

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY (MUHA)
BOARD OF TRUSTEES MEETING
August 8, 2019

The MUHA Board of Trustees convened Thursday, August 8, 2019, with the following members present, Mr. Charles Schulze, Chair; Dr. James Lemon, Vice Chair, Ms. Terri Barnes; Mr. Jim Battle; Mr. Bill Bingham; Dr. Melvin Brown; Dr. Fritz Butehorn; Dr. Guy Castles; Dr. Richard Christian; Dr. Paul Davis; Dr. Don Johnson; Ms. Barbara Johnson-Williams; Dr. Murrell Smith; Mr. Tom Stephenson and Dr. Bart Witherspoon.

MUSC administrative officials in attendance: Dr. David Cole; Dr. Patrick Cawley; Ms. Annette Drachman; Ms. Lisa Montgomery; Dr. Raymond DuBois; Dr. Lisa Saladin and Mr. Mark Sweatman.

Item 1. **Call to Order-Roll Call.**

There being a quorum present, Chairman Schulze called the meeting to order and Ms. Scutt, called the roll. Ms. Scutt made the following announcement, *“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 of the MUHA/MUSC Board of Trustees.**

The date of the next regular meeting of the MUHA/MUSC Board of Trustees is Friday, October 11, 2019.

Item 3. **Approval of the Minutes of the Medical University Hospital Authority and the Medical University of South Carolina Board of Trustees Regular Meeting of May 17, 2019, Special Called Meeting of June 28, 2019, and Facilities Subcommittee Meeting of July 11, 2019.**

Board Action: Mr. Schulze called for a motion to approve the minutes. Dr. Lemon moved for approval; the motion was seconded, voted on and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. **General Information Report of the President.**

Statement: Dr. David Cole, MUSC President, presented his Fiscal Year 2019 Annual Report with a presentation focused on leadership; strategy and specific highlights. Dr. Cole highlighted some of the key leadership positions filled over the past year and other key positions that are in process. He discussed ongoing work in the areas

of strategy and structure and reviewed the vision, mission and values of MUSC and the Imagine MUSC 2020 Goals. Dr. Coles shared “wins” under each of the goals. Some of the “Wins” under each goal are highlighted below:

Advance New Knowledge and Scientific Discoveries: 3.6M SPOUT-CTSA Collaborative Telehealth Research Network; and, the SCTR’s continued promotion of STEM careers to youth/children throughout the state including the Charleston STEMP Festival which had 13,000 attendees.

Embrace Diversity and Inclusion: BRIHTE Academy Launched (Building and Retaining Inclusive High Potential Talent and Excellence) to identify and prepare diverse talent among our current workforce; and, MUSC was ranked #13 of 500 as Forbes Best Employers for Diversity in the U.S.

Building Health Communities: Imagine U: MUSC’s healthy lifestyle campaign with more than 6,800 employees and 1,430 students participating; and, the Kids Eat Free at MUSC: USDA-sponsored program to provide free nutrition to children at food risk has delivered 6,000 meals.

Foster Innovative Education and Learning: Hosted second SC Conference on Innovations in Teaching and Learning in Higher Education with over 50 universities represented; and, the *U.S. News & World Report* rankings, among Best Graduate Schools included the Doctor of Nursing Practice, Healthcare Management, Physician Assistant, Medical School Research, and Medical School Primary Care recognized.

Commit to Patients and Families First: MUSC Children’s Health R. Keith Summey Medical Pavilion opened in April 2019; and, MUSC’s Virtual Urgent Care Platform launched that is always free for MUSC employees and was free for federal employees during the last Government Shutdown.

Dr. Cole also shared key accomplishments over the past year from the academic and clinical areas; Finance and Administration; Legislative Affairs and External Affairs.

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

Board Action: Received as information.

Item 5. Other Business.

None.

AUTHORITY OPERATIONS, QUALITY AND FINANCE COMMITTEE. CHAIR: DR. MURRELL SMITH, SR.

OLD BUSINESS: None.

NEW BUSINESS:

Item 6.

MUHA Status Report.

Statement: Dr. Patrick Cawley, CEO MUSC Health, gave a report focused on health system goal performance for FY19, new goals for FY20, and an update on major projects.

For 2019 goals, overall performance is 3.90, which is a significant increase since the last Board meeting. Weighting of the goals was briefly reviewed. Every pillar goal is in the green (meeting goal) except for Service. There are good operational plans for the areas in “yellow” and “red” in the Service pillar. Despite not hitting several service goals, our overall performance compared to other hospitals nationally remains good. We remain a top 15% performer in HCAHPS and top 25% in pediatric inpatient. All other pillars were reviewed and goals in yellows and reds were stressed particularly about improvement plans.

The proposed FY20 goals were reviewed with a focus on goal weighting and new goals. New goals include People-physician retention, Quality-internal customer, Finance-Medicare spending per patient, Growth-access/readmission/in network care coordination, and Innovation. All other goals remained the same.

An update was given on the three major projects: Shawn Jenkins Children’s Hospital (SJCH), Consolidated Service Center (CSC), and the MUSC Health West Medical Pavilion (WMP).

The SJCH has multiple areas in yellow but this is to be expected given that we are close to opening. Neither Dr. Cawley nor members of the leadership team are particularly worried about the opening date of October 12, 2019. There are some concerns about the budget in the contingency area. While we remain under budget here, the construction team has indicated the possibility of potential claims from subcontractors could be forthcoming, but, yet to submit. Dr. Cawley did point out \$4.896M in additional work that is covered by additional philanthropy or other sources.

The CSC remains on budget and on time with planned opening mid-September 2019. There was discussion amongst the board members about visiting this facility and the innovative nature of the project.

The WMP remains on budget and on time with planned opening December 30, 2019.

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

Board Action: Received as information.

Item 7.

MUHA Financial Report.

Statement: Ms. Lisa Goodlett, Chief Financial Officer, MUSC Health, gave an update on MUHA's Charleston Campus and Regional Health Network financial status through June 2019. Ms. Goodlett first reported on the Charleston Campus and stated that a huge success was ending the year with 81 Days Cash on Hand. She also reported a Debt Service Coverage ratio of 3.24 which is greater than the 2.8 required by the Board. Operating revenue was \$70.9M. Ms. Goodlett reported that the Charleston Campus ended the year over in Operating Expenses and initiatives have already been put in place to look at cost containment with the focus on supply chain, purchased services and labor. She reported that if these initiatives are successful, it could mean an additional 6 Days Cash on Hand.

For the Regional Health Network, Ms. Goodlett reported ending the year with 80 Days Cash on Hand and a Debt Service Coverage ratio of 1.27 which may be attributed to their infancy but feel they will be to the 2.8 mark by end of next year. The Operating Margin at the end of June was \$4.2M or 3.49%. Two areas that are being watched and need improvement are the increase in self-pay patients in Florence and length of stay. Operating Revenue was \$8.9M; Operating Expenses were over but were volume adjusted.

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

Board Action: Received as information.

Item 8.

Fiscal Year 2020 Budget for Medical University Hospital Authority (MUHA).

Statement: Ms. Lisa Goodlett requested approval of the MUHA FY 2020 budget.

Recommendation of Administration: That the FY2020 budget for MUHA be approved.

Board Action: Dr. Smith moved for approval of MUHA's FY2020 Budget, the motion was seconded and unanimously carried.

Item 9.

Quality and Patient Safety Report.

Statement: Dr. Phillip Warr, Chief Medical Officer, MUHA, gave a presentation to the Board of Trustees on Length of Stay (LOS). Dr. Warr gave an overview of LOS Index definition and calculation; historical performance FY16-19; importance: The "Why;" and strategies and solutions. Dr. Warr explained that LOS is the duration of an inpatient stay in the hospital and is used as a marker for quality and for the efficient use of hospital resources. LOS is also important in the US due to the focus on health care cost control. Dr. Warr explained the LOS index is calculated by "Observed" (actual time in hospital) divided by "Expected" (Vizient Benchmark for diagnosis and complexity) which is also impacted by documentation and coding. Dr. Warr gave an

overview of the hospitals' historical performance FY16-FY19 on total patient volume; LOS index; and total patient days. He discussed the ethical; medical and financial reasons for reducing LOS; he commented that improving the LOS index would yield additional beds and the potential to serve more patients. Dr. Warr reported strategies and solutions in place to reduce LOS include daily patient throughput meetings; case management and interdisciplinary rounds; partnering with post-acute facilities and the optimization of beds across our network.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

Item 10. **Other Committee Business.**

None.

Item 11. **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 was presented for approval.

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

Board Action: Dr. Smith moved for approval. The motion was seconded, voted on and unanimously carried.

