

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

**MINUTES – January 25, 2012**

**BOARD MEMBERS PRESENT:** Jerry Schulze (Chair), Terry Murray (Vice Chair), David Tedder (Secretary/Treasurer), Bill Paddock, 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, Chad Tober, M.D., Bill Nettles, Paul Sommerville (Beaufort County Council Member), Bill McBride (Beaufort County Council Member), Ann Mecherle, Diane Wadas, Dawn Crawford, David Black (Howell, Gibson & Hughes), Mike Kelly (Dixon Hughes Goodman)

**ABSENT:** None

**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 the nine Board members and two County Council board members. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 8:10 a.m.

**INVOCATION:** Mr. Schulze gave the Invocation.

**INTRODUCTION:** Mr. Schulze welcomed Mike Kelly, senior manager from Dixon Hughes Goodman.

**2011 AUDIT –** Mr. Kelly presented a summary of the audit for BMH other combined entities. He said there were no problems with the audit, and BMH finished the year with a 4% operating margin, significantly above our peer group. He said that Dixon Hughes Goodman issued an unqualified opinion. Mr. Kelly noted that, when deductions are subtracted from charges, the hospital gives a 66% discount on average for its services. He continued his report saying that, as part of the Affordable Care Act, not-for-profit hospitals will be required to conduct a Community Health Needs Assessment starting in 2013. Since BMH has been given an exemption from filing Form 990, we may not be subjected to that requirement. However, he recommended we continue to publicize our charitable care activities to show proof of our not-for-profit status. Mr. Schulze agreed saying that he would like to see us show how we meet community health needs, since we do so much for the community. *Mr. Kelly suggested that Amy Bibby from their Asheville office give a presentation to the Board on tax status and reporting of community benefits at a later date.*

Mrs. Murray complimented Mr. White and the Finance staff for another clean audit and proud of the outstanding results; board members concurred.

Mr. Tedder made a motion, which was seconded by Mrs. Allen, to accept the Audit. Unanimous approval.

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**MOTION:** A motion was made by Mr. Tedder to go into Executive Session at 8:47 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mrs. Allen, and unanimously approved. The meeting re-convened to Open Session at 10:37 a.m.

**APPROVAL OF MINUTES – December 19, 2011:** Dr. Simmons made a motion, which was seconded by Mr. Tedder, to approve the minutes of the December 19, 2011 meeting. Unanimous approval.

### **COMMITTEE REPORTS**

**Finance Committee:** Mrs. Murray said we had a bad month in December and a bad quarter overall. She said they discussed major trends that have led us to this financial statement. She said there was a decrease in hospital activity due to the low census, a slowdown in insurance reimbursement payments, and an increase in self-pay patients. She said they discussed some of the actions that management has taken to address cost cutting measures. Mr. Schulze said we will be looking at this topic during the upcoming board retreat. She noted on pg. 20, the comparison of the first quarter during the past 3 years. The financial report was unanimously approved.

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

- Safety Plan & Annual Report on Safety
- Environment of Care Report

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

**Governance:** Mrs. Mecherle stated the committee did not meet; however, all officers are willing to serve another term and will be presented at the next meeting. Mr. Nettles suggested perhaps Audrey Bittner would be a good candidate for the Foundation's representative on the Governance Committee. Mr. McBride said he would move the Boards recommendations forward and County Council will take action in the next 2 weeks.

**COMMUNITY WELLNESS/OUTREACH:** Dr. Kessel said that Dr. Cusumano's community talk on January 19<sup>th</sup> was very well received and they had a full house. He said they are looking forward to hearing Dr. Mazzeo's talk in April on the Mediterranean Diet.

He said the walking trail is just about ready with signage going up soon. He said Cindy Coburn-Smith continues to work on moving the AccessHealth project forward. He commended her on recently receiving a statewide advocacy award. He said they are currently working with SCHA as a Center for Excellence for its Working Well program. Community wellness/outreach report reviewed and approved.

**MEDICAL STAFF – Credentials:** Dr. Tober presented the following practitioners for new appointment: Jon Engbretson, MD, Consulting Staff (Radiology); Jeffrey Jednacz, MD, Consulting Staff (Radiology); Adina Sonners, MD, Consulting Staff (Radiology).

The following practitioners requested reappointment: Cathy Bagley, MD, Active Staff (OB/Gyn); John Bardini, MD, Consulting Staff (Radiology); Eric Billig, MD, Active Staff

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(Radiology); Thomas Boden, MD, Consulting Staff (Radiology); Erasme Coly, MD, Active Staff (Cardiology) – passed his board exam, must finish modules; and Malcolm Corley, MD, Courtesy change to Active (Radiology); Marc Davis, MD, Consulting (Radiology); Rosalind Dawson, MD, Active (Internal Medicine); Mark Dean, MD, Active (Orthopedics); Fletcher C. Derrick, MD, Active (Internal Medicine); Amy Kirshtein, MD, Consulting (Pathology); Edward McNeil, MD, Active (Internal Medicine); Kelly McSweeney, MD, Consulting (Pathology); Jose Rodriguez, MD, Active (Hospitalist); Kent Stock, DO, Active (Infectious Disease – Emergency Medicine); Milton Stratos, MD, Consulting (Radiology); Sumain Supan, MD, Active (Family Practice); and Ann Tran, MD, Consulting (Radiology).

Six month quality review: Luke Baxley, MD, Provisional Active (Emergency Medicine); Cynthia Caskey, MD, Consulting (Radiology), and Shelly Jain, MD, Consulting (Radiology).

The following practitioners requested a change in status: Joycelyn Ajala, MD, Associate to Active, U.S. Navy (OB/Gyn) and Jill Blau, DPM, Community Active to Associate (Podiatry).

**Medical Executive Committee:** Dr. Tober presented the following policies as submitted in Executive Session with modifications as noted:

- CRNA Delineation of Prerogatives
- Policy on Dependent and Independent Practitioner Credentialing and Clinical Practice Prerogatives

Mr. Tedder made a motion, which was seconded by Mrs. Allen, 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. Ricks elaborated on the payment we have received for Meaningful Use compliance. Although the metrics for achieving compliance continues to get more difficult, he feels we will meet them.

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

**BMH FOUNDATION:** Mr. Nettles stated that for every dollar donated to the Foundation, the hospital would need to provide \$44 more in patient services and this is a message the Foundation wants to get out in the community. He said they have sold over 600 tickets to the Valentine Ball and they still need 15 more dinner seats. He complimented the staff on the work they are doing to keep employees engaged in giving to the Foundation, and said the Annual Appeal is going well, so far.

**MOTION:** Mr. Paddock said the Compensation Committee met, along with the Board of Trustees, and their recommendation is the CEO be approved a bonus of 67% of his eligible bonus. Mrs. Murray seconded the motion. Unanimous approval.

**MANAGEMENT REPORT – MOTION:** Mr. Toomey requested a motion for the hospital to develop a response to the City regarding plans for the office building proposed to be built across the street that includes engaging legal counsel to assist where necessary. Mrs. Murray made a motion, which was seconded by Dr. Kessel, to develop a response to the City as mentioned and include legal counsel as necessary. Unanimous approval.

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**MOTION:** Mr. Toomey requested a motion for the approval of the hospital to negotiate the acquisition of land on Lady's Island within the guidelines of the fair market valuation policy of the Board. Mrs. Allen made a motion, which was seconded by Mrs. Murray, to approve management to negotiate the acquisition of land on Lady's Island. Mr. Tedder recused himself from the vote. Unanimous approval.

**MOTION:** Mr. Toomey asked for a motion to revise the Emergency Services contract with Dr. Saeed Rehman, pending final review of counsel that the revision meets compliance standards, to increase it by \$20K per month. Mrs. Murray made a motion, which was seconded by Mr. Tedder, to approve Dr. Rehman's revised contract by \$20K per month with counsel's final concurrence. Unanimous approval.

**CHAIR ANNOUNCEMENTS:** None

**ADJOURN:** The meeting adjourned at 11:00 a.m.

Respectfully submitted,

David Tedder  
Secretary/Treasurer