

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

**MINUTES – July 28, 2010**

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

**OTHERS PRESENT:** Rick Toomey, Karen Carroll, Pat Foulger, Ed Ricks, David Homyk, Paul Mazzeo, M.D., Alice Moss, Nora Kresch, Paul Sommerville (Beaufort County Council Member), Ann Mecherle, David Black (Howell, Gibson & Hughes), Diane Wadas, Kristine Richardson, Sam Derrick, Dawn Crawford

**ABSENT:** Bill Paddock, Scott Stowe, Jeff White

**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 Dr. Thompson, and unanimously approved. The meeting re-convened to Open Session at 9:13 a.m.

**INVOCATION:** Mrs. Williams gave the Invocation.

**INTRODUCTION:** Mr. Schulze welcomed Kristine Richardson, Diane Wadas, and David Black from Howell, Gibson and Hughes. Mr. Toomey introduced Sam Derrick, the new Executive Director for Beaufort Physician Partners (practices owned by the hospital). He relocated from Portland, Oregon and began work on July 26th.

**APPROVAL OF MINUTES – June 30, 2010:** Mr. Tedder made a motion, which was seconded by Mrs. Williams, to approve the minutes of the June 30, 2010 meeting. Unanimous approval.

**TOGETHER FOR BEAUFORT REPORT (TFB):** Dr. Kessel introduced Fred Leyda, Alliance Facilitator for Together for Beaufort, who gave an update on TFB (*handouts*). Mr. Leyda stated that this project began in 2006 and reported how BMH has been involved. He said the hospital is one of the Leadership Council Organizations for the project and many BMH staff members have worked on or chaired various committees, including Mark Senn, Cindy Coburn-Smith, Dixie Slichter, Peggy Hitchcox, and David Strom. Mr. Leyda said the area in which he would like BMH to be more involved with is the Coalition for Aging in Place. The model they are using is the “village” concept in which a “village” is created to assist people staying in their homes for as long as possible. The idea was started in Beacon Hill in Boston, Massachusetts.

**COMMITTEE REPORTS**

**Finance Committee – *Dashboard (pg. 5)*:** Mrs. Murray said our days cash is improving and the staff is crediting this to the Early Out Program, which is doing very well. She said the days in A/R are above target. She said this is primarily related to the reimbursement processes from the physicians owned practices and that Mr. Derrick has been tasked with this as his first priority. She said they now have one staff member who is working solely on financial assistance applications. She said it use to take 6-7 months to process the applications and now it’s only

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taking 21 days! She also mentioned that the turnover rate is still higher than our goal, but the reasons are still valid.

**Income Summary (pg. 9)** – Mrs. Murray said the inpatient census was 115.3 and observation days were 3.5; she said even if we add the observation days to the inpatient census, we are still below budget and our previous year (127). She stated that the assumption for 2011 census is 121.2 and that with our new physicians (cardiologists and psychiatrists), we should see an increase in patient days. She said because of the lower census, our gross patient revenues were \$3M below our expected budget. YTD net patient revenues were good at \$721K above where we expected to be and we had a 4.7% YTD improvement over last year. Our operating income was \$900K below budget for the month; however, still above budget YTD.

Mrs. Murray stated that Greg Taylor of Dixon Hughes gave a presentation to the Finance Committee Monday on the new accounting standards, and encouraged the committee to contact the firm regarding any concerns we may have related to fraud. He also reviewed best practices for the audit committee and she said she feels we are right in line with the recommendations, except we may want to add an additional CPA. *Mrs. Mecherle is investigating with Don Meyer the addition of a committee member.* The financial report was unanimously approved.

**Quality Improvement Committee:** Dr. Simmons presented the Environment of Care report for approval as noted with changes. Mrs. Murray made a motion, which was seconded by Mr. Tedder, to approve the report. Unanimous approval.

**Governance:** Dr. Thompson said the committee is currently reviewing the board policies. She said they had several questions about the Cash Management Policy and the Dual Signature Policy, so they will be meeting next month to discuss these policies further. *Mrs. Murray questioned the Cash Management Policy and was asked to email Mrs. Mecherle her question for review.*

Dr. Thompson presented the following policies for approval:

1. Naming Facilities at BMH Policy
2. Executive Compensation Policy
3. Medical Staff Representative Policy

Mrs. Williams made a motion, which was seconded by Mrs. Allen, to approve the policies. Unanimous approval.

Mr. Schulze stated that the Board Education Policy (pg. 16) under paragraph 3, last sentence should read as follows: “Board members will be expected to make a brief written report **or presentation** to Administration ...” *Mrs. Mecherle will inform Mr. Meyer of the change.*

Mrs. Murray also stated on pg. 10, under item iv., it states that board members who have a conflict of interest should leave the meeting and not vote; she said we recently adopted that process for any kind of conflict. Dr. Thompson stated that was correct.

