

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES MEETING MINUTES
AUGUST 10, 2024**

The MUHA Board of Trustees convened August 10, 2024, with the following members present: Dr. James Lemon, Chair; Charles Schulze, Vice-Chair; Terri Barnes, Jim Battle; Bill Bingham; Dr. Melvin Brown; Dr. Fritz Butehorn; Dr. Richard Christian; Dr. Paul Davis; Ms. Barbara Johnson-Williams; Dr. Murrell Smith; Tom Stephenson, Michael Stavrinakis; and Dr. Bart Witherspoon. MUSC officials present: Dr. David Cole; Rick Anderson; Susan Barnhart, Dr. Patrick Cawley; Annette Drachman, and Mark Sweatman.

Item 1. Call to Order.

There being a quorum present, Chairman Lemon 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 announced that “in compliance with FOIA, the notice of meetings and agendas were furnished to all news media and persons requesting notification.”

Item 3. Date of Next Meeting.

Katherine Haltiwanger announced the date of the next meeting is October 11, 2024.

Item 4. Approval of Minutes.

Chairman Lemon called for a motion to approve the minutes of May 17, June 17, and June 21, 2024.

Board Action: Mr. Schulze moved for approval, the motion was seconded and unanimously carried.

Item 5. Election of Chair and Vice of MUHA and MUSC Board of Trustees.

Chairman Lemon announced that the election for the Chair and Vice Chair of the Medical University Hospital Authority and the Medical University of South Carolina Board of Trustees is taking place. Dr. Lemon reminded the board that one of the revisions to the Bylaws was that voting can be accomplished by voice acclamation unless a trustee requests the vote be conducted by call of the roll or signed written ballot.

Dr. Lemon asked for nominations for the position of Chair. Dr. Richard Christian nominated Charles Schulze.

Board Action: Dr. Lemon made a motion to approve Charles Schulze for the position of Chair, the motion was seconded and unanimously carried.

Dr. Lemon then asked for nominations for the position of Vice Chair. Ms. Terri Barnes nominated Dr. Melvin Brown.

Board Action: Dr. Lemon made a motion to approve Dr. Melvin Brown for the position of Vice Chair, the motion was seconded and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

Item 6. General Informational Report of the President.

Dr. David Cole, MUSC President, gave his annual "Year in Review" report.

Workforce WINS: In July 2024, 8 General Internal Medicine residents began at Florence Medical Center, with programs in Florence and Lancaster projected to support 100 residents. A pharmacy tech program and an expanded respiratory therapy program are in development at TTC. The College of Dental Medicine received \$4.5M to start a Rural General Practice Residency Network and \$3.5M to expand into rural areas. SC First Scholars matched \$3.5M in state funding for 8 full-ride scholarships and 10 one-year scholarships for first-generation and impactful senior students.

Community Impact: MUSC launched the "Kids Eat Free" program, serving over 42,000 meals and expanding to 3 Pee Dee Division hospitals. Notable partnerships reached 32,000 patients overdue for mammograms, leading to 1,000+ screenings and over 100 abnormal results with follow-up. Black River Medical Center's food insecurity program aided 40 families, and its bus service linked to Florence, logging 162 trips in its first month. BRMC ranked among the top five community hospitals by Vizient. Telehealth agreements with 4 Orangeburg County school districts start in August. MUSC partnered with 96 businesses, impacting over 38,000 lives. Vision to Learn provided over 7,000 pairs of glasses to students after screening more than 12,000.

Distinction: MUSC Health Charleston was ranked the No. 1 hospital in SC for the 10th consecutive year by U.S. News & World Report, with high rankings in several educational programs. The Hollings Cancer Center renewed its NCI designation with its best score yet. Institutional fundraising hit a record \$100M. The Jean and Hugh K. Leatherman Behavioral Care Pavilion received \$100M to expand services inpatient and ambulatory behavioral health services to the Pee Dee and is set to open in October 2025. Research funding reached \$358.9M, with 1,369 clinical trials and 280+ new ideas leading to 14 new deals and \$1.5M in royalties.

OneMUSC Goals: MUSC aims for South Carolina to rank in the top 20 for health outcomes and for MUSC to be a top 20 academic health system. Strategies include enhancing patient experience, expanding education, research, and care access, and driving innovation in key health areas. Workforce development focuses on cultivating engagement, advancing knowledge, and exceeding workforce demands. The timeline since April 2024 includes leadership input and planning, with an October 2024 launch. The Innovation District will foster collaborations and support economic growth, with the launch of Blue-Sky Labs and Blue-Sky Landing in September 2024. AI initiatives aim to transform healthcare, research, and education and create an AI-competent workforce. Cancer leadership focuses on expanding research space and increasing clinical trial accruals.

Board Action: Received as information.

Item 7. Other Business.

None.

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

Item 8. 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 Tropical Storm Debby recovery; FY24 organizational goal performance, and an overview of FY25 organizational goals.

Board Action: Received as information.

Item 9. MUHA Consolidated Financial Report.

Dr. Smith reported that Doug Lischke, CFO, MUSC Health, reported on MUHA consolidated's financial performance through June 30, 2024.

Board Action: Received as information.

Item 10. MUHA FY2025 Consolidated Budget for Approval.

Dr. Smith made a motion to approve the FY2025 budget for MUHA consolidated.

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

Item 11. Quality and Patient Safety Report.

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

Board Action: Received as information.

Item 12. MUSC Governmental Affairs Report.

Dr. Smith reported that Mark Sweatman gave an update on legislative activities at the state and federal levels.

Board Action: Received as information.

Item 13. Other Committee Business.

None.

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

Item 14. MUHA Leases for Approval.

Ms. Barnes made a motion to approve the following leases:

- The lease renewal of 9,000 square feet of space at 1001-B Michigan Avenue, North Charleston, for the MUSC Children's Day Treatment Program. This is a two-year lease term at a total cost of \$216,000.
- A new lease of 14,000 square feet located at 2080 Sam Rittenberg Boulevard in West Ashley to provide MUSC Health clinical space. This is a ten-year lease term at a total cost of \$12,576,647.
- A new lease of 13,000 square feet located at 1310 Main Street in Summerville to provide MUSC Health clinical space. This is a ten-year lease term at a total cost of \$12,006,242.

- A new lease of 13,000 square feet located at 7624 Garners Ferry Road in Columbia to provide MUSC Health clinical space. This is a twenty-year lease term at a total cost of \$33,818,572.

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

Item 15. MUSC Lease for Approval.

Ms. Barnes made a motion to approve the following lease:

- The lease renewal of 140 parking spaces at the corner of Line Street and Hagood Avenue in Charleston for MUSC students, staff, and employee parking. The total amount of this two-year lease term is \$460,404.

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

Item 16. MUHA Property Acquisition for Approval.

Ms. Terri Barnes made a motion to approve the resolution authorizing the MUSC President, the Chief Executive Officer of MUSC Health, and the Chief Financial Officer of MUSC Health to negotiate and execute a purchase and sale agreement for Roper real estate in downtown Charleston.

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

Item 17. Other Committee Business.

None.

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

Item 18. Item deferred.

Item 19. Item deferred.

Item 20. Item deferred.

Item 21. Approval of KPMG Fee for Agreed Upon Procedures for FY2023 - FY2026 for \$60,000 per year.

Tom Stephenson made a motion to approve KPMG's fee for Agreed Upon Procedures for FY2023 through FY2026 for \$60,000 per year.

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

Item 22. 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 23. Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 24. Approval of Consent Agenda.

Approval of the consent agenda was requested.

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

Item 25. Executive Session.

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: Personnel matters; and Negotiations of contracts related to the purchase of real property in Charleston, South Carolina, contracts related to the expansion of clinical services, and contracts related to the purchase of membership in an organization focused on providing data warehouse services among other products.

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

Item 26. New Business for the Board of Trustees.

None.

Item 27. Report from the Chairman.

None.

Item 28. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item)

Appointments, reappointments, and delineation of privileges for May, June and July 2024 were presented for approval.

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

Item 29. MUSC Health Unified RHN Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for May, June and July 2024 were presented for approval.

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

Item 30. Letter of Support for ACS Children’s Surgery Reverification(Consent item).

A letter of support for the American College of Surgeons (ACS) was presented for approval.

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

Item 31. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from April, May, and June 2024 were presented for information.

Board Action: Received as information.

Item 32. Contracts and Agreements (Consent item).

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

Board Action: Received as information.

Item 33. MUSC FY2025 Active Projects >\$250,000 (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

Item 34. 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
August 9, 2024

Item 8. MUSC Health Status Report.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, gave an update on Tropical Storm Debby recovery and reported that 88% of the cases canceled on August 6 and 7 have been rescheduled. Dr. Cawley also gave the year-end report on FY2024 organizational performance across the system and by each division and reported they finished the fiscal year with high performance across all goals and was the highest score since becoming CEO. The overall score for the MUSC Health system was 4.16; Charleston 4.02; Catawba 4.04; Midlands 3.68; PeeDee 3.87; and Orangeburg 3.42. Dr. Cawley then gave an overview of the organizational goals for FY2025.

Committee Action: Received as information.

Item 9. MUHA Consolidated Financial Report.

Dough Lischke, Chief Financial Officer, MUSC Health, presented the year-to-date financial results for the MUSC Health System. As of June 30, 2024, days cash on hand were 71 or \$1.0B; the operating margin was \$201M favorable to budget and the operating margin was 3.6%. The operating revenue was \$5.5B with \$.7B favorable due to HAWQ Medicaid, increased volumes, and retail/specialty pharmacy. The operating expenses were \$.5B unfavorable due to increased volumes, provider taxes, and supplies. Mr. Lischke reported that EBIDA which stands for “earnings before interest depreciation and amortization” (operating cash flow) was \$432,000,000 which is very strong. Mr. Lischke also reported that MUSC Physicians had a very solid June and ended the year breaking even which was a welcomed achievement.

Committee Action: Received as information.

Item 10. MUHA Consolidated FY2025 Budget for Approval.

Doug Lischke presented the FY2025 Budget for MUHA Consolidated for approval.

Committee Action: Recommend approval.

Item 11. Quality and Patient Safety Report.

Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, reported on Quality WINS, rankings, and scorecards. She updated the Board on several quality wins, including the recent American Hospital Association Quest for Quality award finalist; *US News and World Report* ranked MUSC the #1 hospital in South Carolina for the 10th year and #1 in the Charleston metro area, 2 nationally ranked specialties and 4 high performing specialties; and Vizient rankings. Dr. Scheurer also presented an update on quality scorecards at the system and division levels.

Committee Action: Received as information.

Item 12. Government Affairs Update.

Mark Sweatman, Vice President of Government Affairs, MUSC, gave an update to the board on the recent legislative session. Legislative highlights included S.241 (Act 187) which provides for the regulation of genetic counselors; S.314 (Act 214) which streamlines the approval process for major high education improvement projects; and S.969 (Act 217) which includes provisions for a clinical

preceptor income tax credit. Some Appropriations Act highlights specific to MUSC include \$9.5M recurring for tuition mitigation and mandate costs; \$22M recurring for the new College of Medicine building; and \$3.5M recurring for the SC Critical Need Physician Initiative. Mr. Sweatman also shared other funding received through SC DHHS that will help MUSC.

Committee Action: Received as information.

Item 13. Other Committee Business.

None.

Item 28. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for May, June, and July 2024 were presented for approval.

Committee Action: Recommend approval.

Item 29. MUSC Health Regional Health Network Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for May, June, and July 2024 were presented for approval.

Committee Action: Recommend approval.

Item 30. Letter of Support for ACS Children's Surgery Reverification (Consent item).

A Board of Trustees letter of support for the American College of Surgeons (ACS) Children's Surgery Reverification was presented for approval.

Committee Action: Recommend approval.

Item 31. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from April, May, and June 2024 were presented for information.

Committee Action: Received as information.

Item 32. Contracts and Agreements (Consent item).

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.

Jane Scutt

MUHA and MUSC Physical Facilities Committee Minutes
August 9, 2024

Item 14. MUHA Leases for Approval.

Jessica Paul, Chief Real Estate Officer, MUSC, presented the following leases for approval:

- Lease renewal of 9,000 square feet of space at 1001-B Michigan Avenue, North Charleston, for the MUSC Children’s Day Treatment Program. This is a two-year lease term at a total cost of \$216,000.
- New lease of 14,000 square feet located at 2080 Sam Rittenberg Boulevard in West Ashley to provide MUSC Health clinical space. This is a ten-year lease term at a total cost of \$12,576,647.
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Committee Action: Recommend approval.

Item 15. MUSC Lease for Approval.

Jessica Paul, Chief Real Estate Officer, presented the following leases for approval:

- Lease renewal of 140 parking spaces at the corner of Line Street and Hagood Avenue in Charleston for MUSC students, staff, and employee parking. The total amount of this two-year lease term is \$460,404.

Committee Action: Recommend approval.

Item 16. MUHA Property Acquisition for Approval.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, and Annette Drachman, General Counsel, MUSC, presented for approval the resolution authorizing the MUSC President, Chief Executive Officer of MUSC Health, and the Chief Financial Officer of MUSC Health to negotiate and execute a purchase and sale agreement for Roper real estate in downtown Charleston.

Committee Action: Recommend approval.

Item 17. Other Committee Business.

None.

Item 33. 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 34. 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
August 9, 2024**

Item 21. Approval of KPMG Fee for Agreed Upon Procedures for FY2023 - FY2026 for \$60,000 per year.

Tom Stephenson made a motion to approve KPMG's fee for Agreed Upon Procedures for FY2023 through FY202 for \$60,000 per year.

Committee Action: Recommend approval.

Item 22. 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 23. Other Committee Business.

None.

With no further business, the meeting was adjourned.

Respectfully submitted,

