

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING MINUTES

May 7, 2015

The Sabine County Hospital District Board of Directors met for a Special Session Meeting on May 7, 2015 at 3:00 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
Gary Williams, EMS Administrator
Diane Powell, District Administrator
Emily Taylor, Administrator Assistant

Others Present

Diana Taylor, Sabine County Hospital Administrator
Penny Ferguson, Sabine County Reporter
Mike Easley, Vice President, Preferred Hospital Leasing

- I. Mr. Yocom called the meeting to order at 3:00 p.m.
- II. Mr. McNaughten opened the meeting with prayer.
- III. Member Comments

Mr. Bob Cole stated he would like to hear what was going on before he would like to make a comment. He was still trying to figure out what was going on. Mr. Yocom stated he would be left on the list for later comments.

Dr. Luther stated her comments were in her handout that she had given everyone. She stated she put them in the handout so she would not forget them. She asked that everyone take them home and pass it around to their friends. She stated that we have a good thing going here and no changes need to be made. Thank You. Mr. Yocom thanked her for her comment.

Sharon Chance stated that this was asked by her mother that was unable to attend the meeting but had some concerns about the hospital. She stated her mother questioned how it is possible to make changes to Sabine County Hospital without notifying Sabine County residents and have them vote on the issues. Mr. Yocom thanked her for her comment.

Marilyn Dilly stated that she has worked in the medical field for many years on both sides. She stated, in her opinion, when a Hospital is privately owned by a County or

Parish you will not have the quality of Doctors and Nurses needed, the doctors and nurses will not stay long due to being under paid and also the hospital could not afford the modern equipment that a private practices can provide.

David Bartholdi stated that his concerns come from some of his patients. His patients questioned the cost of the labs at Sabine County Hospital, when compared to San Augustine or Nacogdoches, which provides them at a lower cost. He stated he was not sure if it has ever been brought to the board's attention. He asked if there was a way to be more competitive in the pricing to keep the residents from having to drive to San Augustine, Nacogdoches or Lufkin for routine labs. Mr. Bartholdi stated he would like for that to be evaluated, he stated he has heard of savings somewhere between 30% and 50%, just by driving to San Augustine. He stated another concern he has was if you have an organization like St Luke's that wanted to come in and serve our area why not let them. St. Luke's is a nationally known health care agency and their resources are unlimited. Mr. Bartholdi stated St. Luke's could bring in people from all over to help our area so why wouldn't you allow them to come in and evaluate the area. He stated that St. Luke's resources were much deeper than anything that Preferred could offer. St. Luke's is a huge organization that would benefit this county by allowing them to come in here if that was the case. Mr. Yocom thanked him for his comment.

Diana Taylor stated she had been the Sabine County Hospital Administrator for nearly five and a half years. She has seen it grow and seen services improve. She stated when she started at Sabine County Hospital the only providers were Dr. Luther and Chad Moody. She stated that if Preferred is able to continue to provide management services for Sabine County Hospital and their contract is not cancelled, Sabine County Hospital will have three Doctors and three PA's by June. She stated that Preferred would like to continue their relationship with Sabine County Hospital. She stated that if there are issues Preferred is more than willing to work with the Hospital District to correct the issues. Ms. Taylor stated that the action taken at the last board meeting was done with her asking the Sabine County Hospital District Board of Directors why the action was taken, she said she had no idea why this was done. She stated she hopes that Preferred can continue providing services to this community she feels Preferred has done a good job. Mr. Yocom thanked her for her comment.

Racheal Horn stated she would like to hold off until she hears other comments.

Jamie Payne asked who holds the contract with the doctors and PA's, he asked if it is Preferred. Ms. Taylor stated yes. Mr. Payne then stated if the contract with Preferred is changed will that run off all the doctors and PA's off. Mr. Yocom states we could not answer question during this time and that would be something that needs to be asked to Preferred not the Hospital District. Mr. Payne stated that the community looks at the District for answers and he has heard that a new doctor is coming and with all this new turmoil will the new doctor still come to Sabine County Hospital.

