

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

**MINUTES – November 24, 2009**

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

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

**ABSENT:** Terry Murray, Paul Mazzeo, M.D., Scott Stowe

**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 Mrs. Williams 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 Mrs. Allen, and unanimously approved. The meeting re-convened to Open Session at 8:45 a.m.

**INVOCATION:** Mr. Tedder gave the Invocation.

**INTRODUCTION:** Mr. Schulze welcomed Dr. Rosalind Dawson.

**APPROVAL OF MINUTES – October 28, 2009:** Mrs. Allen made a motion, which was seconded by Mrs. Williams, to approve the minutes of the October 28, 2009 meeting. Unanimous approval.

**HOSPITAL PROGRAMS – Wound Care Center (WCC):** Mr. Toomey introduced Terrence Mabry and Jim Fagnoli of Diversified Clinical Services who presented an update on the Wound Care Center. Mr. Mabry reported that for the fiscal year-end they have healed 350 wounds, treated 312 patients with 2,522 visits, and 560 Hyperbaric Oxygen (HBO) treatments. The WCC average days to heal a wound was 28 days; goal of less than 35 days with a benchmark of 29. He also mentioned that the percentage for healing was 92.6%, and the goal is less than 35 with a benchmark of 89.9%. The payer mix is 71% Medicare, 4% Medicaid and 20% Commercial. Mr. Mabry said during the first quarter of 2010, the WCC has seen 48 new patients; however, the HBO volume has decreased. He said the plans to increase HBO volume will consist of education for BMH staff and physicians, as well as an HBO webcast and an on-site visit by Dr. Richard Zollinger, weekly meetings, and targeted community education.

Mr. Fagnoli reported a year-end profit of \$140,267 for the WCC. He said he would make a concerted effort to ensure we are being paid properly and to ensure there are no denials. He mentioned that Mr. Mabry is working on a revenue cycle review (between 8-10 charts per month are audited for documentation and billing) to ensure everything is working correctly. Dr. Thompson noted that there seemed to be a significant loss of revenue between the third and fourth quarter of 2009, which Mr. Mabry stated was primarily due to a decrease in the number of HBO treatments. Mr. Toomey said that overall the first year has been a success.

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**RESOLUTION** – Dr. Thompson brought forth the resolution that was discussed in Executive Session. Mr. Tedder made a motion, which was seconded by Mr. Paddock, to accept the resolution as presented in Executive Session. Unanimous approval.

**CPOE (Computer Provider Order Entry) Overview:** Mr. Ricks gave an update on CPOE. He said this is a quality driven product to ensure best practices with best evidence based order sets. Dr. Thompson, PACT Chairman for past 4 years, discussed the quality enhancements and goal of achieving better outcomes. She mentioned some of the challenges have been getting physicians on board with this process and the cultural changes. *Mr. Toomey said we need to find a coalition of physicians engaged in this project and to find a physician leader as well.* Dr. Simmons suggested we have a physician liaison. Mr. Paddock questioned the roll-out strategy, which Mr. Ricks stated the first group will be working with the Hospitalists and Dr. Manos. December 2010 is the “go live” target. *A decision for a Director (2 physicians have applied) will be put to vote at the December Board meeting.*

### COMMITTEE REPORTS

**Finance Committee:** In Mrs. Murray’s absence, Mr. Schulze reported on the financial results for October 2009. He said the inpatient revenue was down (close to \$1M); however, our outpatient revenue made up for it (\$1.9M over budget), which carried almost \$1M variance. He said that unfortunately, we are running behind on other revenues and exceeded operating expenses by \$1.4M. This was primarily due to supplies for spine surgeries (11 more surgeries scheduled than planned) and the provision for bad debt of \$500K was higher than budgeted. Mr. White mentioned that we are seeing a higher volume of self-pay patients (9% of inpatient and 16% of outpatient are uninsured), which could be written off. He mentioned that when comparing BMH nationally with other hospitals, our self-pay is two times higher due to our community mix and continues to rise. Mr. Schulze said self-pay means that about 92% are no-pay patients and the rest pay about 8%. However, we still had income of \$650K and our operating margin for October was 1.55% and YTD total margin was 4.28%.

Mr. Schulze noted that net revenue was 23.1% ahead of last year; however, our operating expenses were more than anticipated and are currently 22.9% greater than last year. Our balance sheet is very strong with \$75M in cash and restricted investments; we had about \$4M more in investments than last year this time. He said we have about a 5 to 1 ratio of assets vs. liabilities, which is very good. The financial report was unanimously approved.

Mr. Paddock mentioned page 33, Physician Clinic Financials. Mr. Schulze stated that we are trying to determine the financial state of our physician entities. Currently, they have generated \$9.4M of net revenue with estimated expenses of \$7.9, which nets about \$1.5M in actual income (includes all referred ancillaries).

**Quality Improvement Committee:** Dr. Kessel presented the following reports:

- Medical Staff Performance Improvement Report Card
- Medical Staff Report Card
- Customer Satisfaction Report
- Leadership – Patient Flow

Mr. Tedder made a motion, which was seconded by Mrs. Allen, to approve the aforementioned reports as discussed in Executive Session. Unanimous approval.

