

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

March 6, 2017

The Sabine County Hospital District Board of Directors met for a Regular Meeting on March 6, 2017 at 5:30 PM in the Sabine County Hospital Board Room.

Present

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

Others Present

Emily Taylor Administrative Assistant
Jerry Howell, Sabine County Hospital Administrator
Penny Ferguson, Daily News and More

- I. Mr. Yocom called the meeting to order at 5:30 p.m.
- II. Mr. Joe McNaughten opened the meeting with prayer.
- III. Public comments.
None
- IV. Mr. Willis moved to accept the Minutes and Financials from January 23, 2017. Mr. McNaughten seconded. Motion passed by raise of hands.
- V. Mr. Howell stated that this was a slow month for the Hospital compared to last year's number especially in the swing bed area witch was anticipated because the swing bed census was really high in January last year. Mr. Howell stated inpatient days are up 20%, swing bed are down 62%, ER visits are up 11%, Admits from ER are up 100%, Outpatient days are down 15% and Clinic Visits stayed the same. Mr. Howell stated that the hospital had started its Service for Excellence Campaign. He stated that is something that Preferred likes to involve a group of the employees in looking at some different area like employment as well as patient care improvement. Mr. Howell stated that there is a student from UTMB on rotation with Dr. Backofen in March and April. He stated that this is the second medical student this school year. In addition, Preferred also has a student from the University of North Texas who is in the Physician Assistant Program

completing her clinical rotation with Chris Melcher. Mr. Howell stated that the Preferred education day will begin the following day which includes everything from hand washing to the use of a fire extinguisher. He stated that Brittany Henson has attended the Trauma Nurse Director's course in January. He also stated that Crystal Ray had completed the course work and passed her certification as medical coder/biller exam. Mr. Howell stated that 3 of the nurses had attended a workshop and received certification in Advanced Burn Life Support which will be good for 4 years. Mr. Howell stated that Preferred continues to monitor what the 1115 waiver program may look like following the expiration of the current waiver. He stated as of now HHSC is requesting a continuation on the current system but new measures and requirements will be involved as we go forward. He stated that Sabine County Hospital has 93 employees with 80% from Sabine County. Mr. Howell stated that for 2016 the total Salaries and wages exceeded \$5,000,000. Mr. Willis moved to accept the Hospital Administrator's report. Mr. McNaughten Seconded. Mr. Yocom asked if the outpatient days were down due to Dr. Natalia leaving. Mr. Howell stated he does not think so because the clinic visits were about the same. He stated that Preferred has to revisit the lab rates even with the significant cut in lab rates last year Preferred needs to get them even more inline with San Augustine lab rates. Motion passed with a raise of hands.

- VI. Mr. Howell stated that the audited financials would be given in or before June. He stated that the revenue was just under budget from last year. Mr. Howell stated that the deduction from revenue was under budget however, as a percent the deduction from revenue were greater percent of gross patient service revenue than was budgeted at about \$146,000. He stated that goes back to a case mix of Medicare, Medicaid, and other commercial insurances. Mr. Howell stated that the net revenue was \$7,496,000 which was under budget. Mr. Howell stated that the expenses \$8,658,000 were under budget by approximately \$700,000, with an operating loss of \$1,162,000. Mr. Howell stated that after the transfer from the Hospital District the net loss to the Hospital was \$348,234. Mr. Howell stated that back a few months ago there was about a \$200,000 pull back from the state and Preferred had to send back that money. He stated that the Hospital District ended up getting back \$91,000; in January, that \$91,000 was sent back up. Mr. Howell stated that in 2017 that Sabine County Hospital will have recouped that \$200,000 was lost. Mr. Howell stated that there was also a contractual adjustment from Medicare. He stated that Preferred is looking at different things they need to do. Mr. Howell stated that in assets if that \$200,000 would not have been pulled back then Preferred would have exceeded the budget and would have been right around where Preferred was last year. Mr. Yocom stated on the balance sheet under stockholder equity he sees the reduction of the stock that is owned by the CEO went down by \$350,000. Mr. Howell stated that the retained earnings went down and a lot of that is because of the current assets went down. He stated that the current assets were mostly in third party settlements which is Medicare, Medicaid etc. Mr. Yocom asked if he was talking about an estimated third party payer's settlement. Mr. Howell stated yes. Mr. Yocom stated that has nothing in that line item. Mr. Howell stated that if you look at it last year financials beside it you would see that last year Preferred has a dollar there so we had higher assets last year. Mr. Howell stated that since there is not a 3rd party settlement our assets are lower and that is bring down the retained earnings. He stated that there was no distribution from the retained earnings.

Mr. Yocom stated that when Mr. Howell presented the Hospital Financials to the District Office he also included an invoice of monthly payment amount we owe Preferred every month. Mr. Yocom stated that with normal business if you receive an invoice you pay that invoice. He asked Mr. Howell if he was expecting the District to pay the invoice that was presented at the District office. Mr. Howell stated that no he was not expecting the district to pay the invoice. Mr. Yocom asked why Preferred was invoicing the District if they were not looking for payment. Mr. Howell stated that it was to create a record. Mr. Yocom asked why, the district has a record of how much we owe why you would send us an invoice. Mr. Howell stated that it was a decision that was made by corporate to have a record. Mr. Yocom stated that he does not like it. He stated that the District and Preferred had an agreement that is in the records that the district would withhold payments to flow up in IGT so Preferred could participate in 1115 waiver. Mr. Yocom stated but now you are invoicing us; which do you want? Mr. Howell stated that he would express the concerns back to the corporate office and answer that question next month. Mr. Howell stated that Preferred would like them to hold the funds. Mr. Yocom asked then why would Preferred invoice the District. Mr. Howell stated because in essence the District owes that amount to Preferred so it is creating a record on paper. He stated that he understands the concept that is there. Mr. Howell asked Ms. Powell when he started giving those to her. Ms. Powell stated that is was the third one she received. Mr. Howell stated he would like to answer the question Preferred would not like the money now. He stated that he did not create the invoice it was sent to him and asked for it to be given to the District so he will determine what the basis-for it is and report back. Mr. Yocom stated that standard business practice is if you receive an invoice, you pay it. Mr. Willis moved to accept the Hospital financials. Mr. McNaughten seconded. Mr. Pearson stated that since he was not present during the whole presentation he would be excluding himself from the vote. Mr. Willis and Mr. McNaughten voted yes; Mr. Yocom voted No by show of hands. Motion passed.

- VII. Ms. Powell stated that for the month of January Sabine County EMS ran a total of 119 calls with a response time of 9 minutes and 59 seconds. She stated that there was 6 calls in Bronson, 7 in Fairmount, 15 in Hemphill, 18 at Hospital, 2 in Lufkin, 23 at the Nursing home, 17 in Pendleton, 16 in Pineland, 2 in Rosevine, 5 in San Augustine, 3 in Shamrock and 5 in Six Mile for a total of 119 calls. Ms. Powell stated that there was 12 call transported with lights or sirens, 87 transported with No lights or sirens, 1 assist and 1 cancelled in route. Mr. Yocom asked if you could add the same number last year with the current calls and year to date that are already on the hand out. He stated that it is important to have some kind of comparative. Ms. Powell stated that the last couple of weeks Sabine County EMS has had four med units working for about total of 56 hours that we have had to have all 4 med units in service. Ms. Powell stated that we do not have to use the four med units over the weekend but we have to use them during the week. Mr. Willis moved to accept the Sabine county EMS January report. Mr. McNaughten seconded. Motion passed by raise of hands.
- VIII. Mr. Yocom stated that there are representatives from Fairmount Volunteer Fire Department to speak to the Hospital District. Mr. Yocom stated that when the Fairmount fire department communication tower was discussed in previous meeting there was some

