

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES
BOARD MEETING – OPEN SESSION**

MINUTES – February 25, 2009

BOARD MEMBERS PRESENT: Jerry Schulze (Chair), Pat Thompson, M.D. (Vice Chair), David Tedder (Secretary/Treasurer), Alice Wright, Terry Murray, Bill Paddock, Steve Kessel, M.D., James Simmons, M.D.

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, David Homyk, Ed Ricks, Scott Stowe, Alice Moss, Paul Mazzeo, M.D., Ann Mecherle, Nora Kresch, Dawn Crawford, Paul Sommerville (Beaufort County Council Member)

ABSENT: Charlene Robinowich

CALL TO ORDER: Mr. Schulze called the meeting to order at 7:30 a.m., and stated that the Press had been notified. A motion was made by Mr. Tedder to go into Executive Session at 7:31 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Dr. Thompson, and unanimously approved. The meeting re-convened to Open Session at 9:00 a.m.

INVOCATION: Mrs. Wright gave the Invocation.

INTRODUCTION: Mr. Schulze welcomed Paul Sommerville, our new liaison from Beaufort County.

APPROVAL OF MINUTES – January 28, 2009: Mr. Tedder made a motion, which was seconded by Mr. Paddock, to approve the minutes of the January 28, 2009 meeting. Unanimous approval.

HOSPITAL PROGRAMS – Breast Navigator Program: Mrs. Carroll introduced our BMH Breast Care Coordinator, Ronda O’Connell, R.N., and Sr. Director of Imaging and Cardiopulmonary, Daniel Mock. Daniel led the effort of bringing Mrs. O’Connell into this new position. Mrs. O’Connell gave an overview of the progress with this new program. She said they were awarded a grant of \$30K from the Susan G. Komen Foundation last week. Dr. Thompson inquired whether there was a way to expedite communication when a mammogram comes back looking suspicious and a diagnostic mammogram is needed. Mrs. O’Connell said there is an option for doctors to check off when writing the order for the screening mammogram. Mrs. O’Connell will be meeting with the OB/GYN physicians later this evening and will solicit suggestions for improvement.

Shared Governance: Mrs. Carroll introduced Trish Deems, Director of Education, Don Bodiker, R.N., Chair of the Shared Governance Committee, and Kelly Dwyer, R.N, Co-Chair. They presented the program and shared a video on the BMH website entitled “*Learn How Shared Governance is Improving Nursing Care at BMH.*” The program was established in January 2008, as well as establishing a Nursing Advisory Board and developed a Nursing Advisory Center (NAC) located on our intranet. The NAC was put in place, so that nurses could easily access various policies and minutes from various committee meetings. They also developed unit based practice councils on the various nursing units. In addition, they discussed the Daisy Award – a nation-wide organization to recognize nurses.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray stated that we had a strong month in January. The inpatient census rose to 138, which was 9% above December. However, outpatient census was below budget largely due to decreasing activity at the Keyserling Cancer Center (KCC). Year-to-date (YTD) our total revenues are at \$132.2M, which exceeds our budget by \$2.6M. Operating expenses for January were \$12.7M, which was \$118K above budget and YTD at \$1.7M above budget. She mentioned we have made progress in our cost reductions and pleased to hear that we currently have no contract nursing labor on board. She noted our salaries, wages and benefits are running higher than anticipated, but mentioned that it's an art as well as a science to staff for fluctuating census levels. YTD our operating income is \$2.4M; however, we anticipated an income of \$3M. She mentioned that all ratios had improved except for two: Days in accounts receivable increased to 53.3 days, which is above our midpoint and days cash on hand decreased to 185.4 since we paid \$600K for the lot next to the Keyserling Cancer Center and additional capital purchases. Mr. White has renegotiated our Line of Credit (\$11M) at terms that were not as favorable as in the past, which is a reflection of the lending environment these days. Mrs. Murray also mentioned that BMH is in the middle of a FY2007 Medicare audit and the auditor is disallowing some of our charity care and routine charges related to room and board. We are anticipating appealing those decisions by the auditor. Mr. Toomey stated that the RAC program has been reinitiated nation-wide and in October 1, 2009 they will be moving to the physician offices and auditing them. The financial report was unanimously approved.

Keyserling Cancer Center: Mr. White gave a snapshot report of the FY2008 Contribution Analysis for the KCC (report attached). The gross revenues were almost \$7.8M and after contractual adjustments were written off, the net patient revenue was \$3.3M. He reviewed the direct expenses which amounted to \$3.1M, which provided a bottom-line of \$220K operating income and an operating margin of 6.6%.

Dr. Kessel reported that Dr. Chahin is not using our labs, which Mrs. Foulger replied that he has his own laboratory equipment. Dr. Thompson mentioned that AETNA is requesting all their patients to utilize Quest labs.

Mr. Toomey said in speaking with Duke regarding physician services at KCC, they estimated a loss of \$230K, which BMH will need to make up. As we started to review this scenario, we had an opportunity to look at bringing on an independent practice model to KCC, which will still be affiliated with Duke. Duke has commented that potentially the fees we are paying them for the net income may be renegotiated.

Mr. Paddock asked if we could also get a breakdown of data on our Cochrane Heart Center with Duke.

Quality Improvement Committee: Dr. Kessel presented results from our PRC Customer Satisfaction Survey and the Medical Staff PI Report. Both were reviewed in Executive Session. Unanimous approval.

Governance Committee: Dr. Thompson mentioned that the Board Officers Election is every two years, so the next election will be held next February.

COMMUNITY OUTREACH: Mr. Paddock commented that addressing youth obesity was a goal that came out of a Board Planning Retreat a few years ago, and he was delighted to see its

progress through the *Together for Beaufort Eat Smart Move Coalition* in the Community Outreach report.

MEDICAL STAFF – Credentials: Dr. Mazzeo presented the Credentials and the Medical Staff reports during the Executive Session. Mr. Paddock made a motion, which was seconded by Mr. Tedder, to accept the MEC and Credentials Committees recommendations. Unanimous approval.

Dr. Mazzeo also presented the Restraints and Seclusion policy for approval. Mr. Tedder made a motion, which was seconded by Mrs. Wright, to accept the policy as presented. Unanimous approval.

STAFF REPORTS: Ancillary & Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: Mrs. Murray questioned, “Where are the violent patients being transferred to from our mental health unit?” Mrs. Foulger stated that previously, hospitals could transfer them to the Bryant Center in Columbia; however, with reimbursement changes most hospitals have to keep the patients for 30 days. Since we have a mental health unit, we have to keep them even longer.

Mr. Paddock recognized the nursing vacancy rates are down and applauded the staff on their efforts. Mr. Tedder made a motion, which was seconded by Dr. Simmons, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mrs. Moss reported that charitable giving is way down due to the economy. She said it looks like we have a net profit on the Valentine Ball of \$120K, which is way down from previous years. She said it’s a combination of our lower corporate sponsorships and our expenses were up, since we could not use the Lyceum. She acknowledged Southern Graces who catered the event and donated the entire bar service.

The next Foundation Board meeting will be held at the Bluffton Medical Services on March 10th at 5:00 p.m. She noted that The Duke Symphony will be here on March 28th and she asked for volunteers that could provide housing for the students who will be performing.

MANAGEMENT REPORT – Mr. Toomey said since we are having a Foundation Board meeting on March 10th, we will hold a small Strategic Planning Committee meeting at the Board Retreat. He said the Valentine’s Ball was a wonderful event and proved to be an excellent location.

The Volunteer Appreciation Dinner will be held on April 29th at the Marine Corps Air Station. He said that Senior Management actually serves the dinner, and he invited the Board members to assist in serving if they could make it and to let him know. Mr. Toomey said on May 22nd last year, we had Tom Dewese from the American Hospital Association and Thornton Kirby from SCHA present to the Board, BMH Directors, and various members of the medical staff an update on healthcare in the state and nation. He said he will be asking them back, as well as a representative from the South Carolina Medical Association (per Dr. Pearce’s suggestion), on Thursday, May 21st for a dinner meeting at the Holiday Inn. He asked that everyone tentatively mark their calendars and that more details will be forthcoming. Mr. Toomey will also invite the medical staff, board members from Broad River Healthcare, BMH management, and board members from the BMH Foundation to attend.

CHAIR ANNOUNCEMENTS: Mr. Schulze reminded everyone of the upcoming Board Retreat March 20-21st at the Westin on Hilton Head Island and the Duke Symphony on March 28th. He is pleased our revenues and expenses are finally growing at the same rate and happy that we have no contract labor in nursing.

ADJOURN: The meeting adjourned at 10:20 a.m.

Respectfully Submitted,

David Tedder
Secretary/Treasurer