



UNIVERSITY HOSPITAL
Newark, New Jersey

Office of the Board of Directors

150 Bergen Street
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Newark, NJ

Meeting of the
University Hospital Board of Directors

PUBLIC SESSION
July 1, 2013

Stanley S. Bergen Building
65 Bergen Street, 15th Floor, Board Room
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, MD, PhD (*via telephone*); Domenic M. DiPiero, III; Cecile A. Feldman, DMD, MBA; Robert L. Johnson, MD, FAAP; and Christopher Molloy, Ph.D, RPh (*via telephone*)

Present - UH Leadership: James R. Gonzalez, MPH, FACHE, *President & Chief Executive Officer*; Thomas Daly, *Chief Financial Officer*; Nancy Hamstra, *Chief Operating Officer & Secretary*; Dara Quinn, *Chief Compliance Officer*; Paul Wermuth, Esq., *General Counsel*, and Suzanne Atkin, MD, *Chief Medical Officer*.

Present - UH Staff: Simone Bellamy, *Special Assistant* and Tammy Robinson, *Special Assistant*

Present-Guests: Jeremy Ostow, Esq., DeCotiis, FitzPatrick & Cole, LLP and Glenn Tucker, Esq., Greenberg Dauber Epstein & Tucker

Minutes

A roll call was conducted by Ms. Bellamy:

Hon. Donald T. DiFrancesco - *Present*
Robert L. Barchi, MD, PhD - *Present*
William D. Cassidy, III, Ph.D. - *Present*
Domenic M. DiPiero, III - *Present*
Cecile A. Feldman, DMD, MBA - *Present*
Robert L. Johnson, MD, FAAP- *Present (via telephone)*
Christopher Molloy, Ph.D, RPh- *Present (via telephone)*
James M. Orsini, M.D. - *Present*

With a quorum of members being present, Chairman DiFrancesco called the meeting to order at 7:35 a.m.

Chairman DiFrancesco publicly read a segment of a letter from Governor Chris Christie directing the first organizational meeting of the UH- Board of Directors.

Pursuant to NJSA 18A:64G-6.1, I hereby direct the University Hospital board of directors established pursuant to that law to meet for purposes of organizing on July 1, 2013 at 7:30 a.m. at the Stanley S. Bergen Building, 65 Bergen Street, Board Room, 15th Floor, in Newark.

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.

Chairman DiFrancesco provided welcoming remarks. The Chairman stated that the Board will take the necessary actions during the meeting to establish UH as an independent organization. The expansion of Rutgers, The State University of New Jersey, and of Rowan University was also acknowledged, as the schools and teaching programs of the University of Medicine and Dentistry of New Jersey (“UMDNJ”) are merged with the two entities. The Chairman introduced fellow members of the Board individually, indicating that each member had been duly sworn in.

Adoption of Bylaws

Chairman DiFrancesco introduced a Resolution to approve the UH Bylaws.

Upon motion by Dr. Orsini, duly seconded by Dr. Cassidy, the Board of Directors accepted, ratified, and approved a Resolution to approve the Bylaws of UH, effective immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Election of Board Officers

Chairman DiFrancesco introduced a Resolution for the election of Board Officers for the position of Vice - Chairperson.

Upon motion by Mr. DiPiero, duly seconded by Dr. Cassidy, the Board of Directors accepted, ratified, and approved a Resolution to elect James M. Orsini, M.D. to serve as Board Vice-Chairperson, effective immediately, until such time as a replacement is elected.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Chairman DiFrancesco introduced a Resolution for the election of Board Officers for the position of Secretary.

Upon motion by Mr. DiPiero, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved a Resolution to elect William D. Cassidy, III, PhD, to serve as Board Secretary, effective immediately, until such time as a replacement is elected.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Approval of Corporate Officers of UH

Chairman DiFrancesco introduced three separate Resolutions to approve the Corporate Officers of UH.

Upon motion by Dr. Orsini, duly seconded by Mr. DiPiero, the Board of Directors accepted, ratified, and approved the Resolutions to appoint:

- James R. Gonzalez, MPH, FACHE, as President and CEO of UH, effective immediately.
- Thomas Daly as Chief Financial Officer of UH, effective immediately.
- Nancy Hamstra as Chief Operating Officer and Secretary of UH, effective immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Authorization of Bond Defeasance & Hospital Financing Documents

Chairman DiFrancesco introduced a Resolution to authorize the bond defeasance and hospital financing documents. Jeremy Ostow, Esq., Bond Counsel, from DeCotiis FitzPatrick & Cole, LLP, stated that the financing is being consummated to enable UH to participate in the defeasance of its share of UMDNJ's bonds and to provide initial funds for the Hospital's operating capital and budget during the first fiscal year. Mr. Ostow outlined the financing terms, including that of the interest rate, period of amortization, and lockbox agreement. Members were informed that a segment of a grant from the New Jersey Educational Facilities Authority (NJEFA) that originated with UMDNJ will be re-allocated to UH. The responsibility of the NJEFA grant will be shared by and among UH, Rowan University, and Rutgers, the State University.

Upon motion by Dr. Johnson, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to approve the bond defeasance and loan documents:

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Adoption of UH Corporate Seal

Chairman DiFrancesco introduced a Resolution for the Adoption of the UH Corporate Seal.

Upon motion by Dr. Johnson, duly seconded by Mr. DiPiero, the Board of Directors accepted, ratified, and approved the Resolution to approve the Corporate Seal for use in the conduct of official business.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Approval of UH Operating Budget

Chairman DiFrancesco introduced a Resolution to approve the UH operating budget. Mr. Thomas Daly, CFO, UH, summarized the information provided to the Board by outlining the projected expenses and surplus funds anticipated for UH in its first quarter, ending September 30, 2013.

Upon motion by Dr. Johnson, duly seconded by Mr. DiPiero, the Board of Directors accepted, ratified, and approved the Resolution to adopt the UH Operating Budget for Q1 FY2014 dated July 1, 2013, effectively immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Agreements with the State of New Jersey; Rutgers University, The State University of New Jersey; Rowan University; and Broadway House

Chairman DiFrancesco introduced Glenn Tucker, Esq., of the law firm Greenberg Dauber Epstein & Tucker. Mr. Tucker informed the Board that resolutions for real estate, transitional services, and operational agreements will be presented to members for approval in two segments; those agreements to which Rutgers is a party and those agreements to which Rutgers is not a party.

Upon motion by Dr. Cassidy, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to adopt the list of contracts and agreements to which Rutgers University is a party, effectively immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye

Mr. DiPiero -aye Dr. Molloy -aye

Mr. Tucker then introduced the Resolution for the agreements to which Rutgers is not a party. Mr. Tucker stated that the agreements are inclusive of the adoption of a Memorandum of Agreement with the New Jersey State Treasurer for the administration of medical malpractice claims.

Upon motion by Dr. Orsini, duly seconded by Dr. Cassidy, the Board of Directors accepted, ratified, and approved the Resolution to adopt the list of contracts and agreements, effectively immediately.

Mr. DiFrancesco -aye Dr. Barchi -aye
Dr. Orsini -aye Dr. Feldman -aye
Dr. Cassidy -aye Dr. Johnson -aye
Mr. DiPiero -aye Dr. Molloy -aye

Compliance Matters

Chairman DiFrancesco introduced a Resolution to appoint members to the Audit Committee. Mr. DiPiero nominated Donald T. DiFrancesco as Chair and Drs. James M. Orsini and William D. Cassidy as members of the Committee.

Upon motion by Mr. DiPiero, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to appoint the Chairperson and members of the Audit Committee, who shall serve for a term of one year as of this date effectively immediately, as follows: Donald T. DiFrancesco – *Chair*; James M. Orsini, M.D. – *Member*; and William D. Cassidy, III, Ph.D. - *Member*

Mr. DiFrancesco -aye Dr. Barchi -aye
Dr. Orsini -aye Dr. Feldman -aye
Dr. Cassidy -aye Dr. Johnson -aye
Mr. DiPiero -aye Dr. Molloy -aye

Chairman DiFrancesco introduced a Resolution to appoint a Chief Compliance Officer. Mr. DiPiero nominated Dara Quinn for the position of Chief Compliance Officer.

Upon motion by Mr. DiPiero, duly seconded by Mr. Cassidy, the Board of Directors accepted, ratified, and approved the Resolution to appoint Dara Quinn as Chief Compliance Officer of UH, effectively immediately.

Mr. DiFrancesco -aye Dr. Barchi -aye
Dr. Orsini -aye Dr. Feldman -aye
Dr. Cassidy -aye Dr. Johnson -aye
Mr. DiPiero -aye Dr. Molloy -aye

Chairman DiFrancesco introduced a Resolution to adopt the UH Code of Conduct. Mr. Tucker informed members that it is the Hospital’s obligation under the Corporate Integrity Agreement to adopt a Code of Conduct.

Upon motion by Dr. Cassidy, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to adopt the Code of Conduct.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

UH Corporate Integrity Agreement with Office of the Inspector General – Department of Health & Human Services

Chairman DiFrancesco introduced a Resolution to adopt the Corporate Integrity Agreement (CIA). Mr. Tucker informed the Board that UH is entering into an amended version of the CIA originally in place with UMDNJ. Mr. Tucker added that the Office of the Inspector General – Department of Health & Human Services, worked very closely with Rutgers, The State University of New Jersey, Rowan University and UH during the transition to ensure all parties received an amended and separate CIA.

