



UNIVERSITY HOSPITAL

Newark, New Jersey

Attachment 1

The Board of Directors of University Hospital

MEETING IN PUBLIC SESSION

May 17, 2016

8:30 a.m.

Rutgers New Jersey Medical School Cancer Center
205 South Orange Avenue, Board Room B-1120
Newark, New Jersey

Present: Hon. Donald T. DiFrancesco, *Chair*; James M. Orsini, MD, *Vice-Chair*; William D. Cassidy, III, PhD, *Secretary*; David H. Brody, MD; Keith H. Green; Robert L. Johnson, MD, FAAP

Present Via Teleconference: Annette Catino, MBA; Cecile A. Feldman, DMD, MBA; Tanya L. Freeman, Esq

Excused: Robert L. Barchi, MD, PhD; Brian L. Strom, MD, MPH

University Hospital Attendees: John N. Kastanis, FACHE, *President and Chief Executive Officer*; Suzanne H. Atkin, MD, *Chief Medical Officer*; Thomas Daly, *Chief Financial Officer*; Gerard Garcia, *Chief Human Resources Officer*; Nancy Hamstra, *Chief Operating Officer*; Carl A. Kirton, *Chief Nursing Officer*; Paul B. Matey, *Senior Vice President & General Counsel*; Richard Tunnell, *Chief Information Officer*; and Tammy Robinson, *Special Assistant*

Guest: Mary K. E. Maples, Esq, Authorities Unit, Office of the Governor

I. Opening

Chairman DiFrancesco opened the meeting by reading 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 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. Robinson:

Hon. Donald T. DiFrancesco	Present
Robert L. Barchi, MD, PhD	Excused
David H. Brody, MD	Present
William D. Cassidy, III, PhD	Present
Annette Catino, MBA	Present via teleconference
Cecile A. Feldman, DMD, MBA	Present via teleconference
Tanya L. Freeman, Esq	Present via teleconference
Keith H. Green	Present
Robert L. Johnson, MD, FAAP	Present
James M. Orsini, MD	Present
Brian L. Strom, MD, MPH	Excused

With a quorum of members present, Chairman DiFrancesco called the meeting to order at 8:30 a.m.

II. Approval of Meeting Minutes

Chairman DiFrancesco accepted a motion to approve the minutes of the March 15, 2016 meeting of the Board. The minutes were approved unanimously.

III. Report of the Chairman of the Board

In lieu of a report, the Chairman recognized representatives from the Health Professionals and Allied Employees, and other employees of University Hospital (“UH”), to address the Board and provide public commentary. Christine Boardingham, Sanyae Buchana, Michael Carver, Corrado Cortamaccio, Therese Graham, Cynthia McDougal, Staci Moore, Lisa Romanetz, and Beverly Smith offered comments on the current employee contract negotiations, and their experiences at UH. Mr. Kastanis addressed the group and provided a timeline for the upcoming meetings between the labor unions and the UH Human Resources department. The Chairman thanked these employees for their input on behalf of the Board.

IV. Report of the President and CEO

Mr. Kastanis provided summary highlights from his report to the Board:

A. Mr. Kastanis remains optimistic in garnering support for a regional strategic plan with Rutgers Health. Additionally, after a very informative meeting with Acting Commissioner of Health Cathleen Bennett, UH received information on new sources of funding for some clinical programs.

B. Mr. Kastanis represented UH at recent industry events including the Annual meeting of the American Hospital Association and the New Jersey Health Care Stakeholders Summit. Mr. Kastanis reported that he was appointed to the Board of Managers for the Academic Medical Centers Networks, and was reappointed to the Strategic Planning Committee of America's Essential Hospitals of which UH is a founding Safety Net Hospital.

C. Mr. Kastanis gave a lecture at Medical Grand Rounds entitled "Navigating Change Proactively" which put forth the importance of the value proposition.

D. UH staff continue to be a presence in the community through outreach activities and key community events that advocate for overall population health.

E. Mr. Kastanis reported that UH concluded contract negotiations with Horizon Blue Cross on favorable terms. UH will also partner with Horizon on a new program known as an Episode of Care for labor and delivery.

F. Mr. Kastanis reported that the 5th Annual UH Golf Classic Dinner and Auction is scheduled for June 2, 2016 at the Cedar Hill Country Club in Livingston, New Jersey. He announced that the webpage for "The Foundation for UH" is live and accepting donations.

G. Mr. Kastanis introduced Ms. Joan Dauhajre, the hospital's new Chief Experience Officer.

H. Mr. Kastanis noted that Mr. Paul Matey, Senior Vice President & General Counsel, will be honored by *NJ BIZ* as a finalist at the 6th Annual General Counsel of the Year Awards. In addition, Dr. Karma Warren, Attending Physician in the Emergency Department ("ED"), will also be recognized as a Public Health Hero at the Healthcare Heroes Awards.

I. The campus beautification collaboration with Rutgers began in March. Some of the initial upgrades include landscape improvements, repainting of traffic and crosswalk lines, new exterior lighting, and security personnel posted at the main UH and ED entrances. Mr. Kastanis also reported that UH has committed to becoming a smoke-free campus this November.

J. Mr. Kastanis noted that a fact sheet regarding the Zika Virus will be distributed to Hospital staff and members of the Board.

V. Committee Reports and Action Items

A. Report of the Compensation Committee

Chair, Mr. Keith H. Green

1. Mr. Green requested that the Board accept and approve the minutes of the December 1, 2015 meeting of the Compensation Committee. The Board approved the minutes unanimously.

2. Mr. Green reported that the Compensation Committee was provided a presentation by Sullivan Kotter regarding trends and best practices in compensation.

B. Report of the Finance, Investment, Administration and Audit Committee

Chair, Ms. Annette Catino, MBA

1. Upon recommendation of the Finance, Investment, Administration and Audit ("FIAA") Committee, Ms. Catino requested that the Board accept and approve: a) the Minutes of the February 24, 2016 meeting of the FIAA Committee; and b) the Minutes of the March 30, 2016 meeting of the FIAA Committee. The Board accepted and approved the minutes unanimously.

2. Upon recommendation of the FIAA Committee, Ms. Catino requested that the Board accept and approve: a) UH Financial Statements for February 2016; and b) UH Financial Statements for March 2016. The Board accepted and approved the financial statements unanimously. Ms. Catino pointed out that revenue remains ahead of budget on a year-to-date basis based on higher patient volume.

3. Upon recommendation of the FIAA Committee, Ms. Catino requested that the Board accept and approve the Broadway House Financial Statements for December 2015. The Board accepted and approved the financial statements unanimously. As a follow up to a previous inquiry regarding fraudulent use of credit cards, Mr. Matey informed Dr. Cassidy that the investigation is ongoing and a summary report will be distributed at its conclusion.

4. The Discharged Not Final Billed Trend Report indicates that the ICD-10 implementation is ahead of schedule. Ms. Catino noted that the actions taken to train and staff coders for the ICD-10 transition have been highly effective.

5. Upon recommendation of the FIAA Committee, Ms. Catino requested that the Board accept and approve: a) the KPMG A133 Audit Report; and b) the KPMG proposed Audit Plan for June 30, 2016. The Board accepted and approved the audit reports unanimously.

C. Report of the Governance, Ethics and Legal Committee

Chair, Ms. Tanya L. Freeman, Esq

1. Upon recommendation of the Governance, Ethics and Legal (“GEL”) Committee, Ms. Freeman requested that the Board accept and approve the Minutes of the December 21, 2015 GEL Committee. The Board accepted and approved the minutes unanimously.

2. Ms. Freeman presented a resolution requiring the designation of a Tax Compliance Officer to monitor the activities of the Hospital with respect to the Series 2015A Bonds. Ms. Freeman requested that the Board approve and adopt Resolution No. 2016-0323-34 designating Mr. Thomas Daly, Vice President and Chief Financial Officer, as Tax Compliance Officer. The Board approved and adopted the resolution unanimously.

3. Ms. Freeman presented a resolution requesting waiver of bid for Sciquest, Inc., an e-procurement system. The waiver is justified as it will limit costs and reduce overhead. Ms. Freeman requested that the Board approve and adopt Resolution No. 216-0330-35 for Sciquest, Inc. The Board accepted and approved the action items unanimously.

D. Report of the Medical Liaison Committee

Chair, Dr. James M. Orsini, MD

1. Upon recommendation of the Medical Liaison (“ML”) Committee, Dr. Orsini requested that the Board accept and approve: a) the Minutes of the ML Committee of February 24, 2016; and b) the Minutes of the ML Committee of March 30, 2016. The Board accepted and approved the minutes unanimously.

2. Upon recommendation of the Medical Liaison Committee, Dr. Orsini requested approval of: a) Minutes of the Medical Executive Committee of January 19, 2016; and b) Minutes of the Medical Executive Committee Actions of February 23, 2016. The Board accepted and approved the minutes unanimously.

3. Upon recommendation of the Medical Liaison Committee, Dr. Orsini requested approval of: a) Minutes of the Credential Committee of February 8, 2016; and b) Minutes of the Credential Committee of March 14, 2016. The Board accepted and approved the minutes unanimously.

4. Upon recommendation of the Medical Liaison Committee, Dr. Orsini requested approval of action items: a) Credentials Committee Action Items of March 22, 2016; b) Credentials Committee Action Items of April 11, 2016; and c) Credentials Committee Reappointment Roster of July 1, 2016 – June 30, 2017. The Board accepted and approved the action items unanimously. Mr. Kastanis noted that the dates of reappointment on the roster were incorrect. The roster reading “*Reappointment 07/01/2016-6/30/2016*” was corrected to read “*Reappointment 07/01/2016-6/30/2017.*”

E. Report of the Quality of Care Committee

Chair, Dr. David H. Brody, MD

1. Upon recommendation of the Quality of Care Committee (“QOC”), Dr. Brody requested that the Board accept and approve: a) the Minutes of the QOC Committee of February 24, 2016; and b) the Minutes of the QOC Committee of March 30, 2016. The Board accepted and approved the minutes unanimously.

2. Upon recommendation of the Quality of Care Committee, Dr. Brody requested approval of: a) Minutes of the Quality Council Committee of January 25, 2016; b) Minutes of the Quality Council Committee of February 29, 2016; and c) Minutes of the Quality Council Committee of March 23, 2016. The Board accepted and approved the minutes unanimously.

3. Upon recommendation of the Quality of Care Committee, Dr. Brody requested approval of: a) Minutes of the Patient Safety Committee of February 10, 2016; and b) Minutes of the Patient Safety Committee of March 9, 2016. The Board accepted and approved the minutes unanimously.

4. Dr. Brody reported that the format and reporting for the QOC meeting will be revised, and also stated that the Quality Dashboards and graphics will be reviewed on a quarterly basis.

F. Report of the Strategic Planning Committee

Chair, William D. Cassidy, III, PhD

1. Upon recommendation of the Strategic Planning (“SP”) Committee, Dr. Cassidy requested approval of a) Minutes of the SP Committee of August 4, 2015; and b) Minutes of the SP Committee of September 16, 2015. The Board accepted and approved the minutes unanimously. Dr. Johnson noted that the dates of the minutes were incorrect on the Chair’s slide. The dates on the slide reading “August 4, 2016 and September 16, 2016” were corrected to read “August 4, 2015 and September 16, 2015”.

2. Dr. Cassidy provided a brief summary of the Becker’s 7th Annual Meeting on April 27-29, 2016 in Chicago, Illinois.

VI. Public Comment

The Chairman stated that all business of the Board was complete, and again opened the meeting for public comments. Chaplains Barbara Tazewell and Loella McIntosh expressed concern regarding the possible renaming of the existing Hospital Chapel to “The Serenity Room.” The Board noted it was unaware of the issue, and that additional information would be obtained through Ms. Deirdre Watley, Manager of Volunteers, who coordinates chapel activities. The Chairman thanked them for their comments.

VII. Adjournment

There being no further business, the meeting of the Board of Directors of University Hospital adjourned at 9:45 a.m. The next meeting of the Board is scheduled for Tuesday, June 28, 2016 at 11:00 a.m. in the Rutgers New Jersey Medical School Cancer Center located at 205 South Orange Avenue, Board Room 1120, Newark, New Jersey.