

MEDICAL UNIVERSITY HOSPITAL AUTHORITY BOARD OF TRUSTEES MEETING MINUTES
February 9, 2024

The MUHA Board of Trustees convened on February 9, 2024, with the following members present: Dr. James Lemon, Chair; Charles Schulze, Vice-Chair; Terri Barnes, Jim Battle; Bill Bingham; Dr. Melvin Brown; Dr. Fritz Butehorn; Dr. Guy Castles; Dr. Richard Christian; Dr. Paul Davis; Dr. Don Johnson; Ms. Barbara Johnson-Williams; Dr. Murrell Smith; Tom Stephenson, Michael Stavrinakis; and Dr. Bart Witherspoon. MUSC officials present were Dr. David Cole; Rick Anderson; Kate Azizi; Dr. Patrick Cawley; Annette Drachman; Dr. Lori McMahon; 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 for the MUHA and MUSC Board of Trustees.

Katherine Haltiwanger, Board Secretary, called the roll and announced that “in compliance with FOIA, the notice of meetings and agendas were furnished to all news media and persons requesting notification.”

Item 3. Date of Next Meeting.

Katherine Haltiwanger announced the date of the next meeting of the MUSC and MUHA Board of Trustees is April 12, 2024.

Item 4. Approval of Minutes.

Chairman Lemon called for a motion to approve the minutes of December 8, 2023.

Board Action: Mr. Schulze moved for approval, his motion was seconded and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

Item 5. General Informational Report of the President.

Dr. David Cole called on Dr. Patrick Cawley who introduced Dr. Steven Kahn, chief of Burn Surgery at MUSC. Dr. Kahn provided an update to the Board on burn care at MUSC Health Charleston. He highlighted the team’s successes in terms of quality, outcomes for patients, and the number of patients seen. Dr. Kahn said the S.C. Burn Center, the only one in the state, has been No. 1 in the country for five out of nine quarters since its opening, for patient survival rates in a database that compares outcomes for similar burn centers and its reach is growing. The Burn Center provides a public health service to a significant portion of the state and provides innovative, minimally invasive approaches to care. Dr. Kahn stated that the team tries to avoid surgery when possible and to get people back on their feet as quickly as possible. MUSC treats children with burns as well as adults. In 2022, Shriners Hospitals for Children gave a \$3 million grant to the pediatric center, with money matched by funding from MUSC and support from the S.C. General Assembly. The goal was to establish cutting-edge research and top-quality pediatric burn care and Dr. Kahn stated that the goal is becoming a reality. The number of patients, both children and adults, coming to MUSC for burn care has grown dramatically and they are currently on track to top 400 patients this year. The center has also reduced the number of burn patients flown out of state.

Dr. Kahn gave an overview of the burn center's leadership and the makeup of the burn team. Average US burn center admits are approximately 250 and FYTD data suggests that MUSC will have approximately 600 admissions. The Burn Center was ranked #1 in Vizient for survival in 5 of 9 quarters. Dr. Kahn shared a list of scientific talks, presentations, and publications; a sampling of its research portfolio, and some of the innovative ways they are working to continue to improve patient outcomes. He reviewed their future direction for the next five years starting with the 2024 goal to apply for ABA verification. Dr. Kahn concluded that their focus is on high quality and high-value care; avoiding waste and tracking data in addition to minimally invasive technologies that result in less surgery and faster healing has created a situation where the burn center is not losing money - it is a fiscally responsible operation.

Board Action: Received as information.

Item 6. Other Business.

None.

AUTHORITY OPERATIONS, QUALITY & FINANCE COMMITTEE: DR. MURRELL SMITH, CHAIR
(Detailed committee minutes attached.)

Item 7. MUSC Health Status Report.

Dr. Smith reported that Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, gave the MUSC Health Status Report focused on FY2024 organization goal performance and MUSC Health Orangeburg's successful launch of Epic.

Board Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Dr. Smith reported that Dr. Cawley, CEO, MUSC Health, reported on MUHA Consolidated's financial performance through December 31, 2023.

Board Action: Received as information.

Item 9. Capital Purchase for Approval.

Dr. Smith made a motion to approve the following capital expenditure requests totaling \$20,322,000.

Board Action: The motion made by Dr. Smith was seconded, voted on, and unanimously carried.

Item 10. Creation of Not-for-Profit Entity.

Dr. Smith made a motion to approve the request to create a not-for-profit entity to transition the former tRMC employee pension.

Board Action: The motion made by Dr. Smith was seconded, voted on, and unanimously carried.

Item 11. Quality and Patient Safety Report.

Dr. Smith reported that Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, presented a report focused on quality WINS, rankings, and scorecards.

Board Action: Received as information.

Item 12. MUSC Governmental Affairs Report.

Dr. Smith reported that Mark Sweatman gave an update on legislative activities at the state and federal levels.

Board Action: Received as information.

Item 13. College of Medicine Update

Dr. Smith that Dr. Terry Steyer gave an update on College of Medicine activities including an update on the new College of Medicine building scheduled to break ground in December 2024.

Item 14. Other Committee Business.

None.

**MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE: MS. TERRI BARNES, CHAIR
(Detailed committee minutes attached.)**

Item 15. MUHA Sublease Renewal for Approval.

Ms. Barnes made a motion to approve the MUHA sublease renewal of 28,047 square feet of clinical and office space at 135 Cannon Street to provide space for Women's Health Services, Marketing, and the Center for Pregnancy. This is a five-year lease term at a total cost of \$3,386,489.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 16. MUSC Lease-out for Approval.

Ms. Barnes made a motion to approve the following MUSC lease-out tenant improvements to the Ronald McDonald House Charities of Charleston located at 81 Gadsden Street. MUSC's ground lease with The Ronald McDonald House Charities of Charleston, SC (RMH) includes permission for tenant improvements.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 17. MUSC Establish Projects for Approval.

Ms. Barnes made a motion to approve the Wellness Center building chiller replacement for a total project cost of \$250,000 and the renovation and modernization of Hollings Cancer Center's third-floor lobby for a total project cost of \$488,981.

Board Action: The motion made by Ms. Barnes was seconded, voted on, and unanimously carried.

Item 18. Other Committee Business.

None.

MUHA AND MUSC AUDIT COMMITTEE: MR. TOM STEPHENSON, CHAIR
(Detailed committee minutes attached.)

Item 19. Enterprise Risk Management Update.

Mr. Stephenson reported that Reece Humphreys, Director of Strategic Risk Management, gave an update on the overall risk management process.

Board Action: Received as information.

Item 19.1 Report of the Office of Internal Audit.

Mr. Stephenson reported that Susan Barnhart, Director of Internal Audit, shared the results of recent audits conducted by her office and she would be glad to answer any questions.

Committee Action: Received as information.

Item 20. Other Committee Business.

None.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 21. Approval of Consent Agenda.

Approval of the consent agenda was requested.

Board Action: Chairman Lemon called for a motion to approve the consent agenda. The motion was made by Mr. Schulze, his motion was seconded, voted on, and unanimously carried.

Item 22. Executive Session.

A motion was made by Mr. Battle to move into closed session to discuss the following items pursuant to sections 30-4-70(a) of the South Carolina Code: negotiations of contracts related to clinical and educational services, as well as other strategic initiatives; risk-related issues including information security infrastructure, personnel, and devices; appointment of honorary degree recipients; and, the receipt of legal advice relating to matters covered by the attorney-client privilege.

Board Action: The motion made by Mr. Battle was seconded, voted on, and unanimously carried. Chairman Lemon announced that the Board of Trustees would move into closed session following the conclusion of the MUSC Board of Trustees Committee meetings.

Item 23. New Business for the Board of Trustees.

None.

Item 24. Report from the Chairman.

None.

Item 25. MUSC Health Charleston Division Appointments, Reappointments, and Delineation of Privileges (Consent item)

Appointments, reappointments, and delineation of privileges for December 2023 and January 2024 were presented for approval.

Board Action: Dr. Butehorn made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 26. MUSC Health Unified RHN Appointments, Reappointments, and Delineation of Privileges (Consent item).

Appointments, reappointments, and delineation of privileges for December 2023 and January 2024 were presented for approval.

Board Action: Dr. Smith made a motion to approve, his motion was seconded, voted on, and unanimously carried.

Item 27. MUSC Health Charleston Division MEC Minutes (Consent item).

MEC minutes from September and October 2023 were presented for information.

Board Action: Received as information.

Item 28. Contracts and Agreements (Consent item).

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

Board Action: Received as information.

Item 29. MUSC FY2024 Active Projects >\$250,000 (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

Item 30. MUSC Facilities Contracts Awarded (Consent Item).

Facilities contracts awarded were presented for information.

Board Action: Received as information.

