. Mr. Freeman stated that Sabine County Hospital has not signed any other contracts with the Medicare Advantage Program other than a one-year contract for the retired Teachers who

had already enrolled. He stated he did not feel like the Medicare Advantage Program was a good or beneficial product for Sabine County Hospital due to the level of service it provides. Larry Stephens, CFO Preferred Management, stated that even though Sabine County Hospital has not signed a Medicare Advantage Program contract the Sabine County Hospital is still able to see patients as an Out of Network provider. Mr. Stephens stated that no patients to his knowledge have been penalized for using an out of network provider until recently a patient was penalized 100% for using an out of network provider and his feelings are that it is due to the Federal Budget Cuts. Diana Taylor, Hospital Administrator, stated that where she sees the confusion is the patients were sold a product with the understanding that Medicare Advantage would pay similar to Medicare, at a lesser expense to the patient; however that is not the case with a majority of the claims. She stated the Medicare Advantage Program does not cover all of the things that traditional Medicare covers so there is a lot of confusion on the patient's part as well as billing to be clear what is covered and what is not. No Action Taken.

- VIII. Diana Taylor, Hospital Administrator, stated that Sabine County Hospital received quotes from two different companies on three different nurse call systems. She received quotes ranging from \$37,800 to \$50,000. She believed it would be more beneficial to go with the quote of approximately \$49,000 due to longevity of the product. Mr. Yocom stated that Preferred Management has asked the Sabine County Hospital District to purchase the nurse call system and then decrease the monthly payment to Preferred Management by that amount in order to save approximately \$4,000 in Sales Tax. Mr. Willis made a motion to purchase the nurse call system at approximately \$49,000 and decrease our monthly payment to Preferred Management by that amount. Mr. Pearson seconded. Motion carried.
- IX. Mr. Yocom stated that the date on the Second Amendment to the Lease and Operating Agreement with Preferred Hospital Leasing was incorrect it should have read fiscal year 2013 instead of fiscal year 2012. Duane Keating, Sabine County Hospital Board Attorney stated that changing the date and initialing the contract would be sufficient. Mr. Yocom asked if there should be an Amendment to the Contract with Preferred Management due to the increased cost of Ambulance Service that would be passed on to the Sabine County Hospital District. Mr. Keating stated that there should be another Amendment and he would work on that Amendment and let the board know. Mr. Willis stated that it should read "Ambulance Service Cost" instead of a real number in order to cover the future years on the contract. Mr. Willis also stated that the Sabine County Hospital District has already voted on the increase in cost of the Ambulance Service Contract and the contract is currently waiting for approval from Woodland Heights. Mr. Willis stated that before any increase to the Ambulance Service Contract other than the increase voted on by the Sabine County Hospital District Board of Directors the Board would have to make the decision on whether to pass the cost through it could not be written into the contract with Preferred Management without Board action. Mr. Keating stated that there could not be an increase in funds for the Ambulance Service Contract to Preferred without prior approval from the Sabine County Board of Directors. Mr. Keating stated that his opinion is to write an Amendment to the Contract with Preferred to allow for adjustments in the contract in case there are changes in the Ambulance

Service Contract as long as there would be prior approval from the Sabine County Hospital District Board of Directors. Mr. Yocom asked that Mr. Keating write the Amendment to the contract with Preferred and send a copy to all Sabine County Hospital Board of Directors as well as Preferred Management. No Action Taken.

- X. Diane Powell, Office Manager Sabine County Hospital District, stated that she found minutes from 2009, which stated the funds limitation expenditure for the Sabine County Hospital District Office Manager is \$5,000. No Action Taken.
- XI. Mr. Yocom stated he is very discouraged with BKD, the auditing firm hired by Sabine County Hospital District for the 2011 Sabine County Hospital District Audit. Ms. Powell stated that she received a draft copy of the 2011 Sabine County Hospital District Audit that is still not complete on Thursday March 21, 2013. Mr. Willis stated he would like some time to review the draft and find out what BKD is lacking in completing this and he would make phone calls to Christa Worley with BKD to find out more about what is halting the process of this Audit. Mr. Yocom stated he would like BKD to be present for the April 22, 2013 Sabine County Hospital District Board Meeting. Ms. Powell stated she would make the phone calls necessary for that to happen however, her calls as of now go unreturned. Larry Stephens, CFO Preferred Management, stated that the Sabine County Hospital District concerns are legitimate concerns. Mr. Stephens stated that Eide Bailly, another audit firm, is interested in presenting to the Sabine County Hospital District for their 2012 Audit. Mr. Yocom stated the board would be very interested in talking with this firm and reviewing an engagement letter from this firm as soon as possible. Mr. Freeman stated he would be in touch with Eide Bailly and pass along this information as well as the 2011 Draft Copy of the Sabine County Hospital District Audit. Mr. Willis stated that he felt like the handling of the 2010 Audit had not been up to the standards of previous years. No Action Taken.
- XII. Diana Taylor, Hospital Administrator, would like to allow any Sabine County Hospital Employees the chance to buy the chair(s) and any revenue would then go to the Sabine County Hospital District if the employees do not purchase all of the chairs she would put them up for sale through the current auction company the Sabine County Hospital has been using. Mr. Yocom moved to dispose of the Board Room chairs as surplus property, first by allowing Sabine County Hospital employees to purchase the chairs by a sealed bid process that would end no later than April 11, 2013, any chairs remaining would be donated to Preferred Management to be auctioned, the proceeds from that sale would go to the Winslow Scholarship Fund. Dr. Comeaux seconded. Motion Carried.
- XIII. Ms. Powell, Office Manager Sabine County Hospital District, stated that there had been an oversight made, Dr. Lana Comeaux was not added to the First Bank and Trust Accounts. Mr. Yocom moved that all Sabine County Hospital District Board of Directors and the Sabine County Hospital Office Manager be added to all Sabine County Hospital District Financial Accounts. Mr. Willis seconded. Motion Carried.
- XIV. Mr. Yocom stated that the Sabine County Hospital District needs to address the washout situation that has occurred on the lot owned by the District adjacent to the Sabine County

Hospital. Mr. Yocom suggested the Sabine County Hospital District receive bids for the correction of the situation. Mr. Pearson stated that during the spring and summer months it would need to be mowed at least once every three weeks. Mr. Yocom also stated that the Board needed to receive bids for the mowing and monthly maintenance of the lot. Mr. Willis moved to receive bids to fix the washout problem as well as receive bids to have the lot mowed and maintained throughout the year. Mr. Pearson seconded. Motion carried.

XV. Mr. Yocom stated that the May 27, 2013 Monthly Board meeting would fall on Memorial Day. Dr. Comeaux made a motion to move the May 27, 2013 Board Meeting to May 20, 2013. Mr. Pearson seconded. Motion carried.

XVI. Board Member Comments:

Mr. Willis: No Comment.
Mr. McNaughten: No Comment.
Mr. Yocom: No Comment.
Mr. Pearson: No Comment.
Dr. Comeaux: No Comment.

XVII. Meeting adjourned at 6:15 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors