

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES MEETING MINUTES
OCTOBER 11, 2024**

The MUHA Board of Trustees convened on October 11, 2024, with the following members present: Charles Schulze, Chair; Dr. Melvin Brown, Vice-Chair, Terri Barnes, Jim Battle; Dr. Fritz Butehorn; Dr. Guy Castles; Dr. Richard Christian; Dr. Paul Davis; 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 announced that “in compliance with FOIA, the notice of meetings and agendas were furnished to all news media and persons requesting notification.”

Chairman Schulze recognized Dr. Melvin Brown who spoke about Dr. Bernard Deas, the first African American male graduate of the College of Medicine, Class of 1971. Dr. Deas paved the way for future generations of medical professionals through his exemplary work as a medical oncologist. Dr. Deas touched countless lives throughout his career with his compassionate bedside manner and dedication to patient care. In 2006 MUSC established the annual Dr. Bernard W. Deas Jr. Diversity Award, further reflecting his legacy. This prestigious scholarship awarded to an entering medical student with academic merit and financial need continues until graduation. In honor of Dr. Deas’ legacy, Dr. Brown presented his sisters, Ms. Joan Marshall, and Ms. Mary Deas, with a bicentennial gift.

Board Action: Received as information.

Item 3. Date of Next Meeting.

Katherine Haltiwanger announced the date of the next meeting is December 13, 2024.

Item 4. Approval of Minutes.

Chairman Schulze called for a motion to approve the minutes of August 5, August 10, August 16, and August 27, 2024.

Board Action: Mr. Schulze 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. David Cole, MUSC President, called on Dr. Patrick Cawley, CEO, MUSC Health, who introduced Dr. Mark Scheurer, Chief Medical Officer of MUSC’s Shawn Jenkins Children’s Hospital and Pearl Tourville Women’s Pavilion, who gave a 4-year update on the hospital. He shared that over the last four years, the children’s hospital and women’s pavilion have

demonstrated better than the national average recovery in hospital volume since COVID in patient complexity, surgeries, and ED visits.

- Average inpatient growth of 5% per year over past 3 years
- Average of 3% inpatient and 11% outpatient surgical case growth over last 3 years
- Average of 4% delivery growth

In addition to this growth, the pediatric and women's health care teams have advanced several critical programs, including a pediatric burn unit in collaboration with Shriners' Children's, an additional level of care in our Advanced Fetal Care Center, and a measurable increase in patient complexity in our sub-specialty programs. Our national recognition continues with outstanding U.S. News & World Report rankings. On October 8 this year's rankings were publicly released on Oct. 8 and our Cardiology & Heart Surgery program was ranked #2 in the nation, Nephrology #24, Gastroenterology & GI Surgery #30, and Cancer #38.

These rankings amplify our brand nationally about raise awareness of the expert and compassionate care MUSC Children's Health provides South Carolina families and beyond.

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. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Dr. Murrell Smith for Chair.

Board Action: Chairman Schulze made a motion to reelect Dr. Murrell Smith as Chair; the motion was second, voted on, and unanimously carried.

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 Hurricane Helene; IV fluid shortage; MUSC Health Kiawah Partners Pavilion, and FY25 goal performance.

Board Action: Received as information.

Item 8.1. Membership Substitution in an Information Technology Exchange Organization for Approval.

Dr. Smith made a motion to approve MUHA's request for a membership substitution in an information technology exchange organization.

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

Item 9. MUHA Consolidated Financial Report.

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

Board Action: Received as information.

Item 10. Capital Reprioritization Request.

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

- Charleston Transitional Care Unit (TCU) Renovation for Mental Health - \$200,000
- Charleston GME Renovations to ART 2402 + ART 5002 - \$290,779
- Pee Dee Neurosurgery Microscope - \$ 500,000
- Midlands Women's Imaging Service - \$1,170,000
- Midlands Tablo Dialysis Machines - \$601,000

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

Item 11. Resolutions for Approval (Next Hospital Project).

Dr. Smith made a motion to approve the following resolutions:

1) A resolution authorizing the filing of an abbreviated FHA application (including the payment of any required associated fees) and the filing of pre-commitment work prior to the approval of the U.S. Department of Housing and Urban Development Section 241 mortgage insurance to secure the financing of the Nexton Hospital Project in Berkeley County; and,

2) A resolution expressing MUHA's intent to be reimbursed with proceeds of tax-exempt obligations for certain costs associated with the Nexton Hospital Project and other matters thereto.

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

Item 12. Resolutions for Approval (Indian Land Hospital Project).

