

**MINUTES
BOARD OF TRUSTEES
INDIAN RIVER COUNTY HOSPITAL DISTRICT
Regular Monthly Meeting
June 15, 2017
4:30 PM**

TRUSTEES:	Marybeth Cunningham Ann Marie McCrystal Karen Deigl	Allen Jones Dr. Michael Weiss Barbara Bodnar
EXCUSED:	Tracey Lockwood-Zudans	
STAFF:	Ann Marie Suriano Kate Voss	Jennifer Frederick Jennifer Peshke, Esq.
OTHER ATTENDESS:	Gerri Smith Mary Linn Hamilton Kathy Hendrix Lisa Sellers George Andreassi	Deb Hawkins Bob Savage Miranda Hawker Juliette Lomax-Homier James Grichnik

Convene Meeting – Marybeth Cunningham, Chairwoman IRCHD

Mrs. Cunningham convened the regular monthly meeting of the Indian River County Hospital District (“IRCHD”) at 4:30 p.m.

Consent Agenda – Marybeth Cunningham, Chairwoman

Mrs. Cunningham asked for a motion to approve the Budget Workshop Minutes dated May 1 & 15, Chairman’s Meeting Minutes dated May 17, Regular Monthly Meeting Minutes dated May 18, and a May disbursement of \$1,260,483.10. Mrs. McCrystal made a motion to approve which was seconded by Mrs. Bodnar. The motion carried unanimously.

Mrs. Cunningham discussed the recent Collaborative Committee meeting, which took place today at the District offices. The consultant firm Stroudwater Associates discussed operational effectiveness regarding IRMC and the competitor market. The Collaborative Committee agreed to move on to a Phase 2, which will be an assessment and search for not-for-profit entities, which could enter into a partnership with IRMC. Ms. Bodnar suggested that the group explore for-profit entities as well, to give the community assurance that they are reviewing all options. Mrs. Cunningham stated that from the feedback they received, the majority of the collaborative members recommended the hospital stay with a non-for-profit. Mr. Jones stated that the main objective for the Collaborative is high quality patient care and long term financial

stability. He stated that through his research, the top 100 hospitals in the country were not-for-profit entities. Additionally, he stated that a sale is not a focus of the group and they would prefer to be part of a hospital system. Ms. Deigl agreed with Ms. Bodnar and stated that she feels that they need to look at all options, not only not-for-profit entities. She also would like the public to be able to provide feedback regarding the same.

Approval of Resolution 2017-03

Mrs. Peshke read Resolution 2017-03 into the record (Attachment "A"). Mrs. Cunningham made a motion to approve which was seconded by Mr. Jones. There was no further discussion or public comment. The motion carried unanimously.

District Counsel Report, Jennifer Peshke, Esq.

Mrs. Peshke provided her monthly counsel report and stated that she has been working with the Trustees and hospital counsel to re-confirm the existing Indigent Care Agreement the parties are within the reconfirmation period at this time. She stated that she would be bring further action on this item later in the meeting under new business.

Further, she explained that she has participated in the agency funding budget workshop meetings concerning FY 2017-18 and is working to ensure that all agency funding agreements are in place and will be updated to reflect funding that will be awarded for the 2017-2018 fiscal year. She has prepared a draft Agency funding agreement to be used for the agency's that will be funded on a program basis and will continue to work with the District staff to finalize the draft, before bringing it to the Board of Trustees for final approval. All funding agreements will be updated accordingly once the budget is approved.

Mrs. Peshke reported that she has been involved with the Collaborative Committee and this process involving due diligence on behalf of the taxpayers and residents of Indian River County is underway. She will continue to monitor the process and assist the Trustees and the Consultants as they work.

Lastly, she received the outstanding bond cancellations for former Trustees Dr. Spackman and Mr. Feinour. She is also in receipt of the original bond for Mrs. Zudans. The only outstanding matter at this time is a receipt of the bond cancellation for Dr. Hussamy

Financial Statement Review- Allen Jones, Treasurer

Mr. Jones stated that the District financial position remains sound and it has received 98% of the tax revenues expected to be received this year. As of May 1, the bank accounts have approximately \$8.7 million. He explained that payments to the funded health agencies are under budget by approximately \$700,000 and administrative operating expenses are under budget by approximately \$150,000.

Mr. Jones advised that at last month's regular meeting, a public comment from community member Mr. Paul Nezi was made. Mr. Nezi asked the Trustees for clarification as to the hospitals days' cash on hand and why there are variances with the number reported. Mr. Jones stated that he provided this question to the IRMC Finance Committee at their meeting on May 23. He explained that the financial statements presented at the IRMC finance committee meeting showed that through February, the hospital had 59 days cash on hand. The April statement showed 68 days and there was a letter prepared by the hospital CFO, which cited 81 days. Additionally, quarterly metrics that were provided to the members of the finance committee showed 76.3 days through March. Mr. Jones explained that hospital management stated that the days' cash on hand number can be very volatile and only reflects a snapshot of current finances. The hospital cited increased expenses for medical supplies and special drugs to treat cancer patients, which have a big effect on the days' cash on hand. Further, the accounts receivable fluctuates due to payments received for those costly expenses.

Additionally, IRMC operations have special expenses including cost associated with the new Health & Wellness Center, which required \$4 million in costs above the borrowed amount and instead of borrowing more funds, the Board made the decision to use cash. Mr. Jones explained that IRMC has an operating fund that is managed at low cost and low volatility by LCG. When the hospital retired its debt and operated debt free between 2010- 2015, it determined it had excess cash needed to fund operations on a daily basis. They also invested some funds into a portfolio, rather than leaving it in a zero interest cash deposit. However, he explained that these remain as operating funds and can be drawn upon at any time to be used to supplement cash, though market value would be different from the amount originally invested. Further, no withdraws had occurred until the \$4 million dollar expense was deemed necessary by the board. Mr. Jones stated that after this discussion at the finance committee, the board agreed to add a calculation to the financial statement, which would reflect working capital available in related ratios. These numbers will be reported at future finance committee meetings, in addition to days' cash on hand and should reflect a much less volatile reflection of IRMC's short-term financial health. Additionally, Mr. Jones explained that the operating fund managed by LCG currently totals around \$13 million and if it would have been left in cash, it would add approximately 15 days cash on hand.

Mrs. McCrystal added of clarification that the hospital financials are not controlled by the District and are separate from the finances of the District.

Executive Director Report- Ann Marie Suriano, Executive Director

Mrs. Suriano provided her Executive Director report and stated that the District and VNA have renegotiated the terms of the lease agreement for the human services building, per the terms of the agreement. The amended agreement contains a caveat concerning the condition of the building and the District responsibility of maintaining areas, which need updating. Mrs. Suriano has hired TLC Engineering to conduct a conditions survey of the building, which addresses condition of plumbing, AC, and structural issues, along with an architectural and air quality review. Once she receives the completed report, she will bring the findings to the Trustees for discussion.

Further, the Trustees will be meeting on July 13 to discuss the proposed tentative budget, which will be voted on at the July 20 regular monthly meeting. As a part of the budget discussion, she has spoken with Ms. Hawker regarding updates needed at the Gifford Health Center, which the District leases to the Health Department. She explained that the Gifford Health Center is approximately 14 years old and is in need of interior painting and new flooring. She will continue to work with Ms. Hawker on this matter and bring before the Trustees any items needed for approval by the board.

Presentation on FSU College of Medicine- Juliette Lomax-Homier, M.D.

Dr. Lomax-Homier introduced herself to the Trustees and stated that she serves as regional campus dean at FSU College of Medicine located at the IRSC campus in Fort Peirce. She explained that FSU College of Medicine main campus is located in Tallahassee and for the first two years of school, students undergo basic medical education at that location. After they complete their two years of classes, they transition to one of six regional campuses across Florida. The schools primary focus is to teach the students' patient centered medical care and to take care of people in rural areas, along with underserved and elder populations. She further explained that through the program, a student is paired with a physician who is a mentor and the Health Department and IRMC are participants in this program. She further discussed the program and the training the students learn. Currently, there are 22 students enrolled at the center in Fort Peirce, which is celebrating their 10th anniversary.

IRMC, Inc. Monthly Report- Scully-Welsh Cancer Center Update- James Grichnik, M.D., Ph.D.

Dr. Grichnik provided an update regarding the Scully-Welsh Cancer Center regarding operations for the last year and a half. He stated that the center now has four patient navigators who help with coordination of care for patients. The navigators also assist patients with the financial aspect of their diagnosis, as cancer treatments are very expensive and anxiety provoking. Additionally, the center has multi-disciplinary teams of physicians who focus on the major cancers such as lung, breast, skin and prostate cancer. Dr. Grichnik explained that these teams meet multiple times a month to discuss their most challenging cases and Duke is often involved in those meetings. There was further discussion and Dr. Grichnik stated that the center has its own pharmacist and pharmacy, so medications are made and distributed, at the center. Additionally, all nurses who work at the center are oncology certified. Additionally, the center is equipped with some very high tech and state of the art machines used for treatments. Dr. Grichnik discussed the Duke affiliation that the center has which helps give access to national cancer institute trials for patients. Currently the Center sees approximately 100 patients a day and a main focus is too keep patients in the county to that they may seek quality care, locally.

Funded Agencies Quarterly Report- VNA- Mary Linn Hamilton, CEO

Mrs. Hamilton reviewed the VNA's indigent care financial results against the approved budget year to date. The VNA is under budget by approximately \$150,000. This is primarily due to the lack of qualified patients who seek care at the mobile unit. Additionally, year to date, no funds have been spend on the hospice house. Mrs. Hamilton further reviewed the quality scores

concerning patient care in which the VNA scored higher or above the national average. There was further discussion concerning the VNA mobile unit, which transitioned to fee-for-service reimbursement at the beginning of the fiscal year. Mrs. Hamilton explained that they navigators on the mobile unit are still having a difficult time qualifying indigent patients, however, they have now received their Medicare and Medicaid billing numbers, so they are able to bill for services provided to those patients. Additionally, the VNA has implemented a fee associated with a visit to the mobile unit. She explained that they are currently charging \$60.00 for a regular sick visit, \$40 for a work physical, and \$30 for a child physical. The receipt of these payments is helping to offset the loss from the transition to fee for service, slightly. Mrs. Hamilton explained that in connection with ER Diversion Collaborative Group, the mobile unit will now be parked at the VNA 6 days a week, in an attempt to divert patients at the unit, instead of the ER. The Trustees asked for further update on the mobile unit in the next few months, after they have been parked at the hospital, to see if they change has helped divert patients. Additionally, the Trustees recommended the VNA purchase better signage so people know where the unit is located.

New Business-Approval of Resolution 2017-04

Mrs. Peshke read Resolution 2017-04 into the record (Attachment "B"). Mr. Jones made a motion to approve, which was seconded by Mrs. Cunningham. Mr. Jones stated that this Indigent Care Agreement reconfirmation, allows the hospital to be reimbursed as a percentage of charges and there is a limit on how much the charge can increase every year. He explained that the formula concerning the charges are clearly spelled out in the agreement, but offered to answer any further questions should the board or public have any. There was no further discussion or public comment and the motion carried unanimously.

Public Comment- There was no public comment.

Adjournment- The meeting adjourned at 5:51 PM

Respectfully Submitted,



Ann Marie McCrystal
Secretary