

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES MEETING MINUTES
DECEMBER 13, 2024**

The MUHA Board of Trustees convened on December 13, 2024, with the following members present: Charles Schulze, Chair; Dr. Melvin Brown, Vice-Chair, Terri Barnes, Jim Battle; Mr. Bill Bingham; Dr. Fritz Butehorn; Dr. Guy Castles; Dr. Richard Christian; Dr. Paul Davis; Dr. Don Johnson; Barbara Johnson-Williams; Dr. James Lemon; Dr. Murrell Smith; Tom Stephenson, Michael Stavrinakis; and Dr. Bart Witherspoon.

Item 1. Call to Order.

There being a quorum present, Chairman Schulze called the meeting to order.

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

Katherine Haltiwanger, Board Secretary, called the roll and stated that “in compliance with FOIA, the notice of meetings and agendas were furnished to all news media and persons requesting notification.”

Board Action: Received as information.

Item 3. Date of Next Meeting.

Katherine Haltiwanger reported the date of the next meeting is February 14, 2025.

Item 4. Approval of Minutes.

Chairman Schulze called for a motion to approve the minutes of October 9 and 11, 2024.

Board Action: Dr. Brown moved for approval, the motion was seconded and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

Item 5. General Informational Report of the President.

Dr. Patrick Cawley, CEO, MUSC Health, introduced Dr. Scott Bradley who gave a presentation to the board on MUSC’s Pediatric Cardiothoracic Surgery program.

Dr. Bradley stated that MUSC’s pediatric heart surgery had been in place since the 1970s but lacked a cohesive program by the mid-1990s. Challenges abounded, including inadequate pediatric equipment and fragmented departmental structures. Newborns with complex cardiac issues often had to be sent out of state for care. Dr. Bradley’s vision was to build a program with outcomes equal to the nation’s best, achieved through a collaborative, team-based approach. Over time, this mission materialized, requiring immense effort, growth, and support from various hospital departments.

The program specializes in treating congenital heart disease, which affects 1% of newborns nationwide, translating to 600 cases annually in SC. Approximately half of these require intervention, managed through facilities in the Sean Jenkins Children’s Heart Center, which includes a 29-bed inpatient unit. The statewide Children’s Heart Program, established in the 1970s, facilitates patient care through a network of pediatric cardiologists which has been critical for maintaining sufficient patient volumes to sustain and grow our program, which now performs over 470 surgeries annually, compared to 270 in 1995.

The multidisciplinary team has expanded to meet increasing demands, now including three full-time surgeons, seven dedicated cardiac anesthesiologists, and specialized nursing and perfusion teams. Surgical cases span all ages and complexities, requiring advanced diagnostic tools like echocardiography and CT angiography. The latter provides high-resolution, three-dimensional imaging, enhancing surgical planning. Innovations like the Berlin Heart ventricular assist device and a robust heart transplant program address severe heart failure, with pediatric transplants increasing to 18 last year.

The Pediatric Cardiac ICU (PCICU) has undergone significant development, evolving from a shared six-bed unit to a dedicated 16-bed facility with specialized staff and cutting-edge resources. This unit has become central to patient care, education, and research. Our program also includes initiatives like the Single Ventricle Care Program and the Adult Congenital Heart Disease Program, both addressing complex, lifelong cardiac conditions. Despite the growth, challenges persist, particularly in bed space and resources, as heart failure patients increasingly occupy a substantial portion of the inpatient census. Plans for a new heart failure unit are underway to address this critical need.

MUSC's commitment to research and innovation is exemplified by participation in multi-institutional studies and a strong focus on quality improvement, yielding outcomes consistently better than national averages. Recognized as a top-tier program by *U.S. News & World Report*, we continue striving for excellence, driven by a culture of teamwork and shared purpose. The future promises further advancements in care, particularly in adult congenital heart disease and heart failure management.

Board Action: Received as information.

Item 6. Other Business.

None.

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

Item 7. MUSC Health Status Report.

Dr. Smith reported that Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, presented the MUSC Health Status Report to include an update on the Florence Cancer Center and Integrated Center for Cellular Therapy projects; plans for rural health clinics, and FY25 goals performance.

Board Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Dr. Smith reported that Doug Lischke, CFO, MUSC Health, reported on the Health System's financial performance through October 31, 2024.

Board Action: Received as information.

Item 9. Capital Reprioritization Request.

Dr. Smith made a motion to approve the following capital reprioritization requests.

- System Mobile Clean Room Unit \$ 1,008,666
- Charleston Radiology NES Biplane Phase 1 Construction \$1,300,000
- Charleston SPD Stryker Ortho Power Equipment \$1,100,000
- Charleston Med One Bed End of Lease Buyout \$905,000
- Orangeburg Sterile Process Department (SPD) upfit \$ 864,860
- Midlands CICU \$ 2,000,000
- Kershaw Call Bell Replacement \$1,500,000
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- Midlands Accel Health \$ 406,000
- System Ambient Scribe Licenses \$ 1,718,000
- CDI/Coding Inpatient and Outpatient Request Up to \$ 5,000,000

Board Action: The motion made by Dr. Smith was seconded, voted on, and unanimously carried.

Item 10. Indian Land Resolution for Approval.

Dr. Smith made a motion to approve the resolution accepting and approving the financial feasibility study prepared by WIPFLI related to the Indian Land Hospital project and approving the financing options to include tax-exempt financing.

Board Action: The motion made by Dr. Smith was seconded, voted on, and unanimously carried.

Item 11. Nexton Hospital Resolution for Approval.

Dr. Smith made a motion to approve the resolution accepting and approving the financial feasibility study prepared by WIPFLI related to the Nexton Hospital project and approving the financing options to include tax-exempt financing.

Board Action: The motion made by Dr. Smith was seconded, voted on, and unanimously carried.

Item 12. Quality and Patient Safety Report.

Dr. Smith reported that Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, presented the Quality report focused on Quality WINS, rankings, and scorecards.

Board Action: Received as information.

Item 13. MUSC Governmental Affairs Report.

Dr. Smith reported that Senate President, Thomas Alexander, gave an update on legislative activities including changes in state agencies and senate leadership.

Board Action: Received as information.

Item 14. Dean, College of Medicine and MUSC Physicians Update.

Dr. Smith reported that Dr. Steyer gave an update on Quantum and the new College of Medicine building.

Board Action: Received as information.

Item 15. Other Committee Business.

None.

MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE: MS. TERRI BARNES, CHAIR
(Detailed committee minutes attached.)

Item 16. MUHA Leases for Approval.

Ms. Barnes made a motion to approve the following lease renewals and new leases:

- Lease renewal of 2,692 square feet of space at 1003 Grove Road in Greenville for MUSC Health Cardiology & Transplant for a 5-year lease term totaling \$390,772.
- Lease renewal of 5,452 square feet of office space at 29-C Leinbach Drive, Charleston, for MUSC Community and Public Safety Psychiatry Division for a 5-year lease term totaling \$665,040.
- Lease amendment for an additional 3,843 square feet of office training space at 1 South Park Circle in Charleston to provide space for MUSC Human Resources Orientation and support services. For a 4-year lease term totaling \$435,559.
- Lease amendment for an additional 5,598 square feet of clinical space at 2750 Laurel Street in Columbia to provide additional space for MUHA Imaging for a 10-year lease term totaling \$1,888,879.
- New lease of 1,737 square feet of clinical space at 1245 Rosemont Drive in Indian Land to provide space for MUHA Physical Therapy for a 3-year lease term totaling \$347,572.
- A new lease of 7,001 square feet of clinical space at 318 Brighton Park in Summerville to provide space for MUHA Specialty Pediatrics for a 10-year lease term totaling \$3,569,340.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 17. MUSC Sublease for Approval.

Ms. Barnes made a motion to approve the new sublease of 49,762 square feet of space at Rutledge Tower to provide space for MUSC College of Medicine for a 3-year lease term totaling \$5,523,582.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 18. MUHA Easement for Approval.

Ms. Barnes made a motion to approve a utility easement at 3909 Lancaster Highway, Richburg.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 19. MUHA Property Acquisition for Approval.

Ms. Barnes made a motion to approve the purchase of 334 Calhoun Street for the purchase price of \$30.25 million.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 20. MUSC Establish Project for Approval.

Ms. Barnes made a motion to approve the College of Health Professions Buildings A & B Renovations project for a total estimated cost of \$9.5 million.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 21. MUSC Professional Selection for Approval.

Ms. Barnes made a motion to approve Guy White and Associates for the Data Center UPS Replacement contract for electrical engineering services.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 22. MUHA Establish Project(s) for Approval.

Ms. Terri Barnes made a motion to approve the following projects:

- Center for Cellular Therapy Expansion at Cannon Park Place - cost not to exceed \$35 million.
- Hollings Cancer Center at Florence - estimated cost \$50 million
- MUSC Children’s Health After Hours Nexton - estimated cost \$1.6 million
- GME Space at Ashley River Tower and University Hospital – estimated cost \$290,779
- NES Biplane 3rd Floor Main Hospital – estimated cost \$1.3 million

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Dr. David Cole, MUSC President, requested approval to move forward with establishing a new healthcare facility, in collaboration with Clemson University, to provide student and employee health services on the Clemson campus.

Board Action: Ms. Barnes made a motion to approve, was seconded, voted on, and unanimously carried.

Item 23. MUHA Professional Selection for Approval.

Ms. Barnes made a motion to approve Perkins & Will (with MPS) for the downtown Charleston campus master plan architectural services.

Board Action: Ms. Barnes made a motion to approve, was seconded, voted on, and unanimously carried.

Item 24. Other Committee Business.

None.

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

Item 25. KPMG Exit Conference.

Mr. Stephenson reported that KPMG presented the results of the FY2024 financial statements external audit.

Board Action: Received as information.

Item 26. Report of the Office of Internal Audit.

Mr. Stephenson reported that results from recent audits were mailed to board members.

Board Action: Received as information.

Item 27. Compensation Subcommittee Charter for Approval.

Approval was requested for the newly created Compensation Subcommittee Charter.

Board Action: Mr. Stephenson made a motion to approve, was seconded, voted on, and unanimously carried.

Item 28. Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 29. Revised MUHA Bylaws for Approval

The revised MUHA Bylaws were presented for approval.

Board Action: Chairman Schulze called for a motion to approve the proposed revisions to the MUHA Bylaws. The motion was made by Vice Chairman Brown, the motion was seconded, voted on, and unanimously carried.

Item 30. Approval of Consent Agenda.

Approval of the consent agenda was requested.

Board Action: Chairman Schulze called for a motion to approve the consent agenda. The motion was made by Vice Chairman Brown, the motion was seconded, voted on, and unanimously carried.

Item 31. Executive Session.

A motion was made by Mr. Battle to move into closed session to discuss the following items: legal advice on a pending claim as well as other matters covered by the attorney/client privilege; personnel matters; and negotiations of contracts related to consulting, professional, and contracted services.

Board Action: The motion made by Mr. Battle was seconded, voted on, and unanimously carried. Chairman Schulze announced that the Board of Trustees would move into closed session following the conclusion of the MUSC Board of Trustees Committee meetings.

Item 32. New Business for the Board of Trustees.

None.

Item 33. Report from the Chairman.

None.

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

Item 34. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for October 2024 were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 35. MUSC Health Charleston Orangeburg Campus Family Medicine Obstetrics Clinical Privileges (Consent Item).

The MUSC Health Charleston Orangeburg Campus Family Medicine Obstetrics Clinical Privileges were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 36. Revised MUSC Health Charleston Division Credentialing Manual (Consent item).

Revisions to the MUSC Health Charleston Division Credentialing Manual were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 37. Letter of Support for ACS Level III Trauma Verification (Consent item).

A letter of support ACS Level III Trauma Verification for MUSC Health Charleton Division Orangeburg Campus was presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 38. MUSC Health Regional Health Network Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for October 2024 were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 39. Revised MUSC Health Regional Network Medical Staff Bylaws (Consent item).

Revisions to the MUSC Health Regional Network Medical Staff Bylaws were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 40. Revised MUSC Health Regional Network Credentialing Manual (Consent item).

Revisions to the MUSC Health Regional Network Credentialing Manual were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 41. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from September and October 2024 were presented for information.

Committee Action: Received as information.

Item 39. Contracts and Agreements (Consent item).

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

Committee Action: Received as information.

MEC minutes from July and August 2024 were presented for information.

MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE: MS. TERRI BARNES, CHAIR

Item 40. MUSC FY2025 Active Projects >\$250,000 (Consent Item).

MUSC FY2025 Active Projects greater than \$250,000, were presented for information.

Board Action: Received as information.

Item 41. MUSC Facilities Contracts Awarded (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

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

Respectfully submitted,

Katherine S. Haltiwanger

Board Secretary

Hospital Operations, Quality, and Finance Committee Minutes
December 12, 2024

Item 7. MUSC Health Status Report.

Dr. Patrick Cawley, CEO, MUSC Health, gave updates on the Florence Cancer Center and Integrated Center for Cellular Therapy (ICCT) projects, 334 Calhoun Street property acquisition, and efforts to enhance rural healthcare delivery.

The Florence Cancer Center project, with a projected total cost of \$50 million, is scheduled to open mid-FY28 and will provide a range of oncology services, including medical, surgical, radiation, and gynecological oncology, and will feature advanced equipment like a second linear accelerator and expanded infusion bays. The center aims to integrate clinical trials and community outreach initiatives. The ICCT update highlighted its leadership in developing and delivering advanced cellular therapies. Notable advancements include local CAR-T cell manufacturing to treat B-cell non-Hodgkin lymphomas, mesenchymal stromal cell therapies for chronic pancreatitis, and islet cell auto-transplantation for insulin production. The ICCT also aims to expand its capacity for clinical and commercial manufacturing in collaboration with internal and external partners. Dr. Cawley also discussed the acquisition of 334 Calhoun Street which will enhance MUSC's operational capabilities in Charleston County. Additionally, a new mobile health initiative was outlined to address primary care shortages in rural areas, with mobile units deployed from the Orangeburg Campus. Dr. Cawley then reviewed the FY25 goals and performance metrics aligned with MUSC Health's 2030 strategic intent. Objectives include achieving national recognition for patient care and specialties, enhancing care team engagement, and excelling in quality, safety, and financial performance.

Committee Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Doug Lischke, Chief Financial Officer, MUSC Health Officer, presented the year-to-date financial results for the MUSC Health System. As of October 31, 2024, days cash on hand were 67 days, ahead of budget. Overall operating performance was strong, with EBIDA (or Earnings before Interest, Depreciation, and Amortization) of \$216M, favorable to budget by \$50M. Operating margin performance was strong at 6.6%. Mr. Lischke shared a consolidated view of the balance sheet, which depicted a YTD consolidated net position at \$74M. Adjusted for the impact of the State Pension/OPEB liability of \$2.4B, the net position is significantly more favorable. Mr. Lischke reviewed the Charleston and Regional Health Network key performance indicators and overall financial impact. Acute discharge and surgical volumes are strong and performing favorably to budget. Other non-acute discharges are below budget, driven by more extended length of stay, but substantial acute discharge volumes mitigate impacts. ED visits were under budget in Charleston, driven by deliberate efforts to see lower acuity patients in after-hours or urgent care options instead of the ED. Overall, the system's financial performance compared to the budget is strong. Mr. Lischke presented further details of the community hospitals by component unit. Each market has a positive system EBIDA impact.

Committee Action: Received as information.

Item 9. Capital Reprioritization Request.

Doug Lischke presented the following capital reprioritization requests for approval.

- System Mobile Clean Room Unit \$ 1,008,666

- Charleston Radiology NES Biplane Phase 1 Construction \$1,300,000
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- System Ambient Scribe Licenses \$ 1,718,000
- CDI/Coding Inpatient and Outpatient Request Up to \$ 5,000,000

Committee Action: Recommend approval.

Item 10. Indian Land Resolution for Approval.

Doug Lischke presented for approval a resolution accepting and approving the financial feasibility study prepared by WIPFLI related to the Indian Land Hospital project and approving the financing options to include tax-exempt financing.

Committee Action: Recommend approval.

Item 11. Nexton Resolution for Approval.

Doug Lischke presented for approval a resolution accepting and approving the financial feasibility study prepared by WIPFLI related to the Nexton Hospital project and approving the financing options to include tax-exempt financing.

Committee Action: Recommend approval.

Item 12. Quality and Patient Safety Report.

Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, reported on Quality WINS, rankings, and scorecards. MUSC Health has been designated as "High Performing" in maternity care for its Charleston and Florence division by *U.S. News & World Report*, an honor achieved by only 45% of the 680 evaluated hospitals. This recognition reflects excellence in obstetrical and neonatal outcomes. Additional highlights included maintaining Leapfrog "A" grades for Marion and Kershaw hospitals and acceptance into the 2025 Medicare Shared Savings Program. Dr. Scheurer reviewed the Resident Quality Performance Program, where all but one Graduate Medical Education (GME) program achieved mid-year milestones, with plans to expand to Regional Health Networks next year. MUSC Health's leadership in the South Carolina Surgical Quality Collaborative was underscored, boasting the lowest surgical mortality rates statewide. Scorecards for the system and its divisions, including Charleston, Orangeburg, Pee Dee, Catawba, and Midlands, were reviewed to assess year-to-date progress for FY25. These metrics reflect the system's ongoing commitment to quality improvement and operational excellence.

Committee Action: Received as information.

Item 13. Government Affairs Update.

Senate President, Dr. Thomas Alexander expressed his gratitude for the opportunity to address the board, acknowledging MUSC's leadership and contributions to South Carolina's healthcare and public service sectors. He highlighted the progress made in dividing the Department of Health and Environmental Control into separate Public Health and Environmental Services entities, noting that the transition exceeded expectations. Emphasis was placed on the critical need for better coordination in mental health, disabilities, and special needs services, aiming to consolidate these into a single agency to improve efficiency and accessibility at state and local levels. President Alexander recognized MUSC's role in advancing telehealth, which has earned national recognition and proved invaluable during COVID-19. However, they pointed out the ongoing challenge of expanding broadband access in rural areas to support equitable healthcare delivery. The state's financial health was described as strong, with reserves exceeding \$1 billion, positioning South Carolina for further investments in infrastructure and education. He gave an overview of the recent changes in Senate membership, committee assignments, and the confirmation process for key leadership roles in public health and human services. Other priorities included addressing energy, education, and economic growth while preserving South Carolina's natural resources. He concluded by applauding MUSC's efforts, emphasizing collaboration between government and institutions to ensure the state's continued progress and prosperity.

Committee Action: Received as information.

Item 14. Dean, College of Medicine Update.

Dr. Terry Steyer, Dean, College of Medicine and VP for Medical Affairs, shared highlights from the recent MUSC Birthday Party held for MD students. He also provided a detailed overview of the Quantum Growth Update as of November 30, 2024, highlighting the FY25 Clinical MD Quantum Hires. The data, from the COM Recruitment Database, showed significant growth across various departments. For instance, the Department of Medicine saw a net growth of 36 hires, while Orthopaedics had a net growth of 8 hires. Other departments like Pediatrics and Psychiatry also showed notable increases. Dr. Steyer also outlined the FY26 Clinical MD Quantum Hires, listing the number of hires planned for each department and specialty. This included departments such as Anesthesia, Dermatology, Emergency Medicine, Family Medicine, and more, with specific counts for each specialty. He also reported on FY25 Research Hires which includes hires in Med-Cardiology, Med-Gastro, Med-Hem/Oncology, Med-Infectious Disease, Med-Pulmonary, Med-Rheumatology, Microbiology, Otolaryngology, Regenerative Medicine, Surgery, Biochemistry, Family Medicine, Neuroscience, Ophthalmology, PHS, and Psychiatry. The presentation concluded with an update on the College of Medicine building timeline, outlining key milestones such as the groundbreaking ceremony on December 13, 2024, and the various construction phases leading up to the move-in scheduled for Summer 2027.

Committee Action: Received as information.

Item 15. Other Committee Business.

None.

Item 34. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for October 2024 were presented for approval.

