

DRAFT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION**

February 18, 2014

The Nueces County Hospital District Board of Managers met in ***REGULAR SESSION*** in the NCHD Board Room at 555 N. Carancahua, Suite 950-A on Tuesday, February 18, 2014 at 7:00 p.m., Corpus Christi, TX.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp, Administrator/CEO
Dena B. Bruni, Assistant Administrator, Administrative Services
Donna Littlefield, Director, Accounting & Finance
Wm. DeWitt Alsup, Attorney, Alsup Law Firm
Catherine Heller, Assistant County Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Brigid Cook, Partner, Collier, Johnson & Woods, P.C., Certified Public Accountants
Ann Fields, Accountant, Collier, Johnson & Woods, P.C., Certified Public Accountants
Gary Eiland, Attorney, King & Spalding, LLP, Houston, TX.

1. **Call to Order** - Mr. Huseman, Board Chairman
The meeting was called to order by Mr. Huseman at 7:00 p.m.

2. **Establishment of Quorum** - Mr. Huseman
A quorum was present with six members in attendance

Van Huseman, Chairman - PRESENT
Claude "Cal" Jennings, Vice Chair - PRESENT
Raymond F. Wetegrove, Member - PRESENT
Rodney J. Hart, Member - PRESENT
Dan Winship, Member - PRESENT
Robert N. Corrigan, Member - PRESENT

Irma Caballero, Member - **ABSENT**

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3. **Public Comment**

None.

4. **Board Chairman:**

A. Appoint Board of Managers members to standing Board Committee and appoint Committee Chairs; appointments pursuant to Board of Managers Bylaws, Section 2.5: **ACTION**

1. Finance Committee

Mr. Huseman appointed Mr. Jennings as chairman of the Finance Committee and committee to appoint an additional member; he also suggested the Planning and Quality Management Committees appoint a chairperson and its membership.

2. Planning Committee; and

As noted under #1 above.

3. Quality Improvement Committee

As noted under #1 above.

5. **Consent Agenda:**

On motion by Mr. Jennings, seconded by Mr. Wetegrove, the Board of Managers voted to accept, adopt, authorize(s) and/or ratify the following consent agenda items: A.1 & 2; B.1-6; and C.1-3 as presented below: **MOTION CARRIED.**

A. **Board of Managers:**

1) Approved minutes of Board of Managers meetings:

a. Regular Meeting of July 23, 2013; and

b. Special Meetings of August 27, 2013 and October 8, 2013.

2) Received and accepted complete listing of vendors as of February 12, 2014; listing pursuant to provisions of Board of Managers Bylaws, §2.1B and Texas Local Government Code, Chapter 176.

Copy of vendors listing as of February 12, 2014 is attached hereto for information and made a part of these minutes.

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B. Finance Committee:

- 1) Received and accepted unaudited financial statements for the months and fiscal year-to-date periods ended June 30, 2013 - December 31, 2013.

Copies of unaudited financial statements for the periods noted above are attached hereto and made a part of these minutes.

- 2) Received and accepted summary payment information for Fiscal Year 2014 to-date:
 - a. Emergency medical services in unincorporated areas of Nueces County;
 - b. Medical services at Nueces County juvenile detention facility;
 - c. Supplemental funding for Nueces County Mental Health and Mental Retardation Center; and
 - d. Salaries, benefits, and supplies at Corpus Christi/Nueces County Public Health Department.

Copy of summary payment information is attached hereto and made a part of these minutes.

- 3) Received and accepted summary report of intergovernmental transfers relating to the Texas Health and Human Service Commission's Transformation and Quality Improvement 1115 Waiver Program as of January 31, 2014

Copy of summary report of intergovernmental transfers is attached hereto and made a part of these minutes.

- 4) Received and accepted investment reports and ratify related investment transaction:
 - a) Quarterly Investment Report for fiscal quarter ended September 30, 2013;
 - b) Annual Investment Report for fiscal year ended September 30, 2013;
 - c) Quarterly Investment Report for fiscal quarter ended December 31, 2013; and

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- d) Interim Investment Transactions Report for January 1, 2014 - February 14, 2014.

Copy of summary payment information is attached hereto and made a part of these minutes.

- 5) Received and accepted revenue report relating to Christus Spohn Health System Corporation Membership Agreement; receive Membership Revenue Report for Fiscal Year 2014 to-date.

