

LAKE SHORE HOSPITAL AUTHORITY
BOARD OF TRUSTEES

Minutes – Budget Meeting & Regular Meeting – September 12, 2022, 5:15 p.m.

This meeting was conducted as a public meeting and a Virtual meeting.

Present: Brandon Beil, Chair
Stephen M. Douglas, Vice-Chair

Lory Chancy – Secretary/Treasurer
Don Kennedy, Trustee

Absent:

Also

Present: Dale Williams, Executive Director
Fred Koberlein, Attorney
Garrett Morrison
Destiny Evans
Cynthia Watson, LSHA Staff
Austin Evans
Matt Ganskop
Sylvester Warren

Sonja Markham, LSHA Staff
Karl Plenge, NOC
Barbara Lemley
Mike Nelson, Col. Cty., Resources
Anne Little, Tough Enough to Wear Pink
Dwayne Cunningham, LSHA Staff
Stew Lilker, Col. Cty Observer
Morgan McMullen, Lake City Reporter

4 participants participated in the LSHA Virtual Regular Board Meeting.

CALL TO ORDER

Chairman Beil called the in person/Virtual Regular September 12, 2022, Meeting to order at 5:20 p.m.

NEW BUSINESS

2022-2023 Budget – First Public Hearing

Mr. Dale Williams went over the Budget for the FY 2022-2023. Chairman Beil called the Budget Hearing to order at 5:25 pm. Chairman Beil announced the proposed millage rate of 0.0001 mills is the rolled back rate for 2022-2023. The purpose of the levy is to maintain the legal standing of the Lake Shore Hospital Authority as a taxing authority.

Public comments Mr. Stew Lilker.

Chairman Beil calls for a Motion to adopt the tentative millage rate. **Motion** by Mrs. Lory Chancy to adopt the tentative millage rate of 0.0001 mills for the 2022-2023 fiscal year, **Second** by Mr. Stephen Douglas. All in favor. **Motion carried.**

Chairman Beil calls for Motion to adopt the tentative budgets for the 2022-23 fiscal year as follows:

DRAFT

Page 2
Lake Shore Hospital Authority
September 12, 2022

	Appropriations & Reserves
Patient Care Fund – Healthcare Services	\$10,140,000
Buildings Administration	876,000
Operating Fund	<u>10,300,000</u>
Total	<u>\$21,316,000</u>

Motion by Mrs. Lory Chancy to adopt the tentative budgets for the 2022-23 fiscal year, **Second** by Mr. Don Kennedy. All in favor. **Motion Carried.**

Public Budget Hearing closed. Final Budget Hearing will be held Monday, September 26, 2022, at 5:15 pm.

Chairman Beil called for additions/deletions to the Agenda. There were none. **Motion** by Mrs. Lory Chancy to approve adoption of the Agenda. **Second** by Mr. Stephen Douglas. All in favor. **Motion carried.**

INDIVIDUAL APPEARANCES

Comments by Ms. Barbara Lemley and Mr. Stew Lilker.

CONSENT AGENDA

Chairman Beil called for a Motion to approve the Consent Agenda. **Motion** by Mr. Stephen Douglas to approve adoption of the Consent Agenda. **Second** by Mr. Don Kennedy. All in favor. **Motion carried.**

Mike Nelson, Tough Enough to Wear Pink Campaign – Request for Funding

Request for funding by Mr. Mike Nelson, on behalf of Tough Enough to Wear Pink. Discussion. **Motion** by Mrs. Lory Chancy to make a donation of \$5,000 to the Tough Enough to Wear Pink Campaign in the same manner as last year. Tough Enough to Wear Pink Campaign will sign a letter of acceptance of the \$5,000 donation, acknowledging 1.) the funds are restricted to Columbia County residents only, and 2.) must be spent in a manner to promote the legislative mandate of the Authority. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action, reschedule October 10, 2022, LSHA Trustee Meeting

Mr. Williams informed the Trustees there will not be a quorum for the October 10, 2022, LSHA Board Meeting. **Motion** by Mr. Stephen Douglas to cancel the October 10, 2022, LSHA Board meeting, place any regular agenda items known on the special Meeting to be held on September 26, 2022, and to expect a Special called meeting in October. **Second** by Mrs. Lory Chancy. All in favor. **Motion Carried.**

Page 3
Lake Shore Hospital Authority
September 12, 2022

Discussion and possible action, - Commercial Office Space Lease Agreement

Mr. Williams explained the Space Lease agreement to the Trustees. **Motion** by Mrs. Lory Chancy to approve the Commercial Office Space Lease Agreement between the Authority and Columbia County. **Second** by Mr. Don Kennedy. All in favor. **Motion Carried.**

Discussion and possible action - Auto Liability, Property Coverage and Workers Compensation Renewal 2022-2023

Mr. Williams explained the invoice regarding the Auto Liability, Property Coverage and Workers Compensation Renewal 2022-2023 and requested approval by the Trustees. **Motion** by Mr. Don Kennedy to approve the Auto Liability, Property Coverage and Workers Compensation Renewal premium for 2022-2023. **Second** by Mrs. Lory Chancy. All in favor. **Motion Carried.**

Discussion and possible action – Lake Shore Hospital Storage Tank Liability 22-23 Renewal

Mr. Williams explained the invoice regarding the Storage Tank Renewal and requested approval by the Trustees. **Motion** by Mrs. Lory Chancy to approve the Storage Tank Liability renewal for 22-23. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action – Hope Bridges VA Transitional Housing Proposal and Lease

An update was provided by Mr. Williams (memo attached). Discussion. The Trustees have established a firm deadline to complete lease negotiations. The deadline is September 26, 2022.

Discussion and possible action – Your ER Solutions, LLC

An update was provided by Mr. Williams (memo attached). Discussion.

Discussion and possible action – RFP for Legal Services

Mr. Williams gave an update on the two (2) responses received for Legal Services for the Authority. One response was from Gunster, and the second was from Robinson, Kennon & Kendron, P.A. Mr. Williams will request a representative from Robinson, Kennon & Kendron, P.A. to be at the September 26, 2022, meeting, and prior to the meeting, ask them to send a contract, so action may be taken at the September 26, 2022, if need be. **Motion** by Mr. Don Kennedy to approve a Representative from Robinson, Kennon & Kendron, and a contract be sent prior to this meeting. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

UNFINISHED BUSINESS

None.

STAFF REPORT

Staff report included in the agenda packet.

Page 4
Lake Shore Hospital Authority
September 12, 2022

BOARD MEMBER COMMENTS

Comments by Mrs. Lory Chancy.

Chairman Beil called for a Motion to adjourn meeting.

Meeting adjourned.

Respectfully submitted,

Lory Chancy, Secretary/Treasurer

Date of Approval

September 2, 2022

TO: LSHA Trustees

FR: Dale Williams

RE: Status Report – LSH Campus Building Leases

As a reminder, staff was asked at the August 8, 2022, LSHA Trustee meeting to try and “complete” the drafting of leases with Hope Bridges and Your ER Solutions before the September 12, 2022, LSHA Trustee meeting. While a significant effort was made to honor this request, “DRAFT” leases will not be ready for the September agenda. In lieu of the draft leases, I am providing the following status report of each lease.

Hope Bridges –

The following terms are currently under discussion:

- 1.) Hope Bridges would lease the main hospital building and the parking lot located northeast of the hospital building. The lease will be for a period of ten (10) years with options to renew.
- 2.) The current proposed monthly lease is \$30,000 (\$360,000 annually). The lease is to be framed as a triple-net-lease. The lease may be satisfied by making expenditures on the building and equipment. Expenditures that would qualify to reduce the lease are to be defined in the lease.
- 3.) The primary use of the building will be to provide transitional housing for veterans. Hope Bridges would have the right to sublet portions of the building subject to LSHA Trustee approval.
- 4.) Hope Bridges will be required to carry all insurance as required by the Authority in amounts set by the Authority. The Authority would insure the building with property coverage.
- 5.) All equipment inventory within the building will be available for use of Hope Bridges and will become the property of Hope Bridges after a period of four (4) years. The Authority may remove any equipment prior to the lease that it deems to be necessary for equipping other leases under consideration.
- 6.) I do expect a rough draft of this lease will be complete prior to the September 12, 2022, LSHA Trustee meeting; however, I don’t think staff will have had time to sit and review with Hope Bridges.

Vetting is not complete on this proposal. Both financial and background information suitable to the Authority is not complete.

Your ER Solutions (YERS) –

1.) Dr.'s Michael and Molly White are on a scheduled trip out of country; therefore, staff was limited in the number of meetings that could be scheduled to discuss the lease. Nonetheless, considerable progress was made.

2.) This proposal would utilize the 2 story Women's Center to provide an Urgent Care Clinic.

3.) This proposal would return medical services to the LSH Campus. The provision of medical services could potentially be provided in one-of-two ways. YERS could enter a straight lease with the understanding that the lease and other expenses would have to be subsidized for a minimum of two years; or the Authority could hire YERS as employees and operate an Urgent Care Clinic owned by the Authority. The second option has not been discussed with YERS. The second option was identified by Authority staff after reviewing the terms of a straight lease with subsidization.

4.) Details of the services to be provided were included in the YERS proposal. Potentially, the service could be expanded to include additional imaging and conversion to an ER at a future date.

This proposal is expensive for a period. It would be critical to keep subsidization expenses to a minimum. It should also be noted that the Authority has not yet discussed "related" medical costs of providing a pharmacy, dental services, enhancing EMS, etc.

DRAFT

**LAKE SHORE HOSPITAL AUTHORITY
BOARD OF TRUSTEES
Minutes
Final Budget Meeting & Regular Meeting**

**September 26, 2022
5:15 p.m.**

This meeting was conducted as a public meeting and a Virtual meeting

Present: Brandon Beil, Chair
Stephen M. Douglas, Vice-Chair
Lory Chancy – Secretary/Treasurer
Don Kennedy, Trustee

Also

Present: Dale Williams, Executive Director
Fred Koberlein Attorney for LSHA
Todd Kennon, Robinson, Kennon & Kendron, PA
Barbara Lemley
Stew Lilker, Col Cty Observer

2 participants participated in the LSHA Virtual Final Budge and Regular Meeting

CALL TO ORDER

Chairman Beil called the Final Budget Hearing to order at 5:15 pm.

NEW BUSINESS

Discussion and Review FY 2022-2023 Budget. Mr. Dale Williams gave an overview of the budgets.

Public comments Mr. Stew Lilker.

