

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
April 10, 2015

The Board of Trustees of the Medical University Hospital Authority convened Friday, April 10, 2015, with the following members present: *Dr. Donald R. Johnson II, Chairman; Mr. William H. Bingham, Sr., Vice-Chairman; Dr. Stanley C. Baker, Jr.; Mr. William A. Baker, Jr.; Ms. Terri R. Barnes; The Honorable James A. Battle; Dr. Harold W. Jablon; Dr. James Lemon; Ms. Barbara Johnson-Williams; Dr. Ragin C. Monteith; Dr. E. Conyers O'Bryan, Jr.; Mr. Charles W. Schulze; Dr. G. Murrell Smith, Sr.; Dr. Charles B. Thomas, Jr.; Mr. Michael E. Stavrinakis. Absent: Thomas L. Stephenson, Esquire*

The following administrative officials were present: Dr. David Cole, President; Dr. Bruce Elliott, Interim Vice President for Medical Affairs, Dr. Deborah Deas, Interim Dean, College of Medicine; Ms. Lisa Montgomery, Executive Vice President for Finance and Operations; Dr. Pat Cawley, Vice President for Clinical Operations and Executive Director, MUHA; Dr. Frank Clark, Vice President for Information Technology and CIO.

Item 1. Call to Order-Roll Call.

There being a quorum present, Chairman Stephenson called the meeting to order at 8:00 a.m. Ms. Celeste Jordan called the roll. She announced the following: *In compliance with the Freedom of Information Act, notice of meetings and agendas were furnished to all news media and persons requesting notification.*

Item 2. Secretary to Report Date of Next Meeting.

The date of the next regularly scheduled meeting is Thursday, May 14, 2015.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of February 13, 2015.

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

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. General Informational Report of the Interim President.

Dr. David Cole asked Dr. Cawley to introduce the speaker, Dr. Samir Fakhry. Dr. Cawley stated that Dr. Fakhry is the Charles Crews Professor and Chief of the Division of General Surgery in the Department of Surgery. He is the Physician Leader of the Surgery Acute and Critical Care Service Line. Dr. Fakhry graduated from the American University of Beirut School of Medicine; completed a General Surgery Residency at University of North Carolina at Chapel Hill and a Trauma & Surgical Critical Care Fellowship, at University of North Carolina at Chapel Hill. Over a series of years, he led trauma programs at George Washington University and University hospitals in Chapel

Hill, North Carolina, followed by a large regional medical center in Fairfax, Virginia. He came to MUSC in 2009 where he became the Chief of General Surgery and the founder of the Surgical Acute and Critical Care Service Line. He has a long history of expertise in trauma as well as general surgery and he has been asked to discuss trauma and the trauma service line at MUSC.

Dr. Fakhry said the MUSC Trauma Center is South Carolina's leading trauma center and a regional trauma center for the Southeast. He discussed the role of the trauma center and trauma around the world as well as trauma in America. He reviewed some of the challenges to trauma treatment of South Carolinians - access and disparity. In South Carolina, the state has designated 4 Level 1 centers; 1 Level 2 center and 14 Level 3 centers. Access to level 1 or 2 trauma care within 60 minutes is limited to 67.5% of the population and only 49.1% of the residents of South Carolina can reach a trauma center within 60 minutes. He reviewed statistics on trauma volume and overall case fatality rates. Dr. Fakhry detailed six areas of the Center: Patient Care, Research, Education, Injury Prevention, Outreach and Patient and Family Support. He concluded with a discussion of the profitability of the center.

Dr. Johnson asked for a discussion about the desire for Trident to establish a Level 2 trauma center. He felt that would be an enormous threat to MUSC's trauma center to have one at Trident. He suggested that MUSC perhaps needs to get involved with that effort to collaborate. Dr. Fakhry discussed what MUSC is doing in that regard.

Dr. Cole commented that MUSC has an American College of Surgeons Verified Trauma Center with a designation of Level 1 due to Dr. Fakhry's leadership. Dr. Cole stated MUSC has not been passive about the Trident issue. Dr. Fakhry has been to Trident and offered trauma services to them. The ball is in HCA's court to respond to MUSC's offers to assist. MUSC has had on-going meetings with Trident for about a year.

Dr. Johnson thanked Dr. Fakhry for his excellent presentation. Dr. Johnson announced there were two visitors at the meeting – Representatives Rick Quinn and Representative Kenny Bingham. Representative Bingham was elected to the South Carolina House of Representatives in 2001; former Majority Leader; Member of the Ways and Means Committee and Chairman of the Education Committee. He is a key member of the budget leadership in the House. Representative Quinn was elected in 1989; former House Majority Leader; Former Health Subcommittee Chairman; a great supporter of healthcare and former member of the MUSC Board of Trustees. Dr. Johnson said the Board is very indebted for all their efforts on behalf of the University.

Representative Quinn gave some background on the budget process this year and monies coming from the bond bill as opposed to cash. He stated MUSC was fortunate to have gotten monies for the Children's Hospital from cash to spend on capital projects as opposed to monies from the bond bill. Representative Bingham stated the current budget that was just passed has \$25 million already set aside for the Children's Hospital. The additional cash Representative Quinn is talking about – the \$150 million is coming from the Johnson & Johnson lawsuit. Once that has been settled, at least another \$25 million has been set aside to go back to the Children's Hospital. The House and the Budget Committee are very committed to those projects and to what MUSC is doing in that regard.

Dr. Cole thanked them for what they do for the institution. He said he is committed to developing and maintaining the good relationship the University has with Columbia. Dr. Johnson asked for a standing ovation for these two leaders.

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

Board Action: Received as information.

Item 5. Other Business. None.

OPERATIONS, QUALITY 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: Dr. Baker said Dr. Crawley had provided a report to committee.

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 Mr. Hargett had provided a report to committee which was received as information.

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 8. Major Purchases.

Statement: Dr. Baker asked for approval of the following major purchases:

- Replacement capital equipment items less than \$250,000 for a total estimated cost of \$4,294,100
- Two (2) Sorin Group S5 Heart/Lung Machines for a total estimated cost of \$415,000.
- Siemens Biograph PET CT; Siemens Symbia Gamma Camera; MIM Software for a total estimated cost of \$2,930,000.

Recommendation of Administration: That the major purchases be approved.

Recommendation of Committee: That the major purchases be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the major purchases.

Item 9. Report on Quality and Patient Safety.

Statement: Dr. Baker said the committee received a report from Dr. Scheurer.

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 10. Update on MUSC Physicians.

Statement: Dr. Baker said the committee had had a report from Dr. Reeves.

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. Legislative Update.

Statement: Dr. Baker said Mr. Mark Sweatman provided a report to 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 12. Other Committee Business.

Statement: Dr. Baker asked for approval of the request to seek Certificates of Need (CONs) for four ambulatory surgery centers and four imaging centers in the Charleston tri-county area.

Recommendation of Administration: That the request to seek CONs for four ambulatory surgery centers and four imaging centers in the Charleston tri-county area be approved.

Recommendation of Committee: That administration's request to seek CONs for four ambulatory surgery centers and four imaging centers in the Charleston tri-county area be approved.

Board Action: A motion was made, seconded and unanimously voted to approve administration's request to seek Certificates of Need for four ambulatory surgery centers and four imaging centers in the Charleston tri-county area.

Item 13. Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges (Consent Item).

Statement: An updated list of 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 approve.

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

Item 14. Medical Executive Committee Minutes (Consent Item).

Statement: Minutes of the Medical Executive Committee for January and February 2015 were presented for information.

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 for January and February 2015 were received as information.

Item 15. 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.

Item 16. Environment of Care Annual Leadership Report (Consent Item).

Statement: The Environment of Care Annual Leadership Report was 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.

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

OLD BUSINESS: None

NEW BUSINESS:

Item 17. Facilities Procurements/Contracts Proposed.

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

- Construction Project for the design and construction of a UH-3 PET CT Suite and installation of a Gamma Camera. Project budget: \$500,000.

Recommendation of Administration: That the project be approved

Recommendation of Committee: That the project be approved.

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

Item 18. Other Committee Business. None

CONSENT ITEMS FOR INFORMATION:

Item 19. Facilities Contracts Awarded (Consent Item).

Statement: The facilities contracts awarded since the last meeting were presented for information.

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

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

Board Action: Received as information.

CHILDREN'S HOSPITAL COMMITTEE. CHAIRMAN: DR. DONALD R. JOHNSON II (Detailed Committee Minutes Are Attached To These Minutes)

OLD BUSINESS: None.

NEW BUSINESS:

Item 20. Operations and Facilities Report.

Statement: Dr. Johnson stated the committee had no items for approval. For information, the committee heard from Pat Cawley on the good work the hospital is doing. There was a list provided of the past approvals by the Board of Trustees with regard to the Children's Hospital Project. Dr. Johnson has asked for an update at every committee meeting on those approvals so we know where we are in the process.

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 21. Children's Hospital Financial Report.

Statement: Mr. Steve Hargett had provided a report to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 22. Development Activity Report.

Statement: Dr. Johnson said the committee heard from Jim Fisher that we have raised about 30% of the \$50 million goal. That percentage should be a little higher now based on the report we just received from our Representatives.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 23. Children's Hospital Clinical Overview.

Statement: The committee heard from Dr. Mark Scheurer about the congenital heart program and there is a hope and a possibility to make this a regional program.

Recommendation of Administration: received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 24. Women's Services Clinical Overview.

Statement: Dr. Johnson said the committee an update from Dr. Jill Mauldin on the Women's Pavilion.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 25. Other Committee Business. None

AUDIT COMMITTEE. CHAIRMAN: Thomas L. Stephenson, Esq. (Detailed Committee Minutes Are Attached To These Minutes)

OLD BUSINESS: None

NEW BUSINESS:

In Mr. Stephenson's absence, Dr. Ragin Monteith chaired the committee.

Item 26. KPMG Entrance Conference.

Statement: Dr. Monteith reported that Ms. Jennifer Hall who is Senior Audit Manager with KPMG discussed the plan for the 2015 External Audit for MUHA, MUSC and UMA.

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 27. Chief Information Security Officer Update.

Statement: Dr. Monteith stated Dr. Frank Clark introduced Mr. John Rasmussen who has been hired as the new Chief Information Security Officer and he will give us a presentation in August.

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 28. Report of the Office of Internal Audit.

Statement: Dr. Monteith stated Ms. Susan Barnhart had provided a report to committee.

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

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 29. Other Committee Business. None

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 30. 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 31. New Business for the Board of Trustees. None.

Item 32. Report from the Chairman. None

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

Respectfully submitted,



Mark C. Sweatman
Secretary

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
April 9, 2015**

Attendees:

Dr. Stanley Baker, Chair	Dr. Frank Clark
Mr. Bill Baker	Dr. Scott Reeves
Ms. Terri Barnes	Dr. Dan Handel
Mr. Jim Battle	Dr. Danielle Scheurer
Mr. William Bingham, Sr.	Dr. Mark Scheurer
Dr. Harold Jablon	Ms. Darlene Shaw
Dr. Donald Johnson, II	Mr. Matt Wain
Ms. Barbara Johnson-Williams	Mr. Steve Hargett
Dr. James Lemon	Mr. Tom Anderson
Dr. Ragin Monteith	David McLean, Esq.
Dr. Conyers O'Bryan	Ms. Susan Barnhart
Mr. Charles Schulze	Mr. John Cooper
Dr. Murrell Smith	Dr. Marilyn Schaffner
Mr. Michael Stavrinakis	Mr. Mark Sweatman
Mr. Allan Stalvey	Ms. Sarah King
Dr. David Cole	Mr. Greg Weigle
Dr. Patrick Cawley	Mr. Steve Valerio
Dr. Bruce Elliott	Ms. Gina Ramsey
Mr. Jim Fisher	Dr. Jill Mauldin
Dr. Deborah Deas	Ms. Robin Mutz
Ms. Lisa Montgomery	Ms. Lauren Sausser
Dr. Mark Sothmann	

The meeting was called to order at 8:02 am by Dr. Stanley Baker, Chair.

