

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

MINUTES – April 28, 2010

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

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, Ed Ricks, David Homyk, Paul Mazzeo, M.D., Paul Sommerville (Beaufort County Council Member), Alice Moss, Nora Kresch, M.D., Bill McBride (Beaufort County Council Member), Ann Mecherle, Dawn Crawford, and David Black (Howell, Gibson & 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. Paddock to go into Closed Executive Session at 7:31 a.m. with Mr. Toomey and the nine Board members. The motion was seconded by Mr. Tedder, and unanimously approved. The meeting re-convened to Open Session at 10:17 a.m.

INVOCATION: Dr. Kessel gave the Invocation.

APPROVAL OF MINUTES – March 31, 2010: Mr. Paddock made a motion, which was seconded by Dr. Thompson, to approve the minutes of the March 31, 2010 meeting. Unanimous approval with noted changes.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reviewed the Dashboard Report (pg. 42). She stated that all key indicators are either green or yellow indicating another strong month. The operating income was \$1,200,127 with improved cash collections, and staff has continued to control expenses. She noted that we are better YTD then this time last year. She mentioned that the Dashboard Report is just about finished thanks to Mr. White and Mr. Ricks. *She stated that Mr. White will be including a document with financial ratios definitions behind the Dashboard Report next month.*

She said they reviewed the Revenue Cycle report (pg. 36) and stated that Mr. White will be holding off on selecting a single billing company until the new practice manager has been selected. Because of the adoption of MedHost in the ER (pg. 39), it has clearly provided an increase in the average payment for each date of service. She congratulated the IT department for the implementation and the ER for using this new system. She mentioned they reviewed the capital projects report (pg. 40) and there was nothing of interest to note. She said they did review the consolidated statements which included the physician clinics (pg. 35). She said it shows a loss of around \$1M for the clinics, which does not include the ancillaries. However, it is an improvement over the previous quarter YTD, which was a loss of around \$800K.

IRS 990: Mrs. Murray stated that Mr. White will be requesting a filing deadline extension, no downside with that, which will allow us to have a full review at the Finance Committee and Board meetings during May. She said it is important that we have a full understanding of this

report in order to accurately answer any questions that the public may ask. Mr. White will present this report at the Finance Committee and Dixon Hughes will present at the Board meeting.

Mr. Tedder questioned the 50% jump in charity care during the first quarter. Mr. White said it was a combination of two things: 1) the uninsured is going up, so we are writing off more and are working to ensure we properly classify the write-off and 2) we made a large adjustment (\$600K) in March shifting from bad debt to charity care.

Audit Committee: Mrs. Murray stated that the Finance Committee has been acting as the Audit Committee; however, a few months ago we asked *Mr. White to look into best practices to discuss with the committee.* In the meantime, she noted that at the Best on Board training that many of the Board members attended in Charleston, that there was good discussion regarding audit committees and that they should be made up of independent members that receive no compensation from the hospital. She said Mr. Schulze suggested we create an audit subcommittee made up entirely of independent members. Mr. Schulze stated that the audit subcommittee members will include: Terry Murray, Andrea Allen, Bill Paddock and Jerry Schulze. He said they would meet twice a year.

Mrs. Murray stated that Mr. White has communicated our terms to extend the contract with Dixon Hughes and they have agreed to our terms. The financial report was unanimously approved.

Quality Improvement Committee: Dr. Kessel presented in Dr. Simmons absence the Environment of Care report. Mr. Paddock made a motion, which was seconded by Mrs. Murray, to approve the report as discussed in Executive Session. Unanimous approval.

Governance: Dr. Thompson said they met last week and one of the items discussed was the board's comfort level for physician credentialing and that the files will now be available to anyone that wants them. She pointed out that the onus after the initial application is on the hospital to ensure the qualifications are reviewed and met.

Board Policy Revisions: Dr. Thompson stated that the Education policy will mandate that all board members will be certified with the Best on Board program, and that everyone must attend one of the educational conferences offered annually. *She said the policies and procedures that were discussed at the Board Retreat will be put in writing and will be included in the next board packet.*

She said the new business included extensions for the Broad River Healthcare officers. Mr. Tedder stated that BRHC has been in the process of having Don Meyer revise the bylaws and in the interim 3 board members have had their terms expire, who are still serving until new members are recruited. He said it was a formal motion at the last BRHC meeting that they leave the officers in place and have the BRHC bylaws amended to provide 4 year terms instead of 3 year terms, and that board members terms that are expiring in 2011 be grandfathered into 2012. He said the revised bylaws will be brought forward to the BMH Board of Trustees in the May/June timeframe for approval and adoption; however, he said there are some holdovers until this process is complete. Mr. Tedder made a motion, which was seconded by Mrs. Murray that the BRHC officers be left in place as mentioned. Unanimous approval.

Mr. Tedder made a motion, which was seconded by Mr. Paddock, that these changes be ratified as stated above. Unanimous approval.

COMMUNITY OUTREACH: Report reviewed and approved. Mr. Homyk stated that he is working with the LifeFit staff to develop a dashboard report for community services, which would include trending. Drs. Mazzeo and Kessel inquired about the PAD screenings. Dr. Mazzeo suggested we consider doing these types of screenings regularly on the mobile unit, because people want them and they could uncover problems that need to be addressed.

MEDICAL STAFF – Credentials: Dr. Mazzeo presented the following practitioners for appointment: Angela Court, MD, Active Staff (Psychiatry); Ralph Salzer, MD, Active Staff (Orthopedics); Richard Fitzgerald, MD, Consulting Staff (Surgery – Radiation Oncology) and Locum Tenens insurance to be supplied by Dr. McNab on an as needed basis; Ann Flynn, MD, Consulting Staff (Pathology); Walter Gasser, MD, Active Staff (Internal Medicine); Meredith Mitchell, MD, Associate Staff (OB/Gyn); Marlo Smith, MD, Active Staff (Pediatrics); Jonathan Hutchings, DO (Family Medicine); Heather Hutchings, DO (Family Medicine); Anthony Zamcho, MD (Hospitalist).

The following practitioners relinquished privileges: William Wong, MD (VRC), Consulting Staff (Radiology); Kate D’Orazio, PA, Allied Health Professional (sponsored by Dr. Ferguson); Wiley Dickerson, MD, Active Staff (Psychiatry) – effective April 1, 2010.

The following practitioners requested additional privileges/change in status/honorary review (annual): John Grey, MD, Honorary Staff Review; David Hammock, MD, Honorary Staff Review; Hector Esquivel, MD, Honorary Staff Review.

Six month quality review: John Kane, MD (U.S. Navy), Provisional Active Staff (Family Medicine); Ugochi Cantave, MD, Provisional Associate Staff (Pediatrics); Christopher Hurt, MD (VRC), Provisional Consulting Staff (Radiology).

The following practitioner is scheduled to retake his Board recertification in April 2010: Erasme Coly, MD, Associate Staff (Cardiology).

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

STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: Mr. Homyk invited everyone to attend 3 upcoming events: 1) Starfish Invitational on May 7th at the Charles Street Gallery, 2) Annual Safety Mania Day on May 19th, and 3) Leadership Retreat at Dataw Island Club – ***Mr. Homyk stated he would send out the Leadership Retreat agenda to the board members.***

Mr. Ricks mentioned the thank you to the team members that contributed to the implementation of the new version of Meditech. He said 8 groups from the 22 that participated with the implementation attended training in Boston. He applauded the nursing documentation.

Dr. Kessel made a motion, which was seconded by Mrs. Allen, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Ms. Moss presented the Foundation report thanking those who attended the Celebration of Giving event, at which Dr. Hugh Pearson was honored posthumously with the

Distinguished Physician award. Mr. Toomey thanked the Foundation for their annual Endowment payout to the hospital of \$318,155.

MANAGEMENT REPORT: 2010 Gain Share & Operational Goals: Mr. Toomey reviewed the 6 month update of our Gainsharing Goal for Excellence and highlighted our “Friendly and Courteous” goal with a quarterly score of 63 and our FY10 goal is 58. “Values and Behaviors” – he said as of December 31, 2009, we had 97.1% of employees attending a values session, and in February we completed 100%. He said the 40 employees that did not complete their session by the end of the year did not receive their raise in January. Mr. Toomey said he suggested to Mr. Ricks that in a future board meeting, he bring the PCS team for an update with the MedHost implementation and also, gives us an opportunity to acknowledge the team for their hard work. Mr. Toomey said there was a 99.3% reduction in coding (saving \$20K per month) within the Emergency Department due to the MedHost system, so the system will soon pay for itself. He said we have had a good 6 months and are focused on the next 6.

Mr. Schulze inquired about the status of Dr. Kearney. Mr. Toomey stated that Dr. Kearney is reviewing the contract, and mentioned that his wife has already moved here.

Mr. Paddock inquired about the status of the Physician Leadership Group. Mr. Toomey said that 7 people had volunteered and he has a project from the Estes Park session in Scottsdale that he will start them on, along with the physician survey.

Mr. Paddock said the Niche Specialties Committee is meeting tonight to discuss niche specialties, such as breast health services. Mr. Paddock said Drs. Tober, Gambla, Rodriguez and Rehman, along with Mr. Toomey, Mrs. Foulger, Mr. Homyk, and he will be in attendance and invited board members to attend. Dr. Thompson questioned whether they would include orthopedics down the road? Mr. Toomey stated this would be a discussion item for the meeting tonight.

CHAIR ANNOUNCEMENTS: Mr. Schulze mentioned the Volunteers Dinner, which will be held tomorrow evening at the MCAS Officers Club and encouraged everyone to attend.

Mr. Schulze mentioned the BOB training in Charleston and said it was rather elementary. He asked Mrs. Allen to report her findings – she said it would have been extremely helpful to have attended this training during her first 6 months as a board member, and it would be great if this training were put online. Mr. Toomey stated that it would in fact go online later. ***Mr. Toomey is composing feedback to give to SCHA from those who attended the BOB training and will give a copy to the board.*** Mr. Schulze encouraged those who had not attended training, to please attend and would ensure new members take the training within the first 6 months as Mrs. Allen recommended.

Mr. Schulze reminded everyone of the upcoming Past Board Member dinner on May 20th at the Holiday Inn and encouraged everyone to attend and confirm attendance with Dawn.

ADJOURN: The meeting adjourned at 11:02 a.m.

Respectfully submitted,

David Tedder
Secretary