THOSE PRESENT

Dr. Monty Sellon, Chairman, Board of Trustees
Mrs. Linda McClain, Secretary, Board of Trustees
Mr. Steve Pribnow, Treasurer, Board of Trustees
Dr. F. Thomas Waring, Member, Board of Trustees
Mr. Larry Shepard, Member, Board of Trustees
Mrs. Jody Horner, Member, Board of Trustees
Mr. Patrick Booth, President/CEO
Dr. Nicole Dix, President, Medical Staff
Thomas Thomsen, Hospital Legal Counsel
Mrs. Kathy Bloch, Recording Secretary

OTHERS PRESENT

Mr. Brett Richmond, Sr. Vice President/Chief Operating Officer
Mr. Michael Sindelar, Vice President/CFO
Ms. Melinda Kentfield, Director of Nursing/Interim CNE
Mr. Barry Sagraves, Consultant
Mr. Robert Cohen, Legal Counsel
Mr. Steve Amen, Legal Counsel
Mr. Colin Larson, Fremont Tribune

ABSENT

Mr. Ken Beebe, Vice Chairman, Board of Trustees (Exc)
Mr. Robert Missel, Dodge County Board of Supervisors (Exc)
Mr. Bill Vobejda, Vice President, Administration (Exc)

I. WELCOME AND CHAIR’S REMARKS

The meeting of the Board of Trustees was called to order at 5:00 p.m. by Chairman Sellon.

Chairman Sellon announced that a current copy of the Open Meeting Act is available.

II. CONSENT AGENDA

MOTION: Moved by McClain and seconded by Waring to approve the Consent Agenda, which included Minutes from the May 21, 2018 Operating Board Meeting; the May 21, 2018 Closed Session
Meeting, and the May 2018 Financial Report. Reports are attached to the original meeting agenda. [For: Sellon, McClain, Pribnow, Waring, Shepard, and Horner. Against: None; Absent: Beebe].

III. CEO REPORT

Mr. Booth’s report was deferred to the Closed Session.

IV. MEDICAL STAFF REPORT

The Medical Staff Report was presented by Dr. Nicole Dix. The following items were approved by the Credentials Committee and the Executive Committee and were presented for Board approval:

Kinila Mohan, MD - Request for Associate Staff Status with Internal Medicine Privileges for eICU coverage.

Marisa Braddock, PA-C - Request for Allied Health Professional Status as a Physician Assistant in Orthopedic Surgery. Dr. Eric Samuelson is her Collaborating Physician.

The following Resignations were received:

Angie Albert, NP
Christopher Wegener, LMHP
Edward Cutler, CRNA

Dr. Todd Eberle has completed his first year on the Medical Staff and will advance from Associate to Active Staff Status.

MOTION: Moved by Waring and seconded by Horner to approve the Medical Staff Credentialing items above. Motion carried. [For: Sellon, McClain, Pribnow, Waring, Shepard, and Horner. Against: None; Absent: Beebe].

The Credentials and Medical Executive Committees have reviewed and approved the following Delineation of Privileges: APRN, Ophthalmology, Oral Surgery, Palliative Care, Pathology, Pediatrics, and Pediatric Dentistry.

MOTION: Moved by McClain and seconded by Horner to approve the Medical Staff Delineation of Privileges as presented above. Motion carried. [For: Sellon, McClain, Pribnow, Waring, Shepard and Horner. Against: None; Absent: Beebe].

In April 2018 Dr. Terry Wooldridge was granted leave of absence until July 9th and recently requested and was granted
an extension of his leave to October 1, 2018. The Medical Executive Committee also reviewed and approved the Peer Review Policy and the Unassigned List Policy.

V. FREMONT HEALTH PARTNERS

Dr. Waring reported the Fremont Health Partners Board met June 13th. Discussion was held on the implementation of Collaborative Care Agreements among the Clinics. These agreements outline the services, communication expectations, and serve as co-management agreements between the primary care and specialty clinics. As part of CPC+, primary care clinics are required to implement these agreements. The shared savings disbursement from the value-based contracts will be distributed to the FHP members. Beginning July 1 2018, Nebraska Health Network will distribute funds to clinics meeting specific criteria based on attribution in value-based contracts for which insurers pay care management fees. Bev Johnson updated the Board on the 2017 Medicare Spend Per Beneficiary data and shared new information relating to the Clinical Episode-Based Payment. Representatives from Fremont Health presented “Building a Team-Based Model for Diabetic Care” and on the topic of antibiotic stewardship at the Premier Conference.

VI. OTHER BUSINESS

A. Capital Requests - Mike Sindelar stated an anesthesia machine for $87,500 was approved in the FY19 Capital Budget. It has become apparent this machine needs to be purchased in FY18, and requests approval to move the purchase of an anesthesia machine from the FY19 capital budget to FY18.

MOTION: Moved by Pribnow and seconded by McClain to authorize the purchase of an anesthesia machine for $87,500 in FY18 and to remove the request from the FY19 Capital Budget. Motion carried. (For: Sellon, McClain, Pribnow, Waring, Shepard and Horner. Against: None; Absent: Weebe).

Fremont Health entered into a supply/rental agreement for oximetry machines which qualifies as a capital lease. This arrangement requires the approval of an additional $34,170 to the FY18 capital budget.

MOTION: Moved by Pribnow and seconded by Shepard to authorize the addition of $34,170 to the FY 2018 capital
budget for the oximetry machine agreement and approval of the financing. Motion carried. [For: Sellon, McClain, Pribnow, Waring, Shepard and Horner. Against: None; Absent: Beebe].

VII. CLOSED SESSION

MOTION: Moved by Waring and seconded by Pribnow to go into Closed Session at 5:25 p.m. as a Peer Review Committee pursuant to the Nebraska Health Care Quality Improvement Act and to discuss the Long Range Strategic Financial Plan Project because Closed Session is clearly necessary for the protection of the public interest and such discussions will include a strategy session concerning transactional negotiations with a referral source that is required by federal law to be conducted at arms-length. Such discussion may include the structuring of proposals relating to said Long Range Financial Plan, which proposals and discussion of a potential strategic partnership must be kept confidential because such proposals are in the nature of a secret bid and secrecy promotes fairness, whereas lack of secrecy would seriously impact the ability of Fremont Health to receive the best proposals. Motion carried. [For: Sellon, McClain, Pribnow, Waring, Shepard and Horner. Against: None; Absent: Beebe].

The Board of Trustees reconvened at 7:02 p.m.

VIII. ADJOURNMENT

The meeting was adjourned at 7:04 p.m. on a motion by Waring.

Linda McClain
Secretary

DISTRIBUTION:
Monty R. Sellon, M.D.  Patrick Booth  Rob George
Ken Beebe  Nicole Dix, D.O.  Greg Beam
Linda McClain  Thomas B. Thomsen  Lon Strand
Steve Pribnow  David Saalfeld
F. Thomas Waring, M.D.  Bob Missel
Larry Shepard  Dan Weddle
Jody Horner  James Vaughan
Fred Mytty
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Ms. Melinda Kentfield, Director of Nursing/Interim CNE
Mr. Barry Sagraves, Consultant
Mr. Robert Cohen, Legal Counsel
Mr. Colin Larson, Fremont Tribune

ABSENT
Mr. Ken Beebe, Vice Chairman, Board of Trustees (Exc)
Dr. Nicole Dix, President, Medical Staff (Exc)

I. WELCOME AND CHAIR’S REMARKS

The meeting of the Board of Trustees was called to order at 12:01 p.m. by Chairman Sellon.

Chairman Sellon announced that a current copy of the Open Meeting Act is available.

