

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
October 10, 2014

The Board of Trustees of the Medical University Hospital Authority convened Friday, October 10, 2014, with the following members present: *Dr. Donald R. Johnson II, Chairman; Mr. William H. Bingham, Sr., Vice-Chairman; Dr. Stanley C. 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; Thomas L. Stephenson, Esquire; Dr. Charles B. Thomas, Jr.; Mr. Michael E. Stavrinakis. Absent: Dr. G. Murrell Smith, Sr.*

The following administrative officials were present: Dr. David Cole, President; Dr. Mark Sothmann, Vice President for Academic Affairs and 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; Dr. Frank Clark, Vice President for Information Technology and CIO; 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. Ms. Celeste Jordan called the roll.

Item 2. Secretary to Report Date of Next Meeting.

The date of the next regularly scheduled meeting is December 12, 2014.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of August 8, 2014.

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

Dr. Johnson, the new Chairman, took the opportunity to thank Mr. Stephenson for his leadership for the past four years as Board Chairman. He stated that Tom was the right guy in the right place and was a great chairman during challenging times. He particularly wanted to thank Tom for helping him with some issues during the past year and making his transition to the board chairmanship smoother and easier. He presented Mr. Stephenson with the framed gavel he had used during his tenure.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. General Informational Report of the President.

Dr. David Cole called on Dr. Mark Scheurer to introduce the speakers for today. Dr. Scheurer introduced Drs. Scott Bradley and Mino Kavarana. Dr. Bradley was well educated

receiving his medical degree from Harvard; and doing his residency at Massachusetts General. He did his Cardiothoracic Surgery Residency at University of Michigan as well as a Pediatric Cardiac Surgery fellowship at that institution.

Dr. Bradley said the Pediatric Cardiac Surgery Program is a state-wide program which focuses on the team approach for all patient care with excellent outcomes. While there are approximately 120 programs nation-wide, there is only one program in South Carolina. The name of the system in South Carolina is the Children's Heart Program of SC, established in the 1970's, based in Greenville, Florence, Columbia and Charleston. The surgery and cath are performed in Charleston and MUSC depends on the entire state for referrals. He talked about the pediatric cardiac team. He reviewed statistics with regard to surgical volumes; age distribution; operative and 30 day mortality. All this data is submitted to the Society of Thoracic Surgeons and he reviewed information from that database in relation to MUSC. He reported that the *US News and World Report* has ranked the program from 2007 – present each year between number 15 and 30 nationally. The facilities used by the program have enjoyed improvement in recent years and he reviewed the improvements.

Dr. Bradley concluded by reviewing future issues for the program including efforts to maintain the state system and ability to increase out of state referrals.

Chairman Johnson stated Dr. Bradley has presented to the board in the past and that it had been too long since they had received an update on such an important program at MUSC. He asked the relative newcomer, Dr. Kavarana, if the support level for the program has been good. He said it has been spectacular to work along side Dr. Bradley and to witness the growth is very exciting. Chairman Johnson thanked Drs. Bradley and Kavarana for their great work.

Dr. Cole said there is on-going transitional restructuring. Dr. Frank Clark has announced he will be stepping down from the position of CIO in July 2015 so MUSC is actively recruiting for a new Chief Information Officer and also a Chief Information Security Officer, which will be imbedded in the Office of the CIO. The University is also recruiting for a Communications Officer for the institution and has been working for the past several months on a job description for that position.

Dr. Cole also provided an update on the Diversity and Inclusion initiative. There was an excellent job fair at MUSC about a month ago. He gave kudos to Lisa Montgomery, Senator Kimpson and the community that came together for a very productive and meaningful event to engage the community in the new Children's Hospital project.

There were two different meetings with community leaders to talk about where as an institution MUSC is, on Diversity and Inclusion (D&I). There has been a great deal of work on D&I over the past 12 to 15 years but the problem has been that the initiatives have been siloed in the COM or CON and has been a fractured effort. What the purposes of the D&I initiative and what our goals are, is understanding that a key component of the effort is community engagement. As a part of that, MUSC is going to set up a president's committee that is an amalgamation of legislative leadership, community leadership and MUSC leadership which will be a great forum. One of the purposes is to have a forum for people to have a place to voice their concerns and bring to the table the problems and things the institution is not doing well. MUSC has made it

very apparent to all groups that that committee will be the forum for discussion and it is being well received. MUSC is making progress and putting foundational pieces in place so the University can move forward.

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: Dr. Baker stated everyone had been present at the committee meeting yesterday and he would only cover items that needed board approval.

Item 6. Election of Committee Chair.

Statement: Dr. Baker was re-elected committee chair.

Recommendation of Committee: That Dr. Baker be re-elected chair.

Board Action: A motion was made, seconded and unanimously voted to approve Dr. Baker's re-election as chairman.

Item 7. Medical University Hospital Authority Status Report.

Statement: Dr. Baker said Dr. Cawley had presented a report 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 9. Georgetown Radiation Therapy Center.

Statement: Dr. Baker stated the committee asked for approval of an increase of MUSC's participation in Georgetown Radiation Therapy Center from 10% to 49%.

Recommendation of Administration: That this increase be approved.

Recommendation of Committee: That this increase be approved.

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

Item 10. Beaufort/MUSC Affiliation Agreement.

Statement: Dr. Baker asked for approval of a global affiliation agreement between Beaufort Memorial Hospital and MUSC.

Recommendation of Administration: That the agreement be approved.

Recommendation of Committee: That the agreement be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the global affiliation agreement between Beaufort Memorial Hospital and MUSC.

Item 11. SCA Affiliation Agreement.

Statement: The item was discussed in executive session and no action was taken.

Recommendation of Administration: That the agreement be approved.

Recommendation of Committee: No action taken.

Board Action: No action was taken.

Item 12. Report on Quality and Patient Safety.

Statement: Dr. Baker stated everyone had been present for the committee report on Quality and Patient Safety from Dr. Danielle Scheurer. Dr. Scheurer asked for approval of a Letter of Support for the ACS Trauma Re-verification of MUSC Level 1 Trauma Program.

Recommendation of Administration: That the Letter of Support be approved.

Recommendation of Committee: That the Letter of Support be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the Letter of Support for the ACS Trauma Re-verification of MUSC Level 1 Trauma Program.

Item 13. Update on MUSC Physicians.

Statement: Dr. Baker stated Dr. Scott Reeves presented a report to committee. He also asked for approval of the following:

- Approval for the purchase of Parkshore Centre located at One Poston Road, Charleston at a purchase price of \$27,650,000. MUSCP Physicians will purchase the building with combined cash and assumption of debt, closing by 12/31/14. MUSC Physicians will enter into a written lease/purchase agreement with MUHA to achieve 50% ownership in 10 years.

- Approval for the Department of Dermatology to purchase an Intense Pulsed Light Laser (IPL) for MUSC Health East at a cost of \$80,500.

Recommendation of Administration: That the items be approved as presented.

Recommendation of Committee: That the items be approved as presented.

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

Item 14. Legislative Update.

Statement: Dr. Baker said no report had been provided

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 15. Other Committee Business. None

Item 16. 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 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 for July and August 2014 be approved. The motion was seconded, voted on and unanimously carried.

Item 17. Medical Executive Committee Minutes (Consent Item).

Statement: Minutes of the Medical Executive Committee for 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 July and August 2014 were received as information.

Item 18. 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.

**CHILDREN'S HOSPITAL COMMITTEE. CHAIRMAN: DR. DONALD R . JOHNSON II
(Detailed Committee Minutes Are Attached To These Minutes)**

OLD BUSINESS: None.

NEW BUSINESS: Dr. Johnson stated everyone had just attended the committee meeting and, unless there was any further discussion or questions, the board would move on to the Facilities Committee.

Item 19. Children's Hospital Status Report.

Statement: Dr. Darby reported to 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 20. Operations and Facilities Report.

Statement: A report was presented to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 21. Clinical Overview.

Statement: Dr. Mark Scheurer reported to committee.

Recommendation of Administration: received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 22. Children's Hospital Financial Report.

Statement: Mr. Steve Hargett reported to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 23. Development Activity Report.

Statement: Mr. Jim Fisher reported to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 24. Other Committee Business. None

**MEDICAL UNIVERSITY HOSPITAL AUTHORITY PHYSICAL FACILITIES COMMITTEE.
CHAIRMAN: MR. WILLIAM H. BINGHAM, SR. (Detailed Committee Minutes Are Attached
To These Minutes)**

OLD BUSINESS: None

NEW BUSINESS:

Item 25. Election of Committee Chair.

Statement: Mr. Bingham was re-elected committee chair.

Recommendation of Committee: That Mr. Bingham be re-elected chair.

Board Action: A motion was made, seconded and unanimously voted to approve Mr. Bingham's re-election as chairman.

Item 26. Facilities Procurements/Contracts Proposed.

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

- New Lease for 14,859 square feet of office space located at South Park Plaza, 1 South Park Circle in West Ashley. Total of 17 year lease: \$6,807,948.03

Recommendation of Administration: That the lease be approved.

Recommendation of Committee: That the lease be approved.

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

Item 27. Project Update.

Statement: Mr. Bingham stated an update on the new hospital had been previously provided.

Recommendation of Administration: Report to be received as information.

Recommendation of Committee: Report to be received as information.

Board Action: Received as information.

Item 28. Other Committee Business. None

Item 29. Facilities Contracts Awarded (Consent Item).

Statement: Facilities Contracts awarded since the last 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.

AUDIT COMMITTEE. CHAIRMAN: Thomas L. Stephenson, Esq. (Detailed Committee Minutes Are Attached To These Minutes)

OLD BUSINESS: None

NEW BUSINESS:

Item 30. Election of Committee Chair.

Statement: Mr. Stephenson was elected committee chair.

Recommendation of Committee: That Mr. Stephenson be the new chair.

