

**BOARD OF COMMISSIONERS  
MEETING MINUTES  
SEPTEMBER 24, 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., September 24, 2020.

MEMBERS PRESENT

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

ALSO PRESENT

Stephanie Guidry, CEO  
Ron Bailey, CFO  
Michelle Skillings, CNO  
Russell Cremaldi, Legal Counsel  
Dr. Kennan Buechter, Chief of Staff  
Sharon Procell, Executive Assistant  
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, HIM Director/Compliance Officer

Conference Call

Didi Battle

Conference Call

Lanzi Meyers, Legal Counsel, Gachassin Law Firm  
Don Smithburg, VP, CHC

ABSENT

GUEST

David Koford, VP of Health Plan Contracting w/CHC  
Tyler "Ty" Dartez w/Architect Design

**I. CALL TO ORDER**

With a quorum, the meeting was called to order by the Chairman, Rev. Allen Randle, Sr. at 6:00 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 – September 3, 2020**

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**Mr. Eugene Foulcard moved to approve the minutes of the Board of Commissioners meeting held September 3, 2020 with Mr. Clegg Caffery, Jr. seconding the motion. The motion carried unanimously.**

**VI. MEDICAL STAFF REPORT**

**A. Credentials & Medical Executive Reports**

Dr. Kennan Buechter reported the recommendations of the Medical Executive Committee to the Governing Board related to Credentialing and Privileging as follows:

**Reappointments:**

- **Mark Koepp, CRNA - Advance Practice Professional – Anesthesia**
- **Lisa Altmann, MD – Consulting – Pathology**
- **Deborah Lastrapes, MD – Consulting – Pathology**
- **Chrissy Lalonde, MD – Consulting – Pathology**
- **Karen Simpson, MD – Consulting - Pathology**

**Dr. Roland Degeyter moved to approve the reappointments of Mark Koepp, CRNA – Advance Practice Professional, Dr. Lisa Altmann, Dr. Deborah Lastrapes, Dr. Chrissy Lalonde and that of Dr. Karen Simpson – Consulting – Pathologist with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.**

Dr. Kennan Buechter discussed that MEC accepted the changes to the List of Scheduled I Telemedicine providers as follow:

**Virtual Radiology requests to remove:**

- **Michael Parker, MD - Consulting – VRad**

**Ochsner Telemedicine requests to add:**

- **Hunter Caskey, MD – Consulting – Psychiatry**

**VII. NEW BUSINESS**

**A. Discuss and Approve**

**1. “VA Community Care Network”**

**by David Koford, VP of Health Plan Contracting w/CHC**

Mr. Don Smithburg asked to move this to the CHC Management report.

**2. Winning Bid for the MOB – Suite C**

**by Ty Dartez w/Architect Design**

Mr. Ty Dartez reported that he completed vetting the lowest bidder, B.E.T.

Construction, Inc, for the project to build out Suite C at the MOB. He stated he

contacted a contractor who works with B.E.T. on a regular basis and received many

compliments on their performance and qualifications. He also reported he reviewed

B.E.T.’s Contractor’s Statement of Qualifications and determined it to be satisfactory.

Mr. Dartez stated that, based on the aforementioned findings and the bid was in

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budget, the bid is determined to be the lowest responsible and therefore, he recommended its acceptance as submitted in the amount \$387,120.00. Ms. Stephanie Guidry requested that the Board approve the Bid from B.E.T. Construction at \$387,120.00.

**Mr. Robert Allain, II made motion to approve the Bid from B.E.T. Construction at \$387,120 with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

**3. Discuss and Approve M.E. & A. Project No. 14355 Drainage Improvements for Proposal Wellness Center to be Located Adjacent to Franklin Foundation Hospital**

Ms. Guidry discussed that nine (9) contractors received an invitation to quote on the drainage improvements for the proposed Wellness Center (Project No.14355) from Miller Engineers & Associates, Inc. and out of the nine (9), five (5) quotes were received with the low quote being that of Frisco Industrial Contractors, LLC of Franklin, La. in the amount of \$141,000.00 (see handout for details). Ms. Guidry requested that the Board approve Frisco Industrial Contractors at the amount of \$141,000.00 for the drainage improvements.

**Mr. Robert Allain, II made motion to approve Frisco Industrial Contractors at the amount of \$141,000 for the drainage improvements with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

**4. Engagement Letter from Langlinais, Broussard, & Kohnlenberg CPA's for FY2020 Audit and Medicare Cost Report**

Mr. Ron Bailey discussed the terms of the proposed agreement for completion of the FY 2020 audit and the FY 2020 cost reports (cost reports to be filed by 2/28/2021). He stated the audit fees were estimated not to exceed \$30,000; this is an increase of \$2,000 over FY 2019. Mr. Bailey noted that the Cost Report fees are estimated at \$11,500 for Medicare and Traditional Medicaid with a single fee of \$1,500 for the five MCOs; no increase over FY 2019. He also advised that, as a result of the Hospital's receipt and acceptance of federal CARES Act Provider Relief Funds, there will need to be a separate audit known as a "Single Audit" which is a Federal requirement. He noted that the auditors will provide a separate quote for that audit as they are awaiting audit guidance from the Federal agency. Mr. Bailey requested that the Board approve the CPA's Audit and Medicare Cost Report proposed engagement.

**Mr. Robert Allain, II made motion to approve the FY2020 Audit and Medicare Cost Report with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.**

**5. Discuss and Approve Louisiana Legislative Auditor Compliance Questionnaire**

Mr. Bailey presented the Louisiana Legislative Auditor Compliance Questionnaire which he noted is required to be presented and approved by the Board for submission to the Hospital's auditors prior to the start of the annual audit. Mr. Bailey requested that the Board approve the Louisiana Legislative Auditor Compliance Questionnaire.

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**Mr. Eugene Foulcard made motion to approve the Louisiana Legislative Auditor Compliance Questionnaire with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.**

**6. Discuss Long-Term Debt**

Mr. Bailey discussed the status of the Hospital's long-term debt. In particular, he discussed the 2010 revenue refunding bonds noting that, with extra monthly principal payments, the Hospital will finish the payment of those bonds in August 2021, a full six years early. Mr. Bailey then discussed the USDA revenue bonds that bear interest at 4.25% and have a maturity schedule ending in September 2047. Mr. Bailey discussed the impact to interest expense should the USDA revenue bonds be refinanced at a lower interest rate. He also noted that the Hospital can add extra principal payments once the 2010 revenue bonds are paid in August 2021. Mr. Bailey asked the Board for its preferences as to options for the USDA long-term debt. The Board requested that Administration explore the impact of refinancing the USDA bonds as well as the impact of making extra principal payments as was done with the 2010 revenue bond.

**Mr. Robert Judice, Jr. made motion to direct administration to look into refinancing the long-term debt and the impact if the Hospital pays down principal, with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

**7. Discuss FY 2021 Operating Budget**

Mr. Bailey presented the Operating Budget for FY 2021. He discussed the budget summary that noted the main assumptions. He noted that the budget reflected a 13% projected growth in total patient revenue. In addition, he noted budgeted tax revenue is at \$2,213,000 and Rural UPL at \$3,000,000 (in operating income). He also noted that the budget assumed a Physician Reimbursement Rate Enhancement (formerly Physician UPL) of \$2,116,000 (a reduction of Medicaid contractual adjustments). Mr. Bailey advised that the assumptions included a proposed maximum 3% merit increase (\$341,537) for FY 2021. He also noted that the budget assumed another full Capacity Grant funds net to the Hospital of \$2,441,000 (non-operating revenue at the 2018 level). He stated in the assumptions included an increase in FY2021 Group Health Insurance Expense of \$161,886 (11.1%) based on the actual policy cost, FY2021 Estimated Pension Cost at \$230,000 and Bad debt expense estimated at \$1,707,468.

Mr. Bailey continued with the budget summary. He discussed the FY2021 budgeted volumes noting budget decrease in Med/Surg patient days. He noted budgeted increases in Swing Bed days, Newborn days, Emergency Room visits, Outpatient Visits, Surgical Procedures plus Endo, and Clinic visits.

Mr. Bailey discussed in detailed the statement of Revenue and Expenses for the FY2021 Budget noting that the budget bottom line was \$1,279,952 of revenue in excess of expenses.

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- Mr. Bailey requested that the Board approve the FY 2021 Operating Budget as presented.

**Mr. Clegg Caffery, Jr. made motion to approve the Operating Budget FY2021/2021 with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.**

**B. Discuss and Approve Capital Requests**

**1. Six (6) Hill-Rom Med/Surg Patient Beds**

Ms. Michelle Skillings stated this request is to purchase six (6) Hill-Rom Centrella Smart+ Beds that include, among other features, fall prevention, pressure injury prevention and continuous heart rate and respiratory rate monitoring. She stated the current patient beds are aging and are requiring more repairs. She reported this is included in the FY 2020 capital budget for six (6) Advanta 2 beds, at a cost of \$46,088, but those are no longer available. The purchase price is \$49,774. Ms. Skillings requested that the Board approve the purchase of six (6) Hill-Rom Med/Surg Patient Beds.

**Dr. Roland Degeyter made motion to approve the purchase of six (6) Hill-Rom Med/Surg Patient Beds with Mr. Clegg Caffery, Jr. seconding the motion. The motion carried unanimously.**

**2. 3M Versaflo “PAPR” Kits**

- Ms. Skillings explained that this request is to purchase 3M Versaflo Powered Air Purifying Respirators (“PAPR”) Kits. This request is in response to the COVID-19 pandemic. She discussed that the PAPR system uses a battery-powered blower instead of lung power to draw air through the filter. She stated this lets the user breathe more naturally while feeling a constant airflow in the head top while working. Ms. Skillings noted that the various components of a 3M PAPR system are designed to work together as a single unit – combining respiratory, head, eye, and face protection. Mr. Bailey stated the funding will come from the CARES ACT stimulus funds subject to the terms of use of the stimulus funds. The purchase price is \$28,000.00.

Ms. Skillings requested that the Board approve the 3M Versaflo “PAPR” Kits.

**Mr. Robert Allain, II made motion to approve the purchase of 3M Versaflo “PAPR” Kits with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.**

**VIII. FINANCE REPORT**

**A. August 2020 Financials Report**

Mr. Ron. Bailey presented the Financial Report for August 2020, the eleventh month of Fiscal Year (“FY”) 2020. The Hospital recorded expenses over revenues in the amount of (\$123,798) for the month compared to budget of \$120,027.

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Mr. Bailey stated that August 2020 results were affected by Hurricane Laura which caused the Hospital to cancel elective procedures, outpatient visits and the closure of clinics for two and one-half days in the month. This contrasted with July and June 2020 in which the Hospital saw increased outpatient ancillary activity as well as increased Emergency Room visits while the Hospital's clinics also experienced an increase in activity.

Mr. Bailey reported on the August 2020 operating statement noting total patient revenue of \$2,948,058 that was under budget for the month. He stated prior to August results, total patient revenue had increased each month from the April 2020 low that resulted from the impacts of the pandemic. Except for inpatient revenue, all other patient revenues were below budget for the month because of lower volumes. He discussed the total deductions from revenue were under budget for the month of August. He noted in the past months Medicaid and Medicare Adjustments included a reduction of (\$194,196) which represented the current month's accrual of the gross FY 2020 Physician Rate Enhancement Funds ("PREP") UPL program. He stated the UPL process has been modified to include IGTs under the LINCCA hospitalist program that resulted in an additional (\$14,556) reduction in Medicaid contractual adjustments as part of the change.

Mr. Bailey discussed the salaries and wages of \$1,244,082 were over budget for the month. He stated the increase is primarily due to amounts paid under the Hospital's Hazard Pay Policy (the "Policy"), as it applies to the COVID-19 pandemic. He noted, the lump sum payment, which was grossed up to cover payroll tax expenses to the employee, totaled \$110,608. In addition, Hazard Pay differentials paid in August totaled \$39,220. He also reported the Hospital recorded three payroll periods in August which added to the variance from budget.

Mr. Bailey discussed the balance sheet for August 2020 noting an increase in cash of \$409,633 from the prior month. He noted included in August's operating cash was \$928,000 received under the physician UPL program.

Mr. Bailey noted days cash on hand in August were 124.7 days (trending 3-month average) compared to 126.8 days of cash at the end of July.

