

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

May 27, 2014

The Sabine County Hospital District Board of Directors met for a Regular Meeting on May 27, 2014 at 5:30 PM in the Sabine County Hospital Board Room 167.

Present

Phil Yocom, President
Earl Willis, VP & Treasurer
Dr. Lana Comeaux, Member
Mark Pearson, Member at Large
Duane Keating, EMS Administrator
Diane Powell, District Administrator

Absent

Joe McNaughten, Secretary

Others Present

Diana Taylor, Sabine County Hospital Administrator
Marvin Vinson, VFIS Insurance
Penny Ferguson, Sabine County Reporter
Jana Lehman, Sabine County Citizen

- I. Mr. Yocom called the meeting to order at 5:30 p.m.
- II. Mr. Willis opened the meeting with prayer.
- III. Jana Lehman, stated she recently tested positive for TB, she stated she does not have TB she has latent TB. She asked that the Sabine County Hospital contract with the State in order to do the chest x-rays that are involved with this. She stated she is having to drive to ETMC in order to do this. Ms. Lehman stated she contacted the State and was told that any hospital could contract with the State to do these. Ms. Taylor, Sabine County Hospital Administrator stated that she did contact the State to see what could be done in order to do the chest x-rays. Ms. Taylor stated she received an email from the State stating they did not contract with hospitals, the State chooses who they contract with in order to perform these exams. Ms. Taylor stated she would provide Ms. Lehman with a copy of this email.
- IV. Mr. Willis moved to approve the minutes and financials. Mr. Pearson seconded. Motion passed.

- V. Ms. Taylor reported the inpatient census days are down 41%, swing bed days are up 35%, ER Visits are up 25%, outpatient visits are up 9%, transfers are up 30%, clinic visits are up 13%, radiology tests performed are up 61%, lab tests performed are up 2% and transfers are up 41%. Ms. Taylor reported Sabine County Hospital participated in the Shattered Dreams live exercise with West Sabine High School on May 15th. Four students were brought to the hospital for treatment. A follow-up meeting was held after the exercise to determine areas of strength and improvement. Communications at the beginning of the exercise and following triage. Sabine County Hospital participated in a day long Decontamination Training sponsored by the Southeast Texas RAC (emergency preparedness.) Members of the hospital's Decon team went through exercises that strengthened skills in the event of a chemical disaster where decontamination tents would need to be put in place. Recent hospital week activities including the Health Fair were conducted during the second week of May. Attendance seemed to be a little less than prior years. A special thanks to Public Relations Committee for all of their hard work. Twenty-seven area vendors sponsored booths along with the hospital for free health information services and health screenings. The clinic providers have been conducting school sports physicals for Sabine County schools. This is done as a free community service and currently about 250 physicals have been conducted. Mortality rates for SCH for the first quarter are 50% less than seen in 2013 at the same time- only four mortalities occurred at SCH- one was inpatient status, one was swing bed, and two were ER deaths. ER patient satisfaction scores for the month of April were determined through telephone call backs made to discharge ER patients. Out of 383 patients, 135 were contacted by telephone which is a 35% contact rate. HCAPS scores via Health stream from Inpatient Satisfaction surveys continue to be in the upper 90% and above quartiles. Scores now being received from Health stream on patient satisfaction from the Toledo Bend Clinic and all were in the upper 90% range. In a review of Bad Debt write offs for the first quarter of 2014, 70% (\$324,321) of the total (\$465,649) was due to Uninsured Patients and of those uninsured, 91% of the total came from ER visits. Medicare Bad Debt accounted for 8% of the total Bad Debt written off and Self Pay (balances due after insurance has paid) accounted for the remaining 22%. YTD, Sabine County residents were responsible for 82% of the Bad Debt write-offs, and Out-Of-County residents were responsible for 18%. The hospital and clinics continue to maintain excellent Accounts Receivable processes. As of the end of April, Gross days in A/R for the Hospital were at 47 and Gross days for A/R for the clinics were at 53%. Sabine County Hospital currently ranks #1 among six other Preferred Hospitals for lowest days in Accounts Receivable. Mr. Willis moved to accept the Hospital Administrators Report. Mr. Pearson seconded. Motion passed.
- VI. With no members of Acadian present. No Action Taken.
- VII. Diane Powell stated that currently the IGT Date has been changed from May 29th to June 4th, however the final numbers have not been received. She stated she would let the board know as soon as she found out what the next IGT payment would be. She stated the amount that had been submitted prior was \$767,000 however she expects that figure to go down due to state limiting the funding for Uncompensated Care. No Action Taken.

