

MEETING: **Board of Trustees**

DATE: **May 24, 2016**

TIME: **6:00 pm**

LOCATION: **Room # A**

**Board Members:**

- Patrick Drouhard, Chair
- Carolyn Beal, Secretary
- Patricia Anthony
- Paul Hinkle
- D. Vincent Trago, MD
- Brent Winand
- Brad Wood

**Other Attendees**

- CJ Miller, President & CEO
- Jonathan Kelly, VP Finance
- Lorelei Heineman, VP Patient Care Services
- Thomas Freundlich, MD, Medical Staff President
- Cheryl Herbert, Sr. VP Regional Operations, OhioHealth
- Sandie Fisher, Executive Secretary
- Dennis Leader, Commissioner/Financial Advisor
- Richard Miller, Commissioner
- Tom Whisten, Commissioner
- Zac Morris, Rea & Associates
- Jon Christensen, Board Attorney
- Martha Osborne, Community Member

**Absent:**

TIME	TOPIC	LEADER	DISCUSSION / RECOMMENDATIONS	FOLLOW-UP
6:00	<b><i>Call to Order</i></b>	Mr. Drouhard	The meeting was called to order at 6:00 p.m.	
	<b><i>Approval of Minutes</i></b>	Mr. Drouhard	A motion was made by Mr. Hinkle and seconded by Ms. Anthony to approve the minutes as written.	



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			The motion was approved unanimously.	
	<b>2015 Financial Audit</b>	Zac Morris Rea & Associates	<p>Mr. Morris indicated this is the seventh year Rea &amp; Associates have been auditors for Morrow County Hospital. Sometime later this summer, the office of the State Auditor of Ohio will issue an RFP for audit services. An audit firm is limited to a total of 10 years with a client. If the RFP is issued for a five year period, Rea &amp; Associates will be ineligible to respond to the RFP.</p> <p>The results of the audit were presented which indicated a clean audit with no material weaknesses. The new Government Accounting Standards Board (GASB) Statement 68 has an impact on the financial statements. Nationally, the liability for any government retirement plan that is underfunded must be proportionally split between each entity that contributes to the fund. For MCH, the portion is \$9,076,835. By Ohio Statute, the entities will never have to actually pay that amount should the fund become insolvent. Two new schedules were added to the financial statements to reflect GASB 68.</p> <p>He emphasized that any outside entity, especially any financial institutions, requesting copies of the audit need to be educated as to that liability figure and the impact on the bottom line.</p> <p>Mr. Drouhard thanked Mr. Morris for his service</p>	

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			<p>to Morrow County Hospital for the last 7 years.</p> <p>Mr. Morris excused himself.</p>	
	<p><b><i>Consent Agenda</i></b></p>		<p>A motion was made by Mr. Winand and seconded by Ms. Anthony to approve the Consent Agenda as presented.</p> <p>The motion was approved unanimously.</p>	
		<p>Mr. Kelly</p>	<p><u>Financial Reports</u> Mr. Kelly reported on the combined April financials and indicated April was a good month.</p> <p>Net operating income was favorable to budget by \$94,000 which brings the year-to-date variance favorable to budget by \$340,000.</p> <p>Hospital days in accounts receivable decreased from 54.3 to 52.9 and days cash on hand decreased from 57.2.9 to 40.1 due to a large cost report settlement for 2015.</p> <p>Management was asked what impact the FQHC in Mount Gilead will have on the hospital.</p> <p>Mr. Miller and Mr. Kelly reported the hospital will receive downstream revenue for services performed here such as lab and radiology tests. They also indicated the business from referrals will show on the Combined Statement of Operations and the Combined Trends in Operations in the financial packet so it is easily tracked.</p>	

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			<p>Management feels the relationship with the FQHC will be a positive one.</p>	
		Dr. Freundlich	<p><u>Medical Staff Report –</u> Dr. Freundlich reported there was no Medical Staff meeting in May however there was an uneventful Credentials Committee meeting. The next Medical Staff meeting will be June 7.</p>	
		Ms. Heineman	<p><u>Administrative Report</u> Ms. Heineman reviewed the report.</p>	
	<p><b><i>Hospitalist RFP Summary and Recommendation</i></b></p>	Mr. Miller	<p>A summary of the Requests For Proposal (RFP) were presented. The RFP was sent to HCI, who serves the Mansfield-Shelby area, Access Medical Group, who serves Marion and current vendor TeamHealth, a national organization.</p> <p>The models for HCI and TeamHealth were the same, two physicians dedicated to MCH with 24/7 coverage, alternating weeks on duty.</p> <p>Access Medical Group however, presented a different, lower cost model leveraging local physicians. Their proposal indicated having physicians do normal rounding daily utilizing physicians from Marion, with a nocturnist taking call every night. This group currently supplies hospitalist and intensivist services at OhioHealth Marion.</p>	Mr. Miller

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			<p>Access Medical is very comfortable with using e-ICU technology and would be very supportive of implementing the program at MCH which is an important service MCH would like to implement in the future.</p> <p>Management made the recommendation to contract with Access Medical.</p> <p>A motion was made by Ms. Beal and seconded by Mr. Wood to approve management contracting with Access Medical.</p> <p>The motion was approved unanimously.</p>	
	<p><b><i>Morrow County Hospital Home Health Recommendation</i></b></p>	<p>Mr. Miller</p>	<p>At the April Board of Trustees meeting, Mr. Miller presented several significant issues the MCH Home Health department is facing that management feels is beyond our capability to overcome. In addition, there is a significant unfavorable impact the department has on the hospital Cost Report.</p> <p>Management is asking approval to issue an RFP for the Home Health Services.</p> <p>A motion was made by Mr. Hinkle and seconded by Ms. Beal to approve management to issue an RFP for Home Health Services.</p> <p>The motion was approved unanimously.</p>	

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	<b><i>Other Business: OhioHealth</i></b>	Ms. Herbert	Ms. Herbert did not have a report.	
7:32 p.m.	<b><i>Recess for Executive Session as Defined by Ohio Revised Code Section 121.22(G)(7) Trade Secrets and Section 121.22(B)(1)</i></b>	Mr. Drouhard	<p>A motion was made by Ms. Anthony and seconded by Mr. Winand to recess for the stated reasons and go into Executive Session at 7:32 p.m.</p> <p>The motion was unanimously approved by roll call vote.</p> <p>Other attendees were excused except for Ms. Herbert and Mr. Miller who were invited to attend a portion of the Executive Session.</p>	
8:51	<b><i>Return to Regular Session</i></b>	Mr. Drouhard	<p>A motion was made by Ms. Beal and seconded by Mr. Hinkle to return to Regular Session.</p> <p>The motion was approved unanimously.</p>	
	<b><i>Discussion of Executive Session Topic (if any)</i></b>	Mr. Drouhard	None.	
	<b><i>Action of Executive Session Discussion</i></b>	Mr. Drouhard	<p>A motion was made by Mr. Winand and seconded by Ms. Anthony to authorize Mr. Miller to pursue FQHC discussions and any accompanying contract considerations.</p> <p>The motion was approved unanimously.</p>	

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8:52 p.m.			Being no further business, the meeting was adjourned.	
Minutes submitted by:  Carolyn Beal, Secretary			Approved by:  Patrick Drouhard, Chair	