

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

**MINUTES – May 27, 2009**

**BOARD MEMBERS PRESENT:** Jerry Schulze (Chair), Pat Thompson, M.D. (Vice Chair), David Tedder (Secretary/Treasurer), Terry Murray, Susan Williams, Andrea Allen, Bill Paddock, James Simmons, M.D.

**OTHERS PRESENT:** Rick Toomey, Karen Carroll, Pat Foulger, David Homyk, Paul Mazzeo, M.D., Paul Sommerville (Beaufort County Council Member), Alice Moss, Nora Kresch, Ann Mecherle, Dawn Crawford, David Black (Howell, Gibson and Hughes), Bill McBride (Beaufort County Council Member)

**ABSENT:** Steve Kessel, M.D., Scott Stowe, Jeff White, Ed Ricks

**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 Dr. Thompson 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. Simmons, and unanimously approved. The meeting re-convened to Open Session at 8:55 a.m.

**INVOCATION:** Dr. Simmons gave the Invocation.

**INTRODUCTION:** Mr. Schulze welcomed Bill McBride (Beaufort County Council Member) and David Black from Howell, Gibson and Hughes.

**APPROVAL OF MINUTES – April 29, 2009:** Mrs. Williams made a motion, which was seconded by Mr. Paddock, to approve the minutes of the April 29, 2009 meeting. Unanimous approval.

**HOSPITAL PROGRAMS**

**Culture Team:** Mr. Homyk introduced the members of the Culture Team. Jamie McMahon, Daniel Mock and Mark Senn presented the team's purpose and progress. The goal is to align our Mission and Vision with our Strategic Plan by defining the culture it will take to make it happen. The group used Fred Lee's book, "If Disney Ran Your Hospital" as a starting point in January. The five core values have been identified as: integrity, compassion, communication, responsibility, and safety. Mr. Paddock commended the team for their work thus far and asked what the Board could do to assist. Mr. Homyk said that the recognition and pay for performance programs may take a different approach and will need the Board's support and approval. Mr. Homyk said the new evaluation measurements for employees would be communicated prior to next year's evaluations. He also stated that the goal is to have the new culture fully realized in two years, so that all employees will be able to state the five values. Mrs. Foulger mentioned that our policies and procedures should relate back to these values and share them with our physicians.

On June 5, hospital leaders will meet to move the process forward by clearly defining the core values we want to make up the BMH Culture, and the work will continue until it is fully realized.

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## COMMITTEE REPORTS

**Finance Committee:** Mrs. Murray said we had a good month in April and shared some of the highlights. The inpatient census was only slightly below budget, but we were 2.3% higher than previous year. Outpatient census hit a record of over 11,000 registrations. Operating expenses were over budget by \$536K. Wages were a little bit above budget, primarily due to not being budgeted appropriately for since labor has changed. The bottom line April result for the operating income was \$805K, which was right on budget and Year-To-Date (YTD) at \$5.2M. Last year our operating income YTD was \$7M and an operating margin of 4.19%, as compared to our YTD operating margin of 2.35%. We are not doing as good as last year; however, given the economy and inpatient census we are still making headway. Revenue and expense growth is definitely going in the right direction. Days in accounts receivables has gone down and has for the past three months and we are beating the benchmarks from Moody's A3 rating.

Mrs. Murray stated that Mr. White reported on several Medicaid cost settlements in the Finance Committee meeting on Monday, and they are seeking \$1.8M for 2005 and he has already reflected this item on our balance sheet. She said Mr. White concurred that we were overpaid. Mrs. Murray said the staff gave us an example of the kind of analysis they go through, i.e., Surgical Analysis Committee reviewed and analyzed a new product for spinal cord stimulator surgeries and it was determined that we discontinue pursuing this type of surgery, since we are losing money on each case for the hardware component. She also noted that Mr. White reviewed the new IRS 990 form and mentioned that next year Dixon-Hughes will be contracted to prepare this new and much more complicated form, as well as present it to the Board. She said this information is public and if you want a copy to contact Mr. White. Also, the report of indirect and direct expenses for analysis of profitability by departments will be reviewed on an annual basis by Mr. White. Mr. Schulze noted that the YTD operating margin is at a point which will trigger Gainsharing – we have achieved four out of five our Gainsharing goals; however, we are still working on reducing the number of falls. Mr. Toomey said that Mr. White had recently attended an HFMA (Healthcare Financial Management Association) conference whereby a question was posed to the leaders of those states and the consensus was that two-thirds of the hospitals in South Carolina, Georgia, Tennessee, and a couple other states are operating at a negative level. Mr. Paddock mentioned that we need to continue to focus on meeting our goals, as the summer months are the most challenging.

