

1 MINUTES OF REGULAR MEETING OF NORTH LAKE COUNTY
2 HOSPITAL DISTRICT OF SEPTEMBER 27, 2012
3

4 A regular budget meeting of the North Lake County Hospital District (the "District") was
5 held on September 27, 2012 at 5:15 p.m. in County Commission Chambers,
6 Administration Building, 315 W. Main Street, Tavares, Florida.
7

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 MINUTE APPROVAL
15

16 On a motion by Mr. Beyers, seconded by Mr. Bone and carried unanimously by a vote of
17 6-0, the board approved the minutes of the NLCHD meeting of September 13, 2012 as
18 presented.
19

20 Ms. Bainter clarified that at the last meeting, she voted against letting the Chairman sign
21 the agreement with Moore Stephens Lovelace for auditing services because of a clause in
22 that agreement that states that the District is also responsible for making all management
23 decisions, performing all management functions, and designating an individual of
24 suitable skills, knowledge, and experience to oversee the service they provide and for
25 evaluating the receipt and result of those services as well accepting responsibility for
26 them. She stated that since they have not decided yet who that person is going to be, she
27 believed they needed to make that decision.
28

29 Mr. Carpenter stated that he was well aware of that clause in the agreed-upon procedures
30 engagement agreement and was prepared to be that designated person; however, since he
31 is not going to be on the board, he was going to recommend that Pat Sykes-Amos be that
32 person and a liaison that would report any problems that needed to be addressed to the
33 Chairman. He also envisioned having the board meet quarterly on an on-going basis to
34 discuss the results of each quarterly audit or agreed-upon procedures.
35

36 PRESENTATION FROM HOSPITALS
37

38 Mr. Ken Mattison, President of Florida Hospital Waterman (Waterman), recapped that he
39 talked about some clinical initiatives at the last meeting and their efforts to provide
40 resources to help with the prevention of disease, and he would discuss at this meeting the
41 results of a recently-completed study that examines the financial impact of Waterman on
42 the community of Lake County and its citizens done by researchers Dr. Timothy Rotarius
43 and Dr. Aaron Liberman.
44

45 Dr. Rotarius explained that they were asked by Florida Hospital Waterman to conduct a
46 Financial Impact Analysis, which was a research study that they have performed for
47 several organizations that attempts to quantify the financial value that an organization

1 brings to the local community that it serves, and the purpose of this particular study was
2 to determine Waterman's impact as a hospital system and investment within the
3 community, including employees, health care treatment provided, construction projects,
4 and community involvement of staff. He stated that the research question centered on
5 what would be the financial impact on the region if that hospital was no longer available
6 to the citizens of Lake County. He gave some background information indicating that the
7 ten largest non-governmental firms in the county employ over 11,000 employees, with
8 the three healthcare providers representing 40 percent of this total and Waterman alone
9 representing 14.5 percent or 1,639 employees, and he pointed out that each employee
10 ends up creating more jobs out in the community. He also noted that the percentage of
11 employers offering health insurance is trending down, dropping down to 46 percent in
12 Florida in 2010, and he related that Waterman was currently expanding its facilities from
13 204 to 269 beds, which is a 29 percent expansion, by the end of this year. He listed eight
14 ways Waterman contributes to the county, including as a consumer of local goods and
15 services which creates a ripple effect of creating jobs in the local economy, as a major
16 local employer, through capital investments of \$6.8 million, by providing \$22.7 million
17 in uncompensated care to their patients, as an entity that pays \$2.3 million in property
18 and other local taxes, through about \$1 million in organizational involvement in the
19 community such as health fairs, and through about \$580,000 in faith-based initiatives.
20 He explained about the economic concept of multipliers and listed them as employment,
21 income, output, and construction multipliers. He further specified that the employment
22 multiplier predicts that every 2,000 jobs creates and sustains another 730 jobs in the
23 community; the income multiplier states that every \$1,000 in salaries generates \$480 in
24 disposable income by Waterman employees; and the construction multiplier states that
25 every \$1,000 the hospital invests in new construction generates \$410 in community
26 value. He concluded that Waterman contributes over \$290 million to Lake County,
27 which makes up 8.4 percent of the total economy of the county.

