



UNIVERSITY HOSPITAL
Newark, New Jersey

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION

May 20, 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*; 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: William D. Cassidy, III, Ph.D, *Secretary* Domenic M. DiPiero, III

Present – UH Leadership: James R. Gonzalez, MPH, FACHE, *President & Chief Executive 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*

Excused – UH Leadership: Suzanne Atkin, M.D., *Chief Medical Officer*

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

Present – Guests: Michael Gonnella, Esq., Deputy Attorney General, State of New Jersey; Amy Herbold, Esq., Assistant Counsel, Governor’s Authorities Unit; and Glenn Tucker, Esq., Greenberg Dauber Epstein & Tucker

Minutes

Chairman DiFrancesco read from the Open Public Meetings Act:



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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*
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 8:37 a.m.

Approval of Meeting Minutes

The Board unanimously approved the minutes of the March 18, 2014, UH Board of Directors Public Session meeting.

Upon recommendation, and pursuant to the requirements of The Joint Commission, the Board approved the following:

- Medical Executive Committee Minutes – November 26, 2013, January 28, 2014, February 25, 2014 and March 25, 2014
- Credentials Committee Minutes - December 8, 2013 and March 10, 2014
- Action Item Memos of January 28, 2014, February 28, 2014, and April 15, 2014
- Reappointment Rosters for January and February 2014

Referencing the Chief of Service Report to the Medical Executive Committee, Dr. Strom inquired of the process by which issues such as the one concerning the SICU beds are addressed by management. Mr. Gonzalez responded to the inquiry. A discussion ensued. Dr. Barchi stated that it is important that the Board be fully aware of and has the opportunity to provide input to management on resolution of critical issues that affect patient care and process improvement.



Chairman's Report

The Chairman informed members that the University Hospital Board of Directors has designated its July 15, 2014, meeting as its Annual Public Meeting to discuss the operations of the hospital and concerns presented from the community with respect to the delivery of services at UH.

The Chairman added that UH has transitioned well despite the challenging landscape of health care delivery at this time and that as the Hospital approaches its anniversary, leadership looks forward to continued improvement.

President and CEO's Report

Mr. Gonzalez reported:

- Six Joint Commission surveyors visited UH over a span of four days. The team comprised of an emergency medicine physician, two nursing professionals, an obstetrician, a hospital administrator, and a life safety specialist, toured clinical and ancillary departments, performing patient tracers on the majority of nursing care units.
- Key preliminary findings were related to life safety standards such as: the proper latching of fire safety doors and the monitoring of air exchange pressures. Other findings included the dating and timing of physician notes and the tracking of test results in ambulatory care.
- There were no findings related to the quality of patient care processes as noted by the surveyors in their assessment of over eight units including that of the emergency room and the cardiac catheterization lab. The surveyors understood the Hospital's history concerning its separation from UMDNJ, were very complimentary UH staff and physicians, and impressed by the focus on patient care quality and safety.
- Several mandatory sessions were facilitated during the survey. Joint Commission representatives commented on the preparedness of the staff with regard to understanding and articulating the patient care process. Leadership anticipates a follow up visit within two months to review the Life Safety findings from the survey. UH leadership will develop a plan of corrective action within the next two weeks.
- An update was provided on the status of capital project and expenditures. Preliminary planning for the Emergency Generator Project is underway. UH is also moving forward on the purchase of state-of-the-art CT scanners for the Trauma and Radiology Departments.
- UH leadership continues its contract discussions with commercial insurance programs: Aetna, AmeriHealth, Horizon Blue Cross & Blue Shield, and United Healthcare.



- UH was recognized with a number of awards this month:

American Heart Association: Get With the Guidelines – *Stroke Gold Plus Quality Achievement Award* for reaching specific quality improvement metrics in the treatment of stroke patients

American Heart Association: Target: Stroke Honor Roll Award for successfully reducing the door to needle time for administration of TPA to treat ischemic stroke to 60 minutes or less

American Heart Association : Northern NJ Mission Lifeline EMS Award for its outstanding performance in assessing and treating patients with ST elevated myocardial infarction from the field to the cardiac catheterization lab in less than 90 minutes

Nancy Hamstra, COO: was chosen as a recipient of the Althea Gibson Leadership Award during Essex County's Women's History Month in recognition of her contributions to improve the quality of life for the residents of Essex County

Dr. Barchi publically congratulated the UH Staff on the positive feedback acquired from representatives during the survey and inquired if management has considered what significant findings may be noted in the Commission's final report. Mr. Gonzalez stated that management expects the report to note issues concerning physical plant as well as medical documentation. Mr. Gonzalez stated that preparation to solicit bids for the sprinkler system expansion is underway and that with the launch of the EPIC clinical documentation module will assist in improving physician documentation.

Information Technology Update

Mr. Tunnell reported:

- UH's current infrastructure is located in a data center owned and operated by Rutgers, the State University of New Jersey. UH is in the eleventh month of a twenty-four month service agreement with Rutgers to house the hospital's data center.
- An overview of the phases of UH acquiring its data center services separate and apart from Rutgers was outlined. Phase one, includes the engagement of Cushman & Wakefield for Data Center Advisory & Brokerage Services, and the retention of the Syska Hennessy Group to perform an engineering study of UH's existing foot print and environment requirements. Phases two and three include the preparation of construction and equipment



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budgets and the award of the bid for production to begin. The timeline of the project is estimated at 12 – 18 months, with an expected capital investment of \$10 - \$13 million.

- The details of UH’s Transition Services Agreement (TSA) with Rutgers to utilize the Banner system was provided. The system, a product of the Ellucian Company, is the Hospital’s Enterprise Resource Planner (ERP), which includes a cohort of modules such as Banner Finance and Banner Human Resources. Remote hosting solutions with Ellucian are currently being evaluated, along with other data migration strategies. A five-year hosting contract will cost an estimated \$11 million versus the current TSA cost of \$615k annually.
- An update on the Five –Year Technology Roadmap was shared. The roadmap consists of a number of key clinical system upgrades and the implementation of new clinical systems. A schedule of the proposed implementation dates for several systems such as Epic for Clinical Documentation were detailed. The \$26 million cost of the roadmap will be offset with funds for “Meaningful Use” which are incentives provided to eligible hospitals that adopt a certified Electronic Health Record (EHR) system and are meaningful users of certified EHR technology.

A discussion ensued whereby Dr. Barchi inquired if management’s plan is to house a data center onsite or to outsource the service. Mr. Tunnell responded that both options are being considered. Mr. Tunnell outlined the initial actions that are being undertaken, the first of which is acquire the necessary signatures and initiate an RFP. Members posed a number of questions regarding the proposed project plan, expenses, savings, and the type of center envisioned. Mr. Tunnell stated that the process is in its preliminary stages. Dr. Barchi stated that with the implementation of a well planned data center, cost savings will occur.

“Every 15 Minutes” Presentation

Terrence Hoben, EMS Coordinator, facilitated a video presentation on the “Every 15 Minutes” Program, hosted at Science Park High School in Newark, New Jersey on April 29, 2014. The Program is designed to instill teenagers with the potentially dangerous consequences of drinking alcohol and texting while driving.

After a simulated traffic collision on the school grounds, students participated in the “dramatized” treatment, arrest, and funeral of their peers by real paramedics, fire-fighters, police officers, and funeral home personnel. University Hospital staff and its emergency room were used as part of the simulation.

Audit Committee Report

The Chairman stated that the Offices of Ethics & Compliance and Internal Audit continue to provide updates to the Audit Committee on their annual work plans and activities. The Chairman



added that KPMG which has been engaged as the financial statement auditors for University Hospital has begun its work for FY2014. The Audit Committee will keep the board abreast of the progress of the audit.

Governance and Ethics Committee Report

Members agreed that the Governance and Ethics Committee Meeting minutes of May 19, 2014, be re-slated for consideration at the Board's July 15, 2014, meeting.

Chairman DiFrancesco introduced the Resolution for the Creation of the University Hospital Foundation.

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

NOW THEREFORE BE IT RESOLVED, that a charitable foundation known as the "Foundation for University Hospital" shall be established; and

BE IT FURTHER RESOLVED, that the sole purpose of the Foundation shall be to support the operations of UH and UH's public mission to provide a comprehensive healthcare program and healthcare services to the greater Newark community, including outreach and mobile health services, in accordance with the spirit and intent of the "Agreements Reached Between Community and Government Negotiators Regarding New Jersey College of Medicine and Dentistry and Related Matters of April 30, 1968," as well as services in collaboration with the Newark based schools of Rutgers Biomedical and Health Sciences; and

BE IT FURTHER RESOLVED, that the several officers of UH, and each of them, is hereby authorized to take such actions as are necessary and sufficient to establish the Foundation in accordance with the foregoing; and

BE IT FURTHER RESOLVED, that all actions taken by the several officers of UH, and each of them, prior to the date hereof in pursuit of the foregoing are hereby ratified and confirmed.

Chairman DiFrancesco introduced the Resolution for the Post-issuance Tax Compliance Procedures for the NJEFA Grant.

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

NOW THEREFORE BE IT RESOLVED, that the proposed UH NJEFA Post Issuance



Procedures are hereby adopted; and

BE IT FURTHER RESOLVED, that the appointment of Thomas Daly as UH's NJEFA Tax Compliance Officer as set forth in the UH NJEFA Post Issuance Procedures is expressly approved.

Quality of Care Committee Report

Dr. Strom stated that the QOC Committee minutes reflect a number of matters of concern for which the Board should receive a corrective action plan. Dr. Barchi emphasized that critical issues; particularly those concerning patient safety should be fully outlined and discussed with the Board. Dr. Barba responded that the agenda of first meeting of the Committee was to facilitate a number of introductory presentations and to identify key issues. Dr. Barba stated that management discusses corrective actions at its Quality of Council meetings that are not fully outlined in the information provided to the Board and that moving forward information shared with members will be expanded to include details of these actions.

Reports to the Board of Directors

Finance Report

Mr. Daly reported:

- An overview of University Hospital's financial statements for the nine months ending March 31, 2014 was provided. Members' attention was directed to the Statement of Revenue and Expenses which reflects a bottom line loss of \$816,000, an improvement from the originally projected loss of \$3.7 million.
- The bottom line year-to-date figure includes special relief funds from the State of \$49 million. After consideration of this one-time allocation, UH has an excess of revenue over expenses of \$28.6 million. However, the current day to day operations result in expenses over revenue in the amount of \$20.8 million.
- Management initially projected a \$37 million run-rate loss for the year, but is now projecting a loss of \$27 million. Overall, the improved performance is due to a reduction in supplies and services and more effectively run operations. UH leadership will continue to work with individual departments on decreasing expenses and increasing revenue with regard to changes in both inpatient and outpatient operations. Currently, UH has thirty days of operating cash available.

Dr. Barchi stated that management should set the goal of one hundred days of operating funds on hand.



Mr. Daly stated that leadership is working to achieve the appropriate level of operating funds and that management set its internal goal at thirty days. Mr. Daly added that management has conducted regular financial update meetings with representatives of both the New Jersey Department of Health and the New Jersey Healthcare Facilities Authority.

Mr. Daly introduced and summarized a Resolution for the approval of five blanket waivers.

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

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

Mr. Daly introduced and summarized a Resolution for approval of two contracts.

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

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

Legal Report

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

Public Comment

Dr. Justin Sambol, UH Medical Staff – President-Elect and Chief of the Division of Cardiothoracic Surgery, made an announcement regarding the 3rd Annual Medical Staff Golf Classic to take place on Thursday, June 5, 2014, at the Maplewood Country Club. Dr. Sambol extended an invitation to the Board to attend and also provided information on the types of projects that have been funded by event donations in the past.

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, May 20, 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.



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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 10:05 a.m.
Public Session re-opened at 10:23 a.m.**

The Chairman adjourned the meeting at 10:25 a.m.

There being no further business, the UH-Board of Directors Meeting was adjourned at 10:25 a.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. Tuesday, July 15, 2014, Cancer Center Board Room, 205 South Orange Avenue, Newark, New Jersey.