



HOUSE OF MERCY ANNUAL REPORT - FY 2017

A Ministry of the Sisters of Mercy providing a home and specialized care for persons living with AIDS

Mission: The core mission of House of Mercy is to provide care in a residential setting for low-income persons living with AIDS who can no longer care for themselves and face homelessness. In addition to room and board, House of Mercy provides clinical treatments and therapies designed to enhance the physical, emotional and spiritual lives of our residents.



Primary Service Area: Ten-county region in N.C. including Mecklenburg and Gaston Counties. Small by design, House of Mercy is located on the Sisters of Mercy campus in Belmont, N.C.

Total Persons Served: 328 persons since 1991 (as of 6.30.17)

2017 Resident Demographics (all low-income):

In fiscal year 2017, 13 residents were served by House of Mercy: 5 male, 8 female, 10 Black, 2 Caucasian, and 1 Latino.

- 8% – Latino
- 77% – Black
- 15% – Caucasian
- 38% – Male
- 62% – Female
- 0% – Ages 20 – 39 years
- 38% – Ages 40 – 49 years
- 62% – Ages 50 years & older

A Growing Epidemic: The number of people living with HIV disease in the U.S. was over 1.1 million including more than 521,002 diagnosed with AIDS (stage 3) at the end of 2014. Approximately 14% (1 in 7) are unaware they are infected.*

The impact of HIV/AIDS in the South is a growing concern. Southern states account for approximately 44% of all people living with HIV despite making up 37% of the U.S. population. In 2015, the South accounted for a majority of all new AIDS diagnoses in the U.S. and deaths attributed directly to HIV or AIDS. The majority of states with the lowest levels of linkage to care are in the South. Persons engaged in HIV medical care are more likely to achieve viral suppression, less likely to transmit the virus and live longer, healthier lives



As of December 31, 2016 there were 34,840 reported persons diagnosed with HIV infection in North Carolina. At the end of 2016, an estimated 8,151 persons were diagnosed and living with HIV in the 10 counties served by House of Mercy. Approximately 2,886 of those were diagnosed with AIDS (stage 3).**

The Continuing Need: The prognosis for HIV/AIDS patients has improved significantly in recent years and so has the need for specialized care and housing. Nearly all House of Mercy residents have become Medicaid-eligible because the expense of fighting their illness has exhausted their personal resources.

House of Mercy's service is both labor and cost intensive. State reimbursement for our residential services totals \$52 per residential day. Our cost of providing care per resident is \$415 daily due to 24-hour staffing, medication cost and other expenses. This year we must

* Centers for Disease Control & Prevention (allow at least 18 months for deaths to be reported)

**NC HIV/STD Surveillance Reports: 2015 Annual and 2016 Q4



raise \$324,500 from donations, grants and fundraising events to meet our operating expenses. The Sisters of Mercy contribute funds sufficient to pay all administrative expenses. House of Mercy is a grant recipient of **Carolinas CARE Partnership**.

Patient Care: Coordinated HIV care is a central element of House of Mercy’s client-focused strategy – assessing a client’s need for specific health, psychological and social services; and assisting the client to access a wide range of services that will address those needs. Core components of HIV coordinated care include resident intake, assessment, care plan development, resource development, service coordination, monitoring, reassessment and discharge.

Although House of Mercy is designed, decorated and maintained to reflect the feeling of a private home, it is well equipped to provide state-of-the-art care to residents. A trained staff provides professional care 24 hours a day, providing residents nutritious meals and medications on prescribed schedules.

House of Mercy is similar to a hospice in some respects. At an inpatient hospice the objective is usually to control pain and care for patients at end of life. House of Mercy provides similar palliative services, however, our objective is not only to ease patients’ pain, but also to help those patients who have a chance of getting better. In some cases, aggressive therapies can improve a resident’s health so that he or she can be discharged.

During fiscal year 2017, Anti-Retroviral Therapy (ART) was ordered for 8 of our 12 residents. Four of the residents not on ART were receiving hospice services while at House of Mercy. Seven of the 8 patients on ART tolerated and continued taking the medications. All lab results of residents on ART showed improved CD4 counts and reduced viral load (measure of immunity). Four of the 7 residents (57%) on ART moved to independent living. In cases where residents return to the larger community, our Director of Nursing is available to help with securing housing and resources necessary for their successful transition.



Staffing & Governance: House of Mercy has 14 employees with 11 working directly in the residence. These include the bilingual Coordinator of Resident Recreation and Volunteers, and ten other caregivers (Certified Nurse Assistants/Med Techs) who report to the Director of Nursing and Case Manager. The Director of Nursing and Case Manager, the Director of Administrative and HR

Services, and the Director of Development report to the President/CEO. The President/CEO is accountable to House of Mercy’s Board of Directors who meet bi-monthly. Board committee meetings are held as needed.

Objectives and Evaluation Procedures: To provide the best in care for its target population House of Mercy has established the following objectives and evaluation tools. In our fiscal year ending June 30, 2017, House of Mercy met or surpassed all objectives outlined below.

A. Objectives and evaluation tools: operation of the residential facility

Objective 1: House of Mercy will meet all facility standards contained in the 83 page licensure manual titled “Rules for Family Care Homes” administered by the Division of Health Services Regulation and the Gaston County Department of Social Services.

Evaluation Tool: The Department of Social Services conducts an unannounced monthly survey and the NC Division of Health Services Regulation conducts an annual survey. House of Mercy must meet all applicable requirements to maintain its licensure. House of Mercy again earned a 4-Star (100%) Adult Care Rating Certificate from the State of North Carolina.

Objective 2: House of Mercy must maintain a safe facility that meets all applicable local codes.

Evaluation Tool: Annually, House of Mercy is inspected by the Belmont Fire Department, the Gaston County Health Department, and an independent alarm company to ensure the facility meets applicable fire and safety

codes and the smoke detector and safety systems are functioning properly.

B. Objectives and evaluation tools: administration of health and related services at House of Mercy.

Objective 1: All staff must be trained to administer medications and successfully complete competency tests. Also, systems must be maintained to ensure medications are provided to House of Mercy residents consistent with federal and state guidelines.

Evaluation Tool: House of Mercy maintains a system for monitoring staff compliance with state medication exams and continuing education requirements. The results from the system are routinely examined by local DSS staff as part of the Adult Care Monitoring visit.

Objective 2: House of Mercy is responsible for preparing a plan of care for each resident after consulting with the resident and approved by their physician. Services provided are to be consistent with their plan of care.

Evaluation Tool: At admission, the Director of Nursing prepares an individualized Care Plan for each resident. Each Care Plan must be signed by a physician. Care provided to each resident and their current health status are routinely assessed against their individualized care plan. Each month resident charts are examined separately by an outside surveyor from DSS to ensure that the plan of care is being followed. Any variances from the plan of care are noted and follow up actions are initiated.



C. Objectives, Evaluation Tools and Outcomes

Objective 1: Annually, House of Mercy's goal is to provide at least 1,545 days of patient care.

Evaluation Tool: The number of days of care is reported monthly to the House of Mercy Board, the Department of Social Services and to other interested parties. In FY 2017, 1,745 days of care were provided (80% occupancy) with 180 days of 100% charity care for residents with no source of government reimbursement (i.e. Social Security, Medicaid).

Objective 2: From the date of admission to the date of discharge 50 percent of residents receiving anti-viral medication should show an improvement in their T-Cell Count (a measure of immune system's health) and a reduction in their viral load.

Evaluation Tool: House of Mercy prepares aggregate reports showing changes in T-Cell counts and viral load for each resident. Improvements in these two indicators often result in a successful discharge from House of Mercy. In FY 2017, all residents who continued AntiRetroviral Therapy (ART) showed improved lab results and 57% on ART returned to independent living.

Objective 3: At least 90% of our residents should be satisfied with the care they receive during the year.

Evaluation Tool: Bi-monthly a board member from House of Mercy administers a confidential survey to monitor the

satisfaction of residents with the care they receive at the facility. Aggregate results are shared at board meetings and appropriate changes are made in response to resident concerns. Over 90% of residents surveyed (anonymously) in FY 2017 were satisfied or very satisfied with their care.



Above all else, House of Mercy is a home where persons living with AIDS can live and grow in a supportive community. The values expressed in our mission statement set the standard in serving our residents' needs.

- All persons have the right to dignity in life and death
- All persons have the right to safe, loving, peaceful and comfortable surroundings.
- All persons have the right to complete, competent medical care without financial stress
- All persons have the right to a full life until death.
- All persons have the right to have their physical needs attended by competent caregivers when they can no longer care for themselves.

