

NOTICE IS HEREBY GIVEN THAT THE
 NACOGDOCHES COUNTY HOSPITAL DISTRICT
 BOARD OF DIRECTORS
 WILL HOLD A REGULAR BOARD MEETING
 ON TUESDAY, JANUARY 22, 2019 @ 5:00 P.M.
 NACOGDOCHES MEMORIAL HOSPITAL
 1204 MOUND STREET,
 AUXILIARY CONFERENCE CENTER

The subject of the Meeting and Matters to be considered and Acted Upon:

AGENDA

- I. **CALL TO ORDER**
- II. **APPROVAL OF MINUTES: December 6, 2018 & December 18, 2018**
- III. **CITIZENS COMMUNICATIONS** (Citizens who desire to speak will be called in the order in which they signed in)
 - WOW Moment of the Month Recognition
 - Special Staff Recognition for a Job Well Done
- IV. **MEDICAL STAFF REPORTS**
- V. **Director's & Officer's Liability Insurance-Wesco Insurance Company**
- VI. **Texas Healthcare Trustees "Board Education Workshop"**
- VII. **ACTION AND PURCHASE REQUEST**
 - A. **Results of Operations**
 - B. **Quality Report**
 - C. **Audit & Compliance Report**
 - D. **Bylaws Report**
 - E. **Board Resolutions**
 - 1. **2019-01: QIPP Resolution-HHS Governing Authority**
 - 2. **2019-02: Authority To Sign Drafts, Checks, Vouchers and Credit Cards for the Hospital District**
 - 3. **2019-03: Authorized TexPool Representatives**
 - 4. **2019-04: Authorized US Bank Representatives**
 - 5. **2019-05: Trauma Survey Resolution**
 - F. **Contracts & Agreements**
 - 1. **Review and Approval of Physician Employment Agreement Jason Suits, M.D.**
 - 2. **Review of Physician Employment Agreement - Ashley McElroy, M.D., and assessment of continuing with the contract considering the needs and best interest of District.**
 - 3. **Review and Approval of Physician Assistant Employment Agreement-Sean Omsberg, P.A.**
 - 4. **Review and Approval of Cardiac Rehab Medical Director Agreement-Shanmugam Uthamalingam, M.D.**

FILED
 NACOGDOCHES COUNTY
 CLERK
 19 JAN 28 PM 4:05
 Anita Kite
 Anne Ellis
 Anita Kite
 Dr. Jeremy Smith
 Gary LaFour
 Steven L. Smith
 Rhonda McCabe
 Michelle Nash
 Noella Crayton
 Sean Hightower
 Rhonda McCabe
 Kristine Sutton
 Richard Wallace
 Richard Wallace
 Richard Wallace
 Steven L. Smith

G. Administrative Policies & Procedures

Noella Crayton

1. No. 1.26: Contract Management Policy
2. No. 1.27: Physician Employment Arrangements
3. No. 1.29: Purchasing Arrangements with Physicians and Other Referral Sources
4. No. 1.3: Office Space and Equipment Leases with Physicians and Other Potential Referral Sources
5. No. 1.31: Personal Services Arrangements with Physicians
6. No. 6.1.11: Compliance Program Charter

VIII. OTHER ITEMS REQUESTED TO BE DISCUSSED

Anita Kite

1. Discussion of Interim CEO Succession

IX. EXECUTIVE ADMINISTRATIVE REPORTS

- A. CNO Report
- B. CEO Report / Board Calendar /On-Boarding Newest Board Members

Kristine Sutton
Steven L. Smith

X. CONVENE TO EXECUTIVE SESSION FOR THE FOLLOWING:

- Consultation with Legal Counsel regarding Pending or Contemplated Litigation under Tex. Govt. Code §551.071
- Deliberate the Appointment, Employment and Duties of an Employee Under Tex. Govt. Code §551.074
- Deliberation of the provision of healthcare services under Tex. Govt. Code §551.085

XI. ADJOURN

The Board may retire into Executive Session concerning any of the items listed on this agenda whenever it is considered necessary and legally justified under the Open Meetings Act.



Rhonda McCabe, Chief Financial Officer

**REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
JANUARY 22, 2019 @ 5:00 P.M.**

IN ATTENDANCE:

Anita Kite, President
Patrick Kuhns, Vice-President
Ryan Head, M.D., Secretary
H. Farrar Bentley
Sean Hightower
Lisa King
James Stockman

ALSO IN ATTENDANCE:

Steven L. Smith, Interim CEO
Rhonda McCabe, Interim CFO
Kristine Sutton, CNO
Noella Crayton, CCO
Edwin Ferren, M.D., CMO
Richard Wallace, Administrator
Jerry Baker, Legal Counsel
Ella Nobles, Executive Assistant

I. CALL TO ORDER: Ms. Kite called the regular scheduled Board meeting to order at 5:02 p.m.

II. APPROVAL OF MINUTES:

- Motion was made by Farrar Bentley to approve December 6, 2018 minutes with corrections, adding Farrar Bentley's name, seconded by Sean Hightower. Motion carried unanimously.
- Motion was made by Farrar Bentley to approve December 18, 2018 minutes as stated, and seconded by James Stockman. Motion carried unanimously.

III. CITIZENS COMMUNICATION: No Citizens signed in to speak.

"WOW MOMENT OF THE MONTH RECOGNITION": Anne Ellis presented the Wow moment.

The WOW moment is a duty performed outside of the normal duties. The WOW moment this month recognized Jamas Sanders (JJ) for "going above and beyond to take care of NMH employees", as said by the Physical Therapy staff.

Special Recognition went out to Laurie Omsberg, Cath Lab. Ms. Anita Kite recognized Lauri as a great leader in the Cath Lab. Laurie Omsberg continuously strives to improve her knowledge and skills. Recently she passed the CCRN exam, which is a very difficult exam for Critical Care nurses.

V. Directors & Officers Liability Insurance -Wesco Insurance Company- Gary LaFour: Mr. LaFour presented the information regarding Directors & Officers Liability Insurance. Motion to approve was made by James Stockman and seconded by Ryan Head, M.D. The Motion carried unanimously.

VI. Texas Healthcare Trustees “Board Education Workshop” – Steven Smith: Mr. Smith presented the information regarding a Texas Healthcare Trustees Board Education Workshop; and has asked the Board members to agree to the commitment. Dates of the workshop will be March 4th and 5th. Motion made by Lisa King and seconded by Patrick Kuhns. The Motion carried unanimously.

Taken out of Order IV. MEDICAL STAFF REPORTS- Jeremy Smith: Dr. Jeremy Smith presented the medical staff report that was approved by the Credentials committee and Medical Executive committee. There were four reappointments, one withdrawal, and one change of status. Motion to approve was made by Lisa King and seconded by James Stockman. The Motion carried unanimously.

VII. ACTION AND PURCHASE REQUESTS

- A. Results of Operations- Rhonda McCabe:** Ms. McCabe presented Results of Operations in draft form. Motion to approve Results of Operations made by Lisa King and seconded by Sean Hightower. Motion carried unanimously.
- B. Quality Report - Michelle Nash:** Ms. Nash gave an overview on the 2017 and 2018 report. This report can be found in detail in the Administration office upon request. Motion made by Sean Hightower and seconded by James Stockman. Motion carried unanimously.

Audit & Compliance Committee-Noella Crayton: Ms. Crayton presented the Audit & Compliance Committee report. Ms Crayton wanted to cover a couple of items from the audit and compliance report. She stated that most of the measures that we are monitoring fell within normal ranges, but there are a couple of things that we had that took place. First off is the risk assessment. Under our CIA we are required to have an annual risk assessment, so we brought on board the CRG (Compliance Resource Group). They conducted our initial risk assessment back in 2016. CRG came in last month on the 19th and 20th, met with a number of hospital employees and board members. They had roughly 180 areas that they were monitoring, but narrowed that down to 135 measures. These areas were rated very high, high, medium, or low risk. Then they took that and assigned probability and applied these controls which were: present effective, which means we have a process in place and it was effective; present marginal which means we have a process in place but we were working on it; or absent, which means we did not have a process in place and it's something we need to focus on.

