

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

January 10, 2017

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, January 10, 2017 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:

Estela Chapa, Chief Clinical & Transformation Officer, CSHS
Dominique Dominguez, President/CEO, Christus Spohn Health System Corporation
Justin Doss, Regional COO, Christus Spohn Health System Corporation
Steve King, CFO, Christus Spohn Health System Corporation
Melissa Pullin, Director of Business Development, Corpus Christi Medical Center
Angela Rhoden, Corpus Christi Medical Center
Brigid Cook, Partner, Collier, Johnson & Woods, PC, Certified Public Accountants
Julie Garcia, Caller Times Reporter

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1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:34 p.m.

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

Van Huseman, Chairman - PRESENT
Claude "Cal" Jennings, Vice Chair - PRESENT
Rodney J. Hart, Member - PRESENT
Irma Caballero, Member - PRESENT
Robert N. Corrigan, Member - PRESENT

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John E. Valls, Member - **ABSENT**
Ted A. Daniel, Member - **ABSENT**

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. Jennings, seconded by Mr. Hart, the Board of Managers voted to accept, adopt, amend, approve, authorize(s) and/or ratify/ratifies the following consent agenda items: **MOTION CARRIED.**

A. **Board of Managers:**

- 1) Approved minutes of September 12, 2016 Board of Managers regular meeting.
- 2) Received complete listing of vendors as of January 6, 2017; complete listing pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

Copy of completed list of vendors as of January 6, 2017 is attached hereto for information and made a part of these minutes.

B. **Finance Committee:**

- 1) Received unaudited financial statements for the month and fiscal year-to-date periods ended August 31, 2016 - November 30, 2016.

Copy of the unaudited financial statements for the month and fiscal year-to-date for the periods ended August 31, 2016 - November 30, 2016 is attached hereto and made a part of these minutes.

- 2) Received investment reports and ratifies related investment transactions:
 - A) Quarterly Investment Report for fiscal quarter ended September 30, 2016.

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Copy of the Quarterly Investment Report for the fiscal quarter ended September 30, 2016 is attached hereto for information and made a part of these minutes.

- 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 November 30, 2016.

Copy of summary information relating to medical and hospital care provided to Nueces Aid population consistent with the CHRISTUS Spohn Health System Corporation Membership Agreement for calendar year-to-date ended November 30, 2016 is attached hereto and made a part of these minutes.

Copy of Nueces County Hospital District Claims Experience for Calendar Year 2016 As of Adjudicated January 1, 2016 through November 30, 2016 is attached hereto and made a part of these minutes.

- 5) 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.

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

- 6) 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.
- 7) Confirm FY 2017 Annual Budget; Annual Budget comprised of:
 - a) Consolidated Budget, inclusive of General, Tobacco, and Indigent Care Funds Budgets; and
 - b) Capital Budget.

Copy of detailed memorandum date September 1, 2016 is attached hereto and made a part of these minutes.

- 8) Ratified Administrator's action(s) performed as part of duties required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):
 - a) Engagement of Collier, Johnson, and Woods, P.C., Certified Public Accountants to perform an audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nueces County Hospital District for the fiscal year ended September 30, 2016,

Copy of Engagement Letter dated October 19, 2016 from Collier, Johnson & Woods, P.C., is attached hereto and made a part of these minutes.

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C. Planning Committee:

1) Received hospital providers' report 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 calendar quarter ended September 30, 2016:

- 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.

2) Ratify Administrator's action(s) performed as part of duties required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):

- a) Grant of License Agreement request from Nueces County acting as Property Trustee for 0.061 acres of Flour Bluff Park Lots 1-5, Block 16, 901 McIver, Corpus Christi, Texas for the purpose of providing temporary construction work space on aforesaid property of Electric Transmission Texas, LLC(ETT) to construct an underground electric transmission line;

Copy of License Agreement by ETT, LLC for 0.061 acres of Flour Bluff Park Lots 1 - 5, Block 16; 901 McIver dated September 1, 2016 and detailed information is attached hereto and made a part of these minutes.

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- b) Execution of Assignment Agreement assigning Engineering Services Agreement for Owner's Representative Services for Memorial Property Improvements from Naismith Engineering, Inc. To Hanson Professional Services, Inc.; assignment effective September 12, 2016;

Copy of executed Assignment Agreement by all parties and it's Recitals is attached hereto and made a part of these minutes.

- c) Executive of Amendment One to Interlocal Agreement between the Texas Health & Human Services Commission and Nueces County Hospital District; amendment relating to 18-months extension of the Texas Transformation and Quality Improvement Program Section 1115 Waiver and amends and extends original 2013 Agreement to January 31, 2018;

Copy of executed Amendment One of the Interlocal Agreement between The Health and Human Services Commission (signed: 10/15/2016) and Nueces County Hospital District (signed: 09/13/2016) is attached hereto and made a part of these minutes.

- d) Execution of Information Technology Management and Support Services Agreement with Southern Networks for the term October 1, 2016-September 30, 2017 with three additional one-year renewal options; execution related to award of Request for Proposal No. 2017-01;

Copy of executed Master Agreement by and between Nueces County Hospital District (signed: September 28, 2016) and Southern Networks (signed: October 3, 2016) for Information Technology Management and Support Services Agreement is attached hereto and made a part of these minutes.

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- e) Execution of Pharmacy Benefit Administrative Services Agreement with Script Care, Inc. for initial one-year period January 1 - December 31, 2017 with three additional one-year renewal options; execution related to award of Request for Proposal No. 2016-02; and

Copy of executed Pharmacy Benefit Administrative Services Agreement by and between Nueces County Hospital District and Script Care, Inc of Agreed, Signed and Entered Into on the 20th day of December, 2016 is attached hereto and made a part of these minutes.

- f) Execution of Renewal of Quality Assessment, Utilization Review, and Coding Review Services Agreement with Texas Medical Foundation for two-year term January 1, 2017 - December 31, 2018.

Copy of executed Renewal of Quality Assessment, Utilization Review and Coding Review Services Agreement as January 1, 2017 - December 31, 2018 by and between Nueces County Hospital District (signed: December 1, 2016) and Texas Medical Foundation Health Quality Institute (signed: December 7, 2016) is attached hereto and made a part of these minutes.

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:**

- a) Construction of Dr. Hector P. Garcia - Memorial Family Health Center located on Hospital District-owned property at 2606 Hospital Boulevard, Corpus Christi, Texas;

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- 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 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 - **INFORMATION**

Mr. Dominguez introduced his executive staff Estela Chapa, Steve King and Justin Doss. Mr. Doss provided a POWERPOINT presentation with regards to the new Hector P. Garcia-Memorial Family Health Center and the transformation of the Christus Spohn Hospital-Shoreline. He further stated the new family health center is on schedule and will be operational on January 16, 2017. Shoreline campus renovation project includes several acute care services. Also, the new tower's ninth floor is opening late April or early May, 2017. The existing Memorial hospital building is scheduled to be demolished in 2018.

- 2) Receive Owner's Representative update from Hanson Professional Services Inc. (Formerly 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 reported the Hector P. Garcia - Memorial Family Health Center is almost complete. Right now contractors are going through their punch list. Beecroft & McCarthy are a great team and did a fantastic job in the construction of the new health center. CLK also did a great job! He further stated the process worked well and they'll do a great job at the Shoreline campus.

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B. Finance Committee:

Presenter: Mr. Jennings, Committee Chair

- 1) Approve Annual Financial Report from Collier, Johnson, & Woods, P.C., Certified Public Accountants on Nueces County Hospital District's governmental activities financial statements, major funds, and aggregate remaining funds for fiscal year ended September 30, 2016 - ACTION

Ms. Cook presented the independent auditor's annual financial report for the Nueces County Hospital District's fiscal year ended September 30, 2016. She reported a successful audit with a clean opinion and did not identify any deficiencies in internal controls over financial reported.

