

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

**MINUTES – October 27, 2010**

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

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

**ABSENT:** Steve Kessel, M.D., Scott Stowe, 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 Mrs. Williams to go into Closed Executive Session at 7:31 a.m. with Mr. Toomey and the eight Board members. The motion was seconded by Mr. Paddock, and unanimously approved. The meeting re-convened to Open Session at 9:10 a.m.

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

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

**APPROVAL OF MINUTES – September 29, 2010:** Mr. Tedder made a motion, which was seconded by Dr. Simmons, to approve the minutes as submitted with noted changes. Unanimous approval.

**COMMITTEE REPORTS**

**Finance Committee – Dashboard (pg. 6):** Mrs. Murray thanked Mr. Schulze for filling in during her absence the past two months. She said we had a strong September, which resulted in a positive year end. She said that all indicators on the Dashboard were positive, except for one, which was previously discussed. The census was 121.3, which was above budget and much better than previous months. Outpatient registrations and emergency room visits continue to be above budget, which helped offset shortfalls in our inpatient activity. Our total revenues (pg. 10) for the month were \$15.3M and year-end at \$167.5M. She said we are right on target and only slightly below budget at \$182K. Operating expenses were slightly over budget in September by \$223K and year-end we came in below budget at \$1.4M, which shows management is controlling expenses and everyone should be recognized for these positive results. Our year-end operating margin was 2.42% and above budget of 1.58% and better than the previous year. Our total margin was 5.42% and above budget of 4.72%, and also better than last year.

**Income Summary (pg. 10) –** Our operating income for 2010 was \$9.1M, which was above budget by \$1.1M and exceeded our income in 2009 by 10%. She stated that the bottom line was improved by two accounting adjustments related to reserves in Medicaid and PDOs (Personal Days Off) with a total adjustment around \$1.5M.

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Mrs. Murray said the Board had previously asked about the tax exempt status and on page 18, it clearly shows the benefits of being tax exempt (value of exemption is \$6.5M). She noted that the value of our charity and indigent care at cost that we have provided to the community is around \$8.1M. She said the loss of property and sales tax revenues of \$1M pales in comparison to the \$8.1M care that is provided to the community free of charge. Mr. White also noted that this is only comparing the charity care at cost and does not include the loss in providing care to Medicaid patients.

Mrs. Murray reported that due to a recent IRS ruling, BMH was deemed exempt from filing the Form 990. She said that staff has been asked to research other exempt hospitals to find out what they are doing to report this information to their Boards in order to show transparency. The staff will report back to the Finance Committee and then make a recommendation back to the Board on how we will handle sharing the data with the community.

Mrs. Williams questioned how the timing for tuition reimbursement expenses is paid out. Mr. Homyk stated that he tracks this data carefully throughout the year to ensure we stay on budget. He said he had to modify the Tuition Reimbursement policy, because we were over budget last year. The financial report was unanimously approved.

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

- Performance Improvement Plan
- Annual Appraisal of Performance Improvement Plan
- Leadership Flow Report

Mrs. Williams made a motion, which was seconded by Mrs. Allen, to approve all three reports. Unanimous approval.

Mr. Paddock was concerned that the BMH numbers on SCHA's website are over a year old and asked if we could get more current data posted ([www.mySCHospital.org](http://www.mySCHospital.org)). Mrs. Foulger said the information is taken from Medicare cost reports, which are not available, any sooner. She said she would work with Nora Kresch to get our current data on our quality pages posted on the BMH website, along with an explanation that it is more current than what is posted on other health-related websites.

**Governance:** Dr. Thompson reported that although there was not a meeting, both Terry Murray and Dr. James Simmons had agreed to serve another term, when their terms expire.

**COMMUNITY WELLNESS/OUTREACH:** In Dr. Kessel's absence, Mr. Homyk reported that the Community Outreach/Wellness Committee met with Jim and Claire Glasson to learn about ways BMH might become involved with their efforts to assist in developing "Aging in Place" villages. There are two in the Southern part of the County. The effort is to establish three villages in the northern part of the County, and specifically in the City of Beaufort, Sheldon Township and St. Helena Island. Mr. Homyk said he is hoping to find a champion for the Beaufort effort, because the key to these villages succeeding is a committed leader to coordinate things. He said we will continue to meet to see what role BMH can play. Community outreach report reviewed and approved.

**MEDICAL STAFF – Credentials:** Mr. Schulze congratulated Dr. Mazzeo on being re-elected as Chief of Staff at the recent Medical Staff meeting.

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Dr. Mazzeo presented the following practitioners for appointment: Candice Clocker, MD, Provisional Associate (Pediatrics); Kevin Kearney, MD, Provisional Active (Gastroenterology); Sarah Moore, PA-C (Allied Health Professional sponsored by BJHCH, Dr. Dawson).

The following practitioners requested reappointment: Christina Gwozdz, MD, Active Staff (ENT); Steven Kessel, MD, Active Staff (Internal Medicine); Jane Houston, NP, Allied Health Professional (sponsored by Hospitalist Group); Andrea Hucks, MD, Active Staff (Internal Medicine); Joseph Tobin, MD, Consulting (Dept. of Surgery); Nancy Bailey, PA (Allied Health Professional); Ralph Moore, MD, Active Staff (Orthopedics); John Bell, MD, Active Staff (Nephrology, Hospitalist, Internal Medicine).

The following practitioners relinquished privileges: Victoria Nguyen, MD, Consulting Staff (Virtual Radiology); Mark Allen, MD, U.S. Navy, Associate Staff (OB/Gyn); Daniel Nixon, MD, Courtesy Staff (Oncology).

One year quality review/change in status: Ravina Balchandani, MD, Provisional Courtesy to Courtesy (Cardiology); Ugochi Cantave, MD, Provisional Associate to Associate (Pediatrics); John Kane, MD, U.S. Navy, Provisional Active to Active Staff (Family Medicine); Christopher Hurt, MD, Provisional Consulting to Consulting (Radiology – VRC).

Six month quality review: Anthony Zamcho, MD, Provisional Active (Hospitalist).

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

Dr. Mazzeo also presented the Management of Forms/Order Sets policy for approval. Mrs. Allen made a motion, which was seconded by Mr. Paddock, to accept the policy. Unanimous approval.

**STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services:** Mr. Paddock noted that it appears Mr. Derrick is making a difference in the accounts receivables with the physicians as noted on page 13. Mrs. Williams inquired about the Clarivia Nursing Scheduling system (pg. 4) to which Mrs. Carroll replied that it allows the staffing coordinator to schedule electronically, and can even schedule from home. With the newest release, it can link to our payroll system (Kronos), so we can determine exactly when the nursing staff clocks in.

Mr. Schulze said he heard the Spirit of Women “Girls’ Night Out” events were well attended. Mrs. Kresch reported that there were about 300 women at the Beaufort event and 355 at the Bluffton event. As a result, we have over 1,000 area women enrolled in our Spirit of Women program. Mr. Toomey complimented Mrs. Kresch and her staff for the great turnout. She said the next event, “Day of Dance”, will feature heart and bone health and it will be held the last Saturday in February.

Mr. Paddock made a motion, which was seconded by Mrs. Williams, to approve the staff reports. Unanimous approval.

**BMH FOUNDATION:** In Mr. Stowe’s absence, Ms. Moss reported on his behalf. She asked Board members to approve the appointment of Ty Reichel and Sherry Hirsch to the Foundation Board. Mr. Paddock made a motion, which was seconded by Mrs. Murray, to approve the two nominations. Unanimous approval.

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Ms. Moss said BMH recently received a check in the amount of \$48K from Fripp Island residents during their annual "Fripp for a Cure" fundraiser for cancer awareness. She said they have supported a number of charities outside, but because so many Fripp Island residents have had such good experience with treatment at the Keyserling Cancer Center, they decided to focus on supporting our Center locally.

Ms. Moss said they are grateful for the annual Beaufort Art Association's exhibit in our hospital, which has already sold 15 pieces. All proceeds go to supporting the BMH Foundation.

She encouraged Board members to attend the Foundation Annual Meeting, which includes a joint meeting of the two boards on Tuesday, November 9<sup>th</sup>, starting at 5:00 p.m. at the Keyserling Cancer Center. Mr. Schulze reminded the Board members that our Foundation contributed over \$1M to assist us with our capital expenses this year; he encouraged everyone to show support by attending the annual meeting.

**MANAGEMENT REPORT – DAISY Award Ceremony:** Mr. Toomey asked Mrs. Carroll to tell the Board about the most recent DAISY Award presentation. Mrs. Carroll said that Kim Merritt, RN on PCU had a patient from Michigan, who had come down to see his grandson graduate at Parris Island. Unfortunately, he became ill the day before the graduation, and ended up in our PCU. He was heartbroken about not being able to see his grandson's graduation. Mrs. Merritt contacted her husband, an officer on Parris Island, who arranged VIP seating for the patient at the graduation. Kim accompanied the patient to the ceremony and was his nurse at the event, even though it was her day off. The patient and his family were extremely grateful for Kim's efforts, and the patient was extremely proud to see his grandson graduate from Marine Corps boot camp. The patient returned to Michigan a few days later and lived about six more weeks. Family members of the patient wrote Kim up for the DAISY Award. They made the trip from Michigan to Beaufort to be present at the DAISY award ceremony. According to Karen, there wasn't a dry eye in the house. She complimented Julie Schott, who leads the DAISY Awards program at BMH, for her hard work in coordinating the event. The DAISY presentation was a complete surprise to Mrs. Merritt. *Mrs. Carroll said she would notify the Board members of the next DAISY award presentation.*

Mr. Toomey mentioned the upcoming Concours d'Elegance show in Savannah (Oct. 29-31) and Honey Horn (Nov. 6-7). He said we are the medical sponsor for the event and our CHiP mobile will be there to provide first aid.

