

**Members Present:** Tammi Hardy, Chair; Jim Bachrach, Vice-Chair; Duffie Harrison, Secretary; Deborah Huckeba; Robert Davis; Pat Conrad MD, Homer McMillan (via phone)

**Guests Present:** Lauren Faison, TMH; Allan J. Feifer, Concerned Citizens of Franklin County, Inc.

**Staff Present:** Ray Brownsworth, CEO; Becky Gibson, DON; Craig Gibson, POD; Ginny Griner, HR/ Med Staff Coordinator; Heather Huron, Administrative Assistant

	TOPIC/ DISCUSSION	ACTION
<p><b>Call to Order</b>  <b>Approval of Minutes</b>  <i>Tammi Hardy</i></p>	<ul style="list-style-type: none"> <li>The meeting was called to order at 9:14am.</li> <li>Minutes from the 08/29/2013 regular meeting were presented for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Motion made by Harrison to approve the 08/29/2013 minutes as presented, second by Davis. Motion carried unanimously.</li> </ul>
<p><b>County Report</b></p>	<ul style="list-style-type: none"> <li>No report available. Discussion was held regarding county presence at the regular meetings. Bachrach would like a liaison present for improved communication. Hardy requested clarification as to who will be the continued county liaison. Per the board's direction, Brownsworth will contact the county to discuss.</li> </ul>	
<p><b>TMH Report</b></p>	<ul style="list-style-type: none"> <li>Faison reported that she is assisting WMCE with approximately one telemedicine consultation per week. Due to DOH grant funding, TMH has been able to pay the physicians for tele-consultations. The goal is to increase awareness of the benefits of telemedicine so that tele-health reimbursement will be passed at the next legislative session. A tele-health demonstration, attended by ten legislative staff members, was given last week by Faison, assisted by N. Sandoval. As a result of the demonstration, Faison was invited to make a presentation to the Senate Health Policy Committee on October 8<sup>th</sup>. Faison expressed that the main focus of tele-health is increased patient access. Dermatology Associates has joined the network and has agreed to provide two tele-consults per month free of charge.</li> <li>The TMH Annual Report was provided.</li> </ul>	

- Faison reported that the recently opened, free-standing ER is seeing approximately 60 patients per day. The ER is focused on pediatric and geriatric care.
- Effective October 8<sup>th</sup>, TMH goes live with COPE, an electronic order system.

**CEO Report***Ray Brownsworth*Patient Satisfaction

- Patient Satisfaction reports were provided to the board for individual review.

Financial Report

- The Statement of Operations and Hospital Statistics was reviewed. Conrad stated that a dip in census in the month of August is typical annually in most hospitals.
- Brownsworth expressed concern that the Income Statement continues to show negative net incomes. He stated that the estimated contractual allowances and bad debt to charity write-off amounts have been higher than expected for the past few months. This will be reevaluated during the annual audit. Brownsworth stated that while the bottom line is negative, the hospital continues to have a positive cash flow. Brownsworth stated that problems continue with the clinics' Medisoft system. He also expressed concern with the ambulance write-offs. Davis questioned if the write-offs were being booked in same month as they occurred or later. Brownsworth stated that this was one of the issues being questioned. Brownsworth stated that he is the sole source of authority for the hospital and clinics bad debt / charity write-offs; however, the ambulance has 3<sup>rd</sup> party write-offs per contract. Brownsworth is researching this issue. Harrison stated that he thought the ambulance should be a separate issue when determining net revenue. Conrad stated that there were too many ill-defined variables to determine correct projections. Trend analysis and financial indicators were discussed. Hardy questioned if the correct benchmarks were being presented as she felt she still did not have enough information. Brownsworth agreed to appropriately define key indicators. Bachrach stated that until the CFO position is filled, there will not be assurance in regards to the accuracy of financial reports.
- Brownsworth shared that Hometown Health is assisting the hospital in regards to updating the chargemaster and improving the revenue cycle processes.

Interim CFO

- An offer was made to Joe Devin for the Interim CFO position but Devin has not responded. Brownsworth has moved on to the recommendation made by Hometown Health for Ray Leadbetter. Leadbetter would be on-site approximately 2 days every other week, and would work via remote connection. Discussion was held regarding the agreement terms. Clarification and specification regarding the term agreements was requested. Brownsworth stated that the agreement would be cleared through the county attorney. Bachrach requested more on-site presence the first month. Brownsworth stated that on-site presence is being discussed. Leadbetter's on-site days would be extended days; staff schedules will need to be adjusted to accommodate this. Brownsworth stated that he would also prefer presence 2 to 3 days each week, but he has been unable to gain a commitment for a full time CFO. Brownsworth stated the recruitment search for a long term CFO commitment will continue.

IT Contract

- As a result of the RFP, one set of bids was received by EagleTree Technologies. EagleTree Tech. is currently providing IT services per a short term agreement. The cost for services was increased due to the provision of year round/ 24 hour coverage and the increased time anticipated with the implementation of EHR.

Medicare Interim Reimbursement

- The final results of the 2012 Medicare Cost Report have been received. Interim settlement to the hospital was previously received in the amount of approximately \$140,000. The final settlement requires a repayment to Medicare of \$22,000. The payback is due to successful reduction in costs.

AHCA Survey

- AHCA has performed their follow up survey. The hospital is clear of all tags.

Strategic Plan Update

- Brownsworth has provided a review of the Strategic Plan to board members. Brownsworth recommended scheduling the next meeting within 2 weeks. Huron will follow up with board members to schedule.

- Motion to approve contracting with Ray Leadbetter for Interim CFO made by McMillan, second by Harrison. Motion carried unanimously.

- Motion to approve the EagleTree Technologies agreement was made by Bachrach, second by Davis. Motion carried unanimously. Brownsworth will take the IT contract to BOCC for approval.

A break was taken from 10:25am to 10:36am.

Scope of New Construction Update

- Brownsworth stated that \$2 million needs to be cut from the project that was chosen by the board (option 2). Discussion was held regarding possible changes to reduce the cost of the construction project. The desired budget is \$12.2 million with a \$¼ million contingency fund.
  - As a result of recent discussion with Mary Gavin, Brownsworth relayed USDA concerns regarding the hospital's current utilization rate and the hospital's dependence on the sales tax revenue. Brownsworth voiced to the board that the current plans are frugal yet expandable. Concern regarding the dependence on sales tax revenue was generated after Mary Gavin contacted Alan Pierce as a county representative. At Brownsworth's direction, the hospital's cost accountant will figure the interest and depreciation rate based on a cost of \$13 million. From this, he will determine an amount expected back from Medicare and Medicaid that will supplement as revenue for loan payments. Brownsworth expressed that he would draft a narrative outlining the hospital's business model, strategic plan, interim CFO and other improvements. Brownsworth will continue to relay information to Mary Gavin that explains why the plans are feasible, why the hospital can meet the debt service coverage, and why the hospital will receive additional reimbursement.
- Motion was made by McMillan to dictate to the architect firm that the budget is \$12.2 million and request that the architects develop an expandable design that will conform to the budget, second by Harrison. Motion carried unanimously.

Options for project cost reduction were discussed. Considerations for additional services were discussed, including geriatric psychiatric services and increased Swingbed utilization. McMillan made a motion to dictate to the architect firm that the project budget is \$12.2 million and request that the architects develop an expandable design that will conform to the budget. Discussion was held regarding the Interlocal Agreement for Small County Surtax. Harrison questioned if renovation would meet the dictates of the agreement. Davis agreed that the perception of the community is for new construction. Huckeba stated that an exterior update would be mandatory. Joe Bynum, TRO JB, was contacted via phone to discuss the cost increase with the project option 2. Bynum stated that since the presentation of the initial project plans, additions were made to the scope of work that increased the total estimated cost. Brownsworth spoke to Bynum stating the board's request that they work together to work to develop options within a \$12.2 million budget, recognizing the give and take in some areas such as surgical and the North wing. Bynum stated that he suspected the USDA would

request of a scope of work, as well as the sources and use of funds to meet the scope of work. He stated the scope of work should detail what will be renovation versus new construction. After discussion, Brownsworth stated he would work with Bynum to meet the board's requests, anticipating the additional work with Bynum would cost approximately \$3,000 to \$4,000. Hardy clarified that the board was comfortable with the exclusion of the gift shop, chapel, covered walkway, and clinic renovations. Brownsworth stated he and Bynum would bring 2 to 3 concepts back to the board.

#### PM Service Contract

- CT Injector service contract was presented at a cost of \$4,000 per month. Brownsworth advised that this contract is within his signature authority.
- CT preventive maintenance agreement was presented at a cost of \$15,000/year. Hardy questioned if pricing was obtained from more than one vendor. Brownsworth advised that he would be returning with a modified full service agreement, to include parts and labor. The preventive maintenance agreement would be incorporated into the full service agreement. Brownsworth anticipated the full service agreement cost to be a minimum of \$60,000. McMillan made a motion to accept Brownsworth's recommendations. Following additional discussion, Brownsworth withdrew his recommendation and stated he would return with additional recommendations and pricing from multiple vendors.

**Old / New  
Business**  
*Hardy*

- Brownsworth will sign the CSS agreement today.
- Brownsworth is meeting with EMS Consultants Friday to discuss EMS billing. He has been given full access to the EMS Consultants billing software.
- The Personnel Committee recently met with an employee regarding a grievance. It was decided that the disciplinary action would stand.
- Brownsworth will contact Comm. Jackel again regarding the board vacancy in her district. At Comm. Sanders request, Hardy agreed to remain in her position for a limited time, pending an appointment. Officer elections will be scheduled for the October meeting. Davis' term will expire next month as he filled a vacancy. It is expected that Comm. Lockley will renew his term.
- Electronic attendance will be addressed at the next meeting. Any changes to the by-

laws will require board approval.

- Huckeba questioned a recent vendor issue. Discussion was held regarding security procedures. Brownsworth recommended instituting vendor badges for frequent visitors.

**Adjournment**

*Hardy*

- Meeting adjourned at 12:15 am.