



UNIVERSITY HOSPITAL

Newark, New Jersey

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION MEETING

May 19, 2015
8:30 a.m.

The Cancer Center
205 South Orange Avenue, B- Level, Room B1120, Newark, New Jersey

Present – University Hospital (“UH”) Board of Directors: Hon. Donald T. DiFrancesco, *Chair*; James M. Orsini, MD, *Vice-Chair*; William D. Cassidy, III, PhD.; *Secretary*, Robert L. Barchi (*via telephone*), MD, PhD; David H. Brody, MD; Annette Catino, MBA; Cecile A. Feldman, DMD, MBA; Tanya L. Freeman, Esq.; Keith Green; Robert L. Johnson, MD, FAAP; Brian L. Strom, MD, MPH

Present - UH Leadership: James R. Gonzalez, MPH, FACHE, *President & Chief Executive Officer*; Suzanne Atkin, MD, *Chief Medical Officer*; Jill Cooperman, *Associate General Counsel*; Thomas Daly, *Chief Financial Officer*; Nancy Hamstra, *Chief Operating Officer & Secretary*; Mary Jo Lopez, *Chief of Staff*; Susan Palma, *Interim Chief Nursing Officer*; John Ras, *Interim Chief Compliance & Privacy Officer*; Paul Wermuth, Esq., *General Counsel*

Present - UH Board Office Staff: Simone Bellamy, *Special Assistant*; Tammy Robinson, *Special Assistant*

Present – Office of the Governor: John Spinello, *Director, 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 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:

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

Call to Order

With a quorum of members present, Chairman DiFrancesco called the meeting to order at 8:31 a.m.

Approval of Meeting Minutes

The Board unanimously approved the minutes of the March 17, 2015, UH Board of Directors public session meeting.

Chairman’s Report

Chairman DiFrancesco stated that he did not have a formal report.

President and CEO Report

Mr. Gonzalez reported:

- Update for Outpatient 340B Pharmacy Program:
 - All contracts are in place with Bergen Pharmacy, Liaison Services with Shields Pharmacy, Inc., and Century for the software support services.
 - Shields Pharmacy Patient Liaisons are beginning to meeting with patients in the Oncology clinic.
 - The Program will go-live June 1, 2015.
- Regulatory Survey Updates:
 - A mock survey was completed by The Joint Commission (“TJC”) in April 2015.
 - The Comprehensive Stroke Center Survey by TJC is scheduled for June 11 and 12, 2015.
 - The Commission on Cancer (American College of Surgeons) survey is scheduled for June 29, 2015.

- UH has earned a Stage 6 designation by the Healthcare Information & Management Systems Society (“HIMSS”), for hospital Electronic Medical Record.
- Delivery System Reform Incentive Payment (“DSRIP”) Healthy Heart Program Update:
 - UH’s quarterly report was submitted to the State. Leadership is currently working on re-application for the upcoming fiscal year.
- An “Active Shooter” Drill has been scheduled for June 18, 2015.
- Law Enforcement Patient Update:
 - UH leadership responded to an incident of a patient who left the custody of law enforcement officials on March 30, 2015.
 - UH responded to inquiries from the Department of Health and The Joint Commission regarding the incident.
 - In collaboration with the Newark Police Department, UH revised its policy on patients in custody. UH leadership also met with representatives of Rutgers University’s Department of Public Safety.
 - The patient has since been captured by the US Marshal and Police.
- EMS was recognized by the American Heart Association with a gold level award for excellence in treating STEMI heart attack patients.

Compensation Committee

Upon recommendation of the Compensation Committee, the Board accepted the Committee’s meeting minutes of February 17, 2015.

Mr. Green reported on the Committee’s April 20, 2015 meeting:

- The Committee was briefed on the status of Union negotiations.
- The Chief Medical Officer and Chief Quality Officer positions have been placed on hold. An employment offer was made for the Medical Informatics position.
- The physician assistants will continue to be employed by UH. A work group will continue to discuss employment issues with representatives from Rutgers University.

Finance, Investment, Administration & Audit (“FIAA”) Committee Report

Upon recommendation of the FIAA Committee, the Board accepted the former Finance, Investment, and Administration Committee’s (“FIAC”) meeting minutes of February 16, 2015.

Ms. Catino reported on the FIAA Committee's May 21, 2015 meeting:

- With the adoption of the revisions to the UH Hospital By-Laws, the Audit Committee was merged with the Finance, Investment and Administration Committee. The Committee approved a revised schedule for meetings.
- The Committee reviewed Financial Statements for nine (9) months ending 3/31/15 for UH and Broadway House.
- The Committee discussed issues related to the hospital's position regarding the Bond Anticipation Notes ("BANs") refinancing and the impact of State cuts totaling \$22 million for Charity Care.

Ms. Catino introduced and summarized Resolution # 2015-0519-06 to accept and approve the establishment of a bank account for the Camden EMS program in South Jersey. The Chairman motioned for approval.

WHEREUPON Resolution #2015-0519-06 was seconded and unanimously approved:

BE IT RESOLVED, that this Board Resolution is a declaration of the official intent of UH's Board of Directors in accepting and adopting the above-stated Recitals, and the Board of Directors accepts and approves the foregoing actions related to the establishment of a bank account by Camden EMS at Bank of America Merrill Lynch, effective immediately, and that no further approvals by the Board are necessary to implement this Resolution.

Ms. Catino continued the FIAA report:

- The Committee reviewed the UH Procurement Policies and discussed the Annual Procurement Report.
- In accordance with UH procurement policies, the Committee reviewed and approved five (5) separate blanket waivers for FY2016.

Ms. Catino introduced and summarized Resolution # 2015-0519-07 to accept and adopt the FY 2016 blanket waivers. The Chairman motioned for approval.

WHEREUPON Resolution # 2015-0519-07 was seconded and unanimously approved:

BE IT RESOLVED, that this Board Resolution is a declaration of the official intent of UH's Board of Directors in accepting and adopting the above-stated Recitals and, upon recommendation of the FIAA Committee, the Board of Directors accepts and approves the aforementioned set of five (5) contracts, and each of them, pursuant to the Waiver of Advertising under New Jersey, effective immediately, and that no further approvals by the Board are necessary to implement this Resolution.

Upon recommendation of the FIAA Committee, the Board accepted the former Audit Committee's meeting minutes of March 3, 2015.

Ms. Catino continued the FIAA report:

- UH has received a letter from Inspector General's Office releasing UH from the Corporate Integrity Agreement.
- The Committee discussed the UH calendar year 2015 certification of compliance with Section 6032 of Federal Deficit Reduction Act. University Hospital is required to file annually based on our Medicaid revenues.
- The Committee met with UH's independent auditor, KPMG, and discussed the following items:
 - FY2015 Service Plan Presentation covering the scope of services to complete the FY2015 Financial Statement Audit under the current contract.
 - Reviewed the results of the FY2014 A-133 report on compliance with each major Federal and State of New Jersey Programs.
 - Reviewed the Statement of Work for an Interim Review for FY2015 to evaluate certain account balances, transactions and procedures at the request of the Chair of the FIAA Committee.

Governance, Ethics, and Legal Committee Report

Ms. Freeman reported:

- With the adoption of the revisions to the University Hospital By-Laws, the Legal Committee was merged with the Governance and Ethics Committee.
- The April and May meetings of the Governance, Ethics and Legal Committee were canceled.
- The next meeting for the Governance, Ethics and Legal Committee is scheduled for June 9, 2015.

Medical Liaison Committee Report

Upon recommendation of the Medical Liaison Committee and pursuant to the requirements of the Joint Commission, the Board accepted and approved the following:

- Medical Liaison Committee meeting minutes of February 16, 2015 and March 26, 2015.
- Medical Executive Committee meeting minutes of February 24, 2015.
- Medical Executive Committee meeting action items of February 24, 2015 and March 24, 2015.
- Credentials Committee meeting minutes of February 9, 2015 and March 9, 2015.

Dr. Orsini introduced and summarized Resolution #2015-0317-03 to adopt the amended UH – Comprehensive Stroke Program Resolution. The Chairman motioned for approval.

WHEREUPON Resolution # 2015-0317-03 was seconded and unanimously approved:

BE IT RESOLVED, that this Board Resolution is a declaration of the official intent of the Board accepting and adopting the above-stated Recitals and the Board approves and authorizes the undertaking and implementation of financial support for physician participation and the expansion of programs as recognized by UH, effective immediately, and that no further approvals by the Board are necessary to implement this Resolution.

Dr. Orsini reported that during the Committee’s May 21, 2015 meeting, UH’s proposed specialty ambulatory care pharmacy program was reviewed.

Quality of Care Committee Report

Upon recommendation of the Quality of Care Committee and pursuant to the requirements of the Joint Commission, the Board accepted and approved the Committee’s meeting minutes of January 12, 2015 and March 26, 2015.

Dr. Brody reported on the Committee’s May 21, 2015 meeting:

- Update for the Clinical Learning Environment Review (“CLER”)
 - The Accreditation Council for Graduate Medical Education (“ACGME”) will be publishing a compilation of all Graduate Medical Education program reviews for the U.S. by the end of the 3rd Quarter 2015.
 - UH will be collaborating with Rutgers on education requirements to improve communications with residents.
- Quality research projects have been initiated by Rutgers University residents
 - Rutgers will catalogue the research papers in a library.
 - Consideration will be given for residents to present their findings to UH Leadership.

- The Committee tasked UH leadership to consider retaining an outside consultant to review data collection and reporting for quality and safety.
- UH has been rated by CMS Hospital Quality Initiative with a two-star rating which is comparable to other hospital ratings in the UH service area.

Strategic Planning Committee

Upon recommendation of the Strategic Planning Committee, the Board accepted the Committee's meeting minutes of March 3, 2015.

Dr. Cassidy reported on the Committee's April 7, 2015 meeting:

- The Committee discussed the Navigant Report as a 'tool' – and will explore the Report and other options.
- The Committee requested that the Chairman of the Board meet with the Essex County delegation regarding the Charity Care reduction in State subsidy of \$22 million. The meeting was held on April 24th.

Public Comment

The Chairman stated that all business of the UH Board of Directors was finished and opened the meeting floor to comments from the public.

Six members of the public addressed the Board:

- Ms. Joanne Sims – posed the question of how UH is funded and its procedures for Ebola preparedness.
- Mr. Don Arrington – inquired of the percentage of Newark residents who work for UH.
- Ms. Ingrid Hill – posed the question of the next steps UH leadership will take regarding the \$22 million reduction in Charity Care.
- Ms. Sharon Baldwin – stated concern over the number of hospital closures in the City of Newark and how these closures will affect Newark residents' choice of physicians. Ms. Baldwin stated that if the trend of hospital closures continues it will impact the availability of emergency care in the event of disaster.
- Mr. David Hungerford – stated the opinion that the Navigant Report is a document provided as a blueprint for University Hospital rather than a resource. Mr. Hungerford expressed concern regarding UH's consulting agreement with Barnabas Health and stated his opposition to the plan presented by the Report.

- Ms. Bridget Devane – inquired of the topic of the Special Board meeting held on April 29, 2015 and whether there will be a change in the UH presidency.

Members of UH leadership and the Board responded to the public:

- Mr. Gonzalez informed the public that UH receives its funding from a combination of State and Federal sources. Mr. Gonzalez also shared a number of standard UH procedures regarding Ebola preparedness.
- Ms. Catino stated that UH leadership is discussing ways to recover the funds from the reductions in Charity care.
- Dr. Cassidy stated that the Board is still reviewing the Navigant Report to determine which recommendations are good for UH.
- Chairman DiFrancesco advised the public that questions regarding employee statistics could not readily be answered by the Board. The Chairman also stated that the Board shares a number of the public's concerns.

Executive Session

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

BE IT RESOLVED, that the Board will meet in executive session on this date, May 19, 2015, 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 Executive Session of the UH Board of Directors meeting convened at 9:24 a.m. and adjourned 9:45 a.m.

The public session of the UH Board of Directors meeting reconvened at 9:46 a.m. and adjourned 9:47 a.m.

There being no further business, the UH-Board of Directors Meeting was adjourned at 9:47 a.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. on Tuesday, July 21, 2015, Cancer Center, 205 South Orange Avenue, B-Level, Room B1120, Newark, New Jersey.