**Beaufort County Alliance for Human Services – Together for Beaufort:** Mr. Toomey said he mentioned this last month that they have asked the 23 council members to consider assisting their funding efforts for the next three years with their budget of \$60K (\$20K per year). He said he spoke to Dr. Kessel and they both agreed that we should make a \$5K contribution each year for the next 3 years.

Mr. Toomey said that Mr. Sommerville had mentioned that the school system is looking at hosting a forum, entitled *Immigration Joint Initiative Forum* that will discuss the impact of illegal aliens within the county. They have asked someone from the hospital to attend their upcoming forum on November 17<sup>th</sup>. Mr. Sommerville said that with the opening of the Whale Branch High School they had to do some recalculating of the district zones, and many parents criticized the school board. So, Fred Washington, chairman of the school board, decided to put together a task force to take a look at what the impact of illegal immigration in the area is, specifically, education and healthcare. He said the committee has been meeting for several

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months, so they can discuss their findings with the community. He said on November 17<sup>th</sup> this forum will take place and include representation from various county agencies. He said the message is 1) we oppose illegal immigration, but we support legal immigration; and 2) we spend money on illegal immigrants because ... and in the case of the school district it's because of a supreme court case and in case of healthcare, it's because of EMTALA. Mr. Washington would like a website to show the details of why we provide services to illegal immigrants from each agency.

**Gain Share Goals 2010 (pg. 2):** Mr. Toomey reviewed the 2010 goals and noted that we achieved 3 of the 5 goals (friendliness, growth rate in Bluffton and operating margin), which equates to 70% of the Gain Share Goal. Mr. Paddock made a motion, which was seconded by Mr. Tedder, to approve the 2010 Gain Share payout. Unanimous approval.

**Gain Share Goals 2011:** Mr. Toomey presented and reviewed the updated Gain Share Goals for 2011. Mrs. Foulger asked if we should change our PI goals to match the updated Gain Share Goals. ***Mr. Toomey said they will get together and recommend any changes during next month's Board meeting, since these goals may change in the future.***

Mr. Tedder stated that we should review these goals in 6 months to see what impact we may have and to look at stretch goals. ***Mr. Toomey said he would present the results quarterly to the Board.*** He said the Board could always make changes or amendments as needed. Unanimous approval.

**Bluffton Land Acquisition:** Mr. Toomey said during the closed executive session this morning, they discussed the Bluffton land acquisition and the difficulties of getting everyone involved from the seller, the county, purchaser, etc. and the need to have someone assist us. The recommendation from management is to engage the services from our local expert, David Tedder, for a designated number of hours to help us. Mr. Toomey said that we have the necessary information from our attorney, Don Meyer, (*except one additional piece that he will get from Mr. Meyer*) that he has provided to the Board members. This information is a listing of actions that need to be taken to disclose the conflict and it is not impermissible for a Board member to be involved with something that may be a conflict, as long as it is acknowledged, discussed, noted and documented in the minutes, etc. Mr. Toomey stated to the Chairman that it is the recommendation from the hospital that we engage with an estimate of 25 no greater than 100 hours of time for Mr. Tedder to assist Mr. Toomey and the hospital in facilitating the items necessary to complete the due diligence of the closing of the property on Hwy. 278 and the Bluffton Parkway. Mr. Paddock made a motion, which was seconded by Mrs. Allen, to approve this recommendation of engagement with Mr. Tedder. Unanimous approval by Jerry Schulze (Chair), Terry Murray (Vice Chair), Bill Paddock, Susan Williams, James Simmons, M.D., and Andrea Allen. Mr. Tedder and Dr. Thompson did not vote.

**CHAIR ANNOUNCEMENTS:** Mr. Schulze asked the Board members to turn in their Conflict of Interest forms to Mrs. Mecherle. He also noted that the Board meeting in November will be Tuesday, November 23<sup>rd</sup> and the Finance and Board meeting in December will be a combined meeting on Monday, December 20<sup>th</sup>.

**ADJOURN:** The meeting adjourned at 10:30 a.m.

Respectfully submitted,

David Tedder  
Secretary