

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

June 28, 2016

The Nueces County Hospital District Board of Managers met in **REGULAR SESSION** in the NCHD Board Room at 555 N. Carancahua, Suite 950-A, Corpus Christi, Texas on Tuesday, June 28, 2016 at 12:30 p.m.

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, Nueces County Assistant Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Kelly Elkins, President, Memorial & Shoreline, CSHS Hospitals
Estela Chapa, Transformation & Clinical Officer, Christus Spohn Health System
Hannah Chipman, Assistant to Commissioner Brent Chesney
Barron Rodriguez, Nursing Director, Corpus Christi Medical Center
Melissa Pullin, Director of Development, Corpus Christi Medical Center
Chris Ramirez, Reporter, Caller Times
Servando Caballero, Public Citizen

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1. **Call to order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:30 p.m.
 2. **Establishment of Quorum** - Mr. Huseman
A quorum was present with all members in attendance.

Van Huseman, Chairman - PRESENT
Claude "Cal" Jennings, Vice Chair - PRESENT
Rodney J. Hart, Member - PRESENT
Irma Caballero, Member - PRESENT
Robert N. Corrgian, Member - PRESENT
John E. Valls, Member - PRESENT
Ted A. Daniel, Member - PRESENT

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3. PUBLIC COMMENT:

None requested. Copy of "Request to Speak Sign-In Sheet" is attached hereto for information.

4. CONSENT AGENDA:

On motion by Mr. Valls, seconded by Mr. Jennings, the Board of Managers voted to accept, adopt, amend, approve, authorize(s) and/or ratify/ratifies the following consent agenda items: A 1 & 2; B 1 - 12; C 1 - 7 as presented below: **MOTION CARRIED.**

A. Board of Managers:

- 1) Approved minutes of the Board of Managers meetings:
 - a) Regular Meeting of February 19, 2016; and
 - b) Special Meeting of May 25, 2016.
- 2) Received listing of new vendors as of June 23, 2016; vendor listing pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

B. Finance Committee:

- 1) Received unaudited financial statements for the month and fiscal year-to-date periods ended January 1, 2016 - April 30, 2016.

Copy of unaudited financial statements for period ended April 30, 2016 is attached hereto and made a part of these minutes.
- 2) Received investment reports and ratify related investment transactions:
 - a) Quarterly Investment Report for fiscal quarter ended March 31, 2016; and
 - b) Interim Investment Transactions Report for period of April 1, 2016 to present.

Copies of Quarterly Investment Report and Interim Investment Transactions Report for periods noted above are attached hereto and made a part of these minutes.

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- 3) Received revenue report relating to CHRISTUS Spohn Health System Corporation Membership Agreement for current fiscal year-to-date.

Copy of Nueces County Hospital District-Spohn Corporate member Revenue Analysis for current fiscal year-to-date is attached hereto and made a part of these minutes.

- 4) Received summary information relating to medical and hospital care provided to the Nueces Aid population consistent with the CHRISTUS Spohn Health System Corporation Membership Agreement for calendar year-to-date ended May 31, 2016.

Copy of Nueces County Hospital District Imputed Claims Experience for Calendar Year 2016 As of Adjudicated January 1, 2016 through May 31, 2016 is attached hereto and made a part of these minutes.

- 5) Received fiscal year-to-date summary report of intergovernmental transfers made in support of local and other providers participating in supplemental payment programs sponsored by the Texas Health and Human Commission, including:

- a) Texas Healthcare Transformation and Quality Improvement Program:

- 1) Hospital Uncompensated Care (UC) pool; and
2) Delivery System Reform Incentive Program (DSRIP) pool.

- b) Disproportionate Share Hospitals (DSH) program.

Copy of detailed Nueces County Hospital District 1115 Waiver Program Intergovernmental Transfer Activity is attached hereto and made a part of these minutes.

- 6) Received summary payment information for current fiscal year-to-date:

- a) Medical services at Nueces County juvenile detention facility;
b) Emergency medical services in unincorporated areas of Nueces

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- County;
- c) Supplemental funding for Behavioral Health Center of Nueces County; 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.

- 7) Adopted Board of Managers' Resolution relating to annual review and adoption of investment policy and investment strategies and adopting no changes to either the policy or strategies; annual review pursuant to Texas Government Code, §2256.005(c). **Original executed resolution is attached hereto and made a part of these minutes.**
- 8) Adopted Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted list to be effective August 1, 2016; annual review and list adoption pursuant to Texas Government Code, §2256.025. **Original executed resolution and its Exhibit "A" Authorized Broker/Dealer list is attached hereto and made a part of these minutes.**
- 9) Ratified Calendar Year 2015 unreimbursed health care expenditure amount submitted to the Texas Department of State Health Services for pro-rata share distribution of Calendar Year 2015 income from the Tobacco Permanent Settlement Trust Account; expenditures submission pursuant to Texas Administrator Code, Title 25, Part 1, Chapter 102, Rules §102.1(b) and §102.3(a), (e)(2), and (f).

Copy of Pro Rata Tobacco Settlement Distribution Hospital District Expenditure Statement - 2016 is attached hereto and made a part of these minutes.

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- 10) Receive information on State Comptroller of Public Accounts's 2016 pro-rata distributions of Calendar Year 2015 income from the Tobacco Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2

Copy of List of Political Subdivisions that Received a Payment in the 2016 Distribution is attached hereto and made a part of these minutes.

- 11) Ratified May 25, 2016 letter relating to the CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage for the fiscal year October 1, 2016 - September 30, 2017; Allocation Percentage established pursuant to Membership Agreement, Section 7.03(a).

Copy of May 25, 2016 letter from CHRISTUS Spohn Health System Corporation relating to 2017 Revenue Allocation Percentage is attached hereto and made a part of these minutes.

- 12) Received information on escrow amounts deposited by CHRISTUS Spohn Health System Corporation consistent with Section 3.9.7 of Amended and Restated Schedule 1, a schedule to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; information for period May 1, 2016 - May 31, 2016.

Copy of Bank of America Merrill Lynch account of Participating Portfolios: Total Cash & Equivalents; Transaction Summary and Transaction Details is attached hereto and made a part of these minutes.

C. Planning Committee:

- 1) Received hospital providers' reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Medicaid 1115 Waiver-related Texas Healthcare Transformation and Quality Improvement Program; receive providers' reports for the calendar quarter ended March 31, 2016:
- a) CHRISTUS Spohn Health System Hospitals: Alice, Beeville, and Kleberg (Joint Report);
 - b) Corpus Christi Medical Center;

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- c) DeTar Healthcare System; and
- d) Driscoll Children's Hospitals.

Copy of each of the abovementioned reports are attached hereto and made a part of these minutes.

- 2) Received information relating to U.S. Department of Health and Human Services (DHHS) Poverty Guidelines:

- a) Annual update of the DHHS Poverty Guidelines from Federal Register, Vol. 81, No. 15, January 25, 2016, pp. 4036 - 4037; and
- b) Prior DHHS Poverty Guidelines, 1982 - 2015.

Copy of *Federal Register/Vol. 81* and DHHS Poverty Guidelines are attached hereto and made a part of these minutes.

- 3) Received notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines: increase effective March 1, 2016 for:

- a) Household Resources as required by Program's Handbook Policy No. NA002, Attachment 2, Sections I-B, I-C-1, I-C-23, and I-F; and
- b) Household Income as required by Program's Handbook Policy No. NA002, Attachment 4, Section I-F-3.

Copies of Policies Nos. NA002, Attachment 2, Sections I-B, I-C-1, I-C-23 and I-F and NA002, Attachment 4, Section I-F-3 are attached hereto and made a part of these minutes.

- 4) Ratified Amendment No. 6 to June 12, 2012 Letter Agreement with Health Management Associates relating to support of Anchor Entity responsibilities under the Medicaid 1115 Waiver-related Texas Health and Human Services Commission's Transformation and Quality Improvement Program: Amendment extends Letter Agreement to September 30, 2017 and adjusts related fees.

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Copy of Amendment No. 6 to June 12, 2012 Letter Agreement by and between Health Management Associates, Inc. and Nueces County Hospital District is attached hereto and made a part of these minutes.

- 5) Ratified renewal of Pharmacy Benefit Administrative Services Agreement with Script Care, Limited for the period January 1, 2016 - December 31, 2016; renewal exercises second of two one-year renewal options pursuant to Section 22.2 of Agreement.

Copy of Renewal document relating to Pharmacy Benefit Administrative Services Agreement January 1, 2016 - December 31, 2016 is attached hereto and made a part of these minutes.

- 6) Ratified renewal of Engineering Services Agreement with Naismith Engineering, Inc. for owner's representative services relating to Christus Spohn Health System Corporation-paid activities on the Christus Spohn Hospital Corpus Christi-Memorial campus located at 2606 Hospital Boulevard, Corpus Christi, Texas 78405, including contraction of a new ambulatory health center and eventual removal of the hospital complex; renewal for the period October 1, 2016 - September 30, 2017; renewal exercises first of three one-year renewal options pursuant to Section 4.2 of Agreement.

Copy of First Renewal of Engineering Services Agreement for Owner's Representative Services for Memorial Property Improvements is attached hereto and made a part of these minutes.

- 7) Ratified Easement and Right-of-Way Agreement with AEP Texas Central Company relating to provision of electrical power to and construction of Dr. Hector P. Garcia-Memorial Family Health Center located on Hospital District-owned property at 2606 Hospital Boulevard, Corpus Christi, Texas.

Copy of Easement and Right of Way, and its Exhibits "A & B" are attached hereto and made a part of these minutes.

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5. REGULAR AGENDA:

A. Board of Managers:

1) Receive update from CHRISTUS Spohn Health System Corporation relating to planning, construction, and/or demolition activities associated with September 10, 2014 Letter of Intent Regarding Material Altercation Notice: INFORMATION

Ms. Elkins provided an update stating construction at the Dr. Hector P. Garcia-Memorial Family Health Center is moving along nicely. Roof is scheduled for completion by mid-July, interior work will also begin, landscaping and irrigation work has begun. Very pleased construction project is on track, budget, and schedule.

Demolition work at Christus Spohn-Shoreline has begun. Site work is underway for the new tower; also starting interior renovation work at the site.

A lengthy discussion regarding all medical resources and services and their orderly transition planning from the Memorial campus to Shoreline campus was held. It was also reported that both emergency rooms are in full operation at both campuses. It was mentioned that medical patients are not being admitted to Memorial campus. If patients need to be admitted they are transported by ambulance to either Spohn Shoreline or Spohn South depending on their medical needs.

- a) Construction of Dr. Hector P. Garcia-Memorial Family Health Center located on Hospital District-owned property at 2606 Hospital Boulevard, Corpus Christi, Texas;
- b) Construction and/or demolition activities at CHRISTUS Spohn Hospital Corpus Christi-Shoreline located at 600 Elizabeth Street, Corpus Christi, Texas; and
- c) Planning orderly transition of services from Hospital District-owned hospital presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known

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as Memorial Medical Center) located at 2606 Hospital Boulevard to CHRISTUS Spohn Hospital Corpus Christi-Shoreline located at 600 Elizabeth Street, both facility locations in Corpus Christi, Texas.

- 2) Receive Owner's Representative update from Naismith Engineering, Inc., on construction of Dr. Hector P. Garcia-Memorial Family Health Center located on Hospital District-owned property at 2606 Hospital Boulevard, Corpus Christi, Texas - INFORMATION

Mr. Michael provided an update relating to construction of the new Dr. Hector P. Garcia Memorial Family Health Center. He also provided a handout overview of update photos of the construction site. He further stated construction is moving along well and project is expected to be completed by the end of the year. Building should be ready for a site tour sometime early December.

B. Finance Committee:

Presenter: Mr. Jennings, Committee Chair

- 1) Receive update report on progress of Medicaid Network Access Improvement Program (NAIP) intergovernmental transfer responsibility agreement with Texas Health & Human Services Commission to facilitate CHRISTUS Spohn Hospital Corpus Christi's participation in NAIP during the term September 1, 2016 - August 31, 2017 - INFORMATION

Mr. Hipp reported the state has not provided the amounts and timetables necessary to complete the NAIP IGT Responsibility Agreement; and Spohn is still negotiating with the state. Work is still in progress relating to NAIP intergovernmental transfer responsibility agreement with Texas Health & Human Services Commission. Copy of detailed memorandum dated June 23, 2016 relating to Intergovernmental Transfers for Medicaid Network Access Improvement Program is attached hereto for information and made a part of these minutes.

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C. Planning Committee:

Presenter: Mr. Hart, Committee Chairman

- 1) Receive information relating to 15-month temporary extension of Medicaid 1115 Waiver-related Texas Healthcare Transformation and Quality Improvement Program sponsored by the Texas Health and Human Services Commission; Waiver extension effective through December 31, 2017 -
INFORMATION

Mr. Hipp reported CMS has temporarily extended the waiver 15 months October 1, 2016 through December 31, 2017. It's important to note that CMS does not want to compensate for Uncompensated Care and will not move forward on this issue. He further stated Texas has the opportunity to expand the Medicaid Program. Copies of detailed letters dated April 7, 2016 from Texas Health & Human Services Commission and May 1, 2016 from CMS are attached hereto for information and made a part of these minutes.

D. Indigent Care Provider's Briefing: INFORMATION

No briefing or report presented at this time.

- 1) Receive and discuss information from CHRISTUS Spohn Health System Corporation (Provider) relating to:
 - a) Medical aid and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System 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.

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E. Administrator's Briefing: INFORMATION

As noted below:

- 1) Next Scheduled Board of Managers and Board Committee meetings (all dates and times tentative):
 - a) Board of Managers Meetings:
 - 1) Budget Meeting: August or September 2016. Specific date and time to be announced; and
 - 2) Regular Meeting: September 27, 2016; meeting start time to be announced.
 - b) Board Committee Meetings: September 27, 2016; meeting start times to be announced:
 - (1) Planning Committee;
 - (2) Finance Committee; and
 - (3) Quality Management Committee.

6. ADJOURN

There being no further business, the meeting adjourned at 1:00 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