

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING
COURTHOUSE ANNEX – COMMISSION MEETING ROOM
JANUARY 20, 2017
9:00 AM
MINUTES**

Commissioners Present: Joseph Parrish – Chairman, Noah Lockley-Vice-Chairman, Cheryl Sanders, William Massey, Ricky Jones

Others Present: Alan Pierce-Director of Administrative Services, Michael Morón – County Coordinator, Michael Shuler – County Attorney, Lori P. Hines-Deputy Clerk to the Board.

Chairman Parrish called the meeting to Order.

Chairman Parrish stated this special meeting has been called to address some issues at the Hospital. He reported his understanding is since the Board took action on Tuesday; they do not have a Chief Financial Officer (CFO) or Chief Executive Officer (CEO) at the Hospital because they are employees of Tallahassee Memorial Hospital (TMH). Commissioner Sanders stated in the past, employees have been told not to talk with the County Commissioners. She reported the Board appreciates the employees and the work they do and this action is not about getting rid of the hospital. She explained Commissioner Lockley made the motion to terminate TMH's contract because the balance sheet reflected the amount due to TMH as of September, 2015 was \$286,000 and the amount as of December, 2016 was \$ 644,431.00. She reported Commissioner Lockley wanted to know what this money was owed for and Mr. Graham answered his salary and Mr. Mike Cooper's salary. Commissioner Sanders explained this is about the contract with TMH and these two employees not the other employees. She reported this amounts to \$400,000 in 15 months they owe to TMH and this is not financially good for the County. Commissioner Sanders stated if bills are going unpaid then how is the county going to get ahead and sustain a new or renovated facility. She said this is why the motion was done and why she seconded the motion. She reported they need leadership but the contract terminated on 1/4/17 and someone had to have known this contract had terminated but the Board did not know. Commissioner Sanders stated everyone wants to move ahead on an extended contract with TMH but the County is at a crossroads and owes a management company \$644,000. She suggested putting someone at the Hospital in the interim until they work out a good contract. She stated TMH was not interested in coming online as they were going to put Alliant online to manage the hospital. Commissioner Sanders reported the Board is not trying to cut jobs but the contract is void and no one knew. She explained this is not about closing the hospital or losing jobs. Commissioner Sanders stated if the employees have a problem then they should let the Board know in a good and faithful manner. She explained if the Board has to make a decision and do not have all the information then it is a bad situation.

Chairman Parrish said if the Hospital is going to be run successfully then a management company has to run it professionally. He stated the Board does not know anything about running a hospital as it is a specialty business. He reported the County needs a management company and TMH is a good example. Chairman Parrish said several different companies have been hired to run the hospital in the past and they have taken all they could get out of the hospital and then turned the hospital over to the County. He reported the Board cannot bail out the Hospital anymore. He said he is not interested in leasing to an unknown entity. He reported TMH is a good company and has a proven record but he is not willing to enter into an agreement with Alliant or another third party but he is willing to contract with TMH. He pointed out Bay County and Gulf County turned their hospitals over to Sacred Heart and they could not run them. He stated a bigger company can recruit doctors and do a lot of other things this County is not in the network to do. He expressed his opinion that if the County does not enter into a management agreement with a good, reputable company then the Hospital will close because the County cannot sustain the hospital. Chairman Parrish reported TMH is willing to move forward but the Board also has to move forward. He said this Board has supported the Hospital and that is why it is still open. He explained if they enter into an agreement with TMH then the Board will not be in a position to help. He said the employees will be working for TMH and may get better benefits or a raise. He stated if some people are not doing their job, then they may not have a job. Chairman Parrish said he is putting everyone on notice that this is what kind of agreement the County is looking at. He explained if they enter into an agreement then there will be no reason to contact the Commissioners when problems arise. Chairman Parrish reported they get calls about what is happening at the Hospital but that is only one side of the story and it is hard to make a judgment based on one side. He stated the Board cannot react because that side of the story may not be factual. Chairman Parrish stated 74% of the people in the county voted to tax themselves for health care but 26% did not support the Health Care tax. He reported he is in favor of entering into a long term agreement with a professional company to run the hospital and improve the quality and delivery of health care. He said the tourists pay this tax as well as the citizens. Chairman Parrish stated they are not trying to take jobs but they are ready to move forward with what they told the people they were going to do. Commissioner Lockley explained the Board receives spreadsheets every month from the Hospital and they say things are good but what they are saying and what the Board is looking at on the spreadsheets is not together. He said they talk about assets but TMH is owed \$650,000 for two people's salaries. He said he wants management and the hospital but does not want management for two people's salaries. Commissioner Lockley said he is not in favor of two employees receiving benefits that the other employees are not receiving. He stated the numbers did not add up. He stated he has been in favor of the Hospital and initiated the \$.01 cent health care sales tax. Commissioner Lockley explained he was the first Board member on the Health Care Committee and attended meetings in Tallahassee. He said he asked about the contract and was told something has happened with Alliant and he questioned why three companies are needed. Commissioner Lockley stated he wants TMH to take over the Hospital but only when it benefits everyone not just a select few. He reported this management agreement is benefitting the CEO and CFO and not anyone else. Commissioner Lockley stated when the Health Care tax started the Board said there would be a place in

Carrabelle and it was built but everything else has been put on hold. He discussed the benefits of purchasing supplies in bulk under this management plan and asked why the Hospital does not have enough credit to buy their own supplies. Commissioner Lockley reported they are lying to the employees if they say the County Commission wants to close the hospital. He said the management contract is the problem and these meetings are public record so they can see he has been saying this. He explained when this contract was first written he thought it would be for doctors to come to the hospital but it did not happen. He said he is okay with going ahead with TMH but not with a new agreement for only two employees to get benefits and not the other employees. Commissioner Massey stated the workers are not hearing the whole true story. He explained \$1 million was given out of the Health Care Trust Fund and \$600,000 is owed to TMH. He said last week they received an email that the hospital would need more money from the Health Care Trust Fund. He said the workers do not hear the true story and then the Board gets the blame. He explained the Board is trying to keep the hospital going and he is in favor of TMH taking the hospital. He explained no money has been repaid to the trust fund. He said he is for keeping the jobs. Commissioner Jones said he is for someone taking care of the hospital also as the County is not in the hospital business. He said the Board did the right thing to keep it open or it would already be closed. He stated he is in favor of taking the necessary steps to let someone who is a professional and knows the business take the hospital. He said once they enter into this agreement then there is nothing the Board can do and they will not have control so everyone needs to be aware of it. Commissioner Jones stated he was at Weems Tuesday night with one of his children and everything he has experienced at Weems has been great and there have never been any problems. He reported he has three children and they go to Weems. He reported the County needs quality health care and he believes they will see the Board is for it and trying to accomplish it. Commissioner Sanders reported when the CEO responded to a question about the Guaranteed Maximum price (GMP) of the new facility, the Board members were all surprised to hear him say he was told to stop the process. She explained the lines of communication are not open because the Board has not instructed anyone to stop the process for renovations of the Hospital. She stated the number one thing is to make sure the citizens have quality health care. She said they intend to move forward but they are limited on what can be done due to the monies owed. Commissioner Sanders explained if they exceed the amount of the Health Care tax then the money will have to come out of ad valorem taxes. She reported when the Board questions the money, it is not to hurt the employees but only because they know how much is allocated for the Hospital. Chairman Parrish pointed out if they enter into an agreement with TMH and there is a shortfall then TMH will be responsible, not the County. He said the CEO will not be providing reports to the Board as they will be under contract to TMH. He reported the County will only provide the funds they agree to in the contract. He stated in relation to what is owed to TMH, the Hospital has not received their reimbursements for LIP, DISH, Medicaid & Medicare. He went on to say the Board did not rescind the raises to hurt the employees but they knew the Hospital could not sustain the raises. He explained this is why the raises were changed. Chairman Parrish reported the County needs to move forward with the agreement with TMH for 60 days until they can decide if they are going to build a facility or not and if they are going to enter into a long term contract with TMH. He explained every time a company has managed the hospital

and given it back to the County, it has cost \$1-\$1.5 million but they cannot do it anymore as they do not have the money. He stated TMH has agreed to be an at risk partner.

Commissioner Lockley said he is in favor of the hospital and has seen the bad and good. He explained years ago a previous CEO came in on a Tuesday and told the County in two months they would need to take over the Hospital and two days later could not make payroll. He said the Board made payroll for the hospital that Friday. He commended the hospital employees for the job they are doing and said the Board is questioning the numbers to make sure it works. He explained they report they have \$300,000 in income but they owe \$650,000 to TMH so they do not have any money, it is just a figure written down. Commissioner Lockley said if the money keeps rising to the amount the County has then there will be no more money. He advised the public everything the Board does is public record and they will find out the Board is working for them. He stated everyone has to work together and he is in favor of the agreement with TMH but he will still be watching to make sure the Board has some part in the process.

Commissioner Sanders left the meeting at this time. Mr. Dennis Varnes, a resident of Apalachicola, said he appreciates the Board's efforts to keep the hospital open. He reported he sees the hospital is a burden on the County and he encouraged the Board to give full control to TMH including the certificate of need. He explained TMH can supply all the professionals needed to run the hospital. He stated there are good, professional people from this county who work at the hospital and do their job. He said he has been treated good and there are good nurses, a good director of nursing and good administration. He explained his concern is they will leave the hospital and then the county will not have anything left. He encouraged the Board to turn the hospital and certificate of need over to TMH as soon as possible. Mr. Jim Bacharach, Chairman of the Weems Memorial Hospital Board, stated he appreciates the positive comments. He stated there is concern about who will take over the hospital and he has attended meetings with TMH and Alliant and in no way is Alliant interested in taking over the hospital. He said Mr. O'Bryant needs someone who is skilled in critical access hospital finances and that group would be Alliant. He stated TMH has never run a critical access hospital and Alliant is the professional TMH will bring in as a risk partner to operate the hospital. Mr. Bacharach reported at some point Mr. O'Bryant will present an agreement to handle all financial risks for the hospital but they will also run the hospital. He reported the salaries and the \$650,000 is a large amount of money and TMH is very aware of this situation. He expressed his opinion if they reach an agreement with TMH and become partners then the \$650,000 will not be a problem. He explained they are operating under restraints because \$1.2 million is owed to the hospital for LIP and DISH payments. He pointed out the agreement with TMH was for two salaries because it gave them the ability to recruit quality leadership. He said with the agreement came the ability to purchase in bulk all supplies for the hospital which saves money. He said when this agreement terminated they lost the ability to purchase and save money. Commissioner Sanders returned to the meeting. Chairman Parrish stated he has received many calls asking if the employees will still be leased employees or employees of TMH. He said that decision is up to the management company. He reported the Board appreciates every person that works at the hospital. Mr. Wendell Barfield, an employee at Weems Memorial Hospital, suggested during this 60 day extension of the contract with TMH, the Board look at benefits for employees. He agreed with Commissioner Lockley that all employees

should have the same benefits. Chairman Parrish said the Board should not make demands of the management company as they will provide the best benefits they can. He stated they do not run TMH and do not have the ability to give the benefits to the employees they think they deserve. He reported if the revenue was there, the employees would already have the benefits. He said with the health care tax he envisions building a new facility, offering different services and increasing the revenue at the hospital so they could move forward and address these concerns. Chairman Parrish reported they have not moved forward and have not increased revenues so they could not increase the expenditures. Mr. Alan Feifer, Concerned Citizens of Franklin County, said there are \$2 million in current liabilities so the \$1.2 will not take care of it if it came through which it is not likely to happen. He reported the County is moving in the right direction with looking for a management contract but they should not limit their interest to TMH. He explained TMH has no interest in running the hospital the way it is and needs a third party. He suggested the Board request proposals from any health care system as there are three in this area that may be interested. He reported this will give leverage with TMH to get a better deal. He asked what will happen if they extend this for 60 days and then the contract does not move forward because the terms are not acceptable to the Board. Mr. Feifer said according to the Hospital Board minutes the discussions addressed the County still being responsible for maintaining the hospital and improvements to the building. He requested the Board consider advertising for a Request for Proposals (RFP's). Chairman Parrish reported liabilities have been mentioned but there are also assets that were not mentioned. He said the County needs to move forward with this agreement. Commissioner Sanders reported she made a motion at the last meeting to advertise for Request for Qualifications (RFQ's) and the motion died for lack of a second. Ms. Tammy Hardy, former Hospital Board member, thanked the Board for this positive discussion. She said these are positive steps and TMH has been very good for the Hospital. She explained TMH has been here for 10 years and has supported the hospital and has a good relationship with the County. She expressed concern that the County would turn the hospital over to someone that they do not have this proven relationship with. Ms. Hardy stated other entities can say anything but TMH has delivered and proven they have an interest in Franklin County and she urged the Board to remember this when making a decision. Commissioner Sanders reported Ms. Hardy has been a positive part of the hospital as many of the people here are. Chairman Parrish said he would like to go into a contract with TMH but not anyone else. He said who TMH brings in to run the hospital will be up to them but they will be held accountable according to the contract. He stated TMH is not going to place anyone here who would damage their reputation so he would like to move forward. **Commissioner Lockley made a motion to approve the current agreement with TMH for 60 days. Commissioner Massey seconded the motion.**

Commissioner Jones reported his understanding is they are trying to speed up the timeline that has been dragging by approving this agreement for 60 days. Commissioner Sanders said if the action taken Tuesday led to this then it was a good thing to do. She suggested the County Attorney or County Coordinator act as a communication member in the agreement so they can report back to the Board to make sure this process is moving forward. Attorney Shuler advised adding both in the agreement. **Commissioner Lockley amended his motion to include adding**

the County Attorney and County Coordinator into the agreement. Commissioner Massey amended his seconded. Motion carried; 5-0.

There being no further business to come before the Board, the meeting was adjourned at 10:03 a.m.

Joseph A. Parrish - Chairman

Attest:

Marcia M. Johnson - Clerk of Courts