

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

MINUTES – October 26, 2011

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

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

ABSENT: Sam Derrick

MOTION: A motion was made by Mr. Paddock to go into Executive Session at 7:31 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mr. Tedder, and unanimously approved. The meeting re-convened to Open Session at 9:42 a.m.

INVOCATION: Dr. Simmons gave the Invocation.

INTRODUCTION: Mr. Schulze welcomed Dr. Chad Tober, as new Chief of Staff.

APPROVAL OF MINUTES – September 28, 2011: Mrs. Williams made a motion, which was seconded by Mr. Paddock, to approve the minutes of the September 28, 2011 meeting with noted correction on pages 2 and 4. Unanimous approval.

COMMITTEE REPORTS

Community Outreach and Wellness Committee: Dr. Kessel opened the meeting with a video from Paul Grundy, IBM Global Director for Healthcare Transformation, entitled “The Future of Healthcare,” which was very informative about how essential it is for patients to have a “medical home.” It also stressed the need for healthcare professionals to shift their thinking from treating sick people to keeping people healthy. Board members suggested that Dr. Tober, as new Chief of Staff, show the video to the medical staff. *Dawn will send the web link to the Board as well.* Dr. Kessel said they currently have 23 pilots in the southeast and he is researching to see if we could become a pilot. The Community Outreach and Wellness report was unanimously approved.

Mrs. Allen handed out her summary from the recent SCHA TAP Conference held on Hilton Head Island. She stated that SCHA has identified 7 goals for healthcare in our state and that we are well underway as a hospital and community to move in the right direction. In fact, Beaufort County is number one in the state for Health Rankings! Discussion ensued regarding medical homes and Accountable Care Organizations (ACO).

Finance Committee – Dashboard (pg. 5): Mr. Schulze reported that our operating margin was 5.03% and Year-To-Date (YTD) at 2.81%, which was above our budget and therefore met our

goal towards Gain Sharing (weighted at 40%) on this item. Cash flow margin was 17.03% for the month of September and YTD at 11.54%. Days cash on hand was 194 for the year. Salaries and benefits as a percent of net patient revenue was 45.63% and YTD at 47.2%; with contract labor at 45.71% and YTD at 47.4%. Supply expense as a percentage of net patient revenue was 12.93% for the month and we finished the year at 14.1%. Bad debt as a percentage of both net and gross patient revenue - was 11.46% on the net side and with gross patient revenue at 4.7% for the month; for the year we were at 14.6% and 5.8% respectively. He noted that we were about \$10M over budget in bad debt for the fiscal year. Days in accounts receivable was actually 54.3, not 56.59. He stated that cash collections we were over 100% of net patient revenue. Our current ratio is 6.42 and our turnover rate is 21.47. Overall, our balance sheet is very healthy. He said the total amount of Gain Sharing for the payout would be 70%.

Income Statement (pg. 9): Mr. Schulze said our average daily census was 117.8 for the month and YTD at 119.6 against our budget of 122.2, which was ahead of our prior year at 117.2. He noted that deliveries are down and the ER is right on target with budget. Inpatient revenue was under budget by \$33M and outpatient revenue was over budget by \$12.6M. Deductions from revenue was \$26.3M. The total net patient revenue for the fiscal year was \$177.7M versus the budget of \$172M, so we were \$5.4M above budget. Operating expenses we were 2.6% above budget. We were \$2.8M over in salaries and \$3.4M under in supplies. We were \$7.3M over in bad debt and \$25.9M for the year against a budget of \$18.6M, which was over \$10M more than we were last year. Our total consolidated operating margin was 2.95%, total margin was 5.26% and the operating income was \$9.6M. He said considering the difficulties we had with bad debt, we still turned a profit and commended management for another excellent year! The financial report was unanimously approved.

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

- Medical Staff Conflict of Interest Policy
- Exposure Control Plan Table of Contents
- Exposure Control Plan – Exposure Determination
- Adenosine Drip Admixing in Catheterization Lab
- Therapeutic Interchange Policy
- Vancomycin Dosing/Monitoring
- Minimal Risk Medications
- Drug Backorder Notifications
- Securing Drugs Kept at Bedside
- Self-Administration of Medications by Patient
- Patient Valuables Policy
- Patient Watch Policy

Mr. Tedder made a motion, which was seconded by Mr. Paddock, to approve the aforementioned reports and policies as discussed. Unanimous approval.

Governance Committee: Dr. Thompson stated that the committee has interviewed 2 candidates, Van Irwin and David House, for the upcoming board vacancies. She said they will be meeting on November 16 at 5:30 p.m. to determine the top candidates. *Mrs. Williams asked for background information on these candidates to be included in next month's board packet.*

Compliance Committee: Was not scheduled.

Strategic Planning Committee: Was not scheduled.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: Lisa Stewart, MD, Provisional Active to Provisional Consulting (Nephrology); Michael Clarke, MD, U.S. Navy, Provisional Active (Orthopedics); Richard Akers, MD, Provisional Active (Ophthalmology); Michael Bloss, MD, Provisional Consulting (VRC – Radiology); Shannon Calhoun, MD, Provisional Consulting (VRC – Radiology); Peter Hold, MD, Provisional Consulting (VRC – Radiology); Martin Ruocco, MD, Provisional Consulting (VRC – Radiology); Monte Zarlingo, MD, Provisional Consulting (VRC- Radiology).

Requesting reappointment: Shayla Bergman, MD, Active (Pediatrics); Edward Blocker, MD, Active (Orthopedics); Don Christian, MD, Active (Otolaryngology); Nicholas Dardes, MD, Active (Internal Medicine & Emergency Medicine); Michael Edwards, DPM, Active (Podiatry); Kurt Ellenberger, MD, Active (Pediatrics); LaFrance Ferguson, MD, Active (Family Medicine); Michael Gilbreath, MD, Consulting (Gastroenterology); William Jackson, MD, Active (Radiology) *with reappointment for a period of 6 months with monthly QA reviews to Credentials Committee*; Thomas Miller, DPM, Active (Podiatry); Kimberly Martin, MD, Active (Pediatrics); Kenneth Brown, MD, Active (Otolaryngology); Danyel McEvoy, MD, Consulting (Pathology); David Lalli, MD, U.S. Navy, Associate (Orthopedics); Jeffrey Zorn, MD, Consulting (VRC – Radiology).

Relinquishment of Privileges: Robert Greaves, MD, Active (Emergency Medicine); Yenny Meza, MD, Locum Tenens (Emergency Medicine); James Balvich, MD, Provisional Active (Emergency Medicine); Boris Shklyar, DO, Locum Tenens (Emergency Medicine); Daniel Garcia, MD, Provisional Active (Emergency Medicine); Robert Detch, MD, U.S. Navy, Associate (Orthopedics); John Kane, MD, U.S. Navy, Active (Family Medicine); Walter Gasser, MD, Active (Internal Medicine – Hospitalist); Arvin Ward, PA, Allied Health Professional (BMJHCH); Ravina Balchandani, MD, Courtesy (Cardiology); Mark Lawton, MD, Consulting (Cardiology).

One year review or change of status: Kevin Kearney, MD, Provisional Active to Active (Gastroenterology); Candice Clocker, MD, Provisional Associate to Associate (Pediatrics); Sarah Moore, PA-C (Allied Health Staff); Andrea Jolley, MD, Provisional Active to Active (Emergency Medicine) *with reappointment for a period of 6 months with monthly QA reviews to Credentials Committee*; David Harshman, MD, Provisional Active to Active (Cardiology); Thomas Schultz, DO, Provisional Active to Active (Cardiology); Mary Elizabeth Durant, CNM (Allied Health Staff); Stuart Smalheiser, MD, Provisional Active to Active (Cardiology).

Medical Executive Committee: Dr. Tober stated that the new officers are as follows:

1. Dr. Chad Tober, Chairman/Chief of Staff
2. Dr. Norman Bettle, Vice Chief of Staff
3. Dr. Rosalind Dawson for Secretary-Treasurer.

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

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

BMH FOUNDATION: Mr. Nettles stated that although the final numbers are not in, expectation is that the Charlesworth Estate Sale will be around \$100K, which will go into the

Endowment Fund. He and Alice Moss thanked everyone on staff that helped with this monumental project. He also reminded Board members (along with spouses) to attend the Foundation's Annual meeting at 5:30 p.m. on November 8th at the Keyserling Cancer Center. He noted that Dr. Tober's wife, Tei, is the newest member on the Foundation Board. Mrs. Williams made a motion, which was seconded by Mrs. Allen, to approve the appointment of Mrs. Tober. Unanimous approval.

MANAGEMENT REPORT – *Gain Sharing*: Mr. Toomey said it looks like 70% of our Gain Share Goals were met in the past year, 40% from the financial target, 10% from turnover rate and 20% from a quality target. He asked the Board, pending final confirmation of the last two goals, to authorize distribution of Gain Sharing funds in November. Mr. Paddock made a motion, which was seconded by Mrs. Allen, to authorize distribution of Gain Sharing funds in November. Unanimous approval.

***Land Adjacent to New Administrative Building*:** Mr. Toomey asked for a motion to complete the acquisition of the land as discussed in Executive Session. Mr. Tedder made a motion, which was seconded by Mrs. Williams, to purchase the Trask property as presented. Unanimous approval.

***Concours d'Elegance*:** Mr. Toomey offered tickets to the Board members for the upcoming car show.

***da Vinci Proposal*:** Mr. Toomey said that Dr. John Adams will become trained to do the urological surgeries, which changes the dynamics to go forward with the da Vinci upgrade. He said we are continuing to look at how we can maintain and expand this program. He said negotiations are still in progress for the upgrade.

***Good Neighbor Medical Clinic*:** Mr. Toomey said the Executive Director, Sheila Duel, has resigned. He said they will be transitioning and searching for a new Executive Director. Mr. Paddock questioned if we could partner with Volunteers in Medicine, to which Mr. Toomey said they have no interest. However, he said we have engaged their prior grant writer, who set up her own company, to assist us with funding sources.

Mr. Tedder acknowledged the great work of our You Make A Difference Winners. He also stated that County Council did give final approval on the bond for the hospital. Mrs. Foulger also stated that we are holding a Cultural Competency kick off today in the Cafeteria with sample meals of our various cultures here within BMH. He encouraged the Board members to attend. She said they will also be encouraging our Hand Washing Campaign.

CHAIR ANNOUNCEMENTS: Mr. Schulze reminded everyone of the upcoming Oyster Roast for New Physicians on November 15th at the Beaufort Yacht and Sailing Club. Mr. Homyk said that flu shots are available for Board members today.

ADJOURN: The meeting adjourned at 10:50 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer