

MINUTES OF MEETING
OF THE
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA
October 26, 2021

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 a.m. on Tuesday, October 26, 2021. The meeting was held by conference call and Zoom due to the COVID-19 Pandemic. A notice was emailed to each member. 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 on Monday, October 25, 2021.

Participating in the conference call meeting were Chairman Ernie Smallman, Vice Chairman Sarah Lang, Warner Kennon, Betty Tatum, Jennings Chester, Dr. John Kingsbury and Mike Welch. Cynthia Jordan was excused.

Britt Hayes, Vice President and Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney participated in the conference call meeting. Kelly Thrift and Megan Knight, who are CPAs/Auditors with the firm of Dixon Hughes Goodman, LLP ("DHG") also participated in the conference call meeting.

INVOCATION AND WELCOME

Chairman Ernie Smallman called the meeting to order. He welcomed everyone to the meeting. Britt Hayes gave an invocation.

DETERMINATION OF QUORUM

It was determined that there was a quorum.

MINUTES

The Board Minutes from the September 28, 2021 Board Meeting were reviewed and on motion made by Dr. John Kingsbury and seconded by Mike Welch the September 28, 2021 Minutes were unanimously approved by the Board.

BOARD BUSINESS

Kenneth M. Henson, Jr. reported to the Board that Frank Morast was hospitalized due to a stroke but was recovering. Britt Hayes was authorized by Board to sign contracts and other documents necessary as CEO in Frank's absence and until Frank is able to resume his duties as CEO.

PRESIDENT'S REPORT

KNH

Annual Audit: Kelly Thrift/Megan Knight/DHG. Kelly Thrift (CPA/Auditor with the firm of Dixon Hughes Goodman, LLP (“DHG”)) presented the audited financial statements of the HAC to the Board. Prior to the meeting, the draft audit report was distributed by email to the Board. Kelly went over the required communications to the Board. He then reviewed a draft of the audit which was pending approval by the Board. Kelly reported that the opinion was clean and was unmodified. The highlights of the audit were as follows:

- Cash balance was down from \$48,000,000 to \$34,000,000. Of this change, \$6,000,000 was used for capital spent primarily on Ridgecrest and \$7,000,000 resulted from a delay in receiving UPL payments.
- The pension liability is reported on the statement at \$15,000,000. Should the discount rate increase as a result of inflation, then the pension liability of \$15,000,000 should decrease.
- Revenue was down from \$42,000,000 to \$35,000,000.
- Operating income was down from \$5,500,000 to \$1,000,000.
- There was \$3,500,000 federal provider relief payments received. This was not reported in operating income but was reflected in the statement. This payment will require a separate audit. Because Hospital Authority suffered a reduction to revenue, it is unlikely that there will be a requirement to repay these funds.

Rick Alibozek added to the audit report that revenues over the last five quarters were down \$6,680,000. In addition, over \$1,000,000 was spent on supplies.

Rick reported that DHG did the entire audit remotely and had it a month early. The City should have the audit at the end of November. On motion of Sarah Lang and seconded by Dr. John Kingsbury the audit report was approved contingent on any Board member having the right to withdraw the approval by November 3, 2021 and members having the right to submit any additional questions and get answers by November 3, 2021. The motion passed unanimously.

Insurance Renewals: Rick gave the report on the insurance renewals. Workers’ Compensation renewal will not be an issue. HAC has had claims less than \$10,000 so the rate should remain the same amount.

K. Knight

Rick reported that health insurance was going to be a problem. The anthem quote was up 40%. This would increase the cost by approximately an additional \$800,000.

Rick reported that he and Britt would be meeting with their broker to look at different options on the health insurance.

Rick reported that the UPL payment had been sent. It will drop significantly next fiscal year due to the drop in census. Rick anticipates that it will be cut 40% and this has been factored in their reporting for next year.

COVID-19 Report: Britt Hayes gave the COVID-19 report.

Covid activity within our facilities continues to materialize. Currently, we have 1 positive resident and 2 positive staff members, Company-wide. We have had 0 positive residents and 7 positive staff members Company-wide since our last Board meeting. Of those 7 positives, 2 were vaccinated and 5 were not.

DPH showed that Muscogee County's Positivity Rate has begun to subside and stands at 9.2% for the last two weeks (17.0 at last Board meeting). Georgia's positivity rate is 5.7% for the last two weeks (12.2 at last Board meeting).

Per federal directives, we now use the County's TRANSMISSION rate from the CDC to assess the frequency that we must test our staff. Muscogee County currently is in the RED. The following chart shows routine testing protocols based on color.

