

MINUTES

The quarterly meeting of The Medical Center Hospital Authority Board of Trustees was held on Wednesday, January 27, 2021, at 5:00 p.m. via WebEx due to the COVID-19 restrictions.

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

Members Excused: Michael Gorum, M.D., Dr. Robert Wright

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

I. Approval of October Minutes

On motion by Mr. Hargrove, seconded by Mrs. DeRamus, the minutes of the October 28, 2020 meeting were approved as submitted.

II. Review of Operations and Approval of Financial Statements Period Ending December 31, 2020

A. The Medical Center Hospital Authority

Total income for year-to-date December 31, 2020 was \$275,021 versus the budget of \$292,756. Total operating expenses were \$109,678 versus the budget of \$123,715. Net income was \$165,343. Total assets were \$5.4 million and unrestricted assets were \$4.9 million. The main difference on the balance sheet was cash with all other areas similar to prior year.

B. Spring Harbor

Spring Harbor has been impacted by COVID-19. Operating income year-to-date December 31, 2020 was \$480,000 versus the budget of \$914,000 and prior year \$469,000. Independent living occupancy was 175 versus the budget of 185. Healthcare occupancy was 44.5% versus the target of 82%. Revenue was \$8.1 million which was \$373,000 below budget. Operating expenses were higher than budget due to COVID expenses of \$146,000 for testing, medical waste disposal and deep cleaning. Since the beginning of the pandemic, COVID related lost revenue is \$1 million and direct expense is \$539,000. During the COVID pandemic, Spring Harbor has experienced more people moving out than moving in. Marketing has been difficult.

Two bond covenants have been triggered. One due to occupancy and the other cash. The entrance fees for all of the people that are moving out or that have passed away will need to be refunded. We are working with BBVA to address the issues. There are some new residents scheduled to move into Spring Harbor in the next few months which will assist.

C. Piedmont Columbus Regional

There was a strong COVID recovery plan developed for the system which assisted with the financials. The hospitals get paid well for the COVID patients but expenses are higher due to contract labor and drugs needed. In January, there were 100 surgical cases cancelled at Midtown.

Earnings after regional allocations for December were \$8.7 million on a budget of \$4.3 million. Earnings after regional allocations for year-to-date were \$40.6 million on a budget of \$14.8 million.

On motion by Dr. Crosse, seconded by Mr. McKnight, 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 December 31, 2020, as presented by Mr. Holladay and discussed.

III. Muscogee County Indigent Care Program Update

The program has met utilization at this time. We have not been as diligent in enrolling patients into the program as in the past. A process will be put in place to increase enrollment.

Total utilization year-to-date December 31, 2020 was \$11.7 million. Payments received were \$11.6 million. Utilization year-to-date is 50.2% versus the target of 50%.

IV. Indigent Care Trust Fund

There was nothing new to report.

V. Azalea Trace Building Update

The Azalea Trace building was being leased to the Hospital Authority of Columbus who owns and operates nursing homes in Columbus. The nursing home moved from the building approximately one month ago. There has been some interest in the market even though we have not marketed the building. We do not want to do any major upgrades at this time. An appraisal is being obtained for the building.

The Buck company has parcels around the building that we rented such as the parking lot. The Buck company would like to sell us those parcels of land. We are waiting for a price on the parcels. It may make sense to buy the parcels if we want to sell the building. The cost to demolish the building could be obtained as part of the items for the board to consider in the future.

VI. Spring Harbor Update

There have been some operational difficulties that are being addressed. The facility is unable to market as in the past due to COVID. An aggressive marketing plan will be put in place. Spring Harbor now has several competitors in the area and will need to be more flexible on entry plans.

There have been issues with Unidine, the new dining services company. The breach of contract has been cured at this time. After a breach notice was given, Spring Harbor can now terminate the contract with a 45 day notice. Improvements have been noted. There was another organization ready to come in if improvements were not made. Feedback from the residents on dining services has improved. It is being ensured that the needs of all residents are being met. COVID has made this more of a challenge.

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

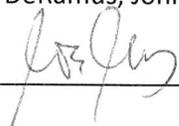
There was no report from Piedmont Columbus Regional.

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 Meeting 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 Susan McWhirter, M.D., Acting Chair, Max Brabson, Jr., Mike Burns, James E. W. Crosse, M.D., Brenda DeRamus, John Hargrove, and T. Fredrick McKnight.



Acting Chair



Assistant Secretary