

PROCEEDINGS OF THE BOARD OF COMMISSIONERS OF THE MOREHOUSE PARISH HOSPITAL SERVICE DISTRICT NO. 1, D/B/A MOREHOUSE GENERAL HOSPITAL, STATE OF LOUISIANA, TAKEN AT A REGULAR SESSION MEETING HELD ON THURSDAY, OCTOBER 31, 2019.

The Board of Commissioners of Morehouse Parish Hospital Service District No. 1, d/b/a Morehouse General Hospital, State of Louisiana, met in regular session for a meeting at its usual meeting place, the W. A. Rodgers Conference Room of Morehouse General Hospital, Bastrop, Louisiana, on Thursday, October 31, 2019, at 6:30 p.m., pursuant to written notice duly given and posted in the manner required by law.

Present: Bob Green, Chairman of Commissioners and Commissioners, Nicolette Releford, John Yeldell, Susan Plonnigs and Betty Alford-Olive.

Also present: Derrick Frazier, Chief Executive Officer; Ricky Smith, Legal Counsel; Dr. Curtis Sanders, Chief of Medical Staff; Tom Ramsey, Chief Financial Officer; Autumn Fulmer, Assistant Chief Nursing Officer and Linda Taylor, Executive Assistant and Recorder.

Absent: None.

Guests: Craig Sims, CHC SVP Hospital Operations; Francois Houde, Jessie Hamilton and Bryan Hall (via telephone), Carr, Riggs & Ingram CPA; Jason Bonner, MGH Accounting Director; and Dorothy Thomas, Morehouse Parish Police Jury.

Call to Order

The Board of Commissioners of Morehouse Parish Hospital Service District No. 1, State of Louisiana, was duly convened as the governing authority by the Chairman, Bob Green.

Invocation & Welcome

The invocation was given by Mr. Sims.

Roll Call:

The roll call was held with all members present which met requirements for quorum as follows:

Present: Green, Releford, Yeldell, Plonnigs and Olive.

Absent: None.

Announcements

There were no announcements.

OPEN SESSION:

Approval of Minutes from last meeting, September 26, 2019

On a motion made by Mr. Yeldell and seconded by Ms. Olive, the Board voted to approve the minutes for the meeting held on Thursday, September 26, 2019. The motion passed by voice vote as

follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

New Business: Fiscal Year-End Audit Presentation 2019 – Carr, Riggs & Ingram, CPA

Mr. Ramsey welcomed and introduced Mr. Houde and Ms. Hamilton who were present and Mr. Hall via teleconference call to present the Fiscal Year-End Audit presentation 2019.

Mr. Houde stated there were two packets provided including a draft of the Financial Statements and Supplemental Information for May 31, 2019 and 2018 fiscal year-end. The report in binder format contains the Agreed-Upon Procedures Report (AUPR) for May 31, 2019 and was final. The quality control process will continue over the next few days to clear the report of the Financial Statements.

Mr. Houde discussed highlights of the Independent Auditor's report containing no finding and overall positive unqualified draft report as of October 30, 2019. The independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards has been audited. The report solely describes the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. The report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor of the State of Louisiana.

Mr. Houde reviewed the two items reported in 2018 which included the construction in progress, prepaids, and related liabilities not appropriately captured liabilities related to the financing of insurance premiums that was resolved. The third-party payor settlement estimates process for tracking and reconciling account balances should be maintained during the fiscal year and this item was resolved.

Mr. Houde discussed that the report to the Board of Commissioners summarizes the audit, the reports issued, and various analyses and observations related to the Hospital's accounting and reporting also containing the communications required by CPA professional standards. The Hospital's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements and aligned the audit procedures accordingly were conducted with objectivity and independence expected and with full support and assistance of the Hospital's personnel.

Mr. Hall thanked the Hospital for its business and presenting the report in draft status due to the added CRI's quality measures resulting in a random selection behind the scenes control which equals to a third set of eyes reviewing the financial reports and audit. These are recommended to sign off as clean

report which is positive and great job by the hospital to see improvement year to year. The report due date will be submitted prior to the end of November and before the next board meeting. The Financials will not change and therefore requested approval from the Board to submit reports to the Legislative Auditor. In the event there are any changes necessary then a revised report would be presented to the Board of Commissioners.

There was discussion that the Hospital's report was selected in a random process and there was no trigger to the report being selected. This report was selected 10-days ago and although requested to be accepted it was not allowed final approval prior to the newly implemented quality review procedure.

Ms. Hamilton discussed the two concerns that were resolved which included the construction in progress and incoming invoices for the new geri-psych unit nearing completion in May 2018. The invoices arrived later, and Accounting was not aware of the costs to be included in the prior year's accounting. The second item was for the financing of insurance coverage from a 3rd party and the dates of liability of debt on the balance sheet which had no impact. Another item was not known until after filing the cost report for settlement of funds owed for the years of 2013 and 2014 with adjustments made last year.

Mr. Ramsey recognized the audit team working together to prepare the reports and working with accounting team to provide documents and review for this year's audit. The recommendation was for approval with no actual changes as presented.

There was further discussion regarding the employee coverage by bond and there being a policy in place for processing cash payments and a credit card usage procedure documented. The insurance coverage provides for employee theft and the policy will be documented in electronic policy file with procedures.

Approval of Fiscal Year-End Audit Report 2019

On a motion made by Ms. Plonnigs and seconded by Ms. Olive, the Board voted to approve the Fiscal Year-End Audit Presentation 2019 as presented and reviewed. The final document for dates and signatures will be added upon completion of quality review for submission to the Legislative Auditor as required prior to November 30, 2019. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

Mr. Hall, Mr. Houde and Ms. Hamilton were excused for the remainder of the meeting at 7:02 pm.

Medical Staff Report and Approval of Action Requests – Curtis Sanders, M.D.

Dr. Sanders stated the Bylaws/Credentials/ Medical Executive Committee (Bylaws/Cred/MEC) recommends approval of the action requests listing Initial Appointments, Reappointments and Changes of

Staff Status for privileges as provided with an added recommendation to change the Staff Status for Dr. Joseph Reynolds from Courtesy to Honorary status.

On a motion made by Ms. Olive and seconded by Ms. Plonnigs, the Board voted to approve these action requests for the Initial Appointments, Reappointments and Changes of Staff Status including the recommendation to approve the Staff Status change for Dr. Joseph Reynolds to Honorary status. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

Nursing Report – Autumn Fulmer, Assistant Chief Nursing Officer

Ms. Fulmer stated the Clinical Report was provided in the binders to review the HCAHPS Measures for Nurse Communication, Responsiveness of Staff, Likelihood to Recommend, and Overall Rating of the Hospital. The HCAHPS, Hospital Consumer Assessment of Healthcare Providers and Systems for these four items on the graphs for August and September were elevated in August and then declined in September. There were 9 surveys returned in August and 10 surveys in September with the same nursing staff during this time. We are working with our staff to communicate with patients, so they are informed and receiving quality care even when patient volume increases.

Ms. Fulmer reviewed the Quality Scorecard for quality measures which includes Inpatient Core Measure, Emergency Department Throughput, Readmission rate – 30days, Mortality rate (annual), Hospital Acquired Conditions, Medical Record coding of billing claims and Customer Experience. These measures will be reviewed by the nursing staff for improvements. The red, green, and yellow indicators show that red falls below the goals, yellow falls below the goal but close and green meets or exceeds goals. The report from last year showed that its processes and not people from using paper but should be electronic as well as education for staff to locate items needed.

Ms. Fulmer discussed expected improvements for flu immunizations which started on October 1st; making improvements to reduce patients returning within 30-days of discharge; and reducing falls by implementing a program for culture of safety with patients and staffing.

Mr. Ramsey discussed the Medical Record coding and inpatient accuracy rate which fell below the goal during this scorecard. The employee has a record of 40+ years' experience and the internal audit seems fine so reviewing further with another audit. The outpatient accuracy rate was green and exceeds goal.

Ms. Fulmer reported the Customer Experience composite score was trending upward toward the goal of 75. This report ends with this scorecard and a new scorecard begins for the new fiscal year.

Ms. Fulmer discussed the options to change to text surveys for emergency room patients and changing to telephone surveys on the Press Ganey new platform. These surveys are weighted differently and costs higher for the upgrade once available to implement. This will also require accurate patient phone numbers and include a greater number of participations from patients responding.

Finance Committee Report – Tom Ramsey, Chief Financial Officer

Mr. Ramsey stated the Financial Statements for the month of September 2019 were provided in your binder. The report includes the Hospital and Clinic’s Patient Volume and Utilization Statistics through the period; along with the Consolidated Annual Income Statement, Operating Cost, Earnings, Balance Sheet, Statement of Cash Flows, and Projects.

Mr. Ramsey stated that the Finance Committee recommended approval of the Financial Report for September 2019 as presented.

Approval of Financial Reports:

On a motion made by Ms. Plonnigs and seconded by Mr. Yeldell, the Board voted to approve the Financial Report for September 2019 as recommended by the Finance Committee. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

Approval of Capital Expense Item – Siemens Magnetom Equipment (Liver Lab)

On a motion made by Mr. Yeldell and seconded by Ms. Releford, the Board voted to approve and authorize the purchase of MRI Liver Lab software for Siemens Magnetom Equipment from Siemens Medical Solutions, Inc. – Siemens Healthineers proposal for the system total of \$85,050 (Eighty-Five Thousand & Fifty) dollars as presented and recommended by the Finance Committee. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

Quality Assurance Review of Contract Evaluations

The annual review and quality assurance for current contracts were acceptable for the hospital to continue as outlined in the contract evaluations for September 2019.

Approval of Contracts:

There were no contracts for approval.

OLD BUSINESS:

There was no report for Old Business.

NEW BUSINESS:

Community Hospital Corporation Report – Craig Sims, SVP Hospital Operations

Mr. Sims stated the Community Hospital Corporation (CHC) report for October 2019 was provided in the binder. The report includes the updates from consultants working with Human Resources, Clinical & Quality, Finance Update, Revenue Cycle, Revenue Integrity, Managed Care, Supply Chain, and Marketing.

Mr. Sims stated that the team with Ms. Fulmer's leadership worked together to review the safety improvement issues for the insurance renewal survey and the return site visit was successful. The Human Resources team worked together to present the 2020 benefit renewals. There are plans for the Chief Nursing Officer and Quality Manager to attend the CNO and Quality conference at CHC. The educational presentation on "Why Engage Media" by Anne Block, VP Marketing was provided to read the best practice for good relationships with media, using good words and sharing positive stories are beneficial. He suggested utilizing Ms. Block for any media releases for the Telecardiology and any additional new items.

The employee relations issues and compensation analysis were reviewed and discussed with regards to breakdown of the compensation packets to be competitive with pay for this region.

Approval of CHC Management and Expenses Invoices

Mr. Green stated the Community Hospital Corporation (CHC) Management Fee for the month of September services was received and presented for approval on invoice #4739 dated October 08, 2019.

On a motion made by Ms. Releford and seconded by Ms. Plonnigs, the Board voted to approve the CHC Management monthly fee of \$30,000 (Thirty Thousand) dollars billed for September 30, 2019 on invoice #4739 dated October 08, 2019 as presented. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

Mr. Green stated the CHC Expense invoice #4781 dated October 08, 2019 for compensation pass thru expenses, USAC Funding and HPG rebate was provided. These expenses were for the month of September 2019 in the amount of \$26,320.83 (Twenty-Six Thousand, Three Hundred Twenty dollars & eighty-three cents) for approval as reviewed and recommended by the Finance Committee.

On a motion made by Ms. Plonnigs and seconded by Mr. Yeldell, the Board voted to approve the CHC Expenses on invoice #4781 in the amount of \$26,320.83 dollars billed on October 08, 2019. The

motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs, and Olive.

Nays: None.

Absent: None.

Administrative Report - Derrick Frazier, Chief Executive Officer

Mr. Frazier discussed that the Louisiana Hospital Association (LHA) Trust Funds, Plan for Improvement report from HSLI (Hospital Services of Louisiana Inc.) second survey inspection was satisfactory with all the action items completed. The insurance renewal will be acceptable and there was a cost increase with the increase to eight (8) providers including the new general surgeon.

Mr. Frazier reported that Dr. Hamid Kakavandi, General Surgeon received his Louisiana State medical license and has been visiting all the primary care physician offices. There has already been one procedure, and more are being scheduled.

Mr. Frazier recognized Mr. Ramsey for all the external and internal improvements around the facility including the upgrade to the floors in the main lobby area; the exterior plants, shrubs and trees; and parking lot repairs.

Mr. Frazier reported that the Laboratory Director resigned and that he was working to resolve some housing issues. The director currently lives in Haughton and his wife does not want to move to Bastrop, so he had plans to retire. We are working on a compromise.

Mr. Frazier stated the Pediatric Clinic received its Rural Health Clinic licensure approval from the State of Louisiana. The next steps are to receive approval on the Federal level and prepare for survey.

Mr. Frazier reported that the Hope Unit's Nurse Director resigned and so currently searching for a replacement. There are weekly staff meetings being held to work through issues with increasing the volumes and better communication to grow these services. The results of staffing changes in the Wound Care Unit show that excellent staffing working together will increase volumes.

Mr. Frazier discussed the need to recruit Family Practice and Obstetrics for the near future.

EXECUTIVE SESSION pursuant to "LA. R.S. 46:1073":

Strategic Plans, Marketing Strategies & Compliance Report - Old Business & New Business:

There was no report for Executive Session.

Announcement:

Mr. Frazier invited the Board members to attend the Hospital's Christmas Party to be held on Friday, December 13, 2019 at 6:00 pm.

ADJOURNMENT:

There being no further business, there was a motion made by Ms. Olive and seconded by Mr. Yeldell to adjourn the meeting. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

The Board meeting was adjourned by the Chairman at 7:46 p.m.

BOB GREEN, CHAIRMAN

DERRICK FRAZIER, SECRETARY