**Strategic Planning Committee:** Next meeting scheduled for September.

**CORPORATE COMPLIANCE REPORT** – Mrs. Wadas reported on the recently held meeting on July 13, 2010. She reported that we are now receiving quarterly PEPPER reports. She noted that we continue to have a higher incidence of respiratory infections (over 80 percentile) and will continue to review this trend with our outside physician reviewers. She

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reported on the recent RAC audits that have been taking place since January, 2010. There have been 37 records reviewed and 4 cases denied for a total recoupment of \$34,469. These cases were reviewed with the coding manager and had no basis for an appeal. She said that all coding staff involved with these 4 cases received in-service training. She also reported that there are two additional indicators on the Corporate Compliance Report: Random Drug Screens and Positive Random Drug Screens. She said there were 42 random drug screens for the first quarter 2010 and 36 in the second quarter 2010. There were zero positive random drug screens in both quarters.

She said that effective August 2<sup>nd</sup>, a new vendor program entitled “Vendor Mate” will be instituted on the hospital campus. This new program gives the Hospital greater transparency into our vendor business relationships. Our participation in this program ensures that we meet Joint Commission, Health & Human Services, Office of the Inspector General (OIG) and other regulatory guidelines.

EMTALA policy will be presented to the MEC for approval and she thanked Mrs. Foulger for her hard work on this policy. The report was approved as presented.

**COMMUNITY OUTREACH:** Report reviewed and approved. *Mr. Schulze requested that the previous year’s data proceed the current years.*

**MEDICAL STAFF – Credentials:** Dr. Mazzeo presented the following practitioners for reappointment: Mark Allen, MD (U.S. Navy), Associate to Active Staff (OB/Gyn); Jennifer Theoharris, MD (VRC), Consulting Staff (Radiology); Cindy Nguyen-Sirios, MD (VRC), Consulting Staff (Radiology); Stephen Fox, MD (VRC), Consulting Staff (Radiology); Susan Coker-Ruth, PA (sponsored by Beaufort OB/Gyn), Allied Health Professional (OB/Gyn); Neil McDevitt, MD, Active Staff (Surgery); Louis Plzak, MD, Active Staff (Urology); Nancy Coldiron, DDS, Consulting Staff (Periodontics); Thomas Hernandez, MD (U.S. Navy), Active Staff (Orthopedics); Heather Peterson, MD, Active Staff (Pediatrics).

The following practitioners requested appointment: Mary Wynn Hill, MD, Provisional Active (Psychiatry); James Balvich, MD, Provisional Active (Emergency Medicine); Stuart Smalheiser, MD, Provisional Active (Cardiology); Roderick Doss, DO (U.S. Navy), Provisional Associate (OB/Gyn).

The following practitioners relinquished privileges: Eric Johnson, MD (U.S. Navy), Provisional Active (OB/Gyn); Judd Partridge, DMD (U.S. Navy), Active Staff (Oral/Maxillofacial).

The following practitioner requested leave of absence/currently on leave: Benjamin Gaines, MD, Active Staff (OB/Gyn), continued leave of absence.

One year quality review/change in status: Danyel McEvoy, MD, Provisional Active to Active (Pathology); Stacey Johnston, MD, Provisional Associate to Associate (Hospitalist); Robert Detch, MD, Provisional Associate to Associate (Orthopedics); Boris Shklyar, DO, Provisional Active to Active (Emergency Medicine). Six month quality review: Cathy Bagley, MD, Provisional Active (OB/Gyn).

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

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Dr. Mazzeo also presented the following items for approval:

- TPN Policy Revision
- Peer Review Policy

Mrs. Williams made a motion, which was seconded by Dr. Simmons, to approve these items. Unanimous approval.

**STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services:** Dr. Thompson made a motion, which was seconded by Mrs. Allen, to approve the staff reports. Unanimous approval.

**BMH FOUNDATION:** In Mr. Stowe and Ms. Moss absence, Mr. Toomey reported on their behalf. He pointed out the gifts that the Foundation had made to the hospital since 2006, and that it gives a good idea how important our Foundation is to the improvements of the hospital.

**MANAGEMENT REPORT – *Emergency Room CON:*** Mr. Toomey stated that we were hoping to submit our CON application for the ER expansion by August, but we need more information before we can submit the application. He said this will mean a potential start date of construction around February/March 2011. He said they are discussing building out two separate areas to help expand the ER, so the question is do we size it structurally to facilitate expanding up another level or do we go ahead and build the additional level now. He said this is a strategic question that needs to be answered and not rushed.

***Employee Survey*** – Mr. Toomey gave kudos to Mr. Homyk and his team on the successful participation rate of 84% in our recent Employee Survey. He noted that a PRC representative will present the findings at the August Board meeting. They will also share it with the Department Heads. A representative from PRC, Mr. Homyk and Mr. Toomey will hold town hall meetings for employees to share the overall results. The managers will then create an action plan for any areas of improvement and share it with their respective departments. He noted that preliminary data shows improvement in every one of our benchmarks from the survey taken in 2008.

**CHAIR ANNOUNCEMENTS:** Mr. Schulze shared the Conflict of Interest Summary Report (handout). He also noted that Mrs. Carroll and Mr. Ricks will be members in the upcoming Leadership Beaufort class.

**ADJOURN:** The meeting adjourned at 10:17 a.m.

Respectfully submitted,

David Tedder  
Secretary