Bob Cole stated why are we trying to fix something that is not broke everything is working perfectly well.

Beverly Rocha stated that she does not want to drive to Lufkin, Nacogdoches or San Augustine to get to the doctor when she is sick, it was hard to get to those places she wanted to go the local doctor here in Sabine County and if Preferred goes the doctors will go. Then people will have to drive Lufkin and Nacogdoches go to the doctor and that was sad. Mr. Yocom thanked her for her comment.

Dot Cole stated could she ask Preferred what would happen to the contract. Mr. Yocom stated that this was a Board meeting if she wanted to ask Preferred a question Ms. Cole was more than welcome to do so but Mr. Yocom did not want to get in to that deduction at a Sabine County Hospital Board Meeting.

David Chance stated what vehicles of communication the Board, Preferred and the community is using at this time to provide transparency. Mr. Yocom thanked him for his comment.

Mary Drennon stated she has lived in this little town since 1982 she knows almost everyone in the room and does know all the staff. Ms. Drennon stated she had been in the hospital several days in the swing bed program and she was never been treated so wonderful than she was when she was in Sabine County Hospital. Every nurse and doctor everyone in that room was so concerned and so helpful. She stated she did not want to go to Jasper or Lufkin this is her town and where she pays her taxes and these are the people that she loved were and these are the people that love her, that is why she was here. She stated we need to keep everything the way it was. She asked for everyone to look over at the wall and stated asked how in the world you could turn yourself on nurses like, they are all so good and the people, everybody doctors, nurses, it's a great place to live. Thank you lord. Mr. Yocom thanked her for her comment.

Brian Corley stated he has lived here his whole life, he was born in Sabine County Hospital and was a third generation nurse at Sabine County Hospital. Why do you want to bring in a corporation from all over the nation to our rural community? Mr. Corley states we are rural, we are family, we are not big people we are little people let's keep it that way. Mr. Yocom thanked him for his comment.

Rachel Horn stated she has been with Preferred for three years, anytime a hospital employee needs something Preferred is there for them and stands behind them. They keep their wages comparable, much better than many of the corporations. She stated that she has worked for the corporation that was looking at Sabine County Hospital. The wages Preferred pays is better than the wages she can get there. She stated that Preferred stands behind them and gets them what they need to work with and that is how you get the 10, 15, 20 and 30 year employees staying at Sabine County Hospital not with a Corporation. Mr. Yocom thanked her for her comment.

Laura McCroskey stated that she had worked for Sabine County Hospital for a total of 15 years. She stated she was here when all this happened before and she would guarantee that Preferred has really looked after the employees. Sabine County Hospital employees have better benefits, and get bonuses. She stated that Preferred loves their employees and holds an employee appreciation week. She stated that Sabine County Hospital has better equipment than what it has had before. Ms. McCroskey stated she wasn't sure why anyone would think they need to leave because they are the best thing that has ever happened to Sabine County Hospital. Mr. Yocom thanked her for her comment.

Tiffany Bradberry stated she had worked in the health care field in Sabine County for 18 years now. In regards to CHI she is sure they are a fine company. She stated she has worked with many of the people at Lufkin Memorial. She stated that when CHI took over Lufkin Memorial she had to remove every card out of her Rolodex because CHI had let them go. Preferred has been great to Sabine County Hospital, the providers, and everyone at the hospital. The atmosphere at the hospital is completely different now than it was 5 or 10 years ago. She stated that she believes it because people feel more welcomed now

than they did before. Ms. Bradberry believes it because of the changes that Preferred has made in management, she appreciates Preferred and hopes they stay. Mr. Yocom thanked her for her comment.

Daryl Melton, Sabine County Judge, stated he would like to see Preferred and the Hospital Board to sit down and try to work things out. He stated that he believes Preferred is good for the community, they have added six doctors, which have not been here before. As the county judge he feels we have the best medical treatment we have ever had here. Mr. Melton states that he feels that Phil and the Hospital Board has done a great job with the Ambulance service and he feels that we have the best Ambulance service we have ever had. He would like for the Sabine County Hospital Board and Preferred would sit down and work it out to the best of their ability. He states that Preferred has 78 employees and that is what everyone is worried about is everyone having a job. He stated that there are a lot of rumors going around but no one knows until Sabine County Hospital Board tells the community what is going on. He states he had come to just listen but did want to speak up because he feels we have a good thing going and ask that the Hospital Board and Preferred sit down and talk it out. Mr. Yocom thanked him for his comment.

Byron Star (Squeaky) stated that he was here to back up Tiffany Bradberry. He stated that over in Lufkin that when there is death it is a real task getting the death certificate signed. Because they don't know who the doctor is, where the doctor went or when the doctor will be back. He stated it is an ongoing problem he is calling a judge in right now to have a death certificate signed, because no one know who called the death. Mr. Yocom thanked him for his comment.

Chad Moody stated he is a provider here at Sabine County. He has been a provider in Sabine County for ten years, he was raised in Sabine County and came back because he felt a need. Mr. Moody stated he came back and worked with Dr. Watson in his family practice. He stated he was there for three years then felt a pull from the hospital because he was not currently doing hospital work. He stated Preferred came to him and stated if you become part of the Preferred team you can be more involved with the community by seeing patients at the hospital and the clinic. Mr. Moody stated that with an effort to provide complete care to the providers and the community he made the move to Preferred, and he has been happy with his decision. He stated that when he started with Preferred there was Dr. Luther and himself with measures in place to have other providers to come. The goal was within six months of him coming to Preferred would have four providers. It took four years, and it wasn't because Preferred wasn't trying. He stated it is hard to get providers to come to a rural community but Preferred is able to get this done. He stated we are here and we love it but trying to get an outsider to come to Sabine County is a very big challenge. So four years later, Preferred has four providers. He stated that Preferred had a fifth provider for two years and then that provider left for personal reasons. Preferred now has another provider that will join the staff in July. Mr. Moody stated that when you make changes or throw up a flag that shows there is instability between the Hospital District and Preferred Management, no provider is going to want to stay at Sabine County Hospital because of the instability. He stated that it has taken years for Sabine County Hospital to get to where it is now. He stated that with Sabine County Hospital and Preferred the providers are happy. Mr. Moody stated doing

anything to jeopardize that would be a disaster. Mr. Yocom thanked him for his comment.

Ladora McDonald stated that this was close to her heart. She stated she was in Sabine County Hospital two weeks ago and received excellent care. Ms. McDonald stated that she came into the ER on a Sunday and her doctor was here and took good care of her, everyone took good care of her. She stated she stayed at the hospital four days and received VIP treatment. She stated that if she was in Lufkin she would not have gotten that kind of care. She stated Lufkin would not have cared. Ms. McDonald stated that the community needs Sabine County Hospital just like it is, do not fix something that is not broke. Mr. Yocom thanked her for her comment.

Dr. Natalia stated that it is a pleasure to work for Preferred, and with the nurses and patients. She stated that it is really sad that this is happening. Mr. Yocom thanked her for her comment.

Margie Watson, Chief Nursing Officer at Sabine County Hospital, stated that Preferred really invests in the nurses, their training, and the things that the nurses need to do their job. She stated Preferred pays for ACLS, PALS, and trauma education. Preferred sends them to webinars, and seminars. She stated that she has worked for larger institutions like Baylor in Dallas, Good Shepherd in Longview and in order to save the money those larger places are not sending their nurses to get the training they need. The nurses at the larger corporations are having to take vacation and pay to have the classes that are needed. Preferred provides Sabine County Nurses the resources to attend the training that they need and Preferred pays for this. She stated that Preferred is more supportive than the bigger guys. Mr. Yocom thanked her for her comment.

Johnny Luman, Lab Manager at Sabine County Hospital, stated that the labs that were spoke about in previous comments are cash labs, they are not joint commissioned certified like the Sabine County Lab, which he considers a quality lab. Mr. Luman stated that San Augustine Memorial has a quality lab and they do lab work for the cash lab so they can afford to make prices low. He stated that Sabine County Hospital has high to average pricing, the pricing is compared to other surrounding hospitals every two to three years. He stated Sabine County Hospital lab prices are in line with the other surrounding hospitals. He stated that Sabine County Hospital cannot afford to lower the prices right now, however in the future this could be looked at. He stated putting a lab for patients who have monthly lab testing done has been looked into in the past, however there is not enough funding at this time to do this. He stated that maybe Preferred would consider it down the road if it is viable. He stated he could tell you that the staff at Sabine County Hospital know what they are doing and doing it well. Mr. Yocom thanked him for his comment.

Angie Kennon stated that she graduated nursing school two years ago and has lived in Sabine County her whole life. She states that she knows most people have to work off to make a decent living, and as a single mother she is unable to do this. She stated that she had applied at CHI and in Beaumont and they cannot come close to paying her what Preferred pays her as a nurse. She stated that she was able to stay home and watch her son play baseball, because Preferred takes care of their employees. She stated she and her family have great insurance. She stated that she has a sister that just graduated nursing school and she doesn't make close to what she makes with Preferred, they really take care of their employees. Mr. Yocom thanked her for her comment.

Reverend William Davis stated he was going to speak up for the hospital and the doctors at Sabine County Hospital. Reverend Davis stated that he has had four heart attacks and 43 cancer treatments. He stated that his specialty doctor always refers him to back to his family doctor. He stated he has used Dr. Luther before and she is a good doctor. This hospital is a good hospital and it would be a shame for it to close down because of a few greedy people. Reverend Davis stated he wanted to thank the hospital for everything it has done for him during his time of his heart attack and catching his cancer he didn't know he had until he started losing weight and he thanks the hospital for it. Mr. Yocom thanked him for his comment.

Mary Drennon stated she would like to thank the Board Members, they all do a wonderful job and she would not have their job. She stated that the Hospital District has a very big responsibility to all the people in that room, the doctors, the nurses the people of the community and even Squeaky. She stated she would rather live with a fisherman that could not fish than to hear all the complaints from the people here. Mr. Yocom thanked her for her comment.

Mertyl Hogue states that she has worked at Sabine County Hospital for 35 years since the hospital opened. She states that they have had it very good with Preferred. She stated they have had it good in the past but it has gotten even better with Preferred. She stated that she has enjoyed Preferred and they have been good to her and she has no complaint and she may stay with Preferred for seven more years. Mr. Yocom thanked her for her comment.

Lovey Archie states that she was at Sabine County before the hospital ever opened. She states that she had been there through the rough times and the good times. She stated that everything is running fine now and Preferred is giving them things they have never had before. She stated she was not sure why the Hospital Board would want to change anything. She stated she has seen the ups and downs and she does not want to go back there. Mr. Yocom thanked her for her comment.

Debra Arndt stated that she had been at the hospital for 26 years. She would agree with Lovey and with everything everyone has said about the Hospital. She stated the employees had it good before but they have it better now. Preferred is taking care of their employees. She believes that if Preferred had not taken care of them they would not be there. Debra stated that she would hate for the people out on the lake to have nowhere to go if the hospital closed down. She asked that the Board please think hard about their decision. Mr. Yocom thanked her for her comment.

Laquet Anders stated that she would like to speak on behalf of being an employee and a patient at Sabine County Hospital. She stated that on both sides Preferred had been good to her. And for the employees at the Hospital, Preferred has been great to them too. She stated that if the Board takes away Preferred then the Board would be taking away the employees lively hood and the doctors. Most people are comfortable with the doctors at Sabine County Hospital and they do not want to go anywhere else to see doctors. She asked for the Board to please think about all that when making their decision.

Margaret stated that she has been a Sabine County Hospital employee for 18 years and is not just part of the Sabine County Hospital but also part of corporation in Shawnee, Oklahoma. She states that in Shawnee they treat them like they are family. She has stated that she was unable to advance in her position until Preferred took over. She stated that Preferred was the best management team the Hospital has ever had with Diana Taylor's

leadership. She stated that she hopes the Board will not make any changes that will change that because she will not be able to stay employed at Sabine County Hospital if she is not employed by Preferred. And she will definitely have move on.

Mr. Yocom stated that the Public comments were now over and that the Board appreciated everyone's comments and the Board would consider everyone concerns when moving forward with their decision making.

- IV. Closed Session at 3:34p.m. To consult with legal counsel regarding compliance with the Hospital's Lease and Operating Agreement.
- V. Closed Session
- VI. Return to Open Session at 5:08p.m
- VII. Mr. Yocom moved that after reviewing the May 6th letter from Preferred' s attorney asking to build a dialogue of cooperation on two issues of immense importance to the district those being financial transparency and the proper accounting of the use of Federal Funds, I move to give Preferred, the District, and their attorneys the space to engage in these discussions with the assurance that the Lease Agreement is not going to be cancelled or terminated, in anyway while these discussions are on-going and fruitful. Dr. Comeaux seconded. Motion passed.
- VIII. Board Member Comments

Earl Willis stated that he appreciated everyone for coming out and staying. He stated that it looks like the Board has a solution to the problem and you don't have to worry about your business.

Dr. Lana Comeaux stated she would like to reiterate what Mr. Willis stated and that the Board does appreciate everyone coming out and voicing their concerns about the issue. She stated that for Preferred and the service they have provided for the community or the way they treat their employees the Board does not question that. She stated that is documented time and time again that Preferred and Diana Taylor have done a remarkable job. She stated that as a board member, they have two responsibilities: one is to make sure that proper health care is being provided to Sabine county and the other is a fiduciary responsibility to ensure that your tax dollars are spent wisely. That is where the Board and Preferred have an issue. It will be all be brought back out to the table and handled. She stated the way Preferred treated their employees and patients was never in question.

Mark Pearson stated when we stated that when starting the Ambulance service one of the things the board touched on was we believe in local people taking care of local people, that is where he still stands. He stated the he had no question on to what Preferred has invested in community. He stated that it is the Board's civic duty to the community. He stated that the issues are very small and the Board would get it corrected.

Joe McNaughten stated he enjoyed all the improvements that Preferred has made at the Hospital. He would anticipate that Preferred would be running the hospital for many years. He stated the issue at hand was a business matter that never should have alarmed the community the way it did. He stated it just like if you are over drawn at the bank you have to go to the bank and have to issue resolve. Mr. McNaughten thanked the community for coming out.

Dr. Comeaux stated that she does not want to shift the scare from people losing their job to a financial issue. She stated that the Hospital Board just needs more clarification and detailed information on the issue so the Board can make a more informed decisions on the matter at hand.

Mr. Pearson stated that he was very happy with Preferred and he would like to challenge the public to come to regular board meeting and not wait till there is a big uproar to come out. He stated the board meets every 4th Monday of the month at 5:30 P.M. except this month they will be meeting the 3rd Monday. He stated that if the community would come to regular meeting and voice their thoughts they could help with the board's decision make instead of everyone flooding in at once with concerns because the rumors have got out of control.

Mr. Yocom stated that for the record that the board does not think there is any better health care provider out there except what is at Sabine County Hospital. He stated that he believes that the providers at Sabine County Hospital provide the number one best care to the citizens of this county. That is never been an issue at hand. He stated that the issue at hand was being moved forward and getting resolved.

IX. Adjourn 5:20 pm

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors