

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

**MINUTES – April 24, 2013**

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

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

**ABSENT:** Diane Wadas

**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 Mrs. Allen to go into Executive Session at 7:31 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mr. Tedder, and unanimously approved. The meeting re-convened to Open Session at 8:25 a.m.

**INVOCATION:** Dr. Simmons gave the Invocation.

**APPROVAL OF MINUTES – March 27, 2013:** Mr. Tedder made a motion, which was seconded by Mrs. Murray, to approve the minutes of the March 27, 2013 meeting. Unanimous approval.

**COMMITTEE REPORTS**

**Finance Committee:** Mrs. Murray mentioned an article on America's Safest Hospitals from AARP, which was distributed. She said the committee heard a presentation from Dean Moss, a board member from the Spanish Moss Trail, who requested a contribution of \$50K towards further construction of the trail by 2.2 miles. The hospital's contributions would be added to grants and other funds to underwrite the extension. Mr. Schulze made a motion, which was seconded by Mrs. Allen to approve the \$50K contribution for the addition to the trail, which will be split with payment of \$25K this year and \$25 in 2014. Both Mr. Tedder and Mrs. Murray abstained from the vote. Unanimous approval.

Mrs. Murray reported that overall March was a good month. The income statement showed a negative variance of \$6.5M for inpatient revenue; however, the outpatient revenue was positive at \$4M. Deductions from revenue were \$1.4M below budget. Our total revenue was \$74M, which is about \$1.3M below budget. Our operating income for the month was positive at \$439K. Our operating loss year-to-date (YTD) is \$171K, which is an improvement from the beginning of the fiscal year; however, still a loss. Our balance sheet remains strong.

She stated that the physician offices are seeing a loss YTD of \$2M, which is three quarters of a million more than anticipated. This loss is attributed to the ramp-up time to build new physicians' practices, plus the recent transition from multiple billing companies into one. The Board agreed that this is not a true reflection of the value of the practices, as it does not account for the ancillary revenue employed physicians generate through referrals to services and specialists who perform procedures at the hospital. Overall, the trends are positive, volumes are up, and the biggest issues have been in collections, which are also improving.

Mrs. Murray said the committee also discussed estimated future outcomes, which Mr. White presented based on year-to-date trends, which forecast a projected loss of approximately \$3M at the end of FY13,

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and improving income in FY14 due to estimated positive impacts from Health Insurance Exchange (HIE) plans. The committee will have deeper discussions in the next meeting, including estimating the number of people who will enroll in HIE and how the hospital will continue to control expenses.

Mrs. Murray noted the consolidated income YTD of \$169K. She also noted that Broad River Healthcare posted over \$100K to the bottom line for the month. She said regarding our future, two questions have been posed to management:

1. How bad is our situation?
2. What is the proposed strategy for dealing with our future?

She said the committee also discussed estimated future financial outcomes, which Mr. White presented based on YTD trends, which forecast a projected loss of approximately \$3M at the end of FY13, and improving income in FY14 due to estimated positive impacts from HIE plans. She said they reviewed projections for 2013, 2014 and 2017. She said we will have very thin margins for 2014 and the foreseeable future. *She said next month the committee will focus on the various scenarios that management will be using to look at the next year's budget with 4-5 critical assumptions.* One of those assumptions will be the percentage of newly insured, which will come about with the new HIE. Then will focus on actions to ensure expense targets are met, which is one area of control.

Dr. Thompson said it would be interesting to see which physicians are sending referrals, whether employed or not, and to find out those that are not referring find out why and where they are sending referrals. Mrs. Murray noted that surgeries are trending down. Dr. Thompson agreed, stating that patients seem to be more reluctant to scheduled elective surgeries right now. Mr. Schulze stated that 10% of our patients incur 50% of our costs, and that we really need to look at those expenses.

Mrs. Murray stated that the next Finance Committee meeting is scheduled for Thursday, May 23<sup>rd</sup> at 7:30 a.m. Room location will be confirmed at a later date.

The financial report was unanimously approved.

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

- Subpoena Policy
- Cyacom Phone Translation Policy
- Pastoral Care Mission, Vision, and Principals Policy
- Medical Records Entries – Timing and Dating Entries Policy

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

**STEMI PROGRAM** – Mr. Toomey introduced Daniel Mock, Sr. Director of Cardiac and Imaging Services, who presented an overview of the process the staff and hospital underwent to prepare to offer a Primary Coronary Intervention program for STEMI patients.

Mr. Mock presented the EMS call of a STEMI that occurred recently and explained the definition of a STEMI and how BMH has treated STEMI patients in the past – using thrombolytics or clot busters, before transferring to another hospital.

Since the state changed the state health plan to allow hospitals to offer intervention without emergency open heart back up, the hospital began planning to offer the life-saving service with the help of Duke's Heart Network. He emphasized that STEMI is not just a Cath lab process, but a hospital process that involves a number of departments and services and, most importantly, quality oversight. He detailed the process involved in preparing to offer this vital service and estimated that the program would launch sometime in mid-May to early June.

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He stated that the physician champions for this program are Drs. Smalheiser and Harshman. He said they developed cardiology core classes modeled after Duke's. The implementation of a nurse-first triage system allows patients to come in the door and go right to EKG. This has led to a dramatic reduction in "door-to-EKG" time for myocardial infarction (MI) symptoms, which dropped from 22 minutes to 7 minutes; CMS benchmark is 10 minutes. Duke will be conducting quarterly quality assessments and will review every STEMI case. Both Mr. Toomey and Mrs. Foulger thanked Daniel and his staff for their hard work with this program.

**Compliance:** Mr. House said the next meeting is scheduled for May 13<sup>th</sup>.

**Governance:** Dr. Thompson reported that we now have 18 prospective applicants.

**Community/Employee Wellness Committee:** Dr. Polkey reported that the committee discussed the benefits of extending the Spanish Moss Trail, and reported that new maps are being developed to reflect the addition of the trail. She noted that Employee Health (Eileen Selander and Janice Merritt) will now become part of LifeFit Wellness Services. She said that AccessHealth went live April 1st. This program is designed to help uninsured people establish a medical home to get regular medical care and to help them stay out of the ED. She reminded everyone of the upcoming Taste of Beaufort 5K on May 4<sup>th</sup>, and noted that LifeFit is a sponsor for the event.

It was reported that during a recent City planning meeting there appeared to be discrepancies in what the master plan says and what the hospital's plans are and that they need to be addressed. A public hearing will be held on May 1<sup>st</sup> to discuss the City's master plan and the form based code; both Rick Toomey and Jerry Schulze will attend. *Mr. Toomey will meet with Mayor Keyserling to develop a plan of action.*

**Strategic Planning Committee:** Mrs. Allen stated the next meeting is scheduled for May 14<sup>th</sup>.

**Affiliation Committee:** Mr. Schulze said he would add a couple more filters from the Board Retreat and will set up another meeting soon to discuss alternatives and next steps.

**MEDICAL STAFF – Credentials:** Dr. Tober presented the following practitioners for new appointment: Patrick Meehan, MD, Active Staff (Family Medicine, BJHCHS); Carey Tucker, PA-C, Allied Health Staff (Emergency Medicine); Peter Zavell, MD, Consulting (Emergency Medicine).

The following practitioners requested reappointment: John Biggers, MD, Active Staff (Hospitalist); Lawrence Coleman, MD, Active Staff (Pediatrics); John Crisolago, MD, Active Staff (Gastroenterology); Jo Anne Csakany, MD, Active Staff (Gynecology); Ardra Davis-Tolbert, MD, Active Staff (Gynecology); Joseph Floyd, MD, Active Staff (Pediatrics); John Fontana, MD, Active Staff (Gynecology); Karen Keane, MD, Active Staff (Pediatrics); Timothy Keane, MD, Active Staff (Pediatrics); Randall Royal, MD, Active Staff (OB/Gyn); George Simmons, MD, Active Staff (Anesthesiology); William Starsiak, DDS, Active Staff, U.S. Navy (Oral & Maxillofacial Surgery); Claude Tolbert, MD, Active Staff (OB/Gyn); Clarice Wardlaw, CNM, Allied Health (OB/Gyn); Glenn Werner, MD, Active Staff (OB/Gyn).

Six month quality review: Amanda Baker, CRNA, Allied Health (Anesthesiology); Joel Ingegno, MD, Active Staff (Gastroenterology); Ronda O'Connell, APRN, Allied Health (Primary Care); Amanda Parks, MD, Consulting Staff (Infectious Disease).

One year review/change of status/additional privileges: Christa Catalano, MD, Provisional Active (Radiology); Erasme Coly, MD, Active Staff (Cardiology); Stuart Smalheiser, MD, Active Staff (Cardiology); Meryl Snow, DO, Provisional Active (Family Medicine).

Mrs. Allen made a motion, which was seconded by Mrs. Cooper, to accept the Credentials Committees recommendations. Unanimous approval.

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**STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services:** Mrs. Allen made a motion, which was seconded by Dr. Simmons, to approve the staff reports. Unanimous approval.

**BMH FOUNDATION:** Mr. Nettles reported that the Advocacy and Communications Committee is working to set up programs to introduce the BMH Foundation to other communities. He said the Duke Symphony Orchestra raised \$18,450 toward the Keyserling Cancer Center, and the related publicity was excellent.

He reminded everyone of The Celebration of Giving event being held tomorrow and encouraged everyone to attend. Ms. Moss noted that the hostess, Donna Persing, for this event is a dedicated hospital volunteer and donor. Mr. Nettles also reported that the endowment fund recently broke the \$10M mark. He said the more we can do to build up the endowing the better.

**MANAGEMENT REPORT - Awards:** Mrs. Carroll recognized several nursing staff members, including Susie Roos and Cindy Lenz, for poster presentations which were awarded first place for Post Float poster and second place for Nursing Peer Review Committee poster.

Mr. Toomey announced that the sixth annual Lewis Blackman Patient Safety Healthcare Executive Award went to Pat Foulger, and congratulated her for the work she does to maintain the highest quality and safety standards. Lewis Blackman's mother was at the conference and helped to present the award in memory of her son, for whom the award is named.

**BMAC:** Employees have begun moving into the BMAC, including HR, IS, Quality, Community Health, and Education. LifeFit will likely relocate sometime before June. He said the reaction of staff has been very positive.

*He said a notice would be sent out as to where the next Board meeting will be held, as the boardroom table is being moved in a couple weeks.*

Dr. Ebony Gaffney has signed the Employment Agreement contract and will start August 1<sup>st</sup>.

**CHAIR ANNOUNCEMENTS:** None

**ADJOURN:** The meeting adjourned at 10:02 a.m.

Respectfully submitted,

David Tedder  
Secretary/Treasurer