

WMH Governing Board of Directors

October 27, 2016

Members Present: Jim Bachrach, Chairman; Duffie Harrison, Secretary; Hank Kozlowsky; Doug Creamer; Patrick Conrad MD; Robert Davis via phone

Members Absent: Anne Wilson

Staff / Guests Present: Michael Cooper, CEO; John Graham, CFO; Ginny Griner, HR/Med Staff; Becky Gibson, DON; Jordan Fulkerson, Rev. Cycle; Craig Gibson, Plant Ops Dir.; Courtney Giddens, RN; Christina Harris, RN; Heather Huron, Recording Secretary

Call to Order / Approval of Minutes

The meeting was called to order at 9:05am. Huron confirmed that appropriate notice had been given for the public meeting.

ACTION

A motion was made by Kozlowsky to approve the August & September minutes as presented; seconded by Creamer. The motion was carried unanimously.

Prior to the County report, Bachrach shared his discussions from the recent FHA Annual Conference.

- Bachrach spoke with members of other small hospitals who are seeking to develop a consortium that will permit small and rural hospitals to combine their resources for a number of employee benefits and facility services.
- After speaking with Mark O'Bryant and several TMH Board members, Bachrach reported very positive responses regarding the potential partnership. Bachrach stressed how critical it was that the negotiations be successful. An update was requested from Cooper on the pending partnership.

In mid-October, Cooper met with Mark O'Bryant, TMH CEO; Timothy Jarm, Alliant CEO; and the principle from Blue & Co, the CPA firm which owns Alliant. Alliant presented a risk partnership model designed to protect the county, TMH, and Alliant from professional/general liability related to the hospital. Cooper stated that Alliant would be presenting a proposal to TMH, hopefully within the next couple of weeks. Once approved at the TMH level, the proposal would be presented to the Franklin County BOCC. Cooper recommended Atty. Shuler review the agreement prior to presentation, so that he may understand and give his viewpoint to the commissioners. Cooper anticipated presentation to the county could be made anytime between mid-November and January.

WMH Governing Board of Directors

October 27, 2016

Points of Discussion:

- Expectations of the county:
 1. Continued sales tax subsidies (as originally designed)
 2. County commitment to the building program and payment of bonds
 3. The hospital license & HCTF to be maintained by the county, through a separate entity or committee under the county's ownership
- TMH would provide financial & clinical support. Alliant would provide management oversight and financial support.
- TMH would lease the operations of the hospital, not the physical facility. Facility maintenance would be the county's responsibility, supported by sales tax proceeds designated for operations. Cooper anticipated the clinics would be included in the operational lease.
- WMH employees would either become TMH employees or employees of a separate entity, such as a 501c3.
- Cooper speculated TMH & Alliant's preference would be to not include the ambulance service, though inclusion of the service would not be a deal breaker.
- Cooper and Bachrach specified that O'Bryant's only desire was to stabilize Weems. Cooper anticipated the swingbed volume would increase.
- Moron stressed the importance of presenting a unified vision of the potential partnership to the community.

County Report

Moron presented hard copies of the Franklin County Ordinance No. 2007-28 (sales tax referendum) & the Inter-local Agreement(s) for Small County Surtax. Moron referenced the following:

- *F.C. Ordinance 2007-28, Section 4: "Use of Proceeds. Said tax proceeds and any interest accrued thereto shall be expended for the sole purpose of improving the quality and delivery of healthcare by constructing an urgent care facility in Carrabelle first, upgrading the ambulance service, and paying the cost of operations of healthcare infrastructure and services, including the construction and paying debt service on bonds to construct a new public hospital facility to replace Weems Memorial Hospital."*
- *Inter-local Agreement for Small County Surtax, Section 2 (2): "The first use of the infrastructure portion of the sales tax proceeds will be used to construct an Urgent Care Facility with diagnostic radiology and lab services within the City of Carrabelle with extended weekday and weekend hours; thereafter, that portion of the tax will be used for the purpose of renovating or rebuilding Weems Memorial Hospital in Apalachicola."*

WMH Governing Board of Directors

October 27, 2016

Cooper explained that the state of FL does not have a definition or licensing requirements for urgent care centers. Cooper detailed other states' requirements for urgent care designation, i.e. an on-call physician, an on-site chemical analyzer and an on-site CT scan. Cooper agreed extended hours could be provided. Creamer emphasized that if not addressed to Carrabelle's satisfaction, the inter-local agreement will be termed and the sales tax referendum would never be reinstated. B. Gibson gave a history of previous experience with extended hours at Weems East. Moron expressed his thoughts that Carrabelle residents desired extended hours and the ability to walk-in, at any time, without being turned away. Creamer stressed the need for radical changes in the clinic staff. Creamer stated, as long as he had served as a Board member, there had been staffing issues. Cooper gave his reassurance that staffing issues were being addressed.

CEO Report

Cash Flow

Cash flow continues to be positive with collections exceeding \$400k for the 3rd month in a row. Cooper referenced the leveling out of the operations and emphasized the need for a new facility, more local providers, and a changed culture.

EMS Report

Cooper discussed Jarrod Wester's resignation from the position of EMS Director. Per Cooper, Wester would remain on staff as a PRN employee and would continue to provide staff education & training. The short-term EMS plan, developed with Wester's assistance, would place Mike Murphy, EMT-P in the position of Interim Director with two other designated captains. This staffing model would rotate Murphy and the 2 captains on the paramedic chase vehicle from 8am to 8pm. After 8pm, the person on the chase vehicle would rotate to a regular truck. Per Cooper, this model was chosen from four different interim plans, provided by Murphy, which detailed cost and staffing.

Clinics

B. Gibson & Cooper are interviewing additional clinic providers.

Athena Update

An Athena team was on site a couple of weeks ago. Significant improvements were made, but many other issues remain. Conrad stressed that the veEDIS system continued to work very well in the ED.

NHSC

Cooper announced the approval of Weems Medical Center East as a designated National Health Service Corps site. Site approval for the hospital and Weems Medical Center West was also anticipated. Designation as a NHSC site will assist with provider recruitment. In addition, employed nurses will be eligible to apply for the Nurse Corps Loan Repayment Program.

WMH Governing Board of Directors

October 27, 2016

Policy for Approval

Cooper presented the revised “Date of Service” policy for approval. Griner explained that the revisions simply brought the policy up to date with current procedures.

ACTION

A motion was made by Harrison to approve the Date of Service policy as presented; seconded by Creamer. The motion was carried unanimously.

Revised Wage Increase

Cooper referenced the recent BOCC directive to reevaluate employee wage increases. While a few models had been reviewed, one had not been chosen. All the models reviewed had provided for an overall wage increase, but did not reduce the wage inequities. Cooper stated the chosen method would be forwarded to the Board for review. At Bachrach’s request, Cooper reviewed the purpose & method of the previous wage increase. Cooper explained that historically, annual raises had not been given. Because of this, vast inequities had been created between seasoned employees and newly hired employees. The model used for the 2015 Wage Analysis was based on median wage information provided by the FL Hospital Association. The individual employee increases were then calculated using years of service and experience. While the 2015 increases did not bring all wages to a competitive level, the previous inequities had been corrected.

CFO Report

Graham presented and reviewed the following financial statements:

1. Comparable Balance Sheet- June through September 2016

- Cash: \$513,433
- Cash on Hand: 23 days
- Graham explained the variance in cash was due to the receipt of \$384k in Meaningful Use money and \$90k from a 2016 MCR rate adjustment following the 2015 Cost Report.
- Listed under assets, the \$300k “Due from MCR/MCD/Others” is the LIP subsidy due in the FY 2016.
Regarding continued LIP/DSH subsidy, Cooper shared his expectation that the LIP/DSH program would continue, in one form or another, due to the subsidy’s necessity to the large hospitals. He stated there was a big push at the state level for FL counties to participate in the LIP program the same way the large hospitals previously participated, i.e. increasing the

WMH Governing Board of Directors

October 27, 2016

state match for the federal funds. He explained the money provided by each county would be returned after the federal LIP funds were received by the state.

- “Trade Accounts Payable” (money owed to vendors) was reduced about \$130k in September
- \$890k still owed to HCTF
- \$360k (equivalent to 2 payrolls and 2 payments to Southland) has been set aside in a money market account

2. Income Statement Month Ending September 2016

- \$143k profit in September (combination of MU money, MCR rate adjustment, and patient revenue)
- Net Income for the 2016 fiscal year is \$18,855 (unaudited)
- Gross collections & deductions consistent from previous fiscal year

DON Report

Risk Management

B. Gibson presented and reviewed the 3rd Quarter Risk Management Summary.

“Patients leaving before triage”- B. Gibson stated most patients were leaving after short wait times and were not leaving due to dissatisfaction. Conrad confirmed that 3 patients had recently left the ED after waiting under 5 minutes. Moron stated most public complaints he had recently received were related to the clinics and not the ED. B. Gibson noted the complaints regarding quality of care were dramatically decreased from 3 years ago.

Public Records Requests

A summary of the 1st, 2nd, and 3rd quarter public records requests were provided and reviewed with the Board. Discussion was held regarding the recent request for payroll records. Griner stated the requested information was for specific names, positions, and payroll information.

Old/New Business

- Board attendance was discussed. Per Harrison’s request, a list of the Board’s individual attendance records will be forwarded to Moron for the commissioner’s review. A highlighted copy of the Board By-Laws will also be provided.
- Creamer requested a November workshop between the Board members and the county commissioners. Creamer stressed he wanted to address any disparaging issues between the hospital Board members and the BOCC. Bachrach recommended inclusion of the TMH/ Alliant proposal on the workshop’s agenda. Moron agreed to arrange a suitable date for the workshop.

WMH Governing Board of Directors

October 27, 2016

- Bachrach addressed the increased liabilities, noting that most of the new liabilities were mandated. He also noted that the assets to liabilities ratio was 2:1.
- Creamer addressed the recurrent, erroneous information given from various public persons during the BOCC & hospital Board meetings. Creamer recommended that any information brought to the county or hospital Board should be provided to the Board chairperson 10 days prior to the meeting, so that the information may be verified or refuted.
- Conrad inquired if other facilities, such as TMH, had policies regarding social media. Griner confirmed that other organizations did have policies regarding social media. Griner stated she had provided a draft social media policy for administration's consideration 3 times since 2013. Moron stated he would forward information regarding social media provided by the county labor attorney.
- Addressing Moron's concern, Cooper reiterated that inclusion of the EMS service would not be a deal breaker with the TMH/Alliant proposal. Bachrach stressed the ambulance service must continue to be funded through the ad valorem tax. Cooper stated a separate contract would be required for the ambulance service.

Public Comment

B. Gibson introduced Courtney Giddens, RN and Christina Harris, RN. Speaking to the issue of public comments at the county commission meetings, Giddens asked if the hospital Board members had considered addressing the commissioners directly when misinformation is given.

- Harrison stated the Board members were generally not prepared to address comments at the BOCC meetings, particularly with no prior knowledge of the information. Harrison encouraged more employee attendance at hospital Board meetings.
- Moron stated it was Cooper's job to address hospital business before the commissioners. Moron suggested the problem was bad PR.
- Conrad discussed the proper venue for employee issues, concerns and questions. He commended employee attendance at hospital Board meetings; noting it was an appropriate venue to discuss concerns and pose questions to the Governing Board. Adversely, when concerns are first introduced at the BOCC meetings, it comes as an ad hominem attack, which immediately becomes inflamed through newspaper, social media, etc. Introducing concerns at the county setting does not allow an appropriate response to be given before judgment has been rendered. Conrad reiterated that addressing questions & concerns at the hospital Board meetings was a constructive process for employees to follow.

Adjournment

The meeting was adjourned at 11:01am.