

BOARD MINUTES
OF THE
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA
August 27, 2024

A regularly scheduled meeting of the Board of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 AM on Tuesday, August 27, 2024. The meeting was held in the conference room at Orchard View on Whitesville Road in Columbus, Georgia. A notice was emailed to each member of the Board more than 48 hours prior to the meeting. A copy of the notice was posted more than 24 hours before the meeting on the door of the building in which the meeting was held.

Present at the meeting were Chairman Ernie Smallman, Vice Chairwoman Sarah Banks-Lang, and members Mike Welch, Warner Kennon, Jr., Chuck Hecht, Wayne Joiner, Tony Floyd, and Bob Jones. Dr. John Kingsbury was excused.

Britt Hayes, CEO, Rick Alibozek, CFO, and Jack P. Schley, Secretary/Attorney, were present at the meeting.

INVOCATION AND WELCOME

The meeting was called to order and Britt opened the meeting with a prayer.

DETERMINATION OF QUORUM

It was determined that a quorum was present.

REVIEW OF MINUTES

The Minutes for the July 30, 2024, Board meeting were reviewed. Sarah moved for their approval and Tony seconded the motion. The July 2024 Board Minutes were unanimously approved.

BOARD BUSINESS

Ernie and Jack acknowledged and welcomed Bob Jones as the newest member of the Board. Jack reported that the proposed land swap agreement for the Bibb Mill property was accepted and signed by Tracy Sayers on behalf of Four J S Family LLLP together with a deed for the Macon Road property formerly known as the Harmony Club. The purchase price is \$800,000 and the proceeds from the sale will net HAC about \$799,399. According to Jack and Rick, the Bibb Mill property has outstanding Muscogee County taxes assessed to it in the amount of about \$20,000. HAC's real property, including Bibb Mill, is exempt from taxation, but these outstanding taxes were incorrectly assessed before a Georgia Court of Appeals decision resolved an issue of whether excess land held by a public authority is tax exempt. Jack recommended that the taxes be paid "under protest" to preserve HAC's exemption arguments without delaying the land swap. Tony recommended requesting a meeting with the Tax Commissioner. Rick reported that the assessments were protested years ago through Ken Henson, but a meeting was never granted to discuss the issue. Warner proposed to approve the closing of the land swap on the condition that the tax issue be resolved in HAC's favor before payment or through a refund. Tony recommended pursuing a resolution before paying the balance. Jack presented a proposed Resolution granting Britt and Jack authority to execute all necessary documents on HAC's behalf at the closing to complete the land swap and subsequent sale of the Macon Road property. Chuck moved for the Resolution to be adopted and Sarah seconded the motion. Following discussion, the Resolution was unanimously approved.

CFO'S REPORT

Ernie called for the financial report to be given, and Rick Alibozek presented the Financial and Statistical Reports:

Statistical Report: Attached to these Minutes is the FY 2024 YTD Statistical Report. Rick reported that HAC's census for July was about 262 residents and is projected to reach 270 in August. The year-to-date average census per facility follows: Orchard View – 61.69%; Ridgecrest – 45.28%; and Muscogee Manor – 51.40%. HAC received 47 new admissions in July. Rick reported that HAC's Medicare census for July was 19.81 which is lower than the FY 2024 census of 25.19. According to Rick, the number of long-term residents is increasing and HAC's lowest Medicaid rate is \$320 per day which is above-average for Georgia.

Britt commented that he has met with all the local hospitals in an effort to build a referral network, and he commented that census has grown from those referrals. Ernie asked that future census and statistical reports include pre-COVID numbers (prior to 2020) for comparison. Rick responded that he would include those numbers in his future reports.

Financial Report: Attached to these Minutes is the Hospital Authority of Columbus YTD Consolidated Income Statement through July 31, 2024. Rick reported that HAC currently has cash and cash equivalents of about \$17,659,000 with another \$3,165,000 in Certificates of Deposit and T-bills earning about 5.2%. According to Rick, UPL of \$1,600,000 was received this month, but there is no update on the ERC payment of \$2,040,000. Rick indicated the payment is guaranteed but has not been received, and that the payment is likely accruing interest at 7% while it is being held by the IRS.

Rick reported that Series 2018A bonds used to purchase the real property for Ridgecrest were paid-off on July 1, 2024, which decreased HAC's monthly debt payments by about \$60,000. Rick indicated that overtime hours for some employees are high and are being monitored to ensure HAC's resources are being used properly. Rick and HAC's Human Resources director recently met with a staffing agency that employs Registered Nurses from the Philippines. According to

Rick, this staffing agency provides RNs at a competitive rate based on current employee pay rates for a similar position. The rate is better than the rates of other staffing agencies. The Board discussed staffing agencies generally. Rick indicated that HAC is discussing options with an immigration attorney to determine whether the staffing agency is a good option for HAC. According to Rick, this agency could help HAC meet the new requirement of having 24/7 RN coverage. Sarah asked if telemedicine is accepted towards a 24/7 RN requirement. Rick responded that the mandate is not well defined and is currently being challenged in court. Bob asked how frequently HAC residents are visiting the Emergency Room. Rick responded that the rate of ER visits is currently high, but ongoing training is aimed at reducing the rate of ER visits. Britt commented that if family members ask for a resident to be sent to the ER then HAC arranges the visit to accommodate the request, which is a contributing factor to the high rate.

Rick indicated that the financial audit is ongoing and the auditors plan on attending the October Board meeting to present the results. According to Rick, the Orchard View 2022 Medicaid Cost Report Audit is still ongoing and HAC has provided all information requested by the auditors. HAC's insurance renewal will occur on October 1, 2024, and Rick indicated that cyber security coverage will be added. The Board discussed generally the need for cyber security insurance. Britt commented that HAC's data is backed-up off site and deleted files can be recovered from the back-up servers. Ernie asked if HAC has terrorism coverage. Rick responded in the negative stating the insurance agent did not recommend it.

Rick provided a one-page summary of his report to the Board, which the Board thanked him for and commented on its ease of use for understanding the statistical and financial positions.

PRESIDENT'S REPORT

Britt Hayes gave the President's report:

Betty Tatum Plaque: Britt presented to the Board, in response to the Board's request, an upright plaque recognizing Betty Tatum's years of service to HAC. The Board remarked generally on its approval of the plaque and requested Britt to invite Betty to the next Board meeting to receive the recognition in person.

Bibb Mill Property: Britt referred to Jack's report during Board Business for an update on the Bibb Mill closing, which is scheduled for Wednesday, August 28, 2024.

Silver Quality Award Proclamation: Britt presented to the Board City Council's proclamation recognizing the Silver Quality Award bestowed on HAC. Britt informed the Board of the events at council surrounding the proclamation and council's congratulations to HAC for receiving the Silver Award. Britt indicated the Proclamations will be framed for public display.

AHCA Noble Caregiver Award: Britt reported that he nominated Sonja Johnson, who has been with HAC for 44 years, for the American Healthcare Association's national Noble Caregiver Award. Johnson did not receive the award but Britt wanted the Board to be aware of her qualifications for it nonetheless.

Continuous Glucose Monitoring: Georgia and Alabama are the only states that do not include glucose monitoring in Medicare coverage, according to Britt. This prompted Britt to write a letter to state officials requesting a change, and Britt received a response that Governor Kemp had approved Medicare coverage for glucose monitoring, which will benefit many HAC residents who will no longer have to use finger-stick tests.

New Initiatives: Britt reported that he met with Jack Hughston's new discharge manager earlier this month as well as with the staff at Encompass. Britt shared photos of Orchard View and Ridgecrest during these meetings from HAC's new website and reported that many of the people he met with were surprised by the quality of HAC's facilities. Britt reported that he thought the

meetings were productive, and that he created a QR code to include on all marketing materials to quickly link viewers to the same photos on HAC's website.

Britt indicated that HAC has partnered with Georgia Healthcare Association and offered to host elected officials at any of HAC's facilities. According to Britt, the GHCA was appreciative of the offer. Britt also reported that 180 tickets have been sold for the barbeque to be hosted by HAC to benefit the Alzheimer's Association.

Britt reported that he met with Medpro, which is a provider of litigation insurance. According to Britt, Medpro is also providing training to HAC staff, including, on-site risk assessments which are aimed at improving chart notes. Britt also indicated that part of the Biden Administration's Inflation Reduction Act included Medicare price negotiations for 10 medications which are frequently used by HAC, and that another 15 relevant medications will be considered for coverage in 2026. This could result in substantial savings to HAC.

HAC's commercial produced by INCOLR is expected to debut in September, according to Britt. Warner asked that a link be shared so the Board can view the commercial online. Also, Britt indicated that he would serve on the Georgia Healthcare Association's Emergency Preparedness Committee in 2024-2025.

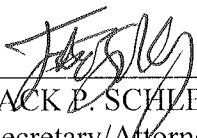
COVID-19 Update: Britt reported that 27 new cases of COVID-19 have been reported across HAC's facilities with 11 at Orchard View, 4 at Ridgecrest, and 12 at Muscogee Manor. According to Britt, 70 variants are identified in the United States through tests of waste water. The FDA recently approved a new booster, but it does not target the current, predominate variant. This new booster is recommended for everyone over the age of 6 months. The Board discussed boosters generally. Rick indicated that HAC continues to be supplied with COVID tests at no cost.

Miscellaneous: Ernie asked Britt and Rick about a potential policy for Board members to attend a national or state healthcare conference for education purposes. Britt, Rick, and Chuck commented on the relevance of the Georgia Healthcare Association conference for informing Board members on industry laws and practices. Rick estimated the cost to HAC to cover a Board member's attendance to the state conference to be about \$2,000. Britt indicated the Winter conference would be the best event for attendance by the Board, and that the agenda is generally available by the end of October. Britt indicated he would present the agenda at the October Board meeting for further discussion about sending a member of the Board to the conference.

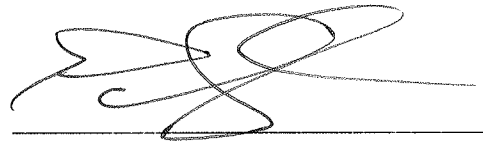
NEXT MEETING

The next meeting will be Tuesday, September 24, 2024 at Orchard View.

There being no further business the meeting was adjourned.



