

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
December 12, 2014

The Board of Trustees of the Medical University Hospital Authority convened Friday, December 12, 2014, 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; 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. 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.

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 February 13, 2015.

Item 3. Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of October 10, 2014 and the Special Called Meeting of October 9, 2014.

Board Action: It was moved that the Minutes 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.

Dr. David Cole called on Dr. Darlene Shaw to introduce the first speaker for today. Dr. Shaw introduced Dr. Michael Sweat. Previously, Dr. Sweat was at Johns Hopkins University where he served on the faculty of the Department of Public Health until he came to MUSC in 2007. He earned his MA and PhD from Emory University in Medical Sociology. He is now a professor in the Department of Psychiatry and Behavioral Sciences and Director of MUSC's Family Service Research Center. In 2012, MUSC chose him to become the inaugural Director of MUSC's

Center for Global Initiatives. This is an important center on campus since increasing numbers of faculty and students on campus are becoming interested in global experiences. Every year over 200 students have global experiences through the Center. Dr. Sweat's research focuses on HIV prevention and care in developing countries. He has worked in multiple countries in South Asia, Latin America and Africa including over 20 years of funded research in Tanzania. Throughout his career he has garnered more than \$19 million in NIH funding and has over 100 publications. Dr. Sweat is here today to talk about recent accomplishments and future direction for MUSC's Center for Global Health.

Dr. Sweat discussed three main areas – the benefits of global health activities at MUSC; enhancing MUSC's competitiveness; and the strategy and plans for the future. All of the top academic medical institutions have global health programs. There is the potential to significantly increase NIH funding for global health. In 2001 there were 6 global health programs in academic institutions which grew to 250 in 2014. This is becoming part of the standard academic experience and is helpful in recruitment and retention of residents, faculty, staff and students. He shared initiatives in the Global Health Center to help prepare MUSC to compete in the global health arena including enhancing faculty competitiveness in getting grants; engaging students in research and projects; and working hard to raise awareness of global health.

Dr. Pat Cawley introduced Dr. Danielle Scheurer to talk about MUSC's response to the Ebola crisis. Dr. Scheurer earned her medical degree at the University of Tennessee and completed an Internal Medicine and Pediatrics residency at Duke. She then came to MUSC, was on faculty and earned her Master's in Clinical Research from the University. After five years at Brigham and Woman's Hospital, Dr. Scheurer returned to MUSC as a Hospitalist on the General internal Medicine inpatient services. She also serves as Director of Quality for MUHA. Since the Ebola crisis began, she has now become a state resource for the issue. She discussed the Ebola outbreak in Africa – both symptoms and outcomes. She reviewed cases that had been treated on US soil and collaboration in the State. She discussed specialized medical unit protocols and the specialized medical team MUSC has to respond to Ebola and other infectious diseases. MUSC is preparing for a site visit by the CDC to become a Rapid Ebola Preparedness Team to receive funding to be designated the "biohazard unit" in the state.

Dr. Cole congratulated Drs. Cawley and Scheurer and their team for their excellent work.

Recommendation of Administration: That the reports 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. Medical University Hospital Authority Status Report.

Statement: Dr. Baker said Dr. Cawley had presented a report to committee. During his report, approval was requested for a strategic affiliation with the Regional Medical Center – Orangeburg.

Recommendation of Administration: That the strategic affiliation with the Regional Medical Center – Orangeburg be approved.

Recommendation of Committee: That the affiliation be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the strategic affiliation with the Regional Medical Center - Orangeburg.

Item 7. Medical University Hospital Authority Financial and Statistical Report.

Statement: Dr. Baker stated Mr. Steve Hargett had presented a report to committee.

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

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 8. North Charleston Infusion Center Certificate of Need (CON).

Statement: Dr. Baker asked for approval of the following Certificates of Need:

- Radiation Therapy Center
- Imaging Center
- Ambulatory Surgery Center

Recommendation of Administration: That the CONs be approved.

Recommendation of Committee: That the CONs be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the three Certificates of Need as requested.

Item 9. Report on Quality and Patient Safety.

Statement: Dr. Baker stated Dr. Scheurer had 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 10. Update on MUSC Physicians.

Statement: Dr. Baker asked for approval to build a primary care office at Carnes Crossroads at a total cost of \$3,830,000 which includes the purchase of two acres at a cost of \$700,000; construction of a 9,000 square foot building at a cost of \$2,750,000 and the purchase of capital equipment at a cost of \$380,000.

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 request to build a primary care office at Carnes Crossroads for a total cost of \$3,830,000.

Item 11. Legislative Update.

Statement: Dr. Baker stated Mr. Sweatman had 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 12. Other Committee Business. None

Item 13. 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 September and October 2014 be approved. The motion was seconded, voted on and unanimously carried.

Item 14. Revisions to Medical Staff Bylaws (Consent Item).

Statement: Revisions to the Medical Staff Bylaws were presented for approval.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the revisions to the Medical Staff Bylaws.

Item 15. Revisions to Medical Staff Rules and Regulations (Consent Item).

Statement: Revisions to the Medical Staff Rules and Regulations were presented for approval.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the revisions to the Medical Staff Rules and Regulations.

Item 16. Revisions to Medical Staff Credentials Manual (Consent Item).

Statement: Revisions to the Medical Staff Credentials Manual were presented for approval.

Recommendation of Administration: That the revisions be approved.

Recommendation of Committee: That the revisions be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the revisions to the Medical Staff Credentials Manual.

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 for September and October 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.

**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 19. Facilities Procurements/Contracts Proposed.

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

- New Lease for 17,650 square feet of office space located on the 2nd floor of South Park Plaza, 3 South Park Circle in West Ashley. Total of 17 year lease: \$5,964,994.00
- New Lease for 10,558 square feet of office space located on the 2nd floor of South Park Plaza, 1 South Park Circle in West Ashley. Total amount of 17 year lease: \$4,940,652.56.
- New Lease for 9,940 square feet of office space located on the 2nd floor of Cannon Park Place, 261 Calhoun Street. Total amount of lease term: \$1,345,279.60.
- New Lease for 1,220 square feet of clinical space located at 2125 Charlie Hall Boulevard for Physical and Occupational Therapeutic Services. Total amount of lease term: \$78,181.17.
- Lease Renewal for 4,274 square feet of clinical space located on the 1st floor of 735 Johnnie Dodds Boulevard to provide space for the East Cooper Ambulatory Procedure Center. Total amount of two year lease: \$256,726.10.

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 leases as presented.

Item 20. Project Update.

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

Recommendation of Administration: Report to be received as information.

Recommendation of Committee: Report to be received as information.

Board Action: Received as information.

Item 21. Other Committee Business. None

Item 22. 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: 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 had heard the reports so unless there was any further discussion or questions, the board would move on to the Facilities Committee.

Item 23. Operations and Facilities Report.

Statement: Dr. Pat Cawley and Mr. Matt Wain provided a report to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 24. Women's Services Update.

Statement: Dr. Jill Mauldin and Ms. Robin Mutz provided a report to committee.

Recommendation of Administration: Received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 25. 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 26. 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 27. 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 28. Other Committee Business. None

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

OLD BUSINESS: None

NEW BUSINESS:

Mr. Stephenson stated all committee items were for information except the Variable Compensation Pay Plan which needed approval.

Item 29. External Auditor Exit Conference for FY2014 Audit.

Statement: A report was presented to committee by KPMG.

Recommendation of Administration: Report to be received as information.

Recommendation of Committee: Received as information.

Board Action: Received as information.

Item 30. Legal Office Annual Report.

Statement: No report.

Recommendation of Committee: Received as information.

Board Action: Received as information.

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.

Statement: Mr. Stephenson stated the committee had received information on the Variable Compensation Plan for MUSC/MUHA Leaders and he requested approval of the plan.

Recommendation of Administration: That the plan be approved.

Recommendation of Committee: That the plan be approved.

Board Action: A motion was made, seconded and unanimously voted to approve the Variable Compensation Plan for MUSC/MUHA Leaders as presented.

Item 34. Biennial Review of Audit Committee Charter (Consent Item).

Statement: The Biennial Review of the Audit Committee Charter was received as information.

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

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES:

Item 35. 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 36. New Business for the Board of Trustees. None

Item 37. 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:wj

Attachments

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
December 11, 2014
Minutes**

Attendees:

Dr. Stanley Baker, Chair	Dr. Deborah Deas
Mr. Bill Baker	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	Dr. Mark Scheurer
Dr. James Lemon	Dr. Jill Mauldin
Dr. Ragin Monteith	Ms. Darlene Shaw
Dr. Conyers O'Bryan	Mr. Matt Wain
Dr. Thomas Rowland	Mr. Dennis Frazier
Mr. Charles Schulze	Mr. Steve Hargett
Dr. Murrell Smith	Annette Drachman, Esq.
Mr. Michael Stavrinakis	David McLean, Esq.
Thomas Stephenson, Esq.	Mr. John Cooper
Dr. Charles Thomas	Mr. Mark Sweatman
Dr. Jim Wiseman	Ms. Sarah King
Dr. Thomas Rowland	Mr. Greg Weigle
Dr. David Cole	Ms. Heather Woolwine
Dr. Patrick Cawley	Mr. Steve Valerio
Dr. Bruce Elliott	Ms. Gina Ramsey
Mr. Jim Fisher	Ms. Robin Mutz

The meeting was called to order at 8:05 am by Dr. Stanley Baker, Chair.

Item 6. Medical University Hospital Authority Status Report

Dr. Patrick Cawley reported on the following:

FY2015 Goal Performance:

Service: We are “green” in some of the areas and “yellow” in the adult areas; however, focus is needed on the pediatric outpatient clinics downtown. We have a new leader over this area that is working on improving this area.

People: The employee survey will be done in late February and results will be shared at the April board meeting. For areas that scored low in last year’s survey, a mid-year survey was conducted and almost all of the areas showed improvement.

Quality: There are two areas in which we are not doing well: mortality and central line infections. We have found that almost all central line infections are in oncology patients. We are looking at new ways to decrease central line infections. The central line number of 1.4 is actually very good but we are trying to be better.

Finance: Because of Epic, we don’t have full direct cost data but should in the next few weeks; doing fine with Operating Margin year to date and cash is starting to rebound back after Epic conversion.

Growth: There is a whole series of telehealth and telemedicine strategies that are moving along very nicely. Of importance is the state-wide telehealth strategic plan which has been completed and has

been vetted with some of the legislative leadership and will be working more on this over the next few months. Health and Human Services has also been involved.

Action: Report received as information.

Certificate of Need (CON) Update:

Dr. Cawley requested Board approval to move forward with submitting applications for three (3) Certificates of Need for the following facilities to be located in North Charleston:

- Radiation Therapy Center
- Imaging Center
- Ambulatory Surgery Center

Action: Recommend approval.

Telehealth Update: Dr. Cawley reported that there has been a lot of discussion amongst the legislature around telehealth. MUSC has received almost \$30 million in funding for telehealth in the last two years. In 2014, MUSC facilitated a statewide telehealth strategic plan which was completed in October. We have started a South Carolina Telehealth Alliance that we will be advertising and talking a lot about in the first quarter of 2015. MUSC has done over 8,000 tele-consultations; has over 50 connected sites; and offers 26 specialty services in 20 counties. South Carolina has invested in infrastructure for several years. MUSC did not spend the full \$30 million as we did not expect to receive continuing money over time. We have invested in infrastructure and will continue to do this into 2020 into what is called service development which is how physicians and clinicians work with the program. Dr. Cawley commented that if we were to get additional funding, we would be able to move faster on expanding services.

Orangeburg Affiliation Agreement:

Dr. Patrick Cawley and Dr. Bruce Elliott requested Board approval for a strategic affiliation with the Regional Medical Center – Orangeburg.

Action: Recommend approval.

Strategic Planning Update:

Dr. Bruce Elliott gave an update on “Mission 2015,” which is the Clinical Enterprise Strategic Plan. Dr. Elliott reported that the strategic plan was facilitated by The Beckham Company and was approved by the Board of Trustees in December 2011. Dr. Elliott reviewed the seven driving strategies and highlighted various accomplishments under each driving strategy.

Action: Report received as information.

Item 7. Medical University Hospital Authority Financial and Statistical Report

Steve Hargett reported on the following items:

MUHA Financial Update: Gross and Net Revenues are up over this same period last year. Days in AR at 59 days have stayed the same over the last year which is actually good considering we had the Epic conversion in July. Operating Margin is down from the same period last year which is mainly driven by Epic. Days cash are down from 22 to 20 which are mainly due to having three pay periods in

the month of October. The Debt Service Coverage which HUD requires 1.5 times so with MUSC's ratio at 3.83 it will allow us to borrow more money which will be very important for us to have a good debt service coverage ratio.

Epic Revenue Cycle Update: Steve Hargett reported that we are considered a high performer since we have stars in five out of six guardrails. The guardrails are established using MUSC's historical data pre-Epic-go-live compared to high performers of Epic. Mr. Hargett pointed out that under "Coding Days" we are at .22 days and are the highest performer across all Epic "Best Performers." Under "Open Denials," we are at 2.61 days of gross revenue that has been denied. Mr. Hargett reported that there was a glitch with the billing to the Medicaid program that has now been corrected which should put us back within the Epic guardrails.

Action: Report received as information.

Item 8. North Charleston Infusion Center Certificate of Need (CON)

Item was included under Item 6.

Item 9. Report on Quality and Patient Safety

Dr. Scheurer reported on the following:

Transparency Website: Dr. Scheurer reported that the Transparency website is now live and provides information on quality, throughput and price transparency. Next steps are to drill down to the service line level, unit level and physician level on patient satisfaction.

Magnet Update: Dr. Scheurer shared the timeline of where MUSC is with pursuing Magnet designation. In August 2014, the Magnet document was submitted. The document is a combination of qualitative and quantitative information. The qualitative data includes how nurses are engaged in nursing excellence. The quantitative data which was presented to the board before includes nursing sensitive indicators which include pressure ulcers, central lines and blood stream infections and the number of nurse who has achieve higher degrees or certifications. Dr. Scheurer reported that we recently had a two-day mock survey conducted. Feedback we received is that we are doing all the right things but we just need to work on our getting our 6,000+ employees to be able to articulate at the staff level what great things we are doing. All in all, feedback was very positive and the surveyors feel that we will get a site visit which we anticipate will be in the summer of 2015.

Action: Report received as information

Item 10. Update on MUSC Physicians

Dr. Scott Reeves requested Board approval to build a primary care office at Carnes Crossroads at a total cost of \$3,830,000 which includes the purchase of two (2) acres at a cost of \$700,000; construction of a 9,000 square feet building at a cost of \$2,750,000; and, the purchase of capital equipment at a cost of \$380,000.

Action: Recommend approval.

Item 11: Legislative Update

Mr. Mark Sweatman gave an update on legislative activities.

Action: Report received as information

Item 12: Other Committee Business

No other committee business.

CONSENT ITEM FOR APPROVAL

Item 13. 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 September and October 2014. These have been recommended for approval by all appropriate committees.

Action: Recommend approval

CONSENT ITEMS FOR INFORMATION

Item 14. Revision to Medical Staff Bylaws

The proposed revisions to the Medical Staff Bylaws were submitted to the committee and reviewed by all appropriate groups. The committee recommended approval.

Action: Recommend approval.

Item 15. Revisions to the Medical Staff Rules & Regulations

The proposed revisions to the Medical Staff Rules and Regulations were submitted to the committee and reviewed by all appropriate groups. The committee recommended approval.

Action: Recommend approval.

Item 16. Revisions to the Medical Staff Credentials Manual

The proposed revisions to the Medical Credentials Manual were submitted to the committee and reviewed by all appropriate groups. The committee recommended approval.

Action: Recommend approval.

Item 17. Medical Executive Committee Minutes

The Medical Executive Committee minutes from September and October 2014 were reviewed by the committee.

Action: Received as information

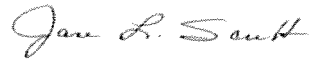
Item 18. Medical Center Contracts and Agreements

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 9:00 a.m.

Respectfully Submitted,

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

Jane L. Scutt

**Medical University Hospital Authority
Children's Hospital Committee
December 11, 2014
Minutes**

Attendees:

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

The meeting was called to order at 9:00 am by Dr. Don Johnson, Chair.

Children's Ambulatory Strategy

Dr. Mark Scheurer reported on the following:

Strategies to Drive Growth:

- Focused presence in Children's Hospital & Women's Pavilion
- After Hours in Tri-County Area
- Multi-subspecialty presence in Tri-County
- Regional and limited statewide efforts

After Hours Care Model:

After hours care started in 2010-11 in North Charleston to provide services to children outside the normal hours. Hours are 4:00-10:00pm on weekdays and noon to 7:00pm on weekends and holidays. No appointment is required. 20% of patients are new MUSC patients with 2% ending up getting a referral to a MUSC subspecialty and 2% are being admitted to the MUSC Children's Hospital or an ICU. There are currently two locations in Mt. Pleasant and one in Summerville. In regards to volume, the MUSC peds ED sees approximately 3000 cases a month. The same volume is seen in all the current after hour sites and the ED volume has not changed. Receive very good feedback and patient satisfaction is good. It also

offers a venue for daytime subspecialty clinics. The opportunity is being looked at to possibly look into a West Ashley site to continue this model. Discussions are currently being held to engage in a possible development of MOB (Medical Office Building) site for ambulatory surgical and procedural based services. There is a need for opportunities outside the tri-county such as Beaufort, Orangeburg and Myrtle Beach for peds surgery and currently focusing on how to coordinate with our affiliates. There is also a need for targeted statewide clinics for niche services such as neurology and transplant.

Operations & Facilities Report

Dennis Frazier presented next steps for new children's hospital and women's pavilion. Request approval to continue project with demolition of CMH/McClennan Banks Bldg in April or May. Construction would begin in early 2016.

Action: Recommend Approval

Women's Health

Matt Wain introduced Dr. Jill Mauldin and Robin Mutz.

Dr. Jill Mauldin and Robin Mutz reported on the following:

Baby Friendly Hospital: MUSC received Baby Friendly Hospital Designation in September 2013. four hospitals across state received; we were only academic medical center. There are now seven hospitals with designation in state. In June of 2012, the exclusive breast feeding rate was 30%; in June of 2014 it was 81%. Breastfeeding is very important to MUSC and Builds donor milk bank. 100% prenatal care patients receive education regarding breastfeeding. 80% of all healthy infants will be skin to skin within 60 minutes but usually sooner which benefits the babies being warmer, crying less and maintain blood sugar better.

After hour clinics will be used for drop off locations for milk donors.

SC DHEC Birth Outcomes: Initiative to decrease infant mortality rate by eliminating elective deliveries before 39 weeks. MUSC was awarded most approved (Level III) and best overall performance. Current initiative is to reduce C-section rates among 1st time mothers. Training is happening across the state on how to manage labor better using new guidelines.

Group Prenatal Care: MUSC is also involved in the group prenatal care program receiving certification from the Centering Healthcare Institute in November 2014. There are only 10 centers in the state that provide this care and only half are certified. After receiving their required care, patients in the program drive their care and decide what they want to talk about. The visit is 1.5 – 2 hours in length. The program has 98% patient satisfaction.

MFM Telemedicine: Since 2008 MUSC has used MFM telemedicine. The average is 30 visits per week. Currently located in six locations expanding to another four. Ultrasounds, genetic counseling and MFM consultation are provided.

MUSC Women's Health Vision:

Fetal Care Center: This will be a center where multispecialty physicians come together with the patient and families when an abnormality or condition is identified in a baby before birth to

discuss plan of care. Patient returns to their community for the remainder of their prenatal care and comes back to MUSC to deliver.

NICU Couplet Care: Will transform MUSC to place where the couplet/family care is the primary goal. There is flexibility as medically allowed to support this goal. The care improves outcomes such as length of stay and morbidities and improves patient satisfaction. Also, improves lower readmissions for babies and postpartum depression in mothers.

Why should women's health partner with a children's hospital?: The top five things that impact infant mortality are birth defects, preterm delivery, maternal complications of pregnancy, SIDS and accidents. Women make > 80% of the health care decisions for their families.

Current Status: In 2013 there was a decrease in deliveries at MUSC but since deliveries have increased significantly. All MUSC employees are encouraged to use MUSC. 2850 deliveries are expected for 2015 which is expected to continue to grow in the future. Market trends were discussed. Goal is to be the market leader for women's care. Current and future square footage of inpatient beds, labor-delivery rooms, operating rooms, triage rooms and prep recovery was reviewed.

Financial Update

Steve Hargett reported the following:

Not a lot of change since the last board meeting. With the help of the state treasurer's office engage Kaufmann Hall as our financial advisor. For the past 10 years, Kaufmann Hall has been the ranked the #1 financial advisor for the not for profit healthcare world.

Key Outputs: Feasibility of Project: MUHA must focus on the following and successfully achieve these assumptions over the next 10 years: decrease length of stay from 6.1 to an average of 5.9 days; ensure costs (salaries, supplies, and purchased services) increase at 2.5% annually; and ensure that commercial payor rates increase at an average of 1.8% annually. In addition, MUHA must be able to raise at minimum \$50M in philanthropy to support the Hospital/Pavilion.

General Credit Observations: MUHA has generated moderately healthy margins; current leverage metrics also support MUHA's existing debt load; liquidity levels provide little cushion to weather operating performance or as a hedge against various components or uncertainty (strategic, operating, etc.); and questions to consider: Is the current level of profitability sustainable? Is strategic cost transformation underway? How can the organization buttress its cash position?

Feasibility study financial planning assumptions discussed in regards to volumes, reimbursements, expense inflation and project/financing costs. Overall, KHA feels the assumptions used to develop the feasibility study are reasonable. One risk point is the assumption that utilization will remain flat in the Women's and Children's population and that certain services will grow more than the population, which implies increased market share.

Phase II Children's Hospital and Women's Pavilion: Variance from \$50M goal – Added cost per \$1M in additional debt: \$66K interest expense; \$7200 capitalized interest amortization; \$6500 mortgage ins premium at 0.65% for a total income statement of \$164K. Also discussed was the mortgage reserve fund that is required.

Development Activity Report

Jim Fisher reported on the following:

Progress as of December 5, 2014 for the Children's Hospital and Women's Pavilion Building Campaign reviewed. Currently at 12.5% of goal of \$6.2M raised. Pyramid of giving of campaign discussed. Jim is confident the goal will be reached. Foundation board meeting focused on campaign. After meeting there were two verbal commitments of \$1M. Multiple gifts of \$10M and \$5M are needed to succeed. At next meeting, there will be another dashboard slide that shows naming opportunities.

There being no further business, the committee adjourned at 9:45 a.m.

Respectfully Submitted,

Angie Baldwin

**Medical University Hospital Authority
Physical Facilities Committee
December 11, 2014
Minutes**

Board Members Attending:

Mr. William H. Bingham, Sr., Chair
Mr. William A. Baker, Jr.
Dr. Stanley C. 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
Mr. Thomas L. Stephenson
Mr. Michael E. Stavrinakis
Dr. Charles B. Thomas, Jr.

Mr. Bingham called the meeting to order.

REGULAR Items

Item 19 Facilities Procurements/Contracts Proposed.

Mr. Dennis Frazier presented the following for approval:

- New Lease for 17,650 square feet of office space located on the 2nd floor of South Park Plaza, 3 South Park Circle in West Ashley. Total of 17 year lease: \$5,964,994.00
- New Lease for 10,558 square feet of office space located on the 2nd floor of South Park Plaza, 1 South Park Circle in West Ashley. Total amount of 17 year lease: \$4,940,652.56.
- New Lease for 9,940 square feet of office space located on the 2nd floor of Cannon Park Place, 261 Calhoun Street. Total amount of lease term: \$1,345,279.60.
- New Lease for 1,220 square feet of clinical space located at 2125 Charlie Hall Boulevard for Physical and Occupational Therapeutic Services. Total amount of lease term: \$78,181.17.
- Lease Renewal for 4,274 square feet of clinical space located on the 1st floor of 735 Johnnie Dodds Boulevard to provide space for the East Cooper Ambulatory Procedure Center. Total amount of two year lease: \$256,726.10.

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

Item 20 Update on Projects.

No Report.

Recommendation of Committee: Received as information.

Item 21 Other Committee Business. None

CONSENT Items for Information:

Item 22 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
Audit Committee
December 11, 2014
Minutes**

Board Members Attending:

Mr. Thomas L. Stephenson, Chair
Mr. William A. Baker
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
Mr. Thomas L. Stephenson
Mr. Michael E. Stavrinakis

Mr. Stephenson called the meeting to order.

REGULAR Items

Item 29. External Auditor Exit Conference for FY2014 Audit.

Ms. Jennifer Hall and Mr. Brian Wiese, Audit Partners and Managing Directors with KPMG, presented the results of the 2014 Audits of MUSC, MUHA and UMA. They reported the fiscal year 2014 financial statements received unmodified opinions in accordance with the U.S. general accepted accounting principles (GAAP) and no material weaknesses were found.

Recommendation of Committee: Received as information.

Item 30. Legal Office Annual Report.

No report.

Recommendation of Committee: Received as information.

Item 31. Information Security (IS) Update.

Dr. Frank Clark provided an information security update. He stated the search for the CIO security officer is well underway and the search has been narrowed to two candidates. They will both be on campus next week for interviews. Hopefully, an offer will be made and a candidate in place by the next board meeting.

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.

A motion was made, seconded and voted to go into executive session to discuss a personnel matter.

Recommendation of Committee: At the conclusion of the session, and back in open session, a motion was made seconded and unanimously voted to place the Senior Management Variable Compensation Plan on the agenda for approval at the Board meeting on December 12.

Item 34. Biennial Review of Audit Committee Charter.

The Biennial Review of the Audit Committee Charter was presented for information.

Recommendation of Committee: Received as information.

With no further business, the meeting was adjourned.

Respectfully Submitted,

Celeste Jordan