



**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
MAY 1, 2018 – 5:30 p.m.**

**AGENDA**

- I. CALL TO ORDER** ..... Mary Thompson, President
- II. INVOCATION** ..... Chaplain Farrell Ard
- III. PLEDGE OF ALLEGIANCE** ..... Mary Thompson
- IV. MISSION/VISION/VALUES OF MEDICAL CENTER HEALTH SYSTEM** .... Mary Thompson, p.3
- V. MAY 2018 EMPLOYEES OF THE MONTH** ..... Rick Napper
  - Clinical: Alicia Suarez, Phlebotomist, Phlebotomy Laboratory
  - Non-Clinical: Daniel Coppinger, General Maintenance, Engineering
  - Nurse: Sirena Perkins, Registered Nurse, Emergency Department
- VI. REVIEW OF MINUTES** ..... Mary Thompson, p.4-10  
**Regular Meeting – April 3, 2018**
- VII. LEGISLATIVE UPDATE** ..... Representative Brooks Landgraf
- VIII. COMMITTEE REPORTS**
  - A. Finance Committee** ..... David Dunn, p.11-91
    - 1. Quarterly Investment Report - Quarter 2, FY 2018
    - 2. Quarterly Investment Officer’s Certification
    - 3. Financial Report for Five Months Ended March 30, 2018
  - B. Joint Conference Committee** ..... Fernando Boccalandro, MD, p.92-98
    - 1. Medical Staff or AHP Initial Appointment/Reappointment
    - 2. Change in Clinical Privileges/or Scope of Practice/or Supervisor
    - 3. Change in Medical Staff or AHP Staff Status
    - 4. Change in Medical Staff or AHP Staff Category
    - 5. Change in Medical Staff Bylaws/Policy/Privilege Criteria
- IX. TTUHSC AT THE PERMIAN BASIN REPORT** ..... Gary Ventolini, M.D.

- X. PRESIDENT/CHIEF EXECUTIVE OFFICER’S UPDATE** ..... Rick Napper
  - A. Nursing Week Recognition**.....Chad Dunavan/Christin Timmons
  - B. 1115 Waiver Report**..... Rick Napper
  - C. Quarterly Marketing Report**..... Rick Napper
- XI. APPROVAL ITEMS** ..... Rick Napper
  - A. Interlocal Agreement/Request to Sell Property**..... Don Hallmark, p.99-102
  - B. Resolution Related to Pledging Assets to Replace Loan Guarantee on Texas Healthcare Linen** ..... Robert Abernethy, p.103-105
  - C. Agreements Related to the Family Health Clinic** ..... David Garcia/Ron Griffin, p-106-142
    - 1. Physician Service Affiliation Agreement between Ector County Hospital District and Family Health Clinic
    - 2. Co-Applicant Agreement between Ector County Hospital District and Family Health Clinic
    - 3. Administrative, Equipment, Facility and Personnel Agreement between Ector County Hospital District, MCH Professional Care and Family Health Clinic
  - D. Fair Market Rent Assessment on Properties Owned/Operated by ECHD prepared by Advanced Valuation Systems, Inc.** .....Matt Collins, p.143-199
- XII. EXECUTIVE SESSION**

Meeting held in closed session as to (1) Consultation with attorney regarding legal matters and legal issues pursuant to Section 551.071 of the Texas Government Code, including update on settlement documents in *Meisell et al., v. ECHD et al.*; (2) Deliberation regarding negotiations for health care services, pursuant to Section 551.085 of the Texas Government Code; and (3) Deliberation regarding exchange, lease, or value of real property pursuant to 551.072 of the Texas Government Code.
- XIII. APPROVAL PROVIDER AGREEMENTS**
  - A. MCH PROCARE** .....Adiel Alvarado
  - B. FAMILY HEALTH CLINIC** .....Ron Griffin
- XIV. ADJOURNMENT** ..... Mary Thompson

*If during the course of the meeting covered by this notice, the Board of Directors needs to meet in executive session, then such closed or executive meeting or session, pursuant to Chapter 551, Texas Government Code, will be held by the Board of Directors on the date, hour and place given in this notice or as soon after the commencement of the meeting covered by this notice as the Board of Directors may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Chapter 551 of said Government Code.*

## **MISSION**

***Medical Center Health System is a community-based teaching organization dedicated to providing high quality and affordable healthcare to improve the health and wellness of all residents of the Permian Basin.***

## **VISION**

***MCHS will be the premier source for health and wellness.***

## **VALUES**

***I-ntegrity***

***C-ustomer centered***

***A-ccountability***

***R-espect***

***E-xcellence***

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
APRIL 3, 2018 – 5:30 p.m.**

**MINUTES OF THE MEETING**

**MEMBERS PRESENT:**

Mary Thompson, President  
David Dunn, Vice President  
Mary Lou Anderson  
Bryn Dodd  
Don Hallmark  
Richard Herrera  
Ben Quiroz

**OTHERS PRESENT:**

Rick Napper, President/Chief Executive Officer  
Robert Abernethy, Chief Financial Officer  
Chad Dunavan, Chief Nursing Officer  
Heather Bulman, Chief Experience Officer  
Dr. Fernando Boccalandro, Chief of Staff  
Dr. Donald Davenport, Vice Chief of Staff  
Ron Griffin, Chief Legal Counsel  
Jan Ramos, ECHD Board Secretary  
Dr. Gary Ventolini, TTUHSC Permian Basin  
Various other interested members of the  
Medical Staff, Employees, and Citizens

**I. CALL TO ORDER**

Mary Thompson, President, called the meeting to order at 5:30 p.m. in the Board Room of Medical Center Hospital. Notice of the meeting was properly posted as required by the Open Meetings Act.

**II. INVOCATION**

Chaplain Farrell Ard offered the invocation.

**III. PLEDGE OF ALLEGIANCE**

Mary Thompson led the Pledge of Allegiance to the United States and Texas flags.

**IV. MISSION/VISION OF MEDICAL CENTER HEALTH SYSTEM**

Don Hallmark presented the Mission, Vision and Values of Medical Center Health System.

## **V. MARCH 2018 EMPLOYEES OF THE MONTH**

Rick Napper introduced the March 2018 Employees of the Month as follows:

- Clinical: Becky Wiscombe, Mammography Tech Supervisor  
Radiology Breast Care Center
- Non-Clinical: Laura Gomez, Patient Accounts Manager, Patient Accounts
- Nurse: Steve McCracken, RN Charge,  
7 Central (Dedicated Educational Unit)

## **VI. REVIEW OF MINUTES**

### **Regular Meeting – March 6, 2018**

Mary Lou Anderson moved and David Dunn seconded the motion to accept the minutes of the Regular ECHD Board meeting held March 6, 2018 as presented. The motion carried.

### **Special Meeting – March 16, 2018**

David Dunn moved and Mary Lou Anderson seconded the motion to accept the minutes of the Special ECHD Board meeting held March 16, 2018 as presented. The motion carried.

## **VII. COMMITTEE REPORTS**

### **A. Finance Committee**

#### **1. Financial Report for Five Months Ended February 28, 2018**

David Dunn moved and Bryn Dodd seconded the motion to approve the Financials for five months ended February 28, 2018. The motion carried.

#### **2. Capital Expenditure Request: Cardiac Ultrasounds**

Rene Rodriguez, Divisional Director of The Center for Heart Disease, presented the Capital Expenditure Request for two Echocardiogram Ultrasound Systems. One will be a replacement for a 10-year old system that is at end of life. The other will be an addition to in-patient and out-patient clinics, as well as satellite clinics within the 17 surrounding counties served.

David Dunn moved and Bryn Dodd seconded the motion to approve the Capital Expenditure Request: Cardiac Ultrasounds, as presented. The motion carried.

### **B. Joint Conference Committee**

Dr. Fernando Boccalandro, Chief of Staff, presented the recommendation of the Joint Conference Committee to accept the following Medical Staff Recommendations:

**1. Medical Staff or AHP Initial Appointment/Reappointment**

**Medical Staff**

Applicant	Department	Specialty/ Privileges	Group	Dates
*Kandikatla, Ramcharitha MD	Medicine	Internal Medicine	MCH Procure	04/03/2018 – 04/02/2019
*Mishra, Pragnyadipta MD	Anesthesia	Anesthesiology	MCH Procure	04/03/2018 – 04/02/2019

**Allied Health Professional (AHP) Staff Applicants**

Applicant	Department	Specialty/ Privileges	Group	Sponsoring Physician(s)	Dates
Chavez, Cynthia NNP	Pediatrics	Nurse Practitioner	TTUHSC	Dr. Robert Bennett	04/03/2018 – 04/02/2020

*\*Please grant temporary privileges*

**Reappointment of the Medical Staff and Allied Health Professional Staff**

**Medical Staff/Or Allied Health Professional Staff**

Applicant	Department	Staff Category	Specialty/ Privileges	Dates
Benton, Timothy MD	Family Medicine	Active	Family Medicine	07/01/2018 – 06/30/2020
Cunningham, Pamela MD	Anesthesiology	Courtesy to Affiliate	Pain Management	05/01/2018 – 04/30/2020
D'Agostino, Carl MD	Anesthesiology	Courtesy to Associate	Pain Management	05/01/2018 – 04/30/2019
Dyrstad, Bradley MD	Surgery	Associate	Orthopaedic Surgery	05/01/2018 – 04/30/2019
Farber, Gerald MD	Surgery	Active	Orthopaedic Surgery	05/01/2018 – 04/30/2020
Ortega, Scotty MD	Family Medicine	Affiliate	Family Medicine	05/01/2018 – 04/30/2020

Blank **Staff Category** column signifies no change

**Allied Health Professionals**

None were presented.

**2. Change in Clinical Privileges/or Scope of Practice/or Supervisor**

**Clinical/ Additional Privileges**

Staff Member	Department	Privilege
*Hester, Michael NP	Surgery	ADD: Prescribe Medications (must provide a supervisor signed "Notice of Prescriptive Authority which requires current DPS/DEA/TMB registration); ACLS (advanced cardiac life support) Required for all PA's / APN's in Emergency Medicine Department and CRNA's PALS/NPR certification as appropriate

**3. Change in Medical Staff or AHP Staff Status**

**Resignation / Expiration of Privileges**

Staff Member	Staff Category	Department	Effective Date	Action
Cole, Maria FNP	Allied Health Professional	OB/GYN	03/05/2018	Resigned

**4. Change in Medical Staff or AHP Staff Category**

**Staff Category Changes**

Staff Member	Department	Category
Cunningham, Pamela MD	Anesthesia	Courtesy to Affiliate
D'Agostino, Carl MD	Anesthesia	Courtesy to Associate
Gilmore, Julia PA	Medicine	Removal of Provisional Status
Saldahana, Vilas MD	Surgery	Removal of Provisional Status
Gerhardt, Erich DO	Surgery	1 year of Extension of Provisional Status
Gifford, Beverly FNP	Family Medicine	Removal of Provisional Status
Prudencio, Steven FNP	Family Medicine	6 months of Extension of Provisional Status

**Change in Credentialing Date**

None were presented.

**5. Medical Staff Bylaws/Policy/Privilege Criteria**

None were presented.

Don Hallmark moved and Mary Lou Anderson seconded the motion to approve the Medical Staff recommendation (Items VII. B. 1-4) as presented. (There were no items to present under section VIII. B. 5). The motion carried.

**6. Criteria for Privileges and Delineation of Clinical Privileges and Procedures**

- a. Bariatric Surgery Criteria
- b. Advance Registered Nurse Privilege Form and Criteria
- c. Pediatric Privilege Form
- d. Neonatal-Perinatal Medicine Privilege form

Don Hallmark moved and David Dun seconded the motion to approve the Medical Staff recommendation (Item VII. B. 6) as presented. The motion carried.

**7. Continuing Medical Education (CME) Annual Mission Statement**

David Dunn moved and Bryn Dodd seconded the motion to approve the Medical Staff recommendation (Item VII. B. 7) as presented. The motion carried.

**8. Institutional Review Board (IRB) 2017 Annual Report**

David Dunn moved and Mary Lou Anderson seconded the motion to approve the Medical Staff recommendation (Item VII. B. 8) as presented. The motion carried.

**VIII. TTUHSC AT THE PERMIAN BASIN REPORT**

Dr. Gary Ventolini provided the TTUHSC at the Permian Basin Report for informational purposes only. No action was taken.

**IX. PRESIDENT/CHIEF EXECUTIVE OFFICER'S REPORT**

Robert Abernethy, Chief Financial Officer, provided an update on the changes to the ECHD Fitch ratings, including a recent history of the changes and the 2018 bond rating process.

This report was for informational purposes only. No action was taken.



**X. APPROVAL ITEMS**

Heather Bulman, Chief Patient Experience Officer, presented an agreement between The Studer Group, LLC and Ector County Hospital District pertaining to evidence based leadership.

David Dunn moved and Richard Herrera seconded the motion to approve the agreement between The Studer Group, LLC and Ector County Hospital District. The motion carried.

**XI. EXECUTIVE SESSION**

Mary Thompson stated that the Board would go into Executive Session for the meeting held in closed session as to (1) Consultation with attorney regarding legal matters and legal issues pursuant to Section 551.071 of the Texas Government Code; (2) Deliberation regarding negotiations for health care services, pursuant to Section 551.085 of the Texas Government Code; (3) Deliberation regarding exchange, lease, or value of real property pursuant to 551.072 of the Texas Government Code; (4) and Deliberation and 90 Day Evaluation of President/Chief Executive Officer of Ector County Hospital District, pursuant to Section 551.074 of the Texas Government Code.

The individuals present during Executive Session were Mary Thompson, David Dunn, Mary Lou Anderson, Bryn Dodd, Don Hallmark, Richard Herrera, Ben Quiroz, Rick Napper, Ron Griffin, Robert Abernethy, Julian Beseril, and Jan Ramos.

**Executive Session began at 6:32 pm.  
Executive Session ended at 8:32 p.m.**

No action was taken during Executive Session.

**XII. MCH PROCARE PROVIDER AGREEMENT .....Ron Griffin**

Ron Griffin, Chief Legal Counsel, presented one MCH ProCare provider agreement as follows:

Meredith Halsey, M.D., Pathologist. This is a three year, full-time employment agreement and Medical Directorship for the Pathology Department, to fill a vacancy due to a provider resignation. Employment effective no later than August 31, 2018.

Richard Herrera moved and Ben Quiroz seconded the motion to approve the MCH ProCare provider agreement with Meredith Halsey, M.D., as presented. The motion carried.

**XIII. SANTA ROSA CONSULTING AGREEMENT .....Ron Griffin**

Ron Griffin, Chief Legal Counsel, presented the Santa Rosa Consulting Agreement to provide Interim Chief Information Officer leadership.

Bryn Dodd moved and Mary Lou Anderson seconded the motion to approve the Santa Rosa Consulting Agreement, as presented. The motion carried.

**XIV. CONSIDER FOR APPROVAL AND AUTHORIZE THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE LEGAL DOCUMENTS PERTAINING TO ECTOR COUNTY HOSPITAL DISTRICT MEMBERSHIP IN THE TEXAS CARE ALLIANCE, LLC AND THE REFORMATION OF SAME..... Rick Napper/Ron Griffin**

Ron Griffin, Chief Legal Counsel, presented the request for approval and authorization of the President/Chief Executive Officer to execute legal documents pertaining to Ector County Hospital District membership in the Texas Care Alliance, LLC and the reformation of same.

David Dunn moved and Mary Lou Anderson seconded the motion to approve the request for approval and authorization of the President/Chief Executive Officer to execute legal documents pertaining to Ector County Hospital District membership in the Texas Care Alliance, LLC and the reformation of same. The motion carried.

**XV. ADJOURNMENT**

There being no further business to come before the Board, Mary Thompson adjourned the meeting at 8:36 p.m.

Respectfully Submitted,



Jan Ramos, Secretary  
Ector County Hospital District Board of Directors



**ECTOR COUNTY HOSPITAL DISTRICT  
Investment Portfolio  
Charles Brown, Hilltop Securities Independent Network Inc.  
March 31, 2018**

*All prices and values reflected in this report are captured from the Hilltop Securities statements dated 03/29/2018.*

*"This report is given as a courtesy to our clients. Hilltop Securities makes no warranties as to the completeness or accuracy of this information and specifically disclaims any liability arising from your use or reliance on this information. Hilltop Securities does not offer tax advice. You are solely responsible for the accuracy of cost basis and gain/loss information reported to tax authorities."*

**ECTOR COUNTY HOSPITAL DISTRICT**

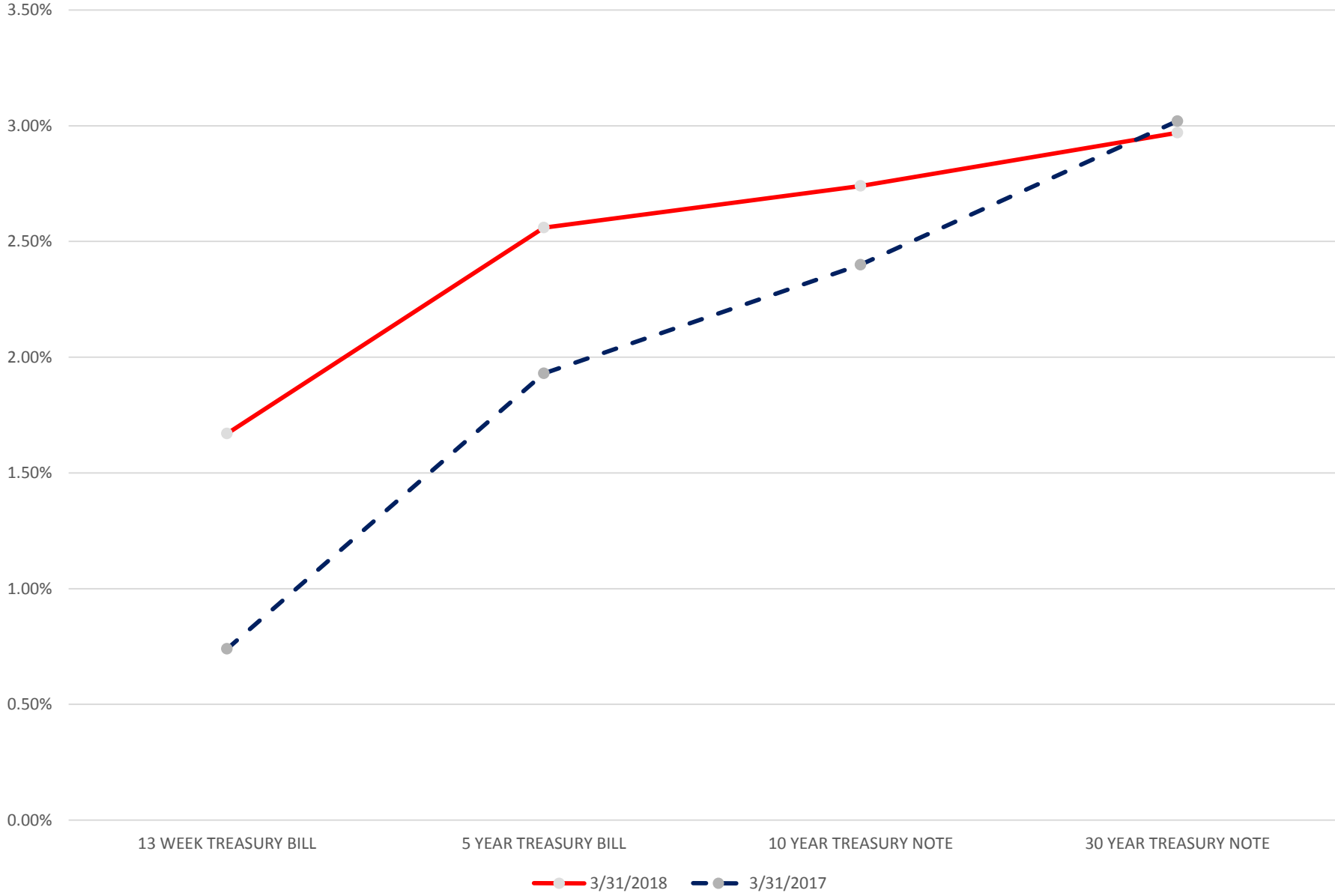
March 31, 2018

**Yield Summary**

<b>SECTOR</b>	<b>PAR VALUE</b>	<b>Weighted Avg Yield</b>	<b>Market Value</b>	<b>Gain/Loss</b>
US AGENCY	\$ 10,000,000.00	1.73%	\$ 9,726,100.00	\$ (273,900.00)
SHORT-TERM INVESTMENTS	\$ 25,552,332.58	1.20%	\$ 25,552,332.58	\$ (57,200.00)
<b>TOTAL</b>	<b>\$ 35,552,332.58</b>	<b>1.340%</b>	<b>\$ 35,278,432.58</b>	<b>\$ (331,100.00)</b>

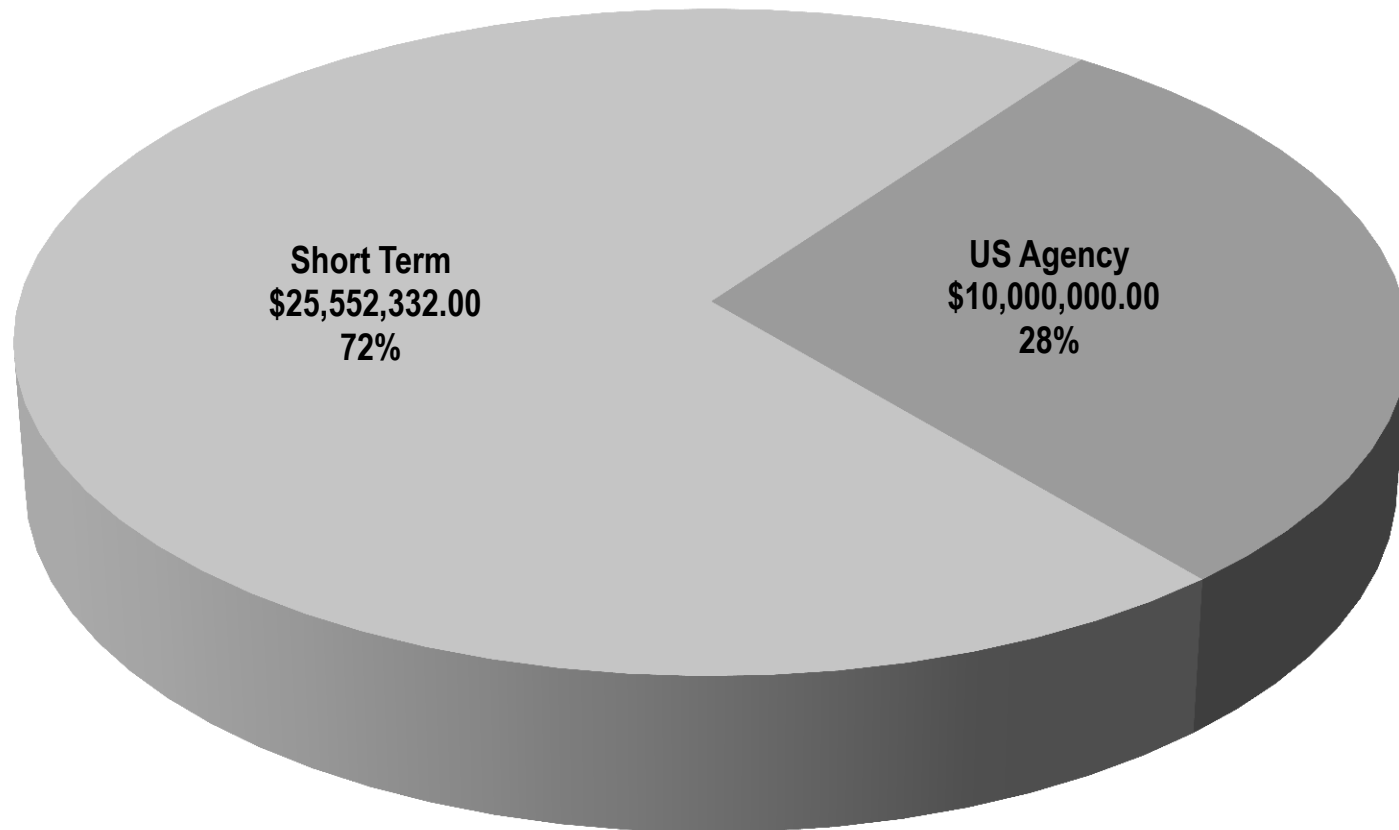
	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>13 WEEK TREASURY BILL</b>	1.67%	0.74%
<b>5 YEAR TREASURY BILL</b>	2.56%	1.93%
<b>10 YEAR TREASURY NOTE</b>	2.74%	2.40%
<b>30 YEAR TREASURY NOTE</b>	2.97%	3.02%

# Yield Summary



# Distribution by Asset Type

Shown at Book Value



**ECTOR COUNTY HOSPITAL DISTRICT**

March 31, 2018

**Maturity Distribution 1-5 Years**

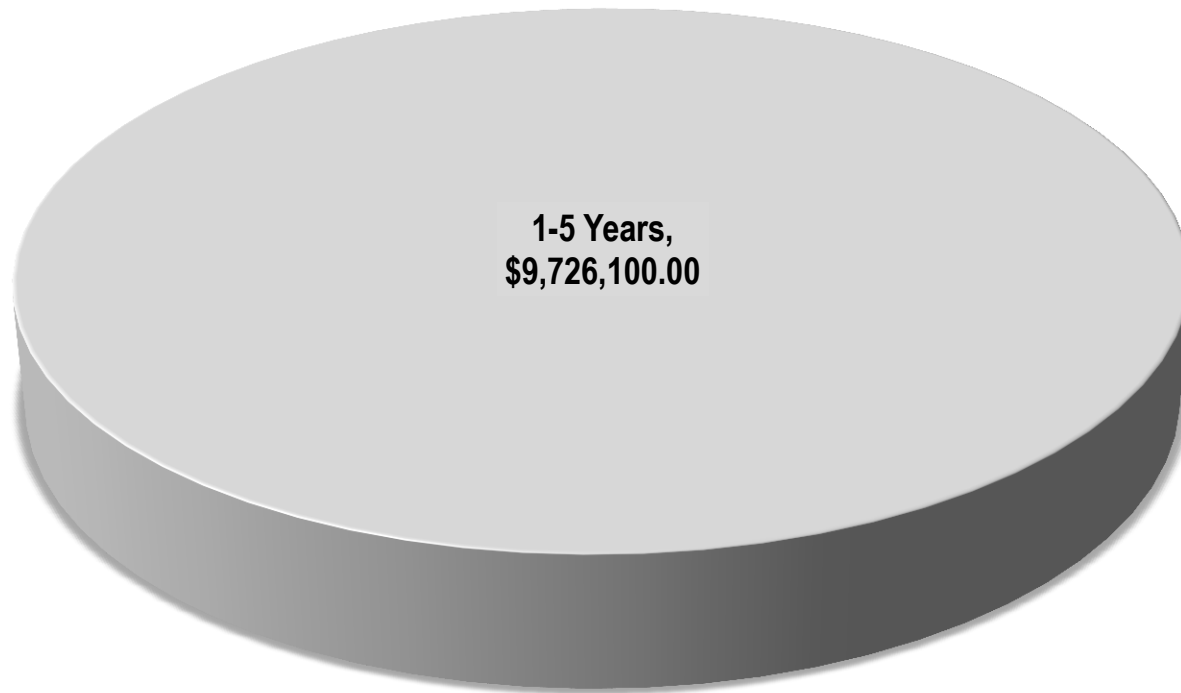
CUSIP	DESCRIPTION	MATURITY	COUPON (%)	YIELD (%)	PAR VALUE	BOOK VALUE	MARKET VALUE	ANNUAL INCOME	GAIN (LOSS)
3136G35L0	DP4-FNMA	6/30/2021	1.730%	1.730%	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,945,220.00	\$ 34,600.00	\$ (54,780.00)
3136G3SLO	FND-FNMA	6/30/2021	1.730%	1.730%	\$ 8,000,000.00	\$ 8,000,000.00	\$ 7,780,880.00	\$ 138,400.00	\$ (219,120.00)
					\$10,000,000.00	\$ 10,000,000.00	\$ 9,726,100.00	\$ 173,000.00	\$ (273,900.00)

Weighted Avg Life	3.33
Weighted Avg Yield	1.73%

PAR VALUE	BOOK VALUE	MARKET VALUE	ANNUAL INCOME	GAIN (LOSS)
\$10,000,000.00	\$ 10,000,000.00	\$ 9,726,100.00	\$ 173,000.00	\$ (273,900.00)

# Distribution by Maturity

US Agency Shown at Market Value





**ECTOR COUNTY HOSPITAL DISTRICT**

March 31, 2018

Safekeeping

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location Dispro 4 (339788818)</b>					
3136G35L0	DP4-FNMA	8/16/2018	0.173%	\$ 2,000,000.00	\$ 1,945,220.00
CR02326T8	DP4-CDARS	8/16/2018	1.730%	\$ 2,000,000.00	\$ 1,992,800.00
Money Market	DP4-Dreyfus		0.320%	\$ 1,180,515.83	\$ 1,180,515.83
<b>TOTAL</b>				<b>\$ 5,180,515.83</b>	<b>\$ 5,118,535.83</b>

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location Funded Depreciation (339814498)</b>					
3136G35L0	FND-FNMA	6/30/2021	1.730%	\$ 8,000,000.00	\$ 7,780,880.00
CR02313T3	FND-CDARS	5/17/2018	1.580%	\$ 10,000,000.00	\$ 9,968,000.00
Money Market	FND-Dep Dreyfus		0.320%	\$ 1,225,573.37	\$ 1,225,573.37
<b>TOTAL</b>				<b>\$ 19,225,573.37</b>	<b>\$ 18,974,453.37</b>

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location Funded Workers Comp (339818296)</b>					
CR02326T8	FWC- CDARS	8/16/2018	1.730%	\$ 1,000,000.00	\$ 996,400.00
Money Market	FWC-Dreyfus		0.320%	\$ 1,202,172.77	\$ 1,202,172.77
<b>TOTAL</b>				<b>\$ 2,202,172.77</b>	<b>\$ 2,198,572.77</b>

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location Professional Liability (339767185)</b>					
CR02326T8	Prof Liab-CDARS	8/16/2018	1.730%	\$ 1,000,000.00	\$ 996,400.00
Money Market	Prof Liab-Dreyfus		0.320%	\$ 1,978,764.85	\$ 1,978,764.85
<b>TOTAL</b>				<b>\$ 2,978,764.85</b>	<b>\$ 2,975,164.85</b>

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location Designated Funds (339801057)</b>					
CR02326T8	DES-CDARS	8/16/2018	1.730%	\$ 2,000,000.00	\$ 1,992,800.00
Money Market	DES-Dreyfus		0.320%	\$ 1,121,444.26	\$ 1,121,444.26
<b>TOTAL</b>				<b>\$ 3,121,444.26</b>	<b>\$ 3,114,244.26</b>

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	PAR VALUE	MARKET VALUE
<b>Safekeeping Location General Liability (339809022)</b>					
CR02326T8	GEN Liab-CDARS	8/16/2018	1.730%	\$ 1,000,000.00	\$ 996,400.00
Money Market	GEN Liab-Dreyfus		0.320%	\$ 1,901,061.50	\$ 1,901,061.50
<b>TOTAL</b>				<b>\$ 2,901,061.50</b>	<b>\$ 2,897,461.50</b>

<b>GRAND TOTAL</b>				<b>\$ 35,609,532.58</b>	<b>\$ 35,278,432.58</b>
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**ECTOR COUNTY HOSPITAL DISTRICT**

March 31, 2018

**Short Term Investments**

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	YIELD (%)	ORIGINAL FACE	PAR VALUE	BOOK VALUE	MARKET VALUE	ANNUAL INCOME	GAIN (LOSS)
CR02326T8	DP4-CDARS	8/16/2018	1.730%	1.730%	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,992,800.00	\$ 34,600.00	(\$7,200.00)
CR02326T8	FWC-CDARS	8/16/2018	1.730%	1.730%	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,400.00	\$ 17,300.00	(\$3,600.00)
CR02326T8	ProfLiab-CDARS	8/16/2018	1.730%	1.730%	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,400.00	\$ 17,300.00	(\$3,600.00)
CR02326T8	DES-CDARS	8/16/2018	1.730%	1.730%	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,992,800.00	\$ 34,600.00	(\$7,200.00)
CR02326T8	GenLiab-CDARS	8/16/2018	1.730%	1.730%	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,400.00	\$ 17,300.00	(\$3,600.00)
CR02313T3	FND Dep-CDARS	5/17/2018	1.580%	1.580%	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 9,968,000.00	\$ 158,000.00	(\$32,000.00)
<b>Weighted Avg Life</b>		0.223			<b>\$ 17,000,000.00</b>	<b>\$ 17,000,000.00</b>	<b>\$ 17,000,000.00</b>	<b>\$ 16,942,800.00</b>	<b>\$ 279,100.00</b>	<b>(\$57,200.00)</b>
<b>Weighted Avg Yield</b>		1.640%								

CUSIP	DESCRIPTION	MATURITY	COUPON (%)	YIELD (%)	ORIGINAL FACE	PAR VALUE	BOOK VALUE	MARKET VALUE	ANNUAL INCOME
Money Market	DP4-Dreyfus		0.320%	0.320%	\$ 1,180,515.83	\$ 1,180,515.83	\$ 1,180,515.83	\$ 1,180,515.83	\$ 3,777.65
Money Market	FND-Dep Dreyfus		0.320%	0.320%	\$ 1,225,573.37	\$ 1,225,573.37	\$ 1,225,573.37	\$ 1,225,573.37	\$ 3,921.83
Money Market	FWC-Dreyfus		0.320%	0.320%	\$ 1,202,172.77	\$ 1,202,172.77	\$ 1,202,172.77	\$ 1,202,172.77	\$ 3,846.95
Money Market	Prof Liab-Dreyfus		0.320%	0.320%	\$ 1,978,764.85	\$ 1,978,764.85	\$ 1,978,764.85	\$ 1,978,764.85	\$ 6,332.05
Money Market	DES-Dreyfus		0.320%	0.320%	\$ 1,121,444.26	\$ 1,121,444.26	\$ 1,121,444.26	\$ 1,121,444.26	\$ 3,588.62
Money Market	GEN-Liab Dreyfus		0.320%	0.320%	\$ 1,901,061.50	\$ 1,901,061.50	\$ 1,901,061.50	\$ 1,901,061.50	\$ 6,083.40
<b>Weighted Avg Life</b>		0.00			<b>\$ 8,609,532.58</b>	<b>\$ 8,609,532.58</b>	<b>8,609,532.58</b>	<b>8,609,532.58</b>	<b>\$27,550.50</b>
<b>Weighted Avg Yield</b>		0.320%							

**ECTOR COUNTY HOSPITAL DISTRICT**

March 31, 2018

**Outstanding Bonded Debt**

***2010-B Build America Bonds***

Amount	MAT/Call		
\$1,690,000	9/15/2018		
\$1,753,000	9/15/2019		
\$1,820,000	9/15/2020		
\$10,333,000	9/15/2025	CALL	9/15/2020
\$29,058,000	9/15/2035	CALL	9/15/2020



**MEMORANDUM**

TO: Ricky Napper, President and C.E.O.  
FROM: Robert Abernethy, C.F.O  
RE: **Quarterly Investment Report – Second Quarter 2018**  
DATE: May 1, 2018

The Investment Report of Ector County Hospital District for the second quarter ended March 31, 2018 will be presented at the Finance Committee meeting May 1, 2018. This report was prepared in order to provide the Hospital President / CEO and the Board of Directors information as required under the Public Funds Act. No investments were purchased during the first quarter of fiscal 2018.

To the best of my knowledge, as of April 27, 2018 the investment portfolio is in compliance with the Public Funds Act and with the Districts Investment Policy.

Robert Abernethy  
Investment Officer



DATE: April 27, 2018  
TO: Board of Directors  
Ector County Hospital District  
FROM: Robert Abernethy  
Chief Financial Officer  
Subject: Financial Report for the month ended March 31, 2018

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Attached are the Financial Statements for the month ended March 31, 2018 and a high level summary of the months activity.

Operating Results - Hospital Operations:

For the month ended March, earnings before interest depreciation and amortization (EBIDA) was a surplus of \$1,206,877 comparing unfavorably to the budget of \$1,361,296 by 11.3%. Inpatient (I/P) revenue was below budget by \$441,495 driven primarily by decreased surgeries as compared to budget. Outpatient (O/P) revenue was below budget by \$2,268,751 due to decreased observation and emergency department visits. Net Patient Revenue was \$2,206,122 or 10.8% below the budget of \$20,289,851 due to higher patient deductions. Net operating revenue was \$491,124, or 1.9%, below budget.

Operating expenses for the month were over budget by \$132,831 due to unfavorable salaries, wages, and benefits; and purchased services. Unfavorable salaries and wages expense was due to missed staffing targets. Benefits expense unfavorable variance was caused by increased medical claims. Favorable variances for the month include physician fees and repairs and maintenance. Physician fees favorable expense due to lower than budgeted emergency department call pay in the month.

Operating Results - ProCare (501a) Operations:

For the month of March the net loss from operations before capital contributions was \$1,011,401 compared to a budgeted loss of \$1,062,082. Net operating revenue was below budget by \$184,882 due to decreased office visits and surgeries. Total operating costs were below budget by \$235,563. The favorable variance was caused by a salaries, wages, benefits, and temporary labor of \$355,298. Purchased services were unfavorable to budget due to decreased staffing provided to FHC and FHC West. After MCH capital contributions of \$522,355 for the month and \$6,689,283 year to date, ProCare showed a

negative contribution of \$489,046 for the month and a positive contribution of \$593,478 year to date.

#### Operating Results - Family Health Center Operations:

For the month of March the net loss from operations by location:

- Clements: \$159,433 loss compared to a budgeted loss of \$188,323. Net revenue was unfavorable by \$170,154 due to closure of dental services in October and decreased medical visits for the month. Operating costs were \$199,044 favorable to budget due decreased physician services used from ProCare.
- West University: \$149,527 loss compared to a budgeted loss of \$130,068. Net revenue was unfavorable by \$104,188 due to decreased volumes and cash collections. Favorable operating costs of \$84,728 driven by favorable salaries, wages and benefits partially offset the decreased revenue.

#### Blended Operating Results - Ector County Hospital District:

The Change in Net Position for the month of March was a deficit of \$1,230,247 comparing unfavorably to a budgeted deficit of \$740,249. On a Year to Date basis, our Change in Net Position is a deficit of \$8,560,990 comparing favorably to a budgeted deficit of \$9,161,563.

For the month of March EBIDA was \$738,560 compared to a budget of \$1,384,104 that was created by an accumulation of the variances previously described. On a year to date basis, EBIDA was \$3,425,017 compared to the budget of \$3,333,907.

#### Volume:

Total admissions for the month were 1,124 or 2.6% below budget and 8.6% below last year. year to date admissions were 6,849 or below budget by 1.3% and 1.4% above last year. Patient days for the month were 5,448 or 1.1% above budget and 14.0% below last year. year to date patient days were 33,812 or 2.7% above budget and 0.3% below last year. Due to the preceding, total average length of stay (ALOS) was 4.85 for the month and 4.94 year to date. Observation days were below budget by 49.0% and below prior year by 51.8%. year to date observation days were below budget by 8.3% and below prior year by 5.1%

Emergency room visits for the month 4,108 resulting in an decrease compared to budget of 18.5% and a decrease as compared to last year of 7.8%. year to date emergency room visits were 26,528 resulting in an increase compared to budget of 6.7% and an increase to prior year of 6.1%. Total O/P occasions of service for the month were 21.9% below budget for the month and 26.8% below last year that was caused by a change in counting methodology between Cerner and McKesson. Cerner is counting an O/P occasion of service by registrations and McKesson counted O/P occasions of services by visits. We are currently in the process of building a report to count actual O/P visits in order to report comparable stats.

#### Revenues:

I/P revenues were below budget for the month by \$441,495 due to decreased admissions, and surgeries. O/P revenues were below budget for the month by \$2,268,751 as a result of decreased OP Surgeries. Total patient revenue was below budget by \$2,710,246, or 2.8%, and total revenue deductions were \$504,124 below budget. This resulted in decreased net patient revenue by \$2,206,122 compared to budget.

Operating Expenses:

Total operating expenses for the month were 0.6% above budget by \$132,831 due to unfavorable salaries, wages, and benefits; and purchased services. Unfavorable salaries and wages expense was due to missed staffing targets. Benefits expense unfavorable variance was caused by increased medical claims. Favorable variances for the month include physician fees and repairs and maintenance. Physician fees favorable expense due to lower than budgeted emergency department call pay in the month.

ECTOR COUNTY HOSPITAL DISTRICT  
MONTHLY STATISTICAL REPORT  
MARCH 2018

	CURRENT MONTH					YEAR-TO-DATE				
	BUDGET			PRIOR YEAR		BUDGET			PRIOR YEAR	
	ACTUAL	AMOUNT	VAR.%	AMOUNT	VAR.%	ACTUAL	AMOUNT	VAR.%	AMOUNT	VAR.%
<b>Hospital InPatient Admissions</b>										
Acute / Adult	1,091	1,125	-3.0%	1,203	-9.3%	6,677	6,767	-1.3%	6,563	1.7%
Neonatal ICU (NICU)	33	29	13.8%	27	22.2%	172	170	1.2%	193	-10.9%
<b>Total Admissions</b>	<b>1,124</b>	<b>1,154</b>	<b>-2.6%</b>	<b>1,230</b>	<b>-8.6%</b>	<b>6,849</b>	<b>6,937</b>	<b>-1.3%</b>	<b>6,756</b>	<b>1.4%</b>
<b>Patient Days</b>										
Adult & Pediatric	4,218	4,080	3.4%	4,950	-14.8%	26,007	25,066	3.8%	26,443	-1.6%
ICU	387	444	-12.8%	506	-23.5%	2,550	2,643	-3.5%	2,645	-3.6%
CCU	376	402	-6.5%	453	-17.0%	2,446	2,393	2.2%	2,392	2.3%
NICU	467	461	1.3%	429	8.9%	2,809	2,832	-0.8%	2,436	15.3%
<b>Total Patient Days</b>	<b>5,448</b>	<b>5,386</b>	<b>1.1%</b>	<b>6,338</b>	<b>-14.0%</b>	<b>33,812</b>	<b>32,933</b>	<b>2.7%</b>	<b>33,916</b>	<b>-0.3%</b>
Observation (Obs) Days	362	710	-49.0%	751	-51.8%	3,877	4,229	-8.3%	4,084	-5.1%
Nursery Days	234	225	4.0%	205	14.1%	1,473	1,339	10.0%	1,363	8.1%
<b>Total Occupied Beds / Bassinets</b>	<b>6,044</b>	<b>6,321</b>	<b>-4.4%</b>	<b>7,294</b>	<b>-17.1%</b>	<b>39,162</b>	<b>38,501</b>	<b>1.7%</b>	<b>39,363</b>	<b>-0.5%</b>
<b>Average Length of Stay (ALOS)</b>										
Acute / Adult & Pediatric	4.57	4.38	4.3%	4.91	-7.1%	4.64	4.45	4.4%	4.80	-3.2%
NICU	14.15	15.89	-10.9%	15.89	-10.9%	16.33	16.66	-1.9%	12.62	29.4%
<b>Total ALOS</b>	<b>4.85</b>	<b>4.67</b>	<b>3.8%</b>	<b>5.15</b>	<b>-5.9%</b>	<b>4.94</b>	<b>4.75</b>	<b>4.0%</b>	<b>5.02</b>	<b>-1.7%</b>
<b>Average Daily Census</b>	<b>175.7</b>	<b>173.8</b>	<b>1.1%</b>	<b>204.5</b>	<b>-14.0%</b>	<b>185.8</b>	<b>181.0</b>	<b>2.7%</b>	<b>186.4</b>	<b>-0.3%</b>
<b>Hospital Case Mix Index (CMI)</b>	<b>1.5218</b>	<b>1.4657</b>	<b>3.8%</b>	<b>1.4534</b>	<b>4.7%</b>	<b>1.5153</b>	<b>1.4657</b>	<b>3.4%</b>	<b>1.4091</b>	<b>7.5%</b>
<b>Medicare</b>										
Admissions	429	440	-2.5%	515	-16.7%	2,773	2,806	-1.2%	2,746	1.0%
Patient Days	2,167	3,491	-37.9%	3,389	-36.1%	14,390	21,628	-33.5%	15,190	-5.3%
Average Length of Stay	5.05	7.93	-36.3%	6.58	-23.2%	5.19	7.71	-32.7%	5.53	-6.2%
Case Mix Index	1.6145			1.5996	0.9%	1.6603			1.7111	-3.0%
<b>Medicaid</b>										
Admissions	137	141	-2.8%	160	-14.4%	823	836	-1.6%	905	-9.1%
Patient Days	760	751	1.2%	781	-2.7%	4,310	4,204	2.5%	4,174	3.3%
Average Length of Stay	5.55	5.33	4.2%	4.88	13.6%	5.24	5.03	4.1%	4.61	13.5%
Case Mix Index	1.1928			1.0588	12.7%	1.0916			0.8939	22.1%
<b>Commercial</b>										
Admissions	312	320	-2.5%	285	9.5%	1,738	1,762	-1.4%	1,592	9.2%
Patient Days	1,364	1,349	1.1%	1,556	-12.3%	7,810	7,625	2.4%	7,350	6.3%
Average Length of Stay	4.37	4.22	3.7%	5.46	-19.9%	4.49	4.33	3.8%	4.62	-2.7%
Case Mix Index	1.5131			1.3727	10.2%	1.5358			1.4522	5.8%
<b>Self Pay</b>										
Admissions	214	220	-2.7%	211	1.4%	1,360	1,375	-1.1%	1,194	13.9%
Patient Days	990	979	1.1%	1,212	-18.3%	6,558	6,372	2.9%	6,903	-5.0%
Average Length of Stay	4.63	4.45	4.0%	5.74	-19.5%	4.82	4.63	4.1%	5.78	-16.6%
Case Mix Index	1.4960			1.3315	12.4%	1.3816			1.2295	12.4%
<b>All Other</b>										
Admissions	32	33	-3.0%	59	-45.8%	155	158	-1.9%	319	-51.4%
Patient Days	167	165	1.2%	316	-47.2%	744	729	2.1%	1,593	-53.3%
Average Length of Stay	5.22	5.00	4.4%	5.36	-2.6%	4.80	4.61	4.0%	4.99	-3.9%
Case Mix Index	1.8035			1.5184	18.8%	1.8183			1.6795	8.3%
<b>Radiology</b>										
InPatient	4,567	3,505	30.3%	4,394	3.9%	26,215	20,863	25.7%	23,580	11.2%
OutPatient	7,263	7,091	2.4%	7,957	-8.7%	44,187	42,211	4.7%	43,406	1.8%
<b>Cath Lab</b>										
InPatient	498	418	19.1%	534	-6.7%	3,379	2,488	35.8%	2,156	56.7%
OutPatient	570	439	29.8%	545	4.6%	3,440	2,613	31.6%	2,184	57.5%
<b>Laboratory</b>										
InPatient	70,206	57,287	22.6%	66,228	6.0%	420,132	340,994	23.2%	360,671	16.5%
OutPatient	46,982	42,026	11.8%	41,296	13.8%	281,202	250,152	12.4%	222,847	26.2%
NonPatient	8,355	2,278	266.8%	7,923	5.5%	47,934	13,562	253.4%	44,667	7.3%
<b>Other</b>										
Deliveries	161	139	15.5%	140	15.0%	964	830	16.2%	839	14.9%
<b>Surgical Cases</b>										
InPatient	238	313	-24.0%	311	-23.5%	1,668	1,863	-10.5%	1,855	-10.1%
OutPatient	621	613	1.3%	694	-10.5%	3,552	3,649	-2.7%	3,590	-1.1%
<b>Total Surgical Cases</b>	<b>859</b>	<b>926</b>	<b>-7.2%</b>	<b>1,005</b>	<b>-14.5%</b>	<b>5,220</b>	<b>5,512</b>	<b>-5.3%</b>	<b>5,445</b>	<b>-4.1%</b>
<b>GI Procedures (Endo)</b>										
InPatient	106	106	0.0%	137	-22.6%	604	631	-4.3%	634	-4.7%
OutPatient	240	255	-5.9%	244	-1.6%	1,589	1,518	4.7%	1,428	11.3%
<b>Total GI Procedures</b>	<b>346</b>	<b>361</b>	<b>-4.2%</b>	<b>381</b>	<b>-9.2%</b>	<b>2,193</b>	<b>2,149</b>	<b>2.0%</b>	<b>2,062</b>	<b>6.4%</b>
<b>OutPatient (O/P)</b>										
Emergency Room Visits	4,108	5,040	-18.5%	4,457	-7.8%	26,528	24,867	6.7%	25,009	6.1%
Observation Days	362	710	-49.0%	751	-51.8%	3,877	4,229	-8.3%	4,084	-5.1%
Other O/P Occasions of Service	17,926	22,937	-21.8%	25,367	-29.3%	106,176	136,530	-22.2%	145,118	-26.8%
<b>Total O/P Occasions of Svc.</b>	<b>22,396</b>	<b>28,687</b>	<b>-21.9%</b>	<b>30,575</b>	<b>-26.8%</b>	<b>136,581</b>	<b>165,626</b>	<b>-17.5%</b>	<b>174,211</b>	<b>-21.6%</b>



ECTOR COUNTY HOSPITAL DISTRICT  
MONTHLY STATISTICAL REPORT  
MARCH 2018

	CURRENT MONTH					YEAR-TO-DATE				
	BUDGET			PRIOR YEAR		BUDGET			PRIOR YEAR	
	ACTUAL	AMOUNT	VAR.%	AMOUNT	VAR.%	ACTUAL	AMOUNT	VAR.%	AMOUNT	VAR.%
<b>Hospital Operations</b>										
Manhours Paid	278,614	264,735	5.2%	279,675	-0.4%	1,655,925	1,576,448	5.0%	1,645,280	0.6%
FTE's	1,572.8	1,494.5	5.2%	1,578.8	-0.4%	1,592.2	1,515.8	5.0%	1,582.0	0.6%
Adjusted Patient Days	10,074	10,160	-0.8%	11,938	-15.6%	61,391	61,840	-0.7%	62,650	-2.0%
Hours / Adjusted Patient Day	27.66	26.06	6.1%	23.43	18.0%	26.97	25.49	5.8%	26.26	2.7%
Occupancy - Actual Beds	50.4%	49.8%	1.1%	58.6%	-14.0%	53.2%	51.8%	2.7%	53.4%	-0.3%
FTE's / Adjusted Occupied Bed	4.8	4.6	6.1%	4.1	18.0%	4.7	4.5	5.8%	4.6	2.7%
<b>InPatient Rehab Unit</b>										
Admissions	30	33	-9.1%	41	-26.8%	183	198	-7.6%	238	-23.1%
Patient Days	479	405	18.3%	462	3.7%	2,407	2,430	-0.9%	2,768	-13.0%
Average Length of Stay	16.0	12.3	30.1%	11.3	41.7%	13.2	12.3	7.2%	11.6	13.1%
Manhours Paid	7,638	5,921	29.0%	6,909	10.6%	37,049	35,093	5.6%	40,236	-7.9%
FTE's	43.1	33.4	29.0%	39.0	10.6%	35.6	33.7	5.6%	38.7	-7.9%
<b>Center for Primary Care - Clements</b>										
Total Medical Visits	903	1,288	-29.9%	1,214	-25.6%	5,784	6,912	-16.3%	7,902	-26.8%
Total Dental Visits	-	827	-100.0%	757	-100.0%	350	4,298	-91.9%	3,965	-91.2%
Manhours Paid	4,350	769	465.8%	827	426.2%	7,208	4,513	59.7%	5,285	36.4%
FTE's	24.6	4.3	465.8%	4.7	426.2%	6.9	4.3	59.7%	5.1	36.4%
<b>Center for Primary Care - West University</b>										
Total Medical Visits	629	753	-16.5%	571	10.2%	3,966	4,625	-14.3%	3,890	2.0%
Total Optometry	229	386	-40.7%	368	-37.8%	1,551	1,685	-8.0%	1,605	-3.4%
Manhours Paid	2,912	169	1628.2%	173	1588.1%	3,762	989	280.3%	1,044	260.3%
FTE's	16.4	1.0	1628.2%	1.0	1588.1%	3.6	1.0	280.3%	1.0	260.3%
<b>Total ECHD Operations</b>										
Total Admissions	1,154	1,187	-2.8%	1,271	-9.2%	7,032	7,135	-1.4%	6,994	0.5%
Total Patient Days	5,927	5,791	2.3%	6,800	-12.8%	36,219	35,363	2.4%	36,684	-1.3%
Total Patient and Obs Days	6,289	6,501	-3.3%	7,551	-16.7%	40,096	39,592	1.3%	40,768	-1.6%
Total FTE's	1,656.9	1,533.2	8.1%	1,623.5	2.1%	1,638.4	1,554.8	5.4%	1,626.8	0.7%
FTE's / Adjusted Occupied Bed	4.7	4.4	7.7%	3.9	19.3%	4.5	4.2	7.3%	4.4	3.8%
Total Adjusted Patient Days	10,960	10,924	0.3%	12,808	-14.4%	65,770	66,403	-1.0%	67,769	-2.9%
Hours / Adjusted Patient Day	26.78	24.86	7.7%	22.45	19.3%	25.91	24.35	6.4%	24.97	3.8%
Outpatient Factor	1.8492	1.8863	-2.0%	1.8836	-1.8%	1.8161	1.8779	-3.3%	1.8474	-1.7%
Blended O/P Factor	2.0705	2.1357	-3.1%	2.1479	-3.6%	2.0693	2.1255	-2.6%	2.1228	-2.5%
Total Adjusted Admissions	2,134	2,229	-4.2%	2,394	-10.9%	12,767	13,348	-4.4%	12,920	-1.2%
Hours / Adjusted Admisssion	137.54	121.86	12.9%	120.13	14.5%	133.46	121.15	10.2%	130.94	1.9%
FTE's - Hospital Contract	53.9	56.8	-5.1%	71.1	-24.2%	61.7	58.2	6.1%	67.5	-8.5%
FTE's - Mgmt Services	3.7	15.2	-75.8%	46.2	-92.1%	36.7	44.0	-16.5%	49.0	-25.0%
Total FTE's (including Contract)	1,714.5	1,605.1	6.8%	1,740.7	-1.5%	1,736.9	1,657.0	4.8%	1,743.3	-0.4%
Total FTE'S per Adjusted Occupied Bed (including Contract)	4.8	4.6	6.5%	4.2	15.1%	4.8	4.5	6.7%	4.7	2.7%
ProCare FTEs	223.9	239.8	-6.6%	252.3	-11.3%	234.9	260.8	-9.9%	244.0	-3.7%
Total System FTEs	1,938.4	1,844.9	5.1%	1,993.0	-2.7%	1,971.8	1,917.8	2.8%	1,987.3	-0.8%
<b>Urgent Care Visits</b>										
Health & Wellness	-	-	0.0%	-	0.0%	-	-	0.0%	396	-100.0%
Golder	-	-	0.0%	509	-100.0%	-	-	0.0%	3,094	-100.0%
JBS Clinic	1,005	997	0.8%	941	6.8%	7,080	5,944	19.1%	5,600	26.4%
West University	603	743	-18.8%	638	-5.5%	4,815	3,896	23.6%	3,268	47.3%
42nd Street	710	637	11.5%	533	33.2%	4,842	3,490	38.7%	2,221	118.0%
Total Urgent Care Visits	2,318	2,377	-2.5%	2,621	-11.6%	16,737	13,330	25.6%	14,579	14.8%
<b>Wal-Mart Clinic Visits</b>										
East Clinic	418	686	-39.1%	679	-38.4%	3,041	2,679	13.5%	2,476	22.8%
West Clinic	208	427	-51.3%	423	-50.8%	2,410	1,719	40.2%	1,583	52.2%
Total Wal-Mart Visits	626	1,113	-43.8%	1,102	-43.2%	5,451	4,398	23.9%	4,059	34.3%

**ECTOR COUNTY HOSPITAL DISTRICT  
BALANCE SHEET - BLENDED  
MARCH 2018**

	<u>HOSPITAL</u>	<u>PRO CARE</u>	<u>ECTOR COUNTY HOSPITAL DISTRICT</u>
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 18,065,123	\$ 6,454,725	\$ 24,519,847
Investments	26,714,775	-	26,714,775
Patient Accounts Receivable - Gross	305,702,999	47,828,703	353,531,702
Less: 3rd Party Allowances	(124,691,964)	(22,814,824)	(147,506,788)
Bad Debt Allowance	(136,994,697)	(20,096,429)	(157,091,126)
Net Patient Accounts Receivable	44,016,338	4,917,451	48,933,789
Taxes Receivable	8,764,979	-	8,764,979
Accounts Receivable - Other	28,978,540	4,138,037	33,116,577
Inventories	6,945,241	253,836	7,199,077
Prepaid Expenses	4,577,103	107,095	4,684,198
Total Current Assets	<u>138,062,099</u>	<u>15,871,142</u>	<u>153,933,242</u>
CAPITAL ASSETS:			
Property and Equipment	460,120,024	520,697	460,640,721
Construction in Progress	305,852	-	305,852
	<u>460,425,875</u>	<u>520,697</u>	<u>460,946,572</u>
Less: Accumulated Depreciation and Amortization	<u>(264,713,271)</u>	<u>(308,120)</u>	<u>(265,021,391)</u>
Total Capital Assets	<u>195,712,605</u>	<u>212,577</u>	<u>195,925,181</u>
INTANGIBLE ASSETS / GOODWILL - NET	72,028	253,116	325,144
RESTRICTED ASSETS:			
Restricted Assets Held by Trustee	5,537,140	-	5,537,140
Restricted Assets Held in Endowment	6,175,784	-	6,175,784
Restricted TPC, LLC	447,620	-	447,620
Restricted MCH West Texas Services	2,077,255	-	2,077,255
Pension, Deferred Outflows of Resources	31,204,964	-	31,204,964
Assets whose use is Limited	-	36,996	36,996
TOTAL ASSETS	<u>\$ 379,289,496</u>	<u>\$ 16,373,830</u>	<u>\$ 395,663,326</u>
<b>LIABILITIES AND FUND BALANCE</b>			
CURRENT LIABILITIES:			
Current Maturities of Long-Term Debt	\$ 4,637,900	\$ -	\$ 4,637,900
Self-Insurance Liability - Current Portion	3,833,600	-	3,833,600
Accounts Payable	37,472,972	8,011,190	45,484,162
Accrued Interest	95,706	-	95,706
Accrued Salaries and Wages	6,133,332	6,902,447	13,035,779
Accrued Compensated Absences	4,061,047	178,502	4,239,549
Due to Third Party Payors	899,952	-	899,952
Deferred Revenue	5,698,977	860,211	6,559,188
Total Current Liabilities	<u>62,833,486</u>	<u>15,952,350</u>	<u>78,785,835</u>
ACCRUED POST RETIREMENT BENEFITS	74,961,312	-	74,961,312
SELF-INSURANCE LIABILITIES - Less Current Portion	2,161,470	-	2,161,470
LONG-TERM DEBT - Less Current Maturities	48,333,060	-	48,333,060
Total Liabilities	<u>188,289,327</u>	<u>15,952,350</u>	<u>204,241,677</u>
FUND BALANCE	<u>191,000,169</u>	<u>421,481</u>	<u>191,421,649</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 379,289,496</u>	<u>\$ 16,373,830</u>	<u>\$ 395,663,326</u>

**ECTOR COUNTY HOSPITAL DISTRICT  
BALANCE SHEET - BLENDED  
MARCH 2018**

	<u>CURRENT YEAR</u>	<u>PRIOR FISCAL YEAR END</u>		<u>CURRENT YEAR CHANGE</u>
		<u>HOSPITAL AUDITED</u>	<u>PRO CARE AUDITED</u>	
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 24,519,847	\$ 28,613,702	\$ 3,182,405	\$ (7,276,260)
Investments	26,714,775	9,944,475	-	16,770,300
Patient Accounts Receivable - Gross	353,531,702	261,880,248	31,937,883	59,713,572
Less: 3rd Party Allowances	(147,506,788)	(111,292,583)	(19,277,473)	(16,936,732)
Bad Debt Allowance	(157,091,126)	(129,731,137)	(7,312,604)	(20,047,385)
Net Patient Accounts Receivable	48,933,789	20,856,528	5,347,806	22,729,454
Taxes Receivable	8,764,979	7,863,699	-	901,280
Accounts Receivable - Other	33,116,577	24,080,983	3,400,671	5,634,923
Inventories	7,199,077	6,963,047	239,016	(2,987)
Prepaid Expenses	4,684,198	3,944,229	345,688	394,281
<b>Total Current Assets</b>	<b>153,933,242</b>	<b>102,266,665</b>	<b>12,515,586</b>	<b>39,150,990</b>
CAPITAL ASSETS:				
Property and Equipment	460,640,721	455,174,078	517,888	4,948,755
Construction in Progress	305,852	1,173,137	-	(867,285)
	460,946,572	456,347,215	517,888	4,081,469
Less: Accumulated Depreciation and Amortization	(265,021,391)	(254,567,501)	(285,754)	(10,168,135)
<b>Total Capital Assets</b>	<b>195,925,181</b>	<b>201,779,714</b>	<b>232,134</b>	<b>(6,086,666)</b>
INTANGIBLE ASSETS / GOODWILL - NET	325,144	115,702	315,368	(105,926)
RESTRICTED ASSETS:				
Restricted Assets Held by Trustee	5,537,140	4,673,001	-	864,139
Restricted Assets Held in Endowment	6,175,784	6,224,654	-	(48,869)
Restricted TPC, LLC	447,620	500,676	-	(53,056)
Restricted MCH West Texas Services	2,077,255	1,985,952	-	91,303
Pension, Deferred Outflows of Resources	31,204,964	31,204,964	-	-
Assets whose use is Limited	36,996	-	15,603	21,393
<b>TOTAL ASSETS</b>	<b>\$ 395,663,326</b>	<b>\$ 348,751,327</b>	<b>\$ 13,078,691</b>	<b>\$ 33,833,308</b>
<b>LIABILITIES AND FUND BALANCE</b>				
CURRENT LIABILITIES:				
Current Maturities of Long-Term Debt	\$ 4,637,900	\$ 4,637,900	\$ -	\$ -
Self-Insurance Liability - Current Portion	3,833,600	3,833,600	-	-
Accounts Payable	45,484,162	8,584,204	5,605,329	31,294,629
Accrued Interest	95,706	49,802	-	45,904
Accrued Salaries and Wages	13,035,779	5,909,425	6,391,578	734,776
Accrued Compensated Absences	4,239,549	4,316,028	255,178	(331,657)
Due to Third Party Payors	899,952	1,158,950	-	(258,998)
Deferred Revenue	6,559,188	535,857	859,437	5,163,894
<b>Total Current Liabilities</b>	<b>78,785,835</b>	<b>29,025,765</b>	<b>13,111,522</b>	<b>36,648,548</b>
ACCRUED POST RETIREMENT BENEFITS	74,961,312	67,655,988	-	7,305,324
SELF-INSURANCE LIABILITIES - Less Current Portion	2,161,470	2,161,470	-	-
LONG-TERM DEBT - Less Current Maturities	48,333,060	49,892,633	-	(1,559,573)
<b>Total Liabilities</b>	<b>204,241,677</b>	<b>148,735,857</b>	<b>13,111,522</b>	<b>42,394,298</b>
FUND BALANCE	191,421,649	200,015,470	(32,831)	(8,560,990)
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 395,663,326</b>	<b>\$ 348,751,327</b>	<b>\$ 13,078,691</b>	<b>\$ 33,833,308</b>

**ECTOR COUNTY HOSPITAL DISTRICT  
BLENDED OPERATIONS SUMMARY  
MARCH 2018**

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
<b><u>PATIENT REVENUE</u></b>										
Inpatient Revenue	\$ 50,577,648	\$ 51,019,143	-0.9%	\$ 49,688,470	1.8%	\$ 303,720,246	\$ 294,287,893	3.2%	\$ 274,620,617	10.6%
Outpatient Revenue	54,144,210	57,942,331	-6.6%	57,038,294	-5.1%	324,779,246	331,217,971	-1.9%	308,347,135	5.3%
<b>TOTAL PATIENT REVENUE</b>	<b>\$ 104,721,859</b>	<b>\$ 108,961,474</b>	<b>-3.9%</b>	<b>\$ 106,726,764</b>	<b>-1.9%</b>	<b>\$ 628,499,492</b>	<b>\$ 625,505,863</b>	<b>0.5%</b>	<b>\$ 582,967,752</b>	<b>7.8%</b>
<b><u>DEDUCTIONS FROM REVENUE</u></b>										
Contractual Adjustments	\$ 71,541,354	\$ 63,706,659	12.3%	\$ 62,755,176	14.0%	\$ 415,401,628	\$ 367,690,409	13.0%	\$ 339,847,156	22.2%
Policy Adjustments	611,717	7,009,080	-91.3%	5,957,756	-89.7%	12,403,734	40,484,311	-69.4%	35,269,500	-64.8%
Uninsured Discount	15,222,965	3,450,238	341.2%	3,104,997	390.3%	43,292,730	19,923,229	117.3%	18,642,745	132.2%
Indigent	308,506	2,342,679	-86.8%	923,619	-66.6%	2,914,800	13,526,524	-78.5%	12,324,456	-76.3%
Provision for Bad Debts	(2,987,175)	10,061,679	-129.7%	12,141,949	-124.6%	31,977,572	58,093,687	-45.0%	53,799,069	-40.6%
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 84,697,368</b>	<b>\$ 86,570,336</b>	<b>-2.2%</b>	<b>\$ 84,883,498</b>	<b>-0.2%</b>	<b>\$ 505,990,464</b>	<b>\$ 499,718,160</b>	<b>1.3%</b>	<b>\$ 459,882,926</b>	<b>10.0%</b>
	<b>80.88%</b>	<b>79.45%</b>		<b>79.53%</b>		<b>80.51%</b>	<b>79.89%</b>		<b>78.89%</b>	
<b><u>OTHER PATIENT REVENUE</u></b>										
Medicaid Supplemental Payments	\$ 1,156,242	\$ 1,156,242	0.0%	\$ 345,675	234.5%	\$ 6,937,454	6,937,454	0.0%	\$ 1,282,376	441.0%
DSRIP	1,000,000	1,000,000	0.0%	1,000,000	0.0%	5,773,262	6,000,000	-3.8%	6,000,000	-3.8%
Medicare Meaningful Use Subsidy	-	-	0.0%	-	0.0%	132,051	-	0.0%	-	0.0%
<b>TOTAL OTHER PATIENT REVENUE</b>	<b>\$ 2,156,242</b>	<b>\$ 2,156,242</b>	<b>0.0%</b>	<b>\$ 1,345,675</b>	<b>60.2%</b>	<b>\$ 12,842,767</b>	<b>\$ 12,937,454</b>	<b>-0.7%</b>	<b>\$ 7,282,376</b>	<b>76.4%</b>
<b>NET PATIENT REVENUE</b>	<b>\$ 22,180,733</b>	<b>\$ 24,547,381</b>	<b>-9.6%</b>	<b>\$ 23,188,942</b>	<b>-4.3%</b>	<b>\$ 135,351,796</b>	<b>\$ 138,725,158</b>	<b>-2.4%</b>	<b>\$ 130,367,202</b>	<b>3.8%</b>
<b><u>OTHER REVENUE</u></b>										
Tax Revenue	\$ 6,059,933	\$ 4,252,986	42.5%	\$ 3,753,777	61.4%	\$ 32,400,797	\$ 27,791,236	16.6%	\$ 21,976,060	47.4%
Other Revenue	822,699	939,005	-12.4%	1,288,700	-36.2%	4,732,541	5,453,276	-13.2%	5,669,661	-16.5%
<b>TOTAL OTHER REVENUE</b>	<b>\$ 6,882,632</b>	<b>\$ 5,191,991</b>	<b>32.6%</b>	<b>\$ 5,042,477</b>	<b>36.5%</b>	<b>\$ 37,133,338</b>	<b>\$ 33,244,512</b>	<b>11.7%</b>	<b>\$ 27,645,721</b>	<b>34.3%</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 29,063,366</b>	<b>\$ 29,739,372</b>	<b>-2.3%</b>	<b>\$ 28,231,419</b>	<b>2.9%</b>	<b>\$ 172,485,134</b>	<b>\$ 171,969,670</b>	<b>0.3%</b>	<b>\$ 158,012,922</b>	<b>9.2%</b>
<b><u>OPERATING EXPENSES</u></b>										
Salaries and Wages	\$ 13,011,213	\$ 13,056,575	-0.3%	\$ 13,851,456	-6.1%	\$ 77,017,677	\$ 75,393,279	2.2%	\$ 75,055,576	2.6%
Benefits	4,140,880	3,858,753	7.3%	2,065,030	100.5%	22,155,612	23,058,214	-3.9%	17,059,529	29.9%
Temporary Labor	963,104	897,099	7.4%	1,261,611	-23.7%	5,774,896	5,520,295	4.6%	6,266,348	-7.8%
Physician Fees	997,329	1,249,986	-20.2%	397,189	151.1%	8,112,479	7,469,218	8.6%	2,192,734	270.0%
Texas Tech Support	1,000,000	1,000,000	0.0%	-	-	5,026,866	6,000,000	-16.2%	-	-
Purchased Services	2,540,361	1,836,644	38.3%	2,586,435	-1.8%	13,040,265	13,066,571	-0.2%	14,360,490	-9.2%
Supplies	4,550,796	4,592,290	-0.9%	4,949,438	-8.1%	28,287,059	26,978,167	4.9%	28,025,253	0.9%
Utilities	364,167	382,411	-4.8%	393,727	-7.5%	2,048,656	2,021,564	1.3%	2,121,097	-3.4%
Repairs and Maintenance	437,698	1,137,108	-61.5%	965,141	-54.6%	5,376,104	7,024,345	-23.5%	5,904,609	-9.0%
Leases and Rent	77,042	141,067	-45.4%	122,104	-36.9%	780,803	799,273	-2.3%	743,782	5.0%
Insurance	133,238	114,859	16.0%	181,233	-26.5%	784,019	688,409	13.9%	869,858	-9.9%
Interest Expense	274,267	273,728	0.2%	263,627	4.0%	1,649,847	1,649,847	0.0%	1,581,764	4.3%
ECHDA	29,311	45,325	-35.3%	45,520	-35.6%	173,317	267,017	-35.1%	189,827	-8.7%
Other Expense	159,375	193,589	-17.7%	182,203	-12.5%	1,084,606	1,254,892	-13.6%	1,080,348	0.4%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 28,678,780</b>	<b>\$ 28,779,433</b>	<b>-0.3%</b>	<b>\$ 27,264,715</b>	<b>5.2%</b>	<b>\$ 171,312,207</b>	<b>\$ 171,191,092</b>	<b>0.1%</b>	<b>\$ 155,451,216</b>	<b>10.2%</b>
Depreciation/Amortization	\$ 1,694,539	\$ 1,860,625	-8.9%	\$ 1,565,403	8.2%	\$ 10,336,160	\$ 11,365,624	-9.1%	\$ 9,695,840	6.6%
(Gain) Loss on Sale of Assets	(1,500)	-	0.0%	803	-286.8%	(1,952)	-	0.0%	803	-343.0%
<b>TOTAL OPERATING COSTS</b>	<b>\$ 30,371,819</b>	<b>\$ 30,640,058</b>	<b>-0.9%</b>	<b>\$ 28,830,921</b>	<b>5.3%</b>	<b>\$ 181,646,415</b>	<b>\$ 182,556,716</b>	<b>-0.5%</b>	<b>\$ 165,147,859</b>	<b>10.0%</b>
<b>NET GAIN (LOSS) FROM OPERATIONS</b>	<b>\$ (1,308,454)</b>	<b>\$ (900,686)</b>	<b>45.3%</b>	<b>\$ (599,502)</b>	<b>118.3%</b>	<b>\$ (9,161,281)</b>	<b>\$ (10,587,046)</b>	<b>-13.5%</b>	<b>\$ (7,134,937)</b>	<b>28.4%</b>
Operating Margin	-4.50%	-3.03%	48.7%	-2.12%	112.0%	-5.31%	-6.16%	-13.7%	-4.52%	17.6%
<b><u>NONOPERATING REVENUE/EXPENSE</u></b>										
Interest Income	\$ 18,854	\$ 27,094	-30.4%	\$ 36,739	-48.7%	\$ 154,239	\$ 152,639	1.0%	\$ 202,554	-23.9%
Tobacco Settlement	-	-	0.0%	-	0.0%	-	-	-	-	-
Donations	-	-	-	2,702	-100.0%	923	12,790	-92.8%	46,907	-98.0%
Build America Bonds Subsidy	84,413	84,323	0.1%	84,142	0.3%	506,751	505,938	0.2%	504,763	0.4%
<b>CHANGE IN NET POSITION BEFORE INVESTMENT ACTIVITY</b>	<b>\$ (1,205,186)</b>	<b>\$ (789,269)</b>	<b>52.7%</b>	<b>\$ (475,919)</b>	<b>153.2%</b>	<b>\$ (8,499,368)</b>	<b>\$ (9,915,680)</b>	<b>-14.3%</b>	<b>\$ (6,380,713)</b>	<b>33.2%</b>
Unrealized Gain/(Loss) on Investments	\$ (47,251)	\$ -	0.0%	\$ 17,200	-374.7%	\$ (99,874)	\$ -	0.0%	\$ (406,557)	-75.4%
Investment in Subsidiaries	22,190	39,019	-43.1%	41,042	-45.9%	38,252	234,116	-83.7%	134,116	-71.5%
<b>CHANGE IN NET POSITION</b>	<b>\$ (1,230,247)</b>	<b>\$ (750,249)</b>	<b>64.0%</b>	<b>\$ (417,677)</b>	<b>194.5%</b>	<b>\$ (8,560,990)</b>	<b>\$ (9,681,563)</b>	<b>-11.6%</b>	<b>\$ (6,653,154)</b>	<b>28.7%</b>
EBIDA	\$ 738,560	\$ 1,384,104	-46.6%	\$ 1,411,353	-47.7%	\$ 3,425,017	\$ 3,333,907	2.7%	\$ 4,624,450	-25.9%

**ECTOR COUNTY HOSPITAL DISTRICT  
HOSPITAL OPERATIONS SUMMARY  
MARCH 2018**

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
<b>PATIENT REVENUE</b>										
Inpatient Revenue	\$ 50,577,648	\$ 51,019,143	-0.9%	\$ 49,688,470	1.8%	\$ 303,720,246	\$ 294,287,893	3.2%	\$ 274,620,617	10.6%
Outpatient Revenue	42,950,295	45,219,046	-5.0%	43,902,381	-2.2%	247,879,695	258,358,743	-4.1%	232,702,992	6.5%
<b>TOTAL PATIENT REVENUE</b>	<b>\$ 93,527,943</b>	<b>\$ 96,238,190</b>	<b>-2.8%</b>	<b>\$ 93,590,851</b>	<b>-0.1%</b>	<b>\$ 551,599,941</b>	<b>\$ 552,646,635</b>	<b>-0.2%</b>	<b>\$ 507,323,609</b>	<b>8.7%</b>
<b>DEDUCTIONS FROM REVENUE</b>										
Contractual Adjustments	\$ 66,810,261	\$ 55,881,507	19.6%	\$ 54,307,607	23.0%	\$ 374,498,130	\$ 322,775,142	16.0%	\$ 290,687,103	28.8%
Policy Adjustments	388,002	6,718,342	-94.2%	5,867,102	-93.4%	10,835,623	38,805,570	-72.1%	34,960,619	-69.0%
Uninsured Discount	15,146,870	3,132,598	383.5%	2,862,842	429.1%	42,768,213	18,094,087	136.4%	16,301,281	162.4%
Indigent Care	238,948	2,129,527	-88.8%	670,709	-64.4%	2,502,380	12,300,281	-79.7%	10,972,291	-77.2%
Provision for Bad Debts	(5,858,624)	9,367,607	-162.5%	11,261,106	-152.0%	17,544,623	54,107,897	-67.6%	49,165,375	-64.3%
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 76,725,456</b>	<b>\$ 77,229,581</b>	<b>-0.7%</b>	<b>\$ 74,969,367</b>	<b>2.3%</b>	<b>\$ 448,148,970</b>	<b>\$ 446,082,977</b>	<b>0.5%</b>	<b>\$ 402,086,669</b>	<b>11.5%</b>
	<b>82.03%</b>	<b>80.25%</b>		<b>80.10%</b>		<b>81.25%</b>	<b>80.72%</b>		<b>79.26%</b>	
<b>OTHER PATIENT REVENUE</b>										
Medicaid Supplemental Payments	\$ 281,242	\$ 281,242	0.0%	\$ (529,325)	-153.1%	\$ 1,687,454	\$ 1,687,455	0.0%	\$ (3,967,624)	-142.5%
DSRIP	1,000,000	1,000,000	0.0%	1,000,000	0.0%	5,773,262	6,000,000	-3.8%	6,000,000	-3.8%
Medicare Meaningful Use Subsidy	-	-	0.0%	-	0.0%	132,051	-	0.0%	-	0.0%
<b>TOTAL OTHER PATIENT REVENUE</b>	<b>\$ 1,281,242</b>	<b>\$ 1,281,242</b>	<b>0.0%</b>	<b>\$ 470,675</b>	<b>172.2%</b>	<b>\$ 7,592,767</b>	<b>\$ 7,687,455</b>	<b>-1.2%</b>	<b>\$ 2,032,376</b>	<b>273.6%</b>
<b>NET PATIENT REVENUE</b>	<b>\$ 18,083,730</b>	<b>\$ 20,289,851</b>	<b>-10.9%</b>	<b>\$ 19,092,160</b>	<b>-5.3%</b>	<b>\$ 111,043,739</b>	<b>\$ 114,251,113</b>	<b>-2.8%</b>	<b>\$ 107,269,317</b>	<b>3.5%</b>
<b>OTHER REVENUE</b>										
Tax Revenue	\$ 6,059,933	\$ 4,252,986	42.5%	\$ 3,753,777	61.4%	\$ 32,400,797	\$ 27,791,236	16.6%	\$ 21,976,060	47.4%
Other Revenue	694,755	786,705	-11.7%	1,146,030	-39.4%	3,913,632	4,617,836	-15.2%	4,856,845	-19.4%
<b>TOTAL OTHER REVENUE</b>	<b>\$ 6,754,688</b>	<b>\$ 5,039,691</b>	<b>34.0%</b>	<b>\$ 4,899,807</b>	<b>37.9%</b>	<b>\$ 36,314,429</b>	<b>\$ 32,409,072</b>	<b>12.1%</b>	<b>\$ 26,832,905</b>	<b>35.3%</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 24,838,418</b>	<b>\$ 25,329,542</b>	<b>-1.9%</b>	<b>\$ 23,991,966</b>	<b>3.5%</b>	<b>\$ 147,358,167</b>	<b>\$ 146,660,185</b>	<b>0.5%</b>	<b>\$ 134,102,221</b>	<b>9.9%</b>
<b>OPERATING EXPENSE</b>										
Salaries and Wages	\$ 9,203,175	\$ 8,870,991	3.7%	\$ 9,879,997	-6.9%	\$ 53,522,969	\$ 50,620,015	5.7%	\$ 52,167,263	2.6%
Benefits	3,731,201	3,376,601	10.5%	1,637,055	127.9%	19,469,724	20,115,233	-3.2%	13,878,232	40.3%
Temporary Labor	674,467	703,182	-4.1%	918,700	-26.6%	4,305,240	4,226,226	1.9%	4,815,450	-10.6%
Physician Fees	855,065	1,080,942	-20.9%	71,671	1093.0%	7,144,210	6,469,063	10.4%	424,334	1583.6%
Texas Tech Support	1,000,000	1,000,000	0.0%	-	0.0%	5,026,866	6,000,000	-16.2%	-	0.0%
Purchased Services	2,412,656	1,877,569	28.5%	2,627,687	-8.2%	13,202,463	13,497,039	-2.2%	14,936,611	-11.6%
Supplies	4,431,671	4,456,572	-0.6%	4,811,412	-7.9%	27,399,775	26,196,502	4.6%	27,183,372	0.8%
Utilities	360,875	378,286	-4.6%	389,966	-7.5%	2,027,865	1,996,974	1.5%	2,096,915	-3.3%
Repairs and Maintenance	436,136	1,135,856	-61.6%	962,837	-54.7%	5,370,046	7,016,653	-23.5%	5,897,256	-8.9%
Leases and Rentals	(113,396)	(46,740)	142.6%	(60,481)	87.5%	(385,305)	(325,162)	18.5%	(326,587)	18.0%
Insurance	84,446	64,092	31.8%	135,623	-37.7%	499,280	384,555	29.8%	590,946	-15.5%
Interest Expense	274,267	273,728	0.2%	263,627	4.0%	1,649,847	1,649,847	0.0%	1,581,764	4.3%
ECHDA	29,311	45,325	-35.3%	45,520	-35.6%	173,317	267,017	-35.1%	189,827	-8.7%
Other Expense	83,284	113,922	-26.9%	138,329	-39.8%	683,135	761,023	-10.2%	678,672	0.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 23,463,160</b>	<b>\$ 23,330,329</b>	<b>0.6%</b>	<b>\$ 21,821,946</b>	<b>7.5%</b>	<b>\$ 140,089,434</b>	<b>\$ 138,874,986</b>	<b>0.9%</b>	<b>\$ 124,114,055</b>	<b>12.9%</b>
Depreciation/Amortization	\$ 1,673,811	\$ 1,837,817	-8.9%	\$ 1,537,222	8.9%	\$ 10,196,994	\$ 11,218,720	-9.1%	\$ 9,526,945	7.0%
(Gain)/Loss on Disposal of Assets	(1,500)	-	0.0%	-	0.0%	(1,952)	-	100.0%	-	0.0%
<b>TOTAL OPERATING COSTS</b>	<b>\$ 25,135,471</b>	<b>\$ 25,168,146</b>	<b>-0.1%</b>	<b>\$ 23,359,168</b>	<b>7.6%</b>	<b>\$ 150,284,477</b>	<b>\$ 150,093,706</b>	<b>0.1%</b>	<b>\$ 133,641,000</b>	<b>12.5%</b>
<b>NET GAIN (LOSS) FROM OPERATIONS</b>	<b>\$ (297,053)</b>	<b>\$ 161,397</b>	<b>-284.1%</b>	<b>\$ 632,799</b>	<b>-146.9%</b>	<b>\$ (2,926,309)</b>	<b>\$ (3,433,521)</b>	<b>-14.8%</b>	<b>\$ 461,221</b>	<b>-734.5%</b>
Operating Margin	-1.20%	0.64%	-287.7%	2.64%	-145.3%	-1.99%	-2.34%	-15.2%	0.34%	-677.4%
<b>NONOPERATING REVENUE/EXPENSE</b>										
Interest Income	\$ 18,854	\$ 27,094	-30.4%	\$ 36,739	-48.7%	\$ 154,239	\$ 152,639	1.0%	\$ 202,554	-23.9%
Tobacco Settlement	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
Donations	-	-	0.0%	2,702	-100.0%	923	12,790	-92.8%	46,907	-98.0%
Build America Bonds Subsidy	84,413	84,323	0.1%	84,142	0.3%	506,751	505,938	0.2%	504,763	0.4%
<b>CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTION</b>	<b>\$ (193,785)</b>	<b>\$ 272,814</b>	<b>-171.0%</b>	<b>\$ 756,381</b>	<b>-125.6%</b>	<b>\$ (2,264,396)</b>	<b>\$ (2,762,155)</b>	<b>-18.0%</b>	<b>\$ 1,215,445</b>	<b>-286.3%</b>
Procure Capital Contribution	(522,355)	(1,062,082)	-50.8%	(1,419,582)	-63.2%	(6,689,283)	(7,153,525)	-6.5%	(7,858,627)	-14.9%
<b>CHANGE IN NET POSITION BEFORE INVESTMENT ACTIVITY</b>	<b>\$ (716,140)</b>	<b>\$ (789,269)</b>	<b>-9.3%</b>	<b>\$ (663,201)</b>	<b>8.0%</b>	<b>\$ (8,953,679)</b>	<b>\$ (9,915,679)</b>	<b>-9.7%</b>	<b>\$ (6,643,181)</b>	<b>34.8%</b>
Unrealized Gain/(Loss) on Investments	\$ (47,251)	\$ -	0.0%	\$ 17,200	-374.7%	\$ (99,874)	\$ -	0.0%	\$ (406,557)	-75.4%
Investment in Subsidiaries	22,190	39,019	-43.1%	41,042	-45.9%	38,252	234,116	-83.7%	134,116	-71.5%
<b>CHANGE IN NET POSITION</b>	<b>\$ (741,201)</b>	<b>\$ (750,249)</b>	<b>-1.2%</b>	<b>\$ (604,959)</b>	<b>22.5%</b>	<b>\$ (9,015,301)</b>	<b>\$ (9,681,563)</b>	<b>-6.9%</b>	<b>\$ (6,915,622)</b>	<b>30.4%</b>
<b>EBIDA</b>	<b>\$ 1,206,877</b>	<b>\$ 1,361,296</b>	<b>-11.3%</b>	<b>\$ 1,195,891</b>	<b>0.9%</b>	<b>\$ 2,831,540</b>	<b>\$ 3,187,004</b>	<b>-11.2%</b>	<b>\$ 4,193,087</b>	<b>-32.5%</b>

**ECTOR COUNTY HOSPITAL DISTRICT  
PROCARE OPERATIONS SUMMARY  
MARCH 2018**

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
<b>PATIENT REVENUE</b>										
Outpatient Revenue	\$ 11,193,915	\$ 12,723,284	-12.0%	\$ 13,135,913	-14.8%	\$ 76,899,551	\$ 72,859,228	5.5%	\$ 75,644,143	1.7%
<b>TOTAL PATIENT REVENUE</b>	<b>\$ 11,193,915</b>	<b>\$ 12,723,284</b>	<b>-12.0%</b>	<b>\$ 13,135,913</b>	<b>-14.8%</b>	<b>\$ 76,899,551</b>	<b>\$ 72,859,228</b>	<b>5.5%</b>	<b>\$ 75,644,143</b>	<b>1.7%</b>
<b>DEDUCTIONS FROM REVENUE</b>										
<b>TOTAL REVENUE DEDUCTIONS</b>	\$ 7,971,911	\$ 9,340,755	-14.7%	\$ 9,914,131	-19.6%	\$ 57,841,494	\$ 53,635,182	7.8%	\$ 57,796,258	0.1%
	71.22%	73.41%		75.47%		75.22%	73.61%		76.41%	
Medicaid Supplemental Payments	\$ 875,000	\$ 875,000	0.0%	\$ 875,000	0.0%	5,250,000	5,250,000	0.0%	\$ 5,250,000	0.0%
<b>NET PATIENT REVENUE</b>	<b>\$ 4,097,004</b>	<b>\$ 4,257,529</b>	<b>-3.8%</b>	<b>\$ 4,096,782</b>	<b>0.0%</b>	<b>\$ 24,308,057</b>	<b>\$ 24,474,045</b>	<b>-0.7%</b>	<b>\$ 23,097,885</b>	<b>5.2%</b>
<b>OTHER REVENUE</b>										
Other Income	\$ 127,944	\$ 152,300	-16.0%	\$ 142,671	-10.3%	\$ 818,910	\$ 835,440	-2.0%	\$ 812,816	0.7%
<b>TOTAL OTHER REVENUE</b>										
<b>NET OPERATING REVENUE</b>	<b>\$ 4,224,948</b>	<b>\$ 4,409,829</b>	<b>-4.2%</b>	<b>\$ 4,239,453</b>	<b>-0.3%</b>	<b>\$ 25,126,966</b>	<b>\$ 25,309,485</b>	<b>-0.7%</b>	<b>\$ 23,910,701</b>	<b>5.1%</b>
<b>OPERATING EXPENSE</b>										
Salaries and Wages	\$ 3,808,038	\$ 4,185,584	-9.0%	\$ 3,971,458	-4.1%	\$ 23,494,708	\$ 24,773,265	-5.2%	\$ 22,888,314	2.6%
Benefits	409,679	482,152	-15.0%	427,974	-4.3%	2,685,888	2,942,981	-8.7%	3,181,297	-15.6%
Temporary Labor	288,637	193,916	48.8%	342,911	-15.8%	1,469,656	1,294,069	13.6%	1,450,899	1.3%
Physician Fees	142,263	169,043	-15.8%	325,518	-56.3%	968,269	1,000,155	-3.2%	1,768,400	-45.2%
Purchased Services	127,705	(40,926)	-412.0%	(41,252)	-409.6%	(162,198)	(430,468)	-62.3%	(576,122)	-71.8%
Supplies	119,124	135,718	-12.2%	138,025	-13.7%	887,284	781,665	13.5%	841,881	5.4%
Utilities	3,292	4,125	-20.2%	3,760	-12.5%	20,791	24,590	-15.4%	24,182	-14.0%
Repairs and Maintenance	1,562	1,252	24.8%	2,304	-32.2%	6,058	7,692	-21.2%	7,353	-17.6%
Leases and Rentals	190,438	187,807	1.4%	182,585	4.3%	1,166,108	1,124,435	3.7%	1,070,369	8.9%
Insurance	48,792	50,767	-3.9%	45,610	7.0%	284,739	303,855	-6.3%	278,912	2.1%
Other Expense	76,090	79,667	-4.5%	43,874	73.4%	401,471	493,868	-18.7%	401,676	-0.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,215,620</b>	<b>\$ 5,449,104</b>	<b>-4.3%</b>	<b>\$ 5,442,769</b>	<b>-4.2%</b>	<b>\$ 31,222,772</b>	<b>\$ 32,316,106</b>	<b>-3.4%</b>	<b>\$ 31,337,161</b>	<b>-0.4%</b>
Depreciation/Amortization	\$ 20,729	\$ 22,807	-9.1%	\$ 28,181	-26.4%	\$ 139,166	\$ 146,904	-5.3%	\$ 168,895	-17.6%
(Gain)/Loss on Sale of Assets	-	-	0.0%	803	0.0%	-	-	0.0%	803	0.0%
<b>TOTAL OPERATING COSTS</b>	<b>\$ 5,236,349</b>	<b>\$ 5,471,912</b>	<b>-4.3%</b>	<b>\$ 5,471,753</b>	<b>-4.3%</b>	<b>\$ 31,361,938</b>	<b>\$ 32,463,010</b>	<b>-3.4%</b>	<b>\$ 31,506,859</b>	<b>-0.5%</b>
<b>NET GAIN (LOSS) FROM OPERATIONS</b>	<b>\$ (1,011,401)</b>	<b>\$ (1,062,082)</b>	<b>-4.8%</b>	<b>\$ (1,232,300)</b>	<b>-17.9%</b>	<b>\$ (6,234,972)</b>	<b>\$ (7,153,525)</b>	<b>-12.8%</b>	<b>\$ (7,596,158)</b>	<b>-17.9%</b>
Operating Margin	-23.94%	-24.08%	-0.6%	-29.07%	-17.6%	-24.81%	-28.26%	-12.2%	-31.77%	-21.9%
MCH Contribution	\$ 522,355	\$ 1,062,082	-50.8%	\$ 1,419,582	-63.2%	\$ 6,689,283	\$ 7,153,525	-6.5%	\$ 7,858,627	-14.9%
<b>CAPITAL CONTRIBUTION</b>	<b>\$ (489,046)</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>\$ 187,282</b>	<b>-361.1%</b>	<b>\$ 454,312</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>\$ 262,468</b>	<b>73.1%</b>
EBIDA	\$ (468,318)	\$ 22,807	-2153.4%	\$ 215,463	-317.4%	\$ 593,478	\$ 146,904	304.0%	\$ 431,363	37.6%

**MONTHLY STATISTICAL REPORT**

	CURRENT MONTH					YEAR TO DATE				
Total Office Visits	9,379	10,771	-12.92%	11,389	-17.65%	60,259	57,537	4.73%	57,243	5.27%
Total Hospital Visits	4,972	4,861	2.28%	4,210	18.10%	29,756	28,454	4.58%	25,002	19.01%
Total Procedures	10,352	9,485	9.14%	9,653	7.24%	70,834	54,516	29.93%	54,511	29.94%
Total Surgeries	742	838	-11.46%	913	-18.73%	4,993	4,762	4.85%	4,719	5.81%
Total Provider FTE's	85.2	88.6	-3.84%	81.7	4.28%	86.3	88.6	-2.60%	85.7	0.70%
Total Staff FTE's	127.5	138.2	-7.74%	138.0	-7.61%	127.6	138.2	-7.67%	124.8	2.24%
Total Administrative FTE's	11.2	13.0	-13.85%	32.6	-65.64%	21.0	34.0	-38.24%	33.5	-37.31%
Total FTE's	223.9	239.8	-6.63%	252.3	-11.26%	234.9	260.8	-9.93%	244.0	-3.73%

**ECTOR COUNTY HOSPITAL DISTRICT  
CENTER FOR PRIMARY CARE CLEMENTS - OPERATIONS SUMMARY  
MARCH 2018**

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
<b>PATIENT REVENUE</b>										
Outpatient Revenue	\$ 339,950	\$ 485,492	-30.0%	\$ 398,437	-14.7%	\$ 2,182,300	\$ 2,573,222	-15.2%	\$ 2,398,876	-9.0%
<b>TOTAL PATIENT REVENUE</b>	<b>\$ 339,950</b>	<b>\$ 485,492</b>	<b>-30.0%</b>	<b>\$ 398,437</b>	<b>-14.7%</b>	<b>\$ 2,182,300</b>	<b>\$ 2,573,222</b>	<b>-15.2%</b>	<b>\$ 2,398,876</b>	<b>-9.0%</b>
<b>DEDUCTIONS FROM REVENUE</b>										
<b>TOTAL REVENUE DEDUCTIONS</b>	\$ 268,221	\$ 252,411	6.3%	\$ 331,342	-19.1%	\$ 1,752,051	\$ 1,457,944	20.2%	\$ 1,487,120	17.8%
	78.9%	52.0%		83.2%		80.3%	56.7%		62.0%	
<b>NET PATIENT REVENUE</b>	<b>\$ 71,729</b>	<b>\$ 233,081</b>	<b>-69.2%</b>	<b>\$ 67,095</b>	<b>6.9%</b>	<b>\$ 430,249</b>	<b>\$ 1,115,278</b>	<b>-61.4%</b>	<b>\$ 911,756</b>	<b>-52.8%</b>
<b>OTHER REVENUE</b>										
FHC Other Revenue	\$ -	\$ 8,802	0.0%	\$ -	0.0%	\$ 10,595	\$ 52,815	0.0%	\$ -	0.0%
<b>TOTAL OTHER REVENUE</b>	<b>\$ -</b>	<b>\$ 8,802</b>	<b>-100.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 10,595</b>	<b>\$ 52,815</b>	<b>-79.9%</b>	<b>\$ -</b>	<b>0.0%</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 71,729</b>	<b>\$ 241,883</b>	<b>-70.3%</b>	<b>\$ 67,095</b>	<b>6.9%</b>	<b>\$ 440,844</b>	<b>\$ 1,168,092</b>	<b>-62.3%</b>	<b>\$ 911,756</b>	<b>-51.6%</b>
<b>OPERATING EXPENSE</b>										
Salaries and Wages	\$ 94,698	\$ 284,824	-66.8%	\$ 30,087	214.7%	\$ 232,788	\$ 429,495	-45.8%	\$ 199,207	16.9%
Benefits	38,393	108,414	-64.6%	4,985	670.2%	84,680	170,671	-50.4%	52,996	59.8%
Physician Services	74,145	7,411	900.5%	235,435	-68.5%	947,647	1,329,281	-28.7%	1,377,679	-31.2%
Cost of Drugs Sold	5,779	5,414	6.8%	2,248	157.1%	28,824	28,765	0.2%	29,365	-1.8%
Supplies	3,074	9,502	-67.7%	9,214	-66.6%	22,446	91,633	-75.5%	53,647	-58.2%
Utilities	5,898	5,063	16.5%	3,466	70.2%	25,109	30,016	-16.3%	31,492	-20.3%
Repairs and Maintenance	1,942	2,667	-27.2%	2,857	-32.0%	31,233	16,003	95.2%	21,485	45.4%
Leases and Rentals	355	500	-29.0%	472	-24.9%	2,329	3,000	-22.4%	2,836	-17.9%
Other Expense	1,728	1,019	69.6%	2,016	-14.3%	7,089	6,613	7.2%	8,495	-16.6%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 226,012</b>	<b>\$ 424,814</b>	<b>-46.8%</b>	<b>\$ 290,781</b>	<b>-22.3%</b>	<b>\$ 1,382,145</b>	<b>\$ 2,105,477</b>	<b>-34.4%</b>	<b>\$ 1,777,202</b>	<b>-22.2%</b>
Depreciation/Amortization	\$ 5,150	\$ 5,392	-4.5%	\$ 5,421	-5.0%	\$ 31,072	\$ 32,521	-4.5%	\$ 32,982	-5.8%
<b>TOTAL OPERATING COSTS</b>	<b>\$ 231,162</b>	<b>\$ 430,206</b>	<b>-46.3%</b>	<b>\$ 296,201</b>	<b>-22.0%</b>	<b>\$ 1,413,217</b>	<b>\$ 2,137,998</b>	<b>-33.9%</b>	<b>\$ 1,810,184</b>	<b>-21.9%</b>
<b>NET GAIN (LOSS) FROM OPERATIONS</b>	<b>\$ (159,433)</b>	<b>\$ (188,323)</b>	<b>-15.3%</b>	<b>\$ (229,106)</b>	<b>-30.4%</b>	<b>\$ (972,373)</b>	<b>\$ (969,905)</b>	<b>0.3%</b>	<b>\$ (898,427)</b>	<b>8.2%</b>
Operating Margin	-222.27%	-77.86%	185.5%	-341.46%	-34.9%	-220.57%	-83.03%	165.6%	-98.54%	123.8%
<b>EBIDA</b>	<b>\$ (154,283)</b>	<b>\$ (182,931)</b>	<b>-15.7%</b>	<b>\$ (223,685)</b>	<b>-31.0%</b>	<b>\$ (941,301)</b>	<b>\$ (937,384)</b>	<b>0.4%</b>	<b>\$ (865,445)</b>	<b>8.8%</b>

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
Medical Visits	903	1,288	-29.9%	1,214	-25.6%	5,784	6,912	-16.3%	7,902	-26.8%
Dental Visits	-	827	-100.0%	757	-100.0%	350	4,298	-91.9%	3,965	-91.2%
Total Visits	903	2,115	-57.3%	1,971	-54.2%	6,134	11,210	-45.3%	11,867	-48.3%
Average Revenue per Office Visit	376.47	229.55	64.0%	202.15	86.2%	355.77	229.55	55.0%	202.15	76.0%
Hospital FTE's (Salaries and Wages)	24.6	26.2	-6.3%	4.7	426.2%	6.9	8.1	-14.1%	5.1	36.4%
Clinic FTE's - (Physician Services)	(5.9)	-	0.0%	20.6	-128.7%	14.3	18.1	-21.3%	21.9	-34.8%

**ECTOR COUNTY HOSPITAL DISTRICT  
CENTER FOR PRIMARY CARE WEST UNIVERSITY - OPERATIONS SUMMARY  
MARCH 2018**

	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR YR	PRIOR YR VAR
<b><u>PATIENT REVENUE</u></b>										
Outpatient Revenue	\$ 346,083	\$ 300,296	15.2%	\$ 206,910	67.3%	\$ 2,006,461	\$ 1,663,204	20.6%	\$ 1,293,074	55.2%
<b>TOTAL PATIENT REVENUE</b>	<b>\$ 346,083</b>	<b>\$ 300,296</b>	<b>15.2%</b>	<b>\$ 206,910</b>	<b>67.3%</b>	<b>\$ 2,006,461</b>	<b>\$ 1,663,204</b>	<b>20.6%</b>	<b>\$ 1,293,074</b>	<b>55.2%</b>
<b><u>DEDUCTIONS FROM REVENUE</u></b>										
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 301,092</b>	<b>\$ 151,118</b>	<b>99.2%</b>	<b>\$ (3,694)</b>	<b>-8250.0%</b>	<b>\$ 1,748,433</b>	<b>\$ 872,866</b>	<b>100.3%</b>	<b>\$ 815,442</b>	<b>114.4%</b>
	<b>87.00%</b>	<b>50.32%</b>		<b>-1.79%</b>		<b>87.14%</b>	<b>52.48%</b>		<b>63.06%</b>	
<b>NET PATIENT REVENUE</b>	<b>\$ 44,991</b>	<b>\$ 149,178</b>	<b>-69.8%</b>	<b>\$ 210,605</b>	<b>-78.6%</b>	<b>\$ 258,028</b>	<b>\$ 790,338</b>	<b>-67.4%</b>	<b>\$ 477,632</b>	<b>-46.0%</b>
<b><u>OTHER REVENUE</u></b>										
FHC Other Revenue	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%
<b>TOTAL OTHER REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 44,991</b>	<b>\$ 149,178</b>	<b>-69.8%</b>	<b>\$ 210,605</b>	<b>-78.6%</b>	<b>\$ 258,028</b>	<b>\$ 790,338</b>	<b>-67.4%</b>	<b>\$ 477,632</b>	<b>-46.0%</b>
<b><u>OPERATING EXPENSE</u></b>										
Salaries and Wages	\$ 52,570	\$ 162,557	-67.7%	\$ 3,245	1520.3%	\$ 69,673	\$ 178,848	-61.0%	\$ 20,265	243.8%
Benefits	21,313	61,875	-65.6%	538	3861.5%	25,344	71,070	-64.3%	5,391	370.1%
Physician Services	66,819	3,089	2063.3%	127,950	-47.8%	597,621	798,134	-25.1%	830,896	-28.1%
Cost of Drugs Sold	4,666	2,318	101.3%	332	1306.8%	19,309	12,836	50.4%	11,340	70.3%
Supplies	4,151	6,467	-35.8%	3,852	7.8%	28,395	35,975	-21.1%	32,745	-13.3%
Utilities	2,348	2,123	10.6%	1,942	20.9%	15,590	12,877	21.1%	13,955	11.7%
Repairs and Maintenance	2,498	833	199.8%	-	100.0%	3,814	5,000	-23.7%	8,388	-54.5%
Other Expense	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 154,364</b>	<b>\$ 239,262</b>	<b>-35.5%</b>	<b>\$ 137,858</b>	<b>12.0%</b>	<b>\$ 759,745</b>	<b>\$ 1,114,740</b>	<b>-31.8%</b>	<b>\$ 922,980</b>	<b>-17.7%</b>
Depreciation/Amortization	\$ 40,154	\$ 39,985	0.4%	\$ 41,241	-2.6%	\$ 240,584	\$ 239,907	0.3%	\$ 247,445	-2.8%
<b>TOTAL OPERATING COSTS</b>	<b>\$ 194,518</b>	<b>\$ 279,247</b>	<b>-30.3%</b>	<b>\$ 179,099</b>	<b>8.6%</b>	<b>\$ 1,000,329</b>	<b>\$ 1,354,647</b>	<b>-26.2%</b>	<b>\$ 1,170,425</b>	<b>-14.5%</b>
<b>NET GAIN (LOSS) FROM OPERATIONS</b>	<b>\$ (149,527)</b>	<b>\$ (130,068)</b>	<b>15.0%</b>	<b>\$ 31,506</b>	<b>-574.6%</b>	<b>\$ (742,301)</b>	<b>\$ (564,309)</b>	<b>31.5%</b>	<b>\$ (692,793)</b>	<b>7.1%</b>
Operating Margin	-332.35%	-87.19%	281.2%	14.96%	-2321.6%	-287.68%	-71.40%	302.9%	-145.05%	98.3%
<b>EBIDA</b>	<b>\$ (109,374)</b>	<b>\$ (90,084)</b>	<b>21.4%</b>	<b>\$ 72,747</b>	<b>-250.3%</b>	<b>\$ (501,717)</b>	<b>\$ (324,402)</b>	<b>54.7%</b>	<b>\$ (445,348)</b>	<b>12.7%</b>

	CURRENT MONTH					YEAR TO DATE				
Medical Visits	629	753	-16.5%	571	10.2%	3,966	4,625	-14.3%	3,890	2.0%
Optometry Visits	229	386	-40.7%	368	-37.8%	1,551	1,685	-8.0%	1,605	-3.4%
<b>Total Visits</b>	<b>858</b>	<b>1,139</b>	<b>-24.7%</b>	<b>939</b>	<b>-8.6%</b>	<b>5,517</b>	<b>6,311</b>	<b>-12.6%</b>	<b>5,495</b>	<b>0.4%</b>
Average Revenue per Office Visit	403.36	263.65	53.0%	220.35	83.1%	363.69	263.56	38.0%	235.32	54.6%
Hospital FTE's (Salaries and Wages)	16.4	13.8	19.0%	1.0	1588.1%	3.6	3.1	15.1%	1.0	260.3%
Clinic FTE's - (Physician Services)	(3.2)	-	0.0%	13.4	-123.5%	9.7	10.7	-8.9%	14.5	-33.2%



**ECTOR COUNTY HOSPITAL DISTRICT  
MARCH 2018**

**REVENUE BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%
Medicare	\$ 35,554,670	38.1%	\$ 39,874,315	42.6%	\$ 211,211,404	38.3%	\$ 214,765,334	42.4%
Medicaid	9,007,909	9.6%	8,328,465	8.9%	51,521,753	9.3%	54,221,287	10.7%
Commercial	28,472,104	30.4%	26,486,681	28.3%	157,259,327	28.5%	138,735,655	27.3%
Self Pay	15,985,124	17.1%	12,581,584	13.4%	105,894,817	19.2%	60,615,781	11.9%
Other	4,508,136	4.8%	6,319,807	6.8%	25,712,641	4.7%	38,985,553	7.7%
<b>TOTAL</b>	<b>\$ 93,527,943</b>	<b>100.0%</b>	<b>\$ 93,590,851</b>	<b>100.0%</b>	<b>\$ 551,599,941</b>	<b>100.0%</b>	<b>\$ 507,323,609</b>	<b>100.0%</b>

**PAYMENTS BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%
Medicare	\$ 7,880,603	40.9%	\$ 6,395,577	33.5%	\$ 41,155,786	38.6%	\$ 31,582,801	30.8%
Medicaid	1,327,891	6.9%	1,999,552	10.5%	8,679,466	8.1%	10,380,400	10.1%
Commercial	7,784,517	40.4%	7,835,580	41.0%	39,324,561	36.8%	44,793,625	43.6%
Self Pay	1,516,636	7.9%	1,515,519	7.9%	7,815,153	7.3%	8,036,433	7.8%
Other	751,118	3.9%	1,351,282	7.1%	9,797,585	9.2%	7,908,972	7.7%
<b>TOTAL</b>	<b>\$ 19,260,763</b>	<b>100.0%</b>	<b>\$ 19,097,509</b>	<b>100.0%</b>	<b>\$ 106,772,551</b>	<b>100.0%</b>	<b>\$ 102,702,231</b>	<b>100.0%</b>
TOTAL NET REVENUE	16,802,487		18,621,484		103,450,971		105,236,941	
% OF GROSS REVENUE	18.0%		19.9%		18.8%		20.7%	
VARIANCE	2,458,276		476,025		3,321,581		(2,534,710)	
% VARIANCE TO CASH COLLECTIONS	14.6%		2.6%		3.2%		-2.4%	

**ECTOR COUNTY HOSPITAL DISTRICT  
FAMILY HEALTH CLINIC CLEMENTS  
MARCH 2018**

**REVENUE BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%
Medicare	\$ 23,651	7.0%	\$ 73,754	18.5%	\$ 209,472	9.6%	\$ 297,551	12.4%
Medicaid	147,758	43.4%	92,983	23.4%	820,008	37.6%	695,891	29.0%
PHC	-	0.0%	125,472	31.5%	26,649	1.2%	728,973	30.4%
Commercial	67,725	19.9%	58,077	14.6%	440,339	20.2%	332,754	13.9%
Self Pay	100,244	29.5%	35,604	8.9%	681,963	31.2%	272,180	11.3%
Other	572	0.2%	12,547	3.1%	3,870	0.2%	71,527	3.0%
<b>TOTAL</b>	<b>\$ 339,950</b>	<b>100.0%</b>	<b>\$ 398,437</b>	<b>100.0%</b>	<b>\$ 2,182,300</b>	<b>100.0%</b>	<b>\$ 2,398,876</b>	<b>100.0%</b>

**PAYMENTS BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%
Medicare	\$ 2,250	2.2%	\$ 19,439	11.9%	\$ 16,111	4.5%	\$ 80,821	8.8%
Medicaid	33,913	33.7%	76,287	46.5%	103,260	28.9%	465,689	50.9%
PHC	-	0.0%	22,094	13.5%	5,631	1.6%	111,627	12.2%
Commercial	46,103	45.8%	14,764	9.0%	123,014	34.5%	114,853	12.5%
Self Pay	18,257	18.1%	31,358	19.1%	108,452	30.4%	142,488	15.6%
Other	199	0.2%	63	0.0%	512	0.1%	106	0.0%
<b>TOTAL</b>	<b>\$ 100,721</b>	<b>100.0%</b>	<b>\$ 164,005</b>	<b>100.0%</b>	<b>\$ 356,981</b>	<b>100.0%</b>	<b>\$ 915,583</b>	<b>100.0%</b>
TOTAL NET REVENUE	71,729		67,095		430,249		911,756	
% OF GROSS REVENUE	21.1%		16.8%		19.7%		38.0%	
VARIANCE	28,992		96,910		(73,268)		3,826	
% VARIANCE TO CASH COLLECTIONS	40.4%		144.4%		-17.0%		0.4%	

**ECTOR COUNTY HOSPITAL DISTRICT  
FAMILY HEALTH CLINIC WEST UNIVERSITY  
MARCH 2018**

**REVENUE BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%	GROSS REVENUE	%
Medicare	\$ 45,622	13.2%	\$ 37,937	18.3%	\$ 245,362	12.2%	\$ 238,241	18.4%
Medicaid	154,633	44.6%	68,156	32.9%	921,848	46.0%	481,009	37.2%
PHC	10,004	2.9%	43,752	21.1%	58,382	2.9%	214,080	16.6%
Commercial	62,676	18.1%	32,048	15.5%	383,543	19.1%	204,338	15.8%
Self Pay	71,900	20.8%	17,010	8.2%	392,426	19.6%	110,632	8.6%
Other	1,249	0.4%	8,008	3.9%	4,899	0.2%	44,773	3.5%
<b>TOTAL</b>	<b>\$ 346,083</b>	<b>100.0%</b>	<b>\$ 206,910</b>	<b>100.0%</b>	<b>\$ 2,006,461</b>	<b>100.0%</b>	<b>\$ 1,293,074</b>	<b>100.0%</b>

**PAYMENTS BY PAYOR**

	CURRENT MONTH				YEAR TO DATE			
	CURRENT YEAR		PRIOR YEAR		CURRENT YEAR		PRIOR YEAR	
	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%	PAYMENTS	%
Medicare	\$ 1,142	2.6%	\$ 8,823	15.4%	\$ 9,239	5.1%	\$ 74,246	22.4%
Medicaid	12,870	29.4%	22,822	39.9%	48,464	26.9%	108,435	32.7%
PHC	-	0.0%	4,816	8.4%	3,496	1.9%	24,129	7.3%
Commercial	15,158	34.5%	8,802	15.4%	50,792	28.2%	58,932	17.8%
Self Pay	14,532	33.2%	11,925	20.8%	67,704	37.6%	65,978	19.9%
Other	118	0.3%	48	0.1%	578	0.3%	243	0.1%
<b>TOTAL</b>	<b>\$ 43,820</b>	<b>100.0%</b>	<b>\$ 57,236</b>	<b>100.0%</b>	<b>\$ 180,275</b>	<b>100.0%</b>	<b>\$ 331,964</b>	<b>100.0%</b>
TOTAL NET REVENUE	44,991		210,605		258,028		477,632	
% OF GROSS REVENUE	13.0%		101.8%		12.9%		36.9%	
VARIANCE	(1,171)		(153,369)		(77,753)		(145,668)	
% VARIANCE TO CASH COLLECTIONS	-2.6%		-72.8%		-30.1%		-30.5%	

**ECTOR COUNTY HOSPITAL DISTRICT  
SCHEDULE OF CASH AND INVESTMENTS - HOSPITAL ONLY  
MARCH 2018**

<u>Cash and Cash Equivalents</u>	<u>Frost</u>	<u>Hilltop</u>	<u>Total</u>
Operating	\$ 8,887,297	\$ -	\$ 8,887,297
Payroll	912	-	912
Worker's Comp Claims	10,570	-	10,570
Group Medical	110,821	-	110,821
Flex Benefits	14,534	-	14,534
Mission Fitness	410,740	-	410,740
Petty Cash	9,070	-	9,070
Dispro	0	1,180,516	1,180,516
Debt Service	11,222	-	11,222
Tobacco Settlement	425	-	425
General Liability	-	1,901,062	1,901,062
Professional Liability	-	1,978,765	1,978,765
Funded Worker's Compensation	-	1,202,173	1,202,173
Funded Depreciation	-	1,225,573	1,225,573
Designated Funds	-	1,121,444	1,121,444
	<hr/>	<hr/>	<hr/>
Total Cash and Cash Equivalents	\$ 9,455,590	\$ 8,609,533	\$ 18,065,123

<u>Investments</u>	<u>Other</u>	<u>Hilltop</u>	<u>Total</u>
Dispro	\$ -	\$ 4,000,000	\$ 4,000,000
Funded Depreciation	-	18,000,000	18,000,000
Funded Worker's Compensation	-	1,000,000	1,000,000
General Liability	-	1,000,000	1,000,000
Professional Liability	-	1,000,000	1,000,000
Designated Funds	2,042,875	-	2,042,875
Allowance for Change in Market Values	-	(328,100)	(328,100)
	<hr/>	<hr/>	<hr/>
Total Investments	\$ 2,042,875	\$ 24,671,900	\$ 26,714,775
Total Unrestricted Cash and Investments			\$ 44,779,898

<u>Restricted Assets</u>	<u>Reserves</u>	<u>Prosperity</u>	<u>Total</u>
Assets Held By Trustee - Bond Reserves	\$ 4,679,347	\$ -	\$ 4,679,347
Assets Held By Trustee - Debt Payment Reserves	857,793	-	857,793
Assets Held In Endowment	-	6,175,784	6,175,784
Restricted TPC, LLC	447,620	-	447,620
Restricted MCH West Texas Services	2,077,255	-	2,077,255
	<hr/>	<hr/>	<hr/>
Total Restricted Assets	\$ 8,062,016	\$ 6,175,784	\$ 14,237,800

Total Cash & Investments **\$ 59,017,698**

**ECTOR COUNTY HOSPITAL DISTRICT  
STATEMENT OF CASH FLOW  
MARCH 2018**

	<b>Hospital</b>	<b>Procure</b>	<b>Blended</b>
Cash Flows from Operating Activities and Nonoperating Revenue:			
Excess of Revenue over Expenses	\$ (9,015,301)	\$ 454,312	\$ (8,560,990)
Noncash Expenses:			
Depreciation and Amortization	10,189,443	84,619	10,274,062
Unrealized Gain/Loss on Investments	(99,874)	-	(99,874)
Accretion (Bonds)	-	-	-
Changes in Assets and Liabilities			
Patient Receivables, Net	(13,859,248)	430,356	(13,428,892)
Taxes Receivable/Deferred	4,261,840	774	4,262,614
Inventories, Prepays and Other	(5,512,624)	(513,592)	(6,026,216)
Accounts Payable	19,588,206	2,405,861	21,994,067
Accrued Expenses	14,830	412,800	427,630
Due to Third Party Payors	(258,998)	-	(258,998)
Accrued Post Retirement Benefit Costs	7,305,324	-	7,305,324
Net Cash Provided by Operating Activities	<u>\$ 12,613,598</u>	<u>\$ 3,275,128</u>	<u>\$ 15,888,727</u>
Cash Flows from Investing Activities:			
Investments	\$ (16,670,426)	\$ -	\$ (16,670,426)
Acquisition of Property and Equipment	(4,071,170)	(2,809)	(4,073,979)
Cerner Project Costs	(7,490)	-	(7,490)
Net Cash used by Investing Activities	<u>\$ (20,749,086)</u>	<u>\$ (2,809)</u>	<u>\$ (20,751,895)</u>
Cash Flows from Financing Activities:			
Net Repayment of Long-term Debt/Bond Issuance	\$ (1,559,573)	\$ -	\$ (1,559,573)
Net Cash used by Financing Activities	<u>\$ (1,559,573)</u>	<u>\$ -</u>	<u>\$ (1,559,573)</u>
Net Increase (Decrease) in Cash	\$ (9,695,062)	\$ 3,272,319	\$ (6,422,742)
Beginning Cash & Cash Equivalents @ 9/30/2017	<u>\$ 41,997,985</u>	<u>\$ 3,182,405</u>	<u>\$ 45,180,390</u>
Ending Cash & Cash Equivalents @ 3/31/2018	<u><u>\$ 32,302,923</u></u>	<u><u>\$ 6,454,725</u></u>	<u><u>\$ 38,757,647</u></u>
<hr/>			
<b>Balance Sheet</b>			
Cash and Cash Equivalents	\$ 18,065,123	\$ 6,454,725	\$ 24,519,847
Restricted Assets	14,237,800	-	14,237,800
Ending Cash & Cash Equivalents @ 3/31/2018	<u><u>\$ 32,302,923</u></u>	<u><u>\$ 6,454,725</u></u>	<u><u>\$ 38,757,647</u></u>

**ECTOR COUNTY HOSPITAL DISTRICT**  
**TAX COLLECTIONS**  
**FISCAL 2018**

	<u>ACTUAL COLLECTIONS</u>	<u>BUDGETED COLLECTIONS</u>	<u>VARIANCE</u>	<u>PRIOR YEAR COLLECTIONS</u>	<u>VARIANCE</u>
<b><u>AD VALOREM</u></b>					
OCTOBER	\$ 276,462	\$ 1,300,000	\$ (1,023,538)	\$ 249,105	\$ 27,357
NOVEMBER	584,006	1,300,000	(715,994)	924,056	(340,049)
DECEMBER	1,135,578	1,300,000	(164,422)	2,885,709	(1,750,131)
JANUARY	5,479,301	1,300,000	4,179,301	3,390,679	2,088,622
FEBRUARY	3,286,610	1,300,000	1,986,610	2,266,373	1,020,237
MARCH	3,496,754	1,300,000	2,196,754	327,882	3,168,872
<b>TOTAL</b>	<b><u>\$ 14,258,711</u></b>	<b><u>\$ 7,800,000</u></b>	<b><u>\$ 6,458,711</u></b>	<b><u>\$ 10,043,804</u></b>	<b><u>\$ 4,214,907</u></b>
<b><u>SALES</u></b>					
OCTOBER	\$ 3,753,619	\$ 3,217,497	\$ 536,122	\$ 2,339,047	\$ 1,414,571
NOVEMBER	3,777,148	3,477,235	299,912	2,839,057	938,091
DECEMBER	3,829,080	3,174,525	654,555	2,324,023	1,505,057
JANUARY	3,865,539	3,434,343	431,196	2,583,565	1,281,974
FEBRUARY	4,197,093	3,734,649	462,444	3,162,907	1,034,186
MARCH	4,263,080	2,952,986	1,310,094	2,759,040	1,504,039
<b>TOTAL</b>	<b><u>\$ 23,685,558</u></b>	<b><u>\$ 19,991,236</u></b>	<b><u>\$ 3,694,322</u></b>	<b><u>\$ 16,007,639</u></b>	<b><u>\$ 7,677,918</u></b>
<b>TAX REVENUE</b>	<b><u>\$ 37,944,269</u></b>	<b><u>\$ 27,791,236</u></b>	<b><u>\$ 10,153,033</u></b>	<b><u>\$ 26,051,443</u></b>	<b><u>\$ 11,892,826</u></b>

**ECTOR COUNTY HOSPITAL DISTRICT  
MEDICAID SUPPLEMENTAL PAYMENTS  
FISCAL YEAR 2018**

<b>CASH ACTIVITY</b>	<b>TAX (IGT) ASSESSED</b>	<b>GOVERNMENT PAYOUT</b>	<b>BURDEN ALLEVIATION</b>	<b>NET INFLOW</b>
<b>DSH</b>				
1st Qtr	\$ (2,484,655)	\$ 7,030,444		\$ 4,545,789
2nd Qtr	(1,055,492)	2,447,801		1,392,309
3rd Qtr	-	-		-
4th Qtr	-	-		-
<b>DSH TOTAL</b>	<b>\$ (3,540,147)</b>	<b>\$ 9,478,245</b>		<b>\$ 5,938,098</b>
<b>UC</b>				
1st Qtr	\$ (555,750)	\$ -		(555,750)
2nd Qtr	(2,925,445)	6,784,427		3,858,982
3rd Qtr	-	-		-
4th Qtr	-	-		-
<b>UC TOTAL</b>	<b>\$ (3,481,195)</b>	<b>\$ 6,784,427</b>		<b>\$ 3,303,232</b>
<b>Regional UPL (Community Benefit)</b>				
1st Qtr	\$ (3,062,308)	\$ -		\$ (3,062,308)
2nd Qtr	(2,017,498)	-		(2,017,498)
3rd Qtr	-	-		-
4th Qtr	-	-		-
<b>REGIONAL UPL TOTAL</b>	<b>\$ (5,079,806)</b>	<b>\$ -</b>		<b>\$ (5,079,806)</b>
<b>DSRIP</b>				
1st Qtr	\$ (7,327,897)	\$ -		\$ (7,327,897)
2nd Qtr	(8,826,302)	20,469,161		11,642,859
3rd Qtr	-	-		-
4th Qtr	-	-		-
<b>DSRIP UPL TOTAL</b>	<b>\$ (16,154,199)</b>	<b>\$ 20,469,161</b>		<b>\$ 4,314,962</b>
<b>MCH Cash Activity</b>	<b>\$ (28,255,347)</b>	<b>\$ 36,731,833</b>		<b>\$ 8,476,486</b>
<b>ProCare Cash Activity</b>			\$ 5,250,000	<b>\$ 5,250,000</b>
<b>Blended Cash Activity</b>	<b>\$ (28,255,347)</b>	<b>\$ 36,731,833</b>	<b>\$ 5,250,000</b>	<b>\$ 13,726,486</b>

**INCOME STATEMENT ACTIVITY:**

**FY 2018 Accrued / (Deferred) Adjustments:**

	<b>MCH</b>	<b>PROCARE</b>	<b>BLENDED</b>
DSH Accrual	\$ 1,962,593	\$ -	\$ 1,962,593
Uncompensated Care Accrual	4,466,657	-	4,466,657
Regional UPL Accrual	(4,741,796)	-	(4,741,796)
Regional UPL Benefit	-	5,250,000	5,250,000
<b>Medicaid Supplemental Payments</b>	<b>1,687,454</b>	<b>5,250,000</b>	<b>6,937,454</b>
DSRIP Accrual	5,773,262	-	5,773,262
<b>Total Adjustments</b>	<b>\$ 7,460,717</b>	<b>\$ 5,250,000</b>	<b>\$ 12,710,717</b>

**ECTOR COUNTY HOSPITAL DISTRICT  
CONSTRUCTION IN PROGRESS - HOSPITAL ONLY  
AS OF MARCH 31, 2018**

RE NUMBER/ITEM	A	B	C	D	E=A+B+C+D	F	G=E+F	H	H-G
CIP BALANCE AS OF 3/1/2018	MARCH "+" ADDITIONS	MARCH "-." ADDITIONS	MARCH TRANSFERS	CIP BALANCE AS OF 3/31/2018	ADD: AMOUNTS CAPITALIZED	PROJECT TOTAL	BUDGETED AMOUNT	UNDER/(OVER) BOARD APRVD/BUDGET	
<u>RENOVATIONS</u>									
RE17-1313 ED WAITING RENOVATION	\$ 2,222	\$ -	\$ -	\$ -	\$ 2,222	\$ -	\$ 2,222	\$ 20,000	\$ 17,778
RE18-1315 HOSPITALIST OFFICE (2 WEST)	-	675	-	-	675	-	675	50,000	49,325
RE18-1320 BUSINESS OFFICE RENOVATION	-	1,172	-	-	1,172	-	1,172	10,000	8,828
RE18-1323 TRAUMA/OR UPGRADES	-	-	-	-	-	-	30,000	30,000	-
<b>SUB-TOTAL</b>	<b>\$ 2,222</b>	<b>\$ 1,847</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,069</b>	<b>\$ -</b>	<b>\$ 4,069</b>	<b>\$ 110,000</b>	<b>\$ 105,931</b>
<u>MINOR BUILDING IMPROVEMENT</u>									
RE15-1259 PBX - FLOORING REMEDIATION (MAIN HOSPITAL 1ST FLOOR)	\$ 13,030	\$ -	\$ -	\$ -	\$ 13,030	\$ -	\$ 13,030	\$ 45,000	\$ 31,970
RE17-1303 ONE DOCTORS PLACE	11,892	-	-	-	11,892	-	11,892	45,000	33,108
RE17-1314 GOLDER SITE SIGNAGE	3,983	-	-	-	3,983	-	3,983	20,000	16,018
RE18-1317 MAMMOGRAPHY RENOVATION	11,376	9,036	-	-	20,412	-	20,412	75,000	54,588
RE18-1318 SURFACE LOT UPGRADES	20,940	-	-	-	20,940	-	20,940	40,000	19,060
RE18-1319 315 GOLDER UPGRADES	4,650	9,937	-	-	14,587	-	14,587	20,000	5,413
RE18-1321 PRO BUILDING IT INFRASTRUCTURE	-	-	-	-	-	-	25,000	25,000	-
RE18-1322 FIRE SYSTEM UPGRADE	-	-	-	-	-	-	125,000	125,000	-
<b>SUB-TOTAL</b>	<b>\$ 65,870</b>	<b>\$ 18,972</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 84,843</b>	<b>\$ -</b>	<b>\$ 84,843</b>	<b>\$ 395,000</b>	<b>\$ 310,157</b>
<u>EQUIPMENT &amp; SOFTWARE PROJECTS - CIP INCOMPLETE</u>									
VARIOUS CAPITAL EXPENDITURE PROJECTS	\$ 216,940	\$ -	\$ -	\$ -	\$ 216,940	\$ -	\$ 216,940	\$ 903,575	\$ 686,635
<b>SUB-TOTAL</b>	<b>\$ 216,940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 216,940</b>	<b>\$ -</b>	<b>\$ 216,940</b>	<b>\$ 903,575</b>	<b>\$ 686,635</b>
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	<b>\$ 285,033</b>	<b>\$ 20,819</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 305,852</b>	<b>\$ -</b>	<b>\$ 305,852</b>	<b>\$ 1,408,575</b>	<b>\$ 1,102,723</b>



**ECTOR COUNTY HOSPITAL DISTRICT**  
**CAPITAL PROJECT & EQUIPMENT EXPENDITURES**  
**MARCH 2018**

<u>DEPT</u>	<u>ITEM</u>	<u>CLASS</u>	<u>BOOKED AMOUNT</u>
<b>TRANSFERRED FROM CONSTRUCTION IN PROGRESS/RENOVATION PROJECTS</b>			
None			
	<b>TOTAL PROJECT TRANSFERS</b>		<u>\$ -</u>
<b>EQUIPMENT PURCHASES</b>			
None			
	<b>TOTAL EQUIPMENT PURCHASES</b>		<u>\$ -</u>
	<b>TOTAL TRANSFERS FROM CIP/EQUIPMENT PURCHASES</b>		<u><u>\$ -</u></u>

**ECTOR COUNTY HOSPITAL DISTRICT  
FISCAL 2018 CAPITAL EQUIPMENT  
CONTINGENCY FUND  
MARCH 2018**

<b>MONTH/ YEAR</b>	<b>DESCRIPTION</b>	<b>DEPT NUMBER</b>	<b>BUDGETED AMOUNT</b>	<b>P.O AMOUNT</b>	<b>ACTUAL AMOUNT</b>	<b>TO/(FROM) CONTINGENCY</b>
	<b>Available funds from budget</b>		<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>
Oct-17	Clear-Lead Mobile X-Ray Barriers	7290	-	-	4,095	(4,095)
Oct-17	AVL Equipment	9080	-	-	4,187	(4,187)
Nov-17	Dell Workstation	9070	-	-	2,799	(2,799)
Nov-17	Powermics	9070	-	-	11,500	(11,500)
Nov-17	Software	9070	-	-	3,375	(3,375)
Dec-17	Patient Services Refrigeration 2-door	8020	-	-	6,249	(6,249)
Dec-17	Patient Services Refrigerator-single do	8020	-	-	4,650	(4,650)
Dec-17	PowerMic Microphones	9070	-	-	11,500	(11,500)
Dec-17	Downtime PCs	9070	-	-	3,375	(3,375)
Dec-17	Downtime PCs	9070	-	-	2,799	(2,799)
Dec-17	Interface - THA Smart Ribbon	9070	-	-	34,008	(34,008)
Jan-18	Gearview License	9070	-	-	6,320	(6,320)
Jan-18	Premier Pass Training Courses	9070	-	-	43,390	(43,390)
Jan-18	Maestro 4000 Cardiac Ablation System	7220	-	-	43,500	(43,500)
Feb-18	CCW SW Upgrade	6620	-	-	27,095	(27,095)
Mar-18	Gynnie Stretcher	6850	-	-	10,623	(10,623)
Mar-18	MediaWriter - CD/DVD Burner	9070	-	-	10,733	(10,733)
Mar-18	Cables	9080	-	-	2,735	(2,735)
Mar-18	Network Switches - Cisco Catalyst	9080	-	-	3,306	(3,306)
Mar-18	APC Smart-UPS	9080	-	-	2,492	(2,492)
Mar-18	Cabling	9080	-	-	6,687	(6,687)
			<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ 245,419</b>	<b>\$ 354,581</b>

**ECTOR COUNTY HOSPITAL DISTRICT  
SUPPLEMENTAL SCHEDULE OF ACCOUNTS RECEIVABLE - OTHER  
MARCH 2018**

	<b>CURRENT YEAR</b>	<b>PRIOR YEAR</b>		<b>CURRENT YEAR CHANGE</b>
		<b>HOSPITAL AUDITED</b>	<b>PRO CARE AUDITED</b>	
AR DISPRO/UPL	\$ (3,975,506)	\$ -	\$ -	\$ (3,975,506)
AR UNCOMPENSATED CARE	1,466,854	303,428	-	1,163,426
AR DSRIP	13,327,897	11,642,859	-	1,685,038
AR BAB REVENUE	84,413	84,142	-	271
AR PHYSICIAN GUARANTEES	840,192	652,652	-	187,540
AR ACCRUED INTEREST	73,940	129,868	-	(55,929)
AR OTHER:	12,438,923	4,641,338	3,400,671	4,396,914
Procure On-Call Fees	160,550	-	155,300	5,250
Procure A/R - FHC	413,599	-	339,398	74,201
Other Misc A/R	11,864,775	4,641,338	2,905,974	4,317,463
AR DUE FROM THIRD PARTY PAYOR	2,389,201	2,295,679	-	93,522
PROCARE-INTERCOMPANY RECEIVABLE	6,470,663	4,331,016	-	2,139,647
<b>TOTAL ACCOUNTS RECEIVABLE - OTHER</b>	<b>\$ 33,116,577</b>	<b>\$ 24,080,983</b>	<b>\$ 3,400,671</b>	<b>\$ 5,634,923</b>
PROCARE-INTERCOMPANY LIABILITY	\$ (6,470,663)	\$ -	\$ (4,331,016)	\$ (2,139,647)

**ECTOR COUNTY HOSPITAL DISTRICT  
SUPPLEMENTAL SCHEDULE OF HOSPITAL TEMPORARY LABOR FTE'S  
MARCH 2018**

TEMPORARY LABOR DEPARTMENT	CURRENT MONTH					YEAR TO DATE				
	ACTUAL	BUDGET	BUDGET VAR	PRIOR PRIOR YR	PRIOR YR VAR	ACTUAL	BUDGET	BUDGET VAR	PRIOR PRIOR YR	PRIOR YR VAR
INPATIENT REHAB	1.7	0.7	146.0%	-	0.0%	1.7	0.7	140.2%	1.6	3.3%
LABOR AND DELIVERY	0.5	2.0	-72.7%	1.6	-65.5%	1.6	2.0	-17.6%	2.0	-16.6%
CARDIOPULMONARY	3.6	-	0.0%	-	0.0%	1.5	-	0.0%	-	0.0%
OPERATING ROOM	0.2	3.6	-93.9%	5.7	-96.2%	1.3	3.6	-64.7%	4.5	-71.7%
NEO-NATAL INTENSIVE CARE	0.0	2.2	-98.1%	1.2	-96.6%	1.1	2.3	-52.5%	2.3	-51.7%
4 EAST	1.0	1.4	-28.2%	0.1	1472.7%	1.1	1.5	-25.4%	1.5	-27.2%
INTENSIVE CARE UNIT 2	0.1	1.1	-93.4%	-	0.0%	1.1	1.1	-1.1%	1.1	-7.4%
TRAUMA SERVICE	1.1	-	0.0%	1.3	-17.2%	1.0	-	0.0%	0.4	170.3%
PM&R - OCCUPATIONAL	0.8	0.3	129.5%	-	0.0%	0.8	0.3	121.7%	0.4	88.4%
INTENSIVE CARE UNIT 4 (CCU)	0.8	1.5	-46.2%	-	0.0%	0.6	1.5	-59.9%	1.6	-62.6%
STERILE PROCESSING	0.7	-	0.0%	-	0.0%	0.5	-	0.0%	-	0.0%
EMERGENCY DEPARTMENT	-	0.7	-100.0%	-	0.0%	0.4	0.7	-42.2%	0.7	-42.5%
PHARMACY DRUGS/I.V. SOLUTIONS	-	-	0.0%	-	0.0%	0.4	-	0.0%	-	0.0%
PM&R - PHYSICAL	-	0.4	-100.0%	1.1	-100.0%	0.3	0.4	-25.0%	0.4	-25.1%
CARDIOPULMONARY - NICU	-	-	0.0%	-	0.0%	0.2	-	0.0%	-	0.0%
ENGINEERING	-	-	0.0%	-	0.0%	0.2	-	0.0%	-	0.0%
5 WEST	0.5	-	0.0%	-	0.0%	0.1	-	0.0%	-	0.0%
6 Central	-	1.0	-100.0%	-	0.0%	0.0	1.1	-98.8%	1.1	-98.8%
9 CENTRAL	0.1	0.9	-92.6%	-	0.0%	0.0	1.0	-98.8%	1.1	-98.9%
7 CENTRAL	-	1.8	-100.0%	-	0.0%	-	1.9	-100.0%	2.0	-100.0%
PERFORMANCE IMPROVEMENT (QA)	-	-	0.0%	1.1	-100.0%	-	-	0.0%	0.7	-100.0%
8 CENTRAL	-	0.8	-100.0%	-	0.0%	-	0.8	-100.0%	0.9	-100.0%
CHW - SPORTS MEDICINE	-	-	0.0%	-	0.0%	-	-	0.0%	0.8	-100.0%
6 West	-	0.6	-100.0%	-	0.0%	-	0.6	-100.0%	0.7	-100.0%
HUMAN RESOURCES	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
PATIENT ACCOUNTING	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
4 CENTRAL	-	0.4	-100.0%	-	0.0%	-	0.5	-100.0%	0.5	-100.0%
FINANCIAL ACCOUNTING	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
5 CENTRAL	-	0.3	-100.0%	-	0.0%	-	0.3	-100.0%	0.4	-100.0%
OP SURGERY	-	0.2	-100.0%	-	0.0%	-	0.2	-100.0%	0.2	-100.0%
IMAGING - ULTRASOUND	-	0.1	-100.0%	-	0.0%	-	0.1	-100.0%	0.1	-100.0%
CERNER	-	0.0	-100.0%	0.1	-100.0%	-	0.0	-100.0%	0.0	-100.0%
IMAGING - DIAGNOSTICS	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
RECOVERY ROOM	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
LABORATORY - CHEMISTRY	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
LABORATORY - MICROBIOLOGY	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
LABORATORY - TRANSFUSION SERVICES	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
PM&R - SPEECH	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
MEDICAL STAFF	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
<b>SUBTOTAL</b>	<b>11.1</b>	<b>20.0</b>	<b>-44.7%</b>	<b>12.1</b>	<b>-8.5%</b>	<b>13.8</b>	<b>20.5</b>	<b>-32.7%</b>	<b>24.9</b>	<b>-44.5%</b>
<b>TRANSITION LABOR</b>										
INTENSIVE CARE UNIT 4 (CCU)	7.2	5.3	35.4%	9.1	-20.5%	10.4	5.4	92.2%	5.8	78.9%
7 CENTRAL	5.0	4.1	20.8%	5.2	-3.7%	5.6	4.3	31.1%	4.6	22.5%
8 CENTRAL	3.4	2.6	31.1%	4.3	-22.1%	3.8	2.7	41.0%	2.9	29.1%
NEO-NATAL INTENSIVE CARE	4.3	2.1	107.6%	3.8	13.9%	3.6	2.2	63.6%	2.1	66.6%
INTENSIVE CARE UNIT 2	3.8	3.1	22.2%	2.6	46.6%	3.4	3.2	7.9%	3.4	1.0%
6 Central	2.1	2.7	-24.2%	3.5	-41.2%	3.0	2.9	3.8%	3.0	0.6%
INPATIENT REHAB	2.9	2.1	41.3%	4.3	-32.3%	2.9	2.1	37.4%	2.8	2.3%
4 EAST	3.1	2.3	30.8%	3.9	-20.7%	2.8	2.4	17.0%	2.5	14.3%
LABORATORY - CHEMISTRY	2.4	1.1	113.8%	1.1	110.1%	2.1	1.1	90.2%	1.4	53.5%
OPERATING ROOM	2.1	0.6	227.5%	2.1	-1.4%	2.1	0.7	219.2%	1.6	26.7%
EMERGENCY DEPARTMENT	1.2	2.3	-48.8%	3.2	-63.7%	1.9	2.2	-15.9%	2.2	-16.4%
5 CENTRAL	2.1	1.8	12.5%	2.1	-4.2%	1.7	1.9	-8.6%	2.0	-12.9%
LABORATORY - HEMATOLOGY	1.2	0.3	274.0%	1.1	8.3%	1.2	0.3	260.2%	0.3	255.6%
OP SURGERY	1.0	0.8	26.0%	1.0	4.1%	1.0	0.8	23.8%	0.8	24.1%
CHW - SPORTS MEDICINE	0.0	0.6	-93.3%	2.1	-97.9%	0.6	0.7	-5.2%	1.3	-52.1%
4 CENTRAL	0.2	0.9	-76.9%	1.9	-88.8%	0.5	1.0	-45.3%	1.0	-49.1%
PM&R - PHYSICAL	-	-	0.0%	-	0.0%	0.5	-	0.0%	-	0.0%
9 CENTRAL	0.1	2.1	-93.6%	3.9	-96.5%	0.4	2.2	-83.5%	2.5	-85.2%
PM&R - OCCUPATIONAL	0.6	0.4	40.2%	1.0	-42.3%	0.4	0.4	-11.4%	0.7	-44.8%
6 West	0.1	0.7	-90.2%	1.0	-93.5%	0.1	0.7	-88.6%	0.8	-89.2%
LABOR AND DELIVERY	0.1	0.5	-69.9%	-	0.0%	0.1	0.5	-84.7%	0.5	-84.6%
5 WEST	-	0.1	-100.0%	0.3	-100.0%	0.0	0.1	-93.5%	0.2	-94.5%
CERNER	-	-	0.0%	1.5	-100.0%	-	-	0.0%	0.3	-100.0%
TRAUMA SERVICE	-	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
<b>SUBTOTAL</b>	<b>42.8</b>	<b>36.7</b>	<b>16.5%</b>	<b>59.0</b>	<b>-27.5%</b>	<b>47.9</b>	<b>37.7</b>	<b>27.2%</b>	<b>42.6</b>	<b>12.6%</b>
<b>GRAND TOTAL</b>	<b>53.9</b>	<b>56.8</b>	<b>-5.1%</b>	<b>71.1</b>	<b>-24.2%</b>	<b>61.7</b>	<b>58.2</b>	<b>6.1%</b>	<b>67.5</b>	<b>-8.5%</b>

ECTOR COUNTY HOSPITAL DISTRICT  
 SUPPLEMENTAL SCHEDULE OF TEMPORARY LABOR, TRANSITION LABOR & PURCHASED SERVICES - HOSPITAL ONLY  
 MARCH 2018

	CURRENT MONTH						YEAR TO DATE					
	ACTUAL	BUDGET	\$ VAR	% VAR	PRIOR YR	% VAR	ACTUAL	BUDGET	\$ VAR	% VAR	PRIOR YR	% VAR
RT TEMPORARY LABOR	\$ 31,929	\$ -	\$ 31,929	100.0%	\$ -	100.0%	\$ 154,690	\$ -	\$ 154,690	100.0%	\$ -	100.0%
ICU2 TEMPORARY LABOR	919	797	122	15.3%	-	100.0%	78,825	4,744	74,082	1561.7%	5,067	1455.8%
TRAUMA TEMPORARY LABOR	13,450	-	13,450	100.0%	30,421	-55.8%	72,327	-	72,327	100.0%	49,933	44.8%
L & D TEMPORARY LABOR	9,212	12,660	(3,448)	-27.2%	17,826	-48.3%	118,772	74,328	44,444	59.8%	73,403	61.8%
4E TEMPORARY LABOR	13,708	7,688	6,020	78.3%	759	1706.1%	89,539	46,661	42,878	91.9%	47,773	87.4%
REHAB TEMPORARY LABOR	19,413	6,594	12,819	194.4%	3,564	444.7%	81,337	39,283	42,054	107.1%	21,882	271.7%
OR TEMPORARY LABOR	2,022	48,396	(46,373)	-95.8%	84,556	-97.6%	78,157	288,069	(209,912)	-72.9%	359,537	-78.3%
ALL OTHER	\$ 61,406	\$ 79,803	\$ (18,396)	-23.1%	\$ 65,106	-5.7%	\$ 321,810	\$ 474,723	\$ (152,913)	-32.2%	\$ 551,549	-41.7%
<b>TOTAL TEMPORARY LABOR</b>	<b>\$ 152,060</b>	<b>\$ 155,938</b>	<b>\$ (3,879)</b>	<b>-2.5%</b>	<b>\$ 202,232</b>	<b>-24.8%</b>	<b>\$ 995,457</b>	<b>\$ 927,808</b>	<b>\$ 67,649</b>	<b>7.3%</b>	<b>\$ 1,109,144</b>	<b>-10.3%</b>
ICU4 TRANSITION LABOR	\$ 92,241	\$ 88,194	\$ 4,047	4.6%	\$ 127,176	-27.5%	\$ 767,796	\$ 525,035	\$ 242,762	46.2%	\$ 564,177	36.1%
OR TRANSITION LABOR	28,470	9,694	18,776	193.7%	29,780	-4.4%	162,258	57,703	104,554	181.2%	145,395	11.6%
8C TRANSITION LABOR	40,617	34,444	6,172	17.9%	51,551	-21.2%	276,699	210,680	66,019	31.3%	230,030	20.6%
CHEM TRANSITION LABOR	20,040	7,802	12,238	156.9%	10,676	87.7%	106,204	46,442	59,763	128.7%	57,531	84.6%
REHAB TRANSITION LABOR	41,906	31,141	10,766	34.6%	50,410	-16.9%	238,277	185,501	52,776	28.5%	283,477	-15.9%
HEMA TRANSITION LABOR	10,072	2,889	7,183	248.7%	8,762	15.0%	58,634	17,193	41,441	241.0%	17,417	236.7%
OP SURGERY TRANSITION LABOR	12,282	9,925	2,357	23.7%	12,362	-0.6%	69,620	59,078	10,543	17.8%	58,963	18.1%
OP PM&R TRANSITION LABOR	22,238	7,727	14,511	187.8%	27,657	-19.6%	60,537	45,994	14,543	31.6%	91,024	-33.5%
ED TRANSITION LABOR	15,094	28,497	(13,402)	-47.0%	36,950	-59.2%	133,138	162,430	(29,292)	-18.0%	163,455	-18.5%
5C TRANSITION LABOR	17,450	27,363	(9,913)	-36.2%	32,917	-47.0%	114,181	167,644	(53,464)	-31.9%	175,932	-35.1%
6C TRANSITION LABOR	23,832	43,909	(20,077)	-45.7%	46,219	-48.4%	198,248	268,753	(70,505)	-26.2%	277,232	-28.5%
ICU2 TRANSITION LABOR	46,459	49,904	(3,445)	-6.9%	34,505	34.6%	235,629	297,076	(61,447)	-20.7%	317,296	-25.7%
4E TRANSITION LABOR	34,365	45,159	(10,795)	-23.9%	48,484	-29.1%	179,954	274,075	(94,121)	-34.3%	280,606	-35.9%
ALL OTHER	117,342	160,596	(43,255)	-26.9%	199,019	-41.0%	708,608	980,814	(272,206)	-27.8%	1,043,772	-32.1%
<b>TOTAL TRANSITION LABOR</b>	<b>\$ 522,407</b>	<b>\$ 547,244</b>	<b>\$ (24,837)</b>	<b>-4.5%</b>	<b>\$ 716,468</b>	<b>-27.1%</b>	<b>\$ 3,309,784</b>	<b>\$ 3,298,418</b>	<b>\$ 11,366</b>	<b>0.3%</b>	<b>\$ 3,706,305</b>	<b>-10.7%</b>
<b>GRAND TOTAL TEMPORARY LABOR</b>	<b>\$ 674,467</b>	<b>\$ 703,182</b>	<b>\$ (28,715)</b>	<b>-4.1%</b>	<b>\$ 918,700</b>	<b>-26.6%</b>	<b>\$ 4,305,240</b>	<b>\$ 4,226,226</b>	<b>\$ 79,015</b>	<b>1.9%</b>	<b>\$ 4,815,450</b>	<b>-10.6%</b>
CERNER OTHER PURCH SVCS	\$ 407,413	\$ 54,145	\$ 353,268	652.4%	\$ 63,968	536.9%	\$ 849,751	\$ 324,870	\$ 524,881	161.6%	\$ 1,029,812	-17.5%
PA E-SCAN DATA SYSTEM	155,983	36,079	119,903	332.3%	85,828	81.7%	490,380	216,475	273,905	126.5%	216,475	126.5%
UC-CPC 42ND STREET PURCH SVCS-OTHER	63,046	43,003	20,043	46.6%	36,479	72.8%	367,892	235,607	132,284	56.1%	187,321	96.4%
ADM BOND AMENDMENT FEES	1,500	-	1,500	100.0%	-	100.0%	130,967	-	130,967	100.0%	-	100.0%
PT ACCTS COLLECTION FEES	110,112	78,852	31,259	39.6%	46,688	135.8%	566,141	480,291	85,851	17.9%	477,321	18.6%
MED ASSETS CONTRACT	65,467	11,529	53,938	467.8%	15,544	321.2%	143,502	64,121	79,381	123.8%	86,449	66.0%
OR FEES ( PERFUSSION SERVICES )	19,223	6,636	12,588	189.7%	8,167	135.4%	158,626	82,648	75,978	91.9%	101,727	55.9%
AMBULANCE FEES	20,449	1,787	18,662	1044.0%	8,644	136.6%	95,332	26,675	68,657	257.4%	129,003	-26.1%
SERV EXC SURVEY SERVICES	19,443	46,667	(27,223)	-58.3%	56,341	-65.5%	345,914	280,000	65,914	23.5%	394,992	-12.4%
PI FEES ( TRANSITION NURSE PROGRAM)	14,725	22,904	(8,179)	-35.7%	46,803	-68.5%	196,435	137,423	59,012	42.9%	220,655	-11.0%
H&W OTHER PURCH SVCS	47,576	267	47,309	17703.4%	267	17703.4%	58,694	1,922	56,772	2953.8%	1,922	2953.8%
DC AM HEALTHWAYS MGMT FEE	6,177	-	6,177	100.0%	10,000	-38.2%	53,159	-	53,159	100.0%	49,170	8.1%
HR RECRUITING FEES	80,524	7,431	73,093	983.6%	6,125	1214.6%	156,017	106,248	49,769	46.8%	87,580	78.1%
FIN ACCT COST REPORT/CONSULTANT FEES	7,332	8,259	(927)	-11.2%	13,519	-45.8%	97,312	54,523	42,789	78.5%	89,250	9.0%
ADM CONTRACT STRYKER	16,669	20,781	(4,112)	-19.8%	9,434	76.7%	168,634	126,580	42,054	33.2%	132,300	27.5%
PRO OTHER PURCH SVCS	17,723	13,910	3,813	27.4%	13,910	27.4%	122,053	83,196	38,857	46.7%	83,196	46.7%
HISTOLOGY SERVICES	30,869	56,258	(25,389)	-45.1%	54,360	-43.2%	237,161	201,372	35,789	17.8%	194,578	21.9%
CREDIT CARD FEES	9,460	13,252	(3,791)	-28.6%	14,312	-33.9%	96,967	67,578	29,389	43.5%	72,987	32.9%
ADMIN OTHER FEES	20,155	10,934	9,221	84.3%	22,916	-12.0%	86,489	65,603	20,886	31.8%	86,556	-0.1%
4E OTHER PURCH SVCS	5,524	26,338	(20,814)	-79.0%	23,547	-76.5%	61,073	49,893	11,180	22.4%	44,607	36.9%
ADM APPRAISAL DIST FEE	-	12,035	(12,035)	-100.0%	-	100.0%	50,717	72,212	(21,495)	-29.8%	36,106	40.5%
CREDIT CARD FEES	24,609	23,650	959	4.1%	23,440	5.0%	113,175	136,235	(23,059)	-16.9%	135,023	-16.2%
MISSION FITNESS OTHER PURCH SVCS	10,411	14,578	(4,167)	-28.6%	13,655	-23.8%	67,455	92,021	(24,566)	-26.7%	87,986	-23.3%
FA EXTERNAL AUDIT FEES	-	7,102	(7,102)	-100.0%	68,029	-100.0%	146,963	174,940	(27,977)	-16.0%	196,380	-25.2%
TELECOM SERVICES	38,445	38,919	(474)	-1.2%	25,365	51.6%	119,889	168,845	(48,955)	-29.0%	110,411	8.9%
PHARMACY SERVICES	54,430	31,913	22,517	70.6%	35,253	54.4%	136,911	189,192	(52,281)	-27.6%	149,508	-8.4%
UOM ( EHR FEES )	24,810	38,626	(13,816)	-35.8%	60,423	-58.9%	93,389	154,752	(61,363)	-39.7%	242,079	-61.4%
ADMIN LEGAL FEES	39,993	42,276	(2,283)	-5.4%	74,014	-46.0%	150,764	253,655	(102,891)	-40.8%	308,235	-51.1%
COMM REL MEDIA PLACEMENT	17,027	58,500	(41,473)	-70.9%	39,286	-56.7%	220,822	337,500	(116,678)	-34.6%	368,058	-40.0%
HIM CODING SERVICES	122,534	86,763	35,772	41.2%	71,912	70.4%	462,120	621,817	(159,697)	-25.7%	515,388	-10.3%
PA ELIGIBILITY FEES	(39,091)	61,564	(100,656)	-163.5%	65,592	-159.6%	125,722	305,035	(179,313)	-58.8%	324,990	-61.3%
PRIMARY CARE WEST OTHER PURCH SVCS	66,819	3,089	63,730	2063.3%	127,950	-47.8%	597,621	798,134	(200,513)	-25.1%	830,896	-28.1%
FHC OTHER PURCH SVCS	73,345	5,411	67,934	1255.5%	234,235	-68.7%	940,522	1,317,281	(376,759)	-28.6%	1,368,529	-31.3%
ALL OTHERS	859,953	994,111	(134,158)	-13.5%	1,251,680	-31.3%	5,493,895	6,270,397	(776,502)	-12.4%	6,577,494	-16.5%
<b>TOTAL PURCHASED SERVICES</b>	<b>\$ 2,412,656</b>	<b>\$ 1,877,569</b>	<b>\$ 535,087</b>	<b>28.5%</b>	<b>\$ 2,627,687</b>	<b>-8.2%</b>	<b>\$ 13,202,463</b>	<b>\$ 13,497,039</b>	<b>\$ (294,576)</b>	<b>-2.2%</b>	<b>\$ 14,936,611</b>	<b>-11.8%</b>

**Ector County Hospital District  
Debt Service Coverage Calculation  
MARCH 2018**

**Average Annual Debt Service Requirements of 110%:**

	FYTD			Annualized
	ProCare	ECHD	Consolidated	Consolidated
Decrease in net position	454,312	(9,015,301)	(8,560,991)	(17,121,981)
Deficiency of revenues over expenses	454,312	(9,015,301)	(8,560,991)	(17,121,981)
Depreciation/amortization	139,166	10,196,994	10,336,160	20,672,320
GASB 68	-	7,306,176	7,306,176	21,918,528
Interest expense	-	1,649,847	1,649,847	3,299,694
(Gain) or loss on fixed assets	-	(1,952)	(1,952)	(3,903)
Unusual / infrequent / extraordinary items	-	-	-	-
Unrealized (gains) / losses on investments	-	99,874	99,874	199,747
Consolidated net revenues	593,478	10,235,638	10,829,114	28,964,404

**Note:** Average annual debt service requirements is defined to mean the greater of the following 2 calculations:

**1.) Average annual debt service of future maturities**

	Bonds	BAB Subsidy	Total	110%
2018	3,704,144.87	1,084,539.55	4,788,684.42	5,267,552.87
2019	3,704,003.09	1,050,540.12	4,754,543.21	5,229,997.53
2020	3,703,513.46	1,014,199.56	4,717,713.02	5,189,484.33
2021	3,703,965.62	975,673.80	4,679,639.42	5,147,603.37
2022	3,703,363.82	930,657.44	4,634,021.26	5,097,423.38
2023	3,704,094.49	883,666.27	4,587,760.76	5,046,536.84
2024	3,703,936.71	834,581.31	4,538,518.02	4,992,369.83
2025	3,703,757.92	783,331.19	4,487,089.11	4,935,798.02
2026	3,703,381.35	729,820.73	4,433,202.08	4,876,522.29
2027	3,702,861.24	670,848.36	4,373,709.60	4,811,080.56
2028	3,703,256.93	609,138.35	4,312,395.28	4,743,634.81
2029	3,702,288.56	544,540.00	4,246,828.56	4,671,511.42
2030	3,701,769.56	476,952.84	4,178,722.40	4,596,594.64
2031	3,701,420.06	406,226.18	4,107,646.24	4,518,410.86
2032	3,701,960.19	332,209.33	4,034,169.52	4,437,586.47
2033	3,701,063.45	254,726.47	3,955,789.92	4,351,368.91
2034	3,700,496.62	173,652.02	3,874,148.64	4,261,563.50
2035	3,700,933.18	88,810.18	3,789,743.36	4,168,717.70
	3,702,789.51	658,006.32	4,360,795.82	

**OR**

**2.) Next Year Debt Service - sum of principal and interest due in the next fiscal year:**

	Bonds	
Debt Service	4,788,684	← higher of the two

**Current FYTD**

**Covenant Computation**

**226.1%**

(needs to be 110% or higher)

**604.9%**

**ECTOR COUNTY HOSPITAL DISTRICT  
BLENDED RATIO ANALYSIS  
MARCH 31, 2018**

		YTD MARCH 2018	2016 S&P Comparison**	YTD September 2017	YTD September 2016	YTD September 2015
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**Statement of Operations:**

Salaries & Benefits/Net Pt Rev (%)	↓	73.3	55.7	74.8	69.1	68.6
Bad Debt Exp/Total Operating Revenue (%)	↑	35.0	N/A	30.7	34.6	33.4
Maximum Debt Service Coverage (x)	↑	4.1	2.7	2.0	7.1	7.9
Maximum Debt Service/Total Operating Revenue (%)	↓	1.4	N/A	1.4	1.7	1.8
Interest Coverage (x) <sup>1</sup>						
EBITDA Margin (%) <sup>1</sup>	↑	4.4	8.8	2.4	7.2	12.6
Operating Margin (%)	↑	-2.9	1.2	-6.3	-0.7	0.7
Profit Margin (%)	↑	-2.5	2.3	-5.0	-1.2	3.6

**Balance Sheet:**

Average Age Net Fixed Assets (years)	↑	12.8	12.8	12.7	11.7	9.9
Cushion Ratio (x)	↑	13.5	13.4	11.3	22.4	25.5
Days' Cash on Hand	↑	54.8	167.3	49.9	120.2	143.9
Days in Accounts Receivable	↑	66.0	44.1	57.5	53.6	54.6
Cash Flow/Total Liabilities (%)	↑	5.9	11.3	2.6	9.4	22.6
Unrestricted Cash/Long-Term Debt (%)	↑	106.0	140.3	89.0	177.7	193.1
Long-Term Debt/Capitalization (%)	↑	21.4	38.3	21.1	18.0	18.6
Payment Period (days)	↑	79.2	N/A	65.5	57.9	51.0

**Other Ratios:**

Inventory Turnover <sup>2</sup>	↓	9.7	17.0	10.5	12.0	12.2
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**\*\*National medians based on Standard and Poors U.S. Not-For Profit Health Care Stand-Alone Ratios**

Note 1: EBITDA - Earnings before interest, taxes, depreciation, and amortization

Note 2: Inventory Turnover - this ratio is not reported by Standard & Poor's, Moodys or Fitch. The median of 17 was obtained by contacting several like size facilities within the VHA-SW group resulting in a range of 15 to 18.



# **Financial Presentation**

## **For the Month Ended**

### **March 31, 2018**

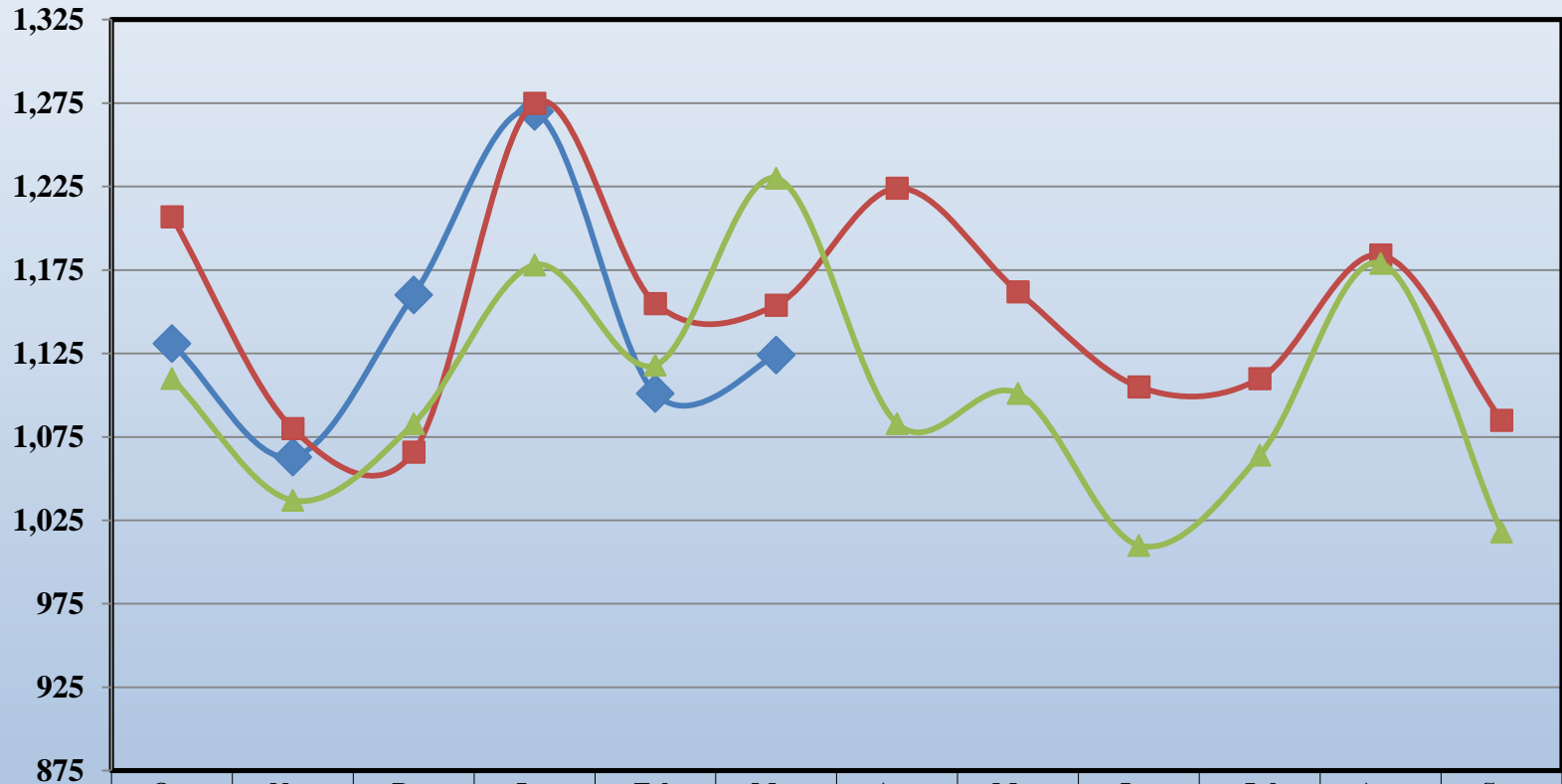


# Volume



# Admissions

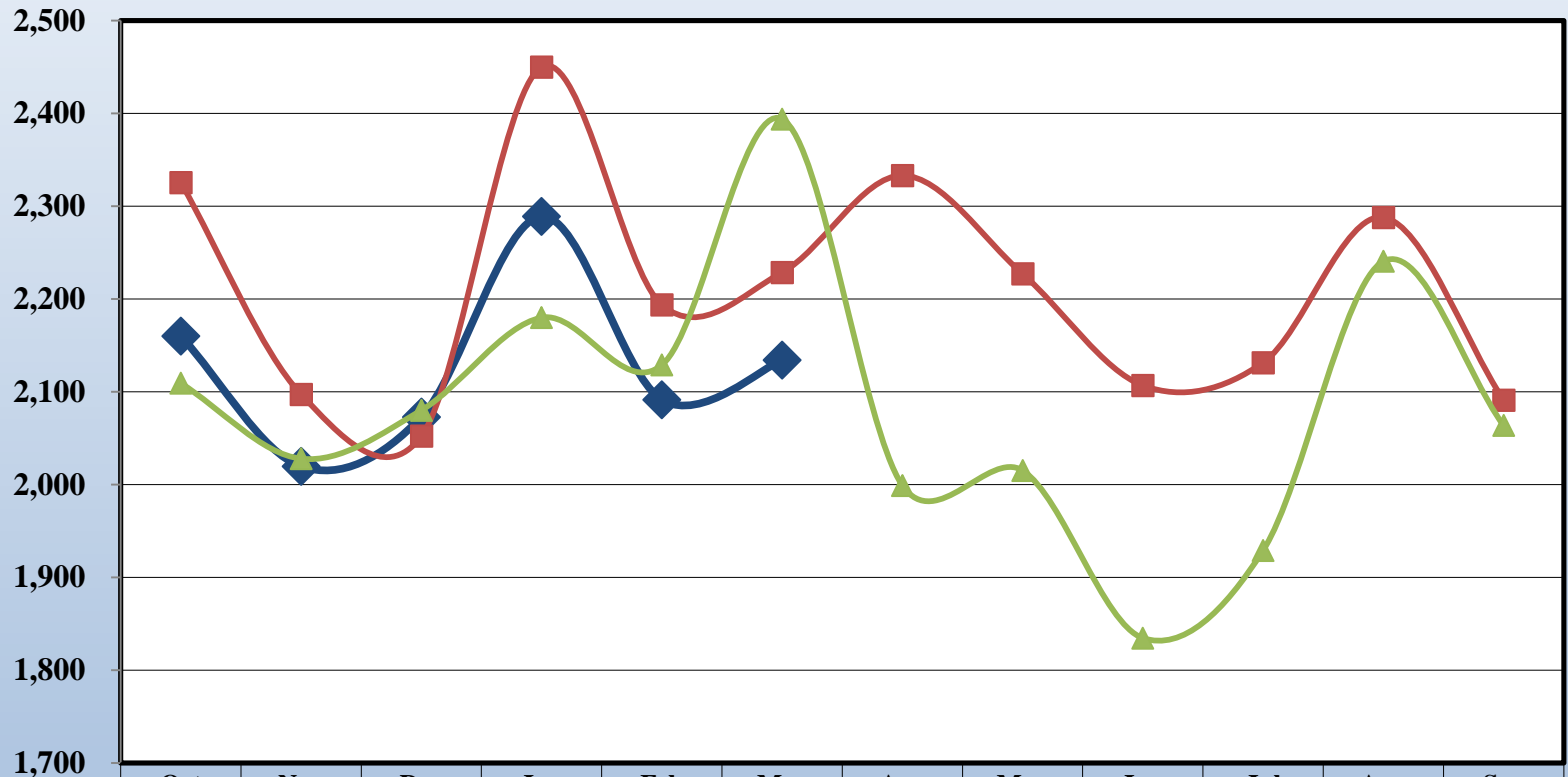
Total – Adults and NICU



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<span style="color: blue;">◆</span> FY 2018	1,131	1,063	1,160	1,270	1,101	1,124						
<span style="color: red;">■</span> FY 2018 Budget	1,207	1,080	1,066	1,275	1,155	1,154	1,224	1,162	1,105	1,110	1,184	1,085
<span style="color: green;">▲</span> FY 2017	1,110	1,037	1,083	1,178	1,118	1,230	1,083	1,101	1,010	1,064	1,179	1,018

# Adjusted Admissions

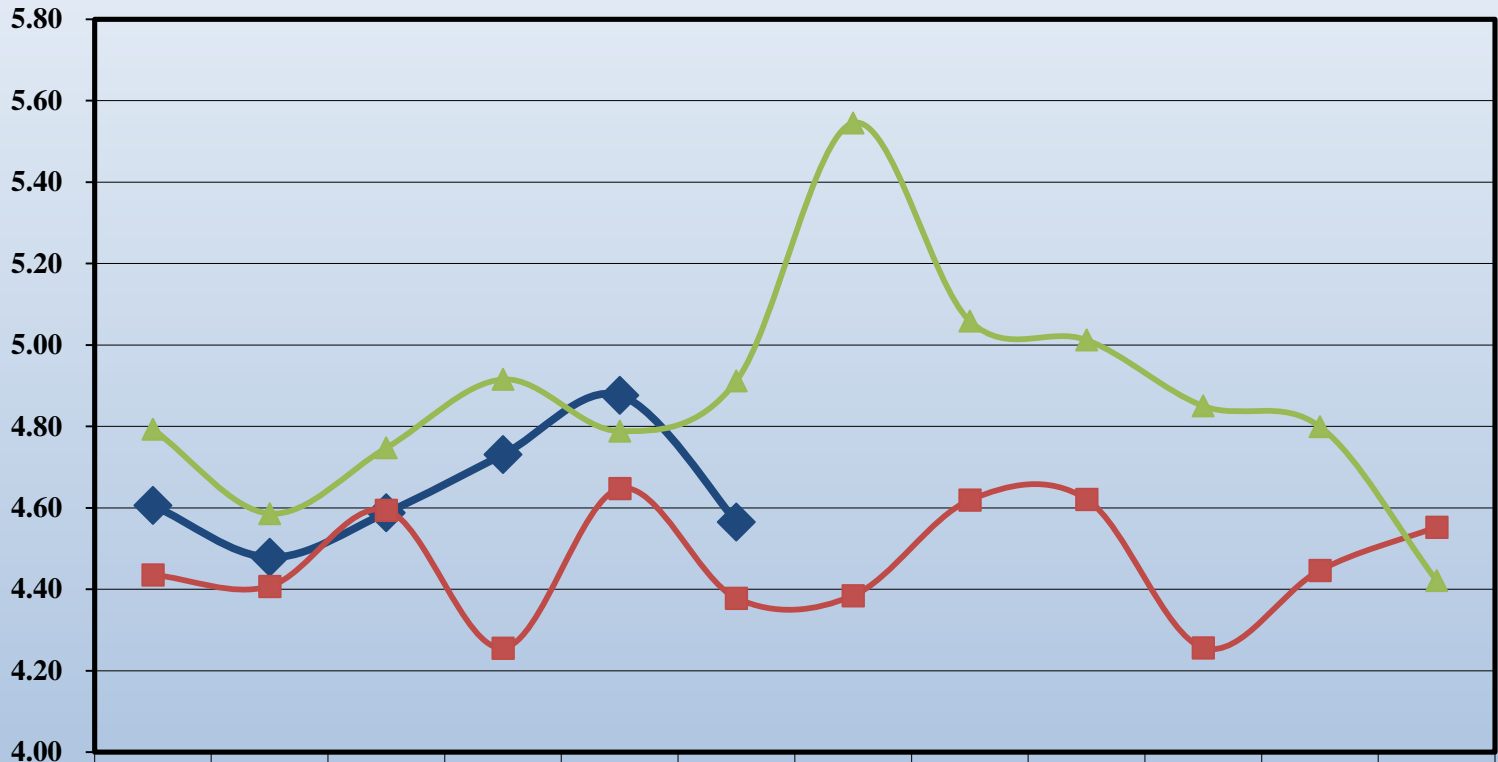
Including Acute & Rehab Unit



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>FY 2018</b>	2,160	2,020	2,073	2,289	2,092	2,134						
<b>FY 2018 Budget</b>	2,326	2,097	2,052	2,450	2,194	2,229	2,333	2,227	2,107	2,131	2,288	2,091
<b>FY 2017</b>	2,109	2,028	2,080	2,180	2,129	2,394	1,999	2,015	1,835	1,929	2,241	2,064

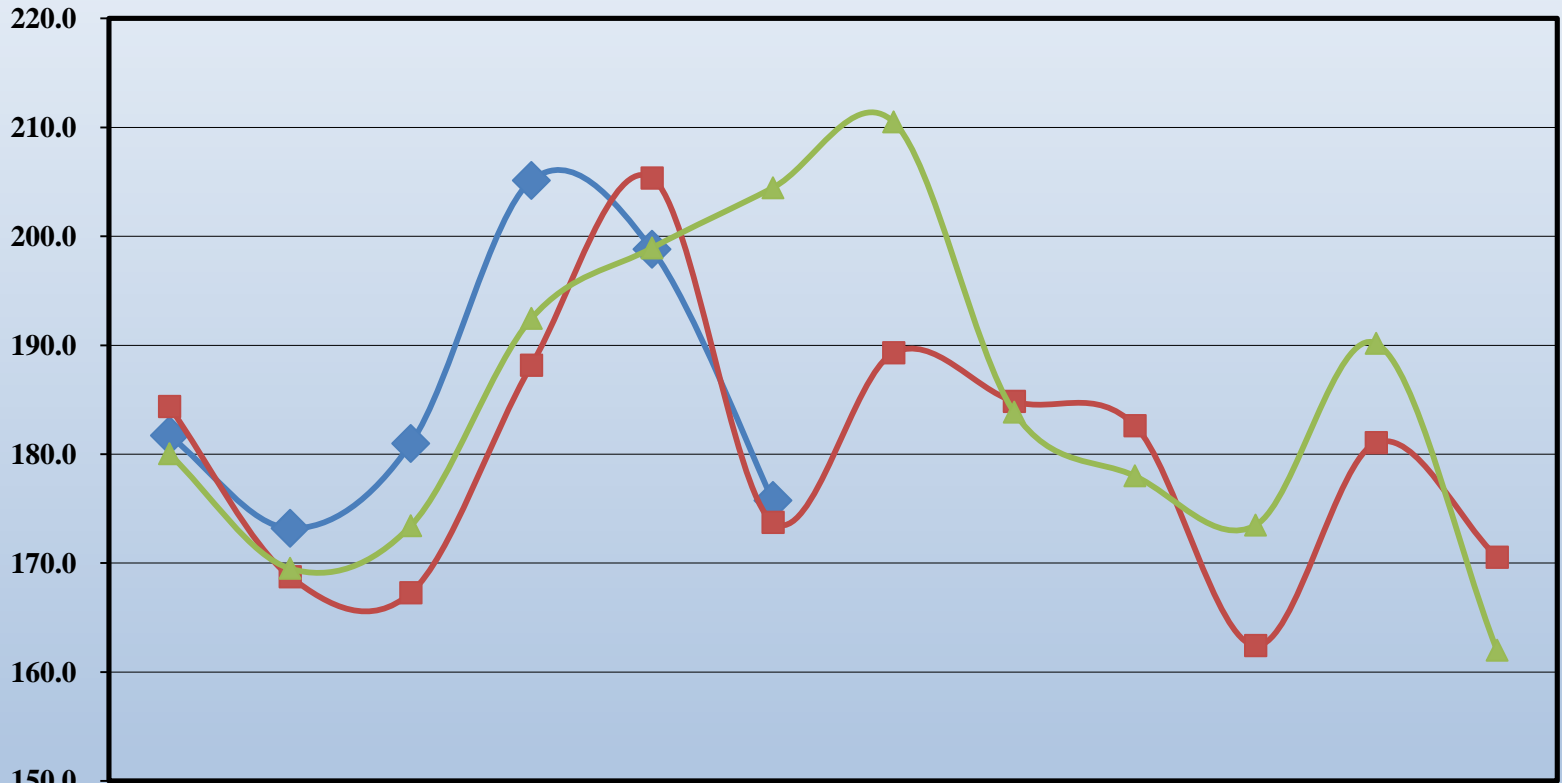
# Average Length of Stay

Total – Adults and PEDI



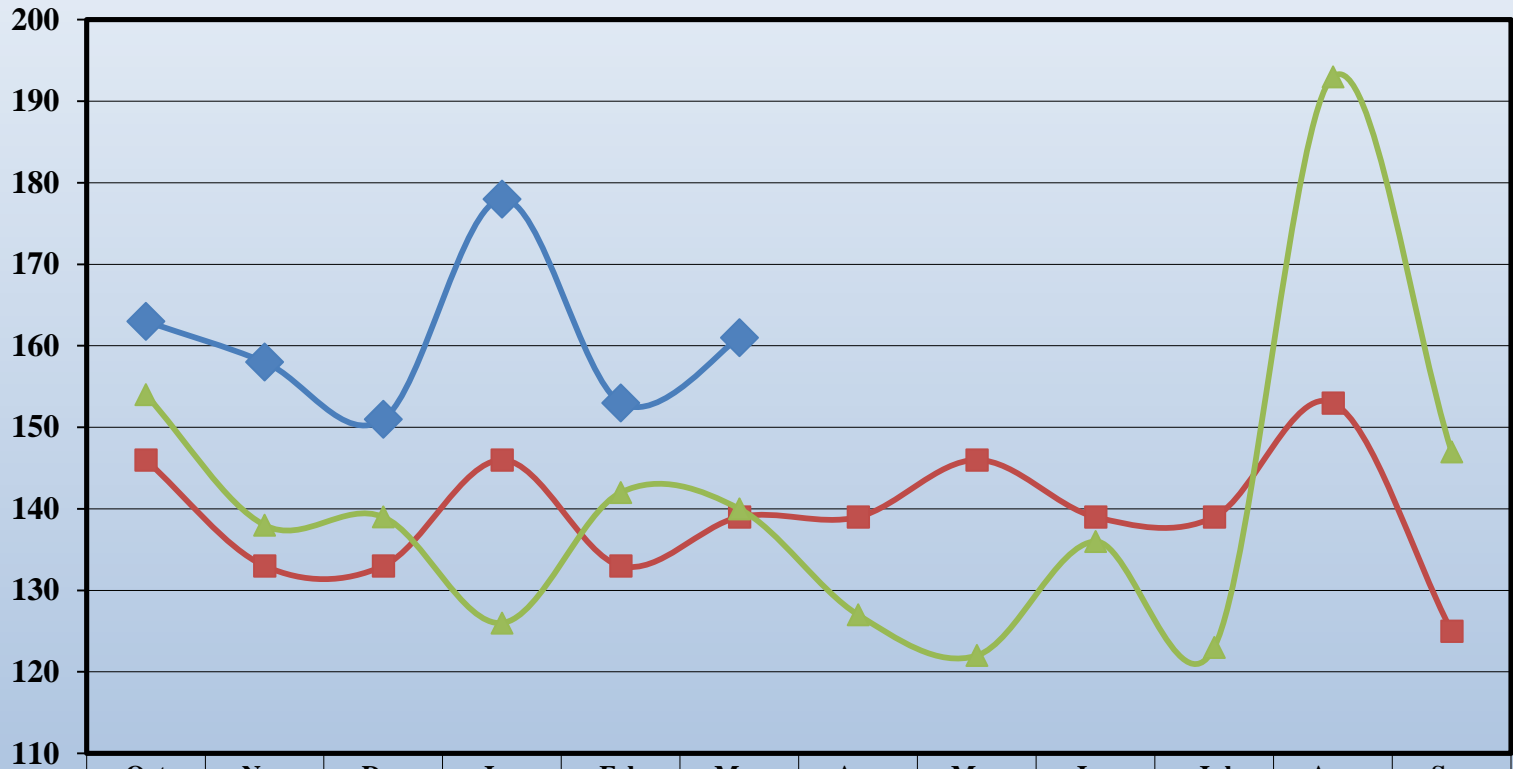
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
◆ FY 2018	4.61	4.48	4.59	4.73	4.88	4.57						
■ FY 2018 Budget	4.44	4.41	4.59	4.26	4.65	4.38	4.38	4.62	4.62	4.26	4.45	4.55
▲ FY 2017	4.79	4.59	4.75	4.92	4.79	4.91	5.55	5.06	5.01	4.85	4.80	4.42

# Average Daily Census



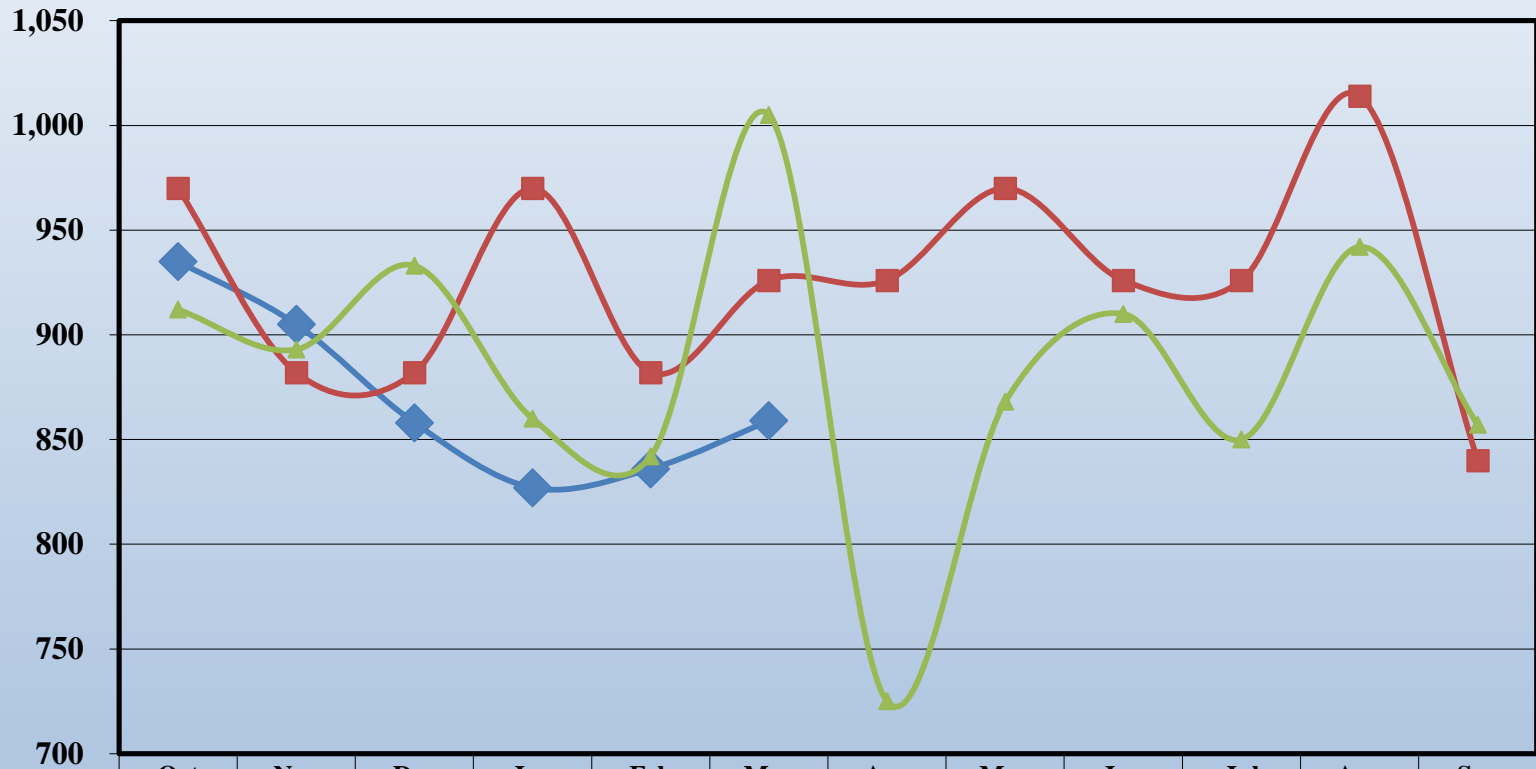
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
◆ FY 2018	181.7	173.2	181.0	205.1	198.8	175.7						
■ FY 2018 Budget	184.4	168.8	167.3	188.2	205.4	173.8	189.3	184.8	182.6	162.4	181.1	170.5
▲ FY 2017	180.0	169.5	173.4	192.5	198.9	204.5	210.5	183.8	178.0	173.5	190.2	162.0

# Deliveries



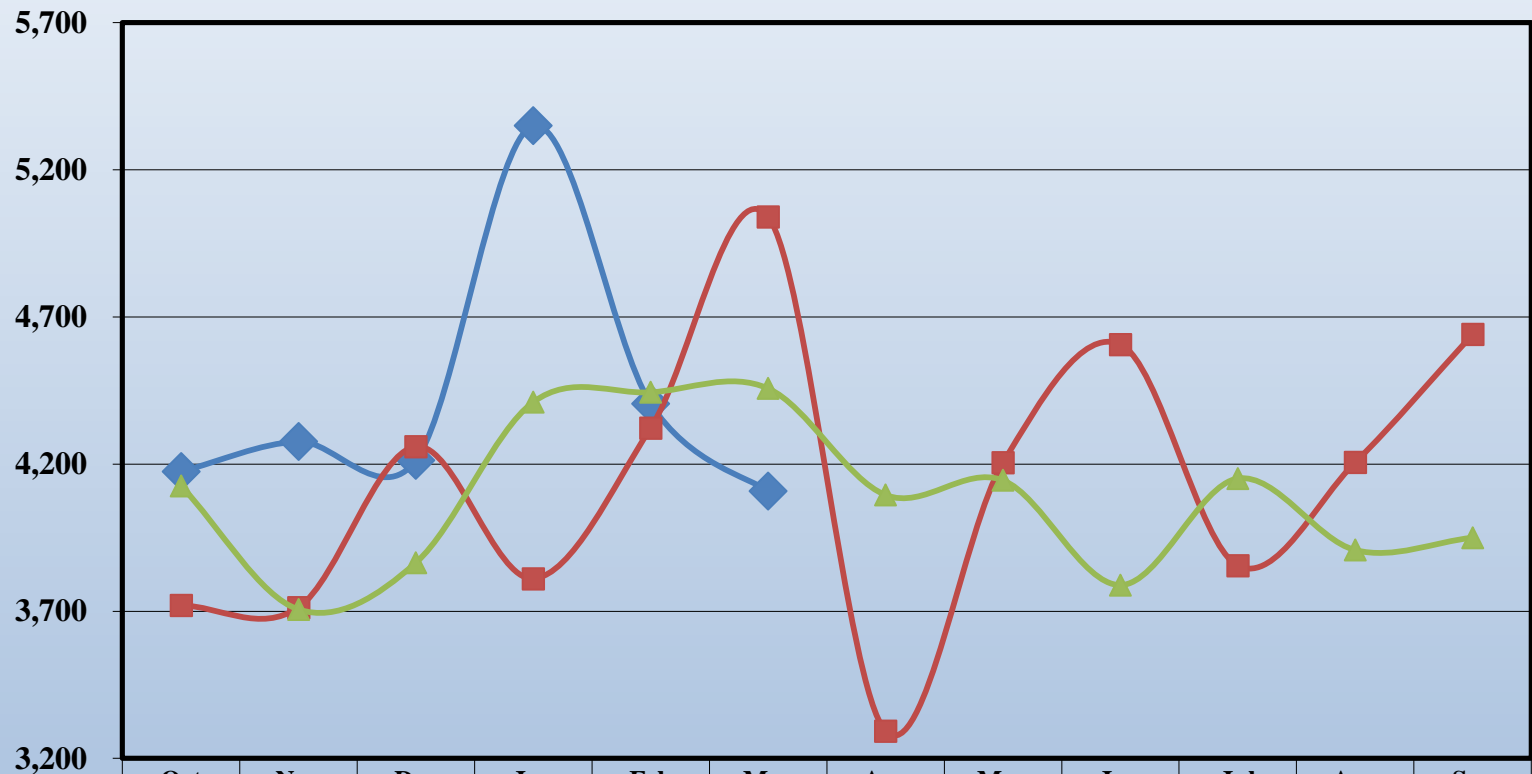
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2018	163	158	151	178	153	161						
FY 2018 Budget	146	133	133	146	133	139	139	146	139	139	153	125
FY 2017	154	138	139	126	142	140	127	122	136	123	193	147

# Total Surgical Cases



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<span style="color: blue;">◆</span> FY 2018	935	905	858	827	836	859						
<span style="color: red;">■</span> FY 2018 Budget	970	882	882	970	882	926	926	970	926	926	1,014	840
<span style="color: green;">▲</span> FY 2017	912	893	933	860	842	1,005	725	868	910	850	942	857

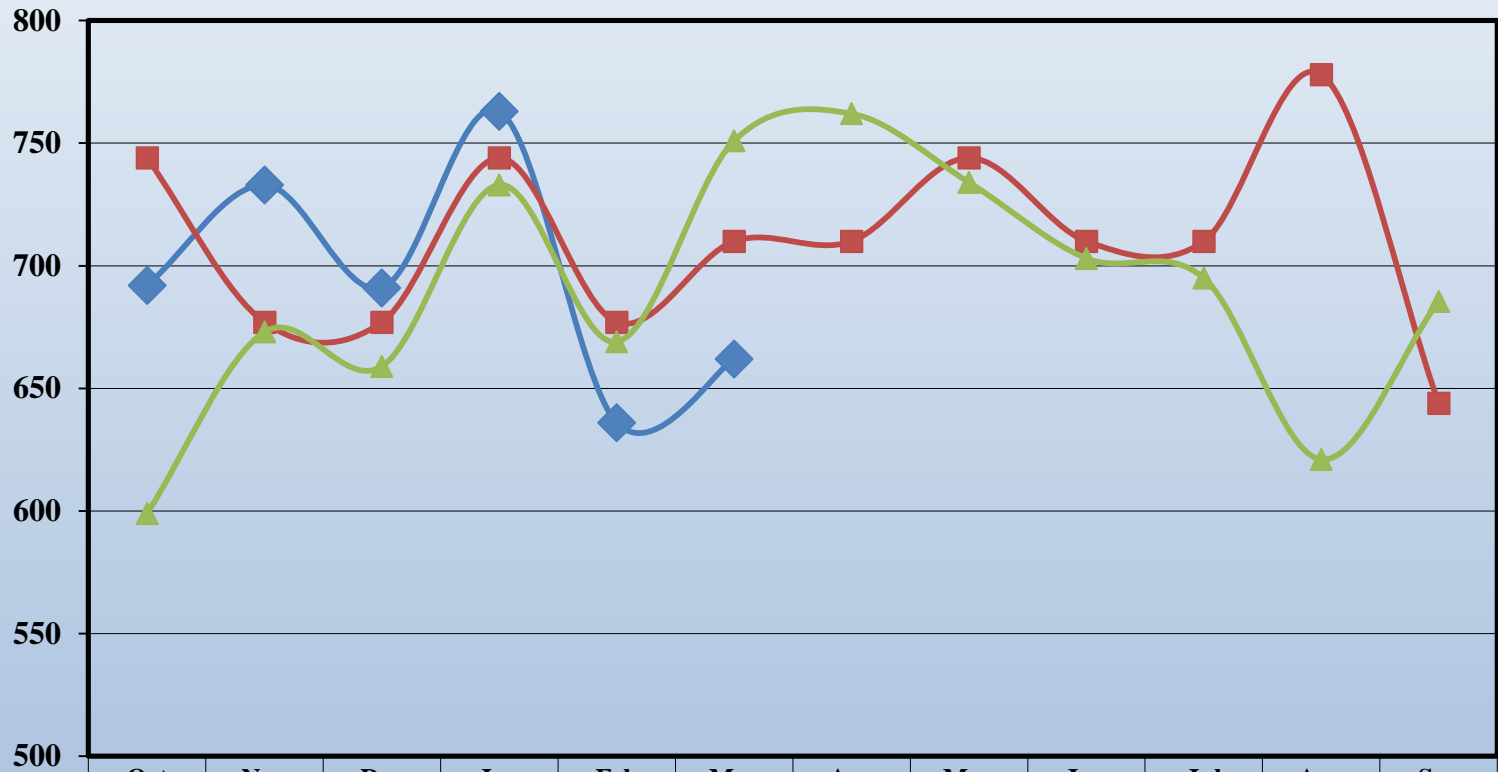
# Emergency Room Visits



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2018	4,175	4,277	4,213	5,350	4,405	4,108						
FY 2018 Budget	3,720	3,713	4,260	3,811	4,323	5,040	3,293	4,205	4,607	3,855	4,206	4,641
FY 2017	4,126	3,706	3,865	4,411	4,444	4,457	4,095	4,145	3,789	4,151	3,908	3,950

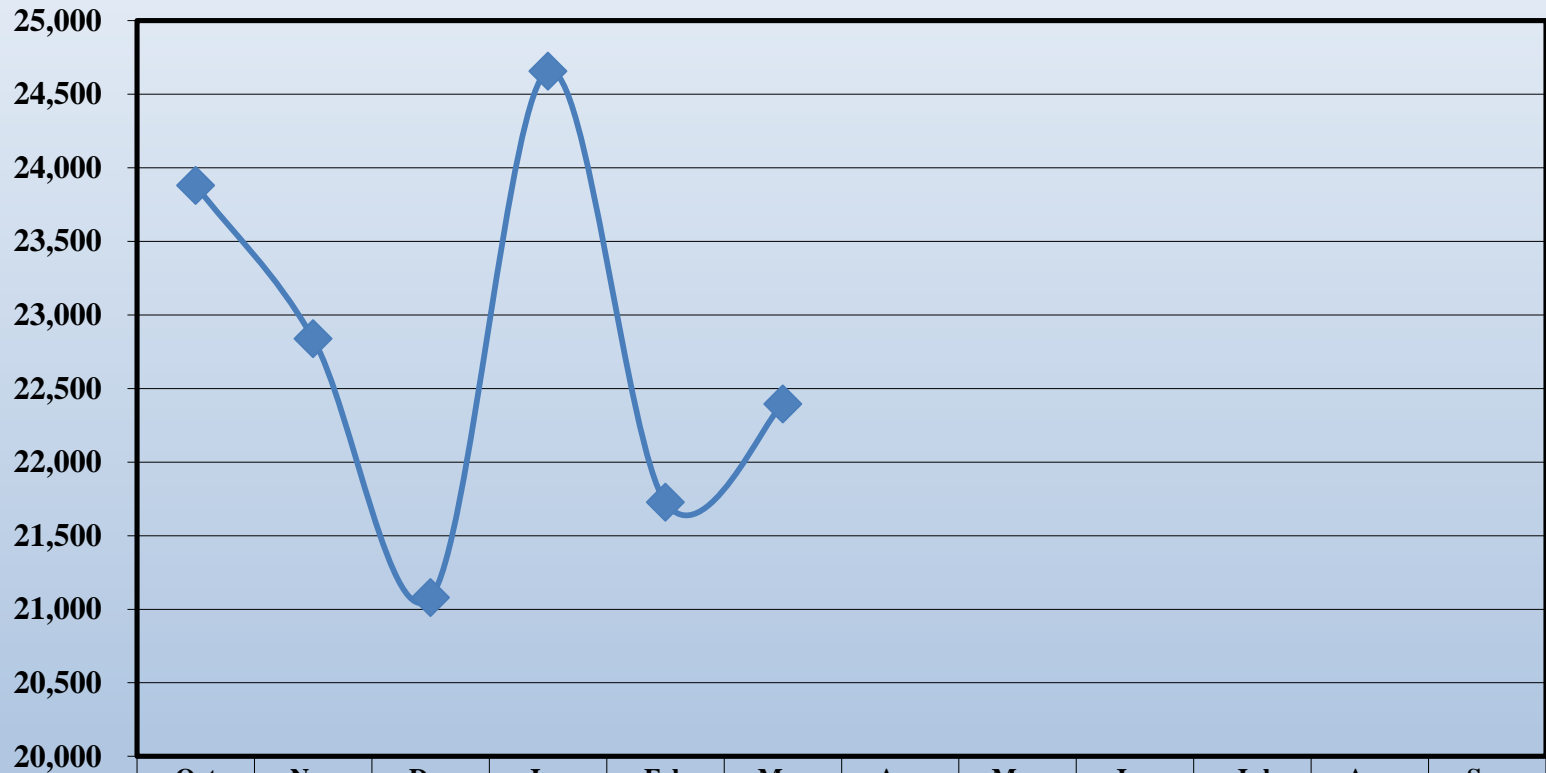


# Observation Days



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
◆ FY 2018	692	733	691	763	636	662						
■ FY 2018 Budget	744	677	677	744	677	710	710	744	710	710	778	644
▲ FY 2017	599	673	659	733	669	751	762	734	703	695	621	686

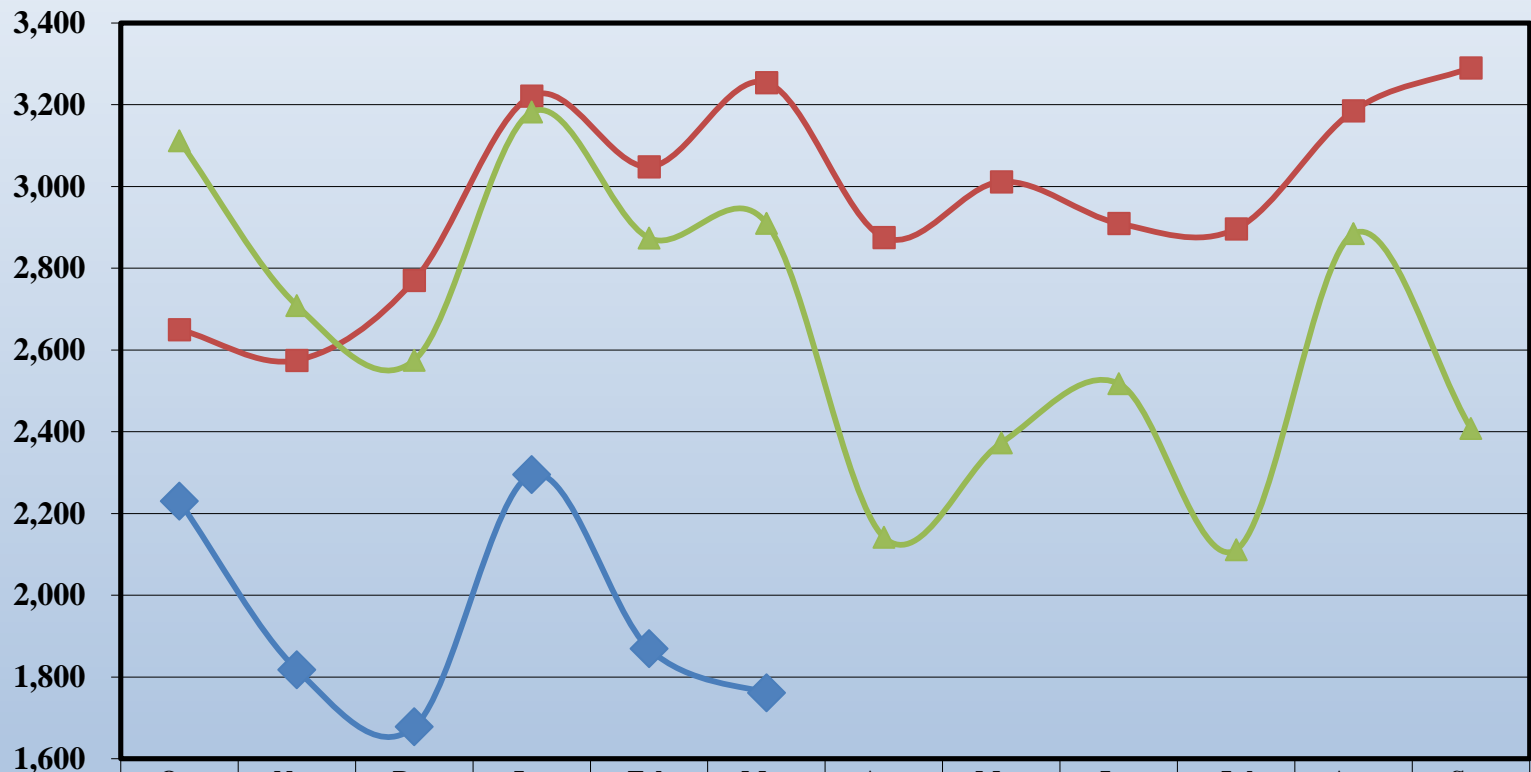
# Total Outpatient Occasions of Service



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
—◆— FY 2018	23,881	22,839	21,080	24,658	21,727	22,396						

# Center for Primary Care Total Visits

(FQHC - Clements & West University)

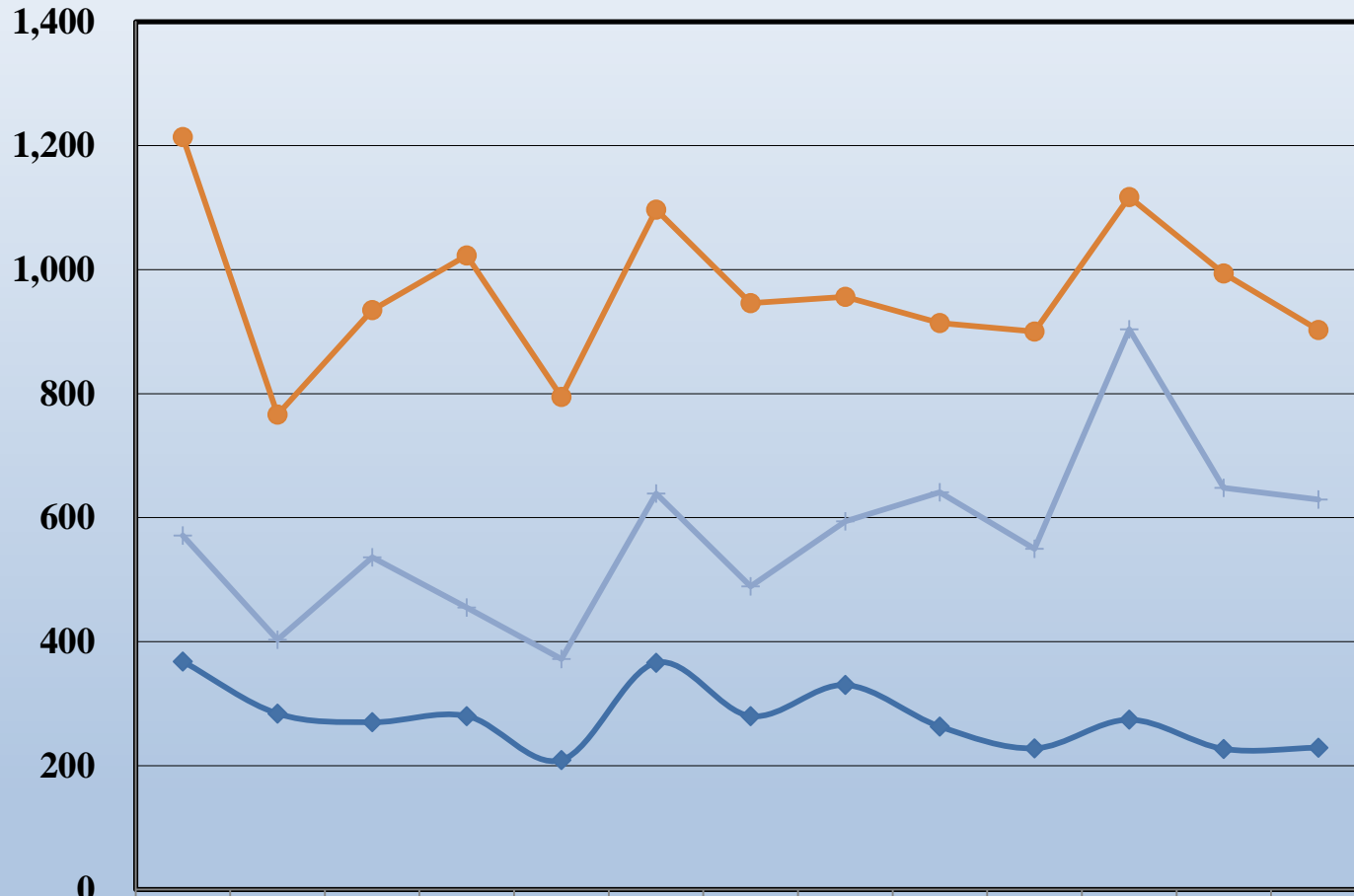


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
—◆— FY 2018	2,230	1,818	1,678	2,295	1,869	1,761						
—■— FY 2018 Budget	2,650	2,575	2,771	3,222	3,048	3,254	2,876	3,012	2,910	2,897	3,185	3,291
—▲— FY 2017	3,112	2,709	2,575	3,182	2,874	2,910	2,142	2,373	2,518	2,111	2,885	2,408

# Center for Primary Care Visits

(FQHC - Clements and West University)

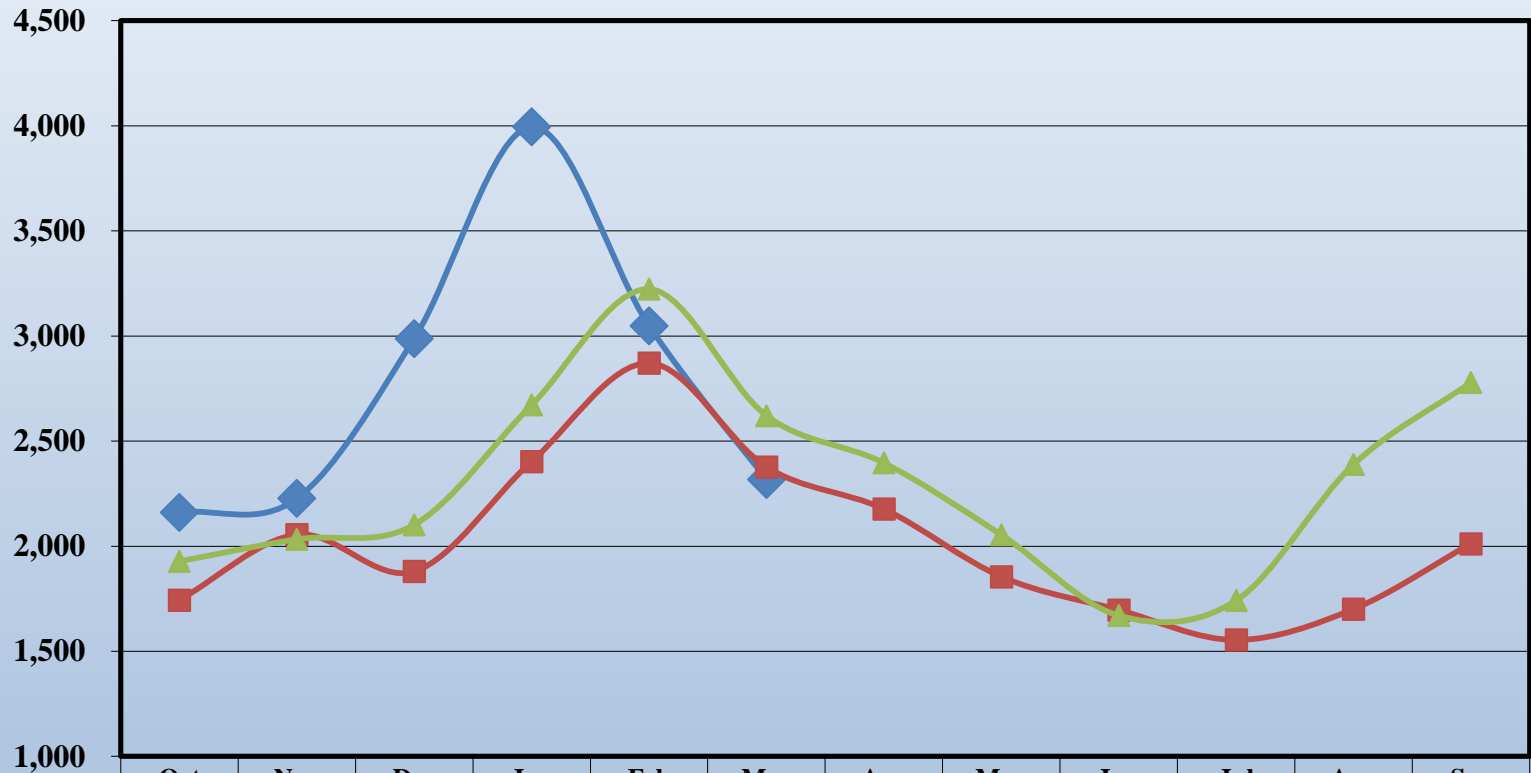
Thirteen Month Trending



	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Clements Medical	1,214	766	935	1,023	795	1,097	946	956	914	900	1,117	994	903
W. University Medical	571	403	536	455	372	639	489	594	641	550	904	648	629
W. University Optometry	368	284	270	280	209	366	280	330	263	228	274	227	229

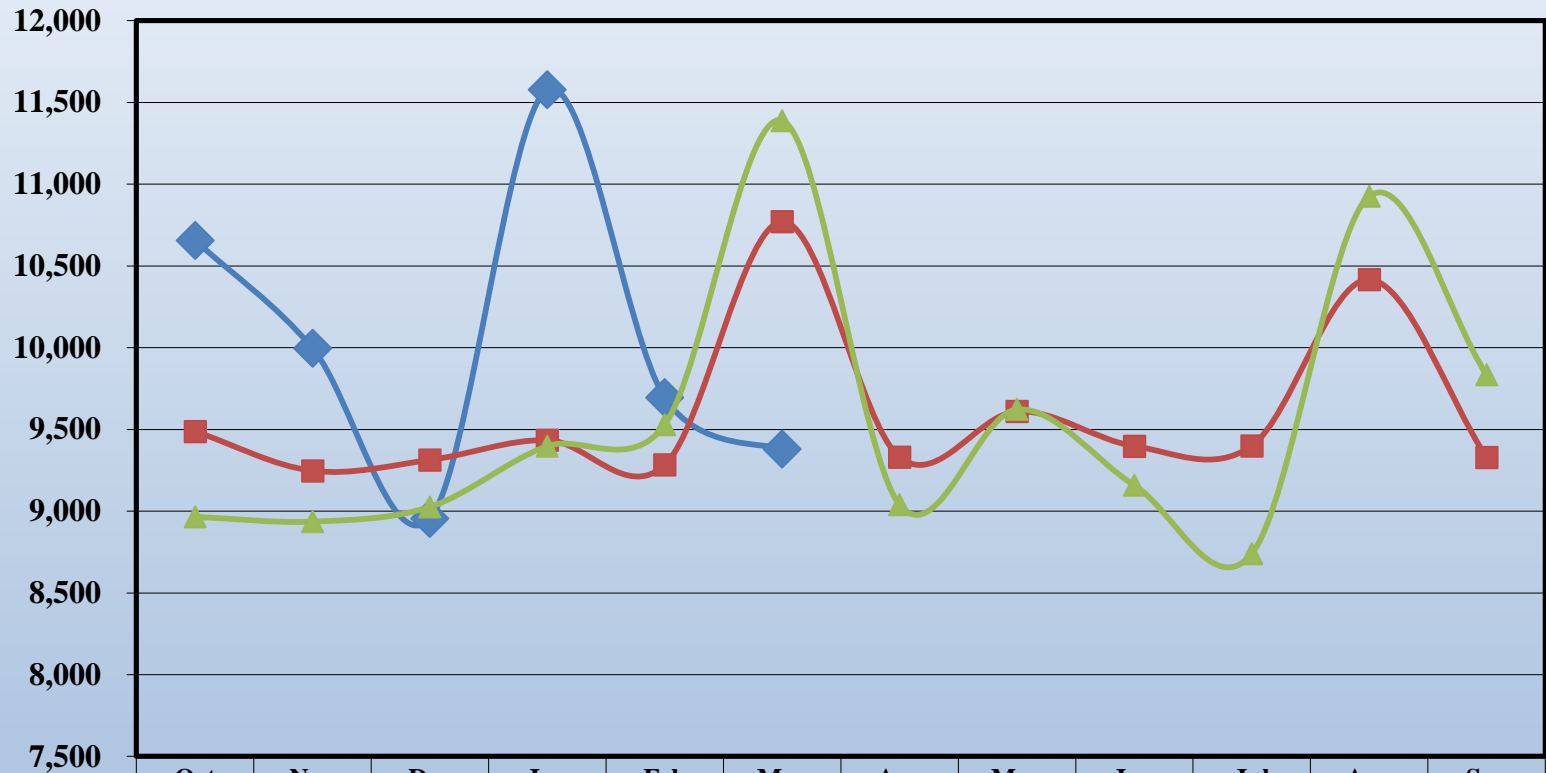
# Urgent Care Visits

(Health and Wellness, Golder, JBS Clinic, West University & 42<sup>nd</sup> Street)



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2018	2,161	2,227	2,988	3,995	3,048	2,318						
FY 2018 Budget	1,744	2,055	1,880	2,403	2,871	2,377	2,177	1,855	1,697	1,554	1,701	2,012
FY 2017	1,928	2,033	2,102	2,672	3,223	2,621	2,396	2,054	1,670	1,742	2,389	2,779

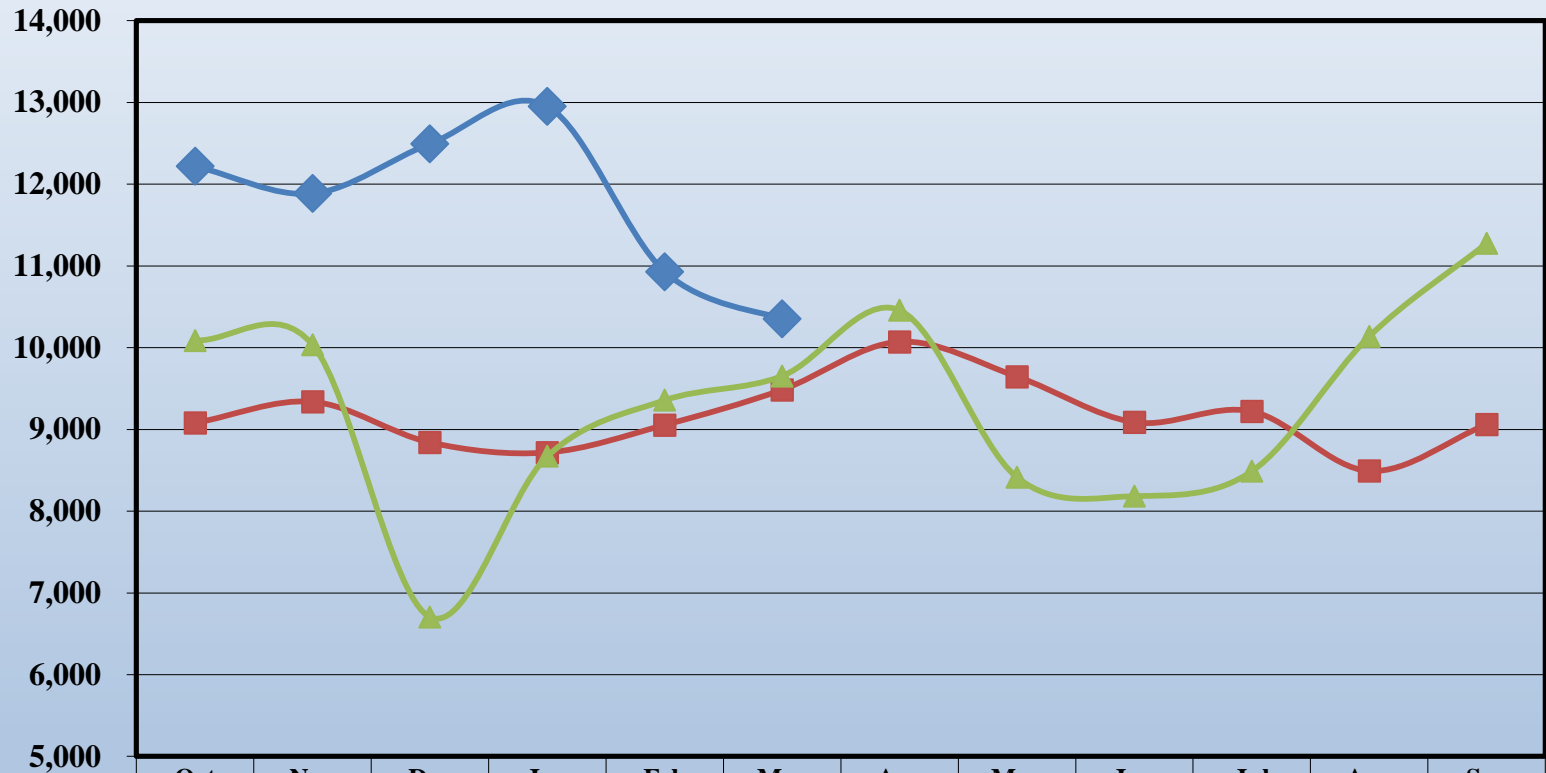
# Total ProCare Office Visits



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
◆ FY 2018	10,657	9,997	8,955	11,577	9,694	9,379						
■ FY 2018 Budget	9,488	9,247	9,313	9,435	9,283	10,771	9,330	9,610	9,398	9,400	10,417	9,328
▲ FY 2017	8,965	8,936	9,026	9,398	9,529	11,389	9,039	9,622	9,158	8,740	10,926	9,834

# Total ProCare Procedures

Excluding Pathology and Radiology Procedures



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
◆ FY 2018	12,220	11,886	12,494	12,953	10,929	10,352						
■ FY 2018 Budget	9,079	9,338	8,841	8,718	9,055	9,485	10,072	9,646	9,088	9,221	8,492	9,061
▲ FY 2017	10,088	10,036	6,705	8,672	9,357	9,653	10,458	8,414	8,184	8,488	10,137	11,276

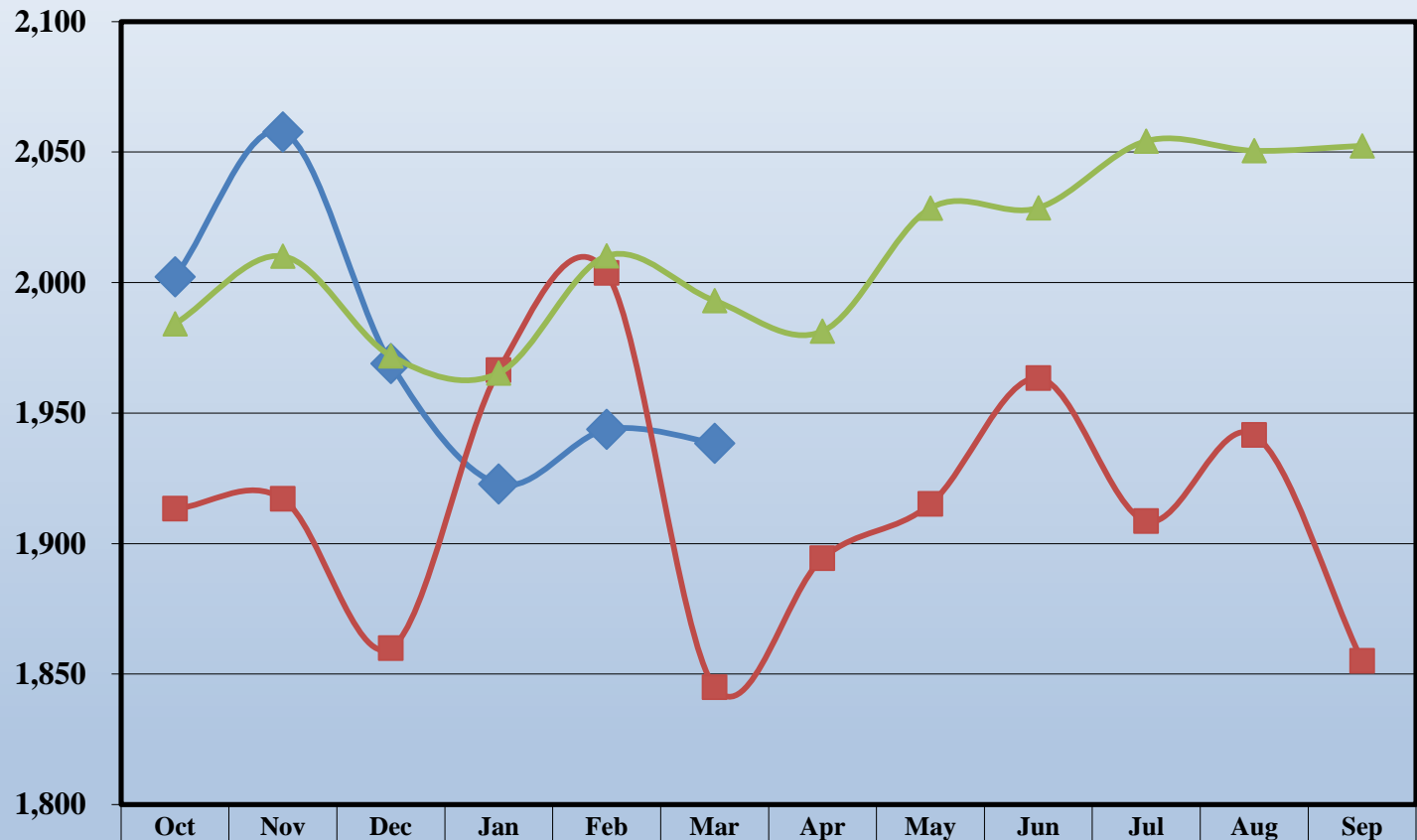
# Staffing





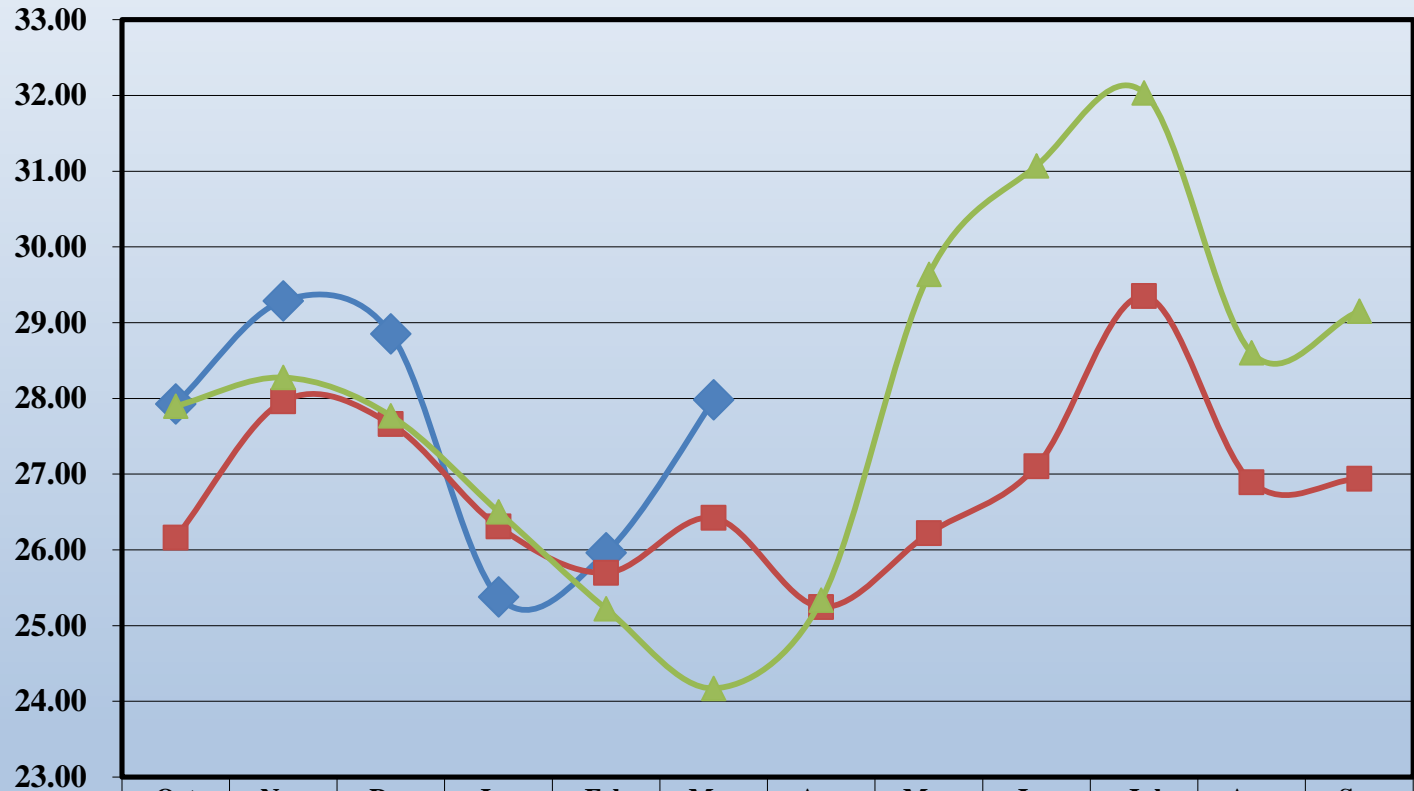
# Blended FTE's

Including Contract Labor and Management Services



—◆— FY 2018	2,002	2,058	1,969	1,923	1,944	1,938						
—■— FY 2018 Budget	1,913	1,917	1,860	1,966	2,004	1,845	1,894	1,915	1,963	1,909	1,942	1,855
—▲— FY 2017	1,984	2,010	1,972	1,965	2,010	1,993	1,981	2,029	2,029	2,054	2,051	2,052

# Paid Hours per Adjusted Patient Day (Blended)



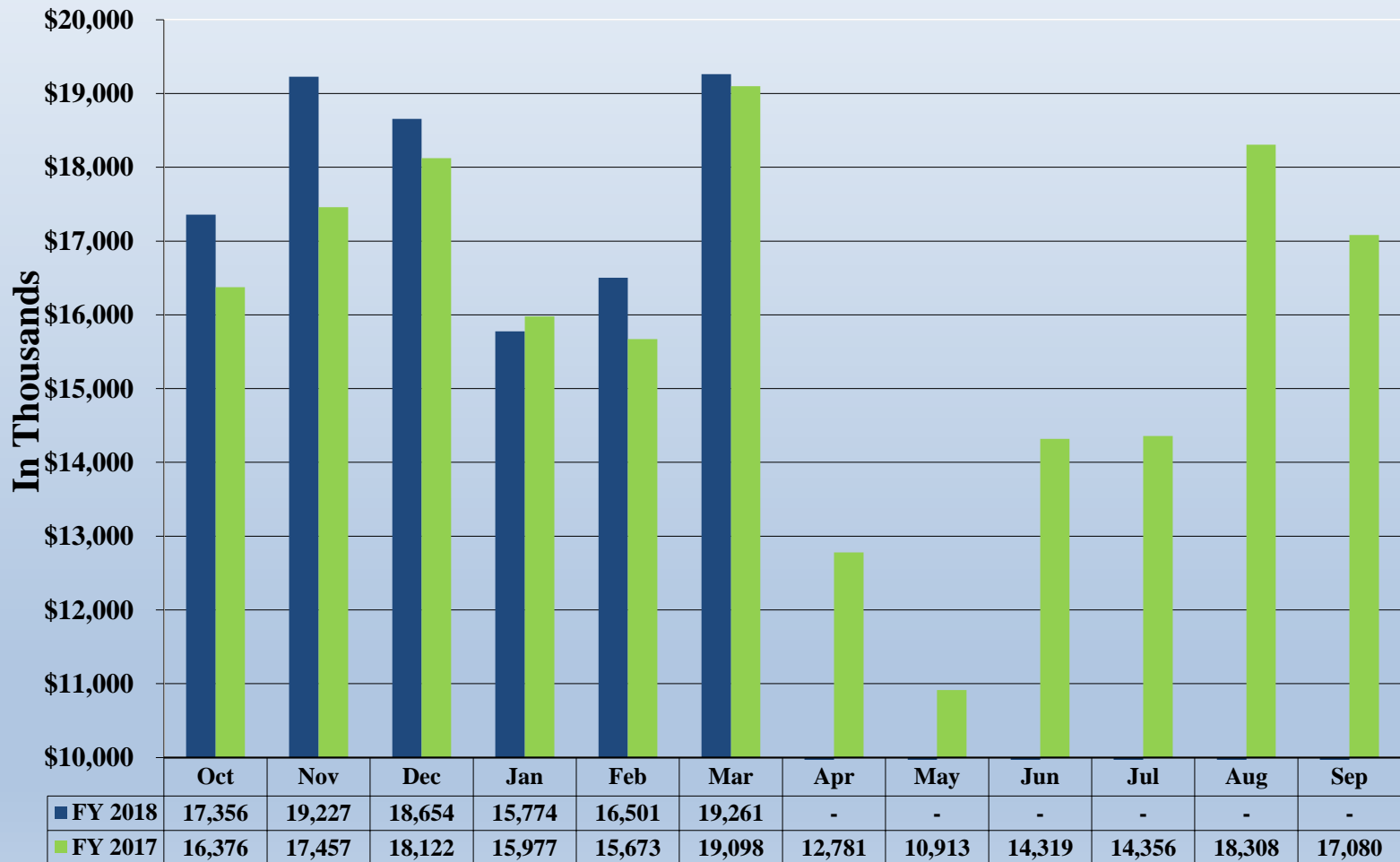
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<span style="color: blue;">◆</span> FY 2018	27.93	29.29	28.85	25.38	25.96	27.98						
<span style="color: red;">■</span> FY 2018 Budget	26.16	27.96	27.66	26.31	25.70	26.42	25.25	26.22	27.10	29.35	26.89	26.94
<span style="color: green;">▲</span> FY 2017	27.90	28.28	27.77	26.50	25.22	24.17	25.34	29.64	31.07	32.03	28.60	29.15

# Accounts Receivable



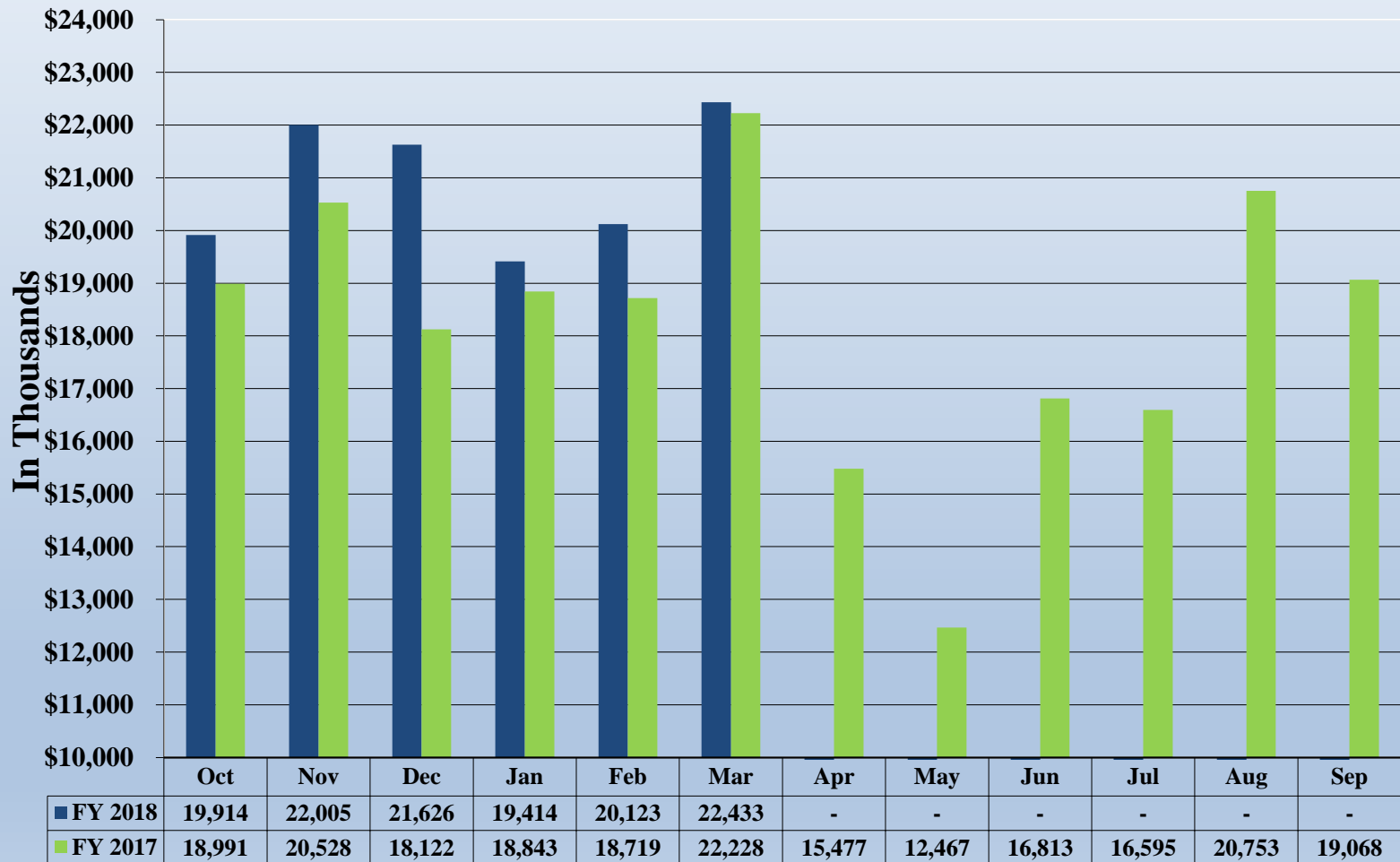
# AR Cash Receipts

## Compared to Prior Year (Hospital)

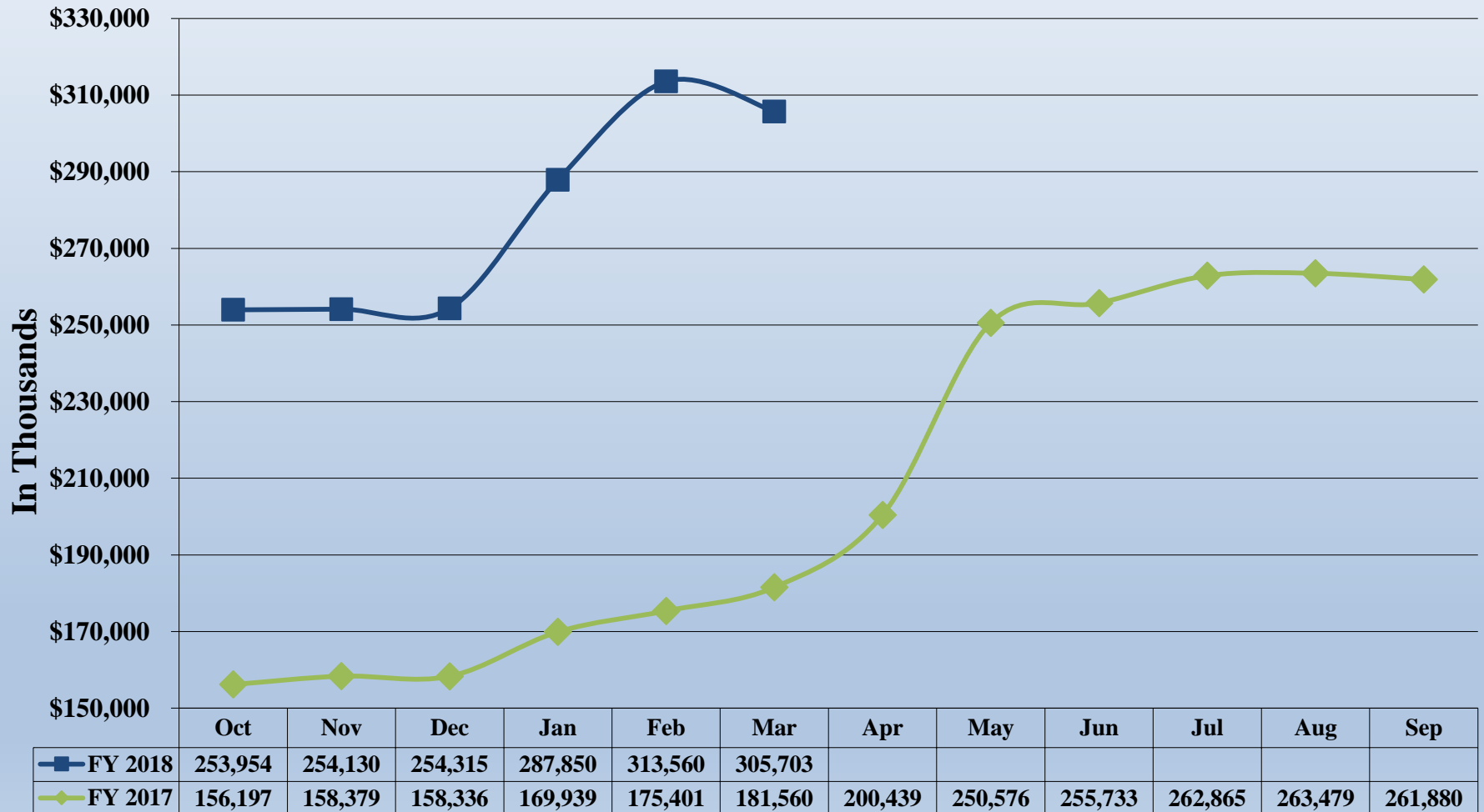


# AR Cash Receipts

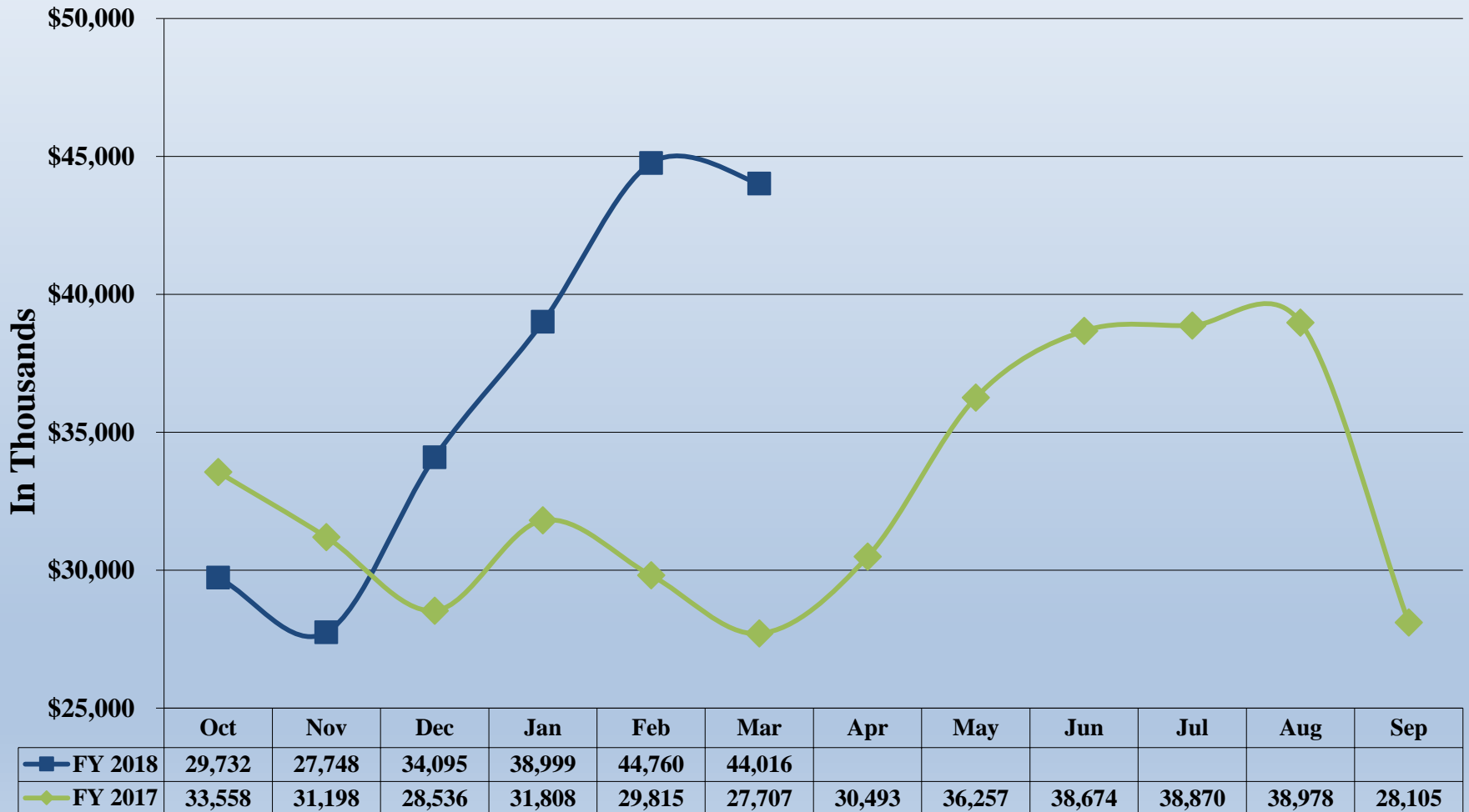
Compared to Prior Year (Blended)



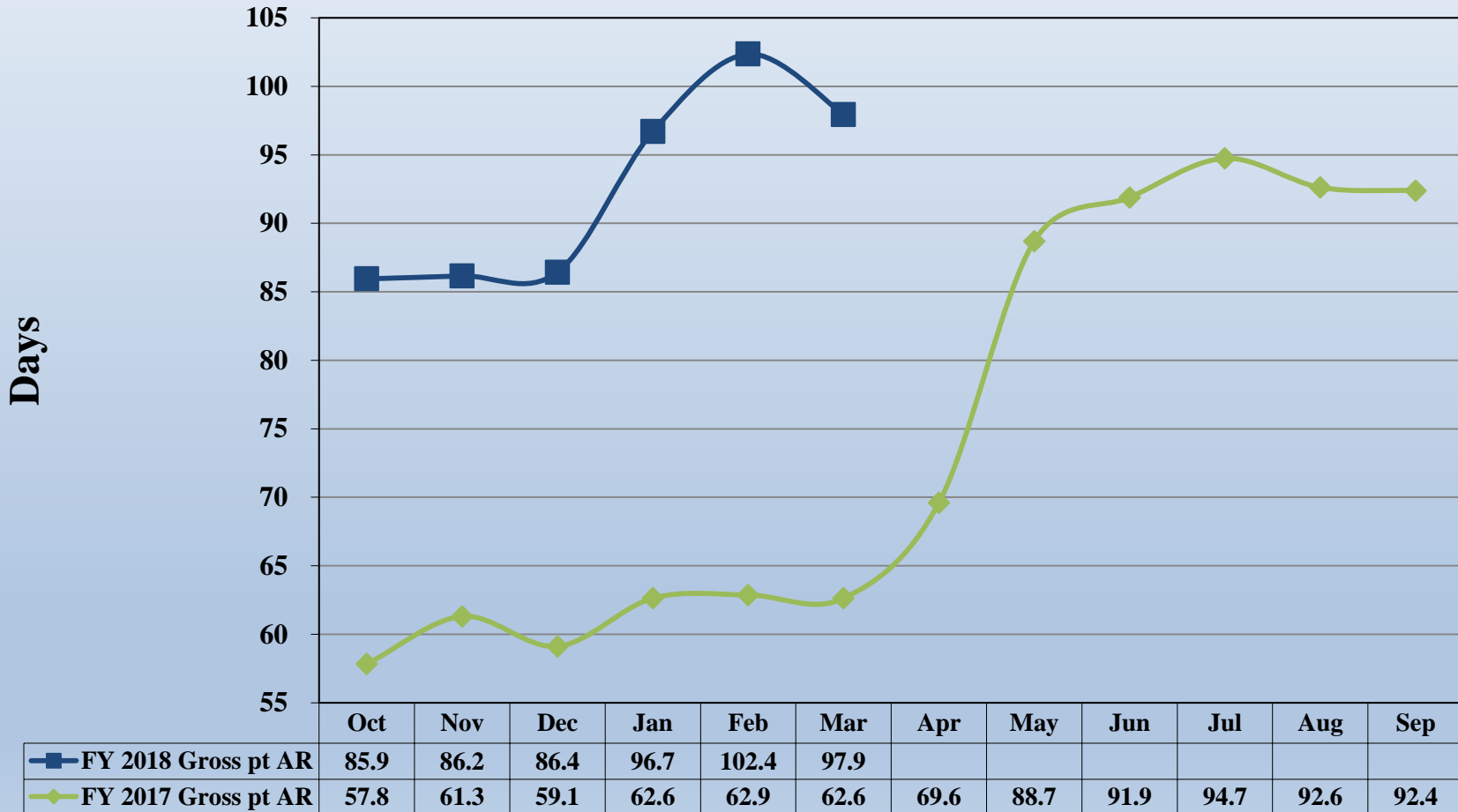
# Accounts Receivable - Gross



# Accounts Receivable - Net

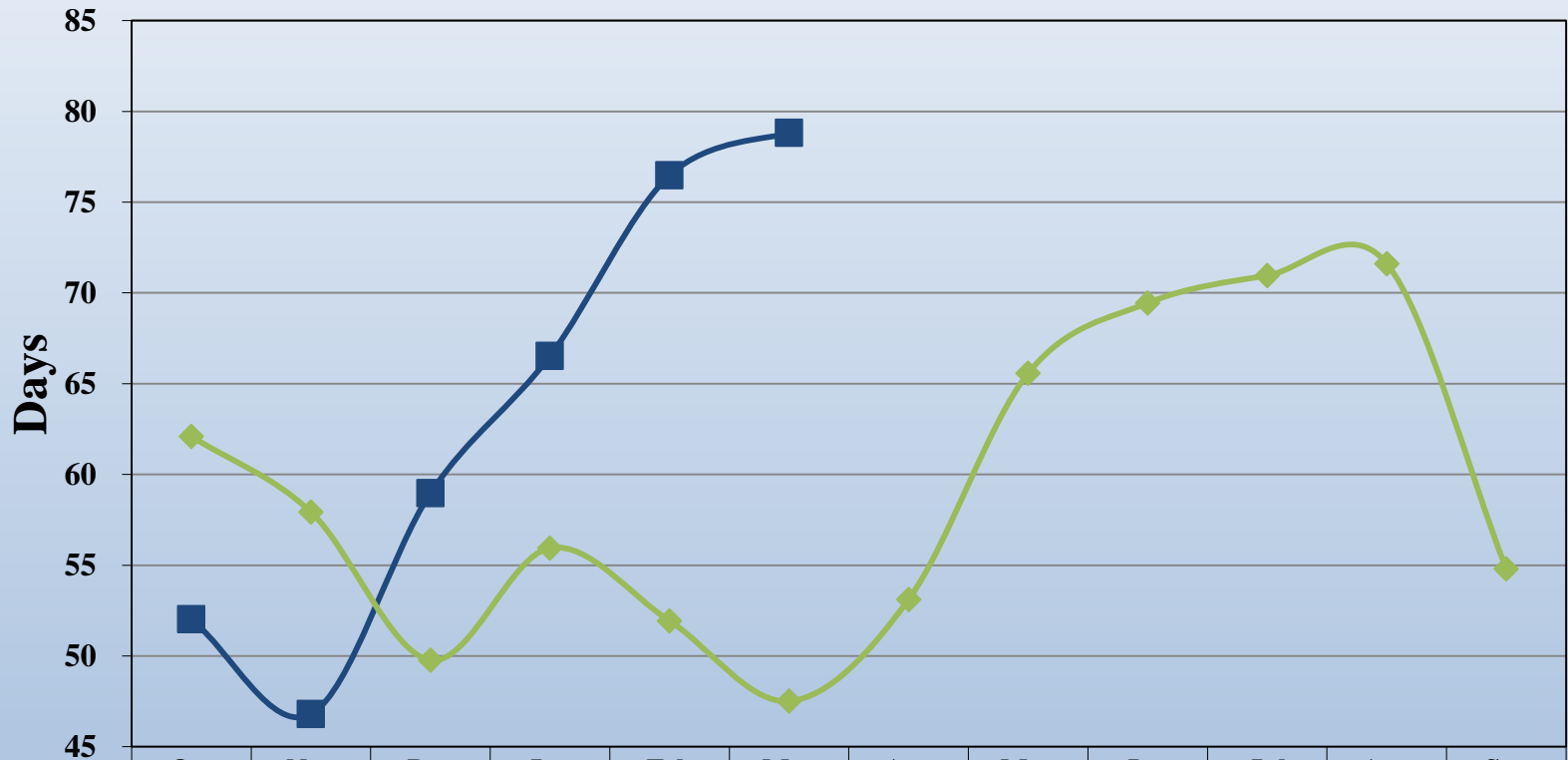


# Gross Days in Accounts Receivable – Rolling 3 Month





# Net Days in Accounts Receivable – Rolling 3 Month



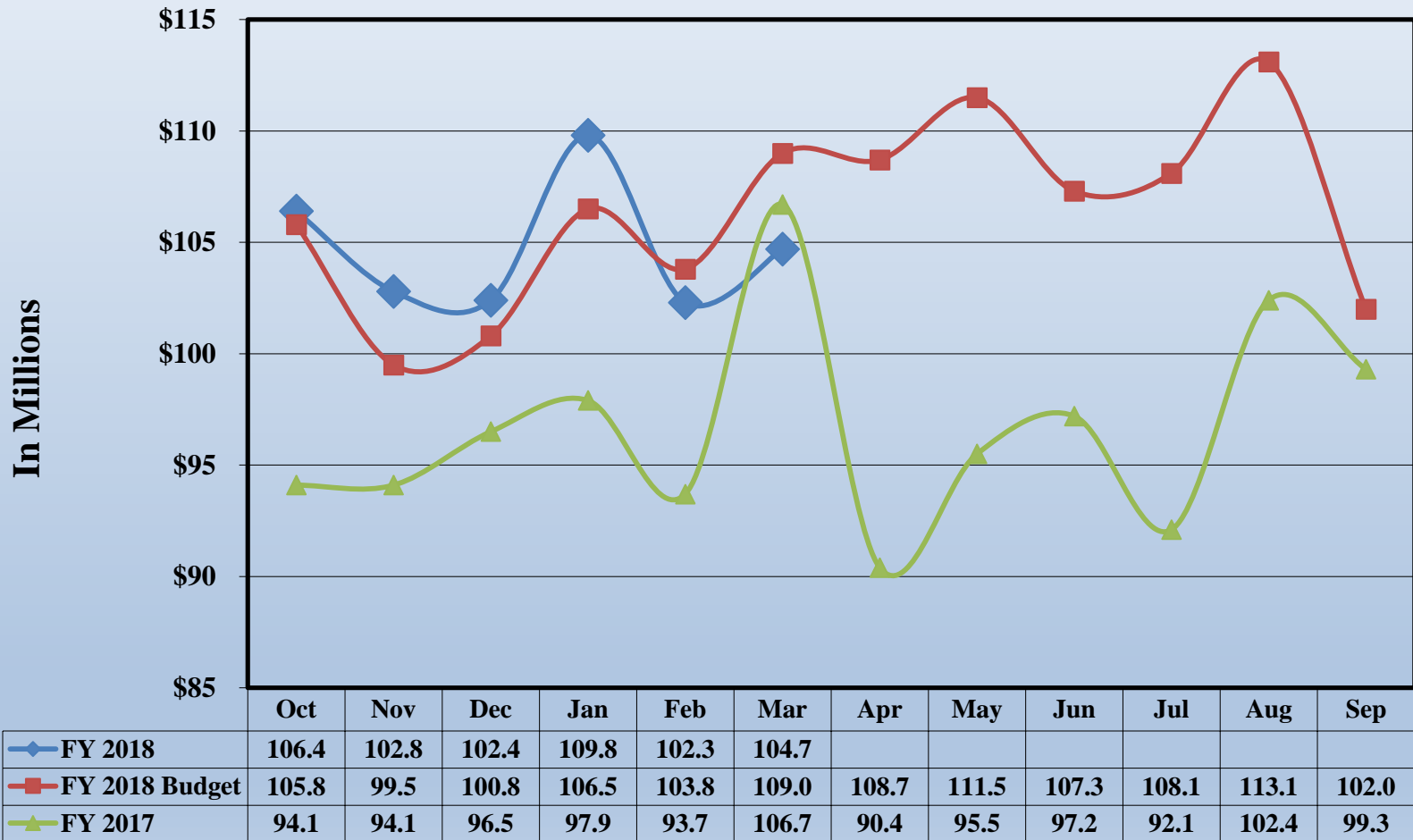
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
■ FY 2018	52.0	46.8	59.0	66.5	76.5	78.8						
◆ FY 2017	62.1	57.9	49.8	55.9	51.9	47.5	53.1	65.6	69.4	71.0	71.6	54.8

# Revenues & Revenue Deductions



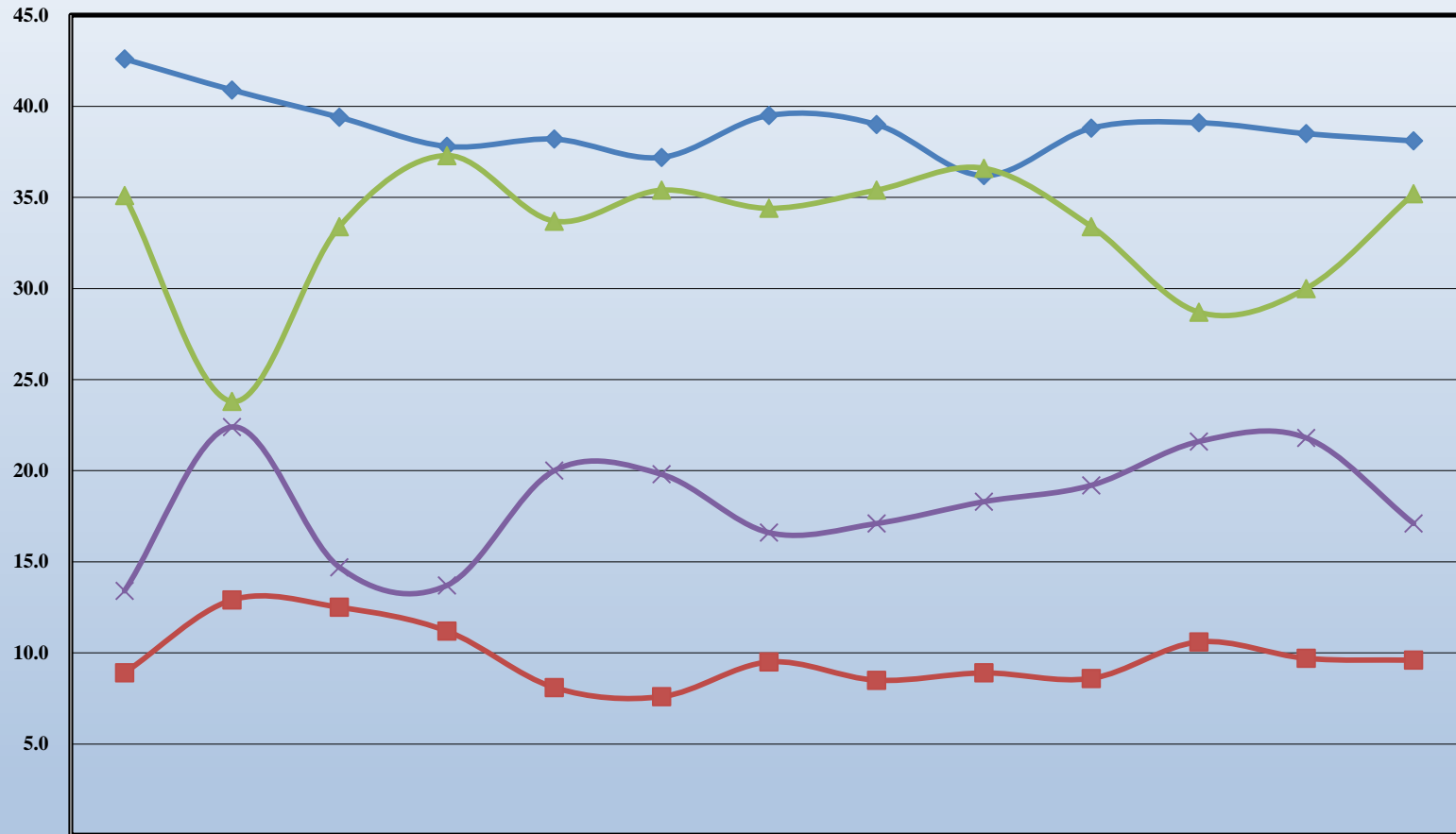
# Total Patient Revenues

(Blended)



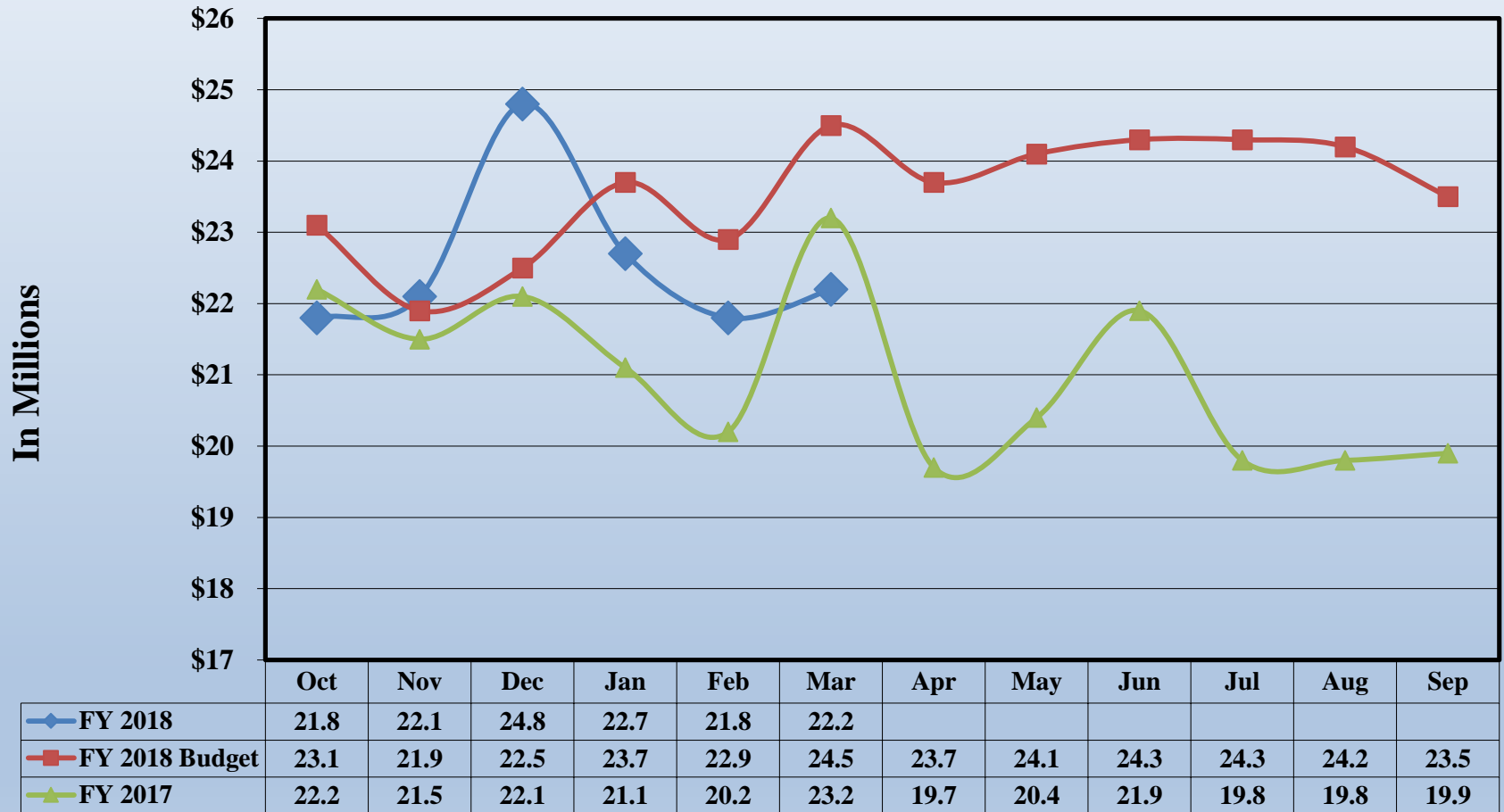
# Hospital Revenue Payor Mix

13 Month Trend



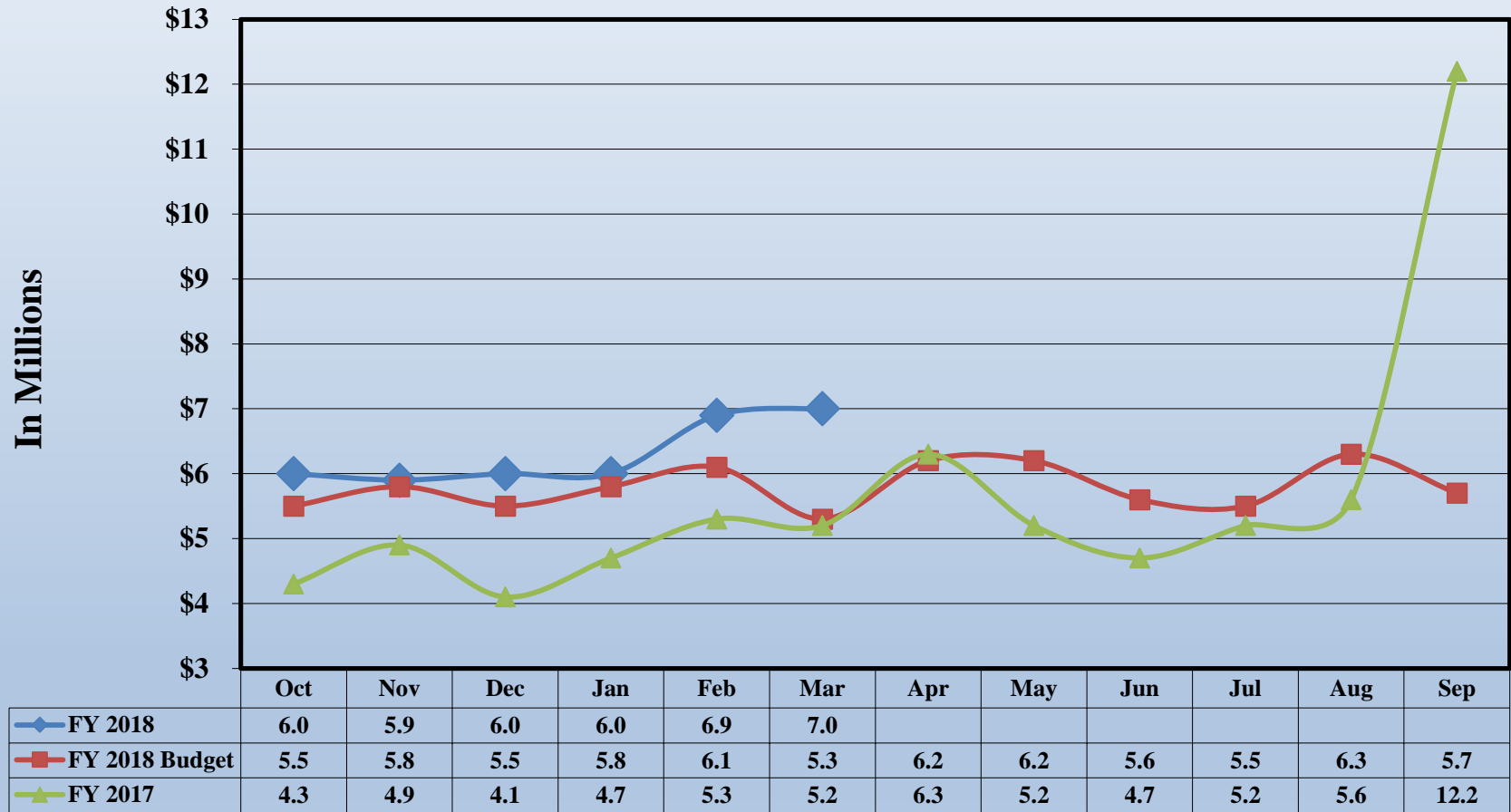
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Medicare	42.6	40.9	39.4	37.8	38.2	37.2	39.5	39.0	36.2	38.8	39.1	38.5	38.1
Medicaid	8.9	12.9	12.5	11.2	8.1	7.6	9.5	8.5	8.9	8.6	10.6	9.7	9.6
Third Party	35.1	23.8	33.4	37.3	33.7	35.4	34.4	35.4	36.6	33.4	28.7	30.0	35.2
Private	13.4	22.4	14.7	13.7	20.0	19.8	16.6	17.1	18.3	19.2	21.6	21.8	17.1

# Net Patient Revenues (Blended)

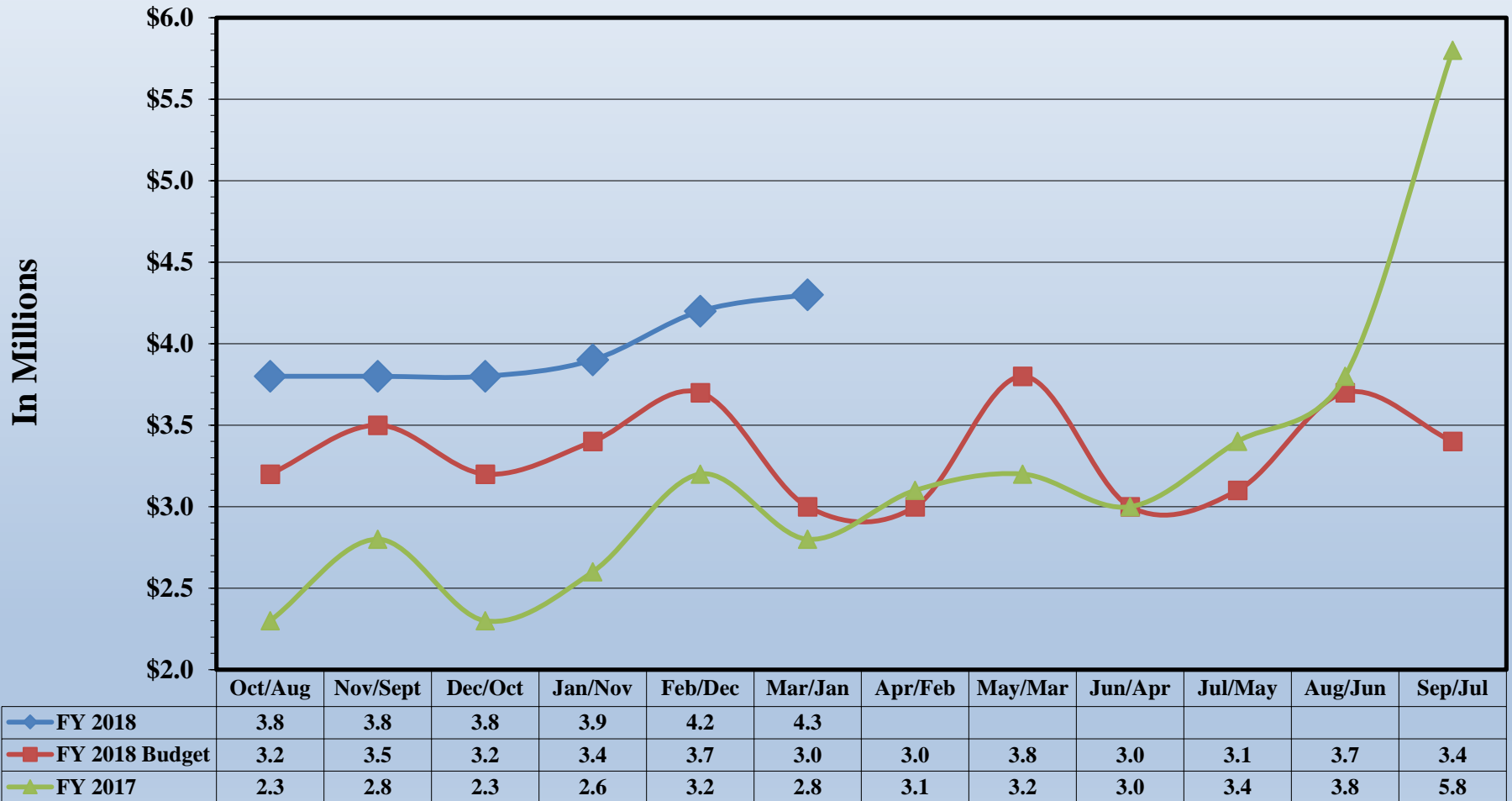


# Other Revenue - Blended

Including Tax Receipts, Interest & Other Operating Income



# Sales Tax Receipts

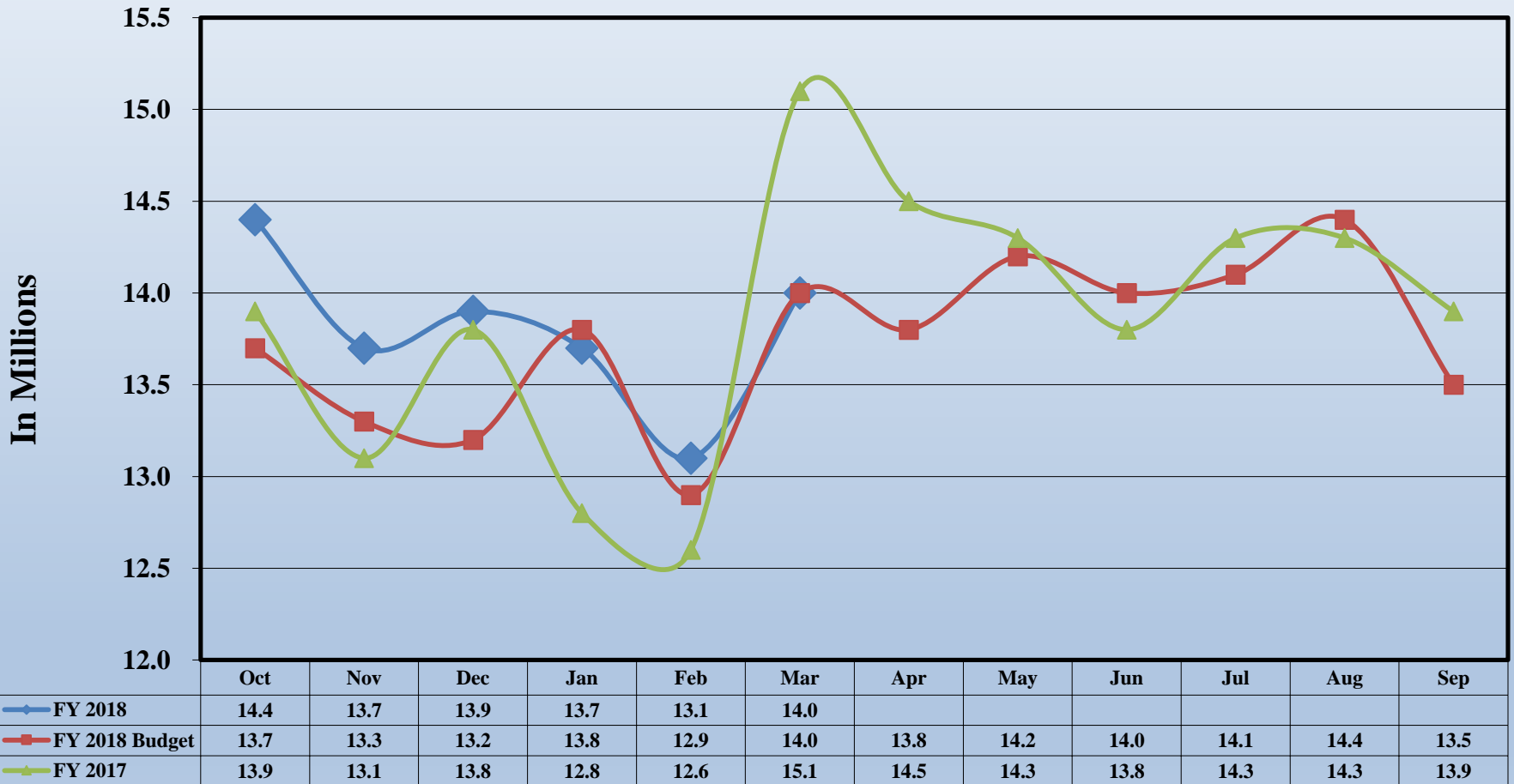


# Operating Expenses



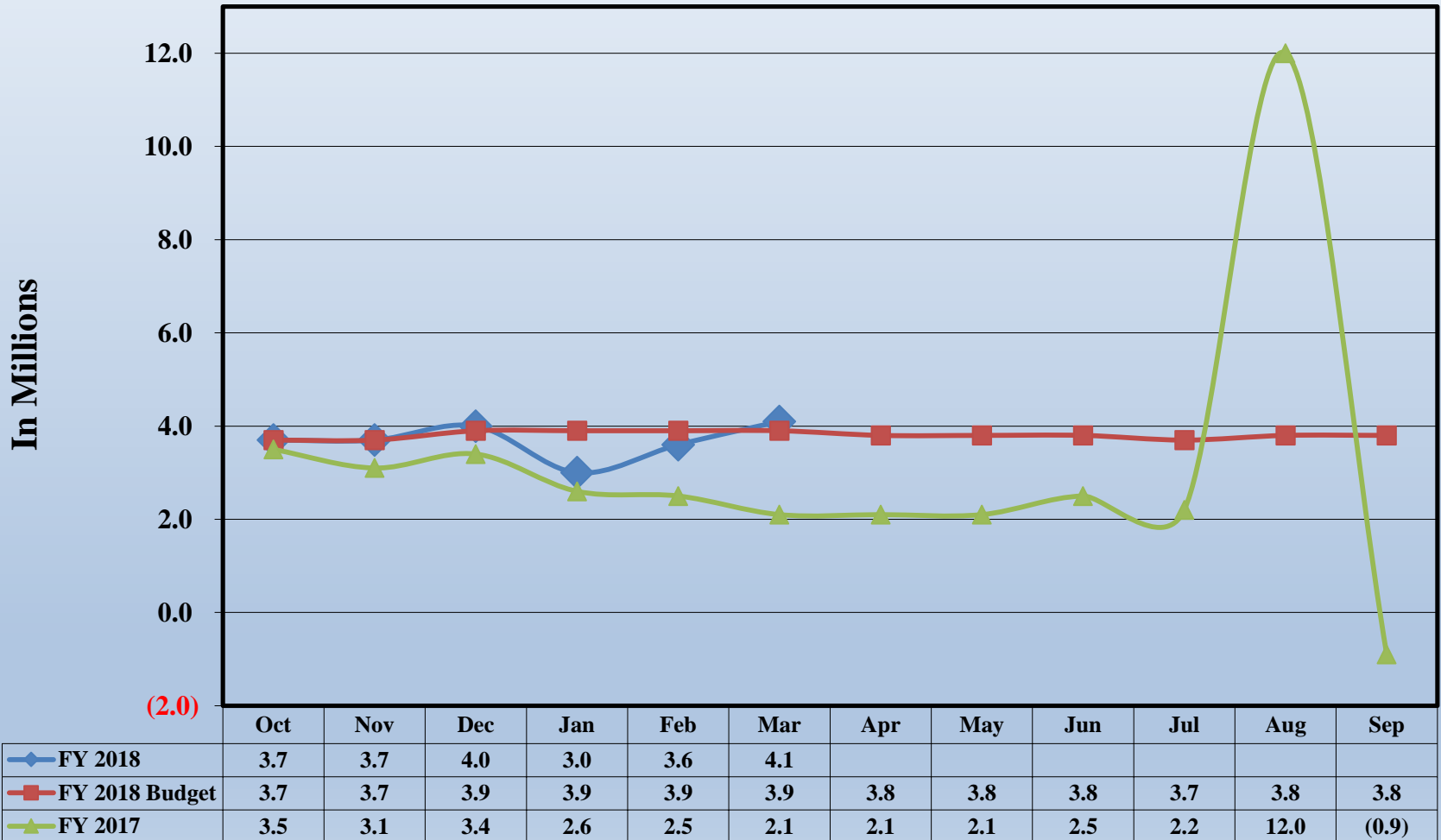


# Salaries, Wages & Contract Labor (Blended)

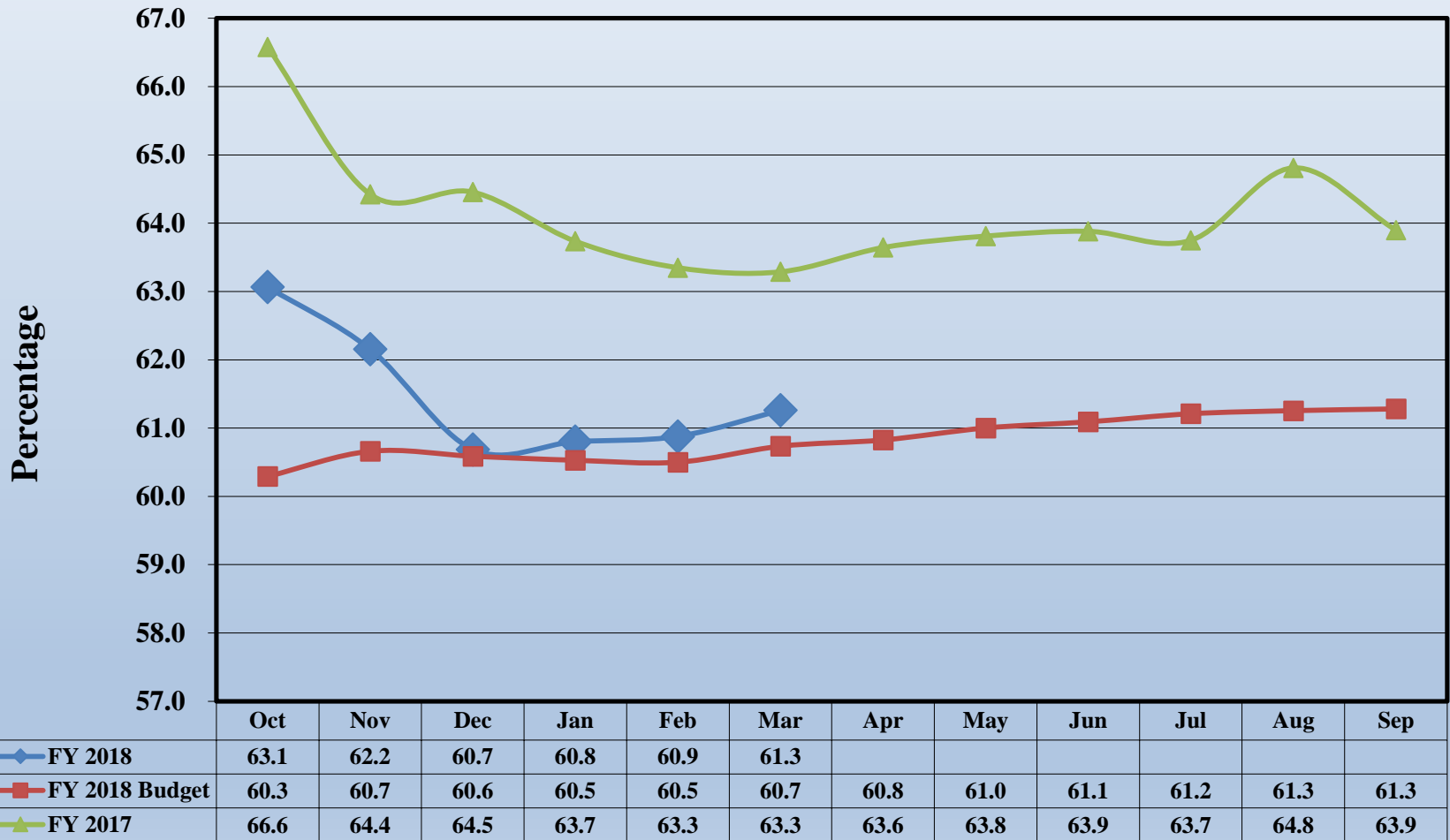


# Employee Benefit Expense

## (Blended)

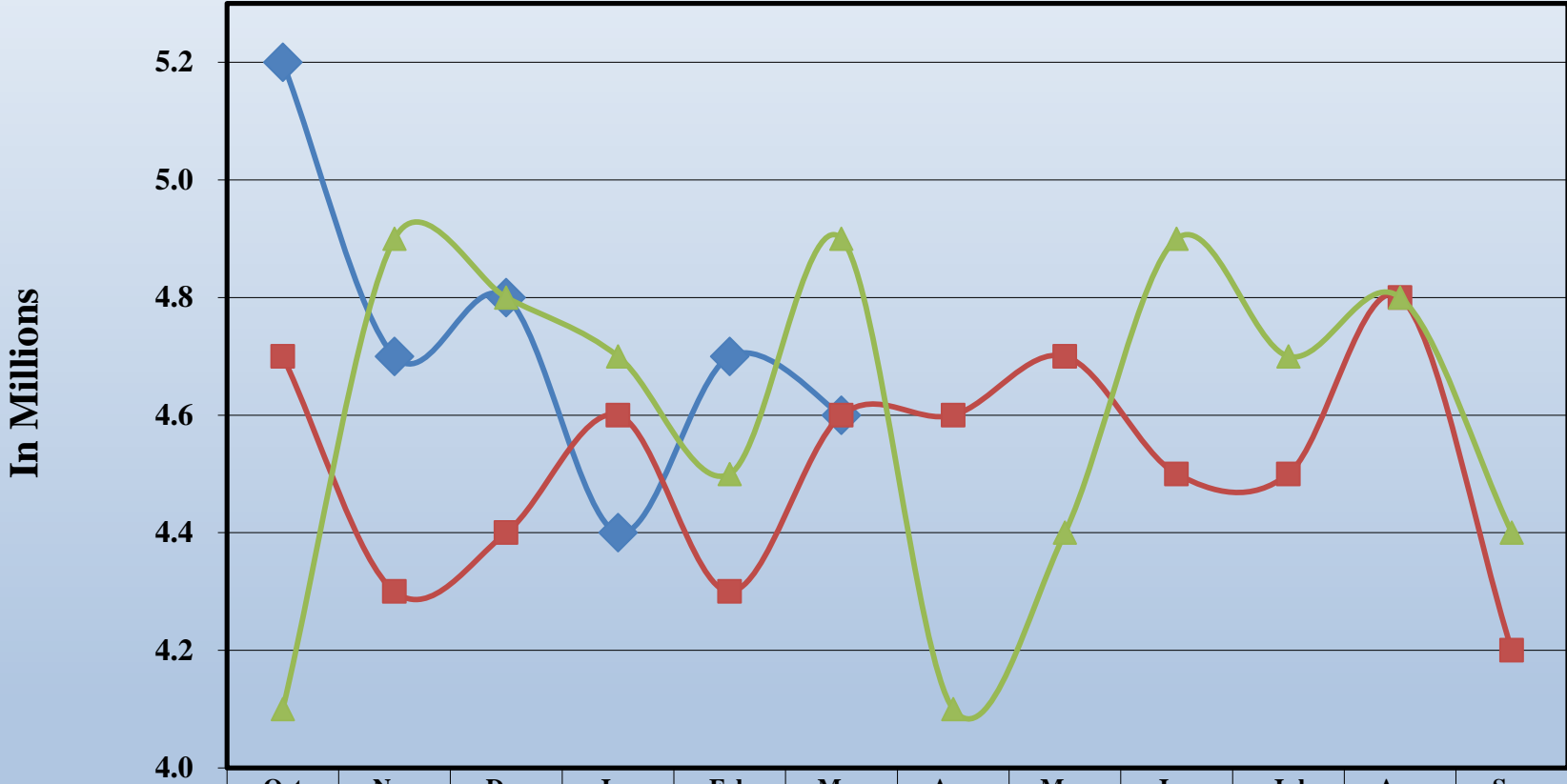


# Salaries, Wages, Benefits, and Temp Labor as a % of Total Operating Expense Year-to-Date (Blended)



# Supply Expense

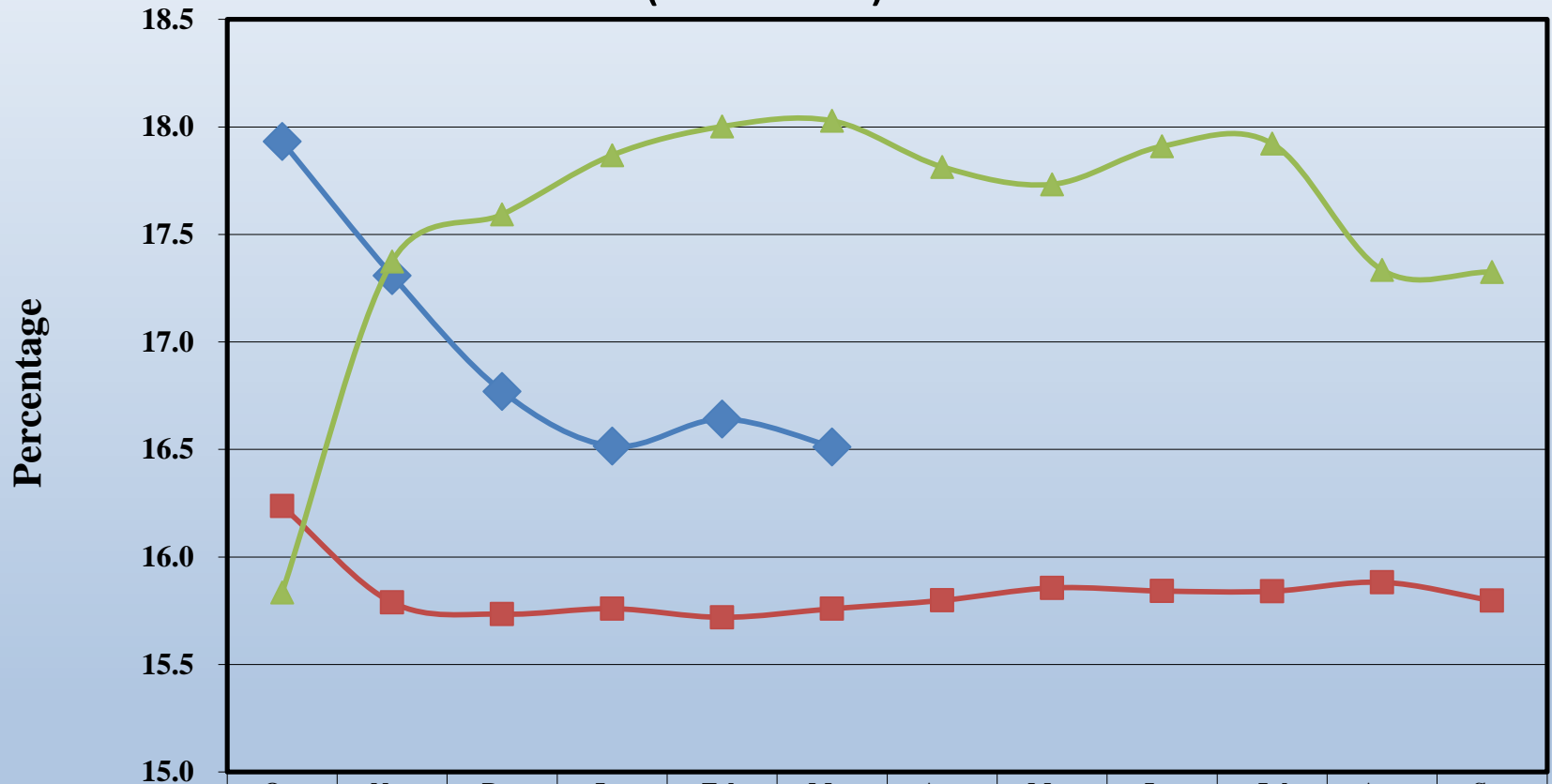
(Blended)



◆ FY 2018	5.2	4.7	4.8	4.4	4.7	4.6						
■ FY 2018 Budget	4.7	4.3	4.4	4.6	4.3	4.6	4.6	4.7	4.5	4.5	4.8	4.2
▲ FY 2017	4.1	4.9	4.8	4.7	4.5	4.9	4.1	4.4	4.9	4.7	4.8	4.4

# Supply Expense as a % of Total Operating Expense Year-to-Date

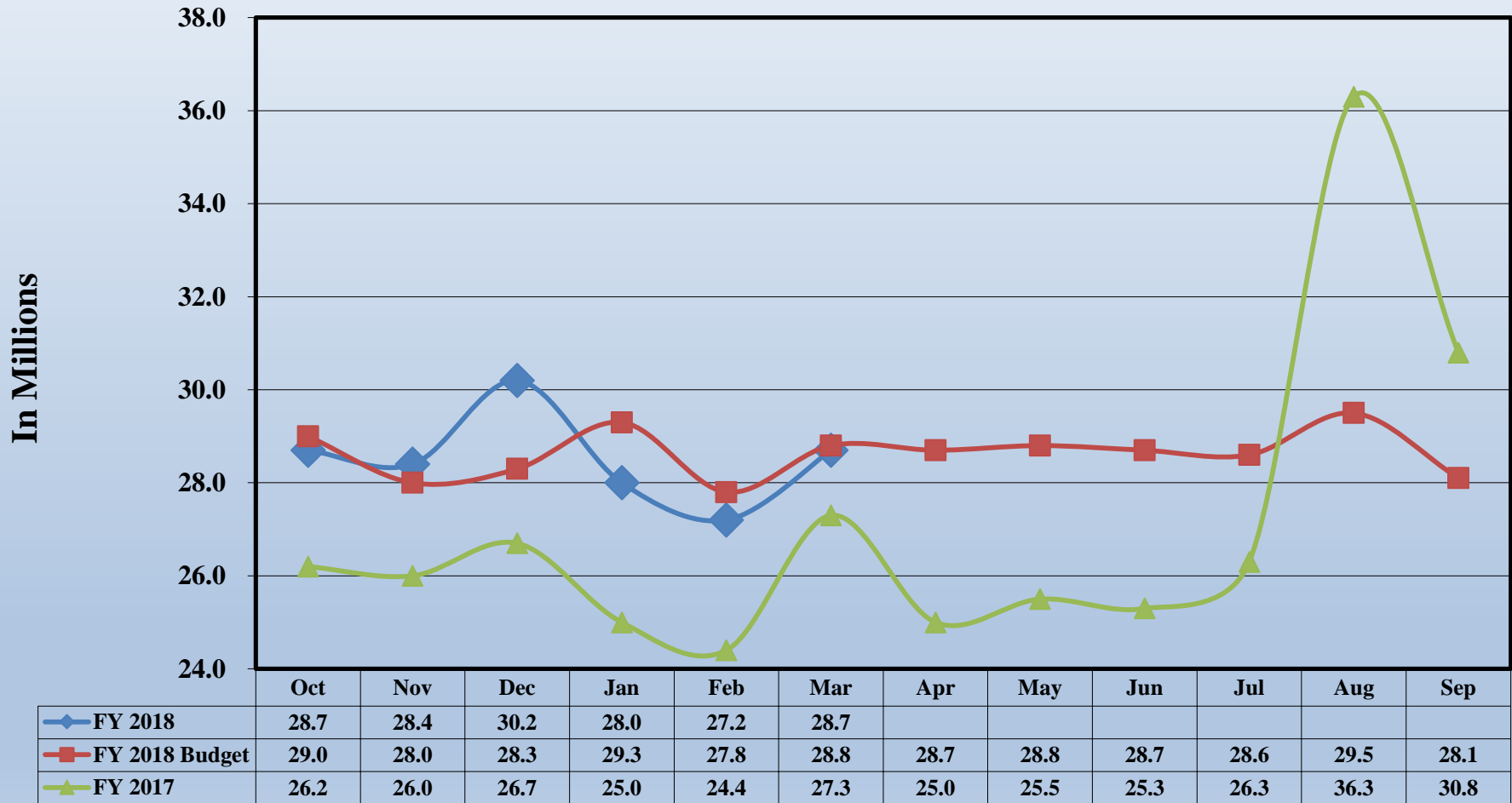
(Blended)



◆ FY 2018	17.9	17.3	16.8	16.5	16.6	16.5						
■ FY 2018 Budget	16.2	15.8	15.7	15.8	15.7	15.8	15.8	15.9	15.8	15.8	15.9	15.8
▲ FY 2017	15.8	17.4	17.6	17.9	18.0	18.0	17.8	17.7	17.9	17.9	17.3	17.3

# Total Operating Expense

## (Blended)



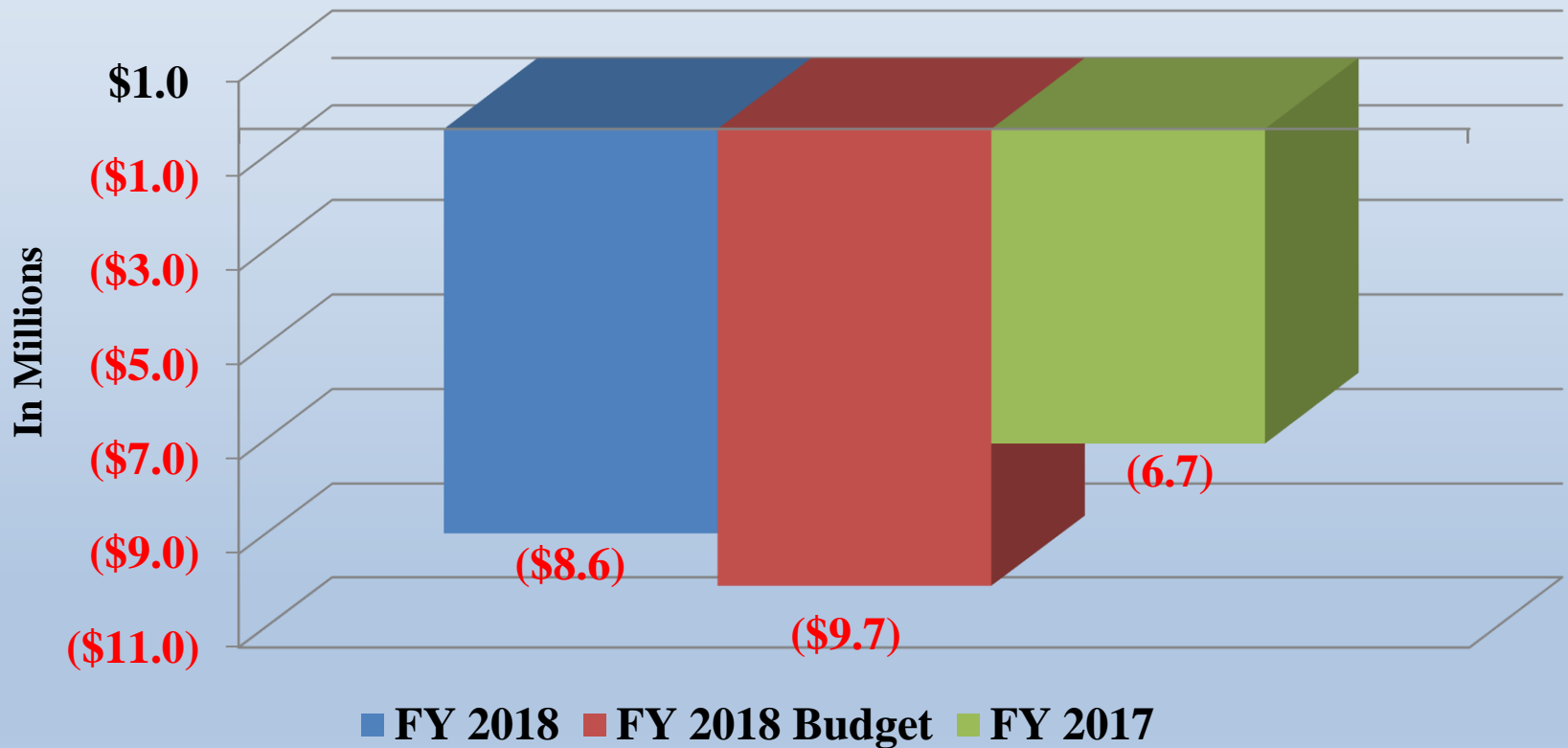
# Change in Net Position

## Blended Operations



# Change in Net Position

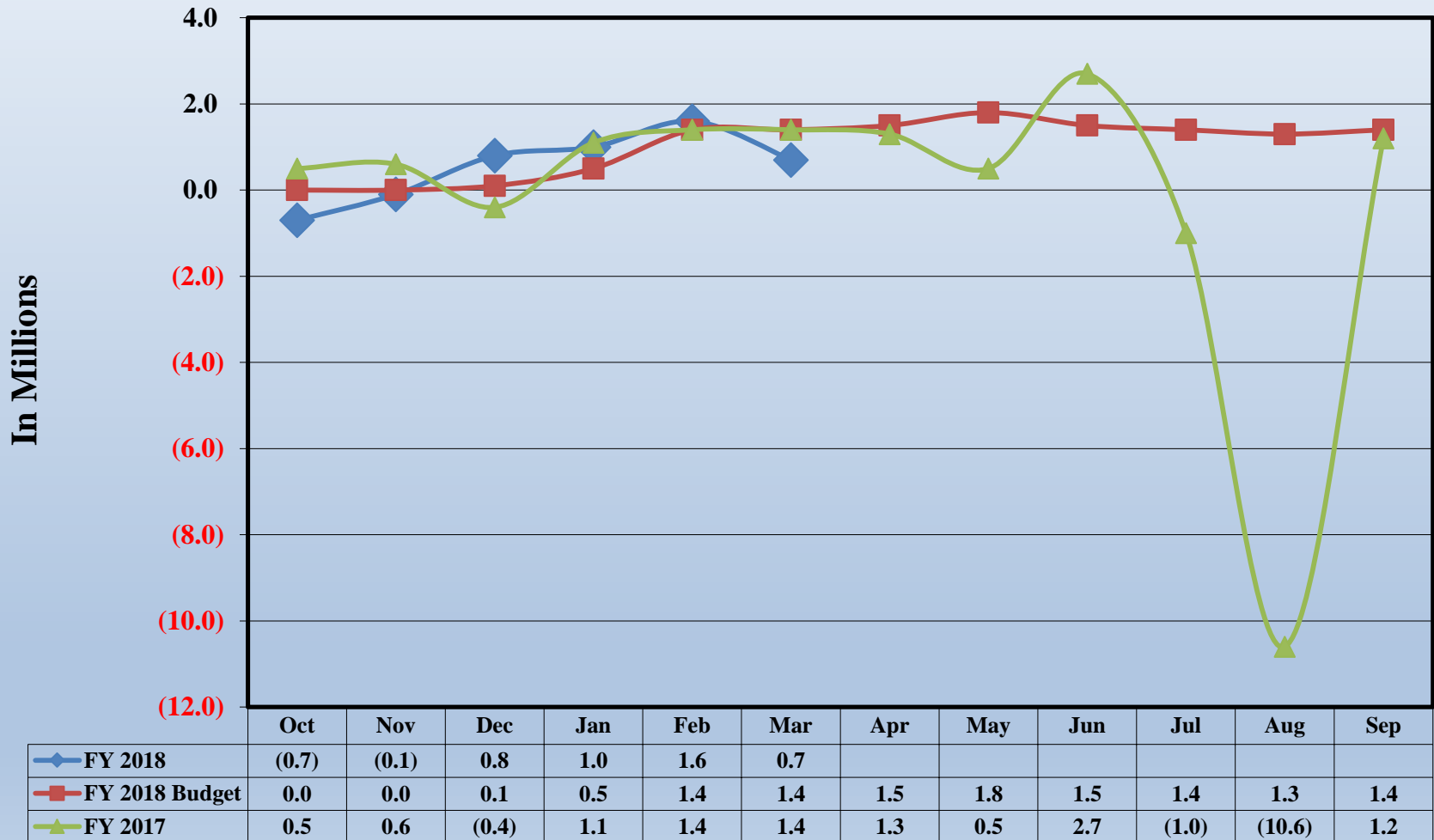
Blended Operations – Year to Date





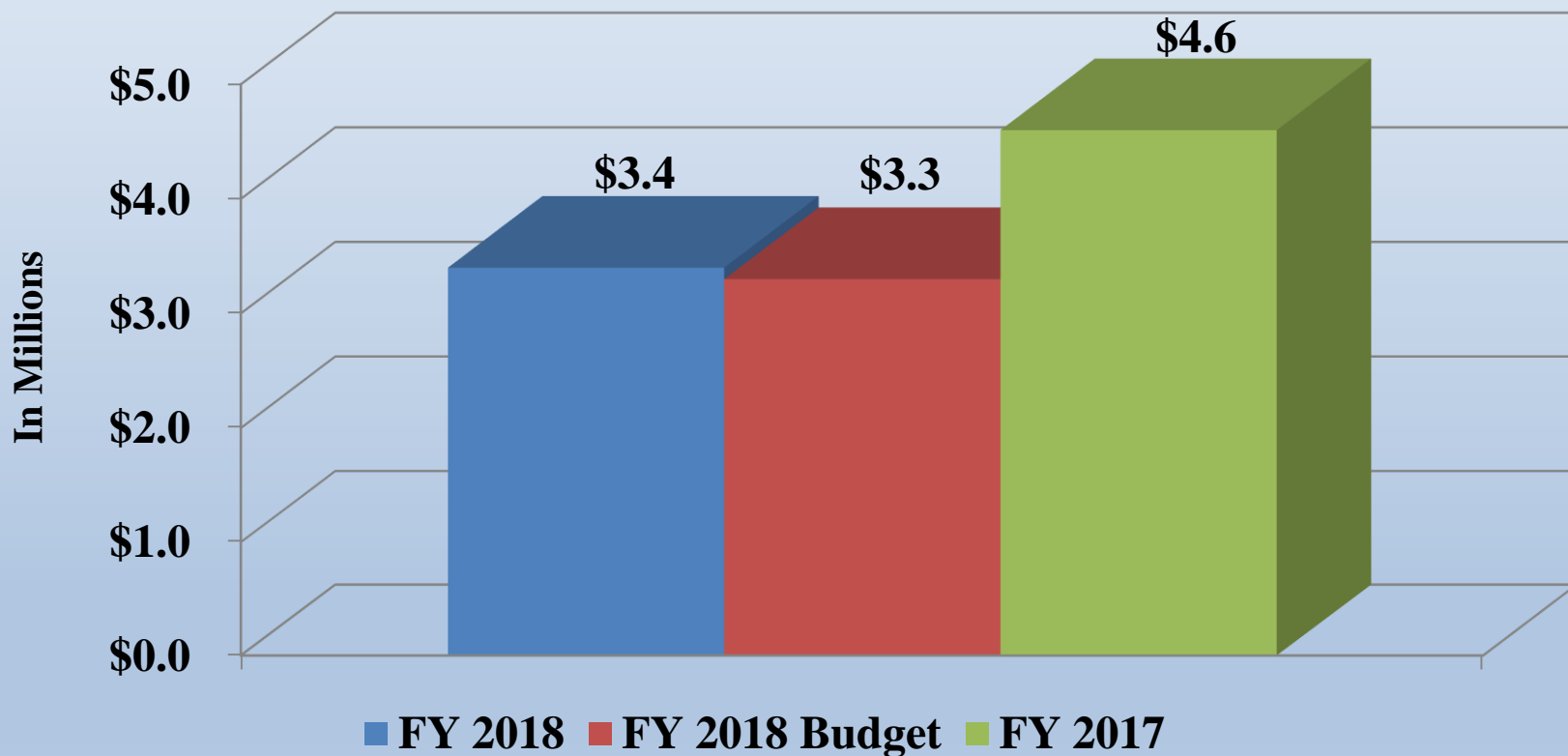
# Earnings Before Interest, Depreciation & Amortization (EBIDA)

Blended Operations



# Earnings Before Interest, Depreciation & Amortization (EBIDA)

Blended Operations – Year to Date







May 1, 2018

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS**

**Item to be considered:**

Medical Staff and Allied Health Professionals Staff Applicants

**Statement of Pertinent Facts:**

Pursuant to Sections 4.1-4 and 6.2-6 of the Medical Staff Bylaws, the application process for the following Medical Staff and Allied Health Professional applicants is complete. The Joint Conference Committee and the Medical Executive Committee recommend approval of privileges or scope of practice and membership to the Medical Staff or Allied Health Professionals Staff for the following applicants, effective upon Board Approval:

**Medical Staff:**

Applicant	Department	Specialty/Privileges	Group	Dates
Akrami, Jason MD	Radiology	Telemedicine	VRAD	05/01/2018-04/30/2020
Bajaj, Kelash MD	Medicine	Medical Oncology	Texas Oncology	05/01/2018-04/30/2019
Cho, Parina MD	Radiology	Telemedicine	VRAD	05/01/2018-04/30/2020
Garikiparthi, Venkataramana MD	Pediatrics	Pediatrics	TTUHSC	05/01/2018 – 04/30/2019
Hansen, Robert MD	Radiology	Telemedicine	VRAD	05/01/2018-04/30/2020
*Payne, Jordan MD	Pediatrics	Pediatrics	Covenant Medical Group	05/01/2018-04/30/2019
Roemhildt, Louis MD	Radiology	Telemedicine	VRAD	05/01/2018-04/30/2020
McFadden, Sara MD	Radiology	Telemedicine	American Radiology Assoc.	05/01/2018-04/30/2020

**Allied Health:**

Applicant	Department	Specialty/Privileges	Group	Sponsoring Physician(s)	Comments
*Reyes, Dayanelie PA	Family Medicine	Physician Assistant	ProCare	Dr. Mavis Twum-Barimah	05/01/2018 – 04/30/2020
*Wheatley, Lindsey NP	Pediatrics	Nurse Practitioner	TTUHS C	Dr. Robert Bennett Dr. Dimitrios Angelis Dr. Manjula Mudduluru	05/01/2018 – 04/30/2020

\*Please grant temporary Privileges



**Advice, Opinions, Recommendations and Motions:**

If the Hospital District Board of Directors concurs, the following motion is in order: Accept the recommendation of the Medical Executive Committee and the Joint Conference Committee and approve privileges and membership to the Medical Staff as well as scope of practice and Allied Health Professional Staff membership for the above listed applicants.

Fernando Boccalandro, MD, Chief of Staff  
Executive Committee Chair  
/TL



May 1, 2018

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS**

**Item to be considered:**

Reappointment of the Medical Staff and/or Allied Health Professional Staff

**Statement of Pertinent Facts:**

The Medical Executive Committee and the Joint Conference Committee recommends approval of the following reappointments of the Medical Staff and Allied Health Professional Staff as submitted. These reappointment recommendations are made pursuant to and in accordance with Medical Staff Bylaws sections 4.4-4 and 6.6-3.

**Medical Staff:**

Applicant	Department	Staff Category	Specialty/Privileges	Group	Dates
Allen, Michael MD	Radiology	Telemedicine	Teleradiology	VRAD	05/01/2018 – 04/30/2020
Cavazos, Cristina MD	Radiology	Telemedicine	Teleradiology	VRAD	07/01/2018 – 06/30/2020
Foral, Jonathan MD	Radiology	Telemedicine	Teleradiology	VRAD	05/01/2018 – 06/30/2020
Fox, Stephen MD	Radiology	Telemedicine	Teleradiology	VRAD	06/01/2018 – 05/31/2020
James, Rebecca MD	OB/GYN	Associate	OB/GYN	Premier Physicians	07/01/2018 – 06/30/2019
Lamoureux, Christine, MD	Radiology	Telemedicine	Teleradiology	VRAD	05/01/2018 – 04/30/2020
Le, Trang, MD	Internal Medicine	Active	Internal Medicine/Endocrinology	Texas Tech	07/01/2018 – 06/30/2020
McQuillin, Pamela MD	OB/GYN	Active	OB/GYN	Private	07/01/2018 – 06/30/2020
Moon, David MD	Radiology	Telemedicine	Teleradiology	VRAD	06/01/2018 – 05/31/2020
Oner, Banu, MD	Radiology	Telemedicine	Teleradiology	VRAD	05/01/2018 – 04/30/2020
Reckson, Mark MD	Radiology	Telemedicine	Teleradiology	VRAD	05/01/2018 – 04/30/2020

**Allied Health Professionals:**

Applicant	Department	Specialty/Privileges	Group	Sponsoring Physician(s)	Dates
Cuizon, Michael NP	Cardiology	Nurse Practitioner	ProCare	Dr. Sudhir Amaram Dr. Manohar Angirekula Dr. Fernando Boccalandro Dr. Tejas Patel Dr. Craig Spellman	07/01/2018 – 06/30/2020
Eaton, Catherine NP	Medicine	Nurse Practitioner	MCHS	Dr. Ronald Gibbons Dr. Craig Spellman	07/01/2018 – 06/30/2020
Hughes, Amanda NP	Pediatrics	Nurse Practitioner	TTUHSC	Dr. Robert Bennett	06/01/2018 – 05/31/2020
Moses, Stephanie PhD	Medicine	Clinical Psychologist	TTUHSC	Independent	06/01/2018 – 05/31/2020
Nunez, Martha	Family Medicine	Nurse Practitioner	ProCare	Dr. Johany Herrera	07/01/2018 – 06/30/2020
Pittman, Tabatha PA	Family Medicine	Physician Assistant	MCHS	Dr. David Davison Dr. Mavis Twum-Barimah	06/01/2018 – 05/31/2020
Subia, Isadora NP	Cardiology	Nurse Practitioner	Procare	Dr. Sudhir Amaram Dr. Manohar Angirekula Dr. Fernando Boccalandro Dr. Tejas Patel	07/01/2018 – 06/30/2020

**Advice, Opinions, Recommendations and Motions:**

If the Hospital District Board of Directors concurs, the following motion is in order Accept and approve the recommendations of the Medical Executive Committee and the Joint Conference Committee relating to the reappointment of the Medical Staff and/or Allied Health Professional Staff.

Fernando Boccalandro, MD, Chief of Staff  
 Executive Committee Chair  
 /TL



May 1, 2018

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS**

**Item to be considered:**

Change in Clinical Privileges

**Statement of Pertinent Facts:**

The Medical Executive Committee and the Joint Conference Committee recommends the request below on change in clinical privileges. These clinical changes in privileges are recommendations made pursuant to and in accordance with Medical Staff Bylaws sections 4.2-11.

**Change in Clinical Privileges:**

Staff Member	Department	Privilege
Chavez, Cynthia, NNP	Pediatrics	Add: Umbilical arterial catherization; Umbilical venous catherization; Intubation;
Hughes, Amanda NNP	Pediatrics	Add: Umbilical arterial catherization; Umbilical venous catherization; Intubation;
James, Rebecca MD	OB/GYN	Add: Hysterectomy, abdominal/vaginal Delete: Hysterectomy, cesarean section
Subia, Isadora NP	Cardiology	Delete: Wound Care (NP only)
Wiltse, Peter MD	Surgery	Add: Trauma Privilege Form ( <b>Removal of Proctoring</b> )

**Advice, Opinions, Recommendations and Motions:**

If the Hospital District Board of Directors concurs, the following motion is in order: Accept and approve the recommendations of the Medical Executive Committee and the Joint Conference Committee relating to the change in clinical privileges of the Allied Health Professional Staff.

Fernando Boccalandro, MD, Chief of Staff  
Executive Committee Chair  
/TL





May 1, 2018

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS**

Item to be considered:

Change in Medical Staff or AHP Staff Status– Resignations/ Lapse of Privileges

**Statement of Pertinent Facts:**

The Medical Executive Committee and the Joint Conference Committee recommends approval of the following changes in staff status. These resignations/lapse of privileges are recommendations made pursuant to and in accordance with the Medical Staff Bylaws section 4.4-4.

**Resignation/ Lapse of Privileges:**

Staff Member	Staff Category	Department	Effective Date	Action
Clarke, Delphia MD	Telemedicine	Radiology	02/10/2017	Resigned
Gafford, Philip MD	Associate	Surgery	02/28/2018	Lapse of privileges
Gerhardt, Erich DO	Associate	Surgery	06/30/2018	Lapse of privileges
Patel, Sanjay MD	Courtesy	Pediatrics	07/01/2018	Resigned
Vyas, Dinesh MD	Associate	Surgery	02/28/2018	Lapse of privileges
West, Jason MD	Affiliate	Surgery	09/20/2017	Resigned
Turner, James MD	Telemedicine	Radiology	05/31/2018	Lapse of privileges

Advice, Opinions, Recommendations and Motion:

If the Hospital District Board of Directors concurs, the following motion is in order: Accept and approve the recommendations of the Medical Executive Committee and the Joint Conference Committee to approve the Resignation / Lapse of Privileges.

Fernando Boccalandro, MD, Chief of Staff  
Executive Committee Chair  
/TL



May 1, 2018

**ECTOR COUNTY HOSPITAL DISTRICT  
BOARD OF DIRECTORS**

**Item to be considered:**

Change in Medical Staff or AHP Staff Category

**Statement of Pertinent Facts:**

The Medical Executive Committee and the Joint Conference Committee recommend approval of the following changes in staff status category. The respective departments determined that the practitioners have complied with all Bylaws requirements and are eligible for the change as noted below.

**Staff Category Change/ Change to Credentialing Date:**

Staff Member	Staff Category	Department	Dates
Doran, John MD	Courtesy	Medicine	01/01/2018 – 12/31/2018
Gurru, Manohar MD	Courtesy	Medicine	01/01/2018 – 12/31/2018
Jain, Shailesh MD	Courtesy	Medicine	01/01/2018 – 12/31/2018
Pamganamamula, Madhu MD	Courtesy	Medicine	01/01/2018 – 12/31/2018
Rao, Vivek MD	Courtesy	Medicine	01/01/2018 – 12/31/2018
Webb, Heather MD	Telemedicine	Radiology	01/01/2018 – 12/31/2019

**Advice, Opinions, Recommendations and Motion:**

If the Hospital District Board of Directors concurs, the following motion is in order: Accept and approve the recommendations of the Medical Executive Committee and the Joint Conference Committee to approve the staff category changes.

Fernando Boccalandro, MD, Chief of Staff  
Executive Committee Chair  
/TL

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

ATTORNEYS AT LAW

1301 EAST 8TH STREET, SUITE 200  
ODESSA, TEXAS 79761-4703

432/332-9047

FAX: 432/333-7012

*Mark A. Flowers*

April 17, 2018

Rick Napper  
CEO/Administrator  
Ector County Hospital District  
P.O. Drawer 7239  
Odessa, TX 79760

RE: REQUEST FOR A DECISION FROM THE ECTOR COUNTY HOSPITAL DISTRICT TO SELL PROPERTY FOR LESS THAN MARKET VALUE SPECIFIED IN THE JUDGMENT OF FORECLOSURE AND ALSO LESS THAN THE TOTAL AMOUNT OF JUDGMENTS AGAINST THE PROPERTY

Dear Mr. Napper:

Please place on the agenda of the next meeting of the Ector County Hospital District a request to sell property located in the Midway Country Estates Subdivision in Gardendale for \$40,500.00, which is less than the market value specified in the judgment of foreclosure against the property and is also less than the total amount of the judgment against the property.

Pursuant to the inter-local agreement, which was set up to sell these properties, Trower Realtors has obtained a contract on the property and the buyer, Michael Todd Welch, has deposited \$500.00 with Atkins Peacock & Linebarger Goggan, LLP. The property is located in the Midway Country Estates Subdivision in Gardendale and has a tax appraised value of \$156,495.00. I have attached an exhibit indicating what each jurisdiction will receive after all costs are paid.

While this bid may seem low compared to the tax appraised value listed above, you may wish to consider additional factors in making your decision. I can discuss this in greater detail by phone or in person.

I request that this be placed on the agenda to obtain a decision from the Hospital District on whether to sell the above described property for less than the market value and the total judgment amount taken against the property by the taxing entities.

If you have any questions, please do not hesitate to call me at 231-1150

Sincerely,



Mark A. Flowers  
Attorney

Meeting Date: \_\_\_\_\_  
\_\_\_\_\_ Approved OR \_\_\_\_\_ Not Approved

**Tax Resale Distribution Sheet**

**Address:** Property in Midway Country Estates  
**Cause #:** B-8336-T; Ector County Vs. G.H. Miller, et al  
**Legal Description:** See attached for legal description


	<u>Taxes Owed</u>	<u>Percentage</u>	<u>\$ to be Received</u>
SCHOOL	\$171,799.94	0.60	\$27,090.84
COLLEGE	\$19,327.50	0.07	\$3,160.60
CED	\$23,622.50	0.08	\$3,612.11
HOSPITAL	\$8,909.48	0.03	\$1,354.54
COUNTY	\$62,831.02	0.22	\$9,933.31

BID PRICE:	\$40,500.00
REALTOR'S FEE:	\$2,430.00
CLOSING:	\$0.00
COURT COSTS:	\$620.00
SHERIFF'S FEE:	\$100.00
COSTS:	\$658.60
	<hr/>
	\$36,691.40

DEED TRANSFERRING TITLE INTO ECTOR CO, TRUSTEE RECORDED ON: 10/7/2004

TAX RESALE PROPERTY DESCRIPTION  
CAUSE #B-8336-T; Ector County vs. G.H. Miller, et al

Lots 3, 4, 5 6, 7, and the West part of Lot 8 and Lot 13 less West part, that lies in Ector County, 14, 15, 16, 17, and 18, Block 10; Lots 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14, Block 7; and Lots 6, 7, and part of 8, that lies in Ector County, Block 12, all said lots and blocks situated in the Midway Country Estates Subdivision, Ector County, Texas, according to the map or plat thereof, recorded in Volume/Cabinet "A", Page/Slide 55B, Plat Records, Ector County, Texas. (Accounts #19180.00480, 19180.00490, 19180.00500, 19180.00510, 19180.00520, 19180.00530, 19180.00550, 19180.00560, 19180.00570, 19180.00580, 19180.00590, 19180.00600, 19180.00090, 19180.00100, 19180.00110, 19180.00120, 19180.00130, 19180.00140, 19180.00150, 19180.00160, 19180.00170, 19180.00180, 19180.00680, 19180.00690, and 19180.00700) which is located at NCR 1298.

Date: April 26, 2018  
To: Board of Directors  
Ector County Hospital District  
From: Robert Abernethy   
Chief Financial Officer  
Subject: Texas Healthcare Linen

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In 2010, Midland Memorial Hospital, Hendrick Medical Center (Abilene) and Ector County Hospital District (Medical Center Hospital entered into a joint venture to provide laundry services for the three hospitals. As a part of the startup of the laundry, limited guaranties were issued from both Hendrick Medical Center and Ector County Hospital District (“Medical Center Hospital”) in support of the debt to Texas Healthcare Linen. In the ensuing years, the business has grown and is in a profitable position, with the owners no longer needing to provide capital funding.

As a result, First Financial Bank is proposing to options regarding the reduction of the loan guarantee. Those options are:

**Option 1:**

Immediately lower total guaranties to \$4MM (i.e. \$2,680M for HMC or 67% and \$1,320M for MCH or 33%). Existing guaranties are \$5,013M for HMC and \$2,508M for MCH. Debt Service Covenant for THL would move up from a minimum of 1:1 to 1.25:1. Then, there would be additional guaranty burn-off based on the following:

On the 3<sup>rd</sup> anniversary of the note, assuming all payments have been made as agreed and THL maintains a DSC of at least 1.25%, guarantes would be reduced to \$3MM total (i.e. \$2,010M for HMC and \$990M for MCH).

On the 4<sup>th</sup> anniversary date of the note, assuming all payments have been made as agreed and THL maintains a DSC of at least 1.25X, guarantes would be released in full.

**Option 2:**

If cash or liquid assets of \$3MM are pledged to the existing loan (\$2.0M for HMC and \$1.0M for MCH), guarantes would be fully released immediately with no pricing changes. Liquid collateral to be invested in assets approved by the Bank and would be required to be pledged to the loan until September 19, 2019, at which time all guarantes and pledged amounts would be released.

Management recommends that Option 2 be exercised by opening a savings account in the amount of one million dollars (\$1,000,000) at Frost Bank to be pledged as collateral to First Financial Bank in Abilene, Texas through September 19, 2019.

Attached is a Board resolution authorizing the Investment Officer of the Ector County Hospital District to open a savings account in the amount of one million dollars at Frost Bank, with such account to be used as pledged collateral to First Financial Bank in Abilene, Texas.





**RESOLUTION**

THE STATE OF TEXAS §

COUNTY OF ECTOR §

On the 1<sup>st</sup> day of May, 2018, at a meeting of the Board of Directors of the Ector County Hospital District (ECHD), a government entity, held in the City of Odessa, Ector County, with a quorum of the Directors present, the following Resolution was adopted:

**WHEREAS**, in 2010 ECHD entered into a joint venture with Midland Memorial Hospital and Hendrick Medical Center (Abilene) to provide laundry services for the three hospitals.

**WHEREAS**, the joint venture resulted in the creation of the Texas Healthcare Linen, LLC.

**WHEREAS**, ECHD and Hendrick Medical Center issued limited guaranties for the start up of Texas Healthcare Linen.

**WHEREAS**, the need to maintain the guaranties and capital funding is no longer required in the terms or original amounts from the financial institutions with secured interest in the joint venture.

**WHEREAS**, the original guaranties issued by ECHD may be released immediately with no pricing changes pending an appropriate amount of pledged collateral remain on deposit at an approved financial institution in favor of First Financial Bank in Abilene through September 19, 2019.

**BE IT RESOLVED** that the Board of Directors of ECHD hereby authorizes the Chief Financial Officer/Investment Officer to establish a savings account in the amount of \$1 Million at Frost Bank, with same being pledged as collateral to First Financial Bank in Abilene to release the prior limited guaranties issued by ECHD. The savings account and associated collateral will remain until September 19, 2019 or further resolution by this Board.

\_\_\_\_\_  
Mary Thompson RN, President  
Ector County Hospital District  
Board of Directors

\_\_\_\_\_  
Jan Ramos, Secretary  
Ector County Hospital District  
Board of Directors

## **PHYSICIAN SERVICES AFFILIATION AGREEMENT**

This Physician Services Affiliation Agreement (“Agreement”) effective as of the Effective Date (defined below) is made by and between **MCH PROFESSIONAL CARE** (“Pro Care”), **ECTOR COUNTY HOSPITAL DISTRICT**, doing business as Medical Center Hospital (“MCH”), and the **FAMILY HEALTH CLINIC, INC.** (“FHC”) pursuant to the application jointly submitted by MCH and FHC for Federally Qualified Health Center status.

### **RECITALS**

**WHEREAS**, this Agreement supersedes, and replaces, in its entirety the previous Agreement of March 22, 2006 between the parties hereto;

**WHEREAS**, the State of Texas restricts the ability of non-physicians to employ physicians;

**WHEREAS**, there exists an exception within such restriction for federally qualified health centers (“FQHC”); however, such exception does not extend to an FQHC that is not a Texas non-profit corporation;

**WHEREAS**, MCH has created Pro Care, a non-profit health organization certified by the Texas Medical Board to allow MCH to pursue FQHC status for its clinic (“Clinic”);

**WHEREAS**, MCH will work to expand the current exceptions to allow MCH, as an FQHC or FQHC Look-Alike, to directly employ physicians, at which time physicians will become employees of MCH;

**WHEREAS**, in the interim MCH, Pro Care, and FHC have collaborated and desire to work together to increase access to primary care and preventive health services in Ector County, Texas;

**WHEREAS**, MCH has structured its FQHC as a public-entity model, and as such is collaborating with FHC, a tax-exempt organization, as its co-applicant, and to serve as the FQHC Board of Directors (the “FQHC Board”);

**WHEREAS**, MCH will provide various forms of support for the operation of Pro Care; and

**WHEREAS**, MCH and FQHC Board are jointly responsible for assuring their activities and the activities of its contractors comply with the requirements set forth in the Public Health Service Act, the implementing regulations, and the program expectations established from time to time by the U.S. Department of Health and Human Services, Bureau of Primary Health Care.

**NOW, THEREFORE**, MCH, Pro Care and FHC do hereby agree as follows:

**Article I**  
**DEFINITION OF TERMS**

For purposes of this Agreement, the following terms shall have the meaning ascribed thereto unless otherwise clearly required by the context in which said term is used.

1.1 Bureau of Primary Health Care. The term “Bureau of Primary Health Care” or “BPHC” shall mean and refer to that agency within the U.S. Department of Health and Human Services, Health Resources and Services Administration having jurisdiction over the Federally Supported Health Center Program.

1.2 Pro Care Provider(s). The term “Pro Care Provider(s)” shall mean any individuals who provide physician services at the Clinic.

1.3 Health Care Plan(s). The term “Health Care Plan” shall mean the health care plan submitted by FQHC Board to outline plans related to identified community health issues as well as quality improvement issues within the practice.

1.4 Health Resources and Services Administration (HRSA). The term “Health Resources and Services Administration” or “HRSA” shall mean that agency within the United States Department of Health and Human Services having jurisdiction for public health services.

1.5 Primary Care Services. The term “Primary Care Services” shall mean those services required to be provided under the federally-supported health center program as defined under the Public Health Services Act [42 U.S.C. 254(c)] and includes but is not limited to: services of physicians and, where feasible, physician assistants and nurse clinicians; diagnostic laboratory and radiological services; preventive health services (including children’s eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, screening for elevated blood lead levels, and family planning services); emergency medical services; transportation services as required for adequate patient care; preventive dental services; and pharmaceutical services.

1.6 Program Expectations. The term “Program Expectations” as used in this Agreement, refers to those expectations and policies established by BPHC relative to the programmatic operations of the federally supported health center program; and includes requirements of law and regulations as well as BPHC priorities. The term is also used to describe aspects of organizational structure and processes that are associated with successful health center programs.

1.7 Public Health Services (PHS). The term “Public Health Services” or “PHS” shall mean and refer to the services and activities as defined under the Public Health Services Act and includes the relevant federal authorities and agencies established pursuant to the Act.

1.8 Quality Assurance Plan. The term “Quality Assurance Plan” means and refers to the plan adopted by FQHC Board for purposes of reviewing, assessing and continuously improving the quality of patient care.

1.9 Scope of Project. The term “Scope of Project” refers to the document filed jointly by MCH and FQHC Board that includes the geographic scope and services to be provided by the FQHC, as described in a grant application that may be submitted to HRSA.

1.10 Standards of Health Care. The term “Standards of Health Care” as used in this Agreement refers to those activities and criteria for performance of medical care that assure optimal patient safety and achievement of health care. Under the program expectations of the BPHC such activities must include: (i) monthly review of occurrence reports to identify and document trends as well as evaluate the effectiveness of corrective action plans; (ii) annual or more periodic patient satisfaction surveys, data analysis and follow-up on responses and suggestions; (iii) scheduled quality assurance processes including audits on general documentation, referral logs, patient registries, flow sheets, etc.; (iv) providing staff orientation, in-services and continuing education based on identified needs; and (v) credentialing of health providers.

## **Article II**

### **GOALS AND COORDINATION**

2.1 Goals. The goals to be pursued under this Agreement are: (i) to provide community-based primary healthcare without regard to ability to pay and under a sliding fee schedule; (ii) to provide a coordinated and holistic approach in caring, offering affordable health care, social services, and health education programs in connection with other health, social service, and educational agencies; and (iii) to improve the health of the medically underserved.

2.2 Method of Effectuating Goals. Pro Care shall provide access to primary and preventive care to the FQHC’s patients regardless of the patient’s ability to pay. The parties to this Agreement shall act in an open, cooperative, apolitical, and collegial manner, respecting the independence and professionalism of the other party.

2.3 Compliance. MCH, Pro Care, and FQHC Board will comply with Program Expectations and BPHC requirements.

## **Article III**

### **AUTHORITY AND RESPONSIBILITY OF PRO CARE , FQHC BOARD AND MCH**

3.1 Contracting. Pro Care hereby agrees to provide, through its own personnel or by contract, the professional/clinical services of certain employees/contractors to furnish, on behalf of FQHC, those Primary Care Services required under FQHC’s scope of project to FQHC’s patients. Pro Care authorizes MCH, and specifically the FHC ED, to enter into contracts with third party payors, and to include Pro Care in grant applications. Pro Care also authorizes MCH to bill under FHC’s provider number for services performed by Pro Care, and collect for such services. MCH shall pay Pro Care for such services as provided in Exhibit A attached hereto and

incorporated herein by this reference. Pro Care shall assure that all Primary Care Services provided pursuant to this Agreement are available and accessible to FHC patients and are furnished promptly and in a manner that assures continuity of care. Pro Care shall provide qualified staff and contracted personnel to provide services hereunder in accordance with (i) the terms of this Agreement; (ii) all relevant Federal, State and local laws, rules, regulations, and generally accepted principles and practices (including, but not limited to, all requirements of FQHC's Section 330 grant, its implementing regulations and applicable BPHC Program Expectations and other policies and, if applicable, the laws and regulations governing the provision of community health services, provided, however, that if there is an inconsistency between the two sets of requirements, the requirements governing FQHCs shall control); and (iii) the goals, policies and procedures and FQHC professional staff bylaws established by FHC and its governing Board of Directors with respect to health care services, clinical guidelines, quality assurance standards, standards of conduct, productivity standards, and provider grievance and complaint resolution procedures, as may be amended from time to time. In the event of any inconsistency between the applicable policies and procedures of Pro Care and those of FHC (and/or this Agreement), the terms of this Agreement and the relevant FQHC policies and procedures shall govern the performance of services hereunder.

Pro Care represents that, during the term of this Agreement, all personnel assigned to Clinic by Pro Care to provide services pursuant to this Agreement shall:

3.1.1 Be duly licensed, certified and/or otherwise qualified to provide such services, with appropriate training, education and experience in his or her particular field;

3.1.2 Have such additional qualifications, credentials and privileges as FHC may reasonably require to provide the contracted services;

3.1.3 As applicable, remain eligible to participate in the Medicaid and Medicare programs; and

3.1.4 Not engage in any action that may adversely effect the ability of such personnel to provide services pursuant to this Agreement, including, but not limited to, loss of required licensure or certification or inability to meet specified qualifications.

3.2 Financial Management. Consistent with public entity model FQHC requirements, MCH shall establish financial management guidelines consistent with federal regulations.

3.3 Policies and Procedures.

a. FHC retains the authority, responsibility, and functions as prescribed by the statutes and regulations governing FQHCs for strategic planning, and will establish priorities and policies. Further, Pro Care shall comply with all health care policies adopted by the FHC, including scope and availability of services, location, hours of operation and quality of care, audit procedures, establish and maintain collaborative relationships with

the health care providers in the service area and follow established the conflict of interest policy.

b. FHC is responsible to PHS to maintain appropriate standards of health care and shall establish a Quality Assurance Plan comprised of clinical policies and objectives which shall govern all projects and activities supported under this Agreement. FHC shall monitor achievement of standards of health care and performance of all project quality assurance plans. Medical services provided by Pro Care shall be examined and audited in accordance with the appropriate standards of health care, the FHC adopted Quality Assurance Plan, and other applicable FQHC policies and procedures. Reports shall be submitted to FHC and corrective action shall be approved by FHC for any problems identified during the evaluation.

c. FHC will review and evaluate activities under this Agreement, including service utilization patterns, productivity of the program, marketing to the target population, patient satisfaction, accessibility and achievement of program objectives. FHC shall adopt a process for hearing and resolving patient grievances.

d. FHC Board will review and evaluate the needs assessment, determine the priority of needs to be met, and approve the Health Care Plan.

3.4 Offset. Whenever MCH is to pay any sum due to Pro Care under this Agreement or any other obligation, any amounts that Pro Care owes MCH pursuant to this or any other Agreement may be deducted from such sum before payment pursuant to Exhibit A. Pro Care will be provided notice with supporting documentation of any such offset.

#### **Article IV** **RECORD KEEPING AND REPORTING**

4.1 Reporting. Pro Care shall provide timely and valid reports to the FHC Executive Director (“ED”) in order to achieve its applicable program responsibilities. Said reports shall be in a form mutually agreed to.

4.2 Records Maintenance. Pro Care shall prepare and maintain such records and accounts, and supporting documentation thereof, that are reasonably necessary or are required by applicable funding statutes, regulations, and policy standards to assure a proper accounting. These records shall be retained for seven years after the termination of this Agreement. If an audit, litigation, or other action involving the records is started before the end of the seven year period, Pro Care agrees to maintain the records until the end of the seven year period or until the audit, litigation, or other action is completed, whichever is later. When required, Pro Care agrees to have an annual audit related to the services provider under this Agreement to be performed by an independent certified public accountant, based upon guidelines issued by the Comptroller General of the United States (Government Auditing Standards, 1988 Revision), or General Guidelines for Audits of Federal Awards to Nonprofit Organizations, 1989, and OMB Circular A-133 or OMB Circular A-112, as appropriate, and which at a minimum will provide: (i) a detailed statement of revenues, support expenses and changes in fund balance; (ii) a schedule of PHS costs recommended for disallowance by the CPA, and (iii) a Management Letter. Copies of

these reports shall be submitted to FQHC Board not later than ninety (90) days after the end of Pro Care's fiscal year when required.

4.3 Filing of Reports. FHC shall promptly file with PHS all required reports and records based on data submitted by Pro Care.

4.4 New Reporting Requirements. If new or modified reporting requirements are proposed by either FHC or PHS, then FHC shall promptly notify Pro Care and work with Pro Care so as to develop the necessary information and satisfy the new requirements.

## **Article V**

### **OVERSIGHT, ASSESSMENT AND PERFORMANCE**

5.1 Assessment. Pro Care shall promptly transmit to FQHC Board all applicable external assessments of activities and any action plan or plan of corrections related thereto.

5.2 Site Visits and Reviews. As appropriate, FHC ED shall make site visits to independently assess the performance at Pro Care.

5.3 FHC, through its ED, shall exercise general oversight authority over the performance by Pro Care of any of the activities within the scope of this Agreement, and shall retain and exercise ultimate authority and responsibility, consistent with the policies and procedures established by FHC and BPHC, over the following:

5.3.1 Determination as to whether Pro Care personnel assigned to the Clinic by Pro Care meet FHC's qualifications and credentials. Pro Care shall furnish FHC with credentialing information and any other information reasonably requested by FHC with respect to any and all candidates proposed by Pro Care for assignment pursuant to this Agreement;

5.3.2 Determination as to the work schedule of Pro Care for services to FHC patients (which will be established by FHC's ED in consultation with Pro Care), including hours and location, and the productivity standards that such personnel are expected to meet;

5.3.3 Interpretation of FHC's health care policies and procedures, quality assurance standards, standards of conduct and provider grievance and compliant resolution procedures, and their applicability to the Pro Care; and

5.3.4 Determination with respect to whether Pro Care personnel are performing satisfactorily and consistent with Federal/State laws and regulations applicable to the services provided hereunder, as well as FHC's policies and procedures described in sub-section 3.3 above, and participation in FHC's annual peer review policies and procedures.

5.3.5 Pro Care shall promptly notify FHC, in writing, of any pending or threatened malpractice claim or demand for payment made against the providers, or incident that is likely to give rise thereto, and provide such related information as to such

claim, demand, or incident as FHC may request. Furthermore, Pro Care shall promptly notify FHC in writing of any action or investigation taken by any licensure board to restrict or revoke the Pro Care providers' license, and of any action taken by a hospital to investigate, restrict, or terminate the providers' privileges. Additionally, Pro Care shall promptly notify FHC in writing of any adverse notification or determination received by the providers from a utilization or quality control peer review organization.

5.4 The performance of Pro Care shall remain subject to the evaluation and approval of FHC's ED during the term of this Agreement.

5.5 Pro Care shall, as soon as reasonably practicable, notify FHC and, upon request of FHC, remove and replace any individual assigned to FHC patient care by Pro Care upon the occurrence of any of the following:

5.5.1 The loss of required insurance by any individual assigned by Pro Care to perform services under this Agreement, or by Pro Care as the employer of such personnel;

5.5.2 The loss or suspension of any license or other authorization necessary for any individual assigned by Pro Care to perform services under this Agreement (or the failure of any such individual to satisfy the requirements set forth in Section 3.1 of this Agreement); or

5.5.3 The good faith determination by FHC that the health, welfare and/or safety of patients receiving care from any individual assigned by Pro Care hereunder is threatened by the continuation of such individual's assignment to FHC.

5.6 Pro Care shall, as soon as reasonably practicable, notify FHC of any action, event, claim, proceeding, or investigation (including, but not limited to, any report made to the National Practitioner Data Bank) that could result, with respect to any individual assigned by Pro Care to provide services hereunder, in the revocation, termination, suspension, limitation or restriction of such person's licensure, certification, or qualification to provide such services. Pro Care will, upon request of FHC, suspend such individual from providing services pursuant to this Agreement, until such time as a final determination has been made with respect to the applicable action, event, claim, proceeding, or investigation. Upon the suspension of the Pro Care provider, Pro Care shall make reasonable efforts to fill the vacant position with another provider.

5.7 Pro Care shall cooperate with and, as requested, assist FHC in the development, preparation and maintenance of all required records and reports, in accordance with FHC's policies and procedures and BPHC Program Expectations.

5.8 Pro Care shall assist FHC in handling grievances and complaints by patients or third party payors to the extent such grievances and complaints are related to the services provided by Pro Care personnel assigned to provide services pursuant to this Agreement.



**Article VI**  
**TERM AND TERMINATION**

6.1 Term. The term of this Agreement shall be effective upon the date the MCH the date of the approval of the Board of Directors of MCH and FHC, and shall continue for a period of one (1) year thereafter. This Agreement shall automatically renew for successive one-year periods, unless one party notifies the other in writing of its intent to terminate in accordance with this Agreement, at least ninety (90) days prior to the effective termination date.

6.2 Termination Due to Material Breach. In the event that either Pro Care or MCH fails to cure a material breach of this Agreement within thirty (30) days of receipt of written notice to cure from the other, the non-defaulting party may terminate this Agreement, effective as of the expiration of said 30-day period. If the breach is cured within such 30-day period, or if the breach is one which cannot reasonably be corrected within thirty (30) days and the defaulting party makes substantial and diligent progress toward correction during such 30-day period, then this Agreement shall remain in full force and effect.

6.3 Mutual Agreement of Parties. Notwithstanding the foregoing, the parties may terminate this Agreement by the mutual agreement in writing of the parties to terminate same with such termination being effective on a mutually agreed upon date.

6.4 Upon the Directive of Any Applicable Regulatory Agency. This Agreement may be terminated by either party upon the directive of any applicable regulatory agency.

6.5 Disposal. In the event of any termination, all property and finished or unfinished documents, data, studies, and reports purchased or prepared under this Agreement will be disposed of as agreed by MCH, PHS, FHC, and Pro Care or by the provisions of 45 CFR Part 74.

6.6 Continuation of Performance until Termination. If this Agreement is canceled, FHC will continue to bill for and collect for services rendered by Pro Care prior to the termination and account for and pay to Pro Care such amounts consistent with this Agreement. Both parties will continue to observe and carry out the terms of this Agreement until the termination becomes effective.

**Article VII**  
**MISCELLANEOUS**

7.1 Compliance with Applicable Law. MCH, FHC, and Pro Care are subject to the requirements of various local, State, and federal laws, rules, and regulations. Any provision required to be in this Agreement by any of the above shall bind MCH, Pro Care, and FQHC Board whether or not provided herein. The parties acknowledge that their officers and directors are familiar with the terms of the anti kickback statute [42 U.S.C. 1320a-7b(b)]. The parties will comply with current Department of Health Safety policies and will update their policies and procedure to comply with any changes made by the Department of Health. The parties shall maintain the security and confidentiality of all protected health information as required by applicable laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the regulations promulgated thereunder.

7.2 Entire Agreement. This Agreement constitutes the sole and only agreement of the parties with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.

7.3 Assignment. This Agreement is assignable by MCH without the prior written consent of Pro Care.

7.4 Dispute Resolution. Any dispute between the parties relating to this Agreement shall be subject to mediation as a precondition to the filing of any lawsuit and shall be conducted as follows:

a. Any party wishing to commence mediation will send a written notice of intent to mediate to the other party, specifying in detail the nature of the dispute and proposing a resolution thereof. Within fifteen (15) calendar days after such notice is received by the other party, if the parties cannot agree on a proposed mediator, one will be appointed by the executive director or functional equivalent of American Health Lawyers Association (“AHLA”) or its successor from a list provided by AHLA. Each party will designate no more than three (3) representatives who will meet with the mediator to mediate the dispute. Mediation will be commenced as soon as the mediators can be scheduled after the other party receives such notice. The mediator will be a person having no conflict of interest with a party.

b. The mediation will be non-binding. Any non-binding mediation conducted under the terms of this section will be confidential within the meaning of Texas Civil Practice and Remedies Code Sec. 154.053 and 154.073. Any proposed resolution must be consistent with applicable state and federal laws and regulations.

7.5 Governing Law. The validity of any of the terms and provisions of this Agreement as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Texas, except to the extent such laws conflict with or are preempted by any federal law, in which case such federal law shall govern. Federal law shall also govern with respect to benefit programs of federal government payors.

7.6 Venue. This Agreement shall be performed in Ector County, Texas.

7.7 Amendment. This Agreement may be amended by the mutual agreement of the parties hereto in writing. Any such amendment shall be attached to and incorporated into this Agreement.

7.8 Notices. Any notices to be given hereunder by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid, return receipt requested, to the MCH at its principal place of business or to Pro Care at Pro Care’s principal place of business.

7.9 Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach hereof.

7.10 Status as Independent Entities. None of the provisions of this Agreement is intended to create or shall be deemed or construed to create any relationship between Pro Care and the MCH other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither Pro Care nor the MCH, nor any of their respective agents, employees, or representatives shall be construed to be the agent, employee, or representative of the other. Pro Care and the MCH shall function as separate entities in all operational and governance issues.

7.11 Headings. The headings contained in this Agreement are for the convenience of the parties only and shall not be deemed to affect the meaning of the provisions hereof.

7.12 Counterparts. This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement, with one counterpart being delivered to the other party hereto.

7.13 Authority. The provisions of this Agreement required to be approved by the governing board of the MCH or Pro Care have been so approved and authorized.

7.14 Non-Assumption of Liabilities. Unless specifically provided by this Agreement, Pro Care does not assume or become liable for any of the existing or future obligations, liabilities, or debts of the MCH, and the MCH does not assume or become liable for any of the existing or future obligations, liabilities, or debts of Pro Care.

7.15 No Waiver of Rights. The failure of either party to insist upon the strict observation or performance of any provision of this Agreement or to exercise any right or remedy shall not impair or waive any such right or remedy. Every right and remedy given by this Agreement to the parties may be exercised from time to time and as often as appropriate.

7.16 Impossibility of Performance. Neither Pro Care nor the MCH shall be deemed to be in default of this Agreement if prevented from performing for reasons beyond its control including, without limitation, governmental laws and regulations, acts of God, war, and strikes. In such cases, the parties shall negotiate in good faith with the goal and intent of preserving this Agreement and the respective rights and obligations of the parties.

*[Signatures to follow]*

This Agreement shall be effective on the day set forth in Section 6.1 (Term) of this Agreement.

**ECTOR COUNTY HOSPITAL DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_

**MCH PROFESSIONAL CARE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_

**FAMILY HEALTH CLINIC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_

## EXHIBIT A

### REIMBURSEMENT SCHEDULE

1. **Hours.** Pro Care agrees to make available services to patients according to the policies set forth by the FQHC Board.

2. **Payment for Services.** In exchange for the services to be provided by Pro Care, MCH hereby agrees to pay, on behalf of Pro Care, those Pro Care Providers that have been employed by or contract with Pro Care, subject to the amounts agreed to by Pro Care in accordance with its budget approval process.

3. **Services.** Services shall include:

1. Health services related to family medicine, internal medicine, pediatrics, obstetrics, and/ or gynecology, and optometry that are furnished by physicians, and where appropriate, physician assistants, nurse practitioners, and nurse midwives;
2. Voluntary family planning services;
3. Prenatal and perinatal services;
4. Appropriate cancer screening;
5. Well child services;
6. Immunizations against vaccine-preventable diseases;
7. Screenings for elevated blood levels, communicable diseases, and cholesterol;
8. Pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;
9. Emergency medical services; and
10. Referrals to providers of medical services (including specialty referral when medically indicated) and other health-related services (including substance use disorder and mental health services);

## Exhibit B

### HIPAA COMPLIANCE

If any party receives any Protected Health Information (hereinafter “PHI”) from the other, or creates or receives any PHI in the course of its performance under the Agreement, such party, (hereinafter “Business Associate”) shall maintain the security and confidentiality of such PHI as required by applicable laws and regulations, including the Health Insurance Portability and Accountability Act (“HIPAA”), the regulations promulgated thereunder, and applicable state law. At no time shall this Exhibit E be construed to create a “Business Associate” relationship, unless specifically required by HIPAA regulations. Without limiting the foregoing, Business Associate agrees to the following:

1. **Use of PHI.** Business Associate shall not and shall ensure that its directors, officers, employees, and agents, do not use PHI other than as expressly permitted by this Agreement, or as required by law. Further, Business Associate shall not use PHI in any manner that would constitute a violation of the Privacy Rule if so used by Covered Entity, except that Business Associate may use PHI for the purposes of managing and administering its internal business processes relating to its responsibilities under this Agreement.
2. **Disclosure of PHI.**
  - (a) *Disclosure to Third Parties.* Business Associate shall not and shall provide that its directors, officers, employees, and agents, do not disclose PHI to any other person (other than members of Business Associate's workforce as specified in subsection 2(b), unless disclosure is required by law). Any such disclosure shall be made only upon the written agreement of the subcontractors to be bound by the provisions of this Agreement, for the express benefit of Business Associate and Covered Entity.

To the extent that Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any disclosure:

- (i) Reasonable assurances from such third party that PHI will be held confidential as provided in this Agreement, and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and
  - (ii) An agreement from such third party to immediately notify Business Associate of any breaches of the confidentiality of PHI, to the extent it has obtained knowledge of such breach.
- (b) *Disclosure to Workforce.* Business Associate shall not disclose PHI to any member of its workforce unless Business Associate has advised such person of Business Associate's obligations under this Agreement, and of the consequences for such person and for Business Associate of violating them. Business Associate

shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in contravention of this Agreement.

3. **Safeguards.** Business Associate shall implement appropriate safeguards to prevent use or disclosure of PHI other than as permitted by this Agreement.
4. **Accounting of Disclosures.**
  - (a) Business Associate shall maintain a record of all PHI disclosures made other than for the purposes of this Agreement.
  - (b) Within (10) days of notice by appropriate Covered Entity that such Covered Entity has received a request for an accounting of disclosures of PHI regarding an individual, Business Associate and its agents or subcontractors shall make available to Covered Entity such information as is in Business Associate's possession and that is required for Covered Entity to make the accounting.
  - (c) In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall prepare and deliver any such accounting requested in accordance with the requirements of 45 CFR Section 164.528.
5. **Reporting of Disclosures of Protected Health Information.** Business Associate shall upon becoming aware of a disclosure of PHI in violation of the Agreement report such disclosure to appropriate Covered Entity and the remedial action taken or proposed to be taken with respect to such use or disclosure.
6. **Agreements by Third Parties.** Business Associate shall not enter into any agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by Business Associate on behalf of applicable Covered Entity unless such agent or subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to Business Associate pursuant to this Agreement with respect to such PHI.
7. **Disclosure to U.S. Department of Health and Human Services.** Business Associate shall make its internal practices, books, and records relating to the use and disclosures of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
8. **Access by Individuals.** Within ten (10) days of receipt of a request by a Covered Entity, Business Associate shall permit any individual whose PHI is maintained by Business Associate to have access to and to copy his or her PHI, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to PHI directly from Business Associate, Business Associate shall within ten (10) days forward such request to Covered Entity. Any denial of access to the PHI requested shall be the sole decision of Covered Entity.
9. **Amendment of PHI.** Within ten (10) days of receipt of a request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, Business Associate or its agents or subcontractors shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to

enable Covered Entity to fulfill its obligations under the Privacy Rule, including, but not limited to 45 C.F.R. Section 164.526. If any individual requests an amendment of PHI directly from Business Associate, Business Associate must notify Covered Entity in writing within ten (10) days of the request. Any denial of amendment of PHI maintained by Business Associate or its agent or subcontractors shall be the sole decision of Covered Entity.

10. **Termination.** If Covered Entity becomes aware of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of the Business Associate's obligations under the provisions of this Agreement, Covered Entity has the option to terminate the Agreement pursuant to Article VII of this Affiliation Agreement.
11. **Procedure upon Termination.** Upon termination of the Agreement, if feasible, Business Associate, and its subcontractors or agents, shall return or destroy all PHI that it maintains in any form, and shall retain no copies of such information; or, if the parties agree that return or destruction is not feasible, it shall continue to extend the protections of this Agreement to such information, and limit further use of the information to those purposes that make the return or destruction of the information infeasible. If Business Associate elects to destroy the PHI, Business Associate shall certify in writing to Covered Entity that such PHI has been destroyed.

The following definitions apply for purposes of this Exhibit B:

1. *“Business Associate”* shall have the meaning given to the term “Associate” under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.
2. *“Covered Entity”* shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.
3. *“Designated Record Set”* shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.501.
4. *“Privacy Rule”* shall mean the HIPAA Regulation that is codified at 45 CFR Parts 160 and 164.
5. *“Protected Health Information”* or *“PHI”* means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present, or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501. [45 CFR §§160.103 and 164.501]

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**AFFILIATION AGREEMENT  
BETWEEN  
ECTOR COUNTY HOSPITAL DISTRICT  
AND  
FAMILY HEALTH CLINIC**

This Affiliation Agreement (“AGREEMENT”) is between **ECTOR COUNTY HOSPITAL DISTRICT, DOING BUSINESS AS MEDICAL CENTER HOSPITAL (“MCH”)** and **FAMILY HEALTH CLINIC (“FHC”)**, a Texas non-profit corporation.

**RECITALS**

This Agreement supersedes, and replaces, in its entirety the previous Agreement of June 8, 2007 between the parties hereto.

MCH has as its primary purpose the promotion and the provision of cost-effective and quality health care through the arranging and delivery of health care services to the public designed for the care and treatment of the indigent, which is currently accomplished in part through the operation of a clinic known as Family Health Clinic (“Clinic”).

MCH desires to support a health care delivery system that increases access to primary care and preventative care and increases access for such care in the community.

FHC is a non-profit corporation, the creation of which has been facilitated by MCH to ensure primary care and preventative care to the indigent population of Odessa and surrounding areas.

MCH and FHC are co-applicants for obtaining federally qualified health center status from the U.S. Department of Health and Human Services for community health centers operated pursuant to Section 330 of the Public Health Services Act.

FHC accepts the responsibility of overseeing the provision of primary and preventative care and complying with applicable laws and regulations.

MCH and FHC intend that certain words and phrases used in this AGREEMENT have the meaning given on Attachment C.

MCH and FHC agree as follows:

**1. AUTHORITY OF FHC**

MCH hereby grants to FHC the authority required under the federal guidelines to operate a public entity model Federally Qualified Health Center (“FQHC”), and as set forth herein.

## 2. DURATION OF AGREEMENT

This AGREEMENT shall be effective upon the day MCH is granted certification to operate as a FQHC look-alike or FQHC grant funding, whichever is sooner. This AGREEMENT may be renewed or terminated in accordance with Attachment B.

## 3. HEALTH CARE SERVICES

MCH agrees to provide the support for the Clinic pursuant to the budget adopted in accordance with the terms of this Agreement, which shall include the provision of those required health care services on Attachment D. MCH and FHC agree to ensure that COVERED SERVICES are delivered to CONSUMERS in accordance with the POLICIES and PROCEDURES and the terms of this AGREEMENT.

## 4. ADMINISTRATIVE SERVICES

MCH shall provide Administrative Services to support the operation of the Clinic, as more fully identified as Attachment E. In performing the Administrative Services, MCH shall dedicate sufficient qualified personnel for the efficient operations of the Clinic.

## 5. BUDGET SUPPORT SERVICES

FHC and MCH acknowledge that the Board of Directors of FHC (the "FQHC Board") shall have the responsibility for approving the annual budget of FHC, and that the budgetary process is a long and complicated one involving substantial FQHC Board and MCH time and effort. MCH shall provide budget support services by keeping FHC informed of the budget process, and working with the FQHC Board and committees to prepare and obtain approval of a budget.

**A. Policies and Procedures for the Budget Process.** The FQHC Board and MCH agree to the following POLICIES AND PROCEDURES for developing and approving the Clinic budget.

- (i) The FQHC Board's finance committee ("Finance Committee") shall meet with the appropriate administrative and clinical staff for strategic planning for the budget. MCH will keep the Finance Committee informed of MCH's budget process.
- (ii) The Finance Committee shall review the final version of the preliminary budget to be presented to MCH and shall recommend it, with or without revisions, to the full FQHC Board.
- (iii) The FQHC Board, at a meeting whose agenda will include "budget approval" as an action item, shall review the budget, as revised, and approve it, with or without revision prior to submission to MCH's Finance Committee and Board of Directors.

- (iv) MCH shall notify the FQHC Board of any proposed changes to the budget that are to be implemented prior to or during the submission of the budget to MCH's Board of Directors. In all instances where a change would significantly impact the operations of the Clinic or would change the scope of service or hours of operation of the FQHC project, the change will be highlighted in a report to the FQHC Board. The FQHC Board shall provide additional comments to the CEO, if any, regarding the proposed changes. In the event the FQHC Board and MCH cannot agree on the budget, either party may initiate dispute resolution pursuant to Section 14 of this Agreement.
- (v) The final budget approved by MCH's Board of Directors shall be returned to the FQHC Board for its acceptance. This final acceptance shall constitute the official "approval" of the budget by the FQHC Board. The FQHC Board shall provide additional comments to the CEO, if any, regarding the approved budget.
- (vi) Throughout the budget year, MCH shall notify the FQHC Board of any proposed changes to the budget. The FQHC Board shall review the proposed change prior to submission to MCH Board of Directors.

## 6. MANAGEMENT SUPPORT SERVICES

### A. **Board of Directors.** The FQHC Board shall develop a process for selecting new FQHC members, which shall be conducted in the following manner:

- (i) Nominations for vacant FQHC Board seats will be solicited by members of the FQHC Board. Consumer positions will be solicited through postings in the local newspaper and at the Clinic, and through recommendations of the CEO and Medical Director. Nominations for the three (3) non-consumer FQHC Board positions shall be filled by the FQHC Board by soliciting nominations from MCH, community leaders, and organizations. All nominations (including self-nominations) will be in a form approved by the FQHC Board, and include elements which identify the applicant's age, gender, race ethnicity, educational background, and professional experience.
- (ii) Applications will be forwarded to the FQHC Board's duly appointed Nominating committee (the "Nominating Committee") for review. The Nominating Committee shall consult with community leaders and the Clinic's active patients when nominating board members.

The Nominating Committee will recommend nominees to the FQHC Board. From time to time, the Nominating Committee may recommend changes to the nomination process. Nominations will include an explanation of how the individuals nominated will serve the needs of the FQHC Board in terms of user representation, completion of a reference

check, and the presence of specific skills and abilities such as those identified in the related regulations (e.g., fiscal, legal, personnel, clinical, etc.). As a group, the user FQHC Board members must reasonably represent the community and the individuals served in terms of ethnicity, race, gender, age and economic status. Forty-nine percent (49%) of members of the FQHC Board shall include individuals with expertise involving finance or banking, legal affairs, government, health and/or social service management, as well as members of the clergy and health care providers.

- B. FQHC Executive Director.** MCH and FHC will assist one another in establishing policies and procedures for the selection, evaluation and dismissal of the FHC Executive Director. These policies and procedures, shall be consistent with the bylaws of and other statutes applicable to each entity.

## **7. OFFICES AND HOURS**

MCH agrees to ensure that the services are provided under this AGREEMENT during hours approved by FHC, which shall be consistent with the annual budget set by FHC for the Clinic, and will be available to CONSUMERS for consultation or health care concerns.

## **8. FINANCIAL SUPPORT**

MCH agrees to fund the Clinic in accordance with the budgetary process set forth herein, Attachment A, and in accordance with the POLICIES and PROCEDURES.

## **9. POLICIES AND PROCEDURES**

MCH and FHC agree to abide by all referral, quality assurance, utilization management, credentialing, peer review, grievance, and other policies and procedures established and revised by MCH and FHC set forth under the POLICIES and PROCEDURES.

## **10. AMENDMENTS**

This AGREEMENT may be amended only in writing signed by FHC and MCH.

## **11. ENTIRE AGREEMENT**

This AGREEMENT, its attachments and the POLICIES and PROCEDURES supersede any previous agreements regarding COVERED SERVICES to CONSUMERS between the parties and constitute the entire agreement between the parties. Both parties acknowledge that all the documents referenced above have the same force and effect as this AGREEMENT and that any statements or documents not specifically referenced in this AGREEMENT shall not have any effectiveness.

## **12. SEVERABILITY**

If any part of this AGREEMENT should be determined to be invalid, unenforceable, or contrary to law, that part shall be reformed, if possible, to conform to the law, and if reformation is not possible, that part shall be deleted and the other parts of this AGREEMENT shall remain fully effective.

## **13. NOTICES**

Any notice required or desired to be given under this AGREEMENT shall be in writing and shall be delivered in person, by facsimile or mailed by Certified or Registered Mail, postage pre-paid return receipt requested, to the other party at the address set forth below their respective signatures to this AGREEMENT. Any such notice shall be effective upon receipt. Unless a notice specifically limits its scope, notice to any one party included in the terms “FHC” or “MCH” shall constitute notice to all parties included in the respective term.

## **14. DISPUTE RESOLUTION**

Any dispute between the parties relating to this AGREEMENT shall be subject to mediation conducted as follows:

- (i) Any party wishing to commence mediation will send a written notice of intent to mediate to the other party, specifying in detail the nature of the dispute and proposing a resolution thereof. Within fifteen (15) calendar days after such notice is received by the other party, if the parties cannot agree on a proposed mediator, one will be appointed by the executive director or functional equivalent of American Health Lawyers Association (“AHLA”) or its successor from a list provided by AHLA. Each party will designate no more than three (3) representatives who will meet with the mediator to mediate the dispute. Mediation will be commenced as soon as the mediators can be scheduled after the other party receives such notice. The mediator will be a person having no conflict of interest with a party.
- (ii) The mediation will be non-binding. Any non-binding mediation conducted under the terms of this section will be confidential within the meaning of Texas Civil Practice and Remedies Code Sec. 154.053 and 154.073. Any proposed resolution must be consistent with applicable state and federal laws and regulations.

## **15. GOVERNING LAW**

This AGREEMENT shall be governed, interpreted, and construed according to the laws of the State of Texas and performable in Odessa, Texas.

## 16. CONFIDENTIALITY

If MCH receives any PHI from FHC or creates or receives any PHI on behalf of FHC, MCH shall maintain the security and confidentiality of such PHI as required of FHC by applicable laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the regulations promulgated thereunder. Without limiting the foregoing:

- A. **Use of PHI.** MCH shall not use PHI otherwise than as expressly permitted by this AGREEMENT, or as required by law. However, MCH may use PHI for purposes of managing its internal business processes relating to its functions under this AGREEMENT.
- B. **Disclosure of PHI.**
- (i) **Disclosure to Third Parties.** MCH shall not disclose PHI to any other person (other than members of MCH’s workforce), except as approved by FHC in writing. Any such disclosure shall be made only upon the written agreement of the subcontractor to be bound by the provisions of this section, for the express benefit of MCH and FHC.
  - (ii) **Disclosure to Workforce.** MCH shall not disclose PHI to any member of its workforce unless MCH has advised such person of MCH’s obligations under this section, and of the consequences for such person and for MCH of violating them. MCH shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in contravention of this AGREEMENT.
  - (iii) **Safeguards.** MCH shall use appropriate safeguards to prevent use or disclosure of PHI otherwise than as permitted by this AGREEMENT. MCH shall provide FHC with such information concerning such safeguards as FHC may from time to time request, and shall, upon reasonable request, give FHC access to MCH’s facilities used for the maintenance or processing of PHI for inspection and copying of its books, records, practices, policies and procedures concerning the use and disclosure of PHI, and facility for the purpose of determining MCH’s compliance with this AGREEMENT and related HIPAA requirements.
  - (iv) **Accounting of Disclosures.** MCH shall maintain a record of all disclosures of PHI made otherwise than for the purposes of this AGREEMENT, including the date of the disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure. MCH shall make such record available to FHC on request.
  - (v) **Reporting.** MCH shall report to FHC, within five (5) days of unauthorized use or disclosure of PHI by MCH or its workforce or contractors, and the remedial action taken or proposed to be taken with respect to such use or disclosure.

- (vi) Disclosure to U.S. Department of Health and Human Services. If FHC is required by law to obtain the following undertaking from MCH, MCH shall make its internal practices, books, and records relating to the use and disclosure of health information received from FHC (or created or received by MCH on behalf of FHC) available to the subscriber and to the Secretary of the United States Department of Health and Human Services, for purposes of determining FHC's compliance with HIPAA.
- (vii) Access by Individuals. Within ten (10) days of request by FHC, MCH shall permit any individual whose PHI is maintained by MCH to have access to and to copy his or her PHI, in the format requested unless it is not readily producible in such format, in which case it shall be produced in hard copy format.
- (viii) Correction of PHI. MCH shall amend PHI maintained by MCH in such manner as FHC may from time to time request in accordance with HIPAA regulations.
- (ix) Amendment. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of this state relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, FHC may, by written notice to MCH, amend this AGREEMENT in such manner as FHC determines is necessary to comply with such law or regulation. If MCH disagrees with any such amendment, it shall so notify FHC in writing within thirty (30) days of FHC's notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this AGREEMENT on written notice to the other.
- (x) Breach. Without limiting the rights of the parties pursuant to Attachment B of this AGREEMENT, *if* MCH breaches its obligations under this section, FHC may, at its option:
- (a) Exercise any of its rights of access and inspection;
  - (b) Require MCH to submit to a plan of monitoring and reporting, as FHC may determine is necessary to maintain compliance with this AGREEMENT; and such plan shall be a part of this AGREEMENT;
  - (c) Terminate this AGREEMENT, with an opportunity to cure the breach as provided in Attachment B.
- FHC's remedies under this section shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.
- (xi) Procedure upon Termination. Upon termination of this AGREEMENT MCH shall return or destroy all PHI that it maintains in any form, as designated by FHC, and shall retain no copies of such information or, if

the parties agree that return or destruction is not feasible, it shall continue to extend the protections of this AGREEMENT to such information, and limit further use of the information to those purposes that make the return or destruction of the information unfeasible.

This AGREEMENT shall become effective on date set forth under Section 2 of this AGREEMENT.

**FAMILY HEALTH CLINIC**

**ECTOR COUNTY HOSPITAL DISTRICT**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_

Attachments:

- Attachment A – Compensation
- Attachment B – Duration of the Agreement
- Attachment C – Definitions
- Attachment D – Required Services
- Attachment E – Administrative Services



**ATTACHMENT A**

**FINANCIAL SUPPORT**

The amount in MCH's annual budget allocated for operating and providing physician services in outpatient clinics and approved by MCH Board of Directors.

## **ATTACHMENT B**

### **DURATION OF THE AGREEMENT**

This AGREEMENT shall last for an initial term of two (2) years and shall automatically renew for subsequent two-year terms; provided that, at any time during the initial term or any renewal term either, party may terminate this AGREEMENT with or without cause by giving the other party written notice of termination at least one hundred eighty (180) days prior to the effective termination date.

FHC may terminate this AGREEMENT for cause after giving written notice providing at least thirty (30) days in which MCH may avoid termination by curing the default.

MCH may terminate this AGREEMENT for cause after giving written notice providing at least thirty (30) days in which FHC may avoid termination by curing the default.

## ATTACHMENT C

### DEFINITIONS

As used in this AGREEMENT, the following terms, and as appropriate, the singular or plural of each, shall have the following meanings:

1. COVERED SERVICES. All services and supplies that are identified on Attachment D.
2. FHC PROVIDER. The licensed physicians who contract with FHC, or are employed by FHC, to provide COVERED SERVICES to MCH CONSUMERS.
3. CONSUMER. A person who is eligible to receive COVERED SERVICES.
4. PHI. Any individually identifiable health information relating to a CONSUMER received from FHC.
5. POLICIES AND PROCEDURES. The policies and procedures adopted by MCH and FHC that will govern how the Clinic will deliver COVERED SERVICES to CONSUMERS in the Clinic.

## **ATTACHMENT D**

### **REQUIRED SERVICES**

**Services.** Services shall include:

1. Health services related to family medicine, internal medicine, pediatrics, obstetrics, and/ or gynecology, and optometry that are furnished by physicians, and where appropriate, physician assistants, nurse practitioners, and nurse midwives;
2. Voluntary family planning services;
3. Prenatal and perinatal services;
4. Appropriate cancer screening;
5. Well child services;
6. Immunizations against vaccine-preventable diseases;
7. Screenings for elevated blood levels, communicable diseases, and cholesterol;
8. Pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;
9. Emergency medical services; and
10. Referrals to providers of medical services (including specialty referral when medically indicated) and other health-related services (including substance use disorder and mental health services);

## ATTACHMENT E

### ADMINISTRATIVE SERVICES

**Credentialing.** MCH will establish a process for the credentialing and recredentialing of FHC Providers that includes preparation of the application, mailings to providers identified by FHC, primary source verification, verification and update of malpractice insurance and DEA and DPS certificates, licensure updating, and implementation of filing and retention procedures. Monthly status reports will be provided to FHC regarding provider applications. MCH's credentialing process will meet NCQA standards for credentialing of providers including querying the National Practitioner Data Bank and a review of the Medicare/Medicaid Sanction Reports.

**Reporting.** MCH shall provide FHC with all reports reasonably required for FHC's use in evaluating the performance of FHC Providers under capitated arrangements and improving the efficiency of FHC as well as satisfying the requirements of the health insurance plans. Without limiting the generality of the foregoing, MCH shall provide the following reports to FHC on a monthly basis unless otherwise noted:

- Encounter Data
- General Utilization Report
- Inpatient Admissions Report
- Outpatient Admissions Report
- Outpatient Utilization Report
- Annual Survey List Extraction for patient satisfaction (annually)
- Utilization Management Denials (quarterly)
- Credentials – status report on provider applications

#### **Additional Services.**

- Preparation and filing of claims for reimbursement for medical services rendered to patients, collect amounts owed pursuant to such claims.
- Establish and maintain a comprehensive system of records, books and accounts in compliance with all state and federal statutes and regulations and requirements, and also in accordance with customary medical practice and clinical standards.

- Directly or by contract billing and collection for services performed by FHC inside or outside FHC. MCH shall monitor claim submissions for compliance with applicable requirements.
- Financial planning and assist in the preparation of annual budgets for FHC. MCH shall recommend fees, charges, premiums, or other amounts due in connection with services and goods provided by FHC; provided, however, that FHC shall determine such fees, charges, premiums, or other amounts in its sole discretion. MCH shall prepare financial statements and tax returns for FHC on a regular basis.
- Human resources and personnel functions relating to employees and contractors of FHC.
- Consultation on matters of FHC's compliance with all applicable federal and state laws and regulations.
- Review and evaluate activities under this Agreement, including service utilization patterns, productivity of the program, marketing to the target population, patient satisfaction, accessibility and achievement of program objectives. MCH shall also recommend a process for hearing and resolving patient grievances.
- Medical services provided by the Clinic shall be examined and audited in accordance with the standards of health care, quality assurance plans and other applicable POLICIES AND PROCEDURES. Reports shall be prepared and corrective action shall be recommended for any problems identified during the evaluation.
- Review and evaluate the needs assessment, determine the priority of needs to be met, and approve the annual budget.
- IT Services, Materials Management/Purchasing; Accounts Payable

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## **ADMINISTRATIVE, EQUIPMENT, FACILITY, AND PERSONNEL AGREEMENT**

This Administrative, Equipment, Facility, and Personnel Agreement (the “Agreement”) is made and entered into among the Family Health Clinic (“FHC”), Ector County Hospital District doing business as Medical Center Hospital (“MCH”) and Pro Care (“Pro Care”).

### **RECITALS:**

This Agreement supersedes, and replaces, in its entirety the previous Agreement entered into between the parties hereto.

MCH has as its primary purpose the promotion and the provision of cost-effective and quality health care through the arranging and delivery of health care services to the public designed for the care and treatment of the indigent, which is currently accomplished in part through the operation of the clinic known as Family Health Clinic (“Clinic”).

MCH desires to support a health care delivery system that increases access to primary care and preventive care and increases access for such care in the community.

FHC is a non-profit corporation, the creation of which has been facilitated by MCH to ensure primary care and preventive care to the indigent population of Ector County, Texas, by serving as the FQHC Board of Directors (the “FQHC Board”).

MCH and FHC are co-applicants for obtaining federally qualified health center status from the U.S. Department of Health and Human Services for community health centers operated pursuant to Section 330 of the Public Health Services Act.

FHC accepts the responsibility of overseeing the provision of primary and preventive care and complying with applicable laws and regulations.

MCH owns certain equipment (the “Equipment”), and employs individuals (“Personnel”) necessary or useful in providing health services in MCH’s clinic facility (the “Facility”) located at 840 West Clements, Odessa, Texas 79763 and 6030 West University, Odessa, Texas 79764.

Pro Care desires to obtain access (“Access”) to the Administrative, Equipment, Facility, and Personnel for the sole purpose of delivering primary care services to patients. Pro Care and MCH desire to enter into an arrangement whereby Pro Care is provided access to the Facility, Equipment, and Personnel.

For good and valuable consideration, the sufficiency and receipt of which is acknowledged by the parties, MCH and Pro Care agree to the following terms and conditions.

### **ARTICLE I - MCH SERVICES**

**1.1 ACCESS.** MCH hereby agrees to provide Access to Pro Care and Pro Care shall hereby

obtain Access, to the Equipment, Facility, and Personnel as described herein.

**1.2 EQUIPMENT MAINTENANCE.** MCH shall be solely responsible for the day-to-day upkeep, maintenance and repair of the Equipment.

**1.3 ACCEPTANCE OF EQUIPMENT AND THE FACILITY.** Pro Care acknowledges that the Equipment and Facility are suitable for the purposes for which the same are provided, are in good and satisfactory condition and waives any defects.

**1.4 PERSONNEL.** MCH shall provide the personnel as it deems reasonably necessary to provide primary care and preventive services at the Facility. MCH shall be solely responsible for all salaries and expenses attributable to the personnel.

**1.5 MANAGEMENT SERVICES.** During the term of this Agreement, MCH will provide grants management, accounts receivable management, reporting and information system support, and credentialing.

**1.6 USE OF FACILITY.** The Facility may be used only for the management and provision of primary care services, and for no other purpose whatsoever without the written consent of MCH. Pro Care agrees to comply with facility policies and procedures established by MCH.

**1.7 ALTERATIONS BY PRO CARE.** Pro Care may not make any alterations, improvements, or other modifications of any kind to the Equipment or the Facility without MCH's written consent.

**1.8 UTILITIES AND SERVICES BY MCH.** MCH shall provide all utility and HVAC services reasonably necessary or useful for Pro Care's use of the Equipment and the Facility.

## **ARTICLE II - CONSIDERATION**

**2.1 ACCESS CONSIDERATION.** In consideration for Access to the Equipment, Facility, and Personnel, the parties agree to the consideration set forth in Exhibit A ("Access Payments").

## **ARTICLE III – TERM**

**3.1 TERM.** The Agreement shall be for an initial term of one (1) year (the "Initial Term"), commencing on May 1, 2018, (the "Agreement Commencement Date"). The Agreement shall automatically renew for subsequent one (1) year terms unless amended in writing or terminated in accordance with Article VII herein.

## **ARTICLE IV – PRO CARE DUTIES**

**4.1 DUTIES OF PRO CARE.** Pro Care will provide services consistent with the policies adopted by the FQHC Board. As such, Pro Care will ensure that it assists the FQHC Board and the



MCH in the following areas:

- (a) Provide services consistent with the policies adopted by the FQHC Board;
- (b) Employ and compensate Pro Care Providers; and
- (c) Ensure integrity of data/information being recorded and adherence to the standard operating procedures in the use of the system.

**4.2 RECORDKEEPING.** Pro Care shall maintain financial, program, and property management system, and records in accordance with 45 CFR Part 74, and any amendments to such regulations. Such records are to be available to FQHC Board, DHHS and the Comptroller General during normal business hours.

## **ARTICLE V - ASSIGNMENT OF AGREEMENT**

**5.1 ASSIGNMENT.** Pro Care may not sublet, assign, pledge, or mortgage this Agreement, and may not grant licenses, commissions, or other rights with respect to all or any part of the Equipment without MCH's prior written approval.

## **ARTICLE VI – INDEMNIFICATION**

**6.1 INDEMNIFICATION.** Each party shall be responsible only for its own acts and omissions under this Agreement. Each party shall, to the extent permitted by the laws and constitution of the State of Texas, indemnify the other party against, and hold the party harmless from, any and all liabilities, including attorney's fees, resulting from or arising out of or connected with the party's failure to comply with this Agreement or tortious or unlawful act or omission.

## **ARTICLE VII - TERMINATION**

**7.1 TERMINATION WITH CAUSE.**

(a) MCH may terminate this Agreement, and have no further liability or obligation hereunder unless expressly stated in this Agreement, upon the occurrence of one or more of the following events:

- (i) Pro Care ceases to perform its duties and responsibilities under this Agreement or breaches any term or condition of this Agreement, and such cessation or breach continues uncured for a period of ten (10) days after the Pro Care's receipt of written notice specifying the breach.
- (ii) Pro Care voluntarily files a petition in bankruptcy or makes an assignment for the benefit of creditors or otherwise seeks relief from creditors under any federal or state bankruptcy, insolvency, reorganization or moratorium statute, or Pro Care is the subject of an involuntary bankruptcy, which is not set aside

within sixty (60) days of its filing.

(b) Pro Care may terminate this Agreement, and have no further liability or obligation hereunder unless expressly stated in this Agreement, upon the occurrence of one or more of the following events:

- (i) MCH ceases to perform its duties and responsibilities under this Agreement or breaches any term or condition of this Agreement, and such cessation or breach continues uncured for a period of ten (10) days after MCH's receipt of written notice specifying such breach.
- (ii) MCH voluntarily files a petition in bankruptcy or makes an assignment for the benefit of creditors or otherwise seeks relief from creditors under any federal or state bankruptcy, insolvency, reorganization or moratorium statute, or MCH is the subject of an involuntary bankruptcy, which is not set aside within sixty (60) days of its filing.

**7.2 TERMINATION WITHOUT CAUSE.** Either party may terminate this Agreement without cause upon thirty (30) days prior written notice to the other party.

**7.3 NONWAIVER.** Either party's acceptance of monies past due or the failure to complain of any action, nonaction, delayed payment, or default, whether singular or repetitive, shall not constitute a waiver of rights or obligations of the other party under this Agreement. MCH's or Pro Care's waiver of any right or any default shall not constitute waiver of other rights, violations, defaults, or subsequent rights, violations, or defaults under this Agreement.

## **ARTICLE VIII - RECORDS**

**8.1 MEDICAL RECORDS.** All medical records and documents created shall be the property of the patients and MCH, in accordance with applicable law. The parties shall comply with all applicable federal, state and local regulations pertaining to the confidentiality of and access to said medical records of Pro Care and MCH.

**8.2 BUSINESS RECORDS.** All business records, papers and documents of the parties to this Agreement are to remain the property of MCH.

**8.3 REMEDIES.** MCH and Pro Care acknowledge that the breach of this Article VIII by either party would result in irreparable damage to the other party and without limiting any other remedies which may exist for a breach of this Article VIII, MCH and Pro Care agree that this Article VIII may be enforced by temporary restraining order, temporary injunction, or permanent injunction restraining violation thereof, pending or following trial on the merits. MCH and Pro Care hereby waive the claim or defense that an adequate remedy at law for such a breach exists. The covenants contained in this Article VIII shall survive any termination of this Agreement.

**8.4 MAINTENANCE OF RECORDS.** Pursuant to 42 U.S.C. 1395X(V) (1) and 42 C.F.R. 420.300 – 420.304, the parties agree that: Pro Care shall, until the expiration of four (4) years after the furnishing of the services under this Agreement, retain and make available, under written request by the secretary of the U.S. Department of Health and Human Services, or upon written request, by the U.S. Comptroller General, or any of their duly authorized representatives, the contract and books, documents and records of Pro Care that are necessary to verify the nature and extent of the cost of the services under this Agreement. If Pro Care carries out any of the duties of this Agreement through a subcontract, with a value or cost of \$10,000.00 or more over a twelve (12) month period with a related organization, such subcontract shall contain a clause to the effect that, until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall retain and make available, upon written request by the Secretary of the U.S. Department of Health and Human Services, or upon written request by the U.S. Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents or records of such organization that are necessary to verify the nature and extent of such costs of the subcontracted services. In the event of a request for access, Pro Care agrees to notify MCH what response will be made to that request.

## **ARTICLE IX - NOTICES**

**9.1 NOTICES.** Whenever written notice is required or permitted under this Agreement, such notice shall be in writing and shall be either (a) hand delivered personally to the party being notified, (b) hand delivered to or inside such party's mailing address, (c) faxed to such party's facsimile number, or (d) mailed to such party's mailing address by certified mail, return receipt requested, postage prepaid. The mailing address of MCH shall be the address to which Pro Care normally mails or delivers monthly payments, to the attention of the Chief Financial Officer, unless MCH notifies Pro Care of a different address in writing. Notice by noncertified mail is sufficient if actually received by the addressee or an employee or agent of addressee. The term "notice" shall be inclusive of notices, billings, requests, and demands.

## **ARTICLE X - MISCELLANEOUS**

**10.1 MISCELLANEOUS.** This Agreement contains the entire agreement of the parties related to the subject matter herein. No other written or oral promises or representations have been made, and none shall be binding. This Agreement supersedes and replaces any previous Agreement between the parties regarding the subject matter of this Agreement, including any renewals or extensions thereunder. Except for reasonable changes in the rules adopted by the Facility, if any, this Agreement shall not be amended or changed except by written instrument, signed by both MCH and Pro Care. Under no circumstances shall MCH or Pro Care be considered an agent of the other.

**10.2 SUCCESSORS.** This Agreement shall bind and inure to the benefit of the parties, any guarantors of this Agreement, and their respective successors and assigns.

**10.3 FAIR MARKET COMPENSATION.** The parties agree that the total compensation paid for Access to and use of the Facility or Equipment provided pursuant to this Agreement does not exceed, or is less than, the fair market cost at which the paying party could have obtained the same equipment and facilities from other competing providers of such facilities and equipment, including facilities owned by Pro Care.

**10.4 INDEPENDENT CONTRACTOR.** Nothing contained herein shall be construed as creating the relationship of employer and employee between Pro Care and MCH, insofar as MCH will not direct Pro Care in the performance of its services or in any manner interfere with the professional judgment of Pro Care. Pro Care shall be deemed at all times to be an independent contractor.

**10.5 LIMITATION OF LIABILITY.** MCH is a political subdivision of the State of Texas. As such, it is governed by the Texas Tort Claims Act, Chapter 101, Civil Practice and Remedies Code. The parties acknowledge and agree that MCH is limited to money damages in a maximum amount of \$100,000 for each person and \$300,000 for each single occurrence for bodily injury or death.

**10.6 OPEN RECORDS ACT.** MCH is a political subdivision of the State of Texas. As such, it is governed by the Texas Open Records Act, Chapter 552, Texas Government Code. The Parties acknowledge and agree that MCH shall only be obligated to perform its duties under this section and this Agreement in compliance with the Open Records Act. To the extent to which some duties hereunder are not in conformity with the requirements of the Open Records Act, MCH shall be relieved of said duties without penalty or further liability.

**10.7 DISPUTE RESOLUTION.** MCH cannot agree to binding arbitration. Any proposed dispute resolution process can only be entered into upon the mutual agreement of both parties.

**10.8 SEVERABILITY.** If any provision of this Agreement shall be construed to be illegal or invalid, it shall not affect the legality or validity of any other provisions hereof, and the illegal or invalid provision shall be deemed stricken and deleted herefrom to the same extent and effect as if never incorporated herein, but all other provisions shall continue to the extent that they substantially reflect the Agreement contemplated by the parties.

**10.9 GOVERNING LAW.** For the purpose of determining the place of Agreement and the law governing same, this Agreement is entered into in the County of Ector, State of Texas and shall be governed by the laws of the State of Texas. Venue for all causes of action arising from or in connection with this Agreement shall be in Ector County, Texas.

**10.10 WAIVER.** Except as otherwise provided, no term or condition of this Agreement shall be waived except by written waiver of the waiving party. The forbearance or indulgence by a party in any regard whatsoever shall not constitute a waiver of the term or condition to be performed by the other party, and until complete performance by the other party of such term or condition, the forbearing party



## EXHIBIT A

### ACCESS PAYMENTS

1. **Hours.** Pro Care agrees to make available services to patients according to the policies set forth by the FQHC Board.
2. **Payment for Services.** In exchange for the services to be provided by Pro Care, MCH hereby agrees to pay, on behalf of Pro Care, those Pro Care Providers that have been employed by or contract with Pro Care, subject to the amounts agreed to by Pro Care in accordance with its budget approval process.
3. **Services.** Healthcare services shall be provided equally to the uninsured and insured patients of the FQHC.

**APRIL 10, 2018**

**A SUMMARY REPORT OF**

**A FAIR MARKET RENT ASSESSMENT ON  
EIGHTEEN PROPERTIES OWNED/OPERATED BY  
ECTOR COUNTY HOSPITAL DISTRICT  
ODESSA, ECTOR COUNTY, TEXAS**

**PREPARED FOR:**

**ECTOR COUNTY HOSPITAL DISTRICT  
P.O. BOX 7239  
ODESSA, TEXAS 79760-7239**

**PREPARED BY**

**JOHN C. WAGGONER, MAI SRA  
&  
JIMMY P. JAMES, MAI  
ADVANCED VALUATION SYSTEMS, INC .  
101 WEST RENNER ROAD  
SUITE 100  
RICHARDSON, TEXAS 75082-2094**

***ADVANCED VALUATION SYSTEMS, INC.***

101 WEST RENNER ROAD  
SUITE 100  
RICHARDSON, TEXAS 75082-2094  
972-490-4554

April 12, 2018

Ector County Hospital District  
P.O. Box 7239  
Odessa, Texas 79760-7239

As requested, an appraisal has been made on eighteen properties (fourteen medical office buildings and four retail facilities) located in Odessa, Texas and all owned by the Ector County Hospital District. The purpose of this appraisal is estimate Fair market rent “as is” as of today’s date.

Included within the attached *Summary Report* are the data employed and reasoning utilized in the formulation of the value opinion. Based on the analyses as exhibited, estimated “as is” fair market rent for the fee simple estate, surface only, as of April 10, 2018, is as indicated in the chart on the following page. Forecast fair market rent in each instance assumes a full-service agreement; i.e., a lease agreement whereby the property owner pays all expenses associated with ownership. It is noted that all comparables employed for direct comparison were either gross leases (full service) or were adjusted to full service terms.



Parcel No.	Address	Market Rent (\$/SF/Year)	Terms
1	509-523 North Alleghaney Avenue	\$15.00 - \$16.00	Full Service
2	315 North Golder Avenue	\$15.00 - \$16.00	Full Service
3	500 North Washington Avenue	\$15.00 - \$16.00	Full Service
4	501 North Golder Avenue	\$15.00 - \$16.00	Full Service
5	750 West 5 <sup>th</sup> Street	\$15.00 - \$16.00	Full Service
6	720 North Golder Avenue	\$15.00 - \$16.00	Full Service
7	318 North Alleghaney Avenue	\$17.50 - \$20.00	Full Service
8	519 North Lincoln Avenue	\$15.75 - \$18.00	Full Service
9	540 West 5 <sup>th</sup> Street	\$20.00 - \$22.50	Full Service
10	1940 East 42 <sup>nd</sup> Street	\$20.00 - \$22.50	Full Service
11	8050 Hwy 191	\$20.00 - \$22.50	Full Service
12	8050 Hwy 191 (VA SW Health Care)	\$25.65 - \$28.15	Full Service
13	375 North Sam Houston Avenue	\$18.00 - \$20.25	Full Service
14	3001 JBS Parkway Blvd	\$22.75 - \$25.00	Full Service
15	503 North Alleghaney Avenue Casa Ortiz Restaurant	\$11.25 - \$12.00	Full Service
16	610 West 5 <sup>th</sup> Street JoAnn's Flowers	\$11.25 - \$12.00	Full Service
17	319 North Golder Avenue Golder Pharmacy	\$15.75 - \$16.80	Full Service
18	500 West 4 <sup>th</sup> Street & CWI Gift Shops	\$15.00 - \$16.90	Full Service

Estimated market rent could increase two to three percent within the foreseeable future.

We certify that we made a cursory physical inspection of the subject properties and made an exterior inspection of all comparable data employed in this appraisal unless otherwise indicated. If you have any questions regarding this matter, please feel free to call on us at anytime.

Sincerely yours,



John C. Waggoner, MAI SRA



Jimmy P. James, MAI



Parcel One  
509-523 North Alleghaney Avenue



Parcel Two  
315 North Golder Avenue



Parcel Three  
500 North Washington Avenue



Parcel Four  
501 North Golder Avenue



Parcel Five  
750 West 5<sup>th</sup> Street



Parcel Six  
720 North Golder Avenue



Parcel Seven  
318 North Alleghany Avenue



Parcel Eight  
519 North Lincoln Avenue



Parcel Nine  
540 West 5<sup>th</sup> Street



Parcel Ten  
1940 East 42<sup>nd</sup> Street



Parcel Eleven  
8050 Hwy 191



Parcel Twelve  
8050 Hwy 191 - VA SW Health Care



Parcel Thirteen  
375 North Sam Houston Avenue



Parcel Fourteen  
3001 JBS Parkway





Parcel Fifteen  
503 North Alleghany Avenue



Parcel Sixteen  
610 West 5<sup>th</sup> Street



Parcel Seventeen  
319 North Golder Avenue



Parcel Eighteen  
LAMAJAK, Inc., dba Lori's Gifts

## CONTINGENT & LIMITING CONDITIONS

The Certification of the Appraiser(s) appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set for the Appraiser(s) in the report.

No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valid or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements, or encumbrances unless otherwise stated.

Information furnished by others, upon which all or portions of this appraisal is based, is believed reliable but has not been verified in all cases. No warranty is given as to the accuracy of such information.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can readily be obtained or renewed for any use on which the value estimates contained in this report are based.

Full compliance with all applicable federal, state, and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed unless otherwise stated.

No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the appraisal date hereof.

The opinion of value is predicated on the financial structure prevailing as of the date of this appraisal.

Responsible ownership and competent property management are assumed.

Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property, and no responsibility is assumed for their accuracy. No independent surveys were conducted.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions.

Neither John C. Waggoner, Jimmy P. James nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony, or

appear in court or at other legal proceedings unless specific arrangements therefor have been made.

This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including, without limitation, any conclusions as to value or the identity of John C. Waggoner, John C. Waggoner & Associates, Jimmy P. James, Advanced Valuation Systems, Inc. or any individuals signing or associated with this report or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of John C. Waggoner or Jimmy P. James.

The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The value opinion(s) are based on the purchasing power of the U.S. dollar as of that date.

Unless otherwise stated in this report, no hazardous material(s), which may or may not be present on or near the property, was observed. The Appraiser(s) have no knowledge of the existence of such materials on or in the property; however, the Appraiser(s) are not qualified to detect such substances. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, or other potentially hazardous materials may affect the value of the property. The value estimate herein is predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The appraisal has been made in conformance with the Uniform Standards of Professional Practice of the Appraisal Foundation.

The allocation in this report of the total valuation among components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.

This report may not be included or referred to in any Securities and Exchange Commission filing or other public document.

John C. Waggoner's and/or John C. Waggoner & Associates', Jimmy P. James' and/or Advanced Valuation Systems Inc.'s maximum liability relating to services rendered under this report (regardless of form of action, whether in contract, negligence, or otherwise) shall be limited to the charges paid to John C. Waggoner and/or John C. Waggoner & Associates or Jimmy P. James and/or Advanced Valuation Systems, Inc. for the portion of its services or work products giving rise to liability. In no event shall John C. Waggoner and/or John C. Waggoner & Associates or Jimmy P. James and/or Advanced Valuation Systems, Inc. be liable for consequential, special, incidental, or punitive losses, damages, or expenses (including, without limitation, lost profits, opportunity costs, etc.) even if it has been advised of their possible existence.

The client shall indemnify and hold harmless John C. Waggoner and/or John C. Waggoner & Associates and Jimmy P. James and/or Advanced Valuation Systems, Inc. and its personnel from

and against any claims, liabilities, costs, and expenses (including, without limitation, attorneys fees and the time of John C. Waggoner & Associates or Advanced Valuation Systems, Inc. personnel involved) brought against, paid, or incurred by John C. Waggoner and/or John C. Waggoner & Associates or Jimmy P. James and/or Advanced Valuation Systems, Inc. at any time and in any way arising out of or relating to John C. Waggoner's and/or John C. Waggoner & Associates' or Jimmy P. James' and/or Advanced Valuation Systems, Inc.'s services under this report, except to the extent finally determined to have resulted from the gross negligence or willful misconduct of John C. Waggoner and/or John C. Waggoner & Associates' personnel or Jimmy P. James and/or Advanced Valuation Systems, Inc.'s personnel. This provision shall survive the termination of this agreement for any reason.

No observation or interpretations on compliance with the American With Disabilities Act are made. We are not experts in this field and realize we are not qualified to make such determinations. Our value estimate is predicated upon the property owner(s) bearing no cost for compliance.

Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the Appraisal Institute.

On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

**THE USE OF THIS REPORT CONSTITUTES ACCEPTANCE OF CONTINGENT AND LIMITING CONDITIONS.**

## QUALIFICATIONS OF JOHN C. WAGGONER, MAI SRA

### EDUCATION

Louisiana State University, Baton Rouge, Louisiana  
B.S. Degree, 1971  
Major: Industrial Management  
Post Graduate Work: Real Estate Principles and Appraisals

### BUSINESS EXPERIENCE

January, 1972	-	May, 1973	Real Estate Sales & Brokerage with Fred C. Gage & Associates in Odessa, Texas
February, 1973	-	1977	Instructor: Real Estate Principles & Appraisals Odessa College in Odessa, Texas
June, 1973	-	December, 1976	Real Estate Appraisals with M. D. Shirley Associates in Odessa, Texas
January, 1977	-	Present	Self employed - Real Estate Appraisals

### PRESENT BUSINESS CONNECTIONS AND ASSOCIATIONS

Member of the Appraisal Institute (MAI)  
Residential Member of the Appraisal Institute (SRA)  
Texas State Certified General Real Estate Appraiser (TX-1321329-G)

### APPRAISAL COURSES COMPLETED

Course 1-A	Basic Principles, Methods, & Techniques
Course 1-B	Capitalization Theory & Techniques
Course 2	Urban Properties
Course 6	Introduction to Real Estate Investment Analysis
Course 8	Residential Properties

All courses sponsored by the American Institute of Real Estate Appraisers.

## **POSITIONS HELD**

Secretary-Treasurer: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

Vice President: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

President: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

## **REPRESENTATIVE APPRAISAL CLIENTS**

Bank of the West, Odessa, Texas  
Chase Bank of Texas, N.A., Odessa, Texas  
Chase Bank of Texas, N.A., Dallas, Texas  
Chase Bank of Texas, N.A., Houston, Texas  
Commercial State Bank, Odessa, Texas  
Community National Bank, Midland, Texas  
The City of Odessa, Odessa, Texas  
Ector County, Odessa, Texas  
Ector County Hospital District, Odessa, Texas  
Southwest Bank, Odessa, Texas  
Security State Bank, Odessa, Texas  
Prosperity Bank, Odessa, Texas  
Prosperity Bank, Lubbock, Texas  
Bank of America, Odessa, Texas  
Bank of America, Midland, Texas  
Wells Fargo Bank, Odessa, Texas  
Wells Fargo Bank, San Antonio, Texas  
Odessa Junior College, Odessa, Texas  
Medical Center Hospital, Odessa, Texas  
Odessa Regional Medical Center, Odessa, Texas  
Midland Memorial Hospital, Odessa, Texas  
Big Ben Regional Medical Center, Alpine, Texas  
Western National Bank (now Frost Bank), Odessa, Texas  
Western National Bank (now Frost Bank), Midland, Texas

You may wish to laminate the pocket identification card to preserve it.

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board  
P.O. Box 12188  
Austin, Tx 78711-2188  
www.talcb.texas.gov  
(512) 936-3001  
Fax: (512) 936-3899

JOHN CARLTON WAGGONER JR  
PO BOX 13236  
ODESSA, TX 79768

**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
**Certified General Real Estate Appraiser**

Number#: TX 1321329 G

Issued: 06/14/2017 Expires: 06/30/2019

Appraiser: JOHN CARLTON WAGGONER JR

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner


**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
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Number: TX 1321329 G

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Douglas E. Oldmixon  
Commissioner





## **ADVANCED VALUATION SYSTEMS, INC.**

### **Jimmy Pat James President**

#### **Qualifications**

#### **BUSINESS EXPERIENCE**

Jimmy Pat James, MAI, prior to forming Advanced Valuation Systems, Inc., served as a senior appraiser in the Dallas regional office of a national appraisal firm.

#### **VALUATION EXPERIENCE**

Mr. James has experience in the appraisal of commercial industrial, and investment grade properties to determine the Market Value for financing, possible sale or purchase, allocation of purchase price, ad valorem purposes, and internal planning purposes. Typical properties have included triple-net lease facilities, vacant land, regional malls, strip and neighborhood shopping centers, garden-style and major office projects, light and heavy industrial facilities, hotels, apartment projects, subdivisions, mixed-use developments, and research/development projects. Additionally, Mr. James has had experience in coordinating multi-property appraisal assignments throughout the country.

Mr. James has performed appraisals in over 35 of the United States.

Since 1986, Mr. James has specialized in the appraisal of investment grade income real estate. Mr. James has also been extensively involved in the appraisal of "Triple-Net" assets including drug stores, grocery stores and convenience stores. Since 1999, Advanced Valuation Systems, Inc. has appraised over 2,000 drug stores for CVS Corporation, Walgreens and Eckerd.

#### **COURT EXPERIENCE**

Mr. James has testified as an expert witness at an Equalization Board Hearing in Lubbock, Texas, regarding valuations for Ad Valorem tax purposes.

#### **PROFESSIONAL AFFILIATIONS/ASSOCIATION MEMBERSHIPS**

MAI Designation, Appraisal Institute

State Certified General Real Estate Appraiser - Texas and New Mexico

#### **SPECIAL COMMITTEE AFFILIATIONS**

Appointed member of the North Texas Chapter Admissions Committee for the Appraisal Institute

**8111 LBJ FREEWAY, SUITE 800, DALLAS, TEXAS 75251 • (972) 490-4554**

## **J. James (cont.)**

### **EDUCATION**

Texas Tech University, Lubbock, Texas  
Bachelor of Business Administration, Real Estate Finance

### **APPRAISAL AND SPECIAL EDUCATION COURSES**

American Institute of Real Estate Appraisers  
Real Estate Principles  
Basic Valuation Procedures  
Capitalization Theory and Techniques, Part 1A and 1B  
Valuation Analysis and Reporting Writing  
Standards of Professional Practice  
Case Studies in Real Estate Valuation  
Uniform Standards of Professional Appraisal Practice

Texas Tech University  
Real Estate Principles  
Real Estate Valuation  
Real Estate Finance  
Real Estate Investments  
Real Estate Law  
Business Law  
Income Tax Accounting  
Securities and Investments  
Money, Banking, and Credit

### **REPRESENTATIVE CLIENTS SERVED**

Aid Association for Lutherans/Lutheran Brotherhood	American State Bank
BancCorpSouth	Bank of Las Vegas
Bank of Oklahoma	Bank of Texas
Bank One, Texas, NA	Ben E. Keith Foods
Benchmark Bank	Boatmen's Bank
City Bank	ClayDesta Corporation
Comerica Bank	Compass Bank
Covenant Health Systems	Credit Suisse First Boston
Cummings-Baccus Interests	CVS Corporation
Dallas Central Appraisal District	Federal Deposit Insurance Corporation
Midland Economic Corporation	First Bank
First National Bank of Burkburnett	First Security Commercial Mortgage, L.P.
GE Capital Real Estate	GRACO Real Estate Group
Happy State Bank	JP Morgan
Lubbock National Bank	M&I Marshall & Ilsley Bank
Malouf Interests	MidFirst Bank
Midland Central Appraisal District	Midland Development Corporation
American Bank of Commerce	Nationwide Mutual Insurance Company
Paine Webber Real Estate Investments, Inc.	Plains Capital Bank
Protective Life Insurance Company	Prudential Life Insurance Company
Plains Capital Bank	Staubach Capital Partners
Target Corporation	Texas Bank
The Ohio National Life Insurance Company	The Weitzman Group
Wells Fargo Real Estate Group	Western National Bank

You may wish to laminate the pocket identification card to preserve it.

JIMMY PAT JAMES  
8111 LBJ FRWY STE 800  
DALLAS, TX 75251

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board  
P.O. Box 12188  
Austin, Tx 78711-2188  
www.talcb.texas.gov  
(512) 936-3001  
Fax:(512) 936-3899

**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
**Certified General Real Estate Appraiser**

Number#: TX 1320515 G

Issued: 03/27/2017 Expires: 04/30/2019

Appraiser: JIMMY PAT JAMES

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
**Certified General Real Estate Appraiser**

Number: TX 1320515 G

Issued: 03/27/2017 Expires: 04/30/2019

Appraiser: JIMMY PAT JAMES

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

## **DEFINITION OF THE PROBLEM**

PROPERTY IDENTIFICATION				
Parcel No.	Location	Building Class	Age/Condition	Other
1	Former Jabur Building 509-523 North Alleghaney Avenue Odessa, Texas	Class "C" MOB	±50 Yrs	This multi-tenant property is located north of the hospital and west of the Wheatley Stewart Medical Pavilion. Older, somewhat outdated facility. Surface parking.
2	315 North Golder Avenue Odessa, Texas	Class "C" MOB	±45 Yrs**	This property is located approximately one block west of the main MCH campus. It too is an older facility; however, it has experienced renovation/remodeling over the years. Surface parking.
3	500 North Washington Avenue Odessa, Texas	Class "C" MOB	±40 Yrs	Location of this multi-tenant property is just north of the main MCH campus. Remodeling/renovation over the years has been minimal. Surface parking.
4	501 North Golder Avenue Odessa, Texas	Class "C" MOB	±35 Yrs	Location of this multi-tenant property is northwest of the main MCH campus. Surface parking.
5	750 West 5 <sup>th</sup> Street Odessa, Texas	Class "C" MOB	±35 Yrs	Small medical office building designed for single user. This property is located between MCH to the east and TTUHSC to the west. Surface parking.
6	720 North Golder Avenue Odessa, Texas	Class "C" MOB	±25 Yrs	Medical office building designed for single occupancy. It is located on the SEC of West 8 <sup>th</sup> Street & North Golder Avenue. Surface parking.
7	318 North Alleghaney Avenue Odessa, Texas	Class "B" MOB	±35 Yrs	This property is located across the street to the south from MCH on the MCH main campus. Multi-level parking garage located across the street to the west.

8	519 North Lincoln Avenue Odessa, Texas	Class "B" MOB	±25 Yrs*	This property is located on the eastern fringe of the medical district surrounding MCH. It was formerly utilized as a utility company business office but in years past was remodeled/renovated by MCH. Surface parking.
9	540 West 5 <sup>th</sup> Street Odessa, Texas	Class "A" MOB	±15 Yrs	This property is located across the street to the north from MCH. It is attached by a skybridge. Adjacent multi-level parking garage.
10	1940 East 42 <sup>nd</sup> Street Odessa, Texas	Class "A" MOB	±15 Yrs	Small, single-occupant medical office building located in northeast Odessa. View/exposure of the property is somewhat restricted by surrounding uses. Surface parking.
11	8050 Hwy 191 Odessa, Texas	Class "A" MOB	±08 Yrs	Newer, modern, state-of-the-art, multi-tenant medical office building situated within the primary growth trend of the city. Surface parking.
12	8050 Hwy 191 (VA SW Health Care) Odessa, Texas	Class "A" MOB	±04 Yrs	Newer single occupant space designed specifically for VA. This space was attached to the existing 8050 Hwy 191 building. Surface parking.
13	375 North Sam Houston Avenue Odessa, Texas	Class "A" MOB	New	New, state-of-the-art, single-occupant medical office building situated on the east portion of the main campus of MCH. Surface parking.
14	3001 JBS Parkway Blvd. Odessa, Texas	Class "A" MOB	±03 Yrs	Another newer, modern, state-of-the-art multi-tenant medical office building situated within the primary retail district in northeast Odessa across the street from the University of Texas of the Permian Basin. Surface parking.

15	503 North Alleghaney Avenue Odessa, Texas	Casa Ortiz Restaurant	±50 Yrs	Small concrete tile block building located on the northwest corner of North Alleghaney Avenue and West Fifth Street just north of MCH main campus. It is used in a retail endeavor - restaurant. Surface and curb side parking.
16	610 West 5 <sup>th</sup> Street Odessa, Texas	Jo Ann's Flowers	±50 Yrs	Another small concrete tile block building (this one stucco veneer) located on West 5 <sup>th</sup> Street, west of North Alleghaney Avenue. It too is used in a retail endeavor - flower shop. Limited surface parking.
17	319 North Golder Avenue Odessa, Texas	Golder Pharmacy	±50 Yrs	Small pharmacy building located on the SWC of North Golder Avenue and West 4 <sup>th</sup> Street. Surface parking.
18	Gift Shops			Small retail spaces located within MCH and the MCH Procure Women's Clinic.

- \* Improvements were initially erected in 1947. They were occupied as late as 1994 by Energas (natural gas supplier for Odessa and surrounding area). Medical Center Hospital acquired the property in 1998 and shortly thereafter entered into an extensive remodeling/renovation program whereby the building was essentially “gutted” and completely rebuilt. Some additional upgrading/remodeling was completed in 2008/2009.
- \*\* According to the Ector County Appraisal District, property was originally constructed in about 1959. It has had some extensive remodeling/renovation in more recent years.

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the “Market Rent” of the subject properties “as is” as of April 10, 2018.

## **DEFINITION OF MARKET RENT**

According to The Appraisal of Real Estate, Appraisal Institute, Tenth Edition, page 126, market rent is defined as:

"The rental income that a property would most probably command in the open market."

## **EXPOSURE TIME**

According to the Statement on Appraisal Standards No. 6 (SMT-6) of the *Uniform Standards of Professional Appraisal Practice* adopted by the Appraisal Standards Board on September 16, 1992, exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

The estimate of market rent presumes an exposure time of about six to nine months.

## **SCOPE OF WORK**

The term Scope of Work refers to the extent of the process of collecting, confirming, and reporting data. Information regarding the subject property was obtained by a physical inspection and/or an interview with the owner(s), tenant(s), and/or agent(s). Other pertinent miscellaneous data deemed relevant to the assignment included city and area trends and demographics, neighborhood boundaries and land uses, applicable zoning, ad valorem tax burden, past sales history, and highest and best use potential.

Information regarding city and area trends and demographics was obtained from local and state publications, the local chamber of commerce, and consultations with local real estate appraisers/brokers/financiers, etc. The neighborhood boundaries and land use data were ascertained by physically inspecting the area(s) surrounding the subject property. Zoning data together with flood status and plat maps (if applicable) were obtained from the City of Odessa and/or available public records. The Ector County Appraisal District provided information related to the assessed value of the property, yearly taxes, and current



ownership. Highest and best use conclusions are based on a correlation of all data obtained by physical inspection (subject property and neighborhood), analyzing city and area trends, determining legal restrictions from public records and zoning ordinances, etc.

Since the purpose of this appraisal is to estimate market rent, comparable market data is relied upon exclusively. Rent comparables are listed and compared with the subject property. Each comparable is adjusted for miscellaneous amenities as deemed possible and necessary. The intent of the adjustment process is to equate all rentals to the subject property and thereby obtain an indication of market rent.

Market data utilized as rentals, or offers to rent, is obtained by researching public records, this appraiser's files, and consultations with knowledgeable local real estate appraisers and brokers. Each rental is verified by public records, with one of the parties involved, agents, property managers, attorneys, appraisers, etc.

### **PROPERTY RIGHTS APPRAISED**

Fee simple estate, surface only.

### **DEFINITION OF FEE SIMPLE ESTATE**

Again, according to The Appraisal of Real Estate, Appraisal Institute, Tenth Edition, page 122, fee simple estate is defined as:

"Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

### **INTENDED USER OF THE APPRAISAL**

The intended user of this appraisal and the appraisal report is Ector County Hospital District and regulatory agencies. The use of the appraisal and appraisal report by any other user(s) is not intended and is prohibited.

### **INTENDED USE OF THE APPRAISAL**

The intended use of the appraisal and the appraisal report is in the decision making process regarding new leases and lease renewal rates of the properties studied. The use of the appraisal and appraisal report for any other use(s) is not intended and is prohibited.

### **SIGNIFICANT APPRAISAL DATES**

Effective Date of Appraisal:            April 10, 2018.

## **GENERAL MARKET/ECONOMIC CONDITIONS**

## CITY AND AREA DATA

Odessa is located approximately 347 miles west of Dallas, Texas and 274 miles east of El Paso, Texas. It is bisected by Interstate Highway 20 and U. S. Highway 385.

Before that area known as the Permian Basin was discovered to be an oil and gas reservoir, the locale was traversed by Spanish explorers and bands of Comanche Indians. In 1881, the Texas and Pacific Railroad, moving west to El Paso, founded a camp here. The Russian immigrants working as crew-men on the railroad named the camp for their home city.

Odessa was established as a townsite in 1886. The abundance of water lead to it becoming a shipping point for cattle. In December, 1926, oil was first discovered twenty miles southwest. Odessa was incorporated in 1927.

The City of Odessa covers an area of 34.69 square miles situated in the heart of the Permian Basin, (a vast oval of land - 100,000 square miles - housing deposits of oil and natural gas). Ector County, covering 907 square miles, is geographically located on the southern extension of the Texas South Plains. Three of the states major land resources meet in Ector County: the High Plains, Trans Pecos Plateau, and Edwards Plateau. These regions all tend to have short grasses, sparse and usually scrubby tree growth, and limited rainfall.

The land surface in the vicinity of Odessa is a relatively level, undulating plain, cut by one major drainage system, Monahans Draw. The altitude of Ector County ranges from 2,500 feet above sea level on the east side of the county to 3,200 feet on the west. Odessa is 2,890 feet above sea level.

The climate of the area is mild and semi-arid. In summer, the average night temperature goes down to the mid 60's and day temperatures go up to the upper 90's. Average winter temperatures range from the low and middle 30's to upper 50's. The average annual rainfall is 14.84 inches; snowfall is 1.5 inches. Most of the rainfall occurs in April and October with less than an inch of rain per month in the winter.

The City of Odessa is the county seat and principal city in Ector County and accounts for about 75% of the county's population.

While the coming of the railroad shortly after 1880 established the location of Odessa as a town site, there were less than 1,000 people in the entire county as late as 1920. The discovery of petroleum in Ector County during the 1925-1926 period caused rapid changes in the area resulting in an increase to nearly 4,000 people in the county by 1930 and 15,000 by 1940. Odessa experienced its greatest growth between 1950 (population: 29,495) and 1960 (population: 80,338), an increase of 172%.

POPULATION TRENDS			
Year	Number	Change	% Change
CITY OF ODESSA			
1980	90,027	-----	-----
1990	89,699	- 328	-0.4%
2000	90,943	+ 1,244	1.4%
2010	99,940	+ 8,997	9.9%
2017 (Estimate)	118,968	+19,028	19.0%
ECTOR COUNTY			
1980	115,374	-----	-----
1990	118,934	+ 3,560	3.1%
2000	121,123	+ 2,189	1.8%
2010	137,130	+16,007	13.2%
2017 (Estimate)	152,455	+15,325	11.2%
Source: U.S. Census Bureau (1980, 1990, 2000, 2010) & Oncor Electric Delivery (2017)			

Population total varies depending on the web site researched. The 2017 estimate by Oncor Electric Delivery is most likely predicated on 2016 or very early 2017 data.

Historical population statistics for Midland and Midland County, located contiguous to the east, are summarized as follows:

POPULATION TRENDS			
Year	Number	Change	% Change
CITY OF MIDLAND			
1980	70,525	-----	-----
1990	89,443	+18,918	26.8%
2000	94,996	+ 5,553	6.2%
2010	111,147	+16,151	17.0%
2017 (Estimate)	132,950	+21,803	19.6%
MIDLAND COUNTY			
1980	82,311	-----	-----
1990	106,611	+24,300	29.5%
2000	116,009	+ 9,398	8.8%
2010	136,872	+20,863	18.0%
2017 (Estimate)	151,290	+14,418	10.5%
Source: U.S. Census Bureau (1980, 1990, 2000, 2010) and Oncor Electric Delivery (2016)			

Again, population today varies depending on the web site researched.

Midland and Midland County have a sizable impact on the economies of both the regional area and Odessa. Together the two cities (Midland and Odessa) have a population of approximately 250,000.

Odessa is served by the Union Pacific Railroad. In addition, there are eight motor freight carriers with local terminal facilities. Four major air lines (Southwest Airlines, Continental Airlines, American Eagle/American Airlines, and United Airlines) are available at Midland International Airport, which is located about equi-distant between the cities of Odessa and Midland on U. S. Highway 80.

Accessibility to Odessa is via Interstate Highway 20, one of the main east - west routes of the federal interstate highway system and U. S. Highway 385, which runs from the U. S. - Mexico border to South Dakota.

Ad valorem (general property) taxes are the only common tax to all business and are levied on all types of property: personal and real. Each property is assessed at 100 per cent of its market value. Entities with jurisdiction and their corresponding historical and current tax rates are listed in the following chart.

AGENCY	2006 Rate/\$100	2007 Rate/\$100	2013 Rate/\$100	2014 Rate/\$100	2017 Rate/\$100
ECISD	\$1.3600	\$1.112000	\$1.161000	\$1.161000	\$1.149569
Odessa College	\$0.1900	\$0.181700	\$0.174112	\$0.176600	\$0.206419
City of Odessa	\$0.6290	\$0.579000	\$0.512750	\$0.475845	\$0.493248
Hospital District	\$0.0808	\$0.069500	\$0.045645	\$0.050986	\$0.117920
Ector County	<u>\$0.4158</u>	<u>\$0.404091</u>	<u>\$0.297296</u>	<u>\$0.297296</u>	<u>\$0.387210</u>
TOTAL	\$2.6756	\$2.346291	\$2.190803	\$2.161727	\$2.354366

Ad valorem tax rates increased steadily until the 2007 year. With the reduction in the school tax rate (ECISD) mandated by the State of Texas, tax rates fell. Mitigating the fall in tax rates were increases in assessed values. Taxes rates have increase steadily over the years since 2007.

Except for a few large ranches, there is very little agriculture in Ector County. The production of oil and petrochemical products is the basis for Odessa's economy. The Permian Basin is one of the premiere oil producing areas in the United States. Since 1926 when oil was discovered in Ector County, over two billion barrels of oil have been produced. According to the Odessa Chamber of Commerce, over 20% of the nations proven and accessible oil reserves and 15% of the natural gas reserves are in the Permian Basin. Other minerals produced or mined in and around Ector County include cement materials, caliche, gypsum, limestone, sand, gravel, salt, sulfur, talc, marble, fluorite, mercury, and magnesium. Livestock and livestock production are the principal agricultural operations in Ector County although agriculture is not a significant economic factor.

“As the oil industry goes, so goes Odessa!”

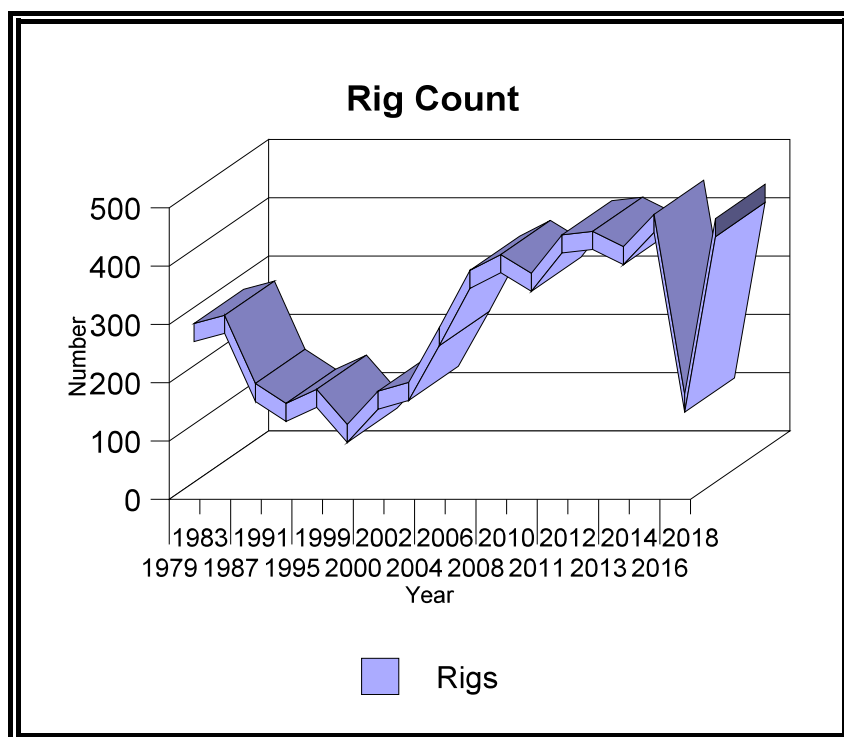
Prices for West Texas Intermediate Crude was fairly stable during the early to mid 1970's averaging about \$9.00 to \$10.00 per barrel. In 1978, prices began to increase slightly. In 1979 and 1980, prices rose dramatically peaking in 1981 at about \$35.00 per barrel.

It was during this time that the Middle East (OPEC) took control of the world oil market. As Middle East oil supplies became more plentiful, the price for West Texas Intermediate Crude began to decline. The decline was rather gradual until January, 1986, falling from the peak of about \$35.00 per barrel to slightly under \$30.00 per barrel. In an attempt to increase its market share, Saudi Arabia and other Middle East suppliers flooded the market with low cost crude in early 1986. This resulted in a decline for West Texas Intermediate Crude to about the \$10.00 per barrel range or basically a decline to pre 1978 and 1979 levels. Since early 1986, prices increased substantially and appeared to be capable of stabilizing in the \$18.00 per barrel to \$24.00 per barrel range. However, 1998 and 1999 again witnessed dramatically declining oil prices. Between 1999 and late 2007 oil prices rebounded and increased to over \$90.00 per barrel. Beginning in late 2007 thru mid July 2008, oil prices increased dramatically to just under

\$150.00 per barrel. Late July 2008 thru the third quarter 2011 witnessed declining prices again. Beginning in about the fourth quarter of 2011 prices started to increase and stabilized in/around \$90.00 per barrel to \$100.00 per barrel. However, since 2014 oil prices declined to approximately \$45.00 per barrel to \$50.00 per barrel (an almost 50% fall). Early 2017 witnessed an oil price decline to about \$30.00 per barrel. As of the date of this report, crude oil prices are up to about \$55.00 to \$60.00 per barrel.

Oil prices have a major impact on the economics of drilling activity in the Permian Basin. The higher the price of West Texas Intermediate Crude, the more drilling activity. As prices decline, the number of working oil rigs also decline. Drilling fuels the local economy.

The graph to the right reflects the average monthly rig count since 1979 to 2018 (Permian Basin). As oil prices peaked in 1981, the number of working oil rigs also peaked. Oil prices declined approximately 71% (\$35.00/Barrel to \$10.00/Barrel) between 1981 and 1986. The rig count declined 69% (451 Rigs to 138 Rigs) during the same period. From 1987 to 2008, rig count increased 144% from 154 to 375. The decline in crude oil prices from mid 2008 to 2009 resulted in a decline in the average monthly rig count of 53% from 375 in 2008 to 178 in 2009. Since 2009, oil prices again rebounded and average monthly rig count in 2011 was 409, 415 in 2012, 389 in 2013, and 447 in 2014. The latest decline in oil prices resulted in a decrease of approximately 70% in the rig count (447 in 2014 to 136 in April 2016). Since April 2016, the rig count has increased 221% (136 in April 2016 to 437 in March 2018).



The Apache Corporation, a Houston based oil and gas exploration company, made one of the more significant oil and gas discoveries in years in the Permian Basin in Reeves County, Texas. Apache said it's new field holds more than 3 billion barrels of oil - nearly the equivalent of an entire year of U.S. crude production - and 75 trillion cubic feet of natural gas, making it the company's biggest U.S. discovery ever and one of its most important worldwide. The company calls the field Alpine High.



This discovery is said to buck recent trends in an industry that has pulled back on exploration in the face of low oil prices. Most companies, since 2014, looking to cut costs, are talking about efficiency, targeting wells that are known producers and employing drilling techniques to squeeze out more oil rather than seeking new fields to develop. As a result of Apache's find, drillers in the Permian shale are scooping up land in the Midland Basin, another subsection of the Permian, and, more recently, the Delaware, where reserves are considered accessible at costs that would make drilling profitable with oil prices below \$50 a barrel.

What all this tells us is a market that was previously stagnant is now showing increasing activity.

## **VALUATION**

The vast majority of the medical office building space in the Odessa market is owned/operated by Medical Center Hospital. This is especially true with respect to multi-tenant facilities. However, Odessa Regional Medical Center owns and operates two or three multi-tenant, medical office buildings in close proximity to that hospital and rental information was gathered on one. Other markets surveyed were Midland and Abilene. Rent comparables utilized for this study are listed below and on the following pages.

**RENT COMPARABLE NO. 1**



Dr. Albert B. Finch Medical Office Building  
420 East Sixth Street  
Odessa, Texas

- Gross Building Area:            Approximately 40,900 SF
- Number of Floors:                Two
- Year Built:                        2008 (10 Years) as per Ector County Appraisal District
- Parking:                          Surface
- Rent Rate:                         \$20.50/SF/Year under a full service agreement.
- Comments:                        Class "A" medical office building owned/operated by Odessa Regional Medical Center.

**RENT COMPARABLE NO. 2 - Offer to Rent**



Southwick Plaza  
601 East Second Street  
Odessa, Texas

Gross Building Area: ±3,054 SF out of a ±13,134 SF multi-tenant medical office building.

Number of Floors: One

Year Built: 2005 (13 years old)

Parking: Surface

Rent Rate: \$15.00/SF/Year + triple net charges estimated to be \$5.33/SF/Year. Indicated equivalent full service rent rate is \$20.33/SF/Year.

Comments: Boutique medical office space located in close proximity to, but off the main campus of, Odessa Regional Medical Center.

**RENT COMPARABLE NO. 3**

400 Rosalind Redfern Grover Parkway  
Midland, Texas

Net Leasable Area:	86,689 SF
Number of Floors:	Two
Year Built:	2008 (10 Years)
Parking:	Surface & garage
Rent Rate:	\$18.00/SF/Year - \$21.00/SF/Year, called \$20.00SF/Year.
Comments:	Class "A" medical office building attached to Midland Memorial Hospital and owned/operated by the hospital.

**RENT COMPARABLE NO. 4**



Midland Memorial West Campus  
4214 Andrews Highway  
Midland, Texas

Net Leasable Area: Approximately 60,000 SF

Number of Floors: Three

Year Built: 1995 (23 Years) as per Midland County Appraisal District

Parking: Surface

Rent Rate: \$18.00/SF/Year - \$21.00/SF/Year under a full service agreement, called \$18.50/SF/Year.

Comments: Class "A" medical office building owned/operated by Midland Memorial Hospital.

**RENT COMPARABLE NO. 5**



1900 West Wall Street  
Midland, Texas

Net Leasable Area: 10,200 SF, multi-tenant, medical office space.

Number of Floors: One

Year Built: 2009 (09 Years Old)

Parking: Surface

Rent Rate: \$16.50/SF/Year for years 2010-2015 and \$19.00/SF/Year for years 2016-2020 under conditions whereby the tenant pays utilities and pro-rata share of ad valorem taxes and hazard insurance. This rental is adjusted positively \$6.00/SF/Year for expenses paid by the tenant. Equivalent full service rent rate is \$25.00/SF.

Comments: EIFS & brick veneer building located within a few blocks of Midland Memorial Hospital.

**RENT COMPARABLE NO. 6**

MCH Professional Building  
 318 North Alleghaney, Suite 201  
 Odessa, Texas

Unit Area:	2,679 SF
Number of Floors:	Second floor unit out of a four story building
Year Built:	1984 (34 Years) as per Ector County Appraisal District
Parking:	Multi-level garage located across the street to the west.
Rent Rate:	\$18.00/SF/Year under a full service agreement for a one year lease agreement which commenced in January 2018.
Comments:	Class "B" medical office building owned/operated by Medical Center Hospital and located on the main hospital campus.



**RENT COMPARABLE NO. 7**



MCH ProCare Family Medicine - Ramanathan Chittur  
315 North Golder Avenue  
Suite B  
Odessa, Texas

- Unit Area: 2,897 SF
- Number of Floors: One
- Year Built: 1959 (as per Ector County Appraisal District) but extensively remodeled/renovated over the years.
- Parking: Surface
- Rent Rate: \$15.50/SF/Year under a full service agreement for a one year lease agreement which commenced in February 2017.
- Comments: Older medical office building located southwest of the main campus of Medical Center Hospital.

**RENT COMPARABLE NO. 8**



No. 8 Hospital Drive  
Abilene, Texas

Unit Area: 1,800

Number of Floors: One

Year Built: 2015 (03 Years)

Parking: Surface

Rent Rate: Five year lease which commenced in 2017 at \$18.00/SF/Year under conditions whereby the tenant pays utilities, minor repairs and maintenance, and janitorial service. Property owner pays other expenses associated with ownership.

This comparable is adjusted \$4.75/SF/Year for expenses paid by the tenant. Equivalent full service rent rate is \$22.75/SF/Year.

Comments: Steel frame and masonry construction with face brick, free-standing, medical office building used for lab services.

**RENT COMPARABLE NO. 9**



No. 4 Hospital Avenue  
Abilene, Texas

Gross Building Area: 1,800 SF

Number of Floors: One

Year Built: 2011 (07 years old)

Parking: Adequate - Surface

Rent Rate: Three year lease beginning June 2016 at \$16.82/SF/Year under conditions whereby the property owner pays administrative costs, ad valorem taxes, hazard insurance, and maintenance/repairs. Tenant pays utilities and janitorial service.

This comparable is adjusted \$3.75/SF/Year for utilities and janitor service paid by tenant. Equivalent full service rent rate is \$20.57/SF/Year.

Comments: Wood and steel frame building with stone veneer. This property is about two blocks removed from Abilene Regional Medical Center.

Rental Chart					
Rental No.	Rent Rate/SF/Year	Age/Condition	Off-Street Parking	Location	Market
1	\$20.50	10 Yrs	Surface	On-Campus	Odessa
2	\$20.33	13 Yrs	Surface	Off-Campus	Odessa
3	\$20.00	10 Yrs	Surface/Garage	On-Campus	Midland
4	\$18.50	23 Yrs	Surface	Off-Campus*	Midland
5	\$25.00	09 Yrs	Surface	Off-Campus	Midland
6	\$18.00	34 Yrs	Garage	On-Campus	Odessa
7	\$15.50	45 Yrs	Surface	Off-Campus**	Odessa
8	\$22.75	03 Yrs	Surface	Off-Campus	Abilene
9	\$20.57	07 Yrs	Surface	Off-Campus	Abilene

\* Off Midland Memorial Hospital's main campus.

\*\* Off Medical Center Hospital's main campus.

All rent comparables are indicative of typical medical office building use; i.e., no specialized medical uses. Rent rates indicated are also full service contracts; i.e., property owner pays all expenses associated with ownership or were adjusted to full service terms.

Primary variables include age/condition/quality/design/appeal and location (Midland and Abilene vs Odessa and on-campus vs. off-campus).

**AGE/CONDITION/QUALITY/DESIGN/APPEAL:** The adjustment for age/condition takes into consideration not only effective or chronological age of the improvements and overall physical condition but also includes quality of construction and design/appeal. In other words, physical condition, quality of construction, and design/appeal are deemed to be a function of age/condition. The newer the improvements typically the more advanced in quality and design/appeal. While older improvements lack amenities deemed standard today.

In an attempt to quantify adjustments for this variable, several comparisons are made. First Rental No. 1 is paired with Rental No. 6.

Rental No.	Age/Condition/Quality/Design/Appeal	Rent Rate/SF/Year
1	10 Yrs-Good	\$20.50
6	34 Yrs-Average	<u>\$18.00</u>
Difference		\$ 2.50 +15% (Rnded) -10% (Rnded)

Next, Rental No. 1 is paired with Rental No. 7

Rental No.	Age/Condition/Quality/Design/Appeal	Rent Rate/SF/Year
1	10 Yrs-Good	\$20.50
7	45 Yrs-Average	<u>\$15.50</u>
Difference		\$ 5.00 +30% (Rnded) -25% (Rnded)

LOCATION (On-Campus vs. Off-Campus): A comparison of Rentals No. 1 and No. 2 fail to show any meaningful adjustment for on-campus vs. off campus location.

Rental No.	Location	Rent Rate/SF/Year
1	On-Campus	\$20.50
2	Off-Campus	<u>\$20.33</u>
Difference		Negligible

A second comparison utilizes Rentals No. 3 and No. 4. Prior to making a direct comparison, Rental No. 4 is adjusted positively \$2.50/SF/Year for Age/Condition/Quality/Design/Appeal ( $\$18.50/\text{SF} \times 2.50 = \$21.00/\text{SF}/\text{Year}$ .)

Rental No.	Location	Rent Rate/SF/Year
3	On-Campus	\$20.00
4	Off-Campus	<u>\$21.00</u>
Difference		N/A

Apparently no adjustment is indicated for on-campus vs. off-campus location. The exceptions to

this conclusion, which will be addressed later, is an off-campus location in the heart of a prime retail district or in the primary growth of the city.

LOCATION ( Odessa Market Vs. Midland Market): Again two comparisons are made. First, Rental No. 1 is paired with Rental No. 3.

Rental No.	Location	Rent Rate/SF/Year
1	Odessa	\$20.50
3	Midland	<u>\$20.00</u>
Difference		N/A

Second, Rentals No. 4 and 6 are paired.

Rental No.	Location	Rent Rate/SF/Year
4	Midland	\$18.50
6	Odessa	<u>\$18.00</u>
Difference		Negligible

LOCATION (Odessa Market vs. Abilene Market): Rental No. 2 is paired with Rentals No. 8 and No. 9 for this adjustment.

Rental No.	Location	Rent Rate/SF/Year
2	Odessa	\$20.33
8 & 9	Abilene	<u>\$21.66</u>
Difference		Negligible

Again, no adjustment is deemed necessary for differences in location between the Odessa market and the Midland and Abilene markets.

The subject properties, like the rent comparables, can be divided into three distinct categories based primarily on age/condition/quality/design/appeal. Newer, more modern, state-of-the-art facilities tend to lease at the upper end of the range while somewhat older structures, not quite as modern, and which lack some state-of-the art amenities tend to the lease towards the mid-range of the rates indicated. Some structures deemed older still and possibly somewhat outdated, by today's standards, exhibit lease rates at the lower end of the range.

Subject's following locations: 540 West Fifth Street, 1940 East 42<sup>nd</sup> Street, 375 North Sam Houston Avenue, 8050 Hwy 191, 8050 Hwy 191 - VA SW Health Care Clinic, and 3001 JBS Parkway tend to be newer, more modern facilities capable of commanding a lease rate towards the upper end of the range indicated.

Rent comparables are adjusted as follows:

Adjustment Chart No. 1			
Rental No.	Rent Rate/SF/Year	Age/Condition Quality Design/Appeal	Indicated Market Rent
1	\$20.50	----	\$20.50
2	\$20.33	----	\$20.33
3	\$20.00	----	\$20.00
4	\$18.50	+2.50	\$21.00
5	\$25.00	----	\$25.00
6	\$18.00	+2.50	\$20.50
7	\$15.50	+5.00	\$20.50
8	\$22.75	----	\$22.75
9	\$20.57	----	\$20.57

The indicated market rent rate range for newer, more modern structures is \$20.00/SF/Year to \$25.00/SF/Year with a most prevalent range of \$20.00/SF/Year to \$22.75/SF/Year, Called \$20.00/SF/Year to \$22.50/SF/Year).

The exceptions to this range are 8050 Hwy 191 - VA SW Health Care Clinic and 3001 JBS Parkway. These are two of the three newest properties. 8050 Hwy 191 VA SW Health Care Clinic is located in the primary growth district of Odessa in a new retail area. 3001 JBS Parkway is located in the heart of the primary retail district close to the Music City Mall, WalMart SuperCenter, Sam's Club and the University of Texas of the Permian Basin. These two properties should be capable of commanding a rent rate towards the upper end of the range indicated, say \$22.75/SF/Year to \$25.00/SF/Year (prior to adjustment for size).

Subject's following location: 318 North Alleghaney Avenue and 519 North Lincoln Avenue - are somewhat older, but still exhibit good quality and design but are a little lacking in modern, state-of-the art amenities. These facilities are more indicative of the mid-range of rent value indicated.

Adjustment Chart No. 2			
Rental No.	Rent Rate/SF/Year	Age/Condition Quality Design/Appeal	Indicated Market Rent
1	\$20.50	-2.50	\$18.00
2	\$20.33	-2.50	\$17.83
3	\$20.00	-2.50	\$17.50
4	\$18.50	----	\$18.50
5	\$25.00	-2.50	\$22.50
6	\$18.00	----	\$18.00
7	\$15.50	+2.50	\$18.00
8	\$22.75	-2.50	\$20.25
9	\$20.57	-2.50	\$18.07

After adjustment, the indicated market rent ranges from \$17.50/SF/Year to \$22.50/SF/Year, Called \$17.50/SF/Year to \$20.00/SF/Year.



Subject's oldest structures which are somewhat lacking in quality and design/appeal include: 750 West 5<sup>th</sup> Street, 509-523 North Alleghaney Avenue, 315 North Golder Avenue - Ste B, 501 North Golder Avenue, 720 North Golder Avenue, and 500 North Washington Avenue,

<b>Adjustment Chart No. 3</b>			
<b>Rental No.</b>	<b>Rent Rate/ SF/Year</b>	<b>Age/Condition Quality Design/Appeal</b>	<b>Indicated Market Rent</b>
1	\$20.50	-5.00	\$15.50
2	\$20.33	-5.00	\$15.33
3	\$20.00	-5.00	\$15.00
4	\$18.50	-2.50	\$16.00
5	\$25.00	-5.00	\$20.00
6	\$18.00	-2.50	\$15.50
7	\$15.50	----	\$15.50
8	\$22.75	-5.00	\$17.75
9	\$20.57	-5.00	\$15.57

After adjustment, the indicated market rent ranges from \$15.00/SF/Year to \$20.00/SF/Year with the most prevalent range being \$15.00/SF/Year to \$16.00/SF/Year.

Recapitulation			
Parcel No.	Address	Forecast Market Rent (\$/SF/Year)	Terms
1	509-523 North Alleghaney Avenue Odessa, Texas	\$15.00 - \$16.00	Full Service
2	315 North Golder Avenue Odessa, Texas	\$15.00 - \$16.00	Full Service
3	500 North Washington Avenue Odessa, Texas	\$15.00 - \$16.00	Full Service
4	501 North Golder Avenue Odessa, Texas	\$15.00 - \$16.00	Full Service
5	750 West 5 <sup>th</sup> Street Odessa, Texas	\$15.00 - \$16.00	Full Service
6	720 North Golder Avenue Odessa, Texas	\$15.00 - \$16.00*	Full Service
7	318 North Alleghaney Avenue Odessa, Texas	\$17.50 - \$20.00	Full Service
8	519 North Lincoln Avenue Odessa, Texas	\$15.75 - \$18.00**	Full Service
9	540 West 5 <sup>th</sup> Street Odessa, Texas	\$20.00 - \$22.50	Full Service
10	1940 East 42 <sup>nd</sup> Street Odessa, Texas	\$20.00 - \$22.50	Full Service
11	8050 Hwy 191 Odessa, Texas	\$20.00 - \$22.50	Full Service
12	8050 Hwy 191 (VA SW Health Care) Odessa, Texas	\$25.65 - \$28.15***	Full Service
13	375 North Sam Houston Avenue Odessa, Texas	\$18.00 - \$20.25****	Full Service
14	3001 JBS Parkway Blvd Odessa, Texas	\$22.75 - \$25.00*****	Full Service
15	503 North Alleghaney Avenue Casa Ortiz Restaurant Odessa, Texas	\$11.25 - \$12.00*****	Full Service
16	610 West 5 <sup>th</sup> Street JoAnn's Flowers Odessa, Texas	\$11.25 - 12.00*****	Full Service

17	319 North Golder Avenue Golder Pharmacy Odessa, Texas	\$15.75 - \$16.80*****	Full Service
18	500 West 4 <sup>th</sup> Street & CWI Odessa, Texas	\$15.00 - \$16.90*****	Full Service

- \* Larger facility but size deemed to be offset by access/exposure to two major thoroughfares.
- \*\* 10% less than the applicable class due to gross building area.
- \*\*\* Far upper end of the range indicated for the class (\$22.75/SF/Year - \$25.00/SF/Year) due to location within the primary growth district of Odessa; however, the range is discounted 10% for size resulting in an adjusted rent rate range of \$20.50/SF/Year to \$22.50/SF/Year of rentable area. According to information provided, the usable area of this space is 14,984 SF. Rentable area (to include common areas with the exception of vertical penetrations) should be approximately 25% greater or 18,730 SF total. Assuming a rent rate in the range of \$20.50/SF/Year to \$22.50/SF/Year, forecast annual income is \$383,965/Year to \$421,425/Year. This income level equates to \$25.65/SF to \$28.15/SF of usable area.
- \*\*\*\* 10% less than the applicable class due to gross building area.
- \*\*\*\*\* Far upper end of the range indicated for the class due to location in the heart of the primary retail district close to the Music City Mall, WalMart SuperCenter, Sam's Club and the University of Texas of the Permian Basin.
- \*\*\*\*\* 25% less than typical medical space in old Jabur Building based on historical trends..
- \*\*\*\*\* 05% greater than typical medical space at 315 North Golder, Suite B based on historical trends.
- \*\*\*\*\* 25% less than Class "A" medical space based on historical trends.

Estimated market rent indicated could increase two to three percent within the foreseeable future.

## CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the accompanying Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

I have made a personal inspection of the property that is the subject of this report, and have made an exterior inspection of all comparable data listed with the exception of Rentals No. 8 and No. 9 located in Abilene, Texas.

No one provided significant professional assistance to the person(s) signing this report.

I have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.

This report was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

I currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of the Appraisal Institute.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have performed no other services, as an appraiser or in any other capacity, regarding the subject property within the three-year period immediately preceding acceptance of this assignment.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Those who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, John C. Waggoner has completed the requirements of the continuing education program of the Appraisal Institute.

A handwritten signature in blue ink, appearing to read "John C. Waggoner".

John C. Waggoner, MAI, SRA

## **CERTIFICATION OF THE APPRAISER**

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the accompanying Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

I have made a personal inspection of the properties that are the subject of this report, and have made an exterior inspection of all comparable data listed with the exception of Rentals No. 8 and No. 9 located in Abilene, Texas.

No one provided significant professional assistance to the person(s) signing this report.

I have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.

This report was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

I currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

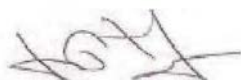
The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of the Appraisal Institute.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

With the exception of appraising several of the buildings which were acquired by the Ector County Hospital District, I have performed no other services, as an appraiser or in any other capacity, regarding the subject property within the three-year period immediately preceding acceptance of this assignment.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Those who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Jimmy P. James has completed the requirements of the continuing education program of the Appraisal Institute.



Jimmy P. James, MAI