

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS SPECIAL MEETING
COURTHOUSE ANNEX, COMMISSION MEETING ROOM**

FEBRUARY 5, 2020

10:00 A.M.

MINUTES

Commissioners Present: Noah Lockley – Chairman, Ricky Jones-Vice-Chairman, Joseph Parrish, William Massey, Bert B. Boldt, II

Others Present: Erin Griffith-Assistant Finance Director, Michael Moron-County Coordinator, Michael Shuler – County Attorney, Lori P. Hines-Deputy Clerk to the Board.

Call to Order

Chairman Lockley called the meeting to Order.

Prayer and Pledge

Chairman Lockley said a prayer followed by the Pledge of Allegiance.

Public Comments

Mrs. Donna Butterfield, a resident of St. George Island, said Ascension/Sacred Heart is already here for the citizens and they will be here in the future. She stated Alliant/Tallahassee Memorial Hospital is not here and will not be here for them in the future. She reported Ascension/Sacred Heart has a doctor's office and a physical therapy clinic here in Apalachicola. Mrs. Butterfield said they will build a larger facility fully equipped and staffed. She explained every patient that visits the Sacred Heart emergency room in Port St. Joe is visited at home by Sacred Heart personnel. She stated Sacred Heart has just joined with the Franklin County Health Department in a diabetes education program. Commissioner Jones entered the meeting. Mrs. Butterfield reported Sacred Heart is ready to commit more money and she asked what Tallahassee Memorial Hospital is ready to commit. She stated TMH has never committed a doctor or equipment to Franklin County. Mrs. Butterfield said they are a logo on the Alliant proposal and they are ready to take the county's money but not serve the patients. She reported Sacred Heart is here and ready to build quality health care in Franklin County.

Dr. Shezad Sanaullah, a cardiologist in Apalachicola, said he has been here for 22 years and has seen a lot of promises made and people come and go. He explained he is neither for TMH/Alliant or Ascension/Sacred Heart. He stated he will refer to Sacred Heart as Ascension since Sacred Heart is no more since they were bought by Ascension. He explained his concern is for the community and the county not for either party. Dr. Sanaullah said he looks at who has been in the community and servicing the people. He said he serves rural and poor areas and TMH has made partnerships with other hospitals in the area. He said as a guide to what will come they can look at TMH's partnership

with Doctors Memorial Hospital and the other hospitals. He explained you can go in the communities and ask the people and providers there and see if this worked out for them. Dr. Sanaullah stated he is in those counties and sees the patients and providers and they seem much happier with their presence than without it. He reported it is true they have not put an x-ray machine or big equipment here but neither has anyone else. He explained there is a presence from Ascension but Ascension is the single largest health facility and corporation in the state on the stock exchange. He said this means they are beholden to stockholders not the community. Dr. Sanaullah reported any corporation on the stock exchange is looking for profit for its stockholders because that is their obligation. He explained since Ascension has bought out or had partnerships with facilities they have closed down a good deal of them because they were not profitable. He questioned why they would be interested in Weems Memorial Hospital if it is not profitable. He stated it is because the Sacred Heart facility is running in a deficit and has been for a number of years. Dr. Sanaullah explained the interest is the critical access designation and it is invaluable to this county and if they lose that designation and the hospital they will never have a hospital in this county again. He said that designation is the only reason they are able to float the hospital. Dr. Sanaullah reported financially Weems has done a fair job compared to who is wanting to buy it. He asked the Board to look at the facts and make a decision on the facts.

Mrs. Mel Kelly, a resident of Carrabelle, reported the City of Carrabelle Mayor was here yesterday at a Board meeting and spoke of behalf of Sacred Heart and a facility in a more central location and was told by Commissioners that the City should mind its own business and leave the county business to the county. Chairman Lockley stated he told her that not the Commissioners. Mrs. Kelly said she would like to remind the Commissioner that the city pays taxes to the county therefore the county business is the city business.

Ms. Patty Greenberg, a consultant for Ascension/Sacred Heart, clarified Ascension is the largest faith based non-profit hospital company in the country and contributes millions to charity care including Franklin County residents. She said they are not publicly traded nor do they have stockholders. She explained they are a mission based and faith based organization and these statements by Dr. Sanaullah need to be corrected on the record.

Mrs. Marie Marshall, a resident of Apalachicola, stated she worked in the health care industry before retirement and was the Executive Director for Healthy Start for Bay County, Gulf County and Franklin County. She questioned how Chairman Lockley defines critical access because it is being used as the main detrimental loss the county would suffer. Chairman Lockley said critical access means they get more money for reimbursement. Mrs. Marshall reported this should not impact their health care because they will all have access to 21st century health care in Franklin County. She explained where they lived before they had to drive 20 minutes for care and it was not an issue. Mrs. Marshall stated she is here to support good health care under the Ascension health care system.

Mrs. Gail Riegelmayr, a resident of St. George Island, said the critical access designation seems to be a stumbling block and she would like some clarification. She stated her understanding is whoever holds it receives 101% of Medicare reimbursement. Attorney Shuler said this is public comment and not a question and answer session and the Board has consultants and experts on staff to answer these questions on their behalf and can advise them. Mrs. Riegelmayr stated these are critical questions

that the public needs to understand because the critical access designation is being bantered about like it is something important. She questioned what the value is to the county and how much money has it brought to Weems in 2019 and the previous years. She said her understanding is if the county builds a new hospital they will need to reapply for the critical access designation and if Sacred Heart partners with Franklin County they would need to apply and it is not a given. Mrs. Riegelmayr reported she is not an expert in this field and is asking questions because the public deserves to know.

Mark O'Bryant & Jim Coleman - Alliant/Tallahassee Memorial Hospital (TMH) - Discussion

Mr. O'Bryant stated the critical access status is a real thing, has tremendous value and is a federal designation. He said this is why they are here to talk about Weems Memorial Hospital and it is also why Ascension is here because they also recognize the value and would also like that status. He explained he is here to talk about the partnership they have with the community. Mr. O'Bryant said quality of life is important because it is what drives people to live and appreciate where they live. He said one of the foundational components is quality of health which is defined by the infrastructure that supports it such as doctors and facilities. Mr. O'Bryant stated TMH has an affiliation relationship with Weems Memorial Hospital and he would describe the support as leadership. He explained in the past the contract allowed TMH to hire on the hospital's behalf a leader and provide benefits for that leader or people in the leadership roles. He reported they have provided support and offered guidance but their support has not been financial. He stated as TMH has paid the leadership and benefits the county has not always been able to pay the money back and they have never held the county or hospital liable or pushed for the funds so they have facilitated dollars in that regard. Mr. O'Bryant said they have never competed or brought facilities here to compete with the hospital because they did not feel like that was their role. He reported they do recognize the need for the hospital to build a new facility and they have talked about the roles of partnerships. He stated the last time he was here he said they are interested in partnerships but in order for a partnership to be successful they need a skill set that understands rural health communities and critical access. Mr. O'Bryant explained this is not an area of expertise for TMH because they are not in the rural health business so they requested the county find a partner that understands rural health and they will work on a partnership. He reported Alliant has been a partner with this going on a year at Doctors Memorial Hospital in Perry. He stated Alliant has relationships in Blountstown, Chipley, Perry and other regions outside of Florida. Mr. O'Bryant said the relationship they have with Alliant in Perry since May, 2019 has been very successful and he encouraged the Board to contact any of their Board members about this relationship. He explained the idea is for them to bring forward a level of expertise that allows them to create a financially stable vibrant health care service in this community and TMH is committed to that. He reported their focus on partnership would be in the area of bringing physicians. He said even at TMH they believe physician strategies are the most important strategies to have and facilities build around those. Mr. O'Bryant reported they are most interested in moving forward with partnerships by bringing doctors to live and work here in the community on the primary care level and once they build a base then they can bring specialists. He stated they intend if they work in this relationship to engage around specialty care especially in telemedicine as TMH is a leader in this area especially with rural health communities. Mr. O'Bryant reported TMH is full and their interest would be to keep the patients here in Franklin County and provide specialty levels of support through telemedicine to the doctors and staff here which allows the citizens to stay in their community. Mr. O'Bryant stated the question is if they want to keep a

hospital in Franklin County. He said if that is important moving forward then they should consider a relationship that allows them to build and develop the type of facility they need but allow them to keep the hospital status. He pointed out if they give up the critical access designation then it is fair to say they will never have a hospital again. He said they could have an urgent care but he questioned if that would provide the comprehensive level of care they want in the county. He stated TMH is focused and committed to working with the community. Mr. O'Bryant said they do want to support the community but that has not been their role by contract in the past. He reported Alliant has been a good partner at Doctors Memorial with providing expertise and they as a hospital have partnered with that community to improve the stability of that hospital by bringing new services forward and that would be their intention here.

Weems Chairman & CEO - Questions & Comments

Mr. Doug Creamer, Hospital Board Chairman, asked if in their proposal to the county their company will be able to bring a physician into the county. Mr. O'Bryant stated they have already started the process of recruiting primary care doctors to live here and be a part of the community. He reported they are close to having one candidate and re-engaging in the process and there is a cost associated with that. Mr. Creamer questioned the status of the Carrabelle Clinic and if they will have a physician part time or no time. Mr. O'Bryant reported they have not talked about Carrabelle specifically but they can talk about it. He said they have talked about bringing a doctor to the Eastpoint and Apalachicola area but they could also talk about expanding services in Carrabelle as well. He stated they already have a beautiful clinic in place in Carrabelle. He said the challenge is finding a location and they are looking for one now for a practice. Mr. Creamer asked if the specialists would mostly be through telemedicine or on site. Mr. O'Bryant reported they must build a foundation of primary care doctors and then specialists will come. He said Franklin County is weak in primary care and they must strengthen the base of primary care providers. He stated telemedicine is to support the physicians and the hospital. Mr. Creamer questioned the timeline to have a physician. Mr. O'Bryant said he cannot provide a timeframe because it depends on how soon they can strengthen the primary care practices. He explained they would look at rotating doctors and they also have a residency program and could rotate some residents through the rural health program. He said he cannot provide a timeframe for specialists because it is tied to the primary care base. Mr. O'Bryant explained specialty care through telemedicine is giving the doctors in the hospital access to specialty support. He went on to say rather than sending a patient in an ambulance to Tallahassee they can provide telemedicine support here and if they do not require a higher level of care then they could keep the patient here in this hospital. Mr. David Walker, Chief Executive Officer (CEO) at Weems Memorial Hospital, stated there are costs for the physician and TMH would bear that costs. He explained when they wanted to hire a physician here the cost was about \$227,000. Mr. Walker said when they were looking at hiring a physician it was to work 3 days a week in Carrabelle and 2 days a week in Apalachicola because they are looking for access to care. Mr. Walker commented they are looking to invest more than \$220,000 for the physician and staff for the community. Mr. O'Bryant agreed that is correct. Mr. Walker said TMH also mentioned paying fair market price for rental space. Mr. O'Bryant said they would rent space from them. Mr. Walker reported they will also assist with overseeing the nurse practitioners because that is a gap they have in this community that they are trying to fill. Mr. O'Bryant agreed they would assist. Mr. Creamer asked for the total cost of the Alliant/TMH management. Commissioner Massey left the

meeting. Mr. O'Bryant stated there is no cost from TMH but there is a cost to Alliant. He explained in the relationship they have at Doctors Memorial Hospital where they are paying Alliant for support they have seen the value coming back and he encouraged the Board to contact any of their Board members. He said the facility is well managed and they are maximizing on how the services are provided and how they are collecting on the back end. He stated running rural hospitals is a unique skill set. Mr. Creamer said the county is responsible for the Emergency Medical Services (EMS) and Weems Memorial Hospital manages EMS for the county. He stated the county provides ad valorem taxes to run the service and he asked how their association with Weems would affect this and if Weems would still be managing EMS or if it would be a conflict. Commissioner Massey returned to the meeting. Mr. O'Bryant stated that is still a County Commission decision but Mr. Coleman can address this question. He said he assumes Weems would still be interested in managing EMS. Mr. Creamer felt that would be a deal breaker because someone has to manage EMS and the most cost effective way for the citizens is for Weems to do it. Mr. O'Bryant said another question is whether they want health care driven by local decision making. He explained by keeping Weems an independent community based hospital they are keeping decision making at the local level. He reported if they go another direction then the decisions will be coming from outside the community but they may have an advisory board. He said as a fiduciary Board that is a question they must ask also. Mr. Walker stated Capital Health Plan (CHP) is very important in this county and he wants to make sure their doctors take CHP. He reported most of the larger employers in the county use CHP. Mr. Walker reported the management fee with the pass through fee of the CEO's salary is maybe \$17,500 a month or \$210,000 a year but the investment of the doctors and staff that they are bringing would be more of an advancement. Mr. O'Bryant said there is a payor connection in their community through CHP when they look at the network because it is linked to Leon County more than anything else. He explained they have always been committed even through the affiliation relationship to facilitating the transfer of their patients to TMH when they need emergency services. He stated that relationship will continue regardless of the decision and when the community needs health care services at the higher level they will keep the door open and make sure they are served quickly and effectively. He said they have a connection with the payor CHP and there is consideration about what is and is not in the network. Mr. O'Bryant explained their relationship in the past has not been structured to be financial and they have not put dollars in this community because they did not want to compete with the hospital but he mentioned the last time he was here that they are interested in partnerships. He said they wanted to make sure the community engaged with a group that understood and could better direct optimized health care at the rural hospital level.

Commissioners - Questions & Comments

Commissioner Boldt discussed the critical access designation of the hospital and said they must continue to honor it. He said they are addressing comprehensive health care in Franklin County with not only a hospital of some sort but also EMS services, outpatient facilities and medical personnel. He explained with regard to attracting medical personnel they need to facilitate referral relationships. Commissioner Boldt reported patients that they would send to tertiary hospitals are worth millions of dollars. He stated they also need a tool kit of physicians to land their patients back here after they have been stabilized and need rehabilitation. He said TMH seems to be looking for this tool kit and he questioned where Franklin County patients are going now. Mr. O'Bryant explained there are

opportunities and they work with other communities now on swing bed programs. He stated they would encourage the county as they look at the hospital beds it is not just for admitting patients but also to create a swing bed status so as patients come out of their acute care at a higher level they can send them back into the community for recovery in a swing bed facility. He pointed out Weems beds could be qualified as swing beds and they should consider a swing bed program for the community. Mr. Creamer reported the hospital has an active swing bed program. Mr. O'Bryant said they need medical directorship in that regard and that is another reason to recruit a doctor so they have someone to lead that program and draw back patients. Commissioner Boldt referenced the residency program at TMH and asked if Mr. O'Bryant sees their hospital's influence in getting their residents to come here on a regular basis and practice medicine. Mr. O'Bryant answered they could look at a rotational program here because there is a rural health component for family medicine that is important. He said they engage in this program now in Gadsden County. He explained this also allows the residents to see the community and it may make it easier to recruit a doctor. Commissioner Boldt inquired about TMH's role in telemedicine and how they are using it in existing counties. Mr. O'Bryant said they are recognized as a leader if not the leader in telemedicine in the state in rural telemedicine. He explained they have a number of locations across the panhandle where the emergency rooms are connected for teleneurology and telecardiology. He said as the emergency room doctors are dealing with patients they are engaging doctor to doctor for this process. Mr. O'Bryant stated in the past they had to transfer those patients but in this case they can have the doctor's talk to each other and receive that level of support to make decisions on whether the patients should stay or go. He reported the idea is to provide a level of expertise. He expressed his opinion that they will see a big change on how telemedicine impacts them on a higher level with more remote monitoring at home and telepsych programs. He reported they are partnered with Apalachee Center and they also have a presence here in the county and they have talked about a telepsych program here not related to Weems so people can receive that level of care here without having to drive to another location. Mr. O'Bryant explained the telemedicine they are speaking about is largely on the hospital to hospital level and providing a level of support they have not had before. Commissioner Boldt inquired about microhospitals and if Mr. O'Bryant has seen that work. Mr. O'Bryant was not sure about microhospitals because it could represent a lot of different things but stated as they look at this community they imagine a hospital with a very strong emergency room with 10-25 supporting beds and those would be managed for their medical patients with doctors to manage their care and post procedure swing beds. He explained this is a building block to build bigger programs. He said it would be a more comprehensive level of care than what they have now. Commissioner Jones stated he does not think it is the desire of the Board to shed themselves of the hospital but he mentioned local decision making and the reasons there are more complications at Weems than other rural hospitals is involvement of this Board. He questioned if there is any kind of timeline in their discussions if they move forward with TMH/Alliant on when the steps would be taken and what the steps would look like for someone else and not this Board to assume liability of the hospital. Mr. O'Bryant stated that is a different discussion but not out of the realm of what they are looking at. He explained that is for the Board to decide and they would take steps along the way. He reported his perspective is that health care is best if the decision making is kept local. Mr. O'Bryant referenced Doctors Memorial in Perry and said that hospital is owned by the local community and contracted with a management company named Doctors Memorial that is community based. He explained that partnership is 50/50 with TMH and Doctors Memorial the community. He went on to say TMH has a 50% interest in that hospital and the community has a 50%

interest in the operations of the hospital. He reported the Board is represented by 7 community members and 2 TMH members. He stated the 2 TMH members have an equal vote to the 7 but no party can outvote each other and a major decision must be on a supermajority basis. Mr. O'Bryant said it creates a partnership but keeps decision making at the local level and the community is invested in that hospital. He reported TMH is invested and are a risk partner and if they lose money TMH covers half of the losses. He stated this does not abdicate financial responsibility from the county but it does mitigate it because they have a partner that shares half of it but they do not lose control. Mr. O'Bryant stated because of that relationship they have a strong interest in making that hospital being financially successful. He said TMH is investing in relationships like Alliant to bring new tools and services in to make it successful. Mr. O'Bryant explained if there is money on the excess side then they put it in escrow for years to mitigate the ups and downs. He said this structure creates the best of both worlds because it keeps the community engaged, allows TMH to be a financial partner and minimizes the exposure on the community side. He stated their job is to make sure it does not create a liability for the community. Commissioner Jones said he wanted to ask because there have been some comments that the Board does not care or is not qualified and half of the people on the Board either own a business and run a business for someone else and health care is a business and he wanted to ask a business question to qualify what they are doing. Commissioner Massey asked how many days the clinic in Carrabelle would be open. Mr. O'Bryant said they have not discussed that but he would be happy to sit down and talk with Mr. Walker and when they start recruiting doctors they can see what the demands are. He explained their initial commitment with Alliant is to bring physicians and practitioners to the community to provide care but if they looked at something longer term like a partnership at another level that would be a future discussion. He said their focus is on bringing doctors and staff in. Commissioner Jones reported some of what they are looking at is the hospital and clinics and the language that was voted on and the interlocal agreements that were made and even though TMH and Sacred Heart are not involved in that the Board is beholden to that so it will matter to them what is happening to that clinic and in Apalachicola. Mr. Creamer asked for a timeline when TMH would be comfortable moving to another level of management. Mr. O'Bryant stated TMH would like to see a relationship with a company start because they would like to see the improvements and they would facilitate those relationships and those conversations and any kind of support they can provide. He said there is no timeline but they could start but it is a different structure. Mr. O'Bryant stated in Perry they created a community board that is appointed by the City Commission and County Commission and they have an active board. He reported they have a local board that actually manages and is engaged in the process. He said they are not involved in that Board or the governance. He stated they would have to look at the governance structure and they are open to that. Commissioner Boldt asked if they see a Franklin County citizen being on the TMH Board. Mr. O'Bryant said they have a limited number of Board seats and he does not make that decision but it is probably not likely. He stated there is a role for Franklin County on the Apalachee Center Board and that is a partnership with TMH. He reported there is a way to create more connections with the boards. Mr. O'Bryant said TMH invites the Board Chair at Doctors Memorial to come to their annual retreat with the TMH Board and to other events to create connectivity. He stated typically they bring in the administrator and Board Chair to the annual retreat to do joint education and enhance the relationships. Mr. O'Bryant said they have done that in the past here but have not done it in a while. Chairman Lockley stated he has been here from day 1 when this started. He reported at first they had a healthcare committee and when the Board decided to take a vote to the people and ask for the 1 cent sales tax that is what they did and

the Board did not make that decision the people of Franklin County voted for it to pass. He stated they do not see the people that voted for it to pass but the people that objected from day 1 are still here objecting. He explained when it passed they had to get agreements with the cities and they made those agreements. He reported the first agreement was to build a clinic in Carrabelle and pay for it and they did it. Chairman Lockley said the second agreement was with the City of Apalachicola and they were supposed to build a hospital and staff it. He reported Sacred Heart was not here then but they talked to them later. He said when Sacred Heart built their hospital they knew they had to be 35 miles from Apalachicola to get the critical access. Chairman Lockley said all they hear about is the critical access but they promised the people they would build a hospital. Chairman Lockley reported Sacred Heart told them they would not build the county a hospital. He stated over 70% of the citizens said yes to building a hospital. Chairman Lockley stated he is committed to doing what they are supposed to do and sticking to his commitment. He reported his vote is going to be to build the hospital because that is what he told the people he is going to do. Mr. Creamer reported there is a misconception and they are not building a new stand-alone hospital that requires a new application for the critical access designation but there will be an addition to the existing facility. He stated the critical access will not be affected with the new construction. Mr. O'Bryant said that is correct. Commissioner Boldt discussed what they need to think about in making the county a magnet for physicians. Mr. O'Bryant responded he believes it is to the benefit of Franklin County to keep the hospital and if they bring someone here to direct that the first thing they need to do is develop a strategic plan because that is their tool kit. He explained that has been lacking in the past because they were focused on keeping the doors open and the hospital running but if they do not plan for the future then they are always reacting. Mr. O'Bryant stated they need to create a long range strategic plan which includes short term issues in the year and longer issues 5-10 years out. He said in the strategic plan they can identify what needs to happen in each area and what they want to happen and what is realistic. Mr. O'Bryant stated he does not think the community has ever had a strategic plan for the hospital but that is one of the things that an organization brings. He reported one of the first things they did at Doctors Memorial was to develop a long range strategic plan and now it is in place and they are moving it forward. He said when they are talking about critical access and rural health care having an organization that understands the road map is important. Commissioner Boldt said the question is how they compliment the referring physician and the work they are doing. He stated in the strategic plan he would want a big involvement of medical doctors. Mr. O'Bryant reported one of the first things this Board and the Hospital Board should require is a comprehensive strategic plan to give them a sense of the directives. He explained a lot needs to be done quickly especially on the facility side. He said the county has been trying to decide whether or not to build a facility for a long time and he knows the facility here is dated. Mr. O'Bryant stated even though they recognize the value of doctors, nurses and staff for providing care there is something to be said about a facility platform. He pointed out if they want to give confidence to the community they need to give them a facility that gives them a sense of confidence. He explained this gives a better platform for care and makes it easier to recruit doctors. Chairman Lockley agreed the facility is old and the Agency for Health Care Administration (AHCA) could shut them down if they do not do something to it. He stated they are obligated to the people and cannot change the rules for a few select people. Mr. Creamer reported one of the unique tools Franklin County brings is the surtax that is collected. Commissioner Jones left the meeting at this time. Mr. Creamer explained people think they get ad valorem dollars for the hospital but that is not correct. He said Weems does get property tax dollars to operate the ambulance service. He pointed

out they only get a portion of the sales tax and a lot of hospitals do not have this blessing. Mr. Creamer said the people voted to give that tax to the hospital because they want good health care and were willing to do this to insure it. He explained not only do the residents support this tax but anyone who visits the county and buys anything. He reported that enables them to generate revenue they would not have and if they are not careful and don't go in the direction they led the people to believe they were going in the cities could fall out of the agreements, the tax could fall apart and they could end up with the burden for health care back on the ad valorem taxpayer and he would not want to see that happen. Commissioner Jones returned to the meeting. Mr. Creamer said regardless of the company they go with it must conform to their agreements with the residents of the county and what they said they would do for them. Chairman Lockley stated they have not used any ad valorem tax dollars for the hospital since the tax has been in place. Commissioner Parrish said he is glad Mr. O'Bryant is here to address some of these questions and let the public hear him speak and tell what his outlook is. He stated he appreciates Mr. O'Bryant attending the meeting. Commissioner Boldt stated the Health Care Trust Fund (HCTF) is a reservoir of money that is continuing to come in and they want to be prudent spenders. He said he was interested in the 50% partnership and would like to know if Taylor County has a health care trust fund. Mr. O'Bryant replied they have a fund but it does not go to cover operations at the hospital. He explained it went to purchase/build the new hospital and he thinks a portion is available at the Board's direction for facility improvements and capital improvements. He stated there is not a flow of dollars from the county or city that flows into the hospital for operations. Commissioner Jones reported the difference is the State of Florida allows a ½ cent tax for health care that can be levied and Franklin County knew it would not be enough to sustain the hospital because of where it was at the time and to build a new hospital so they used a 1 cent general tax and through interlocal agreements and what was done by referendum they tied the tax to health care. Attorney Shuler confirmed that is correct. Commissioner Jones said that is probably the difference and why Taylor County uses theirs for facilities. He explained Franklin County's is the same way but they voted to split the fund by a vote of the Board. Mr. O'Bryant said Taylor County opened their hospital about 15-16 years ago and it is a beautiful facility. Commissioner Boldt said it seems like they are amending some of their proposal and a comment about the timeframe and criteria to build a 50/50 partnership would be very important for the Board to see. Mr. O'Bryant explained there is not a timeframe because it is not set on a timeframe but if the community is interested in that kind of structure they are willing to sit down and start going through that conversation. He reported he has been on the Hospital Board in Perry for years and it is a great meeting and there is a very committed set of Board members that are actively engaged in making sure they have a healthy hospital. Mr. O'Bryant said they are learning from each other because rural health care is very unique and different from the tertiary/quaternary level. He explained if they bring in the right skill set it makes it even better. Commissioner Parrish left the meeting at this time. Mr. O'Bryant said when he attended the last meeting here he encouraged the county to bring in a group that understands rural health care because that is where they get the advancement of how they handle their services moving forward. Mr. O'Bryant stated in Perry at Doctors Memorial Hospital it has been a very good relationship. Attorney Shuler said he would like to make his presentation when the full Board is present and Commissioner Parrish is out of the room. He explained there have been a lot of discussions about the Interlocal Agreements and the sales tax structure. Attorney Shuler reported he was here at the time and at the direction of the Board he was sent to negotiate with the two cities. He went on to say they had many hearings and meetings and all of those were reduced into two necessary interlocal

agreements just prior to the ballot being held. He stated there have been a lot of questions and he asked if the Board would like him to prepare and present a Memorandum and then he and the Board could have a question and answer session. He said maybe the time is appropriate to clarify various issues. Attorney Shuler reported over the years he has had individual conversations with the Commissioners but it may be time to have a public discussion.

The meeting recessed at 11:20 a.m.

The meeting reconvened at 11:30 a.m.

All Board members were present when the meeting reconvened. Attorney Shuler asked the Board for direction and if they feel like it is an appropriate time for him to prepare a Memorandum for them to review on items such as the Interlocal Agreements and ballot language and then have a public question and answer session between him and the Board as an informational tool for the public. Commissioner Boldt stated a white paper in factual language about the Interlocal Agreements would be important to have and it also guides the public. Commissioner Jones questioned what he would be describing in the Memorandum. Attorney Shuler explained he would set forth the issues and a statement of facts and analysis of questions that are proposed and issues that were identified and addressed. He stated the Board can think about this and provide some questions they have and he would add that in to a list of questions and answers in a written manner. Commissioner Boldt stated because they have two very important management corporations offering proposals the Interlocal Agreements are a strong foundation for their decision and they should have him provide this information. Attorney Shuler explained in his mind from a technical legal standpoint having a Memorandum addressing technical issues in the Interlocal Agreements is separate from the policy decision on whether to have interaction between Alliant/TMH or Sacred Heart. He reported the issues in the Interlocal Agreements are not who the parties are but whether the service provided does or does not comply with the terms of the Interlocal Agreements and the reasons why they do or do not comply and the potential consequences. Attorney Shuler stated the Board can decide when they would like this information. Chairman Lockley reported the Interlocal Agreements have been there since day 1 and they should know them.

Mr. Jim Coleman, Alliant, stated he presented his proposal on October 15, 2019 and there have been various communications about his proposal and he will correct some misinformation. He reported the big thing was he wanted to have Mr. O'Bryant represent TMH and their interest in this proposal and this partnership for Franklin County. He stated this has been well discussed but TMH is a partner in this proposal. He reported people are calling Alliant a consulting company but they are a management company and they do the full operation of the hospital. He explained they specialize only in rural and small community hospitals and especially critical access hospitals. Mr. Coleman stated fees were quoted and it said they have a 5 year deal for \$30,000 a month but when he made the proposal he was asked to include the CEO salary and benefits and that is what he did. He reported his management fee is \$17,500 a month for 5 years but for all his agreements there is a short out clause because if they do not feel like he is doing the job they want he does not want to be in that relationship and they can get out of the agreement. Mr. Coleman stated in relation to critical access it is a designation and they go through the cost report to make sure they have every allowable cost and that is important because the allowable costs are reimbursed by the federal government at 101% or costs plus 1%. He reported they

have a person that has expertise and does nothing but costs reports. Mr. Coleman provided an example of his fee and said if they have a 40-45% reimbursement rate then that portion of the cost would be reimbursed so the net costs of his management fees for a critical access hospital would be about \$125,000 a year which is less than they would pay a CEO. He explained the reason they can do this and offer lower fees is they have access to Blue & Company, a top accounting firm, with expertise in these areas. He reported if they run into an issue and need guidance he can contact Blue & Company and reimburse them out of his fees but he does not have that person on his payroll so it allows him to reduce the overhead costs. He discussed the reimbursement rates and the amount reimbursed when the cost report is done. He said as they think about building a new facility they will have new equipment and a new building which adds depreciation and that allowable cost goes up so they will get even more reimbursement through the cost report mechanism. Mr. Coleman reported the value of this is not insignificant. He stated Weems Memorial Hospital is 1 of 12 critical access hospitals in Florida and they must meet certain criteria and as pointed out they must have 35 miles to the next facility. He explained it would be very beneficial to have a free standing emergency room here and place that designation somewhere else. He clarified the critical access designation is site specific so if they do build on the current site they do not have to reapply. He explained if they move the location they would have to reapply and the designation is hard to get now and it is hard to meet the criteria. Mr. Coleman said the main reason people cannot meet the criteria is the mileage requirement. He stated one of the key things he has worked hard on is finding partners that bring micro revenue streams into the facility and adding new services to meeting the community's needs. He reported through the strategic planning process not only do they find out what they are going to do operationally and clinically to improve services in the new facility but they also identify those areas that need services that match community need. He stated they then go to those partners and bring those services in for more revenue streams to keep the hospital profitable. Mr. Coleman pointed out there are a lot of solutions out there but it takes focus and for the growth of services they need a hospital and physician support to develop them from. He explained as part of the strategic planning they not just look at the Carrabelle Clinic but also look at the whole county to see where the other access points are for primary care. He said the Carrabelle Clinic is a good facility and they have the opportunity to expand services there. Mr. Coleman agreed with what Mr. O'Bryant said that they need to build a base of primary care and then the specialists will come. He said the swing bed program is not insignificant. He reported they started that program in Perry and it is a PPS hospital and they have seen revenue coming in for that program. He explained the same patients at a critical access hospital like Weems would generate double the revenue. He offered to answer any questions. Commissioner Parrish said he talked with Mr. Coleman and he verbally committed to mentoring the CEO because Mr. Walker has never been a Hospital CEO before. Commissioner Parrish said there is no price on their mentoring and providing guidance and he asked if they are still committed to providing that assistance. Mr. Coleman answered yes, and they do this with any facility they work with. He explained he does not do wholesale changes to the personnel but works with the personnel that is there and he gets to know them, what their capabilities are and what they need to improve on. He stated he has regular calls with every CEO in their company at least once a month. Commissioner Parrish stated another benefit with going with Alliant is having the ability to help with submitting bills when they are kicked back from CMS and being able to resubmit them and get the money flowing back into the hospital. He said a lot of them are being lost because they do not have the expertise at the facility. He questioned if Mr. Coleman is prepared to help them do that. Mr. Coleman responded yes and said they have

partners that help. He reported both of their regional CFO's are working together to prepare a play book for these items as a map for them. He explained they will implement this play book at the new facilities and even use it as a checklist every 2 years to go into a facility and make sure these procedures are still in place. Commissioner Parrish reported Mr. Walker has not been there long but has explained to staff the difference if this money is not collected and trying to readdress these items to bring the money back to the hospital. He said the money is being lost because they do not have a billing coder and that level of expertise. He explained if they can collect a higher percentage then that would go back to the facility and could improve morale and benefit packages. Commissioner Parrish stated if they do not collect this money it means the hospital struggles month after month. Mr. Coleman explained when they did the hospital assessment when he was with Community Hospital Corporation (CHC) that was a key opportunity and it may still be. He reported it was a 7 figure number that was uncollected and had not been worked. He said some of the bills will need to be written off because they are probably old but they can figure what that point is and work forward. Commissioner Parrish reported this is important because if they do not address the bills when they are kicked back then the hospital loses that money. Mr. Coleman agreed and said they have revenue cycle metrics that address these issues and how soon the bills are generated after the patient checks out. Mr. Creamer asked if the contracts with the insurance providers would be negotiated at a higher return or would the hospital still be responsible for negotiating them. Mr. Coleman replied they have a person that they work with at Innovative Managed Care Solutions and he has 25 years of insurance negotiations experience. He stated as part of their contract he looks at the payor contracts that generate over 80% of their business and reviews the contracts to determine if there are opportunities to re-negotiate. He explained he will also make a payer grid so they can pull samples periodically to make sure they are getting reimbursed what the contract says they will be reimbursed. He said this is done as part of their contract but if they want to engage Innovative Managed Care Solutions to negotiate for the hospital then that would be an additional fee. Mr. Creamer reported they have a person now but Weems is a small entity but bigger entities seem to have more success. Mr. Coleman stated they have discussed this and as they have more presence in the panhandle they are looking at forming a network. He explained it would be a separate entity and they could be a member and negotiate with leverage. He reported this is a problem for small rural hospitals and they would have to do it state by state but it is in the planning stages and would give them more purchasing power in the marketplace. Mr. O'Bryant stated they could also facilitate those discussions with the payor community. Mr. Walker said they are not getting a fair amount by the insurance carriers and they are starting to negotiate but having those partnerships would help with this because they would have a deeper bench and return on their investment. He said they want to show the community dollars they get and manage their finances at a sustainable level. Mr. Walker stated he sees this partnership with Alliant as providing an operational piece and TMH providing the clinical piece. He said they need to look at the county and bring as much service as they can to the people. He reported the operational piece has to be solid first and then bring the clinical pieces in and then look for growth and the strategic plan. He stated they all want quality health care but they need to get expertise for the county. Mr. Coleman explained they manage EMS in Perry through their CEO and have some experience but it is not their forte. He said it is difficult to manage but he has met with a group recently and they may be able to develop some partnerships. He reported they discussed a model similar to Doctors Memorial Hospital but if that hospital was a critical access hospital the model would be even more beneficial. He explained because Weems is a critical access hospital if they got to that kind of model any service or documented support from TMH

