

BOARD MINUTES
OF THE
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA
June 25, 2024

A regularly scheduled meeting of the Board of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 AM on Tuesday, June 25, 2024. The meeting was held in the conference room at Orchard View on Whitesville Road in Columbus, Georgia, and by Zoom video conference. 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, Dr. John Kingsbury, Warner Kennon, Jr., Chuck Hecht, and Wayne Joiner.

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 May 28, 2024 Board meeting were reviewed. Dr. Kingsbury moved for their approval and Chuck seconded the motion. The May 2024 Board Minutes were unanimously approved.

BOARD BUSINESS

Jack reported that City Council confirmed Tony Floyd's nomination to the Board, and that he was scheduled to take his oath before the Mayor on July 8. Jack reported further that City Council nominated Bob Jones, Mike Mayhew, and Tracy Sayers to fill the seat formerly held by Betty Tatum. Ernie called for a selection and Chuck moved for Bob Jones to be selected, which was second by Wayne. Following a brief discussion, Bob Jones was unanimously selected to join the Board. Chuck referenced Betty's years of service to the Board and asked about HAC's practices for recognizing past Board members upon their retirement. Britt indicated he would have a plaque made to recognize Betty's service and request City Council to pass a proclamation in Betty's honor.

PRESIDENT'S REPORT

Britt Hayes gave the President's report:

Bibb Mill Property: Britt summarized the history of HAC's ownership of the former Bibb Mill property on First Avenue which presently consists of about four acres, and reported on the proposed land swap agreement with Tracy Sayers' company. One of Tracy's companies previously purchased the other, original parcels to the former Bibb Mill property and approached HAC with a proposal to trade the remaining land for another parcel on Macon Road which currently has a potential buyer. Britt reported that Jack was involved in handling the transaction for HAC and called on Jack to provide an update. Jack reported the appraisals for both properties were completed and the Board's condition that the Macon Road property appraise for more than the Bibb Mill property was fulfilled. Finalization of the agreement is currently waiting on the eviction of the present tenant of the Macon Road property and an inspection of the property by the potential buyer. Jack indicated he expects the swap to occur if the potential buyer places the purchase money

into escrow. Following discussion of the transaction, the Board approved for Jack to continue his efforts to finalize the swap.

Pension Contribution: Britt called on Rick to report on HAC's pension plan. Rick reported the city pension plan requires an 8% employee contribution which led to complaints amongst staff. According to Rick, the entry to the pension plan was frozen effective July 1, 2017. Since entry to the plan was frozen, HAC's corporate contribution has decreased by about \$1 million annually. The estimated corporate contribution to the pension plan for FY 2025 is \$600,000. HAC added a 403(b) plan on July 1, 2018 with a matching and discretionary contribution provisions. HAC contributed approximately \$200,000 to the 403(b) plan.

GL/PL Insurance Renewal: Britt called on Rick to report on the insurance renewal. Rick reported HAC's insurance premium was increased by 2.5%. Rick attributed the increase to large claims in the last ten years. The policy costs \$732,000 annually.

Workers Compensation Insurance: According to Rick, a recent quarterly review of HAC's workers compensation policy revealed HAC's premiums are low compared to other similar institutions. Rick attributed the low premium to efficient practices and procedures at HAC to prevent workplace incidents.

Employee Retention Credit: Rick provided an update on the Employee Retention Credit audit, which recently approved \$2,040,000 of the credit for the third quarter of 2021 to be paid to HAC. The remainder of the credit was denied. HAC's audit counsel is protesting the denial and is hopeful that some of the remaining \$4 million will also be released. Chuck asked if the credit was ever recorded on HAC's books. Rick responded that the credit money was never booked because he suspected the credit would be audited and he did not want to record the money until it was released.

Minimum Staffing Update: Britt reported that lawsuits have been filed in Texas challenging the minimum staffing mandates.

New Initiatives: Britt reported the mock surveys have been well received, and Ridgecrest completed its first mock survey earlier this month. Britt is hopeful the mock surveys will improve each facility's quality and performance during actual surveys.

As part of a plan to build a referral network to increase census, Britt hosted lunch and learn programs this month at Piedmont Midtown, Piedmont North, and Wellstar Hospital in LaGrange for doctors, nurses, and discharge planners. Britt reported the events were well attended and the crowds seemed receptive to Britt's information about Orchard View's Bronze Quality Award and the facilities and services HAC has to offer. As a result of the lunch and learn programs, HAC received new referrals to Orchard View. Britt anticipates hosting more programs for facilities in Opelika, Alabama, to broaden HAC's reach. Britt also received feedback from the attendees that Orchard View is a popular facility where patients want to go. According to Britt, many attendees indicated patients do not want to go to Muscogee Manor because the rooms are small and are not private. The Board discussed the feasibility of converting Muscogee Manor to a private room/shared bathroom configuration. Britt reported that one wing of Muscogee Manor is currently undergoing renovation and could be advertised as private rooms upon being reopened. Ernie asked Britt to report back to the Board on this topic.

Ernie recommended that HAC events like the holiday barbeque be opened to individuals in our referral network created from the lunch and learn programs.

Britt reported his interaction with Placer AI Technology as part of HAC's new marketing campaign. According to Britt, Placer AI uses cell phone data to track movements of individuals to identify areas where users of specific businesses originate from to determine where marketing

materials should be used. Britt requested results for individuals visiting the local hospitals, which produced only zip codes for the individuals, and the zip codes were comparable to the known zip codes of origin for many of the current residents of HAC's facilities. Britt intends to use this information to distribute marketing materials by mail to those zip codes.

Britt reported that Ernie referred HAC to Yalla PR for marketing assistance. According to Britt and Ernie, Yalla PR specializes in long-term social media marketing. The current contract with INCOLR will produce a set of commercials and other marketing materials for HAC's use, and Yalla PR will publish those materials on social media and provide additional content for consistent posting to maintain a social media presence for HAC. Britt intends to stagger the INCOLR ads and the Yalla PR posts to track which method produces more responses. Ernie commented that the television commercials are targeted towards potential residents for HAC, while the social media posts are targeted towards the younger family members of potential residents who are involved in the decision-making process for placing elderly family members in nursing homes. Britt indicated filming for the INCOLR commercials was taking place during the Board meeting.

COVID-19 Update: Britt reported there were no new cases of Covid-19 in June across all HAC facilities. This is the second month in a row that no positive cases have been detected within HAC. Britt reported many of the free testing sites for Covid-19 are closing to be replaced with kiosks. HAC will continue to report its Covid numbers through December 2024. According to Britt, a new vaccine is to be made available in September 2024.

Quality Incentive Payments: Rick reported that Muscogee Manor is expected to receive \$68,000 in Quality Incentive Payments from the State of Georgia. No notices of similar, anticipated payments have been received for either Orchard View or Ridgecrest.

Year End Audit: Rick reported the preliminary review of HAC's annual audit has been completed. The primary review is set to being in July.

CFO'S REPORT

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 year-to-date census is between 260 and 267.

Financial Report: Attached to these Minutes is the Hospital Authority of Columbus YTD Consolidated Income Statement through May 30, 2024.

The Board discussed cash expenditures generally based on the financial report. Rick indicated that payroll for months with holidays is higher due to double pay. Rick added that the \$2,040,000 Employee Retention Credit will add significant cash to HAC's books once the payment is received. The Board then discussed financial strategies for paying-off HAC's debt to build a new facility in the southern part of Columbus, verses maintaining debt and focusing on quality of care.

NEXT MEETING

The next meeting will be Tuesday, July 30, 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
FY 2024 YTD Statistical Report

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
Orchard View														
% Occupancy	63.60%	63.97%	64.97%	66.52%	67.16%	65.87%	66.13%	67.44%	67.44%	69.52%	71.79%	65.69%	66.61%	64.75%
Medicaid%	77.30%	78.06%	75.14%	74.03%	71.64%	73.31%	71.50%	69.62%	69.62%	69.94%	68.43%	71.15%	72.79%	67.57%
Medicare%	4.08%	3.88%	4.20%	6.92%	10.66%	6.39%	6.88%	5.29%	5.29%	9.69%	11.59%	9.11%	7.15%	10.32%
Private %	9.49%	9.85%	9.78%	7.98%	8.79%	10.31%	10.94%	11.15%	11.15%	9.95%	10.38%	12.52%	10.10%	12.21%
Hospice %	4.13%	5.00%	5.41%	6.04%	5.19%	4.80%	5.70%	7.49%	7.49%	6.71%	5.23%	4.69%	5.49%	7.03%
ADV %	5.00%	3.20%	4.87%	5.03%	3.72%	5.19%	4.99%	6.46%	6.46%	3.72%	4.36%	2.53%	4.46%	2.87%
Daily Medicare and ADV Census	11.54	9.07	11.77	15.90	19.32	15.26	15.70	15.84	15.84	18.64	22.91	15.29	15.57	17.12
Employment (Full Time Equivalents)	174.79	173.80	175.72	174.72	182.60	187.28	175.35	175.68	175.68	178.19	169.66	167.04	175.98	173.94
Ridgecrest														
% Occupancy	38.79%	36.90%	38.17%	38.99%	35.79%	32.87%	35.32%	36.41%	36.41%	32.70%	29.03%	31.64%	35.15%	28.46%
Medicaid%	57.72%	54.73%	53.02%	53.76%	53.22%	54.32%	52.81%	47.05%	47.05%	42.35%	49.07%	48.18%	51.48%	41.44%
Medicare%	10.89%	15.48%	21.73%	17.88%	7.51%	12.97%	16.85%	18.46%	18.46%	17.84%	16.67%	27.67%	16.72%	22.09%
Private %	21.68%	23.33%	21.93%	24.10%	28.54%	27.57%	22.92%	20.78%	20.78%	21.84%	24.07%	18.81%	23.23%	24.80%
Hospice %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.93%	3.80%	3.80%	3.64%	3.31%	1.70%	1.49%	4.59%
ADV %	9.70%	6.45%	3.32%	4.25%	10.73%	5.14%	3.48%	9.92%	9.92%	14.32%	6.88%	3.64%	7.08%	7.09%
Daily Medicare and ADV Census	6.71	6.80	8.03	7.25	5.49	5.00	6.03	8.68	8.68	8.83	5.74	8.32	6.99	7.00
Employment (Full Time Equivalents)	36.81	35.77	33.46	32.35	37.42	38.24	31.66	31.45	31.45	34.18	34.24	37.69	34.39	33.48
Muscooke Manor														
% Occupancy	49.09%	48.45%	48.16%	51.57%	51.37%	52.24%	52.45%	52.65%	52.65%	52.21%	50.33%	50.25%	50.82%	54.26%
Medicaid%	90.35%	89.47%	89.39%	90.81%	88.82%	89.38%	89.95%	87.40%	87.40%	87.07%	87.13%	88.60%	89.00%	89.86%
Medicare%	2.85%	3.02%	2.22%	0.95%	2.98%	2.74%	2.69%	3.28%	3.28%	3.55%	4.85%	4.68%	3.07%	1.98%
Private %	1.04%	1.19%	0.24%	1.02%	1.99%	1.95%	0.97%	1.94%	1.94%	1.95%	1.01%	1.02%	1.30%	1.73%
Hospice %	5.77%	6.32%	6.22%	6.04%	5.64%	5.92%	6.10%	7.22%	7.22%	7.43%	6.58%	5.70%	6.27%	5.61%
ADV %	0.00%	0.00%	1.33%	1.17%	0.58%	0.00%	0.29%	0.16%	0.16%	0.00%	0.42%	0.00%	0.36%	0.83%
Daily Medicare and ADV Census	2.74	2.87	3.36	2.14	3.58	2.81	3.07	3.55	3.55	3.63	5.23	4.61	3.42	3.03
Employment (Full Time Equivalents)	139.91	141.20	131.43	135.56	143.63	150.43	139.29	134.87	134.87	136.52	123.69	122.86	136.31	124.26

