**PROCEEDINGS OF THE BOARD OF COMMISSIONERS OF THE MOREHOUSE PARISH HOSPITAL SERVICE DISTRICT NO. 1, STATE OF LOUISIANA, TAKEN AT A REGULAR SESSION MEETING HELD ON THURSDAY, JANUARY 31, 2019.**

The Board of Commissioners of Morehouse Parish Hospital Service District No. 1, State of Louisiana, met in regular session for a meeting at its usual meeting place, the W. A. Rodgers Conference Room of Morehouse General Hospital, Bastrop, Louisiana, on Thursday, January 31, 2019, at 6:30 p.m., pursuant to written notice duly given and posted in the manner required by law.

Present: Bob Green, Chairman of Commissioners and Commissioners, Nicolette Releford, John Yeldell, Susan Plonnigs and Betty Alford-Olive.

Also present: Derrick Frazier, Chief Executive Officer; Ricky Smith, Legal Counsel; Dr. Curtis Sanders, Chief of Medical Staff; Tom Ramsey, Chief Financial Officer; Marie Stephenson, Chief Nursing Officer; and Jackie Biddings, Medical Staff Coordinator & Recorder.

Guests: Tod Beasley, CHC Senior Vice-President Hospital Financial Operations; and Dorothy Thomas, Morehouse Parish Police Jury.

**Call to Order**

The Board of Commissioners of Morehouse Parish Hospital Service District No. 1, State of Louisiana, was duly convened as the governing authority by the Chairman, Bob Green.

**OPEN SESSION:**

**Invocation & Welcome**

The invocation was given by Mr. Green.

**Roll Call:**

All the Board members were present during roll call and met requirements for quorum.

**Election of Officers for 2019: Chairman and Vice-Chairman**

Mr. Green requested nominations for officers beginning with Chairman. Ms. Releford nominated Mr. Green and Ms. Plonnigs seconded the nomination. Mr. Yeldell nominated Ms. Releford as Vice-Chairman and Ms. Plonnigs seconded the nomination. There were no other nominations presented.

On a motion made by Ms. Releford and seconded by Ms. Plonnigs to nominate Mr. Green to continue as Chairman of the Board of Commissioners, the Board voted to approve Mr. Green as the Chairman. The motion passed by unanimous voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs, and Olive.

Nays: None.

Absent: None.

On a motion made by Mr. Yeldell and seconded by Ms. Plonnigs to nominate Ms. Releford to continue as Vice-Chairman of the Board of Commissioners, the Board voted to approve Ms. Releford as Vice-Chairman. The motion passed by unanimous voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs, and Olive.

Nays: None.

Absent: None.

**Completion of Conflict of Interest and Confidentiality Statements by Board Members**

The Board members each completed a Conflict of Interest Statement and a Confidentiality Statement during the board meeting held on November 29, 2018.

**Announcements**

There were no announcements.

**Approval of Minutes**

On a motion made by Ms. Plonnigs and seconded by Mr. Yeldell, the Board voted to approve the minutes for the meeting held on November 29, 2018 as presented and reviewed. The motion passed by unanimous voice vote as follows:

Ayes: Green, Releford, Yeldell, and Olive.

Nays: None.

Absent: Plonnigs.

**Medical Staff Report – Dr. Curtis Sanders, Chief of Staff**

Dr. Sanders stated the Bylaws/Credentials/ Medical Executive Committee (Bylaws/Cred/MEC) and the Medical Staff recommends approval of the action requests listing Initial Appointments, Reappointments and Changes of Staff Status for privileges as provided.

On a motion made by Ms. Olive and seconded by Ms. Plonnigs, the Board voted to approve these action requests for the Initial Appointments, Reappointments and Changes of Staff Status as presented. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**Nursing Report – Marie Stephenson, CNO**

Ms. Stephenson stated there was no report from Nursing Administration.

**Finance Committee Report for November and December 2018 – Tom Ramsey, CFO**

Mr. Ramsey stated the Financial Statements for the months of November and December 2018 were combined into one report provided in your binder. The report includes the Hospital’s Patient Volume and Utilization along with the Clinics’ Patient Volumes and UtilizationStatistics through the period;Annual Income Statement, Operating Cost, Earnings, Balance Sheet, Statement of Cash Flows, and Projects.

