

**FRANKLIN COUNTY BOARD
OF COUNTY COMMISSIONERS
SPECIAL MEETING
EMERGENCY MEETING
FRANKLIN COUNTY COURTHOUSE ANNEX
DECEMBER 29, 2005
9:00 A.M.**

MINUTES

Commissioners Present: Cheryl Sanders - Chairman, Russell Crofton – Vice Chairman, Noah Lockley Jr., Jimmy Mosconis, Bevin Putnal

Staff: Marcia Johnson – Clerk of Court, Alan Pierce – Director of Administrative Services, Michael Shuler – County Attorney, Michael Moron – Board Secretary

Call to Order

Chairman Sanders called the meeting to order at 9:00 AM

Weem's Memorial Hospital

Board: Discussed Weem's Memorial Hospital issues

Mr. Pierce: Explained situation and discussed why “bridge management”, as previously directed by the Board, was not the recommendation of the Committee created by the Board. Committee interviewed 3 Companies interested in providing management services at the Hospital; all of the Companies are seeking long term contracts but if the County was only seeking a “bridge management” agreement, the Counties would be responsible for all hospital expenses. Informed the Board that Mr Lake, of Dasee, would not make payroll tomorrow.

Secretary Alan Levine - Agency for Health Care Administration (AHCA): Reviewed Weems Memorial Hospital issues, problems of other rural hospitals, quality of care, money owed to State (approximately \$250,000), maintaining the Emergency Room department, in-patient services, one (.01) cent tax issues in Perry, Florida, long and short term options to “fix” health care problems.

Board: Status of hospital license, asked about grant funds, time needed from AHCA to process license transfer, and concerns of a new company managing the hospital.

Secretary Levine: Reasons why AHCA suspended other rural hospital licenses, such as Gadsden and Port St. Joe and past practices of Dasee; AHCA would expedite the process for the license transfer but would investigate any company that would take over the management of the hospital; there were no funds available from the Rural Hospital Capital Improvement Program.

Mr. Pierce: Options to allow the County pay Dasee employees to keep the hospital open

Secretary Levine: AHCA would work quickly to transfer the hospital license depending on actions of Board, and suggested options to better manage hospital in the future.

Board: Options for better management of the hospital such as a report from new management company at least once a month, an advisory board of mostly local doctors to assist with the management of the hospital. Discussed the option of an interim management contract and a 30 day RFP to encourage more companies to bid to manage hospital, safeguards to avoid repeat problems at the hospital, and more time was needed to make a better choice of available companies.

Mr. Pierce: Of the 3 companies interviewed, Blackhawk, Pacer Health, and Pew International, the Committee recommended Blackhawk.

John Russell – Blackhawk’s CFO: Introduced himself; Blackhawk’s plan to manage the hospital.

Introduced Mr. Wolfe, a former administrator at Bay Medical, who is their nominee as CEO of Weems Memorial Hospital; Blackhawk will not purchase the assets or liabilities of Dasee; Mike Lake's only participation would be to help with the transition; Blackhawk would fund start up capital, a short term loan might be required from the County until Medicare and Medicaid payments start, but the County would not be liable for any loans.

Secretary Levine: AHCA can assist with Medicare but not Medicaid payments; there is a possibility that Dasee was overpaid and would have to refund both Medicare and Medicaid.

Board: Asked Mr. Russell about his Company's interest in a short term contract, the status of current employees, and providing a guarantee that Mike Lake has no permanent role in their Company and the Management of the hospital.

John Russell: Blackhawk is interested in a 3 year short term contract, intends to keep as many employees as possible, and will provide a guarantee in writing that Mike Lake would not play a role in the management of the hospital.

Attorney Shuler: Received and is reviewing the proposal.

Ron Wolfe - BlackHawk: Introduced himself and provided some of his experience and employment background; suggested a license transfer rather than applying for a new license due to new regulations and a local board of trustees.

Board: Discussed current invoicing procedures, emergency room staffing, working capital for a new management company, payroll and operation cost, recruiting new doctors, a provision for indigent care in the management agreement, a local advisory board, and the availability of a the new management company financial records

John Russell: New Emergency Room staff is probably needed; reiterated that a short term loan might be needed from the County; if the County decided on a month-to-month management contract his company would not invest any money into the Hospital; agreed to make all financials available and was in full support of a local advisory hospital board.

Dr. Marsh – Health Council: Inquired as to how long has Blackhawk been in existence, and how many hospitals do they manage

Dr. Sanallauh: Commented on the short life of Blackhawk, their ability to turnaround other rural hospitals, and the relationship between the local community and hospital

John Russell: Responded to the concerns of Dr. Marsh and Dr. Sanallauh

Secretary Levine: Quick decision needed from Board; was encouraged by Blackhawk; Board request financial reports from any prospective company interested in managing the hospital; Board request goals, assumptions, and a physician development plan, planned development, risk management plans (infections, etc.) from a new management company; advisory board made up of a majority of lay people; AHCA is here to help.

Board: Discussed the possibly using the Health Care Committee as the local hospital advisory Board

Recess

Board: Recessed from 10:27am to 10:47am

Weems Memorial Hospital - Continued

Ray Gonzales – Pacer Health: Hospital with less than 15 million in revenues will not make a profit; discussed experiences with other hospital, his outlook on Weems Hospital, and his proposal to manage the hospital including a 2 million upfront payment from the County; would like to create a hospital with "no debt".

Mr. Pierce: AHCA give him the name of a company willing to manage, but the County would have to pay all costs

Paul Parker - Health Council: Suggested County owning license and get a company for short term

and long term management of hospital; does not like the idea of County getting a new “tenant” to manage hospital; discussed his experience with management of rural hospitals; County could help local physicians with obtaining malpractice insurance

Ray Gonzales: Discussed short term, 3 months, agreement to manage hospital, but the County would be liable for all cost.

Tommy Luster: Discussed willingness to pay tax for good health care

Attorney Shuler: Discussed options, subsidies, RFPs, accepting Blackhawk or Pacer proposals, County accepting license and liabilities of hospital; stated that County cannot use public money to fund “for profit-company”, so a grant is needed to make payroll to keep hospital open, but lease with Dasee could be legally terminated.

Board: Discussed funding options

Ruth Williams – Clerk’s Finance Officer: Informed the Board the \$400,000 was available in Reserve for Contingency

Recess

Chairman Sanders recessed the Special Meeting at 11:10 AM.

Call to Order

Chairman Sanders called the Emergency Meeting to order at 11:10 A.M.

One Cent (.01) Sales Tax

Board: Discussed adopting one cent sales tax to put on a ballot referendum in September 2006.

Motion by Lockley, seconded by Putnal, to adopt a one cent sales tax and place it on a ballot referendum in September 2006. Motion carried 5-0.

Adjourn

Chairman Sanders adjourned the Emergency Meeting at 11:15 A.M.

Call to Order

Chairman Sanders re-called the Special Meeting to order at 11:15 A.M.

Motion by Mosconis, seconded by Crofton, to hire Blackhawk for a 60 day interim period, and prepare a RFP for a long term contract during the 60 day period. Motion was rescinded by Mosconis.

Attorney Alba Rodriguez – Chief Facilitator Counsel AHCA: Procedure to transfer license and hospital liabilities

John Russell: Blackhawk would also manage hospital on a short term basis, but County would be responsible for Mr. Wolfe’s salary, as acting CEO, along with other hospital costs.

Dr Sanullah: Commented on short term interim cost verses long term cost.

Susan Ficklem: Suggested hearing from Commissioner Williams of Gulf County, where there is a one cent sales tax.

Ann Taylor: Commented on the one cent sales tax in Taylor County.

Commissioner Bill Williams – Gulf County: Discussed the one cent sales tax in Gulf County and the necessity of both Counties working together to get federal funds for health care.

Mr. Bobby Pickles – Congressman Boyd’s Office: Might be some assistance thru grants or during the 2007 budget process.

Dr. Miniatt – Commented on the importance of the payroll being met, short and long term management, a tax for improved healthcare, and the cost for hospital supplies that will be needed

Motion by Mosconis, seconded by Putnal, to award Blackhawk a 2 year contract, but a letter of irrevocable credit must be issued to the County. Motion carried 4-1 Sanders voting Nay.

John Russell: Blackhawk is trying to get a loan for startup capital, but a bridge loan might be needed from the County of up to \$250,000 in the interim.

Attorney Shuler: Payroll would be paid thru a payroll leasing company and the effective date of the management agreement with Blackhawk would be January 1st and 2nd, 2006; advised on the process to use public funds to make payroll for Dasee.

Recess

Board: Recessed 11:58 AM to 12:10 PM

Mike Lake - Dasee: Informed the Board that about \$90,000 is needed for the net payroll tomorrow.

Attorney Shuler: Discussed transferring the license, new lease with Blackhawk and delaying the payroll until January 2, 2006.

Pat Kelly – Director of Nurses Weems Memorial Hospital: Expressed her concerns regarding the suggestion to delay payday until January 2, 2006.

Motion by Lockley, seconded by Putnal, to make a legislative finding that a public purpose is served in making the December 30, 2005 payroll of up to \$90,000 in form of a grant to Dasee to keep the hospital operating. Motion carried 5-0.

Mike Lake: Will reimburse Blackhawk for any payroll expenses they incur before January 1, 2006.

Motion by Mosconis, seconded by Crofton, to transfer management of Weems Memorial Hospital on January 1, 2006. Motion carried 5-0.

Adjourn

Chairman Sanders adjourned the Special Meeting at 12:20 PM.

Cheryl Sanders, Chairman FCBCC

Attest:

Marcia M Johnson, Clerk of Court