HOSPITAL AUTHORITY OF COLUMBUS
12 MONTH MOVING STATISTICAL REPORT

	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	13 Moth Average	Prior Year Avg
Orchard View															
% Occupancy	63.50%	62.97%	64.97%	66.52%	67.16%	67.16%	68.13%	67.44%	68.53%	71.29%	65.69%	66.60%	64.92%	66.48%	64.63%
Medicaid%	71.30%	73.06%	75.74%	74.03%	71.64%	73.51%	71.50%	69.02%	69.54%	68.43%	71.15%	66.80%	67.40%	71.97%	67.88%
Medicare%	4.08%	3.88%	4.20%	6.92%	10.66%	6.39%	6.80%	5.29%	9.69%	11.59%	9.11%	9.81%	9.09%	7.51%	10.33%
Private %	9.49%	9.85%	7.98%	7.98%	8.79%	10.31%	10.94%	11.15%	9.95%	10.38%	12.92%	14.11%	13.71%	10.69%	11.68%
Hospice %	4.13%	5.00%	5.43%	6.04%	5.19%	4.80%	5.70%	7.48%	6.71%	5.23%	4.89%	5.52%	3.93%	5.52%	7.08%
ADV %	5.00%	3.20%	4.87%	5.03%	3.72%	5.19%	4.99%	6.46%	3.72%	4.36%	2.53%	3.75%	3.93%	4.37%	2.83%
Daily Medicare and ADV Census	11.54	9.07	11.77	15.90	19.32	15.26	15.70	15.84	18.64	22.91	15.29	16.07	16.90	15.86	17.03
Employment (Full Time Equivalents)	174.75	172.80	175.72	174.72	182.60	187.28	176.35	176.68	178.19	169.66	167.04	168.83	163.52	174.44	175.21
Ridgecrest															
% Occupancy	38.75%	36.90%	36.17%	38.95%	35.73%	32.87%	35.32%	36.41%	32.70%	29.03%	31.64%	32.74%	29.95%	34.56%	28.26%
Medicaid%	57.72%	54.73%	53.02%	53.76%	53.22%	54.32%	52.81%	47.05%	42.35%	49.07%	48.18%	50.91%	52.56%	51.52%	40.10%
Medicare%	10.83%	15.48%	21.73%	17.88%	7.51%	12.97%	16.85%	18.46%	17.84%	16.67%	27.67%	23.15%	16.78%	17.18%	22.81%
Private %	21.68%	23.53%	21.93%	24.10%	28.54%	27.57%	22.52%	20.78%	21.84%	24.07%	18.81%	19.39%	23.21%	22.94%	25.69%
Hospice %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.93%	3.00%	3.64%	3.31%	1.70%	0.00%	2.05%	1.42%	4.59%
ADV %	9.70%	6.65%	9.32%	4.25%	10.73%	5.14%	3.48%	9.92%	14.32%	6.88%	3.64%	6.55%	5.90%	6.94%	6.90%
Daily Medicare and ADV Census	6.71	6.80	8.03	7.25	5.49	5.60	6.03	8.68	8.83	5.74	8.32	8.17	5.58	6.97	7.07
Employment (Full Time Equivalents)	36.81	35.77	33.46	32.35	37.42	38.24	31.66	31.45	34.18	34.24	32.69	34.42	34.91	34.43	33.59
Muscooke Manor															
% Occupancy	49.05%	48.45%	48.16%	51.57%	51.37%	52.26%	52.45%	52.65%	52.21%	50.53%	50.25%	50.61%	52.19%	50.91%	54.29%
Medicaid%	90.35%	89.47%	89.99%	90.81%	88.82%	89.36%	89.95%	87.40%	87.07%	87.13%	88.60%	90.49%	89.35%	89.13%	89.95%
Medicare%	2.85%	3.02%	2.72%	0.95%	2.98%	2.76%	2.65%	3.28%	3.55%	4.65%	4.68%	2.69%	2.16%	2.97%	2.06%
Private %	1.04%	1.15%	0.24%	1.02%	1.99%	1.95%	0.97%	1.96%	1.98%	1.01%	1.02%	1.01%	2.59%	1.38%	1.66%
Hospice %	5.77%	6.32%	6.22%	6.04%	5.64%	5.92%	6.10%	7.22%	7.43%	6.58%	5.70%	5.85%	6.02%	6.22%	5.83%
ADV %	0.00%	0.00%	1.33%	1.17%	0.58%	0.00%	0.29%	0.16%	0.40%	0.42%	0.00%	0.00%	0.00%	0.30%	0.80%
Daily Medicare and ADV Census	2.74	2.87	3.36	2.14	3.58	2.81	3.07	3.55	3.63	5.23	4.61	2.63	2.79	3.26	3.09
Employment (Full Time Equivalents)	138.91	141.20	131.48	135.56	143.63	150.43	139.29	134.87	136.52	123.69	122.86	119.62	114.88	132.38	123.52

