

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

MINUTES – February 24, 2010

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

OTHERS PRESENT: Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, Ed Ricks, David Homyk, Alice Moss, Nora Kresch, M.D., Paul Mazzeo, M.D., Paul Sommerville (Beaufort County Council Member), Bill McBride (Beaufort County Council Member), Ann Mecherle, Dawn Crawford, David Black (Howell, Gibson & Hughes)

ABSENT: Scott Stowe

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 Mr. Toomey and the nine Board members. The motion was seconded by Dr. Thompson, and unanimously approved. The meeting re-convened to Open Session at 10:15 a.m.

INVOCATION: Mrs. Allen gave the Invocation.

APPROVAL OF MINUTES – January 27, 2010: Mrs. Murray made a motion, which was seconded by Mr. Paddock, to approve the minutes of the January 27, 2010 meeting with corrections as noted. Unanimous approval.

HOSPITAL PROGRAMS – Spirit of Women: Mrs. Carroll introduced Kara Briseno, Senior Strategist, Spirit of Women. Mrs. Carroll reminded everyone that one of our strategic initiatives for our current strategic plan for 2008-2013 is women's services. She said that we came to know the Spirit of Women via Vicki Lucas as they discussed our women's services plan. Mrs. Carroll said we recently joined the Spirit of Women as a strategic business partner to assist with developing new markets, as well as enhancing and growing our current services.

Ms. Briseno welcomed BMH as a partner with Spirit of Women and said that they are launching this program today with employees. She stated that their headquarters is in Boca Raton and they have over 85 hospitals as partners. She said they have advocacy programs to assist with curriculums and provide educational materials. She said they have two goals: 1) to educate women in the Lowcountry on ways to attain and retain a healthy lifestyle for themselves and their families and 2) to increase volumes on certain lines of business (oncology, orthopedics). She said registration for the Spirit of Women membership will be available on our website, which will then give them access to receive a package of materials, as well as specialty discounts (i.e., LifeFit). She noted that the return on investment is around \$5K per member. She said a separate strategy will be developed for physicians by Spirit of Women and Mrs. Kresch and Mrs. Foulger.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray stated that our gross revenues for the month of January were \$37.5M and after deductions our total revenues were \$14.4M, which is about \$100K below budget. YTD we have total revenues of \$58.2M, which is \$2.7M above budget. Our operating

expenses were \$13M, which was \$1M below budget. She said that Mr. White reported in the Finance meeting that all the efforts the department managers have been making have been paying off, which is certainly evident in the numbers. Our operating income was \$1.4M for the month and YTD at \$2.1M, which is \$720K below budget. She said this is the second month in a row that we have finished strong.

Dashboard – She said that the ratios depicted in green are within acceptable limits, yellow means approaching unacceptable limits, and red is unacceptable. She noted that the idea is to provide a quick snapshot of where we are financially for the month, year and prior YTD. She said Mr. White will be working with Mr. Ricks to include a legend and updating the format to reflect correct ratios and thresholds, specifically Days in A/R. She said that Mr. White is reorganizing the Patient Financial Services department to help focus on billing, as well as signed a contract with an Early Out program to help increase collections; so that within about 60-90 days, we should see results with our Days in A/R. She also said that Mr. Homyk discussed how he is addressing the turnover rate. Mrs. Williams requested more information on the turnover rate. Mr. Homyk said they reviewed their results from the prior year and found that there were a number of folks that left us. He said that he and Mrs. Carroll are ramping up their efforts on reviewing the nursing areas to find out where the challenges are, as well as categorizing where the issues are during the in-person exit interviews. He said the turnover rate has dropped to 12%, which is a downward trend and hopes it will continue. ***Mr. Schulze requested Mr. Homyk review how much of the turnover was initiated by BMH.***

Audit Contract – Mrs. Murray said that Dixon Hughes has completed their 3 year contract. The recommendation of the Finance Committee to the Board is that we renew their contract for an additional 2 years with the following stipulations:

1. They provide a new Sr. Auditor to perform our audits
2. They provide items of improvement discovered during their audits at BMH to the Finance Committee
3. They inform Mr. White of any changes in legislation or accounting principles

Unanimous approval with the aforementioned stipulations.

She also mentioned that in the next few months, she would be discussing the role of the Finance Committee and an audit committee. She noted that during Monday's Finance Committee, they discussed concerns about the potential financial impacts of the reduction of Medicaid program, as well as some potential roles that the Board and our CEO could take to advocate for ... cigarette tax.

The financial report was unanimously approved.

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

- Customer Satisfaction Survey Results
- Plan for the Provision of Care
- Medical Staff PI Report
- Core Measures Report

In addition, he asked for approval of the Antimicrobial Stewardship Program.

Mrs. Murray made a motion, which was seconded by Dr. Thompson, to approve the aforementioned reports along with the Antimicrobial Stewardship Program as discussed in Executive Session. Unanimous approval.

Governance: Dr. Thompson said the committee has met regularly since the fall of last year to work on the changes in the Board of Trustees Bylaws. She said changes were made to the bylaws based on best practices put forward by Don Meyer (handout). Dr. Kessel made a motion, which was seconded by Mr. Paddock, to accept the changes in the bylaws as presented. Unanimous approval.

Dr. Thompson presented the *Mission, Vision and Values Policy* for approval. Mrs. Williams made a motion, which was seconded by Mr. Paddock, to approve the policy as presented. Unanimous approval.

Dr. Thompson presented the *Board Nominees Policy* for approval. The policy was revised in order to have the language of the policy reflect language used by the County Council in its reference to incumbent board members who seek reappointment. Mr. Tedder made a motion, which was seconded by Dr. Kessel, to approve the policy as presented. Unanimous approval.

Dr. Thompson said the Conflict of Interest Policy will be presented at the next meeting for Board approval.

Dr. Thompson said she spoke to Mr. McBride this morning and he said County Council did meet Monday evening and 10 out of 10 council members agreed to reappoint Jerry Schulze, Chairman of the Board to a third term. Dr. Thompson, Vice-Chair, was approved for another 4 year term on February 8th.

Dr. Thompson said they have received 7 of the 9 self-assessments from the Board and need the last two sent in.

Best of Board (BOB) – Dr. Thompson said there would be more dates available later this year. Mr. Toomey said a van would be available on April 20th for transportation to the Charleston BOB meeting.

Officer Nominations – Dr. Thompson said the officers nominations will be held at next month's Board meeting. The slate of officers for nomination are as follows: Jerry Schulze for Chairman, Terry Murray for Vice Chair, and David Tedder for Secretary. ***Mr. Schulze requested that Don Meyer be notified to make a change in the bylaws to reflect a change from "...60 days notice to nominate" to 30 days.***

COMMUNITY OUTREACH: Report reviewed and approved.

MEDICAL STAFF – Credentials: Dr. Kessel presented on behalf of Dr. Mazzeo the following practitioners for reappointment: Kent Stock, MD, Active Staff (Infectious Diseases); Rosalind Dawson, MD, Active Staff (Internal Medicine); Jose Rodriguez, MD, Active Staff (Hospitalist); Kelly McSweeney, MD, Consulting Staff (Pathology); James Hall, MD, Active Staff (Oncology/Hematology); F. Carl Derrick, MD, Active Staff (Internal Medicine); Milton Stratos, MD, Courtesy Staff (Radiology); Samai Supan, MD, Active Staff (Family Medicine); J. Chad Tober, MD, Active Staff (Vascular Surgery & Wound Care/Hyperbarics); Eric Billig, MD, Active Staff (Radiology); John Bardini, MD (VRC), Consulting Staff (Radiology); Marc Davis, MD (VRC, Consulting Staff (Radiology); Ann Tran, MD (VRC), Consulting Staff (Radiology); Edward McNeil, MD, Provisional Active Staff (Internal Medicine).

The following practitioners were presented for appointment: Richard Gentzler, MD, Provisional Courtesy Staff (Cardiology); Charles Bensonhaver, MD, Provisional Locum Tenens (Psychiatry); Thomas Boden, MD (VRC), Provisional Consulting Staff (Radiology).

The following practitioners relinquished privileges: John Garner, PA, Allied Health Professional (Dept. of Medicine); Morris Geffen, MD, Consulting Staff (Radiation Oncology).

The following practitioners requested additional privileges/change in status/honorary review (annual): Michael Mikkelson, MD, Honorary Staff Review; Ahraya Tocharoen, MD, Honorary Staff Review; Karl Boatwright, MD, 3 month review since change to consultant; Nancy Bailey, PA, Allied Health Professional to add Emergency Room.

Six month quality review: Danyel McEvoy, MD, Provisional Active Staff (Pathology); Stacey Johnston, MD, Provisional Associate Staff (Hospitalist); Thomas Wilkins, MD, Provisional Locum Tenens (Emergency Medicine); Robert Detch, MD (U.S. Navy), Provisional Associate Staff (Orthopedics); Boris Shklyar, DO, Provisional Locum Tenens (Emergency Medicine).

Mrs. Williams made a motion, which was seconded by Mr. Tedder, 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: Mrs. Murray congratulated the staff on the recent refund of \$236K from PHTS for the prevention of workplace injuries over the past 3 years. Mr. Paddock questioned the status of the patient portal software and Mr. Ricks replied that Allscripts is about 6 weeks away from having it up and running. Mrs. Murray made a motion, which was seconded by Mrs. Allen, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Ms. Moss said they do not have a total figure for the Valentine Ball yet, but will report back next month. The Duke Symphony is performing on March 27th at the Arts Center at Beaufort High School and encouraged the Board to take the lead on filling seats. She said promotional items will be in the mail soon. Mr. Toomey said he contacted the Duke University Alumni Association and said they will notify Duke Alumni in this area and announce the event. Ms. Moss also noted there would be discounts for group purchases. She also noted the recent reception for Dr. Pratt.

MANAGEMENT REPORT: Mr. Toomey gave a handout on the *2010 Project/Operational Initiatives*, and Mrs. Carroll gave an update on the Emergency Room expansion and renovation. She said she along with several others just visited 2 ERs in North Carolina. She said Mr. Kremer, our ER Director, said he could certainly envision some areas of improvement both environmentally and procedurally after visiting these 2 ERs. Mrs. Carroll said the next step is to create a vision statement for the ER at an upcoming Envision dinner.

Meditech Update – Mr. Ricks gave an update on Meditech and noted that we have a “Warm Site” agreement with Hargray, which will be hosted in April. He said we will have a full complement of our data, so that we can run it from the “Warm Site” location. He said the Data Center is almost complete and turned out very nice and welcomed the Board to visit. He said we have seen efficiencies in the ER, who have been running the Meditech system for 3 months and have reduced transcription by 100%, which is \$20K a month savings! The “go live” date for Meditech is December 1, 2010 and noted that we have named this project JIMMY (Jump In Make Meditech Yours).

Women’s Services – Mrs. Carroll stated that the initiative for Women’s Services and the measure for success, as determined by the Strategic Plan, were to present the findings from focus groups to the Board. She said Vicki Lucas performed focus groups last year, and from that presented a business plan for the next 3 years, as follows:

1. Breast Center, Cardiovascular Evaluations, Weight Management, Health Education, and the Implementation of *Spirit of Women*
2. Uro/Gynecology and Women's Diagnostics Services
3. Gyn/Oncology and Women's Orthopedics

She mentioned that she and 8 other staff members including Dr. Burrus visited another Spirit of Women's hospital, Spartanburg Regional, to view their breast center. She said the 8 members then came back and put together a proforma on what our breast center would look like and have identified space, and drafted a proposal back on usage for the space. She said she will be presenting this proposal to the Strategic Planning Committee. The cost for the center would total around \$1.1M, and she encouraged everyone to consider the downstream revenue from this center. Mr. Toomey noted that he would be incorporating periodic Project/Operational Initiatives Report behind his CEO Report to provide additional information on various projects.

Culture Team Presentations – He mentioned that the last Culture Team meeting (#38) would be held this Friday. He said we have 19 employees enrolled, so employees have one more opportunity to attend this session. If they do not attend, they will be receiving a pink slip.

Lead (Leadership for Education and Advocacy) & HAPAC (Hospital Association Political Action Committee) – Mr. Toomey handed out the enrollment sheet for LEAD and HAPAC information. He said the state legislature impacts our hospital, so it's important to understand the role of the Board and the Board as the fiduciary members of the community responsible for the financial, operational and quality aspects of the hospital. He said it's a discussion we need to continue.

Lastly, Mr. Toomey thanked Mrs. Foulger on her work on the Orthopedists synthesis. Mrs. Mecherle handed out dining options for the Board Retreat. Mrs. Murray asked about the physician opinion survey, and **Mr. Toomey said it would be distributed in the next week with an executive summary.** He has invited 7 leaders to join the Leadership Physician Team and **he will send out an email as to who accepts, and they will be invited to the Board Retreat.** Their role as leaders will be as follows:

1. They will assist as Champions for Meditech
2. They will take the opinion survey results and identify a couple challenges and then receive their input on how to improve the process
3. Develop and encourage them to become leaders of the Medical Staff

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 11:30 a.m.

Respectfully submitted,

David Tedder
Secretary