

**PASQUOTANK COUNTY, NORTH CAROLINA
APRIL 2, 2015**

The Pasquotank County Board of Commissioners met today in a joint meeting with the Albemarle Hospital Authority Board of Commissioners on Thursday, April 2, 2015 in the Education Center at Albemarle Hospital.

MEMBERS PRESENT:

Joseph S. Winslow, Jr., Chairman
Cecil Perry, Vice-Chairman
Jeff Dixon
Lloyd E. Griffin, III
Dr. William R. Sterritt
Frankie Meads
Bettie J. Parker

MEMBERS ABSENT:

None

OTHERS PRESENT:

Rodney Bunch, County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The meeting was called to order at 8:00 AM by Chairman Joe Winslow and Hospital Authority Chair Mary Anne Keyes. Everyone recited the Pledge of Allegiance to the Flag and a Moment of Silence was observed.

Ms. Keyes welcomed Coleen Santa Ana, CEO of Sentara Albemarle Medical Center, to present the hospital's first annual progress report.

Ms. Santa Ana stated that she will discuss Sentara as a whole at a glance and will review some of the partnership elements, governance, branding, operational assessments, strategic planning, quality and safety, how they have increased access, financial information, and how they have been engaging in the community, and testimonials from the community.

Ms. Santa Ana explained that there are three major imperatives that are part of the Sentara System Strategic Plan: always improving; caring for defined populations; and creating growth. She stated that their mission is to improve health every day. She said Sentara is excited about Albemarle coming into its system and she reviewed partnership highlights and strategies.

Ms. Santa Ana provided highlights from the past year related to safety, governance and operations. She stated that employee engagement surveys and provider engagement surveys were completed and there was great participation in the employee surveys with good results. She advised that the provider engagement surveys scored low and they will be focusing on engaging the physicians. She explained that Sentara Albemarle also has best practice meetings for each different clinical service such as emergency, surgical and oncology, and they have placed a Sentara physician on each of these system teams.

Ms. Santa Ana advised that the Strategic Plan was completed in November 2014 and several of the recommendations from the plan have been implemented. She said the plan shows that the operations at Sentara Albemarle are highly variable and they are working on stopping the variability and creating a smooth high level operation. Once they stabilize somewhat and consistently get service, quality and access to a high level, they will work on promoting growth. Ms. Santa Ana reported that outmigration from the area has actually increased. She believes if they focus on safety, quality, and service that can be redirected. She stated that people need to know what we have here and what we can offer and start utilizing our local providers. She noted that great strides have been made regarding safety.

Ms. Santa Ana stated that access has been greatly increased by: reducing wait times for getting a primary care appointment from 30 days to same day access, applying for Tricare and Tricare Prime in order to expand access for the Coast Guard, actively recruiting primary care, pediatric, orthopedic, neurology, OB/GYN, and cardiology physicians, hiring seven new emergency room physicians, four hospitalists, and two sports medicine physicians.

Mr. Craig Lewis, CFO of Sentara Albemarle Medical Center reported on the financial aspects of the hospital over the last year. He stated that Sentara brought a lot of finance benefits with them. He said their malpractice insurance costs were cut by roughly half. Multiple changes have taken place in the Medical Records Departments. Management, coding and transcription are no longer outsourced. Sentara's collection company is being utilized to collect fees. Corporate contracts have saved money on pharmacy, supply chain, contracting, and materials management. There has been a dramatic increase in profitability. In 2012-13, there was an \$8m loss and in 2014, there was a \$1.7m annualized loss. In 2015, they are hoping to break even. The hospital has not made a profit since 2007. He advised that this is possible due to several savings which include: an approximate \$3m savings with reduction in the workforce through attrition, an approximate \$3m savings by paying off the \$60m plus debt that Albemarle Hospital had, and an approximately \$500k savings in management fees from Vidant. On the other side of the ledger, Sentara paid a \$400k employee bonus and they placed \$1.2m in employee vacation leave on the books as well. He stated that they have committed roughly \$40m over the next five years to improve the facility and purchase new technology and invest in computer systems as well.

Ms. Santa Ana stated that Sentara Albemarle has participated in many events in the community and are strengthening relationships in the community. She said their leadership team sits on multiple boards. She shared positive testimonials from the community.

Ms. Bettie Parker praised the presentation. She stated that when she served on the hospital board they worked very hard on the emergency room wait time and it had gotten to a point that they were very pleased with it. She said she hears that the wait time has increased. Mrs. Santa Ana stated that when she came on board in December she took that on as her priority. She worked with our current providers in the emergency room and worked with a company called M Care who recommended we hire permanent physicians and have consistent care. She said she also brought in someone from the Princess Ann Emergency Department because they are known for their very high marks on efficiency and service to oversee our emergency department. She said now we have leadership, system integration, and best practices getting infused in every day. She stated that she also brought in consulting and they just finished their study and we have a huge work plan for improvement. In addition, she said she brought in a process improvement expert from Sentara who has improved our operating room. All of the physicians, nurse practitioners, physician's assistants, registration clerks, technicians, and nurses were sent to customer service school. She explained that we had a very bad flu season that the hospital was not ready for and neither were other emergency departments. A nurse fair was held in February to bring experienced nurses into the department. She noted that the efficiency scores are looking much better.

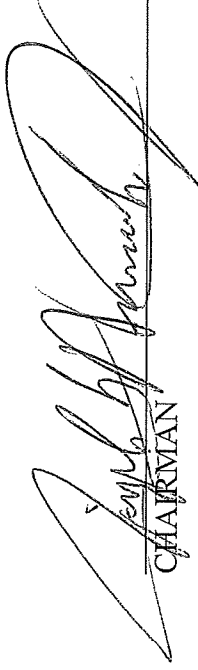
Ms. Santa Ana stated that the Kitty Hawk location opened in the 1990s and from what they can tell it has never made a profit. She said they are in the process of hiring a primary care physician because there is not one there currently. She said in the past there has not been a tourist strategy and their equipment is old and needs to be replaced.

When asked about employee morale, Ms. Santa Ana noted that early on the scientific measure of employee morale was very high. Turnover is usually 10% or under at hospitals and theirs was about 13%, which is expected during transition. She said they lost 39 nurses, but 33 new nurses have been hired and benefits have been increased.

Ms. Santa Ana noted that when she first came to the hospital some of the areas in the hospital had very low patient satisfaction and now some of the units are at 97%, which means they are in the top 3% in the United States.

The joint meeting was adjourned at 9:02 AM.


CLERK TO THE BOARD


CHAIRMAN