

Weems Hospital System Management Concerns

Presented by: Concerned Citizens of Franklin County, Inc. 08-16

1. Unreliable and Misleading Financial Data

- a. Lack of aggregate numbers (including all indebtedness) can be very misleading to leadership officials, misleads governing officials.
- b. Moving between Cash and Accrual accounting (in an effort to shine the best light on a situation misleads) Accounting must be consistent and not compare apples to oranges.
- c. Continual tardy and/or incomplete (or late) financial information prohibits and inhibits proper analysis
- d. Lack of a complete outside financial audit done (not to county standards but) to professional accepted hospital standards (is not as deep or comprehensive as need be) This omission results in a lack of qualified, independent and reliable industry appropriate analysis.

2. Hospital Board Oversight

- a. Hospital Board is neither independent or dependent. Who is the leader responsible? Board is caught between following Commissioners orders and policies and what they want to do or sometimes need to do.
- b. Hospital Board Members attendance is irregular. Attendance is neither required or enforced leaving serious oversight gaps.
- c. Hospital Board Members rarely ask questions and some do not know what questions to ask. What training is offered to prospective and continuing Board Members? What are the fiduciary responsibilities of a Board Member?
- d. Hospital Board follows the CEO's recommendations in virtually all cases and with scant discussion.
- e. Hospital Board has violated Open Meetings Laws

3. Payroll Increases

- a. In attending all Hospital Board Meetings last year and questioning several Board Members, no one (I have spoken with) has a recollection of passing a motion to raise the salary of the CEO, nor can I find that motion in minutes I have received.
- b. In speaking with several county commissioners the wage increases appear to have been a surprise to the County Commissioners I have spoken with. They were not mentioned, explained or justified in any Hospital Board Meeting I attended last year.
- c. Wage increases were apparently largely relegated to the top six executives of Weems. Requests for current and prior year Payroll Registers have not yet been fulfilled under an Open Records Request made a month ago.

4. 2016/2017 Budget

- a. Assumes a revenue increase of 9% (approximate) to 6.652 million. We could not determine what makes up that increase.
- b. Assumes an expense increase to \$8.617 million from a projected 8.317 million which is a 4% increase. What is that composed of?
- c. Critically, what is the projected cash needed in the next fiscal year that exceed all sources of income and subsidies? Why was this critical projection of cash shortfall in the 2016/2017 budget left out?

5. Hospital Addition/Renovation-- To be profitable Weems must be competitive. After opening, Weems will lack the following services that limit its ability to attract new patients and swing beds available at almost all other hospitals:

- a. Digital Imaging
- b. Dialysis
- c. Ultrasound
- d. Surgery—General
- e. Physical Therapy
- f. Urology—colonoscopy
- g. Cardiology
- h. Board Certified Emergency Care