

**MUSC and MUHA Board of Trustees  
Special-Called Meeting  
June 24, 2022 Minutes**

The MUSC and MUHA Board of Trustees convened a special-called meeting on Friday, June 24, 2022, at the Palmetto Club in Columbia, South Carolina. The following board members were present: Dr. James Lemon, Chair; Mr. Charles Schulze, Vice-Chair; Ms. Terri Barnes; Mr. Jim Battle; Mr. Bill Bingham; Dr. Guy Castles; Dr. Paul Davis; Ms. Barbara Johnson-Williams; Dr. Murrell Smith; Mr. Tom Stephenson. Board members excused: Dr. Melvin Brown; Dr. Fritz Butehorn; Dr. Richard Christian; Dr. Don Johnson; Mr. Michael Stavrinakis; and Dr. Bart Witherspoon. In addition, the following members of MUSC's administration were present: Mr. Rick Anderson; Dr. Patrick Cawley; Dr. David Cole; Ms. Annette Drachman; Dr. Lisa Saladin; and Dr. Terry Steyer.

**Item 1. Call to Order**

There being a quorum present, Chairman Lemon called the meeting to order.

**Item 2. Roll Call and Date of Next.**

Jane Scutt called the roll and announced the following: "In compliance with the Freedom of Information Act, all notice of meetings and agendas were furnished to all news media and persons requesting notification." The date of the next regular Board meeting is for August 12, 2022.

**Item 3. Executive Session.**

Chairman Lemon recognized Mr. Battle who moved that the Board go into closed session to discuss the following items pursuant to sections 30-4-70(a) of the South Carolina Code:

- the employment, appointment, and compensation of a person regulated or appointed by a public body;
- negotiations of pending contracts related to the possible expansion of clinical services, the proposed sale or purchase of real property; and,
- receipt of legal advice related to matters covered by the attorney/client privilege.

Board Action: The motion was seconded, voted on, and unanimously carried. At 9:15 a.m., Chairman Lemon announced the Board would move into closed session. At 12:16 p.m., the Board returned to open session with no action taken.

**Item 4. MUSC FY2023 Budget.**

Mr. Patrick Wamsley, Chief Financial Officer for MUSC, presented MUSC's proposed FY 2023 operating and capital budgets. The operating budget, with a bottom line of

\$6.8 million, included revenue budget assumptions of \$123 million in state appropriations, \$115 million in tuition and fees, \$236 million in grants and contracts, and \$102 million in reimbursements from MUSC Physicians. Mr. Wamsley reviewed the breakdown of the health system pass-through dollars of \$116 million so the effect of those dollars could be understood. The FY2023 student tuition and fees budget of \$115 million represents no in-state tuition or fee increases. The FY2023 salaries and benefits expenses include the state-mandated 3% cost of living increase, the one-time bonus of \$1,500, the increase in employer retirement contributions, and, the estimated cost for faculty recruitment and filling vacancies. Grants and contracts represent the largest portion of the revenue budget at \$236 million or 24% and salaries and benefits represent the largest portion of the expenditure budget of \$439 million or 45%. Mr. Wamsley briefly reviewed the capital projects included in the FY2023 proposed capital budget of \$42 million and the proposed investment of prior year funds totaling \$38 million.

Board Action: Received as information.

**Item 5. MUSC Health FY2023 Budget.**

Ms. Lisa Goodlett, Chief Financial Officer, MUSC Health, presented MUSC Health's proposed FY2023 operating and capital budgets. Ms. Goodlett Shared some FY22 wins including the Midlands acquisition and go-live; additional funding of \$12M for Black River Medical Center; a 15% increase in new patient ambulatory visits; new practice and service openings; additional funding of \$2.4M for rural health annually, and secured \$260 million in financing for Midlands acquisition; Revenue Anticipation Notes (RANs) used as working capital; Indian Land MOB; refinancing of Summey building and Columbia medical office building. FY2023 risks include inflation, labor cost, and availability; reduced state and federal reimbursement; increased construction costs, and consumer shift from inpatient hospital stays to more virtual and outpatient care. Two inflation impacts on the Health Systems in FY2023 will be related to the Russian invasion disrupting energy supplies and the lingering impacts of labor and supplies due to COVID. Key operational improvements for FY2023 include goal plans on length of stay; mortality; diversity; in-network care coordination; readmissions, and pipeline development. The MUSC Health System consolidated operating budget is projected to have operating revenues above \$4 billion and operating expenses of \$3.9 billion. The projected Operating Margin is -1.64%. Total non-operating revenues (expenses) are \$36.8 million. The Operating Cashflow is \$276 million or 6.75%. The proposed FY2023 capital budget for MUSC Health is \$85.9 million.

Board Action: Received as information.

**Other and New Business for the Board of Trustees**

**Item 6. Board Officer Election.**

Katherine Haltiwanger was elected Secretary to the Board of Trustees to replace Mark Sweatman who resigned from the position of Board Secretary effective June 24, 2022.

Board Action: A roll-call vote was taken. Ms. Haltiwanger was elected by unanimous vote.

**Item 7. New Business for the Board of Trustees.**

The Quality Report was presented with an update on the following: Sexual Orientation-Gender Identify (SOGI) screening will be implemented in Epic FY23 (3 phases); appropriateness criteria adherence with carotid, mitral valve, open heart, bariatric, hip, and knee from performing retrospective audits with 100% compliance; safety rounds conducted at least weekly in all divisions; and hand hygiene for MUSC Health-Charleston Division achieved 95-99% in audits in the past year.

Board Action: Received as information.

Chairman Lemon asked if there was any new business that needed to be discussed. There being none, the meeting was adjourned at 12:53 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Jane L. Scutt". The signature is written in a cursive, flowing style.

Jane L. Scutt, Assistant Secretary