

Confidential Meeting Minutes

**MINUTES OF THE JOINT ASBURY ATLANTIC, INC., ASBURY SOLOMONS, INC., &
CALVERT COUNTY NURSING CENTER, INC.**

BOARDS OF DIRECTORS MEETING

January 23, 2017

Asbury Atlantic, Inc., Asbury Solomons, Inc., and Calvert County Nursing Center, Inc. are not-for-profit, tax-exempt corporations. Our charitable purpose is to create services for older adults that enhance the value of the entire span of life. The Asbury organization provides housing, healthcare, and other services to residents of its continuing care retirement communities, with a sense of financial security through our benevolent care program. Our charitable purpose and faith-based heritage guide our decisions and direction as we serve our residents and future generations of seniors. Asbury also reaches out to individuals and other organizations serving older adults in the communities in which its communities exist. Asbury Atlantic, Inc., Asbury Solomons, Inc., and Calvert County Nursing Center, Inc. share common interests and geographic locations, therefore, the three entities frequently hold joint board meetings.

MEETING ATTENDEES

Asbury Atlantic, Inc., Asbury Solomons, Inc., and Calvert County Nursing Center, Inc. Board of Directors		
Nick Serenyi, Chair	Tim Trissler	Sue DaCamara
Tom Ettinger	Sandra Halbruner	
David Lingrell	Gordon Naughton	
Richard Findley	Caroline Kim (via phone)	
Staff		
Melissa Hadley	Doug Myers	
Kim Ehrenfried	Robin Stern (via phone)	
Michele Weikert	Rhonda Teranto (guest)	
Andy Joseph		

ITEM: Call to Order

The Chair called the meeting to order at approximately 10:05 a.m.

At the request of the Chair, Ms. DaCamara provided context for the meeting by reviewing Asbury's guiding principles, mission, vision and values, and explaining how the strategic plan ties into that organizational framework. Thereafter, Mr. Myers provided the *Mission Moment* sharing a story about the support and generosity of Mrs. Jean Hefner.

Action: Consent Resolution

The Chair then referred to the Consent Resolution, contained in the Board packet for the January 23, 2017, Asbury Atlantic, Inc., Asbury Solomons, Inc., and Calvert County Nursing Center, Inc. Boards of Directors meetings (“Board Packet”). **Beginning with the agenda, the Chair asked if there were any questions or revisions. There being none, a motion was made to approve the agenda. The motion was duly seconded and unanimously approved.**

Next, the Chair asked if there were any revisions for the minutes of the October 10, 2016 Board Meeting. There being none, a motion was made to approve the minutes. The motion was duly seconded and unanimously approved.

ITEM: Capital One Resolution

Mr. Joseph shared that the Capital One resolution (Resolution is attached in its entirety) is required by the bank and it authorizes staff as signatories. The current signatories are no longer with the organization and need to be replaced. **A motion was made by Mr. Trissler and duly seconded by Mr. Findley to appoint Rhonda Teranto (Interim Chief Financial Officer); Brad Andrus (Asbury Solomons Executive Director); and, Rob Liebreich (Asbury Methodist Village Executive Director) as signers for this account. The motion passed unanimously.**

ITEM: New Regulations Phase I Implementation

The Centers for Medicaid and Medicare released an 800 page update to the regulations last fall with 3 different implementation dates. The first implementation date was November 29, 2016. The changes focus on resident centered care which Asbury has been doing for some time. The Corporate Compliance Risk Management Team (CCRMT) created a taskforce that updated all the Policies & Procedures and implemented an intranet site where policies and additional information can be stored and accessed when needed. CCNC just recently went through a survey with the new regulations and it appears that the process was generally the same.

ITEM: Clinical Quality

Ms. Hadley apologized that the Board packet contains the old reports and announced that the reformatted reports will be available at the next meeting. She explained that a community’s star rating can change even though nothing changes at the community. Star ratings are allocated on a bell curve and other communities in the area that have a change in their star rating could, in turn, affect us. Ms. Hadley advised the Board that Forestview at Springhill are in their survey window

A review of the Quality Measures report reveals that short-term stays are included in the report therefore the report will look different each time you look at it because it is reporting on a different group of people.

Action Items	Person Responsible	Due Date
Reformat the 5-star report to show the trend line for each community	Joan McCabe	March 2017

ITEM: 2016 Operations Year-End Report

Ms. DaCamara provided a summary of the report. Although the following is not all inclusive, it represents what the leaders of various support functions and communities view as the organization's top accomplishments for 2016.

- Affiliation of Asbury Place
- Re-affiliation of Bethany Towers
- Interim Health Care at AMV
- New Budget Process
- 2017-2020 Strategic Planning
- System Executive Director Team
- Germantown Office Relocation
- Reorganization of Asbury IT
- Data Governance Team
- Human Resources Leadership
- Psychiatrist
- New Federal Nursing Home regulations
- Corporate Compliance Risk Management Team (CCRMT)
- Sodexo Partnership
- Media Relations
- Branding Initiative Task Force
- PTO Program
- United Methodist Association (UMA) Relationship
- Innovation – Spark Tank
- Asbury Solomons/Asbury Atlantic, Inc. consolidation
- Leading Age Leadership Academy
- Reward and Recognition – Going the Extra Mile (GEM)
- Affiliation Due Diligence

In addition to the accomplishments, Ms. DaCamara also presented the “misses” for 2016:

- Operating Ratio target for the system was not met. The policy of making good business decisions versus solely focusing on financial outcomes contributed to this outcome.
- Master Plan updates scheduled for 2016 were not completed. This intentional decision was made based on organization priorities and availability of financial resources.
- Telehealth/Telemedicine pilot was not implemented. Dollars are budgeted for 2017, contract has been reviewed, and plans have been developed to roll this out as a pilot.
- Some IT projects planned for the year were not completed. Those completed were done so on based on a system wide prioritization.

ITEM: Financial Performance

Ms. Ehrenfried began the financial review noting that the Financial Key Performance Indicator Summary are reporting as of November 30, 2016. In her review, she noted the following:

- Consolidated Operating Ratio (OR) is unfavorable to budget 100.0% versus 99.6% with AS, BV and SPH favorable and AMV, INV and CCNC unfavorable to budget.
- Current occupancy system-wide is 93.4% versus a budget of 94.8% which contributes to the negative OR variance.

Next, Ms. Ehrenfried shared that Asbury Atlantic has reduced its Promissory Note balance from this time last year by \$3.9M.

Ms. DaCamara shared an update on the CFO position. Mr. Leidig has personally spoken to 5 candidates and interviews are being scheduled over the next two weeks to bring in these 5 and then narrow it down to 2-3 that will go before the Finance Committee for final interviews.

ITEM: Foundation Update

Mr. Myers provided a Foundation update, noting that the Foundation has seen an increase in donors and dollars this year. He thanked the Board as they had 100% participation from all Board members, which helps carry out our mission.

Mr. Myers outlined the goals for 2017 and shared that there will be a greater emphasis placed on encouraging more beneficiary designation donations. It was suggested that Mr. Myers create a one-page sheet that lists the different ways a donor could give.

Mr. Myers also announced that the 2017 Caring Classic will be held on June 20th at Whiskey Creek Golf Course and the committee is being chaired by Lorriane Sexton.

Action Items	Person Responsible	Due Date
Create 1-page summary of different programs that donors can support	Doug Myers	February 28, 2017

LUNCH BREAK

ITEM: Governance Restructuring

Ms. Stamatakis, Chair of the AComm Board of Directors, Mr. Starling, member of the AComm Board of Directors and Governance Committee and Ms. Kaplan, Chief Legal Office joined the meeting to report on the Governance Restructuring.

