

REGULAR MEETING OF
THE BOARD OF DIRECTORS
NACOGDOCHES COUNTY HOSPITAL DISTRICT
JUNE 25, 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:

Gary L. Stokes, Interim CEO
Rhonda McCabe, CFO
Kristine Sutton, CNO
Noella Crayton, CCO
Edwin Ferren, M.D., CMO
Jerry Baker, Legal Counsel
Ella Nobles, Executive Assistant

I. CALL TO ORDER: Anita Kite called the regular scheduled Board meeting to order at 5:00 p.m.

II. APPROVAL OF MINUTES: Motion was made by Farrar Bentley to approve minutes and seconded by Patrick Kuhns. Motion carried unanimously.

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

“WOW MOMENT OF THE MONTH RECOGNITION”: Jackie Laney Laird presented The Wow Moment for the month. The WOW moment is a duty performed outside of the normal duties. The WOW moment this month recognized Tina Christopher, Betty Williams and Tyshanta Tatum.

“SPECIAL STAFF RECOGNITION FOR A JOB WELL DONE”: James Stockman presented the Staff Recognition award to Antonia “Tony” Mendez recognized for outstanding EMS services.

VI. MEDICAL STAFF REPORTS- Binusha Moitheennazima, M.D. presented the Medical Staff report that was approved by the Credentials Committee Tuesday, June 11, 2019 and Medical Executive Committee Tuesday June 18, 2019. Recommendations, three reappointments, one new appointment, one withdrawals and one temporary reappointment. Motion to accept medical staff recommendations made by Lisa King and seconded by Patrick. Motion carried unanimously.

V. Principal Road Investments Presentation- Gary Stokes: Mr. Stokes introduced to the Board of Directors, Horace Mast and Adlai Mast. Mr. Mast presented to the Board, opportunity funds and zones addressing the potential sale of the unutilized hospital space for redevelopment. No Action taken.

VI. FY 2020 Operating & Capital Budget Hearing- Rhonda McCabe: Ms. McCabe Presented the FY 2020 Operating & Capital Budget Hearing to the Board of Directors and Citizens of the Community. Ms. McCabe also noted that the Notice for Budget was given on time. Motion made by Patrick Kuhns and seconded by Farrar Bentley. Motion carried unanimously.

VII. ACTION AND PURCHASE REQUESTS

- A. BKD Engagement Letter- Rhonda McCabe:** Ms. McCabe presented the BKD Engagement Letter. The Estimated \$55,000 Fee for audit, \$5,000 for tax preparation. They will begin the third week of August and we will present to the board in October the results of the audit. As a side note, Rhonda wanted to thank Lynn for all of her hard work. Motion made by Lisa King and seconded by Patrick Kuhns to approve the BKD Engagement Letter. Motion carries.
- B. Results of Operations- Rhonda McCabe:** Ms. McCabe presented the Results of Operations to the Board. Ms. McCabe reviewed the results of operations from May. There were 310 resulting in 1,568 patient days and 26 rehab admissions. 53 births, 94 GI procedures for the month, compared to 91 last month. Cath lab procedures were at 64 for the month compared to 118 last month. ER visits were 2,025, compared to 2,041 last month. Case mix index was a little below 1.4. Average length of stay is at 5. Days unbilled were right at 7. Patient collections for the month were at \$4 million. Gross revenue charges were \$24.4 million, and it was the first month of two with no IGT payments. Total expenses were \$7.4 million (\$200,000 adjustment for inventory expenses, \$179,000 error that will be corrected next month). Operating loss of \$1M. Operating margin loss of \$2.4, M. Motion to approve Results of Operations made Sean Hightower and seconded by James Stockman. Motion carried unanimously.

C. Compliance Committee Report-Noella Crayton: Ms. Crayton presented the Compliance report. "Ms. Crayton stated that she had heard from the federal government regarding our year 3 CIA report and they've requested additional information that is due by the 9th, which is what she's currently working on and is coming together well. About two weeks ago we had an employee data situation where some information was inadvertently sent out to a former employee, and we are 100% certain that the information was contained and destroyed. We did put out the notices to the employees, we spoke with the employees, we have given them their options as far as monitoring their credit if they choose to do so, and I have had a couple of people ask questions. We have asked department heads how things are going on in their units, how are their staff feeling, how are the conversations about this, there have been no questions from them, but we are still here and available to talk about this. We have implemented a corrective action plan, and every step of our corrective action has been implemented at this time. We will continue to monitor to ensure that this situation will not occur again. The biggest thing for us was to apologize to the staff for this occurring and to help assure them that we are taking steps to make sure that this does not happen again." Motion made by Farrar Bentley and seconded Sean Hightower to take the second half of Ms. Crayton's report into closed session. Motion carries.

