



UNIVERSITY HOSPITAL

Newark, New Jersey

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION MEETING
November 10, 2015
8:30 a.m.

Rutgers New Jersey Medical School / University Hospital
Cancer Center
205 So. Orange Avenue, Board Room B-1120
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, MD, PhD; David H. Brody, MD; Cecile Feldman, DMD, MBA; Tanya L. Freeman, Esq.; Robert L. Johnson, MD, FAAP; Brian L. Strom, MD, MPH; and Justin Sambol, MD.

Via Conference Call – Annette Catino, MBA, *Director*; Keith H. Green, *Director*; John Spinello, *Director*, *Authorities Unit Office of the Governor*

Present – UH Leadership and Staff: Nancy Hamstra, *Interim President & Chief Executive Officer*; Suzanne Atkin, MD, *Chief Medical Officer*; Jill Cooperman, Esq., *Associate General Counsel*; Thomas Daly, *Chief Financial Officer*; Jerry Garcia, *Chief Human Resources Officer*; Mary Jo Lopez, *Executive Director*; Paul Matey, *Senior Vice President & General Counsel*; Susan Palma, *Interim Chief Nursing Officer*; John Ras, *Interim Chief Compliance & Privacy Officer*; Richard Tunnell, *Chief Information Officer* and Tammy Robinson, *Special Assistant*

Present – Invited Guests: Michael Azzara, *Senior Consultant, Foley Proctor Yoskowitz* and Joydeep Mukherjee, *Deloitte*

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. Robinson:

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 (via teleconference)
Cecile Feldman, DMD, MBA	Present
Tanya L. Freeman, Esq.	Present
Keith Green	Present (via teleconference)
Robert L. Johnson, MD, FAAP	Present
James M. Orsini, MD	Present
Brian L. Strom, MD, MPH	Present

With a quorum of members present, Chairman DiFrancesco called the meeting to order at 8:41 a.m.

Approval of Meeting Minutes

The Board unanimously approved the minutes of the September 15, 2015 and October 6, 2015 UH Board of Directors meetings.

Chairman's Report

Chairman DiFrancesco acknowledged a contingent of UH staff attending the meeting with their Union leadership and the Chairman opened the floor for public comment. At that time, Mr. Murphy, President of Local 5094 and Ms. McDougal, President of Local 5089, provided brief comments regarding Union negotiations.

Chairman DiFrancesco recognized their issues and assured the UH staff and Union representatives that senior leadership would meet with the Unions by year's end and an update would be provided at the January Board meeting. The Union guests thanked the Board for hearing their comments and many exited the meeting.

Resuming regular business, Chairman DiFrancesco requested approval to adopt a resolution to appoint Dr. William Cassidy to serve as a Trustee of the Broadway House Board. Dr. Orsini made a motion to adopt the resolution; the motion was seconded by Ms. Freeman and passed unanimously. Dr. Johnson suggested that an informational presentation regarding *The Broadway House* be provided to the Board that describes the historical affiliation with University Hospital.

Chairman DiFrancesco reported that the Foundation for University Hospital convened its first meeting on October 21, 2015. He noted that Officers of the Board of Directors who served as founding members of the Foundation for University Hospital submitted their resignations as

Trustees of the Foundation. Dr. Barchi made a motion to accept the resignations of Donald T. DiFrancesco, Dr. James Orsini and Dr. William Cassidy from the Foundation Board of Trustees; the motion was seconded by Dr. Johnson and passed unanimously.

Interim President and CEO Report

Ms. Hamstra reported highlights of UH activities for the last two (2) months which included:

- Negotiations with the Cancer Institute of New Jersey are ongoing and UH hope to have a finalized agreement by the next Board meeting.
- Approximately 400 UH staff have been trained in “active shooter drills”.
- Phase I of the water remediation process was successfully completed. Phase II will begin and includes installation of a water injection system. Water will continue to be tested monthly.
- UH is working closely with the New Jersey Energy Resiliency Bank to obtain project funding from the \$200 million Community Development Block Grant-Disaster Recovery grant.
- UH has abated all outstanding issues with the Centers for Medicare and Medicaid Services (“CMS”).
- UH is negotiating a contract with Cooper Medical Center to sell UH land, building and equipment in Camden County, NJ.
- Announced that Carl Kirton, RN, DNP, MBA was recruited as the new Chief Nursing Officer and he will begin employment on January 4, 2016;
- Three (3) UH nurses were recently honored: Linda Arnold, RN by the New Jersey Board of Nursing, and Ingrid Bruce, RN and Soledad Merced, RN were both finalists for Nurse of the Year awards. Deborah Wiggins, Manager of Supplier Diversity was nominated for a Woman of the Year award within her industry.