VIII. Mr. Yocom moved to accept the 2013 Preferred Financials. Mr. Willis seconded. Motion passed.

IX. Mr. Willis moved to accept the 1st Quarter 2014 Preferred Financials. Mr. Pearson seconded. Motion passed.

Dr. Comeaux arrived at 6:25

X. Ms. Taylor stated the intention of the Capital Improvements Termination and the Equipment Reserve termination is to keep the District from having to provide the \$90,000 that is currently in the contract for Equipment. Alex Fuller, Sabine County Hospital District attorney, let Mr. Yocom know that he has no problem with either contract. Mr. Willis moved to authorize the Amendment to Lease and Operating Agreement: Ambulance Service Buyout and Termination and the Amendment to Lease and Operating Agreement: Lease payment adjustment, equipment reserve termination and capital improvements termination. Mr. Pearson seconded. Motion passed.

XI. Via conference call, Rick Alexander with Eide Bailly, presented the 2013 Sabine County Hospital District Audit. He explained the District's total assets decreased from 2012 to 2013 by \$143,132 or 5% compared with an increase of \$63,885 or 2% from 2011 to 2012. The District's total liabilities decreased from 2012 to 2013 \$306,576 or 94% compared with a decrease of \$2,881 or 1% from 2011 to 2012. The District reported an operating loss of \$933,132 in 2013 and an operating loss of \$961,468 in 2012. The operating loss in 2013 decreased by \$28,336 or 3% over the operating loss reported in 2012. The operating loss in 2012 increased by \$41,285 or 4% over the operating loss in 2011. Net operating revenues increased by \$68,342 or 7% in 2013 compared to 2012 and decreased by \$320,492 or 36% in 2012 compared to 2011. The District's net position increased by \$163,444 or 6% in 2013, compared to an increase of \$66,766 or 3% in 2012. The significant components of the changes in the District's assets from 2012 to 2013 are the increase in prepaid indigent care fees and the early pay off of the note payable to the bank which caused assets and liabilities to decrease. Property tax revenues increased \$62,225 from 2012 to 2013 as a result of increase in rates and property valuations. Non-operating revenues decreased \$317,263 from 2011 to 2012. The District received approximately 98.2% in 2013, 97.5% in 2012 and 98.4% of its total support from property taxes. Interest expense decreased \$5,697 from 2012 to 2013 due to the early payoff of the note payable to the bank, whereas interest expense increased \$4107 in 2012 compared to 2011. Cash flows used from operating activities were \$1,143,055 in 2013 and \$596,950 in 2012, an increase of \$546,105. In 2012, cash flows from operations decreased \$236,176 or 2% compared to 2011. Cash flows used for capital were \$301,585 in 2013, and \$129,546 in 2012 compared to cash flows used for capital of \$48,585 in 2011. The change in cash flows from 2012 to 2013 if \$172,039 was due primarily to repaying the long term debt on the CT scanner. The District had capital assets of \$991,579 in 2013 and \$1,055,816 in 2012 as detailed in the financial statements. The District acquired capital assets valued at \$103,254 in 2013 and \$8,000 in 2012. The District did not have any outstanding debt in 2013. During 2013 and 2012, the District

funded \$700,000 and \$660,000 with \$266,980 remaining as prepaid indigent care fees in 2013 and \$104,000 remaining as indigent care payable for 2012. Rick stated their opinion the financial statements referred to in the 2013 Audit present fairly, in all material aspects, the financial position of Sabine County Hospital District as of 12/31/13 and 2012, and the results of its operations, changes in net position, and cash flows for the year ended in conformity with accounting principles generally accepted in the US. Mr. Willis moved to accept the 2013 Sabine County Hospital District Audit. Dr. Comeaux seconded. Motion passed.

- XII. Ms. Powell stated CBIZ valuation did the original valuation for Preferred. She stated she has tried to reach them via email and telephone. Mr. Willis stated he spoke with Ms. Atkinson about the price of this and she has yet to return the phone call. Mr. Yocom moved authorize CBIZ Valuation of Sabine County Hospital with a cost of up to \$25,000. Mr. Willis seconded. Motion passed.
- XIII. Mr. Keating stated Emergicon is the billing the company that only does billing for governmental entities. He stated they charge 7% of collected revenues. Mr. Keating stated this is a reputable company that has been in business for 14 years. Ms. Powell stated this company will get our Medicare and Medicaid in a short amount of time. Mr. Yocom moved to enter into an agreement with Emergicon. Mr. Willis seconded. Motion passed.
- XIV. Mr. Willis moved to name Dr. Gulbis, Medical Director of the Sabine County Responders. Mr. Pearson seconded. Motion passed.
- XV. Ms. Powell stated she would like to hire a CPA for further oversight over the financials of Sabine County Hospital District. She stated she has spoken with Alexander and Spencer in Lufkin, TX. She stated they charge \$125/hr. She also stated this is the firm who does her personal taxes as well as her business taxes. They have been ranked the number one firm in Angelina County for the last 4 years. Dr. Comeaux moved to allow the District Administrator to hire a CPA Firm. Mr. Pearson seconded. Motion passed.
- XVI. Mr. Yocom stated he has read the Administration Handbook. Mr. Yocom moved to accept the Administration Handbook effective April 1, 2014. Mr. Willis seconded. Dr. Comeaux abstained from voting due to not having read the handbook. Mr. Willis, Mr. Pearson, Mr. Yocom voted yes. Motion passed.
- XVII. Mr. Yocom stated he has contacted TXDOT to see if the Hospital could put the necessary equipment on their tower. He stated he would let the board know as soon as a decision was made on whether not they would allow it. No Action Taken.
- XVIII. Dr. Comeaux moved to allow Mr. Keating to authorize the contracts for transfers with Sabine County Hospital, Mt. Moriah and Hemphill Care Center. Mr. Pearson seconded. Motion passed.

XIX. Mr. Keating stated the he and Ms. Powell have been searching for a used ambulance to use as the third ambulance. He stated that he and Ms. Powell went to Houston to look at a couple of possibilities. He stated that both that were available today would last approximately three months. He also stated that they would need a lot of work in order for them to work for us. The total for one of them with the necessary changes that would need to be made would be approximately \$35,000. He stated he spoke with another company that has a 2013 Type II available that is new. His recommendation would be to purchase the 2013 Type II. He is asking that the board allow him up to \$75,000 to purchase the third ambulance. Dr. Comeaux asked why the older ambulances would not work for us. Mr. Keating stated reliability of the two older ambulances would be in question. He stated his plan is to use the third ambulance for longer distance transfers which is where most of the revenue will come from. Mr. Pearson stated he wanted to make sure that the EMS staff had looked at all the options. Mr. Pearson asked if we could afford this. Ms. Powell stated that yes the District could afford it due to the fact that we would either be using our CD's or would have to get a loan until we are able to collect on Medicare and Medicaid. Dr. Comeaux asked could we hold off until the Board can get a better understanding of the financials. Mr. Keating stated this would not be available next month due to a cab and chassis shortage. Mr. Willis stated when looked at ambulances it was a six to nine month wait. Dr. Comeaux is concerned with the financial aspect of this purchase. She asked if a lease option was available. Mr. Keating stated that leasing is not available on ambulances. Mr. Yocom stated availability is the problem. Mr. Willis stated he was being conservative in thinking we would be collecting approximately \$50,000 a month in ambulance revenue. Ms. Powell stated that according to the approximate revenue numbers she has received from Emergicon she felt it would be around \$65,000. Dr. Comeaux moved to allow up to \$75,000 to purchase a third ambulance. Mr. Willis seconded. Motion passed.

Mr. Pearson left the meeting at 7:30.

XX. Marvin Vinson, VFIS Insurance went through the Insurance proposal, he stated with the portable equipment coverage the deductible is \$250 per occurrence, the premium is \$459 annually. He stated this covers anything in the back of the ambulance. He stated the Auto coverage has a deductible of \$500. He stated the premium for this is \$5,771 annually. The General Liability has a premium of \$3,555 or the offer an optional version for \$3,606 which would take the total aggregate from \$3,000,000 to \$10,000,000. He stated the Management Liability premium is \$2,364 with an optional version for \$2,556 annually. This would take the total aggregate from \$3,000,000 to \$10,000,000. Excess Liability premium is \$1,577 annually. Ms. Powell asked who she call with a claim. Mr. Vinson stated that she would call the claim center at their corporate office. She asked why the district would need the Excess Liability insurance, Mr. Vinson explained that this stacks on top of the other policies. Excess Liability insurance could be used for the first responders. Ms. Powell explained that the quote from Texas Association of Counties for Auto Insurance is \$6080. She explained she also received a quote from Health sure for \$5766. Ms. Powell recommended to use VFIS insurance. Mr. Yocom said he felt that VFIS proposal for auto insurance, the District would get more coverage for less money. Ms. Powell explained that the Board could wait and vote on the other insurance at the

June Meeting in order to better understand. Mr. Yocom moved to authorize the purchase of auto insurance from VFIS. Mr. Willis seconded. Motion carried. Mr. Yocom moved to table the other insurance policies until June. Mr. Pearson seconded. Motion carried.

XXI. Mr. Yocom moved to allow the purchase of the Badge Printer. Mr. Willis seconded. Motion passed

XXII. Mr. Willis moved to allow the purchase of two desktop computers of up to \$1700. Dr. Comeaux seconded. Motion passed.

XXIII. Mr. Yocom moved to allow the EMS Administration Staff and the EMS Supervisor to attend the Texas EMS Conference. Mr. Willis seconded. Motion passed.

XXIV. Mr. Yocom moved to allow the EMS Administration Staff and the EMS Supervisor to attend the ESO conference. Mr. Willis seconded. Motion passed.

XXV. Board Member Comments:

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

XXVI. Meeting adjourned at 7:50 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
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