

**FINANCE COMMITTEE  
MEETING MINUTES  
March 28, 2019**

Franklin Foundation Hospital  
Franklin, Louisiana

Board Conference Room  
5:00 p.m.

**Members Present:**

Clegg Caffery  
Eugene Foulcard

**Absent:**

Bret Allain, II

**Others Present:**

Stephanie Guidry, CEO  
Michelle Skillings, CNO  
Ron Bailey, CFO  
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 Mr. Clegg Caffery at 5:08 p.m.

**II. OLD BUSINESS**

**A. Approval of Minutes – February 28, 2019**

**Mr. Eugene Foulcard offered a motion to approve the minutes with Mr. Clegg Caffery seconded the motion. The motion carried unanimously.**

**III. NEW BUSINESS**

**A. Discuss Reimbursement from Restricted Grant Funds**

Mr. Ron Bailey discussed the latest request for reimbursement from restricted grant funds to operating funds. He stated the reimbursement covers the purchase of the Elaine Ann Luke Young property in the amount of \$78,883.25 and the purchase of the Chez Hope property on Northwest Boulevard in the amount of \$118,778.83, for a combined total of \$197,662.08. Mr. Bailey requested that the Committee approve the request for the reimbursement from restricted grant funds.

**Mr. Eugene Foulcard offered the motion to approve the Reimbursement from Restricted Grant Funds with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.**

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**B. Discuss Restorix Wound Care Contract**

Ms. Stephanie Guidry discussed the Restorix Wound Care Contract. She presented a chart showing the estimated annual contribution margin. She explained the Hospital reviewed the activity of the Wound Care Program back to FY 2017. She stated the contribution margins of the program have been steadily declining; primary due to claim denials for lack of “Medical Necessity”. She also reported that at the current level of claim denials, the Hospital forecasted an annual contribution margin of \$11,440. She stated that because of the low margin and increased administrative burden of processing claim denials, she recommended that the current wound care contract not be renewed. She stated she wanted the Committee be aware of the status of this contract for information purposes.

**C. Monthly Reports – February 2019**

**1. Finance Report**

Mr. Bailey presented the Financial Report for February 2019, the fifth month of the FY 2019. He began with a discussion of the operating indicators and financial class percentages and noted that February was a short month. Mr. Bailey then discussed the Statement of Revenues and Expenses where he noted that the Hospital recorded revenue in excess of expense of \$204,357 for the month compared to the budgeted revenues in excess of expense of \$124,147.

Mr. Bailey discussed that total deductions from revenue were under budget for the month. He discussed improvement in the clinic billing issues and the resulting increase in cash collections. He noted that the improvements resulted in reductions of the estimates of deductions and allowances for doubtful accounts.

Mr. Bailey noted that other fees were over budget for February due to the cost of direct mailings related to the millage election and the contract coding fees for the clinic operations coder.

Mr. Bailey discussed the balance sheet noting that operating cash at the end of February increased from the prior month. Mr. Bailey noted that included in February’s operating cash balance was \$387,402 of net CY 2018 millage receipts, \$466,006 of rural UPL (formerly “DSH”) funds and \$529,434 of physician UPL funds. He added these receipts were partially offset by an IGT of (\$125,000) for LINCCA-related activity. Also, clinic cash receipts increased to \$250,445 in February compared to \$65,000 for January as the delays in clinic billings and collections (resulting from the clinic operations coder being out on medical leave) are being resolved.

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Mr. Bailey discussed the decrease in gross accounts receivable is due to increased cash collections on higher balances of clinic accounts receivable from the prior months. He also noted the taxes receivable decreased compared to the prior month due to CY 2018 millage receipts which were partially offset by the accrual of the CY 2019 current month's budgeted tax revenue.

He reported that the Hospital had 165.3 days cash on hand at the end of the current month (QHR trending 3-month average) compared to 156.6 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 Report.

**Mr. Eugene Foulcard offered a motion to approve the Monthly Reports for February 2019 with Mr. Clegg Caffery seconded the motion. The motion carried unanimously.**

**D. Clinic Reports**

Ms. Collette Vaccarella began the presentation of the clinic report for the month starting with clinic accounts receivable. She discussed the increase in clinic accounts receivable and noted that cash collections were improving. She then discussed clinic visit activity for the month of February 2019 as compared to February 2018. She noted that February 2019 clinic visits were up over the prior year 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. Eugene Foulcard offered a motion to approve the clinic reports with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.**

**IV. EXECUTIVE SESSION**

**A. Strategic Planning**

**No items were discussed.**

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**V. ADJOURN**

**Mr. Eugene Foulcard offered a motion to adjourn the meeting at 5:40 p.m. with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.**

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Mr. Clegg Caffery, Chairman of Finance

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Stephanie A. Guidry, CEO