



# UNIVERSITY HOSPITAL

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Newark, New Jersey

The Board of Directors of University Hospital

MEETING IN PUBLIC SESSION

March 15, 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; Brian L. Strom, MD, MPH

**Present Via Teleconference:** Robert L. Barchi, MD, PhD; Annette Catino, MBA; Tanya L. Freeman, Esq.

**Excused:** Cecile Feldman, DMD, MBA

**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*; Mary Jo Lopez, *Executive Director of Special Projects*; Paul B. Matey, *Senior Vice President & General Counsel*; Richard Tunnell, *Chief Information Officer*; and Tammy Robinson, *Special Assistant*

**Guest:** Amy Herbold, Office of the Governor's Authorities Unit (via teleconference)

**I. Opening**

Dr. Orsini, as Vice Chair of the Board, 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. Lopez:

Hon. Donald T. DiFrancesco	Excused
Robert L. Barchi, MD, PhD	Present via teleconference
David H. Brody, MD	Present
William D. Cassidy, II, PhD	Present
Annette Catino, MBA	Present via teleconference
Cecile Feldman, DMD, MBA	Excused
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	Present

With a quorum of members present, Dr. Orsini called the meeting to order at 8:36 a.m.

**II. Approval of Meeting Minutes**

Dr. Orsini accepted a motion to approve the minutes of the January 26, 2016 meeting of the Board. The minutes were approved unanimously.

**III. Report of the Chairman of the Board**

There was no report.

**IV. Report of the President and CEO**

Mr. Kastanis provided introductory comments and reported the following:

A. Mr. Kastanis plans to focus on the following initiatives at University Hospital (“UH”): implementing collaborative projects for operational and clinical effectiveness; population health; additional community outreach; renewed marketing and branding; enhanced workforce productivity; development of a project management office focused on data analytics; and institution of a Lean Six Sigma training program. Mr. Kastanis believes UH should focus on the

patient value proposition and quality as well as opportunities for improved reporting of quality and patient satisfaction metrics.

B. The inpatient psychiatric facility underwent a Short Term Care Facility survey on February 29, 2016. The outcome was favorable, with many positive recommendations and only two citations. Mr. Kastanis noted that concerns surrounding patient safety and security have recently been a focus at facilities nationwide.

C. UH successfully met attestation for Stage Two Year One Meaningful Use. The incentive payments for this attestation are estimated to be \$1.8 million. UH has met attestation goals each year since 2011 due to the efforts of the dedicated Meaningful Use team.

D. A draft contract bringing the services of the Cancer Institute of New Jersey to UH is being prepared. The parties will continue to work diligently towards this much anticipated partnership.

E. UH and Rutgers are exploring the opportunity to expand the Ambulatory Care Center by combining services with the Doctor's Office Center.

F. On March 10, 2016, Mr. Kastanis addressed the attendees of the Annual Community Outreach Luncheon for Volunteers and Community Partners. He noted the impressive number of employees and community based volunteers at UH. Mr. Kastanis also noted that the number of individuals that have been reached through these community-based efforts speaks to the direction of population health.

G. The UH Emergency Management team assisted the Newark Health Department in developing the Newark Lead Incident Action Plan.

## **V. Committee Reports and Action Items**

### **A. Report of the Compensation Committee**

*Chair, Mr. Keith H. Green*

There was no report.

### **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 the Minutes of the January 21, 2016 meeting of the FIAA Committee. The Board accepted and approved the minutes unanimously.

2. Ms. Catino stated that as a result of UH's recent issuance of new bonds, UH must now publically report its financial statements. The financial statements are posted monthly on the UH website. Ms. Catino noted that both the bonds and the pension obligation are included on the financial statements. In addition, Ms. Catino stated that as part of the issuance of these new bonds UH must provide a review of the financial statements conducted by the external auditors.

3. Upon recommendation of the FIAA Committee, Ms. Catino requested that the Board accept and approve: a) UH Bond Secondary Market Disclosure Financial Statement for December 31, 2015; and b) UH Preliminary Financial Statement for January 2016. The Board accepted and approved the financial statements unanimously.

4. Ms. Catino noted that the transition to ICD-10 required UH to provide additional training for coders, staff, and practitioners. A brief discussion ensued regarding the upgraded level of documentation needed with ICD-10. A Discharged Not Final Billed Action Plan was implemented in response to the ICD-10 changes, and will provide the Board an overview of the Hospital's improvements under the new coding system.

5. Ms. Catino noted the FIAA Committee would report the financial activities of Broadway House on a quarterly basis. This report will be consolidated under the overall audit of UH.

6. Ms. Catino reported on the ongoing negotiations of the Emergency Medical Service contract with the City of Newark. The City of Newark seeks a significant reduction in payment for services provided by UH. Ms. Catino noted that there are full reserves built into the budget surrounding this issue, and it is hoped that it will be resolved in advance of the next meeting.

7. Ms. Catino provided an update on upgrades to the UH information technology network, noting that representatives from the finance and technology departments at UH and Rutgers are meeting monthly. Rutgers remains on schedule to implement their new financial system on October 1, 2016, and UH will participate in a Rutgers working group examining a network refresh project at the Doctor's Office Center.

8. Ms. Catino also reported that the UH finance team continues to work with the State of New Jersey regarding the proposed FY17 Appropriations Act.

9. Ms. Catino noted that the resignation of John Ras, Interim Director of Compliance and Internal Audit, may cause slight adjustments to the reporting schedule. Ms. Catino, Ms. Freeman, and Dr. Brody have been interviewing candidates and hope to hire a Compliance Officer and a Director of Internal Audit in the near future. Ms. Catino also presented the Internal Audit Work Plan that was submitted by Mr. Ras prior to his departure.

10. Ms. Catino presented a proposal for audit services for FY16 prepared by KPMG. Ms. Catino noted that the proposal is part of a multi-year contract with KPMG. In addition, Ms. Catino presented a proposal prepared by KPMG to determine whether UH would be obligated to complete additional tax filings pursuant to section 501(r) of the Internal Revenue Code. Upon recommendation of the FIAA Committee, Ms. Catino then requested that the Board accept and approve: a) KPMG Proposal for FY16 Audit Services; and b) KPMG Proposal for 501(r) Tax Consulting. The Board accepted and approved the proposals unanimously.

11. Ms. Catino reported that audits were completed for the following:

a. Security Controls over Networked Medical Devices: This audit identified numerous devices which require additional security to ensure that only authenticated users are able to access protected health information.

b. Fuel Charges for Broadway House: An audit of UH gas cards revealed fraudulent charges at a Newark gas station. UH will request full restitution from Broadway House for an estimated \$100,000. In addition, a memorandum of understanding will be prepared regarding the future use of credit cards and to ensure proper documentation and use of funds. Both UH and Broadway House have reported the fraudulent use of the cards to the Essex County Prosecutors Office and the Newark Police Department.

c. Two-Midnight Rule: This audit focused on reversed discharges, documentation, and medical necessity. UH expects to receive a report in 90 days regarding corrective action.

Dr. Orsini thanked Ms. Catino for her report and noted that Governor DiFrancesco would chair the remainder of the meeting.

**C. Report of the Governance, Ethics and Legal Committee**

*Chair, Ms. Tanya L. Freeman, Esq.*

1. Ms. Freeman introduced Mr. Matey to present the GEL report in her stead.

2. Mr. Matey provided a brief overview of the Serengeti Matter Management System. Mr. Matey noted that this initiative has been a priority identified by Ms. Freeman and that it will be implemented in April. The Serengeti Matter Management System will provide significant aid in keeping pace with the increased activity in legal review of business relations, employment issues, and compliance and oversight. The customized system will provide better documentation, a real-time life cycle of legal matters, reports, and billing statements. In response to an inquiry, Ms. Freeman stated that the use of a matter management system such as Serengeti is common in healthcare and much needed at UH.

3. Mr. Matey presented a resolution designed to designate and clarify corporate document signatory authority within UH. Upon recommendation of the Governance, Ethics and Legal Committee, Ms. Freeman requested that the Board approve and adopt Resolution No. 2016-0315-33 designating appointed Officers of the Hospital. 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 Committee, Dr. Orsini requested approval of the Minutes of the Medical Liaison Committee of January 21, 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 November 24, 2015; b) Minutes of the Credential Committee of January 11, 2016; c) Action Items for the Credential Committee of February 8, 2016; d) Reappointments of the Medical Staff for January 1, 2016 through March 31, 2018; and e) Remediation Letter to a Physician. The Board accepted and approved the minutes and action items unanimously.

**E. Report of the Quality of Care Committee**

*Chair, Dr. David H. Brody, MD*

1. Upon recommendation of the Quality of Care Committee, Dr. Brody requested approval of the Minutes of the Quality of Care Committee of January 21, 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 December 14, 2015; and b) Minutes of the Patient Safety Committee of January 13, 2015. The Board accepted and approved the minutes unanimously.

3. In an update regarding clinical documentation improvement, Dr. Brody stated that he met with UH finance representatives to review an action plan for the ICD-10 conversion. He clarified that there are three and a half full-time clinical documentation specialists who perform a review of all charts within forty-eight hours of admission. Dr. Brody also noted that when there is a question regarding documentation, the appropriate physician is contacted, and the response rate has improved. Dr. Sambol commented that there may be value in having the documentation specialists on the patient floors more involved with the workflow and interaction with the shift staff. Mr. Daly stated that he would speak to Dr. Sambol further regarding this suggestion. In response to Dr. Johnson's inquiry, Mr. Daly noted that he would investigate whether this type of review could be completed for outpatient services.

4. Dr. Brody provided a brief review of the Quality Dashboard. Mr. Kastanis commented that as an academic medical center, UH should rank itself against its peers. However, as a member of the University HealthCare Consortium (“UHC”), UH ranks very low, ninety-seven of 105. He noted that UH must strive to meet the core domains, quality metrics and data analytics utilized at UHC. Mr. Kastanis stated that he has asked members of UH leadership to begin work on improving UH’s ranking by focusing on data analytics. He stated that this is an issue that he would like to discuss further in Committee.

**F. Report of the Strategic Planning Committee**

*Chair, William D. Cassidy, III, PhD*

1. Dr. Cassidy provided a brief update on the recent Governance Institute conference that he and Dr. Orsini attended in February, and offered the Board members access to all the conference materials.

2. Dr. Cassidy reminded the Board about the Becker’s 7<sup>th</sup> Annual Meeting on April 27-29<sup>th</sup> in Chicago, Illinois.

3. Dr. Cassidy noted that there were various topics related to the UH Strategic Plan, and Chairman DiFrancesco recommended that the topics be discussed in Committee.

**VI. Public Comment**

The Chairman stated that all business of the UH Board of Directors was complete, and opened the meeting for public comments. Representatives of the Health Professionals and Alligned Employees labor union Christine Boardingham, Dawn Baker, Corrado Cortamaccio, Kathleen Hernandez, and Dara Skinner provided public comment regarding contract negotiations and presented a letter to Mr. Kastanis. The Chairman thanked them for their input.

**VII. Adjournment**

There being no further business, the meeting of the UH-Board of Directors Meeting adjourned at 9:36 a.m. The next full meeting of the UH-Board of Directors is scheduled for Tuesday, May 17, 2016 at 8:30 a.m. in the Rutgers New Jersey Medical School Cancer Center located at 205 South Orange Avenue, Board Room 1120, Newark, New Jersey.