D. Capital Purchase & Agreement

- 1. Stryker Instruments System 8-Rhonda McCabe:** Ms. McCabe presented the Stryker Instrument System to the Board. This Proposal is to replace system 6 with system 8 because it is no longer a viable option to use system 6. Motion to purchase system 8 made by James Stockman and seconded by Lisa King. Motion carries.

E. Contracts & Agreements

- 1. Crothall Services Agreement:** Rhonda McCabe presenter. Motion made by Farrar Bentley and seconded by Sean Hightower. Motion carried unanimously.
- 2. Nacogdoches Transcription Service Agreement-Rhonda McCabe presenter.** Motion made by James Stockman and seconded by Ryan Head. Motion carried unanimously.
- 3. Roche Encompass Amendment:** Kristine Sutton presenter. Motion made by Sean Hightower seconded by James Stockman. Motion carried unanimously.
- 4. Xerox Services Agreement:** James Turner presenter. Motion made by Sean Hightower and seconded by James Stockman. Motion carried unanimously.
- 5. Imaging Physics Radiation Safety (MOU):** Rhonda McCabe presenter. Motion made by James Stockman and seconded by Patrick Kuhns. Motion carried unanimously.

6. **MCG License Agreement:** Kristine Sutton presenter. Motion made by Ryan Head and seconded by Lisa King. Motion carried unanimously.

F. Physician New Call Agreements

1. **Rachel B. Head, M.D. – Urology: Gary Stokes-**Motion made by Sean Hightower and seconded by James Stockman. Ryan Head M.D. abstains from voting. Motion carried.
2. **Kenneth Jurist, M.D. – Orthopedic: Gary Stokes Presenter**
3. **Brett Shirley, DDS, M.D., - Oral and Maxillofacial: Gary Stokes Presenter**
Motion to take F.2 and F.3 made by Patrick Kuhns and seconded by Ryan Head. Motion carried unanimously.

G. Physician Renewal Call Agreements

1. **Mary Barnett, M.D.,- Pediatric**
2. **Olin Fearing, M.D., Pediatric**
3. **Ryan Head, M.D.,- Pediatric**
4. **Amy Huggins, D.O.,- Pediatric**
5. **Edwin Ferren, M.D., - Orthopedic**
6. **J. Andrew Hurst, M.D.,- Orthopedic**
7. **Brian Glymph, M.D.,- OBGyn**
8. **Benjamin Thompson, M.D.,- OBGyn**
9. **Charles Page, M.D.,- General Surgery**
10. **Jonathan Polk, M.D.,- General Surgery**
11. **James Young, M.D., - General Surgery**
12. **J. Michael Randle, M.D.,- Stroke – Neurosurgery**
13. **Gregory Tate, M.D.,- Oral Maxillofacial**

Motion made by Sean Hightower to approve G.1- 2 and 4-13. seconded by James Stockman. Ryan Head M.D. abstains from voting. Motion carried.

Motion made by James Stockman to approve G.3 and seconded by Lisa King. Ryan Head M.D. abstains from voting. Motion carried.

- H. Retirement Training- Patrick Kuhns:** Ms. Mr. Kuhns stated that it is required by Texas State Law to go through a Pension training process that all Board members are required to do. Patrick Kuhns will be emailing dates and times.

VIII. ADMINISTRATIVE REPORT

A. CEO REPORT- Gary L. Stokes: Mr. Stokes stated that we have suitors interested in partnering with us. We are continuing to work with Juniper and Dykema with weekly calls. One suitor has declined, one is considering, and one is working with us on the details of the agreement. At this point, we have one, but we have one or two that might also circle back. We are working on details to present to the board.

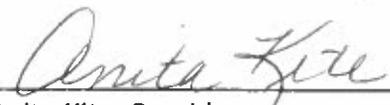
Board Calendar: NMH Board Calendar: Retirement committee meeting correction-scheduled for July 2, 2019 not July 9, 2019 @ 10:00 a.m."

IX. CONVENE TO EXECUTIVE SESSION FOR THE FOLLOWING: Recessed the meeting to Executive Session at 6:24 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

X. Adjourn: Anita Kite stated that there is no further business to consider. The meeting adjourned at 7:33 p.m.

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


Anita Kite, President


Ryan Head, M.D., Secretary