

BOARD OF TRUSTEES MEETING MINUTES RECORD

DATE:	LOCATION:	START	ADJOURN
August 29, 2016	Hood Building Southport, NC	3:00 pm	6:45 pm
MEMBERS PRESENT: Sherri Marshall, Chair Karen Taylor, Vice Chair Joe Agovino, Secretary Jim White Dr. Robert Zukoski Melissa Hinnant Dr. Scott Starks		NON MEMBERS PRESENT: Tom Siemers, CEO Dan Porter, CFO Carol Northup, RN, CNO, COO – Excused Dr. Karen Wood, Chair, MEC Lynda Stanley, President, Foundation Lori Smith, Clerk of the Board Terry Pope, State Port Pilot	
Special Guests: None			

	AGENDA ITEM	DISCUSSION/CONCLUSIONS	ACTION
1.	Call To Order	Sherri Marshall called the meeting to order at 5:00 pm.	
2.	Roll Call	Joe Agovino Called Roll Roll Reflected Above Ms. Stanley , Dr. Wood and Terry Pope attended the 5 pm Return to Open Session. A quorum was present.	
3.	Approval of Minutes	Minutes to be Approved: August 1, 2016	MOTION: To accept the minutes of August 1 2016 Motioned By: Jim White Seconded: Melissa Hinnant All Present in Favor The Motion Carried
4.	MOVE TO CLOSED SESSION	In accordance with N.C. General Statute 143.318.11 (a) (1) to discuss confidential competitive healthcare information protected under N.C. General Statute 131E-97.3	MOTION: To accept the minutes of August 1 2016 Motioned By: James White Seconded: Karen Taylor All Present in Favor The Motion Carried

5.	OPEN SESSION	The Board returned to Open Session 4:30 pm. and exercised a short break to return to discussion at 5:00 pm. Sherri Marshall, Chair was excused and Karen Taylor, Vice Chair presided.	
6	Special Presentation	None Presented	
7.	Management Reports	<p><u>Foundation Report –Lynda Stanley</u></p> <ul style="list-style-type: none"> • The reception and dedication for Dr. Corbett was a great success and much appreciated by his friends and family. Community members, hospital staff and Board members, past co-workers, medical staff and many officials attended including past Hospital Administrator Tom Ryan, Brunswick County Health Department, Deputy Commissioners of Prisons, Cape Fear Foundation and Mayor Dove. The radiology suite was named in his honor for his long dedication to Doshier Memorial Hospital. IT was noted that Dr. Corbett was overwhelmed with the excellent technology available at the hospital. • The Duke Endowment visited in order to discuss items related to the \$450K grant request. Doshier is one of ten finalists. They are addressing the grassroots approach and collaborative efforts in support of healthcare and gave guidelines on how to refine the process. Should we receive the grant, it was indicated that it would take the first nine months to put the infrastructure in place to serve the selected population. The next cut will be to the top seven. 	
		<p><u>CEO Report - Tom Siemers</u></p> <ul style="list-style-type: none"> • The Leadership report was included in the meeting packet. 	
		<p><u>CFO Report – Dan Porter</u></p> <p><u>Financial Report</u> The financial reports were included in the meeting packet.</p> <p>Days Cash on Hand: 74.9 Days Revenue in A/R: 93.2</p> <ul style="list-style-type: none"> ➤ The payor mix in July was unfavorable. ➤ Volume indicators showed medical admissions and surgical cases had dropped off as well as the daily census. ➤ Expenses were favorable. <p>Operations YTD <\$971k> Total YTD \$1.8M.</p> <p>Month Reported Operations Gain or Loss: <\$192k></p>	

		<p>August is trending at \$10.9M gross revenue.</p> <p><u>Retirement Plan Audit – Sept. 30, 2015</u></p> <ul style="list-style-type: none"> • The Finance Committee met to review the Retirement Plan Audit by Berry, Padgett & Chandler and indicated to the Board that it should be accepted. • Highlights include but are not limited to: <ul style="list-style-type: none"> ➤ Assets at fair value - \$3.7M ➤ Plan Trustee is Fidelity Management Company. ➤ No identified internal control issues ➤ No significant deficiencies. ➤ No disagreements with Management. <p>It was noted areas are all positive in review. The Finance Committee met on August 15 and agreed to recommend the audit be accepted by the Board. Jim White presented the motion to the Board from the Finance Committee.</p> <p><u>Operating & Capital Budget Year Ending Sept. 30, 2017</u></p> <p><u>Operating Budget</u></p> <ul style="list-style-type: none"> • The Finance Committee met to review the Operating and Capital Budget FY Sept., 30, 2017 and indicated that it was reviewed in detail. • Assumed Revenue included but not limited to: <ul style="list-style-type: none"> ➤ Increase in swing bed program. ➤ Growth in lab and imaging. ➤ Slight growth in clinics. ➤ Payor mix shift. ➤ Inpatient flat. ➤ Reduction due to Nursing Center expenses not assumed. ➤ Price increase of 3%. (Note: a 3% increase translates to approximately \$100K in profit) ➤ Increase of service programs. • Assumed Expenses included but not limited to: <ul style="list-style-type: none"> ➤ Expenses assumed highlights included but not limited to: ➤ Salary and benefits no change and includes a provision for 2% merit increases and 2% retirement plan investment. ➤ Purchased Services such as coding and JC projects ➤ Supplied for 340B program and volume implants ➤ Wellness Center Leases and Utilities ➤ Interest on loans with USDA and BB&T ➤ Depreciation of Wellness Center and 2017 capital. <p>It was noted that not having the Nursing Center in the finances,</p>	<p>MOTION:</p> <p>To accept the Motion of the Finance Committee to accept the Retirement Plan Audit Year Ending Sept. 30, 2015 recommendation of the Finance Committee.</p> <p>The Board was polled and by show of hands 7 ayes-0 nays.</p> <p>The Motion Carried Unanimously.</p>
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		<p>it saves \$954,225 per year to the bottom line.</p> <p><u>Capital Budget</u> There will be a decrease in working capital due in large to the approximate \$2.8M in MRI expenses. This includes the equipment as well as renovation of the plant to accommodate the service. It was indicated the total decrease is reflected in the 2016-2017 fiscal year.</p> <p>It was noted these areas were reviewed by the Finance Committee. They met on August 15 and agreed to recommend the Operating & Capital Budget FY Ending Sept 30, 2017 be accepted by the Board. Jim White presented the motion to the Board from the Finance Committee.</p>	<p>MOTION: To accept the Operating & Capital Budget for the Year Ending Sept. 30, 2017 presented by the Finance Committee. The Board was polled and by show of hands 7 ayes-0 nays. The Motion Carried Unanimously.</p>
		<p><u>IOP and Nursing Report</u></p> <ul style="list-style-type: none"> • The IOP information was presented in the meeting packet. • An award from the Studer Group was presented to several nurses at a national meeting. It was for "Achievement in Emergency Care." It was awarded for excellence in patient care and noted that it was not just for patient care but for sustained patient care over time. 	
8.	CLOSED SESSION	<p>MOTION: In accordance with N.C. General Statute 143-318.11(a) (1) to discuss (a) confidential credentialing and peer review information protected under N.C. General Statute 131 E-97.2 (b) confidential healthcare contracts protected under N.C. General Statute 131 E-99 and (c) confidential competitive healthcare information protected under N.C. General Statute 131 E-97.3.</p>	<p>MOTION: To move to closed session in accordance with the indicated statutes. Motioned By: Jim White Seconded: Melissa Hinnant All Present in Favor The Motion Carried</p>
9.	OPEN SESSION ADDITIONAL BUSINESS	<p>The Trustees returned to Open Session</p> <p><u>Credentialing Addendum</u> The Credentialing Addendum was approved as presented.</p>	<p>MOTION: To accept the Credentialing presented as indicated on the Credentialing Addendum. Motioned by: Jim White Seconded by : Scott Starks, M.D.</p>

			All Present In Favor The Motion Carried
10.	ADJOURN	The meeting was adjourned at 6:45 pm	MOTION: To Adjourn the Board of Trustees Motioned By: Jim White Seconded By: Melissa Hinnant All Present in Favor. The Motion Carried
	Board Minutes Accepted	<u><i>Sherri Marshall, as Chair</i></u> Sherri Marshall, Chair	

J. ARTHUR DOSHER MEMORIAL HOSPITAL
STATISTICS
July-16

		(A) Month Actual	(B) Month Budget	(C) Prior Month Actual	(D) FYTD Actual	(E) FYTD Budget	(F) Prior FYTD Actual	
1	Medical Admissions	36	51	41	433	527	507	1
2	Swing Bed Admissions	5	-	5	34	-	-	2
3	Surgical Admissions	22	25	20	264	260	221	3
4	Total Admissions	63	76	66	731	787	728	4
5								5
6	Census Days	182	237	144	1,947	2,449	2,173	6
7	Swing Bed Census Days	27	-	41	280	-	-	7
8	Total Census Days (Includes Swing Bed)	209	237	185	2,227	2,449	2,173	8
9	Average Daily Census (Includes Swing Bed)	6.7	7.7	6.2	7.3	8.0	7.2	9
10	Average Daily Census (Excludes Swing Bed)	5.9	7.7	4.8	6.4	8.0	7.2	10
11	Average Length of Stay (Excludes Swing Bed)	3.1	3.1	2.2	2.8	3.1	3.0	11
12	Observation Patients	67	46	57	573	455	469	12
13	Discharges Hours	2,186	1,117	1,760	17,017	11,012	12,706	13
14								14
15	Operating Room Procedures: Inpatient	29	30	25	342	284	280	15
16	Outpatient	140	108	145	1,293	1,010	931	16
17								17
18	Endoscopy Procedures: Inpatient	5	10	5	53	87	55	18
19	Outpatient	62	84	51	580	728	510	19
20								20
21	Laboratory: Inpatient	843	1,630	669	9,348	14,079	10,893	21
22	Outpatient	11,920	10,960	11,356	103,851	94,685	88,052	22
23								23
24	Diagnostic Imaging: Inpatient	85	136	71	945	1,176	1,016	24
25	Outpatient	2,406	2,644	2,360	23,551	22,844	22,914	25
26								26
27	Cardiopulmonary: Inpatient	112	312	198	1,888	2,696	2,679	27
28	Outpatient	217	234	180	2,173	2,301	2,060	28
29	Sleep Studies	23	-	30	238	-	256	29
30								30
31	EKG, Stress Test, & Holter Monitor							31
32	Inpatient	21	27	17	208	232	242	32
33	Procedures: Outpatient	272	326	294	2,925	3,209	3,032	33
34								34
35	Physical Therapy: Visits	623	794	626	6,608	6,865	6,817	35
36	Treatments	1,521	2,036	1,321	15,326	17,593	17,355	36
37								37
38	Cardiac Rehab: Visits	395	425	363	3,908	4,184	3,989	38
39	Diabetic Program: Visits	12	12	7	167	116	115	39
40								40
41	Wound Care Program: New Patient Registrations	29	14	23	199	139	130	41
42	Visits	220	136	233	1,653	1,340	1,104	42
43								43
44	Meals Served: Patients	4,183	4,726	3,894	45,498	46,777	43,560	44
45	Others	2,390	2,592	2,736	27,686	30,016	30,016	45
46								46
47	Emergency Room: Visits	1,261	1,272	1,165	10,777	10,992	11,032	47
48	Admitted	45	64	42	470	555	531	48
49	Transfers	36	32	39	317	279	268	49
50								50
51	Total Outpatient Visits (EXCL ER)	4,492	4,086	4,554	44,044	40,128	39,026	51
52								52
53	Nursing Center: CON Transaction - June 1, 2016 (8 mos of Data)							53
54	Admissions	-	7	-	67	73	69	54
55	Census Days	-	1,292	-	9,140	12,687	11,595	55
56	Average Daily Census	-	42.1	-	37.5	41.6	38.1	56
57								57
58	Clinic Visits:							58
59	Dosher Medical 9th Street Start 07/01/11	229	254	293	2,523	2,612	2,503	59
60	Dosher Medical Howe Street Start 10/1/2014	327	311	354	3,365	3,201	3,130	60
61	Dosher Medical Smithville Crossing Start 10/1/2014	279	273	337	3,021	2,813	2,816	61
62	Dosher Medical Long Beach Rd Start 6/22/2014	675	352	535	3,669	1,944	2,428	62
63	Dosher Medical Oak Island Start 06/12/12	422	360	493	3,667	3,704	3,604	63
64	Dosher Medical Bolivia Start 10/20/2014	172	181	159	1,938	1,859	1,845	64
65	Dosher Medical Holden Beach Start 10/20/2014	202	164	196	1,817	1,686	1,703	65
66	Dosher Medical Middleton Rd	-	240	-	-	696	-	66
67	Dosher Medical Calabash Start 10/20/2014	-	-	-	-	-	2,566	67
68	Dosher Medical Women's Health Start 11/1/2014	178	150	177	1,908	1,542	1,496	68
69	Dosher Medical Vaughan's Clinic Start 02/01/15	291	310	301	2,216	3,190	801	69
70	Dosher Medical Surgical Clinic Start 02/01/15	81	72	90	938	743	350	70
71	Dosher Medical Baldhead start 05/22/15	124	228	73	225	371	301	71
72	Total Clinic Visits	2,980	2,895	3,008	25,287	24,361	23,543	72
73								73
74	New Patient Clinic Visits:							74
75	Dosher Medical 9th Street	25		52	270			75
76	Dosher Medical Howe Street	28		21	337			76
77	Dosher Medical Smithville Crossing	3		10	108			77
78	Dosher Medical Long Beach Rd	469		312	2175			78
79	Dosher Medical Oak Island	30		44	303			79
80	Dosher Medical Bolivia	4		8	85			80
81	Dosher Medical Holden Beach	45		30	149			81
82	Dosher Medical Middleton Rd	0		0	0			82
83	Dosher Medical Calabash	0		0	0			83
84	Dosher Medical Women's Health	19		4	110			84
85	Dosher Medical Vaughan's Clinic	69		88	425			85
86	Dosher Medical Surgical Clinic	11		28	220			86
87	Dosher Medical Baldhead	124		66	211			87
88	Total Clinic Visits	827		643	4393			88

J. ARTHUR DOSHER MEMORIAL HOSPITAL
OPERATING STATEMENT
Ten Months Ending July 31, 2016

	(A)	(B)	(C)	(D)	(E)	(F)	
	Current Month			Year-to-Date			
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	
REVENUE:							
1 Inpatient Revenue	\$ 1,110,963	\$ 1,534,163	\$ 1,301,952	\$ 14,684,534	\$ 13,818,921	\$ 13,003,877	1
2 Outpatient Revenue	8,453,462	7,176,326	7,744,003	78,189,654	70,605,793	67,031,701	2
3 Nursing Center Revenue	-	326,060	292,459	2,507,993	3,125,549	2,855,301	3
4 Clinics Revenue	555,166	529,292	525,614	4,857,667	4,715,322	4,516,730	4
5							5
6 Total Patient Service Revenue	10,119,591	9,565,842	9,864,029	100,239,847	92,265,584	87,407,608	6
7 Deductions From Revenue	(6,890,416)	(6,010,678)	(6,782,358)	(66,246,176)	(57,980,093)	(56,147,128)	7
8							8
9 Net Patient Service Revenue	3,229,175	3,555,164	3,081,670	33,993,670	34,285,491	31,260,480	9
10 Other Operating Revenue	92,903	91,565	84,016	752,177	728,277	1,421,687	10
11							11
12 Total Operating Revenue	3,322,077	3,646,729	3,165,687	34,745,847	35,013,768	32,682,168	12
13							13
OPERATING EXPENSES:							
14 Salaries	1,410,382	1,504,181	1,359,038	14,235,649	14,151,492	13,600,485	14
15 Employee Benefits	306,899	379,059	156,429	3,292,395	3,288,109	2,936,871	15
16 Professional & Purchased Services	650,474	705,324	782,604	6,417,648	6,171,749	6,396,871	16
17 Medical Supplies & Materials	541,447	534,840	547,939	5,987,012	5,140,819	5,030,326	17
18 Other General Expenses	366,035	387,557	343,100	3,459,231	3,616,839	3,260,542	18
19 Interest	24,727	27,939	99	146,274	279,391	723	19
20 Depreciation & Amortization	213,978	217,083	243,817	2,178,980	2,236,755	2,208,478	20
21							21
22 Total Operating Expenses	3,513,941	3,755,983	3,433,027	35,717,188	34,885,153	33,434,296	22
23							23
24 Earnings Before Interest, Depreciation & Amortization (EBIDA)	46,841	135,767	(23,424)	1,353,913	2,644,761	1,457,074	24
25							25
26 Excess From Operations	(191,863)	(109,255)	(267,340)	(971,340)	128,615	(752,128)	26
27							27
28 Non-Operating Revenue	135,859	154,030	154,031	2,766,039	1,540,300	1,568,543	28
29							29
30 Excess Over Expenses (After Extraordinary Items)	\$ (56,003)	\$ 44,775	\$ (113,309)	\$ 1,794,698	\$ 1,668,915	\$ 816,415	30
31							31

**J. ARTHUR DOSHER MEMORIAL HOSPITAL
BALANCE SHEET
AS OF JULY 31, 2016**

	(A) Current Month	(B) Last Month	(C) Prior Year
ASSETS			
Current Assets			
Cash	\$ 7,902,313	\$ 6,666,176	\$ 6,822,249
Board Designated Funds	-	21,519	1,256,603
Cash - Foundation	332,441	338,951	460,258
Total Cash and Investments	8,234,754	7,026,646	8,539,110
Accounts Receivable-Patients	30,732,096	32,981,383	24,960,990
Less Allowance	(17,248,982)	(19,747,811)	(14,858,424)
Net Patient Receivables	13,483,113	13,233,572	10,102,567
Other Accounts Receivable	1,596,820	1,438,850	1,206,731
Inventories	968,702	938,759	1,041,775
Prepaid Expenses	478,844	466,409	188,774
Total Current Assets	24,762,234	23,104,236	21,078,958
Net Property, Plant and Equipment	38,661,363	38,386,176	39,136,831
Other Assets	90,072	89,363	288,931
Total Assets	\$ 63,513,668	\$ 61,579,776	\$ 60,504,720
LIABILITIES & FUND BALANCE			
Current Liabilities			
Accounts Payable	\$ 1,624,569	\$ 1,194,230	\$ 1,870,412
Notes Payable Current - BEMC	20,833	31,250	-
Notes Payable Current - USDA	224,779	202,526	-
Notes Payable Current - BB&T	230,956	-	-
Medicare/Medicaid Settlement	-	-	-
Accrued Payroll and Taxes	448,819	282,474	594,805
Accrued Employees' Paid Days Off	1,114,513	1,094,416	1,042,795
Current Portion of Bonds Payable	-	-	-
Deferred Revenue - Taxes	268,402	402,603	390,000
Other Current Liabilities	17,436	17,495	308,062
Total Current Liabilities	3,950,307	3,224,994	4,217,146
Non-Current Liabilities			
BB&T Loan	1,268,985	-	-
Bonds Payable	-	-	845,000
USDA Loans	9,152,295	9,152,295	7,592,062
BEMC Loan	916,667	916,667	1,000,000
Total Non-Current Liabilities	11,337,947	10,068,962	9,437,062
Total Liabilities	15,288,254	13,293,955	13,654,208
Net Assets	46,098,275	46,096,166	45,567,264
Excess Revenue over Expenses	1,794,698	1,850,703	816,415
Restricted Assets	332,441	338,951	466,833
Total Net Assets	48,225,414	48,285,820	46,850,512
Total Liabilities & Fund Balance	\$ 63,513,668	\$ 61,579,776	\$ 60,504,720