

MINUTES OF MEETING
OF THE
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA
February 27, 2018

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 a.m. on Tuesday, February 27, 2018. The meeting was held in the conference room at Orchard View on Whitesville Road, Columbus, Georgia. A notice was emailed to each member. A copy of the notice was posted more than 24 hours before the meeting on the door of the building in which the meeting was held on Monday, February 26, 2018. Present at the meeting were Chairman Ernie Smallman, Vice Chairman Sarah Lang, Betty Tatum, Cynthia Jordan, Mike Welch and Susan McKnight. Jason Connally was excused.

Frank Morast, President, Britt Hayes, Vice President, Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney were also present at this meeting.

DETERMINATION OF QUORUM

Chairman Ernie Smallman announced to the Board that there was a quorum present for the meeting.

INVOCATION AND WELCOME

Chairman Ernie Smallman called the meeting to order. Ernie welcomed everyone to the meeting. Britt Hayes gave an invocation.

MINUTES

The Board Minutes from the January 23, 2018 Board Meeting were reviewed and on motion made by Mike Welch and seconded by Sarah Lang the Minutes were unanimously approved by the Board.

BOARD BUSINESS

None.

PRESIDENT'S REPORT

Overview: CEO Frank Morast gave the President's Report.

State Medicaid Budget will allow 4.3% rate increase starting July 1. This is the largest increase in the last 12 years.

Bonds for Orchard View II closed and interest rates were good. A taxable portion of Bonds will cover the cost of the land. The non-taxable Bonds will cover construction.

In March, February financial and statistical review will be lower than a normal month because 10% fewer days. February will also have \$250,000 in bond expenses.

Construction Report: Orchard View II only had two bidders when it was originally offered as a hard bid proposal. Both bidders were given an opportunity to revise their numbers but were over budget.

The project was rebid as contractor at risk. Four companies responded. River City had the best proposal. Batson Cook wanted higher fee and rain delay conditions. River City was selected. They get 2.95% fee plus reimbursed some fixed costs/overhead. Todd Ammerman is the owner and has hired David Humphries to help with project. A former Batson Cook superintendent is also part of their team.

Only a few nursing homes have been built in the last 20 years. River City has built multiple health care facilities.

HAC asked the City for a to waive building permit fees. HAC has always been absolved of remitting permit fees, as being a component unit of the Columbus Consolidated Government but remain unsure regarding this project. Building permits will cost approximately \$130,000.

Construction will start when Corp of Engineer issues permit or we reach an agreement with an adjoining property owner.

Bed Status: Orchard View II nursing home will have 84 beds. This new home will replace 84 of Azalea Trace's 110 beds. 26 beds from Azalea Trace will be replaced at Muscogee Manor. Orchard View II could add 42 beds in the future. HAC has a certificate of need for 480 beds.

There are four new facilities proposed locally devoted to assisted/independent living. Projects under construction include locations at River Road/Mobley Road, Old Town at Veterans/Williams Road, and Brookstone Center. Another assisted living facility is planned on the Swift Denim site.

River Mill has transitioned to Valley Hospitality. Jamie Keating Culinary vacated the space at River Mill. Frank met with Jamie Keating and did not have a pleasant meeting. He left without discussing renewal. HAC got a new 10-year lease with better terms with Valley Hospitality Services, LLC. VHS has refurbished the facility. They redid the floors and painted. They moved in February 1. HAC will have a board meeting at River Mill event center in the upcoming months. This location might be a nice location for facility and a senior center.

HAC settled hot water problem with Hecht Burdeshaw. HAC kept \$30,000 retainer. A new consultant proposed a rebalancing of all the valves and this should be less than \$30,000. The valves were never balanced correctly and if balanced correctly the system should provide appropriate hot water.

Orchard View survey. Orchard View had a few violations. The violations were of a low level. No harm violations. Two complaints were reviewed by inspectors and none resulted in a violation, report or citation.

CFO REPORT

Rick Alibozek gave the statistical and financial reports. Before interest and depreciation almost \$500,000 in income. Every insurance company that provides coverage has different reimbursement rules. This slows reimbursement payments. HAC hired new personnel and collecting receivables is better. 1½% of Revenue bond debt is the goal.

STATISCAL REPORT

Attached to these Minutes is the Statistical Report thru January 2018.

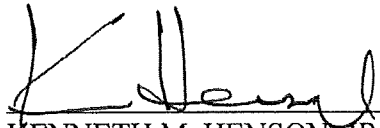
FINANCIAL REPORT


Attached to these Minutes is the Hospital Authority of Columbus Consolidated Summary Report Month Ended January 31, 2018.

NEXT MEETING

The next meeting will be Tuesday, March 27, 2018.

There being no further business the meeting was adjourned.


KENNETH M. HENSON, JR.
Secretary


ERNEST SMALLMAN, IV.
Chairman

HOSPITAL AUTHORITY OF COLUMBUS
 FY 2018 YTD Statistical Report
 Through January 2018

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
Orchard View														
% Occupancy	91.71%	86.63%	88.25%	89.87%	89.02%	88.79%	89.02%	89.02%	89.02%	88.79%	88.79%	90.60%	89.20%	84.54%
Medicaid%	65.99%	66.99%	66.91%	69.87%	66.60%	60.33%	66.60%	66.60%	66.60%	60.33%	60.33%	61.88%	65.51%	66.83%
Medicare%	15.28%	10.95%	13.16%	14.34%	14.08%	14.24%	14.08%	14.34%	14.08%	14.24%	14.24%	13.14%	13.60%	13.16%
Private %	12.08%	16.42%	11.14%	10.57%	13.33%	18.35%	13.33%	10.57%	13.33%	18.35%	18.35%	16.24%	14.02%	12.30%
Hospice %	6.10%	3.50%	5.74%	1.99%	2.62%	2.87%	2.62%	1.99%	2.62%	2.87%	2.87%	3.13%	3.71%	4.50%
ADV %	0.55%	2.14%	3.04%	3.23%	3.37%	4.21%	3.37%	3.23%	3.37%	4.21%	4.21%	5.61%	3.16%	3.21%
Daily Medicare and ADV Census	28.87	22.68	28.60	31.58	31.07	32.77	31.07	31.58	31.07	32.77	32.77	33.97	29.93	27.89
Employment (Full Time Equivalents)	235.52	236.93	244.69	225.39	228.94	223.77	228.94	225.39	228.94	223.77	223.77	228.52	231.97	227.38
Azalea Trace														
% Occupancy	89.12%	91.85%	91.30%	93.58%	94.06%	92.96%	94.06%	94.06%	94.06%	92.96%	92.96%	92.35%	92.17%	94.24%
Medicaid%	100.76%	97.64%	100.90%	104.89%	89.88%	85.39%	89.88%	104.89%	89.88%	85.39%	85.39%	90.44%	95.70%	92.08%
Medicare%	1.68%	0.51%	1.39%	-0.88%	1.10%	0.82%	1.10%	-0.88%	1.10%	0.82%	0.82%	3.18%	1.11%	2.51%
Private %	-2.67%	0.86%	-3.29%	-5.73%	5.96%	10.91%	5.96%	-5.73%	5.96%	10.91%	10.91%	3.14%	1.31%	2.30%
Hospice %	0.23%	0.99%	1.00%	1.72%	3.06%	2.81%	3.06%	1.72%	3.06%	2.81%	2.81%	2.67%	1.78%	3.09%
ADV %	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.06%	0.06%	0.57%	0.09%	0.03%
Daily Medicare and ADV Census	1.65	0.52	1.40	(0.90)	1.13	0.90	1.13	(0.90)	1.13	0.90	0.90	3.81	1.22	2.62
Employment (Full Time Equivalents)	93.10	93.85	103.29	89.10	86.31	84.80	86.31	89.10	86.31	84.80	84.80	90.77	91.60	100.79
Muscogee Manor														
% Occupancy	74.80%	78.24%	76.65%	75.79%	76.96%	77.53%	76.96%	75.79%	76.96%	77.53%	77.53%	79.81%	77.11%	77.45%
Medicaid%	76.13%	75.12%	75.90%	81.17%	76.92%	76.38%	76.92%	81.17%	76.92%	76.38%	76.38%	77.98%	77.09%	82.92%
Medicare%	8.52%	9.82%	7.09%	5.86%	8.48%	6.51%	8.48%	5.86%	8.48%	6.51%	6.51%	8.42%	7.81%	8.14%
Private %	5.15%	7.08%	7.47%	2.95%	6.32%	7.88%	6.32%	2.95%	6.32%	7.88%	7.88%	5.42%	6.04%	2.14%
Hospice %	5.18%	5.19%	5.53%	5.13%	4.82%	5.92%	4.82%	5.13%	4.82%	5.92%	5.92%	6.11%	5.41%	3.43%
ADV %	5.02%	2.79%	4.88%	3.46%	3.30%	2.07%	3.46%	3.30%	3.30%	2.07%	2.07%	3.65%	3.65%	3.37%
Daily Medicare and ADV Census	17.23	16.77	14.47	13.84	15.63	12.93	15.63	13.84	15.63	12.93	12.93	14.23	15.01	15.18
Employment (Full Time Equivalents)	196.86	191.30	199.94	183.43	185.16	184.84	185.16	183.43	185.16	184.84	184.84	190.85	190.34	188.15
Cobis														
Average occupancy	13.32	14.32	18.33	19.00	19.93	19.10	19.93	19.00	19.93	19.10	19.10	19.00	17.57	19.46
Employment (Full Time Equivalents)	11.90	11.40	13.32	14.10	12.05	12.28	12.05	14.10	12.05	12.28	12.28	12.81	12.55	12.66
Muscogee Home Health														
Employment (Full Time Equivalents)	14.01	12.39	13.23	11.44	11.52	11.96	11.52	11.44	11.52	11.96	11.96	14.33	12.70	14.27

HOSPITAL AUTHORITY OF COLUMBUS
CONSOLIDATED SUMMARY REPORT
MONTH ENDED JANUARY 31, 2018

	Orchard View	Home Office	Azalea Trace	Muscogee Manor	Total Nursing Home	Cobbis PCH	Muscogee Home Health	River Mill	Consolidated
BALANCE SHEET									
Cash	\$ 4,368,469	\$ -	\$ 4,021,613	\$ 1,471,687	\$ 9,861,769	\$ 14,691	\$ 53,469	\$ 140,386	\$ 10,070,315
Other Current Assets	5,663,988	-	2,626,972	3,387,645	11,678,605	13,923	361,310	2,041	12,055,879
Intercompany Balances	23,658,904	-	(2,157,227)	(10,923,809)	10,577,868	(5,881,164)	(1,324,466)	(3,372,238)	-
Noncurrent Assets	36,159,800	-	8,829,888	8,084,817	53,074,505	218,798	221,507	3,550,470	57,065,280
Total Assets	\$ 69,851,161	\$ -	\$ 13,321,246	\$ 2,020,340	\$ 85,192,747	\$ (5,633,752)	\$ (688,180)	\$ 320,659	\$ 79,191,474
Current Liabilities	\$ 1,258,274	\$ -	\$ 347,844	\$ 640,054	\$ 2,246,172	\$ 46,848	\$ 56,778	\$ 1,326	\$ 2,351,124
Non-current Liabilities (excluding bonds)	7,246,612	-	2,980,684	4,107,764	14,335,060	289,557	409,240	-	15,033,857
Bonds Payable	31,165,445	-	312,300	-	31,477,745	-	-	-	31,477,745
Total Liabilities	39,670,331	-	3,640,828	4,747,818	48,058,977	336,405	466,018	1,326	48,862,726
Fund Balance	30,180,830	-	9,680,418	(2,727,478)	37,133,770	(5,970,157)	(1,154,198)	319,333	30,328,748
Total Liabilities and Fund Balance	\$ 69,851,161	\$ -	\$ 13,321,246	\$ 2,020,340	\$ 85,192,747	\$ (5,633,752)	\$ (688,180)	\$ 320,659	\$ 79,191,474
INCOME STATEMENT									
Revenue	\$ 1,569,053	\$ 42,751	\$ 754,943	\$ 1,119,526	\$ 3,486,273	\$ 37,106	\$ 112,038	\$ 30,290	\$ 3,665,707
Operating Expenses	1,170,941	122,715	637,324	1,068,318	2,999,298	60,731	171,906	4,239	3,186,174
Net Profit (Loss) before Noncash expense	398,112	(79,964)	117,619	51,208	486,975	(23,625)	(9,868)	26,051	479,533
Provision for Bad debts	(89,296)	-	(1,963)	(2,469)	(93,728)	-	-	-	(93,728)
Interest expense	(78,413)	-	-	-	(78,413)	-	-	-	(78,413)
Depreciation and Amortization	(90,061)	-	(3,822)	(20,866)	(114,749)	(294)	-	(6,509)	(121,552)
Current Month Income (loss)	\$ 140,342	\$ (79,964)	\$ 111,834	\$ 27,873	\$ 200,085	\$ (23,919)	\$ (9,868)	\$ 19,542	\$ 185,840
YTD Income (loss)	\$ 1,783,408	\$ (567,480)	\$ 1,191,491	\$ 275,543	\$ 2,682,962	\$ (94,066)	\$ 2,281	\$ 84,103	\$ 2,675,280