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**COMMUNITY OUTREACH:** Report reviewed and approved.

**MEDICAL STAFF – Credentials:** In Dr. Mazzeo's absence, Mr. Tedder presented the Credentials report on his behalf. He presented the following practitioners for reappointment: Donald Christian, M.D., Active Staff (Dept. of Surgery – Otolaryngology); M. LaFrance Ferguson, M.D., Active Staff (Family Medicine); Kimberly Martin, M.D., Active Staff (Pediatrics); William Newberry, M.D., Active Staff (Oncology); Michael Gilbreath, M.D., Consulting Staff (Gastroenterology); Glenn Gwozdz, M.D., Consulting Staff (Gastroenterology); Nicholas Dardes, D.O., Active Staff (Internal Medicine). The following practitioners have requested appointment: Ifeoma Nnaji, M.D., Provisional Associate Staff (Family Medicine); Ravina Balchandani, M.D., (Cardiology).

The following practitioners have relinquished their privileges: Eddie Richardson, M.D., Active Staff (Family Medicine).

The following practitioners have requested additional privileges/change in staff status/honorary review (annual): Claude Tolbert, M.D., Active Staff (OB/GYN) to add daVinci Robotic System privileges; Karl C. Boatright, M.D., Active Staff (Orthopedics).

One year quality review/change in status: Randall Marosok, M.D., Provisional Active to Active Staff (Dept. of Medicine – Infectious Diseases).

Six month quality review: Eric Johnson, M.D. (U.S. Navy), Provisional Active Staff (OB/Gyn); Kate D'Orazio, P.A. (sponsored by M. L. Ferguson, M.D.), Allied Health (Professional Medicine); Carol Ann Coolidge, M.D., Provisional Active Staff (Dept. of Surgery – Plastic Surgery).

**FPPE Proctoring Update:** Practitioners approved October 2009: John Kane, M.D. (Family Medicine), 3 pediatric admissions, concurrent chart review – observation first 6 months (*until 4/1/10*); medical/surgical/ICU concurrent chart review first year (*until 10/1/10*); Ugochi Cantave, M.D. (Pediatrics), 5 pediatric charts and 10 newborn charts – concurrent in first year (*until 10/1/10*); all transfers during first 6 months to be reviewed by Perinatal Committee (*until 4/1/10*); Christopher Hurt, M.D. (Radiology), 20 diagnostic cases reviewed by peers.

Practitioners approved November 2009: Ifeoma Nnaji, M.D. (Family Medicine), 3 pediatric admissions – concurrent chart review first 6 months; 5 medical/surgical/ICU admissions – concurrent chart review first year; Ravina Balchandani, M.D. (Cardiology), concurrent chart review.

Mr. Tedder presented the Medical Staff report as discussed in Executive Session.

Mr. Tedder also presented the following policies and protocols:

- Reappointment to the Medical Staff Policy
- Autopsy Policy
- Clinical Nutrition Protocols Policy
- Medical Staff Rules and Regulations

Mr. Paddock made a motion, which was seconded by Mrs. Allen, to accept the MEC and Credentials Committees recommendations. Unanimous approval.

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**STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services:** Discussion regarding Colleton County hospital, which will be opening a 20 bed mental health unit in their hospital. The Blood Conservation Program has had tremendous success with reducing the Packed Red Blood Cells by 18% this year, which saved BMH about \$570K this year. Mrs. Foulger mentioned that we will be holding a blood drive on the Marine base soon. Mrs. Foulger also noted a few changes in the Bluffton staff recently. She said we had two CAN resignations in Bluffton – one is joining Dr. Reuben’s staff and the other left for more money. Also, MaryAnn Dabek’s management position was eliminated and redistributed to the staff. Dr. Simmons made a motion, which was seconded by Mrs. Allen, to approve the staff reports. Unanimous approval.

**BMH FOUNDATION:** Ms. Moss presented in Mr. Stowe’s absence. Ms. Moss reported that she had received great feedback from the Foundation’s Board Retreat and that the main message was that in order to take the Foundation to the next level it will take all of the Board to make it happen. Mr. Schulze also noted that it became obvious that the Foundation Board is not as knowledgeable about what the BMH Board of Trustees are doing, and that they were very interested in becoming more educated about the hospital. Ms. Moss also mentioned the Spirit of Giving Award was presented at the retreat to Mrs. Dot Rucker. She also stated that the annual appeal letters have been sent out, and that there is still some uncertainty about the Valentine Ball, as the construction at the Lyceum may not be finished in time.

**MANAGEMENT REPORT** – Mr. Toomey mentioned the revised meeting schedule for 2010 and the conflict of interest policy will be determined after the bylaws are completed. He also highlighted the handout on the *FY 2009 Year in Review*. He gave an update on the Best on Board (BOB) process, which is the SCHA initiative for hospital board members to be credentialed, which also included a story of healthcare terms (acronyms) that was recently shared at the annual TAP conference.

**CHAIR ANNOUNCEMENTS:** *Mr. Schulze mentioned that the Dashboard are being revised and will be presented at the next Board meeting.*

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

Respectfully submitted,

David Tedder  
Secretary/Treasurer