Item 12. **MUSC Physicians Update (Consent Item).**

Statement: An update on MUSC Physicians was presented for information.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

Item 13. **Medical Executive Committee (MEC) Minutes (Consent Item).**

Statement: The April and May 2019 MEC minutes were presented for information.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

Item 14. **Medical Center Contracts and Agreements (Consent Item).**

Statement: Contracts and Agreements signed since the May Board meeting were presented for information.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE. CHAIR: MR. BILL BINGHAM

OLD BUSINESS: None

NEW BUSINESS:

Item 15. **MUHA Facilities Procurements/Contracts for Approval.**

Statement: Mr. Greg Weigle, Chief Facilities Officer, requested approval of the following MUHA facilities procurements/contracts.

- Lease renewal of 8,097 square feet of clinical space located at 517 Doctors Court, Chester, South Carolina, for Chester Medical Center Family Medicine. Agreement includes clinical space, modular space and a storage building. Cost of annual lease is \$123,238.00.

Recommendation of Administration: That this lease renewal be approved.

Board Action: Mr. Bingham moved for approval. The motion was seconded, voted on and unanimously carried.

Item 16. **MUSC Facilities Procurements/Contracts for Approval.**

Statement: Mr. Greg Weigle, Chief Facilities Officer, requested approval of the following MUSC facilities procurements/contracts.

- To proceed with construction services of the College of Pharmacy and Innovative Instructional Redesign at a total cost of \$58,000,000. Anticipate project to begin in late Spring 2020 with completion in early summer 2021.

Recommendation of Administration: That this be approved.

Board Action: Mr. Bingham moved for approval. The motion was seconded, voted on and unanimously carried.

Item 17. **Other Committee Business.**

None.

Item 18. **MUHA FY2019 Active Projects >\$250,000 (Consent item).**

Statement: MUHA active projects exceeding \$250,000 were presented for information.

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

Board Action: Received as information.

Item 19. **MUSC FY2019 Active Projects >\$250,000 (Consent item).**

Statement: MUSC active projects exceeding \$250,000 were presented for information.

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

Board Action: Received as information.

Item 20. **MUHA Facilities Contracts Awarded (Consent item).**

Statement: MUHA Facilities contracts awarded were presented for information.

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

Board Action: Received as information.

Item 21. **MUSC Facilities Contracts Awarded (Consent item).**

Statement: MUSC Facilities contracts awarded were presented for information.

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

Board Action: Received as information.

SHAWN JENKINS CHILDREN'S HOSPITAL COMMITTEE. CHAIR: MICHAEL STAVRINAKIS

OLD BUSINESS: None.

NEW BUSINESS: None.

Item 22. **Other Committee Business.**

None.

AUDIT COMMITTEE. CHAIR: THOMAS L. STEPHENSON, ESQ.

OLD BUSINESS: None

NEW BUSINESS:

Item 23. **Strategic Risk Update.**

Statement: Mr. Stephenson announced that this item will be discussed in Executive Session.

Board Action: Received as information.

Item 24. **Report of the Office of Internal Audit.**

Statement: Mr. Stephenson reported that Ms. Susan Barnhart, Director of Internal Audit, shared results of recent audits conducted by the Office of Internal Audit.

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

Board Action: Received as information.

Item 25. **Management Development and Compensation.**

Statement: Mr. Stephenson announced that discussion of FY2019 performance and compensation will be discussed in Executive Session.

Board Action: Upon the Board's return to open session at 1:58 p.m., Mr. Stephenson moved for approval of the compensation adjustments discussed in executive sessions. Mr. Stephenson's motion was seconded, voted on and unanimously carried.

Item 26. **Other Committee Business.**

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 27. **Approval of Consent Agenda.**

Statement: Approval of the Consent Agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: Chairman Schulze moved for approval. The motion was seconded, voted on and unanimously be approved.

Item 28.

Executive Session.

Statement: Mr. Battle made a motion to move into closed session to discuss the following items pursuant to sections 30-4-70(a) (1) of the South Carolina Code:

- Employment, appointment or compensation of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body;
- Claims or potential claims against MUSC or its affiliates including receipt of legal advice; and the development of security personnel or devices; and
- Negotiations incident to contracts concerning a naming request, lodging for the Board of Trustees, proposed affiliations, and the purchase of real property.

Board Action: The motion made by Mr. Battle was seconded, voted on and unanimously carried. Chairman Schulze stated that the board would move into closed session immediately following the end of regular agenda.

Item 29.

New Business for the Board of Trustees.

None.

Item 30.

Report from the Chairman.

None.

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

Respectfully submitted,

Mark C. Sweatman, Secretary