

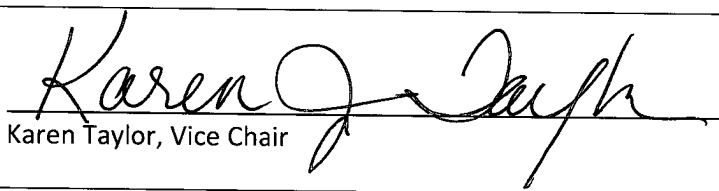
BOARD OF TRUSTEES MEETING MINUTES RECORD

DATE:	LOCATION:	START	ADJOURN
November 7, 2016	Hood Building Southport, NC	3:00 pm	7:00 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: Ken Worley, Director of Information Technology			

	AGENDA ITEM	DISCUSSION/CONCLUSIONS	ACTION
1.	Call To Order	Sherri Marshall called the meeting to order at 5:05 pm.	
2.	Roll Call	Joe Agovino Called Roll Roll Reflected Above A quorum was present.	
3.	Approval of Minutes	Minutes to be Approved: October 3, 2016	MOTION: To accept the minutes of October 3, 2016 Motioned By: Jim White Seconded: Scot Starks All Present in Favor The Motion Carried
4	Special Presentation	Cyber Threats and Crisis – Ken Worley, Director of Information Technology <ul style="list-style-type: none"> It was noted that larger organizations are under the same threat and that we react and follow protocols that would mitigate any damages, however all computers are under hackers reach. Doshier takes many actions to protect against information theft. Highlights Included: <ul style="list-style-type: none"> Crisis is malicious attempts to damage or disrupt a computer network or subsystem operations. Malware, Phishing, Ransomware, Crypto-blocking. Protection action are through training, permission control, 	

		<p>software updates, virus protection, web filtering, Email filtering, encryption and server backup.</p> <ul style="list-style-type: none"> • Process following an incident is to remove computer, clean malware, restore pre-attack, appropriately notify for compliance and legal purposes. • Cyber insurance is in place. 	
5.	Management Reports	<p><u>Foundation Report –Lynda Stanley</u></p> <ul style="list-style-type: none"> • Grants have been submitted to the Noren Foundation. The \$20,000 grant allows the Foundation to support health care scholarships at BCC and hospital personnel continuing education. • Lynda Stanley attended the Kate B Reynolds Innovations in Rural Health National Rural Health Award ceremony. It was very informative of the work being done across the country in rural America. Lynda had the opportunity to meet the new President of the Kate B Reynolds Foundation, Dr. Laura Gerald. • The Golf Tournament was a huge success with over \$10,000 of prizes donated. 	
		<p><u>CEO Report - Tom Siemers</u></p> <ul style="list-style-type: none"> • Attended the Kaufman Hall Conference where the recurring theme of turbulence in healthcare was addressed. • Allowing for information exchange, he met a CEO of a very comparable public critical access hospital where they were struggling with some of the same issues in front of Doshier. • Conference attendees expressed views on how to connect to their communities. • Dr. Wood highlighted conversation surrounding their luncheon with members of the NC Medical Society. • The MACRA process starts to gather data in 2017 and will be affecting physician's payments by 2018 increasing or decreasing up to 4% using complex methods. 	
		<p><u>CFO Report – Dan Porter</u></p> <p><u>Financial Report</u></p> <p>The financial reports were included in the meeting packet.</p> <p>The financial reports were included in the meeting packet.</p> <p>Days Cash on Hand: 71.2 Days Revenue in A/R: 94.1</p> <ul style="list-style-type: none"> ➤ The payor mix in September was cautionary. ➤ Volume indicators were unfavorable in medical admissions and surgical. ➤ Expenses were flat. <p>Operations YTD <\$961k></p>	

		<p>Total YTD \$2.2M.</p> <p>Month Reported Operations Gain or Loss: <\$85k>.</p> <p>October is trending at \$10.1M gross revenue.</p> <p>FY 2016 Year-End Summary (Comparison to FY 2015):</p> <ul style="list-style-type: none"> • Overall net patient revenue growth: 8% • Payor mix declined for BCBS and Commercial payors. Increase in Medicaid and Self-Pay down. • Salaries at 3% increase due to growth in the clinic network. • Supply costs (ortho implants) elevated materially due to the increased orthopedic cases. • All other expenses at .5%. • FY 2016 Operations loss at <\$960k>, improvement of \$600k over FY 2015. <p>Retirement Plan Funding</p> <p>Eligibility of the retirement plan is based on 1 year of service, must be 18 years or older and have worked 501 hours during the plan year.</p> <p>The Board discussed and approved retirement plan funding at 2%. Questions were addressed on the 2% basis.</p> <p>(NOTE: This amount was changed to 3% at the end of Open Session as noted below)</p>	<p>MOTION: To fund the Retirement Plan at 2%. Moteded By: Jim White Seconded: Scot Starks, M.D. All in Favor The Motion Carried</p>
		<p><u>IOP and Nursing Report</u> - Carol Northup, RN CNO</p> <ul style="list-style-type: none"> • The IOP information was presented in the meeting packet. • It was reported that the Emergency Department will receive another Press Ganey Award for the Guardian of Excellence regarding sustained results. Dr. Starks noted that this is a gold standard in awards and excellence. 	
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. Moteded By: Jim White Seconded: Joe Agovino All in Favor The Motion Carried</p>

7.	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><u>Retirement Plan Funding</u> After further consideration, the Board readdressed the Motion on the Retirement Plan Funding and determined that 3% funding would be applied.</p>	<p>MOTION: To accept the Credentialing presented as indicated on the Credentialing Addendum. Motioned by: Melissa Hinnant Seconded by : Jim White. All In Favor The Motion Carried</p> <p>MOTION: To move to change the Retirement Plan Funding to 3% Motioned By: Melissa Hinnant Seconded: Joe Agovino All in Favor The Motion Carried</p>
8.	ADJOURN	The meeting was adjourned at 7:00 pm.	<p>MOTION: To Adjourn the Board of Trustees Motioned By: Jim White Seconded By: Joe Agovino All In Favor. The Motion Carried</p>
	Board Minutes Accepted	 Karen Taylor, Vice Chair	

J. ARTHUR DOSHER MEMORIAL HOSPITAL
STATISTICS
September-16

		(A)	(B)	(C)	(D)	(E)	(F)	
		Month	Month	Prior Month	FYTD	FYTD	Prior FYTD	
		Actual	Budget	Actual	Actual	Budget	Actual	
1	Medical Admissions	40	40	43	516	606	575	1
2	Swing Bed Admissions	5	-	3	42	-	-	2
3	Surgical Admissions	21	20	32	317	299	273	3
4	Total Admissions	66	60	78	875	905	848	4
5								5
6	Census Days	194	185	234	2,375	2,818	2,506	6
7	Swing Bed Census Days	43	-	28	351	-	-	7
8	Total Census Days (Includes Swing Bed)	237	185	262	2,726	2,818	2,506	8
9	Average Daily Census (Includes Swing Bed)	7.9	6.2	8.5	7.5	7.7	6.9	9
10	Average Daily Census (Excludes Swing Bed)	6.5	6.2	7.5	6.5	7.7	6.9	10
11	Average Length of Stay (Excludes Swing Bed)	3.6	3.1	2.8	2.9	3.1	3.0	11
12	Observation Patients	56	45	56	685	547	594	12
13	Discharges							13
14	Hours	1,582	1,073	1,595	20,194	13,192	17,299	14
15	Operating Room Procedures:							15
16	Inpatient	34	32	35	411	349	351	16
17	Outpatient	131	114	162	1,586	1,237	1,113	17
18	Endoscopy Procedures:							18
19	Inpatient	2	9	4	59	107	61	19
20	Outpatient	46	75	56	682	876	631	20
21	Laboratory:							21
22	Inpatient	952	1,439	862	11,162	16,958	12,648	22
23	Outpatient	11,500	9,673	11,449	128,800	114,029	106,619	23
24	Diagnostic Imaging:							24
25	Inpatient	75	120	80	1,100	1,416	1,193	25
26	Outpatient	2,279	2,335	2,488	28,318	27,511	27,792	26
27	Cardiopulmonary:							27
28	Inpatient	206	275	120	2,214	3,247	2,935	28
29	Outpatient	189	226	186	2,548	2,760	2,470	29
30	Sleep Studies	20	-	26	284	-	309	30
31	EKG, Stress Test,							31
32	& Holter Monitor							32
33	Procedures:							33
34	Inpatient	22	24	13	243	278	282	34
35	Outpatient	311	316	275	3,511	3,853	3,639	35
36	Physical Therapy:							36
37	Visits	591	703	721	7,920	8,269	7,997	37
38	Treatments	1,632	1,801	1,846	18,804	21,193	20,313	38
39	Cardiac Rehab:							39
40	Visits	384	412	385	4,677	5,021	4,787	40
41	Diabetic Program:							41
42	Visits	14	12	7	188	140	138	42
43	Wound Care Program:							43
44	New Patient Registrations	25	14	29	253	167	156	44
45	Visits	202	132	265	2,120	1,608	1,465	45
46	Meals Served:							46
47	Patients	4,362	4,715	4,602	54,462	56,211	53,213	47
48	Others	3,275	2,551	2,712	33,673	35,069	35,069	48
49	Emergency Room:							49
50	Visits	1,096	1,123	1,108	12,981	13,238	13,287	50
51	Admitted	37	57	47	554	669	612	51
52	Transfers	28	28	37	382	335	328	52
53	Total Outpatient Visits (EXCL ER)	4,324	3,962	4,842	53,210	48,201	47,193	53
54	Nursing Center:							54
55	CON Transaction - June 1, 2016 (8 mos of Data)							55
56	Admissions	-	8	-	67	89	84	56
57	Census Days	-	1,342	-	9,140	15,372	14,033	57
58	Average Daily Census	-	42.1	-	37.5	42.1	38.5	58
59	Clinic Visits:							59
60	Dosher Medical 9th Street	257	285	285	3,065	3,155	3,022	60
61	Dosher Medical Howe Street	357	327	412	4,134	3,870	3,741	61
62	Dosher Medical Smithville Crossing	294	286	291	3,606	3,399	3,408	62
63	Dosher Medical Long Beach Rd	375	253	528	4,572	2,590	3,190	63
64	Dosher Medical Oak Island	474	378	346	4,487	4,478	4,253	64
65	Dosher Medical Bolivia	174	190	229	2,341	2,247	2,270	65
66	Dosher Medical Holden Beach	197	171	211	2,225	2,035	2,073	66
67	Dosher Medical Wellness Ctr Clinic	361	256	-	361	1,200	-	67
68	Dosher Medical Calabash	-	-	-	-	-	2,566	68
69	Dosher Medical Women's Health	166	156	246	2,320	1,862	1,859	69
70	Dosher Medical Vaughan's Clinic	9	326	320	2,545	3,856	1,098	70
71	Dosher Medical Surgical Clinic	110	77	97	1,145	900	559	71
72	Dosher Medical Baldhead	43	56	116	394	488	375	72
73	Total Clinic Visits	2,817	2,741	3,081	31,195	30,080	28,414	73
74	New Patient Clinic Visits:							74
75	Dosher Medical 9th Street	39		43	352			75
76	Dosher Medical Howe Street	15		47	399			76
77	Dosher Medical Smithville Crossing	10		10	128			77
78	Dosher Medical Long Beach Rd	188		323	2684			78
79	Dosher Medical Oak Island	29		24	356			79
80	Dosher Medical Bolivia	5		13	103			80
81	Dosher Medical Holden Beach	22		38	209			81
82	Dosher Medical Middleton Rd	78		0	78			82
83	Dosher Medical Calabash	0		0	0			83
84	Dosher Medical Women's Health	9		16	135			84
85	Dosher Medical Vaughan's Clinic	0		71	496			85
86	Dosher Medical Surgical Clinic	18		17	255			86
87	Dosher Medical Baldhead	34		106	365			87
88	Total Clinic Visits	443		708	5548			88

J. ARTHUR DOSHER MEMORIAL HOSPITAL
OPERATING STATEMENT
Eleven Months Ending September 30, 2016

	(A)	(B)	(C)	(D)	(E)	(F)	
	Current Month			Year-to-Date			
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	
REVENUE:							
1 Inpatient Revenue	\$ 1,548,111	\$ 1,377,645	\$ 1,574,393	\$ 17,836,256	\$ 16,574,212	\$ 15,894,944	1
2 Outpatient Revenue	8,008,440	6,944,832	7,125,399	94,989,178	84,726,951	81,688,712	2
3 Nursing Center Revenue	-	328,718	310,798	2,507,993	3,782,985	3,477,891	3
4 Clinics Revenue	550,556	520,670	470,783	6,016,194	5,805,221	5,449,014	4
5							5
6 Total Patient Service Revenue	10,107,107	9,171,865	9,481,374	121,349,620	110,889,369	106,510,561	6
7 Deductions From Revenue	(6,764,701)	(5,763,726)	(6,084,769)	(80,507,649)	(69,683,088)	(68,783,790)	7
8							8
9 Net Patient Service Revenue	3,342,407	3,408,139	3,396,605	40,841,971	41,206,281	37,726,771	9
10 Other Operating Revenue	137,017	82,363	125,581	1,063,894	893,003	1,601,145	10
11							11
12 Total Operating Revenue	3,479,423	3,490,502	3,522,186	41,905,865	42,099,284	39,327,916	12
13							13
OPERATING EXPENSES:							14
15 Salaries	1,390,368	1,455,389	1,515,112	17,063,611	17,101,411	16,570,489	15
16 Employee Benefits	269,366	335,754	349,176	3,845,701	3,959,996	3,455,408	16
17 Professional & Purchased Services	676,618	631,513	786,540	7,673,090	7,435,024	7,916,194	17
18 Medical Supplies & Materials	562,897	512,362	643,048	7,254,914	6,181,047	6,248,790	18
19 Other General Expenses	411,767	385,518	416,681	4,210,581	4,389,908	4,001,821	19
20 Interest	25,378	27,939	16,425	197,134	335,269	17,215	20
21 Depreciation	228,250	216,589	240,117	2,621,603	2,670,216	2,690,663	21
22							22
23 Total Operating Expenses	3,564,643	3,565,064	3,967,099	42,866,633	42,072,871	40,900,579	23
24							24
25 Earnings Before Interest, Depreciation & Amortization (EBIDA)	168,409	169,966	(188,372)	1,857,968	3,031,898	1,135,215	25
26							26
27 Excess From Operations	(85,219)	(74,563)	(444,913)	(960,768)	26,413	(1,572,663)	27
28							28
29 Non-Operating Revenue	307,036	154,030	167,518	3,208,028	1,848,360	2,100,416	29
30							30
31 Excess Over Expenses (After Extraordinary Items)	\$ 221,817	\$ 79,467	\$ (277,395)	\$ 2,247,259	\$ 1,874,773	\$ 527,753	31

**J. ARTHUR DOSHER MEMORIAL HOSPITAL
BALANCE SHEET
AS OF SEPTEMBER 30, 2016**

	(A) Current Month	(B) Last Month	(C) Prior Year	
ASSETS				
Current Assets				
Cash	\$ 7,385,250	\$ 7,843,669	\$ 7,057,101	
Board Designated Funds	-	-	1,256,519	
Cash - Foundation	441,834	406,543	298,645	
Total Cash and Investments	7,827,084	8,250,212	8,612,265	
Accounts Receivable-Patients	31,943,811	32,062,954	25,189,677	
Less Allowance	(17,187,174)	(17,493,335)	(14,338,888)	
Net Patient Receivables	14,756,637	14,569,619	10,850,788	
Other Accounts Receivable	979,431	935,570	427,191	
Inventories	961,974	938,032	943,353	
Prepaid Expenses	541,090	424,469	358,113	
Total Current Assets	25,066,216	25,117,902	21,191,710	
Net Property, Plant and Equipment	39,129,499	39,137,970	38,761,746	
Other Assets	90,960	90,873	287,502	
Total Assets	\$ 64,286,675	\$ 64,346,745	\$ 60,240,959	
LIABILITIES & FUND BALANCE				
Current Liabilities				
Accounts Payable	\$ 1,882,254	\$ 2,198,476	\$ 2,207,051	
Notes Payable Current - BEMC	125,000	10,416	83,333	
Notes Payable Current - USDA	269,284	247,031	-	
Notes Payable Current - BB&T	240,746	240,746	-	
Medicare/Medicaid Settlement	-	-	-	
Accrued Payroll and Taxes	652,748	520,420	706,123	
Accrued Employees' Paid Days Off	1,118,601	1,120,982	1,084,628	
Current Portion of Bonds Payable	-	-	390,000	
Deferred Revenue - Taxes	-	134,201	-	
Other Current Liabilities	17,165	17,436	15,868	
Total Current Liabilities	4,305,799	4,489,710	4,487,003	
Non-Current Liabilities				
BB&T Loan	1,259,254	1,259,254	-	
Lease Obligations	-	-	-	
Bonds Payable	-	-	845,000	
USDA Loans	9,152,295	9,152,295	7,616,670	
BEMC Loan	791,667	916,667	916,667	
Total Non-Current Liabilities	11,203,215	11,328,215	9,378,337	
Total Liabilities	15,509,014	15,817,925	13,865,340	
Net Assets	46,091,668	46,096,835	45,570,875	
Excess Revenue over Expenses	2,244,159	2,025,442	527,753	
Restricted Assets	441,834	406,543	276,990	
Total Net Assets	48,777,661	48,528,820	46,375,618	
Total Liabilities & Fund Balance	\$ 64,286,675	\$ 64,346,745	\$ 60,240,959	