

## **HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY**

### **MINUTES OF THE FEBRUARY 18, 2016 MEETING**

#### **(Open Session)**

#### **Attendees:**

Attending Authority Board Members: Dr. Charles Lingle; Fred Ghiglieri; Dr. Michael N. Laslie; Dr. Edward Vance; Joel Callins; John Hayes; Lamar Reese; Ferrell Moultrie; and, Pastor Charlene Glover. Authority Legal Counsel: James E. Reynolds, Jr. Also those present on behalf of Phoebe Putney Memorial Hospital, Inc. included: Joel Wernick; Brian Church; Joe Austin; Dawn Benson; Felicia Lewis; Jessica Castle; and, Dr. Steven Kitchen. Recorder, Mary Barfield.

**Absent Authority Members:** None

#### **Open Meeting and Establish a Quorum:**

Acting Chairman Lingle called the meeting to order at 7:30 A.M. in the Willson Board Room of Phoebe's Main Campus. Dr. Lingle thanked all the Members for their attendance and participation and he observed that a quorum was present with all nine Authority Members being in attendance. Dr. Lingle acknowledged and welcomed the Authority's newest member, Pastor Charlene Glover and Pastor Glover responded by expressing her willingness and excitement to serve our community in this new position.

#### **Approval of the Agenda:**

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the proposed Agenda for the meeting was made by Fred Ghiglieri and seconded by Ferrell Moultrie, which motion was approved by all Authority Members. A copy of the Agenda as adopted is attached.

#### **Election of Officers:**

Dr. Lingle pointed out that as contemplated in the Agenda, the Authority would need to elect a new slate of officers for the current year. Following motions, seconds, and discussions, the following officers of the Authority were elected to serve for 2016: Chairman, Dr. Charles Lingle, Vice Chairman, Fred Ghiglieri; Secretary/Treasurer, Joel Callins; and, Assistant Secretary/Treasurer, Dr. Michael N. Laslie.

#### **Approval of Minutes:**

The proposed Minutes of the November 12, 2015 open session meeting of the Authority had likewise been provided to Members prior to this meeting and the same were considered for approval. Ferrell Moultrie made a motion and Joel Callins seconded the motion to approve the Minutes as

previously provided. The motion passed unanimously by vote of all Members.

### **Financial Reports:**

Brian Church, CFO of PPMH, Inc., presented and reviewed an interim financial report for the Authority as of December 31, 2015. Mr. Church also presented, reviewed and provided or made available to each Authority member, a copy of the audited Phoebe Putney Memorial Hospital, Inc. Financial Statements for the fiscal year end 2015. Additionally Mr. Church provided and reviewed the Hospital's Community Benefit Report, a copy of which is or will be filed with State and local officials. A copy of all of the items presented by Mr. Church is attached.

### **Hospital CEO and Operational Reports:**

Joel Wernick, Hospital CEO provided certain operational reports including information concerning the newly implemented nurse residency - 25 RN's are receiving intensive training in critical care. These nurses applied for the training and going forward critical care will be their special focus at Phoebe with anticipated improved patient care in our critical care units. Chief Operating Officer, Joe Austin, with Joel Wernick, gave members an extensive operations and construction update that in part included the Hospital's new community care clinic which is scheduled to open March 1. The clinic is designed to take pressure off the Hospital's emergency room by directing those with non-emergency less urgent health issues to the new clinic facility across the street on 4<sup>th</sup> Avenue. Once the clinic is open and fully operational, the ambulance traffic currently going to Phoebe North is anticipated to be diverted to the main campus emergency room so that ultimately all true emergencies come to it. Next, Mr. Austin and Mr. Wernick discussed the ground breaking and construction of the family medical residency program housing project at 4<sup>th</sup> Avenue and North Jackson Street. The ground breaking for the Phoebe-owned 25 unit medical student housing gated facility is expected to take place May 10<sup>th</sup>. There is much excitement about the new facility which will provide high quality, well located, reasonably priced and flexible term, housing for the participants in Phoebe's family medical residency program as well as other medical and pharmacy students studying or interning at Phoebe. This facility will serve as a great attraction for Albany in attracting medical students to rotate in our community thereby increasing the likelihood of their ultimately practicing in our region. Mr. Austin covered numerous other construction updates and a copy of his presentation is attached.

### **Closing of the Meeting:**

A motion was made by Ferrell Moultrie, seconded by John Hayes to close the meeting for the purposes of: (i) engaging in privilege consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategies that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, or (iii) to discuss confidential matters or information pertaining to peer review or provided by a peer review organization as defined in O.C.G.A §31-7-131.

Chairman Lingle polled each individual Authority Member present with respect to his or her vote on the motion and a motion and the vote of each of the Members is shown below, with no Member opposing:

Fred Ghiglieri	Yes
Dr. Michael Laslie	Yes
Joel Callins	Yes
Dr. Edward Vance	Yes
Dr. Charles Lingle	Yes
John Hayes	Yes
Lamar Reese	Yes
Ferrell Moultrie	Yes
Pastor Charlene Glover	Yes

The motion having passed, the meeting closed.

**Open Session Reconvened:**

Following unanimous vote of all Members in attendance at the conclusion of the Closed Session, the meeting reopened, Dr. Vance having to leave for his medical practice and patients at the conclusion of the Closed Session.

**Banking Resolution for Authority Check Signatures:**

Upon motion duly made and seconded, the eight remaining Authority members voted unanimously to authorize any officer (Chairman, Vice Chairman, Secretary/Treasurer or Assistant Secretary/Treasurer) to be authorized to sign checks on behalf of the Authority.

**Federal Trade Commission Report:**

Jay Reynolds discussed the fact that, as the Authority was aware, the settlement agreement with the Federal Trade Commission requires the Authority to annually, for a ten year period, submit a document certifying compliance with the various applicable provisions of the settlement agreement, with the initial certification to take place prior to the next scheduled Authority meeting.

Upon motion made by Ferrell Moultrie, seconded by Joel Callins and approved by all eight members then in attendance, the Chairman of the Authority or in his absence the Vice Chairman was authorized to execute the certification, on behalf of the Authority when the same was ready for filing.

**Adjournment:**

There being no further business the meeting was adjourned.

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HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

AGENDA  
(OPEN SESSION)

- |       |   |  |
|-------|---|--|
| I.    | Open meeting and establish quorum - Welcome new Member, Rev. Glover   | Dr. Lingle                               |
| II.   | Consider Approval of Agenda (draft previously provided to Members)  | Dr. Lingle                               |
| III.  | Election of Authority Officers for 2016 (Chair, Vice-Chair, Secretary-Treasurer and Assistant Secretary). Following election, the newly elected Chairman presides for balance of the meeting  | Chairman                                 |
| IV.   | Consideration of Open Session Minutes of November 12, 2015 Meeting (draft previously provided to Members)   | Chairman                                 |
| V.    | Financial Reports <ul style="list-style-type: none"><li>a. Hospital Authority Financials</li><li>b. Audited PPMH Financial Statements</li><li>c. Community Benefit Report</li></ul>   | Brian Church                             |
| VI.   | Phoebe Putney Memorial Hospital, Inc. CEO and Operational Reports <ul style="list-style-type: none"><li>a. Construction Update</li><li>b. Emergency Center Update (Provider First/ Phoebe Community Clinic)</li></ul>   | Joel Wernick<br>Joe Austin<br>Joe Austin |
| VII.  | Consideration of vote to close meeting for Closed Session for the purposes of: (i) engaging 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 | Chairman                                 |
| VIII. | Banking Resolution for Authority Check Signatures   | Chairman                                 |
| IX.   | Authorization for Submitting Verified FTC Report  | Jay Reynolds                             |
| X.    | Consider Proposed Meeting Dates for balance of 2016   | Chairman                                 |
| XI.   | Additional Business   | Chairman                                 |
| XII.  | Adjournment   | Chairman                                 |

STATE OF GEORGIA  
COUNTY OF DOUGHERTY

AFFIDAVIT RELATIVE TO CLOSED MEETING


Personally appeared before the undersigned, CHARLES LINGLE, 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 Vice-Chairperson of the Board of the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority").
3. On the 18<sup>th</sup> day of February, 2016, 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) 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.
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.

This the 18<sup>th</sup> day of February, 2016.

  
Chairperson

Sworn to and subscribed before me this  
18<sup>th</sup> day of February, 2016.

  
NOTARY PUBLIC (SEAL)  
Dougherty County, Georgia  
My Commission Expires: 4-8-19



*Board of Directors  
Hospital Authority of Albany-Dougherty County, Georgia  
Albany, Georgia*

*We have audited the financial statements of Hospital Authority of Albany-Dougherty County, Georgia (Authority) for the year ended July 31, 2015, and have issued our report thereon dated October 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2015. Professional standards also require that we communicate to you the following information related to our audit.*

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

*Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended July 31, 2015. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.*

*Page Two*

*Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.*

*Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.*

*The financial statement disclosures are neutral, consistent, and clear.*

#### ***Difficulties Encountered in Performing the Audit***

*We encountered no significant difficulties in dealing with management in performing and completing our audit.*

#### ***Corrected and Uncorrected Misstatements***

*Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.*

#### ***Disagreements With Management***

*For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.*

#### ***Management Representations***

*We have requested certain representations from management that are included in the management representation letter dated October 30, 2015.*

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***Management Consultations With Other Independent Accountants***

*In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.*

***Other Audit Findings or Issues***

*We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.*

*This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.*

*Draffin + Tucker, LLP*  
Albany, Georgia  
October 30, 2015



HOSPITAL AUTHORITY OF  
ALBANY-DOUGHERTY COUNTY, GEORGIA



FINANCIAL STATEMENTS

for the years ended July 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Hospital Authority of Albany-Dougherty  
County, Georgia  
Albany, Georgia

We have audited the accompanying financial statements of Hospital Authority of Albany-Dougherty County, Georgia (Authority), which comprise the balance sheets as of July 31, 2015 and 2014, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospital Authority of Albany-Dougherty County, Georgia as of July 31, 2015 and 2014, and the results of its operations and changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matter*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Driffin + Tucker, LLP*  
Albany, Georgia  
October 30, 2015

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

BALANCE SHEETS, July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 40,967	\$ 193,001
Contributions receivable from Phoebe Putney Memorial Hospital, Inc.	<u>59,033</u>	<u>150,000</u>
Total assets	\$ <u>100,000</u>	\$ <u>343,001</u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60,400	\$ 264,047
Net position:		
Unrestricted	<u>39,600</u>	<u>78,954</u>
Total liabilities and net position	\$ <u>100,000</u>	\$ <u>343,001</u>

See accompanying notes to financial statements.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

for the years ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Lease consideration	\$ 537,033	\$ 450,090
Operating expenses:		
Purchased services and other	<u>576,387</u>	<u>329,859</u>
Operating income (loss)	( 39,354)	120,231
Net position, beginning of year	<u>78,954</u>	<u>( 41,277)</u>
Net position, end of year	\$ <u>39,600</u>	\$ <u>78,954</u>

See accompanying notes to financial statements.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

STATEMENTS OF CASH FLOWS  
for the years ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Funds paid to Georgia Department of Community Health:		
Indigent Care Trust Fund	\$( 4,671,432)	\$( 3,567,004)
Upper payment limit	( 2,271,308)	( 778,802)
Funds received from Georgia Department of Community Health:		
Indigent Care Trust Fund	14,130,165	10,469,631
Upper payment limit	6,800,652	2,278,942
Lease consideration	628,000	800,090
Transfer of funds received from Georgia Department of Community Health to Phoebe Putney Memorial Hospital, Inc.	(13,988,077)	( 8,402,767)
Payments to suppliers	( 780,034)	( 820,432)
Net cash used by operating activities	( 152,034)	( 20,342)
Cash flows from noncapital financing activities:		
Transfer from Phoebe Putney Memorial Hospital, Inc.	6,942,740	4,345,806
Transfer to Phoebe Putney Memorial Hospital, Inc.	( 6,942,740)	( 4,345,806)
Net cash provided by noncapital financing activities	-	-
Net decrease in cash	( 152,034)	( 20,342)
Cash, beginning of year	<u>193,001</u>	<u>213,343</u>
Cash, end of year	<u>\$ 40,967</u>	<u>\$ 193,001</u>

Continued

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

STATEMENTS OF CASH FLOWS, Continued  
for the years ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of cash to the balance sheet:		
Cash in current assets	\$ <u>40,967</u>	\$ <u>193,001</u>
Reconciliation of operating loss to net cash flows used by operating activities:		
Operating income (loss)	\$( 39,354)	\$ 120,231
Changes in:		
Contributions receivable from Phoebe Putney Memorial Hospital, Inc.	90,967	350,000
Accounts payable and accrued expenses	<u>(203,647)</u>	<u>(490,573)</u>
Net cash used by operating activities	\$( <u>152,034</u> )	\$( <u>20,342</u> )

See accompanying notes to financial statements.



HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

July 31, 2015 and 2014

1. Summary of Significant Accounting Policies

Reporting Entity

The Hospital Authority of Albany-Dougherty County, Georgia (Authority) is a public corporation organized to operate, control, and manage matters concerning the County's health care functions.

On September 1, 1991, the Hospital Authority implemented a reorganization plan whereby all of the assets and day-to-day management of Phoebe Putney Memorial Hospital were transferred to Phoebe Putney Memorial Hospital, Inc. (Corporation), a not-for-profit corporation, qualified as an organization described in Section 501(c)(3) of the Internal Revenue Code. The transfer was made pursuant to a lease and transfer agreement dated as of December 11, 1990 between the Hospital Authority and the Corporation. During 2009, the lease term was renewed to the original term of forty years.

Under the terms of the Agreement, any debt issued by the Hospital Authority will be the responsibility of the Corporation. As of July 31, 2015, approximately \$291,735,000 of Revenue Anticipation Certificates are outstanding in the Authority's name. These certificates are recorded and disclosed in the financial statements of the Corporation for the year ended July 31, 2015.

The Authority serves as a pass-through entity associated with the Corporation's participation in certain governmental health care programs. As such, the Authority makes transfers on behalf of the Corporation for Indigent Care Trust Fund obligations and Upper Payment Limit transfers.

On December 15, 2011, the Authority purchased substantially all assets of Palmyra Park Hospital, LLC (Palmyra), a general acute care hospital located in Albany, Georgia. The Authority operated Palmyra under the name Phoebe North.

Effective August 1, 2012, the lease and transfer agreement between the Corporation and the Authority was amended and restated. The amendment was made for the transfer and inclusion of the hospital formerly known as Palmyra. The amendment included the extension of the lease for a term of forty years from the date of the current amendment. As consideration for the lease, the Corporation agreed to provide funds sufficient to cover all costs and expenses of the Authority, and to maintain an amount of not less than \$100,000 under the Authority's control to pay all costs and expenses.

Continued

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS, Continued

July 31, 2015 and 2014

1. Summary of Significant Accounting Policies, Continued

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Enterprise Fund Accounting

The Authority uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The Authority prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Net Position

Net position of the Authority is classified as *unrestricted net position*. *Unrestricted net position* is the remaining net amount of assets and liabilities that are not invested in capital assets and do not contain restrictions on their use.

Operating Revenues and Nonoperating Revenues

The Authority's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues. Operating revenues result from consideration received for the operation of the Authority in conjunction with the amended and restated lease and transfer agreement. Nonexchange revenues, including contributions received for purposes other than capital asset acquisition are reported as nonoperating revenues.

Continued

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS, Continued  
July 31, 2015 and 2014

1. Summary of Significant Accounting Policies, Continued

Grants and Contributions

Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue.

Income Taxes

The Authority is a governmental entity and is exempt from income taxes. Accordingly, no provision for income taxes has been considered in the accompanying financial statements.

Restricted Resources

When the Authority has both restricted and unrestricted resources available to finance a particular program, it is the Authority's policy to use restricted resources before unrestricted resources.

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2014 financial statements to conform to the fiscal year 2015 presentation. These reclassifications had no impact on the change in net assets in the accompanying financial statements.

Continued

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS, Continued

July 31, 2015 and 2014

2. Deposits

State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Authority's bylaws require that all bank balances be insured or collateralized by U.S. government securities held by the pledging financial institution's trust department in the name of the Authority. The Authority had no uncollateralized cash balances at July 31, 2015 and 2014.

The carrying amount of deposits included in the Authority's balance sheets is as follows:

	<u>2015</u>	<u>2014</u>
Cash	\$ <u>40,967</u>	\$ <u>193,001</u>

3. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses, reported as current liabilities by the Authority at July 31, 2015 and 2014, consisted of these amounts:

	<u>2015</u>	<u>2014</u>
Accounts payable and accrued expenses:		
Payable to suppliers	\$ <u>60,400</u>	\$ <u>264,047</u>

4. Litigation

The Authority is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Authority's future financial position or results from operations.

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

**Financial Statement Update**

**September-2015 YTD**

**HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN UNRESTRICTED NET ASSETS**

9/30/2015

Unaudited

September 30, 2015

**OPERATING REVENUE:**

Net patient service revenue (net of provision for bad debt)	967
Lease Consideration	967
Total Operating Revenue	967

**OPERATING EXPENSES:**

Salaries and Wages	
Employee health and welfare	
Medical supplies and other	
Professional services	-
Purchased services	55
Depreciation and amortization	

Total Operating Expenses

55

Operating Loss

912

**NONOPERATING INCOME (EXPENSES):**

Gain in Long Term Lease	-
Interest Expense	-

Total Nonoperating Income

-

**EXCESS OF REVENUE OVER EXPENSE**

**912**

**HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA**  
**BALANCE SHEET**  
**9/30/2015**

Unaudited  
September 30, 2015

**ASSETS**

Current Assets:  
 Cash and cash equivalents \$ 99,912  
 Assets limited as to use - current -  
 Patient accounts receivable, net of allowance for  
 doubtful accounts -  
 Supplies, at lower of cost (first in, first out) or market -  
 Other current assets 1,000

Total current assets

100,912

Property and Equipment, net -

Other Assets:  
 Goodwill -

Total other assets -

Total Assets

100,912

\$

**LIABILITIES AND NET ASSETS**

Current Liabilities:  
 Accounts payable -  
 Accrued expenses 60,400  
 Estimated third-party payor settlements -  
 Deferred revenue -  
 Short-term obligations -  
 Total current liabilities 60,400

Total liabilities

60,400

Net assets:

Unrestricted

Total net assets

40,512

40,512

Total liabilities and net assets

100,912

\$

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

**Proposed Operating Budget**

**Fiscal year Ending July 31, 2016**

	<b>BUDGET FY 2016</b>
<b>OPERATING REVENUE:</b>	
Lease Consideration	325,000
<b>Total Operating Revenue</b>	<u>325,000</u>
<b>OPERATING EXPENSES:</b>	
Purchased services and other	<u>325,000</u>
<b>Total Operating Expenses</b>	<u>325,000</u>
<b>Operating income (loss)</b>	<u>-</u>



# 2013 Community Health Needs Assessment Update

Hospital Authority of  
Albany/Dougherty County  
November 12, 2015



## Definitions

*A **community health needs assessment** is a systematic process involving the community, to identify and analyze community health needs and assets in order to prioritize, plan and act upon unmet community health needs.*

*An **implementation strategy** is the health care organization's plan for addressing prioritized health needs and problems identified in the community health needs assessment. The implementation strategy may also be called the organization's community benefit plan.*



### 501c3 Hospitals Deemed Charitable Organizations

**Purpose:**

**Must benefit the broad public interest**  
(versus the interests of its members)

**In exchange:**

- Tax-exempt donations
- Federal tax exemptions
- State and local tax exemptions
- Tax-free bonds

*Are charitable organizations benefiting the broad public interest?*



### 2013 CHNA - Current Priorities

1. Improve Maternal, Infant, and Child Health and Reproductive Responsibility.
2. Promote, advocate, and facilitate a sustainable
3. Facilitate a sustainable community mental health continuum of care model with an emphasis on addressing identified gaps in service.
4. Promote healthy living lifestyles that reduce obesity and related acute and chronic diseases.
5. Promote health literacy, education, awareness and access to care.

## 1. Improve Maternal, Infant, and Child Health and Reproductive Responsibility.

- Workgroup to focus on improving birth outcomes and to reduce teen pregnancy rate.
- Seeking Baby Friendly designation.
- Continue relationship with Family Connections and the Teen Maze event.
- Support and facilitate expansion of Public Health's Centering Pregnancy Program.
- Continue funding of Network of Trust program to provide school nurses.
- Continue working with local physicians to reduce the number of induced births to reduce the number of early elective deliveries.
- Provide access to pediatric subspecialties through Georgia Regents University.

## 2. Promote, advocate, and facilitate a sustainable community mental health continuum of care model with an emphasis on addressing identified gaps in service.

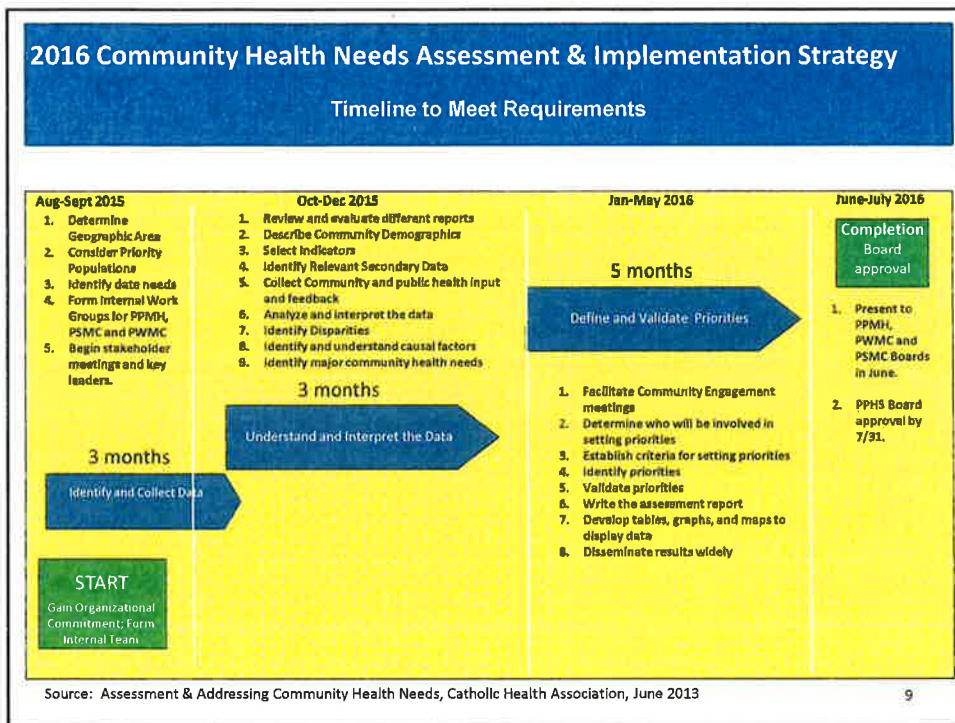
- PPMH hosts a quarterly community collaborative with local agencies to discuss area mental health services.
- Behavioral support groups

### 3. Promote healthy living lifestyles that reduce obesity and related acute and chronic diseases.

- Congestive Heart Failure Clinic
- Lung cancer screening program
- Financial support to the Southwest GA Cancer Coalition
- Collaboration with American Heart Association to gain Stroke Center accreditation
- SWGA Family Medicine Program
- Outreach to schools to provide nutritional counseling resources through Network of Trust
- GoNoodle! – interactive games that teachers can play with students in the classroom
- 5 Community health fairs

### 4. Promote health literacy, education, awareness and access to care.

- Continue to increase awareness for cancer trial participation.
- Community Health Dashboard tool available to the public.
- Provide health education and awareness information at community health fairs.



PHOEBE
Prioritized Strategic Goals

- Quality** - Provide uncompromising quality care.
- People** – Attract, engage, develop and retain the best people.
- Service** – Exceed the expectations of all we serve.
- Growth** – Grow to meet the needs and improve the health status of the communities we serve.
- Financial Excellence** – Optimize and strengthen financial performance to fulfill the vision and mission.

2015 09 PPHS Management Forums  
(Ray-Jenkins)

**ACCESS TO CARE**

Are patients receiving the right care at the right time at the right place? Can they get to us?

**HUMAN CAPITAL**

Do we have the talent presently and in the future to deliver the best patient-centered care?  
Can we care for consumers/patients when they get to us?

**PHYSICIAN ALIGNMENT**

Do we have the partnership with our physicians/providers and are they aligned in a way that results in high quality, high service, and low-cost patient care?

**DATA ANALYTICS/PERFORMANCE IMPROVEMENT**

Do we have a continuous improvement approach to patient-centered care that is evidenced based with data to support effective decisions? Real Time? Predictive?  
Are we utilizing Lean?

**POPULATION HEALTH**

Are we focused on specific populations with deliberate strategies to improve their health? Are we taking action now to reduce health cost in the future?

# THE LEAPFROG GROUP

Informing Choices. Rewarding Excellence.  
Getting Health Care Right.

# Hospital Safety Score

Using the source data on the previous page and the scoring methodology provided below under "Notes," Leapfrog calculated a Hospital Safety Score for your hospital which is displayed below (see "My Score"). In addition, Leapfrog has provided links documents that provide more information about the score and how it was calculated. Hospital Safety Scores can range from a low score of 1.0 to a high score of 4.0.

If your hospital did not complete a 2015 Leapfrog Hospital Survey by August 31, 2015, Leapfrog measures were not used to calculate your Hospital Safety Score. For more information about the Leapfrog Hospital Survey, visit <https://leapfrog.hospitalssurvey.org>.

Hospitals that would like Leapfrog Hospital Survey data used in calculating the Spring 2016 Hospital Safety Score, must submit a survey by December 31, 2015.

## Phoebe Putney Memorial Hospital (11-0007)

417 Third Ave, Albany, GA 317011828

HOSPITAL SAFETY SCORE

My Score

**3.165**

My Letter Grade

**A**

[More Information](#)

### Confidential Preview

Letter grades will be available to the public on October 28th. Hospitals are not permitted to publicly announce their grade until the public release on October 28, 2015.

NOTE: Hospitals may receive requests for comment from journalists starting October 23rd. However, as the letter grades are under strict "embargo," any resulting coverage would not go live until October 28th. If you have any questions about this, please contact the Help Desk.

### [Explanation of Letter Grades](#)

[Hospital Safety Score Methodology \(1 PDF file\)](#)

[Hospital Safety Score Calculator \(1 Excel file\)](#)

[Changes in Measure Weights \(1 Excel file\)](#)

[Submit a question to the Help Desk](#)



## Explanation of Hospital Safety Score Grades

October 2015

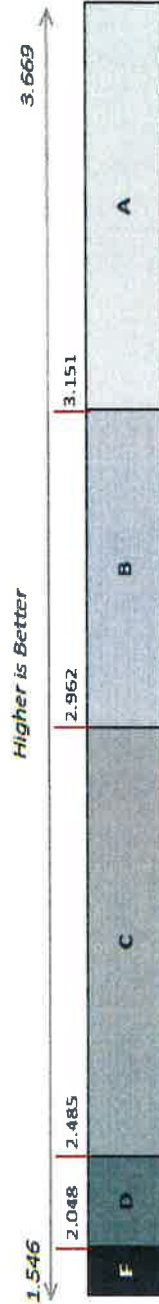
Using 28 evidence-based measures of patient safety, The Leapfrog Group calculated a numerical safety score for all eligible hospitals in the U.S. (For a list of exclusion criteria, download a copy of the scoring methodology at [www.HospitalSafetyScore.org](http://www.HospitalSafetyScore.org)). The numerical safety score was then converted into one of five letter grades. "A" represents the best Hospital Safety Score, followed in order by "B," "C," "D," and "F".

The letter grade methodology established in October 2014 will be used again this fall. Hospitals with a numerical safety score greater than or equal to 3.151 earn an "A," hospitals with a numerical safety score greater than or equal to 2.962 and less than 3.151 earn a "B", and hospitals with a numerical safety greater than or equal to 2.485 and less than 2.962 earn a "C". Hospitals with a score of less than 2.485 but greater than or equal to 2.048 earn a "D", and hospitals with a score below 2.048 earn an "F".

This fall, the numerical scores ranged between 1.546 and 3.669 with an average score very close to 3.0. For a detailed explanation of the scoring methodology, please visit [www.HospitalSafetyScore.org](http://www.HospitalSafetyScore.org).

In implementing this letter grade methodology, the distribution of letter grades is detailed below:

Grade	Safety Score Criteria <i>(cut or above cut-point)</i>	Count of Hospitals	Percentage of Hospitals
A	≥ 3.151	773	31%
B	≥ 2.962	724	29%
C	≥ 2.485	868	34%
D	≥ 2.048	133	5%
F	< 2.048	34	1%
Totals		2532	





**Phoebe Putney Memorial Hospital (11-0007)**  
 417 Third Ave, Albany, GA 317011828

Name of the Measure	Type of Measure	Data Source	Reporting Period	Measure Score
CPOE	Structure/Process	AHA HIT Supplement	2014	65
ICU Staffing	Structure/Process	AHA Annual Survey	2013	Not Available
SP 1 - Leadership Structures and Systems	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 2 - Culture Measurement, Feedback and Intervention	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 3 - Teamwork Training and Skill Building	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 4 - Identification and Mitigation of Risks and Hazards	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 9 - Nursing Workforce	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 17 - Medication Reconciliation	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 19 - Hand Hygiene	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SP 23 - Care of the Ventilated Patient	Structure/Process	2015 Leapfrog Hospital Survey	01/01/2014 - 12/31/2014	Declined to Report
SCIP INF 1	Structure/Process	CMS Hospital Compare	10/01/2013 - 09/30/2014	99
SCIP INF 2	Structure/Process	CMS Hospital Compare	10/01/2013 - 09/30/2014	99
SCIP INF 3	Structure/Process	CMS Hospital Compare	10/01/2013 - 09/30/2014	99
SCIP INF 9	Structure/Process	CMS Hospital Compare	10/01/2013 - 09/30/2014	99
SCIP VTE 2	Structure/Process	CMS Hospital Compare	10/01/2013 - 09/30/2014	100

Foreign Object Retained	Outcome	CMS	07/01/2011 - 06/30/2013	0
Air Embolism	Outcome	CMS	07/01/2011 - 06/30/2013	0
Falls and Trauma	Outcome	CMS	07/01/2011 - 06/30/2013	0.233
CLABSI	Outcome	CMS Hospital Compare	10/01/2013 - 09/30/2014	0.676
CAUTI	Outcome	CMS Hospital Compare	10/01/2013 - 09/30/2014	2.145
SSI: Colon	Outcome	CMS Hospital Compare	10/01/2013 - 09/30/2014	0.141
PSI 3 - Pressure Ulcer	Outcome	CMS	07/01/2012 - 06/30/2014	0.06
PSI 4 - Death among surgical inpatients	Outcome	CMS Hospital Compare	07/01/2012 - 06/30/2014	160.44
PSI 6 - Iatrogenic Pneumothorax	Outcome	CMS	07/01/2012 - 06/30/2014	0.31
PSI 11 - Postoperative Respiratory Failure	Outcome	CMS	07/01/2011 - 06/30/2013	8.73
PSI 12 - Postoperative PE/DVT	Outcome	CMS	07/01/2012 - 06/30/2014	4.21
PSI 14 - Postoperative Wound Dehiscence	Outcome	CMS	07/01/2012 - 06/30/2014	1.32
PSI 15 - Accidental Puncture or Laceration	Outcome	CMS	07/01/2012 - 06/30/2014	1.86

## Notes

The Leapfrog Group utilized secondary data sources to give hospitals an opportunity to receive credit towards their score. For hospitals that did not report to the 2015 Leapfrog Hospital Survey by August 31, 2015 on their use of Computerized Prescriber Order Entry (CPOE) or ICU Physician Staffing (IPS), Leapfrog utilized information reported through the 2013 AHA Annual Survey and the 2014 HIT Supplement. Detailed information on the use of secondary data can be found in the Scoring Methodology on the next page.

For hospitals that did not report to the 2015 Leapfrog Hospital Survey on their Standardized Infection Ratio for Central-line Associated Blood Stream Infections or Catheter Associated Urinary Tract Infections, Leapfrog utilized information reported through CMS Hospital Compare. More detailed information is available in the Scoring Methodology on the next page.

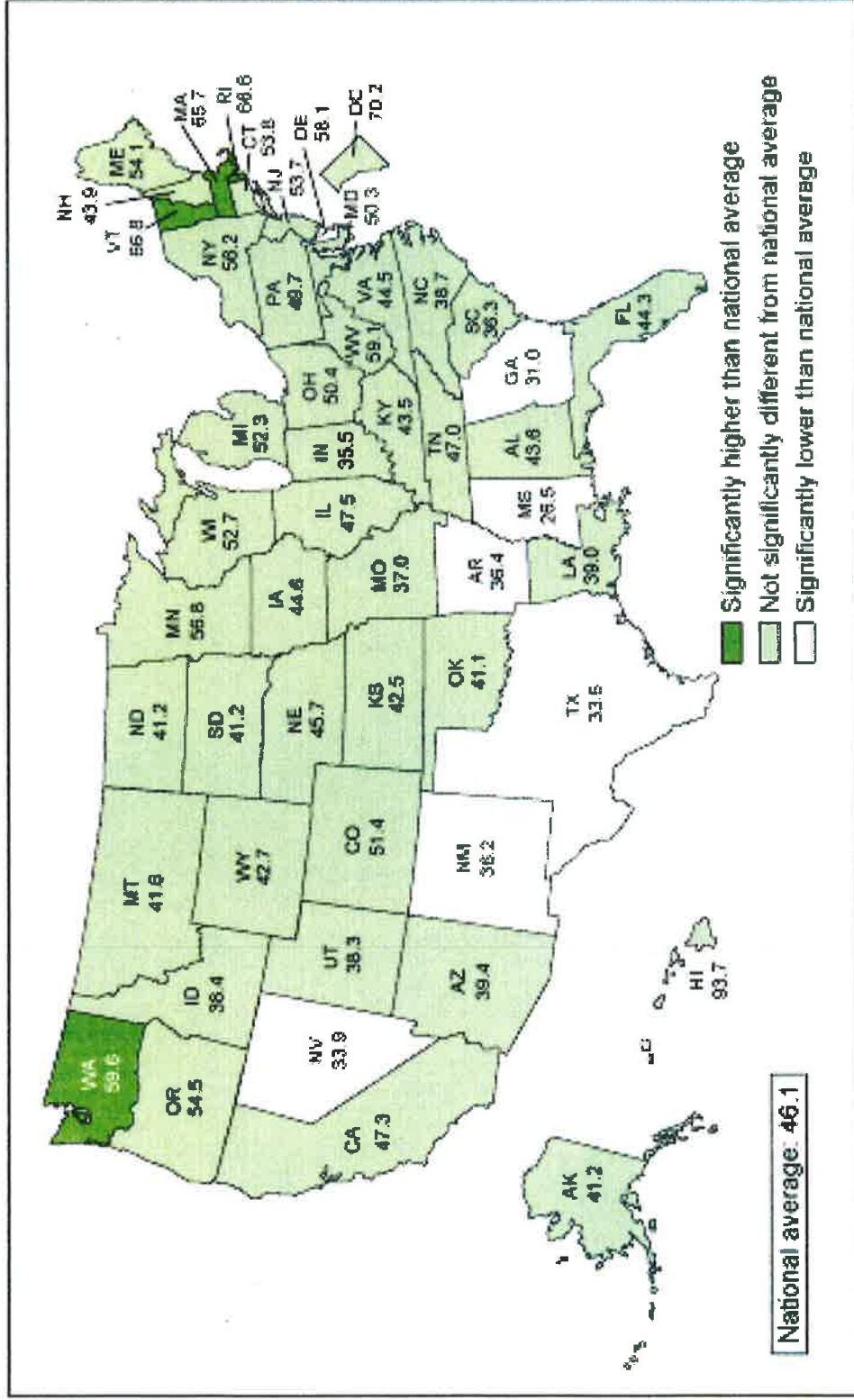
The Leapfrog Group replaced extreme values (those that exceeded the 99th percentile) found in public reports with that of the 99th percentile. Please refer to page 19 of the Scoring Methodology on the next page for a table of these 99th percentile values and additional information.

Please contact the Hospital Safety Score Help Desk if you have any questions: <https://leapfrog.score.zendesk.com/home>.

# Number of primary care physicians per 100,000 population: U.S. 2012

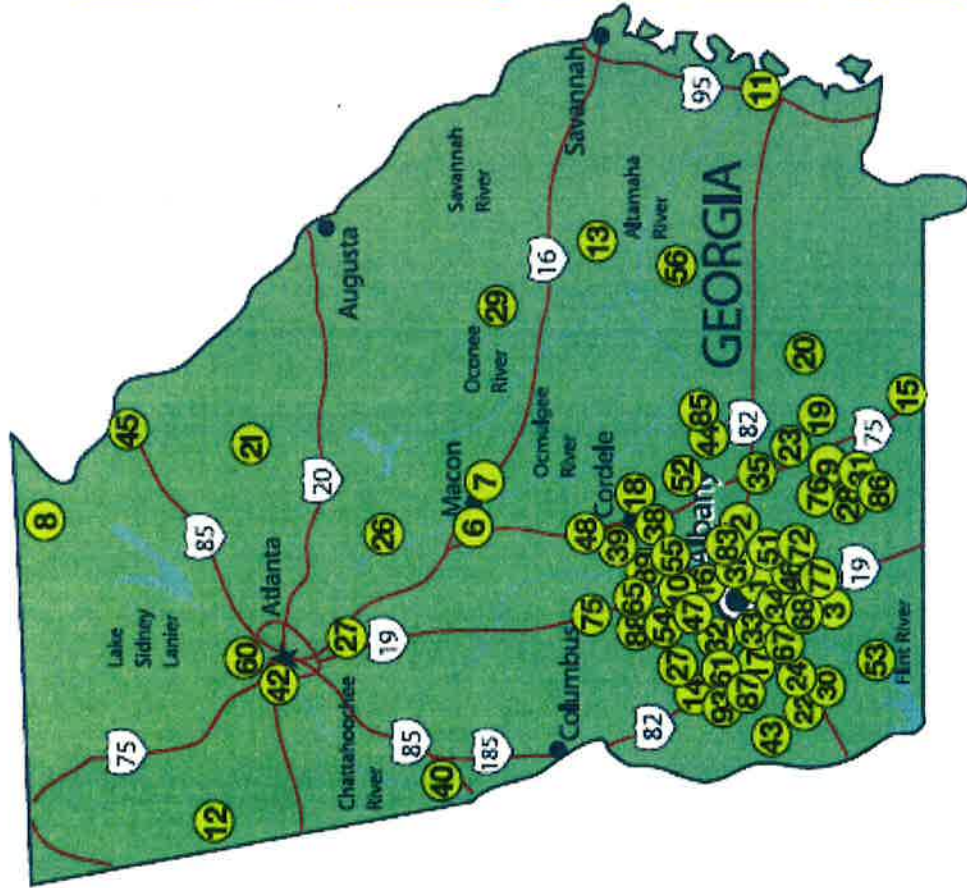
National Average: 46.1

Georgia: 31



SOURCE: CDC/NCHS, National Ambulatory Medical Care Survey, Electronic Health Records Survey. May 2014

# Practice Locations of Southwest Georgia Family Medicine Residents at Graduation



- 1997 Graduates**
- 4. Renee Markovac, M.D. - Hicksville, Ohio
  - 5. Debra McCaul, M.D. - Pella, Missouri
  - 6. Jimmie Strider, M.D. - Macon, Georgia
  - 7. Y. Monique Cave-Smith, M.D. - Macon, Georgia
  - 8. Karen Austin, M.D. - Clayton, Georgia
  - 9. Robert Hawes, M.D. - Moultrie, Georgia

- 1996 Graduates**
- 1. Margaret Carter, M.D. - Albany, Georgia
  - 2. Joseph Jackson, M.D. - Albany, Georgia
  - 3. Linda Walden, M.D. - Cairn, Georgia

- 1998 Graduates**
- 10. John Bacher, M.D. - Leesburg, Georgia
  - 11. Coreen Kinney, M.D. - Brunswick, Georgia
  - 12. Joe Vaughn, M.D. - Rome, Georgia
  - 13. Kerry Smith, M.D. - Lyons, Georgia
  - 14. Emmanuel Osimba, M.D. - Culbert, Georgia

- 1999 Graduates**
- 15. Perry Hight, M.D. - Valdosta, Georgia
  - 16. Teresa King, M.D. - Albany, Georgia
  - 17. Stephanie Williams, M.D. - Arlington, Georgia
  - 18. Chet Lapozza, M.D. - Cordale, Georgia

- 2000 Graduates**
- 19. Thomas O. Fausett, M.D. - Adel, Georgia
  - 20. Richard Wheeler, M.D. - Nashville, Georgia
  - 21. Ronald Hart, M.D. - Lexington, Georgia
  - 22. William Swafford, M.D. - Calquitt, Georgia
  - 23. Lansing Hillman, M.D. - Sparks, Georgia
  - 24. Lamar Brand, M.D. - Calquitt, Georgia
  - 25. Candy Vorderburg, M.D. - Wisconsin

- 2001 Graduates**
- 26. Shannon T. Barton, M.D. - Monticello, Georgia
  - 27. Jameson A. Estes, M.D. - Cuthbert, Georgia
  - 28. Patricia Lockman-Bruce, M.D. - Moultrie, Georgia
  - 29. Crystal Jones-Owens, M.D. - Wrightsville, Georgia
  - 30. Mark E. Wittmer, M.D. - Calquitt, Georgia

- 2002 Graduates**
- 31. Christopher N. Bazar, M.D. - Moultrie, Georgia
  - 32. Derek J. Heard, M.D. - Albany, Georgia
  - 33. Michael G. Satchel, M.D. - Albany, Georgia
  - 34. Kimberly B. Williams, M.D. - Albany, Georgia
  - 35. Tisha A. Williams, M.D. - Tifton, Georgia

- 2003 Graduates**
- 36. Andrew G. Freeman, M.D. - Moorehead City, N.C.
  - 37. William P. Fricks, Jr., M.D. - Albany, Georgia
  - 38. Brian K. Jordan, D.O. - Cordale, Georgia
  - 39. Gail M. Lawson, M.D. - Cordale, Georgia
  - 40. Sean M. Miles, M.D. - LaGrange, Georgia
  - 41. Sheryl J. Truby, M.D. - Chicago, Illinois

- 2004 Graduates**
- 42. Christopher B. Anderson, M.D. - Atlanta, Georgia
  - 43. Garrett N. Bennett, M.D. - Blakely, Georgia
  - 44. Charles Edward Bryson, Jr., M.D. - Fitzgerald, Georgia
  - 45. Krichra Ferraro-Sowles, M.D. - Harwell, Georgia
  - 46. Brian D. Reymaker, M.D. - Albany, Georgia
  - 47. Jon E. Vito, M.D. - Albany, Georgia

- 2005 Graduates**
- 48. M. Kevin Collins, M.D. - Cordale, Georgia
  - 49. John M. Hill, M.D. - Deland, Florida
  - 50. George W. Rankin, M.D. - Davis, California
  - 51. Juliana A. Raymaker, M.D. - Albany, Georgia
  - 52. Brigitta Serrifomy, M.D. - Ashburn, Georgia
  - 53. D. Shawn Sumratt, M.D. - Benbridge, Georgia

- 2006 Graduates**
- 54. Garold Eizenhauer, M.D. - Albany, Georgia
  - 55. Gregor Siller, M.D. - Albany, Georgia
  - 56. James Graham, M.D. - Basile, Georgia
  - 57. Mary Sue Martin, M.D. - Tennessee
  - 58. Eddie Wang, M.D. - Texas
  - 59. Peyton Barrett, M.D. - California
  - 60. Stefanie Shaver, M.D. - Atlanta, Georgia

- 2007 Graduates**
- 61. Rhonda Moorman, M.D. - Albany, Georgia
  - 62. Clifford V. Dunn, III, M.D. - Kumazane, Utah
  - 63. Clinton Nguyen, M.D. - Bremerton, Washington
  - 64. Thso Nguyen, M.D. - Charlotte, North Carolina
  - 65. David Tang, M.D. - Americus, Georgia

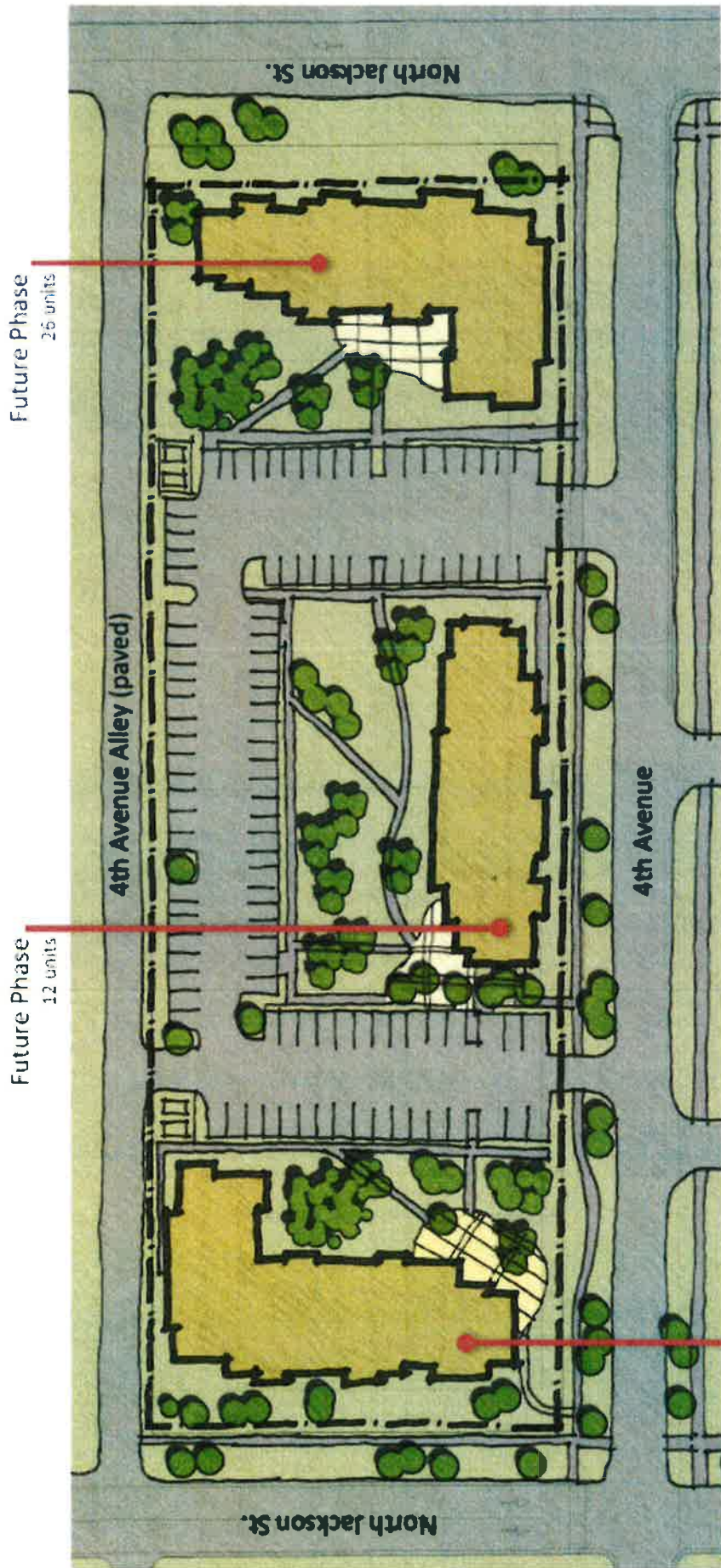
- 2008 Graduates**
- 66. Mariana Rivera, M.D. - Albany, Georgia
  - 67. Clay Thomas, M.D. - Albany, Georgia
  - 68. Charly Wilson, M.D. - Albany, Georgia
  - 69. Damon Blument, M.D. - Ft. Worth, Texas
  - 70. Jose Fernandez, M.D. - Lakeland, Florida
  - 71. Nailah Coleman, M.D. - Washington, D.C.

- 2009 Graduates**
- 72. Lalital Agbeja, M.D. - Albany, Georgia
  - 73. Kara Brooks, M.D. - Creswell, Georgia
  - 74. Sandra Gurses, M.D. - Albany, Georgia
  - 75. Burgess Mauldin, M.D. - Americus, Georgia
  - 76. Nabuis Ndakwa, M.D. - Moultrie, Georgia
  - 77. Augusto Soltero, M.D. - Albany, Georgia

- 2010 Graduates**
- 78. Peggy Bergab, M.D. - Albany, Georgia
  - 79. Malcolm Floyd, M.D. - Americus, Georgia
  - 80. Brian Neil Lewis, M.D. - Albany, Georgia
  - 81. Tamara Lewis, M.D. - Albany, Georgia
  - 82. Jill Olek, M.D. - Americus, Georgia

- 2011 Graduates**
- 83. Richard Hawthorne, D.O. - Albany, Georgia
  - 84. Kathy Herby, M.D. - Hickory, North Carolina
  - 85. Daniel O'Connell, M.D. - Fitzgerald, Georgia
  - 86. Gary Swartzentruber, M.D. - Moultrie, Georgia
  - 87. Kyush Yamazaki, M.D. - Americus, Georgia

- 2012 Graduates**
- 88. Phet Calhoun, M.D. - Leesburg, Georgia
  - 89. Shauna Gowdie, M.D. - Leesburg, Georgia
  - 90. Eric Green, M.D. - Jackson, Mississippi
  - 91. Prycia Ngalame, M.D. - Undecided
  - 92. Teri Stapleton, M.D. - Kissimmee, Florida
  - 93. Kyush Yamazaki, M.D. - Albany, Georgia



**Master Plan Summary**  
 64 units = 116 Parking Spaces  
 (includes 10% reduction)



COLLINS  
 COOPER  
 CARUSI  
 ARCHITECTS



**FOURTH AVENUE STUDENT HOUSING PROJECT**  
 SCHEMATIC DESIGN MEETING | 29 October 2015

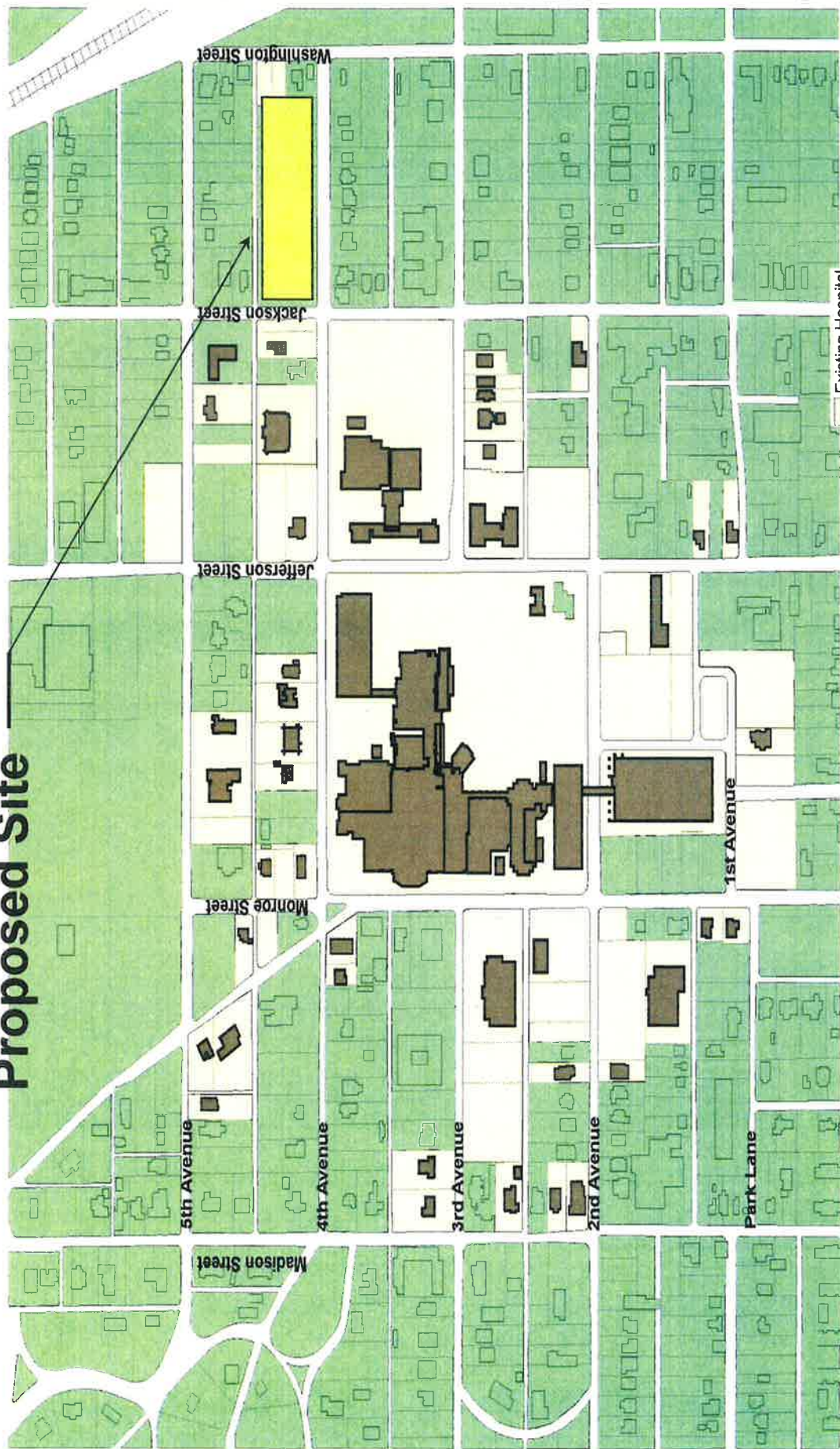
Phase I Building  
 26 units

Future Phase  
 12 units

Future Phase  
 26 units

# Resident Housing

## Proposed Site



- Existing Hospital Owned Property
- Existing Hospital Owned Building





West Elevation-North Jackson Street

**FOURTH AVENUE STUDENT HOUSING PROJECT**

**SCHEMATIC DESIGN MEETING | 28 October 2015**



COLLINS  
COONEY &  
COYLE  
INCORPORATED



Alternate Exterior Color Options

FOURTH AVENUE STUDENT HOUSING PROJECT

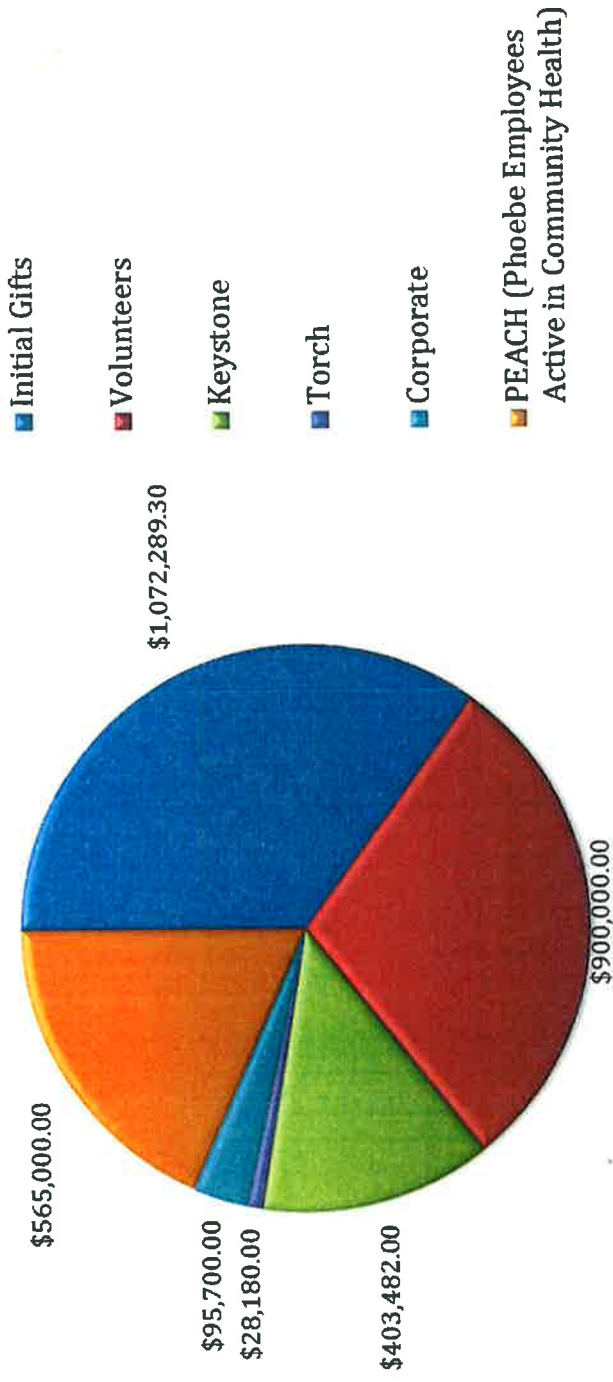
SCHEMATIC DESIGN MEETING | 29 October 2015

COLLINS  
COOPER  
CARUSI  
ARCHITECTS





# Medical Housing Complex Campaign



**Total committed:  
\$3,064,651.30**

**HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN UNRESTRICTED NET ASSETS**  
**12/31/2015**


	<u>Unaudited</u> <u>December 31, 2015</u>	<u>Audited</u> <u>FY 2015</u>	<u>Audited</u> <u>FY 2014</u>
<b>OPERATING REVENUE:</b>			
Net patient service revenue (net of provision for bad debt)			
Lease Consideration	50,967	537,033	450,090
Total Operating Revenue	50,967	537,033	450,090
<b>OPERATING EXPENSES:</b>			
Salaries and Wages			
Employee health and welfare			
Medical supplies and other			
Professional services	-	576,387	329,859
Purchased services	115	-	-
Depreciation and amortization			
Total Operating Expenses	115	576,387	329,859
Operating Loss	50,852	(39,354)	120,231
<b>NONOPERATING INCOME (EXPENSES):</b>			
Gain in Long Term Lease	-	-	-
Interest Expense	-	-	-
Total Nonoperating Income	-	-	-
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>50,852</b>	<b>(39,354)</b>	<b>120,231</b>

# Financial Highlights

For the year ended  
July 31, 2015

Presented by



Phoebe Putney Memorial Hospital, Inc. 

## Statistical Comparison

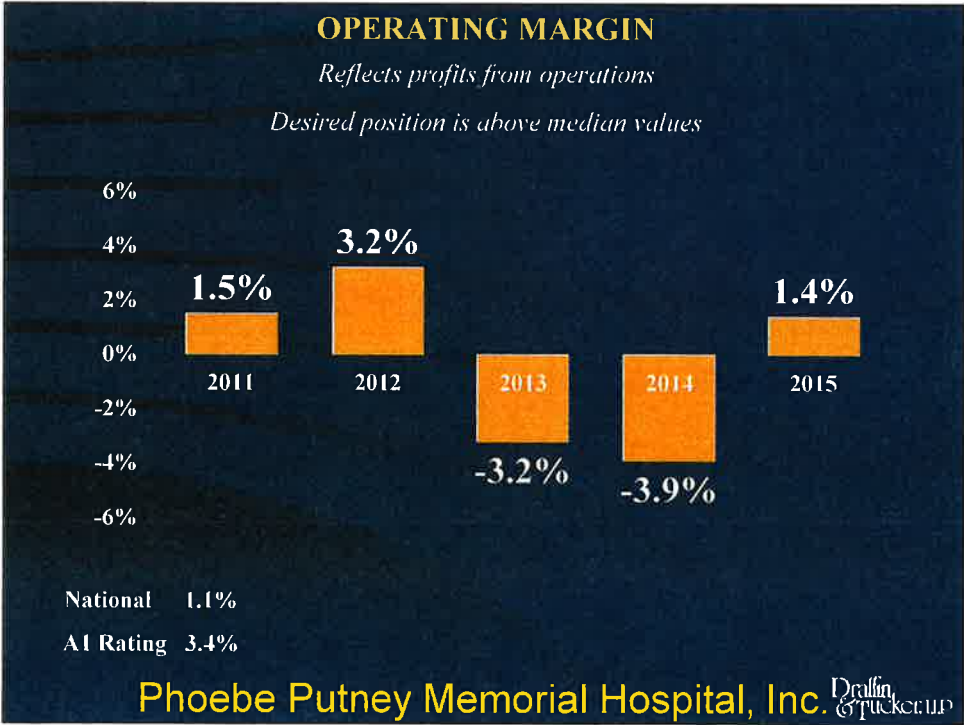
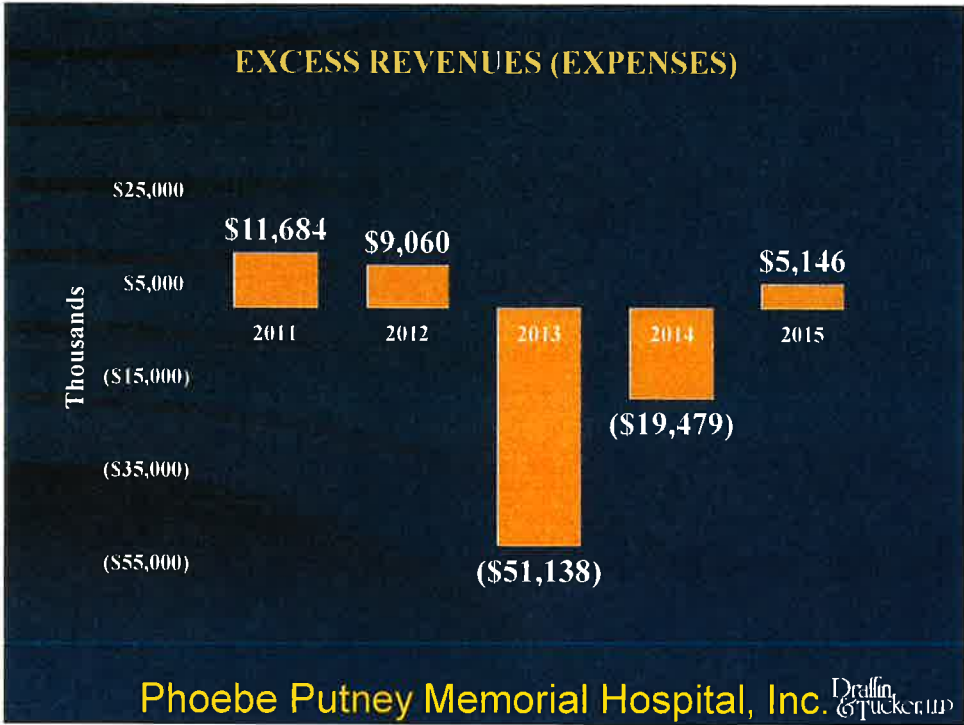
### National -

Statistic represents national averages for hospitals with greater than 400 beds.

### Moody's Ratings -

Statistic represents national averages for hospitals with A1 Moody's rating.

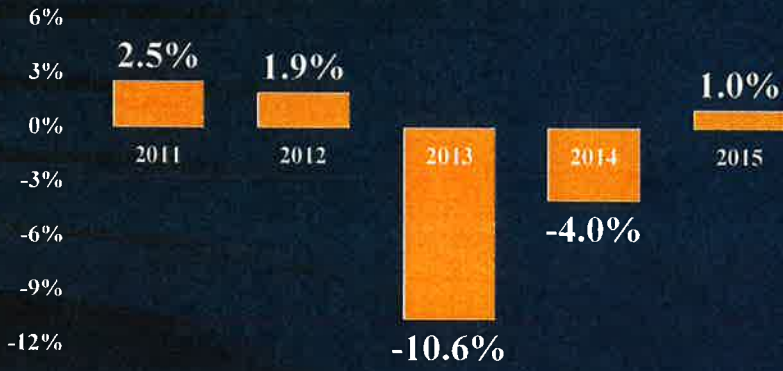




### TOTAL MARGIN

*Reflects profits from both operations and non-operations*

*Desired position is above median values*

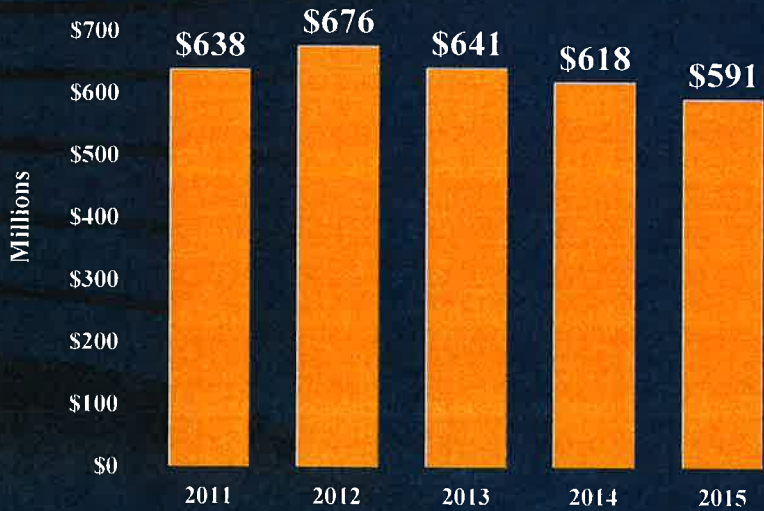


National 5.5%

A1 Rating 6.9%

Phoebe Putney Memorial Hospital, Inc. Driffin & TUCKER, LLP

### TOTAL ASSETS

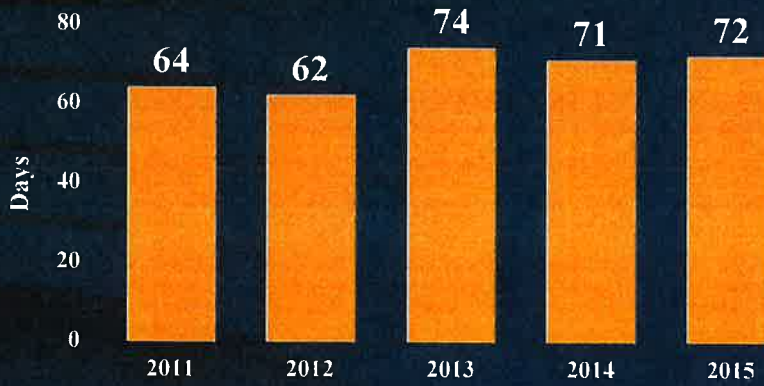


Phoebe Putney Memorial Hospital, Inc. Driffin & TUCKER, LLP

### NET DAYS IN ACCOUNTS RECEIVABLE

*The average time that receivables are outstanding or the average collection period*

*Desired position is below median values*



National 45

AI Rating 51

Phoebe Putney Memorial Hospital, Inc. Driffin & Tucker, LLP

### TOTAL LIABILITIES



Phoebe Putney Memorial Hospital, Inc. Driffin & Tucker, LLP

### DEBT SERVICE COVERAGE RATIO

Provides a measure of total debt service (interest plus principal) from the corporation's cash flow

Desired position is above median values



National 4.1

AI Rating 5.9

Phoebe Putney Memorial Hospital, Inc. Driffin & Tucker, LLP

### NET WORTH



Phoebe Putney Memorial Hospital, Inc. Driffin & Tucker, LLP

INDEPENDENT AUDITOR'S REPORT ON  
SUPPLEMENTAL INFORMATION

Board of Directors  
Phoebe Putney Memorial Hospital, Inc.  
Albany, Georgia

We have audited the financial statements of Phoebe Putney Memorial Hospital, Inc. as of and for the years ended July 31, 2015 and 2014 and our report thereon dated December 2, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on pages 51 to 59, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

*Draffin & Tucker, LLP*  
Albany, Georgia  
December 2, 2015



PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY

July 31, 2015

---

Phoebe Putney Memorial Hospital, Inc. (Corporation) is a not-for-profit health care organization that exists to serve the community. The Corporation opened in 1911 to serve the community by caring for the sick regardless of ability to pay. As a tax-exempt hospital, the Corporation has no stockholders or owners. All revenue after expenses is reinvested in the mission to care for the citizens of the community – into clinical care, health programs, state-of-the-art technology and facilities, research, and teaching and training of medical professionals now and for the future.

The Corporation operates as a charitable organization consistent with the requirements of Internal Revenue Code Section 501(c)(3) and the “community benefit standard” of IRS Revenue Ruling 69-545. The Corporation takes seriously its responsibility as the community’s safety net hospital and has a strong record of meeting and exceeding the charitable care and the organizational and operational standards required for federal tax-exempt status. The Corporation demonstrates a continued and expanding commitment to meeting its mission and serving the citizens by providing community benefits. A community benefit is a planned, managed, organized, and measured approach to meeting identified community health needs, requiring a partnership between the healthcare organization and the community to benefit residents through programs and services that improve health status and quality of life.

The Corporation improves the health and well-being of Southwest Georgia through clinical services, education, research and partnerships that build health capacity in the community. The Corporation provides community benefits for every citizen in its service area as well as for the medically underserved. The Corporation conducts community needs assessments and pays close attention to the needs of low income and other vulnerable persons and the community at large. The Corporation often works with community groups to identify needs, strengthen existing community programs and plan newly needed services. It provides a wide-ranging array of community benefit services designed to improve community health and the health of individuals and to increase access to health care, in addition to providing free and discounted services to people who are uninsured and underinsured. The Corporation’s excellence in community benefit programs was recognized by the prestigious Foster McGaw Prize awarded to the Corporation in 2003 for its broad-based outreach in building collaboratives that make measurable improvements in health status, expand access to care and build community capacity, so that patients receive care closest to their own neighborhoods. Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention.

As Southwest Georgia’s leading provider of cost-effective, patient-centered health care, the Corporation is also the region’s largest employer with more than 3,600 members of the Corporation Family caring for patients. The Corporation participates in the Medicare and Medicaid programs and is one of the leading providers of Medicaid services in Georgia.

See independent auditor’s report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2015

The following table summarizes the amounts of charges foregone (i.e., contractual adjustments) and estimates the losses incurred by the Corporation due to inadequate payments by these programs and for indigent/charity. This table does not include discounts offered by the Corporation under managed care and other agreements:

	<u>Charges Foregone</u>	<u>Estimated Unreimbursed Cost</u>
Medicare	\$ 489,000,000	\$ 172,000,000
Medicaid	195,000,000	69,000,000
Indigent/charity	<u>85,000,000</u>	<u>30,000,000</u>
	<u>\$ 769,000,000</u>	<u>\$ 271,000,000</u>

The following is a summary of the community benefit activities and health improvement services offered by the Corporation and illustrates the activities and donations during fiscal year 2015.

**I. Community Health Improvement Services**

**A. Community Health Education**

Phoebe Putney Memorial Hospital provided health education services in 2015. These services included the following free classes and seminars:

- Teen maze
- Health teacher training
- National leader's luncheon
- Nutrition and diabetes education
- Breast cancer awareness
- K-12 health fairs
- Cancer prevention

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued

July 31, 2015

I. **Community Health Improvement Services, Continued**

A. Community Health Education, Continued

Men's and Women's Health Conferences

The Men's and Women's Conferences attracted approximately 1,546 participants. These conferences provided blood pressure, glucose, and cholesterol and BMI screenings for each participant and was made possible by a broad coalition of providers such as the Faith-based Initiative, Heart and Cancer Society, SWGA Cancer Coalition, and Public Health among others. The total cost was \$40,800.

Network of Trust

This is a nationally recognized program aimed at teen mothers to provide parenting skills, attempt to reduce repeat pregnancies, and complete high school. This program also includes a teen father program along with other teenaged children's programs. Internal evaluation shows teens participating in the program are less likely to repeat a pregnancy prior to graduation. Network of Trust enrolled 154 unduplicated teen parents during the 2014/2015 school year at a cost of \$273,025.

B. Community Based Clinical Services

Cancer Screenings

Phoebe provided CT Low Cancer Lung Screenings to at-risk individuals for no charge. The lung program completed 302 lung screenings at a cost of \$111,492 in FY 2015.

Flu Shots and Health Screenings

The Corporation provides free flu shots to volunteers. In 2015, the Corporation administered 490 flu shots at an unreimbursed cost of \$8,985.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2015

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I. **Community Health Improvement Services, Continued**

B. Community Based Clinical Services, Continued

School Nurse Program

Phoebe Putney places nurses in sixteen elementary schools, six middle schools, and four high schools in Dougherty County with a goal of creating access to care for students and staff, assessing the health care status of each population represented and effectively establishing referrals for all health care needs. Nurses also conducted the Eighth Grade Health Fairs. During the 2014/2015 school year, the school nurse program covered 25,861 student visits. This program operated at a cost of \$350,003 in 2015.

Mammography

Carlton Breast Center provided free mammograms to 100 women in October 2014 at a cost of \$23,800.

C. Health Care Support Services

Lights of Love Vans

Lights of Love donated vans to the Corporation to transport cancer patients to and from the hospital for their treatments. In 2015, Phoebe Lights of Love transported 1,965 patients at an unreimbursed cost of \$113,907.

Government Sponsored Eligibility Applications to the Poor and Needy

The Corporation contracts with Chamberlain Edmonds to process eligibility applications on behalf of the poor and needy that may be eligible for Medicaid. In some cases, it can take up to two years to be deemed eligible. In 2015, the Corporation paid \$916,974 to Chamberlain Edmonds to process Medicaid applications.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2015

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**I. Community Health Improvement Services, Continued**

**C. Health Care Support Services, Continued**

• Indigent Financial Assistance

Patients whose income is below 125% of the Federal Poverty Levels are classified as indigent and receive care at no cost.

• Charity Financial Assistance

Patients whose income level is between 126% - 200% of the Federal Poverty Levels will be classified as charity. These patients will be responsible for a percentage of the Hospital charges. This percentage will be based on calculations using the Federal Poverty Levels that are published in the "Federal Register" each year. If it is determined the patient responsibility will be an undue hardship on the patient/guarantor, these cases will be reviewed on an individual basis with the Phoebe Cares Supervisor for possible catastrophic charity based on sliding scale guidelines.

• Catastrophic Financial Assistance

Patients whose income exceeds 200% of the Federal Poverty Levels and whose hospital charges exceed 25% of their annual income, resulting in excessive hardship, are eligible for a discount up to 75% of the patient balance. The patient may pay the remaining balance over 24 months.

**II. Health Professions Education**

The Corporation recognizes that to continuously improve the Corporation's long-term value to our community and our customers, to encourage life-long learning among employees and to achieve a world-class employer status, it is in the Corporation's best interest to provide opportunities that will assist eligible employees in pursuing formal, healthcare related educational opportunities. In fiscal year 2015, the Corporation provided \$1,162,601 in clinical supervision and training of 428 nursing students, and an additional \$456,563 in clinical supervision and training to 310 pharmacy, pharmacy techs and other health professionals.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued

July 31, 2015

**III. Subsidized Health Services**

A. Other Subsidized Services

Inmate Care

The Corporation provides care to persons in jail for Dougherty County. In 2015 the Corporation provided \$426,685 of unreimbursed medical and drug treatment to 192 inmates.

Indigent Drug Pharmacy

Indigent Drug Pharmacy provides medication upon discharge to patients that are either indigent or uninsured. In 2015, the pharmacy filled 6,878 prescriptions at a cost of \$209,720.

**IV. Clinical Research**

The Corporation is a regional site for the collection of tissue for the statewide Tumor, Tissue and Serum Bio-repository at an additional cost of \$221,855.

**V. Financial and In-Kind Support**

In 2015, The Corporation provided \$429,546 in cash donations and in-kind support to non-profit organizations in Southwest Georgia. Listed are some highlights:

- The Cancer Coalition of South Georgia received \$112,500 for staff support and various projects.
- EMS across the service area received updated monitors at a cost of \$240,222.
- Albany Marathon received a \$20,000 donation to raise funds for hospice services.
- In-kind support of Foregone Rent to non-profit organizations at an estimated cost of \$32,246.
- Donation to Liberty House {safe house for abused women} of business suits for job interviews from the inventory of the Phoebe Well Suited uniform shop at a cost of \$15,674.

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued

July 31, 2015

**VI. Community Benefit Operations**

The Corporation incurred \$117,962 to support staff and community health needs assessment costs and included \$32,000 renewal of Healthy Communities Institute's dashboard feature on our website:

<http://phoebeputney.com/phoebecontentpage.aspx?nd=1660>

Summary

	<u>2015</u>
<b>Community Health Improvement Services:</b>	
Community Health Education	\$ 313,825
Community Based Clinical Services	494,280
Healthcare Support Services	<u>1,030,881</u>
<b>Total community health improvement services</b>	<u><b>1,838,986</b></u>
<b>Health Professions Education:</b>	
Nurses/nursing students	1,162,601
Other health professional education	<u>456,563</u>
<b>Total health professional education</b>	<u><b>1,619,164</b></u>
<b>Subsidized Health Services:</b>	
Other subsidized health services	<u>636,405</u>
<b>Total subsidized health services</b>	<u><b>636,405</b></u>
<b>Clinical Research:</b>	
Clinical research	<u>221,855</u>
<b>Total clinical research</b>	<u><b>221,855</b></u>
<b>Financial and In-Kind Support:</b>	
Cash donations	381,626
In-kind donations	<u>47,920</u>
<b>Total financial and in-kind support</b>	<u><b>429,546</b></u>

See independent auditor's report on supplemental information.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY, Continued  
July 31, 2015

Summary, Continued

	<u>2015</u>
<b>Community Benefit Operations:</b>	
Dedicated staff and other resources	\$ <u>117,962</u>
<b>Total community benefit operations</b>	<u>117,962</u>
<b>Other:</b>	
Traditional charity care – estimated unreimbursed cost of charity services	30,000,000
Unpaid cost of Medicare services – estimated unreimbursed cost of Medicare services	172,000,000
Unpaid cost of Medicaid services – estimated unreimbursed cost of Medicaid services	<u>69,000,000</u>
<b>Total other</b>	<u>271,000,000</u>
<b>Total summary</b>	<b>\$ <u>275,863,918</u></b>

This report has been prepared in accordance with the community benefit reporting guidelines established by Catholic Health Association (CHA) and VHA, Inc., known formally as Voluntary Hospitals of America. The Internal Revenue Services' requirements for reporting community benefits are different than the guidelines under which this report has been prepared.

See independent auditor's report on supplemental information.



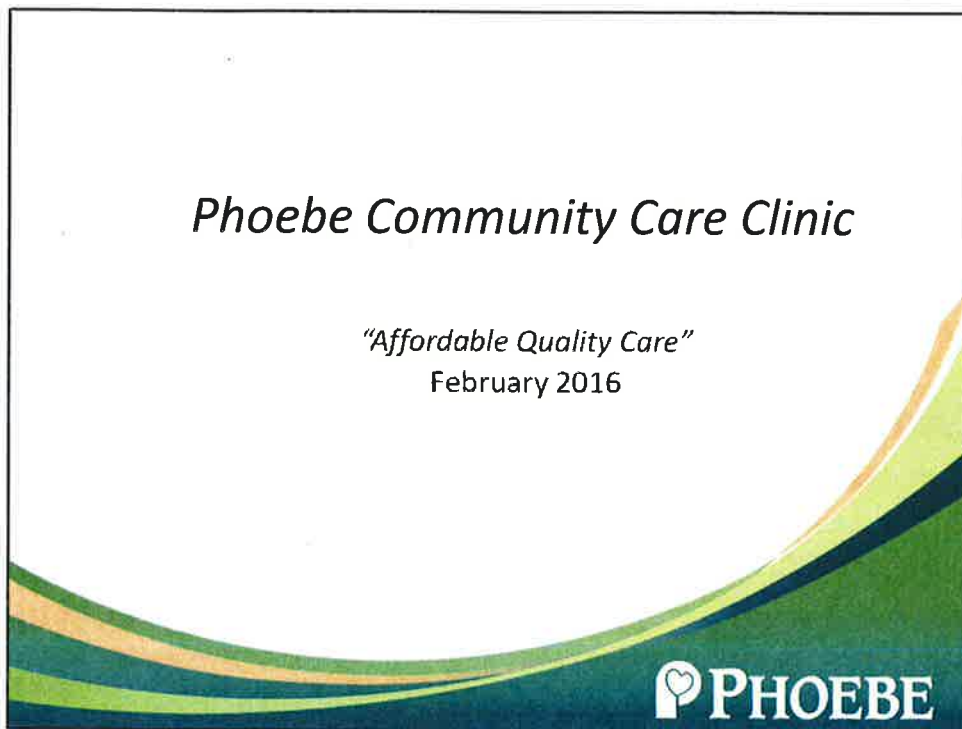
**HOSPITAL AUTHORITY MEETING  
FEBRUARY 18, 2016**


**OPERATIONS UPDATE**



**DNV UPDATE**





 *Today*

### Our Nation's Emergency Services

- The steady rise in the number of emergency patients (136 million in 2009<sup>1</sup>) challenge everyone's access to timely emergency care.
- Patients who need to be seen in 1 to 14 minutes are being seen in twice that timeframe (37 minutes), according to the GAO in 2009.<sup>2</sup>
- The average price for treating a headache in the Emergency Dept is \$1700.00.<sup>3</sup>
- Effective solutions to over-crowding need to be created which offer high quality affordable access thereby safeguarding the health of our community.

1 - Centers for Disease Control and Prevention, 2011, National Hospital Ambulatory Medical Care Survey for 2009 Fact Sheet.  
2 - United States Government Accountability Office, April 2009, *Hospital Emergency Departments: Crowding Continues to Occur, and Some Patients Wait Longer than Recommended Time Frames.*  
3 - Caldwell N, Srebotnjak T, Wang T, Hsia R (2013) "How Much Will I Get Charged for This?" Patient Charges for Top Ten Diagnoses in the Emergency Department. PLoS ONE 8(2): e55491. doi:10.1371/journal.pone.0055491

### Main Campus Emergency Services



- Strategy – Future of Emergency Services
  - Manage Our Volume – Right Care, Right Place, at the Right Time
  - Specialize resources based on patient type
    - Life Saving Care ~ Emergency Department (Main Campus)
    - General Illness & Injury Care ~ Convenient Cares
    - Convenient Affordable Access to Care

### Community Care Clinic



- Fiscal Year 2016 - February
- Close to Main Emergency Center
  - Divert "Non-Emergent" patients to decompress department
  - Send patients to Emergency Department for higher level of care
- Affordable Access
  - Sliding scale basis based on income level
  - Cost effective delivery of care
  - Provide education to our community on Right Care, Right Place, at the Right Time.

## *Provider First EC Throughput Model*

Phoebe Putney Emergency Center - 2016



### Emergency Department – Quality Measures

- Patient Satisfaction
  - Press Ganey
- LWBS
- Throughput Time
  - Door to Physician
  - Door to Discharge (Home)
  - Door to Admission





## Phoebe-Lean

- Main Campus Emergency Department Team assembled
  - Led by Lauren Allen RN, Clinical Coordinator, Green Belt
- Model initially constructed by front-line staff
  - Nurses, Physicians, Technicians, & Adv Practitioners



## Lean Project - Charter Developed

**Problem:**

- Unsatisfactory performance with Emergency Department Quality Measures

**Goals:**

- Improve delivery of Emergency Care
- Improve patient experience for all patients in the EC
- Decrease Left Without Being Seen

**Measures:**

- Average discharge LOS
- Average door to provider
- LWBS
- EC Overall Patient Experience Scores



### Our Solution – “Provider First” Current Vs. Future State (12 steps vs. 7 steps)

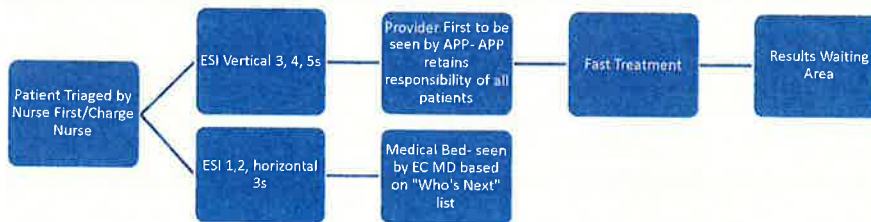


**Current State\***

**Future State – “Prov. First”**

\*33 items identified as waste and bottlenecks

### “Provider First” Model



**Appropriate Complaints for Results Waiting**

- Urine pregnancy test
- Medication refill
- X-ray for strain/sprain
- Throat culture
- Tooth pain
- Ear pain
- Chronic pain

***Construction Update***



***7A/B PATIENT FLOOR  
RENOVATION***



- Renovation of Core Area
  - New nurses station
  - Expanded physician dictation
  - Larger medicine and clean utility rooms
- Refurbishment of all Patient Rooms
  - New finishes
  - New furniture
  - New showers
- 2 Phases
  - Phase 1 complete and opened for patients on 2/16/16
  - Phase 2 to be complete approximately 10/16



## Nurses Station





Patient Room



Elevator/Corridor



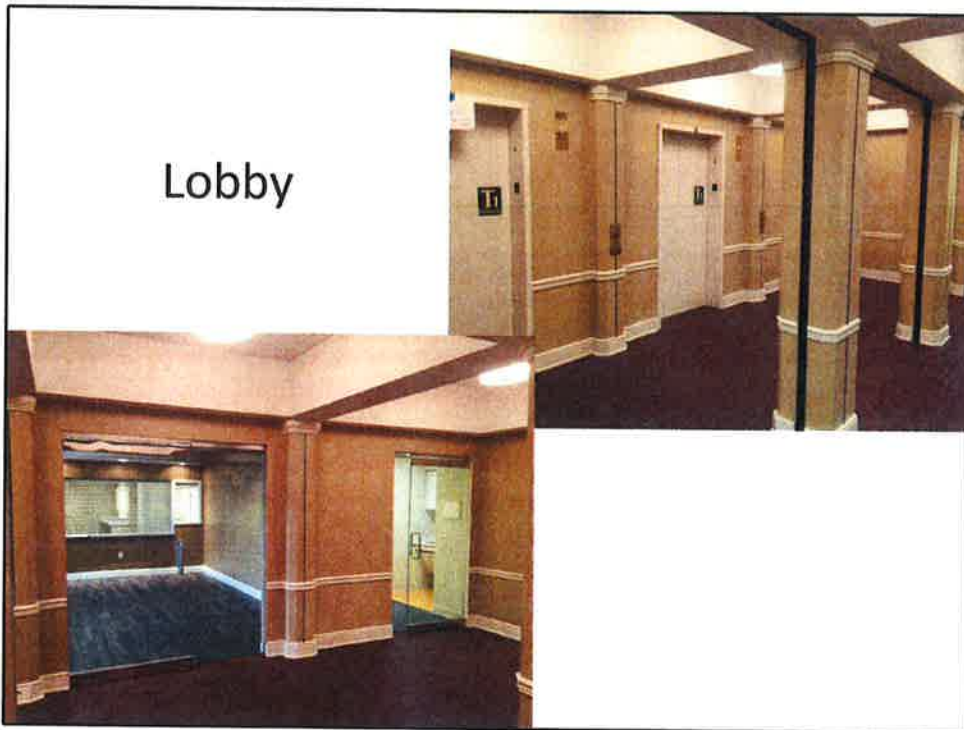
***EP PHYSICIAN OFFICE  
MEDICAL TOWER 1 – 7<sup>TH</sup> FLOOR***



- Relocation of Dr. Hanna's Practice
- Expansion to accommodate addition of 2<sup>nd</sup> EP Physician
- Improved functional space for staff
- Anticipated move in date 3/1/16



Lobby



**Waiting Room**



***PHOEBE COMMUNITY  
CARE CLINIC***



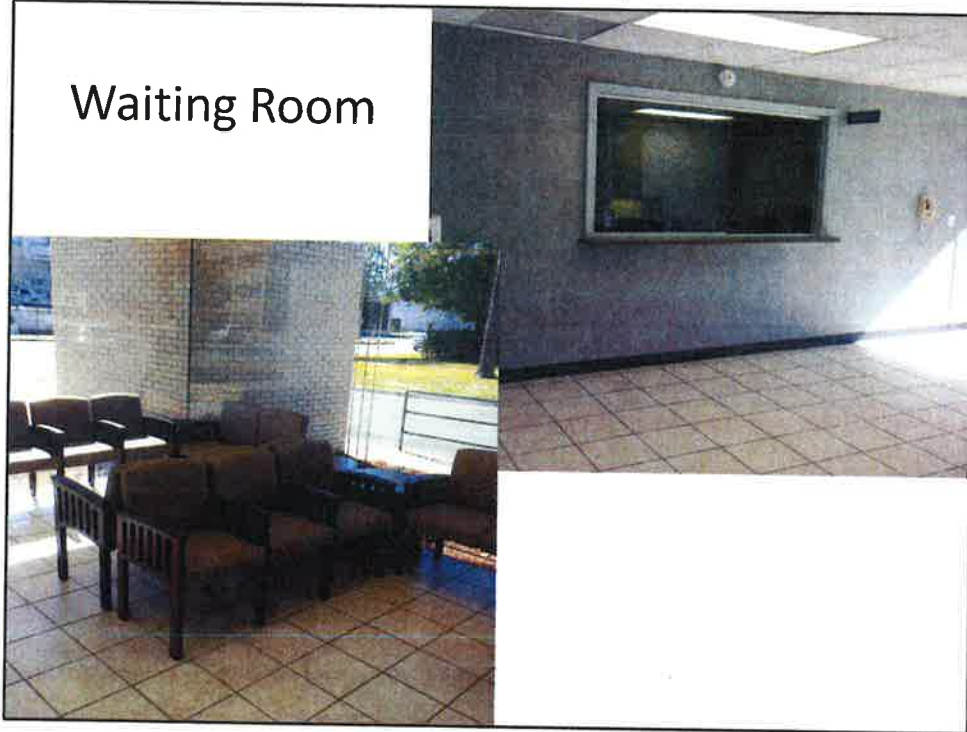
- NEW primary care access point
- Advance Practioner model
- Extended and weekend hours
- Basic lab and x-ray services on-site
- Anticipated opening date 3/1/16



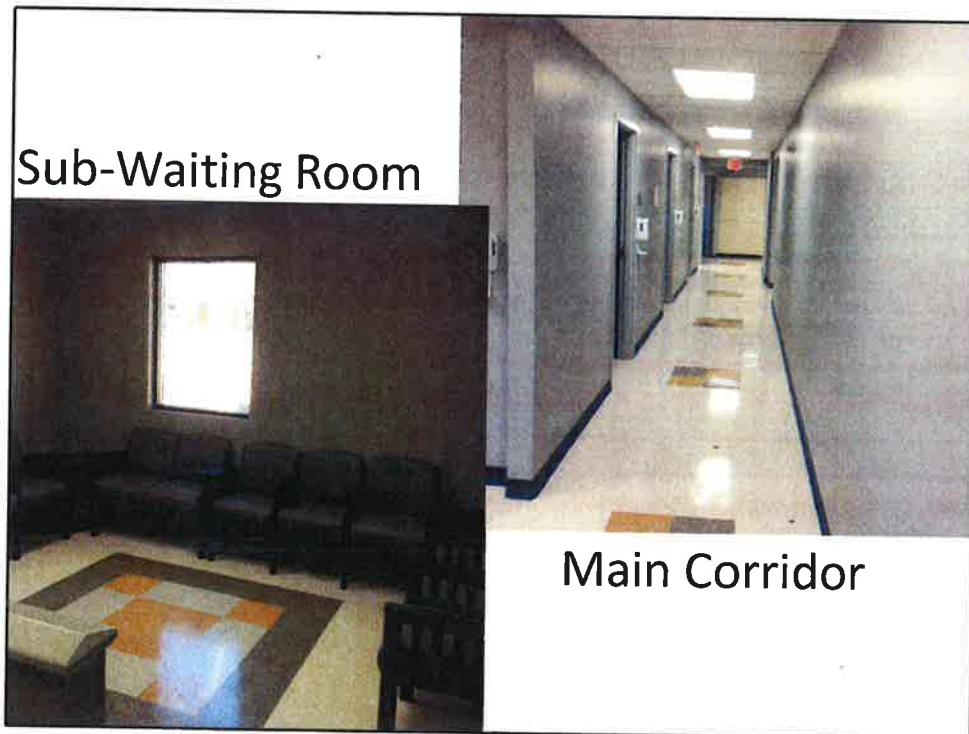
## External View



Waiting Room



Sub-Waiting Room



Main Corridor

X-Ray Room

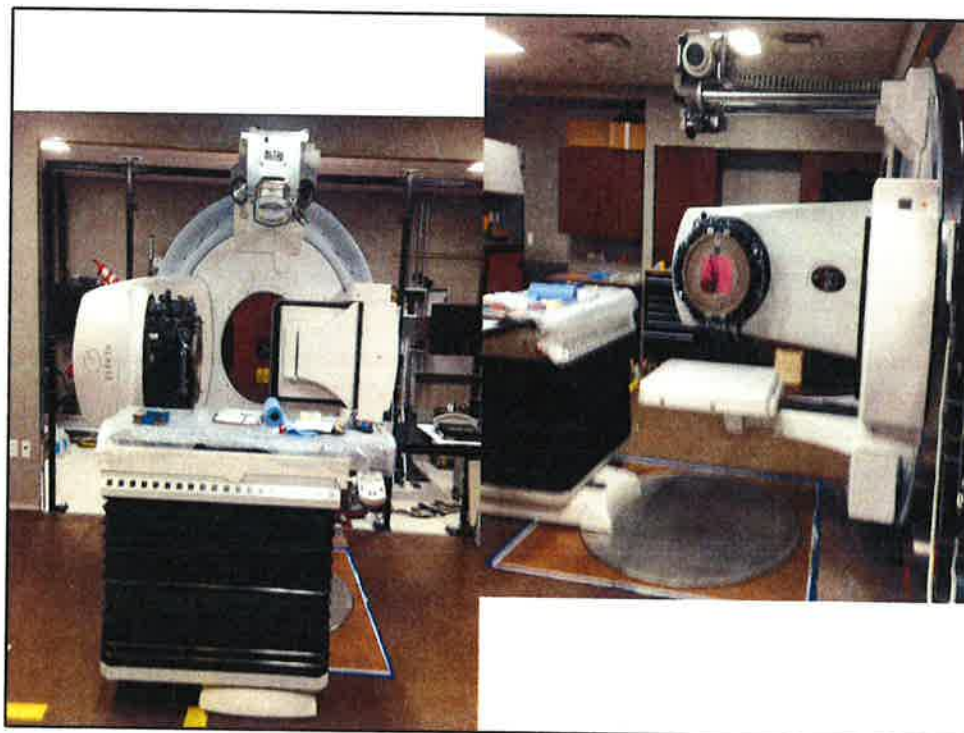


Exam Room

***RADIATION ONCOLOGY  
LINEAR ACCELERATOR***



- Replace both accelerators with state of the art equipment
- New Control station for staff
- Updated finishes in rooms
- Two phases:
  - Phase 1 complete this Spring
  - Phase 2 complete this Fall



# ***STUDENT HOUSING PROJECT***

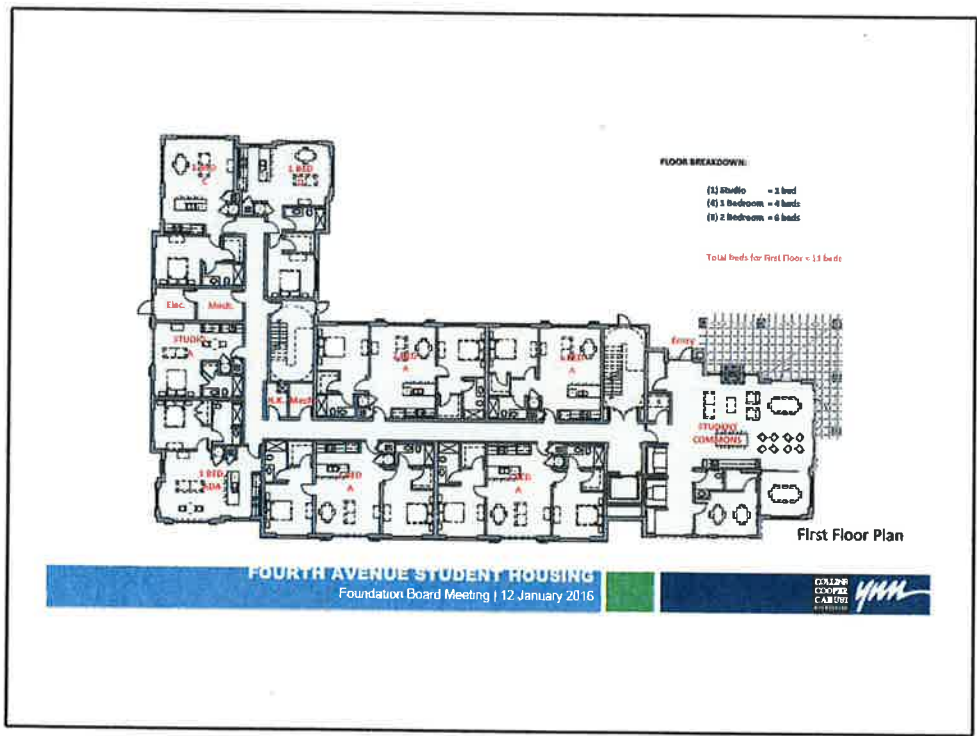
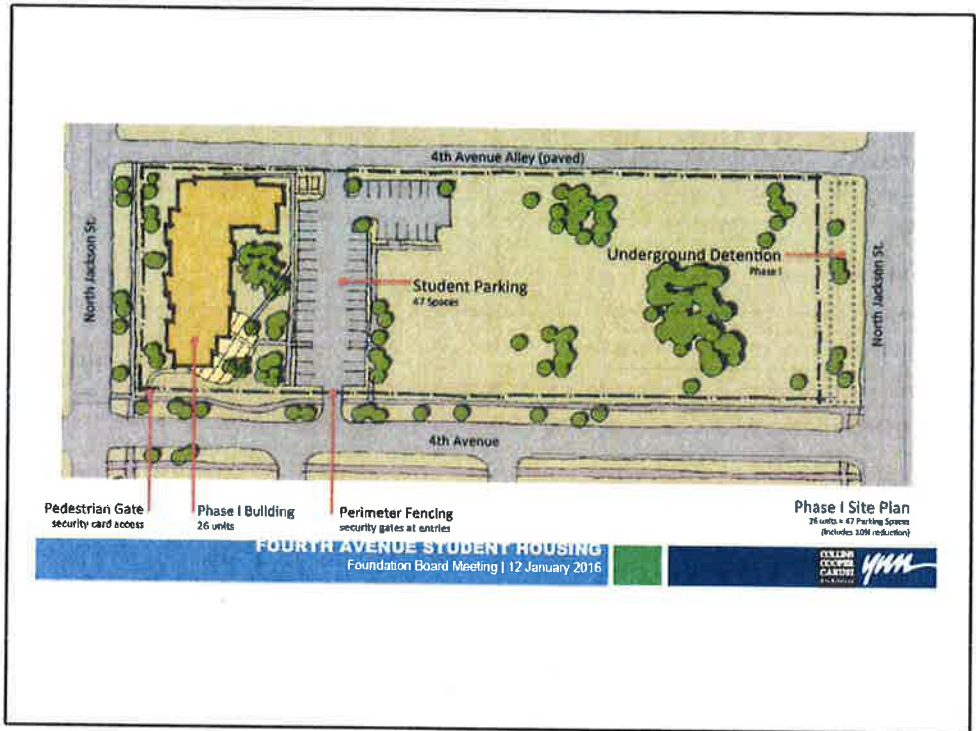


## **Key Project Milestones:**

Selection of Project Architect	Complete
Schematic Design	Complete
Selection of Pre Construction Services	Complete
Final Design/Documents	4/15/16
Selection of General Contractor	5/13/16
Ground Breaking	5/18/16
Project Completion	6/1/17









East Elevation

**FOURTH AVENUE STUDENT HOUSING**  
Foundation Board Meeting | 12 January 2016



Rendering

**FOURTH AVENUE STUDENT HOUSING**  
Foundation Board Meeting | 12 January 2016



# CAMILLA MEDICAL OFFICE BUILDING



## Key Project Milestones:

Acquisition of Property	Complete
Building Design	Complete
Bid Project	Complete
Selection of General Contractor	4/1/16
Ground Breaking	4/15/16
Project Completion	3/1/17



Page/

- Phoebe Putney Memorial Hospital
- Camilla Family Medical Center



Colonnade with large windows signify the inviting and trust  
NaturalStone signified stability  
Clerestory becomes the beacon at night  
Roof Color reinforces the Phoebe Brand