Dr. Smith made a motion to approve the following resolutions:

1) A resolution authorizing the filing of an abbreviated FHA application (including the payment of any required associated fees) and the filing of pre-commitment work prior to the approval of the U.S. Department of Housing and Urban Development Section 241 mortgage insurance to secure the financing of the Nexton Hospital Project in Berkeley County; and,

2) A resolution expressing MUHA's intent to be reimbursed with proceeds of tax-exempt obligations for certain costs associated with the Nexton Hospital Project and other matters thereto.

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

Item 13. Quality and Patient Safety Report.

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

Board Action: Received as information.

Item 14. MUSC Governmental Affairs Report.

Dr. Smith reported that Mark Sweatman, Vice President for Government Affairs, gave an update on legislative activities.

Board Action: Received as information.

Item 15. Item removed.

Item 16. Other Committee Business.

None.

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

Item 17. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Terri Barnes for Chair.

Board Action: Chairman Schulze made a motion to reelect Terri Barnes as Chair; the motion was second, voted on, and unanimously carried.

Item 18. MUHA Leases for Approval.

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

- Lease renewal of 17,124 square feet located at 148 Sauls Street, Lake City, for the Primary Care Clinic, MUSC Imaging Center, and the Rural Health Clinic. The total amount of the five-year lease term is \$2,187,873.
- Lease renewal of 11,288 square feet located at 517 Doctors Court, Chester, for the MUSC Lowry's Primary Care Clinic. The total amount of this five-year lease term is \$704,918.
- A new lease of 13,000 square feet located at 3800 Ingleside Boulevard in Ladson to provide MUSC Health clinical space. The total amount of this ten-year lease term is not to exceed \$10.9 million.

- A new lease of 13,000 square feet located at 3460 W. Palmetto Street in Florence to provide MUSC Health clinical space. The total amount of this ten-year lease term is not to exceed \$10.8 million.

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

Item 19. MUSC Lease for Approval.

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

- A new lease of 6,670 square feet of space located at 1594 Freedom Boulevard, Florence, to continue to provide space for the College of Dental Medicine, GPR Program. The total amount of this 5-year lease is \$748,173.

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

Item 20. MUHA Easements for Approval.

Ms. Barnes made a motion to approve an easement expansion located at 33 Bee Street and a new easement at 121 East Cedar Street, Florence.

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

Item 21. MUHA Project Budget Adjustment for Approval.

Ms. Barnes made a motion to approve the budget adjustment of \$200,000 for the University Hospital TCU conversion to Med/Psych.

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

Item 22. MUHA Project for Approval.

Ms. Barnes made a motion to approve the Columbia Downtown ED Expansion project for a total cost of \$30 million.

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

Item 23. MUHA Civil Engineering IDQ Selections for Approval.

Ms. Barnes made a motion to approve the firms selected for MUHA Civil Engineering Indefinite Quantity Contracts.

Board Action: The motion made by Ms. Barnes 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. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Tom Stephenson for Chair.

Board Action: Chairman Schulze made a motion to reelect Tom Stephenson as Chair; the motion was second, voted on, and unanimously carried.

Item 26. Enterprise Risk Management Update.

Tom Stephenson reported that Reece Humphreys, Director of Strategic Risk Management, gave an update on MUSC's Enterprise Risk Management process.

Board Action: Received as information.

Item 27. Information Security Update.

Tom Stephenson reported that Aaron Heath, Chief Information Security Officer, gave a FY24 Q3-Q4 and FY25 Q1 Information Security Update.

Board Action: Received as information.

Item 28. Board Education Update.

Tom Stephenson reported that Annette Drachman, General Counsel, gave an update on Risk, Insurance, and Claims.

Board Action: Received as information.

Item 29. 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 30. Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 31. 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, his motion was seconded, voted on, and unanimously carried.

Item 32. 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; Negotiations of contracts related to: institutional advancement services; bicentennial gala; expansion of clinical services; the purchase of real property in the Pee Dee market; membership substitution in an information technology exchange organization; managed care contracts; commencement speaker; and Rebranding services; strategic initiatives surrounding cancer, pathology, and radiology services; and, receipt of legal advice related to pending lawsuits and other matters covered under the attorney/client privilege.

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 33. New Business for the Board of Trustees.

None.

Item 34. Report from the Chairman.

None.

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

Item 35. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item).

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

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

Item 36. MUSC Health Unified RHN Appointments, Reappointments, and Delineation of Privileges (Consent item).

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

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

Item 37. Revised MUSC Health Charleston Division Medical Staff Bylaws (Consent item).