Chairman Beil announced that the proposed millage rate of 0.0001 mills is the rolled back rate for 2022-2023. The purpose of the levy is to maintain the legal standing of the Lake Shore Hospital Authority as a taxing authority. **Motion** by Mrs. Lory Chancy to adopt the millage rate of 0.0001 mills for the 2022-2023 fiscal year. (Resolution 2022-001). **Second** by Mr. Don Kennedy. All in favor. **Motion carried.**

Chairman Beil calls for Motion to adopt the budgets for the 2022-2023 fiscal year as follows:

Patient Care Fund – Healthcare Services	\$10,140,000
Buildings Administration	700,000
Operating Fund	<u>10,300,000</u>
	<u>\$ 21,140,000</u>

Motion by Mrs. Lory Chancy to adopt the budgets for the 2022-2023 fiscal year (Resolution 2022-002), **Second** by Mr. Don Kennedy. All in favor. **Motion Carried.**

Page 2
Lake Shore Hospital Authority
September 26, 2022

Public Budget Hearing closed.

Chairman Beil called for additions/deletions to the Agenda. There were two (2) additions.

1. Possible use of Lake Shore Hospital temporarily due to Hurricane Ian.
2. Resolution No 2022-003, A Resolution of the Board of the Lake Shore Hospital Authority of Columbia County, Finding and Declaring the Existence of an Emergency Arising From and Out of Hurricane Ian.

Motion by Mrs. Lory Chancy to approve adoption of the Agenda with the two (2) additions.
Second by Mr. Stephen Douglas. All in favor. **Motion carried.**

INDIVIDUAL APPEARANCES

Comments by Ms. Barbara Lemley and Mr. Stew Lilker.

CONSENT AGENDA

Chairman Beil called for a Motion to approve the Consent Agenda. **Motion** by Mrs. Lory Chancy to approve adoption of the Consent Agenda. **Second** by Mr. Stephen Douglas. All in favor. **Motion carried.**

Robinson, Kennon & Kendron, PA

Mr. Williams introduced Mr. Todd Kennon, with the Law Firm Robinson, Kennon & Kendron, PA. Staffs' recommendation is to review the proposed Contract prepared by Robinson, Kennon and Kendron, PA. **Motion** by Mr. Don Kennedy to approve staff and Mr. Fred Koberlein to begin the negotiations between the Law Firm, Robinson, Kennon & Kendron, PA. and the Authority. This will be brought back to the LSHA Trustees. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action, use of Lake Shore Hospital due to Hurricane Ian.

Mr. Williams explained to the Trustees the request to use the Hospital space if needed for hurricane evacuees. **Motion** by Mrs. Lory Chancy to allow Mr. Williams and Mr. Koberlein to prepare a contract for emergency housing in our facilities, if need be due to Hurricane Ian. **Second** by Mr. Don Kennedy. All in favor. **Motion Carried.**

Public comments by Mr. Stew Lilker and Mrs. Barbara Lemley.

Discussion and possible action, Lake Shore Hospital Authority Resolution No 2022-003 – A Resolution of the Board of the Lake Shore Hospital Authority of Columbia County, Finding and Declaring the Existence of an Emergency arising from Hurricane Ian.

Mr. Williams explained the Resolution to the Trustees. **Motion** by Mr. Don Kennedy to approve Lake Shore Hospital Authority Resolution No 2022-003 – A Resolution of the Board of the Lake Shore Hospital Authority of Columbia County, Finding and Declaring the Existence of an

Page 3
Lake Shore Hospital Authority
September 26, 2022

Emergency arising from Hurricane Ian. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Mona Floyd, Mercy Medical – Request to Lease Space

Mr. Williams informed the Board of the request to rent temporary office space. **Motion** by Mr. Don Kennedy to lease the Women’s Center or the PT building per amounts/conditions described by Mr. Williams. \$2000.00 a month rent, plus utilities and insurance requirements provided by Mr. Fred Koberlein. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action, Organizational Meeting – Election of Officers

Chair – **Motion** by Mr. Don Kennedy to nominate Brandon Beil to remain the Chair for the Authority for the FY 2022-2023. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Vice-Chair – **Motion** by Mr. Don Kennedy to nominate Stephen Douglas to remain the Vice-Chair for the Authority for the FY 2022-2023. **Second** by Mrs. Lory Chancy. All in favor. **Motion Carried.**

Secretary/Treasurer - Motion by Mr. Don Kennedy to nominate Lory Chancy to remain the Secretary/Treasurer for the Authority for the FY 2022-2023. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action, Approve Board of Trustees 2023 Meeting Schedule

Mr. Williams proposed maintaining the same meeting schedule, the second Monday of each month. **Motion** by Mrs. Lory Chancy to approve the LSHA 2023 Meeting Schedule. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Discussion and possible action, schedule October 2022, LSHA Trustee Special Meeting.

Mr. Williams reminded the Trustees why a Special Meeting may need to be called. Discussion. **Motion** by Mr. Stephen Douglas to meet on October 18th. **Motion** withdrawn by Mr. Stephen Douglas. **Motion** to set the October meeting on October 27th. **Second** by Mr. Don Kennedy. All in favor. **Motion Carried.**

Recess. Chairman Beil called the meeting back to order.

Discussion and possible action, Suite 101 of the LSHA Building for Healthy Families Support Worker

Mr. Williams reminded the Board of the Family Support Worker utilizing suite 101. The existing six month agreement to use the space is expiring. Staff recommends going to a month-to-month agreement. **Motion** by Mrs. Lory Chancy to continue contract with Healthy Families on a month-to-month basis. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

Page 4
Lake Shore Hospital Authority
September 26, 2022

Discussion and possible action - Your ER Solutions, LLC Proposal and Lease
Mr. Williams updated the Board on Your ER Solutions, LLC.

Hope Bridges VA Transitional Housing Proposal and Lease
Mr. Williams updated the Board on Hope Bridges.

A letter was received from Mr. Don Savoie with Meridian Behavioral Healthcare stating they continue to have interest in the hospital. Staff recommended that Meridian be invited to the next Trustee Meeting to discuss their intent and any changes from the original proposal.

The Trustees are requesting all information by Your ER Solutions, Hope Bridges and Meridian Behavioral Healthcare to move forward at the next LSHA meeting.

Mrs. Lory Chancy can not attend the October 27th meeting. **Motion** by Mrs. Lory Chancy to reconsider the meeting on October 27th, and to hold the next meeting on November 1st. At that time the regular Board Meeting of November 14th meeting will be discussed. **Second** by Mr. Stephen Douglas. All in favor. **Motion Carried.**

UNFINISHED BUSINESS

None.

BOARD MEMBER COMMENTS

None.

Chairman Beil called for a Motion to adjourn meeting.

Meeting adjourned.

Respectfully submitted,

Lory Chancy, Secretary/Treasurer

Date of Approval

LAKE SHORE HOSPITAL AUTHORITY

AGENDA FINAL BUDGET HEARING

September 26, 2022
5:15 p.m.

1. **Open Public Hearing**

Chair announces that the proposed millage rate of 0.0001 mills is the rolled back rate for 2022-2023. The purpose of the levy is to maintain the legal standing of the Lake Shore Hospital Authority as a taxing authority.

2. **Overview of budget.**

3. **Comments on the budget by the Authority members and staff.**

4. **Public input on the budget and millage rate.**

5. **Amendments to the proposed budget, if any.**

6. **Motion: To adopt millage rate of 0.0001 mills for the 2022-2023 fiscal year. (Resolution 2022-001)**

7. **Motion: To adopt budgets for the 2022-2023 fiscal year. (Resolution 2022-002)**

8. **Close Public Hearing**

**LAKE SHORE HOSPITAL AUTHORITY
RESOLUTION NO. 2022-001**

WHEREAS, the Appropriations and Reserves Budget of \$21,140,000; and


WHEREAS, in order to maintain the legal standing to levy millage it is appropriate to adopt the millage rate of 0.0001 mills, which is the rolled-back rate for the 2022-2023 budget year.

NOW, THEREFORE, BE IT RESOLVED by the **BOARD OF TRUSTEES OF LAKE SHORE HOSPITAL AUTHORITY** that the Board shall and does hereby adopt and set the millage rate of 0.0001 mills to be levied for property taxes for the 2022-2023 budget year.

Upon Motion duly made, seconded and carried, the foregoing Resolution was adopted at a meeting of the **BOARD OF TRUSTEES OF LAKE SHORE HOSPITAL AUTHORITY** on September 26, 2022 This final millage resolution being adopted prior to the final budget resolution.

**BOARD OF TRUSTEES OF
LAKE SHORE HOSPITAL AUTHORITY**

By: 
Brandon Beil, Chairman

ATTEST: 
Loretta Chancy, Secretary/Treasurer

**LAKE SHORE HOSPITAL AUTHORITY
RESOLUTION NO. 2022-002**

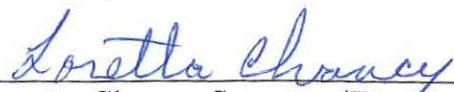
WHEREAS, the **BOARD OF TRUSTEES OF LAKE SHORE HOSPITAL AUTHORITY** has tentatively adopted its 2022-2023 Appropriations and Reserves Budget of \$21,140,000.

NOW, THEREFORE, BE IT RESOLVED by the **BOARD OF TRUSTEES OF LAKE SHORE HOSPITAL AUTHORITY** that the Board shall and does hereby adopt its 2022-2023 Appropriations and Reserves Budget in the amount of \$21,140,000.

Upon Motion duly made, seconded and carried, the foregoing Resolution was adopted at a meeting of the **BOARD OF TRUSTEES OF LAKE SHORE HOSPITAL AUTHORITY** on September 26, 2022. This budget resolution being adopted by a separate vote from the millage levy resolution in accordance with Florida law; and the final millage resolution being adopted prior to this final budget resolution.

**BOARD OF TRUSTEES OF
LAKE SHORE HOSPITAL AUTHORITY**

By: 
Brandon Beil, Chairman

ATTEST: 
Loretta Chancy, Secretary/Treasurer

LAKE SHORE HOSPITAL AUTHORITY RESOLUTION NO. 2022-003

A RESOLUTION OF THE BOARD OF THE LAKE SHORE HOSPITAL AUTHORITY OF COLUMBIA COUNTY, FINDING AND DECLARING THE EXISTENCE OF AN EMERGENCY ARISING FROM AND OUT OF HURRICANE IAN.