Item 30. Annual Conflict of Interest Report (Consent Item).

The Annual Conflict of Interest Report was presented for information.

Board Action: Received as information.

There being no further business, the meeting of the MUHA Board of Trustees was adjourned.

Respectfully submitted,

Katherine S. Haltiwanger

Board Secretary

Hospital Operations, Quality, and Finance Committee Minutes
February 8, 2024

Item 7. MUSC Health Status Report.

Dr. Patrick Cawley, Chief Executive Officer, MUSC Health, updated the board on the FY24 goal performance across the system and by each division. Dr. Cawley reported that the year-to-date overall organizational score for the health system is 3.91 which is good at this point in the fiscal year. He shared that the annual employee survey is happening this week and next and when the Board returns in April, he will have results to report. Dr. addressed what is being done to improve the goals that are either in yellow or red. Dr. Cawley concluded his report with the announcement that Orangeburg's Epic Go-Live was the most successful of MUSC Health's community network.

Committee Action: Received as information.

Item 8. MUHA Consolidated Financial Report.

Dr. Patrick Cawley presented the year-to-date financial results for MUHA Consolidated. As of December 31, 2023, days cash on hand were fifty-nine; debt service coverage adjusted for pension and OPEB was 4.44; total margin adjusted for pension and OPEB was \$129.6 million (5.7%) with \$90.9 million favorable to a fixed budget. Dr. Cawley stated that overall, MUHA is above budget through December and Medicaid/HAWQ funding improved the cash position.

Committee Action: Received as information.

Item 9. Capital Purchase for Approval.

Dr. Patrick Cawley presented for approval the following capital expenditures totaling \$20,322,000.

- MUSC Health Charleston: \$10,656,000
- MUSC Health Pee Dee: \$ 1,100,000
- MUSC Health Catawba: \$ 1,466,000
- MUSC Health Midlands: \$ 7,100,000

Committee Action: Recommend approval.

Item 10. Creation of Not-for-Profit Entity

Dr. Patrick Cawley requested approval for the Authority to create a not-for-profit entity to transition the former tRMC employee pension plan.

Committee Action: Recommend approval.

Item 11. Quality and Patient Safety Report.

Dr. Danielle Scheurer, Chief Quality Officer, MUSC Health, reported on Quality WINS, rankings, and scorecards. The Quality WIN is the Community Health Worker (CHW) Program that started about a year ago and has expanded to eight. The CHW combines "generalists" and disease-focused (kidney and heart failure) physicians and is funded by a combination of a Duke Endowment and Center for Community Health Alignment (CHAI) grant which focuses on social determinants of health gap closures. Dr. Scheurer commented that literature reports that 75% of actual health is not determined by medical care, but by social determinants of health. As a result, we are seeing improvements in the Ambulatory Care metrics in diabetes control and hypertension resulting in

decreased visits and admissions indicating the program is highly effective. Dr. Scheurer then reviewed the nursing home rankings and quality scorecards across the system and by each of the divisions.

Committee Action: Received as information.

Item 12. Legislative Update.

Mark Sweatman, Chief of Governmental Affairs, MUSC, gave an update on legislative activities at the state and federal levels. He reported that Drs. Cole and Cawley presented MUSC's priorities to the House Ways & Means Higher Education and Healthcare subcommittees on January 23rd. Mr. Sweatman also reported that the MUSC Health Legislative Reception on January 31st was well-attended by the legislature and had great attendance from MUSC leadership. Mr. Sweatman then briefly updated the Board on several bills that could impact MUSC this legislative session.

Committee Action: Received as information.

Item 13. College of Medicine Update.

Dr. Terry Steyer, Dean of the College of Medicine and Vice President for Medical Affairs updated the Board on College of Medicine activities including leadership appointments, researching funding levers, and military match and early match results. Upcoming student events include Match Day on March 15, Oath Ceremony on May 16, MPH Hooding ceremony on May 17, and Commencement on May 18. The Class of 2028 White Coat Ceremony will be on August 10. Dr. Steyer announced that 6 ACGME program requests were approved which include twenty-one new positions for year 1 and 58 positions over time and eight non-ACGME programs were also approved. Dr. Steyer gave an update on the new College of Medicine building and reported that work is underway, and fundraising remains a priority. Based on the current schedule we anticipate the groundbreaking to coincide with the December 2024 Board meeting. Dr. Steyer concluded his report with an update on Clinical MD Quantum hires and reported a 12% increase over last year.

Item 14. Other Committee Business.

None.

Consent Agenda for Approval

Item 25. MUSC Health Charleston Appointments, Reappointments, and Delineation of Privileges.

Appointments, reappointments, and delineation of privileges for December 2023 and January 2024 were presented for approval.

Committee Action: Recommend approval.

Item 26. MUSC Health RHN Appointments, Reappointments, and Delineation of Privileges.

Appointments, reappointments, and delineation of privileges for December 2023 and January 2024 were presented for approval.

Committee Action: Recommend approval.

Consent Agenda for Information

Item 27. MUSC Health Charleston Division MEC Minutes.

MEC minutes from November and December 2023 were presented for information.

Committee Action: Received as information.

Item 28. Contracts and Agreements.

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

Committee Action: Received as information.

There being no further business, the committee meeting was adjourned.

Jane Scutt

MUHA and MUSC Physical Facilities Committee Minutes
February 8, 2024

Item 15. MUHA Sublease Renewal for Approval.

Jessica Paul, Chief Real Estate Officer, presented for approval the sublease renewal of 28,047 square feet of clinical and office space located at 135 Cannon Street to continue to provide space for Women's Health Services, Marketing, and the Center for Pregnancy. This is a five-year lease term at a total cost of \$3,386,489.

Committee Action: Recommend approval.

Item 16. MUSC Lease-out for Approval.

Jessica Paul, Chief Real Estate Officer, presented for approval the lease out tenant improvements to the Ronald McDonald House Charities of Charleston located at 81 Gadsden Street. MUSC's ground lease with The Ronald McDonald House Charities of Charleston, SC (RMH) includes permission for tenant improvements. MUSC is in support of the RMH initiative and will work with the Department of Administration for the required approvals.

Committee Action: Recommend approval.

Item 17. MUSC Establish Projects for Approval.

David Attard, Chief Facilities Officer, presented the following projects for approval:

- Wellness Center building chiller replacement for a total project cost of \$250,000.
- Renovation and modernization of Hollings Cancer Center's third-floor lobby for a total project cost of \$488,981.

Committee Action: Recommend approval.

Item 18. Other Committee Business.

None.

Item 29. MUSC FY2024 Active Projects >\$250,000 (Consent Item).

MUSC FY2024 Active Projects greater than \$250,000, were presented for information.

Committee Action: Received as information.

Item 30. MUSC Facilities Contracts Awarded (Consent Item).

Facilities contracts awarded were presented for information.

Committee Action: Received as information.

There being no further business, the committee meeting was adjourned.

Jane Scutt

MUHA and MUSC Audit, Compliance, and Risk Committee Minutes
February 8, 2024

Item 19. Enterprise Risk Management Update.

Reece Humphreys, Director of Strategic Risk Management, gave an overview of the Enterprise Risk Management (ERM) process which is an ongoing cycle in place to look for high-level risk events or circumstances that could prevent MUSC from meeting its mission. Risks that materialize can lead to financial, physical, reputational, and/or legal/regulatory harm. The ERM process includes interviewing key stakeholders and collaborating with departments including Audit, Compliance, Legal, Information Security, and Quality. The Risk Governance Committee identifies risks and scores them based on the likelihood and impact of an occurrence. Top (tier 1) risks are assigned owners who document mitigation strategies and track the success of those strategies. Ms. Humphreys reviewed a list of global and industry risks and commented that workplace/classroom violence has become more of a concern in both healthcare and higher education. Ms. Humphreys reviewed the next steps in the ERM process which include monitoring, and if needed, refining metrics and goals to track outcomes. We use risk information in budgetary decisions and maintain communication with leaders and staff. We continuously monitor emerging risks and will be meeting in March to discuss risks that might be on the horizon. We promote risk awareness and mitigation, not just at the enterprise level, but at the college, departmental, and project levels. Our goal is to promote an enterprise where the people making decisions take risk into consideration.

Committee Action: Received as information.

Item 19.1. Report of the Office of Internal Audit.

Mr. Stephenson reported that Susan Barnhart, Director of Internal Audit, shared the results of recent audits conducted by her office and she would be glad to answer any questions.

Committee Action: Recommend approval.

Item 20. Other Committee Business.

None.

Consent Agenda for Information

Item 31. Annual Conflict of Interest Report

The annual conflict of interest report was presented for information.

Committee Action: Received as information.

With no further business, the meeting was adjourned.

Respectfully submitted,

