

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

**MINUTES – December 17, 2012**

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

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

**ABSENT:** Pat Foulger

**INTRODUCTION:** Mr. Schulze welcomed David Black.

**CALL TO ORDER:** Mr. Schulze called the annual board meeting to order at 7:41 a.m., and stated that the Press had been notified. A motion was made by Mrs. Allen to go into Executive Session at 7:41 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mrs. Williams, and unanimously approved. The meeting re-convened to Open Session at 8:19 a.m.

**INVOCATION:** Dr. Thompson gave the Invocation.

**APPROVAL OF MINUTES – November 28, 2012:** Mr. House made a motion, which was seconded by Mr. Tedder, to approve the minutes of the November 28, 2012 meeting. Unanimous approval.

### **COMMITTEE REPORTS**

**Finance Committee – Medicaid:** Mrs. Murray noted the two documents in the finance packet relating to Medicaid and the uninsured in South Carolina, and asked Mr. White to give a brief summary. Mr. White explained that during the negotiations of the Patient Protection and Affordable Care Act (PPACA) hospitals agreed to take lowered reimbursements for Medicare and Medicaid from 2014-2020 because the act would expand coverage for the uninsured.

Reductions in Medicare and disproportionate share payments – money hospitals like BMH receive for providing care to a higher-than-average number of uninsured and underinsured patients – will total about \$50M over the seven-year period (average \$7.2M/yr.). This means that BMH will no longer receive an average of \$7.2M in reimbursements from Medicare.

While federal money would provide for the expansion of Medicaid, the states have the authority to accept or not accept the funds, and to expand or not expand the program. The projected benefits of the expanded Medicaid program would be both 1) expanded coverage for uninsured patients, and 2) an estimated \$92 million in reimbursements (average \$13.2M/yr.).

The net effect of both the *reduction* in Medicare and disproportionate share payments and the *expansion* of the Medicaid would be positive \$42 million (average \$6M/yr. over 7 years).

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The governor of South Carolina and the director of the Department of Health and Human Services have pledged to reject both the expansion and the funds. If that decision is not overturned, thousands of patients will remain uninsured or underinsured, and BMH will see a \$7.2M annual deficit with no offsetting funds.

The Board and Senior Management agreed that this is among the most important issues the hospital needs to focus on for the foreseeable future, and pledged to study more detailed information about the impact of these decisions and course of action.

The financial report was unanimously approved.

**Quality Improvement Committee:** Dr. Simmons stated the committee did not meet this month.

**Strategic Planning Committee:** Mrs. Allen reported that the committee met last week to review and evaluate four scenarios demonstrating the potential impact to the hospital under healthcare reform, and how we might respond. She said the purpose is to prepare as an organization for the service and financial impacts of increased patient utilization with reduced reimbursements. She suggested that more discussions be held, so we can respond rapidly to the state's decisions about whether or not to expand Medicaid.

**Compliance Committee:** Mrs. Williams stated they did not meet. The next meeting is scheduled for February 12<sup>th</sup> at 8:30 a.m.

**Governance Committee:** Dr. Thompson reported that the nominees for the Board positions have been presented to County Council. She also reminded everyone to turn in the Conflict of Interest forms to Mrs. Mecherle.

**Community/Employee Wellness Committee:** Dr. Kessel reported that the committee did not meet. He reminded everyone of the next Life, Lived Better community breakfast seminar, which will be held at the Quality Inn in Beaufort on January 31<sup>st</sup> at 8:00 a.m., and will feature Lady's Island Internal Medicine internist Dr. Randy Dalbow. The topic will be on Type II diabetes. The event is free and open to the public.

**MEDICAL STAFF – Credentials:** Dr. Tober stated that Brandy Price, PA, has resigned for personal family reasons. Also, decision from MEC was to recommend approval of Dr. Tobin's privileges for the next 21 months.

**MEC:** Dr. Tober presented the following policy for approval:

- Temporary and Locum Tenens Privileges

Mr. Tedder made a motion, which was seconded by Mrs. Allen, to accept the policy as presented and approve Dr. Tobin's privileges for 21 months. 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 as presented. Unanimous approval.

**BMH FOUNDATION:** Mr. Nettles commended the Foundation staff for hosting a great preview event for donors last Friday, and recognized the ED staff for their hard work and their professionalism during the event. He also encouraged everyone to buy their Valentine Ball tickets for the February 9<sup>th</sup> event benefiting the LifeFit Wellness Center.

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**MANAGEMENT REPORT** – Mr. Toomey also recognized the Emergency Department, Foundation, Marketing, Plant Services, Environmental Services, and Food & Nutrition Services for their work organizing, coordinating and supporting the ED preview events over the past several weeks.

***Emergency Management Preparedness:*** Mr. Toomey reported that a team is continuing to work on the summary of the hospital's emergency management preparedness in response to the Board's request. The team is doing a SWOT analysis to identify opportunities for improvement and readiness to respond to a major event like hurricane Sandy. *He said the report will be ready to share in the January meeting.*

***BMAC:*** Mr. Toomey said the construction is on target, and occupants of the third and fourth floors are scheduled to move in March, with LifeFit moving in April.

**CHAIR ANNOUNCEMENTS:** Mr. Schulze thanked everyone for a good year and for their time and investment the Board members make to support the hospital. He also reminded everyone to sign up for the upcoming educational conferences with Ms. Crawford.

**ADJOURN:** The meeting adjourned at 9:17 a.m.

Respectfully submitted,

David Tedder  
Secretary/Treasurer