

**FINANCE COMMITTEE
MEETING MINUTES
March 28, 2018**

Franklin Foundation Hospital
Franklin, Louisiana

Board Conference Room
12:00 p.m.

Members Present:

Clegg Caffery
Eugene Foulcard

Others Present:

Stephanie Guidry, CEO
JoEllen Curry, Interim CNO
Ron Bailey, CFO
Sharon Procell, Exec. Asst.
Collette Vaccarella, Director of PFS
Tina Petry, Director of HIM
Don Smithburg, QHR VP

Absent:

Dr. Nick Accardo

I. CALL TO ORDER

With a quorum present, the meeting was called to order by Mr. Clegg Caffery 12:10 p.m.

II. OLD BUSINESS

A. Approval of Minutes – February 21, 2018

Mr. Clegg Caffery offered a motion to approve the minutes with a minor correction; Mr. Eugene Foulcard seconded the motion. The motion carried unanimously.

III. NEW BUSINESS

Mr. Ron Bailey requested to expand the agenda to add item number three (3) under New Business to discuss replacement of the Hospital's corporate credit card.

Mr. Eugene Foulcard made a motion to expand the agenda to add Discuss Franklin Foundation Hospital Corporate Credit Card replacement with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.

A. Discuss and Approve

1. Capital Purchase – New Medical/Surgical Beds

Mr. Bailey presented the capital purchase proposal for six (6) Hill-Rom Advanta 2 beds. He asked Ms. JoEllen Curry, Interim CNO, to discuss the details of the request. She stated the eighteen (18) med/surg beds that we currently have were

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refurbished beds when the Hospital purchased them; most are at least twenty years old. She noted that the beds are requiring more repairs to ensure that they are in working order. Ms. Curry also noted one feature of the new beds is an audible alarm (lock set). Mr. Bailey stated the capital request was included in the FY 2018 approved capital budget. The purchase price \$39,000. Mr. Bailey requested that the Committee approve the capital purchase.

Mr. Eugene Foulcard offered a motion to accept the capital purchase request for six (6) new Medical/Surgical Beds with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.

2. Compliance Partners Contract

Ms. Stephanie Guidry presented a summary of the Compliance Partners, LLC contract. She explained that this is a software product that will be utilized for contract and vendor services management, activity and event reporting and for publishing and managing the Hospital's policies and procedures. In addition, the vendor will collaborate with the Hospital to develop compliance and risk management reporting. Ms. Guidry explained that this will be a three (3) year contract with annual renewal after year three (3). She reported that the annual fee is \$21,600 with a one-time fee of \$4,320 for set-up and integration. Ms. Guidry also noted that the agreement includes approximately 100 hours of services to assist with set up and uploading documents. She noted the contract was reviewed and modified as needed by Ms. Lanzi Meyers of the Gachassin Law Firm. Ms. Guidry requested that the Committee approve the Compliance Partners contract.

Mr. Eugene Foulcard offered a motion to accept the Compliance Partners Contract with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.

3. Discuss the Hospital's corporate credit card.

Mr. Ron Bailey reported that the Hospital was advised on Tuesday, March 27, 2018 that the Hospital's corporate credit card had been fraudulently used and that the credit limit had been reached. Mr. Bailey explained Because the alert came after the Finance Committee agenda was posted, He explained that the Hospital directed the card issuer, Capital One, to close the account and that the Hospital will not be liable for the fraudulent charges. He discussed that Capital One requires the card to have an individual's name on the card account. In order to have another card issued, Mr. Bailey requested the Committee to authorize that his name be used on the card account so that a card can be issued quickly as it is utilized often for smaller purchases as well as for on-line purchases. Mr. Bailey also noted that the Hospital

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will look at other card issuers to determine if there are other corporate cards that do not require an individual's name on the account. Mr. Bailey requested that the Committee approve adding his name (another employee name) on the corporate card account.

Mr. Eugene Foulcard offered a motion to approve the replacement of a new Corporate Credit Card with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.

B. Discuss Calendar Year 2018 Millage

Mr. Ron Bailey advised that in May of each year he brings the millage rate adoption request to the Board for approval as the documentation must be submitted to the Assessor's Office in June of each year. He explained that at a recent State Legislative Auditors' millage workshop it was recommended that if taxing districts are not rolling millage rates forward that districts adopt their rates and submit the required documentation as early as practical ahead of the June deadline. As such Mr. Bailey explained that he will present the calendar year 2018 millage rate adoption at the Board meeting scheduled for April 26, 2018. Mr. Bailey also noted that the Hospital's 10 mil tax will be up for renewal in calendar year 2019 and that the Hospital needs to put into place the process to place the millage renewal on the ballot.

C. Monthly Reports

1. Finance Report – February 2018

Mr. Ron Bailey presented the Financial Report for the month of February 2018, the fifth month of the 2018 fiscal year. He discussed the operating indicators and financial class percentages. He noted that volumes were down for February due to the short month and due to the Mardi Gras holiday. He noted that the Hospital recorded revenue in excess of expenses of \$264,517 for the month compared to budgeted revenues in excess of expenses of \$84,108. Mr. Bailey noted that gross charges were slightly under budget and better than would be expected given the lower volumes in certain areas. He went on to explain contractual adjustments noting that Medicare and Medicaid deductions were lower than budget in February. Mr. Bailey then discussed bad debt expense, advising that the increase to budget in February was due to recording the FY 2017 audit entries which reduced the fiscal year-end clinic bad debt allowances.

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Mr. Bailey discussed the physician fees were under budget primarily due to lower hospitalist expense to budget. He explained that the budget was based on information that the LINCCA program would not continue in FY 2018. Thus far the program is still in place and information indicates that the program will be ongoing for some time.

Mr. Bailey discussed the balance sheet noting in particular that operating cash at the end of February was \$7,716,958 which was \$649,085 higher than the cash at the end of January. He noted that February's operating cash results included \$755,576 of calendar year 2017 millage receipts and \$467,208 of Rural UPL (formerly "DSH"). Mr. Bailey noted in February's operating cash balance results in 121.8 days of cash at the end of the current month (QHR trending 3-month average) compared to 112.8 days of cash in the prior month.

Mr. Bailey then discussed the increase in other receivables is primarily due to the accrual of the current month's Full Medicaid Capacity grant program revenue and PREP physician UPL.

2. QHR Trend Reports

Mr. Ron Bailey presented the QHR Trend Reports.

3. Investment Reports

Mr. Ron Bailey presented the Investment Income Summary Reports.

Mr. Eugene Foulcard offered a motion to approve the Monthly Reports for February 2018 with Mr. Clegg Caffery seconded the motion. The motion carried unanimously.

D. Clinic Report

Ms. Collette Vaccarella reported on Clinic activities for February 2018. She discussed the clinic appointment activities. Ms. Vaccarella stated that February was a short month. She stated the clinic had a provider out for a week and everyone was out for Mardi Gras. She reported overall the clinic had a good month. She stated the clinic was shy of 34 visits to meet January visits. Mr. Bailey presented the consolidated clinic cost center report.

Mr. Eugene Foulcard offered a motion to approve the clinic report with Mr. Clegg Caffery seconding the motion. The motion carried unanimously.

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IV. EXECUTIVE SESSION

A. Strategic Planning

No items were discussed.

V. ADJOURN

Mr. Clegg Caffery offered a motion to adjourn the meeting at 12:45 p.m. with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.

Dr. Nick Accardo, Chairman of Finance

Stephanie A. Guidry, CEO