**MINUTES OF THE**

**ASBURY ATLANTIC, INC.**

**MEETING OF THE BOARD OF DIRECTORS**

December 1, 2021

*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**

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| **Board of Directors, attending** |
| Jeffrey Ernico, Chair  | Barbara Harbison (Virtual) | Louis Grammes |
| Melissa Fors  |  | Efonda Sproles  |
| \* *Attended as indicated* |  |  |
| **Board of Directors, absent**  |
| Richard Findley |
| **Staff**  |
| Todd Andrews, President CCRC | Terra Bennett, Notes |
| Kim Ehrenfried, VP & Controller  | Henry Moehring, SVP of Operations |
| Andrew Jeanneret, CFO |  |
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**Note: the meeting was held via teleconference and in-person due to the COVID-19 pandemic.**

**ITEM: CALL TO ORDER**

The meeting of the Board of Directors of Asbury Atlantic, Inc. (“Atlantic”) was called to order by the Chair at approximately 4:45 p.m. Mr. Sproles offered a prayer.

The Chair then referred to the agenda and consent resolution contained in the Board packet for December 1, 2021, 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 December 1, 2021 Board of Directors meeting as it appears in the Board Packet for the December 1, 2021 Board of Directors meeting.*
2. *Approval of Minutes. The minutes of the October 20, 2021 Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for the December 1, 2021 Board of Directors Meeting (“Board Packet”).*

**ITEM: OPENING REMARKS**

*The Chair skipped opening marks other than to say we are going to keep the meeting moving today.*

**ITEM: 3rd QUARTER RESULTS/EOY PROJECTIONS**

Quality

Mr. Moehring brought up the change in star ratings. We continue to be 4 stars or better for all communities. However, we dropped a star at Wilson Health Care Center (AMV) and Forestview (SH). Focus for the communities from a Quality perspective has reviewed and is a focus of the ASCC Clinical Team. The communities continue to have ongoing PIPs (Performance Improvement Plans). Each community works on 3-5 PIPs at a time. Quality measures in the 5 Star Rating are becoming quite important.

Question: Efonda Sproles? Are we having any issues with PPE? The Supply Chain team feels that we can get what we need. Want to be proactive and fiscally responsible. What items turn over quickly? Masks, face shields, goggles, and gowns. We have moved to a 90 day PAR level on these items.

Operations

The new strain of COVID is officially in the US as of today in California. The direction that we are getting is to continue to stay the course with the basics (masking and handwashing). Applying CMS principles for visitation. We are well stocked with PPE, better than 90 days for all key items, including needles and syringes.

Vaccine Update

Testing remains at a consistent level. There has been a little uptick. The vaccination rate is at 97.2% for residents and the associate rate is at 96.87%.

2021 Strategic Goal: Focus and Review

Mr. Andrews presented the 2021 strategic goals and focus. Mr. Andrews reported on the 2021 strategic goal focuses as follows for each of the three pillars of the strategic goals:

(1) Provider of Choice

**-Asbury communities will achieve at least a 4-Star rating in the CMS 5-Star rating system in at least 5 communities**. Update: 2 Communities achieved 5-Star and 2 Communities are at 4-Stars

-**Establish pharmacy programs at SH, AMV, and AS**. Update: Pharmacy provides service to Albright, BV, SH. AMV and AS will transition 2/1/22, able to lock in current pricing with Omnicare.

**-Achieve a COVID-19 positivity rate 50% below the yearly national average**. Update: Asbury positivity rate is at 0.73% compared to the national average of 6-9%.

Mr. Andrews noted that no risks have been identified for Provider of Choice metrics in 2021.

(2) Employer of Choice

**-Asbury will achieve a 20% reduction in the average annual associate vacancy rate**. Update: The labor market continues to be a challenge, so the people that would work in maintenance, housekeeping, etc. are taking jobs elsewhere. We now have 7 recruiters, about 1 for each community. We are positioned pretty well. We are now not only competing with hospitals and other nursing homes, but we are also competing with retail too. We are also focusing on retention, making sure they feel supported.

Legacy Asbury entities are at -18.90%.

Question: Efonda Sproles– Are there steps to help with the retention? Per Mr. Moehring, we have a week, 30-day, 60-day, and 90-day Stay Interviews. Additionally, Mr. Leidig and Mr. Andrews conducted town hall meetings at each of the communities. Mr. Sproles suggested at the last stay interview to ask for referrals.

**-**

(3) Financial strength

**-Bring operating ratio and occupancy in line with budget**. Update: The risks identified are challenges in occupancy levels, particularly in Assisted Living. Occupancy continues to be flat. Have started offering incentives to salespeople to sell the hard apartments. The challenge of attrition continues, especially at AMV.

Integrated Services

Mr. Andrews stated that we have seen an increase in net revenue across the system. Our net revenue has increased by $336k at AMV. There have been some challenges with staffing but overall very pleased with the way things are heading. We continue to find efficiencies such as using therapists to help with marketing. Pharmacy is on target at AMV. We continue to find more referrals for Home Health, staffing is okay overall.

**ITEM: 2022 BUDGET *[Portions Redacted]***

Ms. Ehrenfied discussed Budget Assumptions:

* Evaluate expenses, new revenue sources which then determines rate increase
* All bond covenants are met

Budget Highlights

* Pharmacy at BV & SH operational and AMV and AS by the end of the first quarter of 2022
* Consolidating positions due to staffing shortfalls
* Significant food cost inflation (5-10%)
* Additional recruiters brought on board

Need to work on getting people started faster after they have been hired.

**ITEM: EDUCATION TOPIC: Recent Changes to CMS 5 Star**

Per Mr. Andrews, calculations are done quarterly. The challenge is there are new regulations. For CMS, the timeframe they are currently looking at is 2019-2020, which was when COVID started. This affected things such as staffing and ambulation. Historically the ratings have been completed quarterly but during COVID they were put on hold. There are 2 categories, short-term and long-term stays that the 5 Star rating looks at. Additionally, 2 things make a rating change: Rate of a successful return to community/home from SNF and percentage of SNF residents with pressure ulcers and injuries. Each community has a Quality Assurance Committee that monitors this and Mr. Moehring is comfortable with the way things are being monitored. The QAPI team could be doing a great job, but we won't see this progress for 6 months to a year.

**ITEM: MASTER PLANNING UPDATES *[Portions Redacted]***

All projects will finish on time and under budget. Will be starting an HVAC retrofit that will start next year. Townhall meetings were completed and there will be resident Master Planning Committee meetings at each community so that residents have a voice. Residents will apply to be on the committee. This will allow us to educate residents in this process. The 10-year capital planning discussion has begun. Mr. Andrews will have quarterly town hall meetings at each campus.

**ITEM: OPEN Q & A**

**ITEM: OTHER ITEMS**

The Chair asked whether there was any further business to come before the Board; there was none. The Chair mentioned that there will be changes to the way we will be running meetings next year. Asbury Atlantic will not have to meet the day before the ACOMM Board meeting. The Chair and Mr. Andrews will decide if the meeting will be moved to a week before the ACOMM meeting. If it is the week before, then it will be virtual. The next meeting will be on February 9, 2022.

**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 5:58 p.m.