



**Greenwood Leflore Hospital**

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# MEMO

**TO:** GLH EMPLOYEES & MEDICAL STAFF

**FROM:** GARY G. MARCHAND, Interim CEO

**SUBJECT:** GLH Viability Planning Update – April 5, 2023

With the end of the legislative session and recent actions by our local owners to support ongoing hospital operations, we are providing you with this update.

## Short Term Viability:

The Division of Medicaid (DOM) has made advanced supplemental payments to the state's hospitals this month. GLH received \$2,098,518 Mississippi Hospital Access Program (MHAP) and \$722,713 Disproportionate Share Hospital (DSH) this month.

DOM continues to pursue Federal approval of two new supplemental payment programs for State Fiscal Year (SFY) 2023 that, when approved, will result in GLH receiving its share of these new programs over the next several months. GLH is estimated to receive an additional \$365,865 for these programs. Looking forward, there are indications that DOM will fund future Medicaid and uninsured services at the full amount of GLH's allowed cost for serving these patients.

The legislature has decided on the pool of emergency relief funds to be made available to Mississippi's hospitals and GLH's share will be \$924,043. These relief funds will be a SFY 2024 appropriation and will be received shortly following the start of the state's new fiscal year that begins July 1<sup>st</sup>.

The owners have now agreed to put a \$10,000,000 line of credit in place to support our ongoing operations. This line of credit will provide sufficient cash for GLH to operate into 2024. The banks have advised the county and city as to the terms of the line of credit with final documents to be completed over the next 30 – 60 days. Once the transaction is complete GLH will be able to draw down cash reserves from the line of credit.

## One-Time Events:

GLH's Federal Emergency Management Agency (FEMA) claim remains active and we continue to monitor the status of the progress with FEMA. The claim was filed in the amount of \$6,045,458 and we expect initial payments to begin this fall. Obviously, the timing of any payments is dependent on FEMA actions at the Federal level and we are working with our Congressional representatives in encouraging timely approval.

This week we are hosting a survey team from Mississippi State Department of Health (MSDH) in support of our application for Critical Access Hospital (CAH) status. The survey is a necessary (and positive step) in MSDH's approval of GLH's application.

Next week we will be hosting a consultant for an on-site visit. This one-week review was requested by the county as a necessary step in the process of securing the tax-supported line of credit mentioned above. The purpose of the visit is to review GLH's recent revenue and expense performance with a view toward identifying opportunities to grow services and revenues. The review will be accomplished by Mrs. Paula Autry an accomplished Senior Healthcare Executive with many years of service to the healthcare sector.

#### Long Term Viability:

As we have previously shared with you, the application for CAH status was filed last month and we are awaiting MSDH approval. Once received, the application will move to the Federal level for further analysis and a final decision. We continue to expect a decision this fall. The CAH model projection is expected to allow us to breakeven or provide profitable operations going forward. As with the FEMA claim, we are coordinating the federal review process with our two Senators and our Representative.