



UNIVERSITY HOSPITAL
Newark, New Jersey

Meeting of the
University Hospital Board of Directors

ANNUAL MEETING
September 16, 2014

University Hospital
150 Bergen Street, H- Level, Room 342/349
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; David H. Brody, M.D. and Brian L. Strom, M.D., MPH

Excused– University Hospital (“UH”) Board of Directors: Cecile A. Feldman, D.M.D., MBA; and Robert L. Johnson, M.D., FAAP

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: Michael Gonnella, Esq., Deputy Attorney General, State of New Jersey and Regina Egea, Chief of Staff, Office of the Governor - State of New Jersey

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*
Robert L. Barchi, M.D., PhD- *Present*
David H. Brody, M.D. - *Present*
William D. Cassidy, III, Ph.D- *Present*
James M. Orsini, M.D. - *Present*
Brian L. Strom, M.D., MPH- *Present*

With a quorum of members being present, Chairman DiFrancesco called the meeting to order at 1:03 p.m.

Welcoming Remarks

The Chairman welcomed everyone in attendance. The Chairman stated that all proceedings of the UH Board of Directors are public, pursuant to New Jersey P.L.2008, c.59, but the Annual Hospital meeting is held specifically to discuss the operations of University Hospital, to provide the community with information about the hospital, and to give an opportunity for members of the public to ask questions and raise issues of concern.

The Chairman reported on accomplishments of the UH- Board of Directors in its first year:

- The new Board of Directors ably led hospital administration through its critical first year as an independent medical center.
- The Board has monitored the implementation of operational efficiencies that have improved the financial outlook for UH.
- The Board has monitored the fifth, and final reporting cycle of the Corporate Integrity Agreement. The Hospital assumed obligation for the remaining UMDNJ reporting period of the agreement.
- Board members have been appointed to four standing committees, including two core committees that oversee patient safety, quality of patient care and strategic planning initiatives.

The Chairman publically welcomed Dr. David H. Brody, the Board's newest member and stated that more appointments are expected in the near future.



- In May 2014, the Board established the University Hospital Foundation to enable UH to accept donations through a 501 (c) (3) instrument and to explore opportunities for philanthropic support.
- The Board has been an engaged advocate concerning legislative and regulatory issues impacting UH and has brought these issues to the attention of the official decision-makers.

The Chairman concluded by stating that in the coming year, the Board of Directors will continue to govern UH by establishing policies, making strategic decisions, and overseeing the Hospital, all activities which UH senior leadership has been an integral part. The Chairman encouraged members of the community in attendance not to limit their input to the day's proceedings.

The Chairman introduced Mr. Gonzalez to report on University Hospital.

Report on the State of University Hospital:

Mr. Gonzalez stated that UH has had an extraordinary year, which presented tremendous challenges and opportunities. Senior leadership focused its energy on operations, on quality, and on customer service. Hospital employees were encouraged to believe in the organization, themselves, and the success of UH. These rallying points have been an important focus of employee engagement.

Mr. Gonzalez continued his report:

- A number of fast facts regarding the Hospital were highlighted supporting its role as a principal teaching hospital. UH employs 320 residents in more than 50 programs, has serviced 171,909 clinic visits, and has managed 2,429 trauma cases in the past year.
- A list of key actions undertaken during UH's first year in transition was shared. In addition to founding a new UH Board of Directors and Community Oversight Board, UH secured \$22 million for capital improvements and will acquire an additional \$37 million from the NJ Higher Education Capital Improvement Fund.
- UH Community engagement activities have resulted in the enrollment of over 1,500 members of the community in insurance options by way of trained in-house financial counselors and the opening of a Federally Qualified Health Center (FQHC) in partnership with the City of Newark. More than 200 patients have been seen in the FQHC since its opening in March, 2014.



- Hospital-wide, a significant investment was made in new state-of-the-art patient beds and the installation of flat screens TVs with educational and broadcast television capability in the patient rooms. UH has improved its patient experience with the opening of an Observation Unit. The unit better manages the flow of patients from the emergency room while admission or discharge decisions are made.

As a follow up to a report from UH's outside auditors at Deloitte, John Ras, Interim Chief Compliance and Audit Officer, informed the Board that during the August 27, 2014, Audit Committee meeting results of their review on University Hospital's level of care and short stay hospitalizations compared to Medicare regulatory requirements were presented. In addition, Deloitte responded to a discussion regarding how observation units are an integral part of compliance with the "Two Midnight" rule that took place at the July 2014, Board meeting. Deloitte advised that the use of APN's to staff an observation unit as well as maintaining closed units are both best practices used across the country by other academic medical centers. In addition, Deloitte advised that observation units should be in one or possibly two geographic locations in a hospital.

- UH received favorable rankings nationally for its Liver Transplant Program, Neonatal Program, and for the Hospital's low occurrence of surgical site infections. Dr. Barba further shared the basis of these rankings and stated that UH re-admission rates are also trending significantly lower.
- Activities surrounding the expansion of the Hospital's electronic medical record capabilities were outlined. UH has the ability to electronically collect the expanded patient history and pertinent form to include an attestation for necessary medical services. The "MYChart Portal" and "Care Everywhere" network has also been made available for patients to view their own health records and to provide clinical information to referring physicians.
- A number of employee engagement initiatives were highlighted such as the UH Annual Staff BBQ held in September 2014, and the "You Are UH" event which honored 388 staff members as part of a special recognition event.
- UH leadership continues to engage Managed Care companies to increase elective services, with a focus on contracts with Aetna and United, two major third party payors. With national healthcare reform and the expansion of those eligible for Medicaid, contracts with additional payors in the Essex County Medicaid marketplace such as AmeriHealth and WellCare will also be secured.

Other accomplishments over the past year in the area of the marketing and public relations included:



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- The NY MED series which highlighted the quality of care of UH emergency and trauma services won the 10:00 PM national time slot in the Nielson ratings. This achievement resulted in increased traffic to the UH website averaging over 300,000 visits monthly.
- UH also facilitated a print marketing campaign for the “new UH” and was featured in Med News for its services to practicing physicians in northern New Jersey.

Mr. Gonzalez concluded his report with a video segment of the NY Med Series. The President then introduced David Livingston, M.D., Chief of Trauma Surgery, who is featured in the series, to share his experiences.

UH- Medical Staff Report

Dr. Jaker stated that the Medical Staff takes an active role in partnering with University Hospital to foster improvements to UH facilities, the Hospital’s environment of care, and to positively impact patient care.

Dr. Jaker further reported that the Golf classic – hosted annually by the Medical Staff, raised over \$215,000. This year’s event enabled the purchase of furniture, equipment, and funded aesthetic improvements to two pediatric family waiting areas. Monies from the event, which was exceeded by John Elliott of “CBS 2 News This Morning”, along with those donated by The Eric Munoz, M.D. Memorial Tree of Life Fund and donor, Mr. Joseph L. Muscarelle, Jr., will fund improvements to the Surgical and Perioperative Procedures Waiting Area on E- Level.

Dr. Jaker publically thanked Richard Tunnell, Chief Information Officer, for coordinating the team that outfitted the Pediatric Playroom with state-of-the-art television/computer screens and the latest gaming systems to help UH’s pediatric patients feel more comfortable while receiving care at UH.

Dr. Jaker concluded his comments by inviting members to the October 2014, ribbon cutting ceremony for the Surgical and Perioperative Procedures Waiting Areas.

Finance Report

Mr. Daly reported:

- The UH 2015, operating budget previously approved during the Board’s July 2014 meeting will adequately fund the hospital’s mission as a level one trauma center, a safety net provider, and its academic medical center teaching status.

- An overview of the 2015 budget revenue assumptions included estimations for inpatient volume and projections for outpatient volume, as well as the case and payer mixes. The budget also reflects revenue expected from incentive payments for Meaningful Use and \$2.9 million from a Wage Index reclassification approved for UH by Medicare. A spreadsheet forecasting patient and operating revenue budgets for FY2014 and FY2015 was presented.
- The 2015 budget expense assumptions also included provisions for expenses such as salary increases, costs associated with Clinical and Facility Service Agreements with RBHS, and expenditures for the Observation Unit. Other expenses cited included that of \$7.7 million, interest, on UH's variable rate Bond Anticipation Notes. A spreadsheet forecasting the expense budgets for FY2014 and FY2015 was presented.

Public Comment

The Chairman opened the meeting floor to public comment. The following individuals addressed the Board on various topics such as nurse staffing at UH, commendations on the quality of patient care services, collaborative opportunities between UH and community-based organizations, and concerns regarding the diversity of Board of Directors' appointments:

Ms. Linda McDonald-Carter, Community Member
Ms. Elmer Daniels and Ms. Junas Quina-Francisco, Members, HPAE
Ms. Cassandra Dock, Community Member
The Honorable Thomas Giblin, Assemblyman, NJ Legislative District 34
Mr. James Harris, Essex County Coordinator/Education Taskforce Chair, NJ Black Issues Convention,
Ms. Ingrid S. Hill, Vice Chair, Peoples Organization for Progress
Ms. Donna Jackson, Community Member
Bishop Jethro C. James, Member, Committee of Black Churchman
Ms. Barbara Kauffman, EVP, Newark Regional Business Partnership
Mr. Craig Stanley, Chair, Social Action Network – St. James AME Church

Chairman DiFrancesco publically thanked individuals for their comments, and added that the Board and senior leadership's goal is to preserve the quality of healthcare services offered by UH.

Mr. Gonzalez also thanked the individuals who made comment, informing those in attendance of the Navigant Group study currently being conducted to examine the delivery of healthcare in the City of Newark.



Board Actions

The UH Board of Directors accepted and/or approved the following actions during its proceedings on September 16, 2014:

- Approval of the minutes of the July 15, 2014, UH Board of Directors Public Session meeting.
- Acceptance of the minutes of the August 27, 2014, Governance and Ethics Committee meeting.
- Approval of the Resolution concerning the Stone Center contract.

Pursuant to the requirements of The Joint Commission, the Board approved the following:

- Credentials and MEC Action Items – July 15, 2014
- Medical Executive Committee Minutes – June 24, 2014
- Credentials Committee Minutes - May 12, 2014 and June 9, 2014
- Reappointment Roster for October, 2014 – September, 2016

The Chairman stated that all business of the University Hospital Board of Directors had been completed and once again opened the meeting floor to comments from the public. No further request was made.

The Chairman adjourned the meeting at 2:10 p.m.

There being no further business, the UH-Board of Directors Meeting was adjourned at 2:01 p.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. on Thursday, November 13, 2014, Cancer Center, 205 South Orange Avenue, D-Level, Newark, New Jersey.