

**FINANCE COMMITTEE
MEETING MINUTES
April 25, 2019**

Franklin Foundation Hospital
Franklin, Louisiana

Board Conference Room
5:00 p.m.

Members Present:

Clegg Caffery
Eugene Foulcard
Bret Allain, II

Absent:

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 – March 28, 2019

Mr. Bret Allain, II offered a motion to approve the minutes with Mr. Eugene Foulcard seconded the motion. The motion carried unanimously.

III. NEW BUSINESS

A. Discuss and Approve Capital Requests

1. Philips Cardiac Monitoring System Upgrade

Ms. Michelle Skillings discussed the request for the upgrade to the Philips cardiac monitoring system. She advised that the current central monitoring system will no longer be serviced past 2019. She reported that due to the age of the technology, any replacements to the current system must use refurbished parts and/or equipment. She noted that the upgraded unit will provide monitoring of twenty-one (21) sectors instead of the current sixteen (16) only. Mr. Ron Bailey stated this purchase was included in the approved FY 2019 capital budget at \$166,863 and was to be funded from Full Medicaid Capacity grant funds. Ms. Skillings requested that the Committee approve the request for the Philips Cardiac Monitoring System upgrade.

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Mr. Eugene Foulcard offered the motion to approve the Philips Cardiac Monitoring System Upgrade with Mr. Bret Allain, II seconding the motion. The motion carried unanimously.

2. IS Servers for Omnicell

Mr. Bailey explained that this request, to purchase and install two (2) new Cisco servers, is needed to accommodate the installation of the new Omnicell pharmacy system. He noted that these servers will replace two (2) virtual servers; he also advised that this item was not included in the FY 2019 capital budget. He noted that in order to accommodate this project, IS will defer three (3) FY 2019 projects, totaling \$44,750, to FY 2020. He noted that after IS defers the three projects into FY 2020, this purchase will require approval of an additional \$2,218 of funding. Mr. Bailey requested that the Committee approve the IS Servers for Omnicell.

Mr. Eugene Foulcard offered the motion to approve the IS Servers for Omnicell with Mr. Bret Allain, II seconding the motion. The motion carried unanimously.

3. Lab Refrigerator and Freezer

Ms. Stephanie Guidry stated this request was to purchase, deliver and install one (1) ThermoFisher Lab refrigerator and one (1) Lab freezer. She explained these units will replace the current units which are over fourteen (14) years old. She also stated these items were included in the approved FY 2019 capital budget at \$19,429; however, the revised purchase price is a combined \$10,173. Ms. Guidry requested that the Committee approve the Lab Refrigerator and Freezer.

Mr. Eugene Foulcard offered the motion to approve the Lab Refrigerator and Freezer with Mr. Bret Allain, II seconding the motion. The motion carried unanimously.

4. IS Network Cabling

Mr. Bailey explained this request is for the purchase and installation of computer network cabling. He stated this project will run data lines to the communications rooms and will improve communications by eliminating network hubs in many departments. He reported this project was carried over from FY 2018 as part of the approved FY2020 capital budget at \$8,000. Mr. Bailey requested that the Committee approve moving the project funding to FY 2019.

Mr. Eugene Foulcard offered the motion to approve the IS Network Cabling with Mr. Bret Allain, II seconding the motion. The motion carried unanimously.

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B. Discuss FYTD 2019 Capital Spending

Mr. Bailey presented a detailed listing of the FYTD 2019 Capital Spending. He discussed the status of FY 2018 to FY 2021 capital spending. He stated that projects that were in progress or carried forward from FY 2017 have been completed. He also noted those projects deferred to provide funding for the servers that are required for the installation of the new Omnicell equipment. He also discussed capital spending for items that were not budgeted in the FY2019 capital budget.

C. Monthly Reports – March 2019

1. Finance Report

Mr. Bailey presented the Financial Report for March 2019, the mid-point of FY 2019. 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 expense of \$36,209 for the month compared to the budgeted revenues in excess of expense of \$124,147.

Mr. Bailey discussed total deductions from revenue noting that they were over budget for the month. He stated Medicare and Medicaid Adjustments were under budget for the month.

Mr. Bailey noted that other fees were over budget for March primarily due to contract labor in areas such as Surgery, Physical Therapy and Lab. He added Advertising/Marketing was over budget due to spending on millage election and the Business Office fees were over budget.

Mr. Bailey discussed the balance sheet noting that operating cash at the end of March decreased from the prior month and that March's operating cash balance included \$83,605 of net CY 2018 millage receipts and \$197,663 of reimbursement from restricted Full Medicaid Capacity Grant funding for property purchases. Also, operating cash was reduced by (\$282,659) which represented the amount due to Medicare as a result of filing the FY 2018 Medicare cost report. He noted that operating cash was further reduced by (\$206,053) as the Hospital funded the CY 2018 retirement plan deposit.

He reported that the Hospital had 145.6 days cash on hand at the end of the current month (QHR trending 3-month average) compared to 165.3 days in the prior month.

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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 March 2019 with Mr. Bret Allain, II 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 March 2019 as compared to March 2018 noting that March 2019 clinic visits were down over March of the prior year. 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. Bret Allain, II offered a motion to approve the clinic reports with Mr. Eugene Caffery seconding the motion. The motion carried unanimously.

IV. EXECUTIVE SESSION

A. Strategic Planning

No items were discussed.

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.

Mr. Clegg Caffery, Chairman of Finance

Stephanie A. Guidry, CEO