28
29 Mr. Don Henderson, President/CEO of Central Florida Health Alliance, related that
30 Leesburg Regional Medical Center (LRMC) was requesting \$3,541,410, which was a
31 decrease of about \$384,000 from the previous year, and he assured the board that LRMC
32 believes they would use much more than that for the community's benefit for the many
33 thousands of indigent patients they serve in their hospital, diagnostic areas, and
34 emergency department. He mentioned that there was an update for their fiscal year 2012
35 showing that the benefit to the underprivileged was recalculated at \$14,363,979 including
36 the shortfall to Medicare and Medicaid, and their total investment to the community is
37 \$22,684,186, taking into consideration the aforementioned benefit to the underprivileged
38 along with the benefits to the elderly, to the community's overall health and fitness, and
39 investment in capital improvements. He also commented that the hospital was going
40 through an extensive management re-engineering process so that they can operate with
41 what only Medicare will pay, since they believe that commercial rates will eventually go
42 down to that level. He related that they initiated a program for the community offering
43 CT scans of the lungs at a greatly reduced rate, which is finding that 40 percent of the
44 patients receiving those need significant further medical treatment, and they also do other
45 kinds of screenings at their health fairs which diagnose health problems before becoming
46 more serious and expensive. He recapped that the hospital was undergoing much-needed

1 major renovations, and he expects the hospital's capital expenditure to increase next year
2 as a result.

3
4 Mr. Henderson also reported that Fishkind & Associates did a study in 2010 which
5 showed \$178.2 million in direct economic output from LRMC; that they employ 1,900
6 employees, which had a ripple effect of creating 700 additional jobs; and that the total
7 economic impact is \$287.7 million on the local economy, which is similar to the
8 Waterman impact. He related that the study also showed that the hospitals work very
9 closely with the private medical community and that 579 jobs were estimated to be
10 created that were related to physicians who are affiliated with LRMC. In addition, the
11 study showed that the capital improvements programs supported 1,335 jobs related to
12 construction. He assured the board that LRMC was a very conservative steward of the
13 County's resources and will work hard to put the tax money to good use.

14
15 Mr. Carpenter added that the materials in the packet contained information on the number
16 of encounters incurred in calendar year 2011 from both hospitals and an estimate of the
17 number of encounters for the next fiscal year ending June 30 that supports their request
18 for the tax district proceeds.

19
20 Mr. Bone asked what the requested amount was for LRMC.

21
22 Mr. Henderson responded that one mil would be \$3,541,410, and he pointed out that it
23 was \$384,000 less than last year's request for \$3,925,000.

24
25 Mr. Carpenter suggested that the District reimburse the clinics directly instead of being
26 an in-kind donation from the hospital included in their costs.

27
28 Mr. Howard Weiner from LifeStream Behavioral Center noted that LifeStream is the
29 only psychiatric hospital in the two-county area and receives all patients from the
30 hospitals' emergency rooms that need their services. He reported that approximately 35
31 percent of their patients are indigent, and he mentioned that they were requesting about
32 the same proportion of the proceeds as last year. He also related that they give out
33 \$300,000 to \$400,000 worth of free medications for month to their clients.

34
35 Mr. Carpenter pointed out that the estimated number of encounters and the cost numbers
36 were provided at the last meeting but not included in this package, and he believed that
37 the number was in excess of \$1 million of costs that LifeStream incurred, and the
38 proposed allocation was about \$435,000, which was comparable to prior years.

39
40 Ms. Bainter asked if he had also requested \$135,000 for the clinic.

41
42 Mr. Weiner answered that he had requested \$135,000 for the proposed new clinic in the
43 Eustis area if they get LIP funding that would provide coordinated medical care to their
44 psychiatric patients who do not have any other medical home; however, they have not
45 heard yet whether they were granted that funding. He elaborated that they already have a
46 clinic like this in Leesburg that is being funded by the federal government.

1 PROPOSED POLICY FOR CLINICS RECEIVING DISTRICT TAX PROCEEDS

2
3 Mr. Carpenter recapped that he had provided a document at the last meeting listing the
4 proposed policy and requirements for primary care clinics receiving the Hospital District
5 Tax Proceeds, including the right for the board to select which primary care clinics will
6 receive funds, requirement of the location of the clinic to be in the North Lake County
7 Hospital District, residency and income requirements of patients, maintenance and
8 submittal of written documentation, a provision that no personal patient information shall
9 be included on the worksheet which would violate privacy laws, and a requirement of
10 reimbursement for excess of tax proceeds received over the documented indigent care
11 amount. He further explained that every one of the recipients of the tax proceeds would
12 be required to submit information that would be subject to these agreed-upon procedures
13 for verification indicating what clients were seen, which procedures were provided, the
14 cost calculation, the Medicare reimbursement amount, and a clear calculation of the
15 amount that is due under the legislation. He opined that they could not get any better
16 than that from an accountability standpoint, and he believes the public will be happy with
17 the procedures they would be using to verify those costs. He explained that he added
18 item number 9 to this document stating that the clinics must provide their agreements
19 with the Department of Health to clarify any sovereign immunity questions that had come
20 up. He believed they would have to create another contract between the clinic and the
21 Tax District, and he recommended that the board allow Ms. Kirste to come up with that
22 contract. He also gave an update indicating that F.S. 768.28 does provide sovereign
23 immunity coverage the clinics were seeking and that the clinics no longer had an issue
24 with that. He reported that they now have five very specific requests for dollar amounts
25 from each of the major clinics in the area covered by the District.

26
27 Mr. Bone suggested wording that states “or such contract provided by the District as the
28 District deems necessary” instead of “or the equivalent to this contract” for number 9, as
29 well as to add a number 10 requiring compliance with such other reasonably necessary
30 policies and requirements that the District may impose at the District’s sole discretion.

31
32 Mr. Carpenter commented that he agreed with those suggestions.

33
34 On a motion by Mr. Brown, seconded by Mr. Beyers and carried unanimously by a vote
35 of 6-0, the board adopted the Proposed Policy and Requirements for the Primary Care
36 Clinics Receiving Hospital District Tax Proceeds document as amended by the
37 aforementioned changes suggested by Mr. Bone.

38
39 REQUIRING AUDIT OF PROVIDERS RECEIVING LESS THAN 10 PERCENT OF
40 TAX PROCEEDS

41
42 Mr. Carpenter stated that a decision regarding this issue was postponed at the last
43 meeting, but he believed that the general consensus of the board was that all the
44 recipients of the tax proceeds be subject to documentation requirements for the first year.

1 Mr. Brown opined that they should do it on a case by case basis because of the costs
2 involved for the clinics to be able to provide that documentation, although he thought it
3 might be worthwhile for the first year to do so.

4
5 Mr. Bone stated that he believed that it would be good to document that information for
6 the review period with the legislation.

7
8 Mr. Carpenter commented that although he agrees it may be cost prohibitive for some of
9 the clinics that do not have the software to create universal billings for the reimbursement
10 calculation, the clinics have indicated that they are willing and able to comply with the
11 eligibility documentation; however, at some point in the future the board will make a
12 decision about whether to go forward with the auditing of those clinics receiving less than
13 ten percent.

14
15 On a motion by Mr. Bone, seconded by Ms. Grossi and carried by a vote of 5-1, with Mr.
16 Brown voting “no,” the board approved a requirement that all the recipients of the tax
17 proceeds be subject to documentation requirements and agreed-upon procedures for the
18 first year.

19
20 REQUEST FROM FREE CLINICS

21
22 St. Lukes Free Clinic

23 Ms. Karen Beary, Vice President of Catholic Charities of Central Florida, requested
24 \$100,500 from the tax proceeds for the St. Lukes Free Clinic, which is estimated to the
25 best of their ability according to the Medicare value rate for their patient visits. She
26 related that the table on page 3 of her backup material showed the amount of patient visits
27 that they see annually that are not covered by LIP funds calculating the average Medicare
28 value at \$75 per repeat patient visit and \$200 per new patient visit. She summarized that
29 there were 660 patient visits a year for a total of \$70,500 if they had billed for those
30 services. She mentioned that Mr. Mattison from Florida Hospital Waterman shared the
31 CPT codes with her, and the surgeons gave her the codes for the surgeries that were
32 performed; however, she commented that they will probably have to hire a part-time
33 employee to make sure that the values they document are accurate. She also calculated
34 the value of the surgeries at \$30,000 per year and the value of diagnostic services at
35 \$57,120 for a total budget of \$209,000, \$80,000 of which is covered under LIP funds.
36 She also pointed out that they were not requesting the money for the lab and diagnostic
37 services, which were a huge problem for them, and they are paying for as much of that as
38 they can.

39
40 Mr. Carpenter noted that the table did not include dental visits, and he also asked whether
41 their \$80,000 LIP grant would be discontinued.

42
43 Ms. Beary responded that Rep. Metz indicated that the intent of this legislation was
44 specifically medical, but the clinic will be covering all of those dental services under their
45 normal budget. Also, she related that all of the LIP funding is probably going to be
46 discontinued and not refunded, and she expressed concern about sustaining the great
47 programs they built and that the patients would end up in the emergency room if they

1 could not serve their needs, which they have been working to avert. She added that they
2 will still have sovereign immunity, although not as comprehensive and well-defined as
3 F.S. 766.

4
5 Mr. Carpenter pointed out that St. Lukes was subject to an audit by the Department of
6 Health on an annual basis and has gotten stellar results for their documentation, so he did
7 not think they would have a problem with documentation for the District.

8
9 Community Health Centers

10 Ms. Barbara Snell, President and CEO of Community Health Centers, a private not-for-
11 profit company that is celebrating their 40th year and that has a clinic in Leesburg and
12 Groveland, related that they operate medical and dental services for low-income
13 uninsured and Medicaid families throughout Orange and Lake Counties. She noted that
14 they are a federally-qualified health care center and are required to never turn anyone
15 away for their inability to pay, and fees for their services are based on the patient's ability
16 to pay, with most paying an average of \$20 per visit. She mentioned that their physicians
17 provide family practice and pediatric care, and they also operate a 340B pharmacy
18 providing significantly reduced prices. She clarified that they receive no funding from
19 local hospitals.

20
21 Mr. Mark Dickinson, CFO of Community Health Centers, specified that they have seen
22 over 2,000 patients and 6,000 visits for those at 200 percent of poverty level or below, as
23 well as a large number of Medicare and Medicaid patients. He asked for assistance
24 taking care of their patients who were at or below 200 percent of poverty level, pointing
25 out that they do not raise their nominal fee when the price of healthcare increases. He
26 explained that they charge a nominal fee to encourage patients to take more responsibility
27 for their healthcare and to keep patients more involved and active in that care. He
28 reported that their clinic provided about \$500,000 worth of care to indigent patients at the
29 Leesburg clinic and over \$100,000 of pharmacy services, and he requested \$150,000
30 from the District to offset some of the costs of providing charity care. He mentioned that
31 they keep electronic health records and have no issues with any kind of documentation.

32
33 Ms. Snell added that in order to be eligible for their federal coverage, they have to
34 demonstrate that all of their medical providers meet specific criteria and credentials
35 required and that they meet quality standards for health outcomes.

36
37 In response to a question from Ms. Bainter, Mr. Dickinson specified that 28 percent of
38 their funding is from grants and 72 percent is from patient fees that they charge, and he
39 pointed out that 47 percent of their patients are uninsured.

40
41 Mr. Carpenter asked about their ability to expand and their wait time.

42
43 Mr. Dickinson responded that there are wait times.

44
45 Ms. Snell added that they have just completed their strategic planning retreat with their
46 volunteer Board of Directors, where they committed that for the next three years they will
47 look at expanding their services due to significant need in areas that have gaps.

1

2 Mr. Carpenter asked her to provide written backup materials regarding some of the
3 information she provided, including the number of patients they see, the dollar amounts,
4 and percentages, which he believed would be helpful from a documentation standpoint.

5

6 LifeStream Behavioral Center

7 Mr. Carpenter related that he provided a copy of the grant that was submitted by
8 LifeStream to the LIP program for funding in the total amount of \$320,000, of which
9 \$135,264 was required to be obtained from local government sources and \$184,736
10 would be obtained from LIP, including detailed information including the number of
11 patients they think they would see.

12

13 Mr. Howard Weiner related that if they do not get the funding, they probably will not
14 operate this program right away, but he noted that they have been successful in obtaining
15 grants and that they are committed to this service. He pointed out that their patients die
16 about 25 years younger than the average person and that many do not have a primary care
17 physician. He also stated that they have already built a rapport with those patients, and
18 they could provide one treatment plan and system for them as opposed to multiple
19 treatment plans.

20

21 Community Primary Health Clinic

22 Ms. Melissa Simmes, Clinic Manager for the Florida Hospital Waterman Community
23 Primary Health Clinic, reported that their request was for \$225,000 in order to support
24 increased access to healthcare for the uninsured population in the area, and funds would
25 be requested based on their quarterly report and on documentation indicating financially
26 qualified individuals who have received healthcare at the clinic during each period
27 according to the requirements of HB 1299. She noted that they have included some
28 background information in the materials provided about the clinic, including that patients
29 must be at or below 150 percent of the federal poverty level and uninsured, and she listed
30 some of their current identification requirements. She stated that the clinic saw some
31 opportunity for growth in the future, and she reported that their current annual operating
32 budget for 2012 is \$249,000, excluding grant funding of \$219,000 from Lake Health
33 Partnership for expansion of services and \$19,000 from a Susan G. Komen grant for
34 mammograms. She also mentioned that the clinic receives ancillary support from the
35 hospital at a value of \$1.3 million from January through August 2012, which averages
36 \$162,800 per month. She presented a chart showing the estimated Medicare
37 reimbursement compared to operating costs using an estimated blended rate for
38 established and new patients and noted that based on their 2011 numbers, \$180,000
39 would be the estimated Medicare payment. She explained that the difference between
40 that figure and the request is due to the opportunity in growth to 200 percent of the
41 federal poverty level.

42

43 Community Medical Care Center

44 Mr. Samuel Smith, Executive Director of Community Medical Care Center located in
45 Leesburg, stated that since 1996 the First Baptist Church of Leesburg and LRMC
46 (through Central Florida Health Alliance) have partnered to offer care for tens of
47 thousands of indigent patients, including 7,883 visits last year, and 5,715 visits were

1 eligible out of those under the guidelines that are set forth in the recent legislation. He
2 related that they expect a growth of about 3 percent and have grown 16 percent in the last
3 three years, and he mentioned that they were similar to Waterman's clinic in their
4 requirements. He commented that their costs of \$53.52 per patient were lower than the
5 Medicare reimbursement rate, which is made possible by 75 medical professionals who
6 volunteer their time, and he mentioned that many of their patients were seriously ill. He
7 commented that they treat the people who are the sickest at low cost, keeping them out of
8 the emergency room. He added that they also receive about \$1.2 million a year in
9 donated medicine. He opined that their economic impact is significant, and their clientele
10 is desperately in need. He concluded that their request for \$315,018.72 for 2013 is very
11 much in order.

12
13 Mr. Carpenter referred to an Approved Allocation of Net Tax Revenue worksheet which
14 he handed out listing the potential recipients of the tax proceeds and the amounts
15 requested, and he stated that the total amount requested from the five clinics amounts to
16 \$925,783, adding that LifeStream's request is \$435,000. He illustrated the calculation of
17 the amounts to the acute care hospitals and the total estimated tax proceeds distributed,
18 including the carryover from the prior year plus the current year. He commented that
19 based on the presentations given, he was in favor of funding the entire request from all of
20 the clinics that made a presentation as well as from LifeStream and the acute care
21 hospitals, and he pointed out that all of the amounts were "up to" amounts. He explained
22 that they would fund the healthcare entities on a quarterly basis based on the amounts on
23 the quarterly reports, and he urged the board to be flexible about the cash flow of those
24 allocations so as not to create a hardship for any of the healthcare providers.

25
26 BUDGET AND RELATED BUDGET ITEMS DISCUSSION

27
28 Ms. Pat Sykes-Amos, Accountant for the District, recapped that the board passes the
29 budget at the fund level and noted that on the worksheet the administrative-type items
30 listed are just to give the board an idea of how the money would be disbursed over the
31 year. She pointed out that only the allocations and not the total expenditures have
32 changed, noting that she had to increase the allocation for auditing, because the contract
33 was for a greater amount than what she estimated in July, which reduced the care costs.
34 She specified that if the board approves the budget at 1 mil, the total would be
35 \$9,189,532.

36
37 Mr. Carpenter asked if approval of the budget would include the single line items for
38 health care payments and mental health and primary care clinics.

39
40 Ms. Sykes-Amos explained that those details are not included in approval of the budget,
41 and those allocations would be by a separate decision of the board. She also related that
42 this budget is only based on the current ad valorem.

43
44 Mr. Carpenter recapped that at the last meeting there was some concern about being able
45 to make the quarterly payments designated within the letters of agreement for the
46 hospitals to participate in the Medicaid matching programs. He commented that most
47 property owners pay their property taxes early in order to get the maximum discount in

1 November and December, and based on the budget worksheet, he did not believe there
2 would be a problem. He also pointed out that there was a fairly large carry-forward
3 number from the prior year of \$780,000, and there was a question of whether the old or
4 current statute would apply for the distribution of those funds, since there was no prior
5 case law that they could fall back on to determine that. He thanked the hospitals for
6 indicating that they would relinquish their right to those funds so that it would be
7 available for distribution to all the recipients of the tax proceeds for the current year.

8
9 RECITATION FOR THE RECORD

10
11 Ms. Kirste stated that the name of the taxing authority is the North Lake County Hospital
12 District, the rollback rate is 1.074 mills which represents a decrease in the property tax
13 levy of 6.89 percent, and the millage rate to be levied is 1.0 mill.

14
15 WAIVER OF THE READING OF ENTIRE PROPOSED RESOLUTIONS

16
17 On a motion by Mr. Bone, seconded by Mr. Brown and carried by a vote of 6-0, the
18 board voted to waive the reading of the entire Resolution 2012-01 and Resolution 2012-
19 02.

20
21 Ms. Kirste read the proposed Resolutions 2012-01 and 2012-02 by title only.

