

# WMH Governing Board of Directors

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**June 23, 2016**

**Members Present:** Jim Bachrach, Chair; Duffie Harrison; Doug Creamer; Deborah Huckeba; Hank Kozlowsky; Anne Wilson

**Members Absent:** Patrick Conrad, MD; Robert Davis

**Staff Present:** Mike Cooper, CEO; John Graham, CFO; Becky Gibson, DON; Craig Gibson, Plant Operations; Ginny Griner, HR/ Med Staff; Heather Huron, Admin. Assistant; Jarrod Wester, EMS Director

**Guests Present:** Michael Moron, County Coordinator; Burt Boldt

## **Call to Order / Approval of Minutes**

The meeting was called to order at 9:00am. Huron confirmed public posting of the meeting. Minutes for the 6/23/2016 meeting were emailed prior to the meeting for review.

## **ACTION**

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

## **County Report**

- Moron questioned how the hospital would benefit from taking over the FCSO Inmate Medical program. Per Cooper, the hospital's management of inmate cases would keep more cases local, which in turn would reduce the county's cost.
- Moron discussed the different process of reimbursement for inmate care as the inmate medical program is funded by ad valorem taxes. Specifically, detailed receipts would be required by the Finance office for county approval.
- Another private, for-profit company, Armor, submitted a proposal for \$330,000 annually. Currently, the county budgets \$90,000 for the program.

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## TMH Report

- Construction has begun on Tallahassee Memorial HealthCare's \$250-million surgical center project. It is expected to admit patients by early 2019. The M.T. Mustian Surgical Center will be a five-story, 340,000 square-foot building on the southeast corner of the TMH campus near Miccosukee Road and Medical Drive. The new center will have 28 operating suites and 72 adult medical/surgical intensive care beds, which will replace all of TMH's operating and ICU areas.

## CEO Report

### Meaningful Use

- The amended MCR Cost Report has been filed. Assuming that CMS approves everything, this should produce in excess of \$400,000 in cash in the next 30-45 days.

### Building Plans

- Culpepper, Adams and TRO JB continue to fine tune the facility design. The detail needed to commit to a budget price should be ready by late July. Recent tweaks to the design include lining up the new and old corridors, as well as some square footage savings.
- Cooper requested proposals from 3 banks for bridge financing. Two banks have returned proposals. Cooper did confirm that a true bid process will not be required for the financing. The interest rates submitted are lower than USDA interest rates.

### EMS

- Wester returned from Texas yesterday with the new ambulance which was ordered last September. The new truck ordered following the accident will be ready in November.
- Effective 4/1/2016, the Apalachicola ambulance was converted from part-time BLS to full-time ALS. This service change was due to the following:
  - Increased volume (12%) over last year
  - Increased occasions when the county was uncovered due to transfers
  - Increased response times

The service upgrade has been extremely successful in alleviating the above issues. The county has not been left uncovered

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since implementation and response rates have been reduced to below the national average. Increased cost of the service expansion has averaged \$22,000 per month. The hospital is unable to subsidize the initiative further. Additional county support at the increased amount will be required to continue. If not granted, it will be necessary to revert back to the previous staffing levels.

## LIP Funding

- At a recent meeting with FHA staff, the latest projection was that the new LIP funding levels would likely happen; though the budget is still \$30 million short. However, the new funding will likely not happen until October. If delayed until October, July through October would likely be paid in one month. The delay in receipt may create another cash flow issue over the next few months.

## Cash

- June has been an excellent cash month. Many past due accounts / bills have been caught up. A \$50,000 payment was made to the county to reimburse the Health Care Trust. However, the collection process with Athena has not yet been fixed.
- Fulkerson has continued to diligently address billing issues caused by the Athena system. Cooper emphasized that the billing issues have been no fault of Weems staff. He explained updates are made to the E.H.R. system every 2 weeks. After each update, new system issues are discovered. Recent issues resulted in being unable to bill for swingbed (x 2 months), labs (x1 month), any claims with radiology charges (x 10 days). Cooper anticipated the problems would continue until the system was completely built and all issues worked out. System completion is expected in January 2017. Cooper expects it will be a good system once completed.
- A third party has been engaged to work old claims. To begin the process, statements were mailed to all accounts with an old balance. Many claims were never billed to insurance payers.

## Health Insurance

- The new plan year will begin 8/1/2016. The negotiated rate will result in \$87k savings annually.
- The FHA, in collaboration with the FL Rural Health Council, will be forming a consortium to leverage buying power for group health insurance.

## FCSO Medical Services

- We did provide the Sheriff and the BOCC a proposal to provide the medical services for the jail. We believe that our proposal will bring about a higher quality service and has the potential to save the county claim money, while directing a higher

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percentage of claims to Weems. This too will have been discussed at the BOCC workshop prior to our meeting. I will give you a more in depth update at our meeting.

## TMH Partnership

- O'Bryant's proposal for partnering with Weems was presented to the BOCC on 6/21/2016. The proposal included bringing on Alliant Management Services as a 3<sup>rd</sup> party.
  - Alliant has 20 hospitals under their management or partnership. Seventeen of those hospitals are Critical Access.
  - Alliant has staff dedicated solely to MCR Cost Reports. Each hospital has 4 Cost Reports filed each year.
  - Alliant would provide excellent resources to Weems, such as benchmarks for salary and benefits. Harrison speculated that they would be able to quickly identify any trends.
  - Cooper confirmed that O'Bryant would handle negotiations with Alliant, though he expected it to be delayed to mid-July due to vacations.
  - In response to Creamer, Cooper stated the partnership would not affect the billing agreement with Athena. Alliant would honor all existing agreements.

## **CFO Report**

- Graham presented and reviewed the following financial statements ending May 2016:
  1. Income Statement
  2. Comparable Balance Sheet FY 2016
  3. EMS Income Statement
  4. Clinics Income Statements
    - Current month net income totaled \$25,685
    - Fiscal YTD net loss totaled Fiscal YTD net loss for clinics= \$(258,369)

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- Total (all departments) YTD net loss of \$(126,431)
- May Days Cash on Hand 7.6
- Current Ratio 1.6
- Accounts Receivable Days Net 82.9
- Bachrach spoke to the public perception that the hospital was losing money, when the clinics were the actual source of the loss. Graham explained the clinics' net loss largely contributed to cost of interim locum tenens physicians and physician recruitment. He anticipated the losses would decrease. Moron anticipated public perception would change with completion of the new facility project and the TMH partnership.

## Quality Report

B. Gibson presented and reviewed the following quality reports:

1. QAPI Dashboard- month ending May 2016
  - 6 out of 18 departments have no data due to Athena E.H.R. implementation issues.
2. May Patient Satisfaction Surveys
  - 4 day stretch of no patients in the Med-Surg unit resulted in a low number of returned surveys

## Old Business/ New Business

### Maintenance Building Repair

- C. Gibson reported on the progress of repair following an auto collision with the building.
  - The ceiling must be replaced as it cannot support iron beams due to cracks.
  - Per Cooper, the building may be converted to the purchasing department / supply warehouse in the future.

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## Reference Lab

- Per Cooper, his consulting attorney did find legal issues with the reference lab agreement, specifically concern for violation of the Federal Anti-Kickback Statute. AHCA confirmed the agreement would be a clear violation of the state and federal statutes. Cooper informed the lab company that he would not continue negotiations until the agreement was cleared by the attorney and AHCA.

## **Public Comment**

- Burt Boldt introduced himself as an Alligator Point resident and owner of a private therapy practice in Tallahassee. Boldt complimented Mark O'Bryant's presentation to the county on June 21<sup>st</sup>. Boldt also cautioned the hospital against taking any losses from the FCSO Inmate Medical program, if the program were to come under hospital management.

## **Adjournment**

The meeting was adjourned at 10:30am.