

**BOARD OF COMMISSIONERS
MEETING MINUTES
JUNE 24, 2021**

The Board of Commissioners of Franklin Foundation Hospital, Hospital Service District No. 1, St. Mary Parish, met in regular session at 6:20 p.m., June 24, 2021.

MEMBERS PRESENT

Allen Randle, Sr., Chairman
Robert Allain, II
Don T. Caffery, Jr.
Didi Battle
Dr. Roland Degeyter
Robert Judice, Jr.

ABSENT

Eugene Foulcard

GUEST

Dr. Mark Lindsey, Medical Director w/Allevant

ALSO PRESENT

Stephanie Guidry, CEO
Ron Bailey, CFO
Don Smithburg, SVP, CHC
Michelle Skillings, CNO
Joyce Andrico, Risk Manager
Collette Vaccarella, Director of Business
Office & Co-Director of Physician Services
Bart Folse, Chief Development Officer
Tina Petry, Director of HIM
Sharon Procell, Executive Assistant

Conference Call

Lanzi Meyers, Legal Counsel
Russell Cremaldi, Legal Counsel

I. CALL TO ORDER

With a quorum present, the meeting was called to order by the Board Chairman, Mr. Allen Randle, Sr. at 6:20 p.m.

II. INVOCATION

Mr. 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 – May 27, 2021

Mr. Robert Judice, Jr. moved to approve the minutes of the Board of Commissioners meeting held on May 27, 2021, with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.

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VI. MEDICAL STAFF REPORT

A. Credentials & Medical Executive Reports

Ms. Joyce Andrico reported on behalf of Dr. Kennan Buechter. She reported the recommendations of the Medical Executive Committee (the “MEC”) to the Governing Board related to Credentialing and Privileging as follows:

Re-Appointments:

- **Geralynn Reine, MD – Consulting – Emergency Medicine**
- **Craig Gauthier, MD – Courtesy – OB/GYN Medicine**
- **Richard Vanbergen, MD – Consulting – Radiology**
- **Stacie Miguez, NP – Advance Practice Professional**
- **Magan Kovac, NP – Advance Practice Professional**

Ms. Andrico requested that the Board approve the Re-Appointments.

Dr. Roland Degeyter moved to approve the Re-appointments of Dr. Geralynn Reine – Consulting – Emergency Medicine, Dr. Craig Gauthier – Courtesy – OB/GYN Medicine, Dr. Richard Vanbergen – Consulting – Radiology, Stacie Miguez, NP – Advance Practice Professional, and that of Magan Kovac, NP – Advance Practice Professional with Mr. Don T. Caffery, Jr. seconding the motion. The motion carried unanimously.

Ms. Andrico stated that MEC accepted the changes from Virtual Radiology Telemedicine to reappoint the following:

- **Thomas Vreeland, MD - Consulting – VRad**
- **Alan Pratt, MD – Consulting - VRad**

MEC accepted the changes from Ochsner Telemedicine to reappoint the following:

- **Louis Cannizzaro, MD – Consulting – Psychiatry**

B. Approved Policies & Procedures / Protocols / Orders

- 1. Plan of Provisional Care**
- 2. Investigational Drugs**
- 3. Medication Waste**
- 4. Storage Temperatures**
- 5. First Dose Review of Orders**
- 6. Outpatient Medication Administration**
- 7. Pharmacy Guidelines**
- 8. Compounding Procedures**

Ms. Andrico stated that MEC approved the listed policies & procedures, protocols, and orders with minor changes and/or due for annual review. Ms. Andrico requested that the Board approve the listed policies & procedures, protocols, and orders.

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Dr. Roland Degeyter made motion to approve the Plan of Provisional Care, Investigation Drugs, Medication Waste, Storage Temperatures, First Dose Review of Orders, Outpatient Medication Administration, Pharmacy Guidelines, and Compounding Procedures with Mr. Don T. Caffery, Jr. seconding the motion. The motion carried unanimously.

VII. NEW BUSINESS

A. Discuss and Approve:

1. Allevant Presentation – Dr. Mark Lindsay

Dr. Mark Lindsay discussed Allevant’s Transitional Care Program noting that Allevant is a joint venture between Mayo Clinic and Select Medical. He explained that the company offers consulting services for Critical Access Hospitals (“CAH”) and other providers to develop post-acute care programs focused on measured outcomes and evidence-based processes to ensure patients get the best care possible. He stated the Transitional Care Program is centered on teamwork, communication, and collaboration. Dr. Lindsay explained how Allevant can help the Hospital deliver more care locally by partnering with acute hospitals to:

- ✓ Admit more patient directly rather than stabilize and transfer
- ✓ Minimize transfers of patients that experience a significant change of condition
- ✓ Become a discharge destination
- ✓ Reduce readmissions
- ✓ Strengthen referral relationships

Benefits to the Hospital:

- ✓ Improve patient outcomes
- ✓ Improve patient and employee satisfaction
- ✓ Enhance clinical competencies of your staff
- ✓ Increase volume, revenues and profitability
- ✓ Add new clinical services and enhance outpatient services
- ✓ Stabilize census and staffing needs
- ✓ Create larger critical mass of operations to reduce variability and costs

Provides to the Hospital:

- ✓ Detailed project plan and identification of key roles based on existing resources
- ✓ Expert clinical consultation to overcome barriers
- ✓ Comprehensive quality and patient safety program
- ✓ Extensive multi-disciplinary clinical training and learning management system
- ✓ Quality database management for patient outcomes and reporting

2. Tax Millage Assessment for Calendar Year 2021

Mr. Ron Bailey advised the Board that the Louisiana Legislative Auditor’s Office contacted him to advise that the Hospital needed to re-do the adoption of the calendar year 2021 millage rates that were originally adopted at the Board’s meeting on May 27, 2021. The Legislative Auditor’s Office noted that the Public Notice posted for the meeting on May 27, 2021 contained the certification that, due to COVID-19, the

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meeting would be conducted via teleconference. Because a quorum was present for the May meeting the certification did not apply. As directed, the Hospital posted the Public Notice, without the COVID-19 certification, for the meeting on June 24, 2021. Mr. Bailey stated that was the only change, as related to the millage rate adoption requirements, from the meeting on May 27, 2021. Mr. Bailey requested that the Board approve the Tax Millage Assessment for Calendar Year 2021. Mr. Allen Randle, Sr. opened the floor for Public Comments concerning the Tax Millage Assessment for Calendar Year 2020. There was no public comment.

Mr. Robert Allain, II made motion to approve the Tax Millage Assessment for Calendar Year 2021 with Ms. Didi Battle seconding the motion. The motion carried unanimously.

3. Discuss and Approve Restricted Funds

Mr. Bailey explained that for the FY 2020 audit, the Hospital's auditor re-classified amounts received under the CARES Act as operating cash rather than Board-restricted funds. Mr. Bailey noted that the classification as Board-restricted funds was based on CHC guidance at the time the funds were received and that such guidance was reported to the Board at that time. The auditor made the decision to re-classify the amounts as there was not a specific Board action to restrict the funds. Mr. Bailey requested that the Board approve the re-classification of those amounts to Board-restricted cash. He also requested the Board's approval that any future amounts that might be received under the CARES Act or other COVID-19 funding be recorded as Board-restricted funds.

Ms. Didi Battle made a motion to approve reclassification of the CARE Act-related funds to Restricted Funds and that any future amounts that might be received under the CARES Act or other COVID-19 funding be recorded as Board-restricted funds with Mr. Robert Allain, II seconding the motion. The motion carried unanimously.

B. Discuss and Approve Capital Requests

1. PCA Pump Kits

Ms. Michelle Skillings reported this request is to purchase five (5) B. Braun Perfusor PCA pump kits with PCA Lockbox. She stated this type of pump allows for more accurate visualization of the calibrated syringe to see how much medicine remains (such as pain medication). She noted these pumps are needed as there is a recall of our current pumps. Ms. Skillings reported the purchase price is \$15,650 and this was included in the approved FY 2021 capital budget. She requested that the Board approve the PCA Pump Kits.

Ms. Didi Battle made motion to approve the PCA Pump Kits with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

2. Stryker Neptune 3 Rover

Ms. Skillings reported this request is to purchase a Stryker Neptune 3 large volume suction system for Surgery. She stated that due to an increase in the volume of cases being done, the Hospital needs a unit for each OR. The Hospital purchased

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the first unit in May of 2020. She reported the purchase price is \$12,500 and that the amount was in the approved FY 2021 capital budget. Ms. Skillings requested that the Board approve the purchase of the Stryker Neptune 3 Rover.

Ms. Didi Battle made motion to approve the Stryker Neptune 3 Rover with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

3. Epidural Pump Kits

Ms. Skillings reported this request is to purchase four (4) Eitan Sapphire Epidural Pump Kits. She stated the current pumps have been recalled. This purchase was included in the approved FY 2021 capital budget at a cost of \$5,800. She noted these will be used in surgery and labor/delivery. Ms. Skillings requested that the Board approve the Epidural Pump Kits.

Ms. Didi Battle made a motion to approve the Epidural Pump Kits with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

4. Philips IntelliVue Monitor

Ms. Skillings reported this request is to purchase one (1) Philips Model MX100 IntelliVue Patient Monitor. She stated this purchase, for Labor and Delivery, is needed as there are no newborn monitors in the labor rooms. She reported the purchase was included in the approved FY 2021 capital budget at \$5,069. Ms. Skillings requested that the Board approve the Philips IntelliVue Monitor.

Ms. Didi Battle made motion to approve the Philips IntelliVue Monitor with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

VIII. FINANCE REPORT

A. May 2021 Financial Report

Mr. Bailey presented the Financial Report for May 2021, the eighth month of Fiscal Year ("FY") 2021. He reported that the Hospital recorded revenues in excess of expenses in the amount of \$752,176 for the month compared to budget of \$110,331.

Mr. Bailey discussed the May 2021 operating statement noting total patient revenue of \$3,474,066 which was right at budget for the month. He stated the May's total revenue was down (6.30%) compared to the prior month.

Mr. Bailey discussed total deductions from revenue that were (\$90,109) under the budget for the month. He reported that Medicare and Medicaid Adjustments were (\$177,367), under budget due primarily due to Hospital Medicare contractual adjustments under budget by a combined (\$207,947) for the month. He noted that the decreases were partially offset by Hospital Medicaid contractual adjustments that were \$87,325 over budget for the month due in part to lower reimbursement rates, as a percentage of cash receipts, as well as a number of denied claims that were recorded in May. He also discussed other adjustments that were \$185,039 over budget for May. He explained these

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adjustments include Blue Cross, Commercial and Medicare Advantage adjustments. He reported the increase in May is due in part to the overall increase in Medicare Advantage. For May 2021, Medicare Advantage revenues were approximately 73.00% over budget for the month.

Mr. Bailey reported that other revenues were (8.55%) under budget for May. He explained the decrease is primarily due to a reduction in the estimated monthly accrual for rural (formerly DSH). He noted that based on an updated estimate for FY 2021, the Hospital is expected to receive (\$138,000) less in total compared to budget. As such, the monthly adjustments will be reduced to (\$16,800) for the remainder of the fiscal year.

Mr. Bailey discussed non-operating income that was over budget by \$695,003. He explained that the increase is due to an adjustment of the amount accrued for the Full Medicaid Capacity Grant program. He advised the FY 2021 grant was budgeted at \$2,441,443 based on expectations at the time that there would be less funds available for the Hospital to match under the state's Medicaid program. He explained that the amount of funds available for this program are dependent, among other factors, on the amount of Medicaid capacity available to the state by the end of the state's fiscal year on June 30th and by the federal match percentage required for the state to draw Medicaid funding. He stated the Louisiana Department of Health (the "LDH") advised on June 8, 2021, that the IGT required for this year's program was the full amount as in the prior year. Based on the Medicaid match percentage provided by LDH, the IGT indicated that the full gross funding of \$6,000,000 was available for the current fiscal year. The Hospital made the IGT for \$1,954,800 on June 16, 2021. After recovery of the IGT and processing fees to the Rural Hospital Coalition, the net amount available for the current year would be \$3,985,200. Mr. Bailey explained that in prior years, a portion of the funds received were paid to Teche Action Board ("TAB") under the terms of a cooperative endeavor agreement. He reported that Senator Allain advised that he had successfully worked to secure a separate funding source for TAB for this fiscal year. As such, the entire \$3,985,200 will be recorded by the Hospital as grant funds that would be restricted for use on the Wellness Center project. He noted LDH has not established the date when the funds will be distributed.

Mr. Bailey discussed the balance sheet for May 2021 noting that operating cash was \$8,670,675, an increase of \$925,488 from the prior month. He reported that included in May's operating cash was \$1,260,004 received under the physician UPL program; of this amount \$591,816 represents the return of the IGT made in April 2021. He also stated that May's operating cash included \$220,321 of rural UPL and \$28,293 of millage and state revenue sharing as well as \$105,663 of funds transferred from Medicare Accelerated and Advanced Payment funding (restricted cash).

Mr. Bailey then discussed the balance in CARES ACT and Other COVID-19 Related Funding (the "CARES ACT funds") that was zero at FYE 9/30/20. At discussed earlier, the Hospital's auditors reclassified these funds to Operating Cash for the FY 2020 audit. For FY 2021 the Hospital reclassified the funds back to restricted cash as originally intended by the Board. He stated overall, the CARES ACT funds were \$7,540,937 prior

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to the FYE audit. Total CARES ACT funds decreased by (\$2,936,579) from FYE 9/30/20 to May 2021. He noted the decrease is due to recognition of Provider Relief Funds (“PRF” or “stimulus” funds) at FYE 9/30/20. Under the terms of the PRF funding, at FYE 9/30/20 the Hospital recognized \$2,777,628 that represented the reduction in net revenue for the nine-month period beginning on January 1, 2020 to September 30, 2020 as compared to the same period in 2019. He stated this amount was reclassified from restricted funds to operating cash at FYE 9/30/20.

Mr. Bailey noted days cash on hand in May were 167.1 days compared to 158.3 days of cash at the end of the prior month. He noted that days’ cash on hand per the audited balance sheet was 191.6 days.

Ms. Didi Battle made a motion to approve the May 2021 Financial Report with Mr. Robert Judice, Jr. seconding the motion. The motion carried unanimously.

B. Reimbursement Requests from Restricted Funds

Mr. Bailey discussed Reimbursement Request #5 for the Wellness Center project. The funds for the Wellness Center project are Board-restricted to that purpose and as such require Board approval to transfer funds to the operating account. Mr. Bailey stated that the current request totals \$163,056.00. Mr. Bailey requested that the Board approve the reimbursement request.

Mr. Robert Judice, Jr. made motion to approve the reimbursement requests from restricted funds of \$163,056.00 with Ms. Didi Battle seconding the motion. The motion carried unanimously.

IX. QUALITY COMMITTEE REPORT

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

Ms. Andrico gave a presentation of Quality Data.
(see attached presentation for details)

Ms. Didi Battle made motion to approve the Quality Data Report with Dr. Roland Degeyer seconding the motion. The motion carried unanimously.

X. MANAGEMENT REPORTS

A. Administration Report – Ms. Stephanie Guidry, CEO

- Alllevant transition care program – will bring agreement at next scheduled Board meeting
- OrthoLa – coming up one year anniversary - will bring report to next scheduled Board meeting
- Due to staffing needs - using some agency staffing - agency hourly rates are extremely high
- Check into a Nursing agency program that staffs Philippine nurses; this will be a lease basis

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- Worked with CHC on Inventory Control, Material Management, Pharmacy and Surgery plan which is complete. CHC personnel will be here mid-July to start working
- Productivity Program is complete, should roll out in July
- Worked with CHC on Medical Staff Development Plan; plan is almost done
- Several Community Events coming up – 100 Black Men Health Fair, Why Fitness Fair, Why Fitness Triathlon
- Dr. Patricio Lucio – is here July 1st
- Wellness Center work is on hold due to wet pad
- Urgent Care – pad is done; started measuring settlement
- See CEO report for details

B. Nursing Report – Ms. Michelle Skillings, CNO

- COVID-19 positivity rate went from 3.4% to 6.0% for St. Mary Parish
- ED – need night shift nursing staff
- Surgery – continues to be busy
- Med/Surg – Acuity and needs of the patients continue to be high
- Respiratory – Mr. Ellis James, Lab Manager has graciously agreed to oversee respiratory therapy while we advertise for a manager
- NRC Health – continue to work on the consumer reports
- See CNO report for details

C. Clinic Report – Ms. Collette Vaccarella

Ms. Vaccarella discussed the clinic report for May noting a decrease in clinic accounts receivable compared to the prior month. She discussed clinic visit for May were down from the prior year. 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.

D. Marketing Report – Mr. Bart Folsie, Chief Development Officer

Mr. Folsie discussed his Methodology of Reporting and explained Social Media Highlights (see attached details). He reported on Community Engagement and explained his Business Development Plan along with a Market Update. (see attached details).

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

See the CHC Board report for details.

Mr. Robert Judice, Jr. made a motion to accept the Management Reports with Ms. Didi Battle seconding the motion. The motion carried unanimously.

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XI. EXECUTIVE SESSION

Mr. Robert Allain, II made a motion to move into Executive Session at 7:58 p.m. with Mr. Don T. Caffery, Jr. seconding the motion. The motion carried unanimously.

A. Strategic Planning

With no further business to discuss in Executive Session, a motion was made by Mr. Robert Judice, Jr. and seconded by Dr. Roland Degeyter to exit Executive Session at 8:17 p.m. The motion carried unanimously.

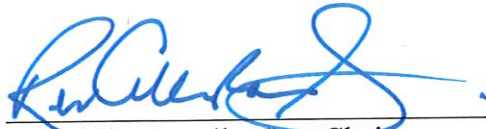
XII. ACTION(S) TAKEN

A. Strategic Affiliation Agreement w/Thibodaux Regional Health System

Mr. Robert Allain, II made a motion to approve the Strategic Affiliation Agreement with Thibodaux Regional Health System with Dr. Roland Degeyter seconding the motion. The motion carried unanimously.

XIII. ADJOURN

With no further business to discuss, Mr. Robert Judice, Jr. moved with Ms. Didi Battle seconding the motion to adjourn at 8:19 p.m. The motion carried unanimously.



Rev. Allen Randle, Sr. - Chairman



Stephanie A. Guidry, CEO