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University of South Carolina
BOARD OF TRUSTEES

Health Affairs Committee

November 16, 2018

The Health Affairs Committee of the University of South Carolina Board of Trustees met at 2:05 p.m. on Friday, November 16, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. A.C. "Bubba" Fennell III, Chair; Mr. Thomas C. Cofield; Mr. Robert F. Dozier Jr.; Dr. C. Edward Floyd; Mr. Hubert F. Mobley, Board Vice Chairman; Dr. C. Dorn Smith III; Mr. Mack I. Whittle Jr.; and Mr. John C. von Lehe Jr., Board Chairman. Absent were Mr. William C. Hubbard and Mr. Charles H. Williams.

Other Board members present were: Mr. J. Egerton Burroughs; Mr. Mark Buyck Jr.; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Mr. Eugene P. Warr Jr.; and Mr. Thad H. Westbrook.

Also present was Faculty Senate Chair Marco Valtorta.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Provost Joan T.A. Gabel; Chief Advancement Officer Paula Harper Bethea; Vice President for Student Affairs Dennis Pruitt; Vice President for Human Resources Caroline Agardy; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; Chief Audit Executive Pam Doran; University Treasurer Pat Lardner; Special Assistant to the President for System Affairs Eddie King; Palmetto College Chancellor Susan Elkins; School of Medicine Executive Dean Les Hall; School of Medicine Greenville Dean Jerry Youkey; School of Medicine Senior Associate Dean Caughman Taylor; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Palmetto Health President John Singerling; Executive Director for Strategic Initiatives Jack Claypoole; Director of Equal Opportunity Programs Cliff Scott; Cynthia Lister, wife of Trustee Toney Lister; University Technology Services Production Manager Matt Warthen; and Board staff members Terri Saxon and Ina Wilson.

OPEN SESSION

I. Call to Order

Chairman Fennell called the meeting to order, welcomed those present and asked everyone to introduce themselves. He stated 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 announced Meghan Crum with *The Daily Gamecock* was in attendance.

MOTION FOR EXECUTIVE SESSION

Chairman Fennell called for a motion to enter Executive Session to discuss a proposed contractual matter related to the leasing of space in the Medical Park Four building. Dr. Smith so moved and Mr. Whittle seconded the motion. The vote was taken and the motion carried.

The following were invited to remain: President Pastides, Secretary Heath, members of the President's Executive Council, Dr. Hall, Dr. Youkey, Dr. Taylor, Mr. Perkins, Ms. Doran and Dr. Valtorta.

EXECUTIVE SESSION

RETURN TO OPEN SESSION

II. Affiliated Educational Partners Update

Dr. Hall introduced John Singerling, President of Palmetto Health, who addressed the Committee members.

Mr. Singerling reported that on a national level, healthcare, and more specifically the cost of healthcare, is a major issue. He said the number one reason for bankruptcy in America is healthcare cost; people are unable to pay their medical bills. Research suggests about one third to half of what transpires in healthcare does not add value to the patient, he added. Real opportunities for change exist and he noted that Palmetto Health was committed to addressing these concerns and making South Carolina a state to emulate. "With our great leaders and partners, we are confident we have a strategy to identify inefficiencies and drive them out of the system, making the necessary changes to ultimately benefit the patients," he said.

The single-biggest issue which currently exists in healthcare around the country is that revenues at hospitals and health systems are going up about 4% while expenses are going up an average of 7%. According to Moody's database, most not-for-profit hospitals/healthcare systems are running at an approximately 1.6% operating margin. Palmetto Health, unfortunately, is not breaking even with expenses outpacing ability to bring in revenue. He stated Palmetto Health is the safety net provider of the Midlands, as Greenville Health System is in the Upstate, with a mission to serve all patients regardless of their ability to pay. Very little competition for unfunded or Medicaid patients exists. He emphasized the only place Palmetto Health makes a margin is on commercially insured patients, which means it does not make money on about 70% of its business.

Standing at the one-year anniversary (November 20, 2018) of Palmetto Health and Greenville Health System coming together with a common vision and mission of service to all and academic partners second to none, Mr. Singerling said the task at hand is to identify what will be done differently at Prisma Health in order to create a more personalized experience at a price-point people are willing and able to pay. He listed the following milestones accomplished to date:

- Governing Body has been established
- Co-CEOs named (Chuck Beamon and Mike Riordan)
- Executive Cabinet solidified: One of the most difficult tasks in the past 12 months was to reduce executive positions from two to one

- Academic Council: A very active group, which will report recommendations up to the Governing Board; Dr. Hall and Dr. Youkey serve on this council
- Palmetto Health and Greenville Health System physicians are coming together and pressing to integrate quickly

He said it had been a good first year and all the goals set by the Governing Board had been met, except one. The one goal which had not been accomplished was achieving a positive operating margin.

Nevertheless, he was excited to see the great team assembled, which is philosophically aligned on the future direction of Prisma Health.

In response to a question by Dr. Floyd about a vision for the state, Mr. Singerling said the primary focus is to improve from being 44th place in the nation for health outcomes to a much better position. While already known for doing a great job at clinical care, vast improvements are needed in addressing social determinants of health and keeping the state's population healthier. He stressed that Prisma Health is very much South Carolina focused. Another main objective is to do a better job retaining the people being trained here; in other words, begin recruiting residents on day one. Dr. Smith added he believed workforce development also is going to be a key factor.

President Pastides noted USC is extremely committed to this partnership and asked the University be invited to participate at the highest strategic levels in this process. Dr. Pastides also expressed that the University was very proud of Mr. Singerling, one of its own graduates, for his vision on the issues surrounding healthcare in the state and the country; as well as his success heading up one of the most important health systems. Mr. Singerling thanked President Pastides for his kind remarks and leadership.

III. School of Medicine Greenville Update

Dean Youkey provided a general overview of the USCSOM Greenville, highlighting the following accomplishments achieved to date:

- United States Medical Licensing Examination (USMLE) Step 1 first attempt pass rate: 96%
- USMLE Step 2 first attempt pass rate: 98% Clinical Knowledge, 98% Clinical Skills
- National Resident Matching Program (NRMP): 100% Match
- Five-year graduation rate: 97%

He presented data for the Class of 2022 noting application numbers for this incoming class were slightly lower than in the past as a result of a decision to shorten the application cycle to close on December 1. Approximately 10-15% of South Carolina applicants and <1% of non-South Carolina

applicants are admitted each year, he said. Of the 105 incoming students, about two-thirds attended undergraduate school in South Carolina.

Dr. Youkey reported the average GPA of the new class was 3.73 with an average MCAT score of 507. Both scores are slightly higher than in previous classes, he noted. Dean Youkey also gave a brief update on major initiatives underway at USCSOM Greenville:

- Faculty scholarship: In 2017-18, faculty published 115 articles, made 71 regional and national presentations and submitted 49 grant applications resulting in \$3.35 million
- MedEx Academy: Pipeline program has grown to 169 students from 12 in 2010 and become increasingly competitive with three or four applicants for every available space
- Two distinguished graduation tracks: 1) Lifestyle Medicine - Nutrition; 2) Value-Based Healthcare - Substance Use Disorder
- \$50 million scholarship endowment campaign: To date \$17 million endowed and/or committed
- Updated strategic plan in implementation phase

Chairman Fennell said this report was received as information.

IV. School of Medicine Columbia Update

Dean Hall reported the Liaison Committee on Medical Education (LCME) accepted all elements of the SOM Columbia's action plan related to the 2017 site visit and stated the school remains fully accredited. Per new accreditation requirements, the Nurse Anesthesia program, led by Kevin LeBlanc, PhD, MNA, CRNA, will transition from a master's to a doctoral program over the next two years. All Nurse Anesthesia programs must make this conversion by 2022. The School of Medicine and College of Nursing are partnering to accomplish this task and are part-way through the process.

The Physician Assistant program is now in its 2nd full year. There is continued strong interest from students with approximately 40 applications for every available spot. The program also has seen new leadership in Gregory Mangione, MPAS, PA-C, who assumed directorship of the program this year.

Created four years ago in partnership with the South Carolina Honors College, the BARSC-MD (Bachelor of Arts and Sciences – Doctor of Medicine) is a seven-year premed/MD program that retains some of the University's best and brightest pre-med students by placing them on an accelerated track toward admission into the School of Medicine Columbia. The MD Class of 2022 includes five BARSC-MD students from the Honors College, the program's first cohort. Going forward, seven students will be accepted into the program each year.

The Florence branch campus continues to be a point of pride for the SOM, attracting high quality students and faculty. This summer, 12 students began their third-year clinical rotations there. By all indications, academic outcomes and satisfaction for Florence students are equal to or slightly better than for Columbia students.

Dr. Hall also highlighted major initiatives at USCSOM Columbia including:

- State-of-the-Art Simulation Center: Will open at the end of the fall semester; a partnership with the Dorn Veterans Affairs Medical Center
- Curriculum innovation: Identified as a need during 2017 strategic planning; now in implementation phase
- Educational collaboration: Educational leaders from USCSOM Greenville and USCSOM Columbia have begun to meet quarterly to share ideas
- Global collaboration: Students and faculty have collaborated with institutions in over 30 countries in the past five years
- Collaboration with Greenwood Genetics Center
- Rural Health Center of Excellence
- Research milestones: NIH Center for Dietary Supplements and Inflammation, Research Center for Transforming Health, Collaborative Stroke-Prevention Research with Medical University of South Carolina and Greenville Health System; and Summer Research Program for Medical Students

In closing, he gave a brief update on the Palmetto Health-USC Medical Group, reporting the depth and breadth of the USCSOM Columbia's clinical faculty continues to expand as a result of this partnership. In addition, he said, clinical teaching appointments are at an all-time high and the number of clinical teaching sites continues to grow. The enhanced partnership between Palmetto Health and Greenville Health System is beginning to create opportunities related to the academic mission as well, he noted.

In response to a request by Mr. Whittle asking for class data from the USCSOM Columbia, Chair Fennell said he would work with Mr. Perkins to get this information emailed to the committee.

Chairman Fennell said this report was received as information.

V. Update School of Medicine Greenville Dean Search

Dr. Hall reported the search committee had been identified. It is a 12-person committee chaired by him with assistance from Brenda Thames, Associate Dean for Institutional Culture and Inclusivity /GHS VP for Academic and Faculty Affairs, who serves as co-chair. He added Dr. Smith will serve as the Trustee on this committee and the search firm Witt-Kieffer has been engaged to facilitate the search process. A draft position description has been developed and would be finalized as soon as

possible. He noted his goal is to have a new dean identified by early summer of 2019, ahead of Dean Youkey's retirement at the end of September.

Chairman Fennell said this report was received as information.

VI. Other matters

Board Chairman von Lehe requested an organizational structure of the newly formed PRISMA Health including the different entities and how all of these now fit together. Dr. Youkey responded he understood the request; however, such an organizational chart did not currently exist but was still a work in progress.

VII. Adjournment

Since there were no other matters to come before the committee, Chairman Fennell declared the meeting adjourned at 3:30 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary