

Hospital Authority of Houston County – Meeting Summary, January 2008

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

The Hospital Authority approved the FY 2009 Budget for Houston Healthcare, including the Houston Medical Center, Perry Hospital, Houston Heart Institute and the Emergency Medical Service (EMS). The new budget reflects an annual payroll (salaries, wages and benefits) of \$97 million for 1,534 full-time equivalent (FTE) employees. The FY 2009 budget also includes an average general rate increase of 7.2 percent. The budget does not include any revenue from the County for offsetting the cost of indigent care, charity care and bad debt which is expected to exceed \$35 million for FY 2009. Net funds available for capital improvements, capital equipment and long range strategic planning are expected to equal \$19.6 million for FY 2009. Mr. Sonny Watson, Hospital Authority Chairman, thanked Mr. Frank Powell, Chief Financial Officer, Ms. Amy Park, the Accounting Department staff, Leadership and the department managers throughout the organization for their outstanding work in preparing the budget.

The Authority also approved a contract with Healthcare Performance Partners (HPP) to facilitate the organization's lean strategy initiative to improve processes and create efficiencies with the goal of emphasizing patient satisfaction, staff satisfaction, patient safety and improved quality.

UTILIZATION/FINANCIAL REPORT

Mr. Powell reported that inpatient admissions were below budget for the month of December by approximately four percent at Perry Hospital and one percent at Houston Medical Center. Outpatient visits and Emergency Department visits were also below budget at both hospitals for the month. Surgery volumes were above budget by 12 percent at Perry Hospital while over 12 percent below budget at Houston Medical Center. Births at HMC were below budget by five percent for the month. Cardiac cath volumes were 14 percent above budget level for the ten months of the fiscal year.

Net revenue for the month of December totaled \$15.5 as compared to a budgeted amount of \$114.6 million. For the ten months of the fiscal year, net revenue equaled \$159.1 million, compared to a budgeted amount of \$148 million. Net funds available through the ten month period equaled \$19.3 million as compared to a budgeted amount of \$12.9 million.

Capital expenditures for December totaled \$254,720 at Houston Medical Center and \$15,750 at Perry Hospital for capital equipment; \$11,935 at Houston Lake/Pavilion Rehab for long range strategic planning; and \$20,000 at Perry Hospital for capital improvement to remodel the sleep lab.

Mr. Powell also reported that an annual contribution of \$130 has been made to each employee's VALIC retirement account as indicated by the Retirement Plan.

MEDICAL STAFF REPORTS

Dr. Dan Deighton, Chief of Staff of Houston Medical Center, reported that Dr. Shivdat has been named as the Director of the Emergency Department, replacing Dr. Richard Sullivan. The Authority also approved a change to the medical staff by-laws regarding Board certification.

CORPORATE COMPLIANCE

Ms. Suzette Fatula, Corporate Compliance Officer, presented the 2007 Annual Corporate Compliance Report.

OTHER BUSINESS

Mr. Watson welcomed Rob Rhodes, Chief Information Officer, and Lynne Thomas Gordon as Administrator of Houston Medical Center.

Mr. Skip Philips, Chief Operating Officer, reported that we have begun the 11 month countdown to the opening of Phase I of the Northwest Patient Tower. The first floor and lower lobby are scheduled for completion in November. The Central Energy Plant is being placed into operation. Several planned shutdowns will be scheduled to minimize disruption to patient care. Mr. Philips also recognized Mr. David Campbell for taking on the role as Interim Administrator of Perry Hospital.

Dr. Tony Alford, CEO, reported that the Authority's efforts to reorganize are underway. The Articles of Incorporation have been filed, the Lease Agreement between the Authority and the private 501© 3 corporation is being drafted, and the Due Diligence process is ongoing. He also reported that Bedside Medication Verification has been implemented at Houston Medical Center beginning this week on 4 Main. He recognized Nursing, Pharmacy and HIS for their tremendous efforts in implementing this major patient safety initiative. Other areas throughout HMC and Perry Hospital will follow during the year.

Mr. Watson welcomed Mr. Ned Sanders, Houston County Board of Commissioners Chairman, to the meeting. Mr. Sanders gave a brief update on the road construction projects ongoing in the County.

With no further business, the meeting was adjourned.