

Munroe Regional Health System, Inc.

Board of Directors Meeting Minutes

February 25, 2019 @ 5:00 p.m.

Rich Bianculli, Chairman

Call to Order

Richard Bianculli called the February 25, 2019 regular meeting of the Munroe Regional Health System, Inc. Board of Directors to order with a quorum present at 5:45 pm.

Board Members Present

Rich Bianculli, Randy Klein, Sam McConnell, Ram Vasudevan, David Cope, Ken Marino

Board Members Absent

Larry Strack

Present by Phone

None

District Attorney Present

Joe Hanratty

Others Present:

Curt Bromund, Brianna Liles, Debbie Cooper, Michelle Stone, Heather Wyman, Rebecca Tull, Carlos Medina

Invocation

None

Public Comment (3 minutes)

None

Approval of Previous Minutes – January 28, 2019 and February 19, 2019

A **Motion** was made by Sam McConnell to accept the minutes of January 28, 2018 and February 19, 2019. The **Motion** was seconded by Ken Marino. With no further discussion, the **Motion** carried unanimously.

MHRS Financial Reports, Budget vs. Actual Balance Sheet and Income Statements

Debbie reviewed the January 2019 financials.

A **Motion** was made by Sam McConnell to accept the Financials of January 2019 as presented. The **Motion** was seconded by Randy Klein. With no further discussion, the **Motion** carried unanimously.

New Business

None

Old Business

Operations Committee Update

Gryphon Advisory – Robert Langston - The Munroe Medicaid Recoupment Project - AHCA's original demand was for \$3,173,561, is now down to \$2.8M We learned fairly quickly in the process that FY 08 & FY 09 would be lost because there were no records for those years. That reduced the estimate by approximately half. Therefore, adjustments we thought were appropriate were not, and other adjustments we thought were not needed were in fact required. Gryphon is recommending that Munroe accept the changes and allow the Medicaid rates to be reprocessed. If there is a refund Gryphon receives 25% of the amount.

Joe called the Medicaid attorney and Gryphon and they stated that without the records from 2008 and 2009 the amount due would be non-negotiable and since we would be saving ~\$315K from the 2010 and 2011 records that were found. The trustees have decided it would be worth having Curt reach out to the hospital one more time and see if they can help locate the electronic or any records of 2008 and 2009. Joe and Curt will report back with information at the next committee meeting.

A **Motion** was made by Sam McConnell to accept the Operation Report as presented. The **Motion** was seconded by David Cope. With no further discussion, the **Motion** carried unanimously.

Pension Sub-Committee Update

Munroe Pension Plan Closeout Update – Pension Funding

Munroe Regional Health System needs to make a decision on Pension Funding for this year. We have initiated the quarterly installment due by January 15 and we need to determine if we want to make a large contribution this year. Below are our options.

1. Contribute the minimum required contributions which would be quarterly installments of \$99,991 beginning January 15 plus a final amount of between \$500,000 and \$600,000 due by June 15, 2019.
2. Contribute a large amount to reduce the PBGC premium. This contribution would be accrued for the 2017-18 plan year and considered an asset at 10/1/2018. The portion of the PBGC premium (due July 15) that can be reduced or eliminated is \$176,358. To eliminate it completely requires a contribution of \$4,832,000 by June 15, 2019. With an estimated unfunded plan termination liability of \$5 million, there is a risk here that this contribution could overfund the plan for plan termination. The plan termination liability varies as interest rates and assets vary. Additionally, refund of overpayment is taxed.

After some discussion David Cope made a Motion to fund the minimum requirement needed as stated in number 1 above for the present time. The Motion to Recommend was seconded by Randy Klein. Motion passed unanimously.

Munroe Pension RFP's – two RFP's received, Milliman and Aon Hewitt, **Aon Hewitt** proposes Plan Termination Service fees will be \$140,000 for 2019 and \$260,000 for 2020. Annuity service fees will be \$90,000, 30% will be invoiced upon the full execution of the contract, 30% of the fees will be invoiced after the due diligence meeting, 30% of the fees will be invoiced when MCHD chooses an annuity provider, and 10% after the group annuity contract is agreed upon. Other charges and billing rates will apply. Aon Hewitt's quote to close the pension plan is ~\$665,000 plus out of service work that is not specified how much more it will cost.

Milliman will complete the plan termination within 12 to 18 months of receiving complete and accurate data. Total for the pension plan termination will be \$254,500. Other charges and billing rates will apply. Milliman's hourly rates were ~ 30% less than Aon Hewitt's. Milliman's quote to close the pension plan is \$264,500. Milliman's out of service costs appear to be minimal. Many items that were out of service for AON are included.

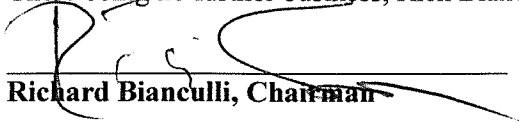
Joe Hanratty gave a brief description of the two RFP's listed above at the committee meeting and after much discussion it was recommended to give Curt, Debbie and Joe authority to have more exploratory discussions with Milliman in regard to their questions and answers and fees. Joe spoke with Milliman and was satisfied with their responses. Before the District moves forward with engaging with Milliman and giving Aon Hewitt their 90 day notice of termination, trustees would like Joe to first receive and review the Milliman contract.

A Motion was made by Sam McConnell to accept the Pension Sub-Committee report by consensus. The Motion was seconded by Randy Klein. The Motion passed unanimously.

Legal/Other

Legal Claims – we are down one less worker's compensation claim.

There being no further business, Rich Bianculli adjourned the meeting at 6:00 p.m.


Richard Bianculli, Chairman