

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

MINUTES – February 29, 2012

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, 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)

ABSENT: Bill Paddock

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 eight Board members and two County Council board members. The motion was seconded by Mrs. Allen, and unanimously approved.

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 9:27 a.m.

INVOCATION: Mrs. Allen gave the Invocation.

INTRODUCTION: Mr. Schulze welcomed David Black, Bill McBride and Paul Sommerville.

APPROVAL OF MINUTES – January 25, 2012: Mr. Tedder made a motion, which was seconded by Mrs. Allen, to approve the minutes of the January 25, 2012 meeting. Mr. Tedder made one comment in that under the Lady's Island purchase, he recused himself from voting since his brother works for the company that owns the property. Mr. Tedder will send a letter to Mr. Meyer, our attorney, explaining the recusal. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reported that we had an operating loss of \$795K and YTD a loss of \$573K. However, we still have a positive cash flow and a strong balance sheet, but will not remain so when we continue to see a declining income statement.

Dashboard (pg. 5): Mrs. Murray said for the past 4 months we have been experiencing deteriorating revenues and collections. She stated that issues were discussed in the committee, but will need to be addressed by the Board and mentioned that this will be one of the topics to be discussed at the upcoming Board Retreat. She said all activity, especially surgery is down. She said the uninsured increased by 15%; Medicaid volumes increased, but have seen a reduction of

7% in reimbursement (*\$1M loss in first 4 months*). She mentioned that we also had a loss of County support by \$635K. Our ED On Call payments have increased 27%; she noted that our employed physicians have built-in incentives within their contracts to treat the uninsured. Our operating expenses are down and very controlled, but not enough to offset those losses. She said we need to reach a consensus in treating the poor and uninsured as a hospital, with community members, insurers, doctors, and governmental entities, as to how we make this a viable financial model. Mrs. Williams asked how the insurance mandate may or may not affect us. Mr. Toomey said we have engaged Steve Sloate to work with a core scenario team to look at those hard decisions, i.e., if we have to rely on one source of funds, what will that do to us and how will that look. The committee will be led by Ed Ricks and various department leaders. Mr. Schulze asked everyone to give thought to our various service lines before the Board Retreat and think about what service lines we may have to eliminate in the future. Mr. Tedder stated that we are a state chartered public service hospital, but independent of the County and therefore the County is not legally obliged to assist us financially; however, they do appoint our Board members. Dr. Simmons stated at a recent conference he attended, they discussed palliative care and streamlining the care. He suggested that whatever population is causing us the most money, that we take a look at it and discuss how we can help those populations. Mr. McBride stated that the County had to lay off employees and asked all employees to take vacation days to help their bottom line. He said the County's primary income source is property taxes. Mr. Sommerville said we need to start preparing the County Council on where the hospital is headed. The financial report was unanimously approved.

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

- Staffing Effectiveness Report
- Core Measure Report
- Plan for the Provision of Care
- Customer Satisfaction Survey Results

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

Compliance Committee: Mrs. Williams said Don Meyer gave a presentation about trends in compliance at their recent meeting; however, no business was discussed.

Governance Committee: Dr. Thompson said County Council appointed our newest Board Member, David House, who will be joining us next month. He will be taking Bill Paddock's seat on the Board.

Officer Nominations – Dr. Thompson presented the current slate of officers to continue: Jerry Schulze for Chairman, Terry Murray for Vice Chair, and David Tedder for Secretary/Treasurer. Unanimous approval (*officers recused themselves from the vote*).

Community Outreach and Wellness Committee: Dr. Kessel said BMH is sponsoring a series of community talks through LifeFit Wellness. Dr. Cusumano will repeat the talk he gave in Beaufort to an audience in Sun City on March 7th. He said we are still waiting on the signs for the Walking Trail and commented that the ER renovations might be completed before we have signs for the trail!

He said BMH recently received an A+ from the SCHA Working Well program, and has been awarded a Gold Star for outstanding compliance with Smoking Cessation standards. Mr. Homyk

said a team of visitors from other Gold Star hospitals were here yesterday to share best practices. A job description has been written and the search has begun for a Director for AccessHealth Lowcountry; Cindy Coburn-Smith is working on that project. Mrs. Williams inquired about who the Executive Director is for the Good Neighbor Medical Clinic and the hospital's involvement with the clinic. Mr. Toomey said Carol Wagner is the new Executive Director and that he continues to serve on their Board. He said we provide patients with free lab and radiology services, which helps to keep them out of the Emergency Room. Dr. Kessel said the Create Your Weight program designed by Sodexo is now open to the public, and we have 17 community members enrolled.

Strategic Planning Committee: Did not meet.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: Dennis Bailey, CRNA, Allied Health Staff (Anesthesia); Marci Burrus, CRNA, Allied Health Staff (Anesthesia); Ken Evec, CRNA, Allied Health Staff (Anesthesia); Megan Taylor, CRNA, Allied Health Staff (Anesthesia); Lucille Copeland, CRNA, Allied Health Staff (Anesthesia).

Six month quality review: Kimberly Davis, MD, Provisional Active (Pediatrics).

Medical Executive Committee: Dr. Tober presented the following report and policies as submitted in Executive Session:

- Medical Staff PI Report
- Guidance on Board Options – Dependent Practitioner and Independent Practitioner Credentialing & Clinical Practice Prerogatives
- Dietary Orders
- Use of Order Sets
- EMTALA Medical Screening Examination
- EMTALA Transfers

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

BMH FOUNDATION: Mr. Nettles reported that this year's Valentines Ball was one of the best ever with over 630 people served at dinner parties, and he thanked everyone who helped and participated in this wonderful event. He said so far, the estimates raised from the event are \$230K. He also encouraged everyone to attend the upcoming Duke Symphony Orchestra performance on March 31st at Beaufort High. Mrs. Moss applauded PR for the Day of Dance at Sun City last weekend with over 600 attendees.

MANAGEMENT REPORT – Mr. Toomey also complimented the PR & Marketing staff, as well as the staff who volunteered to help at this tremendous event. He also complimented Doug Rhodin and the Mahogany Spirit team for the event held 2 weeks ago at Beaufort High, where 3

of our employees were recognized. He said this is a great event and would like to see more people attend, so they are looking at finding a better day and time for next year.

Property – Bluffton: Mr. Toomey said he just signed the 9th Amendment for the Bluffton property. They are working on the final closing document, which is expected to close during March. **Lady’s Island:** He also mentioned that we are close to closing on the Lady’s Island property between the Dairy Queen and ABC Storage. He said this property will be developed to be a 4-provider office practice for internal medicine specialists. **Administrative Office Building:** Mr. Toomey is working with Andrew Burgess regarding the cross cuts of the new road. Mr. Tedder suggested we contact Jim Tiller of Tiller and Associates to assist with preparing an actual drawing of the road. Mr. Toomey reported that we are now underway with the site preparation.

CHAIR ANNOUNCEMENTS: Mr. Schulze said that several of the Board members will be attending conferences in the next couple months and for staff to be prepared.

Mrs. Mecherle stated that the CON STEMI application is still in process and that she will be sending out samples of support letters and would appreciate the Board Members asking 5 friends to send in the letters as well.

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

Respectfully submitted,

David Tedder
Secretary/Treasurer