MINUTES OF MEETING

OF THE

HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA

May 31, 2022

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 a.m. on Tuesday, May 31, 2022. The meeting was held in the conference room at Orchard View on Whitesville Road, Columbus, Georgia and by Conference call. 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, May 30, 2022.

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

Britt Hayes, Interim Acting CEO, Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney were also present in person at the meeting.

INVOCATION AND WELCOME

Chairman Ernie Smallman called the meeting to order. He welcomed everyone to the meeting. Betty Tatum opened with a prayer.

DETERMINATION OF QUORUM

It was determined during the meeting that there was a quorum.

MINUTES

The Board Minutes from the April 26, 2022 Board Meeting were reviewed and on motion made by Dr. John Kingsbury and seconded by Mike Welch, the April 26, 2022 Minutes were unanimously approved by the Board.

BOARD BUSINESS

Kenneth M. Henson, Jr. reported that there was still a Board vacancy and the thought the Board should look at filling it when they fill the other seats at the end of the year.

Ken Henson, Jr. also reported that he was going to transition away from representing the HAC and anticipated resigning as Secretary or not being reelected for the next calendar year. He also notified the Board after representing the HAC for over 40 years, he felt it was time for them to hire someone young who could continue to represent them for a long period to time. He stated that he had recommended to Britt that they hire Jack Schley with the firm of Page, Scrantom, Sprouse, Tucker &

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Ford, P.C. to be primary counsel for the HAC and that the firm had agreed to represent the HAC on the same rate that he had been representing the HAC.

Ken Henson, Jr. also reported that the Executive Committee met and had voted to hire Britt Hayes as permanent CEO. After a brief discussion, on motion made by Dr. John Kingsbury and seconded by Betty Tatum, the Board unanimously elected Britt Hayes as Chief Executive Officer of the HAC. Ken Henson, Jr. stated that a contract would be prepared for Britt to be effective July 1, 2022.

PRESIDENT'S REPORT

Britt Hayes gave the President's report.

Muscogee Home Health: Britt reported that the March 3, 2022 Letter of Intent was still moving forward. They had executed April 22, 2022 and had asked that purchase agreement that the Board approved by resolution at its April 26, 2022 meeting. Pruitt had decided that they needed a separate NPI number to start operations in Muscogee County, Georgia. This process would take approximately 60 days. Once they had a new NPI number, Pruitt intended to move forwarded with the acquisition.

Cobis: Britt reported that Freedom House was adding residents. To help separate Freedom House operations from the HAC, Britt had the Freedom House (i.e. Cobis) replatted as a separate parcel. It will still be owned by the HAC and leased by the Freedom House. He is reviewing a new lighting package in the parking lots around Muscogee Manor and Freedom House, adding a camera system at Muscogee Manor and erecting fencing to separate the facilities.

Insurance Policies: Britt reported that the insurance policies came up for renewal. The general liability and property insurance was up $35,000 (5%), but this was offset by a decrease in worker's compensation premium because of a $21,000 credit.

Staffing: Britt gave an update on staffing. Dean Tovey had agreed to remain as the administrator of Orchard View until a new hire. He also wants to remain as respiratory therapist and has agreed to help with other projects. He wanted to remain as a team member and Britt has found ways to accommodate his needs and the needs of the HAC.

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Auburn: Britt reported that he had entered into a clinical affiliation agreement with Auburn University. This was a partnership that would expand beyond just speech pathology and would add nursing and other clinical needs of the HAC. Britt was also working on an MLA with Columbus Tech to formalize their agreement. It will encompass multiple medical fields and not only nursing fields, in the hopes of expanding the number of healthcare workers that train within our facilities.

Britt reported that in the past he wanted to have a centralized staffing effort through our Human Resource Department with all shifts filled out of a central office. After meeting with all the administrators and reviewing the last 90 days, he had decided that a decentralized approach may achieve better results. This way the employee bonded with the facility and their co-employees, thereby improving communication.

Survey: Orchard View had an annual survey. Six surveyors arrived at Orchard View last month for a very extensive survey. It was both a Department of Community Health and a federal survey. Britt and Dean worked with the surveyors. The surveyors reported they liked the moral of the staff. There was some small issues and Britt was optimistic that the final report would not have any significant violations.

COVID-19 Report:

Covid activity within our facilities is starting to again ramp up. ONE resident has tested positive on 5/24, our first since 2/15/22. Nine staff have tested positive beginning on 5/16, our first since 2/14/22.

DPH showed that Muscogee County's Positivity Rate has risen the last month and stands at 8.8% for the last two weeks (2.0% at last Board meeting). Georgia's positivity rate is 11.9% for the last two weeks (3.4% at last Board meeting).

Per federal directives, we now use the County's <u>TRANSMISSION</u> rate from the CDC to assess the frequency that we must test our staff. Muscogee County currently is in the YELLOW. 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

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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 **ONCE** weekly at this time.

We have administered over 1,000 Covid-19 vaccine doses to staff and residents Company-wide. We have Moderna vaccines in-house and are administering them weekly to those residents and staff who want them. We scheduled Clinics at all of our facilities in cooperation with the Department of Public Health to administer Pfizer and Moderna boosters to anyone that is over 50 years of age and has not had a dose within 4 months. 158 residents and 54 staff received boosters.

DHHS has continued supplying antigen 'quick swab' tests, but quantities have ebbed and flowed in relation to the number of cases that we are reporting through the National Safety Healthcare Network (NHSN). 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 Tuesday, April 12th, the U.S. Department of Health & Human Services extended the Public Health Emergency from April 16th through July 15th, 2022.

UPL Payment: Britt reported that the UPL payment of $6,700,000 had been received. This was not reflected in the current financial report.

Britt reported he had sent a letter in regard to payment rule proposals. He read his letter into the minutes which is attached. He encouraged others to write similar letters so they would have comments from others so they would understand the effect of these changes.

CFO REPORT

Rick Alibozek was on vacation and Britt gave the Statical Report and Financial Report. A copy of the Statistical Report and Financial Report were distributed to each Board Member. Britt reported the current occupancy was now at 52%. Prior to COVID it was 84%. The financial report that had been distributed was not complete and would need to be revised and sent out before the next Board meeting.

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STATISCAL REPORT

Attached to these Minutes is the FY 2022 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 April 30, 2022.

NEXT MEETING

The next meeting will be Tuesday, June 28, 2022.

There being no further business the meeting was adjourned.

KENNETH M. HENSON, JR.
Secretary

ERNEST SMALLMAN, IV.
Chairman

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b hayes

From: b hayes
Sent: Thursday, May 26, 2022 4:38 PM
To: 'DNH_TriageTeam@cms.hhs.gov'
Subject: SNF Payment Rule Comments

To whom it may concern,

Please allow this letter to serve as a response to President Biden's sweeping nursing home reform plans and CMS' proposed fiscal 2023 Medicare payment cuts. I represent the Hospital Authority of Columbus, Georgia. We manage 480 beds across three facilities as a local governmental agency within Muscogee County.

We are suffering from dramatic decreases in staffing during the Covid-19 pandemic. Our Hospital Authority employees have dropped from 650 pre-pandemic to 411 employees currently (or almost 40%). This decrease has been met with efforts to stabilize our workforce by implementing dramatic increases in wage structure, offering referral bonuses, etc... The wage increases during FY 2021-2022 were $1.6 million in additional wages/benefits. Certified Nursing Aides were increased $3/hour across the board, raising starting wages from $10/hour to $13/hour. Other large increases were implemented for Licensed Nursing employees, Food & Nutrition staff, Housekeeping and Laundry staff. As we moved towards 'culture change', our newest facility that opened in 2015 was staffed with seven kitchens to provide resident choices and better food quality, better temperature control, more home-like dining experiences. Of those seven, we are now only operating one Main kitchen as we cannot attract candidates to food service. Our long-time staff has left for higher paying jobs at Walmart, Target, and fast food restaurants that are paying wages that we simply can't. While those other entities can raise prices to accommodate the higher expenses, we are bound by the reimbursement rates for Medicaid/Medicare.

Our Human Resources Director was brought to tears in a staffing meeting yesterday afternoon, as the 'Hopeless Feeling' overcame her when fielding questions from our facilities as to why we can't attract and retain our staff? During the pandemic, we have implemented new programs for Employee of the Month, Employee of the Year, Star Point Systems to award those employees who have provided great service/interactions with our residents, handwritten birthday/anniversary cards to every employee in the company by myself as CEO, we are recognizing 16 additional Employee Appreciation dates, partnerships with Goodwill, local colleges and trade schools, and have signed agreements with seven new staffing agencies to try to fill positions.
New staffing companies are not the answer, as all are pulling from the same pool of workers in our County, they are not bringing in a new influx of workers at different positions.

We advertise in our local paper, Recruitology, Indeed, CareListing, Georgia Department of Labor Job Board, Goodwill Hot Job Board, Muscogee County Jobs, Job Seekers, Jobs in Columbus, Employment in Columbus, Columbus Job Page, Georgia Health Care Association, our Company website. We attend every local Job Fair and graduation for every nursing/nursing assistant program in the area. Pre-pandemic, we would receive around 400 applications per quarter for our job listings. The first quarter of this year we received 65 applications total. Our efforts have been exhausting and it continues to affect those stalwarts that have fought the good fight and continue to show up everyday to care for our residents. Many have left the industry due to Covid, many more left because of vaccine mandates, more have left for contract positions that pay double and triple for what we can offer. We have been inundated with clinicians who, in many cases, are simply chasing the dollar.

It has created negative effects of an overreliance on agency staffing. Staffing agencies have risen across the board. Pre-pandemic rates for CNAs were $10/hour, local agencies are now charging $23-$25/hour and agencies for traveling contract CNAs are charging $36-$45/hour. Pre-pandemic rates for LPNs were $20/hour, local agencies are now charging $35-$38/hour and agencies for traveling contract LPNs are charging $52-$65/hour. The result, and the real issue, is we end up with breaks in continuity in care. We also have our own staff feeling undervalued and unappreciated, which leads to low morale and that's a huge problem. From a management point of view, it's also very difficult to handle agency staff.

The only additional funding called for in the Administration's nursing home initiative is for more survey resources. Finding more deficiencies and taking money out of nursing homes is not going to allow our facilities to provide the care that our most frail population deserves. If this model worked, and if today's reimbursement was sufficient, we wouldn't be experiencing the crisis in access to care. We have closed wings in each facility while staff was shuttered, and they remain closed today. Our census has dwindled to 52% (from 84% pre-pandemic) which has also created a backlog for hospital patients who are not able to move to the next level of care that they so desperately need.

A staffing ratio mandate will not amount to more than words – and more fines for noncompliance – without meaningful changes to increase the supply of qualified workers, for example, in immigration policy. There are not enough nursing programs in the nation to supply the number of nursing students to satisfy the need in healthcare. I attended the American Health Care Association Annual Quality Summit in 2016 drawing Nursing Home Administrators from all over the country. When polled, the Number One concern for Administrators at THAT time was staffing! We only thought that we were in a crisis then!

As for the proposed parity adjustment of 4.6 percent, we understand that it is indeed a necessary adjustment. But if perhaps, it could be phased in over three years, the effects would not be as daunting as they would in the lowest census year in the history of our organization.

Regards,

Britt Hayes
President/CEO
Hospital Authority of Columbus, GA
8414 Whitesville Rd
Columbus, GA 31904
706-225-1102

To Whom It May Concern,

I am writing today to express my concerns with the provisions of the FY 2023 SNF Payment Rule, particularly those provisions related to the Parity adjustment and Minimum Staffing ratios.

I currently serve as CFO for the Hospital Authority of Columbus, Georgia. I have served in this position for 7 years.

The Authority is a component unit of the Consolidated Government of Columbus, Georgia and operates three skilled nursing facilities, totaling 480 beds, throughout Muscogee County, Georgia. Approximately 80% of our revenues are derived from services provided to residents covered under the Medicare and Medicaid programs.

The Authority employs a group of caring individuals developing deep relationships with our residents. The two years since the start of the pandemic have been very difficult for the Authority and its employees. Our organization lost a total of 64 residents to COVID between March 2020 and March 2021. This had a profound impact on the staff as they lost long-term residents who had been with us for a number of years. For our staff, this was as if family members had passed.

During the pandemic, some of our employees have exhibited superior effort. One example is our Housekeeping Director, Stephen Coley. Since we are fortunate to have three facilities in close proximity, we were able to designate one of the facilities as our COVID facility to better cohort positive residents. Mr. Coley gave selflessly of himself transporting residents to the COVID facility until all were taken care of. He put himself at risk each day at a time when we were still learning about COVID. This is but one example of the dedication of our staff.

The impact was felt through a reduction in census as well as a reduction in available staff. Prior to COVID, our Company-wide census was 84%. Currently, overall census is around 52%. Prior to COVID, we had an available roster (full and part-time employees) of approximately 650. Now, that available roster is down to 411.

The combination of these two items have put pressure on the Authority's operations. The drop in census has led to a reduction in revenues. We are thankful that the Administration distributed Provider Relief Funds to offset some of the losses, but these funds did not cover the total revenue losses. In addition, to retain as much staff as we could, we increased minimum pay levels for all positions. We increased pay for all CNAs by $3.00/hour, with other increases for Licensed Nurses, food services, laundry and housekeeping. In total, the Authority increased annual payroll by approximately $1.6 million.

These items together make the effect of a single year parity adjustment both painful and disheartening. We understand that PDPM was to be budget neutral and that, primarily due to increased Case-mix related to COVID, the overall payments showed about a 4.6% increase which by regulation were to be adjusted. However, we ask that you consider spreading this recoupment over a three-year period to allow census to catch back up and increase our regular revenue stream. We are also seeing reductions to our PDPM Case-mix indicators as the needs of our patients drop to more normal levels as the effects of vaccination efforts are realized. The pandemic is not over, though, as our County is seeing a steady increase in the transmission rate. We are hopeful that the vaccine efforts will continue to show benefits, but we do not know. The combination of lower current case-mix, a single-year parity adjustment and the uncertainty of a virus that even the experts are having difficulty predicting will serve to delay our recovery.

If there can be a positive arising from COVID it is that the Authority has taken the opportunity to focus on renewed quality initiatives. These include initiatives related to Infection Control, Pressure injuries, Falls and overall policies. We are allocating scarce resources to these initiatives to better serve our residents.

The second point of concern is proposed staffing requirements. As stated above, we have seen a 40% reduction in available employees. We advertise consistently in a variety of media, as well as attending job fairs, with minimal luck. In the most recent quarter, we received a total of 65 applications for all positions. In the past we have received more than 400 applications per quarter. Local Hospitals are closing units due to lack of staff. We have a nursing industry that is not capable of producing enough nurses to meet the needs of area Health Care providers.

We can meet the needs of our residents, but it is getting more difficult. From time to time we place a moratorium on admissions because we cannot secure sufficient staff to adequately care for more residents. We must rely on agencies to fill the void. Since we are competing for the same pool of nurses, agencies will offer higher wages to nurses since they know the cost can be passed on the Providers. As an example, we now must pay $23-25/hour for CNAs and over $40/hour for LPNs. Added to that is the fact that many Agency nurses do not want to work on weekends, which is where our largest needs are. Since most of our revenue derives from government sources, we are unable to raise our prices to pass on higher costs.

A staffing mandate will not create more workers, just more regulation and another opportunity to apply punitive measures toward nursing home providers. We need to work together to develop solutions to the shortage rather than impose unfunded mandates.

The next few years will be crucial to the ability of skilled nursing providers to survive and continue to provide services. There will always be a place in the Post-acute continuum for skilled nursing centers. We want to work in conjunction with CMS to make this happen.

HOSPITAL AUTHORITY OF COLUMBUS
YTD CONSOLIDATED INCOME STATEMENT
THROUGH APRIL 30, 2022

INCOME STATEMENT	Orchard View	Home Office	Ridgecrest	Muscogee Manor	Total Nursing Home	Cobis PCH	Muscogee Home Health	Bibb Mill	Consolidated
Revenue	$ 12,196,331	$ 411,950	$ 3,964,111	$ 11,235,907	$ 27,808,299	$ 100	$ 540,765	$ 1,646,967	$ 29,996,131
Operating Expenses	11,843,691	1,575,201	3,287,996	10,587,471	27,294,359	32,346	768,394	13,513	28,108,612
Net Profit (Loss) before Noncash expense	352,640	(1,163,251)	676,115	648,436	513,940	(32,246)	(227,629)	1,633,454	1,887,519
Provision for Bad debts	(22,088)	-	(10,713)	(72,622)	(105,423)	-	-	-	(105,423)
Interest expense	(642,520)	-	(828,260)	-	(1,470,780)	-	-	-	(1,470,780)
Depreciation and Amortization	(860,810)	-	(953,750)	(104,290)	(1,918,850)	(3,770)	-	(7,599)	(1,930,219)
YTD Income (loss)	$ (1,172,778)	$ (1,163,251)	$ (1,116,608)	$ 471,524	$ (2,981,113)	$ (36,016)	$ (227,629)	$ 1,625,855	$ (1,618,903)
					$ -	$ -	$ -	$ -	$ -

HOSPITAL AUTHORITY OF COLUMBUS
CONSOLIDATED SUMMARY REPORT
MONTH ENDED APRIL 30, 2022

	Orchard View	Home Office	Ridgecrest	Muscogee Manor	Total Nursing Home	Cobis PCH	Muscogee Home Health	River Mill	Consolidated
BALANCE SHEET									
Cash	$ 4,026,019	$ -	$ 7,135,234	$ 9,424,968	$ 20,586,221	$ 1,156	$ 34,551	$ 3,318,182	$ 23,940,110
Other Current Assets	3,876,420	-	2,366,514	3,439,411	9,682,345	1,872	240,161	-	9,924,378
Intercompany Balances	21,741,777	-	1,955,545	(13,846,211)	9,851,111	(6,383,016)	(2,097,778)	(1,370,317)	-
Noncurrent Assets	35,448,981	-	36,852,808	7,777,623	80,079,412	160,175	158,979	564,920	80,963,486
Total Assets	$ 65,093,197	$ -	$ 48,310,101	$ 6,795,791	$ 120,199,089	$ (6,219,813)	$ (1,664,087)	$ 2,512,785	$ 114,827,974
Current Liabilities	$ 1,372,097	$ -	$ 618,048	$ 843,680	$ 2,833,825	$ -	$ 69,756	$ -	$ 2,903,581
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	25,209,633	-	30,478,148	-	55,687,781	-	-	-	55,687,781
Total Liabilities	36,263,204	-	35,169,216	6,781,262	78,213,682	360,100	694,272	-	79,268,054
Fund Balance	28,829,993	-	13,140,885	14,529	41,985,407	(6,579,913)	(2,358,359)	2,512,785	35,559,920
Total Liabilities and Fund Balance	$ 65,093,197	$ -	$ 48,310,101	$ 6,795,791	$ 120,199,089	$ (6,219,813)	$ (1,664,087)	$ 2,512,785	$ 114,827,974
INCOME STATEMENT									
Revenue	$ 1,159,358	$ 41,195	$ 310,747	$ 1,044,458	$ 2,555,758	$ -	$ 49,050	$ -	$ 2,604,808
Operating Expenses	1,037,057	138,071	301,192	937,349	2,413,669	479	67,335	69	2,481,552
Net Profit (Loss) before Noncash expense	122,301	(96,876)	9,555	107,109	142,089	(479)	(18,285)	(69)	123,256
Provision for Bad debts	(1,945)	-	(1,556)	(13,143)	(16,644)	-	-	-	(16,644)
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)	$ (29,977)	$ (96,876)	$ (170,202)	$ 83,537	$ (213,518)	$ (856)	$ (18,285)	$ (69)	$ (232,728)
YTD Income (loss)	$ (1,172,778)	$ (1,163,251)	$ (1,116,608)	$ 471,524	$ (2,981,113)	$ (36,016)	$ (227,629)	$ 1,625,855	$ (1,618,903)