

**HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY**

**MINUTES OF THE AUGUST 15, 2019 MEETING**

**(Open Session)**

**Attendees:**

Authority Board Members: Fred Ghiglieri, Joel Callins, Dr. Kathy Hudson, Dr. Michael Laslie, Glenn Singfield, Sr., Dr. Tania Smith, and Nyota Tucker

Authority Legal Counsel: Tommy Coleman

Those Present on Behalf of Phoebe Putney Memorial Hospital, Inc.: Joe Austin, Dawn Benson, Jessica Castle, Brian Church, Lori Jenkins, Dr. Steven Kitchen, Felicia Lewis, Dr. Evelyn Olenick, Ben Roberts, Scott Steiner, Audrey Wilson

**Absent Authority Members:** Clinton Johnson, Ferrell Moultrie

**Open Meeting and Establish a Quorum:**

Chair Ghiglieri called the meeting to order at 7:30am in the Willson Board Room at Phoebe Putney Memorial Hospital. Mr. Ghiglieri thanked all Members for their attendance and participation and he observed that a quorum was present.

**Approval of the Agenda:**

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the proposed Agenda for the meeting was made by Dr. Kathy Hudson and seconded by Dr. Tania Smith. A copy of the Agenda as adopted is attached.

**Approval of the Minutes:**

The proposed Minutes of the May 16, 2019 open session meeting of the Authority had likewise been provided to Members prior to this meeting and the same were considered for approval. Ms. Nyota Tucker made a motion and Mr. Joel Callins seconded the motion, to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members.

**Community Health Needs Assessment:**

Ms. Lori Jenkins presented the Community Health Needs Assessment (CHNA) Priorities for 2020-2022. She stated that community benefits are programs or activities that provide treatment and/or promote health and healing as a response to identified community needs. Ms. Jenkins reported on the four major health issues facing our community today: improving birth outcomes and reproductive responsibility; preventing and maintaining diabetes; cancer; and behavioral health and addictive disease advocacy. Discussion ensued.

### **Financial Reports:**

Brian Church, CFO of PPMH, Inc., presented and reviewed an interim financial report for the Authority's current fiscal year through June 30, 2019 and a Proposed 2020 Budget for the Authority. Copies of the Authority's Financial Statements as presented by Mr. Church and the 2020 Proposed Budget are attached. Mr. Church presented the FY2020 Operating and Capital Budget for the Hospital. A motion was made by Dr. Tania Smith, seconded by Dr. Kathy Hudson to approve the 2020 Budget for the Authority. The motion passed unanimously by vote of all Members.

### **PPMH, Inc. CEO and Operational Reports:**

Joe Austin, EVP / COO of the Hospital and Health System, provided an operational report which included an update on Level II Trauma Center designation. He reported a trauma surgeon, manager, and registrar have been hired and a program development consultant has been engaged. Dr. Evelyn Olenick reported on the recent nurse recruitment retreat and the International Nurse Program. The Members engaged Dr. Olenick in discussion and questions regarding nurse recruitment. Mr. Austin also presented *Inside Phoebe with Ben Roberts* videos on anterior hip replacement, Phoebe's Primary Care Clinics, and the Watchman procedure. A copy of Mr. Austin's presentation is attached.

Dr. Steve Kitchen, Chief Medical Officer of the Hospital, provided a report on High Reliability Organizations (HRO) and noted that Healthcare Performance Improvement (HPI) has been engaged to implement the process. He reported that HPI's approach is to use time tested methods and practices of HROs in nuclear power, aviation, and manufacturing to reduce serious safety events. The Members engaged Dr. Kitchen in discussion and questions. A copy of Dr. Kitchen's presentation is attached.

Mr. Church reported that changes to Phoebe's website, as requested by the Members at their April 18, 2019 training class, have not been implemented due to upcoming requirements of House Bill 321. Mr. Church reviewed the items, as required by HB 321 as of October 31, 2019, each hospital must post on its website. He also reported changes to the Rural Hospital Tax Credit are also part of the bill.

Ms. Audrey Wilson, Chief Compliance Officer for the Hospital and Health System, provided information on the Open Payments database, which is a national transparency program that collects and publishes information about financial relationships between the health care industry and providers. These relationships may involve payments to providers for research, meals, travel, gifts, or speaking fees. Ms. Wilson noted the purpose of the program is to provide the public with a more transparent healthcare system.

### **Training Ad Hoc Committee Summary Recommendation to Formulize Future Training:**

Mr. Callins reported that Members were asked to submit ideas on what would trigger the next training session to the ad hoc committee members for discussion and approval at today's meeting. He made a motion that when three new board members are onboarding or when the Members have gone five (5) years without training then an agenda item would be added to the meeting to discuss the need for a training session. Ms. Tucker asked if training could occur if an issue arises or at the request of a Member. Mr. Callins amended his motion to include Ms. Tucker's request. The motion was seconded by Mr. Glenn Singfield and the motion passed unanimously by vote of all Members.

**Lease Analysis Ad Hoc Committee Report:**

Chair Ghiglieri and Ms. Tucker provided an update on Authority benchmarking and noted that compared to other Hospital Authorities, what is on the HAADC’s website is excellent. Ms. Tucker also reported they could not find a standard time frame for a regular lease analysis. She commended Phoebe leadership for providing information at each meeting but noted the Authority needs an independent, objective lease analysis review that covers cost, quality, and safety. Ms. Tucker further stated a lease analysis is not the recommendation from this committee. It was the consensus of the Members to discuss the need for a lease analysis and its scope in Closed Session.

**Closing of the Meeting:**

A motion was made by Mr. Callins, seconded by Ms. Tucker to close the meeting for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategies that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, or (iii) to discuss confidential matters or information pertaining to peer review or provided by a peer review organization as defined in O.C.G.A. §31-7-131.

Chair Ghiglieri polled each individual Authority Member present with respect to his or her vote on the motion and the vote of each of the Members is shown below, with no Member opposing:

Fred Ghiglieri	Yes
Joel Callins	Yes
Dr. Kathy Hudson	Yes
Dr. Michael Laslie	Yes
Glenn Singfield, Sr.	Yes
Dr. Tania Smith	Yes
Nyota Tucker	Yes

The motion having passed, the meeting closed.

**Open Session Reconvened:**

Following unanimous vote of all Members in attendance at the conclusion of the Closed Session, the meeting reopened.

**Additional Business:**

The importance of following FTC guidelines was mentioned by Chair Ghiglieri.

Dr. Smith made a motion to develop an ad hoc committee with the goal of developing an RFP for an updated lease analysis with cost consideration. Ms. Tucker seconded the motion.

Chair Ghiglieri polled each individual Authority Member present with respect to his or her vote on the motion and the vote of each of the Members is shown below:

Fred Ghiglieri	Yes
Joel Callins	Yes
Dr. Kathy Hudson	Yes
Dr. Michael Laslie	No
Glenn Singfield, Sr.	Yes
Dr. Tania Smith	Yes
Nyota Tucker	Yes

The motion passed. Chair Ghiglieri stated the next step would be to appoint Members to the Ad Hoc Committee. Dr. Smith, Mr. Singfield, and Mr. Callins volunteered to be on the Committee with Dr. Smith as the Chair of the Committee. The Committee will report back at the November meeting. It was also noted that Mr. Coleman, Ms. Dawn Benson, and Mr. Church would attend the first committee meeting.

**Adjournment:**

There being no further business the meeting was adjourned.

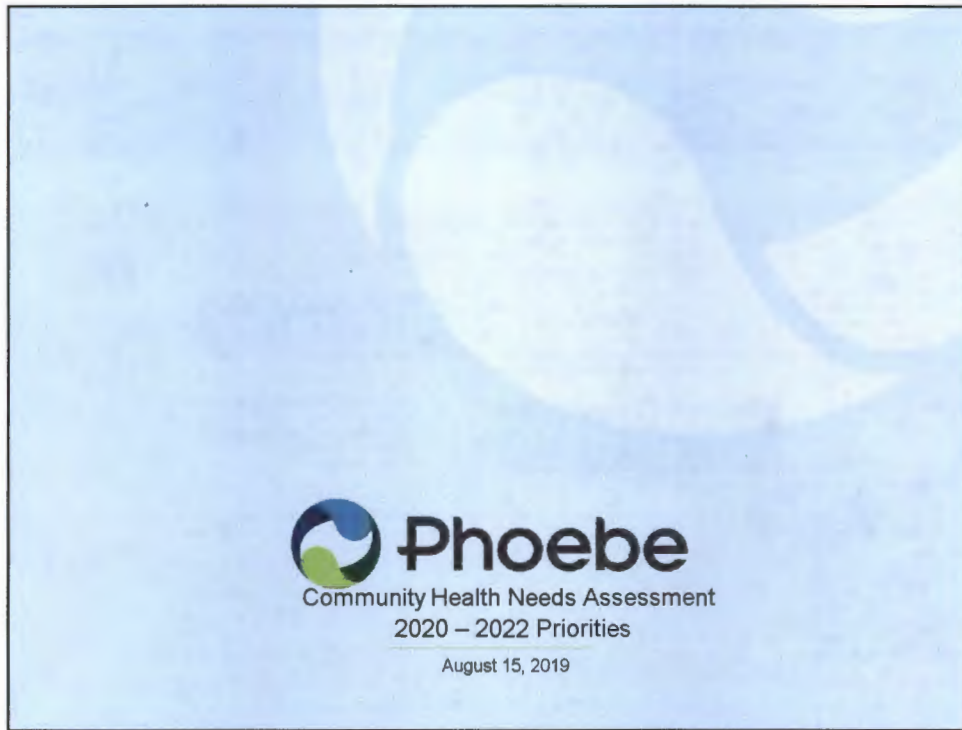
## AGENDA

### HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

(OPEN SESSION)  
Meeting of August 15, 2019  
(Willson Board Room)

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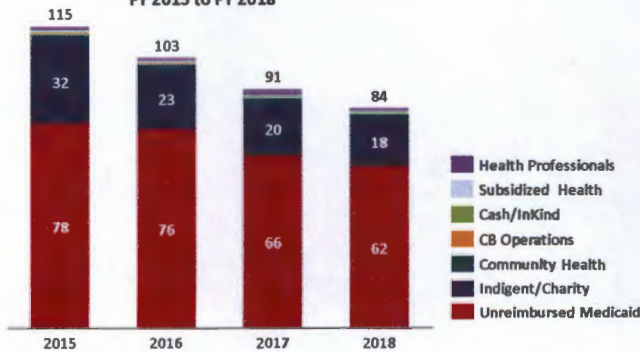
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|-------|--|----------------------------|
| I.    | Open meeting and establish quorum  | Chair                      |
| II.   | Consider Approval of Agenda (draft previously provided to Members)                                   | Chair                      |
| III.  | Consideration of Open Session Minutes of May 16, 2019 meeting (draft previously provided to Members) | Chair                      |
| IV.   | Speaker Appearances  | Chair                      |
| V.    | Community Health Needs Assessment  | Lori Jenkins               |
| VI.   | Financial Reports  | Brian Church               |
|       | a. Hospital Authority Financial Update   |                            |
|       | b. Hospital Authority Budget Presentation for 2020   |                            |
|       | c. PPMH 2020 Budget Presentation   |                            |
| VII.  | Phoebe Putney Memorial Hospital, Inc. CEO and Operational Reports                                    | Scott Steiner / Joe Austin |
|       | a. No Harm Discussion  | Steve Kitchen, MD          |
|       | b. HB321 Update  | Brian Church               |
|       | c. Open Payments Website   | Audrey Wilson              |
| VIII. | Training Ad Hoc Committee Summary Recommendation to Formulize Future Training                        | Joel Callins               |
| IX.   | Lease Analysis Ad Hoc Committee Report   | Chair / Nyota Tucker       |
| X.    | Consideration of vote to close meeting for Executive Session   | Chair                      |
| XI.   | Additional Business  | Chair                      |
| XII.  | Adjournment  | Chair                      |



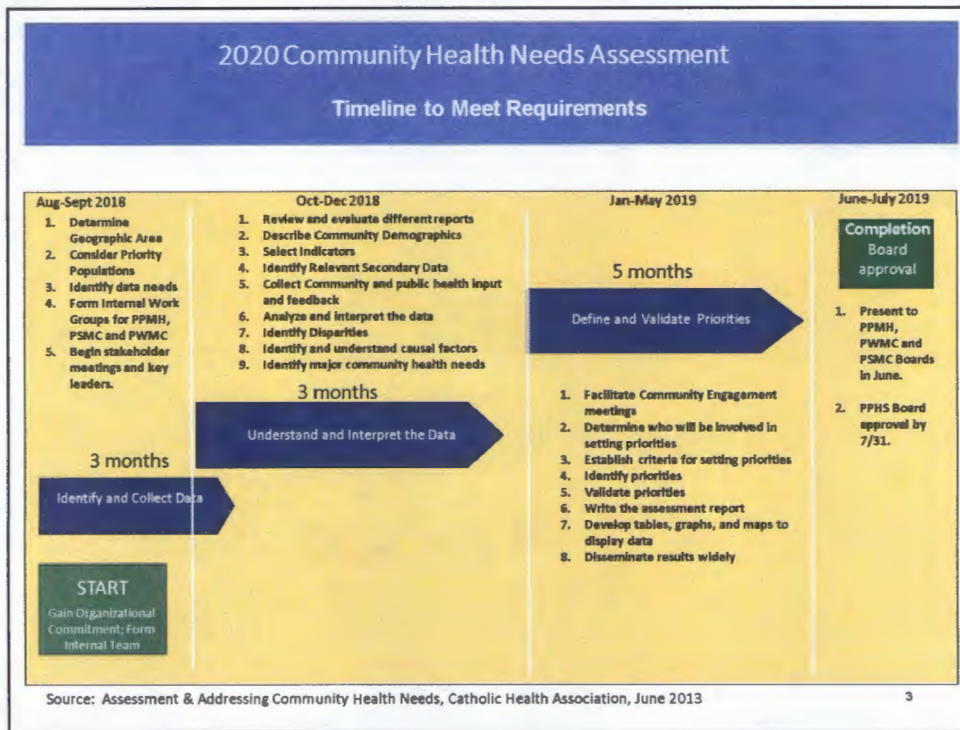
**Community Benefits** are programs or activities that provide treatment and/or promote health and healing as a response to identified community needs. They are not provided for marketing purposes and are guided by these four principles:

1. *Improves access to health care services*
2. *Enhances health of the community*
3. *Advances medical or health knowledge*
4. *Relieves or reduces the burden of government or other community efforts.*

**Estimated Community Benefit in Millions  
FY 2015 to FY 2018**



Data Source: PPMH Audited Financial Statements



The 500 Cities project is a collaboration between CDC, the Robert Wood Johnson Foundation, and the CDC Foundation. The purpose of the 500 Cities Project is to provide city- and census tract-level small area estimates for chronic disease risk factors, health outcomes, and clinical preventive service use for the largest 500 cities in the United States....Among the 500 largest cities Albany ranked 486.



**SocioNeeds Index created by HCI-Conduent** shows high need correlated with poor health outcomes in zip codes in darker green.



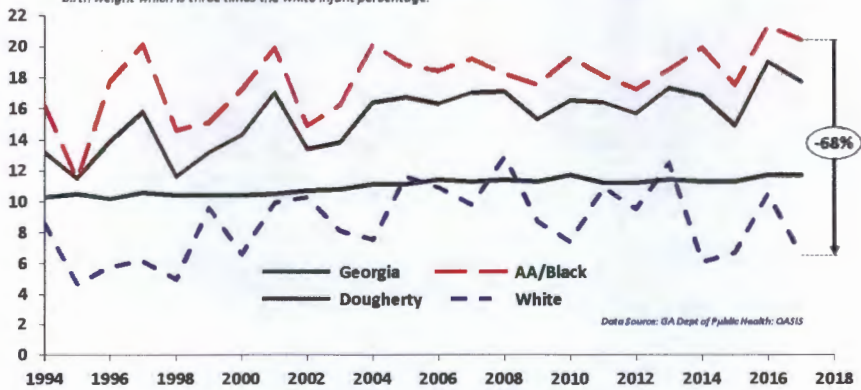
**How It Works**

- All Communities can be described by various social and economic factors that are well known to be strong determinants of health outcomes.
- The SocioNeeds Index takes these factors (which range from poverty to education), and Generates an Index Value (from 1-100) for each zip code in the nation. Those with the highest values have the highest socioeconomic need which is correlated with preventable hospitalizations and premature death.
- Index values are assigned a rank of 1 to 5.

**PRIORITY I: Improving Birth Outcomes and Reproductive Responsibility**

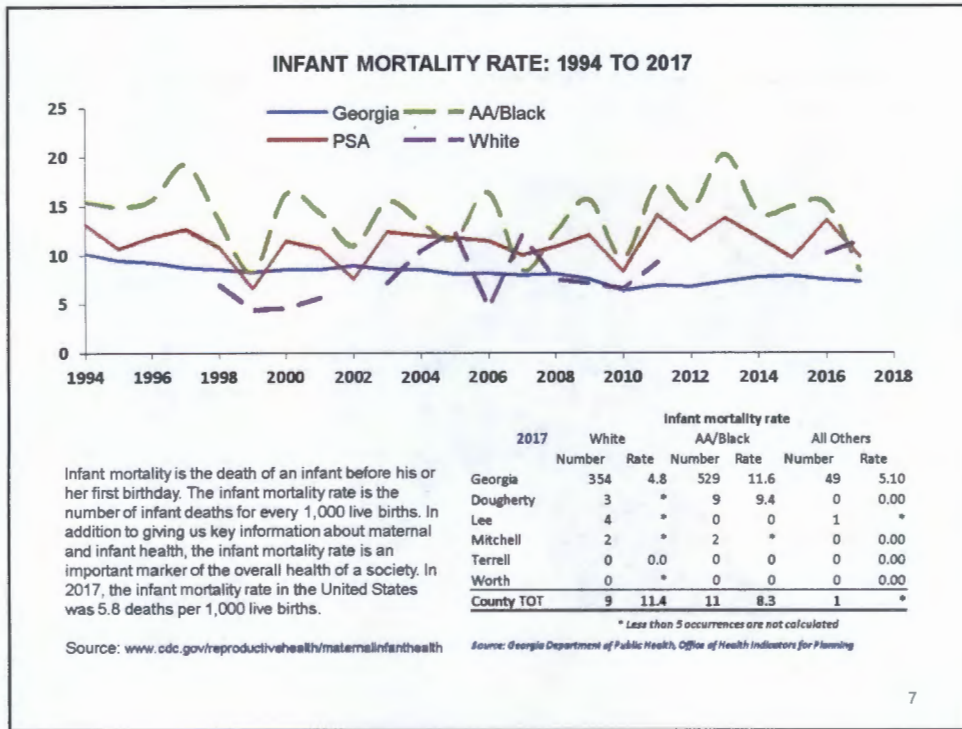
**Low and Very Birth Weight Infants  
1994 thru 2017  
Dougherty County**

Since 1994 not much has changed in the percent of low birth weight infants born in Dougherty County. While state trend line ebbs upward, the gap between the state and county widens as the gap between black and white infants in Dougherty County. Almost 1 in 4 black infants are born with low birth weight which is three times the white infant percentage.

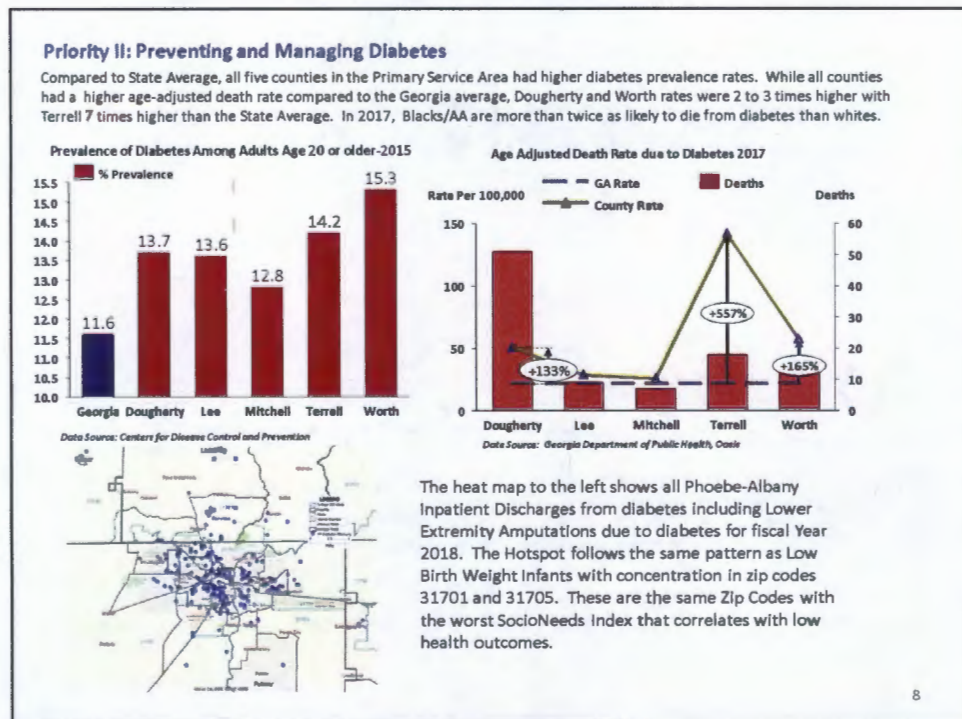


Data Source: GA Dept of Public Health: OASIS





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### Priority III: Cancer

#### CERVICAL CANCER by the numbers

**County: Dougherty**  
**11.0**  
cases per 100,000 females

Source: National Cancer Institute (7)  
 Measurement period: 2011-2015  
 Maintained by: Coastal Health  
 Communities Institute  
 Last update: September 2016

COMPARED TO

U.S. Counties	GA Value (7.8)	US Value (7.5)	Prior Value (11.4)
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Trend HPV 2020 Target (7.3)

*Dougherty County has one of the highest cervical cancer incidence rates compared to all other US counties. However, 90% of all cervical cancer caused by HPV could be wiped out if we follow the recommended vaccine treatment seen below.*

Source: National Cancer Institute

### HPV by the numbers

HPV is a common virus that infects teens and adults.

**80%**  
of people will get an HPV infection in their lifetimes.

HPV VACCINE

**79 MILLION** Americans have HPV

**14 MILLION** new cases per year

more than **90%** of **CERVICAL CANCERS** are caused by HPV

**CDC UPDATE:**  
 11-12 YEAR OLDS  
 GET 2 DOSES OF  
 HPV VACCINE

**90%** of HPV cases are naturally cleared by the body within 2 years

Source: Centers for Disease Control & Prevention

Source: Center for Disease Control & Prevention

### Priority IV: Behavioral Health & Addictive Disease Advocacy

#### Recommendations from Local NAMI

- Increase Funding for Wellness and Respite Centers
- Increase Capacity for Longer Term Treatment
- Expansion of Tele-health Services to Increase Access
- Increase Accountability Courts in Georgia to Divert Mentally-Ill Non-violent offenders to treatments

#### Recommendations from Engagement Session

- A Need for more Child and Adolescent Psychiatrists
- BH/AD Recovery Capital once Discharged
- Lack of Child/Adolescent Inpatient Services
- Expansion of Substance Abuse Counseling

#### Recommendations from Local Providers

- Licensed Clinical Social Workers, Psychiatrists and Individual counselors
- Medication Assistance
- Loan Forgiveness to Attract qualified Staff to handle program growth

**Fact: 43.8 million adults experience mental illness in a given year.**

1 in 5 adults in America experience a mental illness.

Nearly 1 in 25 (10 million) adults in America live with a serious mental illness.

One-half of all chronic mental illness begins by the age of 14, three-quarters by the age of 24.

#### Treatment in America

**60%**

Nearly 60% of adults with a mental illness didn't receive mental health services in the previous year.

**50%**

Nearly 50% of youth ages 6-17 didn't receive mental health services in the previous year.

African American & Hispanic Americans used mental health services at about 1/3 the rate of whites in the past year and Asian Americans at about 1/2 the rate.

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## Summary

- I. **Improving birth outcomes and reproductive responsibility.**
- II. **Preventing and managing diabetes.**
- III. **Cancer prevention and treatment.**
- IV. **Behavioral and addictive disease advocacy.**

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## Next Steps

- Communicate priorities to key stakeholders.
- Reconvene Internal Work Team to begin implementation planning.
- November PPMH Board Approval of Implementation Plan.

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# HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

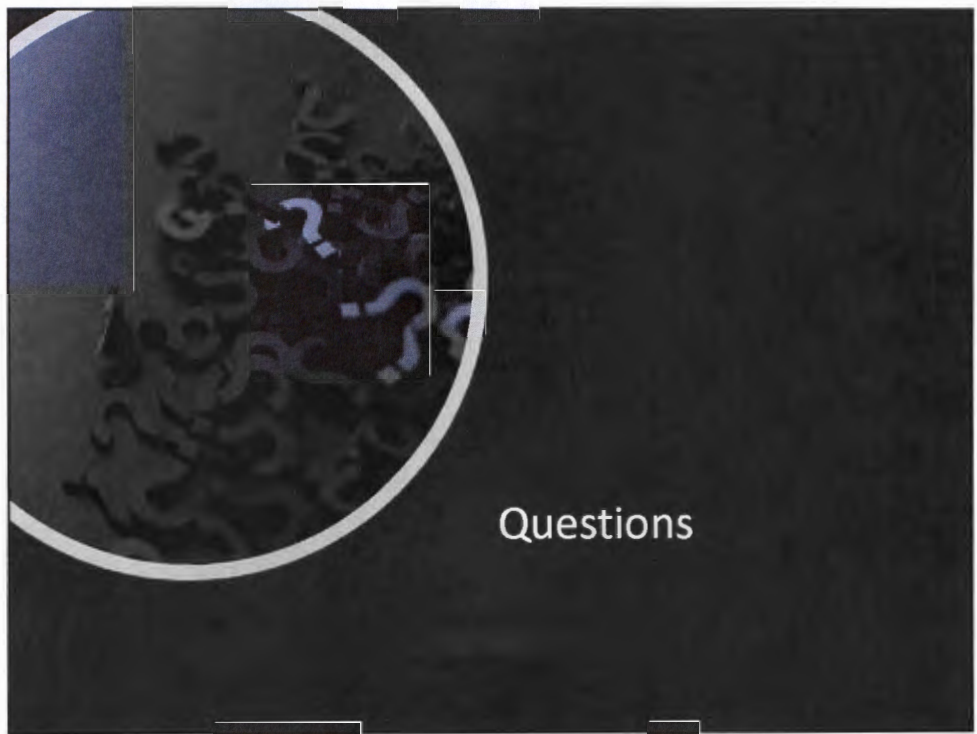
Financial Statement Update  
 June-2019 YTD Financials  
 Fiscal Year 2019  
 August 15th Authority Meeting

**HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA  
 BALANCE SHEET  
 6/30/2019**

	<b>Unaudited June 30, 2019</b>
<b>ASSETS</b>	
Current Assets:	
<b>Cash and cash equivalents</b>	<b>\$ 106,386</b>
Assets limited as to use - current	-
Patient accounts receivable, net of allowance for doubtful accounts	-
Supplies, at lower of cost (first in, first out) or market	-
Other current assets	-
<b>Total current assets</b>	<b>106,386</b>
Property and Equipment, net	-
Other Assets:	
Goodwill	-
<b>Total other assets</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 106,386</b>

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA	
BALANCE SHEET	
6/30/2019	
	Unaudited June 30, 2019
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities:	
Accounts payable	-
<b>Accrued expenses</b>	<b>174</b>
Estimated third-party payor settlements	-
Deferred revenue	-
Short-term obligations	-
Total current liabilities	<b>174</b>
Total liabilities	<b>174</b>
Net assets:	
Unrestricted	106,212
	-
Total net assets	<b>106,212</b>
Total liabilities and net assets	<b>\$ 106,386</b>

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA	
STATEMENTS OF REVENUES, EXPENSES AND	
CHANGES IN UNRESTRICTED NET ASSETS	
6/30/2019	
	Unaudited June 30, 2019
<b>OPERATING REVENUE:</b>	
Net patient service revenue (net of provision for bad debt)	
<b>Lease Consideration</b>	<b>29,500</b>
Total Operating Revenue	<b>29,500</b>
<b>OPERATING EXPENSES:</b>	
Salaries and Wages	
Employee health and welfare	
Medical supplies and other	
<b>Professional services ***</b>	<b>28,317</b>
<b>Purchased services **</b>	<b>266</b>
Depreciation and amortization	
Total Operating Expenses	<b>28,583</b>
Operating Gain/ (Loss)	<b>917</b>
<b>NONOPERATING INCOME (EXPENSES):</b>	
Gain in Long Term Lease	-
Interest Expense	-
Total Nonoperating Income	-
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>917</b>
<b>*** Professional Fees Include Legal Fees, Audit Fees and Consultant Fees</b>	
<b>** Purchased Services include Bank Account Fees</b>	



# Hospital Authority of Albany- Dougherty County

Fiscal year 2020 Budget

Approval Needed

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA	
Proposed Operating Budget	
Fiscal year Ending July 31, 2020	
	BUDGET FY 2020
<b>OPERATING REVENUE:</b>	
Lease Consideration	40,000
<b>Total Operating Revenue</b>	<b>40,000</b>
<b>OPERATING EXPENSES:</b>	
Purchased services and other	40,000
<b>Total Operating Expenses</b>	<b>40,000</b>
<b>Operating income (loss)</b>	<b>-</b>



**FY2020 OPERATING AND CAPITAL BUDGET**  
Phoebe Putney Memorial Hospital




**Looking to the Future**

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- The Shift to Value in Healthcare
- Total Cost of Care
- Industry Disruption






## The Value Equation

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$$\text{VALUE} = \frac{\text{Quality}^{\{1\}}}{\text{Payment}^{\{2\}}}$$

<sup>{1}</sup> Composite of patient outcomes, safety, and experiences      <sup>{2}</sup> Cost to all purchasers of purchasing care

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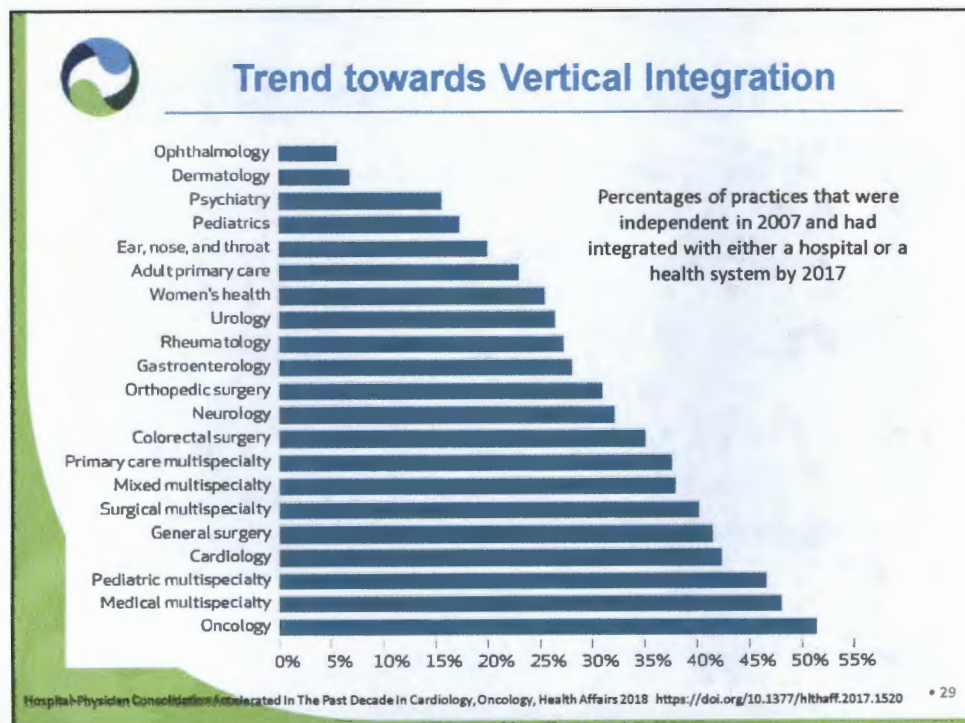
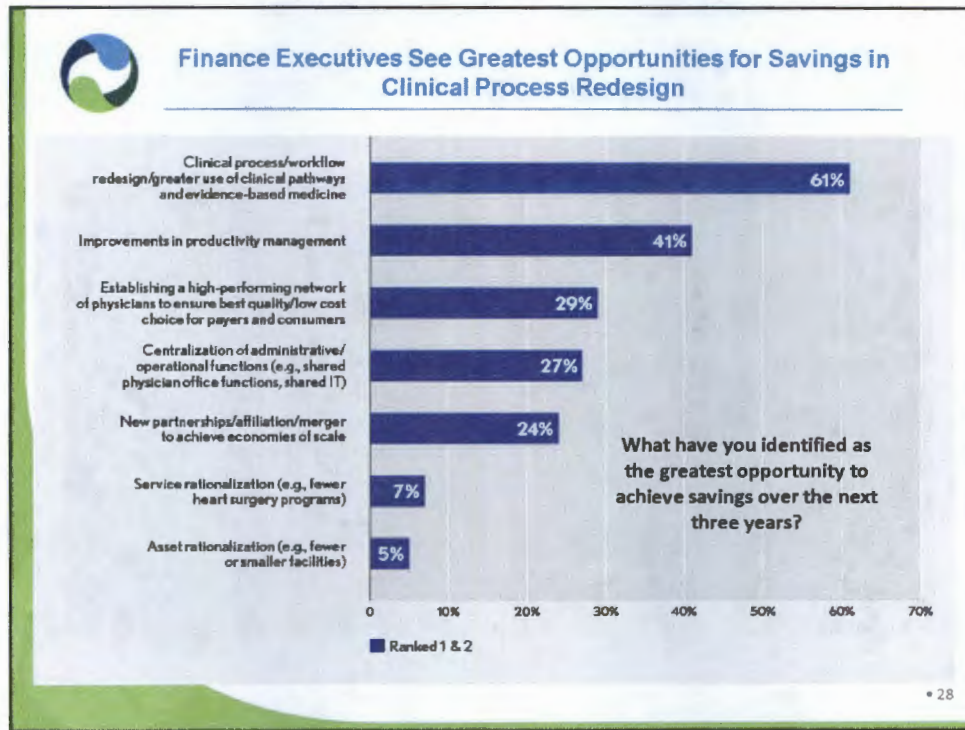
## The Shift to Value in Healthcare

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### Drivers of Change in Healthcare

- Economic pressures ranging from flat or declining payment rates to the need for investments in EHRs and healthcare IT
- Demands for better-coordinated and more cost-effective approaches to care delivery
- New health plan products formed around narrow or preferred networks (*Where does Walmart send its employees ?*)
- Movement toward value based payment models

Source: HFMA's Value Project: Strategies for Physician Engagement and Alignment [hfma.org/valuephysicians](http://hfma.org/valuephysicians) • 27



### Disruption is everywhere...




- World's largest taxi company owns no taxis** (Uber icon)
- Largest accommodation provider owns no real estate** (Airbnb icon)
- Largest phone companies own no telco infrastructure** (WhatsApp and Snapchat icons)
- Most popular media owner creates no content** (Facebook icon)

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### Disruption is coming to Healthcare too...

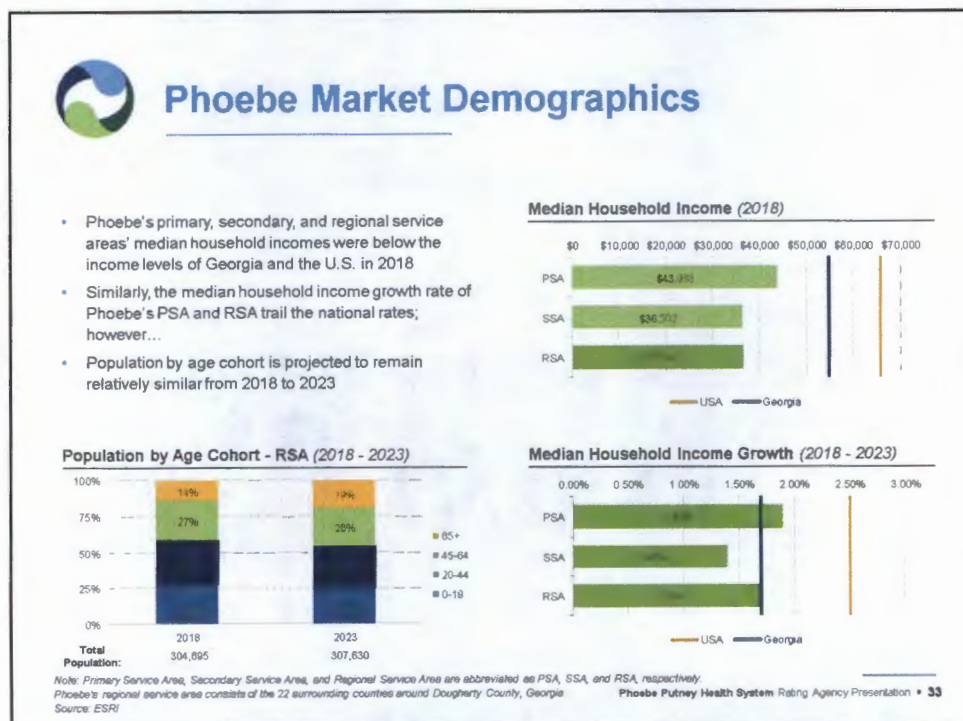
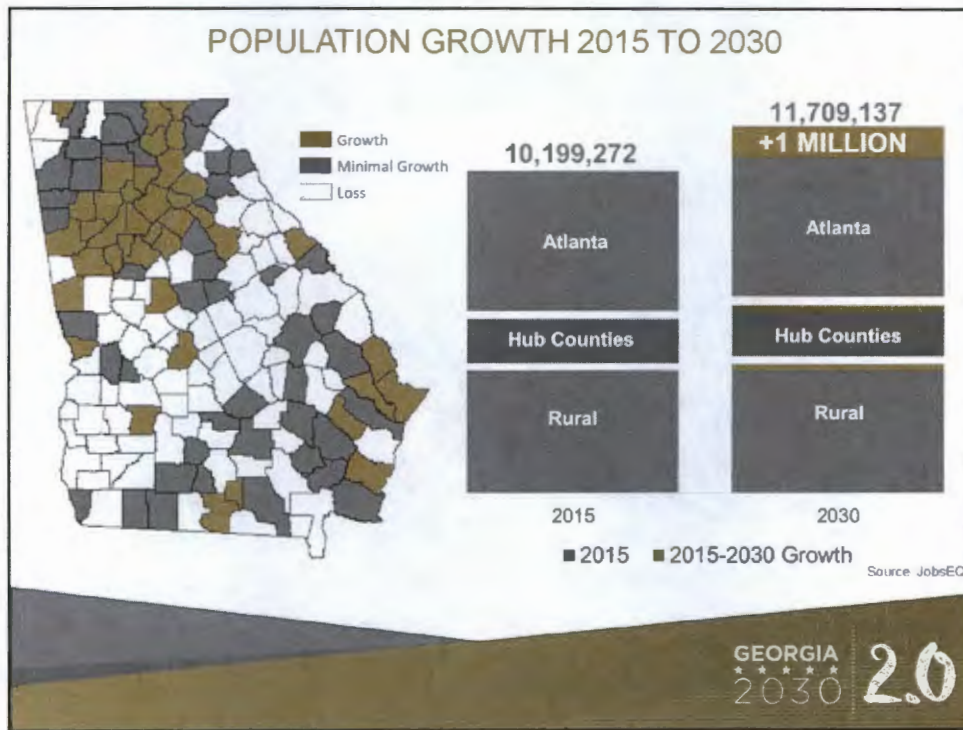
Healthcare industry is not immune

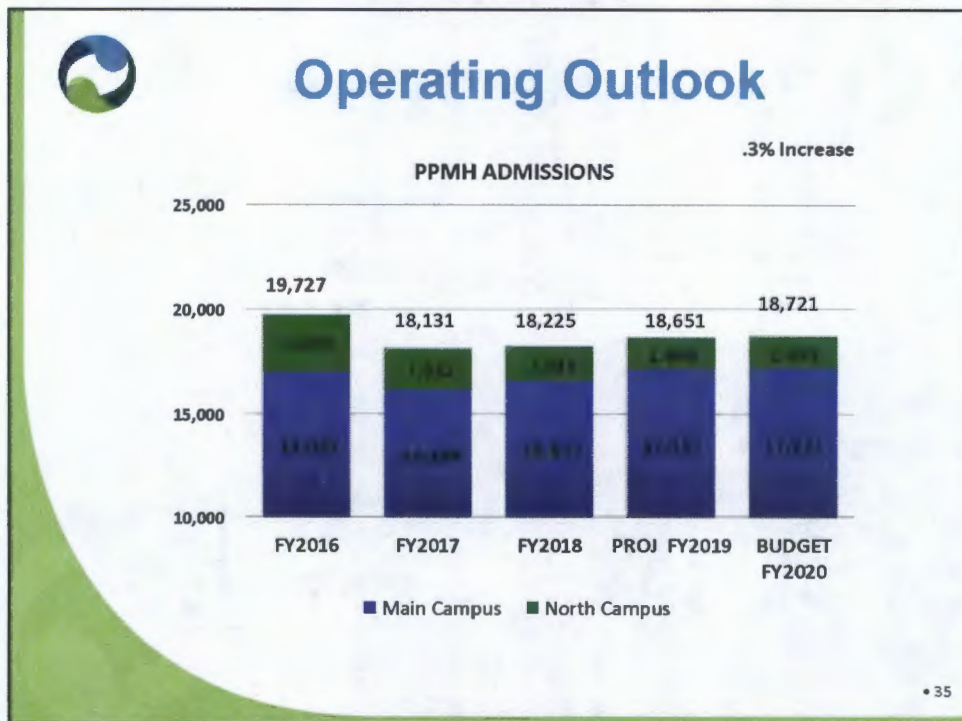
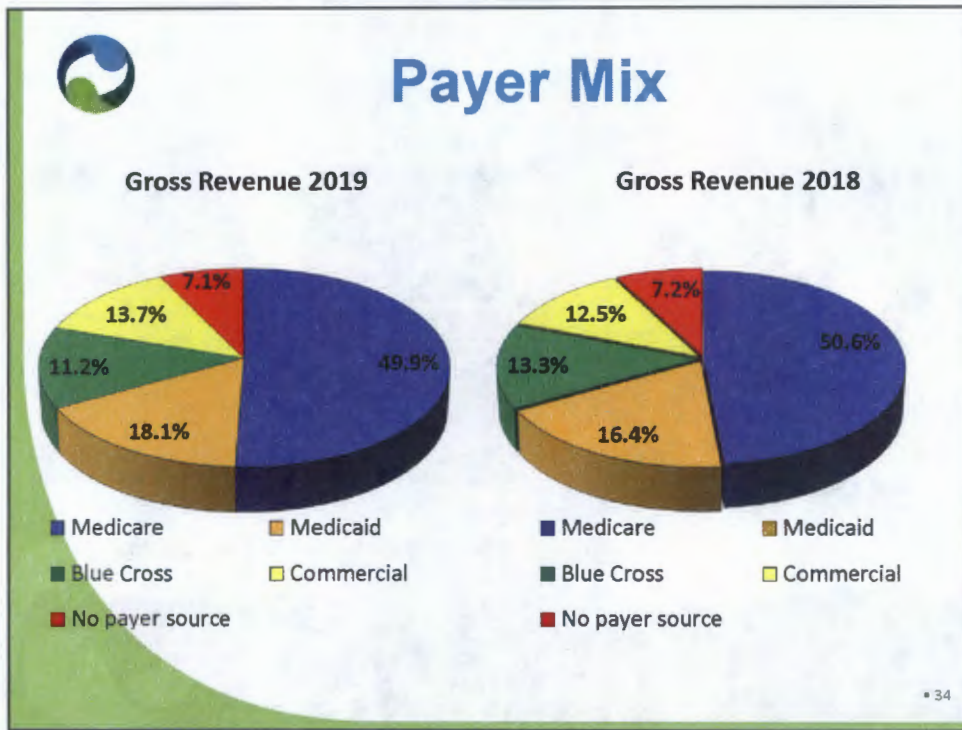


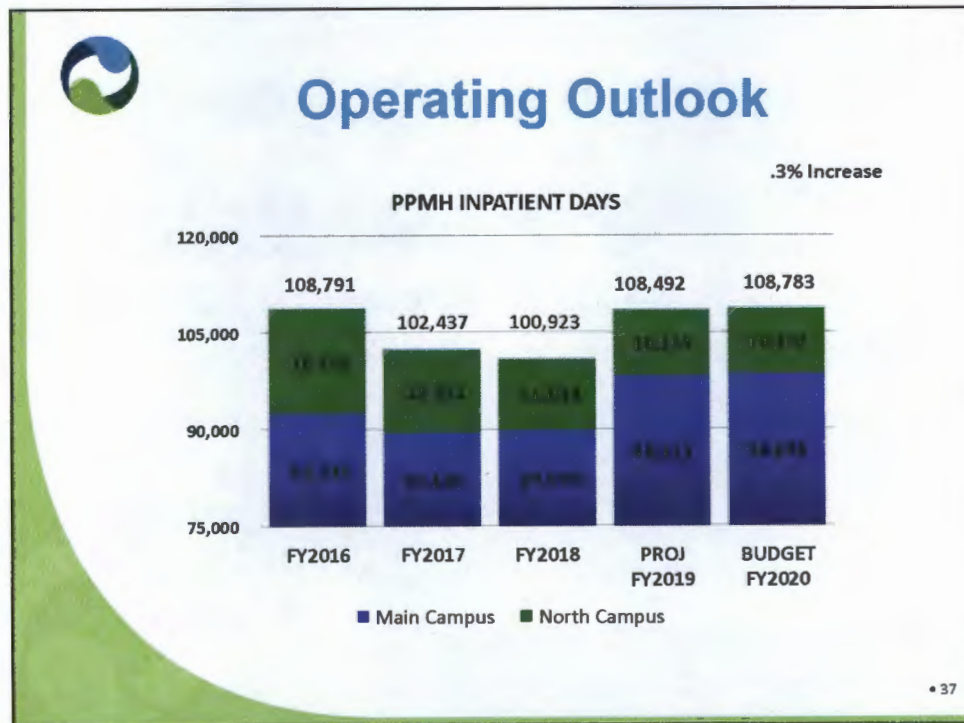
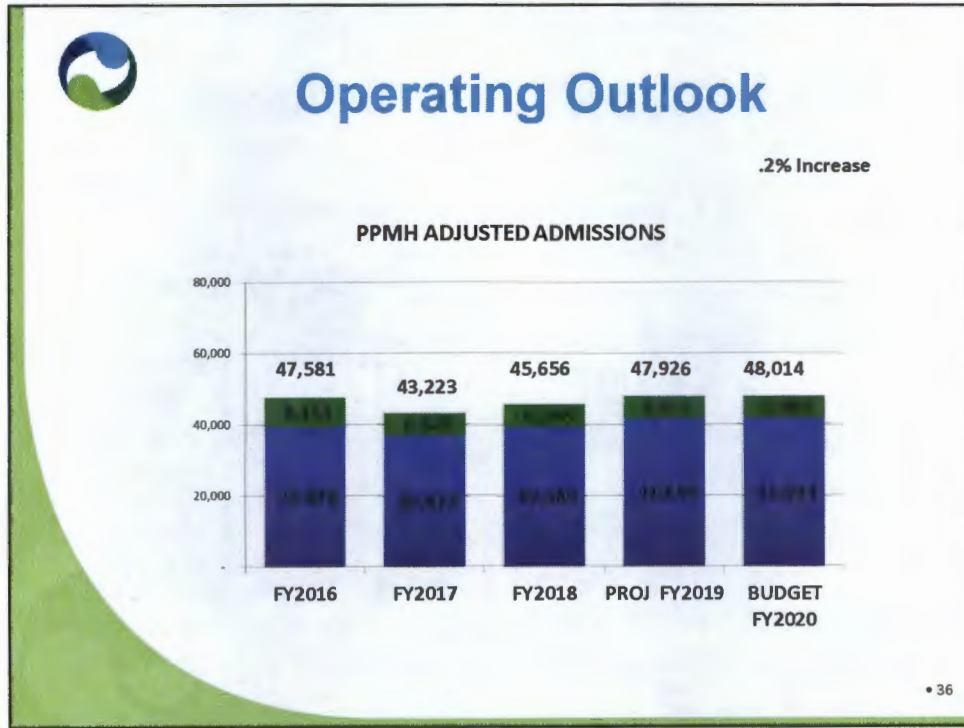
Dec 3	Dec 4	Dec 6
aetna	Advocate Health Care	OPTUM
CVS Health	Aurora Health Care	DaVita
Dec 7	Dec 19	Jan 30
Dignity Health	Kindred	amazon
Catholic Health Initiatives	Humana	JPMorgan Chase & Co.
		BERKSHIRE HATHAWAY INC.

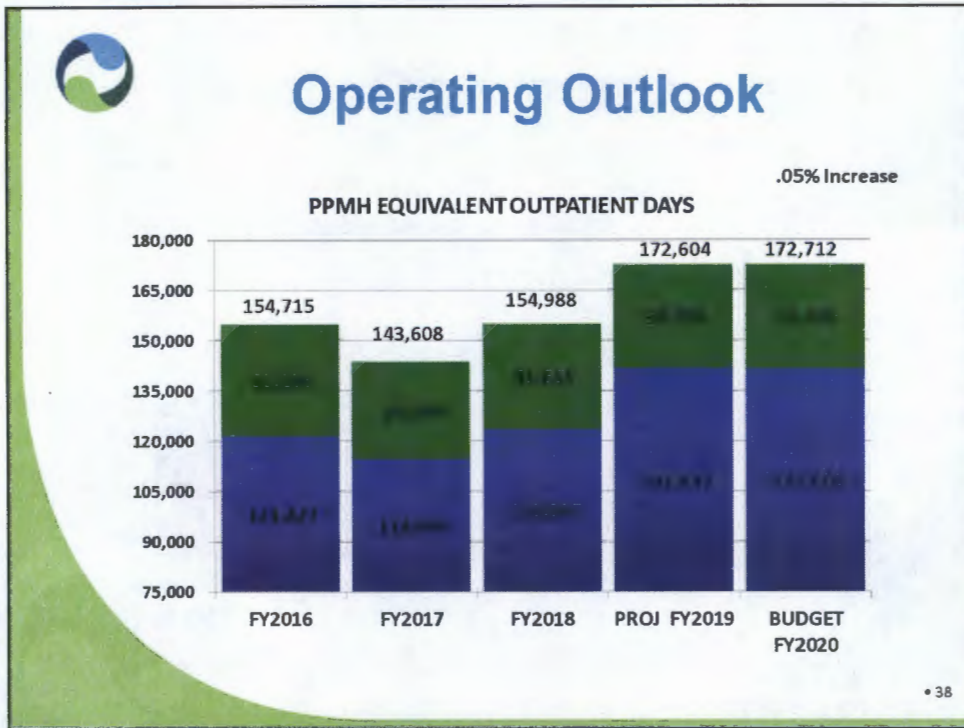
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**Admit-Patient Day Detail**

FY2019 Projected			
	<u>Admissions</u>	<u>Patient Days</u>	<u>ALOS</u>
PPMH	18,651	108,492	5.82

FY2020 Budget			
	<u>Admissions</u>	<u>Patient Days</u>	<u>ALOS</u>
PPMH	18,712	108,783	5.81

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## Operating Outlook

PPMH Budgeted Statistics

	FY2017	FY2018	FY2019** Projected	FY2020 Budget
Admissions	18,131	18,225	18,651	18,712
Patient Days	102,437	100,923	108,492	108,783
Deliveries	2,249	2,130	2,126	2,171
Surgeries	12,595	12,376	12,692	12,431
ER Visits	83,073	74,809	77,608	75,025
FTE's	2,837	2,820	2,904	2,931
FTE/AOB	4.32	4.17	3.87	3.93

\*\* Based on May 2019 YTD Annualized

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- ## Market Forces Driving Costs & Reducing Reimbursement
- **Increased financial pressure** on retaining and recruiting a high quality workforce.
  - **Nursing recruitment/retention** and cost has been an ongoing challenge across Georgia and the country as nurses age and retire
    - **Assistive personnel (CNA, techs)** recruitment and retention
  - **Drug Cost Increases**
  - **Lack of Medicaid Expansion in Georgia**
    - Georgia is one of the states with highest uninsured % and lowest reimbursed Medicaid program.
    - Georgia has forgone Billions of Dollars in reimbursement since ACA passage
  - **Commercial Payer** reimbursement shifts to "less costly" settings
  - **Government Payment Reductions** (Medicare, DSH, 340b)
  - **Medicare population** continued growth (Baby Boomers)
  - **Increased Administration Burdens/Cost/Regulations**
  - **Annual Inflationary Increases** for Salaries, Supplies, Utilities, etc.
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## FY20 Budget – Strategic Initiatives

- Budget includes an average 3% compensation increase Pool (merit & market adjustments) for workforce in 2<sup>nd</sup> quarter of FY20
- Pursuit of Level 2 Trauma Designation
- Expansion of Acute Care III Floor for full year
- Simulation Lab
- Movement of Recruiting In-House
- International Nursing
- Specialty Pharmacy
- Increasing residents to eventually attain a compliment of eight per year, i.e. an 8-8-8 model


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## FY20 Budget – Strategic Initiatives

- Expansion of and growth of orthopedic service line, rheumatology, dermatology, plastics, cardiovascular, and general surgery (trauma)
- Marketing / Stay-in-Market 365 / Develop New Web-Enabled Access Points for Our Patients

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## Reimbursement Assumptions

**Medicare**

- Medicare payer mix decreased in 2019 by .7% decrease. Projecting Flat for 2020 budget.
- ACA impact would continue with additional negative impact in 2020 estimated to be **-\$2.2 million**.
- **PPMH Sole Community Hospital Designation \$11M impact**

**Medicaid**

- Medicaid payer mix is projected to be level (Assuming no Expansion) for 2020.
- Indigent Care Trust Fund (ICTF) program receipts remain a key portion of our revenue. These receipts are based on our underinsured population from prior years (2020 will be based on 2018).

**Commercial Insurance**

- Assumption is a stable payer mix and current contract reimbursement rates for 2020

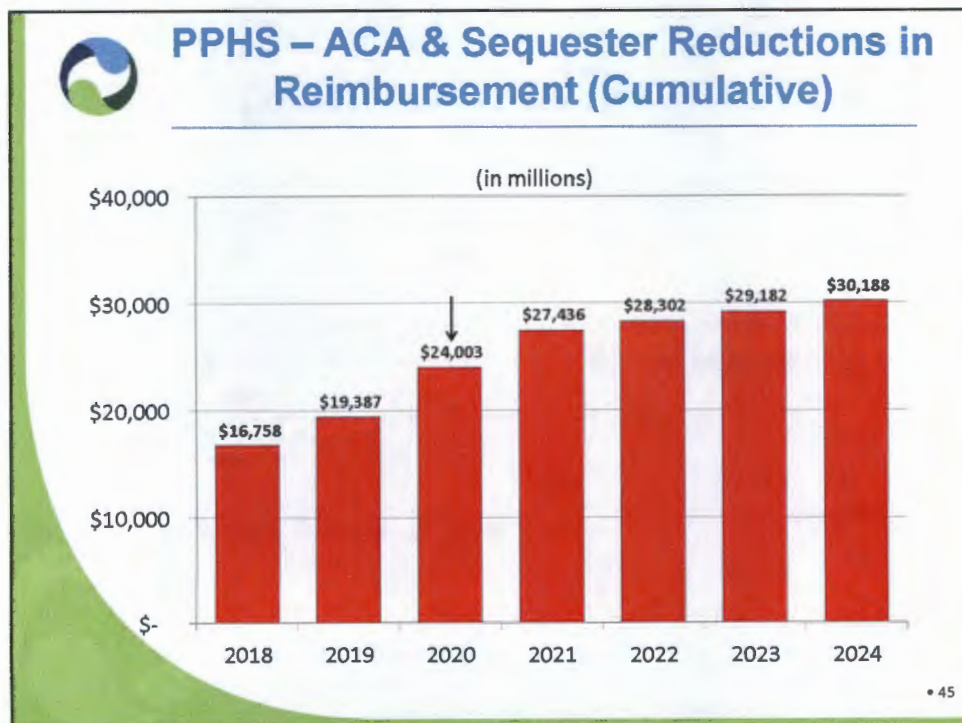
**Other**


Continued focus on revenue cycle improvements in an attempt to battle the reimbursement reductions

**Fee Schedule Increase**

- FY20 Budget includes an increase in gross charges of 3.25% for PPMH

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### ICTF and UPL Funding

(Indigent Care Trust Fund and Upper Payment Limit)

<b>ICTF</b>	2016	2017	2018	2019	2020 Budget
PPMH	10,196,725	4,959,719	6,897,901	4,729,243	4,500,000

**A**


<b>UPL</b>	2016	2017	2018	2019	2020 Budget
PPMH	2,756,190	4,172,745	5,511,403	-	3,000,000

Notes: **B**

**A** PPMH underinsured shortfall (Medicaid & self-pay) decreasing and other larger hospitals in Georgia increases receiving more of the available funds, i.e. G

**B** UPL funds not disbursed from the State as of this date.

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### GME Funding

	Actual 2017	Actual 2018	Annualized 2019	Budget 2020
<b>Revenue</b>				
Medicare IME/GME reimbursement	2,384,641	2,388,009	2,159,127	2,160,000
Medicaid GME reimbursement	680,048	614,101	588,443	588,443
State funding	1,019,476	1,197,582	1,236,155	1,236,155
<b>Total revenues</b>	<b>4,084,165</b>	<b>4,199,692</b>	<b>3,983,725</b>	<b>3,984,598</b>
<b># of Residents</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>

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## Quality Based Payment Adjustments

	Actual <u>2018</u>	Estimated <u>2019</u>	Estimated <u>2020</u>
Value based purchasing	(389,515)	(205,451)	-
Readmission reductions	(219,831)	(107,323)	(107,323)
Hospital acquired conditions	(631,600)	(99,364)	(99,364)
<b>Total payments reductions</b>	<b><u>(1,240,946)</u></b>	<b><u>(412,138)</u></b>	<b><u>(206,687)</u></b>



## PPMH Budget - Indigent & Charity Write-offs by County

<b>DOUGHERTY</b>	<b>\$ (29,400,000)</b>
<b>Terrell, Lee, Worth, Mitchell Counties</b>	<b>\$ (15,000,000)</b>
<b>Total Primary Service Area</b>	<b>\$ (56,000,000)</b>



## Charge Increase Built Into FY20 Budget

**Key Model Constraints**

- No increase in Outpatient Price Sensitive Consumer Areas
- No increase in charges already higher than peer hospitals
- Lower Prices were out of market or Outpatient Price Sensitive
- Adjust Prices in areas where below market data for peer hospitals


**Goals**

- Fund Merit and Market Adjustments pool for FY 2020
- Partially fund Cost Increases from Drugs, Supplies and Services

**3.25% Overall Charge Increase**

**3.67% will be Inpatient / 2.81% will be Outpatient**

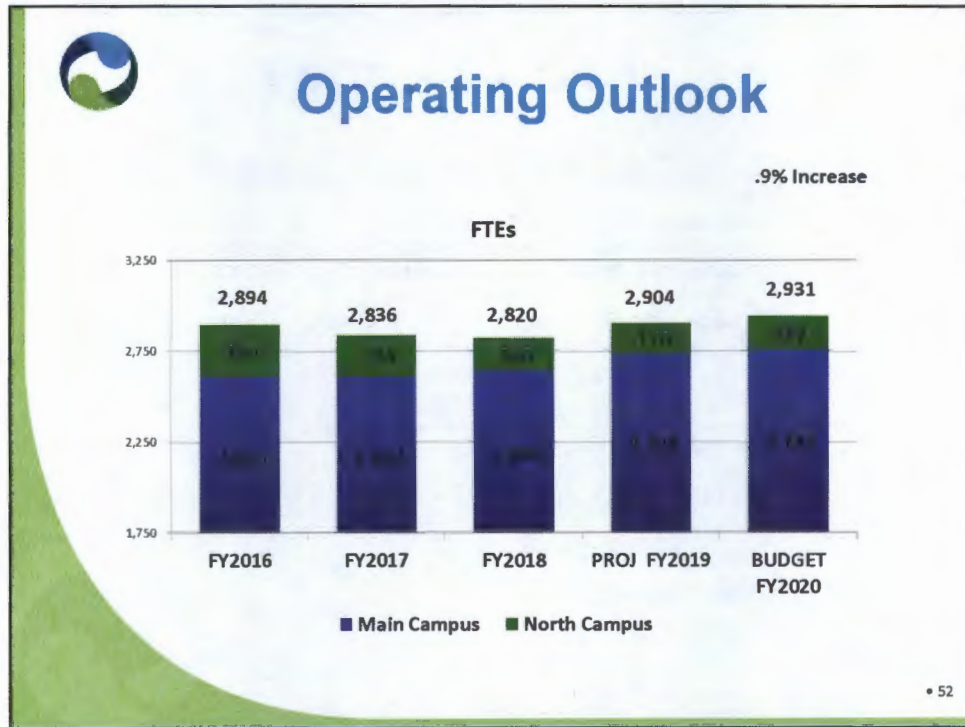
• 50



## FY 2020 Compensation Investments

- **FY2020 Annual Performance Based Merit**
  - Annualized investment = \$4,000,000
- **FY2020 Market Adjustments**
  - Unit Secretary
  - Pharmacy Technician
  - Facility Technician
  - Central Sterile Processing Technician
  - Behavioral Health Technician
  - Patient Access Specialist
  - Perfusionist
  - Switchboard Operator
  - Home Health Aide
  - OP Behavioral Health Tech / Driver
  - EC Technician
  - OR Scheduler
  - Annualized Investment = \$650,000 (Impacting 409 Employees)
- **Combined Annualized Investment = \$4,650,000**

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**Operating Outlook**

FTE per Adjusted Occupied Bed (AOB)

	<u>FY2018</u>	<u>FY2019</u>	<u>Budget FY2020</u>
PPMH	4.17	3.87	3.93


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## FTE Changes

Area	Position	FTE
<b>PPMH</b>		
Command Center	Staff / Transporters	36.01
Clinical Non-Nursing	Various Clinical Staff	31.68
Nursing Floors Staffing	Various Clinical Staff	28.14
Acute Care III	Full Year Operations	21.64
Emergency Center	Middle Track Implementation	16.80
Non-Clinical Support	Various Staff	7.50
Family Tree	Teachers / Aides	6.00
Guest Relations	Staffing In-House	5.94
Orientation	International Nursing Impact	5.19
<b>Residency</b>	<b>Residents</b>	<b>2.00</b>
Sim Lab	Staff	2.00
Trauma Program	Staff	2.00
Palliative Care	Staff	2.00
Specialty Pharmacy	Staff	1.67

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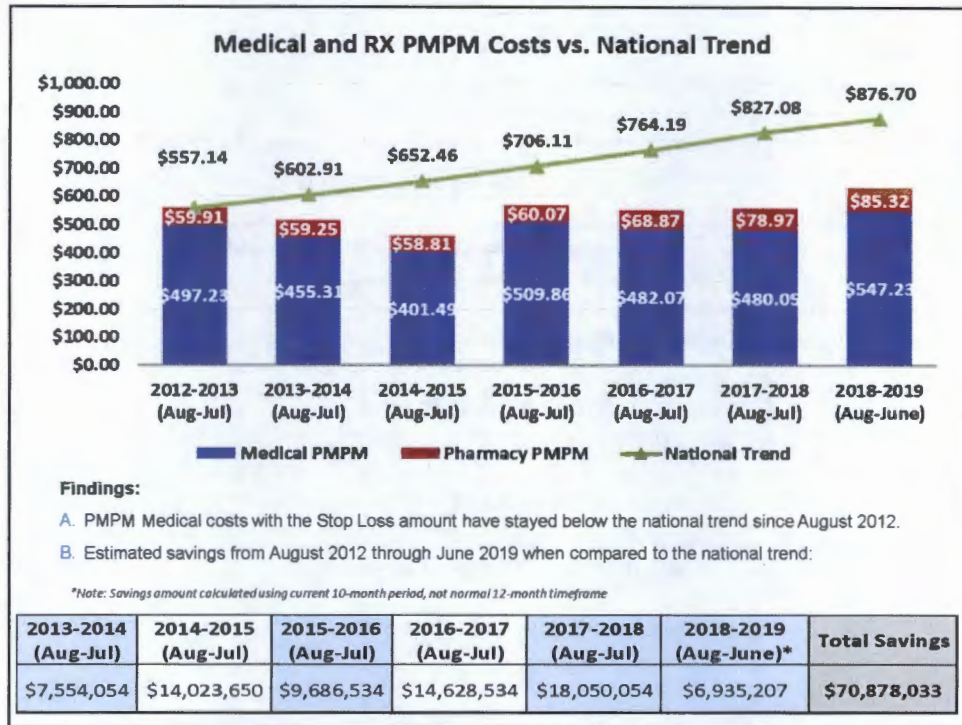


## PPHS Benefit Trend

(In Thousands)

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>ANNUALIZED</u>	<u>% Change</u>	<u>BUDGET</u> <u>FY2020</u>	<u>% Change</u>
Medical	\$ 30,721	\$ 35,492	\$ 40,728	12.9%	\$ 42,002	3.0%
Life/Disability	\$ 820	\$ 1,262	\$ 1,179	-7.0%	\$ 1,252	5.8%
Pension Contributions	\$ 4,641	\$ 4,281	\$ 7,438	42.4%	\$ 7,156	-3.9%
Emp Perform Incentive	\$ 1,910	\$ 1,004	\$ 2,363	57.5%	\$ 1,600	-47.7%
Vacation/Other Benefits	\$ 4,181	\$ 4,283	\$ 5,776	25.8%	\$ 4,877	-18.4%
<b>FICA</b>	\$ 17,565	\$ 18,073	\$ 19,044	5.1%	\$ 21,057	9.6%
<b>TOTAL BENEFITS</b>	<b>\$ 59,838</b>	<b>\$ 64,395</b>	<b>\$ 76,528</b>	<b>15.9%</b>	<b>\$ 77,944</b>	<b>1.8%</b>

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## Phoebe Property Taxes – FY2020 (Dougherty County)

VPILOT (Voluntary Payment In Lieu of Taxes)	\$523,736 (Phoebe North)
Other Dougherty County Properties	\$427,568
<b>Total Dougherty County Property Taxes</b>	<b>\$951,303</b>

\*\* This is based on prior year assessed taxes and projected out for FY 2020

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## Budget Risks

- Unplanned cuts in Reimbursement – seems to occur with governmental payers as well commercial payers each year
- PPG Growth Projections in Key Areas Not Obtained
  - Orthopedics
  - Cardiology
  - Inpatient Rehab
- Nursing shortage continues to worsen
  - Retention
  - Turnover
  - Contract staffing usage
- Drug costs increase greater then planned
- Health Insurance Cost Increases

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## FY2020 PHOEBE PUTNEY MEMORIAL HOSPITAL BUDGET

(In Thousands)

	Actual 2018	Annualized 2019	Budget 2020	Variance %
Gross Patient Revenue	\$ 1,662,990	\$ 1,918,001	\$ 1,942,524	1.3%
Other Operating Reven	\$ 20,791	\$ 21,133	\$ 19,390	-8.2%
Deductions	\$ (1,153,001)	\$ (1,369,960)	\$ (1,391,943)	1.6%
Net Revenue	\$ 530,780	\$ 569,175	\$ 569,971	0.1%
Operating Expenses	\$ (528,852)	\$ (557,672)	\$ (559,672)	0.4%
<b>Operating Income (Loss)</b>	<b>\$ 1,927</b>	<b>\$ 11,503</b>	<b>\$ 10,298</b>	<b>-10.5%</b>
Investment income	\$ 1,072	\$ (672)	\$ 19	-102.8%
Net Income	\$ 2,999	\$ 10,831	\$ 10,317	-4.7%
Operating Margin %	0.4%	2.0%	1.8%	

\*\*\* PPMH Operating Income (Loss) Includes PHS and PPG Allocations

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## Financial Ratios

	A Moody's Median	Audited FY 2018	YTD FY 2019	Budgeted FY 2020	
<b>Profitability Ratios:</b>					
Operating Margin	2.3%	1.3%	2.1%	<b>1.75%</b>	+
Excess Margin	5.2%	6.0%	3.6%	<b>3.9%</b>	+
<b>Liquidity Ratios:</b>					
Days Cash on Hand	226.50	249.08	229.36	<b>245.98</b>	+
Cash to Debt	169.60%	232.38%	251.69%	<b>251.69%</b>	+
<b>Capital Ratios:</b>					
Debt to Capitalization	32.90%	25.92%	24.91%	<b>24.91%</b>	-
Debt to Cash Flow	3.00	3.68	5.27	<b>4.29</b>	-


**Note:** += Ratios that should be above the Moody's median.  
 -= Ratios that should be below the Moody's median.

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# Phoebe


**FY2020 CAPITAL BUDGET**  
**Phoebe Putney Memorial Hospital**



### PPMH Capital Expenditure Budget FY 2020

Capital Categories - PPMH	FY 2020
Plant Operations	17,321,397
General Medical & Other	4,825,050
Operating Room & Surgical Services	2,382,878
Information Systems & Telecommunications	3,979,875
Women & Children Services	859,408
Administration Services	9,724,816
Food & Nutrition	57,000
Pharmacy	784,315
Family Tree	103,996
<b>Sub-Total Capital</b>	<b>40,038,735</b>
<b>Contingency Funds</b>	<b>1,000,000</b>
<b>Grand Total</b>	<b>41,038,735</b>

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### PPMH Capital Expenditure Budget FY 2020

Top 20 (Dollars)

Project	Amount
FY20 Strategy Plan	8,924,168
General Construction, O.R. RENOVATIONS	3,000,000
Sim Lab	3,000,000
General Construction, Hybrid O.R.	1,500,000
General Construction, HELIPAD ADDITION	1,250,000
Other Administration, PPMH Administrative Contingency	1,000,000
General Construction, Design Vascular Program	1,000,000
Computer, Windows 10 workstation	892,500
64 Slice CT	850,000
General Construction, AB Tower & Critical Care Tower Exterior, Phase I	750,000
General Construction, North Pharmacy Upgrades	600,000
General Hardware, Microsoft 2016 Server licensing	500,000
General Construction, PPMH Plant Ops Contingency	500,000
General Renovation, PPG Initiatives	500,000
Anesthesia Unit, Upgrade Anesthesia Machines	496,500
Other Surgery, Ortho Power Equipment Upgrade	496,000
Elevator, Phoebe North Central Elevator Upgrades	480,700
Other Engineering / Facilities, ICU Nurse Call System	450,000
G-Ann	450,000
Other Miscellaneous, Stretcher Replacement	400,000

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### PPMH Capital Expenditure Budget FY 2020

Capital Categories - PPMH	FY 2020	FY 2021	FY 2022
Plant Operations	17,321,397	20,000,000	20,000,000
General Medical & Other	4,825,050	8,000,000	8,000,000
Operating Room & Surgical Services	2,382,878	3,500,000	3,500,000
Information Systems & Telecommunications	3,979,875	5,000,000	5,000,000
Women & Children Services	859,408	650,000	650,000
Administration Services	9,724,816	2,550,000	2,550,000
Food & Nutrition	57,000	-	-
Pharmacy	784,315	500,000	500,000
Family Tree	103,996	50,000	50,000
<b>Sub-Total Capital</b>	<b>40,038,735</b>	<b>40,250,000</b>	<b>40,250,000</b>
<b>Contingency Funds</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,001</b>
<b>Grand Total</b>	<b>41,038,735</b>	<b>41,250,000</b>	<b>41,250,001</b>

\* This projection does not include outcome from FY19-20 Strategy working ongoing

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Questions

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## Men's Health Fair

June 15<sup>th</sup> at ASU East



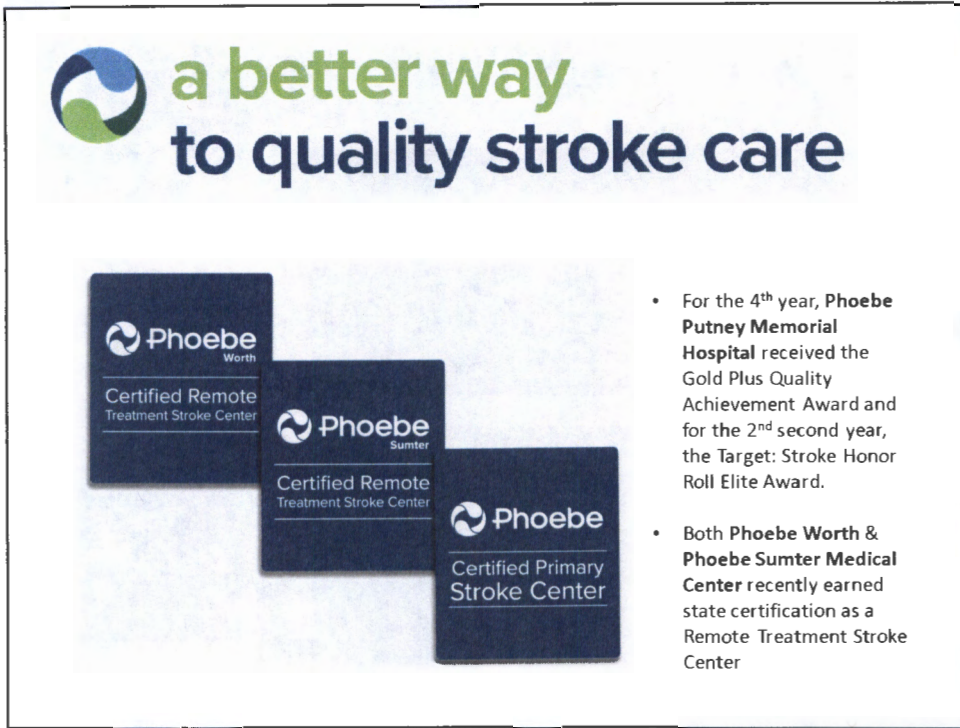
## Mended Hearts Partnership



- Phoebe Putney Memorial Hospital named **2019 National Hospital of the Year**
- **A.R. Voss**, Assistant Regional Director, Southern Region for Mended Hearts Inc., & Phoebe Volunteer named **Mended Heart of the Year**

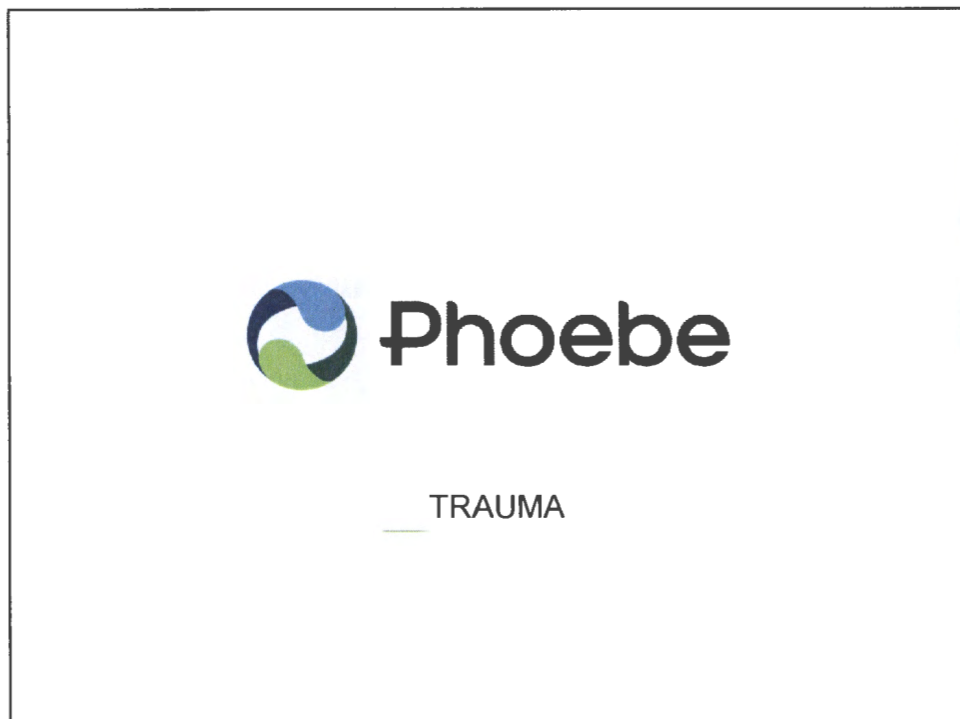



Mended Hearts™



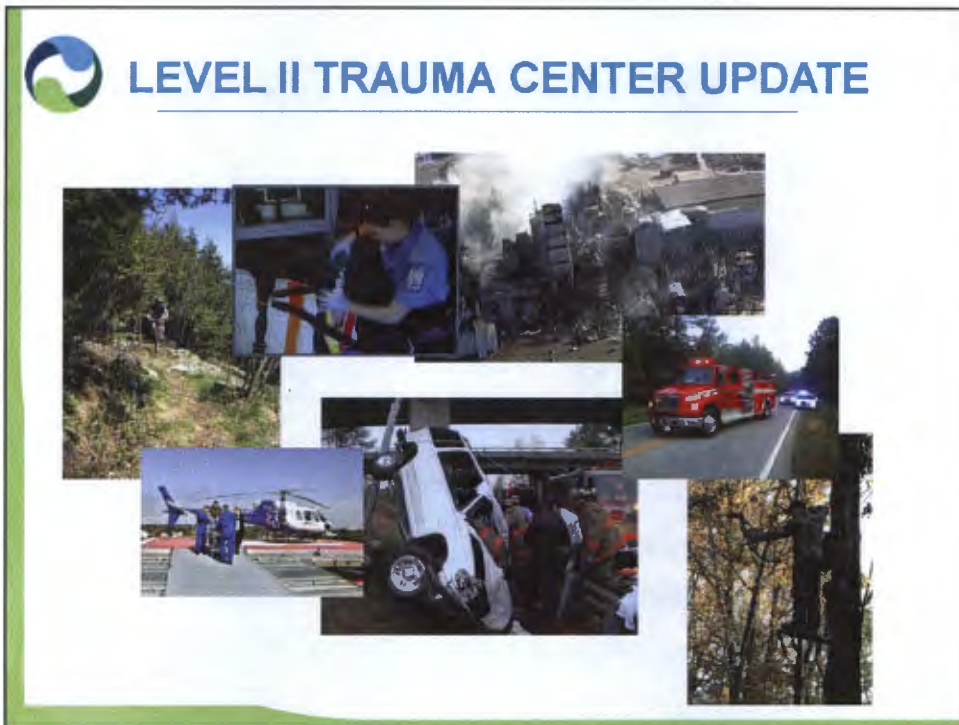
**a better way  
to quality stroke care**

- For the 4<sup>th</sup> year, **Phoebe Putney Memorial Hospital** received the Gold Plus Quality Achievement Award and for the 2<sup>nd</sup> second year, the Target: Stroke Honor Roll Elite Award.
- Both **Phoebe Worth & Phoebe Sumter Medical Center** recently earned state certification as a Remote Treatment Stroke Center



 **Phoebe**

TRAUMA



### LEVEL II TRAUMA CENTER DESIGNATION PROCESS

- First Trauma Surgeon begins work this month
- Program Development Consultant has been engaged
- Interviews are on-going for Trauma Manager
- Helipad to be installed in October 2019

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 **Buena Vista Clinic Opening**

**New location.  
Same expert care.**



The new Buena Vista Clinic opened July 15<sup>th</sup>. With new physicians and a wider range of services, we'll be able to offer patients even more expert care closer to home.


**Primary Care:**  
Daniel Singleton, MD  
Sarah Cross, FNP-C

**Cardiology:**  
Ngoc Nguyen, MD  
Lori Perry, NP

**Orthopaedics:**  
Ryan Breland, MD

**Ribbon Cutting August 14 at 4 p.m.**  
1009 GA HWY 41 N, Buena Vista, Georgia

 **Buena Vista Clinic**







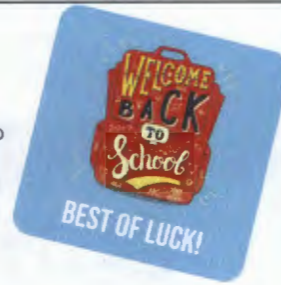
This block contains a promotional graphic for "Wellness Watch is Back!". It features the same blue and green circular logo as the Buena Vista Clinic. The main headline reads "Wellness Watch is Back!". Below this, a paragraph states: "Phoebe Wellness Watch are PSAs that provide health and wellness tips. The new Wellness Watch will begin airing on WALB this week." To the right of this text is a blue button with the website address "phobewellnesswatch.com". Below the text is a section titled "news &amp; announcements" with a light blue background. On the left side of this section is a vertical list of categories: "All Content", "Classes &amp; Events", "Inside Phoebe", "News", "Patient Stories", "Physician Videos", and "Wellness Watch". The "Wellness Watch" category is selected. The main content area displays a video titled "Wellness Watch - Heart Attack Treatment" with a "Share" icon. Below the title is a sub-heading "Heart Attack Treatment" and a short paragraph of text. A video player is embedded below the text, showing two men in a clinical setting. The video player has a play button in the center and "Watch later" and "Share" options in the top right corner. At the bottom of the video player, the text "WELLNESS WATCH - FEB 2018 - WEB" is visible. Below the video player, the text "What can you do to prevent a heart attack? Remember 3 Es." is displayed. In the bottom right corner of the graphic, there is a small "11" icon.



## Back to School!

Our Network of Trust school nurses recently did a video to provide some important information for parents as students prepare to return to the classroom. The video was shared with the Dougherty County School System.

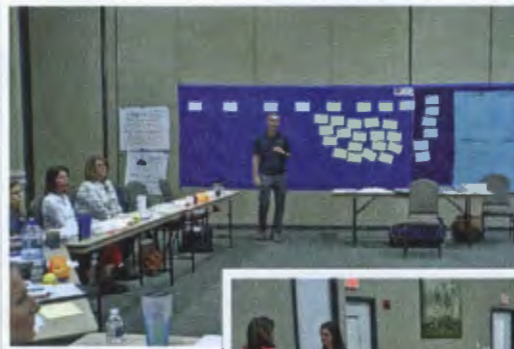
Tips included medication forms & when to keep your child home.



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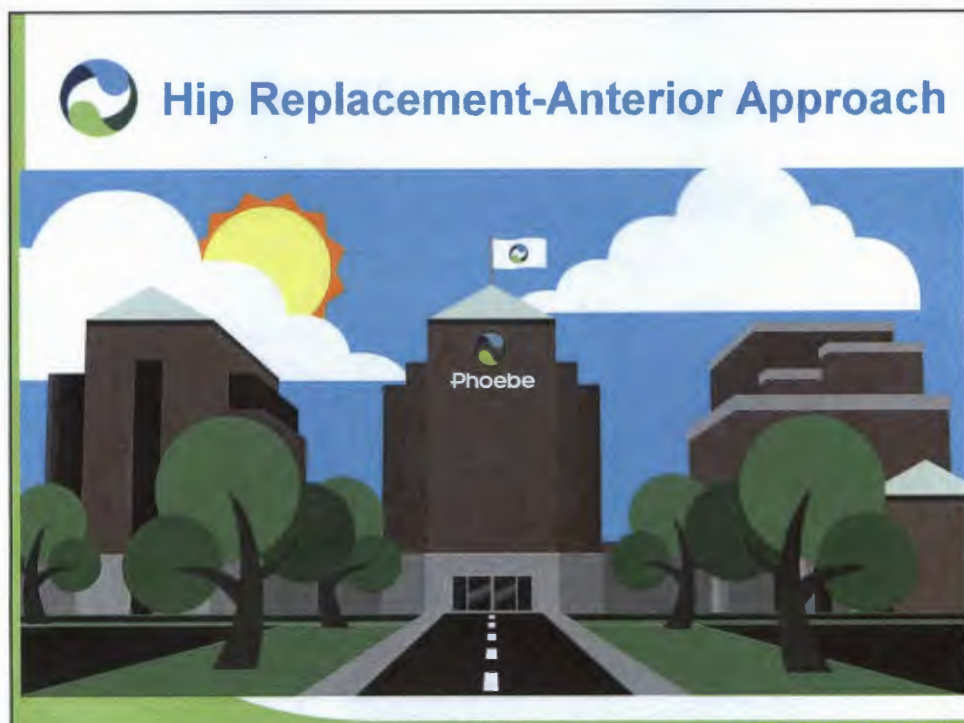
## Nurse Recruitment Retreat

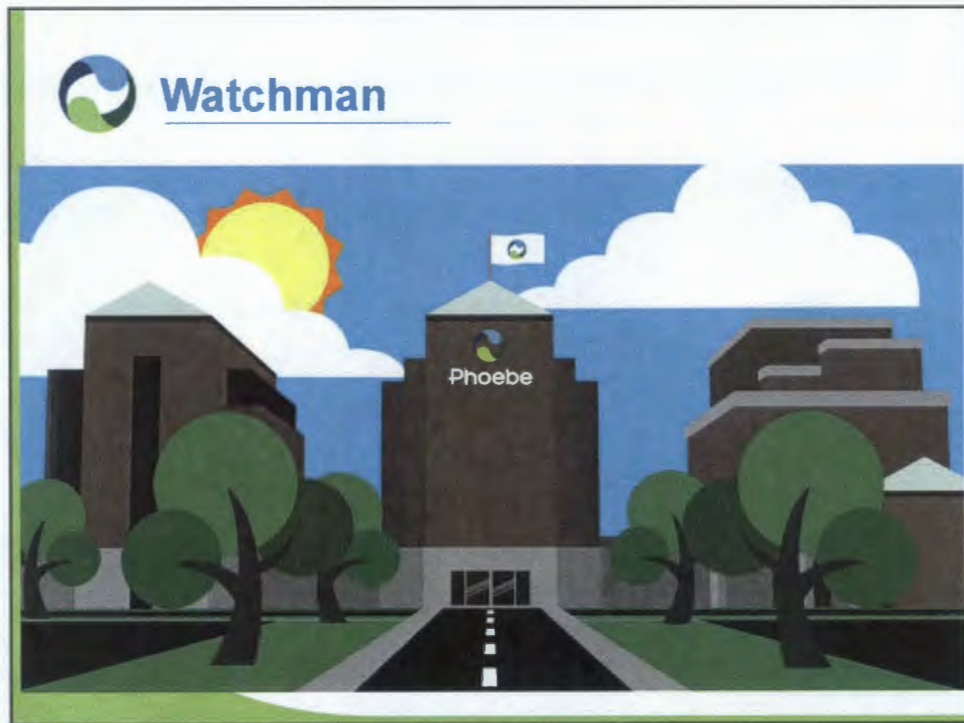
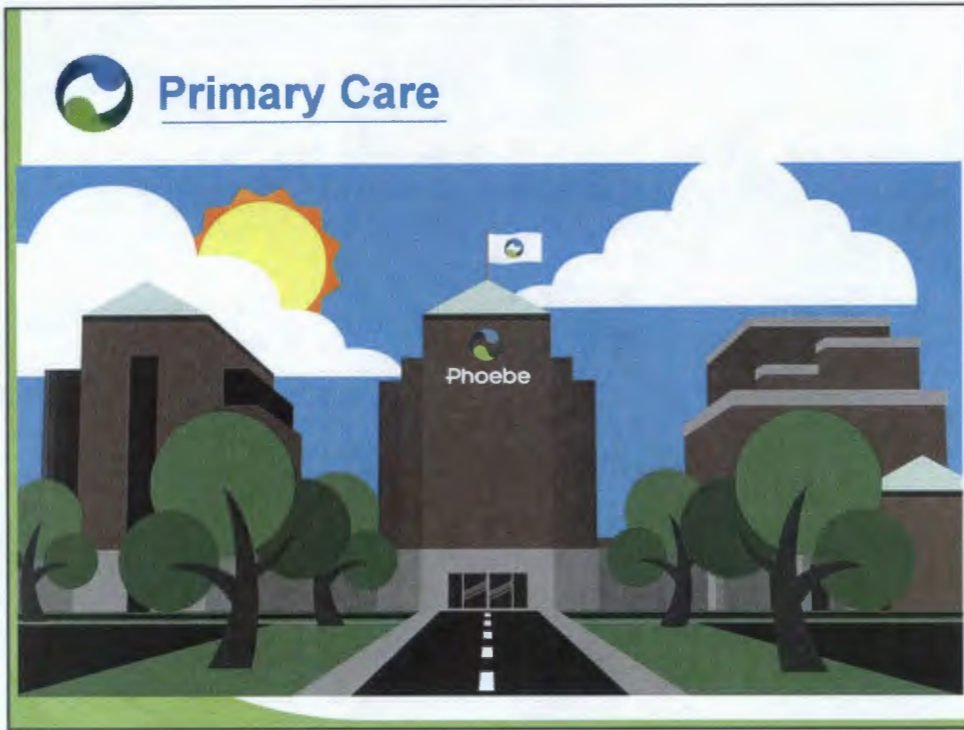


On Friday, August 2, our nursing and HR leaders gathered for a nursing recruitment retreat aimed at helping us further strengthen our vibrant nursing staff.



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**Hospital Authority Meeting**

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**Steven E. Kitchen, MD, Chief Medical Officer**  
**August 15, 2019**

**Goal of ZERO Preventable Harm**  
*Is it Attainable?*



## High Reliability Organizations

**An organization that is involved in a complex and high risk environment that delivers exceptionally safe and consistently high quality service/care over time.**

"The signature of an HRO is not that it is error-free, but that errors don't disable it."

*- Weick & Sutcliffe*

• 3



• 4



### Tipping Point in Aviation




• 6



### Tipping Point in Nuclear Power



• 6




## Tipping Point in Healthcare

**To Err is Human  
Institute of Medicine, 1999**


Up to 98,000 deaths annually due to medical errors.

8<sup>th</sup> leading cause of death in U.S.




© Karen Martin & Associates, LLC

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## Tipping Point in Healthcare




BMJ 2016;353:g1130 doi: 10.1136/bmj.g1130 (Published 3 May 2016)

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### ANALYSIS



#### Medical error—the third leading cause of death in the US

Medical error is not included on death certificates or in rankings of cause of death. **Martin Makary and Michael Daniel** assess its contribution to mortality and call for better reporting

**Martin A Makary professor, Michael Daniel research fellow**  
Department of Surgery, Johns Hopkins University School of Medicine, Baltimore, MD 21207, USA

The annual list of the most common causes of death in the United States, compiled by the Centers for Disease Control and Prevention (CDC), informs public awareness and national research priorities each year. The list is created using death certificates filled out by physicians, funeral directors, medical examiners, and coroners. However, a major limitation of the death certificate is that it relies on assigning an International Classification of Disease (ICD) code to the cause of death. As a result, causes of death not associated with an ICD code, such as human and system factors, are not captured. The science of error has emerged to describe how communication breakdowns

**How big is the problem?**  
The most commonly cited estimate of annual deaths from medical error in the US—a 1999 Institute of Medicine (IOM) report—is limited and outdated. The report describes an incidence of 44 000–98 000 deaths annually.<sup>1</sup> This conclusion was not based on primary research conducted by the institute but on the 1984 Harvard Medical Practice Study and the 1992 Utah and Colorado Study.<sup>2,3</sup> But as early as 1995, Leape, a chief investigator in the 1984 Harvard study, published an article

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## Becoming a HRO-a Moral Imperative?

### Why do we have safety problems?

- Increased complexity, few standards
- Rapid rate of technological change
- Information overload, relying on memory
- Multiple, competing regulations
- A culture of autonomy in medicine
- Poor communication, unreliable handoffs

Walker, Ed MD "The Three Faces of Quality" AAPL Fall, 2017

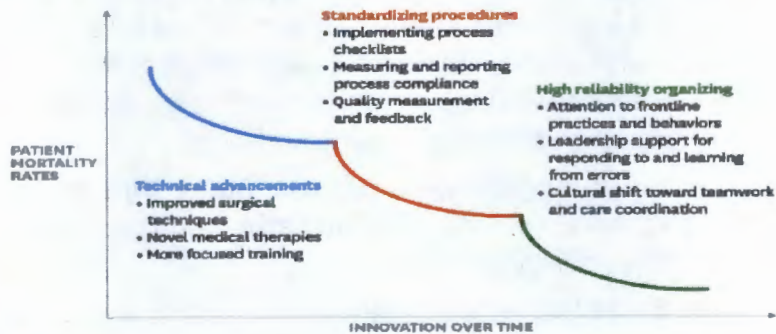
• 9



## Evolution of Innovations in Patient Safety

### 3 Waves of Innovation in Patient Safety

Technical and procedural improvements have made surgery safer, but future innovation will focus on reliably organizing the work of patient care.



SOURCE: AMIR QHAFFER ET AL

© HSB.ORG

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## **Five Principles of High Reliability Organizations**

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- **Preoccupation with Failure**-constant wariness of what could go wrong proactively avoiding it
- **Sensitivity to Operations**-paying attention at “the sharp end”, maintaining situational awareness
- **Reluctance to Simplify**-deliberately questioning assumptions-not depending on 1 observer for a “single source of failure”
- **Commitment to Resilience**-learning from mistakes and bouncing back
- **Deference to Expertise**-allowing decision making by person(s) with most related knowledge/expertise regardless of rank/hierarchy

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## **HRO Transformation**

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- **HRO's become highly reliable by changing their processes-human errors are not preventable because humans are not infallible-HRO's anticipate errors and correct them before they result in harm**
- **Singular goal-zero harm-achieve through cultural transformation rather than technical improvement tools**
- **Safety as a core value**

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## Healthcare Performance Improvement (HPI)

---

- **Subsidiary of Press Ganey**
- **Have led comprehensive safety culture transformations in over 1,300 hospitals-in GA Wellstar, Piedmont, Northeast Georgia**
- **Positions safety as a core value and leverage point for realizing improvements in safety, quality, patient experience, and physician/staff engagement**
- **Results-reduction in Serious Safety Events, decreased professional liability exposure/claims**

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## Healthcare Performance Improvement (HPI)

---

- **Approach-use time tested methods and practices of HRO's in nuclear power, aviation, and manufacturing**
- **Rather than focusing on traditional process improvement as a means to better outcomes, HRO's place a concurrent focus on and integration of process design and *human behavior accountability*. While process improvement focuses on detecting and correcting system errors, behavior accountability focuses on the prevention of the human error that leads to events of harm or untoward outcomes**

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## **Healthcare Performance Improvement (HPI)**

---

- Engagement-5 phases from Initiation through sustainability, including an in depth Diagnostic Assessment
- Thirty (30) Month Engagement-Initiation, Diagnostic Assessment and Implementation Planning-5 months. Implementation and Sustainability-25 months
- Entire workforce, including physicians receive training

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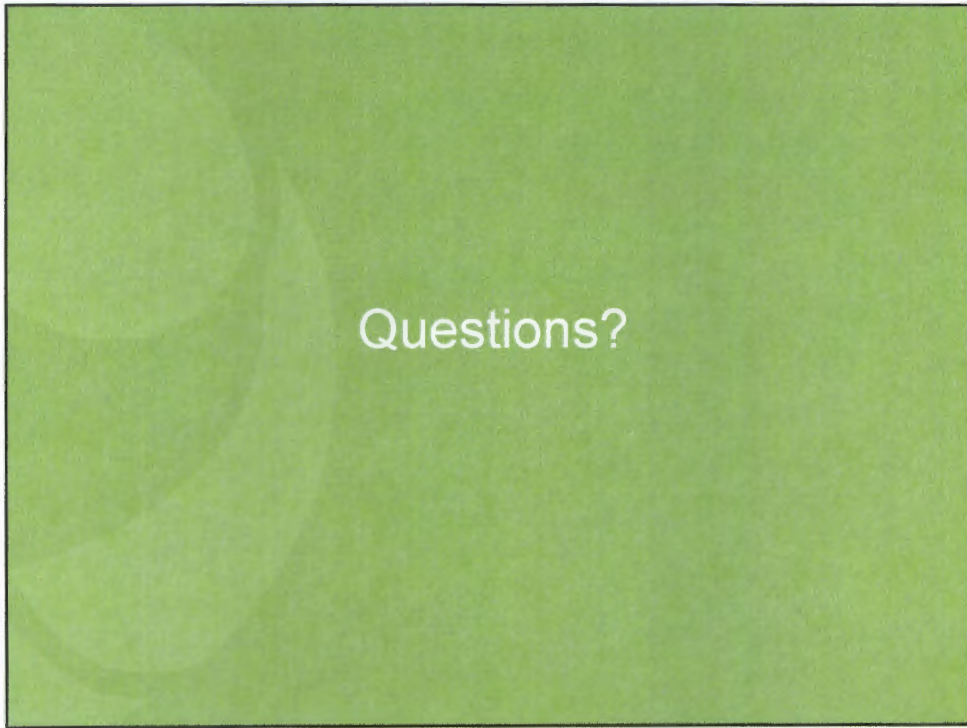
## **Keys to Success**

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- Commitment of CEO
- Commitment of the Medical Staff
- Commitment of Board and Sr. Leadership

*It will be a continual journey, not a project*

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House Bill 321



House Bill 321

- **October 1, 2019, each hospital in the state shall post a link in a prominent location on the main page of its website to the most recent version of the following documents:**
- Document Disclosure on Website
- Audited Financial Statements - most recent completed year --Hospitals, Affiliates, Parent corporation
  - Gross Pt. Rev, allowances, charity care and net patient revenue – notes
  - Break out of the hospital's and each subsidiary's numbers
- 990's including Schedule H or if not required to file 990 a form from DCH
- GA DCH annual Hospital questionnaire
- Community Benefit Report
- The DSH ( Disproportionate share hospital Survey)



## House Bill 321

- Listing of all Property holdings of the hospital (Locations, Size, Parcel ID, Purchase Price, Current Use, Improvements)
- Listing of any ownership or interest in any JV, Partnership, Subsidiary holding company or captive insurance company + domicile and value of any such ownership or interest
- Listing of any bonded indebtedness, outstanding loans, and bond defaults, forbearance, and bond disclosure sites of the hospital
- A report that identifies by purpose, the ending fund balances of the net assets of the hospital and affiliate most recent FY. Perm Restricted, temp and board restricted and unrestricted -- Hospitals interest in foundation deducted
- Copy of all going concern statements regarding the hospital
- Legal Chart of corporate structure
- Report listing salaries and benefits for ten highest paid admin positions in the hospital.

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## House Bill 321

- DNV accreditation evidence
- Policies (Charity care, excluded medical assistance recipients and debt collection practices)
- Update all above every July 1st
  
- **Rural Hospital Tax Credit**
- 3 year average patient margin, as a percent of expenses.. Calculated by the DCH
- Unspecified donations go to hospital rank in most need first

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