

SABINE COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES

September 28, 2015

The Sabine County Hospital District Board of Directors met for a Regular Meeting on September 28, 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, VP & Treasurer**  
**Gary Williams, EMS Administrator**  
**Diane Powell, District Administrator**  
**Emily Taylor, Administrative Assistant**

**Others Present**

**Jerry Howell, Sabine County Hospital Administrator**  
**Penny Ferguson, Daily News and More**  
**Bob Kusterman, Daily News and More**  
**Cecil Tatom, Sabine County Reporter**  
**Andy Freeman, CEO Preferred Hospital Leasing**  
**Larry Stephens, CFO Preferred Hospital Leasing**  
**Jared Chanski, Preferred Hospital Leasing**  
**Bill Barabas, Bill Barabas Insurance**  
**Dr. Bacofen, Sabine County Hospital**

- I. Mr. Yocom called the meeting to order at 5:30 p.m.
- II. Mr. Willis opened the meeting with prayer.
- III. Public comments:  
Laura McCrosky stated that she wanted to thank Mr. Yocom for the information that he had given her at the last regular board meeting August 24, 2015. She stated that she does not think that it has completely answered her question. Ms. McCrosky stated she wants to know what happened and what is the different between the financial statements the board received in the beginning and what the board is receiving now. Ms. McCrosky stated that she thinks that she knows what has changed but she would like the Board to tell her. Mr.

Yocom stated that he would be glad to sit down and discuss it with her. He also thanked her for her comments.

Ms. McNaughten stated she would like to praise the hospital for fixing her up once again when she was having heart trouble. She stated that she could not praise the hospital staff and ER department enough. Ms. McNaughten stated that she may not be here today if it wasn't for Preferred employees. She stated that the nurses were awesome. Mr. Yocom thanked her for her comment.

IV. Approval of Minutes and Financials.

1. Approval of July 27, 2015, August 24, 2015, September 10, 2015, September 14, 2015 and September 17, 2015 board meeting minutes. Ms. Powell stated that she had made an error on September 17, 2015 minutes and had Mr. Willis as the VP and Treasurer that she would correct this. Mr. Willis stated that the July minutes he felt something illegal had happened in the meeting, he felt like he needed to contact the Attorney General's office for an opinion. He stated he has not received a response from them as of today. He stated that the Board should go ahead and approve them. Mr. Yocom asked if anyone else has any corrections or deletions from the minutes if not we will approve the minutes. The July 27, 2015, August 24, 2015, September 10, 2015, September 14, 2015, and September 17, 2015 were approved.
2. Mr. Pearson moved to accept the financials. Mr. McNaughten seconded. Motion passed.

V. Mr. Howell started off by welcoming Dr. Bacofen to Toledo Bend Clinic, he started on September 1, 2015. Mr. Howell stated that Dr. Bacofen and his wife Brandy would be moving to the community. He stated that Dr. Bacofen finished his residency at the University of Arkansas and undergrad at LSU. Mr. Yocom also welcomed Dr. Bacofen. Mr. Howell stated that Janice Rogers, Sabine County Hospital employee had a stroke over Labor Day weekend and passed about a week later. He stated that she had worked at the hospital for many years and left older kids behind. Mr. Howell stated that she was due to cook the day of her stroke leaving the patients with no supper. He stated that Mr. Art Hamilton came in on his day off and cooked for the patients. Mr. Howell stated that with the help of Ms. Gay, the hospital has been awarded several grants. He would like to thank her for this accomplishment. Mr. Willis moved to accept the Hospital Administrator's Report. Mr. McNaughten seconded. Motion Passed.

VI. Mr. Williams stated that call volume increased in the month of August with 144 calls with a 10 minutes and 45 seconds response time. He stated that he had broken down the non-emergent transfers and emergent transfers. Mr. Williams stated that a transfer is from a facility to facility, not a 911 call. He also stated that a no treatment no transport call is a call that will not be billed. Mr. Williams stated that the Supervisors had completed the evaluations on all EMS employees. He stated after going over all the evaluations with Ms. Powell they saw two employees who stood out above the rest. Mr. Randy Birdwell was awarded, Rookie of the Year. Mr. Birdwell is new to his EMS career but shows

extraordinary ability, he also plans on furthering his career to a Paramedic. Mr. Williams stated that you never have to ask Mr. Birdwell to do anything, normally you are telling him to take a break. Mr. Williams stated that Ms. Sandy Jarman was awarded Employee of the Year. Mr. Williams stated that Ms. Jarman is a “just a get the job done” kind of Paramedic, she always seems to come to work with a positive attitude and make good solid decisions throughout her shift. He stated that she is very confident with her skills and refuses to accept someone else for being lazy or unskillful. Mr. Williams also stated that Ms. Jarman just left her long time job to work with Sabine County EMS full time. Mr. Williams stated that Sabine County EMS has started receiving the new Philips monitors that were purchased last month. He stated that Life Air Rescue has offered an Advanced ECG/Cardiology class for the Sabine County EMS employees and will come to Hemphill to give the class. Mr. Yocom moved to accept the EMS Administrators report. Mr. McNaughten seconded. Motion Passed.

VII. No Action Taken

VIII. Larry Stephens, CFO Preferred Hospital Leasing, stated that they had revised their quarterly financial information. Mr. Stephens stated that on the Balance Sheet there are three additional line items added. He stated that they are in the assets one being a Patients Accounts Receivable. He stated that they broke out other current assets into Prepaid Expenses, Supplies and Other assets. He stated the Supply line item would stay the same, because they only do inventory once a year. He stated that those were the only changes made on the Balance Sheet side. Mr. Stephens stated that the Income Statement has some additional expenses broken out. He stated that the Gross Patient Service Revenue and Deductions from Revenue are both a little above normal. Mr. Stephens stated that the Net patient revenue was a little behind budget. He stated that in the Operating expense they have broken out Computer cost, Billing and Collections, Laundry and Lines, Travel, Audit and Continuing Education cost. Mr. Stephens stated that the Net income is \$100,579 and they had budgeted for \$257,370. Mr. Willis asked Mr. Yocom if that was what he and Dr. Comeaux had been asking for. Mr. Yocom stated he would not answer that until he had time to review them. Mr. Howell stated that the other category is less than 1%. Mr. Howell stated he feels like this is a very fair accounting of Sabine County Hospital. Mr. McNaughten moved to accept the Sabine County Hospital Financials. Mr. Pearson seconded. Mr. Pearson, Mr. McNaughten and Mr. Willis voted yes. Mr. Yocom Abstained. Motion Passed.

IX. Rick Alexander, Eide Bailly LLC., stated that he completed the 2014 Sabine County Hospital District Audit. He stated they made Audit Adjustments which corrected contractual allowances. He stated this reconciles with what the Board sees on a monthly basis. He stated that if money was collected in January for a December trip the Audit Adjustments corrected this. He stated this increased the gross equity. He stated that the only problem at Sabine is everything the Board sees is pure cash. He stated this is fine, because of the small office staff. He stated when they came in they looked at the accrual basis. He stated that for Generally Accepted Accounting Principles is should be on an accrual basis. He stated the Districts Total Assets increased from 2013 to 2014 by \$371,816, the total liabilities increased by \$452,200, the operating loss increased by \$

314,552, and net non-operating revenues increased by \$70,724. He stated the Current Assets increased from \$1,804,676 to \$1,925,277 this is due to patient receivables. He stated the Total Liabilities increased from \$2,796,255 to \$3,168,071. He stated the Net position at the Beginning of the Year was \$2,777,579 and at the end of the year is was \$2,697,195.

Dr. Comeaux arrived at 6:09 p.m.

He stated that Cash and Cash Equivalents at the Beginning of the Year was \$752,661 and at the end of the Year was \$720,037. Net Capital Assets increased from 2013 to \$1,242,794 due to the purchase of ambulance equipment. He stated Note 5 reflected the \$300,000 line of credit for the startup of EMS. He stated the deficiencies relating to Financial Control are: using accrual method of accounting, adjusting audit entries, maintaining the depreciation schedules, calculations of allowances, accruing ambulance revenues, and segregation of duties. He stated he would like to see the District move to accrual method of Accounting. Mr. Yocom asked if this was a recommendation or a have to. Mr. Alexander, stated you can manage it on the cash basis, however he recommends it. Mr. Willis asked if the statement of management accepts the risk is something that is just standard procedure. Mr. Alexander stated that is something he makes management aware of. Mr. Willis asked again if the accrual method has to be used. Mr. Alexander stated that keeping up with the depreciation schedule is something that needs to be done. He stated using the accrual method for ambulance patient receivables and collections is recommended. Mr. Yocom moved to accept the 2014 Sabine County Hospital District Audit. Mr. Pearson seconded. Motion passed.