Mr. Ramsey reported that the hospital admissions were down for year-end and based on the low admissions from the Emergency Department was the major factor. The length of stay and the case mix index are both up which has positives and challenges. The surgery volume and cases were reviewed for inpatient and outpatient increases and decreases of services compared with the budget for year-to-date. The GI Procedure, Births, ER conversion rate, Wound Care visits, MRI Procedures and Total Imaging Procedures were reviewed. The 3-D Mammography equipment has been operational these past two months with increased volumes as the staff and patients are pleased with the new technology and services being provided.

Mr. Ramsey reviewed the annual income statement and net revenue without the supplemental revenue. The year-to-date PCR (net patient revenue per adjusted admission after bad debt) increased by 1.6% percent points compared to budget for a positive impact and .07% percent points compared to prior year for a positive impact. This was a positive yield related to volume.

Mr. Ramsey reported the Operating Costs for the discretionary items including salaries and supplies. These were reviewed and all the salaries including nursing expenses; supplies for departments and costs for services; and other expenses were improved over prior year yet remain under budget for year-to-date. The magnetic locks for added security of entry doors into the building were purchased and installed. The non-discretionary items were over budget and include the Pro Fees for services; Purchased Services for departmental costs, and Leases & Rent for year-to-date. The purchased services and lease costs are being reported monthly as expected since they were not included in the budget.

Mr. Ramsey reviewed the Earnings for year-to-date and the supplemental funding received. The operations are continuing to require the supplemental funding for positive earnings. Our goal continues to be that the hospital is profitable without these supplemental funds.

Mr. Ramsey reported the clinics patient volume and utilization; the impact of the new clinics including Dr. Bhandari and Dr. Smith; and compared with budget. The net patient revenue and total expenses per visit were reviewed along with the operating expenses. The consolidated reports were positive and reviewed for the operating margin with EBIDA compared to current month and fiscal year-to-date actual and budget for the months of November and December 2018.

Mr. Ramsey reviewed the Balance Sheet including the cash and cash equivalents for total current assets, property, equipment, plant, and other assets. The liabilities and fund balances were reviewed and compared with current month, previous month, and last year-end. The Statement of Cash Flows were reviewed and the cash at the end of the period was $4.8 Million dollars. The projects included a new IOP Director, Kathy Powell has come and working on marketing these services; Imaging Professional Fees to increase productivity; Pharmacy Operational Assessment (CPS) with business plan to improve operations; ACR Accreditation for Mammography; Hope Unit Marketing in our service areas for positive results; and Internal Audit.

**Approval of Financial Reports:**

On a motion made by Ms. Olive and seconded by Ms. Plonnigs, the Board voted to approve the Financial Report as presented for the combined months of November and December 2018. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**Contracts – Annual Review for Quality Contract Evaluations**

The contracts presented for annual review and quality assurance were acceptable for the hospital to continue as outlined in the contract evaluations for October and November 2018.

**OLD BUSINESS:**

There was no old business.

**NEW BUSINESS:**

**Community Hospital Corporation Report – Tod Beasley, SVP Hospital Financial Operation**

In Joe Thomason’s absence, Mr. Beasley stated the Community Hospital Corporation (CHC) report for January 2019 was provided in the binder for review. There were two consultants available on site this week. Jill Bayless, Clinical & Quality was with Marie Stephenson reviewing a response to the State Survey and action plan.

Mr. Beasley reported that we have good reports for both the Business Plan and Budget for 2020. The budget review will continue over the next few months. MGH’s management team will attend the CHC annual conference in March. We continuously provide monthly and bi-weekly calls with the managers to review, make progress and discuss strategy in supporting the leadership of the hospital.

Mr. Beasley reported that another hospital located in Gainesville, Texas was added to CHC.

**Approval of CHC Management and Expenses Invoices**

Mr. Green stated the CHC Management Fee and Expense invoices for services in both November and December 2018 were received and now provided in January 2019 for review and approval.

On a motion made by Ms. Releford and seconded by Ms. Olive, the Board voted to approve the CHC Management monthly fee of $30,000.00 dollars billed in January 2019 on invoice #4087 to approve the CHC Expenses invoice #4120 for salary and compensation along with the travel expenses billed in January 2019 for the amount due of $31,733.27 dollars as presented. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

On a motion made by Mr. Yeldell and seconded by Ms. Olive, the Board voted to approve the CHC Management fee of $30,000.00 dollars billed in December 2018 on invoice #4030 and CHC Expenses invoice #4031 for salary and compensation along with the travel expenses billed in December 2018 for the amount due of $35,635.38 dollars as presented. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**Administrative Report - Derrick Frazier, CEO**

Mr. Frazier reported that the Hospital’s Mission, Vision, and Values Statements were updated to reflect the current definitions of the Mission and Vision of the hospital during the Board’s Retreat with CHC. After reading each statement, he recommended final approval of the updated Mission, Vision, and Values Statements.

**Approval of the Mission, Vision, and Values Statements**

On a motion made by Ms. Plonnigs and seconded by Ms. Releford, the Board voted to approve the revised Hospital’s Mission, Vision, and Values Statements as updated and presented. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**Administrative Report (continued)**

Mr. Frazier reported that Dr. John Califano, Urologist submitted his resignation effective the last day of February. He is returning to Idaho.

Mr. Frazier reported that the IRS Audit penalty for all findings total the amount of $24,375.00 dollars. There is a penalty included for nonpayment of taxes for the payments made to the Hospital Board for monthly attendance, $2,785.36 dollars. The question remains on how to process payments moving forward and what are the options. The auditor recommends that these payments are taxed. After speaking with our attorney, the recommendation was to list the Board members as an employee and pay the taxes through payroll. For almost all non-profit hospitals, the Board members as members as community service and receive no payments.

There was discussion regarding what other hospitals pay and that for most non-profit hospitals they do not typically pay their board members. The Board does not receive 1099’s from the Hospital because the total is not over $600 dollars per year. The question was raised that if the Board members receive a W-2, will it change any liability of its members or change any other rules or guidelines.

Mr. Frazier stated the settlement also includes two other items of payments that could be an issue if the case went to court, therefore he recommends accepting the settlement and payment of the penalty to the IRS. There would also be additional court costs and attorney fees by not accepting the settlement.

Mr. Frazier recommends approval of the IRS audit settlement payment of $2,785.36 dollars for the charges and penalty.

There was discussion regarding the appointment of the Hospital Board members by the elected members of the Morehouse Parish Police Jury and the relation to being designated as a non-profit governmental entity.

Mr. Green requested to amend the agenda to add approval of the IRS Audit Settlement payment.

**Amend the Agenda to add an item: IRS Audit Settlement Approval**

On a motion made by Ms. Plonnigs and seconded by Mr. Yeldell, the Board voted by roll call to approve amending the agenda to add an item: IRS Audit Settlement approval. The motion passed by unanimous voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**IRS Audit Settlement Approval**

On a motion made by Mr. Yeldell and seconded by Ms. Releford, the Board voted to approve accepting the IRS Audit Settlement in the amount of $2,785.36 dollars and penalty fee as discussed. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

**Administrative Report (continued)**

There was continued discussion regarding the Board members receiving payments, changing to receiving no payments as a volunteer board member, the processing of W2 forms or 1099’s for each, and other options for applying the taxes. Payment to the Board members and processing the tax payments item was tabled for additional review and discussion.

Mr. Frazier reported that Delta Pathology was no longer contracted to manage the Laboratory Department. Another group will be providing these services effective January 2019; Clinical Pathology Laboratories, Inc. (CPL), a full-service reference laboratory located in West Monroe, Louisiana. The Interim Lab Director position was accepted by Valonde Moore, Respiratory Therapist Director.

Mr. Frazier discussed the upcoming renewal of the Community Hospital Corporation (CHC) management agreement for a 5-year contract or a 3-year contract renewal. The contract terms of the agreement were reviewed for negotiation purposes including the time frame for notice of termination, the management fees remaining the same until the year 2021, and any counter offer options.

There was discussion regarding the attendance of CHC at each meeting and reducing the travel expenses of attending to possibly every other meeting, utilizing the telephone conference call, and computer access systems. Mr. Beasley discussed some of the purposes for CHC management and the significance of being present to meet with the staff one-on-one the day of the Board meetings.

Mr. Ramsey discussed implementing changes as recommended through the audit process.

**EXECUTIVE SESSION pursuant to “LA. R.S. 46:1073”:**

There were no items for Executive Session.

**ADJOURNMENT:**

There being no further business, there was a motion made by Ms. Olive and seconded by Ms. Plonnigs to adjourn the meeting. The motion passed by voice vote as follows:

Ayes: Green, Releford, Yeldell, Plonnigs and Olive.

Nays: None.

Absent: None.

The Board meeting was adjourned by the Chairman at 7:24 p.m.

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**BOB GREEN, CHAIRMAN**

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**DERRICK FRAZIER, SECRETARY**