



Board of Directors Meeting Minutes

Lee Health

Oct 10, 2022 at 1:00 PM EDT

@ 13685 Doctors Way, Suite 190 Fort Myers, FL 33912 / WebEx

Attendance

Members Present:

Kathy Bridge-Liles, Diane Champion, Donna Clarke, David Collins, Therese Everly, Chris Hansen, Nancy McGovern

Members Absent:

Stephen Brown

- I. Call to Order – (Donna Clarke, Board Chair)

The Board of Directors Meeting was called to order at 1:01 pm. by Donna Clarke, Board Chair.

- II. Invocation & Pledge of Allegiance (Rev. Samuel Stone, MDiv, BCC)

Rev. Samuel Stone, MDIV, BCC, gave the Invocation, followed by the Pledge of Allegiance.

- III. Public Input

None.

- IV. President's Report (Larry Antonucci, MD, President/CEO)

Larry Antonucci, MD. CEO and President shared Hurricane Ian update information with the Board Members. He showed a visual team status list from Golisano Children's Hospital of Southwest Florida, NICU staff. The list showed names of the departments staff who had either lost their homes, had major damage to homes, lost cars and those in need of transportation. It was a long list, of only one department in our system. Larry Antonucci remarked on the strength, dedication and compassion our staff shared with our patients and community during this disaster. His report outlined the implementation of the incident command team and challenges faced by loss of utilities, water primarily, and how that led to some patient transfers in the days following Hurricane Ian. He complimented the coordination and cooperation of federal and state agencies in the successes achieved.

Secretary Simone Marsteller (AHCA) the secretary of the Agency for Healthcare Administration for the State of Florida, was visiting and was invited to speak with Board Members. Secretary Marsteller shared her perspective of conversations she held with Lee Health staff workers during rounds of the facilities today. She was heartened she said, by the caliber of character they displayed before, during and now after in recovery from this event. The Secretary said her agency is here to help our hospitals and staff continue to succeed in delivering quality care to our community.

Larry Antonucci, MD. invited Scott Nygaard, MD. Chief Operating Officer to give the Board members a status update on where we are with our facilities and services. He said the most recent event was the resumption of elective surgeries that do not require an overnight stay, although volumes are low. Scott said the vibrancy of a health system depends on the vibrancy and economic wellbeing of the community, and that he expects the recovery process of our community due to this storm to be a long and slow process, much like that after Hurricane Katrina where many business were lost and the recovery contracted. He also said many of the challenges we face are not yet known or determined, but that they are and will continue to work towards our new "normal". Discussion ensued.

Ben Spence, Chief Financial Officer lead a discussion with Board members about the short term, next 90 days cash flow impacts and effects from the two weeks period where accounts receivable went down due to Hurricane Ian and long term, those more than 90 days out that have not yet been calculated. He said volume, length of stay, use of contract labor and productivity will be the key to long term stability. Lengthy discussion ensued.

Larry Antonucci, MD. introduced Selynto Anderson, Chief Equity and Inclusion Officer to the Board members.

Larry Antonucci, MD, concluded by saying he is confident in the Lee Health team.

V. Physician Leadership Council Update (Timothy Dougherty, MD., PLC Chairman)

None.

VI. Consent Agenda (Approve)

Motion:

A motion to approve the Consent Agenda consisting of:

A. Board Meeting Minutes of 8/25/22

B. Medical Staff Credentialing

Motion moved by Therese Everly and motion seconded by David Collins. Carried with no opposition.

- VII. Resolution authorizing line of credit to increase liquidity for Hurricane Ian impact (Approve) (Ben Spence, Chief Financial and Business Services Officer)

Ben Spence Chief Financial Officer, and Patty Duquette Vice President Finance, answered Board Members questions about a line of credit. Lengthy discussion ensued.

Motion:

Motion for approval to adopt a resolution authorizing and approving a line of credit in the principal amount of not to exceed \$50,000,000 for the purpose of securing immediately available funds to assist in the payment of operating and other expenses during recovery from the effects of hurricane Ian; authorizing the designated officers named herein to select a lender and negotiate the terms of such borrowing; authorizing the execution and delivery of documents and the taking of all other necessary actions in connection with the line of credit; providing for severability; and providing an effective date.

Motion moved by Chris Hansen and motion seconded by Nancy McGovern. Carried with no opposition.

- VIII. Committees' Summaries and Recommendations

- A. Finance & Investment Committee Executive Summary (from Committee Meeting on 9/15/22) (Chris Hansen, Committee Chair)

Chris Hansen, Board Member and Finance and Investment Committee Chair reviewed the executive summary from the committee meeting held on September 15, 2022. Discussion ensued.

1. Summerlin Bend Joint Venture Opportunity (Approve)

Motion:

A motion was made to approve the following:

- 1. Investment of up to \$1.4 million dollars in Community Healthcare Innovations, LLC for the express purpose of investing in Lee Healthcare Holdings, LLC to acquire a 50% ownership interest in the Summerlin Bend Surgery Center located at 5238 Mason Corbin Ct, Fort Myers, FL 33907**

Motion moved by Chris Hansen and motion seconded by Kathy Bridge-Liles. Carried with no opposition.

Motion:

A motion was made to approve the following:

2. Authorize Lee Health’s CEO or CFO to execute the Contribution Agreement between Lee Health and Community Healthcare Innovations, LLC upon final review and approval of Counsel to the Board of Directors and Lee Health counsel.

Motion moved by Chris Hansen and motion seconded by Kathy Bridge-Liles. Carried with no opposition.

2. FY 2023 Operations Budget (Approve)

Ben Spence, Chief Financial Officer presented the Board Members with the FY 2023 Operating Budget figures. Discussion ensued around the need for a budget and the effects of Hurricane Ian on the proposed figures. Board Members requested to be updated on financial impacts more frequently in the months ahead, due to the potential financial ramifications.

Motion:

A motion was made to approve the FY 2023 Operating budget that provides a 5.0% operating margin. The approval of the FY 2023 Operating budget will provide the funding for the FY 2023 Capital Budget of \$198,553,758.

Motion moved by Chris Hansen and motion seconded by Diane Champion. Carried with no opposition.

3. FY 2023 Capital Budget (Approve)

Ben Spence presented the Board Members with the FY 2023 Capital Budget figures. Discussion ensued.

Motion:

A motion was made to approve the FY2023 Capital Budget of \$198,553,758 including contingency in the amount of \$1,650,000. The total FY2023 Capital Budget will be fully funded from cash flow of

operations and represents approximately 72.9% of the cash flow available for capital.

Motion moved by Chris Hansen and motion seconded by Nancy McGovern. Carried with no opposition.

- B. Community Health Improvement Executive Summary (from Committee Meeting on 9/8/22) (Therese Everly, Committee Chair)

Therese Everly, Board Vice Chair and Community Health Improvement Committee Chair reviewed the executive summary from the committee meeting held on September 8 , 2022. Discussion ensued.

Motion:

A motion was made to approve to accept the 2021 Community Benefit Report.

Motion moved by Therese Everly and motion seconded by David Collins. Carried with no opposition.

- C. Audit Committee Executive Summary (from Committee Meeting on 9/21/22) (Nancy McGovern, Committee Chair)

Chris Hansen, Board Member read the Executive Summary from the Audit Committee Meeting held on 9/21/22 at the request of the Committee Chair, Nancy McGovern.

- IX. Centralized Lab/New Information Systems Mainframe Service (Approve) (Dave Kistel, VP & Chief Facilities Executive)

Dave Kistel Vice President & Chief Facilities Executive and Lynn Gott, System Director Clinical Labs answered Board members questions about the proposed new facility for that service line and information systems. Discussion ensued.

Motion:

A motion was made to approve proceeding with the public announcements and the competitive award process in accordance with Board policies 20.15E and 20.16H for the following professional services for the construction of a new building at 3925

Fowler Street, Fort Myers, FL 33901, for the purpose of relocating Lee Health's centralized laboratory services and information systems main frame:

- 1. Design services and**
- 2. At risk construction management services.**

Motion moved by David Collins and motion seconded by Therese Everly. Carried with no opposition.

- X. Lee Health Fort Myers Hospital Update (Dave Kistel, VP & Chief Facilities Executive)

Dave Kistel, Vice President & Chief Facilities Executive presented a conceptualized vision of the proposed new hospital's potential layout and development. Discussion ensued.

- XI. Meeting Feedback and Board Member Reports

Chair Donna Clarke asked the Board members to share remarks about the meeting materials and also any experiences from recent events.

- XII. Adjourn

Meeting was adjourned at 3:36 p.m.

Date of Next Meeting

October 27 2022 at 1:00 PM

Board of Directors Meeting

Location: Gulf Coast Medical Center Board Room, 13685 Doctor's Way Ft. Myers FL 33912

Teleconference: Dial-In # 1 415 655 0002 Access Code 2303 571 3124

Board Minutes were prepared by Kathy J. Hagen, Assistant to the Board.

Signed:

Diane Champion
10/28/2022 11:21 EDT