

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

MINUTES – February 27, 2013

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

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

ABSENT: Susan Williams

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 Mr. House, and unanimously approved. The meeting re-convened to Executive Session at 8:20 a.m.

MOTION: A motion was made by Mr. Tedder to go into Executive Session at 8:20 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Dr. Thompson, and unanimously approved. The meeting re-convened to Open Session at 9:21 a.m.

INVOCATION: Mrs. Allen gave the Invocation.

APPROVAL OF MINUTES – January 30, 2013: Mr. Tedder made a motion, which was seconded by Dr. Kessel, to approve the minutes of the January 30, 2013 meeting with noted corrections. Unanimous approval.

INTRODUCTION: Mr. Schulze welcomed Kathy Cooper, our newest Board Member effective March 2013.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reported that we had stronger month with total patient revenue exceeding budget by \$1.4M, or 3.5%. However, this was negatively influenced by revenue deductions. Operating expenses exceeded budget by \$279K. Salaries exceeded budget by nearly \$206K, the majority of which was generated by overtime. Operating income was \$204K with an operating margin of -0.6%. Year-to-date our operating losses total \$1,265,446.

She said Mr. White discussed two class action suits related to Medicare reimbursements. She said he also discussed Medicaid expansion and proposed healthcare exchanges at the state level. She stated that the conclusion was that we need a full court press with our legislative delegation on the Medicaid expansion issue and will continue to monitor the exchanges.

Mr. Toomey said he also discussed articles regarding Medicaid expansion and a draft resolution that will be presented today. He explained that when the Patient Protection and Affordable Care Act was passed in 2010, the American Hospital Association agreed to reduced Medicare payments to hospitals (effective 2014) in exchange for expanded coverage for the uninsured through Medicaid expansion. He said our projections is that beginning in 2014, the hospital will see an annual \$7M reduction in Medicare reimbursements and through 2020 BMH will have lost over \$50M in reimbursement. He said without an expansion of coverage for the uninsured we are faced with a financial crisis. He said the state proposes that with the health insurance exchanges and the Federal subsidies it will provide coverage for some people – the debate is how many. Mr. Toomey said that as a hospital it is critical to support expansion, and both BMH and the South Carolina Healthcare Association (SCHA) believe that the state needs to participate in Medicaid to draw down dollars to cover expansion at 100% for the first 3 years, and at 90% until 2020.

Mr. Toomey distributed and reviewed the revised resolution discussed in the Finance Committee to the Board members and asked for their support in adopting the resolution to support expansion to expand health coverage to the uninsured. Discussion ensued regarding updates to the resolution. He also mentioned that he will be sending information to employees soon to engage them in efforts to gain support for the decision and the potential consequences to the hospital without expansion.

MOTION: Mr. Tedder made a motion, which was seconded by Mrs. Murray, to develop a final edition of the resolution and to continue developing plans to engage our legislators to vote in support of expanded healthcare coverage for South Carolina residents. Unanimous approval.

It was agreed that the resolution should be sent to our local delegation, mayors, placed in local papers, as well as send to SCHA.

Mrs. Murray and others acknowledged that the senior leadership team will need to plan for the hospital's next budget based on the strong likelihood that we will see \$7M in cuts. Mr. Toomey said we will work to find \$7M, but we cannot do it without cutting services and staff.

The financial report was unanimously approved.

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

- Core Measure Report
- Plan for the Provision of Care
- Customer Satisfaction Survey Results
- Value Based Purchasing Report

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

Compliance: Mrs. Wadas reported that the committee met February 12th. Attorney Mary Lohr from Howell, Gibson and Hughes discussed a former lawsuit brought by a patient's family and the lessons learned from this experience. Mrs. Wadas said she gave a presentation on the 2013 OIG work plan and specific physician changes and changes that will affect hospitals, as well as continued audits. She said Mr. Ricks gave an educational session on Meaningful Use.

Governance: Did not meet.

Strategic Planning Committee: Did not meet.

COMMUNITY WELLNESS/OUTREACH: Dr. Kessel reported that recently, two LifeFit members met with seven other hospitals to brainstorm ideas for encouraging employees to exercise. The hospital has instituted “Fryer-less Friday’s” and is looking at exercise apps to help people stay well. LifeFit is also sponsoring a 5k during a Taste of Beaufort weekend, and the committee is working on plans for the next wellness breakfast.

Dr. Kessel also mentioned that BMH is a tobacco-free campus, and security staff and the front desk have coupons available to help employees confront violators with an offer for a free soda from the cafeteria.

Mr. Schulze thanked Dr. Kessel for his eight years of service on the BMH Board of Trustees, and presented him with a gift.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: Robert Carter, CPNP, Allied Health Staff (Pediatrics); Mary E. Donovan, NP, Allied Health Staff (Family Practice).

The following practitioners requested reappointment: Dennis Bailey, CRNA, Allied Health Staff (Anesthesiology); Kurt Gambla, DO, Active Staff (Internal Medicine); David Maurer, MD, Active Staff (Otolaryngology); Anne Taylor, ANP, Allied Health Staff (Neurology).

Six month quality review: Paul Herickhoff, MD, Provisional, U.S. Navy (Orthopedic); Jamie Singleton, MD, Provisional Active (Pediatrics); Marci Burris, CRNA, Provisional Allied Health Staff – Dependent Practitioner (Anesthesiology); Lucyle Copeland, CRNA, Provisional Allied Health Staff – Dependent Practitioner (Anesthesiology); Kenneth Evec, CRNA, Provisional Allied Health Staff – Dependent Practitioner (Anesthesiology); Megan Taylor, CRNA, Provisional Allied Health Staff – Dependent Practitioner (Anesthesiology).

The following practitioners relinquished privileges: Lynne B. Williams, PA, Allied Health Staff – no longer employed at Bluffton Primary Care; Linda Hubbard, PA, Allied Health Staff – sponsoring physician (Dr. Reuben) no longer on staff; Sarah Moore, PA, Allied Health Staff – moved; Susanne Baisch, NP, Allied Health Staff – Took other position where privileges are no longer needed; Jeffrey Jednacz, MD, Consulting (Virtual Radiology) – voluntarily relinquished privileges.

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

- Alcohol Detox Policy
- Code Silver Policy
- Authentication of Telephone Orders, Protocols and Standing Orders

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

BMH FOUNDATION: Mr. Nettles thanked Mr. Toomey and his wife, Dr. Hawes, for participating as chairs of the 24th annual Valentine Ball. He said they had a 100% participation

of the Board of Trustees as either donors or dinner hosts. He also encouraged everyone to buy tickets to the upcoming concert of the Duke Symphony Orchestra on Saturday, March 23rd.

MANAGEMENT REPORT: Mr. Toomey recognized Courtney McDermott and Dr. Tober for their participation with the Dance for Your Health event held in Sun City on February 23rd. He said that even with the poor weather there were hundreds of people that came out for the event, as well as 75 employees and 6 physicians, along with nursing students from USCB. He also gave kudos to the dietary department for the excellent food.

BMAC Update: Mr. Toomey said they are continuing to make progress on the BMAC and the move-in date is tentatively scheduled for mid-March beginning with the 4th floor, then 3rd floor at the end of the month and LifeFit on the 1st floor in April.

TeamHealth: Mr. Toomey said their contract with the ED begins March 1st, and the staff will be led by the new Emergency Room Director, Dr. Steve Larsen.

SWOT Analysis: Mr. Toomey stated that our strengths are that we work well with Beaufort County and meet with them on a monthly basis. We have an agreement to provide mutual aid and sheltering; in fact, Beaufort County has agreed to shelter 50 people if we have to vacate and that we are their number one priority in the event of an emergency. Our weakness is our physical location, being surrounded by water. He noted that we have new generators; however, they are currently located in the basement along with our data center. The secondary data center will be located on the fourth floor of the BMAC. He said that one of the biggest challenges will be getting staff back to reopen if we are damaged from a hurricane.

CHAIR ANNOUNCEMENTS: None

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

Respectfully submitted,

David Tedder
Secretary/Treasurer