

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

**May 22, 2018
12:30 P.M.**

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.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp, Administrator/CEO
Donna Littlefield, Director, Accounting & Finance
Wm. DeWitt Alsup, Attorney, Alsup Law Firm
Catherine Heller, Nueces Assistant County Attorney
Jenny Cron, Nueces County Chief Litigation Officer
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Dena B. Bruni (formerly NCHD Assistant Administrator)
Mike Davis, CEO, Behavioral Health Center, Nueces County
Mark Hendrix, Director, Mental Health, BHCNC
Melissa Butler, CDPPD, Market Lead, Dr's Regional Hospital

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1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:30 p.m.
 2. **Establishment of Quorum** - Mr. Huseman
A quorum was present with five members in attendance.

Van Huseman, Chairman - PRESENT
Rodney J. Hart, Member - PRESENT
Ted Daniel, Member - PRESENT
John E. Valls, Member - PRESENT
Sylvia Tryon-Oliver, Member - PRESENT

Claude "Cal" Jennings, Vice Chair - **ABSENT**
Robert N. Corrigan, Member - **ABSENT**

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3. **PUBLIC COMMENT** - Persons wishing to comment must sign-in on the “Agenda Item Request to Speak” form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the Board meeting. Commenters shall limit their comments to three (3) minutes and comments must be appropriate to the agenda item(s). See the “Public Comment-related requirements and information.

None requested.

4. **CONSENT AGENDA:**

On motion by Mr. Daniel, seconded by Mr. Hart, the Board of Managers voted to accept, amend, approve, authorize(s) and/or ratify/ratifies the following consent agenda items: A through P as presented. **MOTION CARRIED.**

A. Approve minutes of Board of Managers meetings:

- 1) Regular Meeting of February 13, 2018; and
- 2) Special Meeting of March 2, 2018.

B. Received listing of new vendors as of May 16, 2018; listing pursuant to Board of Managers Bylaws, Article 2, §2.1 B and Texas Local Government Code, Chapter 176.

Copy of complete list of new vendors as of May 16, 2018 is attached hereto for information and made a part of these minutes.

C. Received hospital providers’ quarterly reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for the calendar quarters ended December 31, 2017 and March 31, 2018:

- 1) CHRISTUS Spohn Health System Corporation Hospitals: Alice, Beeville, and Kleberg (Joint Report);

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- 2) Corpus Christi Medical Center;
- 3) DeTar Healthcare System; and
- 4) Driscoll Children's Hospital.

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

- D. Received fiscal year-to-date revenue report relating to CHRISTUS Spohn Health System Corporation Membership Agreement.

Copy of fiscal year-to-date revenue report relating to CHRISTUS Spohn Health System Corporation Membership Agreement is attached hereto and made a part of these minutes.

- E. Received summary information on 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 March 31, 2018.

Copy of NCHD Imputed Claims Experience for Calendar Year 2018 As if Adjudicated January 1, 2018 through March 31, 2018 is attached hereto and made a part of these minutes.

- F. Received summary payment information for current fiscal year-to-date:

- 1) Medical services at Nueces County juvenile detention facility;
- 2) Emergency medical services in unincorporated areas of Nueces County;
- 3) Supplemental funding for Behavioral Health Center of NUECES County; and
- 4) Salaries, benefits, and supplies at Corpus Christi/Nueces County Public Health Department.

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

- G. Received summary report of intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental payment programs sponsored by the Texas Health and Human Commission for fiscal year-to-date:
- 1) Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver):
 - a) Hospital Uncompensated Care (UC) pool; and
 - b) Delivery System Reform Incentive Payment (DSRIP) pool;
 - 2) Disproportionate Share Hospitals (DSH) program;
 - 3) Network Access Improvement Program (NAIP); and
 - 4) Uniform Hospital Rate Increase Program (UHRIP).

Copy of detailed Nueces County Hospital District 1115 Waiver Program Intergovernmental Transfer Activity report is attached hereto and made a part of these minutes.

- H. Received April 2018 statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits and withdrawals pursuant to and consistent with Section 3.9.7 of Amended and Restated Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, as amended.

Copy of Bank of America Merrill Lynch statement of investment for the period of April 1, 2018 through April 30, 2018 is attached hereto and made a part of these minutes.

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- I. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):
- 1) Submission of Calendar Year 2017 unreimbursed health care expenditure amounts to the Texas Department of State Health Services for pro-rata share distribution of Calendar Year 2017 income from the Tobacco Permanent Settlement Trust Account; expenditure submission pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rules §102.1(b) and §102.3(a), (e)(2), and (f);

Copy of Pro Rata Tobacco Settlement Distribution Hospital District Expenditure Statement-2018 is attached hereto and made a part of these minutes.

- 2) Authorization of escrow amount disbursement for achievement of second milestone relating to Level II Trauma Designation at CHRISTUS Spohn Shoreline Hospital campus; milestone achievement and escrow amount disbursement pursuant to Amended and Restated Schedule 1, Section 3.9.7 © and (d) of Amended and Restated Membership Agreement between Hospital District and CHRISTUS Spohn Health System Corporation, as amended;

Copy of CSHS letter dated April 5, 2018 Re: Notice of Milestone Achievement and Escrow Disbursement Request is attached hereto and made a part of these minutes.

- 3) Execution of Medicaid Network Access Improvement Program (NAIP) Inter-Governmental Transfer Responsibility Agreement with Texas Health and Human Services Commission (HHSC) for the term September 1, 2018 - August 31, 2019; NAIP organized and operated by HHSC for the purposes of increasing Medicaid managed care members' access to primary and specialty care related services from providers affiliated with public hospitals; and

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Copy of executed IGT Responsibility Agreement and its Attachments between The Texas Health and Human Services Commission and Non-State Governmental Entity is attached hereto and made a part of these minutes.

- 4) Execution of custodian-related agreements relating to bank depository's collateral securing Hospital District's deposits:
 - a) Addendum to Public Funds Entity Security Agreement with Frost Bank adding the Bank of New York Mellon as a custodian of Frost Bank's collateral securing Hospital District's deposits; and

Copy of executed Addendum to Public Entity Security Agreement with Frost Bank is attached hereto and made a part of these minutes.

- b) Third Party Custodian Agreement with Frost Bank and the Bank of New York Mellon (BNY Mellon) allowing BNY Mellon to provide safekeeping services and hold any securities pledged by Frost Bank for benefit of the Hospital District.

Copy of executed Third Party Custodian Agreement with Frost Bank is attached hereto and made a part of these minutes.

- J. Received information relating to U.S. Department of Health and Human Services (DHHS) Poverty Guidelines:
 - 1) Annual update of the DHHS Poverty Guidelines from Federal Register, Vol. 83, No. 12, January 18, 2018, pp. 2642-2644; and
 - 2) Prior DHHS Poverty Guidelines and Federal Register References, 1982 - 2018.

Copy of *Federal Register*/Volume 2 and DHHS Poverty Guidelines are attached hereto and made a part of these minutes.

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- K. Received notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines; increases effective March 1, 2018 for:
- 1) Household Resources as required by Program's Handbook Policy No. NA002, Attachment 2, Sections I-B, I-C-I, I-C-23, and I-F; and
 - 2) Household Income as required by Program's Handbook Policy No. NA002, Attachment 4, Sections I-F-3.

Copies of Policies Nos. NA002, Attachment 2, Sections 1-B, 1-C-1, 1-C-23, 1-F and NA002, Attachment 4, Sections 1-F-3 are attached hereto and made a part of these minutes.

- L. Received information on State Comptroller of Public Accounts' 2018 pro-rata distributions of Calendar Year 2017 income from Tobacco Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2.

Copy of State Comptroller of Public Accounts' 2018 pro-rata distributions of Calendar Year 2017 income from Tobacco Permanent Settlement Trust Account is attached hereto and made a part of these minutes.

- M. Adopted 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 is attached hereto and made a part of these minutes.**
- N. Adopted 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, 2018; annual review and list adoption pursuant to Texas Government Code, §2256.025. **Original executed resolution is attached hereto and made a part of these minutes.**

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- O. Approved form of Easement Agreement with Regional Transportation Authority (RTA) for RTA's construction of an upgraded bus shelter at Dr. Hector P. Garcia Memorial Family Health Center located at 2606 Hospital Boulevard, Corpus Christi, Texas; and authorize Administrator to negotiate final shelter site and other Agreement terms and execute Agreement.

Copy of executed Easement Agreement and its Exhibit A is attached hereto and made a part of these minutes.

- P. Received supporting documentation relating to achievement of Administrator's performance goals for fiscal year ended September 30, 2017 and approve related goal achievement payment.

Support documentation relating to achievement of Administrator's performance goals for fiscal year ended September 30, 2017 are attached hereto and made a part of these minutes.

5. **REGULAR AGENDA:**

A. **Finance Matters:**

- 1) **Receive and approve unaudited financial statements for the months and fiscal year-to-date periods ended January 31, February 28, and March 31, 2018 - ACTION**

Ms. Littlefield presented the unaudited financial statements for the months and fiscal year-to-date periods ended January 31, February 28 and March 31, 2018. The Board of Managers accepted the unaudited financial statements as presented for fiscal year-to-date periods ended January 31, February 28 and March 31, 2018.

Motion by Mr. Daniel, seconded by Mr. Hart the Board of Managers approved the abovementioned unaudited financial statements for the periods noted above.

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Copies of the unaudited financial statements for the months and fiscal year-to-date periods ended January 31, February 28 and March 31, 2018 are attached hereto and made a part of these minutes.

2) **Receive and approve investment reports and ratify related investment transactions: ACTION**

On motion by Mr. Daniel, seconded by Mr. Hart, the Board of Managers approved the investment reports and ratifies related investment transactions as presented. **MOTION CARRIED.**

- a) Quarterly Investment Report for fiscal quarter ended March 31, 2018; and
- b) Interim Investment Transactions Report for period of April 1, 2018 to present.

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

3) **Adopt Board of Managers Order relating to maintenance of minimum fund balances - ACTION**

On motion by Mr. Daniel, seconded by Ms. Oliver, the Board of Managers adopted a Board of Managers Order relating to the maintenance of minimum fund balances as presented. **MOTION CARRIED.**

Copy of adopted and executed Board of Managers Order relating to the maintenance of minimum fund balances is attached hereto and made a part of these minutes.

B. Other Matters:

- 1) **Approve an Order authorizing the Administrator to execute the Professional Services Agreement (Contingent Fee Special Counsel for Opioid Litigation) with The Law Office of Richard Schechter, P.C., The Lanier Law Firm, P.C. Reich & Binstock, LLP and the Law Office of James B. Ragan and their respective team and The Purnell**

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Law Firm, Phipps Anderson Deacon, LLP and their respective team to represent Nueces Count in legal matters that involve responsible parties who caused and contributed to an epidemic of opioid addition in Nueces County and related matters; and authorize the Nueces County Attorney to request approval fo the Professional Services Agreement from the Texas Comptroller of Public Accounts - ACTION

On motion by Mr. Valls, seconded by Mr. Daniel the Board of Managers approved an Order authorizing the Administrator to execute the Professional Services Agreement (Contingent Fee Special Counsel for Opioid Litigation) with the Law Office of Richard Schechter, P.C., The Lanier Law Firm, P.C. Reich & Binstock, LLP and the Law Office of James b. Ragan and their respective team and The Purnell Law Firm, Phipps Anderson Deacon, LLP and their respective team to represent Nueces County in legal matters that involve responsible parties who caused and contributed to an epidemic of opioid addiction in Nueces County and related matters; and authorize the Nueces County Attorney to request approval of the Professional Services Agreement from the Texas Comptroller of Public Accounts as presented. **MOTION CARRIED.**

Copy of approved and executed Order is attached hereto and made a part of these minutes.

- 2) **Approve Interlocal Agreement with Nueces County and the Behavioral Health Center of Nueces County (BHCNC) to provide funding to BHCNC for the period July 1 - September 30, 2018 for certain mental health-related programs to be provided by or through BHCNC relating to the diversion of persons from jails or other detention facilities, provision of crisis intervention teams, expansion of mobile crisis outreach, and development of jail-based competency restoration, including services associated substance abuse issues - ACTION**

On motion by Mr. Valls, seconded by Mr. Hart the Board of Managers approved an Interlocal Agreement with Nueces County and Behavioral Health Center of Nueces County (BHCNC) to proved funding to BHCNC for the period of July 1, 2018 through September 30, 2018 for certain

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mental health-related programs to be provided by or through BHCNC relating to the diversion of persons from jails or other detention facilities, provision of crisis intervention teams, expansion of mobile crisis outreach, and development of jail-based competency restoration, including services associated substance issues. **MOTION CARRIED.**

Copy of executed Interlocal Agreement is attached hereto and made a part of these minutes.

- 3) **Approve Third Amendment to Lease Agreement with ERF Tower II, Inc. for reduced office space at 555 N. Carancahua Street, Suite 950, Corpus Christi, Texas for the term June 1, 2018 - May 31, 2023; and authorize the Administrator to execute Amendment - ACTION**

On motion by Mr. Valls, seconded by Mr. Hart the Board of Managers approved the Third Amendment to Lease Agreement by and between Nueces County Hospital District and ERF Tower II, Inc. for reduced office space at 555 N. Carancahua Street, Suite 950, Corpus Christi, Texas for the term June 1, 2018 through May 31, 2023 as presented; and further authorizes the Administrator to execute Amendment. **MOTION CARRIED.**

Copy of approved and executed Third Amendment to Lease Agreement by and between ERF Tower II, Inc and Nueces County Hospital District for reduced office space at 555 N. Carancahua, Suite 950, Corpus Christi, Texas for the term of June 1, 2018 through May 31, 2023 is attached hereto and made a part of these minutes.

6. **CLOSED MEETING:** Public notice is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551; the Texas Health and Safety Code, Chapter 161; and the Texas Occupations Code, Chapters 151 and 160; and that the Board specifically expects to go into a closed session(s) on the matters listed below. In the event the Board elects to go into closed sessions(s) regarding an agenda item(s), the sections(s) of the Open Meetings Act authorizing the closed session will be

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publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws.

EXECUTIVE CLOSED SESSION

The Board of Managers entered into executively closed session at approximately 1:17 p.m., to discuss and/or deliberate on the following agenda item(s): A, B and C:

- A. Consult with attorneys on status of pending or contemplated litigation against opioid drug manufacturers, promoters, and distributors responsible for causing and contributing to an epidemic of opioid additional in Nueces County, including but not limited to Purdue Pharma, Endo Pharmaceuticals, Janssen Pharmaceuticals, Insys Therapeutics, the McKesson Corporation, Cardinal health and AmerisourceBergen for violations of the Deceptive Trade Practices Act, fraud, unjust enrichment, negligence, violations of the federal Controlled substances Act, civil conspiracy and any other related causes of action, and related matters: consultation pursuant to Open Meetings Act, Texas Government Code, §551.071.
- B. Consult with attorneys on matters related to Hospital District-owned real property presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located 2606 Hospital Boulevard, Corpus Christi, Texas; consultation pursuant to Open Meetings Act, Texas Government Code, §551.071
- C. Deliberate the value of Hospital District-owned real property presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located 2606 Hospital Boulevard, Corpus Christi, Texas; deliberation pursuant to Open Meetings Act, Texas Government Code, §551.072.

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Members of the Board of Managers, Administrator Jonny F. Hipp, Attorneys Wm. DeWitt Alsup, Cathie Heller, and former Assistant Administrator Dena B. Bruni, Director of Accounting and Finance Donna Littlefield remained for the executive closed session.

The Board of Managers ended its executively closed session at approximately 1:28 p.m., and reopened to public session.

7. **OPEN MEETING:**
Reopened to public session at 1:28 p.m.

8. **Final action, final decision, or final vote on items(s) covered during Closed Meeting. (ACTION AS NEEDED)**
No action taken in open session.

9. **Adjourn**
On motion by Mr. Daniel, seconded by Mr. Valls, the Board of Managers voted to adjourn the meeting at 1:29 p.m.

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PRESIDING OFFICER:

Van Huseman, Chairman
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