

**BOARD OF COMMISSIONERS  
MEETING MINUTES  
APRIL 30, 2020**

The Board of Commissioners of Franklin Foundation Hospital, Hospital Service District No. 1, St. Mary Parish, met in regular session at 6:00 p.m., April 30, 2020

MEMBERS PRESENT

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

ALSO PRESENT

Stephanie Guidry, CEO  
Ron Bailey, CFO  
Russell Cremaldi, Legal Counsel  
Michelle Skillings, CNO  
Sharon Procell, Executive Assistant

*Due to COVID-19, the Board of Commissioners of said Hospital Service District No. 1 is unable to operate due to quorum requirements; therefore, this Regular Meeting will be conducted via teleconference.*

**I. CALL TO ORDER**

With a quorum, the meeting was called to order by the Chairman, Rev. Allen Randle, Sr. at 6:01 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. OLD BUSINESS**

- A. Approval of Minutes – February 27, 2020
- B. Approval of Minutes – Special Meeting – April 13, 2020
- C. Approval of Minutes – Special Meeting – April 24, 2020

**Mr. Robert Allain, II moved to approve the minutes of the Board of Commissioners meeting held February 27, 2020, Special Meeting April 13, 2020, and Special Meeting April 24, 2020 with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

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**VI. MEDICAL STAFF REPORT**

**A. Credentials & Medical Executive Reports – February 19, 2020**

Ms. Stephanie Guidry reported the recommendations of the Medical Executive Committee to the Governing Board related to Credentialing and Privileging as follows:

**Reappointments:**

- **Kristi Prejeant, MD – Active – General Surgery**
- **William Curran, MD – Consulting – Emergency Medicine**
- **Levie Johnson, MD – Consulting – Emergency Medicine**

**Mr. Eugene Foulcard moved to approve Dr. Kristi Prejeant – Active – General Surgery, Dr. William Curran – Consulting – Emergency Medicine and Dr. Levie Johnson – Consulting – Emergency Medicine with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.**

**VII. NEW BUSINESS**

**A. Discuss and Approve**

**1. Architect Contract – Building out MOB/Suite C**

Ms. Stephanie Guidry discussed the proposed Architect Contract with Architect Design Studios for the build-out of Suite C in the Medical Office Building (“MOB”) located at 200 Medical Drive., Franklin, La. She explained the architect’s basic services include plan and develop all design schematics, governmental approval of constructions documents, and utility services documents. She added the architect will follow state and parish bidding process for the project ensuring competitive bids where applicable, assist with negotiating proposals, construction phase services and project completion. Ms. Guidry reported the Hospital may terminate this Agreement for the Hospital’s convenience, without cause, upon less than seven (7) days’ written notice to the Architect. She stated the total estimated construction cost pre-bidding is \$441,765; this has a 10% contingency of \$44,176 and \$33,132 Architect and Engineering Fees (7.5%). She also noted the draft contract was reviewed and modified as needed by Ms. Lanzi Meyers of the Gachassin Law Firm. Ms. Guidry requests that the Board approve the Architect Contract.

**Mr. Robert Allain, II made motion to approve the building out MOB/Suite C with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

**2. COVID-19 Response Activation Policy**

Ms. Michelle Skillings explained the COVID-19 Response Activation Policy. She stated the purpose of this policy is to provide an organized and integrated response from the Hospital staff when a patient presents to the Emergency Department and FFH Clinics with symptoms consistent with active COVID-19 infection. Ms. Skillings requested that the Board approve the COVID-19 Response Activation policy.

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**Mr. Clegg Caffery moved to approve the COVID-19 Response Activation Policy with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.**

**3. Fiscal Year 2019 Medicare & Medicaid Cost Report Update**

Mr. Ron Bailey reported on the FY 2019 Medicare and Medicaid cost reports. He noted that the final reports were in draft form at the February 27<sup>th</sup> meeting and were finalized and filed timely by the due date. He noted that the Hospital was overpaid by Medicare by \$58,041; that amount was paid to Medicare on March 27, 2020. He also noted that the Hospital was due \$161,733 from Medicaid and Medicaid Managed Care Organizations.

**4. Discuss Capital One Bank/Franklin, La.**

Mr. Ron Bailey advised the Board that Capital One Bank announced that it would close its branch office in Franklin on May 19, 2020. Mr. Bailey inquired if the Board had a preference as to using a bank that had a branch office in Franklin. After a brief discussion, the Board determined that it preferred to keep the banking business local noting that it would help the local economy. Mr. Clegg Caffery made recommendations to reach out to First National Bank, Regions Bank, and Hancock Whitney (local banks). Mr. Bailey noted that the Hospital would do a Request for Proposals for a fiscal institution.

**5. Request for reimbursement on land purchase – Lot 4F(b)**

Mr. Bailey requested Board approval for reimbursement of \$60,806, from restricted funds, for the purchase of Lot 4F(b).

**Mr. Robert Allain, II moved to approve the request for reimbursement on land purchase for Lot 4F(b) with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

**6. Resolution to open a bank account at Patterson State Bank**

Mr. Bailey discussed the request to approve a resolution authorizing the Hospital to open a bank account at Patterson State Bank. He explained that the Hospital applied for a Small Business Administration (“SBA”) Paycheck Protection Program loan through Patterson State Bank. He noted that the loan is one part of assistance available under the CARES Act that has various programs to support businesses impacted by the COVID-19 pandemic. Mr. Bailey noted that the account needs to be opened to accept the deposit of the loan proceeds once the loan is approved by the SBA.

**Ms. Didi Battle moved to approve the resolution to open a bank account at Patterson State Bank with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.**

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**B. Discuss and Approve Capital Requests**

**1. Stryker Neptune 3 Rover**

Ms. Michelle Skillings discussed this request to purchase a Stryker Neptune 3 large volume suction system for Surgery. She stated the unit will be needed for the expected increase in orthopedic surgical volume from the OrthoLA contract. She reported the purchase price is \$23,195. Ms. Skillings requested that the Board approve the Stryker Neptune 3 Rover.

**Mr. Eugene Foulcard made motion to approve the Stryker Neptune 3 Rover with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.**

**VIII. FINANCE REPORT**

**A. February 2020 Financials Report**

Mr. Ron Bailey presented the Financial Report for February 2020, the fifth month of Fiscal Year (“FY”) 2020. He explained that February was a shorter month in terms of the number of business days in addition to the Mardi Gras holiday on February 25<sup>th</sup>. The Hospital recorded revenues in excess of expenses of \$4,003 for the month compared to budgeted revenues in excess of expenses of \$120,027.

Mr. Bailey reported on the February 2020 operating statement noting that total patient revenue was \$3,149,876 which was under budget for the month on lower overall volumes. He reported that total deductions from revenue were (\$79,175) under budget for the month of February noting that overall Medicare and Medicaid contractual adjustments, including clinics, were under budget by approximately (\$321,650). He also discussed other adjustments which were \$106,340 over budget for February due to an increase in Blue Cross adjustments, administrative adjustments and commercial denied claims. He reported in other operating revenue was 37.72% over budget for February. This increase is due to an increase of \$86,800 in the monthly accrual for rural UPL (formerly “DSH”). He noted that in early February, the Hospital received rural UPL funds that represented approximately 54% of the FY 2020 FY total which were significantly higher than the FY 2020 budget. As such, the monthly accrual was adjusted to reflect the higher expected amount.

Mr. Bailey discussed operating expenses noting a large variance in leases and rentals expenses which were (\$55,031) under budget for the month. He explained that the decrease resulted from a FYE 2019 audit adjustment that reclassified the OmniCell equipment lease from an operating lease to a capital lease under new accounting rules. He noted that as a result, the Hospital credited lease expense for (\$50,559). He stated the expense will be recognized as depreciation expense over the life of the lease.

Mr. Bailey then reported on the balance sheet for February noting that operating cash at the end of February 2020 increased by \$1,736,166 from the prior month. Included in February’s operating cash receipts was \$1,818,619 of FY 2020 rural UPL (formerly “DSH”), of which (\$160,380) was recorded as restricted cash, millage revenue of \$268,285 of which \$268,126 is CY 2019 millage and net physician UPL of \$514,621.

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Mr. Bailey stated days cash on hand in February were 159.7 days (tending 3-month average) compared to 136.8 days of cash at the end of January.

**Mr. Eugene Foulcard made motion to accept the February 2020 Financial Reports with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.**

**B. March 2020 Financials Report**

Mr. Bailey presented the Financial Report for March 2020, the half-way mark of Fiscal Year ("FY") 2020. He noted that March 2020 results were impacted by actions taken by the State of Louisiana in its efforts to slow the spread of COVID-19 virus. He advised that the Governor declared a statewide public health emergency while the Louisiana Department of Health directed that all elective medical procedures were postponed until further notice. Mr. Bailey noted that the Governor also issued a proclamation, effective on March 23, 2020, that placed all individuals within the state under a general stay-at-home order. These actions, he noted, impacted the Hospital's outpatient ancillary and Clinic revenues.

Mr. Bailey discussed the operating indicators and financial class percentages as they compared to the month's budget noting the significant impact from the state's actions.

Mr. Bailey then discussed the Statement of Revenues and Expenses noting that total patient revenue was \$2,777,548 which was approximately (\$781,000) under budget for the month on lower overall volumes. He noted that the overall operating expenses were slightly under budget for the month. Mr. Bailey advised that the bottom line for March showed expenses in excess of revenues of (\$204,652) compared to budgeted revenues in excess of expenses of \$120,027.

Mr. Bailey reported on the balance sheet noting that operating cash at the end of March 2020 was \$10.473 million, a decrease of (\$483,979) from the prior month. He stated that included in March's operating cash receipts was \$308,338 of FY 2020 rural UPL (formerly "DSH"). He noted that the Hospital received \$22,831 of CY 2019 millage revenue.

Mr. Bailey stated days' cash on hand in March were 153.3 days (trending 3-month average) compared to 159.7 days of cash at the end of February.

Mr. Bailey presented the Investment Reports. Mr. Bailey requested that the Board approve the Finance Reports of March 2020 and the Investment Reports.

**Mr. Eugene Foulcard made motion to accept the March 2020 Financials Report with Mr. Robert Allain, II seconding the motion. The motion carried unanimously**

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**IX. QUALITY COMMITTEE REPORT**

**A. Organizational Quality Data – Ms. Joyce Andrico, Director of Quality  
Deferred**

**X. MANAGEMENT REPORT**

**A. Administration Report – Ms. Stephanie Guidry, CEO  
Deferred**

**B. Nursing Report – Ms. Michelle Skillings, CNO  
Deferred**

**C. Clinic Report – Mr. Ron Bailey**

**1. February 2020**

Mr. Bailey discussed the clinic report for the month noting the decrease in clinic accounts receivable. He then discussed clinic visit activity for the month of February 2020 as compared to February 2019 noting that February 2020 clinic visits were down over February of the prior year. Mr. Bailey also 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.

**2. March 2020 Report**

Mr. Bailey then discussed the clinic report for March noting a continued decrease in clinic accounts receivable due to a decline in clinic visits caused by COVID-19. 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. Don Smithburg, CHC Sr. VP Hospital Operations  
Deferred**

**XI. EXECUTIVE SESSION**

**A. Strategic Planning**

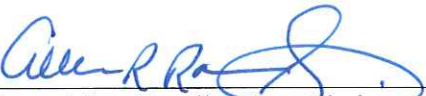
**XII. ACTION(S) TAKEN**

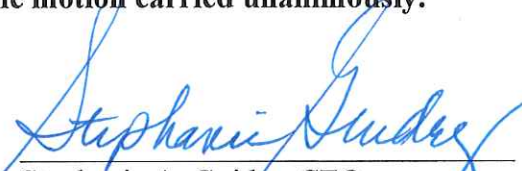
**NONE**

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**XIII. ADJOURN**

**With no further business to discuss, Mr. Robert Allain, II moved with Mr. Eugene Foulcard seconding the motion to adjourn at 6:47 p.m. The motion carried unanimously.**

  
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Rev. Allen Randle, Sr. - Chairman

  
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Stephanie A. Guidry, CEO