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University of South Carolina  
BOARD OF TRUSTEES

Health Affairs Committee

March 17, 2016

The Health Affairs Committee of the University of South Carolina met at 2:00 p.m. on Thursday, March 17, 2016, in Library Room 237 on USC Beaufort's Hilton Head Gateway Campus.

Members present were: Mr. Hugh Mobley, Chairman; Mr. A. C. "Bubba" Fennell III; Mr. Miles Loadholt; Dr. C. Dorn Smith; Mr. Thad H. Westbrook; Mr. Eugene P. Warr Jr., Board Chairman; and Mr. John C. von Lehe Jr., Board Vice Chairman. Mr. J Egerton Burroughs participated by telephone. Absent was Mr. Chuck Allen.

Other Board members present were: Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Dr. C. Edward Floyd; Mr. William W. Jones Jr.; Mr. Toney J. Lister; Ms. Leah B. Moody; and Mr. Mack I. Whittle Jr.

Also present was faculty representative August E. (Augie) Grant.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Chief Operating Officer Edward L. Walton; Provost Joan T.A. Gabel; General Counsel Walter "Terry" H. Parham; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Athletics Director Ray Tanner; Vice President for Human Resources Chris Byrd; Darla Moore School of Business Distinguished Professor Emeritus Travis Pritchett; Chief Communications Officer Wes Hickman; Executive Dean USC School of Medicine and CEO of Palmetto Health-USC Medical Group Leslie W. Hall; Palmetto Health-USC Medical Group CFO Darrell Coven; Palmetto Health-USC Medical Group COO Kevin Boggs; USC School of Medicine Greenville Dean Jerry R. Youkey; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Chief of Staff, President's Office, J. Cantey Heath Jr.; Executive Director for Audit & Advisory Services Pam Doran; Palmetto College Chancellor Susan Elkins; USC Beaufort Chancellor Al Panu; USC Aiken Chancellor Sandra Jordan; USC Aiken Executive Vice Chancellor for Academic Affairs Jeff Priest; USC Columbia Student Government (SG) President Michael Parks; former USC Columbia SG President Jonathan Kaufman; and Board staff member Debra Allen. USC School of Medicine Senior Associate Dean Caughman Taylor joined by phone.

I. Call to Order

Chairman Mobley called the meeting to order, welcomed those present and asked everyone to introduce themselves. He stated that the agenda had been posted and the press notified as required by the Freedom of Information Act; the agenda had been circulated; and a quorum was present to conduct business. Mr. Hickman stated that there were no members of the media in attendance.

Chairman Mobley stated that there were proposed contractual matters dealing with the USC School of Medicine Greenville and Greenville Health System as well as the USC School of Medicine Columbia and Palmetto Health that were appropriate for Executive Session and called for a motion to enter Executive Session. Dr. Smith so moved and Mr. Fennell seconded the motion. The vote was taken and the motion carried.

The following individuals were invited to remain: Trustees; Secretary Stone, President Pastides, members of the President's Executive Council, Ms. Doran, Dean Youkey, Mr. Perkins and Dr. Grant.

EXECUTIVE SESSION

## RETURN TO OPEN SESSION

### II. Palmetto Health-USC Medical Group

Chairman Mobley asked Mr. Parham and Dean Hall to present their reports to the committee.

#### A. Management Agreement

Mr. Parham reported that as of April 1, 2016, the Palmetto Health-USC Medical Group will be taking responsibility for managing the two separate, private practice plans (USC Clinics and Palmetto Health Physician Network) until the merger takes place. He presented the following motion for consideration:

The Health Affairs Committee recommends that the University and the USC School of Medicine Educational Trust (Educational Trust) retain and authorize the Palmetto Health - USC Medical Group (Medical Group) to provide management and leadership services for the various medical and specialty care practices of the Educational Trust, effective April 1, 2016, with the understanding that:

- a) the Medical Group shall perform such services in good faith and with the same standard of care that the Educational Trust uses when performing such services for itself;
- b) the Educational Trust retain all powers incident to ownership of its medical practices, including without limitation, the power to determine the general and fiscal policies of its medical practices, and approve policies regarding the treatment and care of patients;
- c) the Educational Trust shall own and hold all licenses, contracts, certificates and accreditations and shall be the "Provider of Services" within the meaning of the third-party payor contracts.

Chairman Mobley called for a motion to recommend approval by the full Board of the motion presented by Mr. Parham. Mr. Fennell so moved and Dr. Smith seconded the motion. The vote was taken and the motion carried.

#### B. Palmetto Health-USC Medical Group Update

Dean Les Hall reported that as described by Mr. Parham, the Medical Group was formally assuming management of the practices of USC Clinics and Palmetto Health Physician Network on April 1, 2016, and noted that the combined total of the two practices included over 500 providers. He

said that the following 10 clinical departments would be represented within the Medical Group:

- Dentistry
- Family & Preventive Medicine
- Internal Medicine
- Neurology
- Obstetrics & Gynecology
- Neuropsychiatry
- Orthopedics
- Ophthalmology
- Pediatrics
- Surgery

Dean Hall shared that a leadership verification process had been performed to determine the heads of these departments and work had been underway to define the new culture for the Medical Group that would include the best of USC and Palmetto Health.

In closing he said that in order to establish the brand and begin spreading the word, a press conference to announce the formation of the Medical Group to the community would be held on March 31, 2016. Additionally, patient letters were being mailed at end of the month and new signage would be placed at all Medical Group clinical locations.

Chairman Mobley said that this update was received as information.

### III. USC School of Medicine (USCSOM) Update

Dean Hall informed the committee that he was very pleased with the way things were developing at the Florence regional campus. This was the first year that there had been full-time, residential students at the campus and, largely because of positive student feedback, the medical school was on track to exceed its goals for the next two years in terms of the number of students who would be at the Florence campus. He said 13 first-year medical students and 16 second-year medical students had committed to the Florence campus, greatly exceeding the goal of 12 students per class.

He reported that it had been a very busy admissions season at the USCSOM with 3,985 applications having been received for the 100 spots. Out of the approximately 500 in-state applicants, 400 would be interviewed by the end of March. He added that out-of-state applicants receiving interviews had close ties to South Carolina.

He shared that the University was in the top percentage of medical schools whose graduates practiced in state (top 13%) and practiced primary care (top 5%); numbers that resonated with the very reason the USCSOM was established. He observed that a lot of medically underserved areas in South Carolina remained and needed to be addressed.

Dean Hall stated that USC health professions schools continued to expand inter-professional educational opportunities for students. He added that USCSOM was becoming nationally known for excellence in inter-professional education. He said that the Physician Assistant Program's Provisional Accreditation Site Visit in early February had gone very well and was on track for the entry of its first class in January 2017. He also mentioned that the research program for medical students was revised and revitalized under the new associate dean for research and graduate education. Due to the October floods, the medical school had lost about \$1.5 million worth of high-end equipment that was located in a basement. With insurance claims having been filed in a very timely manner, replacement equipment had already begun to arrive. He anticipated that by early summer, all items would have been replaced, in some cases, with better equipment than before. Dean Hall was also happy to report that all operations had been permanently relocated from the basement that flooded.

He closed by thanking the University Leadership for making the medical school's need for new educational facilities a high priority and applauded President Pastides for advancing a \$50 million funding request to the S.C. Legislature in support of a new USCSOM educational building.

Chairman Mobley stated that this update was received as information.

IV. South Carolina College of Pharmacy Response to Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Regarding Joint Program Closure

In the interest of time, Chairman Mobley referred committee members to view the letter on the Board Portal.

Chairman Mobley said that this update was received as information.

V. Report from USC School of Medicine Greenville Joint Board Liaison Committee

In the interest of time, Chairman Mobley referred committee members to view the report on the Board Portal.

Chairman Mobley said that this report was received as information.

VI. Other Matters

Mr. Mobley asked if there was any other business to come before the committee.

VII. Adjournment

Since there were no other matters to come before the committee, Chairman Mobley declared the meeting adjourned at 3:35 p.m.

Respectfully submitted,

Amy E. Stone  
Secretary