

HART COUNTY HOSPITAL AUTHORITY
Quarterly Meeting

January 20, 2009
5:30 PM
Class Room

MEMBERS: James Spencer, Chairman
Gordon Irwin, DO, Vice Chair
Alice Glenn, Treasurer
Larry Fouch
Scott Hardigree
Pudge Smith
Robert Clark
Tony Hilton
JoDon Garringer, MD

TCHS STAFF: Jerry Wise, Secretary
Chuck Adams, CEO
Steve Barber, CFO
Marsha Beck, Adm. HHCC
Kim Drafts, Controller

AGENDA

1. CALL TO ORDER AND WELCOME
2. ACCEPTANCE OF MINUTES – October 21, 2008
3. FINANCE COMMITTEE REPORT – Alice Glenn
4. NEW BUSINESS – Jim Spencer
 - A. Distribution of Authority Meeting Schedule
 - B. New Term Schedule
 - C. Next quarterly meeting to be held April 21, 2009 at 5:30PM
5. ADJOURNMENT

MINUTES

HART COUNTY HOSPITAL AUTHORITY

Quarterly Meeting

January 20, 2009
Hart County Hospital Class Room
5:30 p.m.

Members Present:

James E. Spencer, Chairman
Gordon Irwin, DO, Vice Chair
Alice Glenn, Treasurer
Larry Fouch
Scott Hardigree
Pudge Smith
Robert Clark
Tony Hilton
JoDon Garringer, MD, MEC Chair

Cobb Foundation BOD:

Fort Oglesby
Jack Edmunds
Greg Hearn
Robert Ridgway, HCH Authority Attorney

TCHS Staff:

Chuck Adams, TCHS CEO
Steve Barber, TCHS CFO
Jerry Wise, HCH Administrator
Marsha Beck, HHCC Administrator
Kim Drafts, HCH Controller

Chairman Spencer called the meeting to order.

The minutes of the October 21, 2008 meeting were presented and approved as presented.

REPORT FROM THE ADMINISTRATOR

Jerry Wise presented the Administrator's report. Dr. Weaver has resigned effective January 31st. He is transferring his records to Dr. Scott unless otherwise requested by the patient. Dr. Lomant has informed us he plans to close his practice in the next couple of months. We are actively recruiting a physician for Dr. Sen to join his practice.

We are appreciative of the Board's approval of the budget. We are making every effort to adhere to it. We will be starting a major campaign on medical screens starting March 1st in the Emergency Department. Every patient that comes to the ED will be triaged. It will be determined if it is emergent or non-emergent. If it is emergent, the patient will be treated and we will request a payment from them. If it is non-emergent, the patient will be advised that an upfront payment will be necessary in order to be seen. This will also apply to other departments throughout the hospital (i.e., outpatient procedures, lab, radiology, etc). The Love Light Tree that the Auxiliary hosted in December raised over \$7,000. They did an awesome job and we appreciate all their efforts at Hart County Hospital.

HCH STATISTICAL REPORT

Jerry Wise presented the Statistical report for December 2008. Days Cash on Hand was 23.1. Net Days in AR was 46.0, which is down from prior year. Bad Debt Expense was down from prior year, Bad Debt Recoveries was up over prior year and Indigent/Charity Care was up over prior year. Revenue from Self Pay was up at \$3,977,841 compared to \$3,674,860 prior year. Bad Debt % Self-Pay was down at 90.8% compared to 98.6% prior year. Acute Care Days was 349 for the month and 3,930 for 2008 compared to 4,052 for 2007. OP Equivalent was 7,482 for the year compared to 7,645 for prior year. Swing Bed Days was significantly over prior year. Percent Occupancy stayed constant at 3.53 for the year compared to 3.51 for prior year. Acute Care Discharges were down over prior year with 1,112 for the year and 86 for the month. ER visits were up over prior year at 9,756. Scopes / Surgeries were up over prior year at 1,106. M'Care Case Mix Index was down at 1.0442 for the year and M'Caid Case Mix Index was up for the year at 1.3880. Financial Class remained constant for the year with Medicare at 55.2%, Medicaid at 9.7%, Commercial at 23%, and Private Pay at 12.1%.

HCH NURSING REPORT

Jerry Wise presented the Nursing report in the absence of Dede Arnau. There have been a number of employees out sick. We have three RN and one LPN vacancies. Our staff is working hard trying not to use agency.

HHCC ADMINISTRATOR'S REPORT

Marsha Beck presented the Nursing Home report. Staffing has been steady. Agency use has been down. We still have some challenges for CNA's on weekends. There has been a respiratory virus throughout the facility. There were eight discharges in the month of December. Three of these went home. The Occupancy rate for the month was 96.6%. We currently have two empty beds. Four patients are receiving Hospice care and three are in the hospital. We are planning a Valentine Ball on February 12th. We have seventeen participants this year and they are excited about being involved. We have gone 441 days with no lost time accidents.