questions about a tower that had been donated to Fairmount and the disposition of it. Mr. Art Thibodaux stated that the tower was not donated to the Fairmount Fire department it is a countywide tower. He stated that 6 years ago, he put towers up for a living and he had major concerns about the tower. He stated that he had other people look at it as well and had the same concerns as himself. Mr. Yocom asked what the concerns were. Mr. Thibodaux stated it is the tower itself. He stated that it was improperly installed at the sheriff's department for the 20 or 30 years it was there and it was structurally unsafe then. Mr. Yocom asked if that was the old tower from behind the Sheriff's department. Mr. Thibodaux stated that the donated tower was taken down incorrectly from the Sheriff's office and it would be too much liability for Fairmount Fire Department, therefore it was given back to the County. Mr. Thibodaux stated that they could purchase a new one for 40% more. He stated that his membership group not the fire department then decided to purchase a new tower. He stated that the new tower would be about ten feet higher than the one from the Sheriff's department at 185 feet. Mr. Yocom stated that after the last meeting they were just looking for clarification. Mr. Pearson stated clarification to justify giving one department money. Mr. Thibodaux stated you would be giving it to the County not to the department it would be the South Sabine County Tower but it will be located on the Fairmont VFD property. Mr. Yocom asked who would be responsible for maintenance. Mr. Thibodaux stated that the Fairmount VFD would be accepting the responsibility for that because Sabine County Firefighter's Association is supposed to help with those expenses. Mr. Yocom asked if the transmitter went out on the tower who would replace it. Mr. Clineman stated that you will have most equipment on the tower will be from the Old Mayfield tower which is the Sheriff's Departments and the only thing we will actually own is a receiver. Mr. Yocom asked if the transmitter went out on the tower who would be responsible for replacing it. Mr. Thibodaux stated the Fairmount Fire department. He stated that we will not be getting any money from the county; the county donates to the County Wide and that money was spent on the tower at Red Hill Lake. He stated that it cost a lot of money to get the Red Hill Lake Tower up and since the County Wide was broke right now the Fairmount Fire Department will be responsible for the Tower. Mr. Pearson stated that he still does not have clarity on whose tower it is or who will be responsible for it. Mr. Thibodaux stated because it is on our property its going to be our tower. He stated that legally it would be Fairmount Fire Departments Tower. Mr. Yocom stated when the tower is erected in Fairmount it is not only going to benefit Fairmount Fire Department but also the Sheriffs department, Sabine County EMS, anyone from the County. Mr. Pearson moved to donate \$2,000 to the construction of the South Sabine County Tower. Mr. McNaughten seconded. Motion passed.

- IX. Mr. McNaughten moved to not appoint anyone into the Precinct Three Director Position but wait until election to fill the seat. Mr. Willis seconded. Motion passes.
- X. Ms. Powell stated that she would like to note that Shamrock Shores First Responders license expired in September. She stated they were able to get it renewed but only have only one first responder that does not plan on renewing her license in July when it comes up for renewal. Ms. Powell stated that she hates for them to lose their first responder organization but without someone with a certification they will. Mr. Willis moved to

make the bi annual payment to the Volunteer Fire Departments based off the percentage totaling \$18,000. Mr. McNaughten seconded. Motion passes.

XI. Mr. Yocom stated that because at the last special meeting the Board voted not to participate in the QUIPP program, it is not necessary to have a line of credit but thinks we would be wise to go ahead and get one. Ms. Powell stated that you would always want to lean on the side of caution and recommended a \$300,000 line of credit be established. She stated that is a good number in the event the med units break down or something happens to the station. Mr. McNaughten moved to set up a \$300,000 line of credit. Mr. Willis seconded. Motion passed.

XII. No Action

XIII. Mr. Yocom moved to allow the District Administrator and the EMS Administrator to attend the Emergicon Conference May 19-20, 2017. Mr. McNaughten seconded. Motion passed.

XIV. Mr. McNaughten moved to allow the District Administrator and the EMS Administrator to attend the TEMSA Conference June 19-21, 2017. Mr. Yocom seconded. Motion Passed.

XV. Board member comments

Mr. Willis: No Comment.

Mr. Pearson: No Comment

Mr. McNaughten: No Comment

Mr. Yocom: No Comment

XVI. Adjourned at 6:05 P.M.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors