

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS  
PUBLIC WORKSHOP  
FRANKLIN COUNTY COURTHOUSE ANNEX  
AUGUST 30, 2007  
9:00 AM**

**MINUTES**

**Commissioners Present:** Russell Crofton – Chairman, Noah Lockley Jr. – Vice Chariman, Cheryl Sanders, Joseph Parrish

**Others Present:** Marcia Johnson – Clerk of Court, Alan Pierce – Director of Administrative Services, Michael Shuler – County Attorney, Michael Morón – Board Secretary

**Hospital Board Members Present:** Curt Blair – Vice President, Mark Friedman, Margie Solomon, Dr. Miniati, and Chuck Colvert – CEO/CFO

**Call to Order (5:05 PM)**

Chairman Crofton called the Workshop to order at 5:05 PM, introduced the Hospital Board members and other County Officials in attendance

**Workshop**

Curt Blair, Vice Chairman of the Hospital Board, discussed the need and plans for the sales tax, the current status and future plans of health care in the County and read from a prepared statement stating the following four priorities.

The first use of the sales tax proceeds will be to develop a new Medical Complex in Carrabelle. Carrabelle and the surrounding eastern part of Franklin County is the most medically under served area of the County. Given its distance from any type of emergent care and the large influx of active tourist, Urgent Care Center is being considered. An Urgent Care Center would have enough diagnostic equipment to determine the plan of treatment for a patient along with treatment areas to handle minor emergencies. The hours of operation would be extended in the evening and the clinic should be open for weekend accidents and medical emergencies. This is not a free standing Emergency Room and will not be open twenty-four hours a day, seven days a week.

The building being considered is approximately 6000 square feet and has the design to easily be added on to in the future if necessary. It can house two physicians and will have space for rotating specialist. In addition it will have rehab space and other areas designated for reoccurring services such as dialysis or chemo therapy.

As proposed the facility cost should be approximately as follows:

- Building Construction Cost \$600,000
- Site Prep & Utilities \$25,000
- Furnishings & Med. Equip. Allow. \$200,000
- Fees & Other Soft Cost \$140,000
- Estimated Total \$965,000

Land cost is yet to be determined because a specific site has not been located.

Revenues to pay for the facility will be accumulated from the tax proceeds collected during the time of planning and construction. The project could be completed by the end of the year 2009. During that time approximately \$1,660,000 would have been collected from one half cent of sales tax and be available to pay off a construction loan used to build the facility so that the facility could open with no debt.

The second use of the sales tax proceeds will be a replacement facility for the current Weems Memorial Hospital. The replacement facility is planned to be built at the current location of the hospital. Given the cost of land and the site and utilities cost the current location allows the cost of the project to be within the budget of a one cent sales tax. Additionally, since the Federal Government has designated Weems Hospital as a Critical Access Hospital and endowed upon it the favorable reimbursement from Medicare and without this reimbursement it would not be financially feasible to do any capital healthcare improvements special consideration should be given to protect this status.

A new replacement hospital will be approximately 45,000 square feet. The hospital will maintain its current twenty five bed license with the ability to use all beds except the two proposed ICU beds as skilled swing beds. The planned patient services for the new hospital will include Emergency Services, Medical Surgical Nursing, Imaging Diagnostics, Surgery, Lab, Pharmacy, Sleep Center, Respiratory and Outpatient Care.

The timing of the replacement hospital is anticipated to be as follows:

April 2008 – September 2008	Design of Facility
September 2008 – January 2009	Equipment Planning
January 2009 – April 2009	Licensing & Plan Review
April 2009 – July 2009	Financing
July 2009 – January 2011	Construction
January 2011 – April 2011	Equipment Installation
April 2011	Open

The third purpose of the sales tax will be for the ongoing support of the hospital and ambulance operations. As the county continues to develop and attract new visitors and families to the area additional ambulances will need to be put in locations to cover the growth. Right now full time ambulances are in Lanark and Eastpoint. During times of high visitor traffic an ambulance is located on St. George Island on weekends. Right now plans are being studied that would provide for another ambulance to be in the county when one of the existing two is on a long run. An excellent ambulance service is very important to a county such as Franklin County given its remoteness and configuration.

Lastly the sales tax should be used to recruit new physicians to Franklin County. Both primary care physicians as well as specialist need to be brought to the area. Currently Weems is looking at working with teaching programs to provide a rural rotation for Family Practice residents. Tallahassee Memorial Hospital is working with Weems on telemedicine and rotating specialist. As TMH put it, "the relationship between our two hospitals is very important to all our patients within the area."

