

GEORGE E. WEEMS MEMORIAL HOSPITAL
GOVERNING BODY MINUTES

June 28, 2006

Board members present: Dr Steven Mini^hat, Gayle Dodds, Curt Blair and Tammy Hardy, Absent: Shirley White.

Staff members present: Suzanne Osburn; Ron Wolff, Interim CEO; James Roberson, Controller; and John Russell (via Phone).

The meeting was called to order at 5:30 PM by Gayle Dodds, Chairperson.

Approval of minutes for the Board meeting held on May 31, 2006. Motion to approve was made by Gayle Dodds and seconded by Tammy Hardy and unanimously approved.

James Roberson presented the year-to-date financials and explained the process of tracking patients in response to questions about the hospital's admitting and statistical reporting systems. John Russell participated in the meeting by phone explaining the mechanics as to how the financials were prepared. He indicated that the process by which costs and expenses were tracked was believed to be fairly accurate, but that until a final general ledger system could be developed, all costs could not be captured, especially those paid separately on behalf of the hospital from County funds such as legal fees, Workers' Comp, administrative time, etc. He also mentioned that there could be some anomalies regarding salaries dating back to January when the County paid Dassee for payroll expenses. Overall, it was believed that the hospital was showing steady improvement and very conservatively was estimated to be losing about \$100K overall since January 1st. Mr. Wolff pointed out that self pay volumes through the ER were still high and that the financials do not reflect the overpayments from both Medicare and Medicaid that the County had to assume, nor the fines and penalties assessed by AHCA for Dassee's data filing delinquencies in 2005.

Mr. Russell spoke about the filing of the 2005 Cost Report and the impact of utilizing only the 9 months data available at that time. Mr. Wolff indicated that the County has agreed to pay Dennis Peterson, the hospital's IT consultant, to generate the necessary data to amend the Cost Report later this month.

Ron Wolff discussed how the billing is performed by State Collections services out of Wisconsin and some of many difficulties the hospital and State Collections have encountered dealing with AHCA and Medicaid. After learning that Blue Cross sent approximately \$15,000 in claims payments to Dassee in error because their payment system had not been upgraded Mr. Russell said a new provider number was obtained for BS/BS, but they required that the hospital sign new contracts that were essentially non-negotiable.

Curt Blair raised questions regarding operating expenses and workers comp expenses and contractual adjustments.

Mr. Wolff reported that the GI lab is going well. He also mentioned that the equipment for the sleep lab has arrived. There have already been two test procedures performed. Drexel Heath has plans to attend a certification course required to be able to score the studies preparatory to referring them to a sleep lab physicians for professional readings. He reported that the surgery unit is currently being refurbished and discussions are underway to prepare the unit for minor surgery and new outpatient procedures to implant pacemakers.

Mr. Wolff said that the County has now agreed to use a leasing company for the entire hospital payroll called Tri-State leasing. The program will be effective on June 26th. He further announced that Blackhawk and State Collections representatives would be visiting the week of July 17th and would be appearing before the County Commission on the 18th.

There was discussion about the role of the Board in strategic planning for the hospital as opposed to the Health Council. Mr. Wolff stated that it was his opinion that the Board was far more knowledgeable about hospital activities and operations and was appointed by the Commission specifically for the purpose of overseeing the Hospital. He added that the recent community survey conducted by the Public Health Clinic provided some very useful data for strategic planning purposes, but believed that the Board was in a better position to analyze the findings. Mr. Blair commented that he still wasn't convinced there was a long-term need for a hospital. Mr. Wolff replied that his skepticism would help to validate the outcome of the Board's planning process. He indicated that in his prior experience in strategic planning, the Board had to examine all the pros and cons involved and look at all aspects of the question especially the impact of the absence of a hospital on County economics, availability of physicians, access to health care by its citizens, etc. Ms. Dodds said she was also concerned about the Health Council's purpose and objectives now that the Board was appointed to oversee hospital affairs.

Additional discussion ensued regarding the absence of Ms. White at the Board meetings and the importance of all members regularly attending meetings to stay in touch with the many important issues being addressed. Ms. Osburn mentioned that Ms. White said she has been preoccupied with her mother's health problems. It was agreed that Ms. Dodds would inquire with County officials as to Ms. White's ability to serve and report back next month.

It was agreed that the next meeting would be held on Wednesday, July 26, 2006. There being no further business, the meeting was adjourned at 7:45 PM.

Minutes approved

Sturley C. White

Date

7-26-06