

**MINUTES
BOARD OF TRUSTEES
INDIAN RIVER COUNTY HOSPITAL DISTRICT
Regular Monthly Meeting
January 21, 2016
4:30 PM**

ATTENDEES: Thomas Spackman, MD. Dr. Michael Weiss
 Eugene Feinour Allen Jones
 Marybeth Cunningham Ann Marie McCrystal

EXCUSED: John Val Zudans, MD

OTHER ATTENDESS: Ann Marie Suriano Jennifer Peshke, Esq.
 Jennifer Frederick Dr. Brugnoli
 Jeff Susi Geri Smith
 Joe Saul Mary Blumstein
 Matt Reiser Vicki Soule
 Mary Linn Hamilton Miranda Hawker
 Janet Bagley Myra Weiss
 Paul Nezi Gregory Gardner
 Bob Michaels

Convene Meeting – Thomas Spackman, MD Chairman

Dr. Spackman convened the regular monthly meeting of the Indian River County Hospital District at 4:30 p.m. by welcoming the public at home and in the commission chambers. The first order of business is the election of District officers for 2016. Mrs. Peshke stated that in accordance with the bylaws of the hospital district, the district is to reorganize at the first meeting of each year and elect five officers. Any trustees may make a nomination for any of the five offices and the five offices to be voted on include chairman, vice chairman, treasurer, secretary, and assistant secretary. She explained the nominating procedures and stated that Dr. Zudans is not present for this meeting and is out of town. Dr. Zudans has expressed that he would like to be nominated for vice chairman, however he has not nominated himself, she is simply stating this for the record. She asked for the first nomination for Chairman, Dr. Spackman stated he nominated Mr. Feinour, which was seconded by Mrs. McCrystal. Dr. Spackman stated that Mr. Feinour has been a tremendous asset to the board. He replaced Mr. Trevor Smith as treasurer, after his untimely death and they all miss him very much. He immediately excelled as acting treasurer and then ultimately as vice chair. Additionally, he was at the forefront of the ICA negotiations and has been a tremendous support to Dr. Spackman. Dr. Spackman stated that at the end of 2016, his term as a Trustee will end and he has elected not to run for reelection. He feels it would be beneficial for Mr. Feinour to serve as chair this year, so that he could assist in the transition. Mrs. McCrystal made a motion to close the nominations and it was seconded by

Dr. Spackman. The motion to elect Mr. Feinour as Chairman passed unanimously. Next nominees for Vice Chair were called for and Mr. Jones nominated Mrs. Cunningham as vice chair and the motion was seconded by Mr. Feinour. Mr. Jones stated that Mrs. Cunningham has led the effort in providing a closer relationship between the District and many of the health agencies in the county. Further, she led the joint community needs assessment efforts and he feels she would make an excellent vice chair. The motion to elect Mrs. Cunningham as vice chair pass unanimously. Next nominees for Treasurer were called for an Mrs. Cunningham nominated Mr. Jones as treasurer and the motion was seconded by Dr. Spackman. Dr. Weiss stated he felt Mr. Jones has done an outstanding job as acting treasure and would love to have him serve in that position again. The motion to elect Mr. Jones as treasure passed unanimously. Next the nominees for secretary were called for and Mr. Feinour made a motion to nominate Mrs. McCrystal as acting secretary, which was seconded by Mr. Jones. The motion passed unanimously. Last, nominees for assistant secretary were called for and Mrs. Cunningham nominated Dr. Weiss as assistant secretary. The motion was seconded by Mr. Jones and passed unanimously. Dr. Spackman officially handed the gavel to Mr. Feinour, to serve as Chairman. Mr. Feinour thanked Dr. Spackman for his outstanding leadership over the last several years. He feels Dr. Spackman guided the District through a very difficult period and he feels the community at large should be pleased with the results from his efforts. Mr. Feinour stated he looks forward to continued support from Dr. Spackman as he now takes the seat as Chairman.

Mr. Feinour asked for approval for the regular monthly meeting minutes dated December 17, 2015, the Chairman's meeting minutes dated December 15, 2015 and January disbursement of \$1,176, 172.65. The motion to approve was made by Dr. Spackman and seconded by Mrs. McCrystal. The motion passed unanimously.

