

**FINANCE COMMITTEE
MEETING MINUTES
June 27, 2018**

Franklin Foundation Hospital
Franklin, Louisiana

Board Conference Room
12:00 p.m.

Members Present:

Dr. Nick Accardo
Clegg Caffery

Absent:

Eugene Foulcard

Others Present:

Stephanie Guidry, CEO
Ron Bailey, CFO
Michelle Skillings, CNO
Jodi Pigg, QHR VP
Collette Vaccarella, Director of Business Office
& Co-Director of Physician Services
Kevin Romero, Co-Director of Physician Services
& Marketing/Business Development
Sharon Procell, Exec. Asst.

I. CALL TO ORDER

With a quorum present, the meeting was called to order by Dr. Nick Accardo at 12:05 p.m.

II. OLD BUSINESS

A. Approval of Minutes – May 30, 2018

Mr. Clegg Caffery offered a motion to approve the minutes with Dr. Nick Accardo seconded the motion. The motion carried unanimously.

III. NEW BUSINESS

A. Discuss and Approve

1. EKG Machine

Mr. Ron Bailey discussed the capital spending request to purchase a new Philips TC70 PageWriter EKG with cart to replace aging equipment. He explained the Hospital's current EKG machine is old and is no longer supported by the manufacturer. He stated that this purchased was in the approved FY 2018 capital budget and that the purchase request is lower than the budget amount.

2. Replace ED Flooring

Mr. Ron Bailey discussed the capital spending request to replace the Emergency Department flooring. He explained that exam rooms and certain other rooms will have welded-seam flooring while the remaining rooms will be VCT (Vinyl

FINANCE COMMITTEE
MEETING MINUTES
June 27, 2018

Composition Tile) flooring. He noted that this capital project was included in the approved FY 2018 capital budget at \$45,500. Mr. Bailey advised that due to an upgrade in materials, the cost for the project increased to \$53,960. He noted that some capital projects scheduled for FY 2018 were moved to the FY 2019 capital budget in order to cover the overage.

Mr. Bailey requested that the Committee approve the EKG Machine and the project to replace ED Flooring.

Mr. Clegg Caffery offered a motion to approve the EKG Machine and to replace ED Flooring with Dr. Nick Accardo seconding the motion. The motion carried unanimously.

B. Monthly Reports

1. Finance Report – May 2018

Mr. Ron Bailey presented the Financial Report for the month of May 2018, the eighth month of the 2018 fiscal year. He began with a discussion of the operating indicators and financial class percentages. Mr. Bailey then discussed the Statement of Revenues and Expenses where he noted that the Hospital recorded revenue in excess of expenses of \$187,444 for the month compared to the budget of \$84,108. Mr. Bailey explained that non-operating revenue was below budget for the month, and would continue to be so through the remainder of the fiscal year, as the expected Full Medicaid Capacity grant funds were lower because the required intergovernmental transfer (“IGT”) under the grant was higher than budgeted. This resulted in reduction of the estimated actual grant by approximately \$277,000. He then discussed the categories of revenues and total deductions from revenue, both of which were ahead of budget for the month. Mr. Bailey explained that bad debt for the month was lower than budget mainly due to Hospital bad debt being lower. He noted that the decrease is also due in part to clinic bad debt allowances lower this month than budget. Mr. Bailey reported that Medicare and Medicaid Adjustments were over budget for the month but that is not unusual as gross revenue was over budget for the month.

Mr. Bailey then discussed the balance sheet noting that operating cash at the end of May decreased by (\$637,636) compared to the prior month. Mr. Bailey noted that May’s operating cash activity did not include any physician or rural UPL (formerly “DSH”) receipts nor were there any IGTs in May.

**FINANCE COMMITTEE
MEETING MINUTES
June 27, 2018**

He reported that the Hospital had 112.4 days cash on hand compared to 121.0 days in the prior month.

2. QHR Trend Reports

Mr. Bailey presented the QHR Trend Report.

3. Investment Reports

Mr. Bailey presented the Investment Income Summary Reports.

Mr. Clegg Caffery offered a motion to approve the Monthly Reports for May 2018 with Dr. Nick Accardo seconded the motion. The motion carried unanimously.

C. Clinic Reports

Mr. Bailey began the presentation of the clinic report for the month beginning with clinic accounts receivable. Ms. Collette Vaccarella reported that there was approximately \$15,000 of clinic receivables in the over 120-day category that remained from the old system (the system that was replaced with a new electronic health record system in November 2017); she advised that the goal was to have these resolved by the end of the current fiscal year. Ms. Vaccarella then discussed clinic visit activity for the month of May 2018 as compared to May 2017. She noted that May 2018 clinic visits were up over the prior month. Mr. Bailey presented the consolidated clinic cost center report noting that the clinics posted a consolidated loss for the month. Mr. Bailey also discussed the Hospital activity generated by the clinic physicians. Mr. Jody Pigg, Associate Vice President for QHR, noted that he has seen a pattern of stable operations over the past several months which has resulted in consistent revenues and cash collections. He commented that the Hospital's upcoming marketing efforts should result in additional clinic visits and that the clinics have capacity to handle increased visits.

Mr. Clegg Caffery offered a motion to approve the clinic report with Dr. Nick Accardo seconding the motion. The motion carried unanimously.

IV. EXECUTIVE SESSION

A. Strategic Planning

No items were discussed.

**FINANCE COMMITTEE
MEETING MINUTES
June 27, 2018**

V. ADJOURN

Mr. Clegg Caffery offered a motion to adjourn the meeting at 12:40 p.m. with Dr. Nick Accardo seconding the motion. The motion carried unanimously.

Dr. Nick Accardo, Chairman of Finance

Stephanie A. Guidry, CEO