

- Members Present:** Jim Bachrach, Chair; Duffie Harrison, Secretary; Robert Davis; Patrick Conrad, MD; Deborah Huckeba; Doug Creamer; And Rick Watson, Vice-Chair via phone conference
- Members Absent:** Anne Wilson
- Staff Present:** Mike Cooper, CEO; John Graham, CFO; Becky Gibson, DON; Ginny Griner, HR/ Med Staff; Craig Gibson, Plant Operations Director; Heather Huron, Administrative Assistant
- Guests Present:** Chris Joiner, Accordias; Allan Feiffer, Concerned Citizens of Franklin County

Call to Order / Approval of Minutes

The meeting was called to order at 9:00am. Huron confirmed the meeting had been posted publicly. Minutes for the 11/20/2014 meeting were emailed prior to the meeting for review.

Action

A motion was made by Davis to approve the minutes as presented, seconded by Huckeba. The motion was carried unanimously.

County Report

No report was available from a county representative.

TMH Report

No report was available from a TMH representative. Cooper informed the Board that Lauren Faison would be present for the February meeting. He briefly discussed telemedicine potential for the ER.

Medical Staff Report

Dr. Conrad reported positive feedback on Dr. Motta and Dr. Churn. He thanked the Weems Healthcare Foundation for the provision of the Behr Blanket. Harrison gave a positive report from a recent family experience in the ER.

Credentials for Dr. Latham and Dr. Carlson were presented for review. Both physicians were approved for privileges by the medical staff. Board approval was requested for privileges on both.

Action

A motion was made by Davis to approve privileges for Dr. Latham and Dr. Carlson, seconded by Huckeba. The motion was carried unanimously.

CFO Report

Graham introduced Chris Joiner from Accordias. Graham presented and reviewed the financial reports:

- 12/31/2014 Balance Sheet
- 12/31/2014 Income Statement

Action

A motion was made by Harrison to strengthen the financial policies and then return to Board for approval,

- 12/ 2014 Clinics Income Statements
- Revenue Cycle Metrics
- CSS Account Management Review

seconded by Creamer. The motion was carried unanimously.

Cooper led a discussion on the performance of CSS Account Management and the decreased activity on account receivables over the past 120 days. No activity had been made on self pay accounts except for sending a bill. Cooper reported on the engagement of CACI to assist with self pay and bad debt accounts including tracking bad debt accounts for the Medicare cost report.

Joiner reviewed the Accordias analysis of the aged trial balance. Bachrach confirmed with Joiner that most issues were external.

Financial Policy

Graham distributed two financial policies for approval: Cash Handling Procedures and Hospital Credit Card Procedures. Harrison recommended amending the terms to include termination.

CEO Report

Consent Agenda

The following items were presented for Board approval:

- December 2014 Patient Satisfaction Report
- 2014 4th Quarter Risk Management & Regulatory Board Summary Report
- Designation of Risk Manager
 - Rebecca Gibson, RN, DON, LHRM

Action

A motion was made by Davis to approve the consent agenda items as presented, seconded by Huckeba. The motion was carried unanimously.

Safety

Cooper addressed the country-wide increase in workplace violence. C. Gibson reported that he would be arranging a “live shooter” drill in the hospital. Creamer led a discussion on local fire department involvement in fire drills. C. Gibson stated he was a member of the fire department. Dr. Conrad and Harrison discussed the response of local police when requested from the ER.

Dr. Stockwell

Cooper shared Dr. Stockwell’s recent proposal for his employment. Cooper stated he would return with more information.

Marketing

Per Cooper, Bay Media would be distributing an electronic newsletter in the next couple of weeks; paper copies would be made available. Bay Media would also be assisting with the design of local ads as well as two new billboards.

Medication Safety Report

B. Gibson shared that Weems has been engaged with the Shands Hospital Pharmacy for several years to perform Medication Safety surveys. The pharmacy director reviews rural hospitals with the goal to give reasonable and affordable ideas for improvement. The 2015 Medication Survey Report was distributed to the Board for individual review.

Pension Program

Cooper reviewed the current progress on securing an employee pension program. He gave a brief overview of the IRS guidelines regarding “for profit” versus “not for profit” employers. Cooper stated a healthcare benefits attorney had been consulted who determined the only current option under the organizational structure would be a 457b plan. The 457b plan would resemble a 403b plan with the exception that the 457b plan would not provide a mechanism for employer contributions. The annual cost for the program would be \$3,000 with individual \$40 maintenance fees. Cooper recommended Weems cover the cost of the individual maintenance fees. Cooper discussed the changes in organizational structure that would be necessary to improve the pension program and allow for competitive benefits. In response to Watson, Cooper confirmed that the county attorney had been consulted twice. Cooper stated he would present the pension program to the BOCC for approval.

Ultra Group

A pro-forma for a geriatric outpatient psych program was presented for review. Cooper stated if implemented, the program would be provided by Ultra Group, an outside vendor. Ultra Group would be self sufficient in regards to bringing their own employees, policies, etc. Weems would be covering the cost of a marketing coordinator. The program would be limited to traditional Medicare recipients only. The increase in Medicare patients would give an increased reimbursement on the Medicare cost report. Cooper stated he and Graham were familiar with this type of outpatient service.

New Facility Update

Cooper gave an update on the USDA application process:

- Several discussions had been held with the USDA staff, Adams Management, the architect and hospital staff. Updated information had been provided to the USDA as requested. All current level criteria had been met.
- The state architect requested a revision of the architectural review and a new architectural agreement. The architectural review and agreement will be presented at the next BOCC for approval and signature. Cooper confirmed that the hourly reimbursement rates for architectural services were set by the USDA.
- In response to the USDA requirement for daily inspections & supervision of construction by the owner’s

Action

A motion was made by Huckeba to approve engagement with the Ultra Group for a geriatric outpatient psychiatric program, seconded by Creamer. The motion was carried unanimously.

representative, a proposal had been made that C. Gibson perform the daily functions and the Adams Management group would be on-site bi-weekly or as needed.

- The architect, Adams Management, USDA staff and Cooper had begun the process to formulate the RFP for construction manager (CM). Cooper stated no decision on a CM would be made before final USDA approval. Cooper recommended a panel to review CM proposals. The panel may include Bachrach, Alan Pierce, Cooper, an Administrative team member and an Adams Management representative. Cooper shared his desire to include a construction manager in the design process.

CSS / Healthland

Cooper led a discussion on current issues with electronic health record (E.H.R.) implementation. Per Cooper, the federal government had set requirements for electronic health record implementation to include meaningful use and conversion to ICD10 billing codes. The current system, administered by Healthland, was not capable of conversion to ICD10 billing as it was an outdated system. CSS, the selected vendor for E.H.R. implementation, realized last year that their product was not working. Cooper had suspended all payments for the system in August. An amendment had been negotiated to address consequences for product failure. CSS recently purchased another billing product to integrate into their system; though to date they did not have a workable billing product. Cooper explained that \$250,000 out of \$500,000 had been paid to CSS. CSS had provided a workable product for the ER, the clinics and the laboratory. The remaining required components include the general ledger, patient accounting and in-patient charting software. The system would need to be fully implemented within the next 4 to 5 months. Cooper set a deadline with CSS for 4/1/2015. If full implementation was not made by 6/1/2015, CSS would be considered in breach of contract for non-performance and fully paid for all products. Cooper emphasized the urgency to have ICD10 coding in place before 10/1/2015, as reimbursements would cease if not. Cooper shared he had received an unsolicited proposal from Healthland for an updated E.H.R. system. Healthland's updated system was already capable of meeting meaningful use and ICD10 coding requirements.

Cooper addressed the CSS revenue cycle management services. In December 2014, CSS billers had been pulled off the Weems accounts to focus on another facility's accounts. This caused an increase in account receivables days from 60 to 69 and a decrease of cash on hand from 20 to 14. CSS informed Cooper the previous week they would be contracting the supervision of their billing services out to another company and Weems would be expected to cover the costs. Cooper stated Accordias offered billing services and would be capable of quickly assuming the accounts.

Action

A motion was made by Creamer to allow Cooper the authority to make necessary decisions in regards to the electronic health record system and revenue cycle management services, seconded by Harrison. The motion was carried unanimously.

Cooper offered the following recommendations:

- Change revenue cycle management services from CSS to Accordias
- Board approval for Cooper to put CSS on notice. Further software implementation would cease until they could prove they had a working product. If CSS could return with a working product before being replaced, then they would be welcome to submit a new proposal. If they were unable to provide a working product, CSS would be considered in breach of contract for non-performance.

Davis expressed comfort with giving Cooper authority to make needed changes, but emphasized his desire for daily on-site monitoring of the revenue cycle process. Cooper agreed and reiterated the need to secure a revenue cycle manager or business office manager.

Cooper emphasized that no money had been lost at this point. Potential liabilities and losses were what he was trying to mitigate. The original CSS contract had been amended in August 2014 to separate payments for the software and billing services.

Public Comment

Feiffer requested clarification on the electronic health record incentive program. Cooper explained that the incentive program was an accelerated depreciation. The program allowed 5 year depreciation rate for the E.H.R. to be submitted in one year's cost report. The incentive was the Medicare reimbursement plus 20%. As a critical access hospital, reimbursement for the E.H.R. would still be obtained through depreciation over 5 years with regular Medicare reimbursement rate.

At Feiffer's request for financial comparisons, Cooper explained the reports would be improved when a workable general ledger program was obtained. Currently the financials were prepared by hand.

Adjournment

No comments were made for old or new business.

The general meeting was adjourned at 10:45am. Cooper announced an executive session would begin at 11:00am.