Tax-exempt Status: House of Mercy is exempt from federal income tax under IRS section 501(c)3. House of Mercy, a ministry of the Sisters of Mercy, falls under the IRS 2017 Group Ruling for the US Conference of Catholic Bishops as a public charity listed in *The 2017 Official Catholic Directory*. Our Tax I.D. is #56-1733055.

Privacy Policies: Privacy policies for House of Mercy clients, donors and volunteers are on our website.

Financial Information: House of Mercy meets Better Business Bureau Charitable Accountability Standards. See www.thehouseofmercy.org for a link to our most recent Form 990. A complete financial review is conducted annually by an independent certified public accounting firm. Copies are kept on file at House of Mercy Administration, 100 McAuley Circle, Belmont, NC.

House of Mercy Administrative Staff (74 years total serving House of Mercy):

Stan Patterson, President & CEO

Shirley Stowe, Director of Nursing & Case Manager

Connie Hastings, Director of Administration & Human Resources

Marjorie Storch, Director of Development

House of Mercy Board of Directors (10.17)

<u>Member Name</u>	<u>Title/Place of Business</u>
Maggie S. Baucom (Chair)	Coordinator St. Gabriels Catholic Church
H. Yates Dunaway IV	Real Estate Development Tri Bridge Residential, LLC
Rev. Vincent H. Finnerty, CM	Pastor Our Lady of Guadalupe Catholic Church
Mike Grace (Treasurer)	President C FGI Westinghouse LLC
David Guidry (Vice Chair)	Senior Associate King & Spalding Litigation Group
Katie Hayes	Life Care Coordinator Sisters of Mercy West Midwest Community, Regional Community of Detroit
Ellen Palmer (Secretary)	Commercial Lending Officer Bank of North Carolina
Stan F. Patterson (President/CEO)	President & CEO House of Mercy, Inc.
Sr. Jill Katherine Weber	Physical Therapist Holy Angels Residential Center

House of Mercy, Inc.

P.O. Box 808, Belmont, NC 28012 • 704-825-4711 • www.thehouseofmercy.org

House of Mercy, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)
(See Independent Accountant's Review Report)

	2017			2016
	Unrestricted	Temporarily Restricted	Totals	Totals
Support, revenue, and gains				
Related party contributions	\$ 269,340	\$ -	\$ 269,340	\$ 267,340
Donations	76,925	150	77,075	55,274
Corporate and foundation grants	146,000	68,316	214,316	221,830
Resident fees	65,579	-	65,579	56,096
Special events	76,852	-	76,852	68,300
Resident service income	27,388	-	27,388	26,615
Donated facilities	42,155	-	42,155	40,928
Investment return	115,911	-	115,911	4,105
Other income	2,455	-	2,455	-
	<u>822,605</u>	<u>68,466</u>	<u>891,071</u>	<u>740,488</u>
Net assets released from restrictions-satisfaction of donor restrictions	53,466	(53,466)	-	-
Total support, revenue, and	<u>876,071</u>	<u>15,000</u>	<u>891,071</u>	<u>740,488</u>
Expenses				
Salaries, related benefits and contract services	579,106	-	579,106	596,149
Resident care	32,979	-	32,979	33,859
Depreciation	21,647	-	21,647	19,356
Fundraising	9,118	-	9,118	10,379
Office	3,395	-	3,395	4,556
Occupancy	42,155	-	42,155	40,928
Insurance	21,954	-	21,954	19,356
Utilities and telephone	10,942	-	10,942	11,838
Other	21,575	-	21,575	23,440
Total expenses	<u>742,871</u>	<u>-</u>	<u>742,871</u>	<u>759,861</u>
Change in net assets	133,200	15,000	148,200	(19,373)
Net assets				
Beginning of year	<u>1,168,013</u>	<u>-</u>	<u>1,168,013</u>	<u>1,187,386</u>
End of year	<u>\$ 1,301,213</u>	<u>\$ 15,000</u>	<u>\$ 1,316,213</u>	<u>\$ 1,168,013</u>

INDEPENDENT ACCOUNTANT'S CONCLUSION

“...Based on my review, I am 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.”

William L. Woody, Jr., CPA, 226 Wilmot Drive, P.O. Box 550351, Gastonia, NC 28055

The FY 2017 Financial Review was approved by House of Mercy's Board of Directors on October 3, 2017.