22
23 PUBLIC HEARINGS

24
25 Mr. Vance Jochim, a resident of Tavares who writes a blog called FiscalRangers.com,
26 expressed that he is pleased to see that more clinics are being added to the eligibility list
27 to receive the funds rather than just naming hospitals to receive the funds because the
28 intent of HB 1299 was to implement competition. He mentioned that he has heard that
29 the LIP program provides a significant match to clinics, but he also heard that the LIP
30 program may be eliminated and he suggested the board discuss that because if it is not
31 eliminated it seems as though the clinics are going to receive a greater match than what
32 the hospitals receive from the buyback match program. He pointed out that the
33 presentation on the economic value of Waterman Hospital provided a lot of information,
34 but he thought it did not have anything to do with whether or not the funds would be
35 allocated to the hospital. He indicated that reallocating the funds from the hospital to a
36 clinic only meant that the jobs would be moved to a different employer, so jobs are not
37 being lost or added.

38
39 Ms. Evelyn Logas, a resident of Mount Dora, stated that she is also pleased to see the
40 clinics that have come forward to request money because having worked in the healthcare
41 field, she understood the financial struggle of clinics. She questioned the district's
42 allocation of the money and noted that Waterman, which is a not-for-profit hospital, is
43 going to receive around \$4 million to help with indigent care and now they are asking for
44 assistance with their clinic that also supports the indigent. She added that they also
45 receive money from the LIP program and she wondered why they were getting more
46 money when they had a \$20.5 million surplus this year. She expressed that LRMC was
47 different because they provide indigent care as well as care for the homeless, so LRMC

1 should receive as much as the district could give them. She also mentioned that
2 LifeStream deserved more than the hospitals because they have always been
3 underfunded.

4
5 Mr. Samuel Smith clarified that the LIP funding is not matching money and that the
6 hospitals have to apply for the money the same as with any other State funded grant and
7 then the State determines whether or not the hospitals receive any money.

8
9 There being no one else who wished to speak, the Chairman closed the public hearing.

10
11 BOARD ACTION

12
13 On a motion by Mr. Bone, seconded by Mr. Brown and carried by a roll-call vote of 5-1,
14 with Ms. Bainter voting “no,” the board approved Resolution 2012-01 adopting the
15 millage rate of 1.0 mill.

16
17 Mr. Carpenter commented that the board is heading in the right direction and that the
18 legislation did not allow the board to immediately cut off funding for the hospitals, which
19 is where the majority of the indigent care cost is being expended and move it over to the
20 clinics. He stated that the clinics are limited on facilities and volunteer physicians and
21 that the recommended allocations are hopefully going to provide some relief to their
22 budgets and allow them to expand their services and facilities, and get new equipment
23 with the ultimate goal of redirecting the indigent patients out of the emergency
24 department. He clarified that the \$20.5 million surplus for Waterman is not being
25 pocketed by anyone and that the money is going towards paying down debt and paying
26 for improvements to the facility and for new equipment. He opined that no one is
27 profiting more than they should and that it would not be wise to reduce the number of
28 dollars they are collecting this year.

29
30 Ms. Bainter made a motion to amend Resolution 2012-01 for a millage rate of .30 mills.
31 She specified that amount would generate \$2.5 million and would be enough money to
32 fund the clinics and enough for the board to operate next year. The motion died due to a
33 lack of a second.

34
35 Ms. Bainter made a motion to amend Resolution 2012-01 for a millage rate of .40 mills.
36 She specified that amount would generate \$3.362 million. The motion died due to a lack
37 of a second.

38
39 On a motion by Mr. Brown, seconded by Mr. Bone and carried by a roll-call vote of 5-1,
40 with Ms. Bainter voting “no,” the board approved Resolution 2012-02 adopting the
41 budget for the 2012-2013 fiscal year.

42
43 LETTERS OF AGREEMENT

44
45 Ms. Kirste stated that the two letters of agreement, the buyback and the public exemption
46 are included in the package and the figures are not to exceed the two figures in paragraph

1 2 of both letters of agreement. She added that those figures were previously provided to
2 the board.

3
4 Mr. Carpenter asked which letter of agreement is for Waterman.

5
6 Ms. Frances Crunk, Chief Financial Officer of Florida Hospital Waterman, replied that
7 the \$2,610,243 is for the buyback matching program through the Agency for Health Care
8 Administration (AHCA) and the \$7,273,871 is for the exemption matching program
9 through AHCA.

10
11 Mr. Carpenter mentioned that the two numbers collectively are just under \$10 million and
12 there is not going to be \$10 million in tax proceeds, and he asked how the amounts are
13 going to be allocated between the hospitals.

14
15 Ms. Crunk responded that the state has provided a participation amount for each of the
16 hospitals in those agreements and that a portion identified from AHCA is for Leesburg
17 and a portion is for Waterman to fully participate in both of those programs. She added
18 that they have the ability to participate in a portion of that depending on the amount of
19 funds that are available. She commented that it is likely that Leesburg will only
20 participate in one of the programs, but based on the distribution for Waterman, there is
21 adequate funding to participate in both programs. She also indicated that the LIP
22 program is available this year and requested to use any additional funds left over after
23 participation in the programs towards the LIP program.

24
25 Mr. Carpenter asked what the matching percentage is this year and if a new letter of
26 agreement would need to be executed.

27
28 Ms. Crunk replied that it is eight percent and that she did not have the letter of agreement
29 but could get it tomorrow.

30
31 Ms. Sykes-Amos mentioned that last year the board gave the Chairman approval to sign
32 the final letters of agreement with a revision that the amounts in the agreements did not
33 exceed the allocated amounts.

34
35 Mr. Carpenter asked Ms. Crunk if she thinks that the dollar amounts in the agreements
36 are going to change.

37
38 Ms. Crunk explained that there are some credits available due to over collection from the
39 prior year that AHCA will allocate to the hospitals, so that could reduce the funding
40 required for both hospitals. She noted that she did not know what the amount is yet.

41
42 Mr. Carpenter pointed out that this has never been an issue before because the money in
43 the agreements have always been less than the estimated tax to be collected and he was
44 concerned about having a liability for not making a payment since there are very specific
45 dates when the money is due. He asked if the board can legally sign the letters of
46 agreement.

47

1 Ms. Kirste stated that it is her understanding that the letters of agreement will be amended
2 tomorrow and because they need to be transmitted by October 1, they are requesting that
3 the board give the Chairman authority to enter into the letters of agreement if the
4 numbers in the agreements meet the numbers that have been allocated under the proposed
5 schedule.

6
7 Ms. Crunk noted that Waterman may have to ask for an extension from the State because
8 the value of the credits has not been provided to them and based on that it is possible that
9 the State could allow them to delay the submission until the value is received.

10
11 Mr. Bone mentioned that the letters of agreement state that the District will pay the state
12 an amount not to exceed a certain amount, but then it also specifies the amounts and
13 when the quarterly payments are due.

14
15 Mr. Beyers stated that he is also concerned about that and suggested deleting the dollar
16 amounts for the quarterly payments and to insert a statement that says “monies collected
17 divided by four.”

18
19 Mr. Carpenter commented that the agreements come from the State and there is no
20 negotiation on the wording, but he also is not comfortable with the numbers in the
21 agreements.

22
23 Ms. Crunk suggested that the numbers that go into the agreements not exceed the amount
24 that is being budgeted for each of the hospitals and that each hospital can decide to lower
25 the amount if they choose not to fully participate in one of the programs.

26
27 Mr. Carpenter recommended that because another meeting is not scheduled before
28 October 1 when the letters are due that the board grant him the authority to execute the
29 letters of agreement on behalf of the tax district but in an amount not to exceed the
30 amounts that are allocated to the acute care hospitals within the budget. He added that
31 the letters of agreement cannot exceed the amount that is left over after the primary care
32 clinics and LifeStream is allocated.

33
34 On a motion by Mr. Beyers, seconded by Mr. Bone and carried by a vote of 5-1, with Ms.
35 Bainter voting “no,” the board approved for Mr. Carpenter to sign the letters of
36 agreement, including any LIP funding, not to exceed the budgeted amount.

37
38 OTHER BUSINESS

39
40 Election of Interim Chairman

41 Mr. Carpenter mentioned that an interim chairman will need to be designated since the
42 Chairman and Vice-Chairman are leaving the board on election day in November and
43 there would be no one to run the meeting should a special meeting be called before the
44 annual January meeting. He indicated that Ms. Grossi, Mr. Bone and Mr. Brown will be
45 the three remaining board members on the new board.

1 Ms. Kirste commented that new officers will be elected for the new board at the annual
2 January meeting.

3
4 On a motion by Mr. Brown, seconded by Mr. Beyers and carried by a vote of 6-0, the
5 board elected Mr. Bone as interim Chairman.

6
7 Approved Allocation of Net Tax Revenues

8 Mr. Carpenter referred to the Approved Allocation of Net Tax Revenues worksheet and
9 went over the amounts requested for the primary care clinics, the mental health hospitals,
10 and the acute care hospitals and stated that they will go with that allocation for now. He
11 pointed out that the letters of agreement could not exceed \$7,349,556, which is the total
12 for the acute care hospitals.

13
14 Statement of Funds Received and Disbursed

15 Ms. Sykes-Amos referred to an email she sent and the Statement of Funds Received and
16 Disbursed worksheet and stated that the legislation requires that at least once each year
17 the board of trustees shall publish online and once in the daily newspaper of general
18 circulation a complete detailed statement of all moneys received and disbursed by it since
19 its creation. She added that the statement must include sources from which the funds
20 were received, the balance on hand at the time of the published statement, and a complete
21 statement of the financial condition of the District. She related that she created a
22 proposed statement from when the legislation became effective, which was April 27,
23 2012 instead of when the District was created, which was in October 1991 and that next
24 year she would publish a statement from October 1, 2012 through September 30, 2013.

25
26 Mr. Carpenter opined that the intent of the legislation was not to go back and collectively
27 add in 21 years' worth of cash receipts and disbursements. He remarked that he was fine
28 with the statement the way it is, but suggested adding the beginning cash balance at the
29 top to make it easier to understand.

30
31 Engagement Letter for Audit

32 Mr. Carpenter mentioned that they did not have the engagement letter from Mr. Chet
33 Ross for the financial audit. He recalled that at the last meeting it was decided to enter
34 into a one year contract with him at \$4,800 rather than a three year contract and after the
35 first year, the board will negotiate another fee going forward. He asked if the board
36 wanted to authorize him to sign the engagement letter once it is received.

37
38 Ms. Kirste mentioned that she will request the engagement letter from Mr. Ross and
39 added that the board approved it two weeks ago for the one year time period.

40
41 The board reached a consensus to have Mr. Carpenter sign the engagement letter for Mr.
42 Ross.

43
44 Meeting in October

45 Mr. Carpenter noted that he had a meeting this morning with Representative Larry Metz
46 and representatives from St. Lukes where it was discussed that the clinics will no longer
47 receive their sovereign immunity from Chapter 766 of the Florida Statutes, but instead it

1 is going to come from Chapter 768. He opined that there needs to be an agreement
2 between the clinics that are receiving the funds and the tax district stating that the clinics
3 will adhere to the regulations of HB 1299, that they will be liable for any overpayments,
4 and they will have to refund anything that had been advanced to them in error, and he
5 would like to authorize Ms. Kirste to create those contracts. He asked if the board
6 wanted to have a special meeting in October to address those contracts.

7
8 Ms. Kirste recommended that any entity receiving funds, such as the hospitals and the
9 clinics, enter into a contract with the District stating that they will comply with the
10 requirements in HB 1299. She stated that it was the board's decision whether or not to
11 have another special meeting to review the proposed contracts before making any
12 distributions.

13
14 Mr. Carpenter mentioned that they had previously discussed having a representative from
15 each of the clinics meet with him, the auditor and the board liaison, which is Ms. Sykes-
16 Amos, to work out the specifics of what is going to be required and he asked if the board
17 wanted to allow him and Ms. Sykes-Amos to do that or to have that discussion at the
18 special meeting.

19
20 Ms. Sykes-Amos commented that if the whole board attends it will need to be advertised
21 as a public meeting.

22
23 Mr. Beyers asked if the board can approve the origination of the contracts with a basis of
24 wording without having a special meeting.

25
26 Ms. Kirste replied that she did not believe so.

27
28 Mr. Bone commented that it would be in the board's best interest to have that meeting
29 before Mr. Carpenter leaves the board.

30
31 Mr. Carpenter instructed Ms. Kirste to check the schedules for a meeting date in October.

32
33 Ms. Sykes-Amos pointed out that Mr. Carpenter and Mr. Beyers are authorized to sign
34 checks and between November 6 and January 2013, there will be no check signers.

35
36 Mr. Carpenter suggested electing an interim Vice-Chairman.

37
38 On a motion by Mr. Brown, seconded by Mr. Bone and carried by a vote of 6-0, the
39 board elected Ms. Grossi as interim Vice-Chairman.

40
41 Ms. Sykes-Amos mentioned that she will get new signature cards ready for November 6.

42
43 Part-Time Administrator Position

44 Mr. Brown expressed that with Mr. Carpenter leaving and without his leadership, he
45 thought the board would need some additional help and suggested hiring a part-time
46 administrator. He added that they will need to discuss a job description, the pay, and
47 whether legal or public healthcare experience would be required.

1

2 Mr. Carpenter stated that that kind of position would be beneficial overall because the
3 board currently pays professional fees to Ms. Sykes-Amos and Ms. Kirste for
4 administrative work. He noted that if one of the board members wanted to create a draft
5 job description for discussion at the next meeting in October, he was in favor it.

6

7 ADJOURNMENT

8

9 There being no further business to be brought before the board, the meeting was
10 adjourned at 8:47 p.m.

11

12

13

14

15 _____
Ken Carpenter, Chairman