Board Action: A motion was made, seconded and unanimously voted to approve Mr. Stephenson as chairman.

Item 31. Information Security (IS) Update.

Statement: Presented in 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 32. Report of the Office of Internal Audit.

Statement: Presented to Committee.

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 33. Other Committee Business. None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 34. Approval of Consent Agenda.

Statement: Approval of the 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 35. New Business for the Board of Trustees. None

Item 36. Report from the Chairman. None.

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

Respectfully submitted,



Mark C. Sweatman
Secretary

MCS:waj

Attachments

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
October 9, 2014
Minutes**

Attendees:

Dr. Stanley Baker, Chair	Ms. Lisa Montgomery
Ms. Terri Barnes	Dr. Mark Sothmann
Mr. Jim Battle	Dr. Sabra Slaughter
Mr. William Bingham, Sr.	Dr. Scott Reeves
Dr. Harold Jablon	Dr. Dan Handel
Dr. Donald Johnson, II	Dr. Danielle Scheurer
Ms. Barbara Johnson-Williams	Ms. Darlene Shaw
Dr. James Lemon	Dr. Gail Stuart
Dr. Ragin Monteith	Mr. Matt Wain
Dr. Conyers O'Bryan	Mr. Dennis Frazier
Dr. Thomas Rowland	Mr. Steve Hargett
Mr. Charles Schulze	Annette Drachman, Esq.
Dr. Murrell Smith	David McLean, Esq.
Mr. Michael Stavrinakis	Mr. John Cooper
Thomas Stephenson, Esq.	Mr. Mark Sweatman
Dr. Charles Thomas	Ms. Sarah King
Dr. David Cole	Mr. Patrick Wamsley
Dr. Patrick Cawley	Mr. Greg Weigle
Dr. Bruce Elliot	Ms. Lauren Sausser
Mr. Jim Fisher	Mr. Steve Valerio
Dr. Deborah Deas	Ms. Gina Ramsey
	Mr. Jeff Lifton

The meeting was called to order at 9:18 am by Dr. Stanley Baker, Chair.

Item 6. Election of Committee Chair

The election of the committee chair was held. Dr. Stanley Baker was reappointed as Chair of the Hospital Operations Finance and Quality Committee.

Action: Recommend approval.

Item 7. Medical University Hospital Authority Status Report

Dr. Patrick Cawley reported on the following items:

MUHA FY2015 Goal Performance: Dr. Cawley reported that, due to the conversion to Epic in July, there is limited data to report for FY 15 goals, which was to be expected. Data should be available by the end of October and will be sent out to the board members.

MUSC Performance Excellence Update: Performance Excellence was the plan put in place to save on and remove unneeded costs. MUSC worked with a partner to identify savings. \$57.5 million was initially identified and once the partner was here and into the details, \$66 million was identified. \$51 million has been implemented and \$45 million confirmed. What we want to see over the next several months is the confirmed matching the implemented.

Electronic Health Record (Epic) Update: Dr. Cawley reported that when Epic was implemented on July 1, there were two things of concern, the revenue cycle side which Steve Hargett will provide an update in his report. Dr. Cawley commented that revenue is the major concern in the first 90 to 120 days. The long-term concern is the clinical side, which is how is everybody using the system. Overall, things are going well. Dr. Cawley commented that this is the third major electronic health record conversion in his career and by far the largest and most complicated but overall this one has gone the best.

Initiant Update: Dr. Cawley gave an update on Initiant which is the healthcare collaborative that was formed in the spring with Greenville, McLeod, Palmetto Health and Self Regional. Two board meetings have been held so far and a third one is scheduled for the end of this month. Dr. Cawley and Tom Stephenson are the members from MUSC who serve on this board. Dr. Cawley shared the first-year deliverables around that collaborative which center around getting it up, getting it moving, get talking and establishing a culture. The one deliverable that we really need to get moving on is developing an ROI methodology and actually delivering. Long-term, the five-year deliverables are: clinical integration between the five hospitals; improving quality through collaboration and research; working on population health; delivering distributed services; taking on risk; lowering costs per adjusted discharge and working on clinical programs and services that benefit the market. The last board action taken at the Initiant level was to retain a consultant to advise us as to whether we can develop a Group Purchasing Organization (GPO) together. Malcom Isley from Greenville Hospital System is the CEO of Initiant. There are four major committees which include: Supply Chain/CAPEX chaired by Ron Boring from McLeod; Contracted Services chaired by John Singerling from Palmetto Health; Information Technology chaired by Dr. Spence Taylor from Greenville Health System and Population Health chair by Dr. Mark Lyles from MUSC. Dr. Cawley reminded the board that support for each of these committees comes from the individual's team who is leading the committee. Dr. Cawley will continue to provide updates over the next several months.