Once they applied all of these measures to the areas that they were rating, the findings were (in comparison to 2016): we have decreased our risk overall, in the “very high” category by 22.2%, we decreased our risk in the “high” category by 33.3%, and our “medium” risk decreased by 4.34%. So what that says is that our program is moving in the right direction.

So, what are the next steps? The Hospital Leadership Compliance Committee, which is the hospital-level area that decides what it is that we’re going to pull from this to determine what our monitoring will be for next year. We will be meeting next month, and we will go through this report item by item, and determine what items that we want to pull. Are we going to continue with certain measures that we have going on right now? Do we want to replace some measures with some things that showed up this time around? So we will make those determinations; and I will bring that final risk assessment that we will use for the year back to the board, probably in March, or at the latest in April.

The other item for follow-up for us is the 340B. Back in October, we had an issue with the application, and we were hoping for re-admission into the program for January 1st. However, we also had an application process error issue and did not get into the program for January 1st. I believe, from our CFO, that our application is complete at this time, and we are anticipating to be readmitted into the program for April 1st. So, more to come on that. Those are the high points to bring forward from the Audit and Compliance committee.

C. Bylaws Report –Sean Hightower: Mr. Hightower stated that the Bylaws committee had reviewed the bylaws. Mr. Hightower, Lisa King and Anita Kite reviewed these bylaws. Mr. Hightower stated that he would send board members copies of the current bylaws and some examples of other Hospital District bylaws. Mr. Hightower stated that a lot of our bylaws we would not be able to change because they are statutory set by the legislature. If we have changes we can submit to Travis Clary to amend; but that takes a process. Mr. Hightower stated that if you send any suggestions he would look them over and get with Jerry Baker to make sure they are compliant; and then we will bring them back to the board. Mr. Hightower stated that most of our internal policies are already taken care of by Audit and Compliance so no need to include that. This is why our bylaws are seven pages in comparison to 80. The deadline was set for the end of February to submit suggestions.

E. Board Resolutions

1. 2019-01: QIPP Resolution-HHS Governing Authority
2. 2019-02: Authority To Sign Drafts, Checks , Vouchers and Credit Cards for the Hospital District
3. 2019-03: Authorized TexPool Representatives
4. 2019-04: Authorized US Bank Representatives

Motion made by Patrick Kuhns and seconded by Ryan Head, M.D. Motion carried unanimously.

5. 2019-05: Trauma Survey Resolution

Motion made by Ryan Head, M.D. and seconded by James Stockman. Motion carried unanimously.

F. Contracts & Agreements

1. Review and Approval of Physician Employment Agreement-Jason Suits, M.D.-Richard Wallace.
2. Review Of Physician Employment Agreement-Ashley McElroy, M.D., and assessment of continuing with the contract considering the needs and best interest of District- Richard Wallace
3. Review and Approval of Physician Assistant Employment Agreement-Sean Omsberg, P.A –Richard Wallace:
4. Review and Approval of Cardiac Rehab Medical Director Agreement-Shanumugam Uthamalingam, M.D.-Steven L. Smith

Motion made by Patrick Kuhns to take items 1 through 4 to Executive Session. Motion seconded by James Stockman. Motion carried unanimously.

G. Administrative Policies & Procedures

1. No. 1.26: Contract Management Policy
2. No. 1.27: Physician Employment Arrangements
3. No.1.29: Purchasing Arrangements with Physicians and Other Referral Sources
4. No.1.3: Office Space and Equipment Leases with Physicians and Other Potential Referral Sources
5. No.1.31: Personal Services Arrangements with Physicians
6. No.6.1.11: Compliance Program Charter

Motion made by James Stockman to take items 1 through 6 to Executive Session. Motion seconded by Farrar Bentley. Motion carried unanimously.

VIII. Other Items Requested to be Discussed:

Discussion of Interim CEO Succession-Anita Kite Motion made by Farrar Bentley and seconded by James Stockman. Motion carried unanimously.

IX. EXECUTIVE ADMINISTRATIVE REPORT

- A. CNO Report- Kristine Sutton:** Ms. Sutton stated that they are preparing the action plan for Joint Commission. We had two visits; one was for the Lab Department for 3 days and the next one was for the entire hospital for 3 days. Within those surveys, we have action plans that are due on January 29th, and the whole hospital action plan is due on February 12th. Ms. Sutton stated that any day Joint Commission could

arrive and CMS. Ms. Sutton also stated that the census was up and we needed agency support.

- B. CEO Report-Steven L. Smith: The Joint Commission** – The team, led by Michelle Nash, RN, Quality Director have worked hard on the Corrective Action Plan to address deficiencies found in the full survey conducted December 12 – 14, 2018. As a reminder, a surveyor will return within 45 days to review completion of items classified as conditional. We can expect an unannounced return between tomorrow 1/23/19 and Wednesday 1/30/19.

340B Pharmacy Program – The CPS 340B Continuous Readiness Program was engaged beginning 1/1/2019 to support the reinstatement process. The window for application to be reinstated effective 4/1/19 ended 1/15/19. The team led by Rhonda McCabe and David Schaefer were successful in meeting this deadline. Currently our application is listed as “pending reinstatement” and is a positive sign that all requirements have been met. Confirmation is expected within the next 1 – 2 weeks.

General Surgeon Recruitment – After further review of the market needs analysis that included data anticipating succession planning, I have concurred with the Board’s decision to recruit a general surgeon to the market in 2019. I stand by my recommendation that it be limited to one new general surgeon for 2019. Contractual details will be discussed in executive session. Continued efforts should be made to work collaboratively with the independent physician community.

Service Line Development – focused efforts are being done to develop or enhance the following over the short term:

- a. Electrophysiology (EP) – working with Dr. Mangla (Lufkin) to grow the EP program.
- b. Vascular Surgery – working with UT Tyler to re-establish visiting vascular surgeons.

State Legislative Issues – see attached.

Board Calendar – see proposed schedule.

New Board member orientation – Orientation sessions for the three new Board members have been scheduled for January 29th and 30th from 4pm – 6pm in the executive conference room. All Board members are asked to attend a brief workshop with Keith Bradford on January 30th. No posting required. January 31, 2019 Special Board meeting scheduled at 2: 00 p.m.

VIII. CONVENE TO EXECUTIVE SESSION FOR THE FOLLOWING: Ms. Kite recessed the meeting to Executive Session at 6:38 p.m.

- Consultation with Legal Counsel Regarding Pending or Contemplated Litigation under Tex. Govt. Code §551.071
- Deliberate the Appointment, Employment and Duties of an Employee under Tex. Govt. Code §551.074
- Deliberation of the provision of healthcare services under Tex. Govt. §Code 551.085

IX. RECONVENE TO OPEN SESSION: Ms. Kite reconvened the meeting to open session at 9:10 p.m.

F.1: Motion made by Patrick Kuhns to approve the Employment Agreement for Jason Suits and seconded by Ryan Head. Motion carried unanimously.

F.2: Motion made by Patrick Kuhns to begin termination of the contract with Ashley McElroy and Nacogdoches Memorial Hospital for timely termination to be filed no later than February 1, and seconded by James Stockman. Motion carried unanimously.

F.3: Motion made by Patrick Kuhns to approved the Employment Contract with Sean Omberg, P.A., seconded by James Stockman. Motion carried unanimously.

F.4: Motion made for the approval of Cardiac Rehab Medical Director, Shunmugam Uthamalingam, M.D., by Lisa King and seconded by Sean Hightower. Motion carried unanimously.

Ms. Anita cautioned the Board Members to keep the other business confidential and not to discuss outside this meeting.

X. Adjourned: Ms. Kite stated that there is no further business to consider. The meeting adjourned at 9:12 p.m.

This meeting in its entirety is available by recording in the Administration records


Anita Kite, President


Ryan Head, M.D., Secretary