

**Board of Directors Call
Thursday, July 11, 2019**

11:00am ET / 10:00am CT / 9:00am MT / 8:00am PT
Conference Line: 888.392.4560 Passcode: 7997971#

AGENDA

Mission: To relieve suffering and improve quality of life by promoting the excellence and professional competency of hospice physicians.

- I. Call to Order Murphy
- II. MINUTES Murphy
Action: Approve minutes of April 18, 2019 Board meeting
- III. STRATEGY and PLANNING
 - A. Examination Passing Point Farrell / Chris Traynor. MS (PSI)
Action: Approve recommendation by Exam Committee
- IV. MANAGEMENT & OPERATIONS
 - A. AMC Staffing Murphy
 - B. Examination Administration Cycles Weir
 - i. 2019 Continuing Certification Timeline
 - ii. 2020 Initial and Continuing Certification Timelines
Action: Approve timeline for 2020
 - C. Registration Budget for 2020 Weir
Action: Approve applicant budget assumption
 - D. Updates
 - i. Seasons Hospice & Palliative Care Grant Murphy
 - ii. Demonstration of new Certification Center, My HMDCB Weir
 - E. Financial Reports Murphy for Schonwetter
Action: Accept May 2019 financial reports
 - F. Audit Murphy for Schonwetter
Action: Accept and file FY18 audit report
- V. ADJOURNMENT



UPCOMING BOARD SCHEDULE

August Date TBD	Board Conference Call	Time TBD
October 3-4, 2019	Board Meeting	Chicago, IL

**HMDCB Board of Directors
Meeting Minutes
April 18, 2019**

Present: Brian Murphy, John Manfredonia, Ron Schonwetter, Tommie Farrell, Joelle Vlahakis, Beryl Bills, Holly Yang

Staff: Sally Weir, Bruce Hammond, Kelly Collins

Proper notice having been given, Murphy called the meeting to order at 11:03 am CT.

Weir shared with the Board that HMDCB has met and exceeded its 2019 goal of 200 paid applications with 201 paid applications for the 2019 initial certification cycle, and 4 days left in the cycle.

Strategy and Planning

Recertification

Weir reviewed the benchmark data in regards to renewal percentages from relevant organizations to assist in setting a budget number for the 2020 HMDCB recertification cycle. Murphy facilitated the conversation discussing other factors that influence the recertification percentage, specifically marketing outreach, benchmarking data, and clear instructions on how to apply for Continuing Certification Program (CCP). HMDCB staff will update the website with confirmed CCP dates and cost, the candidate handbook which will include instructions on the application process for CCP once the information is available. Utilizing the benchmark data, a tentative number of 144 was identified for 2020 budget (calculating 40% of eligible candidates dually boarded by ABMS and HMDCB and a similar percentage of ABIM HPM renewals (63%) for those eligible candidates not dually boarded by ABMS. The Board decided to table this final decision until the July Board call, once the full ABMS renewal rates have been published, and once HMDCB has an idea of how many certificants have applied to sit for the CCP examination one year early.

Proposed HMDCB Outreach

Murphy proposed the question of how can HMDCB increase its outreach to attract additional candidates. Potential opportunities included presenting an HMDCB Board endorsed workshop and poster at the 2020 AAHPM Annual Assembly. The Board agreed with proposed option #1 showcasing hospice career pathways with a diverse panel including a dually certified early career physician and a mid-career physician transitioning into hospice. The Board agreed and is to collaborate on finalizing an abstract to be submitted to AAHPM. In addition, it was agreed to develop a poster with workforce and HMDCB data that could be submitted not only to AAHPM, but also state hospice organization conferences that would invite posters and where HMDCB volunteers would attend.

AAHPM Board of Directors

Murphy explained that he and Weir were invited to attend the workforce generative session at the March AAHPM Board meeting and identified that the majority of Board members have a palliative care, rather than hospice, background. Weir encouraged the Board to nominate physicians with a strong hospice background for the AAHPM Board during the upcoming AAHPM Board of Directors call for nominations opening May 1st.

Management & Operations

Board of Directors Slate 2019-2020

Manfredonia presented the 2019-2020 Board of Directors slate. Weir presented a brief background of David Wensel's work experience, as well as his involvement in HMDCB as an Item Writer and Exam Committee member.

