

**AMARILLO HOSPITAL DISTRICT
BOARD OF MANAGERS
MINUTES
July 12, 1999**

<u>Members</u>	<u>Present</u>
Ms. Lilia Escajeda, Chairman	Yes
Mr. Steve Walton, Chairman Pro Tem	Yes
Mr. Rick Jones, Secretary	No
Mrs. Paula Toland	Yes
Mr. John Irwin	Yes
Dr. Ronald Fortner	Yes
Mr. Stan Harrison	Yes

Also Present

Mr. Merrill Nunn	City Attorney-City of Amarillo
Mr. Dean Frigo	Director of Finance-City of Amarillo
Ms. Debbie Close	Recording Secretary-City of Amarillo
Mr. David Hilgers	Hilgers and Watkins

ITEM 1: Ms. Escajeda called the meeting to order at 10:06 a.m. at City Hall, 509 East 7th Street, Third Floor, Commission Chambers, and welcomed those in attendance.

ITEM 2: Ms. Escajeda presented the Minutes of June 10, 1999. Mr. Irwin stated that item 6 should be corrected by deleting the words "and Healthcare District". Motion for approval was made by Mr. Walton, seconded by Dr. Fortner and unanimously carried, to approve the Minutes with the above correction.

ITEM 3: Consideration of Universal Health Services, Inc. Payment for Martin Road Clinic. Mrs. Toland distributed a letter to the board from Universal CEO, Mike Callahan, that delineated how the space in that clinic is being used to provide services. Mrs. Toland stated that in the original request a question had been raised about half of the geographic space within that clinic providing pediatric services and the other half appearing to provide women's services. Mrs. Toland stated that the conclusion they drew was that a case could be made for paying three-fourths of the funding request from Universal on this clinic. Mr. Irwin asked Mrs. Toland and Mr. Walton what their recommendation was. Mrs. Toland said that it is a unique situation, and it makes it difficult to state what the recommendation should be. Mrs. Toland said that the recommendation really needs to come from the board, if they want to stay within the confines of the contract or if they want to take into consideration the uniqueness of this sight. Ms. Escajeda asked what the recommended amount would be? Mrs. Toland said Universal is requesting \$80,000. Mr. Harrison made the motion that the board should go with what the contract states. Mr. Walton commented to Mr. Harrison that this was a very unique situation because of the physical proximity of pre-natal and pediatric care and that this exception would be a worthy interpretation of the contract in this and only this circumstance. Mr. Walton stated that they made it very clear to Mr. Callahan that should there be any request for separate obstetric funding it would absolutely not be considered. Mr. Callahan said that the clinic is primarily a pediatric center demonstrated by the fact that they contracted with HPA to manage the program. Dr. Goldstein of Universal further stated that in high risk pregnancies the child is impacted by the care to the mother. Mr. Harrison's motion failed for the lack of a second. Mr. Walton made

the motion to fund 75% of the request from Universal Health Services, Inc. or \$60,287.25. Mr. Irwin seconded. The motion passed five to one with Ms. Escajeda, Mrs. Toland, Mr. Walton, Mr. Irwin, and Dr. Fortner voting yes and Mr. Harrison voting no.

ITEM 4: Budget amendment for Professional Services. Mr. Frigo reported that currently the Amarillo Hospital District has a budget for professional services in the amount \$339,000. He stated that there is an available balance of \$27,213, but Hilgers and Watkins has estimated additional current year billings. Mr. Frigo recommended a \$55,000 budget amendment for additional legal fees. Motion was made by Mr. Irwin, seconded by Mr. Walton, and unanimously carried to approve the budget amendment.

ITEM 5: Consideration of Healthcare Professional Associates (HPA) Separation Options. Ms. Escajeda stated that as the sole member of the Board of Directors for HPA she would not participate in the discussion or vote on this item. Mr. Hilgers of Hilgers and Watkins stated that the Board had two goals in this process, to maintain indigent care services for pediatrics in the community and for the Amarillo Hospital District to become only a funder of services and not a service provider. Mr. Hilgers reported that the Board had three options: the Board could maintain ownership of HPA until the assets could be transferred and have a continuation of the contract; the Board could transfer the assets to another governmental entity; or the Board could dissolve HPA and sell the assets. Mr. Hilgers recommended that the Board continue funding HPA until October 1, 1999 and then begin dissolution of HPA as of October 1, 1999 including obtaining an appraisal of assets for possible sale and evaluate HPA obligations. He also recommended to the Board that a Request for Qualifications for indigent pediatric services be sent out in August 1999 and in the interim talk to all parties about the options and determine a plan for assuring patient care through October 1, 1999. Mrs. Toland asked if the Board should receive an Attorney General Opinion on the selling of HPA. Mr. Hilgers replied that there is not enough time to receive an Attorney General Opinion by an October 1, 1999 deadline which is the end of the existing contract with HPA. Mrs. Toland stated that if the City Commission does not have line item veto of the Amarillo Hospital budget all of indigent care would be hanging in the balance, not just the payment to HPA. Mr. Walton stated that as AHD is a purchaser not a provider the City Commission may approve a budget with a temporary continuation of the HPA contract if the mechanism is in place to dissolve HPA. Mr. Jim Allison, Amarillo Area Foundation, reported that HPA is one of 15 participants in the national Healthy Steps for Young Children Program and that there are 371 babies enrolled in this program through HPA as well as \$930,000 in local funding commitments. Mr. Allison further stated that if HPA lost the 501(c)(3) status they would not be eligible to continue participation in this program. Ms. Mary Alice Brittain spoke to the Board about their intent to divest HPA. She stated that having served on numerous community boards, she has a greater understanding of obligations than the ordinary person. Ms. Brittain, further stated that she is concerned that if AHD dissolves the legal relationship with HPA that certain services would be missing and that children would fall through the cracks. Dr. Habersang told the Board that the longer they delay in making a decision the more of a disaster it creates for HPA. Mr. Brian White requested that when the Board went through the next Request for Qualifications process, to require that the level of care should remain the same. Mr. Marvin Qualls stated that HPA provides the finest child care in the United States and that the Board should not

dismantle HPA. Mr. Harrison made the motion to approve Mr. Hilgers' recommendations number one through seven as follows: continue operation of HPA until October 1, 1999 unless a successor can be established to assume duties; begin dissolution of HPA as of October 1, 1999 or earlier if a successor can be found to assume duties; obtain appraisal of assets for possible sale; issue new RFQ for indigent pediatric services beginning October 1, 1999; in the interim, talk to all parties about all options for reorganization of HPA, sale of HPA, or sale of assets; evaluate HPA obligations to determine AHD liability; and determine plan for assuring patient care through October 1, 1999. Mr. Irwin seconded Mr. Harrison's motion. Mrs. Toland asked if the motion included an Attorney General Opinion. Mr. Irwin replied no but that it would not preclude an Attorney General's Opinion. Dr. Goldstein stated that HPA provides excellent care and that he would like to see a plan for divestiture with a time frame for an Attorney General Opinion and to provide for additional funding in the interim. Ms. Mary Alice Brittain read to the Board from the legislation and stated that she did not know why the Board felt like they needed to divest HPA. She asked that the Board have the courage to challenge the City Commission on this issue. Mrs. Toland stated that she would like to see a request for an Attorney General Opinion and would not like to be perceived as responsible for being a show stopper for the Healthy Steps for Young Children Program. Mr. Hilgers stated that the City Commission is aware of HPA's participation in this program. Ms. Margo Burgess asked that the Board wait two weeks before any decision is made. Ms. Escajeda called for the vote on the motion and the motion carried unanimously with Ms. Escajeda abstaining.

ITEM 6: Mr. Nunn said there was no pending litigation that needed to be discussed in Executive Session.

ITEM 7: There were no public comments.

ITEM 8: There being no further business, Mr. Irwin made the motion for adjournment at 12:00 noon. This meeting was recorded and all comments are on file in the City Finance Department.



Steve Walton, Chairman Pro Tem