

**REGULAR MEETING OF  
THE BOARD OF DIRECTORS  
NACOGDOCHES COUNTY HOSPITAL DISTRICT  
MARCH 26, 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

**Absent:**

James Stockman

**ALSO IN ATTENDANCE:**

Gary L. Stokes, Interim CEO  
Rhonda McCabe, 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 5:04 p.m.

**II. APPROVAL OF MINUTES:** Motion was made by Farrar Bentley to approve February 26, 2019 minutes, and seconded by Ryan Head, M.D. Motion carried unanimously.

**WORDS OF CONDOLENCES:** Chaplin Richard Harris wanted to ask for a moment of silence for Richard Wallace's father who had died, and for the death of CRNA Dennis Fleetwood.

**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 recognizes Shannon Bailey and Sharon Powers for going out of their way to care for a patient.

**“SPECIAL STAFF RECOGNITION”:** Dr. Ryan Head and the Board members recognized Mary Lofton, Environmental Services Employee for a job well done.

**IV. BOARD EDUCATION-Mindy Winslow:** Mindy talked about revenue cycle to the board, which is anything that happens to a patient’s account during its duration.

**V. MEDICAL STAFF REPORTS- Ed Ferren M.D.:** Dr. Ferren presented the Medical Staff report that was approved by the Credentials Committee Tuesday, March 11, 2019 and Medical Executive Committee Tuesday, March 12, 2019. There were three reappointments, one withdrawal. Motion to approve was made by Patrick Kuhns and seconded by Farrar Bentley. The Motion carried unanimously.

#### **VI. ACTION AND PURCHASE REQUESTS**

**A. Results of Operations- Rhonda McCabe:** Ms. McCabe presented the Results of Operations to the Board for February. Admissions were at 297 with 1,436 patient days. Rehab admissions were at 26, compared to 34 from the prior month. 160 total surgeries. 51 births, compared to 50. GI procedures at 46 compared to 74 prior. Cath lab procedures at 78 compared to 96. ER visits 1,981 compared to 2,109. Admissions by payer: 129 Medicare admissions, 39 self-pay.

\$24M in gross revenue for the month, compared to \$28M for Jan. December was \$24.4M. \$6.7M in net patient revenue for February. On the year to date, we were at \$24.6M in gross patient revenue against a budget of \$23M. Total net patient revenue – bad debt was at \$5.8M against a budget of \$5.1M. Net operating revenue was at \$6.7M. Other revenue was at \$288,000, which was accrued IGT payment from prior years.

Other expenses were at \$6.7M. Net margin was at 70K for the month, against a budget of (738k). \$52M in total operating expenses for the year, compared to \$57M last year at this time. Days unbilled are at 6, which is still higher than we want to be, but the number is declining. Patient collection was at \$7.4M for the month.

Rhonda spoke about different IGT payment programs and said cash flow would be tight for the next several months. Motion to approve Results of Operations made by Sean Hightower and seconded by James Stockman. Motion carried unanimously.

**B. Compliance Report – Noella Crayton:** Ms. Crayton presented the Compliance update. As of the Board meeting date, we were 17 days away from the year 3 report being due. Noella has had conversations with our IRO, and within the next day or two, she

expected back the final preliminary report and will be getting her final report out within the next week. This report is due April 12, 2019.

- C. Quality Survey-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 Farrar Bentley and seconded by Ryan Head, M.D. Motion carried unanimously.

**D. Contracts & Agreements**

- 1. William Hairston, D.O. Tentative Letter of Intent-Richard Wallace:** Motion made by Patrick Kuhns to take items D.1 and D.2. Into Executive Session seconded by Ryan Head M.D. Motion carried unanimously.
  - 2. Carla Hairston, RN, FNP Tentative Letter of Intent- Richard Wallace:** Motion made by Patrick Kuhns to take items D.1 and D.2. Into Executive Session seconded by Ryan Head M.D. Motion carried unanimously.
  - 3. 3M Coding Software Agreement Renewal-Rhonda McCabe:** Discussion of the 3M contract. Proposing a 3-year contract with cap of 5% increase each year. They are waiving financing charges for us that we will pay quarterly. Motion made by Sean Hightower and seconded Lisa King. Motion carried unanimously.
  - 4. Cerner Sales Order (IT Project Contract)-Rhonda McCabe:** Motion made by Sean Hightower and seconded by Lisa King. Motion carried unanimously.
  - 5. Comply Track Renewal-Kristine Sutton:** Motion made by Sean Hightower and seconded by Ryan Head, M.D. Motion carried unanimously.
- E. Policy No.1.4 Organizational Chart Revisions-Gary Stokes:** Motion made by Sean Hightower and seconded by Ryan Head, M.D. Motion carried unanimously.

**VII. EXECUTIVE ADMINISTRATIVE REPORT**

- A. CNO Report- Kristine Sutton:** Ms. Sutton gave an update on the Joint Commission. We are in the process of submitting our plans to Joint Commission, and we are in the process of submitting more plans in April, including suicidal precaution training. 152 staff members were trained for suicidal precautions and prevention training. Jessica Stewart is back with us. "Sophie the Brave" day was this past month, and Laura, one of our staff members, delivered cupcakes in her honor.
- B. CEO Report- Gary L. Stokes: Introduction-** Mr. Stokes' priorities are 1) Quality care and patient safety, 2) Being financially solvent, 3) Board unity,

and 4) Merger/acquisition and looking at new perspective partners.

Patient, employee, physician satisfaction Six-question Survey Monkey for employees that will benchmark our employee engagement score that will happen in April. 5.)

Growth and volume. All five of these equal partner acquisitions.

Instituted a government board facility-rounding program where two or three board members tour the facility to get a firsthand look at the facilities and see what needs to be improved. We are creating a Monthly talent report from HR, which lists new hires, exiting employees and their interviews, turnover rates, etc. We are also developing a management leadership program through HR.

Juniper advisory continues to provide information about the hospital that will be made available to potential partners for the hospital. They expect to get proposals to us by late April, early May.

**Board calendar:** April 18, 2019 will be the Finance and Executive committee meetings, then April 23, 2019 will be the next board meeting. Motion made to approve calendar. Motion carries.

**VIII. CONVENE TO EXECUTIVE SESSION FOR THE FOLLOWING:** Ms. Kite recessed the meeting to Executive Session at 6:02 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 6:37 p.m.

**VI.D.1 and D.2 William Hairston, D.O. Tentative Letter of Intent and Carla Hairston, RN FNP Tentative Letter of Intent:** Motion made by Sean Hightower to approve both contracts with corrections and **seconded by Ryan Head, M.D.** Motion carried unanimously.

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

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Patrick Kuhns, Vice-President

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Ryan Head, M.D., Secretary

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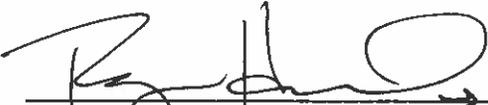
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