Ms. Stamatakis shared that a taskforce was formed last summer comprised of Thomas Holets, Lowell Starling and Nancy Kuhn, all members of the AComm Board of Directors and they were charged with evaluating the current governance structure. After a thorough review, conversations with a variety of Board of Directors and Boards of Governors, and conversations with 4 different senior living organizations, a report was written and recommendations were made to the AComm Board in fall 2016 where three of the recommendations were approved. Those recommendations were:

- The creation of a majority overlapping Board for the AComm and Asbury Atlantic Board of Directors;
- Creation of a Quality and Operations Committee; and,
- Changing the name of the community Boards of Governors to Community Advisory Committees.

Ms. Stamatakis announced that Nick Serenyi and Lorriane Sexton have been elected to the AComm Board of Directors in order to begin the overlapping of Boards. She also added that the residents currently on the Asbury Atlantic Board will remain. A draft of the Quality and Operations Committee charter was shared and Ms. Stamatakis advocated that the hope is that members of the Asbury Atlantic Board would agree to serve on the Quality and Operations Committee and continue the work they have been doing as part of the Atlantic Board.

Ms. Stamatakis further shared that there will be at least one more meeting of the Asbury Atlantic Board as currently constituted before the final transition takes place. Ms. DaCamara concurred that that meeting would be scheduled and would also include a dinner to thank the Directors for their service.

ITEM: Other Items

Update on Asbury Solomons, Inc. /Asbury Atlantic, Inc.

Mr. Joseph stated that the merger is progressing and that the target date is March 1, 2017. The merger includes the transferring of all assets and liabilities currently under Asbury Solomons to Asbury Atlantic including changing all licenses.

Strategic Planning Update

Ms. DaCamara reviewed the five strategic priorities for the AComm Board: Financial Strength, Quality/Excellence, Market and Service Portfolio, Workforce and Social Accountability. The goals have been developed for each priority and are currently being vetted by different committees before the final product is taken to the AComm Board for approval.

Office Relocation Update

Ms. DaCamara shared that a lease for new office space has been signed and the corporate office will be moving to Frederick in August 2017. She reported that we will be changing the structure of the office and moving toward a hybrid concept that includes open spaces and no hard-walled offices for executives.

Legal Update

Mr. Joseph advised that in addition to the information contained in the Board packet, he acknowledged notification of a new case involving Springhill. Mr. Joseph stated that he has spoken with counsel and thinks we should be able to settle this case.

Home Health Update

Ms. DaCamara shared that there has been a change in the Executive Director position with Home Health based on a decision not to renew the contract. An Interim Executive Director has been put in place and the HCBS Board of Directors are in discussions as to next steps.

Home Care Update

Ms. DaCamara reported that on November 11, 2016 the AMV at Home transitioned into Interim Health Care and is now known as AMV at Home by Interim Health Care. She also shared that Interim is the largest provider of Health Care services in the country and that Asbury will receive payment for space utilized by Interim at AMV along with a percentage of income received for services provided to residents or anyone in the community.

Staff Changes

Ms. DaCamara announced some recent staff enhancements as Asbury begins to write its next chapter. Chip Burns will now serve as Chief Technology Strategist for TAG - IT and will be focused on business development for the impressive portfolio of services they offer. Dave Baker will take on the responsibility of Interim President of TAG - IT while continuing his role as Chief Technology Officer. Andy Joseph will now serve as Managing Counsel for Safety and Risk Management and Compliance Officer. This is to prepare for the increasing regulatory interest in having independent Compliance Officers within organizations be responsible for transparency and accountability. Michele Weikert will now be the Director, Office of the President/CEO & Board Liaison, to further support our robust governance process. These updates demonstrate the great talent already in place in our organization and serve as a deliberate decision to only bring in talent from the outside when needed to support our existing, high-performing staff.

There being no further discussion, the Chair adjourned the full Board at 1:45 p.m.

Following a brief unrecorded executive session, the Chair adjourned the meeting at approximately 2:05 pm.



Nicholas Serenyi, Chair