Ms. Hamstra presented the UH video ***“University Hospital – Amazing Medicine Practiced Here”***. This new video focuses on patient stories, and highlights the extraordinary work of the medical and nursing staffs at UH. Following the video, a short discussion ensued regarding the video and Dr. Johnson suggested that the contributions of the Rutgers New Jersey Medical School physicians be acknowledged in the video.

Committee Reports and Action Items

- **Report of the Compensation Committee** – Chair, Mr. Keith Green

Upon recommendation of the Compensation Committee, Mr. Green presented the Committee meeting minutes of June 9, 2015 for approval, and the Board accepted the meeting minutes unanimously.

- **Report of the Finance, Investment, Administration and Audit Committee (“FIAA”)** – Chair, Ms. Annette Catino

Upon recommendation of the FIAA Committee, Ms. Catino presented the Committee meeting minutes of August 4 and September 28, 2015 for approval, and the Board accepted the meeting minutes unanimously.

Ms. Catino provided an update on the refinancing of the bonds. She reported that rating agencies completed their review of the hospital and the results are forthcoming. It is anticipated that pricing will take place later in the month. UH awaits receipt of the final pension liabilities to be assigned from the State of New Jersey to UH in accordance with GASB 68 regulations.

Upon recommendation of the FIAA Committee, Ms. Catino requested that the Board review and accept the Preliminary Financial Statements for August 2015 and September 2015. The Board approved the action items unanimously.

Ms. Catino presented to the Board the FY2015 Annual Procurement Report that describes a trend comparison for fiscal years 2014 and 2015. There were no questions from the Board. Ms. Catino also presented a summary financial report for the Higher Education Facilities Trust Fund ("HEFT"). The report identified expenditures through October 13, 2015 for the four (4) projects listed. Project timelines were also included with this report. There were no questions from the Board.

Ms. Catino shared with the Board that the FIAA Committee had reviewed and approved the Information Technology ("IT") Exit Strategy for Transitional Services between Rutgers University and UH. Ms. Catino presented a resolution to approve the IT migration plan. Dr. Barchi shared with the Board that he would like an opportunity to review the IT Migration Plan and budget. Ms. Catino directed senior leadership to schedule a meeting with Dr. Barchi. Dr. Cassidy made a motion to approve the resolution for the IT Migration Plan; the motion passed unanimously.

Ms. Catino advised that the FIAA Committee had reviewed the FY2015 Draft Audited Financial Statement prepared by KPMG. As noted by Dr. Feldman, there is an open item on the draft statement and that is the pension liability that needs to be recorded in accordance with GASB 68 guidelines. Ms. Catino advised that the New Jersey Division of Pensions has not provided the dollar liability to UH. Once the pension liability has been received KPMG will finalize the UH FY2015 Audited Financial Statement. Ms. Catino shared with the Board that refinancing the Bonds requires a completed and approved audited financial statement. Ms. Catino also reported that the FIAA Committee has authorized KPMG to complete work necessary for the refinancing of the Bonds.

Finally, Ms. Catino reported that the FIAA Committee had reviewed audit reports for: the Ophthalmology Clinic, HIPAA Privacy, "Meaningful Use" Readiness Assessment and a quarterly update on the "Helpline Activity."

- **Report of the Governance, Ethics and Legal Committee (“GEL”) – Chair, Ms. Tanya Freeman, Esq.**

Upon recommendation of the GEL Committee, Ms. Freeman presented the Committee meeting minutes of August 4, 2015 for approval, and the Board accepted the meeting minutes unanimously.

Ms. Freeman provided an update regarding the Barnabas Consulting Contract and she advised that an additional task order was requested to support financial modeling activities.

Ms. Freeman reported that as of October 6, 2016 compliance training for UH staff was approximately 96%.

