

**Members Present:** Jim Bachrach, Chair;; Duffie Harrison, Secretary; Robert Davis; Anne Wilson; Patrick Conrad, MD; Deborah Huckeba; Rick Watson, Vice-Chair via phone

**Staff Present:** Becky Gibson, DON; Ginny Griner, HR/ Med Staff; Craig Gibson, Plant Operations Director; Heather Huron, Administrative Assistant

Topic	Discussion	Action
<b>Call to Order / Approval of Minutes</b>	The meeting was called to order at 9:00am. Huron confirmed the meeting had been posted publicly and county commissioners had been notified. Minutes for the 8/28/2014 meeting were emailed prior to the meeting for review.	<b>A motion was made by Davis to approve the minutes as presented, seconded by Huckeba. The motion was carried unanimously.</b>
<b>County Report / TMH Report</b>	Reports were not available from the county or TMH.	
<b>Financial Report</b>	<p>Graham presented and reviewed the 8/31/14 Balance Sheet, Income Statement, Clinic Income Statement, Key Financial Indicators and the proposed Operating Budget for FY2015.</p> <p><u>Balance Sheet</u></p> <ul style="list-style-type: none"> <li>• Cash Balance \$388,000</li> <li>• 19 days cash on hand, consistent for 3 months</li> <li>• 71% patient account receivables reserved as allowance for uncollectable</li> <li>• Net AR Days 51</li> <li>• Current Assets / Current Liabilities 3.3 to 1 ratio</li> <li>• Total Liabilities (current &amp; long term): \$641,004, decreased by \$280,000 since the beginning of the year</li> <li>• TMH liabilities \$77,000, decreased by 54% since prior year and remaining within parameters set by TMH</li> </ul> <p><u>Income Statement</u></p> <ul style="list-style-type: none"> <li>• \$889 profit for August with a \$130,897 loss from operations; YTD profit \$640,212</li> <li>• Graham pointed to the Fiscal YTD Net Patient Revenue of \$5,930,592. Graham explained the net patient revenue represented what had been collected and what was predicted to be collected on current accounts receivable. The predicted amount was based on historical collections and AR balance per financial class compared with amounts reserved in prior months. He shared his comfort with the accuracy of the</li> </ul>	

number due to the comparison with Patient Cash, which was within 1/10%.

#### Clinic Income Statement

- The clinics YTD showed a \$74,975 combined loss prior to sales tax allocations. Graham stated the clinic income statements and balance sheets were available for review individually or could be included in the monthly report, as the Board desired.

#### FY 2015 Operating Budget

- Graham explained the FY2015 budget was produced using actual 2014 financials, BKD's projections for FYE 2014, as well as BKD 2015 projections. Cooper explained that future budgets would be made in collaboration with individual department managers. Bachrach requested Board review of the monthly budget reports. In response to Davis' inquiry, Graham confirmed that 2% inflation and a 1 ½% increase in salaries had been included. Cooper explained that future budget processes would begin earlier in the year and would include a more detailed review by the Board. Watson confirmed with Graham that the proposed budget would be reviewed with individual department managers.
- Cooper pointed to the \$15 million economic impact the hospital made to the community.
- Cooper shared that over the past month; \$100,000 had been moved from the operating account to the investment fund. He stated that this was to build cash in preparation for construction.

### **CEO Report**

*Consent Agenda* The consent agenda was presented. Items included the following:

- August 2014 Patient Satisfaction Survey Results
- Quality Assessment / Performance Improvement Dashboard Summary

*CSS / E.H.R.* Cooper reported CSS Technologies had met Stage 2 Meaningful Use certification in September. Cooper shared his concerns with CSS' ability to provide a finished product that would meet the organization's needs. Because of this, Cooper requested an amendment from CSS, which would clearly define the cost of each product and service provided. To date, \$250,000 out of the \$475,000 total system cost had been made; while full system implementation had been further delayed. Cooper proposed that the remaining payments be held until full implementation was made and the system's ability to meet meaningful use was assured. Cooper reported that because of the implementation delay, meaningful use would not be met for the current year which would result in a 2% payment penalty by Medicare. CSS had agreed to absorb the penalty

by reimbursing the losses to the hospital. Cooper stated a conference call with CSS was scheduled for the following day.

*New Facility* Cooper reported the USDA application had been completed and submitted to consultants for review. The mandated public meeting had been scheduled for October 7<sup>th</sup> in the Apalachicola Courthouse Annex. Cooper reported having recently met with Senator Rubio and Senator Nelson's staff. Both indicated an awareness and willingness to assist in the progress of the project.

*Marketing* Cooper reported that he had received a marketing proposal from BayMedia, which included 3 options. Cooper discussed his desire to include a structured marketing plan in the proposal. Davis recommended including mail-outs in addition to the electronic newsletters. At Bachrach's inquiry, the Board unanimously agreed with Cooper's recommendation to proceed with Option 2 of the proposal.

*Physician Recruitment* Cooper reported on the recent engagement with TMH's physician recruiter. Cooper detailed his desire for a quality and engaged physician who would have input on issues such as construction, capital budget, etc. With TMH's engagement, Weems physician opportunities would now be presented at the same places as TMH opportunities. Dr. Conrad shared his recent meeting with Dr. Stockwell and FSU residents. He reported good discussions with the residents. Dr. Conrad stated the residency program was comprehensive and would produce quality physicians. Cooper shared his discussion with Dr. Stockwell to establish a community involved recruitment plan. Cooper emphasized the need to recruit physicians before the new construction was completed. The salary range for a new physician was discussed with Cooper stating it would be based on a declining salary with increasing productivity bonuses. Current medical staff engagement was discussed. In response to Bachrach, Dr. Conrad confirmed that all admits for Dr. Sanaullah and Dr. Nitsios were made by Southland physicians with Dr. Charbonneau contributing to the remaining admissions. Dr. Conrad addressed the underutilization of the Carrabelle clinic, citing examples of urgent visits which had been redirected to the ED instead of being handled at the clinic. Watson requested a time-line for marketing, the USDA project, and physician recruitment. Cooper stated he was not sure if he could project the timing of physician recruitment. Conrad stated most residents graduated in June and begin looking for employment in fall. Cooper reported Griner was seeking proposals from contingency firms. Cooper explained he would

rather work with a contingency firm before attempting a retainment firm. Retainment firms would require payment up front, averaging \$3,000 per month and \$18,000 per month if a physician was retained. Cooper stated J1 visas were not of interest due to their temporary obligation to underserved areas. Employed versus contracted positions were discussed with Cooper citing the potential effects on productivity.

*Service Contract for Radiology*

Cooper presented a radiology service contract for Board approval. The proposed contract would provide coverage on the CT glass tube and also include preventive maintenance on all radiology equipment. Additionally, RTI offered a portable x-ray unit at no cost if the service agreement was engaged. Cooper discussed the risk of continuing without coverage on the glass tube. Replacement of the tube with no service contract would require an immediate \$125,000. Life span of a glass tube does not typically exceed 5 years. If the CT were to be down for any length of time, the ER would be seriously compromised. Graham shared that the cost of the service agreement would be Medicare reimbursable.

**A motion was made by Wilson to approve the radiology service contract, seconded by Huckeba. The motion was carried unanimously.**

*Lab Equipment*

Per Cooper, the Weems Foundation had recently approved the purchase of 2 pieces of lab equipment for the hospital. One piece of equipment would replace the large analyzer, which was over 20 years old. The other equipment, the iSTAT Point of Care, was a portable analyzer that would serve as a back up to the large analyzer. The cost for both would be approximately \$17,000. Cooper shared that the Foundation had approved the purchase of a bedside ultrasound, though at the hospital's request, they agreed to purchase the needed lab equipment. Board approval was required as the hospital would need to make the purchase through an established vendor account, with the Foundation providing reimbursement to the hospital.

**A motion was made by Davis to approve the lab equipment purchase, seconded by Wilson. The motion was carried unanimously.**

*Employee Survey*

Cooper shared that he and Griner had been working together to produce an employee opinion survey and an employee culture survey. The surveys would give Cooper an idea of employee opinions of the organization and would also establish a baseline for improvements. At Bachrach's inquiry, Cooper confirmed the surveys were as de-identified and anonymous as possible.

*Pension Program*

Cooper shared his commitment to establish a pension program by the first of the year, or if unable to establish he would be able to explain why. The first problem was that a plan would need a sponsoring employer. All Weems employees are leased from a 3<sup>rd</sup> party. The 3<sup>rd</sup> party, Fortune Business Solutions, did have 401k. Griner had discussed with broker who thinks some language in IRS would allow a 403b "controlling authority". Cooper explained he would research further, and then return with 3 options. The options would be presented to the Board

with a request for commitment. Anticipated cost was approximated at \$30,000 per year, based on current assumptions. Cooper added that recruitment of physicians or any ancillary service providers would not be possible without a retirement program. If not competitive in benefits and compensation, Weems would have to engage staffing firms to fill those positions.

**Old Business**

**New Business**

Bachrach addressed the vacant board position. Huron confirmed that she had contacted Alan Pierce, who had in turn sent a reminder to Commissioner Massey. Bachrach stated he would contact the commissioner.

**Adjournment**

The meeting was adjourned at 10:57am.