

Hospital Authority of Houston County – Meeting Summary, March 2007

During their regular session meeting this evening, the Hospital Authority of Houston County discussed the following items:

NEW AUTHORITY MEMBERS

Mr. Fred Graham and Mr. Larry Warnock were sworn in by Judge Janice Spires as members of the Authority.

RECOGNITIONS

Mr. Sonny Watson, Chairman of the Hospital Authority, presented a plaque to Mr. Ed Dyson, past chairman, recognizing and thanking for his service as Chairman of the Authority. Mr. Watson also recognized Dr. Robert A. Carter and Mr. Dick Bexten for their years of service on the Authority.

UTILIZATION/FINANCIAL REPORT

Mr. Frank Powell, Chief Financial Officer, reported that Houston Healthcare experienced an increase in patient volumes in most areas compared to budget during Fiscal Year 2007 (March 1, 2006 – February 28, 2007), with inpatient admissions rising 9.6 percent at Perry Hospital and nearly two percent at Houston Medical Center. Emergency department visits during this fiscal year were over three percent above budget at Perry Hospital and slightly above budgeted levels at Houston Medical Center. Surgery and endoscopy volumes were above budget for the fiscal year by over three percent at Houston Medical Center; while surgeries at Perry Hospital were below budget by four percent during the fiscal year. Newborn deliveries were over 12 percent above budget for the fiscal year at The Women's Center.

Many of Houston Healthcare's outpatient service areas experienced increases in patient volumes when comparing FY 2007 to budgeted volumes:

- *Houston Lake Med-Stop visits up by 10.67%*
- *Pavilion Med-Stop visits up by 6.15%*
- *Pavilion Diagnostic Center visits up by 2.47%*
- *Outpatient Visits at Perry Hospital up by 4.68%*

Net Patient Revenues for the month of February for Houston Healthcare exceeded \$15 million, an increase over the budgeted amount of \$14.2 million. The organization ended the month with Net Funds Available of \$1.9 million, as compared to a budgeted amount of \$992,630.

Through Fiscal Year 2007, net patient revenues exceeded \$179.6 million, compared to a budget of \$172.4 million. Net Funds Available for capital improvements exceeded \$22.6 million, compared to a budget of \$10.9 million.

During Fiscal Year 2007, Houston Healthcare incurred more than \$28.8 million in uncollectible, indigent and charity care deductions, reflecting an increase in comparison to a budget of \$26.9 million.

Capital equipment expenditures for the month of March totaled \$213,184 at Houston Medical Center, \$24,700 at Perry Hospital, \$335,438 as part of Long Range Strategic Planning at Houston Medical Center and \$68,100 for capital improvements at Houston Medical Center.

Mr. Powell also updated the Authority on the ongoing process for bond rating. The Leadership Team and the Authority will be presenting information on Houston Healthcare to the bond rating agencies and insurers on April 18 and 19.

COMMUNITY RELATIONS REPORT

Ms. Mary Jane Kinnas, Executive Director of Marketing & Community Relations, provided an update on various community outreach events and programs sponsored by Houston Healthcare.

NURSING UPDATE

Ms. Tommi Gill, Chief Nurse Executive, presented an overview of recent accomplishments in the Nursing Services area during the past six months. Ms. Gill highlighted several areas including improvements in Physician/Nurse working relationships and initiatives to increase bed capacity and improve patient flow. She reported that Houston Healthcare's current nurse vacancy rate is 8.7 percent, which is favorable in comparison to the national average of 13 percent.

CON/CONSTRUCTION UPDATE

Mr. Skip Philips, HMC Administrator, reported that construction on the Houston Heart Institute expansion and the Central Energy Plant is progressing as planned. The groundbreaking for the Tower/CEP expansion will be held Tuesday, April 10th at 11 a.m. The Authority approved an additional \$1.3 million to the project to include additional meeting room space and an OB triage area. The process to complete the final administrative review for the Tower CON is underway.

The Authority also approved Administration's recommendation to construct a new Patient Care area and entrance to the HMC Emergency Department. The 3,300-square-foot patient care area expansion will include a 10-bay patient treatment area that can be used for observation patients, admissions unit or post-procedure/recovery patients. A new visitor/patient entrance into the current ED lobby will also be constructed. Construction of the project is planned to begin in June 2007 and be completed in December 2007. The cost for the expansion, \$1.425 million, was budgeted for this fiscal year.

ADMINISTRATION UPDATE

Ms. Lora Davis, Perry Hospital Administrator, updated the Authority on a two-day survey conducted this week in the Perry Hospital Laboratory by the College of American Pathologists (CAP). Ms. Davis reported that the exit interview was very positive. An official notice of continued accreditation should be received within 30 days. Mr. Watson commended Ms. Davis and the Perry Hospital staff for their successful surveys including CAP, DHR and the Joint Commission.

Dr. Tony Alford, CEO, gave an update to the Authority on CON legislation introduced in the Georgia House of Representatives has been sent back to committees. Dr. Alford also read a letter to the Authority dated March 13, 2007 from Mr. Ned Sanders, Chairman of the Houston County Board of Commissioners, regarding the Commission's recent decision not to back the \$60 million revenue bonds to be issued by the Authority for the HMC expansion project. The letter indicated that while the Commissioners were not able to back the bonds, they will continue to support the hospitals and the Authority. Mr. Ned Sanders, who attended the Authority meeting, reiterated the Commissioners' support for the project.

The Authority approved a change in the meeting date of the April 2007 meeting from April 27th to April 18th due to an educational/strategic planning conference that Authority members will be attending the week of April 27th.

Dr. Alford reminded the Authority of the Doctors' Day celebrations to be held at both hospitals this Friday at lunch and the reception Friday evening.

With no further business, the meeting was adjourned.