

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

JULY 24, 2013 9:00 A.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Wednesday, **July 24, 2013**, in the Citrus Memorial Hospital Administration Building, 1st floor Gulf Room, 502 W. Highland Blvd., Inverness, Florida. Chairwoman Mrs. Ressler called the meeting to order at 9:00A.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) QUORUM PRESENT

(4) ATTENDANCE

Board Members: Debbie Ressler (Chairwoman), Robert Priselac (Vice-Chairperson), Krista Joseph (Secretary/Treasurer) and Dr. Mark Fallows, (Trustee).

Also in attendance:

William Grant, General Counsel
Taylor Ford, External Counsel
Cliff Shepard, External Counsel
Art Lerner, Antitrust Counsel
Karla Dozier CCHB Administrative Assistant

Prestige Court Reporting

Members of the Public: James Heekin, Jr. Esq., Paul Madelkern, Esq., Ashby Burks, Esq., David Ashburn, Esq., Bill Heck, Esq., Glenn Burhans, Esq., Keith Anderson, Esq., Peter Marmerstein, HMA, Katie Mehl (CMHF), Paresh Desai, MD., Mark Williams (CMHF), Mark Williams (CMHF), Bob Schweickert, Jr., Joe Chrietberg, Nancy Harker, Glenn Holmes, Rebecca Beattie, Lyndsey Cruley, Kristin Bridges and Mike Wright (Citrus County Chronicle)

Mrs. Ressler expressed that in the future the Hospital will face challenges and the future of healthcare for the.

(5) PUBLIC COMMENT

- Nancy Harker: Ms. Harker inquired if the hospital lost their star rating in the heart department. Ms. Harker also inquired about why the Board is hiring a transaction attorney.
- Rebecca Beattie: Mrs. Beattie made some inquiries of Mrs. Ressler regarding actions taking by the Board.
- Paresh Desai, MD.: Dr. Desai informed the Board that the Doctors requested the Bidders to make a presentation on July 30, 2013 at 6:00pm. Also Dr. Desai noted that the newspaper Foundation ad was posted in the ER with a lot of misinformation and Dr. Desai has concerns regarding the Medical Staff By-Laws.

- Joe Chrietzberg: Mr. Chrietzberg commented that the Chronicle needs identify the name of the company who is paying for the ad on the ad; also Mr. Chrietzberg made some references regarding the antitrust attorney and the Bonds.

(6) APPROVAL OF MINUTES

MOTION by Mrs. Joseph, second by Mr. Priselac to approve the minutes from the June 18, 2013 regular meeting. The Motion passed unanimously, 4-0.

(7) FINANCE COMMITTEE REPORT

- a) Approval of the Finance Report for May and June, 2013: (Copy on file)

MOTION by Mrs. Joseph, second by Dr. Fallows to approve the finance report for May, 2013. The Motion passed unanimously, 4-0.

MOTION by Mrs. Joseph, second by Mr. Priselac to approve the finance report for June, 2013. The Motion passed unanimously, 4-0.

- b) Approval of the Citrus County Hospital Board Invoices: (Copy on file)

MOTION by Mrs. Joseph, second by Mr. Priselac to approve payment of the invoices as presented from June 18, 2013.

AMENDED MOTION to pay all the invoices from June 18, 2013 reason being that we did not have a quorum and our policy is such that we can pay an invoice pending future Board approval if the amount is less than twenty-five thousand. The motion passed unanimously, 4-0.

MOTION by Mrs. Joseph, second by Dr. Fallows to approve payment of the invoices as presented.

AMENDED MOTION to pay every invoice but item 14 until discussion with external counsel. The motion passed unanimously, 4-0.

- c) CMHF Charity Care Reimbursement Update: Discussion ensued regarding the charity care audit and payment to Citrus Memorial Health Foundation for March \$48,755.24. (Copy on file)

MOTION by Dr. Fallows, second by Mrs. Joseph to authorize payment to CMHF for \$48,735.94 for Inpatient (March, 2013). The Motion passed unanimously, 4-0.

(8) PRESENTATION BY ANTITRUST ATTORNEY MR. ART LERNER

Mr. Lerner began his presentations about the antitrust issues of the bidders. Mr. Lerner noted that his mission is to provide help assessing the antitrust risks, if any, both the risks on the merits of antitrust laws, and also the risk of any extended antitrust investigation as regard to each of the respective bidders that are currently being consider by the Board for a potential transaction, and that includes Hospital Corporation of America (HCA), Health Management Associates (HMA) and Regional Care Hospital Partners.

- Overall:
- HMA highest risk
 - HCA less risk
 - Regional Care no risk
- Geographic Market information
- Quality
- Health Plans Response
- Physicians Perceptions

Discussion ensued to continue with Attorney Lerner's services for antitrust issues.

MOTION by Mr. Priselac, second by Dr. Fallows to engage Mr. Art Lerner, Esq., and his Law Firm subject to contract negotiation and authorized the chairperson to sign the agreement. The Motion passed unanimously, 4-0.

RECESS 11:10am

(9) DISCUSSION REGARDING SELECTION OF A TRANSACTION ATTORNEY

Presentations:

- *Greenberg Traurig*: Mr. Ashburn begin his presentation (copy attached)
- *Drinker Biddle*: Mr. Anderson begin his presentation (copy attached)
- *Baker & Donaldson*: Mr. Burks begin his presentation
- *Lowndes & Drosdick*; Mr. Heeken begin his presentation (copy attached)

Discussion ensued regarding the selection of the transaction attorney.

MOTION by Mrs. Joseph, second by Mr. Priselac to select and engage a Transaction Attorney today. The Motion passed unanimously, 4-0.

MOTION by Dr. Fallows, second by Mrs. Joseph to select and engage Baker, Donelson, Bearman, Caldwell & Berkowitz, PC subject to contract negotiation and authorized the chairperson to sign the agreement. After discussion the Motion passed unanimously, 4-0.

MOTION by Dr. Fallows, second by Mrs. Joseph to have a cap of the \$325,000 in the contract for the transaction attorney. After discussion the Motion passed unanimously, 4-0.

(10) BONDS UPDATED INFORMATION

Postpone to the next meeting.

Discussion ensued regarding having forums with the Hospital employees in the cafeteria. The Trustees will review the options for an efficient way to meet with the employees.

(11) ATTORNEY GENERAL OPINION

Attorney Ford informed the Board that the case was assigned to the Deputy Attorney General and they could have an opinion as early next week or next month.

Mr. Priselac left the meeting.

(12) DISCUSSION REGARDING TRANSACTION BROKER

Via consensus the Board agreed to send a RFI for a Financial Consultant.

MOTION by Dr. Fallows, second by Mrs. Joseph to issue a RFI for a financial consultant. The Motion passed unanimously, 3-0.

Mr. Grant requested the Board's advice for the purpose of settlement negotiations and strategy sessions related to litigation expenditures in all pending litigations of the CCHB. Mr. Grant stated he needed to seek the Board's advice and direction. The entire session shall be recorded by a certified court reporter. The court reporter will record the times of the commencement and termination of the attorney/client session. All discussions and proceedings as well as the names of all persons present shall be recorded. The names of all persons speaking shall be recorded. No portion of the session shall be off of the record. The court reporter's notes shall be fully transcribed and be filed with the entity's clerk within a reasonable time after the meeting. Their counsel, William J. Grant and any other counsel deemed appropriate, will be put on the notice. The session shall commence at an open meeting at which the persons chairing the meeting, which will be the chairperson, shall announce the

commencement and estimated length of the Attorney-Client Session and the names of the persons attending. At the conclusion of the Attorney-Client Executive Session, the meeting shall be reopened and the person chairing the meeting shall announce the termination of the session.

MOTION by Mrs. Joseph, second by Dr. Fallows to engage in an attorney-client executive session meeting for any and all meetings in August, 2013 for the purpose of discussing settlement negotiations or strategy sessions related to litigation expenditures. Following discussion, the motion passed 3-0.

(13) COMMENCE ATTORNEY CLIENT EXECUTIVE SESSION MEETING

Cancelled

(14) FOUNDATION GOVERNANCE ISSUES

Attorney Shepard advised the Board about the process of indemnifications for Trustees, staff, legal counsel and legal advisories if a lawsuit is filed by Mr. Nemzoff or Mr. Schweickert, Jr.

MOTION by Dr. Fallows, second by Mrs. Joseph that the Citrus County Hospital Board of Trustees, finds that a potential lawsuit filed by Josh Nemzoff arises out of the official duties and services as a Trustee, Staff, Legal Counsel and Legal Consultants of the Citrus County Hospital Board and served a valid public purpose. After discussion the Motion passed unanimously, 3-0.

Attorney Sheppard also advised the Board that the same rules apply for a potential lawsuit from Mr. Schweickert, Jr.

MOTION by Dr. Fallows, second by Mrs. Joseph that the Citrus County Hospital Board of Trustees, finds that a potential lawsuit filed by Robert Schweickert, Jr. arises out of the official duties and services as a Trustee, Staff, Legal Counsel and Legal Consultants of the Citrus County Hospital Board and served a valid public purpose. After discussion the Motion passed unanimously, 3-0.

Mr. Grant noted that Attorney Busack contacted him regarding the deeds of the 491 project and also Mr. Busack would like to make a presentation to the full board.

Mr. Grant asked for authorization to send a letter to David Jarrard to have an agreement regarding the ownership of the website and finalize the amount owed to his company.

Mr. Grant stated per the Board request he will consult with Attorney Heeken and Attorney Ashburn regarding the issues presented by Dr. Desai about the Medical Staff By-Laws.

Mr. Grant expressed positive feedback from Mr. Stillwell about the Resolution sent to the Foundation that basically stated the Trustees will drop all litigation other than the Supreme Court case upon them signing a non-binding which when it culminate into the definitive agreement that all lawsuits will be dismissed at closing.

Mr. Priselac returned to the meeting.

Mr. Grant noted that section 16 of the local bill (2011-256) affects a non-profit hospital and they will be subject to the majority control by the CCHB if the law is upheld by the Supreme Court. A for-profit corporation is not affected by this law.

Mr. Grant asked the Board if they would like to continue with the process to get the Certificate of Need (CON) and the zoning change for the 491 process.

MOTION by Mrs. Joseph, second by Dr. Fallows to put on hold the rezoning and the CON application on the 491 property. The Motion passed unanimously, 4-0.

(15) UNFINISHED BUSINESS

- **Budget Workshop:** Discussion ensued about the next budget workshop, via consensus the next budget workshop will be on August 22, 2013.

(16) COMMITTEE REPORTS

- **Media Committee:** Mrs. Joseph informed the Board that the media committee is working on an education campaign for Citrus County which includes the staff and citizens. Also Mrs. Joseph stated that the website will be updated constantly with the different events of the process.

MOTION by Dr. Fallows, second by Mrs. Joseph to delay decision regarding payment to Nemzoff & Company until the next meeting. After discussion the Motion passed unanimously, 4-0.

(17) NEW BUSINESS

None.

(18) TRUSTEE COMMENTS

- R. Priselac: Mr. Priselac discussed the following topics:
 - His disappointment that any Foundation member wasn't present for the presentations.
 - Community Needs Assessment is not over, a lot of work has to be done.
 - Update about the Dental Care program.

Discussion ensued regarding advance money to the Foundation for charity care.

MOTION by Mr. Priselac, second by Mrs. Joseph to advance \$ 91,413.06 the balance of the CCHB charity care budgeted amount, with the understanding that we will continue the audit process for accountability of those funds, and once we've reached that threshold, all auditing until October 1st will cease. The Motion passed unanimously, 4-0.

(19) OTHER

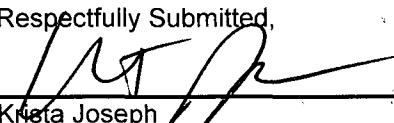
(20) NEXT SCHEDULE MEETING DATE:

Next meeting will be Tuesday, August 19 3:00pm and August 22, 2013 at 9:00am.

(21) ADJOURNMENT

MOTION by Mr. Priselac, second by Mrs. Joseph to adjourn the meeting, the motion passed 4-0. The meeting was adjourned at 3:18pm.

Respectfully Submitted,



Krista Joseph
Secretary/Treasurer

07.24.13 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Finance Report & Invoices

Attach Documents

1. Presentation by Greenberg Traurig
2. Presentation by Keith Anderson
3. Presentation by Lowndes, Drosdick
4. Medical Staff By-Laws
5. Section 16 of 2011-256