Committee Action: Recommend approval.

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

Committee Action: Received as information.

There being no further business, the committee meeting was adjourned.

A handwritten signature in black ink that reads "Jane Scutt". The signature is written in a cursive, flowing style.

MUHA and MUSC Physical Facilities Committee Minutes
December 12, 2024

Item 16. MUHA Leases for Approval.

Tom Crawford, Chief Operating Officer, MUSC Health, presented the following lease renewals and new leases for approval:

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- Lease renewal of 5,452 square feet of office space at 29-C Leinbach Drive, Charleston, for MUSC Community and Public Safety Psychiatry Division for a 5-year lease term totaling \$665,040.
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Committee Action: Recommend approval.

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Committee Action: Recommend approval.

Item 19. MUHA Property Acquisition for Approval.

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Committee Action: Recommend approval.

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Committee Action: Recommend approval.

Item 21. MUSC Professional Selection for Approval.

Dave Attard requested approval to award Guy White and Associates the Data Center UPS Replacement contract for electrical engineering services.

Committee Action: Recommend approval.

Item 22. MUHA Establish Project(s) for Approval.

Gopi Omraju, Senior Program Director, EPMO, presented the following projects for approval:

- Center for Cellular Therapy Expansion at Cannon Park Place - cost not to exceed \$35 million.
- Hollings Cancer Center at Florence - estimated cost \$50 million
- MUSC Children's Health After Hours Nexton - estimated cost \$1.6 million
- GME Space at Ashley River Tower and University Hospital – estimated cost \$290,779
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Committee Action: Recommend approval.

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Gopi Omraju requested approval to award Perkins & Will (with MPS) the downtown Charleston campus master plan architectural services.

Committee Action: Recommend approval.

Item 24. Other Committee Business.

None.

Consent Agenda

Item 43. MUSC FY2025 Active Projects >\$250,000 (Consent Item).

MUSC FY2025 Active Projects greater than \$250,000, were presented for information.

Committee Action: Received as information.

Item 44. MUSC Facilities Contracts Awarded (Consent Item).

Facilities contracts awarded were presented for information.

Committee Action: Received as information.

There being no further business, the committee meeting was adjourned.

Jane Scutt

MUHA and MUSC Audit, Compliance, and Risk Committee Minutes
December 12, 2024

Item 25. KPMG Exit Conference.

Andy Findley, Steve Reader and Alison Upton with KPMG presented the external audit results for the fiscal year ending June 30, 2024. The discussion emphasized expanding the use of audit technology, addressing audit results, and fulfilling required communications with governance. The audit identified significant accounting estimates, including the valuation of patient accounts receivable and risks related to management override of controls. Uncorrected audit misstatements, such as adjustments to the statement of net position and operating revenue for MUSC, MUHA, and associated entities, reflecting non-GAAP policies, grant receivables, and inventory capitalization, were reviewed. Corrected misstatements were also discussed, including adjustments to property transactions for MUSC and accounting errors by third-party firms affecting MUHA and MSV. Notably, cybersecurity risks, heightened by shifts to remote work, increased digital engagement, and sophisticated cyber-attacks, were highlighted as critical concerns requiring governance attention. Boards' agendas for 2024 include expanding oversight responsibilities in risk and ESG, adapting to regulatory changes in ESG disclosures, and addressing the evolving complexities in audit committee responsibilities. KPMG presented its Audit Quality Report and Impact Plan, underscoring its commitment to transparency, quality control, and sustainability goals. The session concluded with a review of resources available through KPMG's Audit Committee Institute and an interactive dashboard showcasing key audit quality metrics.

Committee Action: Received as information.

Item 26. Report of the Office of Internal Audit.

Mr. Stephenson reported that Susan Barnhart, Director of Internal Audit, shared the results of recent audits conducted by her office and she would be glad to answer any questions.

Committee Action: Received as information.

Item 27. Compensation Subcommittee Charter for Approval.

Approval was requested for the newly created Compensation Subcommittee Charter.

Committee Action: Received as information.

Item 28. Other Committee ~~Business.~~

None.

With no further business, the meeting was adjourned.

Respectfully submitted,

