

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

June 22, 2015

The Sabine County Hospital District Board of Directors met for a Regular Meeting on June 22, 2015 at 5:30 PM in the Sabine County Hospital Cafeteria.

Present

Phil Yocom, President
Earl Willis, Board Member
Dr. Lana Comeaux, Member
Joe McNaughten, Secretary
Mark Pearson, Member at Large
Gary Williams, EMS Administrator
Diane Powell, District Administrator
Emily Taylor, Administrative Assistant

Others Present

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

- 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:
Dr. Luther stated she had the privilege of speaking with Dr. Gulbis over the weekend. Dr. Luther stated that if anyone was curious as to why the employees were upset over the consideration of losing Preferred and bringing in a larger corporation Dr. Gulbis could tell you. She stated that Livingston Hospital was just taken over by a bigger corporation and the changes are not good, according to Dr. Gulbis. Dr. Luther stated that she was very appreciative of the information that Dr. Gulbis had given her and if anyone had any further questions Dr. Gulbis would be happy to speak with them. Mr. Yocom thanked her for her comment.

Montez McNaughten stated she had attended just about every Hospital District Board with her husband Joe McNaughten, Sabine County Hospital District Board Member. She stated that she enjoyed being a part of the audience, often the only audience at the meeting. Ms. McNaughten stated one of the things she had seen over the years was the

unity among the board members, the flexibility, and the consideration of the community, hospital personnel, Preferred Hospital Leasing and other Board Members. She stated that she feels that Preferred Leasing has done an outstanding job at Sabine County Hospital. She stated that she would like to see Preferred stay with Sabine County Hospital, she said this is her opinion. Ms. McNaughten stated the old saying United we stand divide we fall, and she was afraid that there was too much division among the board to carry out business for Sabine County Hospital. She stated that she hoped and prayed that God would lead each and every one of the Sabine County Hospital Board members to search their heart for what they feel is right for the community, right for the hospital, and right for people like her that may need to be stabilized before being sent to a larger facility. She stated that she hopes the Board will do what is right for the community and not just for the feeling of being right. Ms. McNaughten stated that she hopes the board can seek God's will in this and do what is best for this community. Mr. Yocom thanked her for her comment.

Ray Rocha started by thanking the Board for a bigger room with more seating. He stated there is always a better way of doing things. That was something he always takes into consideration with his business. Mr. Rocha asked for the Board to keep an open mind with trying new things. He stated that he thinks everyone needs to gather the facts and then disperse the facts to the people it will affect so that they can understand what is going on without having to read about it on the front page of the paper after the decision has been made, then it is too late to speak up. Mr. Rocha stated that a lot of older individuals that are veterans in their careers live in Sabine County, this is a retirement community. This area has a lot of stroke patients, as well as other heart conditions, they need a place to be brought to that can stabilize them then sent on to a better facility. Mr. Yocom thanked him for his comment.

- IV. Mr. Willis stated that he is very proud of Sabine County EMS and hopes that everyone else is too. He stated that from looking at the financials, Sabine County EMS will be a break-even company at the end of the year. He stated that a lot of people in the health care field urged him not to get involved with an Ambulance Service. He stated that from the finances you can tell Sabine County EMS is doing excellent work. Mr. Willis stated that Sabine County Hospital Board sent up \$426,000 dollars to the 1115 project that means we will be getting better services from that money. Mr. Willis moved to accept the minutes from May 7, 2015, May 18, 2015, and May 27, 2015 and financials. Mr. McNaughten seconded. Motion passed.

Dr. Comeaux arrived at 5:48 p.m.

- V. Ms. Taylor stated she would like to start off by introducing her replacement Jerry Howell and that today was his first day. She stated that Mr. Howell came to Sabine County Hospital with a lot of experience and information and she feels comfortable turning the hospital over to him. Ms. Taylor stated that for May 2015; discharged inpatients are up by 22% from this time last year, swing beds are about the same. She stated that there is a decrease in ER Visits by 4% which from her stand point that is a good thing. She stated that Sabine County Hospital is trying to educate the residents

that if it is not an emergency do not go to the ER, they would like for you to see your primary care physician. Outpatients visits are down by 12%, but transfers are up by 19% she stated that there they have had a lot of critical patients in the Hospital. She stated that Clinics are also down, Sabine Family Medical is down 11%, and the Toledo Bend Medical is down 9%. She stated that they have had to close the clinics some due to only having 2 PAs and 2 Doctors trying to cover 3 locations; 2 clinics and the ER that's open 24/7. Ms. Taylor stated that Dr. Backofen has signed a contract to start at with Preferred after his residency was up. She stated that Mr. Backofen may not get his license until September due to the high volume of applications that the state has received for medical licenses. Ms. Taylor stated that the Sabine County Hospital uses a company out of Austin for teleradiology, she stated that they are unhappy with the current service and will be utilizing one out of Amarillo. Ms. Taylor stated that the Health Fair had a great turn out, there were about 200 people who attended; with 60 kids getting helmets, 49 people getting cholesterol and glucose testing, and 20 vendors. She stated that Marika Gay is keeping up with the transfers that are going out of Sabine County Hospital. Ms. Taylor stated that about 40% goes to CHI St. Luke's in Lufkin, 23% goes to Nacogdoches Medical Center. Ms. Taylor went on to explain that for the first 4 months of 2015: Medicare percentage for Inpatient is 87%, Medicare percentage for outpatients is at 44%. She stated that bad debt to gross revenue is 21% and that the other adjustments to revenue averages \$922,000 that they have not collected for different reasons. She stated that the hospital is out \$4,364,905 total charges.