WHEREAS, the State of Florida including its local governments have been made aware that Hurricane Ian may threaten the State of Florida and its various communities, and endanger the safety and welfare of the citizenry and their property; and

WHEREAS, based upon information, advice, and warnings from the various appropriate weather agencies, the Board, in order to protect the welfare and safety of the citizens of the Lake Shore Hospital Authority of Columbia County (hereinafter "Authority") and their property, finds it necessary to declare the existence of an emergency for seven (7) days and to make all precautionary and necessary plans to avoid or minimize damages arising from and out of Hurricane Ian.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LAKE SHORE HOSPITAL OF COLUMBIA COUNTY, FLORIDA, AS FOLLOWS:

Section 1. The above recitals are all true and accurate and are incorporated herein and made a part of this resolution.

Section 2. The Board of the Authority hereby finds and declares the existence of an emergency arising out of and from Hurricane Ian and authorizes and instructs all of the Authority administration, and the various departments

of the Authority administration to take all emergency action which is prudent and necessary to protect the welfare and safety of the citizens and their property.

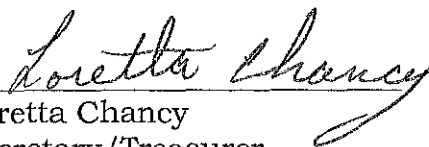
Section 3. The Authority's Executive Director is hereby authorized to make emergency purchases of supplies and services required to prevent or repair damages resulting from Hurricane Ian.

PASSED AND ADOPTED at a meeting of the Board of the Lake Shore Hospital Authority of Columbia County, Florida this 26th day of September 2022.

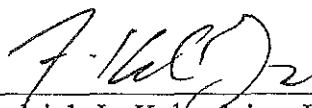
LAKE SHORE HOSPITAL AUTHORITY

By: 
Brandon Beil, Chairman

ATTEST:

By: 
Loretta Chancy
Secretary/Treasurer

APPROVED AS TO FORM & LEGALITY:

By: 
Fredrick L. Koberlein, Jr.
Authority Attorney

October 26, 2022

TO: LSHA Trustees

FR: Dale Williams

RE: November 1, 2022 – LSHA Special Meeting – Additional Back-Up Material

The following material is provided to assist the Trustees with evaluating the various proposals and presentations regarding the use of buildings on the Lake Shore Hospital Campus. For ease of use, I have grouped proposals by building. Please advise if you need additional information.

Lake Shore Hospital (Main) –

The following options are currently under consideration:

Option #1.) Hope Bridges – The original proposal from Hope Bridges has been modified numerous times since the original submission was accepted as a response to the 2nd offer for “Statements of Interest” for use of the Lake Shore Hospital Campus. Due to the modifications, I have not attached a copy of the original submission. The current proposed use is to convert the hospital into a VA Transitional Housing Facility.

Based on prior actions of the Trustees, the following were stated requirements to negotiate with Hope Bridges:

- a.) The LSHA will not be required to fund any building repairs and/or improvements.
- b.) Hope Bridges will pay a lease equal to that previously paid to the Authority by CHS.
- c.) Monies expended to perform necessary repairs and improvements may be used to “buy-down” the lease payment.
- d.) A “guarantee” of performance to insure that the Authority is protected from inflationary cost increases should the lease terminate early and the Trustees decide to raze the building.

The following decisions regarding the above have been negotiated to date:

- a.) Hope Bridges will provide VA Transitional Housing services at the Lake Shore Hospital Main location and be solely responsible for the needed repairs and improvements.
- b.) \$25,000 monthly has been determined to be the lease amount based on prior lease payment made by CHS.
- c.) The “Repairs and Improvements” that qualify as a lease “buy-down” will be stated in the lease. Prior consent to begin any repair or improvement will be required. All work shall be subject to inspection and approval.
- d.) The Authority staff recognizes that a performance bond is not an option available to Hope Bridges; therefore, staff negotiated an additional \$10,000 monthly in lease to

achieve the requirement of protecting the Authority from inflationary increases should the lease terminate early. This would place the monthly lease rate at \$35,000.

Issues/Concerns:

- a.) Hope Bridges has not yet been able to satisfy Authority staff with respect to “financial ability”. This is primarily due to the fact that a lease for the hospital will be used to obtain a VA Transitional Housing contract with the federal government. Without the governmental contract, financial ability cannot be guaranteed.
- b.) The principal of Hope Bridges qualifies to sign a “Public Entities Crime Statement” which is a required document to do business with the government. Regardless, liens and judgements exist naming the principle.
- c.) It is not currently known by staff if other parties will become part of the lease and guarantee or not.

Option #2.) Meridian Behavioral Healthcare – Meridian submitted a “Statement of Interest” for the main hospital in response to the LSHA offer. Meridian’s initial proposal was dismissed by the Trustees as it required a significant capital expenditure from the Authority. Meridian made a second proposal which removed the financial obligation of the Authority; however, the second proposal was also rejected. Meridian requested later to remain in consideration for use of the building. This request received Trustee approval; therefore, Meridian remains an option.

I have no knowledge of whether Meridian will make changes to their last proposal or not. For your use, I have attached a copy of Meridian’s last proposal. Changes may or may not be presented. It should be noted that Meridian’s last proposal removed any financial obligation of the Authority; however, it would require the building be donated to Meridian in lieu of a lease. This is primarily due to funding options.

Option #3.) Razing the Building – The Authority indicated it would consider razing the main hospital building as an option. The estimated cost to raze the building is \$2.5 million. It should be noted this is an estimate only. It was not determined by bid or by a professional consultant.

Option #4.) TBD – Please note that I received a call from Mike Peacock (Hope Bridges) advising that he and Ace Medical have a “new” proposal that they would like to present at the November 1, 2022, Special Meeting. I advised Mike the agenda had already been published; therefore, I would have to request the Trustees amend the agenda in order to allow the presentation. Ace Medical was one of the original (1st Offer) proposers and was also a component of the original Hope Bridges proposal. The Director is Sharma. I have no additional information to provide; however, I see no harm in hearing what the proposal is.

Women's Center – 2 Story Building –

Option #1.) Your ER Solutions – This is an Urgent Care facility proposal. This proposal was submitted by Drs. Michael and Molly White. The proposed business model provides specific services to be provided, required staffing, overhead estimates, estimated number of customers, etc. The model requires the LSHA to provide subsidies in order to make the facility sustainable. The intent is for the subsidies to decrease as the facility builds clients and becomes profitable. The model has gone through numerous reviews and changes. The latest model is attached for your review.

Option #2.) LSHA Urgent Care Facility – This option would be for the Authority to directly operate an Urgent Care facility. The model provides that the required staffing be hired contractually. Current LSHA staff would become part of this staff. A cost analysis for this option is attached.

Option #3.) Building Lease – Interest in leasing the building for a clinic/primary care center has been received. The Authority would simply negotiate a lease to a third party.

Physical Therapy Building, LSHA Administrative Building, Records Building –

Option #1.) Pharmacy – I have been in contact with a party interested in locating a pharmacy on the Lake Shore Hospital Campus. This would benefit any proposed user of the campus, the neighborhood in the immediate vicinity of the campus, and the Columbia County/Lake City community. Based on conversations up to this point, a pharmacy could be provided with the Authority providing the necessary space and equipment (in inventory) with rent concessions. I will invite this party to the November 1, 2022, meeting.



BOARD OF DIRECTORS

Christina Seifert
Chairperson
Columbia

Jeff Feller
Vice Chairperson
Alachua

Stephanie McClendon
Secretary
Suwannee

Natasha Allen
Dixie

Denise Bennett
At Large

Jason Cason
Levy

Kindall Crummey
Baker

Patricia Knight
Gilchrist

Paul Metts
Alachua

Bob Milner
Bradford

Irma Phillips-Maxwell
Alachua

Becky Sharpe
Lafayette

Amanda Thomas
Union County

September 22, 2022
Meridian Behavioral Healthcare, Inc.
4300 SW 13th St.
Gainesville, FL 32608

Lake Shore Hospital Authority, Board of Trustees
259 Northeast Franklin St.
Lake City, FL 32055

Dear Trustees,

I am writing to you today to reaffirm the commitment Meridian has made to provide services to those in critical need and lacking access to healthcare for the community of Columbia County. We remain hopeful that as a board you will continue to consider our proposal regarding the hospital facility and surrounding grounds. We believe and it has been expressed by several of you that the proposal we submitted, and the follow-up presentations are clear, detailed, and supported by facts.

As you move forward in your consideration of all options, if there are questions or concerns with our proposal, we welcome your feedback and would certainly be willing to address those concerns to our mutual satisfaction.

We look forward to your consideration and collaboration to support the health and well-being of our community.

Warm regards,

Don Savoie
CEO/President
Meridian Behavioral Healthcare



Admin Office: 1565 SW Williston Rd, Gainesville, FL 32608
352.374.5600 | 800.330.5615
TTY Area 800.955.8771 | TTY Local 800.955.8771
mbhcf.org



Lake Shore Hospital Main-Option 2



Meridian Behavioral Healthcare
at
Lakeshore Hospital



We are here to help.



Page 1 of 20



**#More moments
like these!**

Lake Shore Hospital Main - Option 2

Meridian

- Meridian has been providing services in North Central Florida since 1971.
- In 2022, Meridian celebrates 50 years of operations and continues to grow to meet the ever-growing needs of our communities
- Meridian provides services utilizing evidence-based approaches to the treatment of mental illnesses and substance use disorders. Our services also address the social determinants known to adversely affect healthcare outcomes such as housing, employment and medical care.
- Meridian currently has offices in 13 counties and provides services to residents from most all of Florida. Outreach and treatment services touch over 36,000 annually with 430,000 services to individuals.
- Meridian's expenditures for services last year were over \$55 million. We employ 650 individuals from across the region.



Lake Shore Hospital Main - Option 2

Licensing and Accreditation

- Currently, Meridian has been accredited through the Commission on Accreditation of Rehabilitation Facilities (CARF) for over 17 years in Behavioral and Opioid Treatment Programs, obtaining the best possible outcome of a 3-year accreditation during the most recent survey in 2021.
- 55 Substance Abuse licenses have been granted by the Department of Children and Families
- 6 Licenses has been given by The Agency for Health Care Administration (AHCA) for the following programs:
 - Crisis Stabilization Unit
 - Residential Treatment Facilities
 - Health Care Clinics



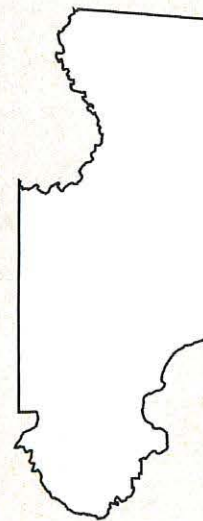
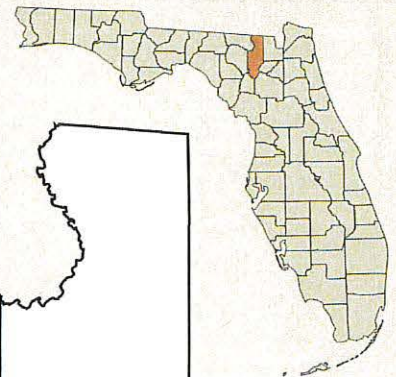
Lake Shore Hospital Main - Option 2

Community Needs & Information

- According to 2019 WellFlorida Community Needs Assessment, *"In 2017, Columbia County residents visited emergency rooms for mental health reasons at rates higher than for the state as a whole."*

-2019 Columbia County Health Improvement Plan by WellFlorida Council.

- According to Mental Health America, nearly 2.9 million Florida adults -about 17% of the population have some form of mental illness.
- The last two years have led to an increase in people seeking help for mental illness, particularly anxiety and depression.



Lake Shore Hospital Main - Option 2

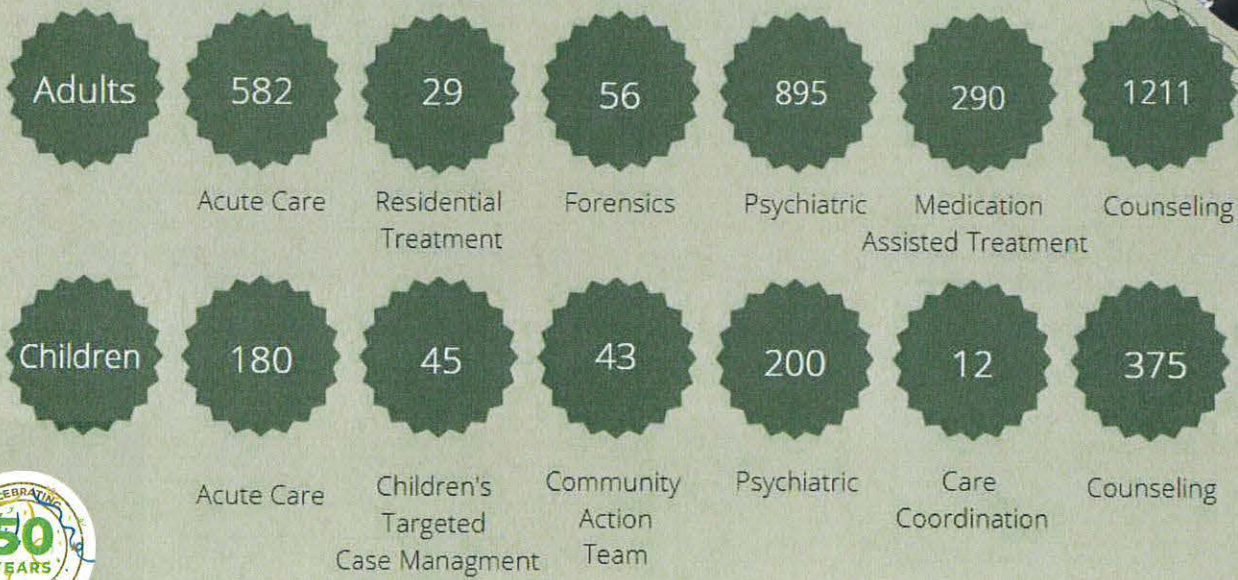
Meridian in Columbia County

- Meridian currently serves as the Central Receiving Facility for Columbia County and plans to expand this best practice model to Alachua County.
- With plans to open a 16-bed residential treatment facility in July 2022, Williams Manor by Meridian will provide another level of care addressing the needs of the community. This facility among others will be accredited by Commission on Accreditation of Rehabilitation Facilities (CARF).
- Meridian has added Primary Care Services in Columbia County in 2021 and continues to expand on this service to meet the growing demands of the community.



Lake Shore Hospital Main - Option 2

Services We Provide to Columbia County Residents July 2021 through May 2022



Lake Shore Hospital Main - Option 2

Improved functioning and reduction of symptoms

75% of Adults

75% of Children

National Benchmarks

- Recovery rates for severe mental illnesses range from 40-60%
- Recovery rates for addiction range from 40-50%
- Recovery rates for diabetes, hypertension, and other chronic illness range from 40-60%



95%
Would return to Meridian if they experience behavioral health needs in the future



96% Indicate treatment was helpful
94% Have become more independent

96%
Felt Meridian staff truly cares if they get better



96%
Would recommend Meridian to others

Lake Shore Hospital Main - Option 2

Meridian at Lakeshore Hospital

- Approximately 117,000 square feet of planned space for in-patient and residential care for clients with varying levels of acuity.
- Meridian Behavioral Healthcare plans on utilizing the hospital building and surrounding grounds offered at Lakeshore Hospital to expand continuum of care that is a growing need for our community
- Meridian Behavioral Healthcare has outlined staffing allocations as well as an operational plan for the foreseeable future.
- Currently, Meridian does not have or anticipate to have any limitations or restrictions from complying with the Lakeshore Hospital Authority in the transitory process.



Lake Shore Hospital Main-Option 2

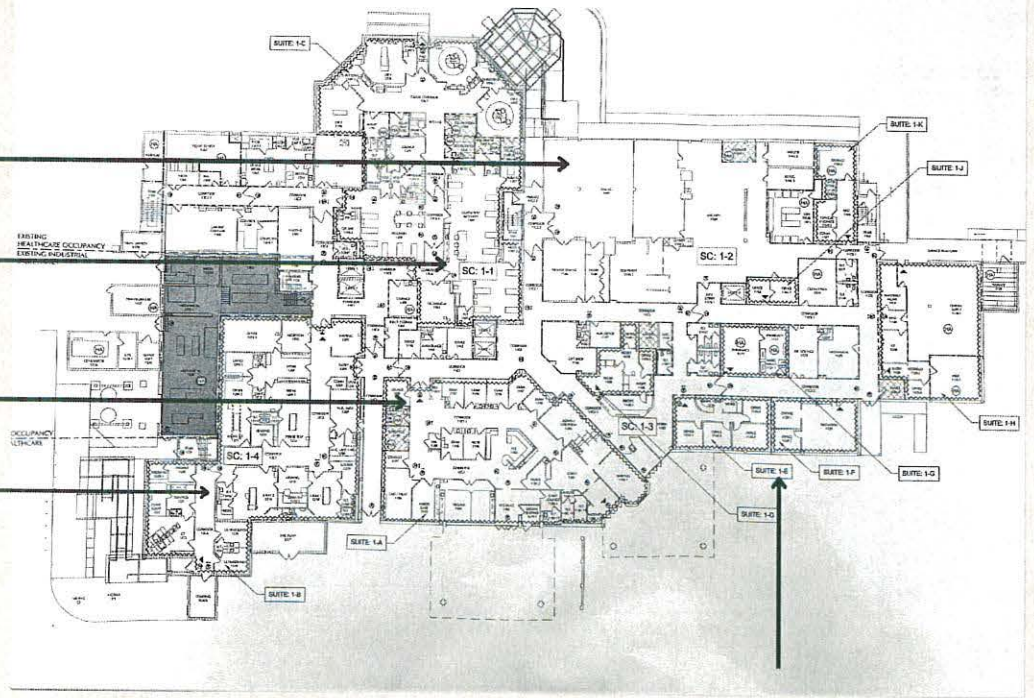
First Floor

Staff and Visitor Cafeteria
and Patient Kitchen

Emergency Crisis Stabilization
Unit (Adult & Children)

Addictions Receiving Unit

Psychiatric and
Emergency
Receiving



Lake Shore Hospital Main - Option 2

First Floor

Phase One

Psychiatric and Addictions Crisis / Emergency Receiving – SC 1-4

Moved from Current Campus

Baker Act and Marchman Act Receiving (Personal & Law Enforcement)

Walk-In

Hours of Operation: 24hours/7days for 365 Calendar Days

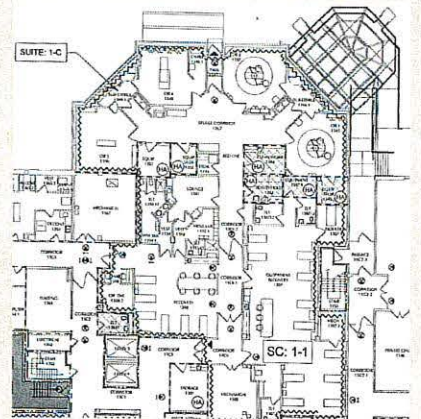
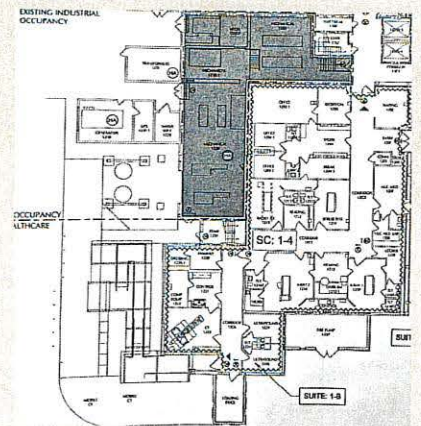
Emergency Crisis Stabilization Units (Adult and Children) – SC 1-1

Moved from Current Campus

Number of beds (expected) - 30

Average Length of Stay ~ 3.5 days

An in-patient facility that provides short term care and stabilization to individuals experiencing a mental health crisis.



Lake Shore Hospital Main - Option 2

First Floor

Phase Two

Addictions Receiving Unit - New

10+ Beds

Medically supervised withdrawal

Average Length of Stay: 5 days

Transfer to Residential / Stepdown Care

A medically supervised, inpatient, short-term, acute care detoxification and stabilization facility for adults with significant substance impairment or co-occurring mental health and substance abuse disorders.

