

1                   MINUTES OF REGULAR MEETING OF NORTH LAKE COUNTY  
2                   HOSPITAL DISTRICT OF SEPTEMBER 25, 2014  
3

4     A regular meeting of the North Lake County Hospital District (the "District") was held  
5     on September 25, 2014 at 5:30 p.m. in Lake County Commission Chambers,  
6     Administration Building, 315 W. Main Street, Tavares, Florida.  
7

8     Ms. Catherine C. Hanson, Chairman, called the meeting to order and led the Pledge of  
9     Allegiance. M. Meredith Kirste, attorney for the North Lake County Hospital District,  
10    called the roll to ascertain the trustees present for the meeting, with the following  
11    members in attendance: Catherine C. Hanson, Chairman; Robert Bone; Jerry Brown;  
12    Frances Grossi, Vice Chairman; Elizabeth Robuck, and Davis Talmadge.  
13

14    APPROVAL OF MINUTES  
15

16    On a motion by Mr. Bone, seconded by Ms. Grossi and carried unanimously, the NLCHD  
17    board approved the Minutes of September 18, 2014.  
18

19    REQUEST FOR FUNDING FROM THE HOSPITALS  
20

21    The Chairman inquired if there were any additional funding requests, but none were  
22    submitted.  
23

24    PUBLIC HEARINGS - RESOLUTION 2014-01  
25

26    Ms. Hanson requested that Ms. Kirste perform a recitation of the name of the taxing  
27    authority, the rolled-back rate, the percentage of decrease over the rolled-back rate and  
28    the millage rate to be levied.  
29

30    On a motion by Mr. Talmadge, seconded by Ms. Grossi, and carried unanimously by a  
31    vote of 6-0, the Board waived the reading of the entire resolution.  
32

33    Ms. Kirste recited the title of Resolution 2014-01 as Resolution of the North Lake County  
34    Hospital District Providing for the Adoption of the Proposed Millage Rate for the 2014-  
35    2015 Fiscal Year.  
36

37    Ms. Sykes-Amos reported that a rate of one mill was proposed and advertised, and there  
38    was some discussion at the last meeting about whether they would either do a budget  
39    amendment for an additional \$368,000 or carry that forward. She explained that the  
40    Board could discuss how this would affect the millage rate.  
41

42    Ms. Robuck related that she had played with the numbers and added \$368,000 to their  
43    budget that they discussed last week, and since that represents a significant surplus, she  
44    believed they should revisit the millage rate. She stated that she believed the one mill  
45    would be more than the figure she got after adding up the funding requests that were  
46    originally made as well as the letters of agreement numbers that were proposed.  
47

1 Ms. Sykes-Amos explained that the budget spreadsheet shows one column for the one  
2 mill as it was tentatively approved last week, a column for the rollback rate with no  
3 budget amendment with the \$368,000 to be carried forward next year, and a third column  
4 illustrating the rollback rate with a budget amendment. She pointed out that the  
5 beginning fund balance for the first and third columns are the same, and the middle one is  
6 \$368,000 more. She noted that those figures will give the board an idea of what would  
7 happen with a one mill rate or a rollback rate with the carryover. She further explained  
8 that the board has to approve the millage before they could discuss the budget.

9  
10 Ms. Robuck elaborated that she calculated that the millage only needed to be .8942 or .9  
11 if it was rolled up. She commented that given the fact that the County just imposed a 13-  
12 percent increase in taxes, she thought they owed it to the taxpayers to consider what they  
13 actually need given the significant surplus that was not requested.

14  
15 Ms. Grossi commented that she was thinking along the same lines, and she believed it  
16 would be a good idea if they showed that they were willing to give the community a little  
17 bit of a break and could build up a little bit of good will.

18  
19 Mr. Bone commented that he wanted to speak on behalf of the indigent, and there was a  
20 tremendous need for indigent care in Lake County, particularly in the Leesburg area. He  
21 opined that the hospitals and clinics provide for those services, and they have been  
22 required to be audited on those services and have far exceeded the budget that they were  
23 allowed. He pointed out that even the reallocation of the excess monies back to the  
24 clinics and hospitals still would not cover all of the indigent care that was provided by  
25 those entities. He commented that he did not think it was this board's position to look at  
26 the County Commission's decisions or tax rates in order to decide the indigent care needs  
27 of the citizens within the hospital district, and this board had the responsibility to provide  
28 what they can for the reimbursement of those services provided by the clinics and the  
29 hospitals. He related that he would be in favor of the one mill being proposed, and he  
30 believes they should amend the budget to address the excess funds of \$368,000 from this  
31 year, fully fund the clinics for the documented care that they provided, and then allocate  
32 the remaining monies to the hospitals.

