

1 MINUTES OF SPECIAL MEETING OF NORTH LAKE COUNTY
2 HOSPITAL DISTRICT OF MAY 16, 2012
3

4 A special meeting of the North Lake County Hospital District (the "District") was held on
5 May 16, 2012 at 5:30 p.m. in County Commission Chambers, Administration Building,
6 315 W. Main Street, Tavares, Florida.
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8 Mr. Ken Carpenter, 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: Ken Carpenter, Chairman; Marilyn Bainter; Robert Bone; Roger
12 Beyers; Jerry Brown; and Frances Grossi.
13

14 OPENING REMARKS

15 Mr. Carpenter explained that the primary purpose of this meeting was to start doing what
16 they needed to in order to comply with the requirements of the new legislation that was
17 signed into law on April 27, commenting that there were many things that needed to be
18 implemented between now and the end of the fiscal year, some of which required
19 immediate attention, including advertisement of meetings on their website, and he noted
20 that since they do not yet have their own website, he advertised this meeting on the Lake
21 County website. He mentioned that the legislation also included some language with
22 regard to the election process going forward, such as electing their representatives in a
23 way that the County Commissioners are elected, although there were ambiguities
24 regarding that that they would be discussing. He commented that there is much in terms
25 of policies and procedures that would have to be created and adopted by the board, and
26 they will be looking for some guidance at this meeting about how they would do that and
27 the sources that are available. He added that the last item on the agenda was to discuss
28 the new lawsuit which has named the board as a defendant.
29

30 WEBSITE DISCUSSION

31 Mr. Carpenter recapped that they had chosen Mr. Bone to spearhead the website project
32 for them at the last meeting.
33

34 Mr. Bone noted that there were two quotes in the packet that they had received from
35 xclntdesign and KMS, Inc. to prepare the website consisting of four pages and to provide
36 training for staff to maintain the website as well as web posting. He specified that the
37 total cost that xclntdesign had given after a discount was \$2,064 with a proposal to do a
38 mobile version of the site for an additional \$500 and a newsletter management of \$100.
39 He reported that the quote from KMS, Inc. was for \$1,620, broken down into \$500 for the
40 website design, an annual host fee of \$120, and \$50 per hour for development, which was
41 anticipated to be 20 hours at a cost of \$1,000.
42

43 Mr. Carpenter asked if that included maintenance and uploading information such as
44 minutes, contracts, and audited financial statements or if they would be training the board
45 to do that.
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47 Mr. Bone responded that they would be training staff to upload that information.

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Ms. Bainter suggested that they ask the County's Information Technology (IT) Department to help them with this.

Mr. Bone related that that was the first thing he looked into, but the County's IT Department was not interested in being involved in that.

Ms. Bainter asked if the District has enough money available for this.

Mr. Carpenter responded that the balance sheet as of April 30 shows over \$2.2 million in the account and pointed out that there was plenty of money in the account for this expenditure. He also noted that it was a fund balance type of a budget, so if they did happen to run over on their operating expenses from their budget, those funds would be taken out of the funds that were designated for the hospitals.

Ms. Pat Sykes-Amos, Accountant for the District, added that they have also just received another check for \$290,000 from the delinquent and tax sales.

Mr. Brown commented that quality is more important to him than the small price difference between the two companies, and he wanted to go with whichever company was best.

Mr. Bone responded that both are good companies who would do a good job, specifying that KMS is a nationally-recognized company and that xclintdesign is a smaller company that will provide hands-on work on the site.

Mr. Carpenter commented that he did not think there would be a significant difference in quality between the two companies, so he would prefer to go with the cheaper estimate.

Mr. Beyers noted that the two quotes were not similar, since KMS did not indicate that it included email hosting, so he believed that they should verify in writing that the estimate given included everything that the other company included.

Mr. Bone stated that he could work on this on behalf of the board for a few weeks before he gets too busy to be able to do so.

On a motion by Mr. Brown, seconded by Ms. Grossi and carried unanimously by a vote of 6-0, the Board voted to award the website design to KMS, Inc., after verification that the email hosting was included in the estimate that they had given or if the estimate would still be less than xclintdesign's quote after including that in the total price; and giving Mr. Bone the authority to work on this and sign any documents that had to be signed with KMS, Inc.

Mr. Carpenter opined that time was of the essence to get the website going, and he believed they would have more special meetings before their next regularly-scheduled meetings in September. He also opined that he believed there would only be a nominal charge going forward for upkeep of the website after this initial expense.

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IMPLEMENTATION OF PROCEDURES FOR COMPLIANCE WITH HB 1299

Mr. Carpenter directed the board's attention to a memo in the packet identifying what changes were going to be required by the new legislation and indicating which ones needed immediate attention. He explained that the first change noted was that after current members finish their terms, terms thereafter are to be for four years with a two-term maximum, and that elections are carried out in the same manner as for county commissioners, who were elected for individual seats with lines drawn for each district. He stated that they currently have a northeast and northwest district, and there was a question regarding whether they have to draw lines. He explained that there was also a question regarding the financial disclosure forms that would be required, and they currently file Form 1, which requires very minimal information and a \$25 filing fee. He mentioned that the county commissioners currently are required to file Form 6, which is much more detailed as to their sources of income and assets and requires a significant filing fee or enough names on a petition, since their position is a paid position. He related that he learned from Rep. Larry Metz that his intent was that there be a seat for each of the six districts and that the nominees identify what seat they were running for in a partisan election. He noted that proposed Resolution 2012-01 essentially adopts those rules and instructs Ms. Emogene Stegall, the Supervisor of Elections, to run the election in that way.

Ms. Meredith Kirste, Attorney for the District, added that the candidate must live in the district he was running in on the date certifying the election, which was ten days after the election.

Mr. Carpenter clarified that Mr. Metz indicated that since this was a nonpaying job, the financial disclosure form would stay the same, since it was not his intention to create any hardships regarding this issue. He also noted that there was a default statute for special districts stating that Form 1 was the default form and \$25 was the default filing fee; however, the proposed resolution specifically identifies they would use Form 1 and pay a \$25 filing fee.

On a motion by Mr. Beyers, seconded by Ms. Bainter and carried by a vote of 6-0, the Board approved Resolution 2012-01.

Mr. Carpenter stated that the next item in the memo referred to notice and meetings as well as creation of a website that was required, and he noted that the required meetings were basically unchanged. The memo also covered ways to assure that tax dollars are properly spent, including eligibility verification criteria and procedure, estimated payment procedures, rules promulgated to require documentation of estimated funds provided to providers, requirement of hospitals to provide audited financial statements, and guidelines concerning audits. Mr. Carpenter also went over the guidelines for reporting, including the annual and all other financial statements, all audit reports of the district and providers, and an annual report providing a detailed review of performance of the district. He noted that there was a residential requirement that the patients have to be residents of the district as well as an income requirement of less than 200 percent of the federal poverty level. He noted that there are references in the legislation to a very

1 detailed process related to HCRA (Health Care Responsibility Act), but he understands
2 that most of that information is already being collected by the hospitals for indigent
3 patients. He pointed out that some required policies and procedures were going to need
4 to be established, and he believed that there were outside third-party vendors that can be
5 contracted to do this work and that the hospitals could give them some input. He relayed
6 that he has had informal discussions with representatives from the County indicating that
7 the District could get some assistance from them, such as with regard to qualifications for
8 the Medicaid reimbursement that the County is responsible for, and he proposed to
9 designate an individual to contact different agencies, the hospital, and the County to try to
10 come up with a recommendation or some alternatives for the District to consider in terms
11 of writing the policies and procedures. He relayed that his intent for this process was to
12 do everything as inexpensively as possible, and he believed it was very clear in the
13 legislation what needs to be done and documented.

14
15 Mr. Beyers expressed desire to have Mr. Carpenter continue in that endeavor and report
16 back to the board, since he already had some knowledge of it.

17
18 Mr. Carpenter indicated that he was willing to serve in that manner if the board instructs
19 him to do so.

20
21 Mr. Brown commented that he believed they should authorize him to be able to get
22 assistance.

23
24 Mr. Carpenter expressed his concern that he believes they should start on this as soon as
25 possible and stated that he would rather present a recommendation or proposal at a
26 special meeting after exploring the options. He was also concerned about complying
27 with Sunshine Law regulations, but believed that if the board gives him the ability to ask
28 people to help him and give him their opinions, it is not subject to the Sunshine Law
29 rules.

30
31 Ms. Bainter opined that they should think about hiring an executive director at least
32 temporarily to get all of this going for them.

33
34 Mr. Carpenter responded that he envisioned having an employee to do some of the audit
35 procedures on a periodic monthly or quarterly basis, but hopefully it will not be a full-
36 time position, and they could perhaps work something out with the County.

37
38 Mr. Bone asked if they would do a Request for Proposal (RFP) for someone to implement
39 the legislation and monitor that information.

40
41 Mr. Carpenter answered that he might bring back a recommendation to send out the RFP
42 at the next special meeting depending on what route the majority of the board wants;
43 however, he did not know what they would find out until they actually get into the
44 process. He also commented that there may be policies and procedures in place
45 somewhere else that they could adopt with very little cost involved, although that may
46 not be possible considering that this legislation is unique, and they may need to start from
47 scratch. He pointed out that the legislation also requires them to maintain a local office.

1 He also commented that they will have more power than they had before in determining
2 where the money would be sent, and they would have the opportunity to choose which
3 providers they believe could best and most efficiently provide the service, so there will be
4 quite a bit to consider going forward.

5
6 Mr. Beyers asked if the employee would be responsible for things other than audits.

7
8 Mr. Carpenter responded that they would probably be updating the website, answering a
9 phone line set up for the District if they were required to have one, and writing the reports
10 that would be presented to the board for approval.

11
12 Mr. Beyers asked if the legislation indicates when the audits need to begin and the
13 timeframe for the audits.

14
15 Mr. Carpenter answered that it would probably be in the next tax year.

16
17 Mr. Vance Jochim, a resident of Tavares and a writer of a blog regarding fiscal issues,
18 suggested that rather than a detailed RFP they put an ad out to issue a request for a
19 qualified applicant for an administrator, a temporary or contract executive director,
20 providers such as clinic owners, and quality assurance, qualifying that applicants need to
21 have health care experience. He added that they could also talk to the County, and he
22 mentioned that they could put those documents on a website once that was established.

23
24 Ms. Bainter commented that they should think about securing office space, and she
25 believed they needed to hire some type of administrator to get started with all of this.

26
27 Mr. Carpenter replied that they do not have anything for that individual to do at this point
28 in time or any policies and procedures to follow, and he would rather wait until the next
29 special meeting, which he intends to be within the next 30 days. He added that ultimately
30 there will be policies and procedures and a packet of information or form that any
31 provider that wishes to be reimbursed for indigent care from this tax needs to complete to
32 be presented, considered, and voted on by the board; and they need to find someone to
33 help them get to that point first.

34
35 Dr. Tully Patrowicz, who had previously served on this board when it was first
36 implemented in the 1990's, opined that he believed a proposal for an RFP was
37 worthwhile, and the source of authoritarian views on issues they had to deal with would
38 probably be best coming from the healthcare attorney profession, who are used to dealing
39 with problems like this. He commented that this was a complex issue, and the public
40 needs to be protected as well as the hospitals, physicians, and clinics.

41
42 Mr. Carpenter asked Dr. Patrowicz, who had been involved in WeCare for many years, if
43 there were policies and procedures in effect for that organization.

44
45 Dr. Patrowicz answered that they had qualifications, a minimum financial statement, and
46 proof of residency that had to be provided.

47

1 Ms. Anita Young, Treasurer for WeCare, elaborated that they do have policies and
2 procedures in place and documentation that had to be provided, and she would be happy
3 to share those with the board.

4
5 Ms. Frances Crunk, Chief Financial Officer for Florida Hospital Waterman, related that
6 they have been coordinating with the West Volusia Taxing Authority since this bill was
7 passed, since two of their sister institutions located in Volusia County participate in an
8 arrangement similar to this where they bill the taxing authority on an individual basis,
9 and they have obtained some information from them, including the filing requirements
10 and the application that was needed that she believed could be used as another resource.

11
12 Mr. Ken Mattison, President and CEO of Florida Hospital Waterman, offered to put
13 together in collaboration with the institutions that are currently involved in providing care
14 sample policies that could be utilized if that would be of help to the board and maybe
15 even a proposal for the board's consideration as they move forward, if they could
16 somehow overcome the perception that it would be self-serving of the hospitals.

