



**UNIVERSITY HOSPITAL**  
Newark, New Jersey

Meeting of the  
University Hospital Board of Directors

**PUBLIC SESSION MEETING**

March 17, 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, 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: Amy Herbold, Esq., *Senior Counsel, Authorities Unit*; John Spinello, *Director, Authorities Unit*

**Present** - Guests: Glenn Tucker, Esq., *Greenberg Dauber Epstein & Tucker*,

**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:

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 8:32 a.m.

### **Approval of Meeting Minutes**

The Board unanimously approved the minutes of the February 3, 2015, UH Board of Directors public session meeting.

Chairman DiFrancesco reported:

- The Foundation for University Hospital been approved by the Internal Revenue Service to operate as a not-for-profit 501c3 organization.

### **President & CEO's Report**

Mr. Gonzalez reported:

- UH has fully satisfied the five-year term of the Corporate Integrity Agreement and will receive a letter acknowledging completion from the Office of the Inspector General.
- In the proposed FY2016 budget, the Charity Care allocation to UH was reduced by \$22 million. This reduction presents a significant challenge as UH continues to serve a large number of uninsured patients who do not qualify for Charity Care or other government programs. At this time, it has not been determined whether the impact of revenue generated by the expansion of Medicaid and ACA enrollment will offset the budget



reductions. Management will be working closely with the Finance, Investment, Administration, and Audit Committee to address this significant reduction in State subsidy and how to close the gap.

- Members of the management team attended a meeting hosted by the Commissioner of Health, Mary E. O’Dowd. The Commissioner discussed Federal funding that the State will receive for Ebola preparedness. The Board was informed that UH would receive approximately \$650,000 to support Hospital services, regulatory, and accreditation groups as an Ebola assessment centers in the State.
- UH has participated in, and received favorable feedback from a number of surveys including the Clinical Learning Environment Review (CLER), an unannounced survey by The Joint Commission and a four-day comprehensive Department of Environmental Protection (DEP) Radiology Survey. The Joint Commission survey to certify UH as a comprehensive stroke center will take place in June.
- The Healthy Heart kick-off event was held on February 19, 2015 in the Ambulatory Care Center. Staff provided information to patients and visitors on ways to maintain a healthy heart through diet and exercise.

### **Audit Committee Report**

Upon recommendation of the Audit Committee, the Board accepted the Committee’s meeting minutes of October 14, 2014, November 13, 2014, December 4, 2014 and February 3, 2015.

Ms. Catino introduced and summarized Resolution # 2015-0317-01 to approve compliance revisions to the “Excluded Individuals and Entities Policy”. The Chairman motioned for approval.

**WHEREUPON** Resolution # 2015-0317-01 was seconded and unanimously approved:

**BE IT RESOLVED**, that this Board Resolution is a declaration of the official intent of the Board (i) accepting and adopting, by an affirmative vote of a majority of the Board, the proposed amendments to the Policy, as reflected in the first attachment hereto, and (ii) that, after having voted to accept and approve all of the amendments to the Policy, that the Board hereby accepts and adopts as the Policy on Excluded Individuals and Entities the second attachment hereto, to be made effective immediately, and to be implemented at UH hereafter, and that no further approvals by the Board are necessary to implement this Resolution.

Ms. Catino reported on the Committee’s February 23, 2015 meeting:

- The Committee approved a revised meeting calendar for the upcoming year.



- The Committee reviewed the Compliance and Internal Audit work plans and requested additional information from staff.
- The Committee reviewed a compliance audit based on results of monthly screening procedures around Excluded Provider, identified refunds that needed to be processed totaling \$2,000 related to eight referring physicians on the Exclusion List.
- The Committee reviewed the findings of an information technology internal audit of the Pysix Medication System.
- The Committee discussed the findings and recommendations of the KPMG Management Letter for the FY2014 Financial Statement Audit.

### **Compensation Committee**

Mr. Green reported on the Committee's February 17, 2015 meeting:

- Committee members were briefed on the history of the recent union contract settlements and the current status of union negotiations. The Committee received updates on changes in State health and pension plans.
- Members also reviewed the Human Resource policies for Family Medical Leave Act for non-Union Employees and for Pre-employment Substance Abuse Screening.
- The Board was informed that a meeting to discuss the applications received for the key medical positions is scheduled for March 26, 2015.

### **Finance, Investment & Administration Committee**

Upon recommendation of the Finance, Investment & Administration Committee, the Board accepted the Committee's meeting minutes of January 12, 2015.

Chairman DiFrancesco reported on the Committee's February 3, 2015 meeting:

- Mr. Daly had updated members on the financial statements for both University Hospital and Broadway House for the six months ending December 31, 2014, and provided the status of the restricted funds and grant information.
- Ms. Hamstra had presented the updated NJ Resilience Bank-Phase 2 Health Infrastructure Opportunity and outlined current capital projects.

### **Governance & Ethics Committee Report**



Upon recommendation of the Governance & Ethics Committee, the Board accepted the Committee's meeting minutes of January 6, and February 3, 2015.

Chairman DiFrancesco reported on the Committee's February 3, 2015 meeting:

- Representatives of Barnabas Consulting had presented to the Committee an update regarding the approved task orders. The Committee requested that Barnabas Health amend Task Order #1, Improving Financial Performance.
- Members discussed the amended UH By-Laws which were reviewed by the Medical Liaison Committee, the Governance & Ethics Committee, and leadership of the UH-Medical Staff.

The Chairman noted that the By-law revisions reference the consolidation of the Audit and Finance, Investment, and Administration Committees and the Legal and Governance and Ethics Committees. He also noted the inclusion of the Strategic Planning Committee.

Chairman DiFrancesco introduced and summarized Resolution # 2015-0317-02 for the Adoption of Revised Hospital By-Laws. The Chairman motioned for approval.

**WHEREUPON** Resolution # 2015-0317-02 was seconded and unanimously approved:

**BE IT RESOLVED**, that this Board Resolution is a declaration of the official intent of the Board (i) accepting and adopting, by an affirmative vote of a majority of the Board, the Proposed By-Laws Amendments Submitted March 17, 2015, as reflected in the first attachment hereto, and (ii) that, after having voted to accept and approve all of the changes in the Proposed By-Laws Amendments Submitted March 17, 2015, the Board hereby accepts and adopts, as the By-Laws of University Hospital, the second attachment hereto, said By-Laws to be made effective immediately, and to be implemented at UH hereafter, and that no further approvals by the Board are necessary to implement this Resolution.

Chairman DiFrancesco introduced and summarized Resolution #2015-0317-04 for the Adoption of Revised By-Laws of the Foundation for UH that would allow for the expansion of its Board of Trustees. The Chairman motioned for approval.

**WHEREUPON** the Resolution #2015-0317-04 was seconded and unanimously approved:

**NOW THEREFORE BE IT RESOLVED**, that Section 1 of Article III of the By-Laws of the Foundation for UH is deleted in its entirety and the following new Section 1 is inserted in lieu thereof:

**1. TRUSTEES**

*The Board of Trustees of the Corporation (hereinafter the "Board") shall have not less than*



*three (3) and not more than fifteen (15) members (each hereinafter a “Trustee”).*

Chairman DiFrancesco introduced Mr. Ciro Scalera to members of the UH Board of Directors and shared a historical overview of his work within the public sector. Mr. Scalera made brief remarks commenting that he looked forward to beginning the important work of the Foundation and fostering future partnerships.

Chairman DiFrancesco introduced Resolution 2015-0317-05 for the appointment of Ciro Scalera to the Board of Trustees for the Foundation for UH. The Chairman motioned for approval.

**WHEREUPON** the following Resolution 2015-0317- 05 was seconded and unanimously approved:

**NOW THEREFORE BE IT RESOLVED**, that pursuant to Section 4 of Article III of the By-Laws of the Foundation, **CIRO SCALERA** is hereby appointed as a Trustee of the Foundation.

#### **Legal Committee Report**

Upon recommendation of the Legal Committee, the Board accepted the Committee’s meeting minutes of January 6, 2015.

Ms. Freeman reported on the Committee’s March, 2015 meeting:

- Members reviewed and discussed legal cases assigned to outside counsel and approved a case management tracking tool.
- Members reviewed and discussed settled, open and closed professional and general liability claims.

Ms. Freeman stated that the Committee also recommended to the Board that the Legal Committee be combined with the Governance and Ethics Committee.

#### **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 Medical Liaison Committee meeting minutes of January 12, 2015.

Upon recommendation of the Medical Liaison Committee and pursuant to the requirements of the Joint Commission, the Board accepted and approved the Medical Executive Committee meeting minutes of October 28, 2014.



Dr. Orsini introduced and summarized Resolution # 2015-0317-03 to adopt the UH – Comprehensive Stroke Center. 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.

Upon recommendation of the Medical Liaison Committee and pursuant to the requirements of the Joint Commission, the Board accepted and approved the Medical Executive Credentials Committee meeting minutes of December 8, 2014.

Upon recommendation of the Medical Liaison Committee and pursuant to the requirements of the Joint Commission, the Board accepted and approved the Medical Executive Credentials Committee Action Items of January 12, 2015.

### **Quality of Care Committee Report**

Dr. Brody informed members that the Quality of Care Committee meeting scheduled for February 16, 2015, was postponed until March 26, 2015.

### **Strategic Planning Committee**

Upon recommendation of the Strategic Planning Committee, the Board accepted the Committee's Workgroup meeting minutes of December 16, 2014.

Dr. Cassidy reported that the Committee will continue its discussion regarding the Navigant Report.

### **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.

Mr. James Harris, past President of the Montclair Branch of the NAACP, commented on the current level of diversity amongst the Board of Directors as a positive step. He also requested that the Board consider increasing the number of pipeline programs available in the City of Newark, particularly in the field of nursing.

Mr. Abdul Aleem Razzaqq, a religious leader serving patients and employees at UH for 18 years, inquired as to how the Muslim community and the Board can work together to get services out to



the community, now that his group has an organization to work with the Hospital.

Dr. Barchi informed the Board that in 2011, Rutgers, the State University of New Jersey's School of Nursing ranked 79<sup>th</sup> out of the 4,000 schools across the nation and that the School now ranks number 25. He said that Rutgers will continue to work to improve this standing.

Dr. Sambol invited the Board to attend the 4<sup>th</sup> Annual University Hospital Golf Classic, Dinner & Auction scheduled for June 4, 2015 at the Cedar Hill Country Club in Livingston, New Jersey.

### **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, March 17, 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 9:17 a.m. and adjourned 10:19 a.m.

The public session of the UH Board of Directors meeting reconvened at 10:19 a.m. and adjourned 10:20 a.m.

**There being no further business, the UH-Board of Directors Meeting was adjourned at 10:20 a.m. The next full meeting of the UH-Board of Directors will be held at 8:30 a.m. on Tuesday, May 19, 2015, Cancer Center, 205 South Orange Avenue, B-Level, Room B1120, Newark, New Jersey.**