

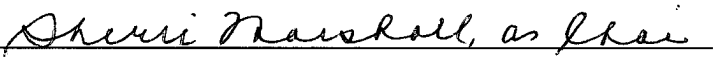
BOARD OF TRUSTEES MEETING MINUTES RECORD

DATE:	LOCATION:	START	ADJOURN
July 11, 2016	Hood Building Southport, NC	5:00 pm	6:55 pm
MEMBERS PRESENT: Sherri Marshall, Chair Karen Taylor, Vice Chair - Absent 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 Lynda Stanley, President, Foundation Lori Smith, Clerk of the Board Terry Pope, State Port Pilot	
Special Guests: Andrea Merritt, Athena Compliance Partners			

	AGENDA ITEM	DISCUSSION/CONCLUSIONS	ACTION
1.	Call To Order	Sherri Marshall called the meeting to order at 5:00pm.	
2.	Roll Call	Joe Agovino Called Roll Roll Reflected Above. A quorum was present.	
3.	Approval of Minutes	Minutes to be Approved: June 6, 2016	MOTION: To accept the minutes of June 6, 2016 Motioned By: Jim White Seconded: Melissa Hinnant All Present in Favor The Motion Carried
4.	Special Presentation	<u>Andrea Merritt, Athena Compliance Partners</u> Updated initiatives were presented in the Board packet. Presented the 2 nd Quarter Update including the Board Reporting Plan, 2016 Compliance activities to date and new regulations and regulatory updates. <ul style="list-style-type: none"> The reporting plan outlined the communications to the Board for the year which includes updates on Doshier compliance activities, education on regulatory changes and industry updates and annual Board education. It was noted that this keeps the Board informed on hospital compliance activities, potential compliance risks and changes in the regulatory environment. 	

		<p>2016 Compliance Activities:</p> <ul style="list-style-type: none"> • Annual employee compliance education with 100% compliance on the education sessions. • Exclusion Screening continues • Evaluation and Management documentation and coding audit of clinic providers. • Regular monitoring activities • Compliance communications on Ransomware and Notice of Observation (July) <p>Regulatory Update Highlights:</p> <ul style="list-style-type: none"> • Insurance companies are requiring attestation that compliance education has been completed. • A Notice of Observation requirement is in effect as of August 6, 2016 which requires notice to Medicare beneficiaries of outpatient observations services and implications for payment. A standardized notice from CMS has not been approved however Doshier is already in action with a notification method. • The False Claims Act penalties will be doubling. 	
5.	Management Reports	<p><u>Foundation Report –Lynda Stanley</u></p> <ul style="list-style-type: none"> • June was reported as a very busy on month with cultivation and education events. • Golf Tournament is October 14th at the Oak Island Golf Club. • Major gifts campaign is on schedule and in the lead gifts phase. • Two grants are outstanding with Duke Endowment and the Cape Fear Foundation Grant also in process. 	
		<p><u>CEO Report - Tom Siemers</u></p> <ul style="list-style-type: none"> • This week is NCHA summer meeting in Pinehurst and he encouraged all to attend the various breakout sessions. • The Foundation received a grateful patient donation for care in Emergency Room. 	
		<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: 74.6 Days Revenue in A/R: 95.8</p> <ul style="list-style-type: none"> ➤ The payor mix in May had an unfavorable lean. ➤ Volume indicators hit or surpassed budget except for medical admissions. ➤ Revenue was up and expenses versus budget was flat. <p>Operations YTD <\$620K></p>	

		<p>Total YTD \$678K</p> <p>June is trending at \$9.8 M gross revenue. It was noted that the sale of the Nursing Center will have a positive impact of \$60K-\$70K per month until the budget is reset in the next year and then the numbers will realign.</p> <p><u>Wellness Center</u></p> <ul style="list-style-type: none"> • The Wellness Center is close to opening in August. • An additional resolution was explained and presented in order to clarify an action from the initial resolution for the BB&T financing. <p><u>Resolution Supplementing Earlier Resolution Authorizing Installment Financing Agreement Under North Carolina General Statute 160A-20.</u></p> <p>Attorneys had suggested additional clarification of authorization for management to sign for final financing.</p> <p><u>1998 Bonds</u></p> <ul style="list-style-type: none"> • Due to the sale of the Nursing Center to Liberty Healthcare (a taxable entity) it was necessary to redeem the bonds (20 year Bond - \$5M tax Exempt.) • The closing on June 1 triggered the funds to "private use", therefore the original termination date of the bond for May 2018 was closed. The closed balance was \$845,000. The bonds are now off the books and redeemed. <p><u>MRI Certificate of Need</u></p> <ul style="list-style-type: none"> • A letter was received on Friday, July8 indicating that we have been approved for the MRI. The maximum capital expenditure is set at \$2,764,421. Planning will now move forward. 	<p>MOTION: To accept the Supplemental Resolution as Presented Authorizing Management to Enter and Execute Financing . Motioned By Scott Stark, M.D. Seconded By: Jim White All in Favor The Motion Carried</p>
		<p><u>IOP and Nursing Report – Carol Northup, RN</u></p> <ul style="list-style-type: none"> • Work has already begun to bring the MRI into the hospital. • Doshier has received another national award, however it may not be revealed until the entity makes the announcement. The Board will be notified at the August meeting. • Jackie Gaines, Studer Group and a noted author, presented to a group of leaders, staff and Board members on inclusiveness. 	
6.	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</p>

			Seconded: Melissa Hinnant All Present in Favor The Motion Carried
7.	OPEN SESSION ADDITIONAL BUSINESS	<p>The Trustees returned to Open Session</p> <p><u>Credentialing Addendum</u></p> <p>The Credentialing Addendum was approved as presented.</p>	<p>MOTION:</p> <p>To accept the Credentialing presented as indicated on the Credentialing Addendum.</p> <p>Motioned by: Melissa Hinnant Seconded by : Jim White All Present In Favor The Motion Carried</p>
8.	ADJOURN	The meeting was adjourned at 6:55 pm	<p>MOTION:</p> <p>To Adjourn the Board of Trustees</p> <p>Motioned By: Scott Starks, M.D. Seconded By: Jim White All Present in Favor. The Motion Carried</p>
	Board Minutes Accepted	<p> <u>Sherri Marshall, as Chair</u> Sherri Marshall, Chair</p>	

**J. ARTHUR DOSHER MEMORIAL HOSPITAL
STATISTICS
May-16**

		(A) Month Actual	(B) Month Budget	(C) Prior Month Actual	(D) FYTD Actual	(E) FYTD Budget	(F) Prior FYTD Actual	
1	Medical Admissions	41	44	42	356	416	408	1
2	Swing Bed Admissions	6	-	2	24	-	-	2
3	Surgical Admissions	29	22	26	222	206	163	3
4	Total Admissions	76	66	70	602	622	571	4
5								5
6	Census Days	183	205	196	1,621	1,935	1,717	6
7	Swing Bed Census Days	55	-	8	212	-	-	7
8	Total Census Days (Includes Swing Bed)	238	205	204	1,833	1,935	1,717	8
9	Average Daily Census (Includes Swing Bed)	7.7	6.6	6.8	7.5	7.9	7.1	9
10	Average Daily Census (Excludes Swing Bed)	5.9	6.6	6.5	6.6	7.9	7.1	10
11	Average Length of Stay (Excludes Swing Bed)	2.8	3.1	2.9	2.8	3.1	3.0	11
12	Observation Patients	54	46	49	449	364	340	12
13	Discharges	1,865	1,112	1,560	13,071	8,806	9,494	13
14	Hours							14
15	Operating Room Procedures:							15
16	Inpatient	36	28	26	288	219	206	16
17	Outpatient	145	97	148	1,008	777	726	17
18	Endoscopy Procedures:							18
19	Inpatient	4	9	5	43	68	38	19
20	Outpatient	57	75	58	457	567	388	20
21	Laboratory:							21
22	Inpatient	976	1,451	891	7,836	10,967	8,561	22
23	Outpatient	11,386	9,759	11,253	80,575	73,761	69,268	23
24	Diagnostic Imaging:							24
25	Inpatient	89	121	104	789	916	784	25
26	Outpatient	2,326	2,355	2,461	18,785	17,795	18,196	26
27	Cardiopulmonary:							27
28	Inpatient	191	278	148	1,578	2,100	2,267	28
29	Outpatient	243	234	242	1,798	1,841	1,886	29
30	Sleep Studies	27		23	185		196	30
31	EKG, Stress Test,							31
32	& Holter Monitor							32
33	Procedures:							33
34	Inpatient	23	24	19	170	181	197	34
35	Outpatient	318	326	301	2,359	2,567	2,370	35
36	Physical Therapy:							36
37	Visits	720	708	648	5,359	5,349	5,527	37
38	Treatments	1,415	1,814	1,320	12,484	13,706	14,071	38
39	Cardiac Rehab:							39
40	Visits	428	425	489	3,150	3,347	3,120	40
41	Diabetic Program:							41
42	Visits	11	12	13	148	93	90	42
43	Wound Care Program:							43
44	New Patient Registrations	34	14	20	147	111	88	44
45	Visits	234	136	168	1,200	1,072	769	45
46	Meals Served:							46
47	Patients	4,315	4,539	4,354	37,421	37,191	33,966	47
48	Others	2,751	3,064	2,729	22,560	23,973	23,973	48
49	Emergency Room:							49
50	Visits	1,142	1,133	1,048	8,351	8,563	8,594	50
51	Admitted	46	57	48	383	433	424	51
52	Transfers	27	29	38	242	218	204	52
53	Total Outpatient Visits (EXCL ER)	4,755	4,071	4,749	34,998	32,080	31,006	53
54	Nursing Center:							54
55	Admissions	8	7	8	67	58	60	55
56	Census Days	1,013	1,262	1,070	9,140	10,097	9,228	56
57	Average Daily Census	32.7	42.1	35.7	37.5	41.4	38.0	57
58	Clinic Visits:							58
59	Dosher Medical 9th Street	278	266	273	2,001	2,092	2,098	59
60	Dosher Medical Howe Street	337	326	349	2,684	2,564	2,556	60
61	Dosher Medical Smithville Crossing	285	287	301	2,405	2,253	2,260	61
62	Dosher Medical Long Beach Rd	469	123	354	2,459	1,334	1,590	62
63	Dosher Medical Oak Island	489	377	432	2,752	2,967	2,982	63
64	Dosher Medical Bolivia	217	189	188	1,607	1,489	1,494	64
65	Dosher Medical Holden Beach	191	172	192	1,419	1,350	1,296	65
66	Dosher Medical Middleton Rd		224			224		66
67	Dosher Medical Calabash	-	-	-	-	-	2,566	67
68	Dosher Medical Women's Health	191	157	198	1,553	1,235	1,228	68
69	Dosher Medical Vaughan's Clinic	199	325	238	1,624	2,555	486	69
70	Dosher Medical Surgical Clinic	98	76	95	767	595	166	70
71	Dosher Medical Baldhead	28	27	-	28	27	-	71
72	Total Clinic Visits	2,782	2,549	2,620	19,299	18,685	18,722	72
73	New Patient Clinic Visits:							73
74	Dosher Medical 9th Street	24		33	193			74
75	Dosher Medical Howe Street	15		19	288			75
76	Dosher Medical Smithville Crossing	5		11	95			76
77	Dosher Medical Long Beach Rd	263		203	1394			77
78	Dosher Medical Oak Island	48		48	229			78
79	Dosher Medical Bolivia	5		5	73			79
80	Dosher Medical Holden Beach	15		18	74			80
81	Dosher Medical Middleton Rd	0		0	0			81
82	Dosher Medical Calabash	0		0	0			82
83	Dosher Medical Women's Health	10		7	87			83
84	Dosher Medical Vaughan's Clinic	28		50	288			84
85	Dosher Medical Surgical Clinic	22		10	181			85
86	Dosher Medical Baldhead	21		0	21			86
87	Total Clinic Visits	456		404	2923			87
88								88

J. ARTHUR DOSHER MEMORIAL HOSPITAL
OPERATING STATEMENT
Eight Months Ending May 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	\$ 1,429,756	\$ 1,365,280	\$ 1,200,324	\$ 12,335,901	\$ 10,766,426	\$ 10,000,078	1
2 Outpatient Revenue	8,185,207	7,176,326	6,968,889	61,664,357	56,484,634	51,954,920	2
3 Nursing Center Revenue	261,695	312,813	286,286	2,502,041	2,478,152	2,255,644	3
4 Clinics Revenue	501,109	486,628	446,567	3,765,323	3,664,693	3,572,367	4
5							5
6 Total Patient Service Revenue	10,377,768	9,341,049	8,902,068	80,267,623	73,393,907	67,783,010	6
7 Deductions From Revenue	(6,944,628)	(5,869,774)	(6,046,717)	(52,591,146)	(46,121,712)	(43,008,588)	7
8							8
9 Net Patient Service Revenue	3,433,140	3,471,275	2,855,350	27,676,477	27,272,194	24,774,421	9
10 Other Operating Revenue	69,147	82,976	537,662	570,331	552,263	1,233,445	10
11							11
12 Total Operating Revenue	3,502,287	3,554,251	3,393,013	28,246,808	27,824,457	26,007,866	12
13							13
OPERATING EXPENSES:							
14							14
15 Salaries	1,448,375	1,474,867	1,492,700	11,548,586	11,179,110	10,800,694	15
16 Employee Benefits	332,105	338,765	300,057	2,744,113	2,563,445	2,486,422	16
17 Professional & Purchased Services	675,099	636,093	662,264	5,114,405	4,818,367	4,983,715	17
18 Medical Supplies & Materials	563,977	521,416	450,964	4,875,526	4,086,093	3,904,957	18
19 Other General Expenses	342,222	387,551	325,563	2,735,224	2,843,763	2,595,309	19
20 Interest	22,252	27,939	-	99,294	223,512	490	20
21 Depreciation	217,694	220,777	248,644	1,749,453	1,801,777	1,744,687	21
22							22
23 Total Operating Expenses	3,601,728	3,607,411	3,480,193	28,866,603	27,516,070	26,516,277	23
24							24
25 Earnings Before Interest, Depreciation & Amortization (EBIDA)	140,506	195,557	161,464	1,228,952	2,333,676	1,236,766	25
26							26
27 Excess From Operations	(99,440)	(53,159)	(87,180)	(619,795)	308,387	(508,411)	27
28							28
29 Non-Operating Revenue	199,348	154,030	154,030	1,297,743	1,232,240	1,185,481	29
30							30
31 Excess Over Expenses (After Extraordinary Items)	\$ 99,907	\$ 100,870	\$ 66,850	\$ 677,948	\$ 1,540,627	\$ 677,070	31

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

	(A) Current Month	(B) Last Month	(C) Prior Year
ASSETS			
Current Assets			
Cash	\$ 7,082,388	\$ 7,656,124	\$ 7,571,418
Board Designated Funds	866,519	1,256,519	1,271,643
Cash - Foundation	340,668	362,939	460,457
Total Cash and Investments	8,289,575	9,275,583	9,303,519
Accounts Receivable-Patients	33,090,794	30,698,844	22,763,056
Less Allowance	(19,594,061)	(17,906,778)	(12,796,056)
Net Patient Receivables	13,496,732	12,792,066	9,966,999
Other Accounts Receivable	835,883	899,385	1,206,472
Inventories	949,239	945,631	1,045,903
Prepaid Expenses	568,797	511,926	229,065
Total Current Assets	24,140,228	24,424,593	21,751,960
Net Property, Plant and Equipment	37,988,327	38,088,413	38,933,505
Other Assets	289,060	288,606	288,931
Total Assets	\$ 62,417,615	\$ 62,801,613	\$ 60,974,397
LIABILITIES & FUND BALANCE			
Current Liabilities			
Accounts Payable	\$ 1,520,948	\$ 1,625,010	\$ 2,097,686
Notes Payable Current - BEMC	41,666	52,083	-
Notes Payable Current - USDA	180,273	158,020	-
Medicare/Medicaid Settlement	-	-	-
Accrued Payroll and Taxes	917,549	784,648	1,065,289
Accrued Employees' Paid Days Off	1,172,922	1,148,715	1,010,907
Current Portion of Bonds Payable	410,000	390,000	390,000
Deferred Revenue - Taxes	536,804	671,005	616,123
Other Current Liabilities	17,294	17,485	11,397
Total Current Liabilities	4,797,458	4,846,969	5,191,403
Non-Current Liabilities			
Lease Obligations			
Bonds Payable	435,000	845,000	845,000
Construction Bridge Loan	9,152,294	9,152,294	7,225,860
BEMC Loan	916,667	916,667	1,000,000
Total Non-Current Liabilities	10,503,961	10,913,961	9,070,860
Total Liabilities	15,301,420	15,760,930	14,262,263
Net Assets	46,097,578	46,099,701	45,548,786
Excess Revenue over Expenses	677,948	578,041	677,070
Restricted Assets	340,668	362,939	486,277
Total Net Assets	47,116,195	47,040,682	46,712,133
Total Liabilities & Fund Balance	\$ 62,417,615	\$ 62,801,613	\$ 60,974,397