

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

MINUTES – October 31, 2012

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

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, David Homyk, Alice Moss, Ed Ricks, Diane Wadas, Sam Derrick, Paul Sommerville, Chad Tober, M.D., Bill Nettles, Bill McBride, Ann Mecherle, Courtney McDermott, Dawn Crawford, David Black (Howell, Gibson & Hughes), Jim Nelems (The Marketing Workshop), and Pam Weidener (Beaufort Engineering)

ABSENT: Terry Murray (Vice Chair) and James Simmons, M.D.

CALL TO ORDER: Mr. Schulze called the meeting to order at 7:30 a.m., and stated that the Press had been notified.

2012 BRAND EQUITY STUDY – Nora Kresch introduced Jim Nelems from The Marketing Workshop, a market research firm from Atlanta. Mr. Nelems recently completed a second community awareness survey to compare it with a survey he did for us in 2007. The results were overwhelmingly positive, showing that our efforts over the past five years are having a positive impact. Highlights are:

- BMH continues to be the best known hospital in our service area;
- Quality care is the major reason given for our positive status, with almost every attribute rating, except location, higher than in 2007;
- Perceived BMH strengths are up-to-date equipment, good reputation, quality of physician and nursing care, and friendly staff
- 43% of all respondents feel positively about using a physician affiliated with BMH;
- Advertising and publicity recall are significantly higher in 2012 than 2007, and higher than competing hospitals.

MOTION: A motion was made by Mr. House to go into Executive Session at 7:55 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 8:44 a.m.

INVOCATION: Dr. Kessel gave the Invocation.

APPROVAL OF MINUTES – September 26, 2012: Mrs. Williams made a motion, which was seconded by Mr. House, to approve the minutes of the September 26, 2012 meeting. Unanimous approval.

COMMITTEE REPORTS

Finance Committee – Dashboard (pg. 6): Jeff White reported in Mrs. Murray’s absence. He stated that we finished the year with a loss of \$353K in September and a negative operating margin of -4.67%; however, we did have a positive cash margin of 4.59%. He said the revenues were down significantly at \$4.3M below budget for the month. Our fiscal year ended with a loss of \$316,483, which is the first loss we have had in over 20 years; a negative operating margin of -2.24%; however, we had a positive cash margin of 6.97%. He noted that we are still maintaining a healthy balance sheet with days cash on hand of 188 days. He said we will be changing the way we calculate days cash on hand, as he discussed in the Finance Committee.

Income Statement (pg. 10): Overall, outpatient activity was up 2%; however, our inpatient activity is significantly lower. He pointed out that revenue deductions have been a big issue over the past year with an increase in denials by insurance providers. He said we are turning that around with our new denial management program, but it takes a lot of work. Mr. Toomey reiterated that we are tightening up our costs to ensure our expenses don’t exceed our revenues. He said we are announcing later today that effective January 1st, the Paid Days Off (PDO) program and accrual rate is being restructured, which will take \$500-700K annually out of benefit costs. He said the Finance Committee will be addressing trends and strategies at regular monthly meetings beyond just reviewing the financial reports.

The financial report was unanimously approved.

Quality Improvement Committee: In Dr. Simmons absence, Dr. Kessel reported on Quality Improvement and a summary report on value-based purchasing. Dr. Kessel also presented the Restraints and Seclusion policy for approval. Mr. Tedder made a motion, which was seconded by Mrs. Allen, to approve the policy and aforementioned reports as discussed in Executive Session. Unanimous approval.

Compliance Committee: Mrs. Williams said the committee will report next month.

Governance Committee: Dr. Thompson said she received six names from David House and has contacted each, of which three are interested in becoming a board member. She said we will need to submit four names for two positions being vacated by Susan Williams and Dr. Kessel. The medical staff voted to submit Dr. Polkey and Dr. Rich Stewart to replace Dr. Kessel in the medical staff slot. The Board will recommend that Andrea Allen be reappointed for another term.

Community Outreach and Wellness Committee: Dr. Kessel reported that Drs. Jones and Blocker will be giving a community presentation as part of the “Life Lived Better” series on November 8th at the Quality Inn in Beaufort. He said the Access Health program is moving forward with hiring a few people, and they hope to begin serving patients after the first of the year. Also, a Community Health Needs Assessment is being conducted, and expects the results in the Spring.

Strategic Planning Committee: Mrs. Allen stated the committee met in our Bluffton office on October 25th and was facilitated by Dawn Carter of Ascendiant, a consultant who is writing the CON for our growth in Bluffton; over 40 people attended. She stated that Steve Sloate, our consultant from our past Board retreat, will be at the next meeting scheduled for December 11th along with the Medicare Scenario Team at 5:15 p.m.

MEDICAL STAFF – *Credentials:* Dr. Tober presented the following practitioners for New Appointment: Amanda Baker, CRNA, Allied Health Professional (Anesthesia); Jaime Cuff, NP, Allied Health Professional (Dept. of Medicine); Ronda O’Connell, NP, Allied Health Professional (Dept. of Medicine); James Amlicke, MD, Provisional, Consulting (Orthopedics); Joel Ingegno, MD, Provisional, Active Staff (Gastroenterology); Amanda Parks, MD, Provisional, Active Staff (Infectious Disease).

Requesting Reappointment: John Bell, MD, Active (Nephrology); Charles Bensonhaver, MD, Consulting (Radiology/Virtual Radiologist); Peter Holt, MD, Consulting (Radiology/Virtual Radiologist).

Six Month Review: Christa Catalano, MD, Provisional Active (Radiology); Meryl Snow, DO, Provisional Active (Dept. of Medicine).

One Year Review/Change of Status/Additional Privileges: Richard Biggs, DO, (U.S. Navy) relinquishment of privileges due to change in duty station; Simons Hane, Jr., relinquishment of privileges – not pursuing Board Certification; Erasme Coly, MD (Cardiology) returned from leave of absence; Shannon Calhoun, MD, Provisional Consulting to Consulting (Radiology); Martin Ruocco, MD, Provisional Consulting (Radiology); Monte Zarlingo, MD, Provisional Consulting (Radiology).

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

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

BMH FOUNDATION: Mr. Nettles reported that Ms. Moss is working with Dr. Pratt and his family on a private dedication of the new ER while members are in town for Thanksgiving. He said that other events prior to the official opening of the ER include the Board and Foundation annual meeting in November, as well as a number of special previews in December. Mr. Toomey said the plan is to have a public open house on Sunday, December 16th. Patients will begin being seen in the new ER after the first of the year. Mr. Schulze reminded Board members of the importance of our Foundation to the hospital, and pointed out that we received \$1.5M from the Foundation in FY12.

MANAGEMENT REPORT – *Pratt ED:* Mr. Toomey said construction continues to proceed. He stated that we have been giving private tours and seeing the progress being made. We are looking at the end of November for the final inspection. He said we will be training staff and getting computers up and running during December to be operational the first week in January.

BMAC: Mr. Toomey distributed a brochure showing the various configurations of the workstations in the new BMAC. He said 145 employees will be moving into this building. He complimented Plant Services and the vendor for setting up the demo in the new classroom area near the ER; he said over 140 people went through.

Mr. Toomey thanked Dr. Tober for the great turnout at the Annual MEC and Oyster Roast welcoming new doctors. He said it was the largest turnout he has seen, and there was a lot of good interaction.

Mr. Toomey recognized Nora Kresch for her 26 years of service with BMH, and wished her well on her retirement next week. He listed the events and milestones Nora has seen during her tenure. Everyone thanked her for her hard work and dedication to the hospital. Courtney McDermott has been selected as Nora's replacement.

MOTION: A motion was made by Mr. Tedder to go back into Executive Session at 9:40 a.m. to discuss presentation from PACE Healthcare on October 29. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 9:50 a.m.

CHAIR ANNOUNCEMENTS: Mr. Schulze noted the tentative meeting schedule for 2013 and noted that we would continue to have a combined meeting in December. The November dates were in question; however, the Board agreed to keep these dates of November 25 for the Finance meeting and November 27 for the Board meeting in 2013.

ADJOURN: The meeting adjourned at 9:52 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer