

REGULAR MEETING OF  
THE BOARD OF DIRECTORS  
NACOGDOCHES COUNTY HOSPITAL DISTRICT  
TUESDAY, September 26, 2017 @ 4:00 P.M.

**IN ATTENDANCE:**

Lisa King, President  
Jim Roberts, Secretary  
Patrick Kuhns  
Duncan Rogde, Vice-President  
Walter Scott  
Ahammed Hashim, MD  
Jessica Henderson

**ALSO IN ATTENDANCE:**

Gary Kendrick, Interim CEO  
Scott Bentley, CFO  
Linda Lawson, CNO  
Edwin Ferren, CMO  
Jerry Baker, Legal Counsel  
Ella Nobles

- I. **CALL TO ORDER:** Duncan Rogde, Vice-President called the meeting to order at 4:08 p.m. in the place of Lisa King. Ms. King arrived at 4:25 p.m. and continued to proceed with the board meeting. This meeting was held in the Auxiliary Conference Room.
- II. **APPROVAL OF MINUTES FROM August 22, 2017:** Motion to approve the minutes made by Mr. Roberts, seconded by Mr. Kuhns. Motion carried unanimously.
- III. **CITIZENS COMMUNICATIONS:** There were no citizen communications.
- IV. **BOARD EDUCATION PRESENTATION:** "Cybersecurity" Brian Doerr.
- V. **MEDICAL STAFF REPORTS - Jeremy Smith, MD:** Dr. Smith presented the report that was approved by the Credentials & Medical Executive Committees. Motion to approve was made by Ms. Henderson, seconded by Mr. Kuhns. Motion carried unanimously.
- VI. **ACTION AND PURCHASE REQUEST:**
  - WOW Moment of the Month Recognition: None

- A. Financial Committee – Scott Bentley:** Mr. Bentley presented the Overview Consolidated Financials and it shows a net operating margin of (\$1.6M) on a Budget of (\$1.1M) (14.3%). We received no government program money in August.

#### Volumes

- Acute Admissions were 317 on a Budget of 738 (27.6%)
- Rehab Admissions were 37 on a Budget of 33 (12.1%)
- Acute Patient Days were 1,332 on a Budget of 1,917 (30.5%)
- Rehab Patient days were 485 on a Budget of 440 (10.2%)
- Total Case Mix was 0.9756 on a Budget of 0.9187 (6.2%)
- Medicare Case Mix was 1.5958 on a Budget of 1.3941 (14.5%)
- Surgeries were 192 on a Budget of 254 (24.49%)
- Deliveries were 67 on a Budget of 90 (25.6)
- Outpatient Diagnostic visits were 1,755 on a Budget of 2,092 (16.1%)
- Clinic Visits were 4,079 on a Budget of 3,841 (6.2%)
- Cath Lab Procedures were 163 on a Budget of 132 (23.5%)

#### Income Statement

- Gross Patient Revenue was \$2.6M below Budget
- Patient Bad Debt was \$1.8M below Budget (29.3%)
- Net Operating Revenue was \$1.8M below Budget (25.8%)
- SWB were \$3.6M on a Budget of \$3.8M (5.7%)
- Supplies were \$507K on a Budget \$1.9M (73.2%)
- Purchased services were \$1.2M on \$765K (54.9%) of this, \$790K were prior period expenses recorded during August.
- Overall operating margin was (\$1.6M) on a budget of (\$1.1M) (41.3%)
- YTD Operating margin is (\$1.1M) on a budget of (\$1.1M)

#### Cash Flow

- Days Cash on hand is at 5.
- Net Days in Patient AR is at 37.2 on a goal of 48.
- Rolling 12 Months Cash Collected % Net Rev less Bad Debt 116.5% .

Motion to approve made by Mr. Kuhns, seconded by Dr. Hashim. Motion carried unanimously.

- B. Strategic Committee – Duncan Rogde:** Mr. Rogde gave a brief update to the board on items discussed during the Strategic committee:

- Organization Chart
- Dr. James Koerner
- 340B Program Update

- Etoile Building
- Anita Kite
- Medical Society Meeting
- Physician Call Coverage Contracts
- East Texas Community Health Services, Inc.
- Imaging Physics LLC Memorandum of Understanding
- Premier Healthcare Solutions, Inc. Subscription Agreement
- GI physician coverage
- OIG Update

Motion to approve made by Mr. Roberts, seconded by Mr. Kuhns. Motion carried unanimously.

- C. Compliance Update – Lauree Ford:** Ms. Ford gave a brief update on compliance, indicating the OIG monitor visit went what she would consider very well. OIG final report will be sent out in the next 30 days. No exit interview was done with the O.I.G. Ms. Ford left at 4:57 p.m. after giving update.
- D. Revised Organizational Chart Policy number 1.4 – Gary Kendrick:** Mr. Kendrick presented the Organizational Chart to the board for approval of the structure, reorganized positions and to update the intranet by the IT department. Motion to approve was made by Dr. Hashim, seconded by Ms. Henderson. Motion carried unanimously.
- E. Sale of the Etoile Building – Gary Kendrick:** Mr. Kendrick presented the sale of the Etoile building. Ryan Enterprise was the only bid and the bid was for \$143,000.00. Mr. Kendrick informed the board member that it exceeded the amount appraised for and the other party that was persistently interested in purchasing the property got the dates wrong. Motion was made by Mr. Roberts to accept the bid amount and seconded by Mr. Rogde. Motion carried unanimously.
- F. Contracts & Agreements**
1. **Dr. Koerner Contract Amendment – Gary Kendrick:** Mr. Kendrick asked for this contract to be moved to Executive Session. Motion to move to Executive Session was made by Mr. Kuhns and seconded by Mr. Scott. Motion carried unanimously.
  2. **Physician Call Coverage –Gary Kendrick:** Mr. Kendrick presented Physician Call Coverage to the board members for approval. These physicians consist of: (listed below). Motion to approve made by Jessica Henderson, seconded by Dr. Hashim. Motion carried unanimously.

