

SABINE COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

August 24, 2015

The Sabine County Hospital District Board of Directors met for a Regular Meeting on August 24, 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
Tyler Williams, EMS Operations

Others Present

Alex Fuller, Attorney at Law
Jerry Howell, Sabine County Hospital Administrator
Penny Ferguson, Sabine County Reporter
Martha Stone, Tax Assessor Collector

- 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:
Laura McCrosky stated several people from the public wanted her to ask what had changed with Preferred's financials in the last year that is causing such an issue if they are the same financial statements they have always gotten. Mr. Yocom stated that it was a fair question and if Ms. McCrosky would see him after the meeting he would give her the financial statements from Preferred to look at.

Kenny Smith stated that he works in the public and hears a lot of talk out in the public and right now the public is not happy with the Hospital Board because of what they see and read in the paper. He stated the public feels that it is going back to the old days with hospital bashing and board bashing. He stated that there seem to be problems amongst the board and maybe utilizing more executive sessions would be helpful. Mr. Smith stated in his opinion and several other peoples opinions all that matters is if Preferred is providing

good health care and that they are functioning with in the lease agreement. We could care less how much they are making a year. Mr. Smith stated that he thought the issue had been put to rest but it is obviously a continuing problem. He stated that the public sees this and the public has got to where they no longer have confidence with the board. He stated that he feels that problems from the board and Preferred seems to be aired to the public and should be taken care of in executive session. Mr. Smith stated that the Board needs to gather in union. Mr. Yocom thanked him for his comment.

Phil Yocom stated he would like to start out by calling out ~~Dr.~~ Chad Moody and the others that were involved in treating Mr. Yocom's mother at the Hospital last week thank you. He stated that the Hospital staff that was involved did an excellent job with great care.

IV. Proposed Tax Rate

1. Ms. Stone stated that the total taxable value from the Certified Appraisal Roll is \$617,586,880. Mr. Yocom moved to accept the Certified Appraisal Roll. Mr. Willis seconded. Motion passed.
2. I, Martha Stone Collector for Sabine County Hospital District do solemnly swear the anticipated collection rate for 2015 for the Sabine County Hospital District has been estimated to be 100%. Mr. Willis moved to accept the anticipated rate for 2015 Mr. Pearson seconded. Motion passed
3. I, Martha Stone Collector for Sabine County Hospital District do solemnly swear that the amount of excess debt service fund collected in 2015 for Sabine County Hospital District has been determined \$0. Mr. Yocom moved to except the Certification of the 2015 excess debt collection Sabine County Hospital District. Mr. Willis Seconded. Motion Passed
4. Mr. Yocom stated that 2014 Tax rate was \$0.206546 and the 2015 proposed Tax rate is \$0.206546. Ms. Stone stated yes. Mr. Willis asked with the rate staying the same the District would still receive an increase in funds in the amount of \$65,248. Ms. Stone stated yes, property values went up with some areas and with that your funds go up. Mr. Yocom asked Mr. Pearson if he had had a chance to look at the 2016 Budget. Mr. Pearson stated that he had looked at it. Mr. Yocom asked what the rate needed to be for the proposed budget. Ms. Powell stated that the budget for 2016 was based off the last year's rate. Mr. Yocom moved to accept the proposed tax rate of \$0.206546 per \$100 evaluation. Mr. Pearson seconded it. Motion passed.
5. Mr. Yocom asked when the public hearings would be held. Ms. Powell stated the meetings were scheduled for September 10, 2015 and September 14, 2015 but there was not a set time yet. Mr. Yocom move to schedule public hearing meeting for 5:00 p.m. for September 10 and 5:00p.m. for September 14 and to adopt the budget at 5:30 p.m. September 17. Mr. Pearson seconded. Motion passed.

Dr. Comeaux arrived at 5:42 p.m.

- V. Mr. Willis stated that the Board meeting minutes from July 24, 2015 has some changes to be made. Mr. Willis stated that he feels that some stuff was lacking from the meeting and if the board would approve he would like for them to be added. Mr. Pearson asked Mr. Willis what needed to be added due to him missing previous meeting. Ms. Powell stated that the minutes could be changes and presented at the September meeting. Dr. Comeaux asked if the changes would change the outcome of the current meeting. Mr. Willis stated he didn't think so. Dr. Comeaux asked you don't think so or you don't know so. Mr. Pearson stated that he could not approve the changes without hearing what the changes were. Mr. Willis moved to table the approval of the July 24, 2015 meeting minutes until the next meeting. Dr. Comeaux seconded. Motion passed. Mr. Willis moved to accept the Financials. Mr. Pearson seconded. Motion passed.
- VI. Mr. Howell stated that he changed up the statistics so that every month he is giving different information, as well as the usual information the board receives. He stated that the average number of full time employees for Preferred is 79 and the average number of paid employees each month is 90. He stated that Preferred's total payroll dollars will exceed \$4,000,000.00 this year. Mr. Howell stated that on average the total number of lab test per month is 2,932, the average number of x-ray exams per month is 430, and average number of clinic visits for both clinics per month is 787. He also stated that the Physical Therapy department tests are 3,965 so far year to date. Mr. Howell stated that Laura McCrosky and himself sat down and have figured that there are approximately 3096 unduplicated patients that have been seen at Sabine County Hospital year to date. Mr. Howell stated that Dr. Backofen may still be able to start work at Toledo Bend Clinic on September 1. He stated that he has received his temporary license to practice medicine in the State of Texas but still waiting for his DPS controlled substance license. Mr. Howell stated that ICD-10 conversion is continuing to be prepared for. He also stated that an individual from Houston would be coming down to do in-service for providers and staff members. Mr. Howell made special recognition to the Lab department pointing out three ladies Heather Bell, Natalie Evans, and Annette Carranza for recently completing their Medical Lab Technician Program through Panola. Mr. Pearson asked Mr. Howell if the Hospital has lost any employees due to the recent activities of the board. Mr. Howell stated that he does not believe it has been an issue. He stated they have lost 1 full time RN and one full time LVN. He stated that he is working to recruit people for these positions. Mr. Howell stated that that there is/was an opening at one of the clinics, he stated that they had received a few applications but they did not have the experience that they were looking for. Dr. Comeaux asked if Preferred did not get any applications for the position or just none that they liked. Mr. Howell stated that they had received some applications but none with the experience they were looking for. Laura McCrosky stated that they are receiving a significantly lower amount of applications than in the past. Mr. Willis stated that something that is striking on the paper that Mr. Howell provided what that the hospital had 79 Full time employees and pays 90 employees each month with a payroll of about \$4,000,000 each year. He stated that is a significant amount of money that goes back into our community each year. Mr. Howell stated that the Hospitals first job is to provide health care and their second job is to provide jobs for the community. Mr. Yocom moved to accept the Hospital Administrator's Report. Mr. Pearson seconded. Motion passed.

VII. No Action Taken

VIII. Ms. Powell stated that the second quarter financials were sent in the packets. Mr. Willis asked if they were the same financials that the Board talked about at last month's Board meeting. Ms. Powell stated no, they were second quarter financials that Mr. Howell delivered the day after the last board meeting. Mr. Howell stated that Larry Stephens and Andy Freeman attended the previous board meeting with the intention of presenting the financials, but were unable to do so. Mr. Howell stated that if they would like them to come back to present them Mr. Howell would request that it be in the form of a motion. Mr. Pearson stated that he thought moving forward for the next couple of meetings that Larry Stephens and Andy Freeman should be here. Mr. Howell stated that he would like that request in the form of a motion. Mr. Willis stated as a board they had requested financials from Preferred that didn't include the clinics and they had provided that information. Mr. Yocom asked when they provided them. Mr. Willis stated they was the ones that they had went through the week before. Mr. Howell stated that no those financials would have included the clinics, it was the year end audit. Mr. Willis stated that when Preferred brought down the financials the first time they were not allowed to talk by Mr. Yocom because Preferred had been given too much information at one time. Mr. Yocom stated that was incorrect it wasn't that Preferred wasn't allowed to talk it was they had given the financials right before the meeting and the board had not had the appropriate time to review them. Other board members and Mr. Howell agreed with Mr. Yocom statement. Mr. Willis stated that Preferred has not answered any questions about the financials that evening in the board meeting. Dr. Comeaux asked if Mr. Willis was talking about the June or July board meeting. Mr. Willis stated July. Dr. Comeaux stated there were no questions to respond to. Mr. Yocom stated to Mr. Willis that if he would like to discuss the financials that are in the August Board Member Packet they would discuss those, however he does not want to go back to previous meetings. Mr. Willis stated he was done with that and would move on to his next question. Mr. Willis stated that Andy Freeman came to the July meeting to answer questions about the financials because we had delayed discussing the financials the month before. Mr. Yocom stated I would assume that was why he was here. Mr. Willis stated during board member comments Andy Freeman was told he couldn't speak because it was board member comments. Mr. Yocom said he could not recall that. Mr. Willis stated it was in the minutes so that was twice that Preferred has attended the meeting to discuss the financials and have not been allowed to speak. Mr. Pearson stated that earlier in public comments someone asked that we not air our dirty laundry between Preferred and themselves. Mr. Pearson stated that we needed to earn the trust back of the community and show them we are trying to get along with Preferred. Mr. Willis stated that the people are here because they are worried about their jobs. Mr. Pearson stated that we have a contract with Preferred to be here. Mr. Willis stated that he understood that. Mr. Yocom stated that the board needed to get back on topic of Preferred Financials. Dr. Comeaux asked Mr. Yocom if he could narrow down his questions to one or two. He stated he would look at them. Dr. Comeaux stated that her concerns are that the Board has asked for the financials without the clinics for several months and have not received them. She stated that the District has a contract with Preferred for the Hospital not the Clinics so the worry

