

Hospital Authority of Houston County – Meeting Summary, September 2007

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

RECOGNITIONS

The Houston Healthcare EduCare (Community Education and Services) Department was recognized by the Authority for recent achievements including their Teen Health Forum which was awarded the 2007 Rural Health Program of the Year by the Georgia Rural Health Association. The department also received the Sponsorship Award presented by the American Cancer Society at their regional awards banquet. This award recognized Houston Healthcare for its cancer education outreach including the annual Breast Cancer Awareness Lunch and the Teen Health Forum. Thaina Brown-Brake, Health Fair/Screening Coordinator, received the American Cancer Society Advocacy Award for her 16 years of volunteerism and advocacy on behalf of the Society and the Relay for Life event. The department also received an award from the State of Georgia for the Diabetes Management Program.

UTILIZATION/FINANCE REPORT

Mr. Frank Powell, Chief Financial Officer, reported that Houston Healthcare inpatient admissions during the month of August increased by nearly two percent at Houston Medical Center, while decreasing more than 22 percent at Perry Hospital, as compared to budget. Surgery and endoscopy volumes were above budget level by over four percent at Houston Medical Center while 16 percent below budget at Perry Hospital. Births at Houston Medical Center were above budgeted volumes by nearly 4 percent. Emergency department visits were more than 12 percent above budget at Perry Hospital while slightly below budget at Houston Medical Center.

Net Patient Revenues for the month of August for Houston Healthcare exceeded \$17.1 million, above the budgeted amount of \$15.5 million. The organization ended the month with Net Funds Available of \$2.9 million, as compared to a budgeted amount of \$1.4 million.

During the six months of the fiscal year, Houston Healthcare's net patient revenues totaled \$93.5 million, compared to a budgeted amount of \$89.5 million. Year-to-date Net Funds Available equaled \$10.3 million as compared to a budget of \$7.9 million.

During August, Houston Healthcare incurred more than \$3.4 million in uncollectible, indigent and charity care deductions, reflecting a decrease in comparison to a budget of \$2.9 million.

Capital equipment purchases for the month totaled \$78,310 at Houston Medical Center, and \$145,353 at Perry Hospital and \$106,255 at Houston Medical Center as part of Long Range Strategic Planning.

Mr. Powell also presented an educational update on anticipated changes in reimbursement for the Medicaid program through the State of Georgia Department of Community Health.

Dr. Sam Johnson, Executive Director of Medical Affairs, provided an overview of the proposed changes to the DRG system by the Centers for Medicare and Medicaid Services (CMS) to become effective in 2008. The new Medicare Severity-Diagnostic Related Groupings (MS-DRG) system will require hospitals and physicians to provide more thorough documentation and reporting, specifically every complication and co-morbidity and more specific diagnoses.

PATIENT SATISFACTION

Mrs. Mary Jane Kinnas, Executive Director of Marketing and Community Relations, presented the 2nd quarter 2007 results for the inpatient, emergency department, outpatient surgery and outpatient services patient satisfaction surveys. Mrs. Kinnas pointed out that Houston Healthcare was the benchmark hospital among the VHA Georgia hospitals participating in the Outpatient Surgery survey in the attribute areas of Overall Skill of Nurses and Laboratory Services.

OTHER BUSINESS

The Authority approved a proposal from the law firm of Smith, Moore et al for legal services for the reorganization of the Hospital Authority into a private, not-for-profit 501 (c) 3 corporation.

Dr. Tony Alford, CEO, reported that 657 employees attended the recent Town Hall Talks sessions. 497 of those attending completed a survey card, giving an overall rating of 4.44 (on a scale of 1 to 5) for the survey questions. Leadership is currently reviewing the suggestions and comments provided by employees during the Town Hall Talks sessions.

Dr. Alford also reported that Leadership is considering incorporating principles from the LEAN process into the organization to identify opportunities for process improvement, decrease inefficiencies and create a culture of improving how we do business.

Mrs. Lora Davis, Perry Hospital Administrator, informed the Authority that Perry Hospital has received a \$8,945 Rural Hospital Process Improvement Grant which will be used to fund various process improvement initiatives.

Mr. Skip Philips, COO, provided an update on the construction projects underway on the HMC campus. The energy plant construction is on track with plans to be fully operational by first quarter 2008. The tower construction is on schedule. The lower lobby and first floor of the tower should be completed for occupancy during the fourth quarter of 2008. The remaining floors of the tower should be completed for occupancy during the 1st quarter of 2009. The Authority approved the proposal from Gilbane

Construction for a maximum guaranteed price of \$56.7 million for the construction of the tower and \$2.4 million for renovation of the current tower.

With no further business, the meeting was adjourned.