JACK P. SCHLEY
Secretary/Attorney



ERNEST SMALLMAN, IV
Chairman

HOSPITAL AUTHORITY OF COLUMBUS
CONSOLIDATED SUMMARY REPORT
MONTH ENDED JULY 31, 2024

	Orchard View	Home Office	Ridgecrest	Muscogee Manor	Total Nursing Home	Cobles PCH	Muscogee Home Health	River Mill	Consolidated
BALANCE SHEET									
Cash	\$ 4,450,063	\$ -	\$ 6,269,980	\$ 3,694,169	\$ 14,412,212	\$ 30,891	\$ 324,650	\$ 2,862,974	\$ 17,630,727
Other Current Assets	4,883,418	-	1,856,361	4,345,711	11,085,490	5,212	2,859	-	11,093,561
Intercompany Balances	16,700,877	-	(525,982)	(6,547,909)	9,626,986	(6,386,177)	(3,318,291)	(922,518)	-
Noncurrent Assets	34,038,604	-	33,560,272	8,999,712	76,598,588	150,015	83,642	564,920	77,997,165
Total Assets	\$ 60,072,962	\$ -	\$ 41,160,631	\$ 10,489,683	\$ 111,723,276	\$ (6,200,059)	\$ (1,907,140)	\$ 2,505,376	\$ 106,121,453
Current Liabilities	\$ 1,658,827	\$ -	\$ 478,290	\$ 940,791	\$ 3,077,908	\$ -	\$ 251	\$ -	\$ 3,078,159
Non-current Liabilities (excluding bonds)	10,950,305	-	4,047,178	6,750,787	21,748,270	360,100	450,668	-	22,559,038
Bonds Payable	19,492,623	-	28,217,883	-	47,710,506	-	-	-	47,710,506
Total Liabilities	32,101,755	-	32,743,351	7,691,578	72,536,684	360,100	450,919	-	73,347,703
Fund Balance	27,971,207	-	8,417,280	2,798,105	39,186,592	(6,560,159)	(2,358,059)	2,505,376	32,773,750
Total Liabilities and Fund Balance	\$ 60,072,962	\$ -	\$ 41,160,631	\$ 10,489,683	\$ 111,723,276	\$ (6,200,059)	\$ (1,907,140)	\$ 2,505,376	\$ 106,121,453
INCOME STATEMENT									
Revenue	\$ 1,487,500	\$ 110,166	\$ 617,189	\$ 1,186,329	\$ 3,401,184	\$ 2,000	\$ 11,613	\$ 2,217	\$ 3,417,014
Operating expenses	1,515,965	180,154	414,966	1,165,748	3,276,843	606	749	71	3,278,269
Net Profit (loss) before Noncash expense	(28,465)	(69,998)	202,223	20,581	124,341	1,394	10,864	2,146	138,745
Provision for Bad debts	(2,040)	-	-	-	(2,040)	-	-	-	(2,040)
Interest expense	(42,509)	-	(77,868)	-	(120,377)	-	-	-	(120,377)
Depreciation and Amortization	(83,282)	-	(95,374)	(10,505)	(189,561)	(359)	-	-	(189,920)
Current Month Income (loss)	\$ (156,296)	\$ (69,998)	\$ 28,981	\$ 9,676	\$ (187,637)	\$ 1,035	\$ 10,864	\$ 2,146	\$ (173,592)
YTD Income (loss)	\$ (156,296)	\$ (69,998)	\$ 28,981	\$ 9,676	\$ (187,637)	\$ 1,035	\$ 10,864	\$ 2,146	\$ (173,592)

HOSPITAL AUTHORITY OF COLUMBUS
 FY 2025 YTD Statistical Report

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
Orchard View														
% Occupancy													61.69%	66.31%
Medicaid%													76.52%	73.18%
Medicare%													4.26%	7.10%
Private %													9.46%	10.00%
Hospice %													4.63%	5.34%
ADV %													5.12%	4.37%
Daily Medicare and ADV Census													11.58	15.32
Employment (Full Time Equivalents)													174.57	177.07
Ridgecrest														
% Occupancy													45.28%	35.71%
Medicaid%													61.66%	52.20%
Medicare%													11.03%	16.24%
Private %													23.66%	23.17%
Hospice %													0.00%	1.37%
ADV %													3.65%	7.01%
Daily Medicare and ADV Census													5.58	6.92
Employment (Full Time Equivalents)													38.83	34.69
Muscooke Manor														
% Occupancy													51.40%	50.73%
Medicaid%													88.22%	89.05%
Medicare%													2.08%	3.08%
Private %													2.98%	1.31%
Hospice %													6.18%	6.21%
ADV %													0.54%	0.35%
Daily Medicare and ADV Census													2.65	3.41
Employment (Full Time Equivalents)													142.35	136.54

HOSPITAL AUTHORITY OF COLUMBUS
12 MONTH MOVING STATISTICAL REPORT

	Jul-24	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	13 Mo Average	Prior Year Avg
Orchard View															
% Occupancy	61.69%	63.08%	63.60%	63.97%	64.97%	66.32%	67.16%	65.87%	66.13%	67.44%	68.52%	71.79%	65.69%	65.69%	65.38%
Medicaid%	76.52%	77.44%	77.50%	78.06%	78.74%	74.03%	71.64%	73.33%	71.50%	69.62%	69.34%	68.45%	71.15%	73.44%	72.69%
Medicare%	4.26%	6.55%	4.08%	3.83%	4.26%	6.92%	10.66%	5.39%	6.88%	5.29%	9.69%	11.59%	9.11%	6.68%	7.33%
Private %	5.46%	8.90%	9.49%	9.85%	9.78%	7.96%	8.79%	10.31%	10.94%	11.15%	9.95%	10.38%	12.52%	9.96%	10.32%
Hospice %	4.63%	3.70%	4.13%	5.00%	5.41%	6.06%	5.15%	4.80%	5.70%	7.49%	6.71%	5.23%	4.69%	5.29%	5.35%
ADY %	5.12%	3.41%	5.00%	3.20%	4.87%	5.03%	3.72%	5.19%	4.98%	6.46%	3.72%	4.46%	2.53%	4.45%	4.39%
Daily Medicare and ADV Census	11.58	12.57	11.54	9.07	11.77	15.90	19.32	15.26	15.70	15.84	18.64	22.51	15.29	15.03	15.53
Employment (Full Time Equivalents)	174.57	189.00	174.79	173.80	175.72	174.72	182.60	187.28	175.35	176.68	178.19	169.66	167.04	176.88	176.40
Redbreast															
% Occupancy	45.26%	41.94%	38.75%	36.90%	38.17%	38.95%	35.75%	32.87%	35.37%	36.41%	32.70%	29.08%	31.64%	36.45%	35.46%
Medicaid%	61.66%	60.17%	57.72%	54.73%	53.02%	53.76%	53.22%	54.32%	52.81%	47.05%	42.35%	49.07%	48.38%	52.93%	52.10%
Medicare%	11.08%	10.97%	10.89%	15.48%	21.73%	17.88%	7.51%	12.97%	16.85%	18.46%	17.84%	16.67%	27.67%	15.84%	16.77%
Private %	23.66%	22.52%	24.68%	23.33%	21.93%	24.10%	28.54%	27.57%	22.92%	20.78%	21.84%	24.07%	18.81%	23.21%	22.89%
Hospice %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.89%	3.80%	3.64%	3.31%	1.70%	1.26%	1.26%
ADY %	3.65%	6.94%	5.70%	6.45%	3.32%	4.25%	10.78%	5.14%	3.48%	9.92%	14.37%	6.88%	3.64%	6.76%	6.98%
Daily Medicare and ADV Census	6.10	6.10	6.71	6.80	8.03	7.25	5.49	5.00	6.02	8.68	8.83	5.74	8.32	6.81	7.01
Employment (Full Time Equivalents)	38.83	38.01	36.81	35.77	33.46	37.35	37.42	38.24	31.66	31.45	34.18	34.24	32.69	35.01	34.67
Muscogee Manor															
% Occupancy	51.40%	49.73%	49.09%	48.45%	48.16%	51.57%	51.37%	52.24%	52.45%	52.65%	52.21%	50.53%	50.25%	50.78%	50.72%
Medicaid%	88.22%	89.60%	90.35%	89.47%	89.95%	90.81%	88.82%	89.38%	89.95%	87.40%	87.07%	87.13%	86.60%	88.96%	89.16%
Medicare%	2.06%	3.18%	2.85%	3.02%	2.22%	0.95%	2.98%	2.74%	2.65%	3.28%	3.35%	4.85%	4.66%	3.01%	3.05%
Private %	2.98%	1.40%	1.06%	1.19%	1.02%	1.02%	1.99%	1.96%	0.97%	1.94%	1.95%	1.01%	1.02%	1.44%	1.29%
Hospice %	6.18%	5.57%	5.77%	6.32%	6.22%	6.04%	5.64%	5.92%	6.10%	7.22%	7.49%	6.58%	5.70%	6.21%	6.18%
ADY %	0.54%	0.24%	0.00%	0.00%	1.33%	1.17%	0.58%	0.00%	0.29%	0.16%	0.00%	0.42%	0.00%	0.36%	0.32%
Daily Medicare and ADV Census	2.65	3.33	2.74	2.87	3.36	2.14	3.56	2.81	3.07	3.55	3.63	5.23	4.61	3.35	3.25
Employment (Full Time Equivalents)	142.35	139.05	139.81	141.20	131.43	135.56	143.63	150.43	139.29	134.87	136.52	129.65	122.86	136.58	135.24