Item 6. Medical University Hospital Authority Status Report

Dr. Cawley reported on the following:

FY 2015 Goal Performance

Service: Dr. Cawley reported that under the service pillar, which is the composite goal for all of our patient satisfaction surveys, including adult and pediatric, as well as inpatient and outpatient, is currently in the red. He commented that we have been a little stagnant for the last few months and but are “doubling down” our efforts to improve results.

People: Dr. Cawley announced that the results from the People pillar are the two goals that he is the most proud of this year. Results from the employee and physician engagement surveys were recently received and we hit our goal under both employee and physician surveys. The employee engagement score was 4.13 and the physician engagement score was 4.16. Dr. Cawley reported that the 2015 scores were the highest yet.

Quality: Dr. Cawley reported that there are two areas in the red, one is central line infections which should be green by the end of the year and the other is mortality. The challenge with mortality is around documentation. Ongoing resident training is being conducted to improve documentation.

Finance: Dr. Cawley reported that we are hitting operating margin goal and are pretty confident that we will also be hit the cash goal. The goal we will most likely not hit is the direct cost per discharge goal which can be partially attributed to the cost of pharmaceuticals which have skyrocketed.

Growth: Dr. Cawley reported that we are hitting the telemedicine goal and the only thing that is in the yellow is tele-ICU beds which we are currently at 55 beds and 5 more beds will get us to our goals.

Action: Report received as information.

MUSC Health Plan (Public Employee Benefits Authority – PEBA)

Dr. Cawley gave a brief report on the MUSC Health Plan that was developed in FY13 as result of being notified by PEBA that MUSC going to be hit with a 13% in healthcare costs. MUSC proposed to PEBA that instead of MUSC taking the 13% increase, we agreed to manage the health care of MUSC employees, which include about 20,000 individuals, and develop a shared savings between MUSC and PEBA. If we don't hit shared savings, the cost would be passed onto MUSC. We are currently about 15 months into the plan and unfortunately have never received any data to measure performance. Recently within the last month, some data has leaked out that the MUSC health plan is actually more expensive than the year before. We are not sure why this is but the State Treasurer and the Budget and Control Board are going to be reviewing the data later this month. Dr. Cawley commented that we think part of the reason for the increase costs may be a result of the Affordable Care Act which started at the same time as the MUSC Health Plan. The Affordable Care Act (ACA) required all health plans to increase the amount of preventive medicine services covered by health plans. A meeting is being held with PEBA soon to review the data and Dr. Cawley will share this information with the board members prior to the next Board of Trustees meeting.

Action: Report received as information.

Certificate of Need Approvals

Dr. Cawley presented on ambulatory surgery centers and imaging capability in the tri-county region. He is seeking approval for four ambulatory surgery centers and four imaging centers in the Charleston tri-county area.

Action: Recommend Approval

Item 7. Medical University Hospital Authority Financial and Statistical Report

Steve Hargett reported that through February 2015, gross revenues are up substantially over the same period last year, which translates into total net revenue \$811 million compared to \$752 million last year. The Operating Margin at 4.24% is right at budget. The net margin is at 4.36%. Days in A/R are at 57 days, which is down from the June 30 Pre-Epic of 59 days. Days Cash on Hand are at 24 days and should be up around 26 days at the end of March. The Debt Service Coverage Ratio is about the same as last year at 4.00 compared to the HUD requirement of 1.75. Mr. Hargett commented that we continue to do really well and in March we had the highest gross charge month that the hospital authority ever had.

Mr. Hargett also gave some preliminary information on the new pension reporting requirements and how this could potentially affect MUHA's financial statements. It was emphasize that this affect the balance sheet predominantly and may have an income statement, but the final rules are not written, so that is not clear at this time.

Action: Received as information.

Item 8. Major Purchases

Mr. Steve Hargett requested approval for the following major purchases:

- 1) Replacement capital equipment items less than \$250,000 for a total estimated cost of \$4,294,100
- 2) Two (2) Sorin Group S5 Heart/Lung Machines for a total estimated cost of \$415,000.
- 3) Siemens Biograph PET CT; Siemens Symbia Gamma Camera; MIM Software for a total estimated cost of \$2,930,000.
- 4) Construction Project associated with PEC CT Replacement & Gamma Camera for a total estimated cost of \$500,000.

Action: Recommend Approval

Item 9. Report on Quality and Patient Safety

Dr. Scheurer gave an update on MUHA's high reliability organizations (HRO). The hospital entered into a public commitment to becoming an HRO back in February 2013. Dr. Scheurer reviewed the five key principles of an HRO which are as follows: 1) Preoccupation with failure; 2) Sensitivity to operations; 3) Reluctance to simplify; 4) Commitment to resilience; and 5) Deference to expertise. Dr. Scheurer also shared examples of tactics in place at MUSC toward becoming an HRO.

Dr. Scheurer gave an update on the transparency website. Under the quality part of the website, patient satisfaction by physician will be added in the fall/winter of 2015 and will start with ambulatory physicians. This was originally scheduled for spring of 2015 but because of vendor issues and subsequent vendor changes, we don't anticipate this not occurring until the fall or

2015. Under the access part of the website, we are currently working to find the best way to display the data that patients will understand and what patients want or need to know about access. Under the price part of the website, the SC website will be going live in the spring that will display the average charge by procedure-diagnosis. Approximately 30 SC hospitals are participating which is about 50% of the hospitals in the state.

Dr. Scheurer also reported on the future quality risks that we need to manage which include the continued move by healthcare payers to move to pay for performance based on quality and value metrics. Other risks include surgical site infections rates which will now be part of the CMS hospital acquired conditions (HAC) penalty. Another area of concern for us that we have some but limited control over is how they adjust for severity of illness. Academic medical centers have been disproportionately hit by this penalty. This affects several areas including hospital acquired infection rates, patient safety indicator rates and readmission (within 30 days of discharge) rates. Finally Dr. Scheurer also reported on potential issues with eMeasure reporting to CMS.

Action: Report received as information

Item 10. Update on MUSC Physicians

Dr. Scott Reeves gave an update on MUSC Physicians.

Action: Report received as information.

Item 11. Legislative Update

Mr. Mark Sweatman gave an update on legislative activities.

Action: Report received as information

Item 12: Other Committee Business

No other committee business.

CONSENT ITEM FOR APPROVAL

Item 13. Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges

The committee reviewed the appointments, reappointments and delineation of privileges requests for the months of January and February 2015. These have been recommended for approval by all appropriate committees.

Action: Recommend approval

CONSENT ITEMS FOR INFORMATION

Item 14. Medical Executive Committee Minutes

The Medical Executive Committee minutes from January and February 2015 were reviewed by the committee.

Action: Received as information

Item 15. Medical Center Contracts and Agreements

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

Action: Received as information

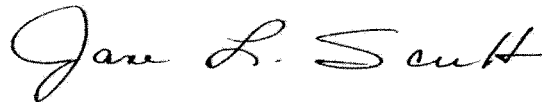
Item 16. Environment of Care Report

The annual Environment of Care Report was reviewed by the committee.

Action: Report received as information

There being no further business, the committee adjourned at 8:59 a.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Jane L. Scutt". The signature is written in a cursive style with a large initial "J" and "S".

Jane L. Scutt

**Medical University Hospital Authority
Audit Committee
April 9, 2015
Minutes**

Board Members Attending:

Dr. Ragin C. Monteith, Chair
Dr. Stanley C. Baker
Mr. William A. Baker, Jr.
Ms. Terri R. Barnes
Mr. James A. Battle
Mr. William H. Bingham, Sr.
Dr. Harold Jablon
Dr. Donald R. Johnson II
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. E. Conyers O'Bryan, Jr.
Mr. Charles W. Schulze
Dr. G. Murrell Smith, Sr.
Mr. Michael E. Stavrinakis

In Mr. Stephenson's absence, Dr. Ragin Monteith called the meeting to order.

REGULAR Items

Item 26. KPMG Entrance Conference.

Ms. Jennifer Hall, Senior Audit Manager with KPMG discussed the plan for the 2015 External Audit of MUHA, MUSC and UMA. She reviewed the following:

- Professional services to be provided
- Materiality and reporting of audit differences
- Timing of audit fieldwork
- General audit approach

In addition, she provided a financial reporting and regulatory update and discussed the Audit Committee focus areas with particular emphasis on cyber-security and international activities.