Copy of Membership Revenue Report is attached hereto and made a part of these minutes.

- 6) Received and accepted summary information relating to medical and hospital care provided to the Nueces Aid population consistent with the Indigent Care Agreement and the Christus Spohn Health System Corporation Membership Agreement:

- a) Imputed Claims Experience for calendar year-to-date December 31, 2013.

Copies of NCHD's Imputed CY 2013 Pharmacy Program net Costs and Nueces Aid Indigent Population Pharmacy by Volume of RX's by Year are attached hereto and made a part of these minutes.

C. Planning Committee:

- 1) Received and accepted hospital providers' quarterly reports relating to certain Indigent Care Affiliation Agreements associated with the Hospital District's participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver:

- a) Christus Spohn Hospitals (Joint Report): Alice, Beeville, and Kleberg: June 30, 2013; September 30, 2013; and December 31, 2013;
b) Corpus Christi Medical Center: June 30, 2013;
c) DeTar Healthcare System: June 30, 2013; and
d) Driscoll Children's Hospital: June 30, 2013; September 30, 2013;

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and December 31, 2013.

Copies of each report are attached hereto for information and made a part of these minutes.

- 2) Ratified award of RFP No. 2013-02 for Pharmacy Benefit Administrative Services and related Agreement.

Copy of Pharmacy Benefit Administrative Services (RFP #2013-02); Issue date October 7, 2013; Letter dated November 18, 2013 to Script Care, Ltd., and Pharmacy Benefit Administrative Services Agreement are attached hereto for information and made a part of these minutes.

- 3) Amended Enrollment Department Policy No. ED004 relating to Administrative Disqualification Hearings and Appeals; Amendment updates general Policy statement, expand Rules and Procedure section, and revises related Policy amendments; amendment effective February 19, 2014.

Copies of amended Enrollment Department Policy No. ED004 and Amendment updates to general Policy statement are attached hereto and made a part of these minutes.

6. REGULAR AGENDA:

A. Finance Committee:

- 1) **Approve Annual Financial Report on Hospital District's financial statements for fiscal year ended September 30, 2013 from Collier, Johnson & Woods, P.C., Certified Public Accountants - ACTION**
On motion by Mr. Jennings, seconded by Mr. Wetegrove the Finance Committee approved the Annual Financial Report of the Hospital District's financial statements for fiscal year ended September 30, 2013 from Collier, Johnson & Woods, P.C., Certified Public Accountants as presented. **MOTION CARRIED.** An original audited financial report, the original letter dated February 5, 2014 relating to U.S. Generally Accepted Auditing Standards, and highlights presentation regarding the

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audit are attached hereto for information and made a part of these minutes.

B. Planning Committee:

- 1) **Approve and confirm Nueces County Commissioners Court's nomination of Mr. Richard L. Bowers to the Christus Spohn Health System Board of Trustees for a three-year term ending December 2016 - ACTION**

On motion by Mr. Corrigan, seconded by Mr. Winship, the Board of Managers approves and confirms Nueces County Commissioners Court's nomination of Mr. Richard L. Bowers to the Christus Spohn Health System Board of Trustees for a three-year term ending December 2016. **MOTION CARRIED.**

- 2) **Amend Nueces Aid Program's Eligibility Guidelines Policy No. NA002, Attachment 4, Section F relating to Program Household Income Guidelines effective April 1, 2014; amendments relate to federal Patient Protection and Affordable Care Act, Public Law 111-148 (Act); ACTION**

On motion by Mr. Hart, seconded by Mr. Winship, the Board of Managers voted to amend the Nueces Aid Program's Eligibility Guidelines Policy No. NA002, Attachment 4, Section F relating to Program Household Income Guidelines effective April 1, 2014 as presented below: **MOTION CARRIED.**

- a) Amend Paragraph 3 to reduce upper limit of Program's Eligibility Income Guidelines for Financial Assistance (Gross Household Income Table) from 150% to 138% (133% plus 5% of individual's income disregarded) of Federal Poverty Guidelines, reduction due to availability of cost-sharing and/or premium subsidies; and
- b) Add new Paragraph 4 relating to Eligibility Income Guidelines for Financial Assistance and requiring hardship exemption (exemption from personal responsibility requirements) for Program applicant income levels between 101% and 138% of Federal Poverty Guidelines; hardship exemption described under Act, Section 1311(d)(4)(H) and admissible demonstration of hardship

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exemption via:

- 1) Health Insurance Marketplace Exchange website (<http://www.healthcare.gov>) Operated by the U.S. Centers for Medicare and Medicaid Services;
- 2) Subsidy Calculator for Premium Assistance for Coverage in Exchanges website (<http://kff.org/interactive/subsidy-calculator/>) operated by the Henry J. Kaiser Family Foundation; or
- 3) Other publicly-available website(s) as may be designed from time-to-time by the Administrator.

