

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

MINUTES – January 27, 2010

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

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, Ed Ricks, David Homyk, Alice Moss, Nora Kresch, M.D., Paul Mazzeo, M.D., Paul Sommerville (Beaufort County Council Member), Bill McBride (Beaufort County Council Member), Ann Mecherle, Diane Wadas, Terri Harrison, Dawn Crawford, David Black (Howell, Gibson & Hughes), Greg Taylor, & Jennifer Smith (Dixon Hughes)

ABSENT: 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 Mr. Tedder to go into Closed Executive Session at 7:31 a.m. with Mr. Toomey and the nine Board members. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 8:10 a.m.

INVOCATION: Mr. Schulze gave the Invocation.

INTRODUCTION: Mr. Schulze welcomed Bill McBride, a Council Member from Beaufort County, David Black, attorney from Howell, Gibson & Hughes, and Greg Taylor and Jennifer Smith, auditors from Dixon Hughes.

2009 AUDIT – Mrs. Murray introduced our auditors, Greg Taylor (Partner) and Jennifer Smith from the accounting firm of Dixon Hughes out of Greenville, SC. Mr. Taylor thanked everyone for the opportunity to work with BMH and stated the audit went well, and included BMH, Broad River Healthcare and the Foundation. He reported that Dixon Hughes conducted the FY2009 audit using generally accepted accounting principles, and issued a “clean opinion” or unqualified. Mr. Taylor presented the audit report to the Board along with various ratios, and Ms. Smith presented BMH’s financials for FY2009.

Mr. Taylor noted that we had one audit adjustment, which did not affect the income statement – it was only a balance sheet adjustment. This adjustment dealt with a construction project with an invoice of \$265K, which should have posted as an accrual to Construction in Process. The invoice came after the end of the fiscal year close.

In addition, Mr. Taylor noted that we had one internal control deficiency dealing with dual controls under the Foundation. It was noted that a senior position in the Foundation did not maintain secondary oversight for pledge adjustments. Actions have already been taken to correct this issue.

Mr. Paddock made a motion, which was seconded by Mr. Tedder, to accept the Audit. Unanimous approval.

MOTION: A motion was made by Mrs. Williams to go into Executive Session at 8:50 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 10:48 a.m.

APPROVAL OF MINUTES – November 24, 2009 and December 21, 2009: Dr. Thompson made a motion, which was seconded by Mr. Paddock, to approve the minutes of the November 24, 2009 and December 21, 2009 meetings. Unanimous approval.

REBUTTABLE PRESUMPTION: Mr. Toomey said he had reviewed the recommendation with Don Meyer to engage Dr. Pat Thompson as the Medical Director of Clinical Informatics (*a 2 year agreement for part time work – 1,040 hours per year*). Mr. Toomey said that Mr. Ricks had interviewed two candidates and recommended Dr. Thompson. Mrs. Williams asked if it was a posted position, which it was along with the job description. Dr. Thompson said if she was reelected to the Board, she would step down as an officer, but would like to remain on the Board. Dr. Thompson excused herself from the vote.

Mrs. Murray asked about the termination clause. Mr. Toomey said if she stepped down during the first twelve months, we could not reengage during the initial twelve month period; however, we could hire someone else. Mr. Toomey said the job description is attached to the full contract, which is very specific and he would email a copy to those who wanted one. Mr. Toomey said that by obtaining a rebuttable presumption it protects us against a disqualified person – Dr. Pat Thompson is a disqualified person because she is on the Board. The presumption states that the disqualified person will not subject the organization's board members and officers to sanctions and penalties.

After reviewing materials provided by legal counsel for the Hospital, and a presentation by Mr. Toomey and with Dr. Pat Thompson excusing herself from the meeting, a motion was made by Mr. Tedder, which was seconded by Mrs. Allen, that the contract with Dr. Pat Thompson based upon the terms presented be approved, the CEO be authorized to execute the contract on behalf of Beaufort Memorial Hospital, and that the particular findings necessary to qualify as the rebuttable presumption as presented be adopted by the Board of Trustees. Eight board members approved (Jerry Schulze, Bill Paddock, David Tedder, Terry Murray, Andrea Allen, James Simmons, MD, Steve Kessel, MD, and Susan Williams). Dr. Thompson did not participate in the vote.

COMMITTEE REPORTS

Mr. Tedder put forth 3 motions:

1. Our CEO to be directed to expedite recruitment of additional orthopedic surgeons, Physician Assistants, Physician Extender, in order to alleviate the "on call" situation. Mrs. Murray made a motion, which was seconded by Mrs. Williams, to approve this motion. Unanimous approval.
2. The Board requested the Chairman to set up an adhoc committee regarding strategic issues with the improvement or retention of physician specialists, including call requirements unique to our Emergency Department. Mrs. Allen made a motion, which was seconded by Dr. Simmons, to approve this motion. Unanimous approval.