FINANCIAL REPORT

Kim Drafts presented the Financial Report for December. Gross Revenues for the month was \$2,777,657 and year-to-date was \$32,935,791. Total Deductions for the month was \$1,396,427 and year-to-date was \$16,024,313. Net Patient Care Revenue for the month was \$1,381,230 and year-to-date was \$16,911,478. Total Operating Revenue for the month was \$1,394,126 and year-to-date was \$17,105,232. Total Operating Expenses for the month was \$1,297,774 and year-to-date was \$18,370,669 compared to a budget of \$18,633,136 and prior year of \$17,976,022. Net Operating Revenue for the month was \$96,352 compared to a budget of (\$91,177) and year-to-date was (\$1,265,437). Subtracting the Non-Operating Revenue and Depreciation & Amortization and Interest left a Net Income for the month of \$163,900 and year-to-date Net Income Loss of (\$2,196,605).

OTHER BUSINESS

Chuck Adams presented a brief update. The State released the budget last week. They have proposed a 1.6% tax on hospitals. This is suppose to help fund the gap in the Medicaid program which is \$2.8M in the hole for the current year and they anticipate \$400M for 2010. The problem with this is there has been no communication between the Department of Community Health and Office of Planning and Budget and the Legislatures are upset because of this. We will have to wait to see where this ends up.

The TCHS financials showed the two hospitals combined lost \$2.9M on operations. The Nursing Homes combined made \$2.2M on operations. From an operations standpoint, the system had an \$800,000 loss for 2008. We had a \$2M profit from operations in 2007. In addition to this, we had a

loss of \$4M in non-operating revenue of investments for 2008. System wide our Net Income was a loss of \$4.9M for 2008.

FINANCE COMMITTEE REPORT

Alice Glenn presented the Finance Report. The balance as of 10/13/2008 was \$178,356.87. Interest from savings earned was \$3.38 plus a transfer from the HCH Foundation of \$3,772.05 leaves a balance as of 01/20/09 of \$182,132.30.

NEW BUSINESS

None

There being no further business the meeting was adjourned. The Authority went into an Executive Session to discuss real estate.


James Spencer, Chairman

Jerry Wise, Secretary

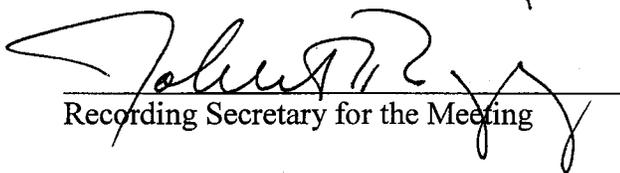
jhs

Supplemental Minutes of an Executive Session Held in Conjunction With The Regular Meeting
of the Hart County Hospital Authority Held On January 20, 2009

During the Hart County Hospital Authority's Regular Meeting Held on January 20, 2009, the Authority voted unanimously to go into executive session to discuss a real estate matter in connection with a potentially commercially valuable plan, proposal, or strategy involving real property that may be of competitive advantage in the operation of the authority or its medical facilities and which has not been made public. Authority Attorney Robert E. Ridgway, Jr. was elected to serve as recording Secretary at that time.

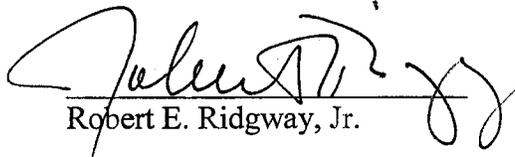
Present were the following Authority Members: Chairman Jim Spencer, Treasurer Alice Glenn, Pudge Smith, Bob Clark, Scott Hardigree, JoDon Garringer, MD, Larry Fouch, Gordon Irwin, and Tony Hilton. No Member was absent.

After discussion, the Authority came out of executive session to adjourn the meeting. No action was taken.


Recording Secretary for the Meeting

AFFIDAVIT

Personally appeared before the undersigned officer duly authorized to administer oaths in this state, Robert E. Ridgway, Jr., who, after being duly sworn on oath deposes and says that the subject matter of the closed part of the meeting was devoted to matters within the exceptions provided by law, being a potentially valuable plan, proposal or strategy that may be of competitive advantage in the future operation of Hart County Hospital which has yet to be made public and involving real estate.


Robert E. Ridgway, Jr.

Sworn to and subscribed before me this

27th day of January, 2009.


