

**FINANCE COMMITTEE
MEETING MINUTES
June 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 5:03 p.m.

II. OLD BUSINESS

NONE

III. NEW BUSINESS

A. Discuss and Approve Capital Requests

1. New Computer Hardware and Software for Respiratory Therapy

Mr. Ron Bailey reported that the Hospital spent \$7,605.00 on upgraded computer hardware, a monitor, a printer and updated software for the Hospital's Vmax pulmonary function testing equipment. Mr. Bailey noted the expenditure was required because the current unit that was out of service and could not be repaired. Mr. Bailey advised that the spending occurred on June 6, 2019 as this asset was required for patient care. He requested that the Committee approve the monies spent for this patient care asset.

Mr. Eugene Foulcard offered the motion to approve the New Computer Hardware and Software for Respiratory Therapy with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.

FINANCE COMMITTEE
MEETING MINUTES
June 25, 2019

B. Discuss Components of Restricted Funds and Long Term Debt

Mr. Bailey presented a detailed listing of Components of Restricted Cash at 5/31/2019. He explained that balance sheet shows \$8,860,060 in restricted cash. He explained each line item that makes up the total. Mr. Bailey provided a detailed explanation of the Total Full Medicaid Capacity Grant Funds (“FMCG” funds) of \$7,490,976. He also discussed a detailed a list of commitments that were designated to be funded from the FMCG balance; these commitments totaled \$1,391,343 at 5/31/19. The remaining balances of the FMCG funds are available for projects that are in the conceptual development stage.

Mr. Ron Bailey presented and explained a detailed Long Term Debt Maturity Schedule. He briefly reported the balance on interest, principal, extra payments made, and the principle balance, along with the combined totals. He also discussed the interest rates on the debt.

C. Monthly Reports – May 2019

1. Finance Report

Mr. Bailey presented the Financial Report for May 2019, the eighth month of FY 2019. He began with a discussion of the operating indicators and financial class percentages. He noted that several of May’s operating indicators were the highest single month experienced by those departments. Mr. Bailey then discussed the Statement of Revenues and Expenses where he noted that the Hospital recorded revenue in excess of expense of \$365,237 for the month compared to the budgeted revenues in excess of expense of \$124,147.

Mr. Bailey discussed gross patient revenue for May of \$4,085,662 which was \$705,022 over budget for the month. He stated May 2019’s gross charges represented the highest single month of gross patient revenue at the Hospital’s current location. He noted overall most departments exceeded their budget.

Mr. Bailey discussed total deductions from revenue noting that they were over budget for the month. He noted that other revenue increased by 55.84% compared to budget. This increase is due to recording an additional \$125,000 of rural UPL (formerly “DSH”) as the Hospital received funds in excess of the FY 2019 budget.

Mr. Bailey stated that salaries and wages were over budget for the month which was due mainly to the high volumes for May.

Mr. Bailey discussed the decrease in non-operating income (expense) which was 34% under budget for the month. He noted that the decrease was due to a reduction

FINANCE COMMITTEE
MEETING MINUTES
June 25, 2019

in the accrual for the Full Medicaid Capacity Grant funding (such funding as secured by Sen. Sen. Allain with assistance from Rep. Jones). Mr. Bailey explained that the FY 2019 IGT request from the Louisiana Department of Health (“LDH”) was for \$3.0 million compared to \$6.0 million in prior years. Mr. Bailey noted that the state said the decrease was due in large part to a reduction in Medicaid beneficiaries resulting from LDH’s new software that better tracked beneficiaries who no longer qualified based on updated income and other data. Because of the reduced grant funding, Mr. Bailey advised that through May 2019 the Hospital had already accrued slightly more grant funding than the lower FY 2019 total based on the IGT. He advised that starting in June 2019 and for the remainder of the fiscal year, the Hospital not accrue the monthly grant revenue. He noted that the Hospital made the FY 2019 IGT, in the amount of \$1,232,228, on June 20, 2019.

Mr. Bailey discussed the balance sheet noting that operating cash at the end of May showed a slight decrease from the prior month and that May’s operating cash balance included \$257,389 of rural UPL (formerly “DSH”) grants funds as well as \$441,376 of net physician UPL funds. He stated that in addition, the Hospital received \$8,438 as settlement of the FY 2014 Medicaid cost report and \$5,291 of net CY 2018 millage receipts

He reported that the Hospital had 144.8 days cash on hand at the end of the current month (QHR trending 3-month average) compared to 145.2 days at the end of April.

2. QHR Trend Reports

Mr. Bailey presented the QHR Trend Report.

3. Investment Reports

Mr. Bailey presented the Investment Income Summary Report.

Mr. Robert Allain, II offered a motion to approve the Monthly Reports for May 2019 with Mr. Eugene Foulcard 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 decrease in clinic accounts receivable and noted that cash collections are leveling out. She then discussed clinic visit activity for the month of May 2019 as compared to May 2018 noting that May 2019 clinic visits were down over May of the prior year. Mr. Bailey presented the consolidated clinic cost

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

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 5:45 p.m. with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.

Mr. Clegg Caffery, Chairman of Finance

Stephanie A. Guidry, CEO