is if Preferred decided get out of the Hospital business but keep the Clinic business where would that leave the Hospital. Mr. Howell stated that he wanted the Board to understand that if Preferred was not leasing the Hospitals they would not operate the Clinics. Dr. Comeaux stated but you could. Mr. Norris said no, we own the clinic. Dr. Comeaux asked what Mr. Norris had to say. He stated that he would tell her later.

Recess at 6:17

Reconvened at 6:21

Mr. Willis stated that there was still some dissention in the board and he had a comment and a question that would solve the problem. Mr. Willis asked would every Board member that was here tonight agree that we want and need Preferred here in the Sabine County through the rest of their contract. Mr. Yocom stated that is a false choice, you could not see the future. Mr. Pearson stated that he believes that the majority of the board has already expressed that. He also stated that this was off subject and Mr. Willis needed to address this issue during board member comments. Mr. Pearson moved to request that Mr. Larry Stephens be present to present Financials. Mr. McNaughten asked if this could be discussed in Executive Session, Mr. Fuller stated that the Financials are a public item. Dr. Comeaux Seconded. Motion Passed.

- IX. Mr. Williams stated that July was one of the worst months by far since the District started the EMS service. He stated that the EMS service responded to 118 calls but only 100 were billable calls with an average response time of 9 minutes and 38 Seconds. Mr. Williams stated they had been on 66 calls through 911, 14 to the nursing homes and 2 at Dr. Offices and 36 times to the Hospital. He stated that 28% were transported to Sabine County Hospital, 13% to CHI, 10% to Nacogdoches Medical, 5% to Jasper, 5% to San Augustine and 4% to Woodland Heights. Mr. Williams at this time he would like to give his yearly review. Mr. Williams stated that July 15th marked one year that Sabine County had been doing EMS asked why was Sabine County EMS started and responded with slow response time from former Provider, only one unit was immediately available, the need for an organization with transparency, the cost of Acadian placing another unit in the County. Mr. Williams asked what the Board had to work with. He stated a Board with integrity, honesty, honor, good ethics, good morality, and virtue. Mr. Williams stated that the District Administrator is someone that who meets the definition of integrity, who is financially sound and in touch with the needs of Sabine County, a leader/ someone who will not mind taking charge, an above average record keeper, and someone that can balance EMS and District business. He also stated that the EMS administrator was someone who meets the definition of integrity, can make decisions based on minimal information quickly, a leader and a coworker with each medic on duty, someone who leads by example, compassionate with the needs of each patient, and has budgeting skills. Mr. Williams stated that the equipment that were provided was two top of the line, self-contained Frazier units type one. He stated that there is also a one Ford transfer van that provides a backup unit, a primary unit in Pineland, but needs to be updated. Mr. Williams stated that they also had 2 Zoll M Series monitors, EZ IO drills, supplies that are in order, uniforms that are always in stock and top of the line, power stretchers and stair chairs in the two Frazier units. Mr. Williams went on to say we have top notch employees with

paramedics with good character, EMT's that take on roles of compassion, supervisors that lead by example, director of operations that does not know the meaning of "can't be done", an administrative assistant that works tirelessly and see's things through, a Medical Director that see's both sides of the field, maintenance specialist that keeps our units in top shape, and each employee is highly educated and trained to deal with whatever comes their way. Mr. Williams has stated that over the year Sabine County EMS has had many accomplishments such as bringing down the average response time, having a unit available in the County at all times, Sabine County EMS employees are familiar with all the parts of the County and have assistance from VFD's when unsure, employees are always ready for the next call with the unit restocked, and they are mindful of when units are transporting out of the county to ensure coverage. He stated that the call volume is a bit higher than initially anticipated with 1749 total responses, 1140 emergency responses, 595 hospital transfers 14 calls for routine doctors' appointments and 1547 billable runs. He stated that they had made many transports with 567 being to Sabine County Hospital, 223 CHI St. Luke's, 77 Nacogdoches Memorial, 64 Woodland Heights Medical Center, 91 to Jasper, 40 to Houston area hospitals, and the rest would have been to Beaumont, Galveston, Tyler, and Shreveport. Mr. Williams stated that the expected revenue was \$660,000.00 but as of now we are sitting at \$953,097.01 but the number would grow as the calls mature and is expected to surpass \$1 million dollars. Mr. Williams stated that looking into the future plans hoping to continue getting faster response times, keep the county covered, continuing education, taking care of patients with compassion, making emergency response the priority. He also stated that some advancements that he is looking at is mobile cardiac units, more aggressive procedures, new cardiac monitors, lab technologies in the med units, increase coverage area when needed, leading the EMS world by example and better patient outcome by delivering high quality care and correct destination transports. Mr. Williams ended with an employee Statement, we as employees of Sabine County EMS vow to excellence and promise to be available to the citizens of Sabine County in their time of need. We recognize and understand this could be the worst day of your life and we intend to make it better, whether it be through medical treatment or simply by standing by you in your hour of need. We have broad shoulders and have trained vigorously for this day and intend to use this training and strength for you and you only. We will act selflessly and quietly but know this today we were trained and made just for you and whatever situation you may be in today. Tyler Williams stated that with being in operations he is around the guys and they talk as friends but can also get down to business when they need to be. Tyler stated that most of the employees say that Sabine County EMS is a great company even better than some of their full time EMS jobs. Tyler stated that when the new protocols will be the best protocols to fit this area. He stated that Sabine County EMS is gearing toward the cardiac side of EMS, this will ensure that when getting a cardiac patient we will be able to stabilize the patient and get them to the proper Cath Lab. Mr. Yocom stated he is doing a good job and when we got into EMS the mind set was local people helping local people, patient care, and the taxpayers' dollars. Mr. Yocom moved to accept the EMS Administrator's report. Mr. McNaughten seconded. Motion Passed.

- X. Mr. Yocom moved to distribute the First Responder Funds for the first half of 2015 as outlined in the calculations. Mr. McNaughten Seconded. Motion passed

- XI. No Executive session needed.
- XII. No Executive session needed.
- XIII. No Action Taken.
- XIV. Mr. Fuller stated that the last time he was at a board meeting the Board had talking about an EMS Station and asked where we stood on that issue. Mr. Yocom stated that the district was working on getting an appraisal on a site. Mr. Fuller stated that he would like to remind everyone that when the board goes into executive session that there is open discussion among the board member and when you come out there should be no talk of that discussion. He stated that all that should be said when out of executive session is what action will be taken. He stated that he would like to urge the board to realize that for the board to function correctly, what is discussed in executive session should stay there to keep attorney client privilege.
- XV. Board Member Comments:

Mr. Willis stated that he had some concerns before the meeting now he has bigger concerns. He stated one of the things that scares him the most is the fact that when we try to resolve an issue and move forward, the issue comes back and we never move forward. He stated that no one has thought about what Preferred is going to do. He stated when you push people so far they will eventually push back. Mr. Willis stated that the last thing Mr. Yocom stated in the last meeting was Mr. Yocom would like a CPA to examine the books and records of Preferred and if it doesn't contain sufficient information, sufficient financial data, to determine a clear picture of the financial status and how Sabine County Tax derived funds are being spent that Preferred will be held in breach of contract. Mr. Yocom stated that if Mr. Willis would go back and look at the minutes and record Mr. Yocom never stated that. Mr. Willis stated that he would have like to have left tonight with tonight with a better feeling than he came into the meeting with but it's apparent that the board is still divided.