District Counsel Report

Mrs. Peshke stated that she had one follow up to her comments she made at the Chairman's meeting on Tuesday. She is currently drafting an indemnification and hold harmless agreement to be presented to the hospitals counsel, concerning the Salyer settlement issues. She stated that she will be speaking with Hospital counsel tomorrow and she hopes to have this issue resolved quickly.

Financial Statement Review

Mr. Jones stated that the District is starting to receive its tax revenues and currently they have \$10,892,000 in the bank. In terms of monthly disbursements, the District is tracking with their budget. He noted that for the first quarter, indigent reimbursement rates are lower than the projected number. They are currently analyzing the situation. He feels it may be conceivable that by the end of the fiscal year, the District may have budgeted more funding than the hospital will actually spend for indigent care. Mr. Feinour asked for a motion to approve the financial statement, which was made by Mrs. McCrystal and seconded by Mrs. Cunningham. The motion passed unanimously.

Executive Director Report

Mr. Feinour stated that in an effort to keep the public more aware of the District's involvement in the community and funding initiatives, Mrs. Suriano would be presenting an executive director report each month at the regular monthly meeting. Mrs. Suriano began by

discussing a few agenda items that had been overlooked on the agenda. The trustees need to decide about the frequency of their regular meetings each month, along with the time and place the meetings are to be held. It was decided that they would continue to hold the meetings on the third Thursday of each month, at 4:30 in the county commission chambers. Additionally, the new chairman will select trustees to serve on the IRMC Committees. She asked each trustee to submit to her which committee they would prefer to serve on and then she and Mr. Feinour would make the selections, later in the month. Further, she discussed the upcoming budget schedule and stated that the budget applications are sent out to the agencies at the beginning of March and are received completed by the end of April. Those requested are considered and reviewed during May through July and the Trustees approve the tentative budget in July. The first part of the Districts strategic plan will roll out at the March monthly meeting and this may have a slight impact on how the budget process continues. She asked that the Trustees keep that in mind as well as the agencies during this transition period.

Funded Agencies Quarterly Report- MHA & UF

Mr. Feinour stated that since the first quarter of the fiscal year has ended, they have invited district funded agencies to present a status report on their 1st quarter performance. Dr. Robert Brugnoli would be presenting on behalf of the Mental Health Association and Dr. Creelman would be presenting on behalf of University of Florida.

Dr. Brugnoli began his presentation by discussing the data surrounding the walk in Center and the services that they provide and the number of clients seen, over a four-quarter period. Any clients who walk into the center are screened, regardless of their ability to pay. Dr. Brugnoli reviewed various statistics for the Walk-In Center, including volumes, services and increased over the previous year. He described the transition of long-term case management to New Horizons. He then detailed statistics and services of the Drop-In Center. He also included feedback received through patient satisfaction surveys. Further, Dr. Brugnoli discussed the financial for MHA. The profit and loss statement for July through December 2015, revealed a loss of \$7,194 for the July through September quarter and a loss of \$6,623 for the October through December quarter. He noted that the December 2015 occupancy line item includes approximately \$3,400 in expenses for 2016. Further, he discussed the Walk-In Centers collected program fee graph, which indicates a trend of increasing program fees collected exclusive of District fees collected. They now accept many additional types of insurance, which helps in receiving additional reimbursements. Additionally, they are projecting to bring over \$200,000 in program fees by the end of this fiscal 2016. Mrs. McCrystal commended Dr. Brugnoli on his efforts and the positive impact he is making on the community. Mr. Jones questioned the patient satisfaction surveys and how many clients are surveyed. Dr. Brugnoli stated that once a quarter they conduct client satisfaction surveys of anyone who visits the Drop In Center. The data is then provided to the state. Dr. Spackman inquired how many patients seen, are prescribed medication. Dr. Brugnoli stated that he did not have that actual figure with him, but many patients that come in looking for medication are referred out due to the fact that MHA only has one day a week when there is a psychiatrist is on staff. The other 4 days of psychiatry services are done at University of Florida and those patients are either indigent or on a sliding fee scale.

