

**MINUTES  
JOINT MEETING**

**DURHAM COUNTY HOSPITAL CORPORATION  
BOARD OF TRUSTEES  
and  
DURHAM COUNTY BOARD OF COMMISSIONERS**

**OCTOBER 22, 2002**

**TRUSTEES PRESENT:**

MaryAnn E. Black  
Charles F. Chapman  
Eugene F. Dauchert, Jr.  
Walter E. Davis, M.D.  
Mary M. Elkins, Chair  
Exter G. Gilmore, Jr.  
Penelope A. Keadey  
Joyce C. Nichols  
Steve J. Schwab, M.D.  
Kevin W. Sowers

**TRUSTEES ABSENT:**

James L. Allen, M.D.  
Arnett Coleman, M.D.  
Joseph S. Harvard, III  
C. Edward McCauley  
Dwight D. Perry, M.D.

**DCHC ADVISORY BOARD MEMBERS PRESENT**

William J. Donelan, Executive Vice President & COO, DUHS  
Edward N. LaMay, M.D. Medical Staff President, DRH

**COMMISSIONERS PRESENT**

MaryAnn E. Black, Chairman  
Becky M. Heron  
Ellen W. Reckhow

**COMMISSIONERS ABSENT**

Joe W. Bowser  
Philip R. Cousin, Jr.

**OTHERS PRESENT:**

Jeffery A. Chitester, Chief Human Resources Officer, DRH  
Linda B. Ellington, Chief Nursing Officer, DRH  
Kathleen B. Galbraith, Director, Marketing, DRH  
Mark M. Gordon, Chief Operating Officer, DRH  
Robert A. Gutman, M.D., Chief Medical Officer, DRH  
S. C. Kitchen, Durham County Attorney  
Mary E. Kritsch, Administrative Assistant to the CEO, DRH and Assistant Secretary, DCHC  
Richard J. Liekweg, Chief Executive Officer, DRH  
Mark F. Miller, Chief Financial Officer, DRH  
Michael M. Ruffin, Durham County Manager  
Jim Shamp, Reporter – *The Durham Herald*  
Carolyn P. Titus, Deputy Durham County Manager  
Garry E. Umstead, Clerk to the Board of Durham County Commissioners

## **CALL TO ORDER**

Mrs. Elkins and Mrs. Black respectively called to order a joint meeting of the Durham County Board of Trustees and the Board of Durham County Commissioners at 12:47 p.m., in the 1<sup>st</sup> Level Classroom of Durham Regional Hospital (DRH). Mrs. Elkins welcomed those in attendance, and everyone around the table introduced themselves.

## **ANNUAL CEO's REPORT**

Mr. Liekweg was called upon and made a power point presentation entitled "Durham Regional Hospital Since the Affiliation: A look back. A look ahead." Copies of the slides were distributed at the meeting and are attached to the original set of these minutes. Questions were asked and addressed as the overview progressed. During this synopsis national trends in health care and DRH vision, mission, values (PRIDE), and strategic goals and objectives were reviewed. It was noted that putting all the pieces together builds a foundation for excellence in everything done. Comparative volume and operating results figures were reviewed. Highlights of FY '99– FY '02 from the perspectives of the customer, quality, staff, and finance were noted. Mr. Liekweg explained the concept of a balanced scorecard and how it is used at DRH, the way in which the data is reported to hospital department directors and the DCHC Board, and how the information feeds into the Duke University Health System (DUHS). Volume figures for FY '98 to FY'02 were shown and trends in utilization were explained. It was noted specifically that emergency visits continue to grow; and for this fiscal year the emergency room visits are running higher than budget. DRH has approximately 46,000 emergency room visits per year which is almost comparable to Duke Hospital which sees about 50,000 visits per year. Approximately 25% of ER patients have no insurance, and this population has very limited access to primary care. Volume alone does not assure an increase in net revenue. The mix of payors as well as the types of patients (e.g. surgical vs. internal medicine) influence the positive dollar figures. Thus, an increase in volume does not necessarily equate to an increase in financial stability. With reference to the trends in utilization slide, it was noted that over time there has been a gradual increase in Duke admissions. On the community side, there has been some decline. Some of this is a function of orthopedic business moving out of DRH to the specialty hospital. In terms of community support there has been a gradual increase from FY '99 – FY '02. This represents pure charity care, the contributions to the Lincoln Community Health Center (LCHC) and EMS as well as contributions to local non-profit organizations such as the United Way, Juvenile Diabetes Foundation Walk, etc. DRH's total contribution in FY '02 totaled \$8,793,000.

In closing, Mr. Liekweg noted that arrangements have been made for those whose schedules will permit to visit the rehabilitation unit on the 7<sup>th</sup> floor as well as other areas of interest following the formal meeting. The tour will also provide an opportunity to visit some of the regular units upstairs which will demonstrate that this is indeed a 25-year old facility in need of renovations.

## **MENTAL HEALTH SYSTEM REFORM**

Mrs. Black opened this agenda topic by commenting upon the restructuring of the mental health system within North Carolina and the effects of this situation upon Durham. Durham County government is responsible under the reform to address this matter. She then turned the meeting over to Mr. Ruffin who provided transition for this most important subject.

Mental health reform in the sense of local mental health reorganization is not something that is going to transpire, it is something that has already been initiated. Last month the Commissioners made the decision as to how mental health will be governed in Durham. It will be a County department governed by the Board

of County Commissioners through the Durham County Manager. There is much work to be accomplished between now and July 1, 2004, when the reformed, local delivery system under the control of the County Commissioners will be totally in effect. Between now and then a number of tasks must be completed. A number of teams are working on this issue. Mrs. Titus was then called upon by Mr. Ruffin to bring DCHC Trustees and DRH Management up-to-date on what this means for the Durham community. Some of the issues are mandated by State law and other areas there is some discretion as to approach.

Mrs. Titus opened by noting the pressures, challenges and opportunities in the larger health area are also present in the mental health reform. Mrs. Titus distributed copies of presentation slides for her presentation entitled "Mental Health System Reform – State of North Carolina – October 2002." A copy is attached to and made a part of the original set of minutes. During the course of her overview, Mrs. Titus entertained and responded to questions. Initially, Mrs. Titus addressed why the changes were deemed to be needed, and outlined the biggest changes which are to occur. Her stated objectives for this meeting—which were all met—were to provide an overview of HB 381, assess the Secretary's State Plan for MH/DD/SA, afford insight into the transition to the local management entity, review governance options, and comment upon the content of a local business plan. Business plans must be submitted to the Department of Health and Human Services by April 1, 2003. The make-up and role of the Consumer and Family Advisory Committee were defined. As part of the discussion, Mrs. Titus explained the various local management entity's core functions, and she noted the target populations. In addition the array of services for target populations were highlighted. In conclusion, the implementation schedule was shared.

Lengthy discussion ensued. The major concerns involved patient access and who and how the costs will be covered. The anticipated strain placed upon hospital emergency rooms was acknowledged. It is already known that there are no State dollars available to assist Durham in its reform efforts. It was mutually agreed that this is a big issue for both DUHS and its components as well as the County of Durham; and both bodies agreed to continued dialogue in this regard.

### **ADJOURNMENT**

In the interest of time and there being no further business to come before the joint meeting at this moment, the meeting was adjourned at 2:25 p.m.

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Arnett Coleman, MD, Secretary  
Durham County Hospital Corporation

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Garry E. Umstead, CMC, Clerk to the Board  
Durham County Commissioners