

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
October 9, 2015

The Board of Trustees of the Medical University Hospital Authority convened Friday, October 9, 2015, with the following members present: *Dr. Donald R. Johnson II, Chairman; Mr. William H. Bingham, Sr., Vice-Chairman; Dr. Stanley C. Baker, Jr.; Mr. William A. Baker, Jr.; Ms. Terri R. Barnes; The Honorable James A. Battle; Dr. Harold W. Jablon; Dr. James Lemon; Ms. Barbara Johnson-Williams; Dr. Ragin C. Monteith; Dr. E. Conyers O'Bryan, Jr.; Mr. Charles W. Schulze; Dr. G. Murrell Smith, Sr.; Thomas L. Stephenson, Esquire; Dr. Charles B. Thomas, Jr.; Absent: Mr. Michael E. Stavrinakis.*

The following administrative officials were present: Dr. David Cole, President; Dr. Mark Sothmann, Provost; Dr. Bruce Elliott, Interim Vice President for Medical Affairs, Dr. Deborah Deas, Interim Dean, College of Medicine; Ms. Lisa Montgomery, Executive Vice President for Finance and Operations; Dr. Pat Cawley, Vice President for Clinical Operations and Executive Director, MUHA; Mr. Jim Fisher, Vice President for Development.

Item 1. Call to Order-Roll Call.

There being a quorum present, Chairman Johnson called the meeting to order at 8:00 a.m. Ms. Celeste Jordan called the roll. She announced the following: *In compliance with the Freedom of Information Act, notice of meetings and agendas were furnished to all news media and persons requesting notification.*

Item 2. Secretary to Report Date of Next Meeting.

The date of the next regularly scheduled meeting is Friday, December 11, 2015.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of August 14, 2015.

Board Action: It was moved that the Minutes be approved. The motion was seconded, voted on and unanimously carried.

Dr. Johnson presented to Celeste Jordan, upon her retirement, a resolution of appreciation for her contributions during her tenure at MUSC. The board unanimously adopted the resolution.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. General Informational Report of the Interim President.

Dr. Cole called on Dr. Don Rockey who introduced Dr. Edward Jauch to talk about the development of Emergency Medicine at MUSC. Dr. Jauch reviewed the successes and opportunities of the program at MUSC.

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

Board Action: Received as information.

Item 5. Other Business. None.

OPERATIONS, QUALITY AND FINANCE COMMITTEE. CHAIRMAN: DR. STANLEY C. BAKER, JR. (Detailed committee minutes are attached to these minutes).

OLD BUSINESS: None.

NEW BUSINESS:

Item 6. MUSC Medical Center Status Report.

Statement: Dr. Baker said Dr. Crawley had provided a report to committee and included in the report was an update on potential savings of the Initiator hospital collaborative.

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

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

Board Action: Received as information.

Item 7. MUSC Medical Center Financial and Statistical Report.

Statement: Dr. Baker said Mr. Hargett had provided a report to committee and stated that the FY15 Audit has been completed and there are no significant findings

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

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

Board Action: Received as information.

Item 8. Report on Quality and Patient Safety.

Statement: Dr. Baker said the committee received a report from Dr. Scheurer and she reported there are no significant findings and we continue to do well.

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

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

Board Action: Received as information.

Item 9. Update on MUSC Physicians.

Statement: Dr. Baker stated Dr. Rockey had presented information to committee and it was received as information.

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

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

Board Action: Received as information.

Item 10. Legislative Update.

Statement: Dr. Baker said Mr. Mark Sweatman provided a report to committee.

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

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

Board Action: Received as information.

Item 11. Other Committee Business. None.

Item 12. Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges (Consent Item).

Statement: An updated list of appointments, reappointments and delineation of privileges to the medical staff for July and August 2015 were presented for approval.

Recommendation of Administration: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Recommendation of Committee: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Board Action: Dr. Baker moved that the list of appointments, reappointments and delineation of privileges to the medical staff be approved. The motion was seconded, voted on and unanimously carried.

Item 13. Medical Executive Committee Minutes (Consent Item).

Statement: Minutes of the Medical Executive Committee for July and August 2015 were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: The minutes of the Medical Executive Committee for July and August 2015 were received as information.

Item 14. Medical Center Contracts and Agreements (Consent Item).

Statement: Contracts and Agreements which have been signed since the last board meeting were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

**PHYSICAL FACILITIES COMMITTEE. CHAIRMAN: MR. WILLIAM H. BINGHAM, SR.
(Detailed committee minutes are attached to these minutes).**

OLD BUSINESS: None

NEW BUSINESS:

Item 15. Facilities Procurements/Contracts Proposed.

Statement: Mr. Bingham asked for approval of the following:

- Demolition of the Charleston Memorial Hospital and McClennan Banks Buildings in order to clear the site for the future construction of the new Shawn Jenkins Children's Hospital.
- Resolution and Declaration of Easement whereby MUHA grants and conveys to the County and PGA an easement over, upon and across the New Easement Area as indicated as presented on the survey.

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

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

Board Action: A motion was made, seconded and unanimously voted to approve the procurements/contracts as presented.

Item 16. Other Committee Business. None

CONSENT ITEMS FOR INFORMATION:

Item 17. Facilities Contracts Awarded (Consent Item).

Statement: The facilities contracts awarded since the last meeting were presented for information.

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

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

Board Action: Received as information.

CHILDREN'S HOSPITAL COMMITTEE. CHAIRMAN: DR. RAGIN C. MONTEITH (Detailed Committee Minutes Are Attached To These Minutes)

OLD BUSINESS: None.

NEW BUSINESS:

Item 18. Operations and Facilities Report.

Statement: Dr. Monteith stated Dr. Cawley reported on the projected final cost of the Children's Hospital and was a report had been received by committee.

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

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

Board Action: Received as information.

Item 19. Children's Hospital Financial Report.

Statement: Dr. Monteith stated Dr. Cawley reported on the progress of the HUD application.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 20. Development Activity Report.

Statement: Dr. Monteith stated Mr. Fisher reported to committee that \$50 million had been raised for the Children's Hospital and the revised goal is \$125 million.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 21. Children's Hospital Clinical Overview.

Statement: Dr. Monteith stated Dr. Mark Scheurer had reported to committee on Children's Hospital after-hours volume trends; pediatrics specialty volume trends by Location and goals.

Recommendation of Administration: received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 22. Women's Services Clinical Overview.

Statement: Dr. Monteith said Dr. Robin Mutz reported on Mother's Milk Bank of South Carolina and the committee had received the report as information.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 23. Other Committee Business. None

AUDIT COMMITTEE. CHAIRMAN: THOMAS L. STEPHENSON, ESQ. (Detailed Committee Minutes Are Attached To These Minutes)

OLD BUSINESS: None

NEW BUSINESS:

Item 24. Report of the Office of Internal Audit.

Statement: Mr. Stephenson stated a report had been provided to committee by Ms. Susan Barnhart.

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

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 25. Management Development and Compensation Sub-Committee Update.

Statement: Mr. Stephenson asked for approval of the 2015 Variable Compensation Plan.

Recommendation of Committee: That the 2015 Variable Compensation Plan be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the 2015 Variable Compensation

Item 26. Other Committee Business. None

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 27. Approval of Consent Agenda.

Statement: Approval of the Medical University Hospital Authority consent agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: It was moved, seconded and unanimously voted that the consent agenda be approved.

Item 28. New Business for the Board of Trustees.

Statement: Dr. Don Johnson asked for approval of the revisions to the MUHA Bylaws.

Board Action: A motion was made, seconded and unanimously to approve the revisions to the MUHA Bylaws as presented.

Item 29. Report from the Chairman. None

There being no further business, the Hospital Authority meeting was adjourned and the University Board of Trustees meeting was convened.

Respectfully submitted,



Mark C. Sweatman
Secretary

/wcj
Attachments

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
October 8, 2015**

Attendees:

Dr. Stanley Baker, Chair
Mr. Bill Baker
Ms. Terri Barnes
The Honorable Jim Battle
William Bingham, Sr.
Dr. Harold Jablon
Dr. Donald Johnson, II
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Ragin Monteith
Dr. Conyers O'Bryan
Mr. Charles Schulze
Dr. Murrell Smith
Mr. Michael Stavrinakis
Mr. Alan Stalvey
Dr. David Cole
Dr. Patrick Cawley
Dr. Bruce Elliott
Mr. Jim Fisher
Dr. Deborah Deas
Ms. Lisa Montgomery

Dr. Mark Sothmann
Mr. Michael Caputo
Dr. Danielle Scheurer
Dr. Mark Scheurer
Dr. David Soper
Ms. Darlene Shaw
Mr. Matt Wain
Mr. Steve Hargett
Mr. Tom Anderson
Annette Drachman, Esq.
David McLean, Esq.
Ms. Susan Barnhart
Mr. John Cooper
Mr. Mark Sweatman
Ms. Sarah King
Mr. Greg Weigle
Dr. Don Rockey
Mr. Dennis Frazier
Mr. John Entsuah
Ms. Gina Ramsey
Ms. Robin Mutz
Ms. Emzee Hilliard

The meeting was called to order at 8:00 am by Dr. Stanley Baker, Chair.

