

MINUTES OF THE ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT MEETING HELD ON TUESDAY, JUNE 12, 2018 AT SEVEN O’CLOCK (7:00) P.M. IN THE COUNCIL CHAMBERS OF THE ST BERNARD PARISH GOVERNMENT BUILDING, LOCATED AT 8201 WEST JUDGE PEREZ DRIVE, CHALMETTE, LOUISIANA.

The St. Bernard Parish **Hospital Service District** met on Tuesday, June 12, 2018 in the Council Chambers of the St. Bernard Parish Government Building, pursuant to notice given to each member and posted in the manner required by law.

The Chairwoman, Ms. Hand, convened the meeting at 7:02 P.M. and continued with calling the roll.

There were **PRESENT**: Chairwoman - Ms. Mary Hand, Mr. Ray Lauga, Jr., and Mr. Brian Reaney

There were **ABSENT**: Vice-Chairman - Mr. Raymond Ducote Jr., and Mrs. Cindy Maag

The Chairwoman reminded the public that no food or drink is allowed in the Council Chambers.

The Chairwoman, Ms. Hand, led the invocation, and the Pledge of Allegiance.

1. Recognize the public.
No one signed up to speak.
2. On Motion of Mr. Lauga, seconded by Mr. Reaney it was moved to Receive Draft Report of 2017 Audit.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

The Audit was completed by Carr Riggs & Ingram and presented by Jose Aponte and Kathleen Zuniga. The audit is complete and ready for submission to LLA, it is due June 30. This is the 2nd year in a row that it is completed and submitted on time. The auditors stated they received full cooperation from SBPH staff, there were no material weaknesses and no significant deficiencies. The auditors really drilled down on policies, procedures, budgeting, purchasing, disbursements, ethics, travel, etc.

The Chairwoman, Ms. Hand did have a few questions about the Agreed Upon Procedures Portion of the Audit since that is new.

Ms. Hand; You reviewed the Policies & Procedures and have found it in accordance with what is required?

Jose; In compliance, right, within requirements of Legislative Auditor.

Ms. Hand; I know you all looked at Bank reconciliation, collections and there were no problems with collections, correct?

Jose; We looked at bank reconciliations, collections, payments on credit cards, travel expense reimbursement, ethics, we actually had to drill down because they requested a much more detailed scope than usual for financials and also made selections of contracts and payroll as well. The Legislative Auditor really wanted to make sure there weren't any issues.

Ms. Hand; For example, on the Credit cards, you actually compared receipts and documented that it was an appropriate use of public funds on the credit card?

Jose: Yes.

Ms. Hand; Same thing for travel and reimbursements?

Kathleen; Yes, they actually lay out the criteria. We look at the policy to make sure your criteria complies with the policy for government reimbursement and we also perform testing to validate the credit card selections. It's very extensive - depending on the guidelines that they provide.

Ms. Hand; There were no problems or exceptions noted with that?

Kathleen; No.

Ms. Hand; I think another area was contracts - where we had issues in the past. You reviewed contracts and payments and all of that complied with the requirements of the Legislative Auditor?

Kathleen; Yes.

The Auditor stated highlights around changes and improvements that have happened over the last 18 to 24 months. The first area - statement of financial position. "You've had a cash increase". The first item related to the full Medicaid payment program that Ochsner got you qualified for. The net impact was 7 million. The second item liquidity of the hospital. In prior years the assets have always been less than your liabilities, referred to as "Liquidity Issue". This year that has swung around where your assets exceed your liabilities - liquidity moving into a positive direction. A lot of that

is generated through the Medicaid program, and other savings on programs that have been implemented since Ochsner Special Services Management Agreement was entered into. You'll also see a change in net position by 95%. A huge swing in net income/change in net position. Lastly, the findings that you had in prior year reports have all been remediated and there were no new findings for this year.

Opinion. Unmodified "clean audit opinion". Non-operating income and expenses one of the items, which is a 1 time event, when Ochsner assumed the liabilities. You had to report a gain because they were taken off of your books so it runs through as income. But it's a non-operating income. It is a large pick up change in net position. 5.2 million loss last year to a 6.5M pick up in net position this year. You went from negative to positive this year.

Mr. Lauga; The gain of 6.7 million. So when you drop down to change in position it's roughly 6.5, is that directly related to that or is that an expense? Is that income or expense?

Jose; It's an income.

Kathleen; Due to liabilities that were outstanding the prior year that Ochsner assumed with the agreement and paid off previously they were a liability – but they went away. In order to remove them we had to record as a non-cash gain.

Mr. Lauga; If Ochsner would not have assumed liability - we would be zero net position change?

Jose; Correct.

The auditor then highlighted note 2. This talks about the operations and the Special Services Management Agreement. It is full circle from 2012 through the different struggles that the hospital has experienced. It walks through the steps that management has taken to cure those through different agreements. Last paragraph, Note 2, sums up the Special Services Management Agreement and the expected improvements that you've already seen through the short term that this management agreement has been in place. The remainder of notes are pretty boiler plate as to what you've seen in the past. There are no real highlights in those.

Ms. Hand; So basically Jose, the big improvement in the net position from a negative last year to 5.6 net positive position I think your report said - it's basically due to the support provided by Ochsner.

Jose; Correct.

Ms. Hand; Implementing new procedures around the revenue cycle to improve collections?

Jose; Correct

Ms. Hand; Then by being able to settle the outstanding payables so that we can free up some cash?

Jose; Correct.

Ms. Hand; And have operating cash available.

Jose; Correct.

Ms. Hand; We can now pay our vendors in timely fashion - so that's kind of the gist of what's lead to the turn around?

Jose; Yes ma'am. I think also Ochsner getting you guys qualified for the full Medicaid payment. I also think you have not experienced much of this yet, the other piece is going to be Ochsner's ability to enter into better contracting with vendors - for price savings.

Ms. Hand; I think it would be fair to say based on this positive net position. Last year we had that going concern issue – but that's no longer a concern for us because we have the liquidity now?

Jose; Yes ma'am, correct.

3. On Motion of Mr. Reaney, seconded by Mr. Lauga it was moved to review and approve the LA Compliance Questionnaire for the 2017 audit.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

EXECUTIVE SESSION

4. On Motion of Mr. Lauga, seconded by Mr. Reaney it was moved to Enter into Executive Session:
 - a. To discuss strategic marketing and planning

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

Members went into Executive Session at 7:28 pm and returned at 8:11 pm

REGULAR SESSION

5. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to return to Regular Session.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

6. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to levy and adopt the same millage rate as the prior year and to pass said Resolution:

Resolution 04 - 18:

BE IT RESOLVED, that the following millage(s) are hereby levied on the 2018 tax roll on all property subject to taxation by Hospital Service District of the Parish of St. Bernard. :

MILLAGE

**For Operations, Maintenance and Construction
Of the NEW St. Bernard Parish Hospital:
mills**

8.16

1061055

BE IT FURTHER RESOLVED that the proper administrative officials of the Parish of St. Bernard, State of Louisiana, be and they are hereby empowered, authorized, and directed to spread said taxes, as hereinabove set forth, upon the assessment roll of said Parish for the year 2018, and to make the collection of the taxes imposed for and on behalf of the taxing authority, according to law, and that the taxes herein levied shall become a permanent lien and privilege on all property subject to taxation as herein set forth, and collection thereof shall be enforceable in the manner provided by law.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

7. Update from CEO and CFO

The CEO, Kim Keene, the Controller, Anthony Bonnacarrere, and the VPMA, Dr. LeBlanc provided updates to the Board.

Controller, Anthony Bonnacarrere;

Operational Statistics sta

May YTD

Discharge favorable by 17% to budget

Observation Cases down 1%

ED up 4%

Surgery Cases 1% favorable

Endoscopy 4% down

Cath Lab Cases 25% down

Imaging up 52%

For April YTD financial operations revenue is up 11.6 % favorable to budget and operational expenses are down 4.9% to budget.

Ms. Hand; Tony can you confirm we did hold an auction on surplus computer equipment on May 22, 2018 as previously approved by the board? We advertised and there were no bids? On the advise of council we've gotten permission to dispose of the equipment?

Tony; Correct. We are in the process of disposing now

8. On Motion of Mr. Reaney, seconded by Mr. Lauga it was moved to review and approve:

a) 2018 Contract Services Scope and Evaluation

b) Annual Environment of Care (EOC) Plan

c) Annual Plan Review

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

9. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to Review and Approve the minutes of the March 13, 2018 Hospital Service District Meeting.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

10. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to review the minutes from the April 3, 2018 Medical Executive Meeting.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

11. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to *approve* the credentialing of the following physicians as recommended by the Medical Executive Committee at the April 3, 2018 Meeting:

The list was approved as per the Agenda.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

12. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to *review* the minutes from the May 1, 2018 Medical Executive Meeting.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

13. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to *approve* the credentialing of the following physicians as recommended by the Medical Executive Committee at the May 1, 2018 Meeting:

The list was approved as per the Agenda.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

14. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to *review* the minutes from the June 5, 2018 Medical Executive Meeting.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

15. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to *approve* the credentialing of the following physicians as recommended by the Medical Executive Committee at the June 5, 2018 Meeting:

The list was approved as per the Agenda.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

16. On Motion of Mr. Lauga, seconded by Mr. Reaney, it was moved to adjourn meeting.

And the motion was declared **adopted**, without objection, and by unanimous consent, on this, the 12th day of June, 2018.

The Chairman, Ms. Hand adjourned the meeting at 8:47 pm