

MINUTES

Meeting of the Board of Trustees
of the Medical University Hospital Authority

April 11, 2008

It Is Understood that the Minutes Herein Recorded Have Not as
Yet Been Approved and Cannot be Considered as Official Action
of the Board Until Such Approval Has Been Given

Colcock Hall
Medical University of South Carolina
Charleston, South Carolina

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
April 11, 2008

The Board of Trustees of the Medical University Hospital Authority convened Friday, April 11, 2008, with the following members present: Dr. Charles B. Thomas, Jr., Chairman; Dr. Stanley C. Baker, Jr.; Mr. Melvyn Berlinsky; Mr. William H. Bingham, Sr.; Mr. William B. Hewitt; Dr. Donald R. Johnson II; Dr. E. Conyers O'Bryan, Jr.; Dr. Paula E. Orr; Dr. Thomas C. Rowland, Jr.; Mr. Charles W. Schulze; The Honorable Robin M. Tallon; Dr. James E. Wiseman, Jr.; Mrs. Claudia Peeples, Emeritus; The Honorable Phillip D. Sasser, Emeritus. Absent: Dr. Cotesworth P. Fishburne, Jr.; Thomas L. Stephenson, Esquire.

The following administrative officials were present: Dr. Raymond S. Greenberg, President; Dr. John Raymond, Vice President for Academic Affairs and Provost; Dr. Jerry Reves, Vice President for Medical Affairs, and Dean, College of Medicine; Mr. Stuart Smith, Vice President for Clinical Operations and Executive Director, MUHA; Ms. Lisa Montgomery, Vice President for Finance and Administration and Dr. Frank Clark, Vice President for Information Technology and CIO.

The following deans were present: Dr. John Sanders, College of Dental Medicine; Dr. Mark Sothmann, College of Health Professions; Dr. Gail Stuart, College of Nursing; Dr. Arnold Karig, College of Pharmacy; Dr. Joseph DiPiro, South Carolina College of Pharmacy.

Item 1. Call to Order-Roll Call.

There being a quorum present, Chairman Thomas called the meeting to order at 9:00 a.m. Ms. Celeste Jordan called the roll.

Item 2. Secretary to Report Date of Next Meeting.

The date of the next regularly scheduled meeting is Thursday May 15, 2008.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of February 8, 2008.

Board Action: It was moved that the Minutes be approved. The motion was seconded, voted on and unanimously carried.

Dr. Thomas thanked Ms. Diane Knich, a reporter with the Post and Courier, for her attendance at the meeting.

Dr. Thomas asked Dr. Julie Chao to come forward to receive a citation to be presented by Dr. John Raymond. Dr. Raymond read a resolution from the Board of Trustees to Dr. Chao recognizing her for her remarkable scientific accomplishments as well as her outstanding contribution to the University citing her as one of the most successful faculty members of MUSC.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. General Informational Report of the President.

Dr. Greenberg asked Dean Reves to introduce the two guest speakers. He introduced Dr. Bruce Elliott, Chief of the Division of Vascular Surgery and Dr. Philip Costello, Chair of Radiology.

Dr. Elliott, as the leader of the vascular surgery division, talked about the opportunities the division has in the Charleston area and around the state as well as some strategies to take the division to the next level. He introduced Dr. Costello who discussed the collaborative work of vascular surgery with interventional radiology for the mutual benefit and care of MUSC's patients.

Recommendation of Administration: That these reports be received as information.

Board Action: Received as information.

Item 5. Other Business. None.

MEDICAL UNIVERSITY HOSPITAL AUTHORITY OPERATIONS AND FINANCE COMMITTEE.
CHAIRMAN: DR. STANLEY C. BAKER, JR. (Detailed committee minutes are attached to these minutes).

OLD BUSINESS: None.

NEW BUSINESS:

Item 6. MUSC Medical Center Status Report.

Statement: Mr. Stuart Smith reported that by May 1st 139 of the 156 beds in the new hospital will be open. Recruitment of staff continues as new beds are opened. Recently, the hospital had two unannounced surveys that went well. Marilyn Schaffner presented to Committee on hourly rounding which is part of the Studer program and is a significant new technique. It focuses on patient safety and also on patient satisfaction. He commended Ms. Schaffner for her efforts.

The CON has been filed in the North Area and Mr. Smith will keep the board updated on progress in that area. There will be a new practice model in chemotherapy tried in the Mt. Pleasant area. A progress report will be given to the board, within a year, on the new model.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 7. MUSC Medical Center Financial and Statistical Report.

Statement: Dr. Baker said Ms. Montgomery had given the Committee a financial and statistical report on the Medical Center.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 8. Line of Credit Renewal Request.

Statement: Dr. Baker said Ms. Montgomery had reported to Committee that as a result of debt service and a Medicaid shortfall of \$12 million, the Medical Center currently has a temporary shortage of cash on hand. In view of the lowered cash position and to insure appropriate funding levels as hurricane season approaches, she recommended a line of credit be reinstituted. Dr. Baker asked for approval of a resolution to authorize this action.

Recommendation of Administration: That the resolution authorizing a line of credit not to exceed \$28,391,099 be approved.

Recommendation of Committee: That the resolution authorizing a line of credit not to exceed \$28,391,099 be approved.

Board Action: A motion was made, seconded and unanimously voted to approve a resolution authorizing a line of credit not to exceed \$28,391,099.

Item 9. Amendment to Ambulatory Patient Care Management Agreement.

Statement: Dr. Baker stated that the Committee had received a report on quality and patient safety.

Recommendation of Administration: That the amendment to the Ambulatory Patient Care Management Agreement be approved.

Recommendation of Committee: That the amendment to the Ambulatory Patient Care Management Agreement be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the amendment to the Ambulatory Patient Care Management Agreement.

Item 10. Quality and Patient Safety Report.

Statement: Dr. Baker stated that the Committee had received a report on quality and patient safety from Dr. Pat Cawley.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 11. Report of the Vice President for Medical Affairs and Dean, College of Medicine.

Statement: Dr. Baker stated Dean Reves had provided a report to Committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 12. Report on University Medical Associates.

Statement: Dr. Baker stated Dr. Feussner provided a detailed report on UMA. Dr. Baker asked for approval of the following:

- Purchase of the Carolina OBGYN practice in the West Ashley area.
- Purchase of \$54,000 in equipment for the Department of Psychiatry

Recommendation of Administration: That the items be approved as presented.

Recommendation of Committee: That the items be approved as presented.

Board Action: A motion was made, seconded and unanimously voted to approve the items as presented.

Item 13. Legislative Update.

Statement: Dr. Baker stated there was no report.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 14. Other Committee Business. None

Item 15. Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges (consent item).

Statement: Appointments, reappointments and delineation of privileges to the medical staff were presented for approval.

Recommendation of Administration: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Recommendation of Committee: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Board Action: Dr. Baker moved that the appointments, reappointments and delineation of privileges to the medical staff be approved. The motion was seconded, voted on and unanimously carried.

Item 16. Environment of Care Report (consent item).

Statement: An Environment of Care Report was presented.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 17. Medical Executive Committee Minutes (consent item).

Statement: Minutes of the Medical Executive Committee for the December 2007, January and February 2008 meetings were presented to the Board.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: The minutes of the Medical Executive Committee were received as information.

Item 18. Medical Center Contracts and Agreements (consent item).

Statement: Contracts and Agreements which have been signed since the last board meeting were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

MEDICAL UNIVERSITY HOSPITAL AUTHORITY PHYSICAL FACILITIES COMMITTEE.
CHAIRMAN: MR. WILLIAM H. BINGHAM, SR. (Detailed committee minutes are attached to these minutes).

OLD BUSINESS: None

NEW BUSINESS:

Item 19. Facilities Procurements/Contracts Proposed.

Statement: Mr. Bingham asked for approval for the following:

- New lease of 5,779 square feet of clinical space, located on Iron Horse Road in Ladson, to provide clinic space for Psychiatry's Behavioral Health, North Area program. Total cost of 10 year lease: \$1,357,680.
- Lease Amendment/Renewal for 1,280 square feet of space located in Building C at 29 Leinbach Drive, West Ashley for Psychiatry's Center for Drug and Alcohol Program. Total cost of 7 year lease: \$702,409.58

Recommendation of Administration: That these leases be approved as presented.

Recommendation of Committee: That these leases be approved as presented.

Board Action: A motion was made, seconded and unanimously voted to approve the leases as presented.

Item 20. Update on Projects.

Statement: Mr. Bingham reported an update on various hospital projects had been received by Committee.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 21. Other Committee Business. None

Item 22. Facilities Contracts Awarded (consent item).

Statement: Facilities contracts awarded since the last board meeting were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

MEDICAL UNIVERSITY HOSPITAL AUTHORITY AUDIT COMMITTEE. CHAIRMAN: Thomas L. Stephenson, Esquire. (Detailed committee minutes are attached to these minutes).

OLD BUSINESS: None

NEW BUSINESS:

In Mr. Stephenson's absence, Dr. Thomas chaired the Committee.

Item 23. MUHA Compliance Update.

Statement: Dr. Thomas reported a compliance update had been received by the Committee from Ms. Reece Smith.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 24. Report of Legal Counsel.

Statement: Dr. Thomas said the Committee had received a report in Executive Session from Ms. Annette Drachman on various legal matters.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 25. Report of the Internal Auditor.

Statement: Dr. Thomas said the Committee had received a report from Ms. Susan Barnhart.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 26. Other Committee Business. None

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 27. Approval of Consent Agenda.

Statement: Approval of the Medical University Hospital Authority consent agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: It was moved, seconded and unanimously voted that the consent agenda be approved.

Item 28. Biennial Review of the MUHA Bylaws of the Board of Trustees.

Statement: Dr. Thomas asked for approval of the changes to the MUHA Bylaws of the Board of Trustees as presented.


Board Action: A motion was made, seconded and unanimously voted to approve the changes to the MUHA Bylaws as presented.

Item 29. New Business for the Board of Trustees. None.

Item 30. Report from the Chairman. No Report.

There being no further business, the Hospital Authority meeting was adjourned and the University Board of Trustees meeting was convened.

Respectfully submitted,


Hugh B. Faulkner III
Secretary

/wcj
Attachments

Board of Trustees
Medical University Hospital Operations Committee
April 10, 2008
Minutes

Attendees:

Dr. Stanley Baker, Chair	Mr. Steve Valerio
Dr. Charles Thomas	Dr. Patrick Cawley
Mr. Melvyn Berlinsky	Dr. Marilyn Schaffner
Mr. William Bingham	Ms. Joan Herbert
Mr. William Hewitt	Mr. Betts Ellis
Dr. Donald Johnson	Mr. Dennis Frazier
Dr. E. Conyers O'Bryan	Annette Drachman, Esq.
Dr. Paula Orr	Mr. John Cooper
Dr. Thomas Rowland	Mr. Steve Hargett
Mr. Charles Schulze	Mr. Alan Edwards
Hon. Robin Tallon	Ms. Susan Barnhart
Dr. James E. Wiseman, Jr.	Mr. H. B. Faulkner
Dr. Raymond Greenberg	Mr. Mark Sweatmann
Mr. Stuart Smith	Ms. Lisa McGill
Dr. J. G. Reves	Mr. Maurice Snook
Ms. Lisa Montgomery	
Dr. Frank Clark	
Dr. John Raymond	

The meeting was called to order at 9:35 a.m. by Dr. Stanley Baker, Chair.

Item 6. MUSC Medical Center Status Report

Stuart Smith briefed the committee on activity at Ashley River Tower since it's opening in February. The census has continued to increase and additional beds are being opened as staffing is obtained.

Mr. Smith also reported on several survey teams which have recently been at MUHA. The Joint Commission recently performed a Laboratory Point of Care Testing survey and CMS has surveyed the renal transplant program. Both surveys went well, and the recommendations made by the survey teams are being addressed.

Statistics and activity levels for the Medical Center have remained stable since the last Board meeting.

Dr. Marilyn Schaffner reported on hourly rounding in the Medical Center. This is a process by which a caregiver rounds on each patient once each hour during the day and once every two hours during the night. This visit includes checking to see if the patient is comfortable, needs to use the restroom, or requires something for pain. National statistics show that this hourly rounding increases patient satisfaction and patient safety. MUSC is measuring various metrics to evaluate the benefits of hourly rounding on our patients.

Mr. Smith reported that MUHA and UMA have submitted a joint request for a certificate of need for the North Area facility. MUHA plans to place an infusion center in the North Area facility. This will be operated by the Medical Center. The infusion center in Mount Pleasant has been temporarily closed due in part to a lack of medical oncologists. Mr. Smith proposed that the Department of Medicine re-open the Mt. Pleasant Infusion Center. The Department of Medicine will handle the rent, procurement of drugs and staff, and will receive the proceeds from this operation.

At the end of a year, MUHA will evaluate the operation of the two infusion centers to determine which method of operation is most effective. Dr. Feussner has recruited additional medical oncologists and hopes to recruit additional ones in the near future. The Board concurred with this approach and will look forward to an update on the two methods of operation at the end of the year.

Action: Report received as information

Item 7. MUSC Medical Center Financial and Statistical Report

Ms. Montgomery reported that the medical Center is ahead of budget on income and margin, and that expenses are under budget. As a result of debt service and a Medicaid shortfall of \$12 million, the Medical Center currently has a decline in cash on hand. She reported that she expects additional unrestricted cash to become available by July, 2008.

A total of 57 additional beds will be available by the end of May. This should allow the Medical Center to reach its goal of an average census of 540 during FY 2009. Ms. Montgomery will also request that a line of credit be reinstituted in view of the lowered cash position and to be in place should it be needed during the hurricane season.

Action: Report received as information

Item 8. Line of Credit Renewal Request

Ms. Montgomery requested that a \$28 million line of credit be authorized by the board in order to seek Budget and Control Board approval in April.

Action: Recommend approval

Item 9: Amendment to Ambulatory Patient Care Management Agreement

The Ambulatory Patient Care Management Agreement has been amended to include clinical activity at the Ashley River Tower.

Action: Recommend approval

Item 10. Update on Patient Safety

Dr. Patrick Cawley briefed the committee on MUHA's initial results from the Hospital consumer Assessment of Healthcare Providers and Systems or HCAHPS. This initiative requires that all CMS hospitals participate in the HCAHPS program to assess the patients' perspective on the healthcare they receive in various hospitals. Standardized questions are used by each hospital and results are publicly reported. MUSC's results have been very good as compared to the local market and to the teaching hospitals in South Carolina as well as nationally. In the future this data could have a direct impact on reimbursement for hospitals.

Action: report received as information

Item 11. Report by Vice President for Medical Affairs and Dean, College of Medicine.

Dr. J. G. Reves reported on Match Results, LCME Step 1 Test Results, and NIH funding. The College of Medicine reported that 122 of 130 students matched with places they had requested. The 8 students who did not initially match, later all received matches. All MUSC's primary programs were initially filled with the exception of Psychiatry, which has now been filled. Forty percent of MUSC's students matched with in-state programs which means that we are keeping talent in the state. While most of our students matched in the southeastern states, we had students placed throughout the country.

Dr. Reves reported that MUSC is slightly ahead of the national average on the number of students passing Part One of the LCME, and he also reported that NIH funding was at \$77 million.

Action: Report received as information

Item 12. Report of University Medical Associates

Dr. Jack Feussner introduced Mr. Stephen Valerio as the new CEO of University medical Associates.

Dr. Feussner reported on UMA activities as follows:

Dr. Jennifer Clark will devote three hours per week to the KidsPath program with Hospice of Charleston.

UMA would like to acquire the Carolina OBGYN practice in the West Ashley area. This acquisition will be made by assuming the rental of the facility and equipment. The three physicians will join the Department as faculty, and the staff will become UMA employees. This will increase the UMA presence in the West Ashley area.

The Department of Orthopedics outreach includes health care sponsorship of the Caroling Battery Soccer team and the Family Circle Cup Tournament. There are no space or resource requirements.

The Department of Psychiatry has requested purchase of a High Performance Liquid chromatography System. This is used in the treatment of alcoholism. This equipment will generate approximately \$200,000 per year with a purchase cost of \$54,000.

Dr. Feussner reported that membership in the UMA has increased from 490 in FY 04 to 619 in March, 2008. Revenue has increased from \$125 million in FY 04 to \$193.5 (annualized) for FY08. Reserves have increased from \$25.5 million in FY04 to \$84.6 million (annualized) in FY 08

Patient visits have increased from slightly more than 400,000 in FY 05 to 600,000 (annualized) in FY08. UMA has greatly increased its number of sites within the community and has outreach activities in 26 communities in South Carolina, provided by 15 of the 16 clinical departments.

Action: recommend approval of acquisition of Carolina OBGyn Practice, and recommend purchase of \$54,000 in equipment for Department of Psychiatry.

Item 13: Legislative update

No Report

Item 14. Other business

No other business

CONSENT AGENDA

Item 15. Medical university Hospital Authority Appointments, Reappointments, and Delineation of Privileges

The appointments, reappointments and delineation of privileges have been approved by the respective Department chairs, the credentials committee, and the Medical Executive Committee.

Action: Recommend approval

Item 16. Environment of Care Report

Mr. Betts Ellis provided a report on the seven Environment of Care (EOC) plans. The EOC plans include methods for management and oversight of: safety, security, hazardous materials and waste management, emergency management, fire safety, medical equipment, and utility systems. The EOC plans are routinely monitored by the EOC committee, Quality Council, Hospital Administration and relevant information is reported to the Medical Executive committee as needed. The annual evaluation of the plans was completed and the plans were determined to be effective.

Action: Report received as information

Item 17. Medical Executive committee Minutes

The Medical Executive Committee Minutes from December, 2007, January 2008, and February 2008, were presented. The minutes were reviewed and found to be in order.

Action: Received as information

Item 18: Contracts and Agreements

Contracts and agreements awarded since the last meeting of the board were presented for information.

Action: Received as information

There being no further business, the committee adjourned at 10:45 a.m.

Respectfully Submitted,

Teresa K. Rogers

**Medical University Hospital Authority
Physical Facilities Committee
April 10, 2008
Minutes**

Attendees:

Mr. William H. Bingham, Sr., Chair	Ms. Susie Edwards
Dr. Stanley C. Baker, Jr.	Mr. Dennis Frazier
Mr. Melvyn Berlinsky	Mr. Joe Good
Dr. Cotesworth P. Fishburne, Jr.	Mr. Steve Hargett
Mr. William B. Hewitt	Dr. Sarah King
Dr. Paula E. Orr	Mr. John Malmrose
Dr. Thomas C. Rowland, Jr.	Ms. Lisa McGill
Mr. Charles W. Schulze	Mr. Stewart Mixon
The Honorable Robin M. Tallon	Ms. Lisa Montgomery
Dr. Charles B. Thomas, Jr.	Ms. Jennifer Pearce
Dr. James E. Wiseman, Jr.	Mr. Stuart Smith
Ms. Susan Barnhart	Mr. Maurice Snook
Dr. Pat Cawley	Mr. Mark Sweatman
Mr. John Cooper	Mr. Patrick Wamsley
Ms. Annette Drachman	

Mr. Bingham called the meeting to order.

REGULAR Items

Item 19. Facilities Procurements/Contracts Proposed

Mr. Dennis Frazier presented the following for approval:

- New lease of 5,779 square feet of clinical space, located on Iron Horse Road in Ladson, to provide clinic space for Psychiatry's Behavioral Health, North Area program. Total cost of 10 year lease: \$1,357,680.
- Lease Amendment/Renewal for 1,280 square feet of space located in Building C at 29 Leinbach Drive, West Ashley for Psychiatry's Center for Drug and Alcohol Program. Total cost of 7 year lease: \$702,409.58

Recommendation of Committee: That procurements/contracts be approved as presented.

Item 20. Update on Projects

Mr. Dennis Frazier presented an update on various Authority projects including: OR9, 64 Slice CT and PET/CT, PT and OT renovation, as well as hospital realignment renovations.

Recommendation of Committee: That the report be received as information.

Item 21. Other Committee Business

None

CONSENT Items for Information:

Item 22. Facilities Contracts Awarded

The facilities contracts since the last board meeting were presented for information.

Recommendation of Committee: That this report be received as information.

With no further business, the meeting was adjourned.

Respectfully submitted,



Celeste Jordan

Medical University Hospital Authority Audit Committee
April 10, 2008
Minutes

Attendees:

Dr. Charles B. Thomas, Jr., Chair
Dr. Stanley C. Baker, Jr.
Mr. Melvyn Berlinsky
Mr. William H. Bingham, Sr.
Dr. Cotesworth P. Fishburne, Jr.
Mr. William B. Hewitt
Dr. Paula E. Orr
Dr. E. Conyers O'Bryan, Jr.
Dr. Thomas C. Rowland, Jr.
Mr. Charles W. Schulze
The Honorable Robin M. Tallon
Mr. Hugh B. Faulkner III

Dr. Raymond S. Greenberg
Ms. Julie Acker
Ms. Susan Barnhart
Ms. Annette Drachman
Mr. Joe Good
Dr. Steve Lanier
Ms. Lisa McGill
Ms. Lisa Montgomery
Ms. Jody O'Donnell
Ms. Reece Smith
Mr. Stuart Smith

In Mr. Stephenson's absence, the committee was chaired by Dr. Thomas. Dr. Thomas called the meeting to order.

REGULAR Items

Item 23. MUHA Compliance Report.

Ms. Reece Smith presented a report on the Recovery Audit Contractors (RAC) discussing the origin and purpose of RAC as well as irregularities of the process.

Recommendation of Committee: That the report be received as information.

Item 24. Report of Legal Counsel.

Dr. Thomas made a motion for an executive session to receive a report from Ms. Annette Drachman, Hospital Authority Legal Counsel, on various legal issues. The motion was seconded and unanimously voted to go into executive session.

At the conclusion of the session, the Board went back into open session with no action taken.

Recommendation of Committee: That the report be received as information.

Item 25. Report of the Internal Auditor.

Ms. Susan Barnhart provided a report on the following audits: Controlled Substances Activities, System Backup and Restoration of Processes of OCIO-IS, ACL Analysis, Release of Medical Records. This report was given during the Finance and Administration Committee meeting.

Recommendation of Committee: That the report be received as information.

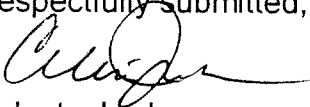
Item 26. Other Committee Business.

Ms. Susan Barnhart presented changes to the MUHA Board of Trustees Bylaws for review and approval.

Recommendation of Committee: That the changes be approved as presented.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Celeste Jordan

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO INCUR CERTAIN SHORT-TERM INDEBTEDNESS.

WHEREAS, Act No. 264 enacted at the 2000 session of the General Assembly of the State of South Carolina and approved by the Governor of South Carolina on May 1, 2000 ("Act No. 264") provides that the Board of Trustees of the Medical University, upon adoption of an implementing resolution, becomes the Board of Trustees of the Medical University Hospital Authority (the "Authority"), an agency of the State of South Carolina; and

WHEREAS, by resolution adopted by the Board of Trustees of the Medical University on June 16, 2000, the Board of Trustees of the Medical University implemented the provisions of Act No. 264 by, among other things, establishing the Authority and designating the facilities to be included in the "hospital" for purposes of Act No. 264 (the "Hospital"); and

WHEREAS, the Board of Trustees of the Medical University Hospital Authority wishes to make provision for short-term indebtedness of the Authority by issuing revenue anticipation notes in an aggregate principal amount not exceeding \$28,391,099 for a term not exceeding six (6) months for operation of the Hospital; and

WHEREAS, the Authority is authorized under Act No. 264 to issue revenue anticipation notes; provided that, such notes shall have a maturity of not exceeding six (6) months from date of issuance; and do not exceed, in the aggregate, ten percent (10%) of the net patient service revenue for the fiscal year preceding the fiscal year in which such obligations are issued; and

WHEREAS, the audited financial statements of The Medical University of South Carolina for the fiscal year ended June 30, 2007, reflect net patient service revenues of \$733,301,465; and

WHEREAS, the Authority is also subject to the terms of that certain Trust Indenture dated as of December 1, 2004 (the "Indenture") between the Authority and The Bank of New York, as trustee; and

WHEREAS, pursuant to Section 637 of the Indenture, the Authority may only incur Indebtedness (as defined in the Indenture) on such terms and conditions as shall be approved by FHA (as defined in the Indenture); and

WHEREAS, FHA has approved the short-term indebtedness in an aggregate principal amount not exceeding \$28,000,000 as described in this Resolution; and

WHEREAS, the State Treasurer of South Carolina has made necessary arrangements with Wachovia Bank, N.A. which has agreed to purchase such revenue anticipation notes.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY IN MEETING DULY ASSEMBLED:

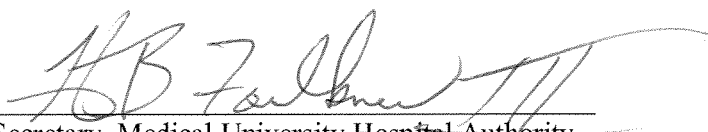
1. The Board of Trustees of the Authority hereby approves the incurring of short-term indebtedness by means of the issuance of revenue anticipation notes of the Authority in an aggregate principal amount not exceeding \$28,391,099 for a term not exceeding six (6) months.

2. The President of the Authority is hereby authorized to execute and deliver such documents (the form of which shall be approved by the State Treasurer of South Carolina) as shall be necessary to evidence such short-term indebtedness.

3. The President is authorized to negotiate, execute and deliver such documents as are necessary for a renewal of the foregoing short-term indebtedness for a period not to exceed an additional six (6) months (the form of which shall be approved by the State Treasurer of South Carolina).

I, the undersigned, being the duly qualified Secretary of the Medical University Hospital Authority (the "Authority") do hereby certify that the attached Resolution is a true, correct, and verbatim copy of "A RESOLUTION AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO INCUR CERTAIN SHORT-TERM INDEBTEDNESS" adopted by the Authority at a meeting duly called and held on April 11, 2008, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand for delivery on the 11th day of April 2008.


Secretary, Medical University Hospital Authority

BY: W. STUART SMITH.
ITS: EXECUTIVE DIRECTOR

MUSC-MC BOARD OF TRUSTEES
Credentials Report

April 11, 2008

The Medical Executive Committee has reviewed the following applicants for appointment / reappointment / change in privileges and recommend approval by the Board.

Status Legend: AC=Active; PA=Prov. Active; AF=Affiliate; PF=Prov. Affiliate; AFC=Affiliate [CFC]; PAFC=Prov. Affiliate [CFC];
 AH=Allied Health; PH=Prov. Allied Health; HE=Allied Health [External]; PE= Prov. Allied Health [External]
 SB=Sabbatical; AD=Administrative

APPLICANTS FOR APPOINTMENT

<u>Practitioner Name</u>	<u>Degree</u>	<u>Status</u>	<u>Dept</u>	<u>Div</u>	<u>CC</u>	<u>MEC</u>	<u>BOT</u>
Emily Bagwell	PA-C	PH	SURG	GI	2/13/2008	2/20/2008	4/11/2008
Lori Burton	PNP-C	PH	PEDI	HEMA	2/13/2008	2/20/2008	4/11/2008
Michelle Curry	MD	PA	MEDI	EMER	2/13/2008	2/20/2008	4/11/2008
Margaret Diamond	APRN	PH	ANES	--	2/13/2008	2/20/2008	4/11/2008
Neil Glover	MD	PA	MEDI	EMER	2/13/2008	2/20/2008	4/11/2008
Marcelo Guimaraes	MD	PA	RADI	--	2/13/2008	2/20/2008	4/11/2008
George Inabinet, Jr.	MD	PA	ANES	--	2/13/2008	2/20/2008	4/11/2008
Ann Jaworowicz	PA-C	PH	SURG	PLAS	2/13/2008	2/20/2008	4/11/2008
John McGillicuddy, Sr.	MD	PA	NSCI	NEUR	2/13/2008	2/20/2008	4/11/2008
Lauree Pearson	NNP-C	PH	PEDI	NEO	2/13/2008	2/20/2008	4/11/2008
Ann Peterson	ANP-C	PH	SURG	PULM	2/13/2008	2/20/2008	4/11/2008
Michael Reder	MD	PF	PEDI	IMMU	2/13/2008	2/20/2008	4/11/2008
Simon Watson	MD	PA	MEDI	EMER	2/13/2008	2/20/2008	4/11/2008
Michael Wildstein	MD	PA	ORTH	--	2/13/2008	2/20/2008	4/11/2008
Amit Agrawal	MD	PA	MEDI	GAST	3/12/2008	3/19/2008	04/11/208
Linda Baer	FNP	PH	PSYC		3/12/2008	3/19/2008	04/11/208
Laurel Bailey	MD	PA	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Nicholas Batalis	MD				3/12/2008	3/19/2008	04/11/208
Lynn Beck	MD	PF	PEDI	PGEN	3/12/2008	3/19/2008	04/11/208
Ginger Brister	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Elizabeth Call	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Amy Campbell	MD	PA	RADI		3/12/2008	3/19/2008	04/11/208
Marc Chimowitz	MB ChB	PA	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208
Deborah DeWaay	MD	PA	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Ann Flynn	MD	PA	PATH		3/12/2008	3/19/2008	04/11/208
Helen Furtado	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Timothy Givens	MD	PA	PEDI	PEMG	3/12/2008	3/19/2008	04/11/208
Jenifer Griffith	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Kelly Hylton	FNP	PH	MEDI	CARD	3/12/2008	3/19/2008	04/11/208
Joy Laub	NNP	PH	PEDI	NEON	3/12/2008	3/19/2008	04/11/208
Patricia Mathias	PA-C	PH	NSCI	NSUR	3/12/2008	3/19/2008	04/11/208
Thomas Pollehn	MD	PA	MEDI	EMER	3/12/2008	3/19/2008	04/11/208
Lisa Roberge	PA-C	PH	SURG	PSUR	3/12/2008	3/19/2008	04/11/208
Dennis Schimpf	MD	PA	SURG	PLAS	3/12/2008	3/19/2008	04/11/208
Cynthia P. Thompson	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Tanya Turan	MD	PA	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208

APPLICANTS FOR REAPPOINTMENT

<u>Practitioner Name</u>	<u>Degree</u>	<u>Status</u>	<u>Dept</u>	<u>Div</u>	<u>CC</u>	<u>MEC</u>	<u>BOT</u>
Adams, Sara E.	MD	PA	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Axiotis, Diana D.	PA-C	PH	SURG		3/12/2008	3/19/2008	04/11/208
Bachman, David L.	MD	AC	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208
Back, Sudie E.	PHD	PH	PSYC		3/12/2008	3/19/2008	04/11/208
Buchanan, Robin	CRNA	AH	ANES		3/12/2008	3/19/2008	04/11/208
Cole, David J.	MD	AC	SURG	SONC	3/12/2008	3/19/2008	04/11/208
Dancy, Linda	CRNA	AH	ANES		3/12/2008	3/19/2008	04/11/208
Daniel, Rodney S.	MD	PA	MEDI	RHEU	3/12/2008	3/19/2008	04/11/208
Day, Jean S.	CRNA	AH	ANES		3/12/2008	3/19/2008	04/11/208

<u>Practitioner Name</u>	<u>Degree</u>	<u>Status</u>	<u>Dept</u>	<u>Div</u>	<u>CC</u>	<u>MEC</u>	<u>BOT</u>
Donato, Annemarie S.	FNP	PH	PSYC		3/12/2008	3/19/2008	04/11/208
Dugan, Mary M.	MD	PF	PEDI	PEMG	3/12/2008	3/19/2008	04/11/208
Ellyn, John C.	MD	AF	OPHT		3/12/2008	3/19/2008	04/11/208
Evans, Joshua T.	MD	PA	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Gallagher, Carroll S.	DDS	AF	ORAL		3/12/2008	3/19/2008	04/11/208
Gordon, Leonie	MD	AC	RADI		3/12/2008	3/19/2008	04/11/208
Graves, Sherry	APRN	AH	RADI		3/12/2008	3/19/2008	04/11/208
Groce, Jeffery R.	MD	PA	MEDI	GAST	3/12/2008	3/19/2008	04/11/208
Halford, Heather H.	FNP	PH	FAMP		3/12/2008	3/19/2008	04/11/208
Halushka, Perry V.	MD, PhD	AC	MEDI	NEPH	3/12/2008	3/19/2008	04/11/208
Hamner, Mark B.	MD	AF	PSYC		3/12/2008	3/19/2008	04/11/208
Hand, Lisa D.	MD	AF	PSYC		3/12/2008	3/19/2008	04/11/208
Harris, Michelle L.	CRNA	AH	ANES		3/12/2008	3/19/2008	04/11/208
Hearne, Susan C.	CRNA	PH	ANES		3/12/2008	3/19/2008	04/11/208
Hermayer, Kathie L.	MD	AC	MEDI	ENDO	3/12/2008	3/19/2008	04/11/208
Inman, Dianna L.	PNP	AH	PEDI	PGEN	3/12/2008	3/19/2008	04/11/208
Johnson, Donald R.	MD	AF	ORTH		3/12/2008	3/19/2008	04/11/208
Keslar, Paula J.	MD	AC	RADI		3/12/2008	3/19/2008	04/11/208
King, Amy H.	CNS	AH	ORTH		3/12/2008	3/19/2008	04/11/208
Kitch, Russell D.	MD	AF	OTOL		3/12/2008	3/19/2008	04/11/208
LeClercq, Anne H.	MD	PA	DERM		3/12/2008	3/19/2008	04/11/208
Leland, Thomas M.	MD	AF	OPHT		3/12/2008	3/19/2008	04/11/208
Merrill, William W.	MD	PA	MEDI	PULM	3/12/2008	3/19/2008	04/11/208
Milligan, Laura	FNP	PH	MEDI	HEMA	3/12/2008	3/19/2008	04/11/208
Morrall, Andrea D.	CRNA	AH	ANES		3/12/2008	3/19/2008	04/11/208
Penney, Fletcher T.	MD	PA	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Peskin, Howard V.	DDS	AF	HSDS	PEDD	3/12/2008	3/19/2008	04/11/208
Platz, Elizabeth A.	MD	PA	OBGY	MATE	3/12/2008	3/19/2008	04/11/208
Pritchett, John T.	MD	AF	PSYC		3/12/2008	3/19/2008	04/11/208
Quinn, John V.	MD	PAFC	PEDI		3/12/2008	3/19/2008	04/11/208
Rawls, Darlene O.	MD	PF	MEDI	IMED	3/12/2008	3/19/2008	04/11/208
Salerno, Peter J.	MD	PF	PEDI	PEDI	3/12/2008	3/19/2008	04/11/208
Schnorr, John A.	MD	AF	OBGY	REPR	3/12/2008	3/19/2008	04/11/208
Sharp, Beth C.	PNP	PH	PEDI	RHEU	3/12/2008	3/19/2008	04/11/208
Swenson, Cynthia C.	PhD	AH	PSYC		3/12/2008	3/19/2008	04/11/208
Tyor, William R.	MD	AC	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208
Ullian, Michael E.	MD	AC	MEDI	NEPH	3/12/2008	3/19/2008	04/11/208
Upadhyaya, Vidya H.	MBBS	PA	PSYC		3/12/2008	3/19/2008	04/11/208
Van Bakel, Adrian B.	MD	AC	MEDI	CARD	3/12/2008	3/19/2008	04/11/208
Wagner, Mark T.	PhD	AH	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208
Walker, Aljoeson	MD	AC	NSCI	NEUR	3/12/2008	3/19/2008	04/11/208
Walker, Jon P.	MD	PA	MEDI	GAST	3/12/2008	3/19/2008	04/11/208
Wallace, Charles T.	MD	AC	ANES		3/12/2008	3/19/2008	04/11/208
Wilson, Frederick A.	MD	AC	MEDI	GAST	3/12/2008	3/19/2008	04/11/208

MEDICAL STAFF/ALLIED HEALTH PROFESSIONALS - Increase/Decrease/Change in Privileges

<u>Practitioner Name</u>	<u>Degree</u>	<u>Status</u>	<u>Dept</u>	<u>Div</u>	<u>CC</u>	<u>MEC</u>	<u>BOT</u>
England, Kelly	PA-C	AH	NSCI	MEDI	2/13/2008	2/20/2008	4/11/2008
Change in Scope of Practice owing to change in departments and supervising physicians							
Hermayer, Kathie	MD	AC	MEDI	ENDO	2/13/2008	2/20/2008	4/11/2008
Additional privilege of reading & interpreting bone density studies							
Krywko, Diann	MD	PA	MEDI	EMER	2/13/2008	2/20/2008	4/11/2008
Additional privilege of Moderate Sedation							
Shapshak, Dag	MD	PA	MEDI	EMER	2/13/2008	2/20/2008	4/11/2008
Additional privilege of Moderate Sedation							
Arnold, Pam	APRN	AH	MEDI	ENDO	3/12/2008	3/19/2008	04/11/208
Change in Protocol owing to change in Supervising physicians							

<u>Practitioner Name</u>	<u>Degree</u>	<u>Status</u>	<u>Dept</u>	<u>Div</u>	<u>CC</u>	<u>MEC</u>	<u>BOT</u>
Bourne, Christina Additional privilege of Moderate Sedation	MD	PA	MEDI	EMER	3/12/2008	3/19/2008	04/11/208
DeRosimo, John Additional privilege of Moderate Sedation	MD	AC	MEDI	EMER	3/12/2008	3/19/2008	04/11/208
Grady, Rose Change in Scope of Practice owing to change in Supervising physicians	PA-C	PH	NSCI	NSUR	3/12/2008	3/19/2008	04/11/208
Tsai, Nancy Addition of "First Assist Only" Surgical Privileges	MD	PA	NSCI	NSUR	3/12/2008	3/19/2008	04/11/208
Turnage, Blair Buck Change in Scope of Practice owing to change in Supervising physicians	PA-C	PH	NSCI	NSUR	3/12/2008	3/19/2008	04/11/208

**FACILITIES
HOSPITAL AUTHORITY
NEW LEASE
FOR APPROVAL**

APRIL 11, 2008

DESCRIPTION OF NEW LEASE: This lease is for 5,779 square feet of clinical space located at Ladson Station on Iron Horse Road in Ladson. The purpose of this lease is to provide clinic space for Psychiatry's Behavioral Health, North Area program. This group has outgrown its current location at 9225 University Boulevard. The per square foot rate for this new lease is \$20.49 (rounded). The monthly rental rate will be \$9,870.00, resulting in an annual rent amount of \$118,440.00 for the first year. Rent will increase annually 3%.

NEW LEASE AGREEMENT X
RENEWAL LEASE AGREEMENT

LANDLORD: Patterson Smith Company, Inc.

LANDLORD CONTACT: Patterson Smith, Owner, 577-7406

TENANT NAME AND CONTACT: Psychiatry Behavioral Health, Howard Helmly,
Facilities Manager, 792-0713

SOURCE OF FUNDS: Hospital General Operating Funds

LEASE TERMS:

TERM: Ten (10) years

COST PER SQUARE FOOT: \$20.49

ANNUALIZED LEASE COST:

Year 1: \$118,440.00
Year 2: \$121,980.00
Year 3: \$125,640.00
Year 4: \$129,470.00
Year 5: \$133,320.00
Year 6: \$137,230.00
Year 7: \$141,420.00
Year 8: \$145,680.00
Year 9: \$150,000.00
Year 10: \$154,500.00

TOTAL COST OF LEASE: \$1,357,680.00

EXTENDED TERM(S): Two (2) terms, Five (5) years each, rate to be negotiated

OPERATING COSTS:

FULL SERVICE

NET X (taxes and insurance are included)

**FACILITIES
HOSPITAL AUTHORITY
LEASE AMENDMENT/RENEWAL
FOR APPROVAL**

APRIL 11, 2008

DESCRIPTION OF LEASE AMENDMENT/RENEWAL: This lease amendment/renewal is to extend the lease agreement for an additional seven years and provide an additional 1,280 square feet of space located in Building C at 29 Leinbach Drive, West Ashley for a total of 4,184 square feet, to accommodate Psychiatry's Center for Drug and Alcohol Program (CDAP). The per square foot rate for this lease is \$23.91 (rounded). The monthly rental rate will be \$8,335.44 (rounded), resulting in an annual rent amount of \$100,025.30 for the first year. The Base rent increases annually 3%.

Included in the annual rent amount are new renovation costs (\$97,017.62) that are amortized throughout the lease term, as well as renovation costs (\$10,585.08) existing from the previous lease.

NEW LEASE AGREEMENT _____
RENEWAL LEASE AGREEMENT X
LEASE AMENDMENT X

LANDLORD: Brilliant-Estes Associates

LANDLORD CONTACT: John Hassell, Landlord, 224-1239

DEPARTMENT NAME AND CONTACT: Psychiatry Center for Drug and Alcohol Program, Howard Helmly, Facilities Manager, 792-0713

SOURCE OF FUNDS: Hospital General Operating Funds

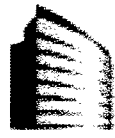
LEASE TERMS:

RENEWAL TERM: Seven (7) years
COST PER SQUARE FOOT: \$23.91
ANNUALIZED RENT COST:
 Year 1: \$100,025.30
 Year 2: \$ 98,337.80
 Year 3: \$96,734.08
 Year 4: \$98,700.56
 Year 5: \$100,750.72
 Year 6: \$102,842.72
 Year 7: \$105,018.40
TOTAL COST OF LEASE: \$702,409.58

EXTENDED TERM(S): To be negotiated.

OPERATING COSTS:

FULL SERVICE _____
NET X



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MEDICAL UNIVERSITY of SOUTH CAROLINA

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Bylaws and Charter of the Medical University Hospital Authority Board of Trustees

169 ASHLEY AVENUE
CHARLESTON, SOUTH CAROLINA 29425
APRIL 11, 2008

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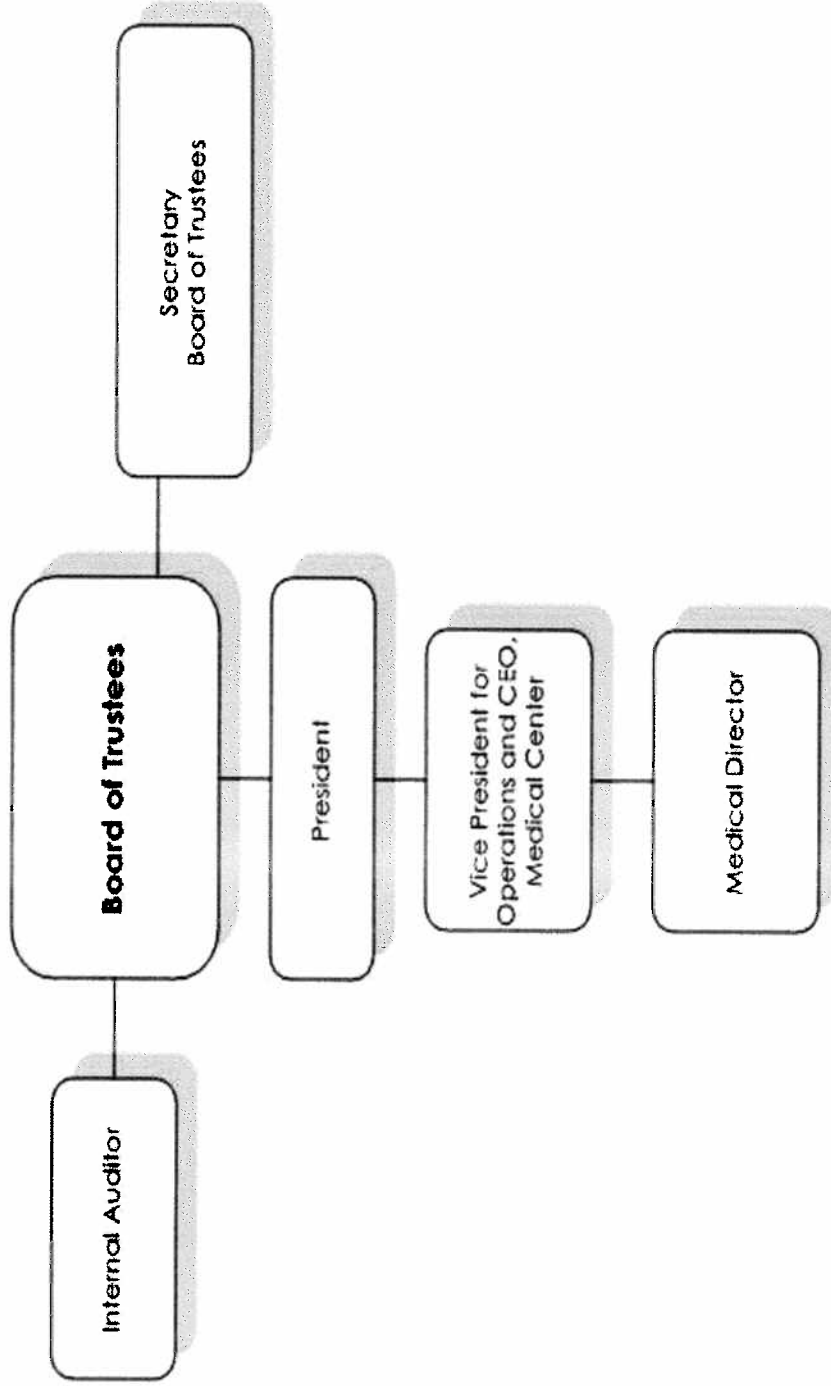
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FOREWORD

1. The Medical University Hospital Authority does not discriminate on the basis of race, color, creed, sex, age, national origin, veteran status, or marital status in the administration of admission policies, educational policies, financial aid, employment, or any other Authority activity.
2. Since the English language contains no singular pronoun which includes both sexes, wherever a masculine term appears in this document it signifies both genders.
3. The meetings of the Board of Trustees are held in conformance with the Freedom of Information Act as amended, passed by the General Assembly of the State of South Carolina and approved by the Governor on June 12, 1998.

Medical University Hospital Authority Central Administration Organization

(As referenced in these Bylaws)



BYLAWS OF THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY

Section I. Powers and Duties of the Board of Trustees

(A) The final authority and responsibility for the governance of the Medical University Hospital Authority (the "Authority", MUHA, or the Medical Center), its hospitals and clinics (the "Medical Center"), the outreach programs, and ancillary functions are vested in the Board of Trustees of the Authority in accordance with the statutes of the State of South Carolina pertaining thereto.

(B) The Board of Trustees, directly or through its authorized committees, shall establish the general policies of the Authority, shall define its general program of educational activity, shall annually at its August meeting fix and approve the Authority's application for State appropriations, if any, and shall approve the budget for the next fiscal year.

(C) The Board of Trustees avoids conflict of interest. Any Trustee having a potential or perceived conflict of interest should make a full disclosure of the facts to the Chairman and should refrain from voting on the matter. The minutes of the meeting should reflect that disclosure was made and the member abstained from voting.

(D) The Board of Trustees shall name the principal officers of the Authority as prescribed in Section V of these Bylaws, but it may delegate to those elected officers the employment of subordinate officers and employees.

(E) The Board of Trustees shall review these Bylaws at least every two (2) years, adopting amendments as needed.

Section II. Meetings of the Board of Trustees

(A) **Regular Meetings.** Regular meetings of the Board of Trustees shall be held on the second Friday of February, April, August, October, and December, and on the day before the commencement of the Medical University of South Carolina, provided that the place and/or time of any regular meeting may be changed by the Chairman of the Board of Trustees.

(B) Special Meetings.

(1) Special meetings of the Board of Trustees may be called at the will of the Chairman.

(2) Upon the written request of three or more members, the Chairman shall call a special meeting of the Board. At least seven (7) days' notice of any such meeting shall be given to the members of the Board of Trustees.

(C) **Agenda.** Prior to each regular meeting of the Board of Trustees and with the notice of any special meeting, the Secretary of the Board shall include a proposed Agenda and pertinent information for the meeting.

(D) **Quorum.** A majority of the elected and ex-officio voting Trustees shall constitute a quorum.

(E) **Order of Business.** The order of business for all meetings of the Board of Trustees shall be as follows:

- (1) Roll call.
- (2) Corrections and approval of all minutes of regular and special Board and Committee meetings not previously approved.
- (3) Reports and recommendations of the President, who may at his discretion call upon other officials of the Medical Center for reports on their areas of authority.
- (4) Reports of standing committees.
- (5) Reports of special committees.
- (6) Old business.
- (7) New business.

(F) **Rules of Order.** Except as charged by specific rules and regulations of the Board of Trustees, the current edition of *Robert's Rules of Order* shall constitute the rules of parliamentary procedure applicable to all meetings of the Board and its several Committees.

Section III. Officers of the Board of Trustees

(A) **Ex-Officio Chairman.** The Governor of the State of South Carolina is the voting ex-officio Chairman of the Board of Trustees and he shall preside at those meetings of the Board which he attends. The Governor's designee will vote for the Governor in his absence.

(B) **Chairman.** The Chairman of the Board of Trustees of the Medical University of South Carolina shall serve as the Chairman of the Board of Trustees of the Authority. The Chairman shall:

- (1) Preside at all meetings at which the ex-officio Chairman does not preside,
- (2) Appoint all board committees not otherwise provided for,

(3) Be an ex-officio member of all standing committees of the Board,

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(4) Execute all legal documents and instruments on behalf of the Board, and

(5) Represent the Board in making any budget requests to the General Assembly of the State.

The Chairman of the Board shall be the official spokesman of the Board.

(C) **Vice Chairman.** The Vice Chairman of the Board of Trustees of the Medical University of South Carolina shall serve as the Vice Chairman of the Board of Trustees of the Authority. The Vice Chairman shall perform the duties of the Chairman in his absence, disability, or unavailability.

(D) **Secretary.**

(1) The Secretary of the Board of Trustees of the Medical University of South Carolina shall serve as the Secretary of the Board of Trustees of the Authority. The Secretary shall also serve as Secretary of all committees of the Board.

(2) Duties. It is the duty of the Secretary to arrange for all Board meetings and to act as Secretary to all Board committees, to keep records and minutes of Board actions, to review the Bylaws of the Board every two (2) years, and to complement the links with the President. In this role, the Secretary's primary responsibility is to the Board members.

SPECIFICALLY, THE SECRETARY WILL:

(a) Prepare agenda, place requests in proper format for Board meetings and Board action, record minutes of all meetings, and mail notices and other information to Trustees;

(b) Assist the Board in reviewing the bylaws of the Board every two (2) years. Upon completion of the review by the Board, incorporate all adopted amendments, and submit changes to other parts of the bylaws which are reasonably implied by the adopted amendments;

(c) Obtain necessary legal opinions pertaining to the Board of Trustees as an entity and to individual members in their official capacities;

(d) Receive all direct correspondence, reports, telephone calls, etc., for the Board. Formulate proposed actions and communicate results to the Chairman and Board members;

(e) Relay to the President requests received by Board members from constituents;

- (f) Make all arrangements for meetings of the Board of Trustees and committees, make travel accommodations and meal arrangements, including social functions when appropriate;
- (g) Keep all records of Board actions taken via mail or telephone between meetings;
- (h) Administer the Board of Trustees budget covering annual supplies, printing, binding, travel, subsistence, per diem;
- (i) Take care of routine correspondence on behalf of the Chairman and Board members;
- (j) Provide copies of minutes of Board of Trustees meetings to members and other addressees as appropriate;
- (k) Arrange for screening of the General Assembly's daily calendars and journals, proposed legislation, relevant newspapers, and other information sources. Report pertinent information to the Board and to the President;
- (l) Keep a log of term of office and appropriate filing duties and procedures for Trustee members;
- (m) Insure compliance with the requirements of the South Carolina Freedom of Information Act as it pertains to Board meetings and records; and
- (n) ~~Ensure that the Board of Trustees fills certain seats on affiliate boards, as specified by the affiliates' Bylaws. As such positions come available, all Board members will be made aware of the open seat prior to the Board electing an individual to fill the seat. Where two or more seats are available on an affiliate board, consideration shall be given to filling the slots with one professional and one lay person from the Board of Trustees.~~

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(E) Internal Auditor.

(1) The Internal Auditor of the Medical University of South Carolina shall serve as the Internal Auditor of the Authority. The Board directs that the Internal Auditor's position and its support staff shall report and be accountable directly to the Board of Trustees. It is further directed that the Board of Trustees of the Medical University of South Carolina shall be responsible for managing the Internal Auditor's tenure and for setting the financial budget for the Internal Audit Department, including salaries, operational expenses, and support costs.

(2) Duties. The Internal Auditor is responsible for managing a professional Internal Audit Department to provide analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed to management, and ultimately to the Board of Trustees.

(3) The Internal Auditor is also responsible for providing the Board of Trustees with information about the adequacy and effectiveness of the organization's system of internal control and the quality of performance.

(4) The Internal Auditor will assist the Audit Committee of the Board of Trustees in carrying out their duties as stated in Section IV(D)(3) of these Bylaws.

(5) The Internal Auditor will assist the Audit Committee in the selection, oversight, and evaluation of the External Auditor.

(F) Trustees Emeriti.

(1) The Board of Trustees of the Medical University Hospital Authority may recognize a former trustee for loyal, dedicated and significant service to the Authority. Trustee Emeritus status will be granted when a former Board member is nominated in writing by a current Board member and elected by a two-thirds majority vote. To be eligible, the former Board member must have served at least eight (8) consecutive years or have been awarded an honorary degree by the Medical University of South Carolina.

(2) Trustees Emeriti will be elected for life. Trustees Emeriti will be non-voting, ex-officio members who are not reimbursed from appropriated funds. These Board Members will be invited to all Board functions and events and will provide support for the Authority as knowledgeable friends and ambassadors.

Section IV. Committees of the Board.

(A) **Standing Committees.** In addition to such special committees as from time to time may be appointed or elected by the Board of Trustees, there shall be the following standing committees:

(1) Operations and Finance

(2) Physical Facilities

(3) Audit

(B) **Organization and Terms of Office.** All standing committee assignments shall be made by the Chairman of the Board of Trustees from the membership of the Board within 30 days following the August meeting each even numbered year. Their terms of service shall be for two (2) years. Each standing committee shall be composed of a

minimum of three (3) members. Each standing committee shall elect its own chairman from its members by a majority vote taken by secret ballot at the first committee meeting following the August meeting of the Board at which a Board Chairman is elected, excluding special elections, or at the first regular meeting of a new standing committee. Board members may only serve as Chairman of more than one standing committee of the Authority or the Medical University of South Carolina Boards when the same committee (e.g., Physical Facilities, Audit) serves both entities.

(C) **Quorum.** A majority of the membership of any standing committee shall constitute a quorum.

(D) **Powers and Duties of Standing Committees.** The standing committees shall have the following powers and duties:

(1) **Operations and Finance Committee.**

(a) The principal objectives of the Authority and the Medical Center, to include all hospitals and clinics, the outreach programs, and all services rendered to all patients, are to support the tri-part mission of the Medical University of South Carolina and the Medical University Hospital Authority including:

(i) ~~To deliver direct health services as a corollary to the primary objective of education and to establish a medical center for the needs of the State of South Carolina, and~~

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(ii) ~~To improve the organization and delivery of the health care system to society as a demonstration of responsibility, in conjunction with the appropriate State professional organizations.~~

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(b) In order to implement these objectives, the Operations and Finance Committee shall concern itself with the operations of the Medical Center, to include all hospitals and clinics, the outreach programs, and all services rendered all patients. This Committee will recommend and seek Board approval for necessary outpatient clinics in off-campus locations. With Board approval, these recommendations will be forwarded to the Physical Facilities Committee.

(c) In like manner, the planning of hospital services; the organizational structure for the delivery of health care; human, financial, and informational resources of the Medical Center and related activities to include the development and approval of the budget, and all other specific financial and contractual matters, quality of care, quality assurance mechanisms, credentials review and privilege delineation, and review of the Committee's performance annually are also responsibilities of this Committee.

(d) The Medical Director of the Medical Center, or his designee, shall report quality assurance findings to the Operations and Finance Committee at each meeting. This report shall include quality indicators, departmental activities and mechanisms for resolving patient care problems. The quality assurance findings of the Operations and Finance Committee shall be reported to and acted upon by the full Board of Trustees. These reports should include activities related to hospital-wide quality assurance.

(e) The Operations and Finance Committee shall review the recommendation of the President for the Vice President for Operations and Executive Director of the Medical Center and the recommendation of the Medical Director of the Medical Center for the medical staff and department chairmen and shall make its recommendations thereon to the Board of Trustees.

(f) The Operations and Finance Committee shall concern itself with the broad financial overview of the Authority, as well as with the operation, routine care, and maintenance of the existing physical facilities of the Authority. Specific financial details for physical facilities will be provided in the Physical Facilities Committee of the Board of Trustees.

(g) The Committee shall especially concern itself with such matters as procurement, accounting, budgeting, and information systems.

(h) The Committee shall concern itself with the financial and fiscal policies and procedures of the Authority.

(i) The Committee will assist the Audit Committee in setting the appropriate tone in communicating the importance of internal control and directing management to establish appropriate internal controls.

(j) The proposed annual budget for the Authority shall be prepared by the appropriate Authority officers for review by the Committee.

(k) The Committee shall concern itself with personnel policies and personnel administrative programs to achieve satisfactory quality, productivity, and morale of personnel of the Authority.

(l) The Committee will make appropriate and timely reports and recommendations to the Board of Trustees which, upon approval by the Board of Trustees, shall become established policy.

(2) Physical Facilities Committee.

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(a) The Physical Facilities Committee shall concern itself with the real property and improvements thereto of the Medical Center. It shall be responsible for prioritizing and implementing all development plans for Authority properties and their improvements. It shall solicit, evaluate, and select suggestions and proposals from administration, consultants, and other professionals relating to the development and capital improvements of the physical facilities and make recommendations to the Board of Trustees. This Committee will only be concerned with capital projects exceeding cost limits specified in approved Board policies. This Committee shall assume full responsibility of the Medical University Hospital Authority Facility Plan, to include, but not be limited to, 1) selecting architects, engineers and other related professionals; 2) prioritizing all requests for facilities; 3) conducting feasibility studies; and 4) reviewing major renovations required for the installation of equipment.

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(b) To help carry out the duties of the Physical Facilities Committee, the Committee Chairman can appoint one member of the Physical Facilities Committee and two members of the Board of Trustees at large as a separate project committee for each major building project for architect/engineer and related construction professionals selections. There may be multiple project committees with different Trustees functioning concurrently for different projects. A project committee is an active part of the Physical Facilities Committee and serves at the supervision, control and direction of the Physical Facilities Committee. The Physical Facilities Committee Chair shall take into account any expertise or experience of Board members and of their willingness to serve on a committee for a specific project.

(c) The Committee shall be familiar with and report to the Board of Trustees preliminary details of costs associated with various developments and improvements of physical facilities.

(d) The Committee shall be charged with the responsibility of all Board matters relating to the physical properties of the Authority; the design and location of new buildings, master planning, and improvements or remodeling of buildings and all other matters having to do with the preservation of the Authority's physical facilities. It shall report to the Board of Trustees with its recommendations thereon and on all contracts relating to new construction, capital improvements, and major repairs/renovations to existing buildings and grounds.

(e) ~~The Committee will establish a formal mechanism decreeing the time and appropriate ceremony to formally accept any completed project.~~

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(f) At each Board meeting, the Vice President for Operations and Executive Director of the Medical Center or his designee will update the Physical Facilities Committee on: 1) construction progress, 2) budgetary increases on construction/facility improvements, and 3) all change orders to date.

(g) Once the Physical Facilities Committee accepts and prioritizes capital project(s) for development, the project(s) will be forwarded to the Operations and Finance Committee of the Board of Trustees for funding consideration. The Operations and Finance Committee will have the responsibility for seeking appropriate funding in consideration of the Authority's budgetary status, bonding requirements and other financial requirements or restrictions of the Authority. In accordance with approved Board policies, the Operations and Finance Committee will make recommendations for approval of expenditures to the full Board.

(h) The Committee shall report to the Board on all financial matters in its area of concern.

(3) **Audit Committee.**

(a) The Audit Committee shall concern itself with assisting the Board of Trustees in discharging its fiduciary and stewardship obligations relative to the reliability and integrity of 1) systems of internal control, 2) accounting practices, 3) annual reporting, 4) internal and external audit processes, 5) management of business exposures and 6) compliance with legal, regulatory, and ethical requirements.

(b) The Committee will provide an open avenue of communication among the internal and external auditors, management, and the Board. The full Board will continue to have complete access to management and the Internal Audit department and may continue to request the Internal Audit department to review areas of concern to them.

(c) The role of ~~the~~ Committee is oversight. It is not the duty of the Committee to prepare financial statements or to conduct audits to independently verify management's representations or to determine that the financial statements are complete and fairly present the financial condition of MUHA. These are the responsibilities of management and the external auditors.

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(d) The Audit Committee has the full authority to review/investigate any matter or activity within the scope of its responsibilities. It shall have direct access to management, Internal Audit, Legal Counsel and any other members of or resources within MUHA and its affiliated organizations. All employees shall be directed to cooperate as requested by members of the Committee. The Committee shall also have the resources and authority to retain special legal, accounting, or other experts it deems necessary in the performance of its responsibilities.

(e) In accordance with Section IV(B) of these bylaws, the Chairman of the Board shall appoint the Audit Committee members, all of whom shall be Trustees, and the Committee members will elect one individual to serve as Committee Chairman. Each member of the Committee, including the Chairman, shall be independent and by reason of education or experience possess such degree of financial literacy as required to oversee the performance of the internal and external auditors, review MUHA's financial statements, and otherwise faithfully execute the role of the Audit Committee set forth in the bylaws. At least one member of the Committee should have appropriate experience with internal controls, an understanding of applicable accounting principals, the application of such principals in preparing or auditing financial statements, and an understanding of audit committee functions.

(f) Members of the Committee shall uphold their duty of care by attending and participating in meetings, strengthening his or her understanding of the institution and its operations, maintaining professional skepticism, addressing appropriate subjects, gathering adequate facts, making reasonable and prudent inquiries before making a decision, and seeking outside counsel when necessary.

(g) The Audit Committee shall meet at least two times per year. Internal Audit will coordinate the Committee's agenda in consultation with the Committee Chair. All Board members are encouraged to attend and participate in the Audit Committee meeting.

(h) ~~The Committee will set the appropriate tone in communicating the importance of internal control and direct management to establish appropriate internal controls.~~

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(i) The Committee shall report to the Board on all financial matters in its area of concern.

(i). With respect to accounting and financial matters, the Committee shall:

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(i) Review with management, Internal Audit, and any outside professionals as the Committee considers appropriate items such as

important trends, professional developments, or emerging issues relative to accounting and financial reporting practices and requirements and their effect on the financial statements.

(ii) Review reports and disclosures of internal and affiliated party transactions and operations.

(iii) Review the Comprehensive Annual Financial Report (CAFR) before its release and consider whether the information is adequate and consistent with members' knowledge about MUHA's operations. Internal Audit may perform this duty on behalf of the Committee when directed by a majority vote of the Committee. This review does not relieve management of its duties with regard to preparing the financial statements and supplemental information presented in the Report such that the Report completely and fairly presents the financial condition and operations of MUHA.

(iv) Be satisfied that regulatory compliance matters have been considered in the preparation of the financial statements.

(k) With respect to internal control, the Committee shall:

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(i) Review and assess the internal practices for determining and managing the following key exposure areas as part of the control environment: 1) non-compliance with laws, regulations, standards and best practice guidelines; 2) important judgments and accounting estimates; 3) unusual transactions; 4) litigation and claims; 5) fraud and theft; and 6) other relevant business threats.

(ii) Review with management, Internal Audit and the external auditor the quality, adequacy and effectiveness of internal controls and the control environment regarding 1) all significant deficiencies and material weaknesses in the design or operation of internal control and 2) any significant changes to internal controls over financial reporting, including corrective actions, since the last report to the Committee.

(l) With respect to Internal Audit, the Committee shall:

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(i) Review Internal Audit staffing needs and budget requirements to ensure appropriate structure and capability to effectively carry out responsibilities.

(ii) Oversee the scope of Internal Audit services and have access to the internal audit function without management presence.

(iii) Consult and concur with the Board, who will continue to have ultimate responsibility, in the appointment, compensation, evaluation, replacement, reassignment, or dismissal of the Chief Audit Executive.

(iv) Review Internal Audit's annual risk assessment and audit plan, including any subsequent significant modifications to the audit plan, such as special requests by the Board or management.

(v) Provide an effective reporting line and maintain the independence and objectivity of the internal audit function.

(vi) Ensure that Internal Audit has the right to seek information and explanations from MUHA and its affiliated organizations. No unjustified restrictions or limitations shall be placed on Internal Audit, which shall have all necessary access to management and all employees and records of MUHA and its affiliated organizations.

(vii) Meet with Internal Audit at each meeting of the Audit Committee to discuss any necessary matters, to provide a forum for private comments including discussion of any restrictions on audit scope or access to required information, resources, or personnel and to communicate the Committee's expectations.

(viii) Review and consider the implications of all significant comments and suggestions noted by Internal Audit in its reports.

(ix) Evaluate management's responsiveness to Internal Audit's comments and suggestions to ensure that significant comments and suggestions are received, discussed and acted upon in an appropriate and timely manner.

(x) Work with Internal Audit to offer assistance in matters where the department has requested such advice.

(xi) Internal Audit shall act as the premier resource to aid the Committee in its oversight duties, as Internal Audit is independent, is on-site at all times, has significant experience with accounting practices and internal control, and has in-depth knowledge of the institution.

(xii) Internal Audit is accountable to the Board and shall report to the Board. Internal Audit shall also work with the Audit Committee and meet with and make reports to the Committee as required.

(m) **With respect to the external auditor the Committee shall:**

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(i) Be responsible for appointing, terminating, compensating, and overseeing the performance of the external auditor. The Committee will decide on the appointment process to include identifying and prioritizing selection criteria. Internal Audit will provide assistance in fulfilling this responsibility.

(ii) Review and pre-approve, as appropriate, any engagement of an external audit firm for audit, audit-related and non-audit services. Before approving non-audit services, review the related scope and fees, and consider how the performance of such services may affect the external auditor's independence, seeking Internal Audit's advice when necessary.

(iii) Review and confirm the external auditor's assertion of independence in accordance with professional standards.

(iv) Meet with the external auditor in an entrance conference, coordinated by Internal Audit, to review the audit plan for the annual financial statement audit before work begins. Discuss audit scope and general audit approach, staffing needs, locations, the reliance upon management, and the impact of rotation requirements and other independence rules.

(v) Meet with the external auditor in an exit conference, coordinated by Internal Audit, to examine and discuss audit results and consider the implications of external audit findings. The Committee should meet with the external auditor without management present to discuss the audit outcomes.

(vi) Meet annually with the external auditors of each of the affiliated organizations in a joint conference for the purposes of coordinating audit effort, deadlines, the transfer of information, etc. Internal Audit may perform this duty on behalf of the Committee as directed by the Committee.

(vii) Attend the entrance and exit conferences with, and have direct access to, the external auditors of each of MUHA's affiliated organizations. Further, the affiliated organizations and their auditors shall share their audit results (financial statements, audit findings, etc.) with the Committee. Internal Audit may perform this duty on behalf of the Committee as directed by the Committee.

(viii) Monitor and examine management's response to the external auditor's findings and recommendations to ensure that significant findings and recommendations are received, discussed and acted

upon in an appropriate and timely manner, seeking Internal Audit's assistance when necessary.

(ix) Examine all representation letters signed by management and ensure all information provided is complete and appropriate.

(x) Review with the external auditors any booked or waived audit adjustments and any audit problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of external audit activities or on access to requested information, and any significant disagreements with management, as well as management's response thereto.

(xi) Evaluate, at least annually, the external auditor's experience, qualifications, rotation requirements and performance. This review will include an evaluation of the lead partner of the external audit firm and shall take into account the opinions of management and Internal Audit. The Committee shall present its conclusions with respect to the external auditor to the full Board.

(xii) Establish hiring policies with respect to employees or former employees of the external auditor.

(xiii) The external auditor is ultimately accountable to the Board and shall report directly to the Audit Committee.

(n) With respect to reporting, the Committee shall:

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(i) Conduct in the manner the Committee deems appropriate, a self-evaluation, comparing performance with the requirements set forth in the bylaws in order to increase the effectiveness of the Committee as a whole.

(ii) Review the bylaws governing the Committee biennially in conjunction with the self-evaluation to determine the adequacy of the bylaws for current circumstances and recommend to the Board the formal adoption of any revisions for future operations of the Committee.

(iii) Request, if necessary, that any employees, members of management, Internal Audit, Legal Counsel, or outside firms attend Committee meetings and provide pertinent information or meet with any of the Committee's members or consultants.

(iv) On a regular basis, report to the Board significant matters covered at each Audit Committee meeting.

(c) With respect to compliance, the Committee shall:

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- (i) Receive annual reports for all entities regarding compliance.
- (ii) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) on any fraudulent acts or other irregularities.
- (iii) Receive reports on and monitor responses to complaints received by the institution or confidential anonymous submissions by employees (via the hotline or other avenues) regarding accounting, internal controls, general ethical conduct, fraud, inefficiencies, or unlawful activity. Review procedures for the receipt, retention and treatment of such information.
- (iv) Review, as needed or requested, the results of the various audits or investigations performed by all areas that perform oversight or review functions.

(d) With respect to other matters, the Committee shall:

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- (i) Review and discuss with Legal Counsel significant legal, environmental, and regulatory issues.
- (ii) Receive and review all outside audits, including the findings of any significant examinations by regulatory agencies or the results of significant consulting engagements not reported to another standing committee.
- (iii) Advise the Board on appropriate ethical standards for the management of the organization.
- (iv) Ensure the internal and external auditors keep the Committee informed about fraud, illegal or unethical acts, deficiencies in internal control, and other audit-related matters.
- (v) Review as requested property and casualty insurance coverage including coverage of clinical and environmental risks. Consider the claims to which the organization may be liable in the conduct of its activities, the potential losses associated with such liability, and the manner in which protection is afforded through either purchased or self-insured programs, or a combination thereof.

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- (vi) Perform any other oversight functions as requested by the Board or deemed necessary in accordance with the bylaws.

Section V. The Officers and Administration of the Authority.

(A) **The President.** The Chief Executive Officer of the Authority shall be its President who shall be the President of the Medical University of South Carolina.

(1) The President shall have and exercise full executive powers over the Authority and its related operations within the framework of the policies established by the Board of Trustees.

(2) More specifically, the President shall be charged with the organization of the administrative and professional personnel of the Authority and the method of selecting the personnel, subject only to the limitations imposed by these bylaws, South Carolina laws, and applicable State policies and procedures. He shall be the medium of formal communication between the Board of Trustees and the administrative organization of the Authority and also the official spokesman of the Authority except as to matters within the special province of the Board of Trustees, in which realm the Chairman of the Board of Trustees shall be the official spokesman. The President, with his appropriate executive officers and the appropriate committees, shall prepare or receive and forward all requisite reports, budgets, and presentations to public agencies and to the Board of Trustees of the Authority.

(3) The President shall present to the Board of Trustees an organizational chart showing divisions, departments, and lines of reporting and command in the administrative organization of the Authority. After approval of such organizational chart, any changes shall be made only after the proposed change has been approved by the Board.

(B) **Vice President for Operations and Executive Director of the Medical Center.** By and with the advice of the President and/or appropriate standing committee, the Board of Trustees shall elect the Vice President for Operations and Executive Director of the Medical Center and approve his total compensation package and subsequent changes thereto. The Vice President for Operations and Executive Director of the Medical Center will be elected by a majority vote of the Trustees, taken by secret ballot. Trustees must be present to vote. Votes shall not be cast by proxy, telephone, facsimile, electronic mail, or by any other communication device.

(1) The Vice President for Operations and Executive Director of the Medical Center is administratively responsible to the President for Medical Center functions and services that it provides and shall exercise control and responsibility for human, financial, and informational resources of the Medical Center and related activities. Except as otherwise provided in these bylaws, the officers and

administrators of the Authority shall report to and through this officer to the President of the Authority.

(2) The Vice President for Operations and Executive Director of the Medical Center shall appoint officers and administrators of the Authority other than those whose appointment is otherwise provided for in these bylaws.

(3) The Vice President for Operations and Executive Director of the Medical Center shall formulate policies with respect to the educational and research activities of the Authority and shall submit such policies to the Board of Trustees for approval.

Section VI. The Medical Director and Medical Staff.

(A) **Medical Director.** The Vice President for Operations and Executive Director of the Medical Center in collaboration with the Vice President for Medical Affairs of MUSC will recommend a candidate(s) for the position of Medical Director of the Hospital Authority to the President for approval. The Board of Trustees delegates the general responsibility and authority for the operation of the Medical Center, the patient care programs, and related activities of the Medical Center to the Vice President for Operations and Executive Director of the Medical Center, under whom specific responsibility and authority for the patient care programs are assigned to the Medical Director of the Medical Center. The responsibility and authority delegated in this matter by the Board of Trustees are intended to provide for administrative actions as may be deemed necessary or appropriate to the proper and effective conduct of patient care and related programs.

(B) Medical Staff.

(1) The Board shall create a medical staff organization to be known as the Medical Staff of the MUSC Medical Center, whose membership shall be comprised of professional healthcare providers (i.e., physicians, dentists, osteopaths, etc.), who are privileged to attend patients in the Medical Center. The selection of the Medical Staff and department chairmen is made by the Board of Trustees upon the recommendation of the Medical Director of the Medical Center with the review and recommendation of the Operations and Finance Committee. The Medical Staff shall propose and adopt bylaws for its internal governance, as specified in the Medical Staff Bylaws, which shall be effective when approved by the Board. These bylaws shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The bylaws shall include a mechanism for review of decisions, including the right to be heard at each step of the process, when requested by a member of the Medical Staff. Whenever the Board does not concur with the Medical Staff recommendation relative to appointment and clinical privileges, there must be a provision in the bylaws for a review of the recommendation by a

joint committee of the Medical Staff and the Board before a final decision is reached by the Board.

(2) While the medical care provided to the patients in the Medical Center is the ultimate responsibility of the Board of Trustees, it is the policy of the Board of Trustees to delegate this function, insofar as is legally permissible, to the Medical Staff. Thus, the Medical Staff is responsible for the delivery of health services, for keeping pace with advances in medical science, for evolving new concepts of improved organization and for promoting better health care, education, and research. Nevertheless, the Board shall review the efforts of the Medical Staff in its conduct of ongoing appraisal of the quality of care provided at the Medical Center. In addition, the Board of Trustees shall have the final authority on all appointments, re-appointments, and other changes in the Medical Staff, the granting of clinical privileges, disciplinary actions, including a provision for the termination of professional healthcare providers that are members of the Medical Staff in a medico-administrative position in the Medical Center in accordance with procedures as established in the Medical Staff Bylaws, and all matters relating to professional competency.

Section VII. Appeals to the Board.

(A) **Medical Staff.** The right of appeal to the Board of Trustees by any member of the Medical Staff of the Medical Center or the administration is a right recognized by the Board and shall be exercised in accordance with the respective grievance procedures for the Medical Staff as approved by the Board of Trustees.

(B) **Administrative Personnel.** With respect to administrative personnel, the Board of Trustees, in its sole discretion, may grant a review of any adverse administrative action. However, if this review is granted, the Board shall not be required to conduct a hearing or hear arguments but shall review the record of any proceedings.

Section VIII. Certain Income Tax Exemption Purposes Matters.

(A) **General.** In addition to the other purposes of the Authority as set forth in the Authority's enabling legislation which is codified under South Carolina Code Ann. § 59-123-10 et seq., and other purposes set forth below, the Authority is constituted so as to attract substantial support from contributions, directly or indirectly, from a representative number of persons in the community in which it operates and other sources which are appropriate under the applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), governing income tax exempt organizations, and has not been formed for pecuniary profit or financial gain, and no part of the assets, income, or profits of the Authority is or shall be distributable to, or inure to the benefit of, its trustees or officers except to the extent permitted under the applicable laws of South Carolina, and the applicable provisions of the Code governing income tax exempt organizations. No substantial part of the activities of the Authority shall

be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Authority shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of the Authority's enabling legislation, which is identified above, the Authority shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Code section 501(c)(3) or (ii) by a corporation, contributions to which are deductible under Code section 170(c).

(B) The funds or assets of the Authority shall not be distributed or otherwise made available to any organization or entity other than the State of South Carolina and its agencies and instrumentalities (including, without limitation, The Medical University of South Carolina), unless such funds or assets are transferred or exchanged in accordance with applicable South Carolina law; and in return for goods or services of equal value or unless such funds or assets are distributed or otherwise made available in furtherance of a scientific, educational, or charitable purpose, or for the purpose of lessening the burdens of government, qualifying as exempt under the aforementioned provisions of the Code.

Section IX. Amendment.

These bylaws may be amended at any regular meeting of the Board of Trustees by a favorable vote of at least two-thirds of the members present and voting, but the proposed amendment must first have been stated in writing and sent to each member of the Board at least 15 days prior to such meeting.

Revisions: June 16, 2000, October 12, 2001, December 12, 2003, February 13, 2004, April 7, 2006, April 11,

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