

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
April 14, 2017

The Board of Trustees of the Medical University Hospital Authority convened Friday, April 14, 2017, with the following members present: *Dr. Donald R. Johnson II, Chairman; Mr. William H. Bingham, Sr., Vice-Chairman; Ms. Terri R. Barnes; Mr. James Battle; Dr. Guy Castles; Dr. Richard Christian; Dr. Robert Gordon; Dr. James Lemon; Ms. Barbara Johnson-Williams; Dr. Conyers O'Bryan; Mr. Charles Schulze; Mr. Michael Stavrinakis; Mr. Tom Stephenson; Dr. Charles Thomas*

The following administrative officials were present: *Dr. David Cole, President; Dr. Lisa Saladin, Executive Vice President for Academic Affairs and Provost; Ms. Lisa Montgomery, Executive Vice President for Finance and Operations; Dr. Patrick Cawley, CEO, MUSC Health and Vice President for Health Affairs, MUSC; Mr. Jim Fisher, Vice President for Development and Alumni Affairs; Dr. Raymond Dubois, Dean, College of Medicine; Ms. Annette Drachman, General Counsel.*

Item 1. Call to Order-Roll Call.

There being a quorum present, Chairman Don Johnson called the meeting to order. Ms. Jane Scutt called the roll and made the following announcement, *"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 Thursday, May 18, 2017.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of February 10, 2017.

Board Action: A motion was made for the minutes to be approved. The motion was seconded, voted on and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. General Informational Report of the President.

Statement: Dr. Cole called on Dr. Ray Dubois to introduce the speaker, Dr. Tom DiSalvo who is the Director, Division of Cardiology and Heart & Vascular ICCE. Dr. DiSalvo gave a presentation to the board on heart failure. Dr. DiSalvo discussed the systolic dysfunction and the diastolic dysfunction causes of heart failure. He also discussed the genetic causes of cardiomyopathy. He announced that South Carolina will establish the Volpe Family Center for Cardiovascular Genetics with the recruitment to MUSC of Dr. Daniel Judge, current Director of Cardiovascular Genetics at Johns Hopkins. Dr. DiSalvo discussed both medical therapy and device therapy options for treating heart failure. He also discussed the various circulatory assist devices used at MUSC. Dr. DiSalvo gave a

status report on the MUSC cardiac transplantation program and shared with the board the recent recruitments that will help take the program to the next level. Dr. Cole thanked Dr. DiSalvo for his leadership and for his informative presentation and stated that this concluded his report.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

Item 5. Other Business.

None.

**OPERATIONS, QUALITY AND FINANCE COMMITTEE. CHAIRMAN: DR. G. MURRELL SMITH, SR.
(Detailed committee minutes are attached.)**

OLD BUSINESS: None.

NEW BUSINESS:

Item 6. MUHA Medical Center Status Report.

Statement: Dr. Lemon stated that Dr. Cawley gave a status update to committee with his presentation focusing on goal performance year to date as well as healthcare reform.

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. Medical University Hospital Authority (MUHA) Financial and Statistical Report

Statement: Dr. Lemon stated that Mr. Mike Dacus, Interim Chief Financial Officer, provided a report to committee on the MUHA's financial status through February 2017.

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 8. Report on Quality and Patient Safety.

Statement: Dr. Lemon stated that Dr. Scheurer provided a report to committee on the following: year-to-date quality Performance; rankings; Baldrige status; quality area highlight; quality measurement highlight; adult heart transplant program update; and, risks to manage.

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. **Letter of Support for ACS Triennial Re-verification of MUSC Level 1 Trauma Program.**

Statement: Dr. Lemon requested Board of Trustees approval for a letter of support for the ACS Triennial Re-verification of MUSC'S Level I Trauma Program.

Recommendation of Administration: That the letter of support be approved.

Recommendation of Committee: That the letter of support be approved.

Board Action: Dr. Lemon moved that the letter of support be approved. The motion was seconded, voted on and unanimously carried.

Item 10. **Update on MUSC Physicians.**

No report.

Item 11. **Legislative Update.**

Statement: Dr. Lemon stated that Mr. Mark Sweatman, Director of Government Relations, gave an update on legislative activities.

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 12. **Other Committee Business.**

None.

Item 13. **Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges (Consent Item).**

Statement: The appointments, reappointments and delineation of privileges to the medical staff for January and February 2017 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. Lemon moved that the appointments, reappointments and delineation of privileges to the medical staff be approved. The motion was seconded, voted on and unanimously carried.

Item 14. **Medical Executive Committee Minutes (Consent Item).**

Statement: Medical Executive Committee minutes for January and February 2017 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.

Item 15. **Medical Center Contracts and Agreements (Consent Item).**

Statement: Contracts and Agreements 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.)**

OLD BUSINESS: None

NEW BUSINESS:

Item 16. **MUSC Shawn Jenkins Children’s Hospital Report.**

Statement: Mr. Bingham stated that Mr. Matt Wain gave presented the MUSC Shawn Jenkins Children’s Hospital and Women’s Pavilion report and gave a status update on the following: spotlight report; budget review and project timeline.

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

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

Board Action: Report received as information.

Item 17. **North Charleston Ambulatory Project Financing.**

Statement: Mr. Bingham requested approval of the following lease in conjunction with the North Charleston Ambulatory Project:

- Lease of approximately 112,603 square foot medical office building to be built at the corner of Rivers Avenue and Mall Drive in the City of North Charleston. Purpose of lease is to provide medical office space, imaging and procedure room capabilities for pediatric

staff associated with the new MUSC Shawn Jenkins Children's Hospital. This is an absolute net lease at a cost per square foot not to exceed \$25 resulting in an annual amount of \$2,815,075.

Recommendation of Administration: That the North Charleston Ambulatory project lease be approved.

Recommendation of Committee: That the North Charleston Ambulatory project lease be approved.

Board Action: Mr. Bingham moved that the North Charleston Ambulatory project lease be approved. The motion was seconded and unanimously voted to approve the North Charleston Ambulatory project lease as presented.

Item 18. **MUSC Facilities Procurements/Contracts for Approval.**

Statement: Mr. Bingham requested approval of the following:

- Lease renewal of 2,316 square feet of office space located at 52 Courtenay Drive for Cardiopulmonary and Lung Transplant Services. Cost per square foot is \$19.63 resulting in annual lease amount of \$45,462.17.

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

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

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

Item 19. **Other Committee Business.**

None.

Item 20. **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.

CHILDREN'S HOSPITAL COMMITTEE. CHAIRMAN: MR. MICHAEL STAVRINAKIS
(Detailed Committee minutes are attached.)

OLD BUSINESS: None.

NEW BUSINESS:

Item 21. **Women’s Services Overview.**

No report.

Item 22. **Shawn Jenkins Development Activity Report.**

Statement: Mr. Stavrinakis stated that Mr. Jim Fisher reported that \$107,932,054 has been raised for the Children’s Hospital Building Campaign which is 86% of the goal of \$125 million. Mr. Fisher also gave an update on naming opportunities for the Children’s Hospital.

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 23. **Other Committee Business.**

None

AUDIT COMMITTEE. CHAIRMAN: THOMAS L. STEPHENSON, ESQ. (Detailed Committee minutes are attached)

OLD BUSINESS: None

NEW BUSINESS:

Item 24. **Information Security Update.**

Statement: Mr. Stephenson stated that a report had been provided to committee by Mr. Matt Klein, Chief Information Security Officer.

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 25. **Report of the Office of Internal Audit.**

Statement: Mr. Stephenson stated that 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 report be received as information.

Board Action: Received as information.

Item 26. **External Auditor for FY2017-2021.**

Statement: Mr. Stephenson presented for approval the selection of KPMG to provide external audit services for FY2017-2021.

Recommendation of Administration: That the selection of KPMG be approved.

Recommendation of Committee: That the selection of KPMG be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the selection of KPMG to provide external audit services for FY2017-2021.

