

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

MINUTES – December 18, 2019

BOARD MEMBERS PRESENT: David House (Chair); David Tedder (Vice-Chair); Andrea Allen (Secretary); Bill Himmelsbach; Kurt Ellenberger, M.D.; Kathy Cooper; Kathy McDonagh, Ph.D.; Stephen Larson, M.D.; Faith Polkey, M.D; Eric Billig, M.D.

OTHERS PRESENT: Russell Baxley; Ken Miller; Hampton Long; Alice Howard; Karen Carroll; Shawna Doran; Kurt Gambla, D.O.; Chris Ketchie; Brian Hoffman; Allison Coppage; Courtney McDermott; Debbie Schuchmann; Courtney Smith and Anna Sobiech

Absent: Paul Sommerville

Guests: none

CALL TO ORDER: Mr. House 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 7:30 a.m. with the nine Board members to discuss Strategic Planning, and Personnel Matters. The motion was seconded by Mrs. Allen, and unanimously approved.

MOTION: A motion was made by Mr. Tedder to go into Open Session at 8:00 a.m. The motion was seconded by Mrs. Allen and unanimously approved.

Finance Committee: Mr. Himmelsbach, provided a brief summary on Finance, indicating that inpatient discharges were down while patient days were up. Case mix index was 1.62. Expenses were controlled. He reminded the Committee that Thanksgiving occurred the last week of the month. He indicated that BPP practice volumes were down. Mr. Miller provided highlights of the Financial Statements. He indicated that November volumes were down. Acute discharges decreased to 718. Emergency room visits decreased to 4,002. Surgical volumes were strong at 926 (above budget and prior year).

November gross revenue and volumes reflected a slow month while October experienced a record month. Patient revenue for November was \$69.6M. Total operating revenue for the month was \$21.3M. Net to gross was relatively high at 29.4%. Uncompensated care experienced a decrease of \$572 compared to prior month. There was some movement in AR. CMI remained strong. Year-to-date [YTD] net revenue at the end of November was \$2.5M ahead of the expected goal. Mr. Miller reminded the Committee that December will experience fewer work days with the holiday schedules. He also indicated that \$1.6M in principal was due December 1st to TD and Regions Banks. AR days remained relatively flat.

Expenses for November were \$20.2M (under budget). Salary expenses were \$8.5M. November contract labor remained relatively consistent (above \$300K). Brief discussions ensued regarding nurses and contract labor. The variance in other expenses was primarily due to the Alliance Joint Venture relating to the Linear Accelerator.

Net income for November was \$1.1M on a budget of \$83K. YTD net income was \$2.7M. Total EBITDA for November was \$1.9M on a budget of \$1.0M. Total YTD actual EBITDA to budget variance was \$2.4M and the actual to prior year EBITA was a variance of (\$281K).

Covenants were slightly improved. Days cash on hand was 171. The debt service on a rolling 12 month basis (TD Bank) was 7.00 on a target of 1.2. Debt to cap was 21.5% and cash to debt was 2.07.

Mr. Miller reported that Dixon Hughes Goodman, LLP [DHG] was on site for the audit the first week in December. It is anticipated that a draft audit will be presented to the Finance Committee in January 2020.

A brief discussion ensued regarding the volume variance for the BPP practices. Mr. Miller indicated that the kiosks fall under BMH Care Anywhere and are reported on a separate income statement and then rolled into the consolidated statement. Urgent care and ER discussions ensued. *At the request of the Committee, the ER, urgent care and telemedicine visits will be added to the growth scorecard and will include the prior year along with the current.* A discussion ensued after Mr. Miller indicated that a managed care agreement with BlueCross BlueShield was signed with new rates.

APPROVAL of MINUTES – November 18, 2019: Dr. McDonagh made a motion, which was seconded by Mr. Tedder, to approve the minutes of the November 18, 2019 meeting. Unanimous approval.

MOTION: A motion was made by Mr. Tedder to go into Executive Session at 8:30 a.m. to discuss Quality Improvement, Medical Staff Credentialing, Strategic Planning, Contractual Arrangements, Legal and Personnel Matters. The motion was seconded by Mrs. Allen, and unanimously approved. The meeting re-convened to Open Session at 9:20 a.m.

MOTION: A motion was made by Mrs. Allen, seconded by Mr. Tedder to go into Open Session for the purpose of taking action on contractual matters at 9:20 a.m.

Mr. Tedder indicated that the Executive Compensation Committee met the previous week and discussed in Executive Committee matters concerning the CEO's contract and potential bonus.

MOTION TO APPROVE THE EXECUTIVE COMPENSATION ADJUSTMENTS REGARDING THE CEO/PRESIDENT AS RECOMMENDED BY THE EXECUTIVE COMPENSATION COMMITTEE AND DISCUSSED IN EXECUTIVE SESSION AND FOR THE CHAIRMAN OF THE BOARD TO WORK WITH THE FINANCE DEPARTMENT TO IMPLEMENT THE CONTRACT ADJUSTMENT AND BONUS AS DISCUSSED IN EXECUTIVE SESSION. Mr. Tedder made the motion, which was seconded by Mrs. Allen. Unanimous approval.

CONSENT AGENDA – Approval of Minutes for November 20, 2019, Committee Reports & Minutes, and Staff Reports. Mrs. Cooper made a motion, which was seconded by Mrs.

Allen, and unanimously approved to adopt the agenda, amendment to the minutes and reports as presented. Unanimous approval.

Neurology as it relates to workman's comp was discussed.

COMMITTEE CHAIR ISSUE IDENTIFICATION:

Strategic Committee did not meet.

Quality Committee did not meet.

Governance: Mrs. Cooper referenced Mr. Baxley's discussions with Don Meyer, Attorney, Moore & Van Allen, PLLC, regarding medical policies. The recommendation is that the BMH Board has fiduciary responsibility to review all medical policies in order to comply with the national standards and follow The Joint Commission accreditation standards and guidelines. Discussions ensued. Mr. Baxley referenced and read a section of the South Carolina Law and Code 33-31-830. The medical policies would be brought forth through Medical Executive Committee [MEC]. Administration will consult with Mr. Meyer to formulate written documentation of the policy review process in order to meet The Joint Commission standards.

BMH FOUNDATION: Mr. Long indicated that preparations for the Valentine Ball are underway. The event will be held February 7 and 8, 2020. To date, \$113K has been raised towards the \$214K goal. Invitations will be mailed the first week in January. January 24th will be the Valentine Ball Kick-off Party. Mr. Long thanked everyone for their support throughout the years. He indicated that a member from the BMH Foundation Board will be selected to the Governance Committee. Ms. Schuchmann indicated that a reveal of a renovation and upgrade to the pediatric unit waiting room on the third floor is scheduled on January 7th at 3:00 p.m. This was accomplished by a sophomore in college who spearheaded a fundraiser that raised \$25,000.

MEDICAL STAFF: Dr. Ellenberger indicated that there were no outstanding issues.

MEDICAL STAFF – *Credentials:* The following practitioners requested appointment: Williamson, Katelin, DO, Consulting/ Telemedicine-Psychiatry (DMH); Davis, David, CRNA, Dependent Practitioner/ Anesthesiology; Brooks, Benjamin, MD, Consulting/Radiology-VRC; Fox, Matthew, MD, Consulting/Radiology-VRC.

Reappointment: Arbizu-Alvarez, Ricardo, MD, Consulting/Telemedicine-Pediatrics (MUSC); Busch, Carrie, MD, Consulting/Telemedicine-Pediatrics (MUSC); Curro, Christopher, MD, Active/Medicine-Hospitalist; Edenfield, Christopher, PA-C, Allied Health Professional/Hospitalist; Escarza, Robert, MD, Consulting/Emergency Medicine; Garcia Lopez de Victoria, Elizabeth, MD, Consulting/ Telemedicine-Neurology; Jump, Candi, DO, Consulting/Telemedicine-Pediatrics (MUSC); Kasi, Nagraj, MD, Consulting/Telemedicine-Pediatrics (MUSC); Kennedy, Keiron, MD, Consulting/Radiology-VRC; Malphrus, Amy, MD, Consulting/Telemedicine-Neurology (MUSC); Mayne, Jennifer, MD, Consulting/Radiology-VRC; Sparks, Erin, MD, Consulting/Telemedicine-Neurology (MUSC); Tobin, Wayne, MD, Active/Telemedicine-Neurology (MUSC); St. John, David, MD; Consulting/ Radiology-VRC,

Smock, Allison, MD, Consulting/Telemedicine-Pediatrics; Stacks, Timothy, CRNA, Dependent Practitioner/Anesthesiology.

Addition of Privileges: Moore, Kasie, NP, Allied Health Professional/ Hospitalist-Emergency Medicine.

Resignations: Kamesan, Janani, MD, Consulting/Radiology-VRC; Della Vecchia, Jason, MD, Active/Medicine-Hospitalist.

Mr. Tedder made a motion, which was seconded by Mrs. Allen to accept the Credentials Committee recommendations as presented. Unanimous approval.

ACTION ITEMS, POLICIES, DISCUSSION OR SUPPLEMENTAL INFORMATION:

Mr. Baxley reported that BMH had experienced a strong financial year in 2019. Mr. Baxley explained the metrics to attain the gain share goal. He is currently asking the Board to consider the distribution of \$1.4M for Fiscal Year 2019 on December 20, 2019 (this has been accrued end expensed on the FY19 P&Ls). Mr. Tedder indicated that this was discussed at the last Executive Committee Meeting.

MOTION TO APPROVE THE 2019 GAIN SHARE RECOMMENDATION TO DISTRIBUTE THE FULL AMOUNT SHOULD THE EMPLOYEE QUALIFY. Mr. Tedder made the motion, which was seconded by Dr. McDonagh. Unanimous approval.

MOTION TO APPROVE THE QUALITY SCORECARD – QUARTER ENDING 3/31 AS PRESENTED. Mr. Tedder made a motion, which was seconded by Dr. McDonagh. Unanimous approval.

MOTION TO ACCEPT AND APPROVE THE BMH QUALITY AND SAFETY PLAN AS PRESENTED BY THE QI COMMITTEE (with minor grammatical corrections to be made). Mr. Tedder made the motion, which was seconded by Mrs. Cooper. Unanimous approval.

MOTION TO ACKNOWLEDGE RECEIPT OF THE ENVIRONMENT OF CARE (safety) 3rd QUARTER: Mr. Tedder made the motion, which was seconded by Mrs. Cooper. Unanimous approval.

Mr. Baxley explained at the November 20, 2019 Board Meeting the process that was taken to recraft the mission, vision and values. Mr. Baxley is asking for the Board's official approval to update this (which has not been done for 10-12 years).

MOTION TO ACCEPT AND APPROVE THE MISSION, VISION AND VALUES AS PRESENTED. Mr. Tedder made the motion, which was seconded by Mrs. Allen. Unanimous approval.

MANAGEMENT REPORT – Mr. Miller indicated that BMH will be experiencing IT and communications downtime on January 25, 2020 and explained the purpose of the downtime. Discussions ensued.

ADJOURN – A motion was made by Mrs. Allen, and was seconded by Mr. Tedder, to adjourn the meeting. Unanimous approval. The meeting adjourned at 10:10 a.m.

Respectfully submitted,

Andrea Allen
Secretary