High (Red) Twice a week

Substantial (Orange) Twice a week

Moderate (Yellow) Once a week

Low (Blue) Not recommended

Note: Vaccinated staff still do not need to be routinely tested.

The Level of Community Transmission map is only shown in colors, there are no corresponding percentages/numbers shown. This map dictates that Orchard View, Ridgecrest and Muscogee Manor continue mass testing **TWICE** weekly at this time.

EMH

We have administered 537 Covid-19 vaccine doses to residents Company-wide. We have also administered 480 Covid-19 vaccine doses to staff Company-wide. CDC and DPH directives still are allowing vaccinated staff to not participate in routine testing efforts in nursing homes nation-wide in effort to further incentivize staff to receive vaccines. We have received supplemental shipments of Moderna vaccines and are ready to initiate boosters when Moderna receives approval from the FDA/CDC. We have partnered with state DPH and have scheduled in-house clinics for Pfizer boosters for our residents and staff. Over the next couple of weeks 179 residents and 142 staff are eligible to receive Pfizer boosters. 17 have already received boosters.

DHHS has continued supplying antigen 'quick swab' tests, but have decreased the quantities to our facilities. Shipments were reduced nominally effective 8/23/21, but were cut substantially 3 weeks ago. The organization estimates the number of staff for your facility and the corresponding County Positivity Rate. We have received supplemental PCR Molecular testing kits from our vendor and have them available if needed.

On 10/22/21, the DPH sent out a directive that booster doses have been authorized for Moderna and J&J Covid vaccines. DPH is awaiting guidance from the CDC to be able for all to offer them. For individuals that received a Pfizer or Moderna COVID vaccine, the following groups are eligible for a booster 6 months or more after their initial two dose series:

- a. 65 years and older
- b. Age 18+ who live in long-term care settings
- c. Age 18+ who have underlying medical conditions
- d. Age 18+ who work or live in high-risk settings

For those that received the J&J COVID vaccine, booster shots are also recommended for those who are 18 and older and who were vaccinated 2 or more months ago. Eligible individuals may choose which vaccine they receive as a booster. More than 50% of Georgians remain unvaccinated.

On 9/09/21, the Biden Administration announced it will require nursing centers to mandate staff vaccination in order to continue receiving Medicare and Medicaid funding. The mandate is yet to be issued.

AMJ

Britt reported that the first in-house transmission had occurred Company-wide since February at Ridgecrest. The transmission did not come from another patient or from a staff member but came from a patient who had been discharged to Ridgeview from a hospital.

The Annual Holiday Barbeque will unfortunately not include outside vendors or guests this year due to Covid-19 mandates. We will still have the event for our residents and staff on Wednesday December 8th.

CFO REPORT

A copy of the Statistical Report and Financial Report was emailed to each Board Member.

STATISCAL REPORT

Attached to these Minutes is the FY 2020 YTD Statistical Report Year Ended June 30, 2022.

FINANCIAL REPORT

Attached to these Minutes is the Hospital Authority of Columbus Consolidated Summary Report Month Ended September 30, 2021.

NEXT MEETING

The next meeting will be Tuesday, January 25, 2022.

There being no further business the meeting was adjourned.


KENNETH M. HENSON, JR.
Secretary


ERNEST SMALLMAN, IV.
Chairman

EMH

HOSPITAL AUTHORITY OF COLUMBUS
 FY 2022 YTD Statistical Report
 Year Ended June 30, 2022

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
Orchard View														
% Occupancy										60.50%	57.58%	56.18%	58.09%	64.00%
Medicaid%										79.37%	81.74%	77.75%	79.62%	75.65%
Medicare%										5.26%	5.49%	3.59%	4.78%	12.81%
Private %										5.56%	5.04%	13.55%	8.05%	8.15%
Hospice %										7.85%	7.42%	5.11%	6.79%	2.52%
ADV %										1.96%	0.31%	0.00%	0.76%	0.87%
Daily Medicare and ADV Census										8.74	6.67	4.03	6.48	17.15
Employment (Full Time Equivalents)										202.60	196.53	206.05	201.73	213.49
Ridgcrest														
% Occupancy										20.24%	24.04%	21.39%	21.89%	27.70%
Medicaid%										20.78%	11.66%	11.13%	14.52%	42.66%
Medicare%										43.93%	52.72%	66.61%	54.42%	33.67%
Private %										18.04%	18.37%	12.39%	16.27%	2.56%
Hospice %										0.00%	0.00%	0.00%	0.00%	0.24%
ADV %										17.25%	17.25%	9.87%	14.79%	4.21%
Daily Medicare and ADV Census										10.40	14.13	13.74	12.76	6.55
Employment (Full Time Equivalents)										33.11	33.69	36.31	34.37	38.02
Muscooge Manor														
% Occupancy										60.84%	62.66%	64.99%	62.83%	64.12%
Medicaid%										98.90%	95.28%	93.87%	96.02%	83.56%
Medicare%										1.13%	2.15%	2.66%	1.98%	12.02%
Private %										-1.22%	0.76%	2.22%	0.59%	1.05%
Hospice %										1.68%	1.15%	0.91%	1.25%	2.00%
ADV %										-0.48%	0.67%	0.35%	0.18%	1.37%
Daily Medicare and ADV Census										0.67	3.00	3.33	2.33	14.87
Employment (Full Time Equivalents)										118.85	108.29	109.71	112.28	133.23
Muscooge Home Health														
Employment (Full Time Equivalents)										8.46	8.06	10.14	8.89	10.15

HOSPITAL AUTHORITY OF COLUMBUS
CONSOLIDATED SUMMARY REPORT
MONTH ENDED SEPTEMBER 30, 2021

	Orchard View	Home Office	Ridgecrest	Muscogee Manor	Total Nursing Home	Cobbs PCH	Muscogee Home Health	River Mill	Consolidated
BALANCE SHEET									
Cash	\$ 4,555,358	\$ -	\$ 4,872,278	\$ 7,246,165	\$ 16,673,801	\$ 1,000	\$ 35,971	\$ 3,339,649	\$ 20,050,421
Other Current Assets	5,956,494	-	4,104,842	4,440,331	14,501,667	-	166,208	-	14,667,875
Intercompany Balances	20,861,584	-	2,142,590	(13,384,716)	9,619,458	(6,356,661)	(1,892,479)	(1,370,318)	-
Noncurrent Assets	35,267,489	-	37,541,807	7,837,547	80,646,843	162,814	158,979	552,360	81,520,996
Total Assets	\$ 66,640,925	\$ -	\$ 48,661,517	\$ 6,139,327	\$ 121,441,769	\$ (6,192,847)	\$ (1,531,321)	\$ 2,521,691	\$ 116,239,292
Current Liabilities	\$ 1,513,760	-	\$ 512,229	\$ 810,351	\$ 2,836,340	\$ 1,866	\$ 59,549	\$ -	\$ 2,897,755
Non-current Liabilities (excluding bonds)	9,681,474	-	4,073,020	5,937,582	19,692,076	360,100	624,516	-	20,676,692
Bonds Payable	25,359,213	-	30,498,995	-	55,858,208	-	-	-	55,858,208
Total Liabilities	36,554,447	-	35,084,244	6,747,933	78,386,624	361,966	684,065	-	79,432,655
Fund Balance	30,086,478	-	13,577,273	(608,606)	43,055,145	(6,554,813)	(2,215,386)	2,521,691	36,806,637
Total Liabilities and Fund Balance	\$ 66,640,925	\$ -	\$ 48,661,517	\$ 6,139,327	\$ 121,441,769	\$ (6,192,847)	\$ (1,531,321)	\$ 2,521,691	\$ 116,239,292
INCOME STATEMENT									
Revenue	\$ 1,166,757	\$ 41,195	\$ 285,497	\$ 991,953	\$ 2,485,402	\$ -	\$ 45,975	\$ (31,844)	\$ 2,499,533
Operating Expenses	1,243,174	151,004	351,182	1,123,819	2,869,179	2,691	71,567	(315)	2,943,122
Net Profit (Loss) before Noncash expense	(76,417)	(109,809)	(65,685)	(131,866)	(383,777)	(2,691)	(25,592)	(31,529)	(443,589)
Provision for Bad debts	(23)	-	(11,040)	(22,775)	(35,638)	-	-	-	(33,838)
Interest expense	(64,252)	-	(82,826)	-	(147,078)	-	-	-	(147,078)
Depreciation and Amortization	(86,081)	-	(95,375)	(10,429)	(191,885)	(377)	-	-	(192,262)
Current Month Income (loss)	\$ (226,773)	\$ (109,809)	\$ (254,926)	\$ (165,070)	\$ (756,578)	\$ (3,068)	\$ (25,592)	\$ (31,529)	\$ (816,767)
YTD Income (loss)	\$ (669,870)	\$ (409,674)	\$ (680,220)	\$ (151,609)	\$ (1,911,373)	\$ (10,917)	\$ (84,656)	\$ 1,634,763	\$ (372,183)