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

	Orchard View	Home Office	Ridgecrest	Muscogee Manor	Total Nursing Home	Cobis PCH	Muscogee Home Health	River Mill	Consolidated
BALANCE SHEET									
Cash	\$ 5,393,688	\$ -	\$ 6,586,466	\$ 3,614,734	\$ 15,594,888	\$ 30,891	\$ 311,253	\$ 2,864,079	\$ 18,801,111
Other Current Assets	3,808,490	-	1,487,506	3,056,832	8,352,828	2,423	3,380	-	8,358,631
Intercompany Balances	16,580,000	-	(880,259)	(6,072,756)	9,626,985	(6,386,177)	(2,318,290)	(922,518)	-
Noncurrent Assets	35,665,342	-	34,726,161	9,023,668	79,415,171	150,751	83,642	564,920	80,214,484
Total Assets	\$ 61,447,520	\$ -	\$ 41,919,874	\$ 9,622,478	\$ 112,989,872	\$ (6,202,112)	\$ (1,920,015)	\$ 2,506,481	\$ 107,374,226
Current Liabilities	\$ 1,516,363	\$ -	\$ 679,636	\$ 656,471	\$ 2,852,470	\$ -	\$ -	\$ 71	\$ 2,852,541
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	21,020,888	-	28,568,810	-	49,989,698	-	-	-	49,989,698
Total Liabilities	33,487,556	-	33,695,624	7,407,258	74,590,438	360,100	450,668	71	75,401,277
Fund Balance	27,959,964	-	8,224,250	2,215,220	38,399,434	(6,562,212)	(2,370,683)	2,506,410	31,972,949
Total Liabilities and Fund Balance	\$ 61,447,520	\$ -	\$ 41,919,874	\$ 9,622,478	\$ 112,989,872	\$ (6,202,112)	\$ (1,920,015)	\$ 2,506,481	\$ 107,374,226
INCOME STATEMENT									
Revenue	\$ 1,559,204	\$ 39,333	\$ 424,306	\$ 1,140,550	\$ 3,163,393	\$ 2,000	\$ 7,094	\$ 2,526	\$ 3,175,013
Operating Expenses	1,414,593	200,118	425,135	1,148,113	3,187,959	606	1,211	71	3,189,847
Net Profit (Loss) before Noncash expense	144,611	(160,785)	(829)	(7,563)	(24,566)	1,394	5,883	2,455	(14,834)
Provision for Bad debts	-	-	-	-	-	-	-	-	-
Interest expense	(45,330)	-	(79,664)	-	(124,994)	-	-	-	(124,994)
Depreciation and Amortization	(86,306)	-	(95,354)	(10,212)	(191,872)	(377)	-	-	(192,249)
Current Month Income (loss)	\$ 12,975	\$ (160,785)	\$ (175,847)	\$ (17,775)	\$ (341,432)	\$ 1,017	\$ 5,883	\$ 2,455	\$ (332,077)
YTD Income (loss)	\$ 1,220,437	\$ (1,436,886)	\$ (2,226,653)	\$ 31,345	\$ (2,411,757)	\$ 18,388	\$ 310,255	\$ 1,425	\$ (2,081,689)
YTD Net Income (loss)	\$ 12,975	\$ (160,785)	\$ (175,847)	\$ (17,775)	\$ (341,432)	\$ 1,017	\$ 5,883	\$ 2,455	\$ (332,077)
Add: Depreciation	86,306	-	95,354	10,212	191,872	377	-	-	192,249
Add: Interest Expense	45,330	-	79,664	-	124,994	-	-	-	124,994
Less: Monthly bond payment	(245,547)	-	(63,229)	-	(308,776)	-	-	-	(308,776)
Less: Property & Equipment Additions	-	-	-	-	-	-	-	-	-
Net Cash Flow	\$ (100,936)	\$ (160,785)	\$ (64,058)	\$ (7,563)	\$ (333,342)	\$ 1,394	\$ 5,883	\$ 2,455	\$ (323,610)