- VI. Ms. Taylor stated that there will be an IGT call to be sent up in July for DSRIP. She stated that Sabine County Hospital will not be asking for the District to send any additional funds, just the monitoring fee of approximately \$1800. Ms. Taylor stated that there will be another IGT call in December or January that the hospital will ask at that time for the money to be sent. No Action Taken.
- VII. Mr. Yocom asked that the Preferred Financials be submitted to the Board earlier than the board meeting. He stated that it would give the Board more time to look over them in order to ask the appropriate questions. Mr. Easley stated fair enough. No Action Taken.
- VIII. Mr. Williams stated that the Sabine County EMS continues to be busy in the month of May with 130 calls with 110 of those calls billable. He stated that the Ambulance service is carrying 29% to Sabine County Hospital ER, 47% to Lufkin, Nacogdoches or Jasper areas. Mr. Williams stated that 29% of the calls came out of Sabine County Hospital to other facilities. He stated that last month some of Sabine County EMS employee took an ACLS class sponsored by PHI Air Medical Team out of Lufkin. Mr. Richard Russell, PHI Air Medical donated his time to hold the class for Sabine County EMS, this saved \$1420. Mr. Williams stated that he did meet with Dr. Hudson as discussed in the meeting on May 18, 2015. Mr. Williams stated that in the meeting they decided to go in stages with the first phase being able to transmit 12 leads ECG's to receiving facilities. He stated that the receiving facility will also be able to see blood pressure, heart rate or anything the Ambulance Service can monitor in the back of a truck. Mr. Williams stated that the problem that Sabine County EMS is facing during the first phase is they had planned on transmitting off the current Zoll Monitors that are in use currently. But Zoll

did not renew their contract with FCC for the M series or E series so we cannot transmit with our current monitors. Mr. Williams stated that he is looking into trading in our monitors for a LifePak or Philips monitors. Mr. Williams stated that the second phase would be to implementation of new protocols. He stated that we have been looking on protocols for sometime but he wants to make sure that they have it right if there better or more advanced treatment that can be agreed upon with Dr. Gulbis then they want to look into it. He stated that the third phase will be to have Dr. Gulbis approve and to sign off on the protocols to put them into place. He stated that the protocols will be sent to the Cath labs and ER facilities that are being utilized by Sabine County EMS for the Doctors to follow. Mr. Yocom asked Mr. Williams for an estimated cost of everything needed to do this. Mr. Williams stated about \$60,000. Ms. Taylor stated that she has talked to Dr. Ogula in Nacogdoches and Mr. Williams may like to contact him to see if he would like to get on board with this as well because some patients are going to want to go to Nacogdoches and not Lufkin. Mr. Williams stated he would like contact information on him. Mr. Willis asked if an electrodes are used when someone is having heart trouble or a heart attack. Mr. Williams's explained that if someone was showing signs or symptoms of a heart attack the EMS service put a 12 lead on them. Mr. Willis stated you have one for pediatrics. Mr. Williams stated yes. Mr. Willis moved to except EMS Administrators Report. Mr. McNaughten seconded it. Motion Passes.

- IX. Mr. Yocom moved to allow the District and EMS Administrator to attend the Texas EMS Alliance August 3-5, 2015. Mr. Willis seconded. Motion passed.
- X. Mr. Yocom moved to allow the Diane Powell and Emily Taylor to attend the Election Law Conference December 2-5, 2015. Mr. Willis seconded. Motion passed.
- XI. Mr. Yocom appointed Dr. Comeaux and himself to work on the Job Descriptions and Evaluation Guidelines for the District and EMS Administrator.
- XII. Mr. Pearson asked if the Board should discuss dismissing the Attorney in closed session. Mr. Yocom stated that the Board could not enter closed session on that matter as it is not on the Agenda. Mr. Yocom stated that he would be able to discuss the issue more at next month's meeting after looking over the Hospitals financials. Mr. Pearson stated that he signed a check for Mr. Keene and was unsure of what Mr. Keene was doing for the Board exactly. Dr. Comeaux asked if Mr. Keene was costing anything if we did not call him. Mr. Yocom stated that Mr. Keene only charged when Preferred responds to the request. Mr. Willis stated that we have accumulated \$27,000 dollars in legal bills since the beginning of the year. Ms. Powell stated that not all of that was paid to Mr. Keene. Mr. Pearson asked why the Board needed an attorney to sit down with Preferred to discuss the matter. Mr. Yocom stated that when the Board hired Mr. Keene, Preferred was refusing to give the Board detailed financials. Mr. Pearson stated that he thought the Board had hired Mr. Keene to do research for property for the ambulance service. Mr. Yocom stated that was the reason we hired Attorney Alex Fuller. Mr. McNaughton asked Mr. Yocom about the money he is claiming as missing. Mr. Yocom stated that he is not saying the money is missing he is stating it's unaccounted for in the financials. Mr. Yocom stated that the District sent up \$768,000 through IGT. When the Hospital got the money back it

