

**MINUTES OF THE  
ASBURY ATLANTIC, INC.  
MEETING OF THE BOARD OF DIRECTORS**

April 22, 2020

*Asbury Atlantic, Inc. is a not-for-profit, tax-exempt corporation. 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.*

**MEETING ATTENDEES**

<b>Board of Directors, attending</b>		
Jeffrey Ernico, Chair	Louis Grammes	Carolyn Stamatakis
Sue DaCamara	Richard Findley	
* <i>Attended as indicated</i>		
<b>Board of Directors, absent</b>		
<b>Staff</b>		
Kim Ehrenfried, VP & Controller*	Salome Nengean, Staff Counsel	
Henry Moehring, VP of Healthcare Srvs & Ops		

**Note: the meeting was conducted via teleconference due to COVID-19 pandemic.**

**ITEM: CALL TO ORDER/CONSENT RESOLUTION**

The meeting of the Board of Directors of Asbury Atlantic, Inc. (“Atlantic”) was called to order by the Chair at approximately 2:30 p.m. Ms. Stamatakis offered a prayer.

The Chair then referred to the agenda and consent resolution contained in the Board packet for the April 22, 2020 Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”) and asked for a motion to approve.

**The following motion was made, duly seconded and unanimously approved.**

*IT IS HEREBY RESOLVED that the following be, and they are hereby, adopted, ratified, and/or approved as applicable:*

1. *Set Agenda.* The agenda for the April 22, 2020 Board of Directors meeting as it appears in the Board Packet for the April 22, 2020 Board of Directors meeting.

2. *Approval of Minutes. The minutes of the February 06, 2020 Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for the April 22, 2020 Board of Directors Meeting ("Board Packet").*

**ITEM: OPENING REMARKS**

The Chair remarked that under the new governance structure, the Atlantic Board of Directors would become responsible for some of the tasks that were previously performed in other Committees. For that reason, meetings will have greater substance and items for consideration.

**ITEM: FISCAL YEAR 2019 FINANCIAL AUDIT**

The Chair asked Ms. Ehrenfried to present the audit results of the Asbury Atlantic. She noted that the results will be reviewed at the Audit & Finance/Investment Committee meeting later in the day and if changes are made to the draft provided, those changes will be communicated to the Board. Also, CliftonLarsonAllen ("CLA"), the auditor, will make a presentation to the Audit and Finance/Investment Committee about its process and recommendations. That presentation will be recorded; the recording of the audit review will be posted on Board Effect. With that, she highlighted three (3) items in the draft audit report provided in the Board packet. First, new accounting standards require that leases be shown as asset/liability or right of use assets on the balance sheet. Second, Asbury Atlantic, Inc. had two (2) significant bond transactions in 2019: refinancing of the Maryland debt and an issue of \$5 million bond for capital improvements at Asbury Methodist Village ("AMV"); the two transactions totaled \$15 million. Further, the non-Maryland debt was also refinanced, for a total of \$16 million. Third, as a result of the COVID-19 pandemic, there is a disclosure in the audit indicating that Asbury Atlantic has taken action to mitigate the financial impact of the pandemic on operations; however, the organization is unable to determine the full impact of the pandemic on operations at this time. Finally, she reported that the audit results show no significant findings.

Following her presentation, the Chair asked whether there were questions or comments.

**ITEM: FINANCIAL UPDATE & Q1 RESULTS**

The Chair asked Ms. Ehrenfried to present the first quarter financial results. She referred to the detailed report provided in the Board packet but highlighted the following:

**Maryland Obligated Group**

She noted that the Maryland Obligated group consists of AMV and Asbury Solomons ("AS"). That obligated group performed as follows: assets and investments decreased by \$4 mil due to the drop in market value; prepaid expenses also decreased from \$11.5 million to \$3.1 million due to the collection of promissory notes; property and equipment went from \$2 million to \$7.5 million

due to renovation and construction projects at AMV. Regarding right of use assets, they were at \$807, 000 as of March 31, 2020. Both AS and AMV’s statements of operations were favorable through the first quarter. Although both communities’ revenues were unfavorable, they were offset by expense savings, including, salary and wages, administrative expenses, and interest savings that resulted from refinancing of the debt.

**Non-Maryland Obligated Group**

Ms. Ehrenfried reported that the non- Maryland obligated group includes Bethany Village (“BV”) and Springhill (“SH”). She reported that both budgets were favorable through the first quarter. She highlighted the following on the balance sheet: construction is in progress at SH for the aquatic center and the bistro at BV; the right to use line is at \$480, 000. She noted that SH’s occupancy is down; however, the revenues in the healthcare center are ahead of budget due to an increase in private pay residents. As with the Maryland Obligated Group, revenue shortfalls are being offset by expense savings, including, salary and wages, administrative expenses, and interest savings which resulted from the refinancing of the debt.

Following her presentation, the Chair asked whether there were questions or comments. The Board engaged in a discussion, including whether capital expenses are being delayed due to the impact of COVID-19 on operations, whether the incentive payments made to associates are reflected in the first quarter results, and whether the organization is pursuing financial assistance from federal assistance programs to help ease the negative financial impact of the pandemic on its operations.

*Kim Ehrenfried Departed the Meeting*

**ITEM: EDUCATION TOPIC**

The Chair asked Ms. DaCamara to lead the Board through the education topic. Ms. DaCamara referred to the educational material included in the Board packet. She explained the purpose of education topics. Then she noted that the Centers for Medicare and Medicaid (“CMS”) require that organizations like Atlantic have an active and engaged governing body. The intent of such a body is to “to ensure that the facility has an active (engaged and involved) governing body that is responsible establishing and implementing policies regarding the management of the facility.” Further, outlined several responsibilities of such a governing body which include, is one, to have oversight of the community and as such, surveyors may conduct an interview, if appropriate, with one or more members of the governing body. Second, the governing body appoints each communities’ Nursing Home Administrator (“NHA”). Third, the governing body is to remain informed about the communities’ management and operation, including, audits, budgets, staffing, quality measures, survey outcomes, CMS 5-star rating dashboard, quality assurance and improvement program, changes in regulations, facility assessment, and education on current issues affecting the business. She concluded by noting that during each meeting, the Board will have an opportunity to engage in an education topic.

Following her presentation, the Chair asked whether there were questions or comments.

## **ITEM: OPERATIONS AND QUALITY UPDATE & Q1 RESULTS**

The Chair again requested that Ms. DaCamara present the operations and quality update. She presented as follows:

### **COO Remarks**

Ms. DaCamara noted that Governance Committee has reassigned the oversight responsibilities of governance, operations and quality from the Quality and Operations Committee to the Atlantic Board. As a result, the Board will need to exercise its fiduciary duties appropriately.

### **Quality Report**

Ms. DaCamara provided a quality report by noting that no new appointments for Nursing Home Administrators are needed for any of the Atlantic communities. Next, she reported the 5-star ratings of all Atlantic communities, highlighting that AS has been 5-star rated in all periods shown and SH continues for the third quarter to remain 5-star rated. Further, that although the Atlantic Board is only responsible for the Atlantic communities, the entire system's star ratings will be provided so that the Board can benchmark the Atlantic communities' performances with the other communities in the system.

Next, she reviewed the quality measures also included in the Board packet and noted that due to adjustments in the care delivery model related to COVID-19, Quality Assurance and Performance Improvement ("QAPI") teams have concluded any Performance Improvement Projects that have achieved success, or are not of a critical nature, in order to identify and address current priorities. She reported that an Asbury Quality Council has been established and meets monthly to identify best practices and share information. The same approach is being used with the Infection Preventionists across the system.

### **Regulatory Surveys**

She reported that during the first quarter, AS, BV, and SH had no survey activity. However, AMV's Wilson Healthcare Center was surveyed. Life Safety Annual was conducted on March 12, 2020 and a total of six (6) deficiencies were cited. She noted that several of the deficiencies were related to recent construction in the facility involving doors, sprinklers and ceiling penetrations; one deficiency was related to the storage of oxygen tanks. Further, CMS Annual Survey was conducted March 13, 2020 and a total of eleven (11) deficiencies were issued. Several were related to creating and revising care plans, two (2) were to hand washing and two (2) were to document of weights and feedings. However, there were no serious/harm, scope and severity deficiencies. She reported that plans of corrections, addressing process improvement opportunities, were developed and submitted according to CMS timelines.

Mr. Moehring noted that although eleven deficiencies were cited, that does not mean there were eleven different challenges. Depending on how the surveyor reads an instance, one challenge can

be tagged multiple times. He described a recent survey of a community where the surveyor's report commended Asbury's entrance and exit screening procedures and noted that it was one of the best processes in the industry.

Finally, Ms. DaCamara noted that the system is getting ever changing guidelines and regulations from CMS, Governors, State Health Departments, etc. The Command Center, set up in the Asbury Support and Collaboration Center ("ASCC") which includes clinical, operations, human resources are tasked with keeping track of those regulations and ensuring that the communities are in compliance. Finally, she reported that all Atlantic communities remain in good standing with CARF and EAGLE accrediting bodies.

## **COVID-19**

Ms. DaCamara reported that while the organization is focused on meeting the challenges that COVID-19 currently presents, the organization is planning for the "new normal" that will ensue after COVID-19 abates. She also reported that CMS has given new guidance regarding the reporting of COVID-19 cases. To meet that requirement, the Command Center has implemented a new system to comply. She noted that although the reporting is only required for the health care centers, the organization has chosen to report those cases across all levels of care.

Mr. Moehring updated the Board with the number of positive cases in the Atlantic communities as follows: SH and BV have no positive cases. AS has one (1) active case in the healthcare center, one (1) positive resident in Residential Living who has since recovered and one (1) resident who is under investigation. AMV one (1) resident in Residential Living who is positive, twenty four (24) positive cases in the healthcare center, two (2) residents in Residential Living who have since recovered, seven (7) in the healthcare center who are PUI, and four (4) COVID-19 related deaths. Further, he reported that seven (7) days a week, there is an 8:30 a.m. call with sixty (60) to seventy (70) leaders across the system to discuss the need to be diligence in the organization's processes, protocols, to share best practices, clinical and operations data/updates and answer leaders' questions that are beneficial for the entire system.

Following their presentations, the Board engaged in a wide ranging discussion including how associates' health is being managed, how information is being communicated to residents, families and associates. The Board thanked the team for their dedicated work and service.

## **Marketing Report**

Ms. DaCamara referred to the detailed report provided in the Board packet which includes a report by community by level of care. She noted that although campus tours have been suspended, the VP of Marketing and her team meet daily to discuss how to keep prospective residents engaged and have set up virtual tours by unit type. She reported that some residents have moved in. Additionally, she identified occupancy in the healthcare center as the area of challenge due to the fact that elective surgeries are largely being and people are avoiding healthcare center stays.

## **Strategic Plan**

Ms. DaCamara reported that some of the strategic plan initiatives will need to be reevaluated because the benchmarks are provided by consultants who are largely unable to do the work because of the current challenge. Regarding Planetree certification, she noted that the process of certification has slowed since site visits have been suspended, although all communities continue to provide person-centered care even under the challenges COVID-19 poses. Finally, regarding the goal to have all communities attain at least a 4-star rating, she noted that all communities are on track except BV. BV is currently at 1-star for staffing because staffing data (Payroll Based Journal/PBJ) was not submitted timely during the fourth quarter of 2019. She mentioned that the information has been timely submitted for the first quarter of 2020; however, it is possible this will be delayed due to CMS placing PBJ on hold during COVID-19. She noted that new processes have been implemented to ensure that human error in reporting does not occur in the future.

**ITEM: MASTER PLANNING UPDATES**

Ms. DaCamara reported that the Committee met recently but the master planning process has been suspended because meetings and focus groups are no longer able to be held. Mr. Todd Andrews, VP of Master Planning, has been reassigned to assist AMV’s Executive Director, Michele Potter, with other tasks.

**ITEM: OTHER ITEMS**

The Chair asked Mr. Findley to provide the Board with a sense of how his community is functioning in the midst of the COVID-19 challenge. He reported that he is impressed with some of the measures that have been taken to protect of residents, which include meal delivery, physical distancing measures, screenings, etc. He added the caveat that his experience only reflects the environment at AS and is not intended to be a reflection of the other Atlantic communities where he does not reside.

Ms. DaCamara added that there has been positive feedback that has been received from all the other Atlantic communities as well.

With that, the Chair thanked the staff for their service to residents.

Action Item	The Chair requested that if a meeting is to be held via teleconference, hard copies of the meeting packet associated with that meeting be mailed to Board members prior to the meeting to alleviate the difficulty of toggling between the materials and the meeting screen
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**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 4:35 p.m.

A handwritten signature in black ink, appearing to be 'AJ', written in a cursive style.

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Andrew Joseph, Secretary