

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

MINUTES – September 30, 2009

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, M.D.

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

ABSENT: Paul Sommerville (Beaufort County Council Member), 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 Mrs. Williams 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 Dr. Kessel, and unanimously approved. The meeting re-convened to Open Session at 9:20 a.m.

INVOCATION: Dr. Kessel gave the Invocation.

INTRODUCTION: Mr. Schulze welcomed Bill McBride (Beaufort County Council Members) and David Black from Howell, Gibson and Hughes.

APPROVAL OF MINUTES – August 26, 2009: Mrs. Allen made a motion, which was seconded by Mrs. Williams, to approve the minutes of the August 26, 2009 meeting. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray said patient revenue was \$2.9M above budget for the month and total revenues of \$14.7M, which were \$1.7M above budget. Operating expenses were also above budget by \$1.6M, which is in keeping with the higher volumes. The operating income was \$683K for the month, which was \$82K above budget and YTD our operating income is \$7.2M, which is \$941K below budget. Our consolidated total operating margin is 5.37%. All key ratios are either at benchmark or close. The financial report was unanimously approved.

5 year Financial Forecast: She noted that Mr. White upon the Board's request put together a 5 year forecast beginning with the year 2010. She thanked Mr. White for his efforts and stated that it will be a helpful model for the future to assist the Board in their decision making process. She noted that Debt Service was not included in the model, but it can be plugged in.

Dashboard for Key Financial Measures: She said the staff was also charged with creating a dashboard for key financial measures. She thanked Mr. Ricks and Mr. White for their assistance creating a template for the dashboard. She noted that the template can be modified and updated as needed. She stated this will also be another helpful tool for the Board, as well as a being a good communication tool for staff.

FY 2010 Budget: Mrs. Murray reported that the Finance Committee met twice and discussed at length the proposed FY 2010 budget (attached). She said she felt comfortable presenting the budget and asking the Board to adopt the budget as presented. Mr. White gave a brief summary of the final budget. Mr. Toomey noted that on page 3 of the second reading of the budget is an executive summary of the changes between the first and second reading. Mr. Tedder inquired about the Workers Compensation expenses. Mr. Homyk stated the number of injuries have come down; however, the ones we have are more severe. He said a Pre-work Program is being put into place, but the second injury fund is no longer available for injuries after July 2008. This means if new employees have preexisting injuries and are re-injured while at work, we would be held liable. He stated the good news is that we are seeing incident rates come down. Mr. Tedder made a motion, which was seconded by Dr. Thompson, to approve the FY 2010 Budget. Unanimous approval.

Quality Improvement Committee: Dr. Kessel presented the following reports: Performance Improvement Plan and the Annual Appraisal of the Performance Improvement Plan. Mr. Tedder made a motion, which was seconded by Dr. Thompson, to approve the Performance Improvement Plan and the Annual Appraisal of the Performance Improvement Plan. Unanimous approval.

COMMUNITY OUTREACH: Report reviewed and approved.

MEDICAL STAFF – Credentials: Dr. Mazzeo presented the following practitioners for reappointment: Hy Sussman, M.D., Courtesy Staff (Nephrology); Lika Schrock, PA, Allied Health Professional (Emergency Medicine); Kim Thorpe, PA, Allied Health Professional (Emergency Medicine); Amanda Beasley, PA, Allied Health Professional (Emergency Medicine); Ramsay Lee, PA, Allied Health Professional (Emergency Medicine); Michelle Goni, MD, Consulting Staff (Radiology); Connie Gapinski, MD, Consulting Staff (Radiology); Christian Binder, MD, Consulting Staff (Radiology); John Chang, MD, Consulting Staff (Radiology); Victoria Nguyen, MD, Consulting Staff (Radiology); Charles Shissias, MD, Provisional Active Staff (Neurology); David Vormohr, MD, Provisional Active Staff (Family Medicine); David Lalli, D.O. (U.S. Navy), Provisional Associate Staff (Orthopedics); Richard Biggs, D.O. (U.S. Navy), Provisional Associate Staff (OB/GYN).

The following practitioners have relinquished their privileges: Michael Maynor, M.D., Provisional Locum Tenens (Emergency Medicine); Mary Grove, NP, Allied Health Professional (Internal Medicine); Elizabeth Platz, M.D., Provisional Locum Tenens for Dr. Davis-Tolbert; Michael Adams, M.D. (U.S. Navy), Active Staff (Orthopedics); John Hoy, M.D., Consulting Staff (Radiology).

The following practitioners have requested additional privileges/change in staff status/honorary review (annual): Allahna Coggins, M.D., Active Staff (OB/GYN) to add daVinci Robotic System privileges; Ardra Davis-Tolbert, M.D., Active Staff (OB/GYN) to add daVinci Robotic System privileges.

