

WMH Governing Board of Directors
February 23, 2017

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

Members Absent: Anne Wilson

Staff Present: Michael Cooper, CEO; John Graham, CFO; Ginny Griner, HR/Med Staff; Jordan Fulkerson, Rev. Cycle; Heather Huron, Recording Secretary

Guests Present: Michael Moron, County Liaison; Alan Feiffer, CCFC

Call to Order The meeting was called to order at 9:00 a.m. Huron confirmed that appropriate notice had been given for the public meeting. The 1/26/2017 minutes were presented for approval.

Approval of Minutes **ACTION**
A motion was made by Creamer to approve the January 26, 2017 minutes as presented; seconded by Kozlowsky. The motion was carried unanimously.

County Report Moron gave a report from the 2/21/2017 BOCC meeting.

- At the meeting, the following actions were taken:
 1. TMH's contract was extended on a month by month basis
 2. Authority was given to Attorney Shuler & Michael Moron to engage in discussions with a third-party management company.
- Atty. Shuler reported to the commissioners that TMH had communicated their desire for the county to directly negotiate with a 3rd party management company. While TMH's proposal remained the same, Mark O'Bryant would like Franklin County to have a direct contract with the management company; and then, TMH would have their relationship with the hospital's management. Shuler stated this was his

understanding of how TMH would like to structure the negotiations moving forward. Cooper explained that TMH did not feel comfortable in the rural health market due to the different methodologies in reimbursement. O'Bryant does not want to be the "go-to" person if he may not have the answers. Cooper speculated that O'Bryant may change his position once the 3rd partner is defined. It would be more advantageous and profitable for TMH to be the lead in the partnership; as it would give TMH access to Weems' cost report, potentially generating \$300,000 annually for TMH.

- Per Cooper, a prospective 3rd partner has been identified. The candidate is a very reputable, non-profit company, who owns, manages, and/or leases several other hospitals. The lead office is based out of Chattanooga, TN. Cooper shared his expectation that once the company visited Weems and met with the county, the process would move quickly. The next step would entail a conversation between the company, Michael Moron, and Attorney Shuler. Cooper hopes the visit can be scheduled within 2 weeks. Cooper emphasized that he was not speaking on behalf of TMH, but was simply giving his viewpoint.

Discussion:

- Creamer expressed impatience with the partnership process. He asked how long before the USDA required a new application.
- Harrison asked if the 3rd party could provide a letter of intent after the initial meeting.
- Moron stressed the need for substantial progress on the proposed partnership within the next month. Creamer recommended moving forward with the new facility without a partnership, if no commitment had been made within a month.
- Discussion was held regarding TMH's desire to partner with Weems.

C.E.O. Report

CFO Update

- Cooper addressed John Graham's resignation. Graham gave notice the Monday following the January board meeting. Graham offered to give one month's notice; but, after 2 weeks, Graham felt comfortable enough with Fulkerson assuming the interim CFO duties. Fulkerson stepped in at the busiest time, as the MCR Cost Report is due Tuesday.

Cash Flow

- Per Cooper, the cash flow is tight, but he does not anticipate the need for additional funds.

Clinics / Provider Recruitment

- Following the last meeting, Cooper received an email request from Dana Whaley to change her employment from full-time to PRN. Interviews with other mid-level providers were already in process. When Whaley left her full-time position, Cooper contracted a locum tenens physician assistant, Mario Rankin, to staff the Weems West clinic. Skip Parker, PA-C has agreed to staff the Weems East clinic full time until an additional provider can be employed. Whaley has taken a 3 day per week position at Liberty Community Healthcare under Dr. Charbonneau's supervision.
- In the previous 2 weeks, two physicians have contacted Cooper regarding part-time employment. Cooper stated he had held an interview with one physician yesterday. Another interview is pending. One physician's specialty is family practice; the other is an internal medicine physician with focus on women's health.

EMS Update

- Cooper reported that he is still modifying the new management model for the EMS department. He had another conversation with interim director yesterday. One area in need of improvement is communication.
- On the subject of efficiency, response times are now below the national average.
- Regarding fleet maintenance, an additional ambulance will need to be purchased within the next 2 years. EMS grants will not fund replacement vehicles. Grant projects must be for enhancement or expansion of services. Cooper reported an average of 4.5 runs per day, though not all are billable (i.e. transport refusals, no patient on scene, etc.)

Legislative Update

- Cooper received a call from the FL Hospital Association requesting that he and Bachrach travel to Tallahassee to meet with lawmakers. Cooper understood that he was to speak to a Senate sub-committee on health care finance. On arrival, Bachrach was taken to a separate room where he was interviewed on camera for 20 minutes. Following the interview, Bachrach was pulled in front of the Senate sub-committee. The interview was part of FHA's "Some Cuts Won't Heal" campaign. The campaign is in opposition to proposed reduction in hospital reimbursement for Medicaid patients. The proposed cuts would cause Florida to lose federal-match funds, essentially doubling the reductions.

Cooper does not expect the proposed legislation to pass.

LIP/DSH Update

- Regarding LIP & DSH funding, the Safety Net Hospital Alliance of FL sent an ultimatum to the state dictating conditions for the State to meet before the Safety Net Hospitals would provide intergovernmental transfers (IGT). The position held by FHA and the State government is to set an April 1st deadline for participation in the LIP/DSH program. Essentially, progress on the funding is out of everyone's control, except for the Safety Net Hospitals. Cooper has received notification that the first 2 quarters of DSH funds (approximately \$256,000 for Weems) have been released.
- Creamer questioned how changes in the Affordable Care Act would affect Florida. Per Cooper, Florida would not be affected because Florida did not expand its Medicaid program.

Conflict of Interest

Cooper gave a reminder to board members to return their Conflict of Interest statements.

C.F.O. Report

Fulkerson presented and reviewed the following financial statements:

1. Income Statement -*January 2017 and FY2017*
2. Comparable Balance Sheet -*September 2016 - January 2017*
3. Total Collections / Total Collection % -*October 2015 – January 2017*

Discussion:

- Net gain of \$69k for January
- \$6k profit for fiscal year
- 19.6 days cash on hand
- A downward trend was seen in collections in January 2017. This was a reflection of low volumes in the late fall, early winter months. February collections are expected to be around \$400k.
- Creamer asked Fulkerson how assuming additional responsibilities would affect collections. Fulkerson stated he did not expect any changes. Staff members have taken additional responsibilities, as needed. With the tracking methods used, any drop in collections would be quickly apparent. Harrison questioned collection percentages. Per Fulkerson, collections would eventually plateau, most likely around 40%. Per Cooper, receivables are handled conservatively with approximately \$70,000 reserved as uncollectable.

- Moron questioned how Cooper and Fulkerson's role would transition with a new management company. Per Cooper, some management companies remotely perform CEO and CFO duties. The current potential partner would likely keep administration as is, possibly returning Fulkerson to his previous duties.
- Per Cooper, the 2016 MCR Cost Report was performed by Alliant. Alliant noted several things that could be done to improve CR reimbursement. Creamer asked if Alliant was completely off the table. Cooper speculated that Alliant would spend the next 6 months regrouping and strategizing.

D.O.N. Report

Patient Satisfaction

- B. Gibson reviewed the patient satisfaction survey results. Two consistent areas of low rating are the hospital's dated appearance and staff explanation of delays to patients. Gibson will be addressing the latter with nursing staff and providers.

Clinics

- Harrison questioned if provider hours, volume, and non-billable visits were tracked. Cooper confirmed and shared his desire for further tracking & trending. Creamer expressed the need to increase business at clinics and provider referrals to the hospital. Discussion was held regarding local provider referrals to hospital.

Public Comments

Feiffer questioned digital radiology requirements. B. Gibson stated the CT scan had already been upgraded. Other equipment is under warranty and replacement is expected by the end of the year. Feiffer questioned discrepancy in liabilities. Fulkerson will research and return with answer. Feiffer questioned seeking other organizations for potential partnerships. Cooper discussed other companies and options which had previously been explored.

Adjournment

The meeting was adjourned at 11:15 a.m.