

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES MEETING MINUTES
APRIL 12, 2024**

The MUHA Board of Trustees convened on April 12, 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. Guy Castles; 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; Kate Azizi; Dr. Patrick Cawley; Annette Drachman; Dr. Lori McMahon; Dr. Lisa Saladin; and Dr. Terry Steyer.

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 May 17, 2024.

Item 4. Approval of Minutes.

Chairman Lemon called for a motion to approve the minutes of February 9, 2024.

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

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

Item 5. General Informational Report of the President.

Dr. David Cole called on Dr. Patrick Cawley who introduced Dr. Prabhakar Baliga, Professor, and Chair of the Department of Surgery. Dr. Baliga gave a presentation focused on the history of MUSC transplant program and understanding the current status and future trends in transplant. The first kidney transplant at MUSC was performed in 1968 by Dr. Thomas Fitts. Dr. Baliga discussed how the discovery of Cyclosporin was a game-changer for kidney transplants which opened the door for extra renal organs including heart, liver, pancreas lung, and small intestine transplants. Data shows that 48.14% of patients on the waiting list at MUSC receive a kidney transplant compared to the national average of 34.34% and for liver patients, it is 71.05% compared to 52.05%. Scientific trends in transplant include genetically modified animals such as pigs to human hearts and kidneys. Dr. Baliga concluded his presentation by stating MUSC has a great opportunity to develop the program to the next level aligning with the national goal of Modernization, increasing access and number of transplants combined with the strong clinical programs we need to continue to lead in AI, Digital Transformation and Organ Preservation.

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, introduced new members of the health system leadership team, and gave an update on FY2024 organizational goal performance.

Board Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Dr. Smith reported that Dr. Cawley, CEO, MUSC Health, reported on MUHA Consolidated's financial performance through February 29, 2024.

Board Action: Received as information.

Item 9. Capital Purchase for Approval.

Dr. Smith made a motion to approve the following capital expenditure requests totaling \$62,057,450.

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

Item 10. Authorizing Resolutions for Approval.

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

- Resolution requesting approval of up to \$395 M of principal (financed at up to 9% interest rate) for the 70-bed Nexton Medical Center and 30K square foot Cancer MOB project in Berkeley County, South Carolina, and to obtain commitment through the HUD 241 Mortgage Insurance Program for the financing and to petition the State Financial Accountability Authority for this project.
- Resolution requesting approval of up to \$310 M of principal (financed at up to 9% interest rate) for the 50-bed Indian Land Medical Center and 60K square foot MOB project in Lancaster County, South Carolina, and to obtain commitment through the HUD 241 Mortgage Insurance Program for the financing and to petition the State Financial Accountability Authority for this project.

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. MUSC Physicians Update.

Dr. Smith made a motion to approve MUSC's Physicians request to purchase property in Moncks Corner that MUSC-P Pediatric Primary Care currently leases for \$925,000.

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

Item 14. Other Committee Business.

None.

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

Item 15. MUHA Leases for Approval.

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

- The lease renewal of 16,070 square feet of clinical space at 2575 Elms Center, Suites 100, 101, and 200, North Charleston, for MUSC Infusion, Physical Therapy, Pharmacy, and a future compounding pharmacy. The ten-year lease term, including OPEX, is \$7,458,75.
- A new lease of 6,178 square feet of clinical space at 2575 Elms Center, Suite 203, North Charleston for MUSC Oncology. The ten-year lease term, including OPEX, is \$3,249,321.
- A new lease of 54,000 square feet of clinical space in a to-be-built medical office building in Bluffton, South Carolina, for MUSC Community Physicians clinical needs. The fifteen-year lease term, excluding OPEX, is \$36,457.
- A lease renewal of 7,720 square feet of clinical space at 1180 Hospital Drive, 1st floor, Charleston, for Hollings Cancer Center and a new lease of 5,871, square feet of clinical space for Oncology and Compounding Pharmacy for a total of 13,591 square feet. The fifteen-year lease term, excluding OPEX, is \$7,102,880.

- A new lease of 2,200 square feet of clinical space at 679 Orangeburg Road, Suite D, Summerville for Physical Therapy and related services. The five-year lease term, including OPEX, is \$221,436.

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

Item 16. MUSC Leases for Approval.

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

- A new lease of 4,013 square feet of office space on the first floor of 22 West Edge Street, for the College of Health Professions, Doctorate Physical Therapy, and Occupational Therapy Doctorate programs. The eleven-year lease term, including OPEX, is \$2,144,680.
- A new lease of 21,750 square feet of space on the sixth floor of 22 West Edge Street, for the College of Health Professions, Doctorate Physical Therapy, and Occupational Therapy Doctorate programs. The eleven-year lease term is \$9,900,435.

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

Item 17. MUHA Property Acquisition for Approval.

Ms. Barnes made a motion to approve MUHA's request to purchase the property located at 261 Calhoun Street for an amount not to exceed fair market value.

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

Item 18. MUHA and MUSC Property Easements for Approval.

Ms. Barnes made a motion to approve three property easements related to 81 Gadsden Street, and 86 Jonathan Lucas Street, for the Calhoun Street Storm Water Improvement Project and, 7771 Commerce Parkway for the Charleston Water System.

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

Item 19. MUSC Project Budget Adjustment Approval.

Ms. Barnes made a motion to approve the budget adjustment of \$9,933,000, for the College of Health Professions President Street Academic Building to support the establishment of the RENEW CENTER.

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

Item 20. Other Committee Business.

None.

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

Item 21. KPMG FY2024 External Audit Conference.

Mr. Stephenson reported that Alison Upton, Andy Finley, and Steve Ready presented the FY2024 external audit plan for the MUSC enterprise.

Board Action: Received as information.

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. Enterprise Compliance Report.

Mr. Stephenson reported that the enterprise compliance report was provided to board members.

Committee Action: Received as information.

Item 24. Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 25. 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 26. 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 clinical and educational services, as well as other strategic initiatives.

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 27. New Business for the Board of Trustees.

None.

Item 28. Report from the Chairman.

None.

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

Appointments, reappointments, and delineation of privileges for February and March 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. MUSC Health Unified RHN Appointments, Reappointments, and Delineation of Privileges (Consent item).

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

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

Item 31. Health Disparity Grids for Approval (Consent item).

Health Disparity Grids for MUSC Health Charleston, MUSC Health Midlands, and MUSC Health Pee Dee divisions were presented for approval.

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

Item 32. Letter of Support for Trauma Reverification

A Board of Trustees letter of support for the American College of Surgeons (ACS) triennial re-verification of MUSC's Level 1 Trauma Program was presented for approval.

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

Item 33. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from January and February 2024 were presented for information.

Board Action: Received as information.

Item 34. Contracts and Agreements (Consent item).

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

Board Action: Received as information.

Item 35. MUSC FY2024 Active Projects >\$250,000 (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

Item 36. MUSC Facilities Contracts Awarded (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

Item 37. Identity Theft Policy (Consent Item).

The Identity Theft Policy was 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
April 11, 2024**

Item 7. MUSC Health Status Report.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, introduced two new members of the MUSC Health Leadership team, Dr. Saj Joy, the new CEO of MUSC Health Charleston, and Doug Lishke, the new CFO for MUSC Health. Dr. Cawley reminded the board of the goals and how they are measured and gave an update on the FY24 goal performance across the system and by each division. Dr. Cawley reported that the year-to-date overall organizational score for the health system is 3.97 which is the highest he has seen since becoming CEO.

Committee Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Dr. Patrick Cawley presented the year-to-date financial results for MUHA Consolidated. As of February 29, 2024, days cash on hand were 56; debt service coverage adjusted for pension and OPEB was 4.21; total margin adjusted for pension and OPEB was \$211.2 million or 6.9% with \$160.6 million favorable to a fixed budget. Dr. Cawley stated that overall, MUHA is above budget through February and Medicaid/HAWQ funding has improved the cash position.

Committee Action: Received as information.

Item 9. Capital Funding Requests for Approval.

Dr. Patrick Cawley presented for approval the following capital expenditures totaling \$62,057,450.

- MUSC Health Charleston: \$24,343,000
- MUSC Health Orangeburg: \$13,600,000
- MUSC Health Pee Dee: \$ 2,450,000
- MUSC Health Midlands: \$ 5,535,000
- MUSC Health System: \$16,129,450

Committee Action: Recommend approval.

Item 10. Authorizing Resolutions for Approval.

Dr. Patrick Cawley presented the following resolutions for approval:

- Resolution requesting approval of up to \$ 395 M of principal (financed at up to 9% interest rate) for the 70-bed Nexton Medical Center and 30K square foot Cancer MOB project in Berkeley County, South Carolina, and to obtain commitment through the HUD 241 Mortgage Insurance Program for the financing and to petition the State Financial Accountability Authority for this project.
- Resolution request for approval of up to \$ 310 M of principal (financed at up to 9% interest rate) for the 50-bed Indian Land Medical Center and 60K square foot MOB project in Lancaster County, South Carolina, and to obtain commitment through the

HUD 241 Mortgage Insurance Program for the financing and to petition the State Financial Accountability Authority for this project.

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. The Quality WIN shared that the Culture of Safety Annual Score for the health system increased in all four dimensions from 2023 to 2024. Dr. Scheurer then reviewed the nursing home rankings and quality scorecards across the system and by each of the divisions.

Committee Action: Received as information.

Item 12. Legislative Update.

Mark Sweatman, Chief of Governmental Affairs, MUSC, reported that the Senate Finance Committee finished its version of the state budget this Wednesday. MUSC highlights include recurring dollars for tuition mitigation \$9.5M; Healthcare Workforce of the Future \$5M; Rural Behavioral Health \$1.5M, and Critical Need Physician Initiative \$3.5M. Non-recurring dollars include the new College of Medicine Building \$22M; Dental Workforce \$6M; Rena Grant Sickle Cell Center \$2M; and, the SC Children's Hospital Collaborative Infrastructure \$10M. Also included in the Senate version of the budget were provider rate increases for behavioral health and GME statewide dollars for new slots. The budget bill will now go to the full Senate for approval.

Committee Action: Received as information.

Item 13. MUSC Physicians Update.

Dr. Hong presented for approval the request to purchase property in Moncks Corner that MUSC-P Pediatric Primary Care currently leases for \$925,000.

Committee Action: Recommend approval.

Item 14. Other Committee Business.

None.

Consent Agenda for Approval

Item 29. MUSC Health Charleston Appointments, Reappointments, and Delineation of Privileges.

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

Committee Action: Recommend approval.

Item 30. MUSC Health RHN Appointments, Reappointments, and Delineation of Privileges.

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

Committee Action: Recommend approval.

Item 31. Health Disparity Grids for Approval

Health Disparity Grids for MUSC Health Charleston, MUSC Health Midlands, and MUSC Health Pee Dee divisions were presented for approval.

Committee Action: Recommend approval.

Item 32. Letter of Support for Trauma Reverification

A Board of Trustees letter of support for the American College of Surgeons (ACS) triennial reverification of MUSC's Level 1 Trauma Program was presented for approval.

Committee Action: Recommend approval.

Consent Agenda for Information

Item 33. MUSC Health Charleston Division MEC Minutes.

MEC minutes from January and February 2024 were presented for information.

Committee Action: Received as information.

Item 34. Contracts and Agreements.

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
April 11, 2024

Item 15. MUHA Leases for Approval.

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

- The lease renewal of 16,070 square feet of clinical space at 2575 Elms Center, Suites 100, 101, and 200, North Charleston, for MUSC Infusion, Physical Therapy, Pharmacy, and a future compounding pharmacy. The ten-year lease term, including OPEX, is \$7,458,75.
- A new lease of 6,178 square feet of clinical space at 2575 Elms Center, Suite 203, North Charleston for MUSC Oncology. The ten-year lease term, including OPEX, is \$3,249,321.
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- A new lease of 2,200 square feet of clinical space at 679 Orangeburg Road, Suite D, Summerville for Physical Therapy and related services. The five-year lease term, including OPEX, is \$221,436.

Committee Action: Recommend approval.

Item 16. MUSC Leases for Approval.

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

- A new lease of 4,013 square feet of office space on the first floor of 22 West Edge Street, for the College of Health Professions, Doctorate Physical Therapy, and Occupational Therapy Doctorate programs. The eleven-year lease term, including OPEX, is \$2,144,680.
- A new lease of 21,750 square feet of space on the sixth floor of 22 West Edge Street, for the College of Health Professions, Doctorate Physical Therapy, and Occupational Therapy Doctorate programs. The eleven-year lease term is \$9,900,435.

Committee Action: Recommend approval.

Item 17. MUHA Property Acquisition for Approval.

Jessica Paul, Chief Real Estate Officer, presented for approval the request to purchase the property located at 261 Calhoun Street for an amount not to exceed fair market value.

Committee Action: Recommend approval.

Item 18. MUHA and MUSC Property Easements for Approval.

Jessica Paul presented three easements for approval, 81 Gadsden Street, and 86 Jonathan Lucas Street, for the Calhoun Street Storm Water Improvement Project and, 7771 Commerce Parkway for the Charleston Water System.

Committee Action: Recommend approval.

Item 19. MUSC Project Budget Adjustment Approval

David Attard presented for approval a budget adjustment of \$9,933,000, for the College of Health Professions President Street Academic Building to support the establishment of the RENEW CENTER.

Committee Action: Recommend approval.

Item 20. Other Committee Business.

None.

Item 35. MUSC FY2024 Active Projects >\$250,000 (Consent Item).

MUSC FY2024 Active Projects greater than \$250,000, were presented for information.

Committee Action: Received as information.

Item 36. 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.

A handwritten signature in cursive script that reads "Jane Scutt".

MUHA and MUSC Audit, Compliance, and Risk Committee Minutes
April 11, 2024

Item 21. KPMG FY2024 External Audit Conference.

Alison Upton, Andy Finley, and Steve Reader of KPMG presented the FY 2024 external audit plan and strategy for the MUSC enterprise. The team reviewed the key themes of their presentation to the board and gave an overview of the client service team. The audit scope was reviewed in addition to the single audit overview which is required by federal regulation and focused on compliance and internal control over compliance for programs that are federally funded. The audit plan required communications and other matters were discussed including materiality in the context of the audit, timeline, risk assessment of significant risks and the identification of any additional risks, expanding the use of audit technology, the involvement of others, new accounting standards, shared responsibilities such as independence, and inquiries.

Committee Action: Received as information.

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. Enterprise Compliance Report.

Mr. Stephenson reported that all board members received a copy of the Enterprise Compliance Update. Mr. Stephenson also commented that the Office of the Inspector General recommends that the board receives compliance education annually and this will be done at a future meeting.

Committee Action: Received as information.

Item 24. Other Committee Business.

None.

Consent Agenda for Information

Item 37. Policy E-LEG-001: Identity Theft.

Policy E-LEG-001: Identity Theft was presented for information.

Committee Action: Received as information.

With no further business, the meeting was adjourned.

Respectfully submitted,