Item 6. Medical University Hospital Authority Status Report

Dr. Cawley reported on the following:

FY 2016 Goal Performance to Year to Date - Dr. Cawley commented that since we are only a few months into the new fiscal year, it's hard to give a progress report.

Update on Initiant – Dr. Cawley reminded the board members that Initiant is the collaborative that was formed over a year and a half ago between the five largest hospitals in South Carolina. The primary focus has been the work on group purchasing. Dr. Cawley reported that between the five hospitals, over one billion dollars is spent annually in supplies. Huron Healthcare was hired to serve as intermediary between the hospitals and identified three areas for costs savings: local benefits include things we can do better at each of the organizations; collaborative benefits – things we do together such as purchasing, etc.; and Group Purchasing Organization (GPO) – recommendation that we all use the same GPO.

Under local benefits, Huron reported that the midpoint range MUSC could potentially save is \$5.7 million. Under collaborative benefits, the midpoint potential savings is \$10.2 million. Under the GPO, the decision was made by Initiant to pursue a group purchasing agreement for all participating entities with Novation and, since MUSC already contracts with Novation, we will potentially get an even greater savings estimated at \$8.6 million over a five year period.

Magnet / Nursing Excellence – Dr. Cawley reported that MUSC recently achieved Nursing Excellence / Magnet Status. Only 422 hospitals in the U.S. and 3 hospitals in South Carolina have achieved Magnet Status.

Action: Report received as information.

Item 7. Medical University Hospital Authority Financial and Statistical Report

Steve Hargett reported that the FY15 Audit has been completed and the representative letter will be sent later today stating that nothing unusual has taken place since the fieldwork has been completed and today and then it is expected that KPMG will issue final financial statements later today. Mr. Hargett commented that there have been no changes in the bottom line from what was presented a couple of months ago. Mr. Hargett commented that FY15 was another good audit year for MUSC.

For FY15 through August, we are \$2 million ahead of budget. Days in A/R are at 55. Days cash on hand at 35. We continue to stay over \$100 million in the bank.

FY16 risks include the unfunded pension liability (GASB 68) of which \$200 million is allocated to MUHA. This is considered a risk since we are unsure how the State Comptroller's office is going to mitigate this liability. It could be that no changes may be made or we may be required to increase our employer contributions. Mr. Hargett reported that a group is going to Columbia on Monday to meet with the Treasurer's office to get an idea of what is going to happen as HUD wants to know what the State's plan is to mitigate this pension liability. Our other risk is the Medicare quality program (HAC penalty) of \$1.9 million. The penalty was anticipated so it was budgeted for in FY16 so the actual risk ended up being \$260,000.

FY16 offsets include the Recovery Audit Contractor (RAC) Settlement of \$5.2 million and the 2009 Medicaid Cost Report Settlement of \$2.5 million that is forthcoming.

Action: Received as information.

Item 8. Report on Quality and Patient Safety

Dr. Danielle Scheurer reported on the following:

Performance: Zero Harm Awards - The following departments were recognized by SCHA for milestones in being CLABSI-free for 12 months: pediatric cancer; pediatric intensive care unit; and medical intensive care unit. The Surgical-Trauma intensive care unit was recognized for being CLABSI-free for 18 months.

UHC Rankings – Dr. Scheurer reported that our overall score improved in FY15 as we went from 60 to 48 (lower is better). Dr. Scheurer showed the 2015 versus 2014 rankings by each of the six domains which include: equity; patient centered; safety; mortality; effectiveness; and efficiency and showed the opportunities for improvement under each domain.

Blue Distinction – Dr. Scheurer showed MUSC’s ranking in Blue Cross/Blue Shield’s Blue Distinction program. There are two levels, Distinction and Distinction Plus. Dr. Scheurer gave an overview this program and shared MUSC’s ranking under each area.

Risks to Manage

Transplant: Liver Transplant - flagged in 2012-2014 outcomes; Kidney Transplant – outcomes below expected but not “flagged”; liver kidney donor: recent UNOS survey successful; and expecting CMS site visit pending this fall.

Flooding Recovery Efforts - MUSC was able to maintain 24/7 operations the entire time.

Transparency – Dr. Scheurer reported physician-specific patient satisfaction results of high volume outpatient physicians will be posted this fall.

Action: Report received as information

Item 9. Update on MUSC Physicians

Dr. Don Rockey gave an update on the Primary Care Expansion that will be located at Carnes Crossroads:

Action: Report received as information.

Item 10. Legislative Update

Mr. Mark Sweatman gave an update on legislative activities.

Action: Report received as information

Item 11: Other Committee Business

No other committee business.

CONSENT ITEM FOR APPROVAL

Item 12. Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges

The committee reviewed the appointments, reappointments and delineation of privileges requests for the months of July and August 2015. These have been recommended for approval by all appropriate committees.

Action: Recommend approval

CONSENT ITEMS FOR INFORMATION

Item 13. Medical Executive Committee Minutes

The Medical Executive Committee minutes from July and August 2015 were reviewed by the committee.

Action: Received as information

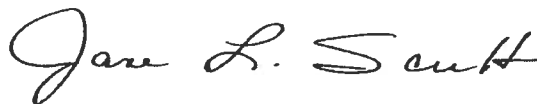
Item 14. Medical Center Contracts and Agreements

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

Action: Received as information

There being no further business, the committee adjourned at 8:48 a.m.

Respectfully Submitted,



Jane L. Scutt

**Medical University Hospital Authority
Physical Facilities Committee
October 8, 2015
Minutes**

Board Members Attending:

Mr. William H. Bingham, Sr., Chair
Dr. Stanley C. Baker, Jr.
Mr. William A. Baker, Jr.
Ms. Terri R. Barnes
Mr. James A. Battle
Dr. Harold Jablon
Dr. Donald R. Johnson II
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Ragin C. Monteith

Dr. E. Conyers O'Bryan, Jr.
Mr. Charles W. Schulze
Dr. G. Murrell Smith, Sr.
Mr. Thomas L. Stephenson
Mr. Michael E. Stavrinakis
Dr. Charles B. Thomas, Jr.

Mr. Bingham called the meeting to order.

REGULAR Items

Item 15 Facilities Procurements/Contracts Proposed.

Mr. Dennis Frazier presented the following for approval:

- Demolition of the Charleston Memorial Hospital and McClennan Banks Buildings in order to clear the site for the future construction of the new Shawn Jenkins Children's Hospital.
- Resolution and Declaration of Easement whereby MUHA grants and conveys to the County and PGA an easement over, upon and across the New Easement Area as indicated on the attached survey.

Recommendation of Committee: A motion was made, seconded and unanimously voted to approve the procurements/contracts.

Item 16 Other Committee Business. None

CONSENT Items for Information:

Item 17 Facilities Contracts Awarded

The facilities contracts since the last board meeting were presented for information.

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

With no further business, the meeting was adjourned.

Respectfully submitted,

Celeste Jordan

**Medical University Hospital Authority
Children's Hospital Committee
October 8, 2015
Minutes**

Attendees:

Dr. Ragin Monteith, Chair	Dr. Deborah Deas
Mr. Bill Baker	Ms. Lisa Montgomery
Ms. Terri Barnes	Dr. Mark Sothmann
The Honorable Jim Battle	Dr. Dan Handel
Mr. William Bingham, Sr.	Dr. Mark Scheurer
Dr. Harold Jablon	Dr. David Soper
Dr. Stanley Baker	Ms. Darlene Shaw
Ms. Barbara Johnson-Williams	Mr. Matt Wain
Dr. James Lemon	Mr. Steve Hargett
Dr. Don Johnson	Mr. Tom Anderson
Dr. Conyers O'Bryan	David McLean, Esq.
Mr. Charles Schulze	Ms. Susan Barnhart
Dr. Murrell Smith	Mr. John Cooper
Mr. Michael Stavrakis	Mr. Mark Sweatman
Mr. Alan Stalvey	Ms. Sarah King
Dr. David Cole	Mr. Greg Weigle
Dr. Patrick Cawley	Ms. Gina Ramsey
Dr. Bruce Elliott	Ms. Robin Mutz
Mr. Jim Fisher	Mr. Patrick Wamsley
Mr. Mike Caputo	Ms. Emzee Hilliard
Annette Drachman, Esq.	Dr. Tom Smith

The meeting was called to order at 8:57am by Dr. Ragin Monteith, Chair.

Item 18. Operations and Facilities Report

Dr. Patrick Cawley reported on the following:

Project Final Cost:

Dr. Cawley discussed the projected cost of hospital has increased. Four driving factors are:

- Construction cost escalation
- Financing
- Donors willing to give money for certain projects
- Inaccuracy in the feasibility study

Final price and approval requests will be brought to December board meeting.

Action: Report received as information.

Item 19. Children's Hospital Financial Report

Steve Hargett reported on the following:

Major Events:

- Assemble/File HUD pre-application package Accepted – September 16, 2015
- Visit with State Treasurer’s Office – October 12, 2015
- HUD pre-application meeting – Washington, DC – October/November 2015
- Pursue Site Preparation Approvals (as appropriate) – October/November 2015
- Establish Project Size and MUHA Equity Contribution and Finalize Feasibility with Conservative Assumptions – October/November 2015
- Board Resolution and State Approvals – December 2015
- File HUD Application – December 2015

Action: Report received as information.

Item 20. Development Activity Report

Jim Fisher reported on the following:

Momentum of Jenkins Gifts reviewed. As of October 7th, \$50M+ has been raised. Revised goal to \$125M.

Action: Report received as information.

Item 21. Children’s Hospital Clinical Overview

Dr. Mark Scheurer reported on the following:

- After Hours Volumes Trends
- Pediatrics Specialty Volumes by After Hours location
- Pediatrics Specialty Volumes by MUSCP location
- Current Direction:
 - 7-Specialty Pediatric Clinic presence in Beaufort
 - After Hours site in West Ashley
 - Consolidation of venues in preparation for MOB/ASC in North Charleston

Action: Report received as information.

Item 22. Women’s Services Clinical Overview

Robin Mutz reported on Mother’s Milk Bank of South Carolina:

Human Milk for Preterm Infants:

- 7-10% of very preterm infants develop necrotizing enterocolitis (NEC)
 - Severe, inflammatory disease of gut
 - 33% infants die
 - 33% have long term problems
- 1 case of NEC can be avoided:
 - For every 15 infants who received mother’s milk
 - For every 33 infants who receive donor human milk infection is prevented

Timeline reviewed started in 2013 when SC Neonatal Consortium determined a need for donor milk to September 2015 when Mother's Milk Bank opened in April. In September 2015, Mother's Milk Bank of South Carolina became the 20th full member of the Human Milk Banking Association of North America.

Process for Mother's Milk Bank of South Carolina:

- Milk donor screening and approval
- Milk dropped off at 13 depots across the state
- Milk processed, including pasteurization, the MMBSC in North Charleston
- Milk confirmed to have no growth or bacteria
- Milk distributed to SC hospital (currently 6 hospitals receiving milk)
- Statistics
 - 280 women screened
 - 77 approved donors
 - Over 20,000 ounces received
 - Over 4,000 ounces distributed to SC hospitals

Future Steps:

- Donor human milk available to all SC infants who may benefit and who have prescription from physician
- Increase milk depot sites so that all SC mothers who want to donate have access to depot
- Develop milk for infants with specialized needs

Action: Report received as information.

Item 28. Other Committee Business

There being no further business, the committee adjourned at 10:24am.

Respectfully Submitted,

Angie Baldwin

**Medical University Hospital Authority
Audit Committee
October 8, 2015
Minutes**

Board Members Attending:

Mr. Thomas L. Stephenson, Chair
Dr. Stanley C. Baker
Mr. William A. Baker, Jr.
Ms. Terri R. Barnes
Mr. James A. Battle
Mr. William H. Bingham, Sr.
Dr. Harold Jablon
Dr. Donald R. Johnson II
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Ragin C. Monteith
Dr. E. Conyers O'Bryan, Jr.
Mr. Charles W. Schulze
Dr. G. Murrell Smith, Sr.
Mr. Michael E. Stavrinakis
Dr. Charles B. Thomas, Jr.

Mr. Stephenson called the meeting to order.

REGULAR Items

Item 24. Report of the Office of Internal Audit.

Mr. Stephenson stated Ms. Susan Barnhart had distributed the results of recent internal audits and if there were no questions, the reports would be received as information.

Recommendation of Committee: That the reports be received as information.

Item 25. Management Development and Compensation Sub-Committee Update.

A motion was made, seconded and voted to go into executive session for discussions of contractual matters related to IT services; expansion of service areas and naming right of MUSC buildings.

Recommendation of Committee: At the conclusion of the executive session, the Chairman affirmed that only the matters previously described in public session were discussed and no formal action was taken in executive session.

Item 26. Other Committee Business. None

With no further business, the meeting was adjourned.

Respectfully Submitted,

Celeste Jordan