

**Members Present:** Jim Bachrach, Chair; Duffie Harrison, Secretary; Robert Davis; Doug Creamer; Deborah Huckeba; and Rick Watson, Vice-Chair via phone

**Members Absent:** Anne Wilson; Patrick Conrad, MD

**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; Ralph Roberson, Roberson & Assoc.

**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 2/26/15 meeting were emailed prior to the meeting for review.

**Action**

- **A motion was made by Creamer to approve the minutes as presented, seconded by Davis. 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 announced Mark O’Bryant would be present at the 4/7/15 BOCC meeting to make a presentation on the current state of healthcare. Bachrach requested Board attendance at the meeting.

**CFO Report**

Ralph Roberson presented and reviewed the FYE 2014 Financial Audit.

- Bachrach noted the “less allowance for doubtful accounts”, which encompassed 73% of total Accounts Receivable (note 3, page 10).
- Harrison confirmed the inclusion of all departments in the audit.
- Roberson discussed the difficulties faced by rural hospitals including the Affordable Care Act, limited market base, and payer mix.

- Bachrach led a discussion regarding the market share. Roberson emphasized physician recruitment as the key to increasing the market share.
- Roberson addressed the recent ethics complaint against a county commissioner. Roberson stated he made inquiries into the complaint and found no evidence or validity. In response to Davis regarding documentation of his findings, Roberson stated their work was not public record, but would respond if questioned.
- Roberson stated a central area of concern was the billing process and the need for a good financial software system.
- Harrison addressed recent incidents of fraud within the community and expressed concern over the compliance finding of inadequate internal controls. Roberson confirmed that adequate controls were in place.
- Roberson confirmed the WMH audit was a part of the annual county audit.

Graham presented and reviewed the following financial reports:

- 2/28/2015 Balance Sheet
- Comparable Balance Sheet
- 2/28/2015 Income Statement:
- 2/28/2015 Comparable Income Statement FY 2015
- 2/28/2015 Separate Clinic Operations
- Key Operating Indicators
  - Davis expressed a desire to have a lower percentage of contractual adjustments.
  - Cooper explained how an increase in the Medicare payer mix would have a positive effect on the Medicare Cost Report.

Cooper discussed his desire for a comprehensive contract with Capital Health Plan (CHP), which would include in-network allowance of all services at all Weems locations. Cooper pointed out that CHP was the group health insurance provider for a large number of area employers, to include the county, the Franklin County School Board, the Franklin County Sheriff Office, and the Franklin Correctional Institution. Creamer recommended the Weems Board draft a resolution requesting a BOCC resolution to address the issue.

- **A motion was made by Creamer to draft a resolution regarding the Weems contract with Capital Health Plan, seconded by Davis. Harrison recommended addressing the subject with the commissioners at the next meeting. Davis recommended drafting a letter to each employer instead of a resolution. Cooper offered to draft a letter and send to the commissioners prior to their next meeting. Creamer withdrew his motion.**

## CEO Report

### *Patient Satisfaction*

The February 2015 Patient Satisfaction survey results were distributed for individual review.

### *Cash Update*

Cooper discussed the current issues with cash flow.

- CSS has not relinquished control over the clinic billing system; however an alternate route has been found and the claims are now being released.
- A Medicare audit of the 2011, 2012, and 2013 cost reports found an error in the handling of Medicare bad debt. Subsequently, Medicare has mandated repayment of \$385,000. Medicare reimbursements are being withheld until completion of the repayment. The issues were corrected and the reimbursed amount would be given back to the hospital, though not for several months.
- A payment to the hospital of \$255,000 from the 2014 Medicare cost report is expected within the next few months.
- An interim cost report in being prepared which will increase reimbursement rates including the 6 months prior. The \$385,000 of Medicare withholdings will be filed on the interim report.
- Cooper requested Board approval for cash advances from the healthcare trust fund, for up to 6 months, with the stipulation the advancements would be repaid.

- **A motion was made by Creamer to allow Cooper to request cash advances from the Healthcare Trust Fund, seconded by Huckeba. The motion was carried unanimously.**

### *New Facility Update*

- Mary Gavin confirmed with Cooper that the distance from Sacred Heart would not be an issue with the USDA. Additionally, the \$250,000 already spent would be counted as county contribution.
- Gavin returned with questions regarding the budget. Adams and TROJB would be addressing her questions.
- Cooper shared that the next quarter interest rate was decreasing to 3.5%.
- In response to the Sacred Heart president's request to meet with the USDA state office regarding the Weems application, the USDA offered a public meeting to include the BOCC, the Weems Board, Sacred Heart, and the USDA. No further requests for a meeting have been made.
- In response to Harrison, Cooper explained the USDA loan payments would come from 40% of sales tax revenue, which is now reserved in the Healthcare Trust Fund.

### *CSS Update*

Notice of breach was sent to CSS with a request for immediate cancellation. They declined immediate cancellation and requested written notice of default with a 60 day period to remedy their performance failures.

CSS requested the payments which had been withheld per Cooper's instruction. Cooper refused due to the damages caused to the hospital as a result of CSS' billing practices. Cooper stated he would follow up on his request for a termination agreement, without which the litigation process would be started.

*Razor Insights*

Cooper stated the Razor Insights/ Athena contract was still under negotiation. He reiterated that negotiations with an electronic health record vendor typically took about a year. Cooper noted the IT attorneys who were negotiating the contract language for Razor Insights were the same attorneys who had recommended not proceeding with the CSS contract. Cooper shared his desire to have the contract executed within a week.

*COLA Inspection*

Griner reported excellent results from the recent laboratory department COLA inspection. She complimented Donna Taratoot on the many improvements made since becoming the department manager.

*Wage Analysis*

Griner reported the wage analysis had been completed. The analysis was performed for each employee and for each position. Of the 3% wage increase included in the budget; 1% will be used to correct variances and the remaining 2% would be used for an overall increase. Griner offered to review the wage analysis with each Board member individually, as desired.

*Physician Recruitment*

Cooper reported that Dr. Charbonneau had resigned with 30 days' notice. Dr. Robert Green had an on-site visit the previous week. Green and Cooper had come to terms on major items last Friday. Cooper requested an employment agreement from TMH on Monday. Green's previous experience included teaching at Nova, speaking for a pharmaceutical company, and locum tenens work.

**Old Business/ New Business/ Public Comment**

No discussion of old or new business was held. No public comments were made.

**Adjournment**

A motion to adjourn was made by Huckeba. The meeting was adjourned at 10:40am.