was over \$3.3 Million taking out the \$768,000 that leaves \$2.6 million that Preferred has said came back to Sabine County in services. Ms. Taylor stated that since the hospital financials have been tabled until next meeting, she asked that the Board write down specific questions that they would like answers to and the Preferred will do their best to answer them. Ms. Taylor read page 30 of the Hospital lease agreement and stated that Preferred was in full compliance of the contract. She also stated that she received an e-mail from Ms. Powell about two weeks ago that requested the financials that excluded clinic expenses and revenue. She stated that the clinics are provider based Rural Health clinics, they are part of the hospital entity just like the Lab, Radiology or Physical Therapy. The Clinics are part of the Hospital as a whole. The cost is interwoven and cannot be taken out of the financial statement. Ms. Taylor stated she just wants everyone to know that Preferred had supplied the board with what the lease agreement states they will provide. Mr. McNaughten stated that he understands the Hospital cannot operate without the clinics. Mr. Pearson moved to dismiss Attorney Mark Keene as of tonight. Mr. McNaughten Seconded. Mr. Pearson, Mr. McNaughten and Mr. Willis voted yes. Mr. Yocom and Dr. Comeaux voted no. Motion Passed.

XIII. No Executive session needed.

XIV. No Executive session needed.

XV. No Action Taken.

XVI. Board Member Comments:

Mr. McNaughten stated that he thinks the Board needed to get with Preferred and iron out all the differences and to let them continue to do good work at the Hospital. He stated you can look at the hospital and see what Preferred has done to fix the Hospital. He stated that they have fixed the leaks, upgraded the patient rooms and added automatic doors at the front entrance. Mr. McNaughten stated he doesn't think that the Board needs to mess up the relationship between the Board and Preferred.

Mr. Pearson stated that as far as the 1115 waiver goes it should be ran by some bookies in Vegas because it is about the most crooked thing that he has seen and from the outside it does not look good either, but anything the government does is crooked. Mr. Pearson stated that there is no contractual agreement on how the money that is sent up in the 1115 Waiver program is spent, it is just an understanding. Mr. Pearson stated he believes we need to sit down eye to eye and talk it out to make everyone happy but he feels it can be done without an attorney. He stated that he feels that the Board is divided and to make a board work there needs to be a team. He has had some hard times the last year and does not have much fight in him. He stated that if the Board didn't come together he would no longer be sitting on the District Board. He stated the he understood that he was elected by the community

and he would hate to let the community down but he cannot be part of a hostile environment.

Mr. Willis stated that he would like to explain that the Board had nothing in writing concerning IGT, all of this is done in good faith with Preferred, and it would be illegal to have something in writing. He stated that he understand that the \$780,000 that the District pays Preferred to manage the Hospital is not enough to run the Hospital. Mr. Willis stated that the Hospital needed the money to be sent up or they could not run the hospital. He stated that he is fine with the financials that Preferred has given the District, he stated they are the same ones that we have received for seven years. He stated that he is fine with the Board asking for the information and even asking for Preferred to tally it down around \$10,000 dollars but at some time you have to sit back and ask what you are going to do when you get them. He stated that this cannot go on month after month and not be satisfied with the answer that the Board is getting from Preferred.

Dr. Comeaux stated that she does not think a divided board is a bad thing. She stated that she thinks it ok to be divided and a difference of opinion but she does not think that we are in crisis mode.

Mr. Yocom stated that just because the Board does not agree does not mean they dislike each other. He stated that it just means that they have a difference of opinion. Mr. Yocom stated that he agrees with Dr. Comeaux that he does not believe the Board is in a crisis. He stated that he will review the financials that Preferred gave them and he will move forward from there based on that information. Mr. Yocom stated that he as a tax payer would like to know where the \$3.3 million dollars in tax payer derived funds are that Preferred received last year and he assumes all tax payers would like to know how their money was spent. He stated that all he is wanting is an accounting on how Preferred is spending the tax payer's money.

XVII. Meeting adjourned at 6:40 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
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