

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

MINUTES – February 23, 2011

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

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

ABSENT: Bill Paddock, Bill Nettles

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 9:23 a.m.

INVOCATION: Mrs. Andrea Allen gave the Invocation.

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

BMH DAY OF DANCE: Mr. Toomey showed the BMH Day of Dance video and complimented the PR & Marketing department for the fine work. Mrs. Kresch introduced the video and stated that the Day of Dance in February for cardiovascular health is part of the two signature events from the Spirit of Women. She said there are about 250 people registered for the upcoming dance this Saturday at the new Fred Astaire studio in Bluffton.

APPROVAL OF MINUTES – January 26, 2011: Mr. Tedder made a motion, which was seconded by Dr. Thompson, to approve the minutes of the January 26, 2011 meeting with noted correction on page 4. Unanimous approval.

COMMITTEE REPORTS

Finance Committee – *Dashboard (pg. 4):* Mrs. Murray stated that all indicators are good with the exception of salaries, primarily due to a number of onetime events, and bad debt. Mrs. Murray said the bad debt is due to the increased volume of uninsured patients and expects it will be an ongoing problem. She also noted that the turnover rate of new hires is above benchmark.

Mrs. Murray said the inpatient revenues (pg. 8) were below budget, even though the average daily census was higher than budget. She said this was due to two reasons – there was a ChargeMaster review that eliminated or combined some of the gross charges and secondly, we lost 2 surgeons, Drs. Reuben and McDevitt, which accounted for \$1.5M in monthly revenue. Gross surgeries revenues were about one-half of the budget. Outpatient revenues continue to exceed budget due to the heart program and ever increasing ER visits. Net patient revenues were

\$15.7M and YTD at \$61.4M. She said we ended the month with an excellent operating income of \$1M (*\$500K more than budget*) and YTD at \$4M, which was double what it was this same time last year.

Mrs. Murray reviewed the Physician Offices Summary Income Statement (pg. 13). *She said that Mr. Toomey and Mr. Derrick will come back to the Board in two months with a comprehensive report on the physicians' offices.* She said at that time they will be discussing a larger financial overview, a proposed legal structure, patient care coordination, and community benefits vs. cost. Mr. Tedder said part of that report will be establishing a baseline for a frame of reference. Dr. Thompson mentioned the payor mix and what we can do to influence that, as well as how we manage this structure. Mr. Toomey said we need to look at the strategic implication of doing it one way vs. another, e.g., psychiatry – he said if we had not employed the psychiatrists would they even be in our community, and most likely they would not. Mrs. Murray said there would be more discussion on this topic at the next Strategic Planning Committee meeting in late March and encouraged anyone not on the Finance and Strategic Committees to share any specific questions with Mr. Toomey.

Audit Committee: Mrs. Murray said that at the Board Retreat last year, we learned about two best management practices that we had not adopted: 1) to have an internal audit function and 2) to have an Audit Committee separate from the Finance Committee. She said by resolution we established the Audit Committee and chartered its responsibilities. She said once we began the exploration of an internal audit function, it was decided to solicit a proposal from an outside firm to assist us initially. She said we solicited a proposal from Dixon Hughes, our audit firm, to give us a proposal. They suggested we do an initial risk assessment at a cost of \$7,500, which would be an identification of the potentially highest risk areas for the organization. Once we have the results from the assessment, the Audit Committee would review and then make a recommendation to the Board on whether we move forward or not, and if so, which of the projects to pursue. She said once the projects are selected, Dixon Hughes would come back with a scope of work with specific timelines. She said the Audit Committee recommends that the Board authorize management to pursue this proposal. Mr. Tedder made a motion, which was seconded by Mrs. Allen, to accept the proposal from Dixon Hughes on the initial risk assessment. Unanimous approval.

Mr. Schulze stated that we did not have a quorum at the Finance Committee meeting Monday to approve the Finance minutes of January 24, 2011. A motion was made by Mrs. Allen, which was seconded by Mr. Tedder, to approve the finance minutes of January 24, 2011. Unanimous approval.

The financial report was unanimously approved.

Quality Improvement Committee: Dr. Simmons presented the following reports and policies:

- Customer Satisfaction Survey Results
- Core Measure Report
- Policy and Procedures Review
- Community Database for Advance Directives
- Patients Personal Medical Care Concerns
- Block Time Policy
- Autopsy Policy

Dr. Simmons said he noticed that the Quality of Physician Care ranking in patient satisfaction reports continues to decline. He recommended we consider using the model that is used in the Birthing Center, with one person designated to coordinate the patient's care.

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

Dr. Simmons also reviewed the Plan for the Provision of Care. Mr. Tedder made a motion, which was seconded by Dr. Kessel, to approve the plan. Unanimous approval.

Governance: Dr. Thompson stated that the Governance Committee did not meet this month.

Community Outreach and Wellness Committee: Dr. Kessel reported that the idea of trying to develop a map to show provider locations was costly and unwieldy. However, the list of the medical staff and their office numbers and locations is updated and on the BMH Intranet, and can be printed off to be given to patients when making a referral following discharge. The committee is also investigating an expanded walking trail around the hospital.

The committee is also working with SCHA on accessing a Workplace Wellness grant to make BMH a model employer for the community. BMH is also participating in SCHA's Access Health project to help the uninsured access healthcare. He said Beaufort County, like many other counties in the state has an uninsured rate of about 30%; however, Jasper County's uninsured rate is closer to 40%. He also reported that Sodexo, our food service supplier, is working with us on a Wellness Program in the cafeteria, and is working with employees on a weight awareness program called, "Create Your Weight," which they would like to offer to the public later. Dr. Simmons inquired if this program could be used with the Pediatricians, so that they can refer patients to a nutritionist. *Dr. Kessel will look into this and report back.* The Community Outreach and Wellness report was unanimously approved.

MEDICAL STAFF – Credentials: Dr. Kessel presented the Credentials and MEC reports on behalf of Dr. Mazzeo, who was called out of the meeting. Dr. Kessel presented the following practitioners for reappointment: Ann Taylor, ANP (*sponsored by Dr. Mazzeo*), Allied Health Professional (Neurology); Norman Bettle, MD, Active Staff (Neurology); Mark Siegel, MD, Active Staff (Ophthalmology); Susan Baisch, AFNP (*sponsored by Dr. Gambla*), Allied Health Professional (CHiPS Mobile); Saeed Rehman, MD, Active Staff (Emergency Medicine); Ludwig Lettau, MD, Consulting Staff (Internal Medicine – Infectious Disease); James Simmons, MD, Active Staff (Pediatrics); Irina Borissova, MD, Active Staff (Internal Medicine); James McNab, MD, Active Staff (Radiation Oncology); Kurt Gambla, DO, Active Staff (Internal Medicine and Wound Care/Hyperbarics); Phillip Blalock, MD, Active Staff (Radiology); Ravindra Srivastava, MD, Active Staff (Psychiatry); Kristin Dalton, CPNP (*sponsored by Beaufort Peds*), Allied Health Professional (Pediatrics); David Maurer, MD, Active Staff (Otolaryngology);

The following practitioner requested a leave of absence: Faith Polkey, MD, Active Staff (Pediatrics) – requesting January 14, 2011 through February 28, 2011 for maternity leave.

Mr. Tedder made a motion, which was seconded by Mrs. Allen, to accept the MEC and Credentials Committees recommendations. Dr. Simmons recused himself, since he was on the list requesting reappointment. Unanimous approval.

STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: Mrs. Williams complimented Ed Ricks and his staff for the tremendous amount of work they have done to get to 6.0. Mr. Ricks said the kudos extend beyond his department to every department of BMH. He said 6.0 is running in the background now, and will go live at 12:01 a.m. Tuesday morning. Meditech and other vendors will have staff here to help. In addition, there are hotlines for the doctors and staff in case they run into glitches and super-users will be available to assist. He said Phase II will address any items that were identified that need change.

Mrs. Murray complimented the professional brochure on mental health. Mrs. Williams said she has heard excellent feedback on our two new psychiatrists. Mr. Tedder inquired why the City of Beaufort is charging for landscaping, since we are doing internal renovations in the Beaufort Medical Plaza and it's not a change of use. Mr. Toomey said they have capped the payment at 5% of the renovation fee, so it's really a matter of paying now or paying it later.

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

BMH FOUNDATION: Ms. Moss reported on behalf of Bill Nettles. She thanked Dr. & Mrs. Mazzeo and Mr. & Mrs. Helms for another great Valentine Ball, which brought in over \$220,000 net proceeds for the ER renovation project.

She said a da Vinci robot will be at the Keyserling Cancer Center on Friday, Feb. 25, offering interested people a demo; they hope to get donor support to upgrade our current robot. Mr. Toomey said that our current model will be obsolete in 2013 and no longer supported. *He said he will invite the Intuitive reps to give an overview to the Board in the next few months.* Dr. Simmons inquired about the average time for a da Vinci model to become obsolete, to which Mr. Toomey replied about 10 years. Mr. Toomey said we had approximately 50 procedures with the da Vinci in the fourth quarter of 2010 by the OB/Gyn doctors. He said all seven OB/Gyn physicians have been trained and are using this technology.

Ms. Moss said the Duke Symphony Orchestra will be here in late March, and we hope to have a packed house for that, as well. *(David Homyk noted that his daughter will be singing at that performance.)*

MANAGEMENT REPORT – ER Expansion: Mr. Toomey said we received a letter from the state asking for clarification on some minor areas and we have responded in-kind. He said the good news is that they have started the review process; however, they will probably not give us an answer until June.

Mr. Toomey said we had a general surgeon candidate, Dr. Mansker, interview here from MUSC. He said the preliminary indications from the general surgeons are positive.

Mr. Toomey said they are almost finished with the renovations to the new Administrative suite; however, we will not move until we need to vacate the current space. He also mentioned that renovations for the Women's Imaging Center will begin next week.

He said the overall spirit of the hospital is good and that he has heard from several people outside the hospital mention that you can really see that the employees had fun participating in the Day of Dance video. Mr. Toomey said this positive spirit will continue to translate into general patient and employee satisfaction. He said the ER department is now calling back each patient

the day after their ER visit to follow-up. He said the preliminary results are dramatically different from last quarter. He said kudos to Mrs. Carroll and Mr. Kremer for implementing this new process.

Board Planning Retreat: Mr. Toomey said the retreat will be held March 18-19 at Palm Key in Ridgeland, SC. He said Friday afternoon the majority of the time will be spent on three items: 1) SCHA will present an update on Medicaid at the state level, 2) Duke assessment on their cardiovascular visit and what's needed to move to interventional, 3) update on our 5 driving strategies. He said Steve Sloate and he are currently working on developing sessions to discuss engagement and the 10 year strategic plan (reverse engineering on how to get there). *He said more details of the agenda will be sent out as well as a reading assignment from Mr. Sloate.*

Mrs. Murray made a motion, which was seconded by Mrs. Allen, to authorize revising the land purchase agreement to establish three key critical path points to the closing process with a \$35,000 payment at each point. The first point is approval of the Intergovernmental Agreement by the Town of Bluffton and Beaufort County; the second acceptance of the wetlands crossing permit by the Army Corps of Engineers and OCRM as complete, with a favorable staff recommendation; and the third is expiration of the public comment period on this application without there being a negative comment or opposition from a recognized environmental group or governmental agency. Unanimous approval.

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 10:35 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer