

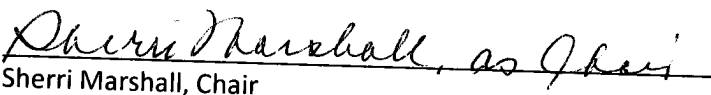
BOARD OF TRUSTEES MEETING MINUTES RECORD

| DATE: | LOCATION: | START | ADJOURN |
|---|-----------------------|--|---------|
| February 5, 2018 | Doshier Hood Building | 5:00 pm | 6:40 pm |
| MEMBERS PRESENT: Sherri Marshall, Chair Karen Taylor, Vice Chair Dr. Scott Starks, Secretary Dr. Terry Pieper Jim White Robert Howard Debbie Wood | | NON MEMBERS PRESENT: Tom Siemers, CEO Dan Porter, CFO Carol Northup, RN, CNO, COO Dr. Domenic Palagruto, Chief of Staff Lynda Stanley, President, Doshier Foundation Dr. Robert Zukoski, Emeritus Megan Shrewsbury, Clerk of the Board Terry Pope, State Port Pilot | |

| | AGENDA ITEM | DISCUSSION/CONCLUSIONS | ACTION |
|----|---------------------|---|---|
| 1. | Call To Order | Sherri Marshall, Chair called the meeting to order at 5:00pm. | |
| 2. | Roll Call | Scott Starks Called Roll Roll Reflected Above. A quorum was present. | |
| 4. | Approval of Minutes | Minutes to be approved: January 8, 2018 | MOTION: To accept minutes of January 8, 2018 Motioned By: Jim White Seconded: Karen Taylor All Present in Favor The Motion Carried |
| 5. | Management Reports | <u>Foundation Report - Lynda Stanley</u> <ul style="list-style-type: none"> Foundation calendar distributed for Feb-May 2018 Wine and Cheese event 2/6/18 at the home of Jim and Ann White 2/8/18 Heart to Heart 2/19 Volunteer/Employee Wall Unveiling 4/27 Gala 5/22 Foundation breakfast, location to be determined | |
| | | <u>CEO Report – Tom Siemers, CEO</u> <ul style="list-style-type: none"> NCHA changed their name to North Carolina Healthcare Association New internal medicine doctor to join the hospital | |

| | | | |
|--|--|---|--|
| | | <p><u>HPHC and Duke Endowment – Scott Starks, M.D.</u></p> <ul style="list-style-type: none"> Exceeded goal for the Walk to Bethlehem with Ocean View United Methodist Church 3/24/18 will be the Spring walk/run 5k through Southport | |
| | | <p><u>CFO Report – Dan Porter, CFO</u></p> <p><u>Financial Report</u> The financial reports were included in the meeting packet.</p> <p>Days Cash on Hand: 78.0 Days Revenue in A/R: 74.3</p> <ul style="list-style-type: none"> ➤ Volume indicators fell for December. <ul style="list-style-type: none"> ○ Total revenue down 15%. ○ IP was down 30% and OP figures were down 11%. ○ Clinic revenue up 5%. ➤ Payor mix trend was favorable. <p>For the month, Excess from Operations <\$337k> Operations YTD <\$599k> Total Excess Over Expenses YTD \$40k.</p> <p>January trending at \$11.3M gross revenue.</p> | |
| | | <p><u>Finance Committee Report-Robert Howard, Trustee</u></p> <ul style="list-style-type: none"> Committee will meet on a monthly basis 2017 audit report completed; had a clean report; plan to review in more detail at the retreat Authorize finance committee to get an independent revenue cycle audit <ul style="list-style-type: none"> Hospitalists program to hire additional hospitalist recommended; give opportunity to show a warranted expense; move to maintain current coverage and CMO | <p>Motion: To authorize independent revenue cycle audit Motioned by: Terry Pieper, MD Seconded by: Jim White All present in favor Motion Carried</p> <p>Motion: To maintain current hospitalist coverage</p> |

| | | | |
|----|----------------|--|---|
| | | <p>will work with hospitalists to increase efficiency and patient satisfaction</p> <ul style="list-style-type: none"> Approval of updated board travel policy <p>MRI program originally approved with \$2.8M CON plan has now been updated to \$1.5M using a refurbished wide bore 16 channel MRI that can be upgraded</p> | <p>Motioned by: Sherri Marshall Seconded by: Jim White All present in favor Motion Carried</p> <p>Motion: To approve board travel policy Motioned by: Jim White Seconded by: Sherri Marshall All present in favor Motion Carried</p> <p>Motion: To accept recommendation and move forward with updated plan Motioned by: Sherri Marshall Seconded by: Scott Starks, MD All present in favor Motion Carried</p> |
| | | <p><u>Marketing Committee Report-Jim White, trustee</u></p> <ul style="list-style-type: none"> First meeting held last month Jim Goss reviewed results from last 3 years Smithville Township is fast growing but limited Outreach to community is limited; need to hear patients' needs and concerns <p>Need to get message out to a greater amount of people</p> | |
| | | <p><u>IOP Report- Carol Northup, CNO</u></p> <ul style="list-style-type: none"> DNV application accepted; honored exception dates No need for any prep for any DNV inspection due to annual review for Joint Commission already completed Inspection will take 3 days with 3 surveyors; will spend 1 day in the clinics Report will be put together ; post survey implementation to achieve results in 12 months NHRMC had recent DNV inspection and found it to be very collaborative | |
| 6. | New Business | | |
| 7. | 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</p> | <p>MOTION: To move to closed session in accordance with the indicated statutes. Motioned By:</p> |

| | | | |
|----|---|--|--|
| | | 131 E-97.3. | Jim White Seconded: Karen Taylor All in Favor The Motion Carried |
| 8. | OPEN SESSION ADDITIONAL BUSINESS | The Trustees returned to Open Session <u>Credentialing Addendum</u> The Credentialing Addendum was approved as presented. | MOTION: To accept the Credentialing presented as indicated on the Credentialing Addendum. Motioned by: Scott Starks, MD Seconded by : Terry Pieper, MD All In Favor The Motion Carried |
| 9. | ADJOURN | The meeting was adjourned at 6:40 pm. | MOTION: To Adjourn the Board of Trustees Motioned By: Jim White Seconded By: Karen Taylor All In Favor. The Motion Carried |
| | Board Minutes Accepted |  Sherri Marshall, Chair | |

**J. ARTHUR DOSHER MEMORIAL HOSPITAL
BALANCE SHEET
AS OF DECEMBER 31, 2017**

| | (A) Current Month | (B) Last Month | (C) Prior Year | |
|---|-------------------------|----------------------|----------------------|--|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash | \$ 8,108,538 | \$ 7,909,321 | \$ 7,043,089 | |
| Board Designated Funds | | | | |
| Cash - Foundation | 632,100 | 655,004 | 537,803 | |
| Total Cash and Investments | 8,740,638 | 8,564,326 | 7,580,893 | |
| Accounts Receivable-Patients | 24,332,572 | 26,253,552 | 30,880,445 | |
| Less Allowance | (11,693,656) | (13,164,746) | (16,044,381) | |
| Net Patient Receivables | 12,638,916 | 13,088,806 | 14,836,063 | |
| Other Accounts Receivable | 754,106 | 563,566 | 1,434,710 | |
| Inventories | 894,847 | 902,814 | 932,033 | |
| Prepaid Expenses | 656,744 | 736,585 | 368,031 | |
| Total Current Assets | 23,685,251 | 23,856,097 | 25,151,729 | |
| Net Property, Plant and Equipment | 37,276,289 | 37,388,410 | 38,575,980 | |
| Other Assets | 92,233 | 93,065 | 90,510 | |
| Total Assets | \$ 61,053,773 | \$ 61,337,572 | \$ 63,818,219 | |
| LIABILITIES & FUND BALANCE | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 1,850,374 | \$ 1,799,737 | \$ 1,718,310 | |
| Notes Payable Current - BEMC | 125,000 | 125,000 | 125,000 | |
| Notes Payable Current - USDA | 337,018 | 315,091 | 336,042 | |
| Notes Payable Current - BB&T | 377,352 | 377,352 | 240,746 | |
| Medicare/Medicaid Settlement | | | | |
| Accrued Payroll and Taxes | 320,669 | 484,162 | 271,330 | |
| Accrued Employees' Paid Days Off | 946,107 | 894,012 | 921,012 | |
| Current Portion of Bonds Payable | | | - | |
| Deferred Revenue - Taxes | - | - | - | |
| Other Current Liabilities | 24,405 | 24,789 | 16,794 | |
| Total Current Liabilities | 3,980,926 | 4,020,142 | 3,629,234 | |
| Non-Current Liabilities | | | | |
| BB&T Loan | 765,060 | 824,879 | 1,259,254 | |
| Lease Obligations | | | | |
| Bonds Payable | | | | |
| USDA Loans | 9,012,623 | 9,012,623 | 9,152,295 | |
| BEMC Loan | 635,417 | 645,834 | 760,417 | |
| Total Non-Current Liabilities | 10,413,100 | 10,483,336 | 11,171,965 | |
| Total Liabilities | 14,394,025 | 14,503,478 | 14,801,199 | |
| Net Assets | 45,987,824 | 45,988,415 | 48,206,795 | |
| Excess Revenue over Expenses | 39,823 | 190,675 | 272,422 | |
| Restricted Assets | 632,100 | 655,004 | 537,803 | |
| Total Net Assets | 46,659,748 | 46,834,094 | 49,017,020 | |
| Total Liabilities & Fund Balance | \$ 61,053,773 | \$ 61,337,572 | \$ 63,818,219 | |

**J. ARTHUR DOSHER MEMORIAL HOSPITAL
OPERATING STATEMENT
MONTH ENDING DECEMBER 31, 2017**