Additional clinical services, capital equipment replacement, advancing technologies and improving preventative care are some other items that will be looked at in the future. All of these will need some capital. This one cent sales tax can improve lifestyle and create an economic stimulus for the people of Franklin County.

Chairman Crofton opened the floor for public comment.

Raymond Williams, of Carrabelle, asked why not relocate the hospital more eastward to accommodate the expected growth. Mr. Blair stated that the Critical Access Designation and Medicare and Medicaid reimbursements are one of the major reasons not to move the hospital. Critical Access Designation was

discussed as it related to moving Weems from its current location, including comments from Mr. Friedman explaining the difference between Critical Access and the Certificate of Need.

Gary Shiver, of Apalachicola, was in favor of using the sales tax money to build a new hospital, asked that the County not hire any more management companies to run the hospital and keep the concept of an hospital administrator, sue Dasse and try and recover some of the County funds that were lost, and build an emergency room on the Eastern side of the County.

Liz Sisung, of Eastpoint, asked for information regarding the proposed bonds that will be used to finance the costs of both a new hospital and the Health facility on the Eastern side of the County. Mr. Friedman provided some information on the bond matter.

Dee Grinencko asked if the sales tax does not generate enough funds for a new hospital, will ad valorem taxes be used to cover the shortfall. Mr. Friedman stated that the project would be scaled back but the hospital Board would not seek ad valorem funds for a new hospital.

Robert Davis, of Apalachicola, asked what alternate plan does the Health Board have in place in case the sales tax is voted down. Mr. Blair explained that ad valorem taxes would probably be used. Commissioner Lockley confirmed Mr. Blair's statement.

Roy Solomon stated that he was in favor of the sales tax to save the Hospital, and that it is important to explain to the public that this tax will not affect them in any major way as individuals, some health care facility is needed in Carrabelle, but did not agree with moving Weems from its current location. Mr. Friedman explained how using health facilities locally would cost much less than using one in Tallahassee or Panama City. Commissioner Crofton and Dr. Miniati stated that when you pay sales tax in another county you are paying for their health care.

David Adlerstein of the Times asked how will this tax offset the cost of indigent care. Mr. Blair stated that Weems has about \$2.2 million in un-reimbursed care and the County has only subsidized the hospital in about \$400,000 of that expense so the tax will go towards that \$2.2 million.

David Adlerstein asked if there is any provision for direct doctor care with these funds. Mr. Blair stated that it is part of the Hospital Board plan to offer these services in the eastern end of the County. Attorney Shuler stated that funds from this tax cannot be used for direct care in a doctors office, patients must use the services provided at the proposed health care center. Mr. Blair stated that patients are currently using services at Weems so they will use the facility on the eastern end of the County. Commissioner Parrish stated that the East Point Medical Center is a Federal facility that provides these services to many of the County's residents who do not have health insurance. Commissioner Lockley stated that most residents without insurance will use the County's facilities.

Elaine Rosenthal asked why does the County need a hospital and not just have emergency rooms on both sides of the County. Dr. Miniati explained that emergency rooms actually lose money and require more subsidy, explained that other Counties are not obligated to take patients from this County and there have been occasions when for one reason or another, critical patients have been refused admittance to other County hospitals, and stated that because of our elderly population, and our geographical location, a hospital is needed in Franklin County. Commissioner Parrish reminded everyone that Life Flight which is used to transport patients to other counties costs about \$10,000 every trip.

Chuck Colvert stated that whereas the emergency room and nurseries is where all hospitals lose money, swing beds and outpatient services is the most profitable portion of hospitals. Commissioner Parrish and Mr. Colvert stated that more services such as dialysis and cat scans would make the Hospital more profitable.

Commissioner Lockley stated that our geographical location is one of our biggest problems.

Commissioner Sanders asked if a health care study states that the current plan is not correct what can be done, if the facility in Carrabelle will make money, if services at the current facility in Carrabelle could be expanded, and how will the hours and days of operation be determined.

Mr. Colvert stated that the Hospital Board's current plan is flexible as it currently calls for an urgent care facility, not an emergency room, that will lose money for the first two years but will become profitable, that the facility that is there presently has no diagnostics and or physician, and the Hospital Board will continue to monitor the level of use for the facility to determine the hours of operation.

Carrie Kinsley asked if the new equipment that the County purchases for the Hospital will be protected and can it be insured if it is not purchased outright. Commissioner Crofton stated that the equipment will be insured. The Rural Health representative, confirmed Commissioner Crofton statement. Mr. Friedman explained the process in which the hospital will purchase equipment including seeking grants to pay for some of this equipment.

Commissioner Lockley stated it would be costlier to try and move the hospital at this time.

Mr. Friedman stated that if the County closes the hospital, which generates revenue, and have only two emergency rooms, a more extensive ambulance service will be needed, which would cost the County more money to maintain and manage, and as stated before it is a good thing to have a hospital close by where family could visit when you are sick.

The Rural Health representative stated that before any state or federal agency borrows the County money an approved plan would have to be in place.

Mr. Blair discussed the benefits of the Critical Access Designation for the County, discussed studies that will be used for the framework for future health care plans in the County, and explained how the public input will be used to amend the proposed health care plans.

Mr. Friedman discussed a new farm bill that is in the US Congress that will address hospitals with the Critical Access Designation, and discussed how the new nursing home will also utilize and benefit the hospital.

Paul Riegelmayr asked if some of the revenue from the sales tax can be used for an independent study and will the County continue to manage the hospital. Commissioner Crofton stated that he was in favor of the County "getting out" of the Hospital business, keeping the Critical Access designation, approving the sales tax, and after the hospital is self sustaining, inviting Tallahassee Memorial Hospital to consider managing the hospital.

Commissioner Parrish said he is not in favor of a situation that would have the County back in the same position it was with Dasse. The other Commissioners agreed.

Commissioner Crofton stated that Weems Hospital is old and something has to be done about it, and the east end of the County needs some sort of health care facility especially as the population increases on the eastern end of the County.

Jim Dean, of USDA Rural Development, discussed the type of Studies that Rural Development will require before any funds are borrowed to the County and that USDA would allow the County to use a management company.

Commissioner Sanders asked about a sunset provision on the sales tax and once the health care system is at an acceptable status in the County, can the sales tax be used for other problems in the County such as a road paving project. Attorney Shuler explained that there is no sunset clause and a vote to completely change the Ordinance would be necessary to use the sales tax for any other purpose.

Commissioner Crofton explained that the ad valorem funds that is currently being used for the hospital, can in the future, be used for road paving.

Attorney Shuler and Mr. Dean discussed what restrictions USDA would place on the hospital if it was managed by a professional management company.

Paul Riegelmayr suggested that the County enact a sunset clause to encourage the public to vote in favor of the sales tax. Mr. Friedman explained that the sales tax would have to be active for at least 50 years in order to secure loans needed to build a new hospital.

Gary Shiver was against an outside company managing the hospital. Commissioner Crofton explained why the County should “get out” of managing the hospital. Attorney Shuler explained that if an outside company manages the hospital there will be safety clauses to protect the County.

David Adlerstein asked how specific would the wording be on the referendum. Attorney Shuler explained that the wording would be as general as possible and will be presented to the Board for approval.

Gail Riegelmayr, of the Concerned Citizens of Franklin County, asked if the gas tax was used for the hospital, what would prevent the sales tax from being used for anything else besides health care, asked the County to have an independent study done for health care as it was done for Alligator Point beach renourishment project, stated some of the issues the CCFC would like addressed in order for them to support the sales tax.

Mr. Pierce stated that the gas tax was never spent on the Hospital it is in a set-aside account.

Attorney Shuler stated that the law states what these revenues from the sales tax can be used for.

Mr. Blair stated that there will be at least three studies done regarding health care once the sales tax has been approved, and a combination of these reports would probably address her concerns.

Commissioner Lockley reminded everyone of the health study that the Health Care Committee did back in 2006.

Commissioner Sanders stated that the sales tax vote will be simple; the public will either vote for it or against it.

Commissioner Sanders asked what would happen if the City of Carrabelle did not agree to the inter-local agreement. Attorney Shuler stated that the County Commissioner would have to look at different options, but Carrabelle would not have to use the revenues collected for health care. Board discussed this matter further.

Richard Harper asked for the current average bed occupancy of the hospital, the increase in square footage for the proposed new hospital, and also supported an independent study and a better plan especially addressing the financial benefits of the Critical Access Designation which would help educate the public who will then support the sales tax.

Mr. Colvert stated that 8 beds is the current average at Weems Memorial.

Mr. Friedman stated that the size of the facility is not set in stone and can be changed.

Rural Health representative discussed some of the requirements of Critical Access Designation.

Commissioner Crofton addressed some of Mr. Harper’s concerns and explained why the Board is in favor of the sales tax.

Commissioner Sanders stated that the vote is scheduled for Nov 6 and the Board will follow the will of the people.

### **Adjourn (7:37 PM)**

There being no further business Commissioner Crofton adjourned the Workshop at 7:37 PM.

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G. Russell Crofton, Chairman FCBCC

Attest:

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Marcia M. Johnson, Clerk of Courts