

AMARILLO HOSPITAL DISTRICT
REGULAR MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL
ROOM 305
MINUTES
June 12, 2002
7:30 A.M.

<u>Members</u>	<u>Present</u>
Mr. Rick Jones, Chair	Yes
Mr. Ernie Boyd, Vice-Chair	Yes
Mr. John Irwin	Yes
Ms. Karen O'Hara, Secretary	No
Mr. Steve Walton	Yes
Ms. Nancy Seliger	Yes
Mr. Dave Taylor	Yes

Also Present

Mr. Marcus Norris	City Attorney, City of Amarillo
Mr. Dean Frigo	Finance Director, City of Amarillo
Ms. Claudia Blackburn	Public Health Director, City of Amarillo
Ms. Michelle Bonner	Asst. Finance Director, City of Amarillo
Mr. Moody Chisholm	CEO, Northwest Texas Healthcare System
Mr. Jean Adams	COO, Northwest Texas Healthcare System
Ms. Sonja Burney	Northwest Texas Healthcare System
Ms. Deborah Howard	Northwest Texas Healthcare System
Ms. Vicki Brockman	Northwest Texas Healthcare System
Ms. Caytie Martin	Northwest Texas Healthcare System
Mr. Kyle Sanders	Northwest Texas Healthcare System
Dr. Nathan Goldstein	Northwest Texas Healthcare System
Mr. Tim Hoffman	Attorney
Ms. Debra Ballou	Commissioner, City of Amarillo
Mr. Max Albright	Reporter, Amarillo Globe News
Mr. David Clark	Amarillo Area Healthcare Specialists

ITEM I: Mr. Jones called the meeting to order at 7:30 a.m. at City Hall, 509 East 7th Street, Third Floor, Room 305, and welcomed those in attendance.

ITEM II: Mr. Jones presented the Minutes of the April 30, 2002 meeting. Motion for approval was made by Ms. Seliger, seconded by Mr. Boyd and unanimously carried.

ITEM III: Review and consider Proposals for evaluation of Eligibility and Healthcare Services for the Amarillo Hospital District Indigent Care Program. Ms. Blackburn stated that three proposals were received. Firms submitting proposals included Financial Resources Group, LLC; MGT of America and Texas Medical Foundation. MGT had the strongest proposal, came

in under budget, suggested innovative ways of collecting data to answer the questions and has a good track record with the Amarillo Hospital District (AHD).

Ms. Seliger, on behalf of the Indigent Care Committee, moved to recommend MGT of America's proposal for the Evaluation of Healthcare Services for the AHD Indigent Care Program be accepted as submitted. The motion was seconded by Mr. Walton and unanimously carried.

ITEM IV: Review and Consider Proposal from Northwest Texas Healthcare System (NWTHS) for Expansion of Children's Treatment Facilities. Mr. Chisholm, with NWTHS, presented results of an ongoing study that began in 1995 regarding the need for expanded pediatric services in the Amarillo Region. Mr. Chisholm proposed to the Board members that NWTHS be approved for funding identified in the Indigent Care agreement (5.1.8 payments for enhanced Children's Services) with the intent to use it for construction of a children's hospital. The proposal includes: 1) moving the pediatric medical/surgical floor from its current location on the 5th floor in the main building, to the 3rd floor of the bed expansion tower, 2) adding 35 beds, allowing use of existing beds for pediatric overflow and 3) a variety of enhancements to improve access to and quality of care to children and their families. Construction costs for the Children's Hospital are estimated at \$5,296,250. The AHD would be responsible for 33.33% or \$1,765,417.

Ms. Seliger asked how NWTHS arrived at 35 beds when population projections showed a decrease in the number of children by 2010. Mr. Chisholm replied that this is a plan for maximum bed days and that demand is increasing because of the Children's Health Insurance Program. Mr. Chisholm noted that between BSA and NWTHS there is no additional pediatric bed capacity and that means patients must be diverted to Lubbock.

Mr. Walton stated that AHD is obliged to fund up to 1/3 of an enhancement of services and asked if this project fits the definition. He asked if there would be a problem because non-Amarillo children will also be served by the expansion. Mr. Norris stated that the fact that a non-indigent person benefits does not invalidate the expense.

Mr. Walton asked if there were any other projects pending. Mr. Chisholm indicated that there were no other plans at this time. Mr. Irwin asked how long this floor would be used for pediatric services. Mr. Chisholm assured him that change would only occur if the floor became obsolete, in ten to twenty years.

Mr. Walton asked about the mechanics of the payment. Mr. Frigo explained that the money would be taken out of the corpus but could be reimbursed out of tobacco funds if the Board desires. The payment is included in the draft budget that will be submitted to City Commission for approval after final AHD Board approval.

Mr. Jones asked that the contract include language to ensure that it remains a Children's Hospital for ten years. Mr. Norris said this is possible and Mr. Chisholm agreed.

Mr. Taylor moved and Mr. Boyd seconded approval of the request from NWTHS and the motion carried unanimously.

ITEM V: Consider Proposal to Purchase a Facility for a Freestanding Children's Hospital. Mr. Jones stated that Mr. Frigo, Mr. Ward, City Manager, Mayor Sisemore and he met with Mr. Glen Parkey regarding purchase of a building for the purposes of creating a freestanding children's hospital. Mr. Jones stated that the AHD does not currently own a hospital and would not be interested in purchasing one unless NWTHS was interested. Mr. Chisholm said that when he was originally contacted about the vacant building, he was told that the owners wanted to donate the facility to the AHD. The second contact advised that there was a significant cost associated with acquiring the building. NWTHS is not in the market for a freestanding children's hospital. The cost would be prohibitive because all services would have to be duplicated and extensive renovation would have to occur to make it suitable.

Mr. Boyd thanked the group for bringing the proposal to the AHD and moved to decline the offer to purchase the building. Ms. Seliger seconded the motion and it carried unanimously.

ITEM VI: Review and consider Draft 2002-03 Amarillo Hospital District Budget. Mr. Frigo reviewed information from the finance committee. There are \$5.1-5.2 million in tobacco proceeds; \$200,000 anticipated distribution by the State Tobacco Funds not subject to spending limits. Distributions are dropping yearly. Operating budget, excluding NWTHS pediatric hospital would stay within spending limit. Mr. Frigo reviewed the operating budget.

Mr. Walton asked about the 6.5% return on the funds. Mr. Frigo stated that this projection was from the money manager. Ms. Seliger asked if the Tobacco funds would be lost if not expended. Mr. Frigo said that the tobacco distributions are based on health care expenditures but no time limit on when it has to be used. Discussion ensued re: whether the cost of the Children's Hospital would be counted toward future tobacco distributions. Mr. Frigo clarified that it would. Mr. Jones asked when the final budget would be ready and Mr. Frigo stated at the July board meeting after continuation applications are in. John Irwin commented that it had been discussed in the Finance Committee meeting that the reason for the increase in the Public Health budget was the anticipation of the loss of some grant funding. Claudia Blackburn confirmed that there was a contingency in the Public Health Budget for loss to some grant funding. Also, Mr. Walton asked if the Public Health Budget had been through City Manager review? Mr. Frigo responded that the Public Health Budget had not been through budget review, but the Public Health Budget would be adjusted after City Manager review.

ITEM VII. Consider Recommendation from the Indigent Care Committee relating to UHS's policy criteria for determining financial eligibility for services (Note: This item may be the subject of a closed session, if necessary.) Mr. Norris explained that when UHS bought the hospital, they agreed to provide indigent care to residents. UHS created an internal policy that has a one year residency requirement. Mr. Norris stated that the residency requirement is illegal based on a Maricopa County case. There is no problem requiring residency but cannot specify a length of time. UHS agreed to this and has retracted the policy in question.

Another policy issue arose because of a case involving a homosexual couple. The person applying for District Clinic would have qualified but his partner exceeded the resource limit. The total income and assets of the household exceeded District clinic eligibility guidelines. According to TDH rules, a couple must have legal responsibility for each other. This applies to unmarried heterosexual couples and homosexual couples. UHS agreed to this and has retracted

the policy in question. Mr. Walton asked how this change impacts UHS. Mr. Norris replied that he expects the clients who brought this case to bear, would resolve it with UHS.

Ms. Seliger moved to notify UHS that based on a legal opinion from the City Attorney, eligibility policies must reflect the following changes: 1) delete the one year requirement for residency and 2) in determining household income, only count incomes of persons who are in a legal relationship to each other. Mr. Walton seconded the motion and it carried unanimously.

ITEM VIII: Review and Consider Plains National Bank (PNB) Certificate of Deposit Purchases. Mr. Irwin stated Mr. Frigo noticed a possible irregularity because PNB purchased a PNB Certificate of Deposit. The transaction was reversed at no expense to AHD, once the possible irregularity was brought to their attention. Mr. Irwin stated that PNB was attempting to maximize the portfolio for AHD.

ITEM IX: Committee Reports. Mr. Boyd reported the Funding Priorities committee will meet in July to review continuation applications from the currently funded entities and a report will be given to the Board at the July Board meeting. Mr. Jones asked how the Tobacco Free Amarillo project was going since the director resigned. Ms. Blackburn stated that American Cancer Society was interviewing for the position and that activities were moving along according to schedule.

ITEM X: Public Comments. Mr. Jones invited public comment. Mr. Adams introduced Ms. Burney as administrator for Wyatt Health Plan. Ms. Burney will represent NWTSH at various AHD Committee meetings.

ITEM XI: Adjournment. There being no further business the meeting was adjourned at 8:25 a.m. The meeting was recorded and all comments are on file in the City Finance Department.



Rick Jones, Chair



Karen O'Hara, Secretary