

DRAFT

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

November 11, 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 Thursday, November 12, 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
Laura G. Jimenez, Nueces County Attorney
Catherine Heller, Nueces Assistant County Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Servando Caballero, Visitor
Estela Chapa, Chief, Clinical & Transformational Officer
Kelly Elkins, President, Memorial & Shoreline CSHS Hospitals
Pam Robertson, President/CEO, Christus Spohn Health System Corporation
Pam Brower, CFO, Christus Spohn Health System Corporation
Rachel Gilbert, Attorney, Gjerset & Lorenz, Law Firm
Lance Ramsey, Attorney, Gjerset & Lorenz, Law Firm
Lloyd Neal, Nueces County Judge
Osbert Blow, M.D., Ph.D., Christus Spohn Chief Medical Officer
Oscar O. Ortiz, Nueces County Commissioner
Joe A. Gonzales, Nueces County Commissioner
Govind Nadkarni, NCHD Appointee, CSHS Board of Directors

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1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:54 p.m.

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

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

3. **PUBLIC COMMENT:**

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

4. **CONSENT AGENDA:**

On motion by Ms. Caballero, 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 1-3; B 1-8; C 1 & 2; and DI as presented below:

MOTION CARRIED.

A. **Board of Managers:**

- 1) Approved minutes of Board of Managers meetings:
 - a) September 9, 2015 Regular Meeting; and
 - b) September 28, 2015 Special Meeting.

- 2) Received listing of new vendors as of November 4, 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 November 4, 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 August 31, 2015.

Copies of unaudited financial statements for periods ended August 31, 2015 are attached hereto and made a part of these minutes.

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- 2) Received investment reports and ratify related investment transaction:
- a) Quarterly Investment Report for fiscal quarter ended September 30, 2015;
 - b) Annual Investment Report for fiscal year ended September 30, 2015; and
 - c) Interim Investment Transactions Report for period of October 1, 2015 to present.

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

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

Copy of Nueces County Hospital District-Spohn Corporate Member Revenue Analysis for Fiscal Year 2015 report is attached hereto and made a part of these minutes.

- 4) 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.

- 5) 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 September 30, 2015.

Copy of summary information relating to medical and hospital care is attached hereto and made a part of these minutes.

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- 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 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) Ratify engagement of and received information from Collier, Johnson & Woods, P.C., Certified Public Accountants relating to annual audit of Hospital District financial statements for fiscal year ended September 30, 2015.

Copy of engagement letter date October 19, 2015 from Collier, Johnson & Woods, P.C., Auditing Firm is attached hereto and made a part of these minutes.

- 8) Ratify bank depository-related agreements with Frost Bank for four-year period October 1, 2015 through September 30, 2019; agreements pursuant to previous award of Request for Applications No. 2015-01;
- a) Bank Depository Agreements; and
 - b) Security Agreement.

Copies of executed Bank Depository and Security Agreements and all related exhibits are attached hereto and made a part of these minutes.

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C. Planning Committee:

- 1) Ratify Interlocal Cooperation Act with The University of Texas Medical Branch at Galveston for provision of supplemental indigent health care services for the period September 1, 2015 - August 31, 2016.
- 2) Ratify right of entry request from Electric Transmission Texas, LLC (ETT) to Lots 1-5, Block 16, Flour Bluff Park, an addition in the City of Corpus Christi in Nueces County, Texas; easement entry for ETT transmission line project.
- 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; receive providers' reports for the calendar quarter ended September 30, 2015:
 - a) CHRISTUS Spohn Health System Hospitals: Alice, Beeville, and Kleberg (Joint Reports);
 - b) Corpus Christi Medical Center;
 - c) DeTar Healthcare System; and
 - d) Driscoll Children's Hospital.

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

D. Board Chairman's Committee Appointments:

- 1) Appoint Board of Managers member(s) to certain standing Board Committees; standing Committees pursuant to Board of Manager Bylaws, §2.5.A and Chairman's committee appointments pursuant to Bylaws, §2.2.B.2.(d):
 - a) Appoint Ted A. Daniel to Finance and Quality Management Committees.

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5. REGULAR AGENDA:

A. Board of Managers:

- 1) Receive presentation from CHRISTUS Spohn Health System Corporation relating to September 10, 2014 Letter of Intent Regarding Material Alteration Notice between the Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as previously approved by Nueces County Commissioners Court; Letter of Intent-related final documents relate to (i)construction of the Dr. Hector P. Garcia - Memorial Family Health Center on the Hospital District's property at 2606 Hospital Boulevard, Corpus Christi, Texas, (ii)orderly transition of services from and Hospital District's-ordered closure of Hospital District-owned hospital presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas, (iii)further details regarding the terms of the September 10, 2014 Letter of Intent, and (iv)other related matters - INFORMATION

Ms. Pam Robertson presented highlights relating to the construction of the new Dr. Hector P. Garcia - Memorial Family Health Center as noted below:

- Master Facility Plan Overview - Dr. Hector P. Garcia Family Health Center and Shoreline Campus Transformation;
- Service Commitments;
- Christus Spohn Dr. P. Garcia Memorial Family Health Center picture of new building;
- Dr. Hector P. Garcia Memorial Family Health Center Floor Plan;
- Christus Spohn Shoreline Aerial Campus View;
- Christus Spohn Shoreline ~ New Tower;
- Our PATH - People and Actions Transforming Healthcare;
- Jerry's Story, A1C;
- Jerry's Story, "How a New Door Can Open"
- Jerry Today.

