

MINUTES

The quarterly meeting of The Medical Center Hospital Authority Board of Trustees was held on Wednesday, April 28, 2021, at 5:00 p.m. via WebEx due to the COVID-19 restrictions.

Members Present: Michael Gorum, M.D., Chairman, Max Brabson, Jr., Mike Burns, James E. W. Crosse, M.D., Brenda DeRamus, John Hargrove, T. Fredrick McKnight, Susan McWhirter, M.D.

Member Absent: Dr. Robert Wright

Others Present: Laura Drew, Scott Hill, Allen Holladay, Bill Tustin, Andrew Rothschild

I. **Approval of January Minutes**

On motion by Mr. Hargrove, seconded by Mr. Burns, the minutes of the January 27, 2021 meeting were approved as submitted.

II. **Approval of Audit Engagement Letter**

The audit letter submitted by Dixon Hughes Goodman was reviewed. The firm will audit the financial statements of the Authority and Spring Harbor and present the results to the Hospital Authority Board. The fee for the audit is \$59,300 for the Spring Harbor audit and \$16,000 for the Authority audit.

On motion by Dr. Crosse, seconded by Mr. Hargrove, the board unanimously approved the engagement of Dixon Hughes Goodman to perform the audit of the Authority and Spring Harbor as presented by Mr. Holladay and discussed.

III. **Review of Operations and Approval of Financial Statements Period Ending March 31, 2021**

A. **The Medical Center Hospital Authority**

Total income for year-to-date March 31, 2021 was \$347,017 versus the budget of \$429,950. Total operating expenses were \$218,878 versus the budget of \$184,863. Net income was \$128,140. Total assets were \$5.4 million and unrestricted assets were \$4.9 million.

B. **Spring Harbor**

There was a decline in performance at Spring Harbor due to COVID. The income statement was below expectations due to lower occupancy. Operating income year-to-date March 31, 2021 was \$255,000 versus the budget of \$1.45 million and prior year \$755,000. Independent living occupancy was 175 versus the budget of 185. Healthcare occupancy was 50% versus the budget of 82%. Revenue was \$11.7 million which was \$1 million below budget. Operating

expenses were higher than budget due to COVID related expenses. Since the beginning of the pandemic, COVID related lost revenue is \$1.8 million and direct expense is \$623,000.

Two bond covenants have been triggered due to COVID. One covenant is due to occupancy and the second covenant is cash. A meeting was held with BBVA to discuss the COVID related issues at Spring Harbor. BBVA waived the covenants at this time. BBVA does have concerns with the cash flow due to a refinance that will take place in approximately December 2022.

C. Piedmont Columbus Regional

Piedmont Columbus Regional has experienced a very good year even with the COVID-19 pandemic. Earnings after regional allocations for March were \$8.0 million on a budget of \$3.5 million. Earnings after regional allocations for year-to-date were \$56.5 million on a budget of \$23.5 million. On the expense side, contract labor has become a reality in order to take care of the patients. In Columbus, we have 100 travelers. This is an issue seen across the state and country.

On motion by Dr. McWhirter, seconded by Mr. Hargrove, the board adopted the financial/operations report for Spring Harbor and Piedmont Columbus Regional, and the financial statements for The Medical Center Hospital Authority for year-to-date ending March 31, 2021, as presented by Mr. Holladay and discussed.

IV. Muscogee County Indigent Care Program Update

Utilization year-to-date March 31, 2021 was \$16.6 million and payments received were \$13.4 million. Utilization year-to-date is 67% versus the target of 50%.

The Homeless Network was closed for a year due to COVID. The Homeless Network assists patients with enrollment into the Muscogee County Indigent Care Program and with the recertification process for those enrolled in the program. We are working on this issue by reviewing emergency department claims to identify indigent patients.

Mr. McKnight stated that Pat Frey who is with Home for Good may be able to assist with enrolling patients into the program.

V. Approval of Spring Harbor Fiscal Year 2022 Operating and Capital Budgets

The operating budget was presented and discussed. There are some concerns with the occupancy. There have been seven sales recently which will assist with occupancy. Revenue projections for fiscal year 2022 is predicated upon new residents and a 3% increase in resident fees. One of the largest expenses is in food service. Spring Harbor changed vendors to Unidine and Unidine is significantly above budget on costs. The facility is opening back up for marketing events which should assist with bringing in new residents. The budget is achievable.

The capital budget was presented and discussed. This budget is less than in the past due to the issues with COVID this past year. The items included on the budget are items that are necessary. Phase 2 of the Bistro renovation could be funded by the Spring Harbor Foundation.

On motion by Mr. McKnight, seconded by Dr. Crosse, the fiscal year 2022 operating and capital budgets were approved as submitted and discussed.

VI. Spring Harbor Update

COVID had an effect on Spring Harbor with move outs, deaths and not being able to market to fill vacant apartments and villas. In the recent weeks, there was a change in leadership at Spring Harbor. Mr. Ramsey was struggling and resigned. Shane McDougall, a Piedmont Columbus Regional employee, was appointed interim executive director. He is performing well so far. An interim nursing home administrator has been brought on board and is performing well. Mrs. Drew is working with Unidine in order to keep the food service area in line with the contract.

VII. Medical Staff Update

There were no extraordinary items for Midtown or Northside.

VIII. Report from Chairman

There was no report from the Chairman.

IX. Report from Piedmont Columbus Regional

There was no report from Piedmont Columbus Regional.

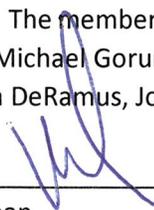
X. Other

There were no other items for discussion.

XI. Executive Session

On motion by Dr. Crosse, seconded by Mr. McKnight, the Authority, on advice of legal counsel, then went into executive session, closed to the public, to discuss the matters described below pursuant to the exemption from the Open Meetings Act set forth at O.C.G.A. §50-14-3(a)(6)(C) which permits closure of any meeting of the governing authority of a public hospital in which the granting, restriction or revocation of medical staff privileges is discussed; pursuant to the exemption from the Open Meetings Act set forth at O.C.G.A. §50-14-2 which permits closure of any meeting to consult with legal counsel pertaining to pending litigation brought by or against an "agency"; and also pursuant to the exemption from the Open Meetings Act set forth in the Georgia Hospitals Authorities Law §50-31-75.2 which permits closure in executive session to allow discussion of a potentially commercially valuable proposal or strategy that may be of "competitive

advantage" in the operations of the Authority or its medical facilities that has not been made public. The members voting to go into executive session were all those who were initially present, being Michael Gorum, M.D., Chairman, Max Brabson, Jr., Mike Burns, James E. W. Crosse, M.D., Brenda DeRamus, John Hargrove, Fredrick T. McKnight, and Susan McWhirter, M.D.



Chairman

Karen C. Smith

Assistant Secretary