Heart Transplant Update: Dr. Cawley reported that in May, MUSC voluntarily deactivated its adult heart transplant program with UNOS. Pediatric heart transplants continue and this program is doing well with good outcomes. The adult heart transplant program was stopped due to two things: the main reason was outcomes had decreased and the second was volume decreased. MUSC voluntarily reported this to UNOS which is unusual as UNOS does not normally receive voluntarily withdrawals. As recently as last week, a "pre" plan was finalized. The plan is basically rebuilding the entire program as we can't find just one issue. There are multiple issues, including the population has changed nationwide on who is receiving heart transplants. We are working with consultants and have brought in two teams and are bringing in a third team in the next month. With approval of the pre-plan, we will start to see patients again and should start transplanting again by February or March.

Action: Report received as information.

Item 8. MUSC Medical Center Financial and Statistical Report

Steve Hargett reported on the following items:

Audit Results 2014: Mr. Hargett reported that we just wrapped the FY14 audit and KPMG will be here in December to give their full report. Mr. Hargett reported that we had a clean or unqualified opinion. We finished FY14 with operating income of \$50 million and net income of \$57 million which is slightly higher than the interims reported to the board several months ago. Mr. Hargett reported that this due to some prior year cost report settlements that came in positively while the auditors were here so the adjustments were booked which got us to the \$50 million operating income.

MUHA Financial and Epic Revenue Cycle Update: Mr. Hargett reported that for the first two months of FY15 gross revenue is up from FY13; net revenue is up; margin is down and days in A/R are up; days cash on hand is down. This can be attributed to Epic during the first two months but it is much better in September and October. Mr. Hargett reported we had large staffing related expenses in July and August which increased our operating expenses in July. For example, we had 278 more FTEs in July and that variance is now down to about 90. Since we are now live with Epic these costs are expensed rather than capitalized so that had an impact on our financials. Mr. Hargett reported that in September we had the single highest cash collection month that MUHA ever had with \$91 million in collections; the average is about \$80-82 million a month. Mr. Hargett reported MUSC got 5 stars out of a possible 6, as an Epic best performer through September. MUSC worked with Epic “pre go-live” to establish what the base lines will be using historical information and then compared to best performers like Stanford and a few others, we are a best performer in 5 out of 6 areas.

Action: Report received as information.

Item 9. Georgetown Radiation Therapy Center

Dr. Pat Cawley and Dr. Bruce Elliott asked for approval for an increase of MUSC-P’s stake in the Georgetown Radiation Therapy Center from 10% to 49%. Approval was also sought for MUHA providing support funding for 50% of the cost of such increase which will be documented in an internal Memorandum of Understanding.

Action: Recommend approval.

Item 10. Beaufort/MUSC Affiliation Agreement

Dr. Pat Cawley and Dr. Bruce Elliott asked for approval for the initial global affiliation agreement between Beaufort Memorial Hospital and MUSC.

Action: Recommend approval.

Item 11. SCA Affiliation Agreement

This item was discussed in executive session.

Item 12. Report on Quality and Patient Safety

Dr. Danielle Scheurer gave the quality and patient safety report and reported on the following:

Serious Safety Event Reporting: Dr. Scheurer reported that in June we shifted our mentality on how we review and report serious safety events. In years past, we used the term “sentinel events” which was a Joint Commission defined term that had been used for more than a decade. The problem with the sentinel event terminology is that does not take into account whether there was something that we did that we shouldn’t have done or was it something we could have done better. The new vernacular called “Serious Safety Event,” is being adopted through the safe care commitment through SCHA. MUSC is collaborating with a number of hospitals across South Carolina and the Joint Commission. Serious Safety Event is defined as a deviation from best practice care that results in some kind of patient harm. There are three levels but today’s focus is around Serious Safety Events. There are two other levels, “Precursor Safety Event” and “Near Miss Safety Event,” that we don’t report externally but follow internally very closely. We track all three levels but the serious safety events will be reported to the Board of Trustees.

After we get 6 to 9 months of data, we will start reporting a rolling 12-month average. Since June 2014, we have had an average of three per month.

Transparency Update:

Subgroups: There are 4 subgroups working on transparency efforts: “Quality” which is focusing on serious safety events as well as the quality pillar; “Operations,” which is looking at public reporting of throughput and occupancy especially for our affiliates; “Finance,” which is focusing on price transparency; and, Medical Record transparency, which in collaboration with SCHA is focusing on “Open Notes” which is a national initiative funded by the Robert Wood Johnson Foundation. Open Notes focuses on patient access to the actual progress notes of the provider. Many other medical centers have adopted Open Notes. Dr. Scheurer stated that we are working other SC hospitals on how to release, when to release and what type of notes to release. Updates will be provided as we move forward with these initiatives.

Physician-specific Patient Satisfaction Plan: Dr. Scheurer reported that MUSC is working toward releasing physician-specific patient satisfaction scores. The “why” behind this is the feeling it drives patient centered care; the already increased use of social media by patients to express opinions on healthcare, improves physician performance quickly and inspires trusts. Two AMCs that are considered “best practice” are the University of Utah and Wake Health. The “how” is convert from paper surveys to email based surveys to get response rate up and get the turnaround time quicker. The way it will be done is that the provider level scores and comments come back to a central place which at MUSC will be our Patient and Family Centered Care who will review and screen the comments. According to Utah and Wake about 99% of the comments are appropriate and about 1% are screened out due to HIPPA violations or completely inappropriate. There will also be a review process for each physician to review their comments prior to reporting. Stage 1 will be targeted toward attending ambulatory physicians with 30+ survey responses. The targeted timeline will be January – March 2015 for internally reporting and then April – June for externally reporting.

Action: Report received as information

Letter for Support for ACS Trauma Reverification: Dr. Scheurer requested Board of Trustees approval for a Letter of Support for the ACS Trauma Re-verification of MUSC Level 1 Trauma Program

Action: Recommend Approval.

Item 13. Outreach Activity Report on MUSC Physicians

Dr. Scott Reeves requested Board of Trustees approval on the following:

- Approval for the purchase of Parkshore Centre located at One Poston Road, Charleston at a purchase price of \$27,650,000. MUSCP Physicians will purchase the building with combined cash and assumption of debt, closing by 12/31/14. MUSC Physicians will enter into a written lease/purchase agreement with MUHA to achieve 50% ownership in 10 years.
- Approval for the Department of Dermatology to purchase an Intense Pulsed Light Laser (IPL) for MUSC Health East at a cost of \$80,500.

Action: Recommend approval.

Item 14: Legislative Update

No report given.

Item 15: Other Committee Business

No other business.

CONSENT ITEM FOR APPROVAL

Item 16. 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 2014. These have been recommended for approval by all appropriate committees.

Action: Recommend approval

CONSENT ITEMS FOR INFORMATION

Item 17. Medical Executive Committee Minutes

The minutes of the Medical Executive Committee from July and August 2014 were reviewed by the committee.

Action: Received as information

Item 18. 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 10:00 am.

Respectfully Submitted,



Jane L. Scutt

**Medical University Hospital Authority
Physical Facilities Committee
October 9, 2014
Minutes**

Board Members Attending:

Mr. William H. Bingham, Sr., Chair
Dr. Stanley C. Baker
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 25 Election of Committee Chair.

A motion was made, seconded and unanimously voted to re-elect Mr. Bingham Committee Chair.

Recommendation of Committee: Mr. Bingham was elected Committee Chair.

Item 26 Facilities Procurements/Contracts Proposed.

Mr. Dennis Frazier presented the following for approval:

- New Lease for 14,859 square feet of office space located at South Park Plaza, 1 South Pak Circle in West Ashley. Total of 17 year lease: \$6,807,948.03

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

Item 27 Update on Projects.

Mr. Frazier stated that an update on Phase II would be presented tomorrow in the Children's Hospital Committee.

Recommendation of Committee: Received as information.

Item 28 **Other Committee Business.** None

CONSENT Items for Information:

Item 29 **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 10, 2014
Minutes**

Attendees:

Dr. Donald Johnson, Chair
Ms. Terri Barnes
Mr. Jim Battle
Mr. William Bingham, Sr.
Dr. Harold Jablon
Dr. Stanley Baker
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Ragin Monteith
Dr. Conyers O'Bryan
Dr. Thomas Rowland
Mr. Charles Schulze
Mr. Michael Stavrinakis
Thomas Stephenson, Esq.
Dr. Charles Thomas
Dr. David Cole
Dr. Patrick Cawley
Dr. Bruce Elliot
Mr. Jim Fisher

Dr. Deborah Deas
Dr. Mark Sothmann
Dr. Sabra Slaughter
Dr. Rita Ryan
Dr. Dan Handel
Dr. Danielle Scheurer
Mr. Matt Wain
Mr. Dennis Frazier
Mr. Steve Hargett
Annette Drachman, Esq.
David McLean, Esq.
Dr. Jill Mauldin
Mr. Mark Sweatman
Ms. Gina Ramsey
Dr. Charles Darby
Dr. Mark Scheurer
Dr. Donna Johnson
Dr. Frank Clark
Mr. Paul Steadman

The meeting was called to order at 9:00 am by Dr. Don Johnson. He stated committee will be part of the hospital authority agenda in the future.

Item 1. Children's Hospital Status Report

Dr. Charles Darby provided an update of Children's Healthcare at MUSC from 1959-2014:

Pediatrics in 1959:

- 2.5 full time pediatric faculty
- The vast majority of children were indigent and lacking health insurance. Most care that was provided was uncompensated.
- Children were hospitalized for conditions such as pertussis, tuberculosis, tetanus, malnutrition, diarrhea, intestinal parasites, meningitis, lead poisoning, and birth defects.
- Most hospitals maintained a small number of pediatric beds. Standard practice for children was providing care at a local community hospital instead of a children's hospital.
- Low birth weight infants either died or suffered severe brain damage.

Pediatrics in 2014:

- The advanced specialization in pediatrics has brought about the centralization of care in children's hospital.
- 200 specialized faculty specializing in pediatrics
- In 1959, there were less than 25 pediatricians in the state. Today, there are nearly 1100 general pediatricians and several hundred pediatric specialists.

Progress in Pediatrics:

- In 1959, all forms of leukemia and solid cancers in children were fatal. Today, 85% of leukemia and 50% of solid cancer tumors are completely cured.
- In 1959, congenital heart lesions were fatal. Today, most are permanently cured by surgery.
- In 1959, all children with kidney, liver, bone marrow and heart failure died. Today, these organs are routinely transplanted with amazing success.
- Many chronic diseases like asthma, diabetes, sickle cell, and arthritis still affect kids. But modern treatment has vastly improved the quality of life.
- In 1959, at least 1/3 of children admitted to hospital were malnourished. Today, many public programs have helped eradicate this problem such as WIC, food stamps, school lunch programs, education and Medicaid.
- Vaccines, nutrition, sanitation, and better primary care have almost eliminated common infectious diseases that brought so many children to the hospital in 1959.

The Special Features of Children's Hospitals:

- Buildings are uniquely designed to appeal to children.
- Children's hospital rooms are generally larger to accommodate parents staying the night.
- Most, if not all, children's hospital have partnerships with Ronald McDonald houses that provide long term housing for families of children hospitalized for long periods of time.
- Children's hospitals have dedicated play spaces that are therapeutic for the child and staffed by specialty trained child life personnel.
- Children's hospitals have many support services for families.
- Children's hospitals have dedicated pediatric pharmacists who are specially trained in medications and dosages for children of all ages.
- Children's hospitals have child-sized equipment and kid-friendly cuisine.
- Children's hospitals have many specialized healthcare providers – from nurses, physicians, advanced practice nurses, dieticians and therapists.

MUSC Children's Hospital – By the Numbers:

- MUSC Children's Hospital opened in 1987
- 176 Total Number of Beds
- 6875 inpatient discharges a year
- 100,000 outpatient visits per year
- 21,000 pediatric ER volume
- Staffing – 658 FTEs
- Total operating budget is \$70.3M

MUSC Children's Hospital-Payer Mix

- Payments – Payer Mix – 52.9% Medicaid; 0.1% Indigent
- Case Distribution Payer Mix – 56.1% Medicaid; 0.0% Indigent

FY2013 MUSC CH Patient Demographics reviewed. MUSC has patients in each county of state.

MUSC Department of Pediatrics:

- 153 faculty and 168 staff
- Annual Budget: \$60.8M
- 57 residents – 100% boards pass rate

- 30 fellows in following programs: cardiology, emergency medicine, child abuse pediatrics, rheumatology, hematology/oncology, academic general pediatrics, developmental and neonatology

Children's Hospital Fund Support – Total funds transferred since 1986: \$50M.

Key Investments:

- Established Divisions:
 - Hematology/Oncology: \$1M
 - Endocrinology: \$1M
 - Gastroenterology: \$1.3M
 - Pulmonary: \$1M
 - The Darby Children's Research Institute: \$18M
- Expanded Divisions:
 - Cardiology: \$1M
 - Nephrology: \$1M
 - Oncology: \$1.3M

SC Medicaid and Children:

- Approximately 650,000 children enrolled in Medicaid
- Children make up nearly 60% of the program's total enrollment of 1.1 million
- Average cost per child in 2012 for Medicaid was \$2550 per year compared to average cost per Medicaid adult of \$6217
- SC Medicaid's FY 2015 budget is approximately \$6.8 billion.
- Medicaid funds 56% of hospitalizations at MUSC CH's and half of the births in SC

Medicaid Eligibility for Children:

- Infants, age 0-1: Mom and baby eligible up to 194% FPL (Family of 4, \$46,269/year income). Infant covered up to age of one and mom covered for pregnancy and 60 days post-partum
- Children, ages 0-17 – from low-income families: Covered by Medicaid up to 208% FPL
- Disabled Children – Kate Beckett (TERFA) waiver: No income tests for parents. Child must have countable resources below \$2130 and need institutional level of care that can be met at home.
- Foster care children: Covered by Medicaid if in foster care and now up to age 26 if formerly in foster care.

Medicaid Benefits for Children, Ages 0-18 years:

- Unlimited doctor visits
- Well child visits and immunizations
- Unlimited prescriptions
- Hospital stays – Covered, but actual benefit defined by Medicaid MCO
- Unlimited home health visits
- Durable medical equipment
- Dental and oral surgery coverage
- Vision services
- Most Medicaid MCOs offer 24 hour nurse advice line, disease management, and some level of care coordination.
- NEW: Autism spectrum disorder treatment

Importance of Medicaid to children's healthcare:

- Medicaid has become the primary funding stream for children's healthcare nationally.
- In SC, the Medicaid program is administered by a cabinet level director who must also follow federal guidelines.
- Because Medicaid is publicly funded and a huge budget item for public budgets, funding for Medicaid is especially vulnerable to changing politics and economic downturns.
- Any reduction in Medicaid reimbursement undermines the ability of children's hospitals to provide services to all children – not just those in Medicaid
 - Advocacy is essential to maintain Medicaid reimbursement and services for children.
- Other very important funding streams for Medicaid that support children's services – and academic medical institutions in general:
 - Medicaid DSH – Disproportional Share Hospital Payments
 - Medicaid GME: Graduate Medical Education
 - Medicaid Teaching Supplement

Changes in SC Medicaid Reimbursement Made Possible by Advocacy Have Been Critical to Children's Services:

- 1988-89: MUSC Children's Hospital running a deficit of \$5+ million/year.
- 1994: Cost based reimbursement developed for state's developmental evaluation centers
- 1997: Eligibility expanded up to 150% FPL (family poverty level), adding over 100,000 children to the program's enrollment.
- 2000: Enhanced reimbursement put in place for pediatric specialists.
- 2003: Medicaid teaching supplement program begins
- 2007: Second expansion to 200% FPL
- 2012: Additional funding of \$500,000 for state's three developmental evaluation centers.

SC Children's Hospital Collaborative:

- Formed in 1994, the SC Children's Hospital Collaborative is a non-profit corporation representing the four children's hospitals in SC:
 - MUSC Children's Hospital – Charleston
 - Greenville Health System Children's Hospital – Greenville
 - Palmetto Health Children's Hospital – Columbia
 - McLeod Children's Hospital – Florence
- It is one seven state-level children's hospital associations in US.
- The collaborative seeks to improve the health, safety and well-being of children in SC through a variety of advocacy, development, and quality improvement initiatives.
- The collaborative works closely with the state chapter of the American Academy of Pediatrics:
- The collaborative is the public policy "voice" for children's healthcare in SC.

Few Accomplishments of SCCHC:

- Medicaid Advocacy
- Legislative Advocacy
- Services and Service Coordination

Overall, SC's Children Have Excellent Access to Healthcare...And Why This is The Case:

- Four children's hospitals geographically distributed throughout the state.

- MUSC Children’s Hospital serves as a quaternary center for pediatric cardiac surgery, interventional cardiology services, and transplants.
- Because of the availability of these quaternary services at children’s hospitals just across the border and Medicaid reimbursement for hospitals close to the state border, the other children’s hospitals in SC have out-of-state options for referring these patients.
- It is critical to maintain the working relationships with the other SC children’s hospitals.
- Without the level of reimbursement we currently have from Medicaid, in particular the enhanced reimbursement for pediatric specialists, the level of access to care for children in the state would be significantly less.

Item 2. Operations & Facilities Report

Dr. Patrick Cawley provided an operations report for Children’s Hospital. The Children’s hospital is approximately 25% of all medical center activity. He reviewed the Children’s Hospital and Women’s Pavilion organizational charts and introduced key leaders – Dr. Dan Handel, CMO; Matt Wain, COO; Steve Hargett, CFO; Dr. Donna Johnson, Chair OB/GYN, Dr. Rita Ryan, Chair, Pediatrics; Dr. Scott Russell, Associate CMO, Children’s Hospital; Dr. Mark Scheurer, CMO, Children’s Hospital; John Sanders, Administrator, Children’s Hospital; Robin Mutz, Administrator, Women’s Health and Executive Nursing Director, Children’s Hospital; Dr. Jill Mauldin, Service Line Medical Director, Women’s Health.

Matt Wain reviewed past Board of Trustee approvals pertinent to building the new Children’s Hospital and Women’s Pavilion (CH/WP):

- December 13, 2013 – MUHA Operations, Quality and Finance Committee
 - Approval of a feasibility study to review and update the previous study of the CH/WP.
- April 10, 2014 – MUHA Physical Facilities Committee
 - Updated feasibility study discussed with the Board by representatives of Kurt Salmon and Perkins & Will
 - Approved selection of Perkins & Will as architect for the project
- May 15, 2014 – MUHA Physical Facilities Committee
 - Approval of lease for West Ashley office space to provide space for displaced occupants from Charleston Memorial Hospital in preparation for Phase 2 of the hospital.
 - Approval of a Letter of Intent between MUHA and Charleston County for two properties at 3 & 5 Charleston Center Drive.
 - Approval of Robins & Morton, Cummings, and Brownstone Construction Group as Construction Manager for the project.
 - Approval to take whatever action is necessary to submit the Housing and Urban Development (HUD) applications for the financing required to build Phase Two – Children’s Hospital and Women’s Pavilion – for the Medical University Hospital Authority.

Matt Wain reviewed CON Requirements:

- 2 CON applications associated with Children’s Hospital and Women’s Pavilion were submitted in July 2014:
 - Replacement Hospital (includes the 16 incremental NICU bassinets that were awarded in March 2012)
 - Bed Expansion – includes 52 incremental beds

The Children’s Hospital and Women’s Pavilion: Feasibility Study Update dated 4/10/14 was distributed to each board member for review.

Item 3. Children’s Hospital & Women’s Pavilion Clinical & Facilities Overview

Dr. Mark Scheurer stated the Children's Hospital and Women's Pavilion is very much a team approach. Key people in the day-to-day trenches are Robin Mutz, Linda Biller, Dr. Jill Mauldin, Dr. Donna Johnson and Dr. Rita Ryan. Dr. Scheurer reviewed a drawing of the new hospital, which will be at the intersection of Courtney and Calhoun. The internal communication plan was reviewed:

- Internal Project Website for MUSC Community targeted for completion any day
- Document Exchange for Design Team with completion date of end of October
- Open Forums for MUSC CHWP Community which will be held quarterly (currently being held monthly)
- Face to face meetings to listen and understand what is important to them in this project

MUSC Children's Hospital and Women's Pavilion – Guiding Principles to optimize patient and family-centered care; actively support families in the care and decision-making of patients; and consistently promoting a positive patient and family experience:

- Create a supportive and healing environment
- Create an efficient environment
- Maximize flexibility & adaptability of new space
- Drive Safety at every level
- Create a place that belongs
- Create and inspiring, distinctive and imaginative environment

Project design and construction schedule reviewed for Children's Hospital and Women's Pavilion:

- Project study – complete
- Team Selection CON - ongoing
- Programming/Design - ongoing
- Construction – 2016
- Move In – 2019

Stacking diagram of MUSC Children's Hospital and Women's Pavilion reviewed. Schematic design phase discussed which would begin this month.

Item 4. Financial Report

Steve Hargett provided a financial report update. The Children's Hospital and Women's Pavilion is a \$350M project. Net position is projected to decline until the new Hospital/Pavilion fully ramps up; after FY22, net position is projected to increase. Baseline is the basically same as previous projected. As funding for the new Hospital/Pavilion occurs, MUHA will face negative free cash flow; when the new facility comes online, cash flows will improve. Children's Service Line contribution margin by specialty reviewed.

ART 7 will add 42 beds mostly oncology related. Projected volume at 80%, 70%, 60% bed occupancy discussed. To make up for the shortfall, focus will continue on cost controls, surgical volume growth, length of stay, supply costs and Initiant Collaborative. Last shortfall was when ART opened. Ashley River Tower Historical Trend of net income for FY06 – FY14 reviewed.

Item 5. Development Activity Report

Jim Fisher introduced Paul Steadman. Paul is the Vice Chairman of Children's Hospital Fund. Paul has been on board since 1987. Beginning in January, Paul will become the chair of the Children's Hospital Fund and will also serve on Executive Steering Committee for new Children's Hospital and Women's Pavilion. Committee has pledged \$1.2M. Dr. Johnson asked to please let the board know of anything they can do to help.

Data for Children's Hospital and Women's Pavilion building campaign as of September 30th reviewed. First quarter in fundraising progress from cash, pledges and verbal commitments, 11.50% of \$50M was raised. Request was made for the board to think of anyone who may have an interest in supporting the new hospital/pavilion. Naming opportunity for the new Children's Hospital is \$25M. Commitment can be over seven to eight years. Dr. Don Johnson requested additional slide for naming opportunity be shown in the future.

Respectfully Submitted,

Angie Baldwin

**Medical University Hospital Authority
Audit Committee
October 9, 2014
Minutes**

Board Members Attending:

Dr. Charles B. Thomas, Jr., Chair
Dr. Stanley C. Baker
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. Thomas L. Stephenson
Mr. Michael E. Stavrinakis

Dr. Thomas called the meeting to order.

REGULAR Items

Item 30. Election of Committee Chair.

Dr. Johnson nominated Mr. Tom Stephenson to be the new chair of the committee replacing Mr. Bill Hewitt who had recently resigned.

Recommendation of Committee: Mr. Stephenson was elected Committee Chair.

Item 31. Information Security (IS) Update.

Dr. Frank Clark provided an information security update. He stated the role of MUSC information security is to protect the MUSC family including patients, students, employees and research participants' information from loss, corruption, unauthorized access and unavailability. He reviewed the current status of that effort. Dr. Clark stated that while there is technology to help with security, the human element remains the weak link and more education and stricter enforcement of policies will create a culture of information security at MUSC.

MUSC is actively recruiting a Chief Information Security Officer (CISO) whose role will be to provide vision and leadership for developing, implementing and enforcing MUSC's information security initiatives. Ms. Lisa Montgomery is chairing the search committee for the CISO.

Dr. Clark provided some staggering statistics. MUSC receives over 32,700,000 emails per month. Eighty-four percent are filtered out each month before getting to the user. MUSC receives 21 phishing campaigns per month. Actual labor and legal costs to resolve one such phishing attack at MUSC was estimated to be \$50,000.

Recommendation of Committee: That the report be received as information

Item 32. Report of the Office of Internal Audit.

Ms. Susan Barnhart had distributed the results of recent internal audit reports and there being no questions, the reports were received as information.

Recommendation of Committee: That the report be received as information

Item 33. Other Committee Business. None

With no further business, the meeting was adjourned.

Respectfully Submitted,

Celeste Jordan