would be eligible on the cost report because they are a financial partner. He stated they have used that model in the Midwest and they always request approval from CMS. Mr. Coleman said that would also be a tremendous asset of the critical access designation. Commissioner Boldt reported it is also important to make sure they are on the provider panel of insurance companies. He asked for guidance on the structure and good authorization for procedures they are proposing for patients prior to going into the expense so they will get paid in the end. Mr. Coleman agreed that would be part of the strategy. Commissioner Boldt reported the comments about the cost report are critical and the items that can be brought into the cost report as a viable legal charge are reimbursable. He stated apparently a lot of Alliant's services can be included in the cost report. Mr. Coleman said they are probably paying someone about \$20,000 to do the cost report but they provide that as part of their services. He stated they have several full time reimbursement specialists and that is all they do. Commissioner Boldt said he did not realize they were 1 in 12 hospitals that had this designation in Florida. Commissioner Parrish reported there are about 100 hospitals that would like to have it. Mr. Walker commented they are paying about \$30,000 for the cost report. Mr. Coleman said they will do the cost report as part of their contract. He explained it is important that it is done right and that every eligible allowable cost is on there because the reimbursement is important. Commissioner Boldt stated it is important when he is justifying his fee to show how much money they saved the county. Mr. Coleman explained they have not completed a full year at Doctors Memorial yet but they do a monthly report that provides highlights of what they are working on and a summary report of all the improvements so they can show the value of what they provide. Mr. Coleman stated they do this every year so they are looking each year for things to improve on. Commissioner Parrish stated they did not discuss their ability to purchase supplies through TMH as a big network and that saves the hospital a lot of money. He explained that is part of the previous partnership where TMH was allowing them to purchase products and get a break on supplies which saved money here. Mr. Coleman stated if they were not participating in that program they have a purchasing program within Alliant also. Commissioner Jones said there has been a lot discussed about insurance and CHP and they do need to consider that because it is not just that Franklin County's provider is CHP but also the provider for the City of Carrabelle, City of Apalachicola and the Franklin County School District. Mr. Coleman stated they also have to consider that on his presentation he pointed out 88% of Franklin County goes to Tallahassee for health care and approximately 20% went to Capital Regional Medical Center and the bulk of that business went to TMH. He pointed out some of these decisions are driven by patient choice and some are driven by health plan. He stated his understanding is Ascension is out of the network for CHP. He explained if you had a free standing emergency room you might not be able to use it unless you paid out of network. Commissioner Jones stated the critical access designation up to this point has never seen the realization of the monies for the county because of what they need and how they need to move it forward. He said either way the county is looking at building a facility and they are all in agreement because that is what is needed. He reported as changes come there are dollars there or that would not be part of the discussion in the proposals. Commissioner Jones questioned the EMS services and said both Alliant/TMH and Ascension do not really do EMS but Alliant is doing some form in Perry and he asked Mr. Coleman to describe the situation there. Mr. Coleman reported it is basically the same thing as it is a county service and TMH is a part of Doctors Memorial Hospital. He explained the hospital runs it for the county but on the hospital's money. He reported they are currently in negotiations to go to the county for funding to break even and for capital needs because the county is also large and the equipment wears out. He stated the situation is similar to

what they have here. Commissioner Jones reported this process has been delayed but they have not be idly waiting. Commissioner Jones stated in all these situations coming up he is not an expert but he has looked out for the answers. He said they are mandated to have EMS by the state and that is done on tax dollars but it is not a deal breaker. Mr. Coleman explained EMS is a tough business to manager and the labor market for paramedics and EMT's is tight. Commissioner Jones said if an ambulance is 7 years old it probably is near the end of its life because of the mileage put on it. Commissioner Jones stated he wants the public to know they are looking at all of these issues because it is going to matter and they want the best quality health care for everyone in the county. Commissioner Boldt stated the EMS is easy to use and the county is 65 miles long. He explained there is a desert of health care need starting about Lanark Village and going east to the middle of the Ochlocknee Bay Bridge and they are looking at comprehensive health care and EMS is critical to that. Commissioner Boldt reported they have a good relationship with Wakulla County and they also have a desert of health care around Panacea. Mr. Creamer stated Mr. Coleman talked about the cost report and he asked for the number of years the county could write off new construction of the hospital on the cost report. Mr. Coleman said he is not a Certified Public Accountant (CPA) but at least 30 years for the building. Mr. Creamer stated if they had a 30 year mortgage then they could use the cost of construction on the cost report. Mr. Coleman agreed and said also some of the equipment. He said there are also a few other items and he will check because there are regulations that limit certain items for certain years. Mr. Creamer reported if they are considering a multi-million dollar project he would like to know if they could recoup some of the money off of their cost report and for how long. Mr. Coleman estimated it could be 20 years. He stated he hopes if they build a new facility that within 10 years you have a lot of new service lines and physicians and recouping that on the cost report will be extra money. Commissioner Jones said when they started their relationship with Doctors Memorial they had a fee and questioned if their fee has gone up as they expanded and added services. Mr. Coleman answered no. Chairman Lockley thanked them to coming to the meeting. He said if they are lucky and get the proposal what guarantee does the county have that they will stay. Mr. Coleman stated he does not plan to go anywhere.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 12:15 p.m.

Noah Lockley - Chairman

Attest:

Marcia M. Johnson - Clerk of Courts