After presentation of the independent auditor's report, on motion by Mr. Jennings, seconded by Mr. Corrigan, the Board of Managers accepted the auditor's report from Collier, Johnson & Woods, P.C., as presented.
MOTION CARRIED.

An original booklet of the audited financial report for fiscal year ended September 30, 2016 and it's highlights are attached hereto and made a part of these minutes.

- 2) Receive select statements of escrow amounts deposited by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Section 3.9.7 of Amended and Restated Schedule 1 to Spohn Membership Agreement, a schedule to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, and Attachment B, Paragraph 9 of Amended and Restated Memorandum of Understanding; statements of escrow amounts for the month periods: INFORMATION

It was reported an escrow account was set up and deposits made into this account to assure that milestones at the Memorial Campus were completed and payment made on a timely basis from the account. Deposits were made at Bank of America Merrill Lynch on the dates noted below:

- a) January 1, 2016 - January 31, 2016; and

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b) November 1, 2016 - November 30, 2016.

Copy of the Bank of America Merrill Lynch Statement of Investment Position and Transaction Detail of Participating Portfolio is attached hereto and made a part of these minutes.

C. **Planning Committee:**

Presenter: Mr. Hart, Committee Chairman

- 1) **Appoint Director to CHRISTUS Spohn Health System Corporation's Board of Directors for three-year term commencing January 1, 2017 and ending December 31, 2019; receive Nueces County Commissioners Court's nomination for consideration of appointment; adopt Court's nomination and appoint nominee for aforesaid term; Hospital District's appointment pursuant to CHRISTUS Spohn Health System Membership Agreement, Article IV, Section 4.01(b) - ACTION**

On motion by Mr. Hart, seconded by Ms. Caballero, the Board of Managers approves and confirms Nueces County Commissioners Court's nomination of Mr. Govind Nadkarni to the Christus Spohn Health System Board of Directors for a three year-year term ending December 31, 2019. **MOTION CARRIED.**

Copies of letters dated December 15, 2016 to Mr. Hipp and Mr. Nadkarni from Nueces County Judge Loyd Neal are attached hereto and made a part of these minutes.

- 2) **Appoint Director to Board of City of Corpus Christi's Reinvestment Zone No.2 for two-year to expire November 1, 2018; appointment pursuant to Texas Tax Code, §311.009(a) - ACTION**

On motion by Mr. Hart, seconded by Ms. Caballero, the Board of Managers, voted to reappoint Mr. Claude "Cal" Jennings to the City of Corpus Christi's Reinvestment Zone Number Two for a two-year term to expire November 1, 2018. **MOTION CARRIED.**

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Copy of City Secretary's letter dated October 18, 2016 is attached hereto for information and made a part of these minutes.

D. Indigent Care Provider's Briefing:

- 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) Program projects, and/or activities at CHRISTUS Spohn Hospital Corpus Christi-Memorial and other Hospital District-owned facilities and related matters - **INFORMATION**

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 Meeting:
March 28, 2017; meeting start time to be determined; and
 - b) Board Committee Meetings:
March 28, 2017; meeting start times to be determined:
 - (1) Planning Committee;
 - (2) Finance Committee; and
 - (3) Quality Management Committee

Additionally, Mr. Hipp reported the upcoming ceremonial events at the new Hector P. Garcia-Memorial Family Health Center as follows:

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- ★ VIP Reception will be held Thursday, January 26, 2017, 6:00 - 8:00 P.M.;
and
- ★ Ribbon Cutting Community Event will be held Saturday, February 4, 2017
11:00 A.M. - 1:00 P.M.

6. **ADJOURN:**
There being no further business, the meeting adjourned at 1:20 p.m.

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PRESIDING OFFICER:

Van Huseman, Chairman
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ATTEST:

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

Wm. DeWitt Alsup, General Counsel
Nueces County Hospital District