**Quality Improvement Committee:** Dr. Simmons presented in Dr. Kessel's absence the following reports in Executive Session:

- Medical Staff PI Report
- Infection Control Plan
- Customer Satisfaction Results (January – March 2009)

*Mr. Paddock suggested that a column with the previous quarter's numbers be added to the Infection Control Plan in order to compare against the actual year-to-date numbers.*

Dr. Thompson made a motion, which was seconded by Mr. Paddock, to approve the reports. Unanimous approval.

**Governance Committee:** The Governance Committee did not meet in April.

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**COMMUNITY OUTREACH:** Mr. Schulze noted that employee memberships are going down and that we need to encourage participation in LifeFit. Mr. Homyk said this fall he will be making a strong connection with the wellness initiatives. Report reviewed and approved.

**MEDICAL STAFF – Credentials:** Dr. Mazzeo excused himself, as his privileges were also up for approval. Dr. Thompson presented the Credentials and the Medical Staff reports as discussed in Executive Session. Mr. Paddock made a motion, which was seconded by Mr. Tedder, to accept the MEC and Credentials Committees recommendations. Unanimous approval.

Dr. Thompson also presented the following delineation of privileges as discussed in Executive Session for the following departments: Pediatrics, Department of Surgery – Urology, and Department of OB/GYN; the latter two relating to use of the new da Vinci Surgical System. Mr. Paddock made a motion, which was seconded by Mr. Tedder, to accept the delineation of privileges as presented in Executive Session. Unanimous approval.

Dr. Thompson also presented two policies for approval that were discussed in Executive Session:

- Hypoglycemia Protocol for Adults
- Adult IV Insulin Infusion

Mr. Tedder made a motion, which was seconded by Mrs. Williams, to accept the policies as presented in Executive Session. Unanimous approval.

**STAFF REPORTS: Ancillary & Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services:** Mr. Homyk reviewed the sample of the Statement of Benefits that was delivered to every employee by their manager during May, and each statement was personalized for each employee. He said many employees thanked him for the report, as they were not aware of how much BMH paid for their benefits. Mrs. Murray made a motion, which was seconded by Dr. Thompson, to approve the staff reports. Unanimous approval.

**BMH FOUNDATION:** Mrs. Moss reported for the Foundation in Mr. Stowe's absence. Several Foundation members contributed a total of \$6,400 to challenge the BMH Pirates to surpass their goal of increasing employee participation to over 1,500 new minutes per pay period. Employees responded and donated over 2,100 minutes, which brings the employee participation in this year's Employee Appeal over 50% – a record for BMH and most hospitals nationwide!

She said with Dr. Pratt's donation of \$1.5M we are up significantly this year in contributions; however, our number of contributor is significantly down.

**CUSTOMER SERVICE REPORT:** Mr. Paddock noted the numbers in this report have fallen. Mr. Toomey said the ED quality and safety have improved during this past quarter, and they will continue to focus on these areas. PRC calls patients a week after they have been discharged, and then our numbers are benchmarked against their other hospitals.

**MANAGEMENT REPORT – Contractual Arrangements:** Mr. Toomey said Dr. Rehman has been having difficulty securing ED physicians and has one leaving next month. Mr. Toomey

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said he met with Dr. Rehman, Mrs. Carroll and Mrs. Foulger to discuss his needs for physicians. He said they are scheduled for another meeting and will decide on an option to move forward.

**Cardiologist:** Mr. Toomey said he met with Dr. Nunamaker from the Lowcountry Medical Group and said he has a cardiologist that is interested in coming here. He is meeting with Dr. Lawton, who is interested in establishing a cardiology office in Beaufort. Dr. Lawton also has a potential candidate whose spouse who is a Family Practitioner and is interested in relocating here. Mr. Toomey is scheduled to meet with Dr. Lawton tonight to discuss his interest. Mr. Toomey said the primary focus for recruitment this fiscal year is for Cardiology and Family Practitioners.

**CHAIR ANNOUNCEMENTS:** Mr. Schulze said the Hilton Head-Bluffton Chamber of Commerce preview of the new facilities at Bluffton Medical Services on May 20<sup>th</sup> was a great event. He said the next event, which is open to the public, is scheduled for June 10<sup>th</sup> and encouraged everyone to attend. He also mentioned that the Healthcare Forum on May 21<sup>st</sup> at the Holiday Inn was very positive and looks forward to keeping it as an annual or every other year event. He also stated that the November and December Board meetings are mixed as to which days to hold them on, and asked everyone to give their information to Dawn for compilation.

**ADJOURN:** The meeting adjourned at 10:12 a.m.

Respectfully Submitted,

David Tedder  
Secretary/Treasurer