Upon motion by Dr. Cassidy, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to acknowledge and accept the obligations of UH under the CIA of September 25, 2009 subject to the modifications of the Letter Agreement and authorizes and directs the directors, officers, employees and agents of UH to take actions deemed necessary and appropriate to fulfill these obligations during the effective term of the CIA.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Adoption of UH Policies

Chairman DiFrancesco introduced a Resolution to adopt a number of UH policies. Mr. Wermuth, UH general counsel, presented the Board with the following five policies for adoption:

- Purchasing Policy
- Policy Regarding Waiver of Bids
- Legal Commitment Authority Policy
- Settlement of Claims Policy
- Banking Relationships Policy

Upon motion by Dr. Johnson, duly seconded by Dr. Feldman, the Board of Directors accepted, ratified, and approved the Resolution to adopt all other policies currently in place with respect to UH and that all such policies shall continue in effect following July 1, 2013, except as modified from time to time.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

UH's Corporate and Organizational Structure

Chairman DiFrancesco introduced a Resolution to approve UH's Corporate and Organizational Structure. Mr. Gonzalez stated that the structure reflects the new administrative and support functions which have been integrated within the Hospital's table of organization.

Upon motion by Dr. Johnson, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to accept the UH Table of Organization dated July 1, 2013, effective immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Board of Directors Meeting Dates and Times

Chairman DiFrancesco introduced a Resolution to confirm the next meeting of the Board. Members established that the next formal meeting of the UH Board of Directors will be held on Monday, August 5, 2013, at 8:00 a.m.

Upon motion by Mr. DiPiero, duly seconded by Dr. Johnson, the Board of Directors accepted, ratified, and approved the Resolution to agree to the next meeting on August 5, 2013 and to establish on that date the schedule of Board meetings for FY 2014.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

UH Medical Staff Bylaws

Chairman DiFrancesco introduced a Resolution to adopt the UH Medical Staff Bylaws. Mr. Wermuth stated that the bylaws represent the rules and procedures that medical staff working in the Hospital must adhere to.

Upon motion by Mr. DiPiero, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to adopt the Medical Staff Bylaws, which had been approved by the UH medical staff on or about May 15, 2013, effective immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Retention of Professionals and Vendors

Chairman DiFrancesco introduced a Resolution for the Retention of Professionals and Vendors. Mr. Tucker presented to members a list of approved counsel originally in place with UMDNJ.

Upon motion by Mr. DiPiero, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to approve the attached List of Approved Counsels for UH previously adopted by UMDNJ, predecessor to UH, and that such counsel shall be deemed to be retained by UH, effective immediately.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Chairman DiFrancesco introduced a Resolution for an Auditor for UH. Mr. Tucker stated that the Resolution would authorize UH to begin the process to engage an outside Auditor.

Upon motion by Mr. DiPiero, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to direct UH to provide the necessary assistance to the Board to effectuate the retention of an Independent Auditor pursuant to the procedures established by Executive Order 122.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Chairman DiFrancesco introduced a Resolution regarding an Agreement for Consulting Services for UH with Barnabas Health, Inc. Mr. Tucker provided a brief history of the actions preceding the proposed agreement. Mr. Tucker stated that Barnabas Health, Inc., was selected through an RFP process as a consultant to assist UH in its transition to a stand-alone entity.

Upon motion by Dr. Johnson, duly seconded by Dr. Orsini, the Board of Directors accepted, ratified, and approved the Resolution to direct the UH Chief Executive Officer to confirm review by the UH Community Oversight Board; confirm review and approval by the Department of Health; confirm acceptance of any proposed changes from the Department of Health with Barnabas Health, Inc.; make a determination to its satisfaction, and the satisfaction of its legal counsel, in their sole discretion, that the execution of the Form of Agreement shall not disturb the tax-exempt status of bonds issued to finance UH or disturb the governmental and tax qualified status of the State pension and health benefits plans, and take any other actions as necessary to execute the agreement on or after August 6, 2013.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Protocol for Public Comment:

Chairman DiFrancesco introduced a Resolution to adopt the Protocol for Public Comment.

Upon motion by Dr. Orsini, duly seconded by Mr. DiPiero, the Board of Directors accepted, ratified, and approved the Resolution to adopt the Protocol for Public Comment at UH Board of Directors Meetings.

Mr. DiFrancesco	-aye	Dr. Barchi	-aye
Dr. Orsini	-aye	Dr. Feldman	-aye
Dr. Cassidy	-aye	Dr. Johnson	-aye
Mr. DiPiero	-aye	Dr. Molloy	-aye

Public Comment

Chairman DiFrancesco opened the floor to individuals requesting an opportunity to address the Board. The following officials addressed members of the Board, expressing their individual sentiment, support, and hope for the future of UH:

- Assemblywoman Nancy Munoz
- Assemblywoman Grace Spencer
- Assemblyman Thomas Giblin
- Councilman Darrin Sharif
- Essex County Executive Joseph DiVincenzo, Jr.

Dr. Barchi and Chairman DiFrancesco publicly thanked key leadership and consultants involved in the success of the transition. Mr. Gonzalez thanked the UH management team and acknowledged the contributions of Deloitte Consulting, Mr. Glen Tucker, and the staff of Greenberg, Dauber, Epstein & Tucker.

There being no further business, the UH-Board of Directors Meeting was adjourned at 8:14 a.m. The next full meeting of the UH-Board of Directors will be held at 8:00 a.m. on Monday, August 5, 2013, Cancer Center Board Room, 205 S. Orange Avenue, Newark, New Jersey.