

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

MINUTES – September 25, 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, Sam Derrick, David Homyk, Ed Ricks, Alice Moss, Courtney McDermott, Chad Tober, M.D., Paul Sommerville, Bill McBride, Bill Nettles, Diane Wadas, Ann Mecherle, David Black, and Dawn Crawford

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 Mr. Tedder 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. Murray, and unanimously approved. The meeting re-convened to Open Session at 8:42 a.m.

INVOCATION: Mrs. Kathy Cooper gave the Invocation.

APPROVAL OF MINUTES – August 28, 2013: Mr. Tedder made a motion, which was seconded by Mrs. Allen, to approve the minutes of the August 28, 2013 meeting. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reported that we had a strong month in August. All ratios on the dashboard (pg. 5) were above or at target, except days in accounts receivable and the turnover rate. Our operating income was \$509K, which was \$280K above budget. Year-to-date, our operating income is \$1.7M, which is \$500K above budget. She commended staff for keeping operating expenses in line.

FY 2014 Budget: Mrs. Murray stated there were 5 changes since the last reading of the budget. She said the first change is an addition of operating income of \$1M due to our charge master, which will have about a 5% increase. There will be fairly dramatic decreases in lab charges to make it more competitive with private vendors. The other changes are as follows: there will be an increase in contractual adjustments for TriCare \$819,968; a new consulting contract was signed after the first reading of \$110K; an additional lease expense of \$221,688 in the Medical Office Building; and additional depreciation expense of \$239,794K. These changes represent a decrease in operating income of \$297,396, which gives us a new operating margin of \$654,113 and if we add non-operating revenue back in, we have a bottom line of \$3.9M. She also stated that because of the razor thin income that the committee agreed to support management's decision not to give salary increases; however, we will still have Gainshare goals for potential rewards if goals are met. *Mr. Toomey will bring present the FY 2014 Gainshare goals at our*

next meeting. Mr. Homyk stated we are self-insured, so with our changes this year to our health plan and changes in premiums and plan design, we are projected to save \$1.4M in costs.

Mrs. Murray noted that Mr. White reworked the footnotes on the Five Year Capital Projections (*handout*). Our Five Year Cash Projections (pg. 21) show a rapidly changing financial environment and have made several assumptions that are critical; however, if they are incorrect, it's important that we can readjust as needed. She also stated that the committee met with our audit partners and reviewed the schedule and scope of work, which was satisfactory. Mr. Schulze stated that next year, we will have a rolling estimate from both an expense and revenue side.

Mr. Tedder made a motion, which was seconded by Mrs. Allen, to approve the second reading of the FY 2014 Budget. Unanimous approval.

The financial report was unanimously approved.

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

- Customer Satisfaction Report
- Performance Improvement Plan
- Annual Appraisal of PI Plan
- Medical Staff PI Report

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

Compliance: Mr. House reported that the committee did not meet.

Governance Committee: Dr. Thompson reported the committee met last Wednesday and reviewed a list of candidates. They will begin interviewing candidates next month with 2 candidates per evening. Dr. Thompson's second term ends and Mr. Schulze term is done. She stated they will also be reviewing 2-3 positions for the Broad River Healthcare Board.

Community/Employee Wellness Committee: Dr. Polkey stated the Working Well committee is working on a card to track calories for employees when purchasing food in the cafeteria. She stated that we were asked to serve as a model for other hospitals in the state with their Community Health Needs Assessment and Healthy Outcomes Plan.

Strategic Planning Committee: Mrs. Allen noted the committee report was discussed in Executive Session.

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: Nithin Karakala, MD, Provisional Consulting (Nephrology); LaQuetta, Planter, PA-C, Provisional Allied Health Professional (Internal Medicine).

The following practitioners requested reappointment: Phillip Cusumano, MD, Active (Internal Medicine); Amanda Kessler, PA-C, Allied Health Professional (Emergency Medicine); Lika Schrock, PA-C, Allied Health Professional (Orthopedics); Hy Sussman, MD, Active (Nephrology); Kimberly Thorpe, PA-C, Allied Health Professional (Gastroenterology).

Six month review: Daniel Lewis, MD, Provisional Consulting (Emergency Medicine); Gregory Lonscak, NP, Provisional Allied Health Professional (Internal Medicine); Michael Taylor, MD, Professional Consulting (Emergency Medicine).

Additional Privileges: Deidra Foreman, MD, Active, U.S. Navy (OB/Gyn) – addition of uro-gyn endoscopic procedure – cystoscopy; Kellye Hoffman, MD, Active, U.S. Navy (OB/Gyn) – addition of uro-gyn endoscopic procedure – cystoscopy; Stephanie Stratton, MD, Active, U.S. Navy (OB/Gyn) – addition of uro-gyn endoscopic procedure – cystoscopy; Faye Sundahl, MD, Provisional Active, U.S. Navy (OB/Gyn) – addition of uro-gyn endoscopic procedure – cystoscopy;

Resignations: Carol Coolidge, MD, Active (Plastic Surgery) – relocating.

Medical Executive Committee: Dr. Tober reminded everyone of the upcoming Annual Medical Staff meeting and new doctors Oyster Roast, which will be held on Thursday, October 24th at Dr. Bobby Bell's Lucy Creek Landing Boat House.

Mrs. Allen made a motion, which was seconded by Mr. Tedder 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. Cooper inquired about the turnover rate for nurses. Mr. Homyk stated that it has improved in previous years. Mrs. Carroll stated that it's usually falls into relocation, life change or because they don't meet our standards and are managed out. She also inquired about the one infection in the Total Joint Program. Mrs. Foulger said an investigation is going on to determine the root cause and looking at when antibiotics were administered, technique, etc. Discussion ensued regarding our new facility on Lady's Island. Mr. McBride suggested we advertise that it's Your Community Hospital. Mr. Tedder inquired about the patient portal. Mr. Ricks stated the existing portal will be phasing out and we will be rolling out a new patient portal (My BMH) in the next 45-60 days. Dr. Polkey will include the minutes from the Wellness Committee from now on.

Mr. House made a motion, which was seconded by Mrs. Cooper, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mr. Nettles presented information on two proposed Foundation trustees, Tom Cameron and Laura Beall. Mr. Nettles stated that Marilyn Harcharik is resigning from the Board and that his term will be expiring in early November. Mr. House made a motion, which was seconded by Mrs. Cooper, to approve their nomination. Unanimous approval.

The Foundation will be contributing \$360,200 towards the FY14 capital budget. He also noted that the Pink Program at Tanger raised \$16K for the Keyserling Cancer Center through the VIP event for Candice Glover.

MANAGEMENT REPORT – CON Update: Mr. Toomey reported that the SC Supreme Court should hear the CON issue by the end of the year and make a determination in the spring.

Physician Relationships: Mr. Toomey said that last month Mrs. Cooper asked what we could do to assist physicians. Dr. Simmons provided suggestions (*handout*) and Senior Management added to his list. He said the ICD-10 is one of the financial strategies that very important. Mr. Ricks stated that SCHIEX will help link patients throughout SC and that we will be the first in the state to “go live”, and will probably be live next month. He said we will have some grant money available to assist the community to get physicians to connect their practices with EHR (Electronic Health Record).

Mr. Toomey reviewed the entire list of suggestions. Mrs. Murray stated that it's an excellent list of suggestions and wanted to know how the list will be prioritized. Mr. Toomey said he would distribute this list to the physician practices and survey if this meets their needs and ask for their comments. Mrs. Cooper asked how long it would take to ramp up and Mr. Toomey said there were several items that could be implemented relatively quickly. *He said he will prioritize and offer some of these topics to the physicians.*

Mr. Toomey reviewed the November Board and Finance dates. The Board agreed to move up the Finance meeting to November 18th and the Board meeting to November 20th. Also, the Compliance Committee will follow the Finance meeting on November 18th. **Everyone agreed that we would also do the same for 2014.**

Ms. Moss reminded everyone of the Annual Meeting for the Foundation Board and Board of Trustees on Tuesday, November 12th at 4:30 p.m.

CHAIR ANNOUNCEMENTS: Mr. Schulze stated that we will include the educational offerings for 2014 next month. Mr. Derrick invited everyone to a Meet and Greet this Friday with Dr. Benson. Mrs. Murray thanked Mr. Toomey's for his efforts with the OB issue. Mr. Tedder stated that the next phase of the Trail will be opened by Thanksgiving, which will add another two miles, so everyone will be able to do a 5K with this addition.

ADJOURN: The meeting adjourned at 10:05 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer