

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

June 9, 2015

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 9, 2015 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, Assistant County Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Chris Ramirez, Reporter, Corpus Christi Caller Times
Alexis Mays, Staff, Christus Spohn Health System Corporation

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1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:50 p.m.
 2. **Establishment of Quorum** - Mr. Huseman
A quorum was present with five members in attendance.

Van Huseman, Chairman - PRESENT
Claude "Cal" Jennings, Member - PRESENT
Rodney J. Hart, Member - PRESENT
Robert N. Corrigan, Member - PRESENT
John E. Valls, Member - PRESENT

Raymond F. Wetegrove, Member - ABSENT
Irma Caballero, Member - ABSENT

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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. Hart, seconded by Mr. Jennings, the Board of Managers voted to accept, adopt, amend, authorize(s) and/or ratify the following consent agenda items: A.1 & 2; B.1-11; and C.1-5 as presented below: **MOTION CARRIED.**

A. **Board of Managers:**

- 1) Approve minutes of March 30, 2015 Board of Managers regular meeting.
- 2) Received listing of new vendors as of June 3, 2015; vendor listing pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

Copy of new vendor's listing as of June 3, 2015 is attached hereto and made a part of these minutes.

B. **Finance Committee:**

- 1) Received unaudited financial statements for the months and fiscal year-to-date periods ended December 31, 2014 - April 30, 2015.

Copy of unaudited financial statements for periods ended December 31, 2014 - April 30, 2015 are attached hereto and made a part of these minutes.

- 2) Received information relating to typographical errors in and related correction of the Annual Financial Report on financial statements for fiscal year ended September 30, 2014.

Copies of detailed memorandum dated June 3, 2015 and copy of pages 39 and 40 of the corrected FY 2014 Audited Report 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 revenue report is attached hereto and made a part of these minutes.

- 4) Received investment reports and ratify related investment transactions:

- a) Quarterly Investment Report for fiscal quarter ended December 31, 2014; and
b) Quarterly Investment Report for fiscal quarter ended March 31, 2015;

Copies of the Quarterly reports for fiscal quarters ended December 31, 2014 and March 15, 2015 are attached hereto and made a part of these minutes.

- 5) Received summary report of intergovernmental transfers in support of the Medicaid 1115 Waiver-related Texas Healthcare Transformation and Quality Improvement Program sponsored by the Texas Health and Human Commission for fiscal year-to-date.

Copy of NCHD 1115 Waiver Program Intergovernmental Transfer Activity Report is attached hereto and made a part of these minutes.

- 6) 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 April 30, 2015.

- a) Imputed Claims Experience for CY 2014

Copy of NCHD's Imputed Claims Experience for Calendar Year 2014 as if Adjudicated January 1, 2014 through December 31, 2014 is attached hereto and made a part of these minutes.

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

- 8) Received information on State Comptroller of Public Accounts' 2015 pro-rata distribution of Calendar Year 2014 income from the Tobacco Permanent Settlement Trust Account; distribution pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rules §102.2.

List of Political Subdivisions that Received a Payment in the 2015 Distribution is attached hereto and made a part of these minutes.

- 9) Adopt Board of Managers Resolution relating to annual review 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(e).

Original executed Resolution and its Exhibit "A" Copy of Investment Policy adopted May 31, 1998 and last amended July 26, 2011 are attached hereto and made a part of these minutes.

- 10) Adopt 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, 2015; annual review and list adoption pursuant to Texas Government Code, §2256.025.

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Original executed Resolution and its Exhibit "A" Nueces County Hospital District Authorized Broker/Dealers List are attached hereto and made a part of these minutes.

- 11) Authorized Board Chairman to negotiate and execute amendment to Administrator's Employment Agreement relating to clarification of performance pay calculation and inclusion of additional employee retirement plan option void of employer contributions.

C. Planning Committee:

- 1) Authorized Administrator to negotiate and execute Amendment No. 5 to June 12, 2012 Letter Agreement with Health Management Associates relating to support of Anchor Entity responsibilities under the Texas Health and Human Services Commission's Transformation and Quality Improvement 1115 Waiver Program; Amendment to extend Letter Agreement to September 30, 2016 and adjust related fees.

Copy of Amendment No. 5 to June 12, 2012 Letter Agreement between Health Management Associates, Inc and Nueces County Hospital District is attached hereto and made apart of these minutes.

- 2) Ratified renewal of Pharmacy Benefit Administrative Services Agreement with Script Care, Limited for the period January 1, 2015 - December 31, 2015; renewal exercises first of two one-year renewal options; renewal pursuant to Agreement, Section 22.2.

Copy of renewed Pharmacy Benefit Administrative Services Agreement with Script Care, Limited for the period January 1, 2015 - December 31, 2015 is attached hereto and made a part of these minutes.

- 3) Received hospital providers' reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver; received providers' reports for the calendar quarter ended March 31, 2015:

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- a) Christus Spohn Health System Hospitals: Alice, Beeville, and Kleberg (Joint Report);
- b) Corpus Christi Medical Center;
- c) DeTar Healthcare System; and
- d) Driscoll Children's Hospital.

Copies of the hospital providers' reports relating to Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medical 1115 Waiver for calendar quarter ended March 31, 2015 are attached hereto and made a part of these minutes.

- 4) Received information on Nueces Aid Program disqualification-related recovery of funds litigation; recovery authorized by Texas Health and Safety Code, §61.066(c):
 - a) Cause No. 2015CCV-61038-3, Nueces County Hospital District v. Habib Niazi and Kahir Niazi, in County Court at Law No. 3 of Nueces County, Texas.

Copy of the Plaintiff's Original Petition relating to Cause No. 2015CCV-61038-3, Nueces County Hospital District v. Habib and Kahir Niazi is attached hereto and made a part of these minutes.

- 5) Received information on "Texas Way Program" initiative in 84th Texas Legislative Session; initiative as method to reduce the number of uninsured in Texas.

Copies of detailed memorandum dated June 3, 2015 and brochure 2014 - 2015 The Texas Way Program - Personal Responsibility are attached hereto and made a part of these minutes.

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5. REGULAR AGENDA:

A. Finance Committee:

Presenter: Mr. Jennings, Committee Chair

- 1) Authorize Administrator to issue Requests for Applications and set Application due date for depository and related services for four-year period October 1, 2015 - September 30, 2019; depository and term pursuant to Texas Health and Safety Code, §281.093(a)(1) - ACTION
On motion by Mr. Jennings, seconded by Mr. Corrigan, the Board of Managers authorizes the Administrator to issue Request for Application and set Application due date for bank depository and related services for four-year period October 1, 2015 - September 30, 2019. MOTION CARRIED.

Copy of detailed memorandum dated June 2, 2015 relating to Requests for Applications is attached hereto and made a part of these minutes.

- 2) Receive information relating to maturity of Nueces County Hospital District Limited Tax Refunding Bonds, Series 2003 issued to refund prior Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993; final principal and interest payment on Series 2003 Refunding Bonds to be made July 1, 2015 - INFORMATION
Mr. Hipp notified the Board of Managers the final principal and interest payment on the Limited Tax Refunding Bonds, Series 2003 is July 1, 2015 in the amount of \$1.815M.

Copies of detailed memorandum dated June 3, 2015 and Official Statement regarding Limited Tax Refunding Bonds, Series 2003 are attached hereto for information and made a part of these minutes.

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B. **Planning Committee:**

Presenter: Mr. Hart, Committee Chair

- 1) **Authorize the Administrator to negotiate and execute an agreement with Naismith Engineering, Incorporated for owner's representative services relating to forthcoming Christus Spohn Health System Corporation-paid activities on the Christus Spohn Hospital Corpus Christi-Memorial campus, including construction of a new ambulatory health center and eventual removal of the hospital complex buildings located on the campus; campus is located at 2606 Hospital Boulevard, Corpus Christi, Texas 78405 - ACTION**

On motion by Mr. Jennings, seconded by Mr. Hart, the Board of Managers authorizes the Administrator to negotiate and execute an agreement with Naismith Engineering, Inc as owner's representative services relating to forthcoming Christus Spohn Hospital Corpus Christi-Memorial campus, including construction of a new complex building located on the campus; campus is located at 2606 Hospital Boulevard, Corpus Christi, TX 78405.
MOTION CARRIED.

Copy of executed agreement by and between the Nueces County Hospital District and Naismith Engineering, Inc.as noted above is attached hereto and made a part of these minutes.

- 2) **Adopt Board of Managers Resolution relating to amendment and restatement of the Hospital District's 403(b) Tax Sheltered Annuity Plan; amendment and restatement effective June 9, 2015 - ACTION**

On motion by Mr. Hart, seconded by Mr. Jennings, the Board of Managers adopted a resolution relating to amendment and restatement of the Hospital District's 403(b) Tax Sheltered annuity Plan; amendment and restatement effective date June 9, 2015.

Original executed Resolution and its Exhibit "A" Plan revisions for 403(b) Amended and Restated Tax Sheltered Annuity Plan of the Nueces County Hospital District with an effective date of June 9, 2015.

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3) **Receive update on Texas Healthcare Transformation and Quality Improvement Program Medicaid Section 1115 Waiver (Waiver) and related activities by the Texas Health and Human Services Commission (HHSC) and U.S. Centers for Medicare & Medicaid Services (CMS): INFORMATION**

As noted on the attached documents:

- a) HHSC's actions with CMS to extend or renew Waiver; and
- b) CMS actions with HHSC relating to deferral of Waiver-related payments for hospital uncompensated care expenditures.

Copies of detailed memorandum dated June 3, 2015 relating to CMS Deferral of Waiver-Related Payments for Hospital Uncompensated Care and its Attachments "A" thru "D" are attached hereto for information and made a part of these minutes.

C. **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.

D. **Administrator's Briefing: INFORMATION**

As noted below:

- 1) Next Scheduled Board and Committee meetings:
 - a) August or September 2015 special meeting to consider annual budget and related matters; date and time to be determined; and

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- b) September 22, 2015 regular meetings; time to be determined:
 - (1) Planning Committee;
 - (2) Finance Committee; and
 - (3) Board of Managers.

6. **ADJOURN**

There being no further business, the meeting adjourned at 1:04 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