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Copy of detailed CHRISTUS Spohn Health System ~ Transforming How and Where We Deliver Superior Health Care is attached hereto for information and made a part of these minutes.

Attorney Gary Eiland presented an Overview of District/Spohn Relationship Agreements commencing in 1996; 2005 and 2007 Amendments; 2012 Restructuring; 2014 Material Alteration Notice; 2014 Letter of Intent; 2015 Amendments; and Post 2015. He verbally read excerpts from the Chronology of the Relationship Between Spohn and District.

Copies of the *Overview of District/Spohn Relationship Agreements* and *Chronology of the Relationship Between Spohn and District* are attached hereto and made a part of these minutes.

- 2) Approve final documents relating to September 10, 2014 Letter of Intent Regarding Material Alteration Notice between the Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as previously approved by Nueces County Commissioners Court; final documents relate to (i)the construction of the Dr. Hector P. Garcia - Memorial Family Health Center on the Hospital District's property at 2606 Hospital Boulevard, Corpus Christi, Texas, (ii)the orderly transition of services from and Hospital District's -ordered closure of Hospital District-owned hospital presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas, (iii)further details regarding the terms of the September 10, 2014 Letter of Intent, and (iv)other related matters: ACTION

On motion by Mr. Valls, seconded by Ms. Caballero, the Board of Managers approved the final documents as presented relating to September 10, 2014 Letter of Intent Regarding Material Alteration Notice between the Nueces County Hospital District and Christus Spohn Health System Corporation, as previously approved by Commissioners Court; final documents relate to (i)the construction of the Dr. Hector P. Garcia-Memorial Family Health Center on the Hospital District's property at 2606 Hospital Boulevard, Corpus Christi, Texas, (ii)the orderly transition of services from and Hospital District's-ordered closure of Hospital-owned

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hospital presently known as Christus Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas, (iii) further details regarding the terms of the September 10, 2014 Letter of Intent, and (iv) other related matters. **MOTION CARRIED.**

- a) CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, including:
- (1) Amended and Restated Schedule 1 to Spohn Membership Agreements; and
 - (2) Amended and Restated Schedule 2 to Spohn Membership Agreement.

Copies of executed Amended and Restated Membership Agreements and its Schedule 1 & 2 are attached hereto and made a part of these minutes.

- b) Amended and Restated Memorandum of Understanding Relating to Termination of the Membership Agreement, including:
- (1) Attachment A to Memorandum of Understanding - Third Amendment to the Revised and Restated Indigent Care Agreement;
 - (2) Attachment B to Memorandum of Understanding - Fourth Amendment to the Lease Agreement; and
 - (3) Attachment C to Memorandum of Understanding - Sixth Amendment to Master Agreement.

Copies of Amended and Restated Memorandum of Understanding Relating to Termination of the Membership Agreement and its Attachments "A" - Third Amendment to Revised and Restated Indigent Care Agreement, Attachment "B" to Memorandum of Understanding - Fourth Amendment to Lease Agreement, and

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Attachment "C" to Memorandum of Understanding - Sixth Amendment to Master Agreement are attached hereto and made a part of these minutes.

- c) Escrow Agreement between Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and Bank of America Merrill Lynch.

Copy of executed Escrow Agreement between Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and Bank of America Merrill Lynch is attached hereto and made a part of these minutes.

B. Planning Committee:

- 1) Appoint or establish process for appointing Mr. Tony LaMantia to the CHRISTUS Spohn Health System Corporation Board of Trustees for the three-year term January 1, 2016 - December 31, 2018; appointment subject to receipt of Nueces County Commissioners Court's nomination; appointment pursuant to Article IV, Section 4.01(b) of the CHRISTUS Spohn Health System Membership Agreement between Hospital District and CHRISTUS Spohn -
ACTION

On motion by Mr. Hart, seconded by Mr. Valls, the Board of Managers voted to appoint Mr. Tony LaMantia to the Christus Spohn Health System Corporation Board of Trustees for a three-year term commencing January 1, 2016 through December 31, 2018; furthermore, appointment is contingent upon Commissioners Court nomination of Mr. LaMantia at the November 18, 2015 Commissioners Court meeting. **MOTION CARRIED.**

Copy of memorandum dated November 4, 2015 relating to Nueces County Hospital District Appointment to Board of Trustees of Christus Spohn Health System Corporation for the term of January 1, 2016 through December 31, 2018.

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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 (all dates tentative):
 - a) Board Meeting: January 26, 2016; meeting start time to be determined; and
 - b) Board Committee Meetings: January 26, 2016; meeting start times to be determined:
 - (1) Planning Committee;
 - (2) Finance Committee.

6. ADJOURN

There being no further business, the meeting adjourned at 1:05 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