Motion: *To accept the Board of Directors slate as presented by the Nominating Committee. Seconded. Approved.*

Financial Reports

Schonwetter reviewed the FY2018 year-end preliminary financial reports and the February 2019 financial reports.

Motion: *To accept the FY2018 year-end preliminary financial reports as well as the February 2019 financial reports. Seconded. Approved.*

Applicant Demographics

Collins shared an update of the overall application cycle including trends and demographic information. Weir highlighted the increase of applicants who selected the Training Pathway in 2019, compared to past years. The Board discussed adding a question to the post application survey to inquire whether those candidates intent to also seek ABMS/AOA HPM subspecialty certification.

Consent Agenda

Motion: *To approve the consent agenda items: January 24, Board Meeting Minutes and Seasons Hospice Grant Proposal. Seconded. Approved.*

Meeting adjourned at 11:58 am CT.



BOARD FACESHEET: Examination Passing Point

Attachments

1. PSI Memo

Background

Following the examination administration cycle, Examination Committee members Tommie Farrell, Tom Caprio, Joelle Vlahakis, Stephanie Patel, and Tim Appenheimer joined Chris Traynor, MS from our testing company, PSI, on a teleconference to perform an item analysis on exam questions that featured multiple applicant questions or items that did not perform well. The committee analyzed only four items in question allowing for a second answer on two questions to be counted as correct, ensuring a fair exam.

A passing point recommendation from PSI (attached) and 2019 statistics are compared to previous years. The exam items performed well and reliability of the analysis improves with multiple years' data. The data does show that 2019 candidates performed better, which implies that the 2019 form was less difficult.

	Passing Point	Pass Rate
2014	119/200	84.76%
2015	101/200	77.00%*
2016	103/200	79.52%*
2017	101/200	84.94%*
2018	100/200	80.10%*
2019	109/200	78.80%*

*first time candidate passing rate

Recommendation

The Board is asked to approve a raw cut score which then enables PSI to move forward with issuing results of the 217 test takers for 2019.



MEMORANDUM

DATE: July 3, 2019

TO: Sally Weir, HMDCB Executive Director
Tommie Farrell, MD

FROM: Chris Traynor, MS, Senior Psychometrician

SUBJECT: Raw Passing Point Selection

We believe the passing point (cut score) for a certification examination must be ultimately established by the certifying body. Our role is to provide psychometrically-sound information to facilitate that process. The purpose of this memorandum is to provide that information for the Hospice Medical Director Certification Board (HMDCB) to support identification of the passing point, keeping in mind the purpose of the credential and the standard of competence for the profession.

For the 2018 examination, a raw score of 100 was identified as the passing point, based on the results of post-hoc mean equating back to a criterion-related passing point study, which resulted in a passing rate (percent of candidates passing) of 80.1 percent. Passing points for subsequent forms of the examination should be based on statistical equating to maintain a comparable standard of competence, and the results of that equating are included in this memorandum. The 2019 examination form was constructed to include equator items, also known as an anchor test, which included 50 items from the previous form with reasonable statistical characteristics and representative of total test content. A summary of data from the two administrations appears in this table.

	2018: Form HMDHM04	2019: Form HMDHM05
# of FT Candidates	191	217
<i>EQUATOR DATA</i>		
# of Equators	50	50
Minimum/Maximum	17/49	17/49
Mean	38.10	38.29
Standard Deviation	5.30	5.57
Reliability	0.71	0.74
SEM	2.85	2.84
<i>TOTAL TEST DATA</i>		
Minimum/Maximum	65/140	74/141
Mean	111.23	118.55
Standard Deviation	14.27	12.51
Reliability	0.88	0.86
SEM	4.94	4.68

Statistical equating procedures are based on two general assumptions: comparability in terms of both the examination forms and the candidate groups. The content distribution of the two examinations is comparable, because both forms exactly match the same content specifications. The difficulty of the two forms is unknown, and that is what we are attempting to assess with the equating process.

A comparison of the test mean for the equator items show that the candidates who took the new form were the same ability than those who took the base form. The difference between the two means was insignificant (0.19). The difference between the total test means, however, was much greater (7.32), suggesting that the 2019 form was less difficult. In other words, candidates scored seven points higher (on average) than the 2018 form. Initial observations of these results suggest that a higher cut score is necessary to maintain the same standard of competence.

Following our standard procedures for equating, two statistical tests were conducted to evaluate comparability of the candidate groups, a ratio of the score variances and a standardized mean difference on common items. The calculated standardized mean difference compares performance on the 50-item embedded anchor test, and the result indicated that the two groups are comparable.

Because we have confirmation that the two groups are statistically similar, we can rely on the traditional equating formula used for homogeneous groups (based on a formula proposed by Tucker), that formula resulted in a passing point of 109. The percent of first-time candidates passing with a score of 109 or higher would be 78.8 percent, or 156 out of 198 candidates taking the test in the United States for the first time. There were a total of 217 candidates testing in 2019, which included 19 candidates who had previously failed the test. At a passing point of 109, nine of the 19 repeat candidates (47.4%) will pass.

While we have confidence in the comparability of a raw passing point of 109, there are errors associated with any such estimate. In this case the standard error of equating is 1.48, which could allow discussion of passing points that are slightly higher or lower. Other methods of equating could have been considered and discussed, but the rationale for those methods is weaker and the results do not appear to be as reasonable as the results generated from the Tucker formula. It is clear that the 2019 candidates are of the same ability as those testing in 2018, and it also appears that the 2019 examination form is less difficult than the previous form.



BOARD FACESHEET: 2019 Continuing Certification Examination Administration Timeline

Background

With the migration into a new application software and database for HMDCB, the following is the examination administration timeline for 2019.

Application Cycle July 15 – September 10, 2019

Testing Window October 17 – November 14, 2019

Notification of results in December 2019

HMDCB has budgeted for 20 candidates due for renewal in 2020 to take the exam one year early.



BOARD FACESHEET: 2020 Examination Administration Cycle

Background

The following is the examination administration timeline proposed for 2020 including both initial and continuing certification programs. Also noted are holidays and industry events that might include board preparation and HMDCB's ability to promote registration.

Industry Events/Holidays in 2020

March 18 – 21	AAHPM Annual Assembly
March 25 – 27	NHPCO Leadership & Advocacy Conference
April 2 – 5	AMDA Annual Conference
April 12	Easter
April 16	Last day of Passover
May 25	Memorial Day

In considering the timeline for 2020, allowances have been made for attendees at industry events to have sufficient time to apply; ample time for completion of audits; recertification examination test preparation following initial testing cut-score approval; and notifications of certification renewal before the expiration date of November 30.

Recommendation:

Staff recommends the Board approve the following dates for the spring initial exam and fall recertification exam administrations:

Initial Certification

Application Cycle January 7 – April 13, 2020; early-bird deadline March 17

Testing Window May 14 – June 2, 2020

Continuing Certification Examination

Application Cycle May 20 – August 20, 2020

Testing Window September 12 – October 22, 2020

Background

Benchmarking

To help inform the discussion, staff benchmarked recertification renewal rates from related healthcare certification boards including certification boards at Association Management Center (AMC), the American Board of Nursing Specialties (ABNS), the American Board of Internal Medicine (ABIM) subspecialty in Geriatrics, Hospice and Palliative Certification Center (HPCC, formally HPNA), and the American Board of Post-Acute and Long-Term Care Medicine (ABPLM) offering the CMD.

Certification Organization	Recertification Rate
AMC – 3 nursing organizations	62% (Average)
ABNS (15 advanced programs reporting)	70% (Average)
ABIM Geriatric subspecialty	72% (Average rate 1990 – 2016)
HPCC: APRN	77%
HPCC: RN	45%
HPCC: Pediatric RN	50%
*ABMS HPM subspecialty (fall 2018) - ABIM, ABA, ABEM, ABPMR, ABS	86%
ABPLM (CMD)	70%

** ABFM report has not been posted*

Additional Data

Of the 306 physicians certified by HMDCB in 2014:

- 80 have started/completed the Professional Development Tool, a requirement for recertification.
- 179 were HPM Certified through ABMS or AOA

During the April 2019 HMDCB Board call, an initial estimate of 144 candidates was identified by using the benchmark data to calculate 40% of eligible candidates dually boarded by ABMS and HMDCB plus a similar percentage to ABMS HPM renewals (63%) for those eligible candidates not dually boarded by ABMS. The ABMS number has increased since April to 86%.

A total of 306 physicians certified in 2014

$$179 \times 40\% = 71$$

$$127 \times 86\% = 109$$

Total: 180

Action

The Board is asked to confirm a budget estimate of 2014 certificants that we believe will recertify with HMDCB in 2020 to prepare the budget.



July 1, 2019

Ronald Schonwetter, MD HMDC FAAHPM
Secretary/Treasurer
Hospice Medical Director Certification Board

Dear Dr. Schonwetter:

Enclosed please find the May 2019 financial statements for HMDCB. All forecasted amounts represent 12 months of activity and are based upon actual results beginning January 1, 2019 through May 31, 2019 and forecasted results for the remainder of the year. Forecast is determined based on the approved budget and adjusted for trends/known changes.

At the close of May 2019, the total fund balance is \$154,062 with current year operations reflecting an excess of \$124,193.

Highlights of the May financial results include:

- The statement shows total net assets are forecasted to be \$70,161 at year end. Forecasts do fluctuate from month-to-month based upon the current month's activity and anticipated income and expenses for the remainder of the year.
- Certification revenue is projected to exceed budget by 11% with 221 paid applications.
- Consulting fees expense is higher than anticipated due to the increase in exam administration fees associated with a higher number of applicants compared to budget. Additionally, budget was based off the annual psychometric fee estimate, but actual contracted cost was slightly higher.
- The total customization expense of the new certification platform, TopClass, will be expensed over 3 years (2019-2021) at approximately \$2,200 each year.
- There is a slight variance with marketing expenses associated with postage, printing, publication pre-press, and promotion. Increased outreach from data mining and conferences to aid in our increase of initial applications and launch of Continuing Certification Program.

Phyllis Milz, our Finance Manager, and I welcome any questions you have regarding the May financials. We will distribute to the full Board at the next scheduled Board of Directors meeting.

Sincerely,

A handwritten signature in cursive script that reads "Sally Weir".

Sally Weir, CAE
Executive Director



Twelve Month Financial Summary

	FORECAST (as of May)	ACTUAL		
	2019	2018	2017	2016
Revenue - Operating	372,050	363,715	297,784	292,371
Applications	272,050	223,700	216,100	226,800
Commission/Royalty				
Grants	100,000	140,000	80,715	65,157
Exhibits				
Registrations				
Sponsorship				
Other revenue		15	969	414
Expense - Operating	331,759	356,568	329,179	301,642
Operating Net Excess (Deficit)	40,291	7,147	(31,395)	(9,271)
Investment Earnings				
Net Excess (Deficit)	40,291	7,147	(31,395)	(9,271)
Metrics				
# of Certifications	194			
# Months Operating Expense in Net Assets, Unrestricted	2.5			
Net Assets, Unrestricted	\$70,161	\$29,870	\$22,723	\$54,118

Comments

Recommended benchmarks for unrestricted net assets: (i.e. # of Months of Operating expense in unrestricted net assets)
 NORI Study (all nonprofits) suggests a "minimum" OPERATING Net Asset (reserve) of 3.0 months (\$90,000) to ensure adequate liquidity
 ASAE (stand alone associations) latest benchmark for TOTAL Net Assets (reserve) is 6.0 months (\$180,000)

Hospice Medical Director Certification Board
YEAR TO DATE TRENDS
As of May 31, 2019

	2019			2018	2017
	ACTUAL	BUDGET	Actual vs. Budget Variance	ACTUAL	ACTUAL
Revenue - Operating	254,550	243,750	10,800	324,550	218,560
Applications	254,550	243,750	10,800	224,550	218,050
Commission Revenue	-	-	-	-	495
Grants	-	-	-	100,000	-
Pledges & Donations	-	-	-	-	-
Registrations	-	-	-	-	-
Royalty Revenue	-	-	-	-	-
Sponsorship	-	-	-	-	-
Other Revenue	-	-	-	-	15
Expense	130,357	127,672	2,685	114,746	115,811
Operating Net Excess (Deficit)	124,193	116,078	8,115	209,804	102,749
Investment Earnings	-	-	-	-	-
Net Excess (Deficit)	124,193	116,078	8,115	209,804	102,749

Comments

**Hospice Medical Director Certification Board
TWELVE MONTH PROGRAM SUMMARY**

	FORECAST			BUDGET			Forecast vs. Budget Variance		
	Revenue	Expense	Net Excess/(Deficit)	Revenue	Expense	Net Excess/(Deficit)	Revenue	Expense	Net Excess/(Deficit)
ALL PROGRAMS	372,050	331,759	40,291	343,750	319,857	23,893	28,300	11,903	16,397
Certification	254,550	103,817	150,733	226,250	108,675	117,575	28,300	(4,858)	33,158
Recertification	17,500	31,860	(14,360)	17,500	42,300	(24,800)	-	(10,440)	10,440
NON REVENUE GENERATING	100,000	196,082	(96,082)	100,000	168,882	(68,882)	-	27,200	(27,200)
General	100,000	170,012	(70,012)	100,000	141,627	(41,627)	-	28,385	(28,385)
Governance	-	26,070	(26,070)	-	27,255	(27,255)	-	(1,185)	1,185

Comments

**Hospice Medical Director Certification Board
TWELVE MONTH PROGRAM SUMMARY**

	ACTUAL								
	2018			2017			2016		
	Revenue	Expense	Net Excess/(Deficit)	Revenue	Expense	Net Excess/(Deficit)	Revenue	Expense	Net Excess/(Deficit)
ALL PROGRAMS	363,715	356,568	7,147	297,784	329,179	(31,395)	292,371	301,642	(9,272)
Certification	223,715	83,523	140,192	216,574	160,739	55,835	227,214	130,033	97,181
NON REVENUE GENERATING	40,000	172,014	(132,014)	81,210	168,440	(87,230)	65,157	171,609	(106,452)
General	40,000	146,545	(106,545)	81,210	145,534	(64,324)	65,157	141,887	(76,730)
Governance	-	25,469	(25,469)	-	22,906	(22,906)	-	29,722	(29,722)

Comments

**Hospice Medical Director Certification Board
BALANCE SHEET SUMMARY
For the For the Month Ending May 31, 2019**

	2019		2018	
	May Balance	Change Year to Date	Dec Balance	May Balance
Assets	164,899	81,042	83,857	242,723
Cash and Investment	164,899	85,091	79,808	192,723
Checking	164,899	85,091	79,808	192,723
Accounts Receivable	-	-	-	50,000
Other Assets	-	(4,049)	4,049	-
Prepaid Expenses	-	(4,049)	4,049	-
Liabilities and Deferred Revenue	10,836	(43,151)	53,988	10,197
Accounts Payable	10,836	(43,151)	53,988	10,197
Net Assets (Reserves)	154,062	124,193	29,869	232,526
Fund Balance - Beginning	29,869	7,147	22,722	22,722
Fund Balance- Current	124,193	117,046	7,147	209,804
Liabilities and Net Assets	164,899	81,042	83,857	242,723

**Hospice Medical Director Certification Board
ALL PROGRAMS FORECAST DETAIL**

	FORECAST	BUDGET	Variance: Forecast vs. Budget
Revenue-Operating	372,050	343,750	28,300
Applications/Workshops	272,050	243,750	28,300
Grants	100,000	100,000	-
Expense-Operating	331,759	319,857	11,903
Administration Fee	174,500	174,500	(0)
Certification Processing Fees	6,600	6,600	-
Technology Fees	27,097	27,100	(3)
Audit Fees	3,200	3,200	-
Bank & Credit Card Processing Fee	7,231	8,370	(1,139)
Consulting/Professional Fees	44,806	39,600	5,206
Dues & Subscriptions	1,310	1,310	-
Duplicating	608	360	248
Exhibits	5,600	5,425	175
Hotel	3,256	3,025	231
Insurance	4,898	4,900	(3)
Internet	3,377	1,075	2,302
Legal Fees	5,049	5,000	49
Miscellaneous	741	600	141
Postage/Shipping	6,606	4,500	2,106
Printing	8,078	6,325	1,753
Promotion	6,446	9,500	(3,054)
Meeting Expense	745	-	745
Publication Pre-Press	12,524	9,650	2,874
Supplies	1,152	1,137	15
Telephone/Fax	297	350	(53)
Travel - Staff	4,438	4,430	8
Travel - Volunteers	3,201	2,900	301
Operating Net Excess/(Deficit)	40,291	23,893	16,397
Net Excess/(Deficit)	40,291	23,893	16,397

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Financial Statements

December 31, 2018 and 2017

DRAFT

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To The Board of Directors of
Hospice Medical Director Certification Board

We have reviewed the accompanying financial statements of Hospice Medical Director Certification Board (the "Organization"), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Mount Prospect, Illinois
May XX, 2019

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HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Statements of Financial Position

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 79,808	\$ 82,452
Accounts receivable	-	429
Prepaid expenses	4,049	7,488
Total Assets	<u>\$ 83,857</u>	<u>\$ 90,369</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable	\$ 53,988	\$ 45,647
Deferred revenue	-	22,000
Total Liabilities	53,988	67,647
Net Assets Without Donor Restrictions	29,869	22,722
Total Liabilities and Net Assets	<u>\$ 83,857</u>	<u>\$ 90,369</u>

See Accompanying Notes to Financial Statements and
Accountants' Review Report

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Statements of Activities

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Support		
Certification fees	\$ 223,700	\$ 216,100
Grants and sponsorship	140,000	80,715
Commissions	-	924
Other	<u>15</u>	<u>45</u>
Total Revenue and Support	<u>363,715</u>	<u>297,784</u>
Expenses		
Program services-		
Certification	184,553	160,739
Support services-		
Management and general	<u>172,015</u>	<u>168,440</u>
Total Expenses	<u>356,568</u>	<u>329,179</u>
Change in Net Assets	7,147	(31,395)
Net Assets Without Donor Restrictions - Beginning of Period	<u>22,722</u>	<u>54,117</u>
Net Assets Without Donor Restrictions - End of Period	<u><u>\$ 29,869</u></u>	<u><u>\$ 22,722</u></u>

See Accompanying Notes to Financial Statements and
Accountants' Review Report

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 7,147	\$ (31,395)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Decrease (increase) in assets-		
Accounts receivable	429	(429)
Prepaid expenses	3,439	(2,341)
Increase (decrease) in liabilities-		
Accounts payable	8,341	4,334
Deferred revenue	<u>(22,000)</u>	<u>1,100</u>
Net Cash Provided by (Used in) Operating Activities	<u>(2,644)</u>	<u>(28,731)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,644)	(28,731)
Cash and Cash Equivalents - Beginning of Period	<u>82,452</u>	<u>111,183</u>
Cash and Cash Equivalents - End of Period	<u>\$ 79,808</u>	<u>\$ 82,452</u>
* * * * *	* * *	
Supplemental Disclosure of Cash Flow Information -		
Cash paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest expense	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements and
Accountants' Review Report

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Certification</u>	<u>Management and General</u>	<u>Total</u>
Staff allocation	\$ 51,614	\$ 120,562	\$ 172,176
Accounting review	-	3,000	3,000
Bank and credit card fees	-	6,464	6,464
Certification processing	4,993	-	4,993
Consulting services	80,455	-	80,455
Dues and subscriptions	-	1,687	1,687
Duplicating	2,284	558	2,842
Exhibits	5,920	-	5,920
Hotel/food	5,177	3,866	9,043
Insurance	-	4,716	4,716
Internet	-	21,011	21,011
Miscellaneous	33	891	924
Postage	6,431	195	6,626
Printing	5,282	-	5,282
Promotion	1,205	-	1,205
Publication prepress	11,333	-	11,333
Registration	-	710	710
Supplies	513	1,106	1,619
Telephone	-	4,471	4,471
Travel - staff	5,593	-	5,593
Travel - volunteer	3,720	2,778	6,498
	<u>\$ 184,553</u>	<u>\$ 172,015</u>	<u>\$ 356,568</u>

See Accompanying Notes to Financial Statements and
Accountants' Review Report

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Statement of Functional Expenses
For the Year Ended December 31, 2017

	<u>Certification</u>	<u>Management and General</u>	<u>Total</u>
Staff allocation	\$ 47,741	\$ 103,569	\$ 151,310
Accounting review	-	3,000	3,000
Bank and credit card fees	-	7,127	7,127
Certification processing	8,947	-	8,947
Consulting services	70,064	-	70,064
Dues and subscriptions	-	1,018	1,018
Duplicating	11	1,203	1,214
Exhibits	-	3,670	3,670
Hotel/food	9,148	3,751	12,899
Insurance	-	4,627	4,627
Internet	243	22,576	22,819
Miscellaneous	-	890	890
Postage	3,333	1,076	4,409
Printing	4,128	-	4,128
Promotion	1,300	1,479	2,779
Publication prepress	5,213	202	5,415
Registration	-	700	700
Supplies	3	1,214	1,217
Telephone	-	4,113	4,113
Travel - staff	10,608	3,215	13,823
Travel - volunteer	-	5,010	5,010
	<u>\$ 160,739</u>	<u>\$ 168,440</u>	<u>\$ 329,179</u>

See Accompanying Notes to Financial Statements and
Accountants' Review Report

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Notes to Financial Statements

December 31, 2018 and 2017

Note A – Organization and Nature of Activities

The Hospice Medical Director Certification Board (the “Organization”) is a nonprofit certification board formed on April 19, 2012. The mission of the Organization is to relieve suffering and improve quality of life by promoting the excellence and professional competency of hospice medical directors. The Hospice Medical Director Certification distinguishes a physician as committed to clinical and administrative expertise in the care of hospice patients.

Note B—Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity 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, gains and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to \$250,000.

Deferred Revenue

Deferred revenue represents certification revenues that have been collected for the upcoming certification exam. These revenues will be recognized once the applicant completes the certification exam.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Notes to Financial Statements

December 31, 2018 and 2017

Note B—Summary of Significant Accounting Policies (continued)

Net Assets (continued)

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Certain other costs have been allocated among the program and supporting services benefited based on time devoted to the functional areas by the management company.

Note C - Income Taxes

The Organization qualifies for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code as a not-for-profit corporation. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government. Management has determined that the Organization has no income tax liability as of December 31, 2018. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at December 31, 2018. The Organization's 2015-2018 tax years are open for examination by the IRS. Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Notes to Financial Statements
December 31, 2018 and 2017

Note D – Management Agreement

The Organization has a contract with Association Management Center (AMC) to provide management and administrative services as defined in the contract. The annual fee paid by the Organization for these services is negotiated on an annual basis as part of the budget development process. Pursuant to the agreement, the Organization reimburses AMC monthly for other expenses as defined in the agreement. The agreement may be terminated at any time without cause by either party upon not less than 90 days prior written notice to the other party.

Note E – Other Agreements

The Organization entered into an agreement with Applied Measurement Professionals (PSI/AMP) effective through January 31, 2021 under which PSI/AMP will provide job analysis, exam development, computer based test administration, scoring, and reporting services for the Hospice Medical Director Certification exam program. The Organization pays PSI/AMP for these services based on a combination of fixed fees and variable components based on activity. Additional terms of the agreement are as defined in the agreement.

Note F—Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts with donor-imposed purpose and time restrictions.

	<u>2018</u>	<u>2017</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 79,808	\$ 82,452
Accounts receivable	-	429
Less contractual or donor-imposed restrictions:		
Donor restrictions for specific purposes	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 79,808</u>	<u>\$ 82,881</u>

HOSPICE MEDICAL DIRECTOR CERTIFICATION BOARD

Notes to Financial Statements
December 31, 2018 and 2017

Note G – Concentration

During the years ended December 31, 2018 and 2017, the Organization received operating grants of \$40,000 and \$80,715, respectively, from the American Academy of Hospice and Palliative Medicine, Inc. This grant was provided to the Organization to help fund the loss from operations. The first exam was administered in May of 2014 and management is still trying to determine how certification fees can be the major source of sustainable revenue moving forward. Also, during the year ended December 31, 2018, the Organization received a \$100,000 grant from the Kindred Hospital Foundation to support the *HMDCB Next Steps in Raising Awareness and Re-certification* project.

Note H – Donated Services

No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program and support service.

Note I – Subsequent Events

The Organization has determined that no material events or transactions occurred subsequent to December 31, 2018 and through the date of the independent accountants' review report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.