Item 27. **Other Committee Business.**

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 28. **Approval of Consent Agenda.**

Statement: Approval of the 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 29. **New Business for the Board of Trustees.**

None.

Item 30. **Report from the Chairman.**

None.

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

Respectfully submitted,



Mark C. Sweatman, Secretary

MCS:jls
Attachments

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
April 13, 2017**

Attendees:

Ms. Terri Barnes	Dr. David Cole	Mr. Mike Caputo
Mr. Jim Battle	Ms. Lisa Montgomery	Ms. Susan Barnhart
Mr. William Bingham, Sr.	Dr. Ray Dubois	Mr. Matt Klein
Dr. Guy Castles	Dr. Patrick Cawley	Mr. Greg Weigle
Dr. Richard Christian	Mr. Jim Fisher	Dr. Don Rockey
Dr. Robert Gordon	Dr. Lisa Saladin	Ms. Sheila Champlin
Dr. Donald Johnson II	Mr. Mark Sweatman	Ms. Gina Ramsey
Ms. Barbara Johnson-Williams	Dr. Danielle Scheurer	Mr. Patrick Wamsley
Dr. James Lemon	Dr. Darlene Shaw	Dr. Scott Reeves
Mr. Michael Stavrinakis	Mr. Matt Wain	Mr. Jerry Mansfield
Mr. Tom Stephenson	Mr. Steve Hargett	Ms. Courtney Waggoner
Dr. Charlie Thomas	Mr. David McLean	

Statement: Prior to the start of the committee meeting, Dr. O'Bryan made the following motion: "In accordance with section 30-4-70 of the South Carolina Code, I move that we go into closed session to discuss personnel action including the employment, appointment, compensation, or promotion of an employee and matters relating to the proposed expansion of clinical and educational services."

Board Action:It was moved, seconded and unanimously voted to move into closed session following the conclusion of committee meetings.

The meeting was called to order at 8:07 a.m. by Dr. James Lemon, on behalf of Murrell Smith.

Item 6. Medical University Hospital Authority Status Report

Dr. Patrick Cawley, CEO MUSC Health, gave a status update with focus on goal performance year to date as well as health reform. In terms of goals performance, the six pillar goal areas were reviewed. Service pillar is not meeting performance but there are many active efforts underway. People pillar is focused primarily on the recent employee and physician survey. Dr. Cawley will review this pillar in more detail at the next board meeting. Quality pillar has a mix of outcomes and Dr. Scheurer will update board today on those. In the Finance pillar, there is green performance in cash, but the operating margin is not currently achieving goal due to the additional pension expense levied on MUHA. Growth and Innovation pillars are headed in the right direction with a lot of efforts underway in length of stay reduction and 30 day readmit goals.

Dr. Cawley then gave an update on health care reform with a focus on the seven key points of the MUSC / MUSC Health position on health care reform. There was robust board discussion around these seven points which are as follows:

1. We remain committed to engaging with other leaders to develop a meaningful plan. It is the only way to ensure a better, healthier future for the people of our state and the patients we care for at MUSC every day, especially those who need health care most.
2. Improving health care coverage is a priority since the absence of coverage is associated with poor outcomes.

3. MUSC has very thin budget margins, so any policy decisions that increase the number of uninsured that we provide care for places us in a very difficult budget situation. We have to provide care for South Carolinians whether they have insurance or not. Providing care is our mission.
4. Repeal must be accompanied by replacement plan. The health system is highly interdependent and complex, and repeal without replacement runs the risk of causing significant disruption to health care providers as well as the health insurance market.
5. Health reform plans should not unfairly treat states that did not expand Medicaid.
6. Plans that convert Medicaid to a per-capita allotment or block grant potentially put SC at a disadvantage. Such plans need extensive discussion and vetting to ensure the methodology does not hurt South Carolinians. Such plans should be accompanied by significant regulatory relief.
7. Health care reform should not disadvantage GME support.

Action: Report received as information.

