

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

MINUTES – June 26, 2013

BOARD MEMBERS PRESENT: Jerry Schulze (Chair), Terry Murray (Vice Chair – *via phone*), 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, Sam Derrick, Ed Ricks, David Homyk, Alice Moss, Courtney McDermott, Chad Tober, M.D., Bill Nettles, Bill McBride, Diane Wadas, Ann Mecherle, Dawn Crawford, Robert Achurch (Howell, Gibson & Hughes), and Don Meyer (Moore & Van Allen, PLLC)

ABSENT: None

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.

MOTION: A motion was made by Mr. Tedder to go into Closed Executive Session at 8:23 a.m. to discuss a legal issue with the nine board members and one County Council board member, along with Mr. Toomey and Don Meyer (Moore & Van Allen, PLLC). The motion was seconded by Mrs. Allen, and unanimously approved. The meeting re-convened to Open Session at 8:46 a.m.

INVOCATION: Dr. Thompson gave the Invocation.

APPROVAL OF MINUTES – May 29, 2013: Dr. Simmons made a motion, which was seconded by Dr. Polkey, to approve the minutes of the May 29, 2013 meeting with noted correction. Unanimous approval.

COMPLIANCE PRESENTATION: Don Meyer presented information about current compliance best practices. He discussed regulatory compliance issues and concerns, and reviewed several topics including fiduciary duties and responsibilities, hot topics in compliance and risk areas related to conflicts of interest, and loss of immunity protection. *A copy of the presentation will be posted on the board portal.*

COMMITTEE REPORTS

Finance Committee: Mr. Tedder reported on behalf of Terry Murray, who had to disconnect early. He noted that we had a good, positive month in May. He said we had one question regarding the uptick in supplies last month, and stated after review it was determined that we cannot attribute it to any one thing.

Mr. Toomey stated that he and Mr. White met with the County and that they asked for a methodology they could use to have a consistent way to look at our charity care. He said we will

propose the following methodology: If we have a margin of 2% or more, we would not ask for indigent care support; however, if we make less than that we would ask for 3% of every dollar of indigent care provided to Beaufort County residents. Mr. McBride noted that the County passed their budget for FY14, which included \$100K in indigent care offsets to BMH.

Mr. Tedder noted the DRG Comparison chart in the packet and stated that we are in most cases below the average of the seven hospitals listed.

Currently, our year-to-date (YTD) operating income is \$1.3M, which is above budget. However, our benefits are over budget by \$1.3M YTD. Mr. House asked what action we are taking to control our own health care costs. Mr. Toomey stated that we are not much off from the budget; however, May accounted for the significant portion of the YTD variance. He said we are reevaluating our self-insured health insurance plan, and sending out RFPs to other providers to determine if it would be more cost effective to make a change. The total cost of our insurance plan is \$8.9M.

Dr. Polkey inquired about the 340b Program to allow employees and family members to get significant discounts for pharmaceuticals. Mr. Homyk reported that the hospital is eligible for the program, but there have been some problems with its administration so we have discontinued our participation.

The financial report was unanimously approved.

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

- Risk Management Plan
- Infection Prevention and Control Plan
- Infection Prevention and Control Risk Assessment
- Core Measure Report
- Environment of Care Annual Report
- Environmental Rounds 1Q13
- National Patient Safety Goals
- Patient Satisfaction – Inpatient, Outpatient & Emergency Department
- Pastoral Care/Volunteer Chaplains Policy
- Complaint & Grievance Policy

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

Compliance: Mr. House reported that the committee is continuing to look at three specific DRGs, which the committee has seen an uptick in documentation in the past two quarters. A new peer review process is being implemented to ensure the appropriate documentation for the billing of certain cases. He briefly reviewed the handling of compliance hotline calls and a HIPAA report. The committee reviewed the Recovery Audit Contractor (RAC) process in the wake of a significantly higher rate of denials. Mr. White explained that Medicare RACs are focusing on short-stays to determine if the reimbursement at the DRG level is even appropriate. The hospital is in the process of reviewing outside companies to help review our appeals process.

Governance: Dr. Thompson stated the committee will reconvene in September.

Community/Employee Wellness Committee: Dr. Polkey reported that we have been asked to adopt two miles of the Spanish Moss Trail. Mr. Toomey said we need to be careful about

accepting the responsibility too quickly. If it is not properly maintained, it reflects poorly on the hospital. Mr. Tedder said the County gave a match grant of \$275K to extend the trail to Port Royal by Thanksgiving.

Dr. Polkey stated that Mark Senn and Matt Petrofus recently presented information indicating that the percentage of students who are overweight or obese in Beaufort County is 36%; Jasper County is 55%. She said that Mr. Senn is probably going to publish what we are doing here to review and reduce obesity.

Debbie Slazyk, Director of AccessHealth, is working to recruit physicians to champion the network for uninsured people over the age of 18 to providers who will care for them at a discounted rate. The target enrollees are the high utilizers of the ED.

The American College of Surgeons was onsite for an extensive survey on June 20 at the Keyserling Cancer Center. Mr. Toomey said the surveyor was very complimentary. It will take about six weeks to get the results of the survey.

Strategic Planning Committee: Mrs. Allen reported that the committee met last night and had a presentation by staff from MUSC to explore options of joint strategic planning. She reiterated that it is our goal to continue to remain an independent, not-for-profit hospital, and that we will continue to look at our options and strategic direction with a partnership and/or affiliation. Mr. Toomey said they verbalized a strong desire to do something with us. They are focused on developing clinical relationships, and in return expect to get the patients who need services that BMH does not offer.

Affiliation Committee: Mr. Schulze stated a meeting will be held in the near future.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: John Arthur, MD, Provisional Consulting (Nephrology); Milo Budisavljevic, MD, Provisional Consulting (Nephrology); Charles M. Bunke, MD, Provisional Consulting (Nephrology); Scott Burns, MD, Provisional Active (Emergency Medicine); Ruth Campbell, MD, Provisional Consulting (Nephrology); Elaine Khatod, MD, Provisional Consulting (Virtual Radiology); Barbara Magera, MD, Provisional Active (Hospitalist); Adam Mandel, MD, Provisional Active (Emergency Medicine); Roberto Pisoni, MD, Provisional Consulting (Nephrology); David Ploth, MD, Provisional Consulting (Nephrology); Takamitsu, Saigusa, MD, Provisional Consulting (Nephrology); Amy Wagner, NP, Provisional Allied Health Professional (Internal Medicine).

The following practitioners requested reappointment: Paul Brewer, MD, Community Active (Dermatology); Patricia Devers, DO, Active (Internal Medicine) – *pending PPD due to shortage*; Stephen Ferry, DDS, Active (Oral Surgery & Maxillofacial); Demetra Kokinakis, DO, Active (Ophthalmology); Deanna Mansker, MD, Active (Surgery); Oswald Mikell, MD, Consultant (Dermatology); Francis Rushton, MD, Community Active (Pediatrics); Leland Stoddard, MD, Active (Orthopedics); Scott Strohmeyer, MD, Active (Orthopedics) – *pending PPD due to shortage*.

One year review/change of status/additional privileges: Michael Crockett, CRNA, Provisional Dependent Practitioner (Anesthesiology); Robert Copeland, CRNA, Provisional Dependent Practitioner (Anesthesiology); Cindy Crowther, CRNA, Provisional Dependent Practitioner (Anesthesiology); Pauline Disher, CRNA, Provisional Dependent Practitioner (Anesthesiology);

Sally Griffin, CRNA, Provisional Dependent Practitioner (Anesthesiology); Sharon Griswold, CRNA, Provisional Dependent Practitioner (Anesthesiology); Patricia Irvine, CRNA, Provisional Dependent Practitioner (Anesthesiology); Kay Phillips, CRNA, Provisional Dependent Practitioner (Anesthesiology); Gayle Ridgeway, CRNA, Provisional Dependent Practitioner (Anesthesiology); Cathy Ritchie, CRNA, Provisional Dependent Practitioner (Anesthesiology); Timothy Stacks, CRNA, Provisional Dependent Practitioner (Anesthesiology); Lynn Stokley, CRNA, Provisional Dependent Practitioner (Anesthesiology).

Relinquishing Privileges: John Bell, MD, Active (Nephrology); Stephen Luther, MD, Active (Internal Medicine); David W. Vormohr, MD, Active (Internal Medicine)

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

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 Mr. House, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mr. Nettles thanked Mr. Schulze and Mr. Toomey for their recent presentation to the Lady's Island Rotary Club.

MANAGEMENT REPORT – *Internal Medicine:* Mr. Toomey reported that Dr. Vyge, a board-certified internal medicine physician, will be joining the Lady's Island Internal Medicine practice in July. However, he will work out of Dr. Trask's office until the new Lady's Island facility has been completed. Dr. Michael Staley's contract has been completed and will be joining the practice of Drs. Adams and Plzak and the medical staff once credentialing is complete.

Mr. Toomey commended everyone who attended the City Council meeting to show our dissent about the decision/proposal to tax not-for profits. Mr. McBride also recognized Gary Kubic for the recommendation to include the \$100K in the budget for BMH.

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 10:15 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer