

Hospital Authority of Houston County – Meeting Summary, November 2008

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

Invocation was given by Rev. Darrell Vandervort from First Christian Church and a member of the Houston Medical Center Chaplains.

Mr. Skip Philips, CEO, introduced Ms. Tonya Acres as the new Director of Marketing for Houston Healthcare.

UTILIZATION/FINANCE REPORT

Mr. Frank Powell, CFO, reported that Houston Healthcare inpatient admissions during the month of October increased by nearly nine percent at Houston Medical Center and by six percent at Perry Hospital when compared to budget. Surgery and endoscopy volumes were below budget by two percent at Houston Medical Center and above budget by seventeen percent at Perry Hospital. Births at Houston Medical Center were six percent below budget for the month.

Several of Houston Healthcare's outpatient service areas experienced increases in patient volumes when comparing October 2008 to budgeted volumes:

- Houston Lake Rehab visits up by 3.41%
- Outpatient visits at HMC up by 19.63%
- Outpatient visits at Perry Hospital up by 14.39%

For the month of October, Operating Income was \$3.7 million compared to the budgeted amount of \$1.5 million.

For the first eight months of FYE 09, Net Patient Revenues for Houston Healthcare were \$137 million, \$9 million above the budgeted amount of \$128 million. Operating Income for the eight month period was \$17.9 million compared to a budget of \$8 million.

For the eight months ending in October, Houston Healthcare incurred more than \$24.6 million in bad debt, indigent and charity care deductions, reflecting an increase in comparison to the prior year of \$22.5 million.

The Authority approved \$328,700 in capital equipment expenditures, \$15,850 in capital improvement expenditures and \$37,600 as part of the Long Range Strategic Plan at Houston Medical Center. A total of \$15,500 was approved for capital equipment projects for Perry Hospital.

The Hospital Authority approved the overall system gross revenue budget of \$575 million for fiscal year 2009, resulting in a net operating margin of \$14.8 million. The new fiscal year will begin in January 2009.

Mr. Watson, Chairman of the Hospital Authority, thanked Mr. Powell, Mr. Philips and all employees involved in the budget process for their hard work and anticipation of what is to come in the upcoming year.

MEDICAL STAFF REPORTS

Dr. TG Sekhar, Chief of Staff for Houston Medical Center, shared that Dr. Johnson presented information regarding our Tobacco-Free initiative and the Lean Program. Mr. Philips presented information on the reorganization of Houston Healthcare.

Dr. Horatio Cabasares, Chief of Staff for Perry Hospital, mentioned that the Master Site Plan for Perry Hospital was shared by Mr. David Campbell, Administrator for Perry Hospital.

CHAIRMAN'S COMMENTS

Mr. Watson noted that the Hospital Authority meeting for December will be held on Monday, December 15th at 5:30pm at Houston Medical Center.

OLD BUSINESS

Ms. Lynne Thomas Gordon, Administrator for Houston Medical Center, shared that the Lower Lobby and Main Lobby are one of the main focuses of construction in order to meet the completion date. Paving for the new parking area for the Northwest Tower will begin soon. Lastly, she noted that Human Resources and Education will be moving into the 1600 Watson building this weekend.

CEO'S COMMENTS

Mr. Philips shared that as we are approaching Thanksgiving and a busy time at all Houston Healthcare facilities, the staff, physicians and volunteers are pulling together to coordinate care for our patients and their families. Everyone has done a great job of stepping up and it is greatly appreciated.

All of our facilities have seen an increase in volume over the past few months, both inpatient and outpatient. Emergency Care at Lake Joy is a new addition to the Houston Healthcare system, and it continues to see an increase in volumes, as do the other two Med-Stops.

Mr. Philips mentioned that volumes will be a challenge for us in the coming months, but the staff is doing well. We are fortunate in that all of our facilities continue to grow and thankful to the community and the Authority for their support.

The results from the latest Employee Engagement Survey will be shared with the employees soon. We were pleased with the 77% response rate from our employees and appreciated them taking the time to respond. We are enthusiastic about their feedback and developing plans to move our organization forward.

Mr. Philips also mentioned the longstanding relationship with Middle Georgia Technical College and appreciated their partnership with Houston Healthcare in training many of our employees, both present and future, in the Allied Health Programs. The Hospital Authority elected to offer Middle Georgia Technical College a one-time grant in the amount of \$70,000 to help support these programs and invest in our future employees.

Lastly, Mr. Philips noted that Houston Healthcare was presented with the Gold Level Start! Fit-Friendly Company Award by the American Heart Association for our efforts in educating, motivating and encouraging our employees to walk, exercise and maintain a healthy lifestyle. The recognition was also in an October issue of Forbes Magazine, highlighting all of the companies nationwide who have been designated as a Fit-Friendly Company.

With no further business, the meeting was adjourned.