

**FINANCE COMMITTEE  
MEETING MINUTES  
April 25, 2018**

Franklin Foundation Hospital  
Franklin, Louisiana

Board Conference Room  
12:00 p.m.

**Members Present:**

Dr. Nick Accardo  
Eugene Foulcard  
Clegg Caffery

**Others Present:**

Stephanie Guidry, CEO  
Michelle Skillings, CNO  
JoEllen Curry, Interim CNO  
Ron Bailey, CFO  
Sharon Procell, Exec. Asst.  
Collette Vaccarella, Director of PFS

**I. CALL TO ORDER**

With a quorum present, the meeting was called to order by Dr. Nick Accardo at 12:07 p.m.

**II. OLD BUSINESS**

**A. Approval of Minutes – March 28, 2018**

**Mr. Clegg Caffery offered a motion to approve the minutes with Dr. Nick Accardo seconded the motion. The motion carried unanimously.**

**III. NEW BUSINESS**

**A. Discuss and Approve**

1. Additional Credit Card Account

Mr. Bailey noted that at last month's meeting the Committee was advised that the Hospital's corporate credit card account had been used for fraudulent charges and that the account was closed as a result. Because the Capital One card requires an employee's name on the card, Mr. Bailey requested last month that the Committee approve opening a new Capital One card account and to place his name on the card. The Committee approved that request. Because of the problems that result from not having a corporate card available, Mr. Bailey requested that the Committee approve a second commercial credit card account through Whitney Bank. He noted that having the second card would provide an alternative should credit card fraud occur again in the future.

**Mr. Clegg Caffery offered a motion to approve the additional credit card account with Dr. Nick Accardo seconding the motion. The motion carried unanimously.**

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2. Capital Purchases

a. Cross-Trainer for Physical Therapy

Mr. Ron Bailey discussed the request to purchase one (1) new NuStep semi-recumbent cross-trainer with oversized seat that can be used for physical and occupational therapy. The purchase price is \$7,627.00. He stated this purchase was included in the FY 2018 approved capital budget. Mr. Bailey requested that the Committee approve the Cross-Trainer for Physical Therapy.

b. Stryker Surgical Instruments

Ms. Stephanie Guidry requested to purchase new laparoscopic surgical instruments to replace aging instruments. She noted that the particular instruments currently in use came from the old Hospital. She advised that the purchase price is \$14,039.16. She explained that this purchase is to complement the new Stryker laparoscopic tower now in use. Ms. Guidry requested that the Committee approve the Stryker Surgical Instruments.

**Mr. Clegg Caffery offered a motion to approve the Cross-Trainer and Stryker Surgical Instruments with Dr. Nick Accardo seconding the motion. The motion carried unanimously.**

3. Reimbursement from Grant Funds

Mr. Ron Bailey presented a request for reimbursement from the full Medicaid capacity grant funding that the Hospital received through the work of Sen. Bret Allain and Rep. Sam Jones. He noted that these are restricted funds to be used for non-operating items such as new technology and new equipment. Mr. Bailey discussed three (3) non-operating items that were designated for purchase from the grant funds including the Thrive Provider EHR Software at the clinics, Digital X-ray Conversion and the Stryker Laparoscopic Tower all with a total amount of \$313,573.00. Mr. Ron Bailey requested that the Committee approve the reimbursement to operating cash for \$313,573.00.

**Mr. Clegg Caffery offered a motion to approve the reimbursement from grant funds of \$313,573.00 with Dr. Nick Accardo seconding the motion. The motion carried unanimously.**

4. Bank Account for Grant Funds

Mr. Ron Bailey requested approval to open a separate bank account for the Full Medicaid Capacity grant funds only. He noted that while the funds are currently in the Hospital's operating account, there are processes in place to track and account

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for use of those funds. He advised that segregating the grant funds into a separate account would make the accounting and tracking more efficient than the current process. Dr. Nick Accardo asked if the Hospital's auditors recommended a separate account. Mr. Bailey replied that the auditors did not recommend or require the Hospital to do so.

**Mr. Clegg Caffery offered a motion to approve the bank account for grant funds with Dr. Nick Accardo seconding the motion. The motion carried unanimously.**

**B. Discuss Calendar Year 2018 Millage Estimate**

Mr. Ron Bailey discussed the Calendar Year 2018 Millage Estimate. Mr. Bailey explained that the CY 2018 millage proceeds are estimated at \$2,175,005 based on Board adoption of the proposed CY 2018 millage rates that total 12.92 mils. He noted the estimate is based on taxable property valued at \$177,676,338 for property within the Hospital's primary service area which is West St. Mary Parish.

**C. Monthly Reports**

**1. Finance Report – March 2018**

Mr. Ron Bailey presented the Financial Report for the month of March 2018, the mid-way point of the 2018 fiscal year. He discussed the operating indicators and financial class percentages. Mr. Bailey then discussed the Statement of Revenues and Expenses where he noted that the Hospital recorded revenue in excess of expenses of \$324,443 for the month compared to the budget of \$84,108. He noted that the Hospital benefitted from a revision to the model used to record Medicare contractual adjustments. He explained that the model was updated for the FY 2017 Medicare cost report that was filed at the end of February 2018. Mr. Bailey touched on the main areas on the statement, noting that patient revenues were ahead of budget while contractual adjustments were over budget as well due in part to higher revenue. Mr. Bailey reported the contractual adjustments were increased by adjustments that resulted from increased cash collections for the month on older clinic accounts.

Mr. Bailey discussed the expense categories noting that expenses were over budget due in part to the higher revenue. He noted that physician fees continue to be 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.

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Mr. Bailey discussed the balance sheet noting in particular that operating cash at the end of March was \$6,742,986 which was \$973,972 lower than the cash at the end of February. He explained that included in March's cash activity are receipts of \$272,607 of Rural UPL (formerly "DSH") and \$30,345 of calendar year 2017 millage. Mr. Bailey also noted in March's cash balance was reduced by an IGT of (\$536,643) made under the physician UPL program. Mr. Bailey reported that March's days' cash on hand was 104.5 days of cash at the end of the current month compared to 121.8 days of cash in the prior month. He noted that days' cash would have been approximately 114 days had the IGT not been made in March.

**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. Clegg Caffery offered a motion to approve the Monthly Reports for March 2018 with Dr. Nick Accardo seconded the motion. The motion carried unanimously.**

**D. Clinic Reports**

Ms. Collette Vaccarella reported on Clinic activities for March 2018. She discussed the reduction in overall clinic accounts receivable which was due to higher cash collections in March. These cash collections included older accounts that aged as a result of the implementation of the new clinic EHR in November 2017. Mr. Bailey noted that the lower accounts receivable total resulted in a reduction to clinic bad debt allowances for the month. Ms. Vaccarella then discussed clinic visits for the month which now include comparison to the same month in the prior year. She noted that clinic visits were up over the prior month and that one clinic provider was out for a week during the month. Mr. Bailey presented the consolidated clinic cost center report noting that net revenue was much lower given the total gross revenue. He explained that the current month contractual adjustments were higher as a result of the increase in cash collections.

**Mr. Clegg Caffery offered a motion to approve the clinic report with Mr. Eugene Foulcard 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 12:47 p.m. with Mr. Eugene Foulcard seconding the motion. The motion carried unanimously.**

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Dr. Nick Accardo, Chairman of Finance

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Stephanie A. Guidry, CEO