One year quality review/change in status: Aaron Sarathy, DMD (U.S. Navy), Provisional Active Staff to Active Staff (Surgery – Oral/Maxillofacial); Judd Partridge, DMD (U.S. Navy), Provisional Active Staff to Active Staff (Surgery – Oral/Maxillofacial); Donald Phillips, DMD (U.S. Navy), Provisional Active Staff to Active Staff (Surgery – Oral/Maxillofacial).

FPPE Proctoring Update: Practitioners approved July 29, 2009: William Phillips, M.D. (Radiology), 20 diagnostic studies and 20 interventional procedures in first year (*due date 7/28/10*); Robert Greaves, M.D. (Emergency Medicine), five charts per quarter for period of one year – retrospective chart review by members of the department (*due dates: 10/15/09, 1/15/10, 4/15/10, 7/15/10*); Eric Johnson, M.D. (OB/Gyn), first five C-sections, five hysterectomies, three hysteroscopies, three pelvic laparoscopic procedures – all by direct observation.

August 2009 Practitioners: Danyel McEvoy, M.D. (Surgery), 100% of all malignancies for first year and random review of 10% of all cases by Charleston Pathology – slide review (*ongoing*); Thomas Wilkins, M.D. (Emergency Medicine), five charts per quarter for one year – retrospective by members of the department (*due dates: 11/15/09, 2/15/10, 5/15/10, 8/15/10*); Stacey Johnston, M.D. (Dept. of Medicine, Hospitalist), five medical/surgical chart reviews per quarter for one year – retrospective (*due dates: 11/15/09, 2/15/10, 5/15/10, 8/15/10*); Robert Detch, M.D. (Orthopedics), two major surgical procedures and 3 minor/laparoscopic procedures – direct observation; Edward McNeil, M.D. (Internal Medicine), Medical record review of five cases within first 6 months – retrospective (*due dates: 2/15/10*); Boris Shklyar, M.D. (Emergency Medicine), five charts per quarter for one year – retrospective by members of the department (*due dates: 11/15/09, 2/15/10, 5/15/10, 8/15/10*).

September 2009 Practitioners: Charles Shissias, M.D. (Neurology), medical record review of five cases within first 6 months – retrospective; David Vormohr, M.D. (Family Medicine), five medical/surgical chart reviews per quarter for one year – retrospective; Richard Biggs, D.O. (OB/GYN), first five C-section deliveries performed, 5 hysterectomies, 3 hysteroscopies, 3 pelvic laparoscopic procedures – direct observation; David Lalli, D.O. (Orthopedics), 2 major surgical procedures and 3 minor/laparoscopic procedures – direct observation.

Dr. Mazzeo presented the Medical Staff report as discussed in Executive Session. Mr. Paddock made a motion, which was seconded by Mrs. Williams, to accept the MEC and Credentials Committees recommendations. Unanimous approval.

Dr. Mazzeo also presented the following policies and protocols:

- Mechanically Appropriate Dietary Adjustments by Clinical Dietitian Protocol
- Management of Oral Supplements by Clinical Dietitian Protocol
- Ordering of Laboratory Tests by Clinical Dietitians Protocol
- Patient Care – Alcohol Detoxification Policy
- Medical Staff – Verbal and Telephone Orders Policy
- Consent to Operation, Anesthetic and Other Medical Services Form
- Medical Staff Rules and Regulations

The Consent to Operation, Anesthetic and Other Medical Services Form will be sent back to the MEC with changes discussed in Executive Session. Mr. Tedder made a motion, which was seconded by Dr. Kessel, to approve all the policies except the Consent to Operation, Anesthetic and Other Medical Services Form. Unanimous approval.

STAFF REPORTS: Support Services, Human Resources, Information Systems, Patient Care Services, Public Relations, and Quality Services: Mr. Paddock requested a wound care update. Mrs. Carroll stated that Mr. Mabry will be presenting an update at the next board meeting with a year-end review. She said that Mrs. Kresch recently sent a direct mailing via CPM (Customer Potential Marketing) to those predisposed to wound care. *Mr. Paddock requested that the results of the mailing be shared.*

Mrs. Foulger stated that several physicians not currently affiliated with BMH are walking into the Bluffton office to visit. They are there to solicit referrals. Perhaps we need to have a liaison to do the same on our physicians' behalf.

Mr. Paddock made a motion, which was seconded by Dr. Kessel, to approve the staff reports. Unanimous approval.

GOVERNANCE COMMITTEE: Dr. Thompson stated that terms of two board members expire in February 2010 (Mr. Schulze in his second term and Mrs. Thompson in her first term). She stated that they are reviewing the process that if the two candidates want to be on the board for the next year, what the terms would be. She stated that Mr. Sommerville is investigating this with the County and will have answers for the board next month. Mr. Tedder said the crux of the change is that an incumbent nominated by the Board to County Council ought not to have to have another candidate brought forward along with the incumbent, as the other candidate will likely lose to the incumbent. He had suggested that the Council vote on incumbents as an individual nomination. If he or she is not approved by the County, then another candidate would be submitted.

Dr. Thompson said the bylaws will be reviewed in January and Don Meyer will review them.

Board Evaluations: Dr. Thompson stated that The Governance Institute had both a long and short form for Board Members to evaluate the Board on how effective the Board has been and general feelings about the Board, etc. The decision was made to go with the long form, which will help us establish benchmarks. The evaluations will be passed out sometime during October and or early November with a deadline for completion, so that the evaluation summary can be discussed at the board retreat in March 2010.

Board Educational Conferences (handout): Dr. Thompson said the goal is to have a diverse group attending each conference, and one member will be selected for each conference to report back with a short presentation of what they learned at the Board Retreat. The Board retreat is scheduled for March 19-20. She encouraged everyone to attend one of the educational conferences.

Mr. Schulze stated that the minutes from the Governance meeting on September 16th should reflect that both he and Paul Sommerville were in attendance.

BMH FOUNDATION: Ms. Moss presented in Mr. Stowe's absence. Ms. Moss reported that the Foundation approved \$558K to fund several capital items for BMH in FY2010. She said this has not been our best year of fund raising. She said the Foundation Board recently conducted a self-assessment (100% response rate), and is using the responses to assess individual commitment and strengthen the board's effectiveness. She mentioned the upcoming retreat in November and invited the Board and spouses to attend the social hour and dinner on Thursday, November 19th at Palm Key in Ridgeland. She said Mr. White will be driving a van if transportation is needed by anyone. She also mentioned the white paper (handout) from the Governance Institute entitled *Maintaining Philanthropy in Hard Times*. She said this paper both confirms the steps the Foundation is taking, offers challenges as well.

MANAGEMENT REPORT – Mr. Toomey announced that a quick tour would be given after the meeting of the fifth floor patient's rooms, which have been newly renovated, along with the computer network downstairs. He also mentioned the Strategic Planning Committee meeting

will be held next Monday, October 5th at 5:00 p.m., and the Employee Awards Dinner will be held next Tuesday at Dataw Island Club.

PACT Committee: Mr. Ricks summarized the last meeting of the committee. He mentioned that Dr. Gambla is working part-time with the order sets that will be merged into the software. He also stated that at that meeting they announced the need for a part time contract position for a Medical Director of Clinical Informatics (included in 2010 budget). Mr. Toomey noted that we are currently advertising for this position, and that it is a key position for the Meditech system. He said this position will assist us with determining how best to take advantage of the Meditech upgrade and evaluate are processes.

2010 Gain Share & Operational Goals (handout): Mr. Toomey said we have not closed out our fiscal year yet, so we may tweak this handout once we receive the final results. He noted that we had great success in our turnover rate from 16.5% to 11% and our goal will be to bring it down to 10%, which is very competitive in healthcare and it includes military spouses if employed. He said the Growth in Bluffton market will change to include the three new services (will also change to incorporate into our 2010 numbers) of mammography, bone density scans, and ultrasound. **Culture Team Meetings:** Mr. Toomey said we are holding 90 minutes sessions for employees to discuss our culture and core values (mandatory). He invited the Board members to attend one of the sessions and to inform Dawn with your choice, as space is limited in each session. **He will send the updated schedule out to everyone, which now includes evening sessions.** **Meditech Upgrade:** Mr. Toomey said that between February and March 2010 we will start the implementation of our new Meditech upgrade. He said this would be a great opportunity for us to look at how we are doing things and to redesign our processes to be more efficient. He mentioned that with the MedHost implementation, we believe we will be able to reduce our transcriptions by 90%. **Land Update:** Mr. Toomey said we are down to two final sites in Bluffton and the goal is to close on the property in late spring. **Employee Opinion Survey:** Mr. Toomey said that in 2008 we had an employee opinion survey and we will take another one next summer, and that we will schedule them every two years to check our progress. **Performance Appraisal Tool:** He said we will be implementing our new performance appraisal tool in August. **Physician Recruitment:** He mentioned that next Monday they will be discussing the strategic initiatives for physician recruitment and the specific specialties. **He said that at the next Board meeting he will present the final document on the 2010 Gain Share and Operational Goals.**

Advisory Question: Mr. Toomey stated that at the Board Retreat, historically we have a reception and buffet. He said the thought is to have the reception at the hotel and then groups of 10 go out to 5 different restaurants for dinner. **He said we would arrange for transportation and review the costs for feasibility.** He asked for thoughts and/or recommendations.

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 10:20 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer