

SABINE COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES

December 16, 2013

The Sabine County Hospital District Board of Directors met for a Regular Meeting on December 16, 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**  
**Diane Powell, Office Manager**

**Absent**

**Dr. Lana Comeaux, Member**

**Others Present**

**Diana Taylor, Sabine County Hospital Administrator**  
**Penny Ferguson, Sabine County Reporter**  
**Larry Stephens, CFO Preferred Hospital Management**  
**Andy Freeman, CEO Preferred Hospital Management**  
**Montez McNaughten, Sabine County Citizen**

- I. Mr. Yocom called the meeting to order at 5:30 p.m.
- II. Mr. McNaughten opened the meeting with prayer.
- III. No Public Comments.
- IV. Mr. Willis moved to accept the consent items with the correction noted by Mr. McNaughten that he was absent at the last meeting and did not move on item IV. Mr. Pearson seconded. Motion carried.
- V. Mrs. Taylor stated the inpatient census days were down 36%, swing bed days were down 6%, the average length of stay was 3.1 days, ER visits are up 17%, and outpatient visits are up 34%, transfers are up 23%, Clinic visits are up 26% from last year. Mrs. Taylor stated patient satisfaction reports from ER callbacks made for the month of November are 299 patients seen in the ER. 104 contacted via telephone calls, which is a 35% callback rate. Of those responding to the calls, 99% expressed satisfaction with services with one expressing dissatisfaction. Dr. Luraguiz has submitted all of her documentation required to obtain Texas licensure with the State Medical Board. She is scheduled to take the Texas Medical Ethics exam this week, which is one of the licensure requirements. She and her husband were in Sabine County this weekend looking at real estate. Additional

information requested by the CMS contractor regarding the Meaningful Use Audit has been sent with no further requests having been received to date. Sabine County Hospital will be one of a group of hospitals in the Region 2 1115 Waiver project to participate in a group initiative regarding hospital readmissions. The first meeting will be held in Beaumont in January to begin work on the initiative, which will include training and education. Preferred Management has approved additional capital equipment for purchase prior to the end of the year. These additional equipment items are: Blood Chemistry coagulation Analyzer Machine for the Lab (\$58,000), 12 new IV Pumps (\$36,000), and 4 new Blood Pressure Machines (\$15,200) for a total cost of \$109,200.00. Sabine County Hospital Employees were given a performance bonus as well as a Christmas Bonus in December. A pay freeze has been in effect since 2011 so no pay raises have been received; however, plans are for pay raises to resume in 2014. Mr. Willis moved to accept the hospital administrators report. Mr. Pearson seconded. Motion carried.

VI. No Action Taken.

VII. Larry Stephens, CFO, Preferred Management presented the 2012 Preferred Management Audit. Mr. Stephens stated that Preferred Management hires an independent Audit Firm BKD. BKD issued an unqualified opinion on the audit and that the financial statements referred to in the Audit Report present fairly in all material aspects, the financial position of Preferred Hospital Leasing Hemphill, Inc. as of December 31, 2012 and 2011. Mr. Stephens stated they made a couple of adjustments to net income in the sum of \$66,000 due to the estimation by Preferred on allowances. Total liabilities decreased as well as long-term debt. Operating revenues increased by approximately \$1.5 Million. Operating expenses increased by approximately \$300,000. For 2012, the Net Income was approximately \$1.2 Million. Mr. Willis moved to accept the 2012 Preferred Management Audit. Mr. Pearson seconded. Motion carried. Mr. Stephens presented a financial statement for the first three quarters of 2013. He stated an increase in AR and Cash. He stated there is a decrease in equipment expense however, by the end of the year this will increase. He stated there is a transfer from the District to Preferred which is the 1115 Waiver payment. Mr. Willis moved to accept the financial statements for 2013. Mr. Pearson seconded. Motion carried.

VIII. Mr. Willis stated he believes the Sabine County Hospital District needs an attorney with more Healthcare experience. He stated he believes with the changing in laws concerning healthcare the Hospital District needs someone who can help the Board of Directors with the changing laws. Mr. Willis moved to hire Alex Fuller, Esq. as the Sabine County Hospital District Board Attorney at \$200 per hour effective immediately. Mr. Pearson seconded, but stated he would like to revisit this issue in six months. Mr. Yocom asked what is rates are. Mr. Willis stated \$200 per hour with a \$75 per hour travel fee. Mr. Willis stated Mr. Fuller also has another agreement of \$1500.00 per month in lieu of the \$200 per hour. However, Mr. Willis stated the per hour charge would be what he suggests. Mr. Willis, Mr. Pearson, and Mr. McNaughten voted yes. Mr. Yocom voted no. Motion carried.

IX. Board Member Comments:

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

X. Meeting adjourned at 6:05p.m.

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Phil Yocom, President  
Sabine County Hospital District  
Board of Directors

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Joe McNaughten, Secretary  
Sabine County Hospital District  
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