Mr. Pearson stated that he wasn't not at the last meeting, but had went over the minutes very closely. He stated that he was extremely aggravated about the last meeting and the Board. Mr. Pearson stated that he believes in Preferred, so he isn't worried about Preferred or the employees of the Hospital or the providers. He stated that he does think the board needs to get together with Preferred, but like he had previously said he believes in Preferred, the hospital and the employees. He stated that for local people to take care of local people they need Preferred, and there are contractual obligations that both Preferred and the Board have to meet. He stated with that being said he does not believe the public should be as concerned with it as they are. Mr. Pearson stated that he did not understand why the attorney was there using

tax payer dollars. He stated that he did not know that Mr. Fuller was going to be there tonight and he did not approve of Mr. Fuller being there. Mr. Pearson stated that he does believe the Board and Preferred needs to sit down and talk and maybe have more special called meeting to get the problems fixed so that everyone can move own. He stated the Board needed more transparency with each other, if that means calling more special meetings then do it. Our citizens of this community are the most important.

Mr. McNaughten stated that it was good seeing Mr. Fuller advice but he would like to assure Mr. Fuller that he had never heard any board member talking outside executive session about what happen in executive session. Mr. Fuller thanked him and stated that if he had any other questions or concerns please let him know. Mr. McNaughten stated that the reason they had hire an attorney to get the financials from Preferred, but the real reason was the Board made an error and thought that Preferred owed them \$325,000. It didn't have anything with the financial information that Preferred had given the board. Mr. McNaughten stated the District had a contract with Preferred to run the hospital to provide patient care. He stated that Preferred's financial affairs are none of our business in his opinion. Mr. McNaughten stated that when Preferred agreed to come run the hospital the Board was nearly out of money and Preferred has done a great job.

Dr. Comeaux stated that she agreed with Mr. Pearson and Mr. McNaughten. She stated that she does not think anyone has said that Preferred has not done a great job. She does believe that the Doctors, Nurses, Lab Techs, and Emergency Team has done an outstanding job. Dr. Comeaux stated that from what she can recall they have had two issues one being the money that we thought the District was owed and the other was about some financial transparencies that we had been receiving and stopped getting. She stated that when the board room started getting full of visitors part of the board said no we don't need that when the other half was saying yes we do need it. And that is where are disagreement is coming from. She stated that she does not think that Preferred is embezzling and could care less if they make \$17,000,000 a year and puts it in their back pocket as long as the tax dollars are not being misused and the citizens of this County are being taken care of. She stated that the Board is close to coming together but there is some work to be done. Dr. Comeaux stated that she does not believe that Mr. Fuller came down to tell them not to talk but to talk about an Ambulance station and we chose not to talk about an ambulance station.

Mr. Yocom asked Mr. Fuller if the Board should be concerned about how the Tax dollars are being spent. Mr. McNaughten stated that we already know how they are being spent. Mr. Fuller responded yes the board is responsible for making sure that we are receiving services for what we are spending tax payer's funds on and if you do not see that then you should ask. Mr. McNaughten stated we would be crazy not to see where the money is going

when Mr. Howell just stated that the Hospital payroll is over \$4,000,000. Mr. Yocom stated that he would like to request Mr. Fuller's attendance whenever Preferred comes to present their financials. Dr. Comeaux asked if Preferred would be at a regular meeting or would we call a special meeting. Mr. Yocom said the regular meeting. Mr. Howell said he assumes they could be at the Regular September Meeting.

XVI. Meeting adjourned at 7:15 p.m.

Phil Yocom, President
Sabine County Hospital District
Board of Directors

Joe McNaughten, Secretary
Sabine County Hospital District
Board of Directors