

**DUES STRUCTURE**

Dues are payable on a calendar year basis, due and payable in full on the first working day of January of each year. An interest rate of 10 percent per annum may, upon direction of the board, be charged on all dues not paid within 30 days of the due date. Any member not paying any portion of dues by April 1 of each year shall be considered a member "not in good standing" and shall be removed from membership. The Board of Directors may, at its discretion, make provisions for an extension of the April 1 time frame upon request of a full member experiencing financial hardship. Members who are admitted to membership prior to April 1 in any year shall pay dues for the full calendar year. Dues of members who join on or after April 1 of any year shall be prorated on the basis of the number of whole months remaining in their first membership year. AHA dues are billed at the same time as NHA dues. AHA dues are due by July 1. AHA dues are payable until the end of the calendar year. NHA retains \$175 from each AHA member dues. Re-billing for AHA dues occurs at the end of April.

**MEMBERSHIP DUES**

**Full Members:**

The amount of dues assessed full members in any given year will vary based upon the projected budget for that year. The budget will be developed and approved by the Board of Directors no later than November 30 of every year. The budget will be prorated to each full member according to an "expense-based" methodology as follows:

For non-federal acute/specialty hospitals and health system members, total operating expenses net bad debt as reported on the Nevada Hospital Quarterly Reports, for the prior fiscal year period from July 1 through June 30, will be used.

For federal hospitals and other full members, total operating expenses for the prior fiscal year from July 1 through June 30 will be provided by the member.

Each full member will be assessed a portion of the board-approved budget based upon a budget contribution calculated as follows:

1st	\$5,430,000 of expenses	1.16 per thousand
2nd	\$5,430,000 of expenses	.94 per thousand
3rd	\$5,430,000 of expenses	.66 per thousand
	Balance of expenses	.37 per thousand

This budget contribution is divided into the total budget contributions of all full members to arrive at this member's percentage contribution to the board approved NHA budget. This will represent the full member's "dues" for that year.

EXAMPLE:

Step 1: Member X has operating expenses of \$19,000,000. Their budget contribution calculation is:

\$5,430	_ 1.16	6,298.80
\$5,430	_ .94	5,104.20
\$5,430	_ .66	3,583.80
\$2,710	_ .37	<u>1,002.70</u>
Total		15,989.50

Step 2: In order to calculate Member X's "dues" or contribution to the budget, the following calculation is performed:

1. NHA approved budget	\$600,000.00
2. Member X's budget contribution (Step 1)	15,989.50
3. <u>Total</u> full member budget contribution calculation (Sum of individual full member budget contributions)	675,000.00
4. Member X % of total full member budget contributions (\$15,989.50 divided by \$675,000)	2.368%
5. Member X's <u>actual dues</u> (contribution to the budget)	\$ 14,213.00

Provided that there is an excess of revenues over expenses in any given year, an "offset" to future dues will be given to all full members the following year.

Sole community providers of rural facilities that are operating at a loss will be given an 80% reduction of their dues. Those that are operating at a less than 1% operating margin will be given a 50% dues reduction.

The maximum dues for federal VA hospitals are \$10,000.

**Colleague Members:**

Colleague members with anticipated bed openings less than 50 are assessed dues of \$1,000 per year. Colleague members with anticipated bed openings 50 or more are assessed dues of \$3,000 per year.

**Associate Members:**

Associate members are assessed dues of \$1,000 per year. Associate members as of December 31, 1996 will be assessed \$750 in 1997 and \$1,000 thereafter.

**Honorary Members:**

Honorary Members are not assessed dues.

**Retained Earnings:**

NHA will maintain approximately 12 months of operating reserves and will include a provision in the NHA budget to achieve this reserve as necessary.