33  
34 Mr. Brown stated that he agreed with Mr. Bone's comments, and he opined that things  
35 have gone smoothly regarding the distribution and allocation of those funds, with few to  
36 no inconsistencies or discrepancies. He commented that he believed they should  
37 segregate their thoughts from what the County Commission did, since this was a different  
38 pool of money for a different purpose.

39  
40 Ms. Robuck commented that she wanted the board to consider the possible ripple effect  
41 of overburdening the taxpayers with additional taxes and how that would affect the  
42 indigent population.

43  
44 Mr. Bone pointed out that if they do not provide for their indigent, it would be a further  
45 burden on society, noting that Waterman would give a presentation that night about what  
46 would happen if they lose that funding. He commented that this assistance allows the  
47 hospitals to be able to provide higher quality health care for all of the citizens of Lake

1 County, and he noted that one mill equates to about \$6 per month per property owner to  
2 make sure that thousands of people in Lake County that need that care are provided for.

3  
4 Ms. Hanson stated that she agrees that it ought to remain at one mill and that their  
5 funding needs do not have anything to do with the millage rates of other government  
6 entities. She commented that they were very fortunate to have the opportunity to help the  
7 indigent.

8  
9 Mr. Bone added that they have the opportunity now to fully fund the clinics for the 2013-  
10 14 fiscal year, and they would not be fully funded for this year if they roll that over to  
11 next year for the sake of reducing the millage rate. He also pointed out that the hospitals  
12 have their own clinics that they support as well, but they will not be fully allocated for all  
13 of the indigent care that they have provided. He elaborated that it has been documented  
14 that there has been sufficient indigent care to justify the one mill that was imposed last  
15 year, but there was \$380,000 left over because it was not allocated in the proper  
16 percentages between everyone, although it could now be allocated for the documented  
17 care that was given, which was the purpose of a budget amendment.

18  
19 Ms. Robuck made a motion to impose the third option of the rollback rate, with the  
20 additional \$368,000 allocated to that budget, which was seconded by Ms. Grossi.

21  
22 Ms. Sykes-Amos clarified that option three had the budget amendment and not the  
23 rollover as part of it, and she elaborated that the first column reflects the current budget,  
24 the next column is the actual as of that day, the third column is the one mill as advertised  
25 which was tentatively approved last week, and the fourth column reflects no budget  
26 amendment with the surplus rolled into that.

27  
28 Ms. Robuck withdrew her former motion and made a motion for a millage rate of .9  
29 carrying over the \$368,000 surplus.

30  
31 Ms. Sykes-Amos explained that her calculations show that there would not be enough  
32 money to fund the allocations with that millage, since they could only budget 95 percent,  
33 noting that she would need at least .92 for that.

34  
35 Ms. Robuck commented that she misunderstood and miscalculated.

36  
37 The Chairman opened the public hearing.

38  
39 Mr. Phil Braun, Vice President and General Counsel for Leesburg Regional Medical  
40 Center, reported for the record that the hospitals and the clinics did submit enough  
41 documentation and enough indigent care to far surpass the one mill, and he elaborated  
42 that the hospitals supported funding the clinics fully and chose not to request more than  
43 they needed for the LIP (low income pool) 6. He pointed out that the budget amendment  
44 is for money that was collected from last year, and they believe that money should go to  
45 the clinics, which would be a good use for those funds. He opined that rolling back the  
46 millage to .98 would not make a huge difference in the tax bill, but that money is vital to  
47 the indigent care clinics.

1  
2 Mr. Vance Jochim, writer of a blog regarding local fiscal issues, commented that it was  
3 his understanding that when the two hospitals became nonprofits, one condition was that  
4 they were to absorb the cost of the indigent care, and he opined that the funds that the  
5 NLCHD has been collecting for about 40 years subsidizes what the requirement was for  
6 those hospitals to become a nonprofit, noting that they are exempt from many other kinds  
7 of taxes. He commented that he believes that is why many counties in the state do not  
8 have that type of tax district, and he offered to send them a list of taxes the hospitals do  
9 not have to pay.

10  
11 Ms. Frances Crunk, Chief Financial Officer at Florida Hospital Waterman, pointed out  
12 that their request for the current year of 2013-14 exceeded what they were allocated by  
13 the board for indigent care, with the clinics receiving a majority if not all of their funding,  
14 and the surplus is due to the nature of the uncertainty of how much tax will get collected  
15 in a given year. She commented that if the hospitals had been allocated what had been  
16 requested in 2013-14, there would not have been a surplus, and there is an expectation  
17 that the collections would generally exceed the allocation in any given year, although it  
18 was not in excess of what they are supporting in the current year.

