



UNIVERSITY HOSPITAL
Newark, New Jersey

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION
November 19, 2013

NJMS/UH Cancer Center
205 S. Orange Avenue, Board Room
Newark, New Jersey

Present – University Hospital (“UH”) Board of Directors: Hon. Donald T. DiFrancesco, *Chair*; James M. Orsini, M.D., *Vice- Chair*; William D. Cassidy, III, Ph.D, *Secretary*; Robert L. Barchi, M.D., PhD; Cecile A. Feldman, D.M.D., MBA; Robert L. Johnson, M.D., FAAP; and Brian L. Strom, MD, MPH

Excused – University Hospital (“UH”) Board of Directors: Domenic M. DiPiero, III

Present – UH Leadership: James R. Gonzalez, MPH, FACHE, *President & Chief Executive Officer*; Thomas Daly, *Chief Financial Officer*; Dara Quinn, *Chief Compliance Officer*; Paul Wermuth, Esq., *General Counsel*, and Suzanne Atkin, M.D., *Chief Medical Officer*, and Susan Palma, *Interim Chief Nursing Officer*

Excused –UH Leadership: Nancy Hamstra, *Chief Operating Officer & Secretary*

Present – UH Staff: Simone Bellamy, *Special Assistant* and Tammy Robinson, *Special Assistant*

Present – Guests: Glenn Tucker, Esq., Greenberg Dauber Epstein & Tucker; Ms. Regina Egea, Director, Governor’s Authorities Unit, and Ms. Kerstin Sundstrom, Esq., Assistant Counsel, Governor’s Authorities Unit

Minutes

Chairman DiFrancesco read from the Open Public Meetings Act:

The notice requirements of the Senator Byron M. Baer Open Public Meetings Act and the New Jersey Medical and Health Sciences Restructuring Act have been satisfied. Notice of this special meeting was timely sent to various newspapers in the State of New Jersey and was also timely posted on the website of University Hospital.



A roll call was conducted by Ms. Bellamy:

Hon. Donald T. DiFrancesco - *Present*
William D. Cassidy, III, Ph.D. - *Present*
Domenic M. DiPiero, III - *Absent*
Cecile A. Feldman, D.M.D., MBA - *Present*
Robert L. Barchi, M.D., PhD- *Present*
Robert L. Johnson, M.D., FAAP- *Present*
Brian L. Strom, MD, MPH- *Present*
James M. Orsini, M.D. - *Present*

With a quorum of members being present, Chairman DiFrancesco called the meeting to order at 8:36 a.m.

Approval of Meeting Minutes

The Board unanimously approved the minutes of the September 17, 2013, UH Board of Directors Public Session meeting.

Upon recommendation, the Board approved the following:

- Medical Executive Committee Meeting of July 23, 2013 and September 24, 2013
- Credential Committee Meeting of September 9, 2013
- Credentials Committee and Medical Executive Committee Action Items Memos of September 24 and October 24, 2013

Chairman's Report

Chairman DiFrancesco read the Resolution to move the Board into Executive Session:

BE IT RESOLVED, that the Board will meet in executive session on this date, November 19, 2013, to review matters falling within the attorney-client privilege and such other matters as may be discussed in executive session, in accordance with N.J.S.A. 10:4-12.

BE IT FURTHER RESOLVED, that any necessary action will be taken at the earliest possible public meeting of the Board, and that each of these matters shall be made public when they have been resolved and/or concluded.

**The Board adjourned to Executive Session at 8:40 a.m.
Public Session re-opened at 9:11 a.m.**



Chairman DiFrancesco welcomed those in attendance. The Chairman stated that members are awaiting Senate consent on three additional individuals that are to be appointed to the UH Board of Directors. The Chairman also noted the appointment of Dr. Cassidy, Dr. Orsini, and Dr. Strom to the Strategic Planning Committee, during the September 2013, meeting.

President and CEO's Report

Mr. Gonzalez reported that:

- University Hospital continues to focus on day-to-day operations of the facility while working with Rutgers, the State University of New Jersey, to meet its academic and patient care responsibilities. One area of focus is the re-evaluation of UH's current portfolio of health insurance and managed care contracts. UH has engaged Mary Jo Lopez, of the DFL Group, to assist in the development and implementation of a strategic work plan to contract with third party payors for hospital inpatient and outpatient services.
- Senior leadership plans to work with the Commissioner of Health to determine if UH can be designated as an essential health provider within the Affordable Care Act (ACA) regulations. Such a designation provides enhanced reimbursement for services offered to patients who have chosen to participate within the health exchange plans.
- Financial counselors at UH will receive training to become certified application counselors for the ACA Marketplace plans, and for those eligible to receive services through the NJ Family Care health insurance programs. Management's goal is to ensure patients seeking services at UH will be screened to determine the best insurance options to meet their individual needs.
- In preparation for the FY 2015 budget, management is exploring avenues for funding that may be available to UH which target facilities designated as public hospitals. Hospital leadership will meet with key staff from the New Jersey Department of Health to discuss a number of these options.
- UH will continue to monitor proposed cuts to Medicaid DSH funding nationwide. A reduction of NJ's portion of this funding could place essential safety net hospitals such as UH at risk for continuing to treat the uninsured amidst additional reductions in federal funding.
- UH is collaborating with the City of Newark Family and Children Services to lease space within the Ambulatory Care center for a satellite federally qualified health center. Financed



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by a HRSA grant, the center would assist the Emergency Room in screening incoming patients who lack a primary care provider or other resources such as housing, treating them especially during peak hours. UH's goal is to improve upon the throughput of the emergency room and to care for non-emergent patients in a less costly and patient centered environment.

- Additionally, Mr. Gonzalez noted that considerable attention has been placed on addressing the challenge of increasing volume and revenue in the Ambulatory Care Center. He added that the collaborative efforts between the hospital and the medical staff have resulted in an 8.5% increase in outpatient volume in Ambulatory Care Services in the first quarter of FY2014, over the first quarter of FY2013.
- After a period of negotiation with the City of Newark, the CY 2013 EMS contract has been agreed upon. The contract, which remains under the same terms and conditions as the previous year, was approved on November 7th during the Municipal Council meeting. A purchase order has been authorized by UH and the outstanding balance of the contract will be resolved by year's end.
- UH continues to identify and process capital equipment requests to replace outdated equipment or systems that support the delivery of optimal patient care services. Recent improvements include a new pneumatic lab specimen system which will allow departments to expedite the delivery of specimens between key units. The hospital has also facilitated a leasing arrangement to replace all outdated and non-repairable hospital televisions with high definition TV panels for its inpatients.

Chairman DiFrancesco informed the Board that members recently met with the Commissioner of Health. The Commissioner suggested that UH move forward in its relationship with Barnabas Health, Inc. and in the development of strategic and operational plans for the Hospital. The Chairman stated that the Board recently received a follow-up letter outlining the Commissioner's expectations and will work toward these goals.

In response to a member inquiry regarding the Hospital's recent ratings, Dr. Barba provided an overview on the process by which the Leapfrog Group conducts its surveys and determines a health care institution's overall rating. Dr. Barba informed members that UH did not participate in Leapfrog's 2013 survey and received a scoring grade of D. UH is currently completing the 2013 survey. However, the results for this calendar year will not be recalculated until the planned March 2014 update.



Audit Committee Report

Chairman DiFrancesco reported that:

- The Offices of Ethics and Compliance and Internal Audit are proceeding with their annual work plans and will continue to provide the results of their audits during the bi-monthly Audit Committee meetings.
- An RFP for the services of a new Independent Financial Statement Auditor for University Hospital is out for bid. Submissions by interested firms are due the first week of December. Internal Audit will work with Supply Chain Management to summarize the responses for the evaluation process.

Governance and Ethics Committee Report

Chairman DiFrancesco informed members that he, Dr. Cassidy, and Dr. Orsini have been appointed to the Governance and Ethics Committee of the UH-Board of Directors. Upon recommendation by management, the following Resolution was approved on November 7, 2013, by the Committee to address time sensitive matters in advance of the Board's next regularly scheduled proceedings on November 19, 2013.

NOW THEREFORE BE IT RESOLVED, that the adoption of the UH Post Issuance Procedures and the appointment of Thomas Daly as UH's Tax Compliance Designee by the Governance and Ethics Committee acting on behalf of the full Board of Directors of UH is hereby ratified and approved, *nunc pro tunc*, as though the full Board of Directors of UH had voted and approved such adoption on November 7, 2013.

Reports to the Board of Directors

Hospital Quality Report

Upon recommendation, the Board approved the following:

- Approval of Patient Safety Committee Meeting Minutes of July 10 and September 11, 2013
- Approval of the Quality Council Meeting Minutes of September 30, 2013
- Approval of the National Patient Safety Goals Scorecard of August 2013.

Dr. Barba provided an overview of the Strategic Performance Metrics Dashboard for July 2013.



Dr. Barchi suggested that the document include benchmarks that clearly indicate what information presented in the dashboard represents. Dr. Barchi added that it would be useful to the Board to see UH's achievements in comparison to national data.

Financial Report

Mr. Daly stated that as part of the integration, eight departments have been incorporated into the University Hospital system. Separate financial statements have been created for each department. A detailed report outlining the draft first quarter financial statements will be presented to the Board for consideration.

In response to a question posed by Dr. Barchi, Mr. Daly stated that management has allotted time to ensure that all financial statements are in order and the proper reports finalized in preparation for regular reporting to the Board. Mr. Daly provided a brief operational report in which he noted the improvement of outpatient volume.

Dr. Cassidy asked that in advance of the next Board meeting, a general dashboard be created for approval that details the financial information of interest to the Board. Dr. Barchi suggested that the rate of full-time employees per each occupied bed also be reflected in the dashboard.

Compliance Report

Ms. Quinn reported that:

- In September 2013, President Gonzalez and the Chief Compliance Officer met on location with the representative of the United States Department of Health and Human Services' (USDHHS) Office of Inspector General (OIG) appointed to monitor the UH Corporate Integrity Agreement (CIA). The status of the Hospital's Implementation Plan was also reported.
- Year five of the CIA reporting cycle has begun. The mandatory annual compliance training content which was implemented in October requires employees to complete training by the end of 2013. After participating in a Hospital Orientation, new employees must complete the online modules within thirty days of their start date.
- In October 2013, representatives from the USDHHS-OIG conducted a site visit at UH. Representatives met with members of the Board of Directors and Hospital leadership to discuss the Hospital's Compliance Program and implementation of the CIA requirements. A tour of UH was conducted which included a demonstration of the internal systems that support compliance program requirements.



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- The Audit Committee has approved the Office of Ethics and Compliance (OEC) Annual Workplan for FY 2014. One area of focus is UH adherence to CMS guidelines concerning medical necessity of inpatient short stay admissions. Due to the number of OIG settlements for overpayment to hospitals related to this issue, an external expert has been engaged to perform a review of data on short stays at UH. Upon completion, results of this review will be shared with the Audit Committee.

A discussion ensued wherein Dr. Barchi suggested that random samplings of patient charts be audited to determine whether UH has complied with CMS guidelines on the medical necessity of inpatient short stay admissions to date.

- The Physician Payment Sunshine Act was passed in 2010 as part of the Affordable Care Act to achieve greater transparency in industry-physician relationships. The Office of Ethics and Compliance is working to identify any manufacturer relationships with University Hospital that would be subject to the Act. Training modules on the Sunshine Act are in development to raise awareness of the requirements for hospital employees. A process to review the accuracy of any manufacturer reported payments will also be implemented. In that regard, Dr. Johnson shared with members that industry-physician relationships are positive and very common and that UH should prepare a statement for public information.
- The Office of Ethics and Compliance is collaborating with the Hospital's Care Coordination Department to ensure education and training is provided to staff on the CMS "Two Midnight Rule" regulations. Training will occur in advance of the implementation date in March 2014.
- As part of the transition, State ethics requirements governing training for officers and employees, conflict of interests and the disclosure of outside activity and attendance at events remained applicable. New and former UH employees have been notified of the requirement to complete NJ State Ethics Training online by December 31, 2013. In addition, a revised Outside Activity Questionnaire and Attendance at Events form has been posted on the Department's new website for employees.

Legal Department Report

Mr. Wermuth introduced and summarized the Resolution for the Under Agreement Contract for the Stone Center.

WHEREUPON the following Resolution was introduced, seconded, and unanimously approved by the UH Board of Directors:



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BE IT RESOLVED, that the University Hospital Board of Directors, accepts, and approves the aforementioned contract.

Public Comment

Chairman DiFrancesco opened the floor to individuals requesting an opportunity to address the Board. No request was made.

There being no further business, the UH-Board of Directors Meeting was adjourned at 10:18 a.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. Tuesday, January 28, 2014, Cancer Center Board Room, 205 S. Orange Avenue, Newark, New Jersey.