

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

MINUTES – July 25, 2012

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

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, David Homyk, Ed Ricks, Alice Moss, Sam Derrick, Nora Kresch, Paul Sommerville, Chad Tober, M.D., Bill Nettles, Bill McBride, Ann Mecherle, Diane Wadas, Dawn Crawford, Robert Achurch (Howell, Gibson & Hughes)

ABSENT: Pat Foulger

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. House to go into Closed Executive Session at 7:31 a.m. with the nine Board members and the 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 8:12 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 8:35 a.m.

INVOCATION: Mr. Schulze gave the Invocation. A moment of silence and prayer was given in memory of Mrs. Ethel Ladson, Wendy Spears mother.

APPROVAL OF MINUTES – June 27, 2012: Mrs. Murray made a motion, which was seconded by Mr. House, to approve the minutes of the June 27, 2012 meeting with noted correction on page 2. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reported that our third quarter results have trended with the year and will continue. Our inpatient census was on budget with revenues of \$18M and a positive variance of \$142K; our outpatient revenue was \$20M, which was below budget by \$1.7M. Our total revenue for June was \$12.7M. Our total operating expenses were \$12.4M. Our operating income for the month was positive at \$381K and year-to-date at \$1.2M compared to \$5.8M last year. The operating margin was positive at .51%; however, YTD at -1.01%.

Mrs. Murray stated that the Board had requested we look at assumptions for the coming fiscal year prior to working on the new budget. She said the outlook is very challenging, given the headed political climate and economic conditions. We know that we will not be receiving any contributions from the County for indigent care, yet that population continues to grow. We expect a lower average daily census, and lower Medicare payments. We expect a 2% reduction in Medicare payments in 2013, and will have to work harder than ever to recoup those funds. A component of Medicare reimbursement will be based on a 2% hold back, with compensation returned based on 70% quality metrics and 30% patient satisfaction metrics.

The upside is that more people could be insured in 2014; however, we are not sure South Carolina will participate. In looking at the budget summary, we predict our inpatient volumes to be flat, and a minor upswing in outpatient business. We will include an overall increase charge of 5% (no increase in 2 years). We want to include \$1.5M in the budget to give our employees a salary increase (2%) in FY 2013. Healthcare costs are up and pension contributions have increased causing overall benefits to escalate. We are not budgeting hiring any physicians during FY 2013. Expectation is that the operating income will be similar to this year; however, we will most likely have a deficit in 2013.

Mr. Schulze asked Mr. Toomey to comment on the relationship of Medicaid expansion on DSH payments. Mr. Toomey said Governor Haley is not inclined to accept federal dollars for expanding the amount of coverage for Medicaid lives. He said in 2017, the Federal Government will start withdrawing their support of funds. Governor Haley does not want to have unfunded expansion; SCHA does not endorse her position. Mr. Schulze asked if the Governor has the authority to make that decision regarding Medicaid funding or is it the legislative body or State Control Board. *Mr. Toomey said he will be attending the annual SCHA Board meeting tomorrow and will ask that question and also, find out the anticipated cost to the State and what the alternative would be.*

The financial report was unanimously approved.

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

- Environment of Care Report
- Core Measure Report

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

Compliance Committee: Mrs. Williams said they met on July 11th; however, the minutes will be presented next month.

Governance Committee: Dr. Thompson said the committee did not meet this month. She said we have three board members coming up for renewal in February 2013 – Steve Kessel, Andrea Allen and Susan Williams. She said Mrs. Williams is undecided if she wants to renew. Mrs. Mecherle said there are also three Broad River Healthcare board members on their last term, so we need to develop a list of potential candidates. Unanimous approval.

Strategic Planning Committee: Mrs. Allen made a motion, which was seconded by Mr. House, to approve the minutes as noted with one correction.

Community Outreach and Wellness Committee: Dr. Kessel said they are combining two committees into one, since employee wellness and community wellness have so much in common. Their next meeting will be held August 9th.

BEAUFORT MEMORIAL ADMINISTRATIVE CENTER (BMAC): Mr. Tedder presented a 2-page resolution outlining how Beaufort Memorial will move forward with getting development and building permit requests on building projects on Ribaut and Allison Roads. He and Mr. Toomey gave an overview of the issues with the permitting process of the BMAC. Mr. Tedder reported that the City Attorney had called him Tuesday evening to advise the City Council had approved this resolution that night. Mr. Tedder also stated that they have agreed to indemnify us on this sidewalk. The City Council had also agreed to drop plans for a road to run behind our new administrative office building to be shown on our plats. Instead, we will work

with the City to have a walking trail there that will eventually connect to the City's Spanish Moss Trail. Mr. House made a motion, which was seconded by Mrs. Allen, to approve the resolution as presented. Unanimous approval.

