

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

**MINUTES – August 29, 2012**

**BOARD MEMBERS PRESENT:** Jerry Schulze (Chair), Terry Murray (Vice Chair – *via telephone*), David Tedder (Secretary/Treasurer), Steve Kessel, M.D., James Simmons, M.D., Pat Thompson, M.D., David House, Susan Williams

**OTHERS PRESENT:** Rick Toomey, Jeff White, Karen Carroll, Pat Foulger, David Homyk, Alice Moss, Sam Derrick, Paul Sommerville, Chad Tober, M.D., Bill Nettles, Bill McBride, Ann Mecherle, Courtney McDermott, Dawn Crawford, David Black (Howell, Gibson & Hughes)

**ABSENT:** Andrea Allen, Ed Ricks, Diane Wadas, Nora Kresch

**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 the eight Board members and the two County Council board members. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 8:30 a.m.

**2012 EMPLOYEE SATISFACTION SURVEY PRESENTATION** – Mr. Homyk introduced Ibis Valles from PRC, who presented the highlights from the recent Employee Satisfaction Survey. She said with the economic uncertainty in general and the uncertainty about the implications of healthcare reform specifically, it was been reflected in survey scores across all hospitals. She reported that our overall percent of excellent scores came down slightly in many categories as compared to 2010, but that our scores were above average as compared to hospitals that most recently conducted the survey. As a Place to Work, 90.8% of our employees rated BMH as excellent, very good or good, compared to 94.1% in 2010. Satisfaction with Compensation and Overall Empowerment increased slightly, while Teamwork between Departments, Patient Care and Senior Leadership decreased slightly. The full results will be presented to employees in Beaufort and Bluffton beginning the week of September 17<sup>th</sup>.

**MOTION:** A motion was made by Mr. House to go into Executive Session at 8:55 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Dr. Thompson, and unanimously approved.

**INVOCATION:** Mr. Schulze gave the Invocation.

**APPROVAL OF MINUTES – July 25, 2012:** Mrs. Williams made a motion, which was seconded by Dr. Kessel, to approve the minutes of the July 25, 2012 meeting with noted correction on page 4. Unanimous approval.

**COMMITTEE REPORTS**

**Finance Committee – *Dashboard (pg. 4)*:** Mr. Schulze reported on behalf of Mrs. Murray, stating that July was not a good month financially. Our average daily census was 99 on a budget of 109 and year-to-date (YTD) our average daily census is 112.5, or 7% below last year. Our

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operating margin is -7.13% and our cash flow margin is 1.66%. Days in accounts receivable decreased four days to 54.78, which he said is going in the right direction. Days cash on hand increased slightly from 194.98 in June to 197.66 in July. Debt to capitalization is strong at 17.69%. Supply expense as a percentage of net patient revenue was on target at 15.68%. Debt service coverage dropped from 5.75 to 2.51. Bad debt as a percentage of gross patient revenue was 6.25% compared to our budget of 6.1%.

**Income Statement (pg. 7):** Overall, our balance sheet is still strong; however, we are below budget in both inpatient and outpatient revenue by a total of \$2M for the month and YTD below budget by \$25M. Our net patient revenue was \$10.9M, which was below budget by \$1.1M and YTD below budget by \$8.6M. Our YTD operating income is \$463K on a budget of \$5.9M. Our YTD operating margin was -1.57% compared to a budget of 2.19%. Our total margin -6.23% compared to our budget of 4.53%. Our cash margin was 1.66% compared to our budget of 11.03%.

**First Reading FY 2013 Budget:** Mr. Schulze stated there were no objections of the first reading in the Finance Committee on Monday. He said next year will be a tough budget year as well, especially with the challenges of reduced reimbursements from both Medicaid and Medicare. He noted the report in the budget report, which showed the assumptions, overall outlook (positive and negative) and the environmental factors for FY 2013. The average daily census will remain at 112. The operating income is budgeted at \$893,390 with a -1.4% operating margin and a cash margin of 7.7%. He said the ChargeMaster will increase by 5%; last increase was 2 years ago. He said we need to think about ways to increase revenues; add new service lines or procedures. Mr. Toomey noted the Capital Equipment Listing and said they had a good meeting with the Allocations Committee of the Foundation yesterday and that they will recommend to the Foundation Board to release \$500K+ to BMH's capital requirements. Mr. Schulze said there was agreement of the committee members that the budget was good overall. Mr. Schulze encouraged everyone to attend the second reading of the budget, which will be held on September 24<sup>th</sup>.

The financial report was unanimously approved.

**Quality Improvement Committee:** Mrs. Foulger reported on behalf of Dr. Simmons, the following reports:

- Customer Satisfaction Report
- Medical Staff PI Report

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

**Compliance Committee:** Mrs. Williams said the committee is working on coding issues and opportunities, the use of the Compliance Hotline, and internal resources consumed to comply with recovery audit requests.

**Governance Committee:** Dr. Thompson reminded everyone that there are two board terms expiring in February 2013. Mr. Schulze encouraged Board members to consider potential candidates and make recommendations as soon as possible.

**Community Outreach and Wellness Committee:** Mr. Homyk introduced Debbie Slazyk, the new Director of ACCESS Health Lowcountry. Ms. Slazyk has a strong background in programming, planning and development, including work with grand-funded programs and work in underserved communities. She recently moved to Beaufort from Greensboro, NC.

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Dr. Kessel reported that BMH was recently notified that it will receive the Gold Award for physical activity, the third and final award for the Working Well initiatives of the SCHA and NC Prevention Partners. BMH is the first non-system hospital in South Carolina to achieve this accomplishment.

Dr. Kessel also noted that Hollie Smith continues to promote the LoCo Motion walk for breast cancer in late September. Partial proceeds benefit the Keyserling Cancer Center, and Ms. Smith and others have been coordinating training walks for employees and community members. He also said that efforts to train health providers in area churches to monitor members' health status continue.

**Strategic Planning Committee:** Mr. Toomey reported on behalf of Mrs. Allen and stated the committee did not meet this month and the September 11<sup>th</sup> meeting has been cancelled and will be rescheduled for late September or early October. The group will meet at the Bluffton Medical Services offices, where a focus group will be held to gather input and ideas about the future Bluffton outpatient facility.

**MEDICAL STAFF – Credentials:** Dr. Tober presented the following practitioners for New Appointment: Michael Maughon, MD, U.S. Navy, Provisional/Associate (Orthopedics); Paul Herickhoff, MD, U.S. Navy, Provisional/Associate (Orthopedics); Kelley Hoffman, MD, U.S. Navy, Provisional/Associate (OB/Gyn); Stephanie Stratton, MD, U.S. Navy, Provisional/Associate (OB/Gyn); Jamie Singleton, MD, BJHCH, Provisional/Associate (Pediatrics).

Requesting Reappointment: Deidra S. Foreman, MD, U.S. Navy, Associate (Obstetrics).

One Year Review/Change of Status/Additional Privileges: Luke D. Baxley, MD, Associate to Active (Emergency Medicine); Kimberly N. Davis, MD, Provisional Active to Active (Pediatrics); Frances Rushton, MD, Active to Consulting (Pediatrics); Deanna Mansker, MD, requesting da Vinci privileges (General Surgery); Gordon Krueger, MD, Active to Honorary (General Surgery); Jocelyn Ayala, MD, relinquishing privileges – leaving U.S. Navy (OB/Gyn); F. Simons Hane, DMD, not Board certified – request exception to bylaws; Meredith Mitchell, MD, moved from Beaufort OB/Gyn to Coastal OB/Gyn; Lynn Norton, MD, moved from Beaufort OB/Gyn to Coastal OB/Gyn; Mary Elizabeth Durant, Nurse Midwife, moved from Beaufort OB/Gyn to Coastal OB/Gyn; Erasme Coly, MD, remains on leave of absence (Cardiology).

Mr. Tedder made a motion, which was seconded by Dr. Kessel, to accept the Credentials Committees recommendations as presented. Unanimous approval.

**MEC:** Dr. Tober submitted the following policies for approval:

- Do Not Resuscitate Policy & Order Form
- Rapid Response Team Policy

Mr. Tedder made a motion, which was seconded by Dr. Kessel, to accept the policies as presented. 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 Mrs. Williams, to approve the staff reports as presented. Unanimous approval.

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**BMH FOUNDATION:** Mr. Nettles said he is looking forward to giving the final allocation number for BMH capital expenditures at next month's Board meeting. Ms. Moss reported on the efforts of the Employee Giving Committee's campaign to push Emergency Room funding over the \$1 million mark through the "My BMH" employee giving campaign. The campaign features employees who support the hospital and aims to raise \$300K by the end of 2012.

**MANAGEMENT REPORT** – Mr. Toomey reminded everyone of the upcoming SCHA/SCMA TAP Conference and if interested in attending to contact Ms. Crawford.

Mr. Toomey said the hospital is working with TCL on plans to discuss connecting the Spanish Moss Walking Trail, which will run behind the new BMAC and TCL from Allison Road to Depot Road, to the existing BMH Walking Trail to create a "loop" for employees, students and the community to utilize. A groundbreaking ceremony to begin the project is scheduled for September 10<sup>th</sup>. The project is being funded through a \$1.1M grant from the Atlanta, GA based PATH Foundation.

He said the search for a new psychiatrist to replace Dr. Amanda Salas continues, and that the goal is get someone in place as soon as possible.

He reported that the City has approved all of the necessary permitting required to continue to move forward with the BMAC and Emergency Department construction, and both projects are moving along quickly.

He stated that the PR & Marketing Department is fielding a community awareness and perception study in mid-September to test opinions and preferences about the hospital, its services and staff. A similar study was last conducted in 2007. Results of the study will be reported later this fall.

Mr. Toomey said our website is being remodeled. Courtney McDermott gave a preview of the hospital's new website, which is scheduled to "go live" the week of September 10. The new site provides streamlined navigation and access to key services and information, as well as online Health Risk Assessments and a robust physician search capability. A mobile site will be developed this fall, followed by the integration of both consumer and patient portals in 2013.

**CHAIR ANNOUNCEMENTS:** None

**ADJOURN:** The meeting adjourned at 10:35 a.m.

Respectfully submitted,

David Tedder  
Secretary/Treasurer