Recommendation of Committee: Received as information.

Item 27. Chief Information Security Officer Update.

Dr. Frank Clark introduced Mr. John Rasmussen who has been recently hired as the new Chief Information Security Officer. He will make a presentation to the board at the August Meeting on the "State of Cyber Security."

Recommendation of Committee: Received as information.

Item 28. Report of the Office of Internal Audit.

Ms. Susan Barnhart stated she had previously sent the results of four audits to the board and if there were any questions, she would be happy to address them. There being none, the report was received as information.

Recommendation of Committee: That the report be received as information

Item 29. Other Committee Business. None

With no further business, the meeting was adjourned.

Respectfully Submitted,

Celeste Jordan

**Medical University Hospital Authority
Children's Hospital Committee
April 9, 2015
Minutes**

Attendees:

Dr. Donald Johnson, II, Chair
Mr. Bill Baker
Ms. Terri Barnes
Mr. Jim Battle
Mr. William Bingham, Sr.
Dr. Harold Jablon
Dr. Stanley Baker
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Ragin Monteith
Dr. Conyers O'Bryan
Mr. Charles Schulze
Dr. Murrell Smith
Mr. Michael Stavrinakis
Mr. Allan Stalvey
Dr. David Cole
Dr. Patrick Cawley
Dr. Bruce Elliott
Mr. Jim Fisher
Dr. Frank Clark
Dr. Marilyn Schaffner

Dr. Deborah Deas
Ms. Lisa Montgomery
Dr. Mark Sothmann
Dr. Scott Reeves
Dr. Dan Handel
Dr. Danielle Scheurer
Dr. Mark Scheurer
Dr. Jill Mauldin
Ms. Darlene Shaw
Mr. Matt Wain
Mr. Steve Hargett
Mr. Tom Anderson
David McLean, Esq.
Ms. Susan Barnhart
Mr. John Cooper
Mr. Mark Sweatman
Ms. Sarah King
Mr. Greg Weigle
Mr. Steve Valerio
Ms. Gina Ramsey
Ms. Robin Mutz
Ms. Lauren Sausser

The meeting was called to order at 9:03am by Dr. Donald Johnson, Chair.

Item 20. Operations and Facilities Report

Dr. Patrick Cawley reported on the following:

FY15 Children's & Women's FY15 Operational Goal Performance:

Service: Pediatric Inpatient and Pediatric ED in the green. Pediatric outpatient clinics are in the red. This has been an issue over the last two years but there have been new efforts and seeing movement in the last quarter. After hour clinics score very high. Women's clinic areas need improvement. New leadership across all areas in the last year, improvement is expected.

People: Increase employee commitment score and increase physician engagement score in green and are doing well.

Quality: Women's Health goals are doing well. Goal of 5% reduction in the CAUTI rate needs improvement. Pediatrics doing well with the exception of 3% reduction in the house wide CVLBSI rate.

Finance: Goals are very similar to hospital goals.

Growth: In growth a lot of great things happening particularly on the women's side. Two or three years ago there was worry regarding the number of deliveries at MUSC. If MUSC falls under 2000 deliveries it

puts the residency program at risk. In FY14, MUSC increased deliveries to 2321 and this year will likely be about 2800 deliveries. Bed flow goal continues to be an issue. It is a work in progress.

Children's Hospital / Women's Pavilion:

Past BOT Approvals:

December 13, 2013 – MUHA Operations, Quality and Finance Committee

- Approval of feasibility study to review and update the previous study of the Children's Hospital/Women's Pavilion

April 10, 2014 – MUHA Physical Facilities Committee

- Updated feasibility study discussed with the Board by representatives of Kurt Salmon and Perkins & Will
- Approved selection of Perkins & Will as architect for the project.

May 15, 2014 – MUHA Physical Facilities Committee

- Approval of a lease for office space in West Ashley to provide space for displaced occupants from Charleston Memorial Hospital in preparation for Phase 2 of the hospital.
- Approval of Letter of Intent between MUHA and Charleston County for two properties at 3 & 5 Charleston Center Drive.
- Approval of Robins & Morton, Cummings, and Brownstone Construction Group as Construction Manager for the project.
- Approval to take whatever action necessary to submit the HUD applications for the financing required to build the Phase Two – Children's Hospital and Women's Pavilion – for the Medical University Hospital Authority

February 12, 2015 – Children's Hospital / Women's Pavilion Committee

- Approval to continue project with filing HUD Application
- Approval of design exterior for submittal to Charleston Board of Architectural Review

Future Approvals

- Approval to continue after feasibility study conducted
- Approval to close HUD load
- Approval to commence construction

Don Johnson stated unique approval was also made for naming opportunities.

Two Certificate of Needs applications have been placed

- Replacement Hospital – this has been approved by SC DHEC
- Bed Expansion - this is still pending approval.

The timeline for construction was also reviewed.

Action: Report received as information.

Item 21. Children's Hospital Financial Report

Steve Hargett reported on the following:

Timeline. Our financial advisor is Kaufman Hall. We recently issued a request for proposal (RFP) for a Federal Housing Authority (FHA) lender which Housing & Urban Development (HUD) requires. We go through a HUD approved FHA vendor who submits both the pre-application, which notifies HUD of our intent and the actual application. Received five RFPs back and Kauffman Hall is now preparing a comparison summary of the five. Once the summary is received there will be a call with the State Treasurer Office to help decide who the FHA lender will be. HUD pre-application is scheduled for May. Next step will be to select external HUD approved CPA firm which conducts a feasibility study from the FY15 audited financial statements. Feasibility study will be included in formal application, which will be submitted Oct/Nov. HUD review of study takes 60-90 days. Based on approval expect closing around March 15, 2016. Feasibility study good for six months. Start construction April 1, 2016. The required cash deposit is due on the start of construction.

Action: Report received as information.

Item 22. Development Activity Report

Jim Fisher reported on the following:

Fundraising progress: A lot of work to do before April 1, 2016 but confident goal will be reached. 30% of \$50M raised. Pledges, cash and verbal commitments reviewed. Pyramid of Giving, which includes verbal commitments, discussed. Focus has been on \$10M, \$5M and \$1M gifts, will be shifting to smaller gifts in community. Request for \$25M gift level be added to giving table and update on fundraising growth each board meeting.

Action: Report received as information.

Item 23. Children's Hospital Clinical Overview

Dr. Mark Scheurer reported on the following:

Congenital Heart: Inpatient origin by hospital and MUSC Volume and Contribution Margin Trends reviewed.

Sg2 Outpatient Growth Projections by Service Area:

Area Trends:

Outpatient congenital heart volume in the tri-county is expected to grow at a fast rate than other SC markets.

National Trends:

Outpatient congenital heart growth will be driven by the earlier diagnosis of congenital heart disease and a shift to minimally invasive procedures and observation stays.

Congenital Heart Center Planning Goals – Strategic and operational efforts for the CHC over the next 2-3 years will be focused on programmatic development to leverage Phase II.

Potential Growth Opportunities Congenital Heart Center reviewed.

Action: Report received as information.

Item 24. Women's Services Clinical Overview

Dr. Jill Mauldin reported on the following:

Women's Pavilion Update:

Dedicated entrance for women on the ground floor

A fast-track "stork" elevator will transport mothers in labor from hospital entrance to the 4th floor maternity pavilion.

Advanced Fetal Care Center providing a continuum of integrated, specialized care for children born with congenital birth defects. Fetal Care time line reviewed.

Women's floor will have a wonderful entrance off the elevators, which will consist of:

- 12 labor and delivery rooms
- 2 C-Section Operating Rooms
- 4 dedicated antepartum rooms
- 32 mother/baby rooms

NICU floor will have 12 neonatal couplet care room which provides a solution to separation by keeping the mother and her ill or premature infant in the same room.

Advanced Fetal Care Center was discussed and the plans to develop were reviewed.

Women's Product Line in which wellness, disease prevention and treatment are emphasized was reviewed.

Action: Report received as information.

Item 25. Other Committee Business

There being no further business, the committee adjourned at 9:47am.

Respectfully Submitted,

Angie Baldwin