**Mr. Eugene Foulcard made motion to approve the August 2020 Financial Reports with Mr. Clegg Caffery, Jr. seconding the motion. The motion carried unanimously.**

**IX. QUALITY COMMITTEE REPORT**

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

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**X. MANAGEMENT REPORT**

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

- The Hospital have received new guidance how to document and record the Cares Act Funds. Once we have had a chance to review and understand the rules, we will inform the board.
- Lump sum hazard pay as been paid, the total amount was \$110,000 which included grossing up of the dollars, so the hospital paid the taxes on the lump sum. Hourly differential will continue until December 31<sup>st</sup> per policy.
- Hurricane Laura, staff did well, we had water intrusion in a couple of rooms in Med Surg and a small amount of siding on the OrthoLa building blew off
- Demolition of Chez Hope building is completed
- Working with our team on the hospital budget
- Wellness Center Design process is on going
- CMAR process is in place CMAR committee will meet Sept. 28<sup>th</sup> for selection of top 2-3 construction companies for the Wellness Center. Once this has been done the committee will interview top selection
- Ribbon cutting for OrthoLa was today at 3:00 pm; attendance was good
- See the CEO report for more details

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

- During September, the census in Medical Surgical Unit has had less than expected. The emergency room had 809 patient visits for August
- COVID-19 seems to be leveling off in our community and we are seeing fewer positive patients
- The hospital had a wonderful success story of one of our patients that was COVID positive and made it off the vent. She thanked Dr. Degeyter and the awesome staff (great example of teamwork)
- Hospital has a 13% positively rate; we need to be around 5%
- Still on track to go live with NRC Health by Oct. 1<sup>st</sup>
- Doing daily environmental rounds with focus on cleanliness of the hospital, proper hand hygiene, enforcing social distancing and mask wearing.
- See the CNO report for more details

**C. Clinic Report – Ms. Collette Vaccarella, Director of Patient Financial Services and Co-Director of Physician Services**

Ms. Vaccarella discussed the clinic report for August noting a decrease in clinic accounts receivable compared to prior month. She discussed clinic visit activity for the month of August 2020 as compared to August 2019 noting that August 2020 clinic visits were down over the prior year. She noted due to Hurricane Laura the clinic was closed for couple days and had two (2) physicians out for a week during the month of August. Mr. Bailey presented the consolidated clinic cost center income statement noting that the clinics posted a consolidated loss for the month. Mr. Bailey also discussed the Hospital activity generated by the clinic physicians.

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**D. Marketing Report – Mr. Kevin Romero, Director of Marketing/Business Development and Co-Director of Physician Services**

Mr. Kevin Romero reported highlights:

- Focusing on Men’s Health (Take the Time to Take Care of Yourself)
- Another focus is Women’s Health (As a Woman You Care for Others)
- Labor & Delivery / OB Services (Expect the Best When You’re Expecting)
- Employee testimonial (see attached for details)
- Patient Success story (Kevin presented a patient video)
- Breast Cancer Awareness month
- Continue to promote OrthoLa
- The Fall issues of St. Mary Health are available

**E. CHC Management Report - Mr. Don Smithburg, CHC Sr. VP Hospital Operations**

Mr. Don Smithburg introduced Mr. David Koford, VP of Health Plan Contracting with Community Health Consulting.

**“VA Community Care Network”**

Mr. David Koford presented “VA Community Care Network”. He discussed the VA Healthcare Legislation, VA PC3 vs CCN, the Authorization Criteria, and the VA CCN Contract Status & Terms. (see presentation for details)

**Dr. Roland Degeyter made motion to accept the Management Reports with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.**

**XI. EXECUTIVE SESSION**

**A motion was made by Mr. Eugene Foulcard to move into Executive Session at 7:33 p.m. with Mr. Clegg Caffery, Jr. seconding the motion. The motion carried unanimously.**

- A. Compliance Report**
- B. Strategic Planning**

**With no further business to discuss in Executive Session, a motion was made by Dr. Roland Degeyter and seconded by Mr. Clegg Caffery, Jr. to exit Executive Session at 7:40 p.m. The motion carried unanimously.**

**XII. ACTION(S) TAKEN**

- A. Approve Compliance Report**

**Mr. Eugene Foulcard made motion to approve the Compliance Report with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.**



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**XIII. ADJOURN**

**With no further business to discuss, Mr. Clegg Caffery, Jr. moved with Mr. Robert Judice, Jr. seconding the motion to adjourn at 7:42 p.m. The motion carried unanimously.**

  
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Rev. Allen Randle, Sr. - Chairman

  
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Stephanie A. Guidry, CEO