Revisions to the MUSC Health Charleston Division 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 38. MUSC Health Charleston Division MEC Minutes (Consent item).

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

Board Action: Received as information.

Item 39. Contracts and Agreements (Consent item).

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

Board Action: Received as 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
October 10, 2024

Item 7. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Dr. Murrell Smith for Chair.

Committee Action: Mr. Schulze made a motion to reelect Dr. Smith as Chair; the motion was second, voted on, and unanimously carried.

Item 8. MUSC Health Status Report.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, gave an update on Hurricane Helene; IV fluid shortage; MUSC Health Kiawah Partners Pavilion, and FY25 goal performance. He reported that the response to the storm demonstrated exceptional collaboration and integration across the health system. MUSC Health facilities remained fully operational and offered free telehealth resources for those impacted. The MUSC Health Sumter helicopter delivered 546 pounds of goods to the Asheville Fire Department. Regarding the IV fluid shortage, Dr. Cawley reported they are connecting with affiliates and other SC hospitals and have also working with manufacturers in SC to help resolve the IV fluid shortage and do not anticipate having to postpone elective surgeries or procedures. Construction of The MUSC Health Kiawah Partners Pavilion started September 18, 2024, and anticipate the construction being complete by December 2025, with go-live to see patients in January 2026. Dr. Cawley also gave a status update on FY25 organizational performance across the system and by each division.

Committee Action: Received as information.

Item 8.1 Membership Substitution in an Information Technology Exchange Organization.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, presented for approval MUHA's request for a membership substitution in an information technology exchange organization.

Committee Action: Recommend approval.

Item 9. MUHA Consolidated Financial Report.

Doug Lischke, MUSC Health's Chief Financial Officer, presented the year-to-date financial results for the MUSC Health System. As of August 31, 2024, days cash on hand were 69 days; this variance to budget is due to the timing of when Medicaid MCO revenues are received. Overall operating performance was strong with EBIDA (or Earnings before Interest, Depreciation, and Amortization) and operating margin favorable to budget. This was in large part driven by surgical volumes and case mix. Mr. Lischke then reviewed the Charleston Network and the Regional Health Network (RHN) System impacts, both beginning the fiscal year well, favorable to budget. The presentation reflects the complex care that is driven to Charleston hospitals from other markets. This presentation also allocates the impact of the physician practice plans, MUSCP (MUSC Faculty Physicians) and MCP (MUSC Community Physicians), to the hospitals where these doctors serve. This better reflects how an integrated health system performs. The Charleston Network's system impact is \$100.8M EBIDA year-to-date, which Mr. Lischke shared is very strong and favorable to budget. The Regional Health Network's system impact is also strong at \$15.2M and favorable to budget. Mr. Lischke presented

further detail of the community hospitals by component unit and noted no concerns year-to-date with each market having a positive system EBIDA impact.

Committee Action: Received as information.

Item 10. Capital Reprioritization Request.

Doug Lischke presented the following capital reprioritization requests for approval.

Charleston Transitional Care Unit (TCU) Renovation for Mental Health - \$200,000
Charleston GME Renovations to ART 2402 + ART 5002 - \$290,779
Pee Dee Neurosurgery Microscope - \$ 500,000
Midlands Women's Imaging Service - \$1,170,000
Midlands Tablo Dialysis Machines - \$601,000

Committee Action: Recommend approval.

Item 11. Resolutions for Approval (Next Hospital Project).

Doug Lischke presented the following resolutions for approval:

- 1) A resolution authorizing the filing of an abbreviated FHA application (including the payment of any required associated fees) and the filing of pre-commitment work prior to the approval of the U.S. Department of Housing and Urban Development Section 241 mortgage insurance to secure the financing of the Nexton Hospital Project in Berkeley County; and,
- 2) A resolution expressing MUHA's intent to be reimbursed with proceeds of tax-exempt obligations for certain costs associated with the Nexton Hospital Project and other matters thereto.

Committee Action: Recommend approval.

Item 12. Resolutions for Approval (Indian Land Hospital Project).

Doug Lischke presented the following resolutions for approval:

- 1) A resolution authorizing the filing of an abbreviated FHA application (including the payment of any required associated fees) and the filing of pre-commitment work prior to the approval of the U.S. Department of Housing and Urban Development Section 241 mortgage insurance to secure the financing of the Nexton Hospital Project in Berkeley County; and,
- 2) A resolution expressing MUHA's intent to be reimbursed with proceeds of tax-exempt obligations for certain costs associated with the Nexton Hospital Project and other matters thereto.

Committee Action: Recommend approval.

Item 13. Quality and Patient Safety Report.

Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, reported on Quality WINS, the IV fluid shortage update; rankings, and scorecards. Quality WINS include MUSC being named by *US News and World Report* as the Top Children's Hospital in South Carolina for ten years running; nationally

ranked #2 in Cardiology and Cardiac Surgery; #24 Nephrology; #30 GI/GI Surgery; and #38 Cancer. Lancaster and Florence recently had successful surveys by DNV, an accreditation agency alternative to The Joint Commission. The annual “Blessing of the Dogs” event was held recently for 101 dogs and owners across the system. Dr. Scheurer gave an update on the IV fluid shortage and reported immediate plans were put in place to safety shift to alternative products after the Baxter plant was disabled from Hurricane Helene. Dr. Scheurer also reported on quality scorecards and rankings at the system and division levels.

Committee Action: Received as information.

Item 14. Government Affairs Update.

Mark Sweatman, Vice President for Government Affairs, MUSC, gave an update to the board on MUSC’s 2025-2026 budget requests for the next legislative session. Mr. Sweatman also reported that MUSC secured 7 million dollars from the state this past year to help support first-generation college students in their quest to become a medical professional.

Committee Action: Received as information.

Item 15. Item removed.

Item 16. Other Committee Business.

None.

Item 35. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item).

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

Committee Action: Recommend approval.

Item 36. MUSC Health Regional Health Network Appointments, Reappointments, and Delineation of Privileges (Consent item).

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

Committee Action: Recommend approval.

Item 37. Revised MUSC Health Charleston Division Medical Staff Bylaws (Consent item).

Revisions to the MUSC Health Charleston Division Medical Staff Bylaws were presented for approval.

Committee Action: Recommend approval.

Item 38. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from July and August 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.

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

Jane Scutt

MUHA and MUSC Physical Facilities Committee Minutes
October 10, 2024

Item 17. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Terri Barnes for Chair.

Committee Action: Mr. Schulze made a motion to reelect Terri Barnes as Chair; the motion was second, voted on, and unanimously carried.

Item 18. MUHA Leases for Approval.

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

- Lease renewal of 17,124 square feet located at 148 Sauls Street, Lake City, for Primary Care Clinic, MUSC Imaging Center, and the Rural Health Clinic. The total amount of the five-year lease term is \$2,187,873.
- Lease renewal of 11,288 square feet located at 517 Doctors Court, Chester, for the MUSC Lowry's Primary Care Clinic. The total amount of this five-year lease term is \$704,918.
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- A new lease of 13,000 square feet located at 3460 W. Palmetto Street in Florence to provide MUSC Health clinical space. The total amount of this ten-year lease term is not to exceed \$10.8 million.

Committee Action: Recommend approval.

Item 19. MUSC Lease for Approval.

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

- A new lease of 6,670 square feet of space located at 1594 Freedom Boulevard, Florence, to continue to provide space for the College of Dental Medicine, GPR Program. The total amount of this 5-year lease is \$748,173.

Committee Action: Recommend approval.

Item 20. MUHA Easements for Approval.

Jessica Paul, Chief Real Estate Officer, presented for approval an easement expansion located at 33 Bee Street and a new easement at 121 East Cedar Street, Florence.

Committee Action: Recommend approval.

Item 21. MUHA Project Budget Adjustment for Approval.

Gopi Omraju, Senior Program Director, EPMO, presented for approval, a budget adjustment of \$200,000 for the University Hospital TCU conversion to Med/Psych.

Committee Action: Recommend approval.

Item 22. MUHA Project for Approval.

Gopi Omraju, Senior Program Director, EPMO, presented for approval, the Columbia Downtown ED Expansion project for a total cost of \$30 million.

Committee Action: Recommend approval.

Item 23. MUHA Civil Engineering IDQ Selections for Approval.

Gopi Omraju, Senior Program Director, EPMO, presented for approval, the firms selected for MUHA Civil Engineering Indefinity Quantity Contracts.

Committee Action: Recommend approval.

Item 24. Other Committee Business.

None.

Item 40. 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 41. 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
October 10, 2024

Item 25. Election of Committee Chair.

Dr. Melvin Brown, Vice Chair, nominated Tom Stephenson for Chair.

Committee Action: Mr. Schulze motioned to reelect Tom Stephenson as Chair; the motion was second, voted on, and unanimously carried.

Item 26. Enterprise Risk Management Update.

Reece Humphreys, Director of Strategic Risk Management, provided a synopsis of MUSC's Enterprise Risk Management (ERM) process, which strives to identify, analyze, track, and report high-level risks that could prevent the enterprise from achieving its mission. If they materialize, these risks can lead to financial, physical, reputational, and/or legal/regulatory harm. The ERM process includes collaborating with key stakeholders and working closely with departments that evaluate risk exposure including Internal Audit, Compliance, Office of General Council, Cybersecurity, and Quality. A multidisciplinary Enterprise Strategic Risk Workshop is convened to identify and score risks based on the likelihood and impact of an occurrence. Risks that rise to the tier-one category are assigned owners who document and track the success of mitigation strategies. Ms. Humphreys reviewed three primary risk drivers: people, operations, and technology, and commented that as technology becomes more ubiquitous, its role as a risk driver intensifies. Ms. Humphreys reviewed tier-one industry risks, discussing the drivers of each. MUSC uses risk information provided by the ERM process in both operational and budgetary decision-making. The ERM office promotes risk awareness and mitigation, not only at the enterprise level, but also at the college, departmental, and project levels with the goal of promoting a risk mindset in all activities.

Committee Action: Received as information.

Item 27. Information Security Update.

Aaron Health, JD, CISSP, Enterprise Chief Information Security Officer gave an update on Information Security at MUSC. He reviewed several wins for the department, including the migration to a new advanced anti-virus, incident response, monitoring tool, and enrollment in a new grant program through CISA for Protective DNS (network security). He also showed metrics on how an enhancement to MUSC's "Report Phishing Button" has been greatly successful in improving users' reporting of phishing emails. He then discussed the current threat landscape, discussing how Ransomware continues to be a major concern for the Healthcare industry. A question was asked about what percentage of organizations typically pay ransoms. Aaron said that it is hard to get accurate information on this, but rough estimates are around 50%. Other areas that the team is monitoring include Artificial Intelligence, increased phishing, vishing, and SMS-phishing attacks, as well as third-party risk.

Following this, he showed the Information Security Office's FY24 and FY25 cyber initiatives and how they are being driven by the current threat landscape. Finally, he reviewed MUSC's cybersecurity maturity advancement under the NIST Cybersecurity Framework over the past year. In the aggregate, MUSC scored 3.20, exceeding its goal of 3.15 for FY24. A question was asked about how much MUSC spends on Information Security. Aaron said he would need to go back to confirm and ensure that it was encompassing all types of expenditures but estimated around \$7.5M/yr.

Committee Action: Received as information.

Item 28. Board Education Update.

Annette Drachman, General Counsel, gave an overview of board composition, governance practices, liability protections, independence standards, and risk management programs for the Medical University of South Carolina (MUSC) and its affiliates. She outlined MUSC's governance practices, ethical standards, and robust risk management frameworks to ensure that board members can exercise their roles effectively while safeguarding the organization from potential liabilities. The extensive insurance and risk management programs reflect MUSC's commitment to proactive governance and organizational resilience.

- Board Composition and Structure: The size and membership of the board are set by state law, with the adequacy of its structure determined by members. The board size facilitates active engagement and meaningful discussion on issues, ensuring an effective distribution of skills and expertise among members.
- Liability Protections: Governmental board members are protected from liabilities through insurance coverage and state law provisions, minimizing the personal risk associated with board service.
- Board Member Independence: Board members are required to be free from conflicts of interest, with no material relationships that could compromise their independence. Relevant laws, including South Carolina's State Ethics Law (SC Code Ann. § 8-13-735) and MUSC's Conflict of Interest policies, prevent board members from using their positions for personal or associated economic gain. Members must recuse themselves in situations where conflicts of interest are perceived.
- Risk Management Programs:
 - Enterprise Risk Management (ERM): Responsible for identifying, evaluating, and monitoring high-level risks to MUSC.
 - Insurance Services: Manages a comprehensive insurance portfolio, covering claims management for property, casualty, medical malpractice, and workers' compensation, among others.
 - University Risk Management: Ensures safety and compliance with health, environmental, and safety regulations, including areas like construction, fire, and workplace safety.
 - Insurance Services Portfolio: The insurance portfolio includes over 90 policies covering various risks across MUSC, MUSC Health, and affiliates. These policies address risks related to directors and officers (D&O), cyber liability, employment practices, general liability, property, workers' compensation, and more.

Ms. Drachman also reported that as of July 15, 2024, there are currently 139 medical and 94 nonmedical malpractice claims open across MUHA, MUSC, and MCP.

Committee Action: Received as information.

Item 29. 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 30. Other Committee Business.

None.

With no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jane L. Scott".