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Request from LifeStream Behavioral Center

Mr. Howard Wiener, Administrator Vice President from LifeStream, requested to move \$127,370.65 from this year's budget from the operation of the primary care clinic over to the hospital, and he explained that they have already provided indigent services to earn that money in their hospital. He reported that they would be opening up another primary care clinic in Leesburg in addition to one they had in Eustis and were asking \$520,000 for that clinic. He related that they were also asking for \$563,000 for the amount they earned this year providing indigent services in the hospital.

Ms. Sykes-Amos clarified that the motion made by Mr. Bone last week took care of the \$127,000.

Request from Florida Hospital/Waterman Community Primary Health Clinic

Ms. Anita Young representing the Community Primary Health Clinic restated her request from last week of \$240,000 this coming year for the clinic based on historical data from the third and fourth quarter which was submitted for reimbursement in the amount of \$120,000.

Request from St. Lukes Free Medical & Dental Clinic

Ms. Hanson noted that no one is present to represent St. Lukes Clinic, so they will go by the request from last week for \$100,809.

Request from Community Health Centers

Mr. Jeff Bowman from Community Health Centers thanked the District for the \$150,000 in support it provided last year, which allowed them to see 1800 individuals who were within 200 percent of the poverty level, and he requested that they continue that funding of \$150,000 for the coming years so that they could continue providing care to those uninsured individuals in Leesburg and the surrounding north Lake County communities.

Ms. Hanson stated that they will do a better job next year reminding him of the deadlines.

BUDGET AND RELATED BUDGET ITEMS

Ms. Sykes-Amos explained the three worksheets that she handed out, noting that she reworked the ones that list the clinics and the hospitals, what was budgeted this year, and what was payable in the different quarters and totally allowable in the over-under budget. She specified that Waterman will write the District a check back for \$458,895, and they were writing a check to LRMC for \$795,098, resulting in a receivable and payable on the books for the current budget year. She pointed out that she also did a funding proposal worksheet depicting the funding requests totaling about \$9.8 million, as well as a third one showing the budget scenario since numbers changed since last week exhibiting actual through today including the checks to the clinics if everything is approved that night and

1 a column showing the budget one mil as advertised in the newspaper and one column
2 showing the reduced amount that would be carried forward if that is what the board
3 wanted to do also based on an approved millage of one mil.

4
5 Mr. Bone clarified that the ad valorem amount at one mil would be \$8,389,700, and he
6 asked where the budget available number was coming from.

7
8 Ms. Sykes-Amos responded that was the budget advertised in the newspaper, but the
9 funding proposal worksheet shows under the \$8.3 million and \$7.8 million number.

10
11 Mr. Brown asked about whether they were comfortable with the \$50,000 fund balance.

12
13 Ms. Sykes-Amos answered that she was holding \$400,000 to have money to pay the
14 clinics, but she decided to put that amount in the budget and will get additional tax
15 money in November. She added that the September 30 audit will not be ready until
16 November, so she should have money to pay the clinics, and they always do the letters of
17 agreement amount and double up payments in January, so that will not be an issue.

18
19 Mr. Bone related that there has been some request from the public about an office and
20 asked whether the board wanted to consider having an actual office and employee.

21
22 Ms. Hanson stated that she was not personally in favor of that, although she believes they
23 can become more efficient and interactive on their web site.

24
25 Mr. Brown commented that he was trying to be prudent with the taxpayers' money, and
26 he believed that their transition seemed to be going smoothly and that the website could
27 make things as transparent as possible.

28
29 Mr. Talmadge stated that he agreed with Mr. Brown and does not support the expense of
30 an office.

31
32 Ms. Sykes-Amos pointed out that she has not had one phone call this year asking for
33 information, and she noted that all of the legal records are available.

34
35 Ms. Kirste elaborated that both her and Ms. Sykes' phone numbers, email addresses, and
36 physical locations are available on the website, and she has gotten a couple of inquiries
37 by email and telephone.

38
39 Ms. Hanson inquired why the budgeted amount for the Property Appraiser's fees jumped
40 up so much from one year to the next.

41
42 Ms. Sykes-Amos responded that his office sends an actual estimated billing, with the
43 expected fee to the District to be \$88,732, and she mentioned that the Tax Collector's fee
44 is 2 percent of collections.

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RECITATION FOR THE RECORD

Ms. Kirste announced that the name of the taxing authority is North Lake County Hospital District; the rollback rate is 1.01439 mills; percentage of decrease over the rollback rate is 1.42 percent; and the millage rate to be levied is 1.0 mills.

WAIVER OF THE READING OF THE ENTIRE PROPOSED RESOLUTIONS

On a motion by Mr. Bone, seconded by Mr. Brown and carried unanimously by a vote of 5-0, the NLCHD board moved to waive the reading of the entire proposed resolutions.

PUBLIC HEARINGS

The Chairman opened the public hearing for Resolution 2013-01 of the NLCHD providing for the adoption of the millage rate for the 2013-2014 fiscal year.

On a motion by Mr. Bone, seconded by Mr. Brown and carried unanimously by a vote of 5-0, the NLCHD board moved to close the public hearing, there being no one who wished to speak regarding that resolution.

The Chairman opened the public hearing for Resolution 2013-02 of the NLCHD providing for the adoption of the proposed budget for the 2013-14 fiscal year.

Ms. Sykes-Amos reminded the Board that they adopt the budget at the fund level, so all of the breakdown is just for informational purposes on how they arrived at the total number, and they could still approve the budget without having specific funding in mind.

On a motion by Mr. Bone, seconded by Ms. Grossi and carried unanimously by a vote of 5-0, the NLCHD board moved to close the public hearing, there being no one who wished to speak regarding that resolution.

BOARD ACTION

On a motion by Mr. Bone, seconded by Mr. Brown and carried by a vote of 4-1, the NLCHD board approved the adoption of the millage rate of 1.0 mills with the revisions for the smaller fund balance discussed at the previous meeting after completing the full 2012-2013 auditing work to make a final determination of all care that was documented, which was to do a reconciliation at that point in time, and for any monies that were overpaid to be put back into the District account, including those that might be reimbursed back from Florida Hospital Waterman, and those monies be paid to LRMC and LifeStream for their documented care to the extent that that amount is equal to or less than the additional amount that had been requested.

Ms. Grossi voted "no."

1 On a motion by Mr. Bone, seconded by Mr. Brown and carried unanimously by a vote of
2 5-0, the NLCHD board approved the adoption of proposed budget for the 2013-2014
3 fiscal year with the revisions for a smaller fund balance as previously stated and with a
4 total expense and carry forward of \$9,292,100.

5
6 ALLOCATIONS OF FUNDING

7
8 Ms. Sykes-Amos directed everyone's attention to the Funding Proposal Worksheet and
9 asked whether the funding requests contained in that handout were the same as the LOA
10 (Letters of Agreement) requests for LRMC of \$4,060,410.

11
12 Mr. Braun replied that was correct and the amount they had requested, although he
13 acknowledges that there were more requests than available funding, and he pointed out
14 that that was their historical amount which he was assured would be what the District
15 would look at going forward. He added that they expect to find more of their
16 expenditures that would be eligible, but he understood if they look at the original request.

17
18 Ms. Sykes-Amos clarified that the buyback for the hospitals with the highest return,
19 including the self-funded buyback for outpatient amounts and the self-funded DRG add-
20 on, was in the amount of \$3,321,509 for LRMC and \$3,180,594 for Waterman. She
21 commented that everyone is just learning how to figure those amounts, and they were all
22 good requests. She added that the new legislation that they were currently operating
23 under encourages them to move money into the clinics rather than the Emergency Room
24 (ER), and the other issue is that LifeStream has historically gotten five percent of the
25 proceeds. She asked for the board's philosophy about how they want to allocate the
26 funds, suggesting that one way to allocate would be to pay the clinics their allowable
27 allocations out of a pool that is left over after paying the larger amounts to the hospitals.
28 She pointed out that the LOA requests in the last column of the funding proposal
29 worksheet would leave a pool of \$773,000 to go to everything else after payment to the
30 hospitals, which would not be enough funding for the clinics if everyone requested what
31 they did last year, and she expected requests of \$1.5 million more in funding than they
32 had money. She also noted that they might want to re-evaluate their funding allocations
33 next June.

34
35 Mr. Vance Jochim, a resident of Tavares and writer of a blog about fiscal issues, asked if
36 the population in the two districts was used as a base for the earlier allocations.

37
38 Ms. Sykes-Amos responded that the new legislation totally did away with that
39 delineation.

40
41 Mr. Jochim suggested that since the legislation was emphasizing shifting the cost to
42 clinics from the more expensive hospitals, they should take the money off the top for the
43 full requests from the individual clinics and allocate the remainder among the two
44 hospitals based on population.

45
46 Mr. Braun pointed out that there was a well-documented formula that is used to
47 determine the credit that they get for the care they provide to residents of the District. He

1 opined that the legislation was poorly written in the way that it helps the clinics, since it
2 only allows for funding of costs. He also noted that at least two of the clinics involved in
3 this tax district decision are clinics that will be funded and supported by the hospitals, and
4 he assured the board that the hospitals will be covering any shortfall of those clinics. He
5 also opined that a better use of that money is to put it into the LIP program to receive
6 some funding match for it. He commented that he believed that the fairest and most
7 equitable way to allocate the money is to base it on historic numbers, which would also
8 result in less of a shortfall as well.

9
10 Ms. Grossi commented that they should take into consideration that the clinics did not
11 use all of their money last year because of a learning curve for them and that the clinics
12 should do a better job of documenting their requests this year.

13
14 Ms. Hanson elaborated that it has been a learning curve for everyone for the first year and
15 that she believes they will continue to have a shortfall because of the medical situation in
16 the country in general.

17
18 Mr. Brown asked if there was some way to reserve the amount of the \$289,000 shortfall
19 from the clinics' request and allowable rate to ensure that the clinics can get that money,
20 although giving up the matching funds would be a difficult decision. He opined that the
21 clinics were frugal with the money and he would like to fund the clinics as much as they
22 could, although the hospitals do a good job as well.

23
24 Mr. Weiner pointed out that the state gives LifeStream \$3 for every dollar the District
25 gives them, and he wanted the board to take into consideration that they were leveraging
26 the state money as well.

27
28 Mr. Bone commented that he believed the best and fairest way is to do an allocation of
29 percentages at 85 percent based on the requests that are made and the funds that are
30 available across the board, which he felt worked well last year.

31
32 Mr. Braun suggested that they allocate the funds historically and then take about
33 \$150,000 to \$200,000 off the top from each hospital for the clinics, which would ensure
34 that they first get that buyback and exemption match, and then if the clinics did not use
35 all of it, they could reserve it back to the hospitals and LifeStream. He also pointed out
36 that a lot of LRMC's submissions are for inpatient care rather than outpatient, and the
37 reason Waterman's admissions are up is due to submission of more outpatient
38 documentation. He commented that he supports the clinics and believes they are a good
39 option and are important; however, there are patients that need more acute care that
40 cannot be received in the clinics, such as for a heart attack or broken bones, that will be
41 done in the hospitals.

42
43 Ms. Sykes-Amos pointed out that the new LifeStream primary care clinic had no
44 historical data this year. She clarified that if the hospitals receive the amounts listed on
45 the LOA requests, there will be \$773,468 leftover for the clinics and LifeStream.

1 Ms. Fran Crunk from LRMC clarified that they did submit the LOA for the Medicaid
2 program on their LOA request to fund it in full, and they also submitted a letter of
3 agreement for the LIP program at a reduced amount, because they noted at the last
4 meeting that the total request exceeded the available funds for next year. She explained
5 that it was their intent to always put into the LIP fund anything above and beyond what
6 was allocated that was above the Medicaid program.

7
8 Mr. Talmadge asked if they could set the benchmark at 80 percent or some lower amount.

9
10 Mr. Ottati noted that they were learning their process in the first couple of quarters, and
11 the last several quarters were much more reflective of the future. He opined that although
12 he believes the clinics are extremely important, he asked what would happen if several
13 more clinics come on board in the future asking for funding, and he pointed out that the
14 hospitals were open 24/7 and provided care when the clinics were not open.

15
16 Mr. Bone commented that there is not enough funding to give the hospitals and clinics
17 everything that they want, although he believed the purpose of the new legislation is to
18 move some of the medical services over to the clinics, and there has to be enough money
19 to provide for them.

20
21 Mr. Bone made a motion, which was seconded by Ms. Grossi, for the allocations to be
22 made for the \$8,314,472 to the clinics, hospitals, and LifeStream Behavioral Center
23 according to the amounts listed in the “% of request to total available” column in the
24 Funding Proposal Worksheet and that the funds will be held until the clinics demonstrate
25 allowable care; and that they then look at who exceeded the allowed amounts if there are
26 funds left over from those funds at the end of the budget year next year to be allocated at
27 that time accordingly.

28
29 Mr. Braun commented that he understands that LRMC will get less than they had last
30 year, but he requested to take the amount off of the top of their request that was based on
31 historic numbers in a fair way instead of percentage of cost. He mentioned that LRMC
32 was the only one that used their historical number for their funding request, with a lot of
33 the other entities asking for more than they provided in care, and he noted that
34 LifeStream was asking for \$500,000 in funding for a clinic that is not opened yet.

35
36 Mr. Weiner responded that the new clinic is expected to be open in less than a month.

37
38 Mr. Bone pointed out that one reason the one mill is recommended is because of
39 indications that the amounts will go up and that the clinics will need more than what they
40 showed as allowable last year and to allow LRMC to obtain as much in matching funds
41 as possible while leaving enough funds available for the clinics. He also noted that
42 LRMC documented well last year their allowable costs, and as a result of others not being
43 able to demonstrate their allowable as well, funds were being shifted from those other
44 entities over to LRMC. He also pointed out that under his motion, LRMC was the only
45 entity getting more funding than they received last year.

46

1 Mr. Jochim commented that he agreed with the facts stated by Mr. Braun, noting that
2 LifeStream has added another \$500,000 above what they had received last year.

3
4 Mr. Ken Carpenter, a former NLCHD board member, suggested the idea of possibly
5 running the monies allocated to the hospital-supported clinics through the hospitals in
6 order to be added to the LIP program match, with the same documentation requirements.

7
8 Mr. Braun responded that they would not be able to enter into an agreement in order to do
9 that since it is not allowable under the LIP program; however, he noted that they cover
10 the budget for the clinic to keep it balanced and that they fund the primary care clinics.
11 He also mentioned that the hospitals and clinics had separate patient encounters.

12
13 Mr. Farlen Halikman, CPA with Moore Stephens Lovelace clarified that Mr. Carpenter's
14 suggestion was based on the fact that the money was worth more in matching dollars than
15 it would be to the clinic, since it draws more money from Tallahassee into this
16 community.

17
18 Ms. Sykes Amos offered an alternative for the funding options of \$100,000 for
19 Community Health Center, \$160,000 for Community Medical Care Center, \$180,000 for
20 FHW Community Primary Health Clinic, \$50,000 for St. Lukes Medical & Dental Clinic,
21 \$250,000 for LifeStream Primary Care Clinics, \$563,000 for LifeStream Behavioral
22 Center, \$3,532,010 for LRMC, and \$3,479,462 for Waterman. She stated that those
23 figures would total \$8,314,472 and would be a mix of historical and requests.

24
25 Mr. Bone suggested that another way to divide the money would be to add a percentage
26 such as 20% onto the allowable amounts the clinics and Waterman documented for this
27 past year, which would be different than the motion he had made, taking the new
28 LifeStream clinic out of the picture and not adding the percentage onto the LRMC
29 request.

30
31 Ms. Sykes Amos responded that she did not know if that would work, because a 20
32 percent increase would still result in a shortfall and that there was a significant problem
33 even with 15 percent.

34
35 Ms. Hanson responded that that was one alternative they could look at and that there
36 would be an opportunity for mid-year budget amendments. She opined, however, that
37 Ms. Amos' approach was a more rational approach than just taking a percentage off of a
38 "wish list" that was not historical, and she commented that there were not enough dollars
39 for the percentage approach.

40
41 Mr. Bone pointed out that none of the clinics would get the money until they were able to
42 document the services that were allowed.

43
44 Ms. Sykes-Amos responded that the letters of agreement have to be entered into by
45 September 30, so the hospitals would not be able to leverage any leftover money in June.

1 Mr. Brown expressed concern about LifeStream patients, since mental health is a serious
2 problem in their community and was much overlooked.

3
4 Ms. Hanson pointed out that Ms. Sykes-Amos' numbers would give the current
5 LifeStream clinic the amount they had been requested as well as \$250,000 for the clinic
6 that is not yet opened, which does not have any historical numbers to go by yet.

7
8 Mr. Bone withdrew his original motion, and the second for that motion was withdrawn.

9
10 On a motion by Mr. Bone, seconded by Mr. Brown and carried unanimously by a vote of
11 5-0, the NLCHD board members approved the allocation given by Ms. Sykes-Amos as
12 follows: \$100,000 for Community Health Center, \$160,000 for Community Medical
13 Care Center, \$180,000 for FHW Community Primary Health Clinic, \$50,000 for St.
14 Lukes Medical & Dental Clinic, \$250,000 for LifeStream Primary Care Clinics, \$563,000
15 for LifeStream Behavioral Center, \$3,532,010 for LRMC, and \$3,479,462 for Waterman;
16 for a total of \$8,314,472.

17
18 Ms. Hanson mentioned that next year there will be more time between the setting of the
19 millage and the allocation of the money.

20
21 LETTERS OF AGREEMENT WITH THE STATE THROUGH AHCA

22
23 Mr. Eric Prutsman, Attorney representing the hospitals, related that he would personally
24 transport the Letters of Agreement to Tallahassee, and he explained that the four letters of
25 agreement were fairly identical except for the allocation. He specified that Waterman's
26 was for \$3.1 million and LRMC's was for \$3.3 million, and he noted that these
27 documents were where the hospitals were getting their maximum match and were due in
28 Tallahassee by Monday, September 30.

29
30 On a motion by Mr. Bone, seconded by Mr. Brown and carried unanimously by a vote of
31 5-0, the NLCHD board approved the Letters of Agreement between the District and the
32 State for \$3,180,594 for Waterman and \$3,321,509 for Leesburg Regional.

33
34 Mr. Prutsman added that another Letter of Agreement was for Leesburg Regional in the
35 amount of \$542,601 that was not part of the discussion or allocation during that meeting
36 and was a totally separate issue.

37
38 Ms. Kirste explained that this would be identical to the others, except for the amount of
39 the funding.

40
41 On a motion by Mr. Bone, seconded by Ms. Grossi and carried unanimously by a vote of
42 5-0, the NLCHD board approved the LOA for LRMC for \$542,601.

43
44 Mr. Braun stated that there were two more Letters of Agreement that will not be due until
45 May which technically has to be generated by AHCA, and since the numbers have
46 changed, he requested that the Chairman be authorized to enter into LIP agreements for
47 both Waterman and LRMC for the leftover amount of money.

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On a motion by Mr. Brown, seconded by Mr. Talmadge and carried unanimously by a vote of 5-0, the NLCHD board moved that the Chairman be authorized to sign those agreements and that the funding that is left over is appropriated for the appropriate matching funds.

PRESS RELEASE FOR NEW APPOINTEE

Ms. Kirste pointed out that the packet contains the press release that the Governor sent out appointing Elizabeth Kallop to the North Lake County Hospital District Board of Trustees. She added that Ms. Kallop has not been sworn in tonight because she has not received the necessary documentation from the Governor's Office yet.

AUDITOR'S REPORT FROM MOORE STEPHENS LOVELACE

On a motion by Mr. Talmadge, seconded by Ms. Grossi and carried unanimously by a vote of 5-0, the NLCHD board approved the Independent Accountants' Report on Applying Agreed-Upon Procedures to Indigent Care Reimbursement Submissions provided by Moore Stephens Lovelace, P.A. for the period of April 1, 2013 through June 30, 2013.

NEXT SCHEDULED MEETING

Ms. Kirste announced that the next scheduled meeting for the NLCHD will be January 23, 2014 at 5:30 p.m.

ADJOURNMENT

There being no further business to be brought before the board, the meeting was adjourned at 7:45 p.m.


Catherine C. Hanson, Chairman