Notary Public. My Commission Expires: July 8, 2011

Durkes, Terri Durkes
Notary Public, Gwinnett County, Georgia
My Commission Expires July 8, 2011

HART COUNTY HOSPITAL AUTHORITY

Oversight Committee Roster – 2009

Cobb Foundation Board of Directors Meeting Date	Oversight Committee Member		
January 2009	A. Glenn	P. Smith	S. Hardigree
February 2009	J. Spencer	P. Smith	T. Hilton
March 2009	T. Hilton	S. Hardigree	L. Fouch
April 2009	T. Hilton	S. Hardigree	R. Clark
May 2009	A. Glenn	S. Hardigree	G. Irwin
June 2009	R. Clark	Alice Glenn	L. Fouch
July 2009	R. Clark	Alice Glenn	L. Fouch
August, 2009	R. Clark	T. Hilton	L. Fouch
September 2009	J. Spencer	G. Irwin	P. Smith
October 2009	J. Spencer	G. Irwin	P. Smith
November 2009	J. Spencer	G. Irwin	P. Smith
December 2009	R. Clark	T. Hilton	S. Hardigree
January 2010	A. Glenn	P. Smith	S. Hardigree

It is important that the Authority is well represented at each HCH Board of Directors Meeting. If you cannot be present on your assigned date, please exchange with another Authority Member.

HART COUNTY HOSPITAL
AUTHORITY MEMBER TERM SCHEDULE

<u>MEMBER</u>	<u>TERM EXPIRES</u>
Larry Fouch	December 31, 2009
James Spencer	December 31, 2009
Robert Clark	December 31, 2010
Alice Glenn	December 31, 2010
Tony Hilton	December 31, 2010
Scott Hardigree	December 31, 2011
Gordon Irwin, D.O.	December 31, 2011
Pudge Smith	December 31, 2011
*JoDon Garringer, MD	December 31, 2009

*The ninth member of the Hospital Authority, the Medical Chief of Staff, will change as elected each December by the Medical Staff.

HART COUNTY HOSPITAL AUTHORITY
TREASURER'S REPORT
01/20/2009

Bank of America - Savings			
Balance at 10/13/2009	\$1,858.57		
Interest Oct. - Dec.		3.38	
Transfer from Foundation Account		<u>3,772.05</u>	
(Includes all lease payments)			
Balance at 01/20/2009			<u>5,634.00</u>
First Citizens Checking			<u>100.00</u>
Certificates of Deposit:			
First Citizens Maturity 12 Months -10/2/2009 APY 4%			99,000.00
Athens First Bank & Trust 12 Months - 10/2/2009 APY 3.75%			<u>77,398.30</u>
Balance in Certificates of Deposit 01/20/2009			<u>176,398.30</u>
Total Cash in Banks at 01/20/2009			<u>182,132.30</u>
Balance at 10/13/2008	\$178,356.87		
Additions:	Interest:		
	Checking	3.38	
	Transfer	<u>3,772.05</u>	
			<u>3,775.43</u>
Balance at 01/20/2009			<u>\$182,132.30</u>

HART COUNTY HOSPITAL FOUNDATION FUNDS

Bank of America - Foundation Accounts			
Account #0032-7686-9445			
Balance at 9/30/2008			\$3,771.18
	Interest earned October		.87
	Transferred to Hospital Authority Savings		<u>-3,772.05</u>
Balance at 10/31/2008			<u>0000.00</u>

HART COUNTY FACILITIES STATISTICS - December 2008

Hart County Hospital

	Year - to - Date		
	Current Month	Current	Prior
1 Days Cash on Hand		23.1	30.2
2 Net Days in AR		46.0	57.3
3			
4 Bad Debt Expense	\$ 132,135	\$ 2,289,250	\$ 2,531,319
5 Bad Debt Recoveries	\$ (20,392)	\$ (301,357)	\$ (260,281)
6 Indigent / Charity Care	\$ 50,835	\$ 1,624,919	\$ 1,354,206
7 Revenue from Self-Pay	\$ 224,404	\$ 3,977,841	\$ 3,674,860
8 Bad Debt % Self-Pay	72.4%	90.8%	98.6%
9			
10 <u>Patient Days</u>			
11 Acute	349	3,930	4,052
12 Equivalent OP	635	7,482	7,645
13 Swing Bed	246	3,054	3,911
14			
15 <u>Percent Occupancy</u>			
16 Acute / Swing Bed	23.4%	23.3%	26.6%
17 Avg. Lengths of Stay	4.06	3.53	3.51
18			
19 <u>Discharges</u>			
20 Acute	86	1,112	1,156
21			
22 <u>Outpatient</u>			
23 ER Visits	819	9,756	9,704
24 Scopes / Surgeries	76	1,106	956
25			
26 M'Care Case Mix Index	1.1732	1.0442	1.1397
27 M'Caid Case Mix Index	1.0774	1.3880	0.8824
28			
29 <u>Financial Class - Hosp.</u>			
30 Medicare	58.4%	55.2%	55.2%
31 Medicaid	9.3%	9.7%	8.8%
32 Commercial	24.2%	23.0%	24.1%
33 Private Pay	8.1%	12.1%	11.9%
34			

