

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

MINUTES – July 31, 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 (*via phone*), Andrea Allen, and Kathy Cooper

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

ABSENT: Jeff White

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. Murray 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 Mrs. Allen, and unanimously approved. The meeting re-convened to Open Session at 9:32 a.m.

INVOCATION: Mr. Schulze gave the Invocation.

APPROVAL OF MINUTES – June 26, 2013: Dr. Simmons made a motion, which was seconded by Dr. Polkey, to approve the minutes of the June 26, 2013 meeting. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Terry Murray reviewed the dashboard stating a few ratios have changed – the operating margin is negative. Cash collections have improved except for last month. There was an up-tick in accounts receivable due to the drop in collections. Bad debt has climbed and staff believes it's an anomaly and that charity and bad debt are flipped. Year-to-date our operating income is \$1.5M and is \$500K more than expected at this time.

FY 2014 Budget: Mrs. Murray stated that in Mr. White's absence, Mrs. Richardson presented an update in the Finance Committee. She said the average daily census is budgeted at 109 with an increase in observation days of 8.5, which is a 9% increase. Forecasting flat revenues with a 5% increase in our charge master. The capital budget requests are currently at \$7M; however, they are still being reviewed. Management is targeting a decrease in expenditures of \$2.2M and \$1M largely in employee benefits; however, she noted that the benefit plan will still be competitive. She said with the assumptions about expanded coverage with the Affordable Care Act (ACA) it has become even murkier and still not able to accurately project the budget. So, we are budgeting conservative revenues with a decrease of \$2.2M in operating expenses and conserving cash with lower than usual capital expenditures. She said we would know more about the ACA developments in the October/November timeframe and make adjustments to the budget as needed. Mr. Toomey said he recently heard a presentation at SCHA by a consultant/advisor to the Republican caucus and stated that next year is an election year and that

there may be more support to expand Medicaid in the Republican Party than previously. He said the key date to watch is not the election, but with the filing dates closing in March.

Dr. Simmons inquired if there were any grants that we could apply for and Mr. Toomey said yes there were and in fact, staff is attending a webinar tomorrow to give us information on them. He said we could possibly see an improvement in Medicaid next year. Mr. Schulze stated that we will be focusing on our total margin to maintain a positive cash flow, and will adjust the budget as we go along. Mr. Toomey said this would give us the opportunity to preserve capital and use cash as needed. The financial report was unanimously approved.

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

- Core Measure Report
- Patient Throughput Report
- Value Based Purchasing Report

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

Compliance: Mr. House reported the committee met on Monday and will report next month.

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

Community/Employee Wellness Committee: Dr. Polkey reported that the Spanish Moss Trail is going forward. She stated that SCHA had a culinary cook-off last week in Charleston with Robert Irvine as the guest judge and Oconee Medical Center won first place. She said Access Health now has 29 clients enrolled. She also reported that Camp Sea Breeze had 12 children attending this year. She said they had a visitor from Project Breathe Easy that is a parent to parent program to help kids with asthma in their homes. LifeFit YTD visits are much better than last year this same time.

Strategic Planning Committee: Mrs. Allen stated the committee did not meet. Next meeting scheduled for Tuesday, September 10th. Mr. Toomey stated that the minutes will reflect only what the topic was discussed in their executive session.

Affiliation Committee: Mr. House made a motion, which was seconded by Mrs. Cooper, that management move forward with negotiating a contract with Ascendient based on the discussions in Executive Session. Unanimous approval.

MEDICAL STAFF – Credentials: Dr. Tober had to leave the meeting early, so Dr. Simmons presented the following practitioners for new appointment: Adam Branoff, MD, Provisional Consulting (Emergency Medicine); Kate D’Orazio, PA, Provisional Allied Health Professional (Emergency Medicine); Dana Kumjian, MD, Provisional Consulting (Nephrology); Stephen Larson, MD, Provisional Consulting (Emergency Medicine); David Phillips, MD, Provisional Consulting (Emergency Medicine); Gretchen Reibold, PA, Provisional Allied Health Professional (Internal Medicine – BJHCHS); Michael Staley, MD, Provisional Consulting (Urology) – da Vinci Robotic privileges.

The following practitioners requested reappointment: Jill Blau, DPM, Community Active (Podiatry); Perry Burrus, MD, Active (Surgery); Allahna Coggins, MD, Active (OB/Gyn); Bradford Collins, MD, Active (Surgery - Pathology); Thomas Duff, DO, Active (Emergency Medicine); Becky Jones, NP, Allied Health Professional (Orthopedics); Ronald Kolb, PA-C,

Allied Health Professional (Emergency Medicine); Stephen Sisco, MD, Active (Surgery); H. Tim Pearce, MD, Active (Surgery).

Six month review: Tia Hodge, CRNA, Provisional Dependent Practitioner (Anesthesiology); Gregory Humbracht, CRNA, Provisional Dependent Practitioner (Anesthesiology).

Change of status: Surendra Shenoy, MD, Active (Nephrology) – request to change to Honorary Staff.

Medical Executive Committee: Dr. Tober reviewed the following policy as discussed in Executive Session:

- Hydromorphone Dosing Guidelines Policy

Dr. Simmons made a motion, which was seconded by Dr. Thompson 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: Mr. Tedder made a motion, which was seconded by Mr. House, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mr. Nettles stated the Board did not meet.

MANAGEMENT REPORT – Harrison Peeples: Mr. Tedder made a motion, which was seconded by Mrs. Murray, to proceed with employment agreements for the physicians and mid-levels with Harrison Peeples as discussed in Executive Session. Approved with Dr. Polkey abstaining. Mr. Toomey stated that physicians have 180 days out clause for either party. Mr. Tedder stated that we recognize the primary responsibility is to Beaufort County citizens and we are looking to augment and expand our referral base via Hampton County.

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 10:00 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer