

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

MINUTES OF FEBRUARY 14, 2013 MEETING

(Open Session)

Attendees: Authority Board Members: Ralph Rosenberg; Dr. Charles Lingle; John Hayes; Lamar Reese; Fred Ghiglieri; Rev. Eugene Sherman; Dr. Michael N. Laslie and Dr. Steven Kitchen; Legal Counsel: James E. Reynolds, Jr. Also present were: Joel Wernick; Kerry Loudermilk; Joe Austin; Dawn Benson; Tom Sullivan; and, Records, Annette Allen and Mary Barfield.

Absent Authority Members: Rev. H. B. Johnson

Call to Order:

The meeting was called to order by Chairman Rosenberg at 7:30 A.M. in the Willson Board Room of Phoebe's Main Campus.

Open Meeting and Establish a Quorum:

Mr. Rosenberg welcomed the Authority and established that a quorum was present, with eight Members being in attendance. Mr. Rosenberg welcomed the two new Members of the Authority, Dr. Michael N. Laslie and Dr. Steven Kitchen.

Election of Officers for 2013:

Prior to proceeding with the other business of the meeting, a motion to re-elect Ralph Rosenberg as Chairman, Dr. Charles Lingle as Vice-Chairman, and Rev. Eugene Sherman as Secretary and elect Fred Ghiglieri as Assistant Secretary was made by Lamar Reese, seconded by John Hayes, and approved by all Members present. Mr. Rosenberg continued to preside at the meeting.

Approval of the Agenda:

The proposed Agenda was reviewed and a motion was made by Dr. Lingle and seconded by Fred Ghiglieri, to adopt the Agenda as presented. The motion was approved by all Authority Members in attendance.

Approval of the Minutes:

The proposed Minutes of the November 30, 2012 meeting had been provided to the Members prior to the meeting and the same was considered for approval. Dr. Lingle made a motion, seconded by Dr. Sherman to approve the Minutes as previously provided. The motion passed unanimously.

Overview of DNV Hospital Accreditation:

Joe Austin, Chief operating Officer for Phoebe Putney Health System made a presentation on the decision to use DNV rather than the Joint Commission in connection with the accreditation of the Hospital. Mr. Austin spoke in detail about the ensuing site visit and the preliminary report back to Phoebe. He spoke to the thoroughness of the matters that were surveyed and investigated as well as the constructive focus of DNV to help make the Hospital better in any areas it identified as needing improvement. Mr. Austin stated the DNV Accreditation team will make site visits once a year instead of every three years, as the Joint Commission did. A total of fifteen surveyors from DNV made a total of twenty findings at the main campus, none of which would require the DNV to make another visit within thirty days. A final report is expected from DNV surveyors by early next week and will be available to Authority members.

Financial Reports for Authority and for Phoebe Putney Memorial Hospital:

Kerry Loudermilk, Chief Financial Officer for Phoebe, presented the financial statements of the Authority for January, 2013 and for year to date through January 2013. Questions and discussion followed. A motion was made by Dr. Lingle and seconded by Lamar Reese, to approve and accept the Financial Statements of the Authority as presented. Likewise, Mr. Loudermilk made a presentation of interim unaudited financial statements for Phoebe Putney Memorial Hospital, Inc. Copies of the reports attached.

Phoebe Foundation/Update Report

Lauren Ray gave a presentation regarding the promotion and facilitation of charitable giving in support of Phoebe Putney Memorial Hospital. A copy of her presentation is attached. Mr. Wernick followed with some additional comments and observations concerning this component of financial support for the Hospital.

Closing of the Meeting:

A motion was made by Fred Ghiglieri and seconded by Dr. Sherman to close the meeting in order to engage in privileged consultation with legal counsel and to discuss potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, and to discuss confidential matters or information pertaining to peer review or provided by a review organization.

Mr. Rosenberg polled the individual Authority Members with respect to their vote on the motion and their votes are shown below:

Ralph Rosenberg	Yes
Dr. Chuck Lingle	Yes
Fred Ghiglieri	Yes
Lamar Reese	Yes
Rev. Sherman	Yes
Dr. Michael Laslie	Yes
John Hayes	Yes
Dr. Steven Kitchen	Yes

The motion having passed, the meeting was closed at 8:00 A.M.

Open Session Reconvened:

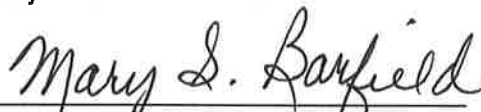
The Open Session portion of the Meeting reconvened with Dr. Kitchen having left the meeting during the closed session and the remaining Members having unanimously voted to do so.

Old Business:

On his behalf and on behalf of the Authority, Rev. Sherman expressed his sincere appreciation for Joel Wernick and his exceptional and dedicated work for and on behalf of the Hospital.

Adjournment:

There being no further business, the meeting adjourned at 9:45 A.M.


Mary S. Barfield, Recorder

AGENDA

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

Meeting of February 14, 2013
7:30 A.M.
(Willson Board Room)

- | | | |
|-------|--|------------------|
| I. | Open meeting and establish quorum | Ralph Rosenberg |
| II. | Consider Approval of Agenda | Ralph Rosenberg |
| III. | Consideration of Open Session Minutes of November 30, 2012 meeting (Draft previously provided to Members) | Ralph Rosenberg |
| IV. | Overview of DNV hospital accreditation assessment. | Joe Austin |
| V. | Financial Reports for Authority and for Phoebe Putney Memorial Hospital, Inc. | Kerry Loudermilk |
| VI. | Phoebe Foundation/Update Report | Lauren Ray |
| VII. | Motion and vote to close meeting in order to: (i) engage in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities; and (iii) to discuss confidential matters or information pertaining to peer review or provided by a review organization as defined in O.C.G.A. 31-7-131.

Reconvening in open session following vote to do so | Ralph Rosenberg |
| VIII. | CEO Report on behalf of Phoebe Putney Memorial Hospital, Inc. | Joel Wernick |
| IX. | Old Business, if any | Ralph Rosenberg |
| X. | Adjournment | Ralph Rosenberg |

STATE OF GEORGIA
COUNTY OF DOUGHERTY

AFFIDAVIT RELATIVE TO CLOSED MEETING

Personally appeared before the undersigned, RALPH S. ROSENBERG, who having been duly sworn, deposes and states as follows:

1. I am over the age of 18 years, I am suffering under no disabilities and I am competent to testify to the matters contained herein.
2. I am the Chairperson of the Board of the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority").
3. On the 14th day of February 14, 2013, at a meeting of the Authority Board, a motion was duly approved in a roll call vote for the Authority Board to go into closed session for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) discussing potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities; and (iii) discussing confidential matters or information pertaining to peer review or provided by a review organization as defined in O.C.G.A. 31-7-131.
4. To the best of my knowledge and belief, the business conducted during the closed portion of the meeting was devoted solely to the above matters for which the meeting was closed.

As of the 14th day of February, 2013.

Ralph S. Rosenberg
Chairperson

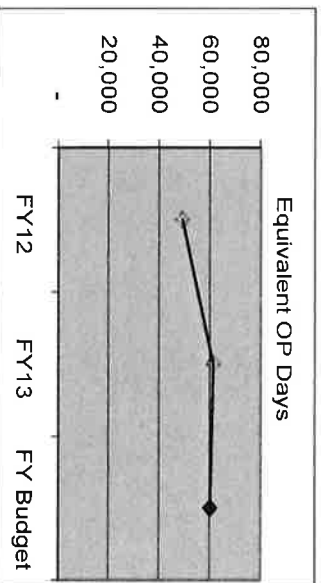
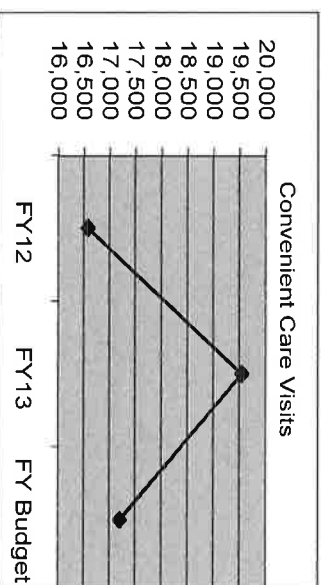
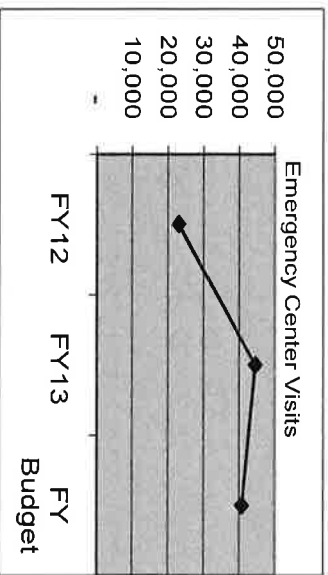
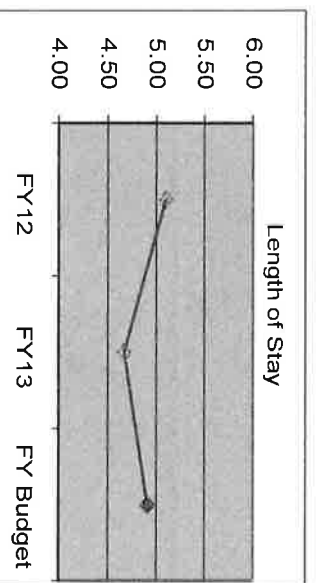
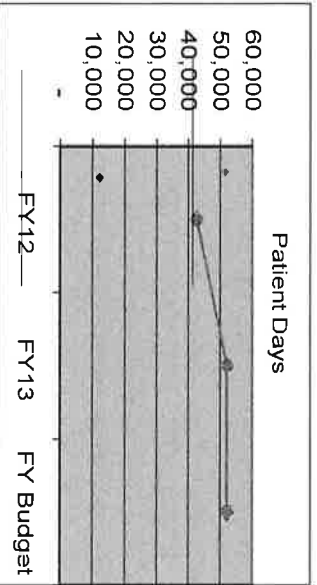
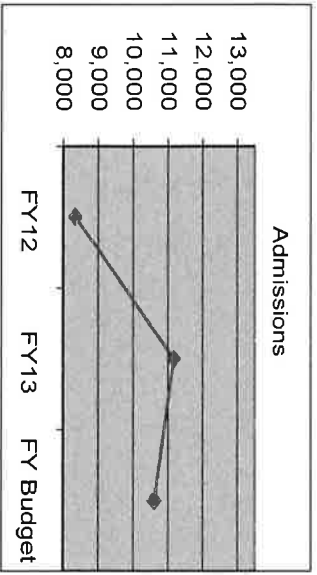
Sworn to and subscribed before me

Mary S. Barfield
NOTARY PUBLIC (SEAL)
Dougherty County, Georgia
My Commission expires: _____



MAIN CAMPUS & PHOEBE NORTH COMBINED

FY12 - Main Campus Data Only



Statistic	FY12	FY13	FY Budget	Budget Variance
Admissions	8,368	11,170	10,607	563
Patient Days	42,687	52,113	52,118	(5)
Length of Stay	5.10	4.67	4.91	(0.24)
Emergency Center Visits	22,951	44,520	40,776	3,744
Convenient Care Visits	16,581	19,546	17,204	2,342
Equivalent OP Days	49,378	61,444	60,124	1,320

YTD FY13

**HOSPITAL AUTHORITY OF
ALBANY-DOUGHERTY COUNTY, GEORGIA
FINANCIAL STATEMENTS**

January 31, 2013

**NATURAL CLASS EXPENSES
HOSPITAL AUTHORITY
PERIOD ENDING 1/31/2013**

<u>OPERATING REVENUE</u>	<u>ACTUAL 01/31/13</u>	<u>YTD ACTUAL 01/31/13</u>
TOTAL I/P REVENUE	0	0
TOTAL O/P REVENUE	<u>0</u>	0
 TOTAL GROSS REVENUE	 \$0	 \$0
<u>DEDUCTIONS FROM REVENUE</u>		
Contractual Adjustments:		
Medicare	\$0	0
Medicaid	0	0
Other Deductions	<u>0</u>	0
Total Contractual Adjustments	\$0	\$0
Charity and Uncollectible:		
Indigent Care and Charly	\$0	\$0
County Purch of Services	0	\$0
Uncollectible Accounts	0	\$0
Other	<u>0</u>	\$0
Total Charity and Uncollectible	\$0	\$0
TOTAL DEDUCTIONS FROM REVENUE	\$0	\$0
 NET OPERATING REVENUE	 \$0	 \$0
 Other Operating Revenue	 <u>8,333</u>	 <u>218,398</u>
 INCOME FROM OPERATIONS	 \$8,333	 \$218,398
OPERATING EXPENSES		
SALARIES	\$0	
PROF FEES	0	
LEGAL FEES	0	497,208
SUPPLIES		
REPAIRS & MAINTENANCE		
CONTRACT SERVICES		
CONSULTING SERVICES		0
LEASED EQUIPMENT		
UTILITIES		
OTHER EXPENSE	0	2,546
DEPRECIATION		
INSURANCE		
EMPLOYEE BENEFITS		
 TOTAL OPERATING EXPENSE	 \$0	 \$499,754
 OPERATING INCOME (LOSS)	 \$ 8,333	 \$ (281,356)
 NONOPERATING INCOME	 0	 0
INVESTMENT INCOME AT MARKET		
INTEREST EXPENSE		
 NET INVESTMENT INCOME (LOSS)	 <u>0</u>	 <u>0</u>
 EXCESS OF REVENUES OVER EXPENSES	 <u>\$ 8,333</u>	 <u>\$ (281,356)</u>

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
BALANCE SHEET
1/31/2013

	<u>Unaudited</u> <u>January 31, 2013</u>	<u>Audited</u> <u>FY 2012</u>	<u>Audited</u> <u>FY 2011</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 173,714	\$ 17,648,418	\$ 206,309
Assets limited as to use - current	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	9,092,766	-
Supplies, at lower of cost (first in, first out) or market	-	2,912,781	-
Other current assets	-	265,592	-
Total current assets	<u>173,714</u>	<u>29,919,557</u>	<u>206,309</u>
Property and Equipment, net	<u>-</u>	<u>35,588,970</u>	<u>-</u>
Other Assets:			
Goodwill	-	157,345,334	-
Total other assets	<u>-</u>	<u>157,345,334</u>	<u>-</u>
Total Assets	<u>\$ 173,714</u>	<u>\$ 222,848,861</u>	<u>\$ 206,309</u>

LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	-	3,737,256	3,612,415
Accrued expenses	-	2,732,950	-
Estimated third-party payor settlements	-	891,070	-
Deferred revenue	50,002	100,000	-
Short-term obligations	-	217,893,063	-
Total current liabilities	<u>50,002</u>	<u>225,354,339</u>	<u>3,612,415</u>
Total liabilities	<u>50,002</u>	<u>225,354,339</u>	<u>3,612,415</u>
Net assets:			
Unrestricted	123,712	(2,505,478)	(3,406,106)
Total net assets	<u>123,712</u>	<u>(2,505,478)</u>	<u>(3,406,106)</u>
Total liabilities and net assets	<u>\$ 173,714</u>	<u>\$ 222,848,861</u>	<u>\$ 206,309</u>

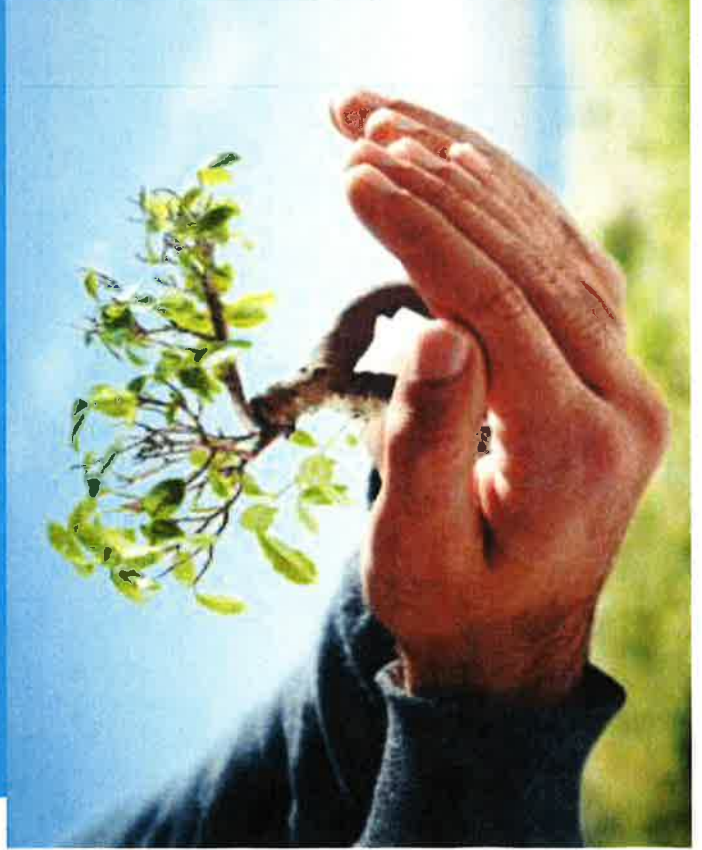
HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
STATEMENTS OF CASH FLOWS
1/31/2013