Hartwell Health Care Center

	Year - to - Date		
	Current Month	Current	Prior
39 <u>Patient Days x Financial Class</u>			
40 Medicare	6.1%	7.6%	9.7%
41 Medicaid	80.5%	78.7%	82.3%
42 Commercial	6.2%	6.8%	3.7%
43 Private Pay	7.2%	6.9%	4.3%
44			
45 <u>Total Patient Days</u>	2,756	32,957	32,600
46			
47 <u>Percent Occupancy</u>	96.6%	97.9%	97.1%
48			
49 <u>Discharges</u>	8	48	73
50			
51 <u>Case Mix Index</u>	1.2250	1.2340	1.2295
52 <u>Cognitive Performance %</u>	58.8%	53.7%	48.1%

**HART COUNTY HOSPITAL
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2008**

	MONTH - TO - DATE				YEAR - TO - DATE		
	Current	Budget	Prior Year		Current	Budget	Prior Year
1				REVENUES			
2	907,344	910,550	949,069	Inpatient	10,479,501	10,523,716	9,780,013
3	1,650,505	1,667,413	1,347,915	Outpatient	19,951,838	19,925,611	18,453,309
4	219,808	234,146	211,665	Sub Acute	2,504,452	2,811,377	2,708,442
5	2,777,657	2,812,109	2,508,648	GROSS Revenues	32,935,791	33,260,704	30,941,764
6							
7				DEDUCTIONS from Revenue			
8	954,946	885,814	798,828	Medicare Contractual Adjustments	10,542,928	10,477,122	9,487,615
9	253,308	202,471	166,170	Medicaid Contractual Adjustments	2,465,715	2,394,770	2,182,746
10	188,172	247,466	197,108	Other Deductions	3,015,670	2,926,942	2,345,006
11	1,396,427	1,335,751	1,162,107	TOTAL Deductions	16,024,313	15,798,834	14,015,367
12							
13	1,381,230	1,476,358	1,346,542	NET Patient Care Revenue	16,911,478	17,461,870	16,926,397
14							
15	12,896	17,195	9,178	Other Income	193,754	206,364	202,554
16	1,394,126	1,493,553	1,355,719	TOTAL Operating Revenue	17,105,232	17,668,234	17,128,951
17							
18				EXPENSES			
19	515,097	525,878	541,651	Salaries	6,124,508	6,268,508	6,117,319
20	192,227	158,958	(40,528)	Employee Benefits	1,951,555	1,882,015	1,745,252
21	6,150	7,445	(59)	Contract Labor	23,605	24,540	15,444
22	95,230	83,809	105,206	Purchased Services	1,046,445	1,066,909	1,064,033
23	94,610	107,957	102,186	Professional Fees	1,213,976	1,257,472	1,221,864
24	47,000	183,381	124,057	Supplies	2,017,760	2,092,137	1,953,659
25	26,366	37,921	26,741	Physician Recruitment	316,463	364,502	253,659
26	51,578	52,115	9,709	Management Fees	644,682	615,380	569,843
27	5,816	7,979	6,079	Information Systems	84,115	95,748	87,618
28	11,241	9,784	10,601	Rent / Lease Equipment	126,185	123,547	114,439
29	33,118	39,907	45,471	Repairs & Maintenance	541,152	505,791	491,358
30	38,921	25,024	44,518	Utilities	369,475	300,288	298,486
31	13,509	18,356	20,299	Insurance	163,393	196,180	257,217
32	97	4,800	2,014	Travel & education	36,168	79,745	68,328
33	0	0	0	Provider-based Taxes	0	0	0
34	162,578	310,035	225,713	Bad Debt (Net)	3,612,812	3,666,993	3,625,244
35	4,237	11,380	16,183	Other Expenses	98,375	93,381	92,260
36	1,297,774	1,584,729	1,239,841	TOTAL Operating Expenses	18,370,669	18,633,136	17,976,022
37							
38	96,352	(91,177)	115,879	NET Operating Revenue (Loss)	(1,265,437)	(964,902)	(847,071)
39							
40	174,674	14,842	197,539	Non-Operating Revenue	427,962	284,512	594,713
41							
42	79,327	79,500	158,780	Depreciation & Amortization	995,634	954,000	862,130
43	27,799	35,694	22,921	Interest	363,496	453,496	202,968
44	107,126	115,194	181,701	TOTAL Non-Operating Expense	1,359,130	1,407,496	1,065,098
45							
46	163,900	(191,529)	131,716	NET Income (Loss)	(2,196,605)	(2,087,886)	(1,317,456)