

## RMC set to make \$2.49M in payments

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CONYERS - Rockdale Medical Center officials took a matter-of-fact stance in saying they will make a \$2.49 million bond payment due Oct. 1 as they continue to find a buyer for the publicly owned hospital.

RMC will make payments to three outstanding bonds next month, which covers the financing for the East Tower expansion and renovation and expansion of the emergency department.

RMC's Chief Financial Officer Sandy Albrecht said there was never any doubt about making the large bond payment due to covenants placed by the hospital's creditors. The hospital is required to set aside money on a monthly basis to cover \$750,000 of the bond debt.

Strong cash collections this year was another factor in favor of the hospital. Albrecht said RMC experienced a record \$9.2 million in collections in January, then set it's second highest collected amount in July with \$8.9 million.

She said preliminary reports for August collections were strong, too.

"Summer months' volumes are typically lower in hospitals, so to have strong cash collections on somewhat lower volumes speaks well of our entire revenue cycle team," said Albrecht, referring to hospital staffers in the various departments responsible for accounting."

The hospital continues to look at ways to save money. Albrecht said the RMC administrators are studying renting rather than purchasing equipment as one method to lower operating costs. The hospital is also in the process of installing some equipment for neonatal care, surgical ENT and additional surgical instruments that had previously been approved by the RMC Board of Directors and Rockdale County Hospital Authority.

And it's been capital improvements such as those that have been a primary reason given for finding a suitor for Rockdale Medical Center. Despite the positive collections, Hospital Authority and board members have said there is not enough revenue after bond debt responsibilities to keep up a standard of care to stay competitive with other hospitals in the area.

The Hospital Authority said this week they are continuing their discussions with LifePoint Hospitals, Inc. of Brentwood, Tenn., for a possible sale agreement.

Critics in the community have said the hospital suffers from bad management and can remain a viable operation as a public hospital.

RMC officials had obtained approval from the Georgia Attorney General's office, as required by law, for a sale to Signature Hospitals Corp. of Houston in March. That deal fell through when Signature could not secure credit to finance the sale.

In other accounting trends at RMC, Albrecht noted the national credit crunch is having an effect on the hospital's interest expenses and non-operating income.

"Our interest costs are now averaging about \$25,000 a month higher than this time a year ago," she said. "At the same time our investment portfolio is being hit hard by external market factors, so that we are not seeing the strong earnings in our investments that we experienced in fiscal year 2007."