- **Neurosurgery / Stroke:** Stig Peitersen, M.D. and James M. Randle M.D.
  - **Oral & Maxillofacial Surgery:** Gregory S. Tate, DDS
  - **Obstetrics/Gynecology:** Kim Schaus, M.D.
3. **GI Coverage Contracts – Gary Kendrick:** Mr. Kendrick asked for this contract to be moved to Executive Session. Motion to move to Executive Session was made by Mr. Roberts and seconded by Ms. Henderson. Motion carried unanimously.
  4. **East Texas Community Health Services, Inc.-Gary Kendrick:** Mr. Kendrick presented the ETCHSI contract to the board members. Mr. Roberts and Mr. Kuhns had concerns about comparing prices on procedures and lab send out making sure that we were aware of cost control. These prices should be compared to send out fees global fee and cost of in house procedures. Linda Lawson stated that she would have Amanda Horn look into this interest. Motion to approve was made by Mr. Kuhns and seconded by Mr. Scott. Motion carried unanimously.
  5. **Imaging Physics LLC Memorandum of Understanding- Scott Bentley:** Mr. Bentley presented the Imaging Physics Contract renewal for radiation safety evaluation and audit oversights. Total annual fee of \$27,655.50 or four quarterly installments of \$6,913.88. Motion made by Mr. Kuhns and seconded by Mr. Roberts. Motion carried unanimously.
  6. **Premier Healthcare Solution, Inc. Subscription-Linda Lawson:** Ms. Lawson presented the Premier Healthcare Solutions Agreement for quality Advisor (QA), Quality Measure Reporter (QMR), Physician Focus Hospital (PFH) and Hospital Quality Reporting Program (HQRP). This subscription also comes with a 90 day out and training services. Mr. Kendrick and Linda Lawson recommended looking into other accredited Advisor such as CIHQ just to have other options. Motion made by Ms. Henderson and seconded by Dr. Hashim. Motion carried unanimously.
  7. **BancorpSouth Depository Contract Amendment –Scott Bentley:** Mr. Bentley presented the BancorpSouth Depository Contract Amendment; this amendment is for a 90-day extension, during this extended time a bidding process will begin to seek out another Depository that can handle our financial needs and is willing to work with NMH. Motion made for the 90-day extension was made by Mr. Roberts and seconded by Mr. Kuhns. Motion carried unanimously.

## VII. Administrative Report:

- A. **CEO Report (including board calendar) – Gary Kendrick:** Mr. Kendrick presented the CEO Report starting with Audit & Compliance Committee and policies and procedures that did not make this month agenda . These policies and procedures will go through the normal procedures and discussed at the next board meeting. Items listed as follows:

1. Compliance Oversight and Organization Policy No.6.1.2
2. Gifts Business Courtesies No.6.1.9
3. Refunds to State and Federal Health Care Payers No.6.1.9a
4. Background & Exclusion Check Processes No.6.1.10
5. NMH CIA Requirements Guide
6. Strategic Plan /Vision 5 Year Plan

Mr. Kendrick also included Cerner Update, Market planning, and HPG purchasing value and noted the Supply chain was up 95%.

Mr. Jim Roberts asked questions about Managed Care update concerning BCBS "What was the Status? Mr. Kendrick stated that he would follow up with Dave Koford CHC, to see if there was any new developments on BCBS.

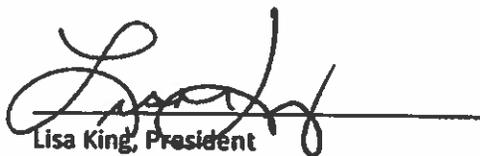
Mr. Kendrick presented the October 2017- Board Calendar with a change to Strategic moved to October 17, 2017. Motion made by Mr. Roberts to approve board calendar and seconded by Mr. Kuhns. Motion carried unanimously.

7. **CHC Report –Gary Kendrick:** Mr. Kendrick gave the CHC report updated to the board members on the current CHC activity with Human Resources and Finance.
8. **RECESS TO EXECUTIVE SESSION:** Ms. King recessed the meeting to executive session at 5:35 p.m.
9. **RECONVENE TO OPEN SESSION:** Ms. King reconvened the meeting to open session at 6:24 p.m. bringing items from Executive Session.

**IV. F.1 Dr. Koerner Contract Amendment:** Motion to approve made by Mr. Roberts and seconded by Mr. Kuhns. Motion carried unanimously.

**IV. F.3 GI Coverage Contract:** Motion made by Mr. Roberts and seconded by Mr. Kuhns. Motion carried unanimously.

10. **ADJOURN:** Ms. King stated there is no further business to consider. The meeting adjourned at 6:27 p.m..

  
Lisa King, President

  
Jim Roberts, Secretary