II. FREMONT HEALTH & NEBRASKA METHODIST HEALTH SYSTEM STRATEGIC PARTNERSHIP PROPOSAL

Mr. Booth opened the discussion with the history of the Hospital from when it opened in May 1940 to where it is today. He briefly talked of the healthcare industry and the market challenges in Dodge County. The nine key objectives
established by the Board were reviewed. Proposals were received from five suitors and in January, the Board selected Methodist Health System as its preferred partner. The goals of which are to continue the mission of providing quality and affordable health care services to the residents of Dodge County and the surrounding communities in a changing health care environment and to provide Fremont Health with the financial resources necessary to meet its ongoing obligations under its employee pension plan. Mr. Booth summarized the Affiliation Agreement and other related agreements for this transaction. On June 28th the Methodist Health System unanimously approved the Proposal for Fremont Health to join their system by approving the Affiliation Agreement and related agreements.

III. STRATEGIC PARTNERSHIP RESOLUTION

The Authorizing Resolutions to be adopted by the Fremont Health Board of Trustees to accept the proposal from Methodist Health System to affiliate with them was presented to the Board. Resolution attached to original minutes.

MOTION: Moved by Waring and seconded by McClain to adopt the Authorizing Resolutions to Approve the Transaction Documents. Motion carried. [For: Sellon, McClain, Pribnow, Waring, Shepard, and Horner. Against: None. Absent: Beebe]

IV. OTHER BUSINESS

Mr. Booth thanked everyone that has been involved with the Long Range Financial Planning process. Mr. Sagraves stated everyone did terrific throughout the process, were engaged, flexible, and worked through details for a successful partnership.

V. ADJOURNMENT

The meeting was adjourned at 12:38 p.m. on a motion by Waring.

Linda McClain
Secretary
DISTRIBUTION:
Monty R. Seldon, M.D.    Patrick Booth    Rob George
Ken Beebe               Nicole Dix, D.O.    Greg Beam
Linda McClain           Thomas B. Thomsen  Lon Strand
Steve Pribnow           David Saalfeld     Bob Missel
F. Thomas Waring, M.D.  Dan Weddle         James Vaughan
Larry Shepard           Fred Mytty
## Fremont Health

**Combined Statement of Revenue and Expenses**

**For the Month and Periods Ending**

**June 30, 2018 and June 30, 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
<th>2016-17</th>
<th>Net Change</th>
<th>2017-18</th>
<th>2016-17</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PATIENT CARE SERVICE REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient</td>
<td>$7,097,317</td>
<td>6,699,065</td>
<td>0.3%</td>
<td>88,369,381</td>
<td>86,765,515</td>
<td>1.6%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>16,375,281</td>
<td>15,464,624</td>
<td>5.9%</td>
<td>191,729,576</td>
<td>185,187,297</td>
<td>3.6%</td>
</tr>
<tr>
<td>Dunklaud Gardens</td>
<td>1,031,298</td>
<td>1,064,572</td>
<td>-3.1%</td>
<td>13,007,509</td>
<td>12,136,360</td>
<td>7.2%</td>
</tr>
<tr>
<td>Home Health and Hospice</td>
<td>356,623</td>
<td>243,458</td>
<td>46.2%</td>
<td>4,070,324</td>
<td>3,508,643</td>
<td>15.6%</td>
</tr>
<tr>
<td>Clinic Services</td>
<td>1,439,381</td>
<td>1,426,328</td>
<td>0.2%</td>
<td>15,325,066</td>
<td>17,670,735</td>
<td>-14.9%</td>
</tr>
<tr>
<td><strong>TOTAL PATIENT CARE SERVICE REVENUE</strong></td>
<td>25,196,112</td>
<td>25,186,047</td>
<td>0.4%</td>
<td>315,410,686</td>
<td>296,206,550</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>DEDUCTIONS FROM SERVICE REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(16,942,225)</td>
<td>(15,107,055)</td>
<td>12.1%</td>
<td>(193,465,119)</td>
<td>(176,014,876)</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td><strong>PROVISION FOR BAD DEBT</strong></td>
<td>219,609</td>
<td>31,664</td>
<td>-703.6%</td>
<td>(13,378,794)</td>
<td>(11,764,609)</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>NET PATIENT SERVICE REVENUE</strong></td>
<td>8,476,498</td>
<td>10,049,328</td>
<td>-5.7%</td>
<td>113,566,973</td>
<td>114,427,065</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>OTHER OPERATING REVENUE</strong></td>
<td>587,788</td>
<td>594,574</td>
<td>1.5%</td>
<td>3,819,251</td>
<td>2,626,655</td>
<td>45.1%</td>
</tr>
<tr>
<td><strong>GAIN (LOSS) ON DISPOSAL CAPITAL ASSET</strong></td>
<td>450</td>
<td>10,247</td>
<td>-95.6%</td>
<td>5,020</td>
<td>27,223</td>
<td>-81.6%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>10,064,444</td>
<td>10,641,149</td>
<td>-4.7%</td>
<td>117,391,244</td>
<td>117,266,973</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages &amp; Contract Labor</td>
<td>4,484,264</td>
<td>4,362,852</td>
<td>3.0%</td>
<td>52,105,250</td>
<td>52,941,029</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>850,205</td>
<td>803,968</td>
<td>5.8%</td>
<td>13,557,092</td>
<td>14,295,055</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Patient Related</td>
<td>1,682,410</td>
<td>2,099,148</td>
<td>-19.9%</td>
<td>26,205,217</td>
<td>21,111,098</td>
<td>-23.8%</td>
</tr>
<tr>
<td>Capital Related</td>
<td>1,121,575</td>
<td>1,061,610</td>
<td>5.5%</td>
<td>11,286,090</td>
<td>11,566,628</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,928,299</td>
<td>1,961,691</td>
<td>1.7%</td>
<td>22,355,921</td>
<td>20,475,840</td>
<td>8.8%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>10,074,773</td>
<td>10,224,769</td>
<td>-1.5%</td>
<td>115,519,487</td>
<td>120,425,681</td>
<td>-4.1%</td>
</tr>
<tr>
<td><strong>NET GAIN/(LOSS) FROM OPERATIONS</strong></td>
<td>(10,029)</td>
<td>330,380</td>
<td>-103.0%</td>
<td>(2,128,243)</td>
<td>(3,164,676)</td>
<td>32.6%</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUE (EXPENSE)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non operating revenue (expense)</td>
<td>19,498</td>
<td>(132,418)</td>
<td>-114.7%</td>
<td>233,131</td>
<td>(15,844)</td>
<td>1,552.5%</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(648)</td>
<td>39,394</td>
<td>-</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(42,190)</td>
<td>(53,677)</td>
<td>-21.7%</td>
<td>(521,981)</td>
<td>(563,543)</td>
<td>-7.7%</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING REVENUE (EXPENSE)</strong></td>
<td>(22,692)</td>
<td>(186,295)</td>
<td>-87.8%</td>
<td>(292,396)</td>
<td>(541,393)</td>
<td>-46.0%</td>
</tr>
<tr>
<td><strong>NET GAIN/(LOSS) Prior to SOH</strong></td>
<td>(32,721)</td>
<td>150,085</td>
<td>-121.4%</td>
<td>(2,420,841)</td>
<td>(3,705,071)</td>
<td>54.7%</td>
</tr>
<tr>
<td><strong>SOLE COMMUNITY HOSPITAL PAYMENTS</strong></td>
<td>290,987</td>
<td>375,061</td>
<td>-22.4%</td>
<td>3,915,221</td>
<td>3,853,139</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>NET GAIN/(LOSS)</strong></td>
<td>258,266</td>
<td>526,144</td>
<td>-51.1%</td>
<td>1,495,380</td>
<td>247,068</td>
<td>505.2%</td>
</tr>
</tbody>
</table>