

**BOARD OF COMMISSIONERS
MEETING MINUTES
OCTOBER 31, 2019**

The Board of Commissioners of Franklin Foundation Hospital, Hospital Service District No. 1, St. Mary Parish, met in regular session at 5:00 p.m., October 31, 2019.

MEMBERS PRESENT

Eugene Foulcard, Chairman
Robert Allain, II
Dr. Roland Degeyter
Didi Battle
Allen Randle, Sr.
Clegg Caffery, Jr.
Robert Judice, Jr.

ALSO PRESENT

Stephanie Guidry, CEO
Ron Bailey, CFO
Russell Cremaldi, Legal Counsel
Michelle Skillings, CNO
Dr. Sharad Gunda, Chief of Staff
Chip Holmes, QHR VP (via phone)
Kevin Romero, Director of Marketing/Business
Dev./Co-Director of Physician Services
Collette Vaccarella, Director of Business
Office & Co-Director of Physician Services
Tina Petry, Compliance Officer
Sharon Procell, Executive Assistant

MEMBERS ABSENT

I. CALL TO ORDER

With a quorum present, the meeting was called to order by the Chairman, Mr. Eugene Foulcard, at 5:06 p.m.

II. INVOCATION

Rev. Allen Randle, Sr. opened the meeting with a prayer.

III. PLEDGE OF ALLEGIANCE

Members recited the "Pledge of Allegiance".

IV. PUBLIC COMMENT

NONE

V. ELECTION OF OFFICERS

- A. Chairman**
- B. Vice-Chairman**

Mr. Russell Cremaldi, Legal Counsel, conducted the election of Board officers; the voting process will be done by ballot. He stated once the nominations are done, then the Board members will select by their ballot whom they choose for Chairman and Vice-Chairman.

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Mr. Eugene Foulcard opened the floor for nomination of Chairman. Ms. Didi Battle nominated Rev. Allen Randle, Sr. as Chairman. Mr. Cremaldi asked for any more nominations. Mr. Robert Judice, Jr. made a motion to close the nomination with Mr. Robert Allain, II seconding the motion.

Mr. Eugene Foulcard opened the floor for nomination of Vice-Chairman. Mr. Clegg Caffery, Jr. nominated Mr. Robert Allain, II as Vice-Chairman. Mr. Cremaldi asked for any more nomination. Mr. Robert Judice, Jr. made a motion to close the nomination with Mr. Eugene Foulcard seconding the motion.

Mr. Eugene Foulcard announced, by ballot and voted unanimously, the Chairman of Commissioners is Rev. Allen Randle, Sr. and Vice-Chairman is Mr. Robert Allain, II for the fiscal year of 2020.

Before handing the gavel over to the new Chairman, Mr. Eugene Foulcard stated the agenda needs to be amended to add under Roman numeral thirteen (XIII) Action(s) Taken, item C Incentive Compensation.

Rev. Allen Randle, Sr. made a motion to accept the amended agenda to add under Roman numeral thirteen (XIII) Action(s) Taken item C Incentive Compensation with Mr. Robert Allain, II seconding. The motion carried unanimously.

VI. OLD BUSINESS

A. Approval of Minutes – September 26, 2019

Mr. Eugene Foulcard moved to approve the minutes of the Board of Commissioners meeting held September 26, 2019 with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

VII. MEDICAL STAFF REPORT

A. Credentials & Medical Executive Reports – October 2019

Dr. Shard Gunda included the recommendations of the Medical Executive Committee to the Governing Board related to Credentialing and Privileging as follows:

Initial Appointments:

- **Clayton Overton, MD – Consulting – Emergency Medicine**
- **Gabou Mendy, MD – Consulting – Emergency Medicine**
- **Harry Tuten, MD – Consulting – Emergency Medicine**
- **Haroon Iqbal, MD – Consulting – Emergency Medicine**

Reappointments:

- **Steven McPherson, MD – Active – Internal Medicine**
- **Brandy Molbert, NP – Advance Practice Professional**

Resignation of

- **Oleitha Wilson-Ruffin, MD – Courtesy – Pediatrics (Dec. 1, 2019)**

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Mr. Clegg Caffery moved to approve the Initial appointments of Dr. Clayton Overton, Dr. Gabou Mendy, Dr. Harry Tuten and Dr. Haroon Iqbal – Consulting’s – Emergency Medicine and the Reappointments of Dr. Steven McPherson – Active – Internal Medicine and Ms. Brandy Molbert, NP – Advance Practice Professional and accepted the resignation of Dr. Oleitha Wilson-Ruffin with Ms. Didi Battle seconding the motion. The motion carried unanimously.

2. Dr. Sharad Gunda reported that the MEC accepted the request from Virtual Radiology to remove Dr. Jason DiPoce – Consulting and accepted the request from Ochsner Telemedicine to remove Dr. Syeda Munir – Consulting – Psychiatry and request to add Dr. Trent Desselle – Consulting- Psychiatry.
3. Dr. Gunda reported that the Medical Executive Committee approved the category change that of Dr. William Curran from Active status to Consulting status – Emergency Medicine. Dr. Gunda requested that the Board approve Dr. Curran category change.

Mr. Eugene Foulcard made motion to approve Dr. William Curran category change from Active status to Consulting status – Emergency Medicine with Ms. Didi Battle seconding the motion. The motion carried unanimously.

4. Dr. Gunda reported that the Medical Executive Committee approved following Policies & Procedures and requested that the Board Committee approve. The list is following:

Surgery Policies and Procedures List

- a. Administration of Anesthesia
- b. 23 –Hour Hold/Short Stay Observation
- c. Assessment/Reassessment of the Surgical Services Patient
- d. ATP Complete Contamination Monitoring System, Use of
- e. Attire. Surgical
- f. Autoclave, Loading Cart & Transfer Carriage Instruction for Loading
- g. Biological Monitoring – Incubator for VERIFY ASSERT SCBI
- h. Blanket/Fluid Warmer
- i. Charges Entry, Surgical Services
- j. Charges, Surgical Services
- k. Cleaning, Infection Control
- l. Compressed Gas Cylinders, Care of
- m. Controlled Environment, Monitoring of Surgical Services
- n. Decontamination Process, Cleaning of Instruments
- o. Environmental Cleaning, Surgical Services
- p. Electrosurgery
- q. Immediate – Use Steam Sterilization
- r. Records, Sterilization
- s. Scope of Service, Central Sterile

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- t. Sterilization – Steam Prevac
- u. Surgical Instruments, Cleaning and Care-Ophthalmic
- v. Tissue Banks
- w. Washer/Disinfector, Use of
- x. Wound Classification, Documentation of

Infection Control Policies and Procedures List

- a. Definition of Healthcare Acquired Conditions
- b. Guidelines for Cleaning, Disinfection and Sterilization of Patient Items
- c. Guidelines for Infection Control – Intravenous Therapy
- d. Guidelines for Prevention and Control of Antibiotic Resistant Organisms
- e. Guidelines for Prevention of Healthcare Associated with Pneumonia
- f. Guidelines for Prevention of Surgical Site Infections
- g. Hand Hygiene
- h. IC Guidelines for Urinary Catheterization
- i. Isolation Precaution Transmission Based
- j. Lice (Pediculosis) and Scabies Control and Prevention
- k. Restriction of Visitors with Transmissible Illnesses
- l. Terminal Cleaning of Patient Rooms for C-Difficile Spores

Pharmacy Policies

- a. Security: Staff and Meds
- b. Multi-Use Meds

Management of the Disruptive Practitioner Policy

Mr. Clegg Caffery, Jr. moved to approve the Surgery Policies & Procedures, the Infection Control Policies and Procedures, the Pharmacy Policies and the Management of the Disruptive Practitioner policy as written and accepted the Medical Staff Report with Ms. Didi Battle seconding the motion. The motion carried unanimously.

VIII. NEW BUSINESS

A. Discuss and Approve

1. FY 2020 Operating Budget

Mr. Ron Bailey presented the Operating Budget for Fiscal Year 2020. Mr. Bailey reviewed the FY 2020 Budget Summary starting with the main assumptions that reflect a modest 2% approximate growth in total patient revenue. He reported that the budget included assumptions of tax revenue of \$2,213,000 and Rural UPL (formerly “DSH”) of \$2,250,000 (in operating income). He also noted that the budget assumed Physician Reimbursement Rate Enhancement Program (“Physician UPL”) funds of \$2,117,000 (as a reduction to Medicaid contractual adjustments). Mr. Bailey reported that the assumptions included a proposed maximum 3% merit increase for FY 2020. He noted that included in the assumptions is another year of the Full Medicaid Capacity Funding net to the Hospital of \$1,321,000 (non-operating revenue). Mr. Bailey discussed other assumptions such as a reduction in group health insurance

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expense due to a change in the group insurer. He noted the FY 2020 Estimated Pension Cost at \$211,000 and that bad debt expense was estimated using FY 2019 actuals.

Continuing with the budget summary, Mr. Bailey discussed the FY 2020 budgeted volumes noting budget increases in med/surg patient and swing bed days along with emergency and outpatient visits. He noted increases in surgical procedures plus endo. He also discussed the summary capital expenditures budgets for FY 2020, FY 2021 and FY 2022 noting that The Joint Commission requires the Hospital to budget out for three (3) years. He then discussed the factors/ratios for FY 2020.

Mr. Bailey discussed in detail the statement of Revenue and Expenses for the FY 2020 Budget noting that the budgeted bottom line was \$1,440,371 revenue in excess of expense.

Mr. Bailey requested that the Board approve the Operating Budget FY 2020.

Ms. Didi Battle moved to approve the Operating Budget FY 2020 with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

2. FY 2020 – 2022 Capital Budget

Mr. Bailey presented the detailed FY2020 – 2022 Capital Budget. He addressed some highlighted items in the Capital Budget as follow:

- a. \$ 64,000 – Implement electronic OR Management and scheduling system for SDS and ancillary departments;
- b. \$475,000 – estimated buildout needed to accommodate physician recruitment & projected new services; this will be reimbursed from FMCG funds;
- c. \$431,000 – purchase of remaining properties adjoining main campus
- d. \$305,000 – modifications to Chez Hope Building to use as Temporary Quarters to be reimbursed from FMCG funds.

Mr. Bailey stated the FY2020 total requested is \$2,329,499 with \$1,211,500 that would be requested from grant funds while \$1,117,999 would be from operations.

Mr. Bailey requested that the Board approve the FY2020 to FY2022 Capital Budget.

Ms. Didi Battle moved to approve the Operating Budget FY 2020 with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

3. Resolution authorizing the CEO to act on behalf of the Franklin Foundation Hospital Wellness Center

Mr. Ron Bailey noted that under the Capital Outlay award, the Hospital needs to execute the Cooperative Endeavor Agreements with the State Office of Facility Planning & Control (“FP&C”). The FP&C requires a copy of a resolution that appoints someone to act on behalf of the Hospital with respect to the capital outlay

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process. Mr. Bailey presented a resolution authoring the CEO to act on behalf of the Franklin Foundation Hospital Wellness Center in all matters pertaining to the Franklin Foundation Hospital Wellness Center Capital Outlay Project. Mr. Bailey requested that the Board approve the Resolution.

Mr. Robert Allain, II moved to approve the Resolution authorizing the CEO to act on behalf of the Franklin Foundation Hospital Wellness Center with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

B. Discuss and Approve

1. Ophthalmology Equipment and Supplies Lease Agreement

Ms. Stephanie Guidry presented the Ophthalmology Equipment and Supplies Lease Agreement. She stated the agreement shall be for one (1) year and will automatically renew for additional periods of one (1) year. She reported the agreement is for equipment rental as well as supplies and lens needed for the surgical eye procedures. She stated the compensation is \$1,525.00 for lease of equipment and \$65.00 for supplies as well as \$300.00 per patient for lens.

She noted that Ms. Lanzi Meyers of the Gachassin Law Firm has reviewed the agreement and modified the agreement. She requested that the Board approve the Ophthalmology Agreement.

Mr. Eugene Foulcard made a motion to approve the Ophthalmology Equipment and Supplies Lease Agreement with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.

2. OB/GYN Contract

Ms. Stephanie Guidry presented the OB/GYN Contract. She reported the OB/GYN contract is for Professional Services with Dr. Craig Gauthier. She stated the initial term of contract is for one year (1) and shall renew for successive one (1) year periods. She reported Dr. Gauthier will provide services to patient of the Hospital's clinic and that a Nurse Practitioner will also provide coverage. She also noted that Dr. Gauthier shall provide a minimum of eight (8) days of on-call coverage per month for the Hospital with twenty-four (24) hour day "call-coverage shift". She reported the clinic compensation in the amount \$175.00 per hour and compensation for call coverage in the amount of \$1,000.00 per call coverage shift. In the event Physician is not scheduled to provide a full twenty-four (24) hour call coverage shift, he will be paid in the amount of \$41.67 per hour per hour, and, if the Physician is called to come into the Hospital, he will be guaranteed two (2) hours of pay at a rate of \$175.00 per hour. She noted the contract was reviewed and modified by Ms. Lanzi Meyers of the Gachassin Law Firm. Ms. Guidry requested that the Board approve the OB/GYN Contract.

Ms. Didi Battle made a motion to approve the OB/GYN Contract with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

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C. Discuss and Approve Capital

1. PC Replacements

Mr. Ron Bailey presented a request to purchase the next 25 computers as part of the replacement cycle for FY 2020. He stated the computers will be purchased as needed throughout FY 2020. He stated the purchase price is \$25,000 and the purchase will be out of operating funds. Mr. Bailey requested that the Board approve the PC Replacements.

2. Windows 10 Upgrade Licenses for Windows 7 PCs

Mr. Ron Bailey presented a request to purchase Windows 10 Upgrade Licenses for Windows 7 PCs that are currently on Windows 7. He reported Microsoft will no longer support Windows 7 starting in 2020. He stated the purchase price is \$17,000 and the purchase will be out of operating funds. Mr. Bailey requested that the Board approve the Windows Upgrade Licenses for Window 7 PCs.

Ms. Didi Battle made a motion to approve the PC Replacements and Windows 10 Upgrade Licenses for Windows 7 PCs with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

IX. FINANCE REPORT

A. Finance – September 2019

B. QHR Trend Reports

C. Investment Reports

Mr. Ron Bailey presented the Financial Report for September 2019, the last month of Fiscal Year 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 revenues in excess of expense of \$239,011 for the month compared to budgeted revenues in excess of expenses of \$124,155.

Mr. Bailey reported total deductions from revenue were under budget for the month. Medicare and Medicaid Adjustments were under budget for September primarily due to fiscal year-end estimated contractual allowances as a result of QHR's review of the QHR Medicare model and other data. He reported included in Medicare and Medicaid adjustments is an additional \$86,800 which increases the estimate reserve for FY 2019 Medicare overpayments to \$235,995. He noted as first discussed in June 2019, the total represent accrual of an estimated overpayment that would be due Medicare with the filing of the FY 2019 Medicare cost report. He also reported in addition to the Medicare and Medicaid contractual adjustments is a reduction of (\$165,299) which represents the current month accrual of the FY 2019 net Physician Rate Enhancement Funds ("PREP") UPL program. He reported other adjustments were over budget for the month. The increase is due in part to approximately \$114,000 of administrative adjustments to reduce amounts that were recorded as revenue as a result of required periodic testing of Hospital systems and processes.

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He noted this testing resulted in revenue recognition on accounts that will not be billed; the hospital has modified its processes to eliminate this issue going forward.

Mr. Bailey stated other revenue in operating increased by \$372,679 compared to budget due to recording an additional \$370,971 of rural UPL (formerly “DSH”) as the Hospital received funds in excess of the FY 2019 budget.

Mr. Bailey reported operating cash at the end of September increased from the prior month. He stated that September’s operating cash activity included cash transactions of \$1,914,562 the majority of which was FMCG funds.

Mr. Bailey stated days’ cash on hand in September were 142.5 days (QHR trending 3-month average) compared to 143.7 days of cash at the end of July.

Mr. Bailey presented the QHR Trend and the Investment Reports. Mr. Bailey requested that the Board approve the Finance Reports of September 2019..

Mr. Eugene Foulcard moved to approve the Finance report of September 2019 with Ms. Didi Battle seconding the motion. The motion carried unanimously

X. QUALITY COMMITTEE REPORT

A. Ratification of minutes and all actions taken at the Quality Committee Meeting – October, 2019 – Dr. Roland Degeyter

Dr. Roland Degeyter stated there was no Quality Committee meeting in October due to expecting Joint Commission.

B. Organizational Quality Data – Ms. Michelle Skillings, CNO

Ms. Michelle Skillings presented data on how the Hospital is doing. She gave an overview of Quality Initiatives.
See attached Quality presentation

XI. MANAGEMENT REPORT

A. Administration Report – Ms. Stephanie Guidry, CEO

See attached CEO report

B. Nursing Report – Ms. Michelle Skillings, CNO

See attached CNO report

C. Clinic Report – Ms. Collette Vaccarella, Co-Director of Clinics

Ms. Collette Vaccarella began the presentation of the clinic report for the month starting with clinic accounts receivable. She discussed an increase in clinic accounts receivable. She then discussed clinic visit activity for the month of September 2019 as compared to September 2018.

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She noted that September 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.

D. QHR Management Report - Mr. Chip Holmes, QHR

Mr. Chip Holmes presented the QHR Consulting and Support Deployment Plan. He briefly discussed key areas of support.

See attached report

XII. EXECUTIVE SESSION

A motion was made by Mr. Robert Judice, Jr. to move into Executive Session at 6:13 pm with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

A. Strategic Planning

B. Advisory & Consulting Contracts

With no further business to discuss in Executive Session, a motion was made by Mr. Robert Judice, Jr. and seconded by Mr. Clegg Caffery, Jr. to exit Executive Session at 7:30 pm. The motion carried unanimously.

XIII. ACTION(S) TAKEN

A. Advisory & Consulting Contract

Mr. Eugene Foulcard made a recommendation to table the Advisory & Consulting Contract for further reviewing and bring back to the next scheduled Board meeting.

Mr. Robert Judice, Jr. made the motion to accept the recommendation with Mr. Clegg Caffery, Jr. seconding the motion. The motion carried unanimously.

B. Incentive Compensation

Mr. Robert Allain, II made recommendation for Ms. Lanzi Meyers, Legal Counsel, to be present to review and score for presentation to the Commissioners at the next scheduled Board meeting.

Mr. Eugene Foulcard made a motion to accept the recommendation with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

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XIV. ADJOURN

With no further business to discuss, Mr. Robert Allain, II moved with Mr. Robert Judice, Jr. seconding the motion to adjourn at 7:45 p.m. The motion carried unanimously.

Rev. Allen Randle, Sr. - Chairman

Stephanie A. Guidry, CEO