	<u>Unaudited</u> <u>January 31, 2013</u>	<u>Audited</u> <u>FY 2012</u>	<u>Audited</u> <u>FY 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Funds paid to Georgia Department of Community Health:			
Indigent Care Trust Fund		\$ (2,802,812)	\$ (3,834,070)
Upper payment limit		(744,169)	(1,373,263)
Funds received from Georgia Department of Community Health:			
Indigent Care Trust Fund			11,058,756
Upper payment limit			4,872,475
Lease Revenue	49,998	1	1
Contribution from Phoebe Putney Memorial Hospital, Inc.	(168,400)		
Transfer of funds received from Georgia Department of Community Health to Phoebe Putney			(10,523,898)
Cash Received from patients and payors		27,697,023	
Cash payments to employees		(14,529,101)	
Payments from Phoebe North	363,321	(19,787,311)	
Funds paid for operating expenses	(620,904)		(772,797)
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Net cash provided by operating activities	(375,985)	(10,146,369)	(772,796)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from short term obligations		217,993,063	
Interest paid in short term obligations		(350,000)	
Purchase of capital assets		(241,874)	
		<hr/>	
Net cash provided by capital and related financing activities		217,401,189	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of Palmyra Park Hospital, LLC		(198,315,843)	
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from Phoebe Putney Memorial Hospital, Inc.		3,546,981	5,207,333
Noncapital contributions		4,956,151	941,356
Transfers to Phoebe North Campus			
Transfers to Phoebe Putney Memorial Hospital, Inc.	(17,098,719)		(5,207,333)
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Net cash used by noncapital financing activities	(17,098,719)	8,503,132	941,356
Net increase (decrease) in cash	(17,474,704)	17,442,109	168,560
Cash, beginning of year	17,648,418	206,309	37,749
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Cash, end of year	\$ 173,714	\$ 17,648,418	\$ 206,309
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Reconciliation of excess revenues (expense) to net cash flows provided by operating activities:	\$ (281,355)	\$ (3,705,523)	\$ (4,380,735)
Excess revenues (expenses)			
Adjustments to reconcile excess revenues (expenses) to net cash flows provided by operating activities:			
Depreciation and amortization		2,628,654	
Funds paid to Georgia Department of Community Health		(3,546,981)	
Change in:			
Patient accounts receivable		(9,092,766)	
Supplies		303,253	
Other Supplies		378,850	
Accounts payable	(407,952)	124,841	3,607,939
Amounts due to third parties	363,321	891,070	
Accrued Expenses	(49,998)	1,874,239	
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Net cash provided by operating activities	\$ (375,984)	\$ (10,146,369)	\$ (772,796)
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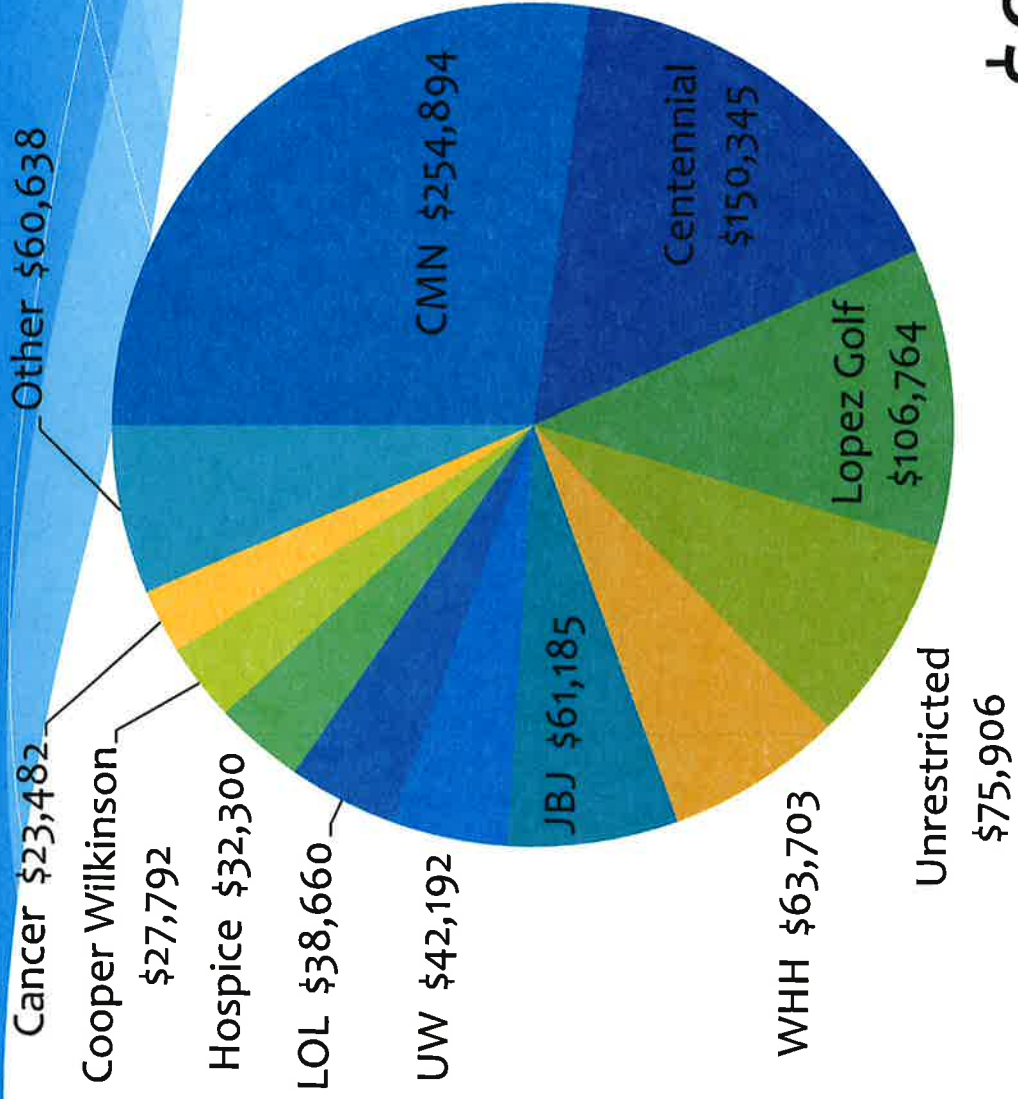


PHOEBE FOUNDATION

To promote and facilitate charitable
giving in exclusive support of
Phoebe Putney Memorial Hospital



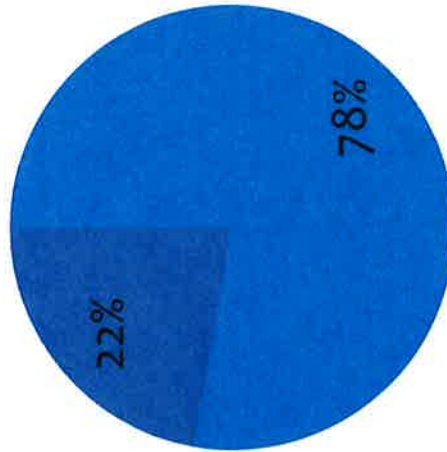
Annual Revenue By Fund



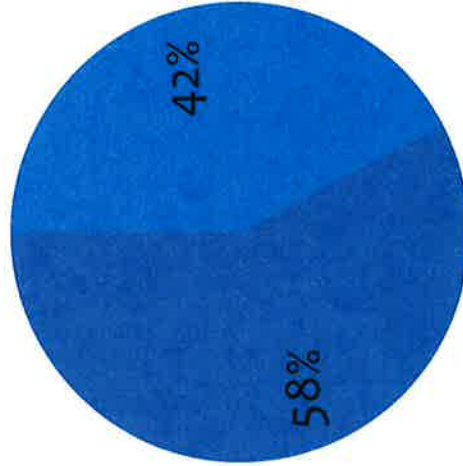
\$937,698

Broken Down CY2012

Events Income vs. Non-Event Income



Organizations vs. Individuals



New Income vs. Payment on Prior Pledges