17
18 Mr. Carpenter responded that would be his concern as well, although he appreciates that
19 offer, but he believes that could be one of many other sources that the board could look at
20 and consider for policies and procedures; and he would be happy to receive that.

21
22 Ms. Diane Harden, Chief Financial Officer of Leesburg Regional Hospital, related that
23 they do have policies, procedures, and documentation already in place that they follow in
24 an attempt to comply with those types of requirements, and they would be happy to work
25 with the board on anything they would like.

26
27 Ms. Dottie Keedy, Community Services Director for Lake County, stated that the County
28 was willing to enter into any kind of discussions with the board, although they would
29 have to clarify exactly what they needed.

30
31 Ms. Evelyn Logas, a retired medical social worker that had worked in coordination with
32 the hospitals to get assistance for indigent patients, asked who would be audited.

33
34 Mr. Carpenter responded that it would be any approved providers that document
35 information regarding patients who are getting reimbursement for medical care similar to
36 what they are getting now to make sure they are residents of the District and meet income
37 requirements, as well as the medical necessity of that care.

38
39 Ms. Sykes-Amos suggested that Mr. Carpenter talk to WeCare staff, since they already
40 have interviewed people who need the service and have policies, procedures, and forms,
41 and the District could possibly even contract with them to do all of this, since they
42 already have an address and phone.

43
44 Ms. Teresa Davis, a citizen of Lake County, asked whether members of this board could
45 talk with members of other similar boards under the Sunshine Law to find out what their
46 policies and procedures are.

1 Mr. Carpenter answered that they could do that individually, but not all together.

2
3 Mr. Bone asked if they should hire someone to do the RFP.

4
5 Mr. Carpenter commented that he believed the County could easily do an RFP, and he
6 could also look at some RFP's that he had received as an example.

7
8 Ms. Kirste indicated that she believes she can draft the RFP with possible assistance from
9 the County, but the difficult part will be promulgating the rules and procedures and hiring
10 someone to implement those.

11
12 Ms. Grossi stated that she would like to have the information that Mr. Carpenter gathers
13 sent to the board members ahead of time for consideration before the next meeting.

14
15 On a motion by Mr. Bone, seconded by Mr. Beyers and carried unanimously by a vote of
16 6-0, the board moved to allow Mr. Carpenter to continue discussions with those entities
17 he feels is appropriate and make recommendations at another special meeting regarding
18 how they should proceed within 30 days.

19
20 CIVIL COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

21
22 Ms. Kirste explained that there is a copy of the civil complaint for declaratory and
23 injunctive relief, which is the new lawsuit that has been filed on behalf of Marilyn and
24 Stan Bainter; the Defendant North Lake County Hospital District's Motion to Stay Action
25 And For More Definite Statement, which is the response that has been filed to this
26 complaint; and a status letter from Stone & Gerken as to the first lawsuit with the
27 Appellees' Motion for Partial Dismissal. She related that she co-counseled with Stone &
28 Gerken, because the board had not yet approved their representation in the second
29 lawsuit, and she believed on the table is whether the board wishes to retain the law firm
30 of Stone & Gerken at their current rate to continue representation in the second lawsuit.

31
32 On a motion by Mr. Brown, seconded by Mr. Bone and carried by a vote of 5-0, the
33 board moved to retain the law firm of Stone & Gerken to represent the board in the
34 second lawsuit.

35
36 Ms. Bainter abstained from the vote, since she was a plaintiff in that lawsuit.

37
38 Mr. Carpenter explained that because of their involvement with the lawsuit, Stone &
39 Gerken was also retained by Ms. Kirste to assist with a non-litigation part of this special
40 meeting to put together the analysis that was forwarded to the board and in drafting the
41 resolution, and he asked for a motion to pay them for their work at the rate that Ms.
42 Kirste is currently paid by the board.

43
44 On a motion by Mr. Beyers, seconded by Mr. Brown and carried by a vote of 5-0, the
45 board approved payment to Stone & Gerken for the above-mentioned work at a rate
46 currently paid to Ms. Kirste by the board.

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1 Ms. Bainter abstained from the vote.

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3 ADJOURNMENT

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5 There being no further business to be brought before the board, the meeting was
6 adjourned at 7:00 p.m.

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Ken Carpenter, Chairman