Copies of Household Income Guidelines and its Attachment 4 are attached hereto for information and made a part of these minutes.

- 3) **Authorize the Administrator to temporarily modify and/or postpone any or all portions of the Policy No. NA002 amendments approved under Agenda Item 6.B.2 above for reasonable cause taking into account the ongoing interpretation, implementation, and/or application of related portions of the federal Patient Protection and Affordable Care Act, Public Law 111-148 and state law - ACTION**
On motion by Mr. Hart, seconded by Mr. Winship, the Board of Managers authorized the Administrator to temporarily modify and/or postpone any or all portions of the Policy No. NA002; and amendments approved under agenda item 6.B.2 above for reasonable cause taking into account the ongoing interpretation, implementation, and/or application of related portions of the federal Patient Protection and Affordable Care Act, Public Law 111-148 and state law. **MOTION CARRIED.** Copy of Policy No. NA002 is attached hereto for information and made a part of these minutes.

- C. **Indigent Care Provider's Briefing:**
No briefing provided at this time.

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- 1) Receive and discuss information from Christus Spohn Health System Corporation (Provider) relating to: **INFORMATION**
 - a) Medical aid and hospital care provided to the Nueces Aid population consistent with the Indigent Care Agreement and the CHRISTUS Spohn Health Corporation Membership Agreement and related matters; and
 - b) Programs, projects, and/or activities at CHRISTUS Spohn Hospital Corpus Christi - Memorial and other Hospital District-owned facilities and related matters.

D. Administrator's Briefing:

- 1) Next Scheduled Board and Committee Meetings: INFORMATION
 - a) March 25, 2014 Meetings:
 - (1) Planning Committee at 5:30 PM;
 - (2) Finance Committee at 6:15 PM;
 - (3) Quality Committee at 7:00 PM; and
 - (4) Board of Managers at 7:45 PM

7. CLOSED MEETING:

EXECUTIVE CLOSED SESSION

The Board of Managers entered into executively closed session at approximately 7:45 p.m., to discuss and or deliberate on the following agenda item(s): **A. 1,2, & 3**

- A. Consult with attorneys pursuant to Open Meetings Act, Texas Government Code, §551.071:
 - 1) Matters related to Hospital District's obligations to and provision of indigent health care services under state law and federal Patient Protection and Affordable Care Act, Public Law 111-148.

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- 2) Matters related to Hospital District-owned real property described in Christus Spohn Health System Corporation Membership Agreement, and related schedules, September 2012 Amendment to Lease Agreement, and other related agreements between the parties.
- 3) Matters related to Christus Spohn Health System Corporation Membership Agreement, Schedule 1, Section 3.8.6 relating to material alteration of Hospital District-owned real property located at 2606 Hospital Boulevard, Corpus Christi, Texas.

Members of the Board of Managers, Administrator Jonny F. Hipp, attorneys Wm. DeWitt Alsup, Gary Eiland, Assistant County Attorney Catherine Heller, Assistant Administrator Dena B. Bruni, Director of Accounting and Finance Donna Littlefield remained for the executive closed session.

The Board of Managers ended its executively closed session at approximately 8:33 p.m., and reopened to public session.

8. **OPEN MEETING:**

- A. Discuss final action, decision, or vote on matters deliberated in Closed Meeting.
(Action Needed)
There was no action taken in open session relating to matters discussed and or deliberated in closed session.

9. **ADJOURN**

There being no further business, the meeting adjourned at 8:35 p.m.

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PRESIDING OFFICER:

Van Huseman, Chairman
Board of Managers
Nueces County Hospital District

ATTEST:

Jonny F. Hipp, Secretary
Board of Managers
Nueces County Hospital District

Wm. DeWitt Alsup, General Counsel
Nueces County Hospital District