Item 7. Medical University Hospital Authority Financial and Statistical Report

Mr. Mike Dacus, Interim CFO, gave an update on MUHA's financial status through February 2017. Highlights include:

- Gross Revenue is up 10% year over year
- Net Revenue is up 2% year over year
- Operating Margin is at 2.2% which is down primarily due to pension expense
- Days in A/R at 55
- Days Cash on Hand at 41 and continuing to improve

Action: Report received as information.

Item 8. Report on Quality and Patient Safety

Dr. Scheurer reviewed several WINS and current performance on the quality pillar, include the serious safety event rate. She then reviewed upcoming ranking timelines for 2017, including the spring release of Leapfrog (MUSC is a "B" rating in the spring release). She announced an update on Baldrige and that MUSC has been granted a site visit for the state program, to be completed in late June-early July. She highlighted the Quality area of Care team safety, and the Quality registry Vascular Quality Initiative (VQI). She gave a brief update on the Heart Transplant program, of which more information is forthcoming in tomorrow's meeting with Dr. Tom DiSalvo.

Action: Report received as information.

Item 9. Letter of Support for ACS Triennial Re-verification of MUSC Level 1 Trauma Program.

Dr. Danielle Scheurer, Chief Quality Officer, MUHA, requested Board of Trustees approval for a letter of support for the ACS Triennial Re-verification of MUSC'S Level I Trauma Program.

Action: Recommend approval.

Item 10. Update on MUSC Physicians

No report.

Item 11. Legislative Update

Mr. Mark Sweatman gave an update on the following legislative activities at the state level:

- Statewide Health Innovation
- State wide Teaching Partnerships
- SC Telehealth Alliance
- Burn Unit
- Procurement Efficiency

Mr. Sweatman also shared the following documents with the Board:

- Letter from the presidents of the South Carolina's higher education institutions written to Governor McMaster in support of the bond bill
- Letter to MUSC faculty, staff and students regarding potential cuts in NIH funding

Action: Received as information

Item 12. Other Committee Business.

None.

CONSENT AGENDA

Item 13. MUHA Appointments, Reappointments and Delineation of Privileges

The committee reviewed the appointments, reappointments and delineation of privileges requests for the months of January and February 2017. These have been recommended for approval by all appropriate committees.

Action: Recommend approval.

Item 14. Medical Executive Committee Minutes.

Committee minutes from January and February 2017 were reviewed by the committee.

Action: Received as information.

Item 15. Medical Center Contracts and Agreements

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

Action: Received as information.

There being no further business, the committee adjourned 9:15 a.m.

Respectfully Submitted

Jane L Scutt

MUHA Physical Facilities Committee
April 13, 2017
Minutes

Board Members Attending:

Mr. William H. Bingham, Sr., Chair
Ms. Terri R. Barnes
Mr. Jim Battle
Dr. Guy Castles
Dr. Richard Christian
Dr. Robert Gordon
Dr. Donald R. Johnson II

Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. E. Conyers O’Bryan, Jr.
Mr. Charles Schulze
Mr. Michael E. Stavrinakis
Mr. Tom Stephenson
Dr. Charles Thomas

The meeting was called to order by Mr. Bingham, Committee Chair.

REGULAR ITEMS

Item 16. Shawn Jenkins Children’s Hospital Report.

Mr. Matt Wain gave an update on the MUSC Shawn Jenkins Children’s Hospital and Women’s Pavilion and presented the following to the committee:

- Stoplight Report - Mr. Wain reported that most areas are currently on time and on target. He reported that SWMBE participation is at 38% which has exceeded the goal of 30%.
- Budget Review – Mr. Wain reported that there has been a slight increase in the budget from \$384.3M to \$384.4M.
- Project Timeline – The topping out ceremony is scheduled for October 2017.

Action: Report received as information.

Item 17. North Charleston Ambulatory Project Financing .

Mr. Greg Weigle and Mr. Steve Hargett presented the following lease for approval in conjunction with the North Charleston Ambulatory Project:

- Lease of approximately 112,603 square foot medical office building to be built at the corner of Rivers Avenue and Mall Drive in the City of North Charleston. Purpose of this lease agreement is to provide medical office space, imaging and procedure room capabilities for pediatric staff associated with the new MUSC Shawn Jenkins Children’s Hospital. This is an absolute net lease at a cost per square foot not to exceed \$25 resulting in an annual amount of \$2,815,075.

Action: Recommend approval.

Item 18. MUHA Facilities Procurements/Contracts for Approval.

Mr. Greg Weigle, Chief Facilities Officer, presented the following facilities procurements/contracts for approval.

- Lease renewal is for 2,316 square feet of office space located at 52 Courtenay Drive is to continue to provide space for Cardiopulmonary and Lung Transplant Services. Cost per square foot is \$19.63 resulting in annual lease amount of \$45,462.17.

Action: Recommend approval.

Item 19. Other Committee Business.

None.

CONSENT ITEMS FOR INFORMATION:

Item 20. Facilities Contracts Awarded

Facilities contracts entered into since the last meeting were presented for information.

Action: Report received as information.

With no further business, the meeting was adjourned.

Respectfully submitted,

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

Jane L. Scutt

**Medical University Hospital Authority
Shawn Jenkins Children's Hospital Committee Minutes
April 13, 2017**

Board Members Attending:

Mr. Michael Stavrinakis, Chair	Dr. Donald Johnson
Ms. Terri Barnes	Ms. Barbara Johnson-Williams
Mr. Jim Battle	Dr. James Lemon
Mr. William Bingham, Sr.	Dr. Conyers O'Bryan
Dr. Guy Castles	Mr. Charles Schulze
Dr. Richard Christian	Mr. Tom Stephenson
Dr. Robert Gordon	Dr. Charlie Thomas

The meeting was called to order by Mr. Stavrinakis at 9:30 a.m.

Item 21. Women's Services Overview

No report.

Action: Report received as information.

Item 22. Shawn Jenkins Children's Hospital Development Activity Report

Mr. Jim Fisher reported that \$107,932,054 has been raised for the Children's Hospital Building Campaign which is 86% of the goal of \$125 million. Mr. Fisher also gave an update on naming opportunities for the Children's Hospital.

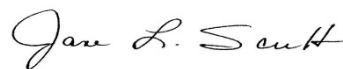
Action: Report received as information.

Item 23. Other Committee Business

None.

With no further business, the meeting was adjourned at 9:40 a.m.

Respectfully submitted,



Jane L. Scutt

**Medical University Hospital Authority
Audit Committee
April 13, 2017
Minutes**

Board Members Attending:

Mr. Tom Stephenson, Chair
Ms. Terri Barnes
Mr. Jim Battle
Mr. Bill Bingham
Dr. Guy Castles
Dr. Richard Christian
Dr. Robert Gordon

Dr. Don Johnson
Ms. Barbara Johnson-Williams
Dr. James Lemon
Dr. Conyers O'Bryan, Jr.
Mr. Charles Schulze
Mr. Michael Stavrinakis
Dr. Charles Thomas

Mr. Tom Stephenson, Chair, called the meeting to order.

Item 24. Information Security Update.

Mr. Matt Klein, Chief Information Security Officer, gave an update on Information Security. He gave an overview of what Information Security is and what needs to be protected. He shared some examples of information security in the news and the financial impact to organizations when a breach occurs. He discussed current initiatives at MUSC include evaluating opportunities to reduce risk to MUSC including email and web browsing and supporting the Accountable Care Organization (ACO). Next steps include assessing information security program capabilities and developing enterprise information security strategy.

Recommendation of Committee: That this be received as information.

Item 25. Report of the Office of Internal Audit.

Mr. Stephenson stated that the results of the audits were mailed to the board members and if there were questions, Ms. Susan Barnhart would be happy to address them.

Recommendation of Committee: That this be received as information.

Item 26. External Auditor for FY2017-2021.

Mr. Stephenson presented for approval the selection of KPMG to provide external audit services for FY2017-2021.

Recommendation of Committee: Recommend approval

Item 27. Other Committee Business

None.

With no further business, the meeting was adjourned.

Respectfully submitted,

Jane L. Scutt