| | (A) | (B) | (C) | (D) | (E) | (F) | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|----|
| | Current Month | | | Year-to-Date | | | |
| | Actual | Budget | Prior Year | Actual | Budget | Prior Year | |
| REVENUE: | | | | | | | |
| 1 Inpatient Revenue | \$ 1,200,085 | \$ 1,711,697 | \$ 1,685,655 | \$ 4,446,242 | \$ 5,001,956 | \$ 5,081,472 | 1 |
| 2 Outpatient Revenue | 7,693,706 | 8,637,680 | 7,791,554 | 24,164,201 | 25,649,369 | 23,521,109 | 2 |
| 3 Nursing Center Revenue | - | - | - | - | - | (156) | 3 |
| 4 Clinics Revenue | 470,148 | 447,136 | 556,860 | 1,540,651 | 1,317,053 | 1,699,899 | 4 |
| 5 | | | | | | | 5 |
| 6 Total Patient Service Revenue | 9,363,940 | 10,796,513 | 10,034,069 | 30,151,094 | 31,968,378 | 30,302,324 | 6 |
| 7 Deductions From Revenue | (6,354,794) | (7,366,399) | (6,820,302) | (20,499,803) | (21,811,841) | (20,461,272) | 7 |
| 8 | | | | | | | 8 |
| 9 Net Patient Service Revenue | 3,009,145 | 3,430,114 | 3,213,767 | 9,651,291 | 10,156,537 | 9,841,051 | 9 |
| 10 Other Operating Revenue | 267,280 | 174,437 | 151,232 | 726,833 | 521,260 | 452,066 | 10 |
| 11 | | | | | | | 11 |
| 12 Total Revenue | 3,276,425 | 3,604,551 | 3,365,000 | 10,378,124 | 10,677,797 | 10,293,118 | 12 |
| 13 | | | | | | | 13 |
| OPERATING EXPENSES: | | | | | | | 14 |
| 15 Salaries | 1,408,041 | 1,336,480 | 1,339,948 | 4,214,854 | 4,038,231 | 4,031,292 | 15 |
| 16 Employee Benefits | 322,759 | 320,998 | 294,827 | 917,097 | 1,010,696 | 908,177 | 16 |
| 17 Professional & Purchased Services | 587,294 | 597,433 | 646,645 | 1,812,319 | 1,777,088 | 1,827,793 | 17 |
| 18 Medical Supplies & Materials | 565,920 | 669,423 | 623,396 | 1,941,771 | 1,982,153 | 1,909,766 | 18 |
| 19 Other General Expenses | 475,105 | 391,446 | 392,485 | 1,343,998 | 1,174,337 | 1,163,272 | 19 |
| 20 Interest | 28,095 | 24,940 | 25,482 | 75,123 | 75,023 | 76,341 | 20 |
| 21 Depreciation | 225,826 | 233,477 | 227,861 | 671,994 | 705,103 | 686,983 | 21 |
| 22 | | | | | | | 22 |
| 23 Total Operating Expenses | 3,613,041 | 3,574,197 | 3,550,644 | 10,977,155 | 10,762,631 | 10,603,623 | 23 |
| 24 | | | | | | | 24 |
| 25 Earnings Before Interest, Depreciation & Amortization (EBIDA) | (82,694) | 288,771 | 67,698 | 148,086 | 695,292 | 452,819 | 25 |
| 26 | | | | | | | 26 |
| 27 Excess From Operations | (336,615) | 30,354 | (185,645) | (599,031) | (84,834) | (310,505) | 27 |
| 28 | | | | | | | 28 |
| 29 Non-Operating Revenue | 185,763 | 157,227 | 291,996 | 638,854 | 471,703 | 582,927 | 29 |
| 30 | | | | | | | 30 |
| 31 Excess Over Expenses (After Extraordinary Items) | \$ (150,852) | \$ 187,581 | \$ 106,351 | \$ 39,823 | \$ 386,869 | \$ 272,422 | 31 |

J. ARTHUR DOSHER MEMORIAL HOSPITAL
STATISTICS
December-17

| | | (A) | (B) | (C) | (D) | (E) | (F) | |
|-----|---|--------|--------|-------------|--------|--------|------------|-----|
| | | Month | Month | Prior Month | FYTD | FYTD | Prior FYTD | |
| | | Actual | Budget | Actual | Actual | Budget | Actual | |
| 1 | Medical Admissions | 42 | 52 | 51 | 142 | 157 | 150 | 1 |
| 2 | Swing Bed Admissions | 1 | 2 | 3 | 9 | 5 | 9 | 2 |
| 3 | Surgical Admissions | 19 | 33 | 28 | 74 | 90 | 80 | 3 |
| 4 | Total Admissions | 62 | 86 | 82 | 225 | 252 | 239 | 4 |
| 5 | | | | | | | | 5 |
| 6 | Census Days | 167 | 241 | 215 | 582 | 700 | 706 | 6 |
| 7 | Swing Bed Census Days | 31 | 12 | 36 | 122 | 36 | 72 | 7 |
| 8 | Total Census Days (Includes Swing Bed) | 198 | 253 | 251 | 704 | 736 | 778 | 8 |
| 9 | Average Daily Census (Includes Swing Bed) | 6.4 | 8.1 | 8.4 | 7.7 | 8.0 | 8.5 | 9 |
| 10 | Average Daily Census (Excludes Swing Bed) | 5.4 | 7.8 | 7.2 | 6.3 | 7.6 | 7.7 | 10 |
| 11 | Average Length of Stay (Excludes Swing Bed) | 2.7 | 3.0 | 2.8 | 2.7 | 3.0 | 3.0 | 11 |
| 12 | Observation Patients | 42 | 51 | 40 | 121 | 149 | 153 | 12 |
| 13 | Discharges | 1,203 | 1,344 | 1,299 | 3,617 | 3,901 | 4,417 | 13 |
| 14 | Hours | | | | | | | 14 |
| 15 | Operating Room Procedures: | | | | | | | 15 |
| 16 | Inpatient | 25 | 31 | 38 | 95 | 96 | 96 | 15 |
| 17 | Outpatient | 164 | 168 | 170 | 492 | 451 | 428 | 16 |
| 18 | Endoscopy Procedures: | | | | | | | 17 |
| 19 | Inpatient | 1 | 2 | 1 | 4 | 6 | 7 | 18 |
| 20 | Outpatient | 29 | 45 | 56 | 127 | 150 | 133 | 19 |
| 21 | Laboratory: | | | | | | | 20 |
| 22 | Inpatient | 808 | 1,109 | 1,070 | 2,796 | 3,371 | 3,310 | 21 |
| 23 | Outpatient | 9,857 | 9,829 | 10,634 | 32,045 | 30,466 | 32,892 | 22 |
| 24 | Diagnostic Imaging: | | | | | | | 23 |
| 25 | Inpatient | 84 | 110 | 86 | 260 | 336 | 303 | 24 |
| 26 | Outpatient | 2,420 | 2,413 | 2,394 | 7,414 | 7,261 | 7,057 | 25 |
| 27 | Cardiopulmonary: | | | | | | | 26 |
| 28 | Inpatient | 178 | 273 | 171 | 452 | 694 | 739 | 27 |
| 29 | Outpatient | 242 | 234 | 176 | 575 | 624 | 654 | 28 |
| 30 | Sleep Studies | 25 | 31 | 31 | 95 | 72 | 72 | 29 |
| 31 | EKG, Stress Test, | | | | | | | 30 |
| 32 | & Holter Monitor | | | | | | | 31 |
| 33 | Inpatient | 16 | 19 | 26 | 59 | 52 | 55 | 32 |
| 34 | Outpatient | 279 | 297 | 313 | 892 | 855 | 801 | 33 |
| 35 | Procedures: | | | | | | | 34 |
| 36 | Physical Therapy: | | | | | | | 35 |
| 37 | Visits | 703 | 738 | 860 | 2,381 | 2,182 | 2,113 | 36 |
| 38 | Treatments | 1,715 | 1,417 | 1,970 | 5,749 | 4,120 | 5,606 | 37 |
| 39 | Cardiac Rehab: | | | | | | | 38 |
| 40 | Visits | 451 | 485 | 517 | 1,542 | 1,405 | 1,363 | 39 |
| 41 | Diabetic Program: | | | | | | | 40 |
| 42 | Visits | 19 | 7 | 18 | 53 | 33 | 33 | 41 |
| 43 | Wound Care Program: | | | | | | | 42 |
| 44 | New Patient Registrations | 21 | 22 | 19 | 69 | 55 | 69 | 43 |
| 45 | Visits | 213 | 185 | 224 | 682 | 542 | 641 | 44 |
| 46 | Meals Served: | | | | | | | 45 |
| 47 | Patients | 4,494 | 4,806 | 4,040 | 12,844 | 14,112 | 13,575 | 46 |
| 48 | Others | 1,837 | 2,236 | 2,068 | 5,967 | 7,303 | 7,781 | 47 |
| 49 | Emergency Room: | | | | | | | 48 |
| 50 | Visits | 917 | 1,016 | 944 | 2,882 | 3,032 | 2,983 | 49 |
| 51 | Admitted | 45 | 53 | 52 | 141 | 162 | 154 | 50 |
| 52 | Transfers | 22 | 34 | 46 | 97 | 100 | 91 | 51 |
| 53 | Total Outpatient Visits (EXCL ER) | 4,341 | 4,456 | 4,801 | 14,244 | 13,344 | 13,994 | 52 |
| 54 | Clinic Visits: | | | | | | | 53 |
| 55 | Dosher Medical 9th Street | | | | | | | 54 |
| 56 | Start 07/01/11 | 246 | 250 | 263 | 766 | 743 | 782 | 55 |
| 57 | Dosher Medical Howe Street | | | | | | | 56 |
| 58 | Start 10/1/14 | 282 | 268 | 311 | 866 | 827 | 874 | 57 |
| 59 | Dosher Medical Smithville Crossing | | | | | | | 58 |
| 60 | Start 10/1/14 | 252 | 301 | 287 | 858 | 888 | 895 | 59 |
| 61 | Dosher Medical Long Beach Rd | | | | | | | 60 |
| 62 | Start 06/22/14 | 368 | 341 | 288 | 1,014 | 1,009 | 1,072 | 61 |
| 63 | Dosher Medical Oak Island | | | | | | | 62 |
| 64 | Start 06/12/12 | 433 | 411 | 512 | 1,494 | 1,285 | 1,388 | 63 |
| 65 | Dosher Medical Bolivia | | | | | | | 64 |
| 66 | Start 10/20/14 & Closed 01/20/17 | - | - | - | - | - | 527 | 65 |
| 67 | Dosher Medical Holden Beach | | | | | | | 66 |
| 68 | Start 10/20/14 & Closed 12/22/16 | - | - | - | - | - | 500 | 67 |
| 69 | Dosher Medical Wellness Center | | | | | | | 68 |
| 70 | Start 09/6/16 | 483 | 402 | 550 | 1,518 | 1,139 | 1,235 | 69 |
| 71 | Dosher Medical Women's Health | | | | | | | 70 |
| 72 | Start 11/1/14 | 183 | 198 | 255 | 639 | 576 | 591 | 71 |
| 73 | Dosher Medical Vaughan's | | | | | | | 72 |
| 74 | Relocated to Wellness Center | - | - | - | - | - | - | 73 |
| 75 | Dosher Medical Surgical | | | | | | | 74 |
| 76 | Start 02/01/15 | 91 | 103 | 101 | 290 | 282 | 276 | 75 |
| 77 | Dosher Medical Baldhead | | | | | | | 76 |
| 78 | start 05/22/15 | - | - | - | - | - | - | 77 |
| 79 | Total Clinic Visits | 2,338 | 2,274 | 2,567 | 7,445 | 6,749 | 8,140 | 78 |
| 80 | New Patient Clinic Visits: | | | | | | | 79 |
| 81 | Dosher Medical 9th Street | | | | | | | 80 |
| 82 | Start 07/01/11 | 9 | | 15 | 41 | | 102 | 81 |
| 83 | Dosher Medical Howe Street | | | | | | | 82 |
| 84 | Start 10/1/14 | 17 | | 22 | 51 | | 43 | 83 |
| 85 | Dosher Medical Smithville Crossing | | | | | | | 84 |
| 86 | Start 10/1/14 | 9 | | 3 | 20 | | 60 | 85 |
| 87 | Dosher Medical Long Beach Rd | | | | | | | 86 |
| 88 | Start 06/22/14 | 120 | | 107 | 332 | | 486 | 87 |
| 89 | Dosher Medical Oak Island | | | | | | | 88 |
| 90 | Start 06/12/12 | 20 | | 22 | 55 | | 86 | 89 |
| 91 | Dosher Medical Bolivia | | | | | | | 90 |
| 92 | Start 10/20/14 & Closed 01/20/17 | 0 | | 0 | 0 | | 22 | 91 |
| 93 | Dosher Medical Holden Beach | | | | | | | 92 |
| 94 | Start 10/20/14 & Closed 12/22/16 | 0 | | 0 | 0 | | 41 | 93 |
| 95 | Dosher Medical Wellness Center | | | | | | | 94 |
| 96 | Start 09/6/16 | 43 | | 64 | 162 | | 277 | 95 |
| 97 | Dosher Medical Women's Health | | | | | | | 96 |
| 98 | Start 11/1/14 | 8 | | 8 | 20 | | 20 | 97 |
| 99 | Dosher Medical Vaughan's | | | | | | | 98 |
| 100 | Relocated to Wellness Center | 44 | | 58 | 170 | | 49 | 99 |
| 101 | Dosher Medical Surgical | | | | | | | 100 |
| 102 | Start 02/01/15 | 0 | | 0 | 0 | | 0 | 101 |
| 103 | Dosher Medical Baldhead | | | | | | | 102 |
| 104 | start 05/22/15 | - | | - | - | | - | 103 |
| 105 | Total Clinic Visits | 270 | | 299 | 851 | | 1186 | 104 |