Upon recommendation of the GEL Committee, serving as the Executive Committee for the Board, Ms. Freeman requested that the Board approve the following actions:

- Credential and Medical Executive Committee Action Items dated September 29, 2015
- Amend resolution adopted October 6, 2015 to execute an employment agreement

The Board accepted and approved the action items unanimously.

- **Report of the Medical Liaison Committee (“MEL”) – Chair, Dr. James Orsini**

Upon recommendation of the MEL Committee, Dr. Orsini presented the Committee meeting minutes of August 27 and September 20, 2015 for approval, and the Board accepted the meeting minutes unanimously.

Upon recommendation of the Medical Liaison Committee, Dr. Orsini requested approval of the following:

- Minutes of the Medical Executive Committee of April 28, 2015
- Minutes of the Medical Executive Committee of May 26, 2015
- Minutes of the Medical Executive Committee of June 30, 2015
- Minutes of the Medical Executive Committee of July 28, 2015
- Minutes of the Credential Committee of May 11, 2015
- Minutes of the Credentials Committee of June 8, 2015
- Minutes of the Credentials Committee of July 13, 2015
- Action Items for the Credential Committee of October 12, 2015
- Reappointments of the Medical Staff from January 1, 2016 through December 31, 2017

The Board accepted and approved the minutes and action items unanimously.

- **Report of the Quality of Care Committee (“QOC”) – Chair, Dr. David Brody**

Upon recommendation of the QOC Committee, Dr. Brody presented the Committee meeting minutes of August 27 and September 28, 2015 for approval, and the Board accepted the meeting minutes unanimously.

Upon recommendation of the Quality of Care Committee, Dr. Brody requested approval of the following:

- Minutes of the Patient Safety Committee of July 6, 2015
- Minutes of the Patient Safety Committee of September 9, 2015

The Board accepted and approved the minutes unanimously.

- **Report of the Strategic Planning (“SP”) Committee – Chair, Dr. William Cassidy**

- Dr. Cassidy reported that the Committee has been reaching out to a number CEO’s of other hospital systems regarding centers of excellence. Dr. Cassidy reported that he is confident that the Strategic Planning Committee can finalize a strategic plan by year-end 2016.
- Dr. Cassidy noted that he and fellow Board members would be attending the upcoming Becker’s Executive Leadership Conference in Chicago, IL scheduled for the end of the month.

Public Comment

The Chairman stated that all business of the UH Board of Directors was completed and again was open for public comment. The following individuals addressed the Board:

- Mr. David Hungerford of the People’s Organization for Progress provided a follow up letter to the Board regarding the Navigant Report. In response, the Chairman advised Mr. Hungerford that the Board would provide a written response to his latest inquiry.
- Mr. James Harris, Chair of the New Jersey Black Issues Education Task Force and the Essex County Black Caucus acknowledged and commended the Board for having greater diversity among its members and senior leadership at the hospital. He requested that the Board consider supporting education and employment initiatives in Essex County that would benefit county residents. His suggestions were as follows:

1. UH work with the City and local Boards of Education to develop e curriculum for local high school students that includes health professions to increase the pool of “home grown” talent.
2. UH explore partnership opportunities with the NAACP, NJ Black Issues Convention and the Urban League in regard to implementing the aforementioned educational programs.
3. Mr. Harris asked if UH would address the lack of a diverse work force and supplier diversity for construction projects at UH.

The Board suggested that Mr. Harris meet with hospital senior leadership to discuss his issues and concerns. In addition, the Chairman represented that the hospital will provide the Affirmative Action and EEOC statistics that he has requested.

Other Board Comments

Dr. Barchi reported that November 10th marked the beginning of the year-long 250th Anniversary celebration for Rutgers University. He distributed label pins celebrating this event to Board members.

Executive Session

Chairman DiFrancesco read the Resolution to convene the Board into Executive Session at 11:00 am:

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 11:00 a.m. and adjourned 11:17 a.m.

The public session of the UH Board of Directors meeting reconvened at 11:18 a.m. There being no further business, the meeting of the UH-Board of Directors Meeting adjourned at 11:19 a.m.

The next full meeting of the UH-Board of Directors is scheduled for Tuesday, January 26, 2016 at 8:30 AM in the Rutgers New Jersey Medical School/University Hospital Cancer Center located at 205 South Orange Avenue, B Level - Room 1120, Newark, New Jersey.