19  
20 There being no one else who wished to address the board, the Chairman closed the public  
21 hearing.

22  
23 Mr. Bone commented that there has been a need for this tax district to be in place for  
24 many years to help care for the indigent, and the need has not gone away. He added that  
25 the voters will have a chance to decide whether or not to keep the District in place, but he  
26 believes it is his charge right now as a member of this board to follow what they have  
27 been legislated to do, which is to levy the one mill to care for the indigent. He related  
28 that there has been discussion about the need to move the indigent care from the hospitals  
29 to the clinics, and he noted that the providers are \$235,059 short on the documented  
30 indigent care this year based on the documented claims that have been provided. He  
31 opined that they should not roll over that money to reduce the millage rate next year and  
32 that the one mill has already been shown to be necessary and justified and will not even  
33 fully fund all of the requests for indigent care next year. He explained that it would leave  
34 an additional \$132,000 to go to LifeStream Behavioral Center or the hospitals, which  
35 would still fall well short of what they documented as a need.

36  
37 On a motion by Mr. Bone, seconded by Mr. Brown and carried by a vote of 4-2, with Ms.  
38 Robuck and Ms. Grossi voting "no," the NLCHD board approved Resolution 2014-01 for  
39 the Adoption of the Millage Rate for the 2014-2015 Fiscal Year of 1 mill.

40  
41 PUBLIC HEARING - RESOLUTION 2014-02

42  
43 Ms. Sykes-Amos presented a budget worksheet to the Board members with explanation  
44 of its content, and she noted that those numbers have altered a little from what she  
45 presented last week due to some additional expenses. She directed their attention to the  
46 2014-15 budget one mill as advertised column, and she mentioned that they approve the  
47 budget at the fund level, which would be \$9,344,549.

1  
2 Ms. Hanson opened the floor for public comment, and since there was none, she closed  
3 the public hearing.

4  
5 On a motion by Mr. Brown, seconded by Mr. Bone and carried by a vote of 4-1, with Ms.  
6 Grossi voting "no," the Board approved Resolution 2014-02, the Adoption of the North  
7 Lake County Hospital District Providing for the Adoption of the Proposed Budget for the  
8 2014-2015 Fiscal Year at the fund level.

9  
10 ALLOCATIONS OF FUNDING

11  
12 Ms. Hanson pointed out that the language of the funding agreements is the same as last  
13 year, and she called for public comment on this item. There being no one who wished to  
14 speak regarding this item, she closed the public hearing.

15  
16 Ms. Sykes-Amos stated that since they did not have the agreements prepared at that time  
17 and the next meeting would not be until January, she requested that the board give the  
18 Chairman authority to sign the agreements.

19  
20 On a motion by Ms. Robuck, seconded by Ms. Grossi and carried unanimously by a vote  
21 of 6-0, the Board approved giving authority to the Chairman to sign the letters of  
22 agreement.

23  
24 DISCUSSION FROM PROVIDERS - IMPACT OF SUNSETTING THE DISTRICT

25  
26 Mr. Brown explained that at the end of the last meeting he suggested that if anyone in the  
27 audience, the hospitals, or the clinics had anything specific or future concerns they  
28 wanted to address regarding the potential sunset of their board, they could address that at  
29 this meeting.

30  
31 Mr. Don Henderson, CEO of Leesburg Regional Medical Center, pledged that their  
32 hospital will not waste this money and that it would go directly towards indigent and  
33 health care in the community. He reported that their estimated FY 2014 operating margin  
34 with the tax proceeds and the state match is 1.2 percent, which has been better than the  
35 last few years, and the operating margin without those funds would be a loss of 1.6  
36 percent for this year. He pointed out that LRMC has always been a not-for-profit hospital  
37 that has been providing for the community for 50 years, and they had to have some  
38 surplus in order for them to be able to buy equipment, renovate the facilities, and afford  
39 new technologies. He specified that LRMC has the fourth largest cardiac surgery  
40 program in the state and does almost 750 open heart cases per year, and implantable  
41 devices in this field and other technologies which enable surgeries to become more  
42 minimally invasive are expensive, with more technologies coming. He noted that they  
43 have to give the same level of care to those who cannot pay as to those that are insured.  
44 He commented that losing the District funding will affect their community and will  
45 increase taxpayer cost if more indigent people turn to the County's Health Departments  
46 for care if the clinics close. He also opined that it will also have a negative impact on the  
47 quality of the healthcare that is provided to the community as a whole.

1  
2 Mr. Henderson related that the hospital has begun to explore scenarios of what they  
3 would do operationally if they lost the District tax funds, noting that they have to make  
4 up for any losses they have operationally by cutting programs and services, just like any  
5 other entity that would face tough economic times. He pointed out that there were many  
6 types of advances in services and technology that come out on almost a daily basis, which  
7 they would not be able to afford and offer to the community without sufficient funding.  
8 He commented that less funding would result in less services to everyone in the  
9 community, and he related that hospitals in Marion County and Citrus County went  
10 bankrupt and had to sell their hospital to a for-profit organization, because of declines in  
11 hospital funding and problems with the Medicare program, which would result in those  
12 hospitals only providing services that would make a profit large enough to satisfy its  
13 investors, putting programs such as the obstetric and cardiac programs at risk, and  
14 denying care to patients without immediate life-threatening conditions. He pointed out  
15 that LRMC is one of the largest employers in the county, and the County would have to  
16 cover the cost of indigent health care in some way because of the way the laws are  
17 written.

18  
19 Ms. Hanson mentioned that the presentations would be available on their web page.

20  
21 Mr. David Ottati, Chief Executive Officer of Florida Hospital Waterman, thanked the  
22 Board for all of the work they do on the board as well as the decision they approved that  
23 day and related that their mission was to promote the physical, emotional, and spiritual  
24 healing of everyone in their community, noting that they endeavor to treat everyone fairly  
25 and not to discriminate based on payer or any other issue. He stated that their hospital  
26 was a 269-bed full service community hospital which has been a not-for-profit  
27 organization since its inception over 80 years ago, which means everything they make  
28 they reinvest back into the community to help its citizens have access to better healthcare  
29 services. He commented that their hospital impacts many individuals both economically  
30 and operationally, and they provide an extensive range of services. He specified that they  
31 see thousands of people through their emergency department every year, 20 percent of  
32 whom are indigent, and they treat everyone the same despite ability to pay. He noted that  
33 they give back to their community through their many community benefits, and he  
34 showed a list of those benefits and the cost those benefits are worth. He pointed out that  
35 what they receive from the taxing district as well as their matching funds has continued to  
36 decrease over the years, and they would have to make a lot of major decisions relating to  
37 what they want to be as a healthcare provider, what things they would do differently, and  
38 what they would provide if there was a dissolution of the NLCHD. He opined that it was  
39 important to continue to fund the clinics in order to keep healthcare costs down by  
40 keeping people out of the more expensive hospitals, and he specified that they have  
41 moved about 1,500 patients out of the hospital through their clinic program for a more  
42 cost-effective service. He added that they have transitional coordinators that call their  
43 patients back and make sure they have follow-up care and infusion centers. He  
44 summarized that they were an integrated system with things such as home health,  
45 physicians, technology, and community involvement, and he noted that the funding  
46 directly impacts the decision of what type of healthcare they want to have from a  
47 community perspective, commenting that they currently have a good healthcare system

1 with many services and outreaches. He also assured everyone that they were working  
2 diligently to be more cost effective throughout their organization and would continue to  
3 do so.

4  
5 Ms. Hanson asked about the impact of Obamacare.

6  
7 Mr. Ottati responded that there were definitely a lot of changes in healthcare in general,  
8 and it is a very challenging environment, especially in this community which has a lot of  
9 indigent patients. He reiterated that their goal is to continue to provide excellent service  
10 and high quality for their citizens in Lake County.

11  
12 Ms. Hanson stated that she believes they need to have a presentation from the County on  
13 what they anticipate the impact to the citizens would be if the District were dissolved.  
14 She received consensus from the Board to approach the County regarding that.

15  
16 WEBSITE

17  
18 Ms. Hanson thanked Mr. Jochim for bringing some of the problems with their website to  
19 their attention at the last meeting, some of which they were not aware of. She opined that  
20 she believed the website was currently functioning fine, and she suggested that they add a  
21 brief history of the District and a section that states goals, objectives, and some of the  
22 benefits that are provided to the county from the hospital district. She thanked Ms. Kirste  
23 and her department for the hard work that they did to get the website straightened out.

24  
25 Mr. Brown also indicated that he believed the website looked good.

26  
27 Mr. Jochim specified that the software used for the website is a content management  
28 system, and there was a lack of sort and view modes to be able to find data easily. He  
29 opined that the categorization of documents is inconsistent, and the whole organization  
30 needs to be revised so that it was useful, noting that there was no category for agendas  
31 and that a lot of the agendas were missing, since they were not retained as a separate  
32 document. He suggested that Ms. Kirste's office could talk to the developers of this  
33 website to clean up the data organization, and he recommended putting the law on the  
34 website the way that it was published rather than the draft of the original HB 1299 bill.  
35 He stated that he would send the board a list of things to look into so that they could see  
36 what they could do to revise them.

37  
38 Ms. Hanson commented that they appreciate Mr. Jochim's suggestions.

39  
40 OTHER BUSINESS

41  
42 Budget Amendment

43  
44 Mr. Bone stated that he wanted to discuss amending the budget for this year regarding the  
45 additional \$368,000 remaining in the budget.

46

1 On a motion by Mr. Bone, seconded by Mr. Talmadge and carried unanimously by a vote  
2 of 6-0, the NLCHD board approved to fully fund the clinics for their documented claims  
3 for this year which total \$235,059, leaving an additional \$132,941 to be allocated  
4 between LifeStream, Florida Hospital Waterman, and Central Florida Alliance.

5  
6 Request from Gateway Community Health Network

7  
8 Ms. Carol Millwater, Executive Director of the Lake Sumter Medical Society and We  
9 Care of Lake County, stated that she was speaking that night on behalf of the nonprofit  
10 Gateway Community Health Network, Inc., which was an FQHC health center lookalike  
11 serving north Lake County, and she mentioned that they met all FQHC requirements but  
12 received no federal grant funding support. She explained that Gateway offers  
13 comprehensive primary care, maternity services, and dental care for over 5,000 low-  
14 income, uninsured, and medically-underserved residents of north Lake County through  
15 locations in Umatilla, Leesburg, Fruitland Park, and a mobile dental van, and she  
16 elaborated that Gateway took over these programs from the Lake County Health  
17 Department beginning in 2012. She commented that there was still another 55,000 low-  
18 income and uninsured residents in north Lake County who are not receiving FQHC  
19 services, and she relayed a request from Gateway Community Health Network that the  
20 NLCHD provide a letter of support for them of their application for permanent federal  
21 FQHC funding which would enable them to continue to provide health access for north  
22 Lake County's underserved and to expand FQHC services for more of those residents.  
23 She pointed out that they would receive \$650,000 in annual federal support if their  
24 application was successful, and a successful new access point award is crucial to their  
25 sustainability as a lookalike given that their current chief funding source of a \$500,000  
26 Florida Medicaid LIP grant is scheduled to expire in June of 2015. She emphasized that  
27 they are only requesting a letter of support rather than money from the NLCHD to help  
28 validate the need for low-income primary care, maternity, and dental services in north  
29 Lake and recognize Gateway's current contribution in serving their low-income and  
30 uninsured residents. She mentioned that she had sent a packet with the backup  
31 information to the board members, and she noted that this is the first request they ever  
32 made to the board.

33  
34 Ms. Hanson commented that although this is not what they normally do, she believed it  
35 was worth looking at as an opportunity to expand services and bring in more funds.

36  
37 On a motion by Ms. Grossi, seconded by Mr. Brown and carried unanimously by a vote  
38 of 6-0, the NLCHD board moved to provide a letter of support for Gateway.

39  
40 Future Meetings

41  
42 Ms. Hanson announced that the next meeting will be January 22, 2015 at 5:30 p.m. in  
43 County Commission Chambers.

44  
45 Ms. Kirste reminded the remaining board members who were still on the board to keep in  
46 mind the tentative meeting dates that she provided, and they would address those at the  
47 January meeting.

1

2

Outgoing Board Members

3

4

Ms. Hanson thanked the outgoing board members, Mr. Bone, Mr. Brown, and Ms. Grossi, for their efforts and four years of service, noting that there had been challenges, and she related that the new members would be sworn in at the next meeting.

7

8

Mr. Bone commented that it has been his pleasure to serve on the board and to work with the hospitals, clinics, and the public to do their best to meet the needs of the people in the area who really need it. He added that this community is a great place to live with great health facilities, and he is glad they all work together to look out for those in need.

10

11

12

13

Mr. Brown commented that Ms. Hanson has done a great job as Chairman, and it has been a pleasure to serve with the board members. He related that it was a challenge to spend other people's money, and he opined that people also have to be accountable for their own health.

14

15

16

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18

Ms. Grossi stated that it has been a learning experience and a pleasure to serve on the board.

19

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21

ADJOURNMENT

22

23

Meeting adjourned at 6:47 p.m.

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Catherine C. Hanson, Chairman