3. Affirm the decision the Board made a year ago that there not be a specific spine call set up at this time, until a special adhoc committee has had a chance to report back to the Board. Mr. Paddock made a motion, which was seconded by Dr. Kessel, to approve this motion. Eight members approved and one dissented (*Mrs. Murray*).

Finance Committee: Mrs. Murray stated we had a much better December than November. She noted that on pages 5 and 6 show the staff's plan for revenue cycle improvement and budget variance. *Mr. White will be giving a quarterly update on the status of those efforts.* The financial report was unanimously approved.

Mrs. Murray presented a Resolution for Reimbursement, which will allow the hospital to be reimbursed for certain costs related to the acquisition, construction and expansion of certain healthcare facilities related to the issuance of hospital facilities revenue bonds. Mrs. Williams made a motion, which was seconded by Mr. Paddock, to approve this resolution. Unanimous approval.

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

- Environment of Care Report
- Safety Plan & Annual Report on Safety

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

Governance: Dr. Thompson stated that the Governance Committee did not meet this month; however, she said the resolution of November 29, 2009 regarding a change in procedure with the submission of a single candidate for reappointment when the candidate is an incumbent was submitted to County Council by Paul Sommerville and Mr. McBride. Mr. McBride stated that the County Council met on January 19, 2010 and the Council accepted the resolution as presented. He also stated that the nomination of officers will be discussed at their next scheduled meeting.

Mrs. Mecherle stated that two Board evaluations have not been returned.

MEDICAL STAFF – Credentials: Dr. Mazzeo presented the following practitioners for reappointment: Erasme Coly, MD, Active Staff (Cardiology); Mark Dean, MD, Active Staff (Orthopedics); Amy Kirshtein, MD, Consulting Staff (Dept. of Surgery – Pathology); Malcolm Corley, MD, Consulting Staff (Radiology). The following practitioner was presented for appointment: Cathy Bagley, MD, Provisional Active Staff (OB/Gyn).

One year quality review/change in status: Lauren Springs, PA (sponsored by Dr. James Simmons), Allied Health Professional (Pediatrics); James McNab, MD, Provisional Active to Active Staff (Radiation Oncology); Mary Linda Hawes, MD, Provisional Active to Active Staff (Hospitalist); Evan Reese, MD, Provisional Courtesy to Courtesy Staff (Orthopedics).

Six month quality review: William Phillips, MD, Provisional Courtesy Staff (Radiology); Robert Greaves, MD, Provisional Locum Tenens Staff (Emergency Medicine); Jill Blau, MD, Provisional Associate Staff (Podiatry); Louis Bell, MD, Provisional Active Staff (Gastroenterology).

Dr. Thompson made a motion, which was seconded by Mrs. Murray, to accept the MEC and Credentials Committees recommendations. Unanimous approval.

COMPLIANCE: Mrs. Wadas stated that the annual training for compliance has been completed for all current and new employees. Office of the Inspector General (OIG) exclusion lists have been checked for all new employees, current employees and physicians. A new computerized process to check the OIG exclusion list for vendors is in the implementation stage. She is working with Don Meyer to revise the Code of Conduct. Specialty focus audits were conducted for calendar year 2009 that consisted of targeted Diagnosis Related Groups (DRGs), one day stay and charge audits. Mr. Toomey stated that there was a suggestion that we include another item on the corporate compliance report regarding randomized drug screens and to note the findings. Discussion ensued whether we could have random drug testing for physicians. Dr. Mazzeo said we could in fact screen physicians.

COMMUNITY OUTREACH: Report reviewed and approved.

STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: Mr. Paddock commented on the newly remodeled cafeteria and how great it looks! Mr. Schulze asked if there were any commonalities with the 58 employees that left last year. Mr. Homyk stated that 18 were behavior related and managed out, 12 were relocation related (*he noted we need to do a better job of probing where they are in the cycle*) and lastly, some people perceive this as an easy place to work and leave based on work demands. Mr. Paddock made a motion, which was seconded by Dr. Thompson, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Ms. Moss said the Foundation chose to honor the memory of Dr. Hugh Pearson, who served on BMH medical Staff and in several leadership positions, by presenting the Distinguished Physician Award to him posthumously. She said besides running a busy practice, he worked tirelessly to foster quality hospice care in the community, and was the original Founder of Friends of Caroline Hospice where he served on its board for many years.

Mr. Tedder mentioned that a former board member, **W. Hardee McLeod**, recently passed away. Mr. Tedder saw his daughter at the funeral and she mentioned that she had found a picture of her father that was taken while he served on our board (20-30 years) and requested we find an appropriate place to hang it in the hospital.

MANAGEMENT REPORT: None

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 11:26 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer