

TOMBALL HOSPITAL AUTHORITY ANNUAL REPORT

SEPTEMBER 15, 2014

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HISTORY

Tomball Hospital Authority was created by City Council Ordinance in 1973 for the purpose of bringing a modern hospital to the Tomball area.

An 11 member Board of Directors was appointed.

5 members of the Board are appointed by City Council and are required to be residents of the City of Tomball.

6 members are appointed by the Board of Directors for representation from the “Greater Tomball Area” which includes Magnolia, Waller, and Cypress.

No debt obligations were incurred by the City by the creation of the Hospital Authority. The Authority financed the hospital through several Bond indentures and the Authority was responsible for any debt incurred.

The Authority is not a taxing entity and zero tax dollars have been used to retire our debt or support operations.

History (Continued)

Tomball Community Hospital opened on July 1, 1976 as a 75 bed hospital.

Within a few years the Hospital, under the direction of the Authority, underwent several expansions.

First to a 140 bed hospital and by 1989, it grew to a 240 bed facility and the name was changed to “Tomball Regional Medical Center” to reflect it’s growing emergence in the community.

By 2002, the facility had grown to a licensed 357 bed Major Medical Center in the heart of Tomball.

Indeed, Tomball Regional Medical Center was ranked in the top 10 hospitals in the Greater Houston Area for Quality by U.S. News and World Reports in 2011 out of 99 hospitals reviewed.

History (Continued)

In early 2011, due to the increased economic and financial pressure of operating a “stand alone” Health Care Facility, the Authority decided to seek a partnership with a larger entity that would have greater leverage in negotiating managed care agreements and cost containment to fulfill the mission of the Authority.

In October of 2011, the Authority sold Tomball Regional Medical Center to Community Health Systems. All outstanding financial obligations, including the outstanding bond indentures of the Authority were fully satisfied.

Because the Authority is no longer operating a hospital, a new name was adopted, Tomball Regional Health Foundation, to continue to conduct the business of the Authority and serve the Tomball community.

Tomball Regional Health Foundation

Is the name of the Authority.

It is simply, Tomball Hospital Authority, DBA Tomball Regional Health Foundation

The Authority is still a governmental entity organized under Chapter 262 of the Texas Health and Safety Code. The Foundation is not a 501c3 because, as a Hospital Authority, it is tax exempt as a governmental entity.

It's governmental status is consistent with its mission to “promote wellness and improve health status for all residents in our communities through programs that enhance access to health care, preventative care and health education.”

The Authority, and its governmental status, allows us to participate in the Texas Health and Human Services Commission's 1115 Waiver Program for Uncompensated Care. (covered later in this presentation)

Economic Impact of Decisions made by The Authority

Tomball Regional Medical Center is still one of the largest employers in the community

The City had benefited from road infrastructure of the Hospital campus, including the current Medical Complex Drive, at no cost to the City

Decision to sell land that created a Long Term Care Facility (Kindred Hospital) in Tomball so residents of our community have the convenience of that type of facility near their home as well as their economic impact through employment and services provided

Significant Tax Revenues being generated by the TRMC Campus to the City and our Schools by the sale of the hospital campus

Economic Impact of Decisions made by The Authority

Working with Lone Star College Tomball for the creation of a Health Science Center for Lone Star College Tomball on the campus of the Hospital through the leasing of the land the new building sits on

Obtained the Following Commitments from Community Health Systems:

- Fund \$50 Million in Capital Improvements for the Hospital over the next 5 years
- Fund \$150K per year for the next 10 years to TOMAGWA Healthcare Ministries
- Reducing the lease payment for the Health Science Center for Lone Star College Tomball to \$1.00 per year for the next 99 years.

Current Projects

1115 Waiver

As a Governmental Entity, we are participating in a 5 year program with the Texas Health and Human Services Commission known as the 1115 Waiver Project with the Centers for Medicare and Medicaid Services.

Texas Health and Human Services Commission has received federal approval of a waiver that allows the state to expand Medicaid managed care while preserving hospital funding, provides incentive payments for health care improvements and directs more funding to hospitals that serve large numbers of uninsured patients.

Governmental entities that contribute intergovernmental transfers (IGTs) will have those funds matched by the Federal Government, and then returned to an affiliated Health Care Facility to be used for the funding of uninsured patients

Current Projects

1115 Waiver (Uncompensated Care)

Since February 2012, the Authority, as a governmental public entity, has submitted the following Intergovernmental Transfers (IGT's) to the Texas Health and Human Services Commission on behalf of Tomball Regional Medical Center to fund uninsured care for patients within our service area.

These IGT funds were matched by the State and then forwarded to CMS, who also contributed to that funding and returned the funding directly to Tomball Regional Medical Center for Uncompensated Care (UC)

	(UC)IGT Made	Funding Returned to TRMC
February, 2012	\$937,500.00	\$2,156,250
October, 2012	\$1,792,324.49	\$4,289,910
May, 2013	\$1,853,668.71	\$5,983,724
July, 2013	\$646,331.30	\$1,615,828* (Approximate)
Total:	\$5,229,824.50	\$14,045,712

Current Projects

1115 Waiver Summary

Since February, 2012, Tomball Hospital Authority's participation as a Governmental Public Entity in the 1115 Waiver Project has enabled funding for uninsured patients as well as improving their access to care in our community in the amount of \$14,213,850.00

Current Projects

TOMAGWA Dental Program

In January of 2013, the Authority provided \$150,000 in start up cost and committed to operational funding in the amount of \$216,000.00 per year for the next 3 years for the TOMAGWA Dental Program for patients who need dental care but are unable to obtain it because of financial resources. Access to Dental Services continues to be a critical health care need for low income residents in our community.

This program is exceeding all expectations and there is a long waiting list for appointments. 620 patients, representing 3,266 patient visits to the clinic and 7,664 services have been provided as of the end of June, 2014. According to TOMAGWA, the “retail” value of these services would be \$1,747,861.00.

A new agreement was entered into with TOMAGWA in July of 2014 to provide an additional \$35,000.00 in Capital Equipment, \$50,000.00 in unrestricted expansion cost for the Dental Clinic as well as operational funding up to a cap of \$562,869.00 per year for additional personnel and expansion of the number of visits to the Dental Program.

Total funding approved from inception of the program through FY 2015: \$1,121,419.00

Again, consistent with The Authority’s Mission to improve access to care.

Current Projects

Lone Star College Health Science Services

The Authority has approved funding for equipment needed by Lone Star College Tomball's Health Science Center in the amount of \$64,188.00 for the purchase of lab equipment to assist in the training of nurses and pharmacy technicians so that they can have the latest training equipment for these programs.

The Authority also approved funding for an additional nursing instructor for the Nursing Program at \$63,000.00 a year for the next five years totaling \$315,000.00 as well as a special \$75,000.00 Nursing Scholarship Endowment in the name of Elmer Beckendorf, a long time community and hospital volunteer, that will provide Nursing Scholarships for 1 nursing student per year in perpetuity.

Total Funding: \$454,188.00

Because of the severe nursing shortage in our area, the Authority believes this is an investment in our future health care needs of our community. Again, consistent with our Mission.

Current Projects

City of Tomball

The Authority approved an upgrade to the Emergency Traffic Signal Pre-emption System (E-VIEW System) for the City of Tomball through a grant to the City of Tomball in the amount of, not to exceed, \$328,000.00.

To date, approximately 26 intersections have been installed and working successfully. When an emergency vehicle is dispatched, there is a transponder in each vehicle that will communicate with the red lights in the City and, if necessary, change them to green allowing the vehicles to proceed safely through a green light as opposed to “running hot” through a red light and hoping the other vehicles stop as they proceed. There is approximately \$25,000 remaining in the Grant for additional intersections and vehicle transponders as the need arises.

Fire, EMS, and Police all report increased safety for our first responders and the public as the biggest advantage of the system. It even lets the response vehicle’s know of other first responders approaching the same intersection at the same time, which improves safety for our public.

Current Projects

Shattered Lives

Shattered Lives is a program designed for High School Students to educate them on the impact of driving while intoxicated. This very emotional program involves our school district as well as our first responders. The Authority was the lead Sponsor for the program at both Tomball ISD High Schools in the amount of \$10,000.00.

An additional \$10,000.00 is budgeted for this year for the program.

Summary

The Authority's Mission Statement says its purpose is "To promote wellness and improve health status for all residents in our communities through programs that enhance access to health care, preventative care and health education.

Its Vision Statement is "to be a catalyst for measurably improving access to healthcare and health status of the Tomball, Magnolia, Waller and surrounding communities."