

PROCEEDINGS OF THE “FINANCE COMMITTEE” OF THE BOARD OF COMMISSIONERS OF THE MOREHOUSE PARISH HOSPITAL SERVICE DISTRICT NO. 1, STATE OF LOUISIANA, TAKEN AT A REGULAR SESSION MEETING HELD AT MOREHOUSE GENERAL HOSPITAL ON WEDNESDAY, DECEMBER 04, 2019.

The Finance Committee of the Board of Commissioners of Morehouse Parish Hospital Service District No. 1, 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 Wednesday, December 04, 2019, at 5:00 p.m., pursuant to written notice duly given and posted in the manner required by law.

Present: Nicolette Releford, Chairman of Finance Committee and Commissioners, Bob Green and John Yeldell.

Absent: Susan Plonnigs and Betty Olive, Commissioners.

Also present: Derrick Frazier, Chief Executive Officer; and Tom Ramsey, Chief Financial Officer; and Linda Taylor, Executive Assistant & Recorder.

Call to Order

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

Invocation & Welcome

The invocation was given by Mr. Green.

Roll Call:

The roll call was held, and three Board members were present which met requirements for quorum.

Present: Releford, Green, and Yeldell.

Absent: Plonnigs and Olive.

Announcements

Ms. Releford stated the invite to the Annual Christmas Party was provided and will be held on Friday, December 13, 2019 at the Bastrop Technology Center beginning at 6:00 pm.

OPEN SESSION:

Approval of Minutes from last meeting, October 30, 2019.

Mr. Releford stated the minutes for the meeting held on October 30, 2019 were provided in the binder for review and approval.

On a motion made by Mr. Green and seconded by Mr. Yeldell, the Finance Committee voted to

approve the minutes for the meeting held on October 30, 2019. The motion passed by voice vote as follows:

Ayes: Releford, Green, and Yeldell.

Nays: None.

Absent: Plonnigs and Olive.

Old Business:

There was no report of Old Business.

New Business:

Financial Report – Tom Ramsey, CFO

Financial Statements Presentation for October 2019

Mr. Ramsey stated the Financial Report for October 30, 2019 was provided in the binders for review of the Hospital Patient Volumes & Utilization, Annual Income Statement, Operating Costs, Earnings; Clinics Performance; and the Consolidated Report of the Balance Sheet, Statement of Cash Flows and Projects.

Mr. Ramsey reported the acute admits for the month increased and were over budget by 5.7% percent. The admits were over budget this month in prior year and over budget for fiscal year-to-date. The admits for the geri-psych unit met budget and staffing changes have been positive. The number of patient days were reviewed and continue to improve month to month trending upward although the total volumes remain lower than budget for current month and fiscal year-to-date.

Mr. Ramsey reported the case mix index and surgeries volume. The utilization for GI procedures were just under budget as the physician was out of town and for current month has already exceeded budget. The Emergency Room (ER) visits are down and have been every month this year causing the fiscal year-to-date visits to remain under budget while the ER Conversion rate was over budget for current month and fiscal year-to-date at 1% percent.

There was discussion that other vendors in the area are possibly making an impact on the volume of patients presenting to the emergency department. The volumes for November have already increased back up to the current volumes. There was discussion regarding the differences between clinics staffing with Medical Doctors (M.D.) compared with Nurse Practitioners (NPs), the services provided such as x-rays and lab testing, costs, ambulance services and being able to admit patients for additional acute care.

Mr. Ramsey stated the Outpatient Diagnostic visits were under budget however there continues to be growth for meeting budget goals. The Wound Care visits have almost doubled volumes and meeting both the budget and fiscal year-to-date visits. They are out of available space for continued

growth until some point in the future.

Mr. Ramsey reviewed the Annual Income Statement comparing the fiscal year-to-date for actual with budget and current month compared with budget and prior year. The loss of Disproportionate Share (DISH) supplemental funds and the accruing funds for the Reeves Grant are expected to be received in December. The payment could be delayed due to the recent cyber attack on the State of Louisiana. We have made calls to the State and received information that the payment will not be lump sum but spread out over several months including December when the Reeves Grant funds are received.

Mr. Ramsey reviewed the Operating Costs for discretionary expenses including salaries and supplies which were under budget by \$79 Thousand dollars for a positive impact. The EEOB (equivalent employees per adjusted occupied bed) of 3.41 FTE's (full time employee) compared with budget of 3.49 a positive impact due to managing staff and supplies under budget. The Pharmacy costs were up due to purchase of pneumonia vaccines, antibiotics, and steroid injections for patient treatments. There were other additional expenses over budget for recruitment fees and marketing expenses.

Mr. Ramsey discussed that the non-discretionary expenses for pro fees was under budget by \$65k (Sixty-Five Thousand) dollars. The purchased services expense was under budget by \$70k (Seventy Thousand) dollars and has funds budgeted for security. The new security cameras were used to obtain identification for a recent break-in of the vending machines in Dietary Department.

The Telecardiology program included in the pro fees has shown growth and positive earnings for the month and program year-to-date. A site visit was scheduled this week with the Chief Executive Officer from Franklin Parish Medical Center in Winnsboro to tour the Telecardiology equipment and program.

Mr. Ramsey reported the EBIDA earnings were at negative \$33k (Thirty-Three Thousand) dollars and missed budget by total of \$267k (Two Hundred Sixty-Seven Thousand) dollars. These include the breakdown of supplemental Medicaid funding, Physician UPL (Upper Payment Limit) funds net impact, LINCCA (Low Income Needy Care Collaboration) and Tax Levy Revenue. The operating plan to get back to budget includes working with the State of Louisiana to get the Physician UPL funds back, starting the Retail 340B Pharmacy program in January 2020, increased growth of the Wound Care and Gastroenterology (GI) programs along with ancillaries from research studies, Telecardiology program, and cancelation of the Comprehensive Pharmacy Services (CPS) contract for management of the Pharmacy Department.

Mr. Ramsey reviewed the Clinic Volumes & Utilization for patient visits by providers and nurse practitioners in each clinic. On the report, the green highlight indicates growth and yellow indicates

lower volumes based on current month percentage variance. The physicians list compares the six-month trends and the mid-levels volumes. The total clinic visits have exceeded budget for current month and have exceeded budget for fiscal year-to-date except for the Rural Health Clinic (RHC) visits. The prior fiscal year-to-date visits have been exceeded in all the statistics except for the RHC visits so this is an area of improvement and growth for additional patient visits. The current lower number of visits for the RHC including Medicaid and Medicare volumes made the yield lower which results in lower net operating revenue. Once the Pediatric Clinic transitions into Pediatric-RHC, their yield will increase based on volumes and reimbursement from patient visits. The net patient revenue per visit for the clinics was at \$102 compared with budget of \$117 and slightly higher for fiscal year-to-date at \$104 dollars. The net operating revenue was below budget and below fiscal year-to-date.

Mr. Ramsey discussed the Consolidated Annual Income Statement and EBIDA was under budget for current month and slightly over budget for fiscal year-to-date. The cash remained the same at \$5.2 Million dollars. The accounts payable increased to \$1.7 Million dollars and continuing to manage cash daily. The fund balances were reviewed along with the Statement of Cash Flow provided.

Projects

Mr. Ramsey reported the Projects for the month include the Physician UPL funding which was discussed and the top priority until the funds are received. The Action Plan update was discussed previously. The Centralized Scheduling program managed by Marian Sweet, Patient Financial Services Director to schedule all patients' services has been implemented with current staff throughout the hospital. Next the clinics will be added to centralized scheduling to continue providing better services for the community.

Mr. Ramsey discussed the Radiology Pro Fee billing analysis to review all the costs of these services. The review process will allow for revisions to address the billing issues and revenue loss from lack of collections process as well as to make amendments following the initial term of the program.

There was discussion regarding the long-range debt compared with loans for operations in prior years, LA Legislative Auditor review of financials, pension settlement and legal settlements during the past two years with hospital management and Community Hospital Corporation management.

Quality Assurance Review of Contract Evaluations

Mr. Ramsey reported the contract evaluations were provided in the binder for quality review. There are no quality issues to report.

Contracts for Approval:

There were no contracts for Approval.

Administrative Report – Derrick Frazier, CEO

Mr. Frazier had no Administrative report.

Review and Approval of CHC Management, Expenses, & Credit Invoices

Mr. Frazier stated that the management invoice and expenses invoice from Community Hospital Corporation (CHC) were provided in the binder for review along with details for each expense item.

EXECUTIVE SESSION pursuant to “LA. R.S. 46:1073”:

Strategic Plans and Marketing Strategies- New Business

There was no report in Executive Session.

OPEN SESSION

Adjournment:

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

Ayes: Releford, Green, and Yeldell.

Nays: None.

Absent: Plonnigs and Olive.

The Finance committee meeting was adjourned by the Chairman at 5:49 p.m.

NICOLETTE RELEFORD, CHAIRMAN

DERRICK FRAZIER, SECRETARY