- X. Ms. Powell stated that Mr. Barabas had offered three plans for the Employees. She stated two are HSA plans and one is a PPO plan. Mr. Barabas stated that he specializes in employee benefits. He stated that he got proposals from two companies Blue Cross Blue Shield and United Health Care those where the two he felt had plenty providers in this area. Mr. Barabas stated that he had picked the three he thought was comparable for the amount of employee with Sabine County EMS. Ms. Powell stated that we had more Blue Cross Blue Shield providers in this area so we went with then so we could use then locally. Mr. Barabas stated that he had offered a PPO which is what most people are used to, it's a copay plan. He stated that there is also a HSA plan he stated that it is a high deductible without copays. He stated with this kind of plan you would have a Health Saving Account you can put money in to pay for eye wear or orthodontics. Mr. Yocom asked when we was looking at an effective date. Ms. Powell stated November 1. Mr. Yocom asked Mr. Barabas stated that he would need 2 to 3 weeks' time to get it done. Mr. Yocom stated he would let the finance committee to look at it. He asked that due to time if the finance committee agrees on something would it be ok with the rest of the board for it to move forward. Mr. Yocom moved to allow the finance committee authorize them to purchase insurance if they see fit. Mr. McNaughten Seconded Motion Passed.
- XI. Mr. McNaughten stated the he feels that the board needs to be aware of Legal invoices before they are paid. Ms. Powell stated that she could scan and e-mail all board members the legal invoices when she receives them. Mr. McNaughten stated that he wanted to be informed prior to the Attorney doing any work for the board. Dr. Comeaux asked why

we wouldn't know and Mr. Pearson stated that there had been some work done that the Board didn't know about until the invoice had come in however he understands some of this was for the UPL Program. Mr. Yocom stated that no one on the Board has ever been denied the right to contact the Attorney if they see a need. Mr. Yocom stated that the board could contact Ms. Powell and she could contact the rest of the board to let them know who was wanting to contact the attorney and the reason for it. Mr. McNaughten stated that he had come across some invoices that the attorney had made some phone calls and work that the Board didn't know about. Dr. Comeaux stated that she feels that if Mr. Willis needs to contact the Attorney then the board should be notified prior to Mr. Willis contacting the Attorney so the Board can discuss it. Dr. Comeaux moved any work with the Attorney should have board approval. Mr. Willis seconded. Motion Passed.

- XII. Mr. Yocom moved to allow the financial officer and one other person from the Board/Administrative staff to attend the Texas Public Funds and Investment Conference in Houston November 12-13 2015. Mr. Pearson Seconded. Motion Passed.
- XIII. Executive session at 6:45 p.m.
- XIV. Returned from Executive session at 7:13 P.M.
- XV. Mr. Yocom moved to allow Ms. Powell to make an offer on the building, where the Administrative Staff is located in the amount discussed in Closed Session on a Four Year lease Purchase Agreement. Dr. Comeaux seconded. Motion Passed.
- XVI. No Action Taken
- XVII. Board Member Comments:
- Mr. McNaughten stated that the board has received some criticism from the public here lately but he doesn't want it get them down because he feels that have done a good job.
- Mr. Pearson stated that he loves Sabine County and loves Sabine County Hospital.
- Mr. Yocom agrees with Mr. McNaughten and Mr. Pearson
- Dr. Comeaux: No Comment
- Mr. Willis: No Comment
- XVIII. Meeting adjourned at 7:16 p.m.

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Phil Yocom, President  
Sabine County Hospital District  
Board of Directors

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Joe McNaughten, Secretary  
Sabine County Hospital District  
Board of Directors