



UNIVERSITY HOSPITAL
Newark, New Jersey

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION
January 28, 2014

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 (*via telephone*); Domenic M. DiPiero, III (*via telephone*); Cecile A. Feldman, D.M.D., MBA; Robert L. Johnson, M.D., FAAP; and Brian L. Strom, MD, MPH

Present – UH Leadership: James R. Gonzalez, MPH, FACHE, *President & Chief Executive Officer*; Suzanne Atkin, M.D., *Chief Medical Officer*; Vincent Barba, M.D., *Chief Quality Officer*; Thomas Daly, *Chief Financial Officer*; Nancy Hamstra, *Chief Operating Officer & Secretary*; Susan Palma, *Interim Chief Nursing Officer*; John Ras, *Interim Chief Compliance & Privacy Officer*; and Paul Wermuth, Esq., *General Counsel*

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

Present – Guests: Glenn Tucker, Esq., Greenberg Dauber Epstein & Tucker, Mary Jo Lopez, DFL Group, 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 - *Present*
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 8:32 a.m.

Approval of Meeting Minutes

The Board unanimously approved the minutes of the November 19, 2013, UH Board of Directors Public Session meeting. Mr. DiPiero, having not been present at the November meeting, abstained from the vote.

Upon recommendation, the Board approved the following:

- Medical Executive Committee Meeting of October 22, 2013
- Credentials Committee Meeting Minutes of October 14, 2013 and November 11, 2013
- Credentials Committee and Medical Executive Committee Action Items Memos of November 26, 2013

Chairman's Report

Chairman DiFrancesco informed members that during its January meeting the Governance and Ethics Committee approved a resolution to change the name of the Clinical Affairs Committee of the UH-Board of Directors.

Upon recommendation by management, the following Resolution was approved on January 23, 2014, by the Committee to address time sensitive matters in advance of the Board's next regularly scheduled proceedings on January 28, 2014.

BE IT RESOLVED that the Clinical Affairs Committee shall herein after be renamed the Quality of Care Committee and shall have all responsibilities that were assigned to the Clinical Affairs Committee.

BE IT FURTHER RESOLVED, that the Chairman of the UH Board of Directors hereby appoints the Chair and Members of the Quality of Care Committee, who shall serve for a term of one year as of this date effective immediately, as follows:



QUALITY OF CARE COMMITTEE

Donald DiFransceco, Chair
James M. Orsini, M.D., Member
Robert Johnson, M.D., Member

President and CEO's Report

Mr. Gonzalez reported that:

- UH has submitted responses to the CMS Federal Survey to the NJDOH Division of State Hospital Licensure. The series of survey findings, which involved issues in the areas of physical plant, environmental services, and patient safety, have been identified. Seventy percent of the corrective actions have been completed. The remaining actions will be addressed over the next several weeks.
- UH will replace hospital beds that have well exceeded the industry life cycle. All inpatient rooms in ICU, labor and delivery units (including newborn bassinets) will be updated with new beds. The replacements will begin in the next two months.
- In accordance with state and federal standards, Fresenius Medical Care of North America, a nationally recognized provider of dialysis services, will assume the management of UH's acute hemodialysis program. The company will provide its own equipment and supplies, update policies and procedures, and supervise current UH employees on a procedure-based fee. The twelve month contract will be reassessed for its effectiveness prior to the end of the contract term.
- An interim certified director from Integrated Medical Systems, has been working on-site with UH's Sterile Processing Department (SPD) consultant from Barnabas Health. SPD activities to date include the identification of key areas of focus in patient safety, sterile processing, surgeon satisfaction, inventory reduction, and cost containment.
- Deborah Callendar, Acting Director, Perioperative Services, continues to work in conjunction with UH leadership and members of the OR committee to review patient flow and process improvement opportunities. UH has also engaged Lorraine Butler, RN, a perioperative service expert from the BE Smith Group to assist Ms. Callendar in achieving the department's objectives.
- The Barnabas Health Management Group is working with UH leadership to compile and analyze the hospital's cost data and statistics to determine the cost per unit of service profile



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for UH. The information will be used to monitor patient care costs and assist in the preparation of the FY 2015 budget.

