

**WORKSHOP OF THE BOARD OF COUNTY COMMISSIONERS  
HELD ON JUNE 10, 2014  
IN THE COUNTY COMMISSIONERS' MEETING ROOM  
ROOM 103, ADMINISTRATION BUILDING  
ARCADIA, FLORIDA**

The Board of County Commissioners held a Indigent Care Surtax Workshop on June 10, 2014 with the following persons present:

Commissioner, Buddy Mansfield, Dist#1  
Commissioner, Jim Selph, Dist#2  
Commissioner, Gabriel Quave, Dist#3  
Chairman, Elton Langford, Dist#4  
Commissioner Bob Miller, Dist#5  
Interim Administrator, Mandy Hines  
County Attorney, Don Conn  
Administrative Services Director, Linda Nipper  
Transcribing Secretary, Jill Thompson

Office Manager, Lauri Terry  
Facilities Director, Richard Metzger  
Public Safety Chief, Larry Taylor

**CALL TO ORDER**

**REVIEW**

**Indigent Care Surtax**

Don Conn provided the Board with information concerning the Statute as to what the provision is that deals with the voter approved indigent care surtax. It allows a surtax to be levied at an amount not to exceed 0.5%. There is a provision in subsection C that states the surtax must set forth a plan for providing healthcare services to qualified residents. There is additional information that will let the voters know what the plan is for the use of the monies that result from the surtax. Subsection II states that counties with a population of less than 50,000 may pledge surtax proceeds to service new or existing bond indebtedness. Subsection D defines a qualified resident. Mr. Conn will further review subsection E for the reason that it places responsibility for distribution of the monies with the Clerk of the Circuit Court. Two healthcare plans from Gadsden County and the other from Polk County were provided to the Board since one is substantive or practical and the other is more in the nature of forms that would need to be completed. He provided the Board with a copy of a draft ordinance received from Bucky Waldron; it would comply with the Statute and go to the voters for approval.

Commissioner Selph questioned if the Attorney General would be the liaison for clarification regarding the issue of the Clerk of Court. Mr. Conn commented that is a possibility.

**PRESENTATION**

Vince Sica stated DeSoto Memorial Hospital (DMH) is trying to evaluate things to do to perform better. The Hospital Board is committed to doing whatever is needed to assure the community has a hospital. Mr. Sica reviewed the true facts regarding how hospitals get paid.

<i>Annual Gross Income:</i>	<i>\$100,000,000</i>
<i>60% Discounts, Contractual Adjustments:</i>	<i>\$60,000,000</i>
<i>12% Unreimbursed Care:</i>	<i>\$12,000,000</i>
<i>Annual Net Operating Revenue</i>	<i>\$28,000,000</i>

The Medicare cost report dictates how much hospitals get paid.

*Annual Net Operating Revenue:* \$28,000,000

*80% Paid by Medicare/Medicaid:* \$22,400,000

*20% All Other Sources:* \$5,600,000

The hospital needs \$250,000.00 per month to achieve financial viability or \$3,000,000.00 per year. Mr. Sica stated the goal is to increase revenue by approximately \$250,000.00 per month. Over time DMH has made an effort to reduce expenses, utilize technology, reduced positions, converted to district, job sharing, instituted daily metric, changed the format of employee positions, changed some of their retirement plan to a matching plan. DMH has reduced expenses by approximately \$2.7 million over the last 5-6 years. By adding more procedures, after being cost adjusted, \$251,000.00 revenue per month would be produced. The hospital is looking at ways to reduce lengths of stay, ways to improve clinical documentation, have switched purchasing organizations in hopes of savings with supplies, and manage contract labor more by offering incentives to floor nurses. The impact of eliminating a department or service is something the Hospital Board does not want to face. The key to success of the future of the hospital is a brand name primary care group such as Millennium, Pinnacle, Healthcare America or Physicians First. This would benefit DMH by more tests being ordered and possibly more admissions into the hospital. Commissioner Selph commented that some people like to stay with the same physician once established. He questioned the percentage of patients that would actually be retained. Mr. Sica stated approximately 20% out of the 50% would be retained. The "brand name" primary care groups would have private office space in the county in order to see more local patients. Commissioner Quave questioned what is the hospital doing with a portion of the 50% that is being referred out? How do we change the attitude to keep patients in town? Mr. Sica stated that he believes the majority of patients are being referred out for services not provided locally. Further discussion ensued. Dr. Nathan commented regarding why patients are referred out of the county. He would like procedures at DMH to increase. Lewis Ambler commented that there are two networks in the DeSoto County, Blue Cross Blue Shield (BCBS) and United HealthCare (UHC). Other networks are very limited in this area.

Chairman Langford questioned how will the funds received from the indigent care surtax be distributed? Mr. Conn referred to the statute that talks about a healthcare plan to be put into place. Mr. Sica stated that he understands the statute to say the Board appoints or creates a committee that would administer the plan. He feels the Gadsden County plan would be good to look at. Mr. Conn read the statute language on what should be done next. He feels the BOCC has to have a plan that the voters can review and make a decision on; this is an essential part in moving forward. He feels it would be helpful if the Hospital Board assisted in developing a plan.

Mr. Sica commented that this surtax would bring approximately \$930,000.00.

Mandy Hines stated the application resembles one that would be for indigent care or the Medicaid billing. Further discussion ensued. Commissioner Miller commented regarding the 2.2 million dollar deficit. He feels that after looking at the statute, even if 100% of the surtax goes to the hospital, the hospital still falls short. The Hospital Board is ultimately responsible for the hospital. He also questioned if the 0.5 cent indigent care surtax will actually keep the hospital from closing?

Janie Watson, Chairman of the Hospital Board commented that some things are variables but they are pursuing or considering different options. It comes down to priorities and she feels keeping the hospital open for the residents of DeSoto County is a priority. Ms. Watson questioned what the deadline for placing surtax on the ballot? Lewis Ambler commented DMH has approximately 12-15 months before a check cannot be written. Commissioner Miller stated the tax would be on the November ballot. Mandy Hines commented that by the August 26<sup>th</sup> meeting, the Ordinance would

need to be adopted and the ballot language. Janie Watson commented it is imperative that we try all the options. The deficit has been known since 2007. In 2009 an interim CFO stated the hospital would run out of money by September 2010. Further discussion was had regarding developing the business. Commissioner Miller wanted to make it clear that the economic impact of losing the hospital would be great and wants the funds to be used in the most effective ways. Dan Presilla commented the hospital needs tools to accomplish things. Jerry Waters commented that the Hospital Board has been aware of this problem for a long time. He feels people go out of town for medical services because they have the wrong impression of DMH for various reasons. He feels there needs to be a very active campaign to promote the hospital, examine every department for savings, review all out source contracts and communicate better with on-staff. Mr. Waters commented that they still need every dollar they can get and need to work closer with our own local doctors. Don Knoche commented that they all want the hospital to remain open and educating the public is very important. Lewis Ambler agrees with the BOCC and feels the surtax will work and outside affiliates will help greatly.

Chairman Langford questioned the debt service payment on a USDA loan? Mr. Sica stated it is roughly 1.2 million dollars per year. Mr. Conn stated the statute indicates the money can be used for debt service but there are requirements that have to be met. It can be for a public or not-for-profit hospital and the Board would have to make a finding that the hospital would cease to operate without the additional funding. Another requirement would be that the Board act by extraordinary vote to use the money for debt service. Don Conn stated the BOCC is authorized to decide where the money is used. Commissioner Selph feels we cannot close the hospital. Lewis Ambler commented that the Hospital Board had to approve things that were not in the budget along with bringing the mortgage current; this left DMH with only 7 days of cash in the bank. Commissioner Selph stated that this will be up to the voters and everyone who wants the hospital to exist to educate the public. Commissioner Mansfield stated he is in favor of the 0.5 cent surtax, it is a tough decision and we need options. Commissioner Miller questioned what will take place if the surtax is collected then the hospital closes? Don Conn responded that the BOCC would notify the Department of Revenue that we are no longer collecting the tax. Dr. Nathan made the point that the surtax will not correct the entire deficit and it will take everything combined; local patients can support the hospital by staying local. Physicians want to know that the City and County will support the hospital. Chairman Langford questioned the Hospital Board that if the money could be applied to debt service and the hospital received the full amount; would you take that instead of only a portion of the surtax? Mr. Sica and the Hospital Board members responded yes. Chairman Langford feels the ballot is diplomatic and fair but he would like to look into the debt service as well.

Commissioner Quave agreed that the economic impact on the County of the hospital closing would be immense. He trusts and appreciates the Hospital Board. He was hoping there would be a sunset on the 0.5 cent surtax if it comes to pass. He believes we have a responsibility to our citizens to let them know we care and we are going to do our best to avoid the closing of the hospital.

#### **PUBLIC COMMENT**

Ed Johnson acknowledged how he personally knows each Hospital Board member. He is not in favor of closing the hospital but feels it cannot continue business as usual. He is unclear of why the hospital is asking for help. Florida has only 34 hospital districts left, the rest are private. He feels the local economy is suffering and citrus production is falling. He urged the BOCC to find another way out and opposed to any further taxes. He commented that privatization cannot be the last or only option.

George Lempenau is in favor of the ballot but feels it will not get passed. He urged the Board to have an alternate plan.

It was consensus of the BOCC to have Mandy Hines and Don Conn to pair with the Health

Department and DMH within the next 30 days to make a decision regarding language for using the tax for debt service, indigent services or a combination of both and present to the BOCC. Steve Bauer commented the Arcadian and Sun Coast Media Group will hold a Hospital Round Table on June 19, 2014. A group of city, community, county and regional leaders will come together at the Chamber of Commerce at 10:00 am to discuss matters brought forth in today's meeting.

**ADJOURNMENT**

There being no further business, Chairman Langford adjourned the workshop at 3:39 PM.

**ATTEST:**

**BOARD OF COUNTY COMMISSION  
DESOTO COUNTY, FLORIDA**

  
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**MANDY HINES**  
**INTERIM ADMINISTRATOR**

  
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**ELTON A. LANGFORD**  
**CHAIRMAN**