

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

MINUTES – March 27, 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, David Homyk, Ed Ricks, Sam Derrick, Courtney McDermott, Chad Tober, M.D., Bill Nettles, Bill McBride, Paul Sommerville, Ann Mecherle, Diane Wadas, Dawn Crawford, David Black (Howell, Gibson & Hughes)

ABSENT: Alice Moss

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. House 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 Mr. Tedder, and unanimously approved. The meeting re-convened to Open Session at 7:58 a.m.

INVOCATION: Mr. Schulze gave the Invocation.

APPROVAL OF MINUTES – February 27, 2013: Mr. Tedder made a motion, which was seconded by Mr. House, to approve the minutes of the February 27, 2013 meeting with noted correction. Unanimous approval.

COMMITTEE REPORTS

Finance Committee: Mrs. Murray reported that the February results were strong, and recapped the month's finance committee meeting. She stated that the group reviewed several strategies for strengthening the hospital's finances, including several cost savings measures like a reduction in the use of certain antibiotics, as well as a reduction in lease costs with the move from the Beaufort Medical Plaza to the new Beaufort Medical and Administrative Center (BMAC). She noted that one day in accounts receivable is equal to \$400K. Discussion ensued regarding the target goal for cost cutting. She said in preparation for the 2014 budget, we will be dealing with majorly different scenarios and different assumptions that we have in the past, along with a dramatically different payor mix. She said 2014 will truly be an experimental year.

Mr. Schulze stated that management needs to look at every expense item, in every department. He said there are no sacred areas any more. Mr. Toomey agreed and said the largest cost items are people, benefits and supplies. All areas will be reviewed.

Mr. Toomey agreed that the future of healthcare is uncertain and that the hospital is trying to find the balance between the \$7M in reimbursement cuts ahead in 2014 and a best case scenario that factors a percentage of people who will gain health coverage through new Health Insurance Exchanges (HIXs).

Mrs. Murray said two areas of revenue enhancement to consider is the continuity of care and the medical home. *She referenced the documentary from PBS between Intermountain and UCLA – Mr. Toomey will send the link out to this documentary.*

The financial report was unanimously approved.

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

- Medical Staff Quarterly Performance Improvement Report
- Utilization Review Plan
- Report on Patient Flow
- Sentinel Event Policy

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

Compliance: Mrs. Wadas said the next meeting is scheduled tentatively for May 14th.

Governance: Dr. Thompson reported that the committee did not meet; however, she said the hospital had received 11 letters of interest from prospective board members. Since the recent board vacancies have now been filled, Mr. Schulze suggested that those names be forwarded on to the BMH Foundation or the Broad River Healthcare boards for future consideration, as well.

Community/Employee Wellness Committee: Dr. Polkey reported that two new employees were hired for Access Health Lowcountry, and clients will be served beginning April 1st. She said that information about the Transitional Care Program to reduce readmissions among patients with COPD, CHF, pneumonia, and Sick Cell is being distributed on the mobile wellness unit, and throughout the community. She also announced that the Working Well program will award BMH with the Gold Apple, Gold Star, and Gold Medal awards for nutrition, exercise and smoking cessation in early June.

Strategic Planning Committee: Mrs. Allen said the next meeting is scheduled for May 14th.

Affiliation Committee: Mr. Schulze reported that the Board of Trustees has formed a committee to research a potential management services agreement with a larger health system to take advantage of the purchasing power, cost savings, quality expertise and resources that are not available to small, independent hospitals. The committee is working closely with senior management to develop guiding principles to inform the discussions, including remaining an independent, non-profit hospital, to adhere to the mission to provide superior health services and to improve the health of the community, and to retain local governance, among others. The group will spend the next several months exploring the best options and will make a recommendation by the end of the year.

He said the committee met last night and refined the list of what we want from a strategic partner and our terms, as well as a communication strategy. Mr. Toomey said they refined the guiding principles and that they will continue to be refined. He said Mrs. McDermott prepared a conceptual text of things we can use in communicating the ongoing discussions. He said we will be discussing affiliation at the upcoming Board retreat. He also stated that Mrs. McDermott will be contacting the 3 hospitals that were recently visited by the Executive Committee and Dr. Tober to find out their communication plans when they became affiliated with Carolinas HealthCare System. ***Mr. Toomey will send out a draft of the Board retreat agenda today.***

MEDICAL STAFF – Credentials: Dr. Tober presented the following practitioners for new appointment: Megan Howard, MD, Locum Tenens (Psychiatry); Daniel Lewis, MD, Provisional Consulting (Emergency Medicine); Gregory Lonscak, NP, Provisional Allied Health (Family Practice - BJHCHS); Michael Taylor, MD, Provisional Consulting (Emergency Medicine); Thomas Wilkins, MD, Provisional Consulting (Emergency Medicine).

The following practitioners requested reappointment: Majd Chahin, MD, Active Staff (Oncology); Roderick Dippel, MD, Active Staff (Hospitalist); Peter Manos, MD, Active Staff (Pulmonology); Paul Mazzeo, MD, Active Staff (Neurology); Tyrone McElveen, MD, Active Staff (Emergency Medicine); John McEvoy, MD, Active Staff (Pathology); Surendra Shenoy, MD, Active Staff (Nephrology).

Six month quality review: Nancy Bailey, PA, Allied Health Professional (Emergency Medicine).

One year review/change of status/additional privileges: Douglas Hughes, MD, Provisional Consulting (Radiology – Virtual Radiology); Chad Porter, MD, Provisional Consulting (Radiology – Virtual Radiology); Roger Ulrich, MD, Provisional Active (Family Medicine).

Medical Executive Committee: Dr. Tober said the hospital is in the process of recruiting a new psychiatrist to join Sea Island Psychiatry and the practice of Dr. Wynn Hill.

Mr. House made a motion, which was seconded by Mrs. Allen, 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: Mr. Toomey pointed out that Mr. Ricks and his team has worked very hard with CMS auditors to confirm that we meet Meaningful Use Stage 1 requirements. Mr. Ricks said the process has been extremely labor intensive. He gave credit to Leigh Shipper and the IS department for their work on the audit.

Mr. Tedder gave kudos to the Emergency Department for a marked increase in patient satisfaction scores, specifically the door-to-bed time, which has dramatically improved from 37 minutes to 7 minutes. Mrs. Carroll reported that the OR has been mapping the process to improve the efficiency of surgical cases in the OR, from scheduling to rehab. She said it has been a very enlightening process and there are several departments involved in the process improvement. She said the program will launch in August, and noted that other specialties will benefit from the work that is being done through this program.

Mr. Tedder also asked about the additional 2% cut in Medicare reimbursement that results from the federal government's budget sequestration. Mr. White indicated that this amounts to a \$4M loss, or a net loss of approximately \$1.4M per year. Mr. Toomey said the cuts begin April 1st and will remain in place until congress passes a budget.

Mrs. Allen made a motion, which was seconded by Dr. Simmons, to approve the staff reports. Unanimous approval.

BMH FOUNDATION: Mr. Nettles thanked the Toomeys and Groves for the hard work they did on the Valentine Ball. He reported that The Duke Symphony Orchestra event was fantastic and almost had a full house. Clearly the enthusiasm is growing and the Arts Center was a great venue. The Kate Gleason Society is coming along well, with new members joining in the last month.

MANAGEMENT REPORT: *Employment Agreement:* Mr. Toomey presented Dr. Gaffney's employment agreement for approval as discussed in Executive Session. Mr. Tedder made a motion, which was seconded by Dr. Thompson, to approve Dr. Gaffney's employment agreement. Unanimous approval.

Urologist: Mr. Toomey will be meeting with Dr. Staley next week. He is very interested in moving to Beaufort.

BMAC Update: Mr. Toomey said the BMAC is nearing completion. IS has completed all of its work and the fourth floor should be inhabited by the end of the first week in April. IS will move in first, followed by the remainder of the fourth, and then third floors. LifeFit and rehab will be moving in to the first floor, and the second floor will be shelled in for future medical use and/or physician practices. The relocation of staff from the Collins Building and BMP will save the hospital in excess of \$500K per year, since the hospital does not own these buildings. The suites will be torn down to make way for surface parking, adding approximately 90 spaces. Mr. House recommended that we communicate the savings to the community. Mrs. McDermott said she and Mr. Toomey are working on an article about the BMAC, and why we are building in tough financial times. ***Mr. Toomey will contact Sue Rainey at the County to coordinate the hospital's presentation to Mr. McBride's committee.***

STEMI: Mr. Toomey announced the hospital has received final approval to perform emergency treatment on STEMI patients. The planning team and physicians are still discussing a start date. The hospital sees 40 to 50 STEMI patients per year. He said the bottom line is that if you have a heart attack and arrive at BMH, we have the ability to place a stent in the occluded artery if there is not time to transfer you. Recommendation was made to include an article in the local newspapers, as well as in newsletters in gated communities about BMH now approved to perform STEMI treatments.

Resolution for Board: Mr. Toomey stated that the Board has approved a resolution to support Medicaid expansion in South Carolina. *Senior management will connect with local legislators to explain the importance of this measure to the community and the hospital.*

Chief Medical Officer/Vice President of Medical Affairs (handout) – Global Priorities: *Mr. Toomey will discuss this position at the annual planning retreat.*

CHAIR ANNOUNCEMENTS: None

ADJOURN: The meeting adjourned at 9:48 a.m.

Respectfully submitted,

David Tedder
Secretary/Treasurer