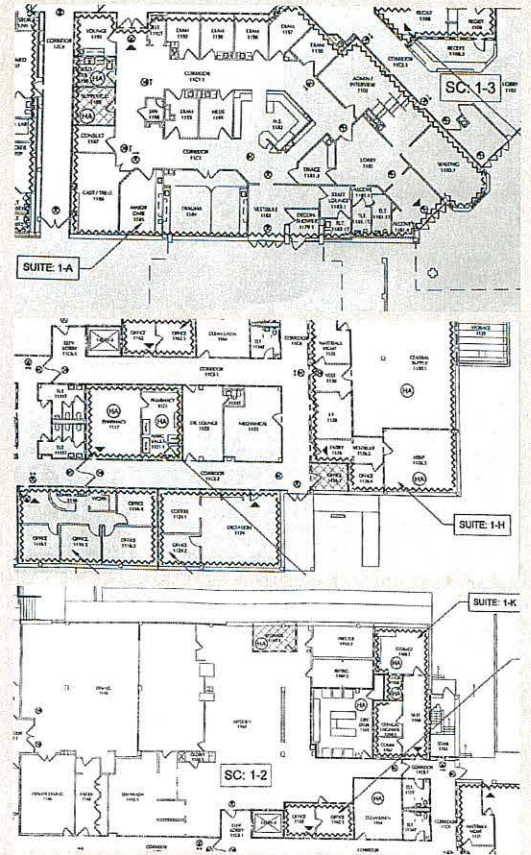
Primary Care & Pharmacy - Suites 1-D-J

Hours of Operation 8am - 5pm

(Weekdays) w/ 24 hour, 7 day On-call physician support

Medical Support for Patients on the Units

Staff and Visitor Cafeteria and Patient Kitchen



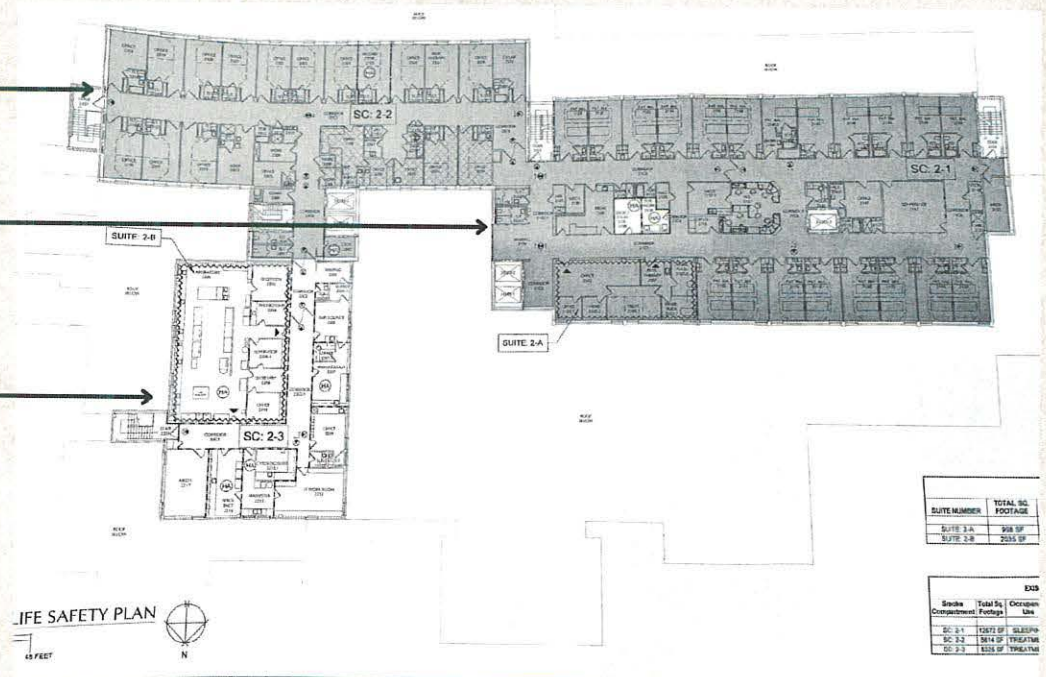
Lake Shore Hospital Main - Option 2

Second Floor

Short-Term Residential Treatment (SRT)

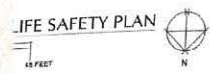
Forensic Beds

Counseling Offices



SUITE NUMBER	TOTAL SQ. FOOTAGE
SUITE 2-A	208 SF
SUITE 2-B	208 SF

Suite	Total Sq. Footage	Occupancy
SC 2-1	1040 SF	SLEEPING
SC 2-2	1040 SF	TREATMENT
SC 2-3	1040 SF	OFFICE



Lake Shore Hospital Main - Option 2

Second Floor

Short-Term Residential Treatment (SRT) - SC2-2

16-20 Beds

An adult inpatient unit providing services to individuals with a mental health diagnosis and/or co-occurring substance abuse diagnosis. SRT provides a high level of care for individuals who are no longer experiencing a psychiatric emergency but who are still in need of additional inpatient treatment prior to community placement. SRT also serves clients waiting for placement at the state hospital.

Average Length of Stay - 3 months

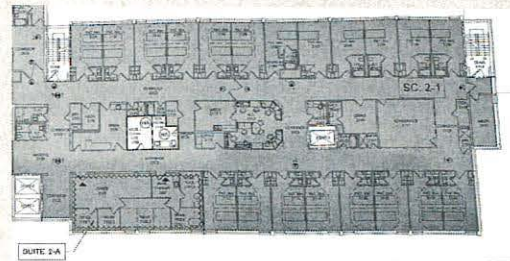
Forensic Residential Treatment Program -SC2-2

30 Beds

An adult residential treatment program for individuals with a mental health diagnosis and involvement in the judicial system. This program provides a less restrictive environment than the state hospitals and assists individuals with successful reintegration into the community.

Average Length of Stay - 6 months

Counseling Offices -SC2-3



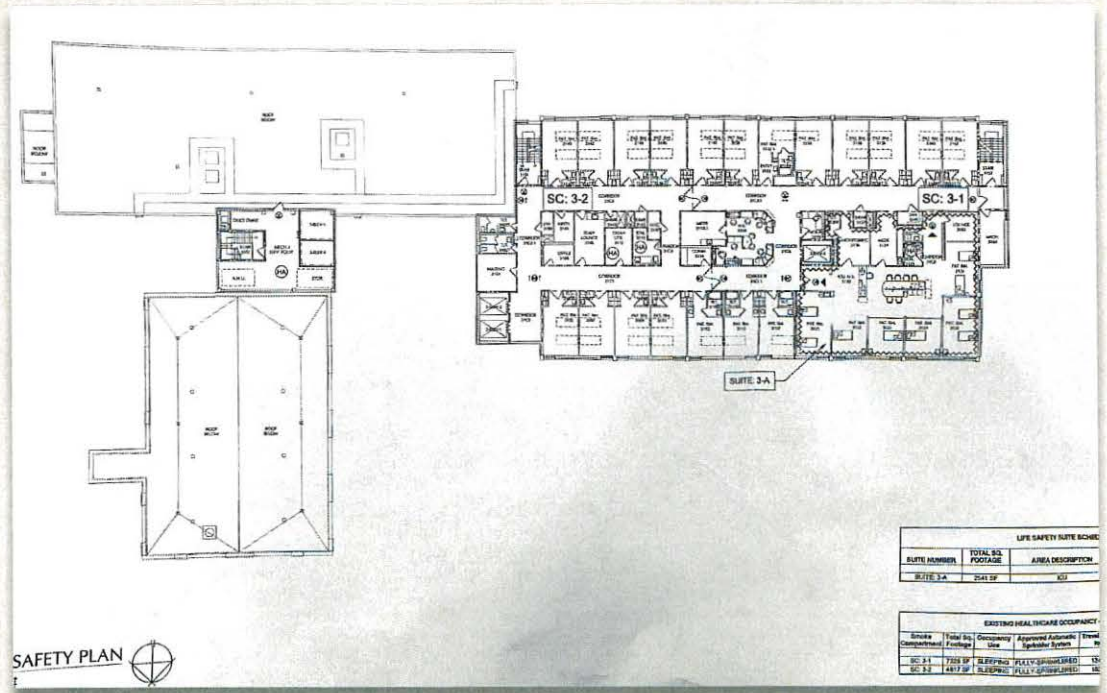
Lake Shore Hospital Main - Option 2

Third Floor

In-Patient Psychiatric Suite


Suite 3-A Used for Dining groups and Group Therapeutic Activities

Largely Self-Contained Wing



LIFE SAFETY SUITE SCHED.		
SUITE NUMBER	TOTAL SQ. FOOTAGE	AREA DESCRIPTION
SUITE 3-A	2541 SF	KIT

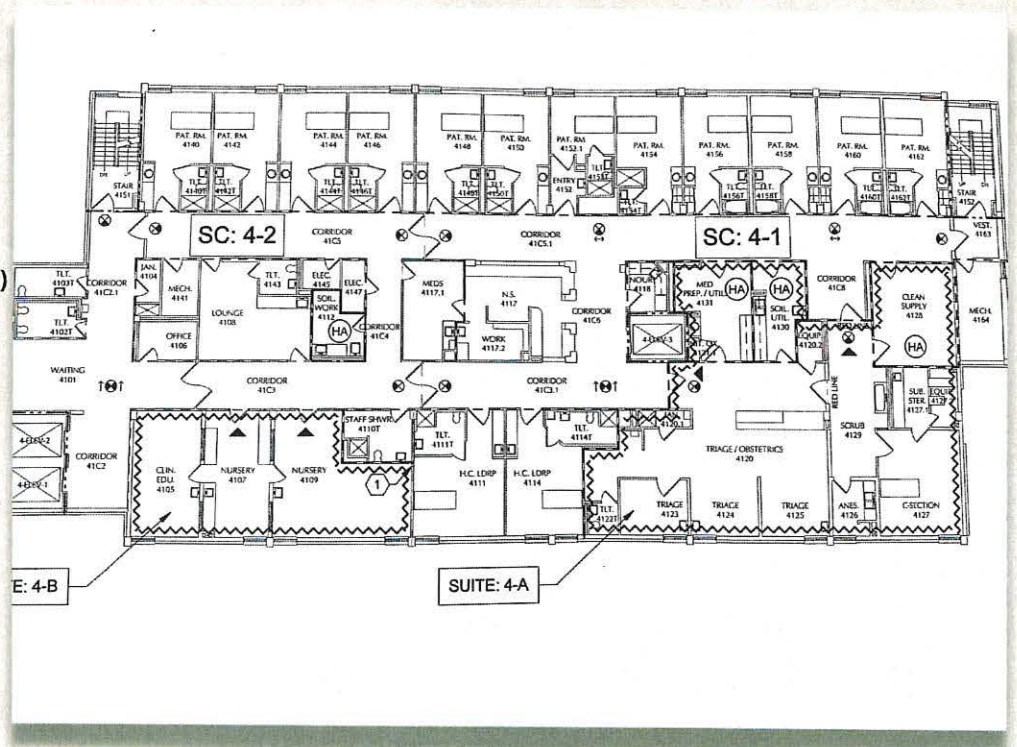
EXISTING HEALTHCARE OCCUPANCY					
Room	Total Sq. Feet	Occupancy Use	Approved Automatic Fire Suppression System	Fire Alarm System	Other
SC 3-1	1000 SF	CLERICAL	PLLY-QUOTED	NO	NO
SC 3-2	4817 SF	CLERICAL	PLLY-QUOTED	NO	NO

SAFETY PLAN 

Lake Shore Hospital Main - Option 2

Fourth Floor

- Mobile Response Teams
- Community Action Team (CAT)
- Clinical Administration
- Supportive Services for Veteran Families (SSVF)
- Certified Community Behavioral Health Clinic (CCBHC)
- Community Mental Health Center (CMHC)



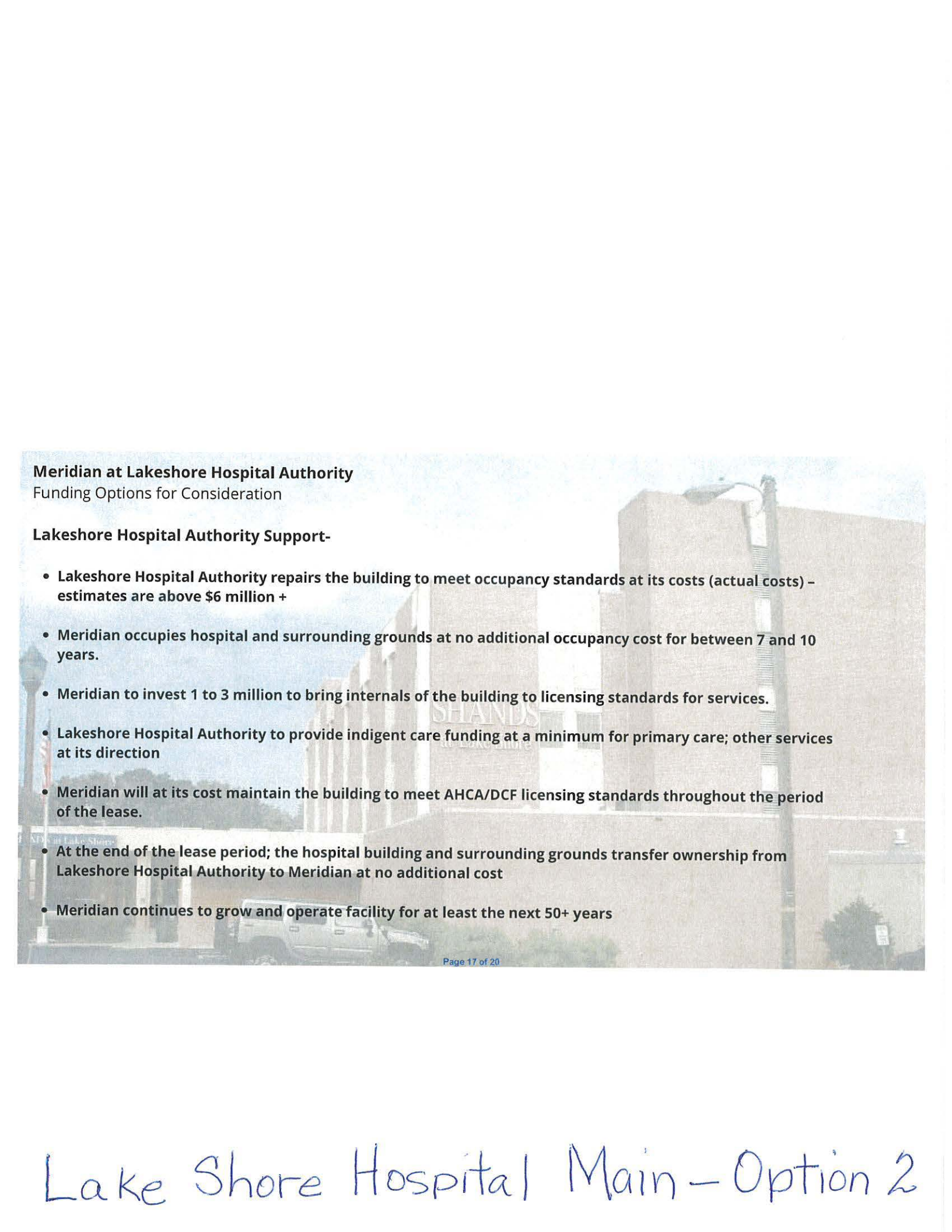
Lake Shore Hospital Main - Option 2

Community Impact for Columbia County

- Meridian at Lakeshore Hospital provides hospital-level psychiatric care, which is currently only provided outside of the region. This would allow for individuals needing this care to remain within county and permit families to engage in treatment.
- Meridian plans on bringing over 86 FTE positions from the current Lake City campus, with plans to add an additional 98 personnel, for a total of 184 positions for Meridian at Lakeshore Hospital, and 252 for Columbia County.
- Meridian would address the growing need for substance use treatment with an addictions receiving facility, not currently provided in the region.



Lake Shore Hospital Main - Option 2



Meridian at Lakeshore Hospital Authority
Funding Options for Consideration

Lakeshore Hospital Authority Support-

- Lakeshore Hospital Authority repairs the building to meet occupancy standards at its costs (actual costs) - estimates are above \$6 million +
- Meridian occupies hospital and surrounding grounds at no additional occupancy cost for between 7 and 10 years.
- Meridian to invest 1 to 3 million to bring internals of the building to licensing standards for services.
- Lakeshore Hospital Authority to provide indigent care funding at a minimum for primary care; other services at its direction
- Meridian will at its cost maintain the building to meet AHCA/DCF licensing standards throughout the period of the lease.
- At the end of the lease period; the hospital building and surrounding grounds transfer ownership from Lakeshore Hospital Authority to Meridian at no additional cost
- Meridian continues to grow and operate facility for at least the next 50+ years

Lake Shore Hospital Main - Option 2

Meridian at Lakeshore Hospital Authority

Funding Options for Consideration

Lease -

- LSA Repairs the building to meet occupancy standards at its costs (actual costs) – estimates from above \$6 million +
- Meridian occupies the hospital and surrounding grounds at a negotiated rate for between 7 and 10 years.
- Meridian to invest 1 to 3 million to bring internals of the building to licensing standards
- Lakeshore Hospital Authority to provide indigent care funding for at a minimum primary care; other services at its direction
- Meridian will maintain the building to meet AHCA/DCF licensing standards throughout the period of the lease and will deduct those actual expenses from any lease to Lakeshore Hospital Authority
- At the end of the lease period; the hospital building and surrounding grounds transfer ownership from LSA to Meridian at no additional cost
- Meridian continues to grow and operate facility for at least the next 50+ years

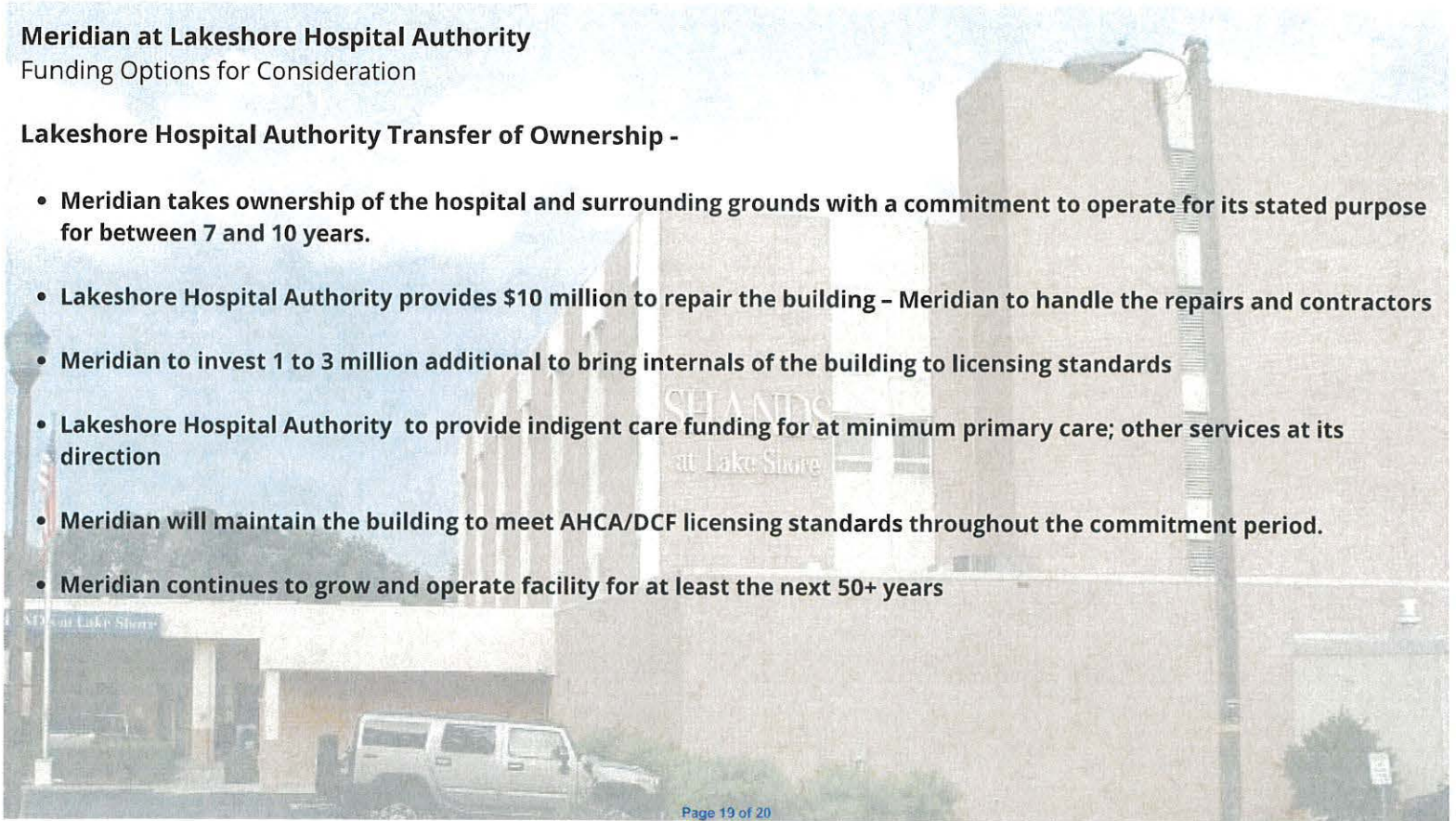
Lake Shore Hospital Main - Option 2

Meridian at Lakeshore Hospital Authority

Funding Options for Consideration

Lakeshore Hospital Authority Transfer of Ownership -

- Meridian takes ownership of the hospital and surrounding grounds with a commitment to operate for its stated purpose for between 7 and 10 years.
- Lakeshore Hospital Authority provides \$10 million to repair the building – Meridian to handle the repairs and contractors
- Meridian to invest 1 to 3 million additional to bring internals of the building to licensing standards
- Lakeshore Hospital Authority to provide indigent care funding for at minimum primary care; other services at its direction
- Meridian will maintain the building to meet AHCA/DCF licensing standards throughout the commitment period.
- Meridian continues to grow and operate facility for at least the next 50+ years



Lake Shore Hospital Main - Option 2

Meridian at Lakeshore Hospital



Our collective goal is to better the health and well-being for the communities we serve

While these are but three options; likely there are additional options we have not yet considered. It remains our commitment to partner with Lakeshore Hospital Authority and to find a path forward that supports the needs of both organizations and those we serve

We ask is for the opportunity to sit down and develop a mutually agreeable and supportive agreement that collectively will provide for the citizens of Columbia County for the foreseeable future



Lake Shore Hospital Main - Option 2

LAKE SHORE HOSPITAL AUTHORITY
DR. WHITE ER ALTERNATIVE
PROPOSAL

OPTION 1

	2023			2024		
	EST. ANNUAL VISITS	REIMB RATE	TOTAL	EST. ANNUAL VISITS	REIMB. RATE	TOTAL
MEDICAID (SUPPLEMENT)	1710 (5 visits per day)	\$ 150	\$ 256,500	2394 (7 visits per day)	\$ 150	\$ 359,100
LSHA PATIENTS	1710 (5 visits per day)	\$ 611	1,044,810	2565 (8 visits per day)	\$ 452	1,159,380
	3,420		1,301,310	4,959		1,518,480
PROPERTY TAXES			10,000			10,000
			1,311,310			1,528,480
HEALTHCARE SERVICES BUDGET			(350,000)			(350,000)
NET COST TO AUTHORITY			\$ 961,310			\$ 1,178,480
EQUIVALENT MILLAGE			0.28 MILLS			0.34 MILLS
START-UP COSTS			\$650,000			\$ -
PER VISIT RATES:	RATE	ANNUAL	TOTAL (Mid Range)	ANNUAL (max)	TOTAL (max)	
0-7.9 PER DAY	\$ 611	1,368	\$ 835,848	2,702	\$ 1,650,800	
8-12.9 PER DAY	\$ 452	3,420	\$ 1,545,840	4,412	\$ 1,994,134	
>15 PER DAY	\$ 283	5,164	\$ 1,461,469	6,840	\$ 1,935,720 (20 per day)	

OPTION 2

REVENUE GUARANTEE @ \$125,000 PER MONTH FOR \$1,500,000 PER YEAR FOR THREE YEARS

UNDER THIS ALTERNATE PROPOSAL, LSHA WOULD GUARANTEE EMS PALS \$1,500,000 IN OPERATING REVENUE PER YEAR FOR THREE YEARS. THE REVENUE WOULD CONSIST OF LSHA PATIENT FEES AT THE ABOVE RATES OR OTHER RATES, AND CASH SUBSIDIES TO THE EXTENT THAT PATIENT FEES WERE INADEQUATE. AFTER DEDUCTING THE CURRENT HEALTHCARE SERVICES BUDGET OF \$350,000 THIS WOULD RESULT IN \$1,150,000 IN ADDITIONAL FUNDING FROM LSHA PER YEAR OR APPROXIMATELY 0.34 MILLS.

Women's Center - 2 story building - Option 1

Emergency Medicine Physicians at Lake Shore

What we will do

Provide Emergency Medicine level care for Columbia County.

Cost of Emergency Medicine care

Quality healthcare is expensive. In 2018/2019 the cost to run Lake Shore's ER was over \$7 million per year

CHS spent around \$5 million per year and the groups staffing the ER spent over \$2 million per year.

So why did CHS and ER groups run Lake Shore?

CHS made money off admissions and procedures

The ER groups made money off *other* CHS contracts outside of Columbia County

Our cost

We estimate a cost reduction of more than 70% compared to CHS.

As opposed to \$7 million per year combined cost of CHS and ER contract groups -- our cost should be less than \$2 million per year.

Since we would not be a hospital we will not receive revenue from admissions or procedures.

Our costs include:

1. More than 10 employees
2. Will offer services exceeding free standing ERs
3. Will offer higher quality of care
4. Maintenance of equipment
5. Pharmaceuticals and equipment (sutures, procedure kits, etc.)
6. All materials to run a free-standing ER

Why is our cost more than 70% less?

1. Significant reduction in administrative overhead
2. Open during peak hours (as opposed to 24/7)
3. Ability to adjust hours to community demand
4. Use rapid point of care testing as opposed to a full-fledged lab. Send out testing by courier available.
5. No in house radiologist. Instead, our providers will offer many real time interpretations of x-rays.
6. Will staff more efficiently.
7. We will offer simplified billing as opposed to multiple bills after the visit
8. We are excited to offer telehealth
9. Our focus is on reducing hospital admissions and providing on going care as needed

What care are we proposing?

As a minimum we perform all procedures, interventions and treatments offered at a free-standing ER (see table).

Although the term has been used, we are not proposing an urgent care and will offer a distinctly different level of care.

In fact, we will be most like a full-fledged hospital-based ER with the following exceptions:

1. We will focus on keeping patients out of hospitals by offering ongoing visits and treatments designed specifically to help people avoid unnecessary hospital admission.
2. If admission is needed, we will partner with hospitals to offer best options to our patients.
3. We will not have specialists on call.
4. We will limit use of narcotics and controlled substances. We believe through sedation we should be able to rectify most painful conditions. We also feel on going narcotic treatment is best delivered in an inpatient setting.

Why is we more than an ER?

1. We will be emergency medicine physician led (as opposed to administratively led).
2. We will offer procedural sedation when appropriate. For example, dislocation reduction, fracture management, complex lacerations, large abscesses, etc.
3. We plan to offer IV-less sedation. To our knowledge this is not available in any Emergency Room in the United States.
4. We plan to offer tele-medicine
5. We plan to offer the ability to schedule appointments
6. When needed we would like to provide on call after hours (tele health)
7. We are looking into the option of home visits
8. We would like to offer durable medical equipment such as walkers, wheelchairs and similar.

Startup costs

This includes Emergency Medicine related equipment and would be purchased and owned by the board. We believe it would be best for the board to own the equipment and building and for our business to rent the space and maintain the equipment through service contracts.

Authority board rates

Our rates are significantly less than what was paid to CHS in 2018/2019. We made no adjustment for inflation or for increased cost of care for the last 5 years.

The average cost of care in 2018/2019 was \$611.30 per visit. Given ER cost of care is never evenly distributed (some patients cost a lot and others cost much less) we considered median (or middle) cost and quartile.

Median cost paid by Authority Board to CHS in 2018/2019 was \$453.50

Upper and Lower quartile cost paid by Authority Board to CHS in 2018/2019 was \$736 and \$297 respectively.

We expect business to grow rapidly and build a reduced cost model based on authority board visits per day.

At low volumes (<8 authority visits per day) the clinic would be reimbursed at more than \$100 per visit below 2018 CHS upper quartile rates.

At 8 to less than 13 visits per day we would be paid at less than the median rate for CHS in 2018.

Beyond 13 or more visits per day, the clinic would receive significantly less than the lower quartile for CHS in 2018.

We are offering a better product at a significant cost reduction from CHS from five years ago.

Medicaid

The authority board has an interest in moving patients from authority board to Medicaid. We have an interest to provide care regardless of insurance. Medicaid reimbursement is too low for any private clinic to accept without loss. For our ER services we ask for a Medicaid supplement for the first 24 months and then a rate two thirds less thereafter. We believe this will offer a tremendous service to our community at a reduced cost to the board while continuing to provide Medicaid recipients a community-based care alternative.

Why a staggered model based on volume?

We are in this for the long haul and view the authority board and community as our partners. Reduced cost with volume growth only make sense as it reduces risk to the board while allowing us to continue to deliver excellence to the community.

Given significantly lower risk -- Why would we risk opening a clinic?

We both entered medicine to take care of people and have been blessed with long careers. We believe we have a calling to give back to a community that has given so much to us over the nearly 20 years.

Working with our patients in our clinic would truly be a privilege.

Moreover, Emergency Medicine, like any other business, is reliant on customers. We believe we will offer the best product and therefore believe we will be able to care for a significant number of people. We believe any relative losses will disappear as word-of-mouth spreads and our volumes grow.

Two Models

We outlined two models. One has a revenue guarantee and the other does not. We prefer the model without the guarantee as we believe our model will be successful. No income guarantee represents a greater risk to us, but we believe in what we are offering and do not think it is the board's responsibility to ensure our success.

Dale Williams

From: Michael White <mjw22@hotmail.com>
Sent: Monday, October 31, 2022 7:36 AM
To: Dale Williams
Subject: Authority board table

	EM PALS	Urgent Care	Free Standing ER	Hospital Based ER
Chest pain	✓	X	✓	✓
Abdominal Pain	✓	X	✓	✓
Trouble breathing	✓	X	✓	✓
EKG	✓	rarely	✓	✓
Cardiac Labs	✓	rarely	✓	✓
Ultrasound	✓	X	X	✓
Xray	✓	sometimes	✓	✓
CT scan	✓	X	✓	✓
Lacerations	✓	only simple	✓	✓
Abscess	✓	only simple	✓	✓
Rapid Lab results	✓	limited	X	X
Little to no wait time	✓	X	X	X
Short care start to care complete	✓	Variable	X	X
Efficient billing	✓	Variable	X	X
Fracture reduction	✓	X	X	✓
IV fluids	✓	X	✓	✓
IV medications	✓	X	✓	✓
Sedation for painful procedures	✓	X	X	✓

LAKE SHORE HOSPITAL AUTHORITY
PRIMARY CARE AND URGENT CARE CENTER
PROPOSED BUSINESS PLAN

OVERVIEW

After directly operating the Shands Lake Shore Hospital for many years, in 1987 the Lake Shore Hospital Authority (LSHA) leased the hospital facilities to Santa Fe Healthcare. Under the terms of the lease LSHA began funding indigent care at the hospital based upon specific conditions contained in the various versions of the lease agreement. LSHA levied a millage up to three mills to support this indigent care program. This millage rate was .962 during recent years. In 2020 the existing lessee, Community Health Systems, elected to terminate the lease and closed the hospital and returned the building facilities to LSHA. The Authority received a \$7.5 million termination fee from Community Health Systems at that time.

For the subsequent two years LSHA has attempted to find tenants for the vacated facilities, especially tenants who would provide health care services to the underserved population surrounding the hospital campus. While several prospects made proposals to operate hospital and urgent care facilities out of the vacated buildings, all proposals required the LSHA to make significant expenditures and guarantees regarding building improvements, equipment purchases and operating costs, including patient reimbursements. These amounted to requiring the LSHA to make significant outlays of public funds without adequate oversight of the use of the funds. Proposals that did not require significant LSHA expenditures also did not provide for comprehensive, high level medical care to the targeted underserved population.

During this time LSHA maintained contracts with several individual medical providers for patient services, but these providers were under-utilized, primarily due to qualification criteria. This resulted in only 315 patient visits during the past year, although it is acknowledged that there is a much greater need for medical services by the county indigent population.

BUSINESS PLAN

In the light of these circumstances, LSHA staff has prepared a study of the projected costs of directly operating a combined primary care and indigent care center in the vacant two story building referenced as the "Women's Center". The proposed Clinic would operate 10 hours per day week days and 5 hours per day on weekends. Hours would be adjusted as necessary based on patient volumes. Services would include all services normally provided by primary health Clinics and urgent care centers, with enhanced diagnostic services generally found in emergency department settings. Such services will be enhanced and expanded in future years.

REVENUES

The Clinic would apply for designation as a "Rural Health Clinic" which would allow it to collect substantially higher reimbursement rates from Medicare and Medicaid patients than would otherwise be possible. That would make these patients able to substantially contribute to the facility's operating costs. Additionally the guidelines for authority board patients would be streamlined and modernized for visits to the Clinic. These patients would be billed on a sliding fee basis and would be encouraged to utilize the

Women's Center (2 story building) - Option 2

Clinic for both primary and urgent care needs. The new qualifications would only apply to visits at the LSHA Clinic. For the purpose of this study the estimated patient volumes by payor class included in the initial outside clinic proposal were utilized.

This business plan is formulated based on the following criteria for patient services:

1. All existing service contracts would be cancelled and future patient services would only be performed at the LSHA Clinic.
2. LSHA would no longer fund any portion of hospital inpatient services. Such services would be performed and funded in accordance with individual hospital policies and guidelines.
3. If emergency room or hospital facilities are required by LSHA patients, they would be referred to and transported to the hospital of their choice, by EMS based upon their criteria.

EXPENSES

The primary strategy to reduce Clinic costs below other proposals is to utilize to the greatest extent possible, the existing LSHA operating budget. This creates substantial savings in administrative personnel, insurance, telephone/ internet, professional, and occupancy costs. Thus nearly the entire Operating Fund budget can be allocated to the clinical facility.

Personnel include 6.3 professional positions including a fulltime doctor and ARNP or PA and 4.3 FTE nursing and technical positions. This staffing level will provide capacity for at least 6,000 patient visits. Compensation levels have been calculated at the upper range of comparable Florida positions, and include FRS retirement and health insurance at the rate for Columbia County employees. There is a possibility that certain of these positions will be retained on a contractual basis.

Other operating expenses are based on information in the above-referenced outside study.

INITIAL COSTS

The estimated initial, non-recurring costs are as follows:

Building renovations	\$280,500
Equipment	269,500
Marketing campaign	<u>100,000</u>
Total	<u>\$650,000</u>

The costs are detailed on page 4 of this report.

Women's Center (2 story building) Option 2

FINANCIAL PROJECTION

As shown on page 2, the projected finances of this project would be as follows for the first full year:

Estimated Facility Costs	\$ 1,600,844
Operating Fund budget offset	(457,221)
Healthcare Services Fund offset	(350,000)
Patient revenue	<u>(403,500)</u>
Net Required Subsidy	<u>\$(390,123)</u>

To increase this subsidy to \$700,000 per year to provide a contingency would require a millage rate of 0.20 mills.

Women's Center (2 story building) Option 2

LAKE SHORE HOSPITAL AUTHORITY
 PRIMARY AND URGENT CARE CENTER
 PROPOSED BUDGET
 LSHA BUDGET

	FTE	TOTAL	OFFSET	NET BUDGET
PERSONNEL SERVICES				
PHYSICIAN	1	\$ 300,000	\$ -	\$ 300,000
REGISTERED NURSE	1.42	106,500	-	106,500
LPN/PARAMEDIC	1.42	71,000	-	71,000
XRAY/ULTRASOUND TECH	1.42	85,200	-	85,200
ARNP/PA	1	110,000	-	110,000
PRN SALARY ALLOWANCE		40,000		40,000
OFFICE MANAGER	1	75,000	(75,000)	-
GREETER/REGISTRATION	1.42	56,800	(56,800)	-
	<u>8.68</u>	<u>844,500</u>	<u>(131,800)</u>	<u>712,700</u>
FICA		64,604	(10,082)	54,522
RETIREMENT (FRS)		96,540	(15,815)	80,725
HEALTH INS		86,400	-	86,400
WORKERS COMP		15,000	(2,500)	12,500
		<u>1,107,044</u>	<u>(160,197)</u>	<u>946,847</u>
OPERATING EXPENSES				
EHR BILLING COMPANY		30,000	-	30,000
RADIOLOGY READS		34,200	-	34,200
LICENSES		1,900	-	1,900
CLOUD STORAGE		4,000	-	4,000
INTERNET		5,000	(3,000)	2,000
WEBSITE		10,000	(5,000)	5,000
TELEPHONE		10,000	(7,000)	3,000
COMPUTER MAINTENANCE		5,000	(3,000)	2,000
INSURANCE		40,000	(40,000)	-
FINANCIAL MANAGEMENT		40,000	-	40,000
EQUIPMENT SERVICE		5,000	-	5,000
MEDICAL EQUIPMENT SERVICE CONTRACTS		13,600	-	13,600
LAB		62,800	-	62,800
PHARMACY		25,000	-	25,000
OPHTHOLOGY		2,300	-	2,300
BIOMEDICAL CONTRACT		8,000	-	8,000
CONTINUING EDUCATION		5,000	-	5,000
QUALITY ASSURANCE		10,000	-	10,000
PHARMACY SUPPLIES		35,000	-	35,000
LAB SUPPLIES		7,000	-	7,000
NEEDLES/IVS		25,000	-	25,000
PAPER SUPPLIES		10,000	-	10,000
RENT/UTILITIES		50,000	(50,000)	-
ACCOUNTING/LEGAL		45,000	(45,000)	-
ADVERTISING		50,000	(4,000)	46,000
		<u>533,800</u>	<u>(157,000)</u>	<u>336,800</u>
		<u>\$ 1,600,844</u>	<u>\$ (317,197)</u>	<u>\$ 1,283,647</u>
OPERATING FUND BUDGET BALANCE				(140,024)
HEALTHCARE SERVICES BUDGET BALANCE				(350,000)
REVENUES NEEDED TO BALANCE				<u>793,623</u>
REVENUES				
MEDICARE 700 @ \$125		\$ 87,500	\$ (87,500)	
MEDICAID 1,700 @ \$125		212,500	(212,500)	
COMMERCIAL INS 685 @ \$100		68,500	(68,500)	
SELF PAY 350 @ \$100		35,000	(35,000)	
LSHA PATIENTS 2600 @ \$150		325,000	(390,000)	
		<u>\$ 728,500</u>	<u>(793,500)</u>	
NET RECURRING FUNDING NEEDED				\$ 500,000
EQUIVALENT MILLAGE				0.15 MILLS

Women's Center (2 story building) Option 2

LAKE SHORE HOSPITAL AUTHORITY
PRIMARY AND URGENT CARE STUDY PROPOSED STAFFING PLAN

POSITION	SALARY.COM		FTE	TOTAL
	SALARY RANGE	BUDGET SALARY		
URGENT CARE/ ER PHYSICIAN	\$177,600-\$350,000	\$ 300,000	1.00	\$ 300,000
URGENT CARE ARNP	106,500-116,500	110,000	1.00	110,000
URGENT CARE REGISTERED NURSE	64,500-83,000	75,000	1.42	106,500
LPN/PARAMEDIC	44,000-54,000	50,000	1.42	71,000
XRAY/ULTRASOUND TECH	54,000-65,000	60,000	1.42	85,200
OFFICE MANAGER	59,500-74,000	70,000	1.00	75,000
GREETER/ REGISTRATION	N/A	40,000	1.42	56,800
				\$ 804,500

PATIENT VISIT CAPACITY	ANNUAL VISITS
PHYSICIAN	4,200
ARNP/PA	2,200
	6,400

PROJECTED VISITS	
MEDICARE @ \$125	700 \$ 87,500
MEDICAID @ \$125	1,700 212,500
COMMERCIAL INS @ \$100	685 68,500
SELF PAY @ \$100	350 35,000
LSHA @ \$150	2,600 390,000
	6,035 \$ 793,500
PERCENT OF CAPACITY	94.20%

Women's Center (2 story building) Option 2

LAKE SHORE HOSPITAL AUTHORITY
 PRIMARY AND URGENT CARE CENTER
 ESTIMATED STARTUP COSTS

BUILDING RENOVATIONS	COST
A/C UNIT	\$ 15,000
GUTTER REPAIR	4,600
REFRESH INTERIOR	34,900
CLEANING EXTERIOR	23,000
LED LIGHTING	33,000
REFRESH CEILING TILE	20,000
PAINTING PARKING LOT	60,000
REPAIR & CERTIFY ELEVATORS	50,000
FIRE SYSTEM INSPECTION	15,000
LANDSCAPING	25,000
	<u>280,500</u>

EQUIPMENT

DIGITAL XRAY- FIXED	40,000
DIGITAL XRAY- PORTABLE	10,000
EQUIPMENT -STERILE CLAMPS	20,000
ULTRASOUND STERILIZER	8,000
LAB EQUIPMENT	20,000
MEDICINES SAFE	2,000
PICCOLO CHEMISTRY ANALYZER	10,000
POCHI (HEMATOLOGY ANALYZER)	9,000
ISTAT BLOOD ANALYZER	10,000
URINALYSIS	4,000
COVID	10,000
FLU/ RSV	20,000
NITROUS OXIDE PLUS CAPTURE	30,000
EXAM TABLES/RECLINER (5)	20,000
TONOPEN	5,000
MINI VENTILATOR + BIPAP	10,000
MINI CPAP	2,000
SLIT LAMP	5,000
BLACK LIGHT	500
PYXIS	10,000
BLANKET WARMER	3,000
FLUID WARMER	3,000
MEDICATION SCAN SYSTEM	5,000
REFRIGERATOR (2)	8,000
CENTRAL MONITORING SYSTEM	5,000
	<u>269,500</u>

OTHER

MARKETING CAMPAIGN	100,000
TOTAL START UP (NON-RECURRING)	<u><u>\$ 650,000</u></u>

Women's Center (2 story building) Option 2