Dr. Creelman began his presentation by discussing the two packets he brought for the Trustees review. UF currently has one psychiatrist on staff that sees and treats indigent patients

and they are pleased with the outcomes of her performance. Dr. Creelman briefly discussed the history of the UF clinic and stated that he opened the center back in October of 2008 and the data in the packet is reflective of 2009 to present. They have expanded their practice and now have increased staff and physicians, along with medical students. One mandate set for the center is to train the next generation of addiction medicine and mental health providers. There are currently four fellowship establishments in place that focus on community, addiction medicine, forensics, and psychology. Dr. Creelman reviewed various statistics for the center, including volumes services that are available. Further, he discussed how the medication allotment covers any lab work performed in relation to the Suboxone vouchers, which are given to patients who are in the addiction medicine program. He explained that one reason they are not reaching the budgeted allotment for the medication program is that through the center they are able to treat six patients with Suboxone, with the help of the developers of the medication. Those six patients, who would otherwise qualify as indigent, are now utilizing the Suboxone through this other program. Further, he stated that there are less patients due to the Affordable Care Act, and patients now being able to afford health insurance. Mrs. McCrystal questioned if Dr. Creelman feels these patients are actually seeking assistance elsewhere or that they are not utilizing any type of service all together. Dr. Creelman feels that some plans on the Marketplace have huge deductibles, making it challenging for a person to afford. He does not feel that they are losing current patients, but he does not feel that the numbers have been as high, due to some patients not qualifying as indigent.

IRMC Monthly Report- 1st Quarter Report, Gregory Gardner

Mr. Gardener stated that back in September, he presented the annual budget for the fiscal year and his report today will be on the 92 days since the beginning of the fiscal year. What he presented in September showed an excess of revenue over expenses of about \$2 Million and they finished last fiscal year at about \$1.5 Million. The audit report will be presented next month on the same. During season, the Hospital typically see around a 33% increase in inpatient services, which will enable them to move some revenue generated to their bottom line. The Hospital is projecting their bottom line to be around \$2 Million for fiscal year 2015-2016. Currently they have experienced a short fall to both budget and the prior year bottom line of around \$1 million. The month of October was very slow and it attributed greatly to this shortfall. Additionally, there was a loss of \$4 Million in funding from Medicaid, which was a 25% reduction in Medicaid funding. He discussed and compared actuals from last fiscal year to this fiscal year, and stated that the net revenue show that the hospital generated \$58.3 Million. The Districts portion of that is \$2 Million or 3%. This includes indigent care and the partners program funding. Additionally, the Hospitals revenue grew 4%, physician practice grew 25% and imaging grew at about 7%. This was a total growth overall of 7% which was just 1% short of their goal. He stated that operating costs are in line with budget, as opposed to last year when they were 8% over budget. There has been a significant increase in personnel costs, due to efforts in obtaining higher goals of patient satisfaction. There was \$2.1 million is cash flow of operations, in contrast to a budget of \$2.8 million. Therefore, when you add back the depreciation expense, which is significant in non-cash at the Hospital, they will generate sizable cash flows, which allows them to reinvest in technology. He further reference the capital budget which he presented \$2 million in funding to the IT department and \$6 million for hospital refurbishment of equipment that is outside of the cancer program. Mr. Gardener proceeded to the portion of his presentation dealing solely with

indigent care reimbursement and discussed why the financials are showing a favorable variance. Looking at the volume indicators, they are below where the budget is and below where the hospital was a year ago. They estimated their outcomes to be in the middle between a high and low point. He discussed the various declines in patient days and visits, but stated that there was no back logging, which had occurred a few years prior. Dr. Weiss asked if the Hospital had an explanation as to why their numbers were down. Mr. Gardner stated that these declines are specific to the indigent population and not the patient population as a whole and they do not have an exact explanation as to why. He does attribute some loss to the Affordable Care Act and prior indigent patients now having coverage. He also feels there has been some improvement in household financial status and that people are just above the qualification requirements. However, over the last 9 months, the hospital has seen some relief concerning bad debt since they are receiving some reimbursement from marketplace insurance, even though those patients are not paying the deductibles. Mr. Gardner stated that they have now applied the actual activity levels to the calculated reimbursement methodology and it shows that in the first quarter, the aggregate dollars are at \$1.308 million versus a budget of \$1.691. He explained that most of the short falls are coming from inpatient operations and that outpatient and ER are modest, in spite of the volume levels dropping. There has also been significant growth in outpatient observation and a decrease in in-patient stays. This is driving up the dollars in revenue and the district is paying a percentage of revenue. The same thing is happening in the emergency room.

IRMC- Approval of Leasehold Agreement

It was reported that the hospital is ready to implement a permanent solution addressing the broken chilled water supply line. The cost is approximately \$750,000, which requires a District approval for the leasehold improvement. Mr. Gardner asked for approval from the Trustees to make these changes. Dr. Weiss questioned if the \$750,000 repair would be deducted from the current fiscal year expenses or insurance. Mr. Gardner stated that the hospital submitted several claims and the request for a non-permanent fix is estimated to cost \$1.2, with \$600,000 attributing to loss of business. The other \$600,000 in cost was for mitigating the damages. Mr. Gardner feels that they will receive the majority of that claim submitted to insurance. This fix does not help from an energy conscious standpoint because they are not replacing the chiller system, it is simply mitigation to help the technology that is already in place. The pipes will be much easier to access and detect, should there be an issue. Mr. Feinour asked for a motion for approval. Mr. Jones made the motion and Mrs. McCrystal seconded it. The motion passed unanimously.

New Business- Adoption of IRMC Bylaw Amendment, Jennifer Peshke, Esq.

Mrs. Peshke stated that before the Trustees is a hospital Bylaw change, for their approval. The Trustees have previously reviewed this change and it has now been further revised per Trustee input. The Bylaw addressed the qualifications needed to serve on the hospital's board of directors. The proposed change extended the qualifications regarding who can serve on the Hospital Board to include a person who maintains a residence in Florida, as opposed to full Florida residency. Additionally, only two persons serving on the board can claim this status. Dr. Spackman made a motion for approval and Mrs. Cunningham seconded the motion. Mrs. Cunningham stated that the District Trustees felt it was necessary to have a limit to the number of persons who could serve on the board, that were not Florida residents. The Bylaw change was reviewed by the hospital Board of Directors and sent back to the Trustees for their approval, at

this meeting. Dr. Weiss feels there should be some language in the bylaws, that states some members of the board should be residents of Indian River County. Mrs. McCrystal asked if these board members who are out of state will be reimbursed for their travel expenses. Mrs. Cunningham stated that board members who are involved in a nonprofit, are generally not reimbursed. Mr. Susi stated that in the interest of transparency, hospital board of director members who submit travel expenses for reimbursement for their expense to and from a meeting, are reimbursed. The motion to approve was made by Mr. Feinour and Mrs. McCrystal seconded it. The motion passed by a 5 to 1 margin, with Dr. Weiss voting in opposition.

Trustee Matters/General Discussion

Dr. Weiss touched briefly on his attendance at the hospitals patient care committee meeting. He stated that improvements are being made to the ED and expectations of patients who visit the ED. Additionally, he stated that Dr. Stowe would be coming to the Trustees in the coming months with a request for improvement programs and he encouraged the Trustees to approve his request.

Mrs. Cunningham stated that there is now a draft of the Health Needs Assessment, which is currently being revised for any clerical errors. Additionally, they are working on an executive summary to break down the report and the advisory group agreed on the major priorities. The two focus areas are "long healthy lives" and "healthy kids, healthy moms". Under those main focus areas, the steering committee priorities are emergency department diversion, cancer, unintentional injuries, healthy weight, chronic disease and suicide. Additional focus areas concerning healthy kids and healthy moms includes, childhood obesity, infant mortality and prenatal care. They are working with the hospital on implementation strategies and the advisory board will meet again, in March. From this data, the District can look at specific areas to see who may need further funding and attention. Mrs. Cunningham stated that she would have further data to present at the Chairman's meeting next month. The Trustees agreed that this assessment will benefit the community in very positive way. There was no public comment.

Adjourn

The meeting adjourned at 5:55p.m.

Respectfully Submitted,



Dr. Michael Weiss
Secretary