Mr. Toomey gave an overview of the issues with the permitting process of the BMAC. He said the City Council approved this resolution last night. Mr. Tedder also stated that they have agreed to indemnify us on this sidewalk.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for New Appointment: Bob Copeland, CRNA, Allied Health (Anesthesia); Richard Biggs, DO, return from LOA to Active (OB/GYN).

Requesting Reappointment: Nicole Broerman, MD, Active (Pediatrics); Carlos Cordero, MD, Active (Hospitalist); Diana Perin, MD, Consulting (Ophthalmology); Roderick Doss, DO, Associate (OB/Gyn – Active Duty Navy); Mary Elizabeth Durant, CNM, Allied Health (OB/Gyn – sponsored by Dr. Mitchell); Stephen Fox, MD, Consulting (Radiology); Joseph Harmon, MD, Consulting (Pathology); Stacey Johnson, MD, Active (Hospitalist); David Moon, MD, Consulting (Radiology); Louis Plzak, MD, Active (Urology & da Vinci); Faith Polkey, MD, Active (Pediatrics); Jeffrey Reuben, MD, Consulting (Orthopedics); Aaron Sarathy, DMD, Consulting (Oral Maxillofacial); Stuart Smalheiser, MD, Active (Cardiology); Trenton Statler, DPM, Active (Podiatry); Richard Stewart, DO, Active (Gastroenterology); Benjamin Strong, MD, Consulting (Radiology); J. Wade Strong, MD, Consulting, Pathology; Albert Su, MD, Consulting (Radiology); Jennifer Theoharis, MD, Consulting (Radiology); Samuel Trask, MD, Consulting (Family Practice); Warren Tucker, MD, Consulting (Pathology); George Worsham, MD, Consulting (Pathology).

Request for Extension of Locum Tenens Privileges: Charles Bensonhaver, MD (extension for 60 days); James Elmore, MD (extension for 60 days).

Request for Additional Privileges: John Adams, MD, Active (Urology and adding da Vinci); Stephen Sisco, MD, Active (adding da Vinci).

Requesting Relinquishment of Privileges: Thomas Hernandez, MD, Active (Orthopedics); Nancy Coldiron, DDS, Consulting (Dentistry); Robert Anton, MD, Consulting (Radiology).

Six Month Review: Jeffrey Jednacz, MD, Provisional/Consulting (Radiology); Adiana Sonners, MD, Provisional/Consulting (Radiology).

One Year Review/Change of Status: Cynthia Caskey, MD, Provisional Consulting to Consulting (Radiology).

Terminated: Kristine Germann, PA-C, Allied Health (Orthopedics with Dr. Blocker).

Mr. House made a motion, which was seconded by Mr. Tedder, to accept the Credentials Committees recommendations as presented. Unanimous approval.

MEC: Dr. Tober submitted the following policy for approval: Sleep Apnea Monitoring Policy. Mrs. Allen made a motion, which was seconded by Mr. Tedder, to accept the policy as presented. Unanimous approval.

STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: There was discussion regarding overall turnover rates. Mr. Homyk said we have lost 27 employees this past year; we are

struggling with nurses receiving experience here and then returning to their home towns. He and Mrs. Carroll are working on this issue. Mr. Schulze inquired about the status of CPOE to which Mr. Ricks said we are on track with our goals and have 50 providers left to train. Mr. Ricks said he will bring in 2-3 consultants to assist with this training. Mrs. Murray made a motion, which was seconded by Mrs. Allen, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mr. Nettles said his granddaughter attended the BMH/YMCA summer program and it was outstanding. He noted a gift received by Alice Moss earlier this month for \$100K. He said the Foundation's replacement for Anton Campanella on the Strategic Planning Committee is Paul Mannheim. He encouraged Board members to remind people about our Grateful Patient program when they have a good experience at BMH.

MANAGEMENT REPORT – Mr. Toomey reminded everyone of the Emergency Department tour after the meeting. He said he received a contract from our attorney to start the CON process for the Bluffton land. He reported that an offer letter has been sent to Dr. David Moore, psychiatrist, currently practicing in Key West. He also reminded everyone of the upcoming SCHA/SCMA TAP conference held September 13-15 on Hilton Head Island, and to contact Dawn if you would like to attend.

CHAIR ANNOUNCEMENTS: Mrs. Williams said she would be emailing out a recent article in Time Magazine by Joe Klein about end-of-life care – a subject very important to her. She said this issue is becoming more and more important with healthcare reimbursement contracting, and encouraged Board members to read it and be prepared for future discussions.

ADJOURN: The meeting adjourned at 9:30 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer