

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

The Board of Trustees of the Medical University Hospital Authority convened Friday, February 8, 2019, with the following members present: Dr. James Lemon, Vice-Chair, Mr. Bill Baker; Mr. Jim Battle; Dr. Melvin Brown; Dr. Guy Castles; Dr. Paul Davis; Dr. Don Johnson; Ms. Barbara Johnson-Williams; and Dr. Murrell Smith; Mr. Michael Stavrinakis

The following MUSC administrative officials were present: Dr. Pat Cawley; Ms. Annette Drachman; Ms. Lisa Montgomery; Dr. Ray DuBois; Dr. Lisa Saladin; and Mr. Mark Sweatman.

Item 1. Call to Order.

There being a quorum present, Vice-Chairman Lemon called the meeting to order.

Item 2. Roll Call for the MUHA and MUSC Board of Trustees.

Ms. Scutt called the roll and 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 3. Secretary to Report Date of Next Meeting of the MUHA and MUSC Board of Trustees.

Ms. Scutt reported the date of the next regular meeting is Friday, April 12, 2019.

Item 4. Approval of the Minutes of the Regular Meeting of the MUHA and MUSC Board of Trustees of December 14, 2018.

Board Action: Dr. Lemon called for a motion for approval of the minutes. A motion was made by Mr. Battle, the motion was seconded, voted on and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORT FROM THE OFFICE OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 5. Informational Report from the Office of the President.

Statement: Dr. Cawley introduced Dr. Katie Cristaldi, Assistant Professor, Department of Pediatrics and Medical Director, School Based Health who gave a presentation to the Board on MUSC’s Telehealth Enabled Maternal and Child Health Coordination Program. Dr. Cristaldi discussed shared key insights for using telehealth with maternal/child health are that approximately 90% of child-bearing women use smart phones; telehealth is effective in delivering care including very personal services such as tele-psychiatry. Text messaging is highly effective in sending health reminders and encouraging compliance. Goals of the program include providing a technology-enabled solution for coordination of care; building upon lessons learned and synergizing with programs such as SC Healthy Mothers Healthy Babies; SC Birth Outcomes Initiative and Cradle to Career. Dr. Cristaldi gave an overview of the Family Connects supported by The Duke Endowment and the Instacare Birth Outcomes Initiative. She discussed the enhancements to care when using Telehealth enabled care coordination and reviewed the key outcome metrics of feasibility and utilization; effectiveness; and, cost efficiency.

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

Board Action: Received as information.

Item 6. Other Business.

None.

AUTHORITY OPERATIONS, QUALITY & FINANCE COMMITTEE. CHAIR: DR. G. MURRELL SMITH, SR. (Detailed committee minutes attached.)

OLD BUSINESS: None.

NEW BUSINESS:

Item 7. Medical University Hospital Authority (MUHA) Status Report.

Statement: Dr. Smith reported that Dr. Pat Cawley, CEO MUSC Health, presented an update centered on organizational wins since the last meeting; MUSC Health 2019 goals year-to-date performance; an update on the CHS acquisition; and a Certificate of Need Request for additional beds in the University Hospital.

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 7.1 Certificate of Need for Twenty-Nine Beds.

Statement: Dr. Smith, on behalf of the committee, made a motion to approve MUHA's request to submit an application for a Certificate of Need for twenty-nine inpatient beds.

Recommendation of Administration: That MUHA's request to submit an application for a Certificate of Need for twenty-nine inpatient beds be approved.

Recommendation of Committee: That MUHA's request to submit an application for a Certificate of Need for twenty-nine inpatient beds be approved.

Board Action: The motion from the committee was voted on and unanimously carried.

Item 8. MUHA Financial Report.

Statement: Dr. Smith reported that Ms. Lisa Goodlett, Chief Financial Officer, gave a report to committee on MUHA's financial status through December 2018.

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 9. Increase to Capital Budget.

Statement: Dr. Smith, on behalf of the committee, made a motion to approve the increase in MUHA's capital budget by \$550,000 due to additional construction costs associated with the ART Nuclear Medicine relocation project.

Recommendation of Administration: That this request to increase MUHA's capital budget be approved.

Recommendation of Committee: That this request to increase MUHA's capital budget be approved.

Board Action: The motion from the committee was voted on and unanimously carried.

Item 10. Quality and Patient Safety Report.

Statement: Dr. Smith reported that Dr. Danielle Scheurer presented the quality and patient safety update and reported on quality wins; scorecard performance; Baldrige status; and quality objectives for the CHS acquisition.

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. Update on MUSC Physicians.

Statement: Dr. Smith reported that Dr. Dirk Elston, President, MUSC Physicians, gave an update on recent MUSC Physicians Executive Committee actions.

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. MUSC Health Virtual Urgent Care.

Statement: Dr. Smith reported that Dr. Edward O'Bryan, Emergency Medicine Telemedicine Director, gave a presentation on MUSC Health's Virtual Urgent Care program.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 13. Legislative Update.

Statement: Dr. Smith reported that Mr. Mark Sweatman, Director of Governmental Affairs and Secretary to the Board of Trustees, gave an update on legislative activities including MUSC's FY19-20 budget requests and senate and

house bills of interest.

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. Resolution Authorizing MUHA to Petition the State Fiscal Accountability Authority (SFAA) for Approval of Revenue Anticipation Notes.

Statement: Dr. Smith, on behalf of the committee, made a motion to approve the proposed resolution authorizing MUHA to seek approval from SFAA and to request delegation to the Treasurer's Office for oversight of RANs as approved by the MUHA Board of Trustees on December 14, 2018.

Recommendation of Administration: That this proposed resolution be approved.

Recommendation of Committee: That this proposed resolution be approved.

Board Action: The motion from the committee was voted on and unanimously carried.

Item 14.1 Other Committee Business.

None.

Item 15. Appointments, Reappointments and Delineation of Privileges (Consent Item).

Statement: Approval was sought for the appointments, reappointments and delineation of privileges of the Medical and Allied Health Staff.

Recommendation of Administration: That these appointments, reappointments and delineation of privileges be approved.

Recommendation of Committee: That these appointments, reappointments and delineation of privileges be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 16. Revisions to the Medical Staff Bylaws (Consent Item).

Statement: Approval was sought for the revisions to the Medical Staff Bylaws.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 17. Revisions to the Medical Staff Rules and Regulations (Consent Item).

Statement: Approval was sought for the revisions to the Medical Staff Rules and Regulations.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 18. Revisions to Medical Staff Credentialing Policy and Procedure Manual (Consent Item).

Statement: Approval was sought for the revisions to the Medical Staff Credentialing Policy and Procedure Manual.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 19. Medical Executive Committee Minutes (Consent Item).

Statement: Medical Executive Committee minutes 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 20. Contracts and Agreements (Consent Item).

Statement: Contracts and agreements 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.

**MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE. CHAIR: MR. MICHAEL STAVRINAKIS
(Detailed committee minutes attached.)**

OLD BUSINESS: None.

NEW BUSINESS:

Item 21. Major Projects Status Report.

Statement: Mr. Stavrinakis reported that Mr. Wain gave an update on major projects including the MUSC Shawn Jenkins Children's Hospital and Women's Pavilion; Children's Ambulatory Campus; MUSC Health West Campus; and the Consolidated Service Center.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 22. MUHA Facilities Procurement/Contract Proposed.

Statement: Mr. Stavrinakis, on behalf of the committee, made a motion to approve the following MUHA procurements/ contracts:

- Relocation of ART Nuclear Medicine from the first floor to the second floor radiology area due to expansion of the Chest Pain Center. Total cost of the project is \$1.8M which is an increase of \$550,000 from the original approved capital budget of \$1.25M.
- 135 Cannon Street lease renewal of 33,661 square feet of clinical and general office space for Women's Health, Hospital Marketing and Clinical

Effectiveness. Monthly rental rate will be \$67,740, resulting in annual lease amount of \$812,879.

Recommendation of Administration: That these procurements/contracts be approved.

Recommendation of Committee: That these procurements/contracts be approved.

Board Action: The motion from the committee was voted on and unanimously carried.

Item 23. MUSC Facilities Procurements/Contracts Proposed.

Statement: Mr. Stavrinakis, on behalf of the committee, made a motion to approve the following MUSC procurements/ contracts:

- 165 Cannon Street lease for 167 parking spaces for MUSC employee parking needs. Monthly rental amount of \$20,040, resulting in an annual lease of \$240,480.
- ARCO Lane Mailroom project to construct a new 2700 square foot mailroom inside the Arco Lane warehouse to include 50'x50' new mail room and a 16'x12' new Records Office for a total project cost of \$400,000. Locations on campus are also being investigated.
- Institute of Psychiatry 5th Floor Sleep Study Lab project to renovate 3,100 square feet of existing space to create a sleep study lab for the Department of Psychiatry and Behavioral Sciences. Total project cost will be \$990,000

Recommendation of Administration: That these procurements/contracts be approved.

Recommendation of Committee: That these procurements/contracts be approved.

Board Action: The motion from the committee was voted on and unanimously carried.

Item 24. Other Committee Business.

None.

Item 25. 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.

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

Board Action: Received as information.

Item 26. 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.

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

Board Action: Received as information.

Item 27. MUSC Facilities Contracts Awarded (Consent item).

Statement: Facilities contracts awarded were presented for 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.

MUSC SHAWN JENKINS CHILDREN'S HOSPITAL COMMITTEE. CHAIR: MR. MICHAEL E. STAVRINAKIS (Detailed committee minutes attached.)

OLD BUSINESS: None.

NEW BUSINESS:

Item 28. Women and Children's Health Clinical Overview.

Statement: Mr. Stavrinakis reported that Dr. Rob Cina, Associate Professor, Department of Surgery, gave a presentation on Children's Surgical Quality and Safety.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 29. Shawn Jenkins Children’s Hospital Development Activity Report.

Statement: Mr. Stavrinakis reported that Mr. Terry Stanley gave an update on development activities for the new Children’s Hospital and reported that approximately \$139.7 million has been raised to date.

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 30. Other Committee Business.

None.

MUHA AND MUSC AUDIT COMMITTEE. CHAIR: MR. THOMAS L. STEPHENSON (Detailed committee minutes attached.)

OLD BUSINESS: None.

NEW BUSINESS:

Item 31. 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.

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

Board Action: Received as information.

Item 32. Strategic Risk Management Update.

Statement: Mr. Stephenson reported that Mr. Bryan Wood and Ms. Heather Woolwine gave a presentation on MUSC’s Adverse Weather Event/Business Interruption risks.

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 32.1 Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 33. Approval of Consent Agenda.

Statement: Approval of the consent agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: Dr. Lemon made a motion for the approval of the consent agenda in its entirety. The motion was seconded, voted on and unanimously carried.

Item 34. Executive Session.

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

- Discussion regarding information security;
- Discussion of 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;
- Discussion of information related to negotiation of contractual arrangements and proposed sale or purchase of property related to the expansion of clinical and educational services or other value based services.
- Discussion of information related to negotiation of contractual arrangements related to facilities for graduation.

Board Action: The motion was seconded, voted on and unanimously carried.

Item 35. New Business for the Board of Trustees.

None.

Item 36. Report from the Chairman.

None.

There being no further business, the meeting of the MUHA Board of Trustees was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark C. Sweatman". The signature is written in a cursive style with a large, sweeping initial "M".

Mark C. Sweatman, Secretary

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO INCUR OR ISSUE SHORT-TERM OPERATING INDEBTEDNESS IN ONE OR MORE TRANCHES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO DEFRAY THE PAYMENT OF A PORTION OF CERTAIN EXPENSES AND EXPENDITURES TO BE MADE IN CONNECTION WITH THE OWNERSHIP AND OPERATION OF CERTAIN HOSPITAL FACILITIES IN FLORENCE COUNTY, MARION COUNTY, LANCASTER COUNTY, AND CHESTER COUNTY, SOUTH CAROLINA, AND TO FILE WITH THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF A PETITION REQUESTING THE APPROVAL OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY FOR THE INCURRENCE OR ISSUANCE OF SUCH SHORT-TERM OPERATING INDEBTEDNESS, AND OTHER MATTERS RELATED THERETO.

WHEREAS, on June 3, 1999, the South Carolina General Assembly passed legislation now codified as §59-123-60, Code of Laws of South Carolina, 1976, as amended (the "*Enabling Act*"), that established the Medical University Hospital Authority (the "*Authority*"); and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(c) of the Enabling Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(d) of the Enabling Act to utilize all provisions of Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "*Hospital Revenue Bond Act*") and "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued;" and

WHEREAS, the Board of Trustees determined, in a meeting held on November 19, 2018, that the purchase of substantially all of the assets of certain affiliates of Community Health Systems, Inc. that are associated with or used in the ownership and/or operation of Carolinas Hospital System – Florence in Florence, South Carolina; Carolinas Hospital System – Marion in Mullins, South Carolina; Springs Memorial Hospital in Lancaster, South Carolina; and Chester Regional Medical Center in Chester, South Carolina, and associated clinical sites and services (collectively, the "*Hospitals*") is in the best interest of the Authority; and

WHEREAS, the Board of Trustees also determined, in a meeting held on February 8, 2019, that the issuance of revenue anticipation notes in one or more tranches and in an aggregate principal amount not to exceed \$120,000,000, bearing interest at rates not to exceed five percent (5%) per annum, and each tranche having a maturity of not exceeding six (6) months from date of issuance thereof (the "*Short-Term Operating Indebtedness*") to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "*Initial Operating Costs*") is in the best interest of the Authority.

WHEREAS, the Board of Trustees has determined pursuant to §59-123-60(c) and (d) of the Act, to file with the State Fiscal Accountability Authority (the "*State Board*"), and in compliance with §44-7-1590 of Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "*Hospital Revenue Bond Act*"), the petition of the Authority (the "*Petition*") requesting the approval by the State Board of the proposed incurrence or issuance of the Short-Term Operating Indebtedness by the Authority; and

WHEREAS, the Petition shall be executed by one or more of the President, the Executive Director, or the Chief Financial Officer of the Authority (collectively, the "*Executing Officers*" and each, an "*Executing Officer*") and shall be substantially in the form of EXHIBIT "A" attached hereto with such insertions, additions, or deletions not inconsistent with this Resolution as the Executing Officer(s) shall approve, his, her, or their execution and delivery thereof being conclusive of such approval,

WHEREAS, the audited financial statements of The Medical University of South Carolina for the fiscal year ended June 30, 2018, reflect net patient service revenues of \$1,425,364,000; and

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

Section 1. It is hereby found, determined, and declared as follows:

(a) The Short-Term Operating Indebtedness will defray and finance the defray the payment of a portion of the Initial Operating Costs to be incurred in connection with the ownership and operation of the Hospitals, which Hospitals constitute "hospital facilities," as defined in the Hospital Revenue Bond Act, provide funding of any necessary reserve or similar fund, and defray and finance the associated costs of issuance thereof.

(b) The Authority is a "hospital agency," as defined in the Hospital Revenue Bond Act, with established credit and is financially responsible and capable of fulfilling its obligations and discharging the responsibilities that may be imposed upon it under the documents governing the Short-Term Operating Indebtedness.

(c) Adequate provisions shall be made for the repayment of the Short-Term Operating Indebtedness, all other costs relating thereto, the transactions contemplated to take place in connection therewith, and for the operation, repair, and maintenance of the Hospitals.

(d) Public facilities, including utilities and public services necessary for the Hospital Facilities, are available to the Hospitals.

(e) The Short-Term Operating Indebtedness will subserve the purposes and in all respects conform to the provisions and requirements of the Enabling Act and the Hospital Revenue Bond Act.

(f) Neither the Hospitals nor any documents or agreements entered into by the Authority in connection with the Short-Term Operating Indebtedness, will constitute an indebtedness of the State of South Carolina (the "State") within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the State or a charge against its general credit or taxing powers.

(g) The audited financial statements of The Medical University of South Carolina for the fiscal year ended June 30, 2018, reflect net patient service revenues of \$1,425,364,000.

(h) The incurrence or issuance of the Short-Term Operating Indebtedness in an aggregate principal amount not to exceed \$120,000,000 will be required in order to defray and finance a portion of the Initial Operating Costs .

(i) The principal amount of, and the total advances to be made in respect of, the Short-Term Operating Indebtedness shall not exceed \$120,000,000, the interest rates thereon shall not exceed five percent (5%) per annum, and the term thereof shall not exceed six (6) months).

Section 2. Pursuant to §59-123-60(d) of the Enabling Act and in compliance with §44-7-590 of the Hospital Revenue Bond Act, the Authority shall file the Petition with the State Board requesting approval of the State Board of the proposed incurrence or issuance of the Short-Term Operating Indebtedness by the Authority.

Section 3. The Petition shall be executed by one or more of the Executing Officers and shall be substantially in the form of EXHIBIT "A" attached hereto with such insertions, additions, or deletions as the Executing Officer(s) shall approve, his, her, or their execution and delivery thereof being conclusive of such approval.

Section 4. The Executing Officers are hereby authorized to negotiate and execute such documents and/or agreements as are required to effect the financing of a portion of the Initial Operating Costs.


Section 5. The incurrence or issuance of the Short-Term Operating Indebtedness shall be effected "in a manner to be in the best interest of the Authority."

Section 6. The President, the Executive Director, or the Chief Financial Officer of the Authority are hereby authorized to negotiate and execute such documents and/or agreements as are required to effect the incurrence or issuance of the Short-Term Operating Indebtedness and, with the approval of the State Treasurer of South Carolina, successive renewals thereof for the number of six(6) month periods as shall be approved by the State Board.

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APPROVED this 8th day of February, 2019.

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES**

By  _____
Dr. James Lemon, Vice Chair

By  _____
Mark Sweatman, Secretary