

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

February 1, 2017

The Sabine County Hospital District Board of Directors met for a Regular Meeting on February 1, 2017 at 12:00 PM in the Sabine County Hospital Board Room.

Present

Phil Yocom, President
Mark Pearson, Vice President (Phone)
Earl Willis, Board Member
Joe McNaughten, Secretary
Gary Williams, EMS Administrator
Diane Powell, District Administrator

Others Present

Trent Kreinke, QIPP Attorney (Phone)
Emily Taylor Administrative Assistant
Jerry Howell, Sabine County Hospital Administrator
Bill Barcheers, City of Hemphill, Fire Marshall
Penny Ferguson, Daily News and More

- I. Mr. Yocom called the meeting to order at 12:00 p.m. Mr. Pearson verified his identity via conference call.
- II. Mr. Joe McNaughten opened the meeting with prayer.
- III. Public comments.
None
- IV. Mr. Kreinke gave an overview of the QIPP Program as follows:
 - Choosing the right nursing facility with a high Medicaid census and quality metrics will profit the District.
 - The District must partner with a nursing home within 150 miles or within our RHP.
 - A Management agreement is necessary to be executed wherein the District becomes the manager of the nursing facility on day-to-day basis. The Hospital District would become the licensed operator and hold the Medicare and Medicaid provider agreement.
 - The Hospital District would receive all deposits from Medicare, Medicaid, Private Pay, etc., and pay all operating expenses.

- Supplemental payments would be made quarterly and if certain quality metrics are achieved the Hospital District would take back its outstanding IGT payment and split the payments 50/50.
- The Hospital District controls all the money.
- The nursing home must obtain insurance on behalf of the Hospital District and name the Hospital District as an additional insured on the policy.
- If the nursing facility meets their metrics an additional \$32.00 per Medicaid bed per day would be available.
- On a 50 Medicaid bed facility, the Districts share would approach \$320,000.
- The IGT is guaranteed to be returned plus 10% as long as the facility files a monthly QUIPP report.
- He stated that the first IGT would be for six months that would take place May 31, 2017. The IGT is returned in increments of 1/6 so the IGT plus 10% will start coming in October.
- Under the current program, potentially 10 months of IGT would be outstanding with no Metric return, only the IGT plus 10%.
- Assuming Metrics are achieved, the first quarterly payment would be in January 2018. The IGT payments of 110% come in monthly.
- The contract length is typically through the end of the program year, or October 31, 2018 and renew on a year-to-year basis.
- IGT has to be money of the district so it could be money from tax or EMS revenue.
- It is unclear that if the full amount of IGT is not sent up, what reduction, if any, would be made to the return.
- Benchmarks are the national average for nursing homes.
- The nursing facility would keep all of their current personnel.
- District oversight can be as much or as little as the District sees necessary with the primary issue being sure the monthly QIPP report is submitted.
- The District would have no responsibility in the day-to-day operations of the nursing facility.
- The biggest risk to the District at this time is cash flow, due to the large initial IGT and a second IGT barely six months later.
- If the District does not participate this round, the next round will occur in October, 2017.

Following discussion, the Board requested Ms. Powell provide a cash flow analysis to better determine the feasibility of participation in the program.

No action was taken.

- V. Mr. Yocom recognized City of Hemphill Fire Marshall Bill Barcheers who was present to explain the issues with the new EMS facility. Mr. Barcheers stated the facility does not meet NFPA codes for an EMS Station. He stated the station does not meet the electrical nor sprinkler requirements of the NFPA. When asked about moving the EMT's into the current admin office space and moving the admin to the new facility, Mr. Barcheers stated that there are a few things that would have to be done to the current administrative

building but they are minor things like entrances and exits. He stated that the city is in agreement to use the double wide as an administrative office. He stated that it is still not going to be up to code; but there is difference from office people being in it compared to EMS crews that will be sleeping in there. Mr. Pearson stated that it is his understanding that the administrative personal made attempts or did speak with the City of Hemphill falling short of talking to Don Iles himself and there was never any code or issues brought up from the personal that our people spoke with. Mr. Pearson stated that the people of the City are unaware of these codes. Mr. Barcheers stated that the NFPA Fire code was adopted by the City of Hemphill many of years ago. Mr. Pearson stated from his understating the City took a templet from either Beaumont or Houston and adopted the policy's from those programs. Mr. Barcheers stated no the City adopted NAPA 1 which is a book within itself. Mr. Yocom asked if there was any additional codes in addition to the NAPA codes. Mr. Barcheers stated none that he was that he is aware of. Mr. Yocom asked about NEC code. Mr. Barcheers stated he was very unaware of what happened on NEC. Mr. Yocom stated that the City is willing to compromise with the District. Mr. Pearson stated that he knows the District personnel have attempted to contact the city officials/employees several times to let them know what was going on. Mr. Pearson stated that the District has had the same plan the whole time in order to help save the tax payers money. He stated that would be why the District is trying to get from a rental property to something that the District owns so we could save money but now we have been hit with something to cost more taxpayer dollars. Mr. Barcheers stated as city Fire Marshall the does not have any negotiation power and can only quote the code. Mr. Pearson said he feels it is not a mistake that the District has made, but the people that will have to pay are the taxpayers. Mr. Barcheers stated that they are willing to work things out in any way possible. He stated that there are some minor details on the metal building that need to be addressed you can get with me and we can walk through and when we get the final plans we can all look at it and try to get it all done. Mr. Yocom stated we have five options. He stated option one would be doing nothing. He stated that is not ever a viable option but it is an option. He stated option two would be to comply with the codes which is going to cost around \$20,000 to upgrade the electrical and install a sprinkler system according to Mr. Barcheers. He stated we would have to taring out the wall and ceiling to put electric in conduit the replace, that and we are estimating that to be around \$50,000 to \$60,000 when we only spent \$57,000 for the trailer. Mr. Yocom stated that it does meet HUD code for a residential house but because it has been deemed a commercial building, it falls under these codes. Mr. Yocom stated that another option would be to move outside the city limits and move so it would be hooked up to G-M water and Deep East Electric. He stated another option would be to fight it in court but that is not a viable option. He stated that last option is the compromise. He stated anyway we look at it we are spending money. Mr. Williams stated that after looking into moving the trailer to the property on the north end of town once you put in aerobic system, electric, get it moved, possibly having to have it repaired if something breaks during the move and have gravel put in we are looking at close to \$20,000. Mr. Yocom stated that Fuller asked for \$6,000 to move it where did the other \$14,000 come from. Mr. Williams stated that its \$6,800 for an aerobic system, \$2,000 to have the electrician to come out and hook it up. Mr. Yocom stated the owner said there was a meter pole already there. Mr. Williams asked if we could hook into it. Mr. Willis said that he could hook the

wiring up for nothing. Ms. Powell stated in her option just moving the office to the trailer and moving the EMT's to the current office is the best choice. Mr. Yocom stated that seems to be the more viable option at this point. Ms. Powell stated that we are looking to spend around \$5,000 that way. Mr. Williams stated he could do a lot of the work himself. Mr. Pearson stated that moving forward we will need to make sure our due diligence is done right. Mr. Yocom asked if everyone is agreeable to moving forward with the compromise. Mr. Pearson stated that he feels that we need to go to the table and see what is asked then make an informed decision. Everyone agreed.

VI. Board member comments

Mr. Willis no comment

Mr. Pearson no comment

Mr. McNaughten no comment

Mr. Yocom no comment.

VII. Adjourned at 1:09 P.M.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
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