- Several members of Barnabas Health toured the hospital and provided suggestions regarding the CMS survey results and management's plan to address the findings. A nurse specialist in quality and patient safety has joined the Group and will work closely with the nursing and quality assurance (QA) staff to conduct rounds in real-time and assess staff compliance of QA and joint commission standards.
- UH will undergo a Joint Commission mock survey January 29-31, 2014. UH management is fully engaged in assuring that all levels of staff are aware of the importance of a successful survey. Daily rounding teams and a variety of educational sessions for employees have been facilitated.
- The project to establish a satellite Federally Qualified Health Center (FQHC) in the ambulatory care center is moving forward. The initiative, funded by HRSA in partnership with the City of Newark Department of Child and Family, is an effort to reduce the numbers of people who present themselves for treatment within the ER, for non urgent care. The FQHC will provide accessible medical services to individuals without a primary care physician, during normal and expanded hours. Services will be provided by referrals from the University Hospital ER. A social worker will assist in the proper identification of appropriate patients.
- The Hospital has been allocated \$37 million of capital funding to address critical infrastructure issues. \$18 million has been identified for the redesign and upgrade of the hospital's emergency power generator system. The age of the present generators and the limited capacity of the current emergency power distribution system necessitate the upgrades. Rutgers University Physical Plant Services will co-manage the project with UH to assist in the coordination and management of this complex capital improvement.
- With the resignation of Ms. Dara Quinn, Mr. John Ras has accepted the position of Interim Chief Compliance & Privacy Officer. With over twenty years of internal auditing and compliance monitoring experience, Mr. Ras will continue to manage the internal auditing department and will work closely with staff, the schools, and the OIG monitor as UH moves into the fifth and final year of the Corporate Integrity agreement.
- Dr. Cassidy and a number of UH Leadership attended an FBI ceremony to honor Mr. Bob Lavery, UH, Trauma Registry Coordinator and Medical Team Leader of the "Blue Team," which integrates EMS responses with the Newark-based FBI SWAT. The team, designed to minimize incidents of civilian and law enforcement casualties, coordinates all EMS responses to real time tactical operations. Since its inception, the team has completed 153



missions in such areas as terrorism, kidnapping, bank robbery, interstate commerce, and violent crimes.

Audit Committee Report

Chairman DiFrancesco reported that:

- The Offices of Ethics and Compliance and Internal Audit are proceeding with their work plans. Reports on the results of their audits will occur during regularly scheduled Audit Committee meetings.
- A resolution to appoint Mr. John Ras as the Interim Chief Compliance & Privacy Officer will be presented to the Board for consideration. The Office of the Inspector General has been notified of the change in the position as required by the terms and conditions of the CIA.
- The Audit Committee will review proposals submitted for Independent Financial Statement Auditor services for UH. The Committee will update the Board on the progress of the evaluation and selection process.

Governance and Ethics Committee Report

Upon recommendation by the Governance and Ethics Committee, the Board accepted the Committee's meeting minutes of December 3, 2013 and January 23, 2014.

Chairman DiFrancesco introduced and summarized the Resolution to appoint Mr. John Ras as Interim Chief Compliance & Privacy Officer.

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

BE IT RESOLVED, that the Board appoints John Ras as Interim Chief Compliance & Privacy Officer of UH, effective January 7, 2014.

Financial Report

Mr. Daly reported that:

- During its December 3, 2013 and January 23, 2014 meetings, the Governance and Ethics Committee reviewed the financial performance of UH over the last five years. Performance in FY 2013 reflects UH having achieved a break-even budget as a result of internal actions taken by UH leadership during the transition and stabilization funds received. The FY 2014 budget has been prepared and reflects absorbed costs from central administration, funds



received through appropriations, and a deficit leading into the fiscal year of \$38 million.

- University Hospital’s financial statements for the six month period ending December 31, 2013 were reported. An overview of patient volumes with information on clinic and ER visits, discharges, surgical activity, as well as the average length of stay was provided. An increase in surgical activity and clinic visits above previous years was noted.
- The balance sheet outlining the Hospital’s assets, liabilities, and operating capital was also presented. A new dashboard was introduced which highlighted a number of key reporting indicators such as statistics for full-time employees per each occupied bed.
- Based on a review of past patient charts, members were provided with information on the financial impact of the “2 Midnight Rule” on UH.

A discussion ensued whereby members posed questions concerning the new FQHC program and the impact of the Affordable Care Act (ACA) on UH. Dr. Johnson stated that the patient volume in the FQHC should be monitored closely for appropriate screening and asked that the Board be kept abreast of the Centers development. Mr. Daly informed members that management’s goal is to build the internal efficiencies of the Center, while securing state funding, and continue to address the expense base. Mr. Daly stated that charity care payments for UH may decrease as a result of the ACA and that the program could prove beneficial as the Medicaid population increases.

Chairman DiFrancesco inquired of management’s plan to bolster community enrollment in the ACA. Ms. Lopez shared that management has undertaken an aggressive outreach plan to ensure that the community is informed of its options with the ACA. As part of the plan, staff conducts electronic chart reviews to determine patient eligibility, patients are counseled on the ACA as part of their financial screening, and management has begun discussions with a number of healthcare providers to expand the number of plans available to clients of UH. Members were informed that on February 6, 2014, UH will host a community luncheon to present information on national healthcare reform.

Capital Improvement Grant

Dr. Feldman asked that the information on the capital improvement grant be further explained. Mr. Gonzalez stated that UH applied for \$87 million in grant funding and received a \$37 million award. \$18 million of the award has been designated for the upgrade of the hospital’s emergency power generator system as well as number of other smaller projects. Determinations for the remaining \$19 million have not been made. The Chairman asked that members receive a report outlining how leadership would like to disperse the remaining funds.



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Chairman DiFrancesco introduced the Resolution for the Capital Improvement Grant.

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

BE IT RESOLVED BY THE BOARD OF UNIVERSITY HOSPITAL AS FOLLOWS:

SECTION 1. The Board approves the Renovation Project and authorizes the undertaking, implementation and financing of the Project in a maximum aggregate amount not to exceed \$37,000,000 (including Financing Costs).

SECTION 2. The Board approves the financing of all or any portion of the Renovation Project through the HEFT Program. The Board approves the funding of the Renovation Project through such Program in accordance with the application submitted by UMDNJ and authorizes and directs the herein defined Authorized Officers to execute the Project with such changes, modifications and additions as are approved by the Authorized Officers and such changes, modifications and additions shall be conclusively evidenced by the submission of the Application to the Secretary. The Board acknowledges and agrees that approval and receipt of funds pursuant to the Program(s) will obligate the Institution to: (a) provide funds for the operation and maintenance of the Project, (b) contribute to the cost of the Project;; and (c) fulfill other conditions imposed under the Program and hereby directs and authorizes the Authorized Officers to certify such acknowledgement and agreement as part of the submitted Application. The Authorized Officers are hereby authorized and directed to fulfill all conditions of the Proposed Program including without limitation providing for the operation and maintenance of the Project and using available funds of the Institution to pay for such operation and maintenance and to satisfy conditions of the Proposed Program to contribute to the cost of Projects and/or debt service on Tax-Exempt Bonds issued to fund the Proposed Program(s) from available funds of the Institution.

SECTION 3. The Board further approves the financing of all or any portion of the Renovation Project with Tax-Exempt Bonds, commercial loans and other funds made available through the HEFT Program to UH.

SECTION 4. The Chief Executive Officer-President and Chief Financial Officer (each an "Authorized Officer") are each hereby authorized and directed to approve, execute and deliver any and all agreements necessary to undertake, implement and finance the Project and any and all other financing documents and instruments in the form approved by the Authorized Officers executing the same in the name of and on behalf of the Institution, in as many counterparts as may be necessary, and to affix or impress the official seal of the Institution thereon and to attest the same and such execution and attestation will be



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conclusive evidence of the approval of the form and content of such agreements and other documents and instruments necessary to undertake, implement and finance the Project and to pay Financing Costs including through the financing thereof. The Authorized Officers are further authorized and directed to do and perform such other acts and to take such other actions as may be necessary or required, or which may be deemed to be appropriate to implement the purposes of this resolution to undertake, implement and finance the Renovation Project and Financing Costs and the payment and/or repayment thereof.

SECTION 5. This Resolution is a declaration of the official intent of UH that UH reasonably expects and intends to reimburse expenditures for costs of the Renovation Project paid prior to issuance Tax-Exempt Bonds or other tax-exempt debt issued to fund the Projects/Programs [“Applicable Tax-Exempt Debt”] in accordance with Treasury Regulation Section 1.150-2 and that the maximum principal amount of the Tax-Exempt Debt expected to be issued to finance costs of the Project including amounts is no greater than \$37,000,000.00 (including Financing Costs).

SECTION 6. All resolutions, orders and other actions of the Board of UH in conflict with the provisions of this resolution to the extent of such conflict are hereby superseded, repealed or revoked.

SECTION 7. This Resolution shall take effect immediately; and be it further

RESOLVED: That no further approvals by the Board are necessary to implement this Resolution.

Reports to the Board of Directors

Hospital Quality Report

Dr. Barba stated that the statistics reported for the length of stay this month is much higher than usual, stemming from three separate cases in which patient stays was over one hundred days.

Dr. Barba updated members on the occurrences of pressure ulcers during the current reporting period and informed members of new procedures implemented in the area of blood clot prevention.

Upon recommendation, the Board approved the following:

- Approval of Patient Safety Committee Meeting Minutes of October 9, 2013
- Approval of the Quality Council Meeting Minutes of October 28, 2013

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



Legal Report

Mr. Wermuth stated that the Department of Legal Management did not have a formal report to present to the Board this month.

Compliance Report

Mr. Ras summarized the Resolution for the Waiver for Short Stay Review. Chairman DiFrancesco introduced the Resolution for approval.

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

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.

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, January 28, 2014, 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 9:35 a.m.

Public Session re-opened at 9:43 a.m.

The Chairman adjourned the meeting at 9:44 a.m.

There being no further business, the UH-Board of Directors Meeting was adjourned at 9:44 a.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. Tuesday, March 18, 2014, Cancer Center Board Room, 205 S. Orange Avenue, Newark, New Jersey.