

Unofficial Minutes
USF Board of Trustees
Strategic Initiatives Committee
Thursday, August 25, 2016
9:15 – 10:51 a.m.
Marshall Student Center Room 3707

I. Call to Order

Chair Mullis convened the first meeting of the USF Board of Trustees Strategic Initiatives Committee at 9:15 a.m. welcoming everyone.

President Judy Genshaft called roll with the following Trustees present:

Trustee Hal Mullis (Chair of Committee)
Trustee Mike Carrere
Trustee Stephanie Goforth
Trustee Scott Hopes

It was noted by President Genshaft that Trustees Stikeleather and Zimmerman were not present. Chair Mullis thanked all for being here and called upon USF Board of Trustees' Chair, Brian Lamb to address the committee Members to explain the new structure for these meetings. Trustee Lamb advised of new committee processes in place; (1) all Trustees can attend any committee meeting and thus, all committee meetings are scheduled during one full day; (2) During specific committee deliberations, the committee members will be first recognized as they will ultimately vote on that committee's action items; (3) correspondingly, if a non-committee member Trustee attends, no vote is required by them. Chair Lamb noted this new structure is consistent with the Florida Board of Governors' meeting structure.

II. Public Comments Subject to USF Procedure

Chair Mullis acknowledged no request for public comment had been submitted via Board Operating Procedures. He also specially noted and expressed that, due to the short time between the Board decision to proceed with new structure, the identification of supportive staff for the Committee and the needed careful coordination among the presenters, the usual agenda posting procedures (a full seven days in advance of the Committee meeting) had not occurred for this first Committee meeting.

III. Chair's remarks/Committee Charge

He also remarked that the Strategic Initiatives Committee is newly established, that it has received a very broad, substantive "charge" from the Chair and that it may meet with a higher degree of frequency than other Committees due to the wide range of topics that come before it.

IV. New Business – Information Item

a. Proposed Letter of Intent re: Joint Operating Agreement between USF Health and

Tampa General Hospital

For the first information item, Chair Mullis asked Dr. Charles Lockwood, Senior Vice President and Dean for the Morsani College of Medicine, to present information about a proposed Letter of Intent and subsequent Joint Operating Agreement, between USF Health and Tampa General Hospital.

Dr. Lockwood provided national context and trends regarding the future of health care and its funding; specifically noting the virtual certainty of a transition from fee-for-service to value based payments. He predicted that if current funding models continue, Medicare would be unfunded by the year 2025.

A transition to value-based care is being driven by the federal Centers for Medicare Services (CMS) which intends to obtain metrics on value-based physician performance based on patient satisfaction reported through healthcare consumer assessment hospital, quality reviews, and other parameters with which hospitals will be required to comply and which will render them eligible for bonus CMS payments or, if non-compliant, will result in penalties. Results of compliance rates will be available via Internet.

In tandem with these new hospital standards, academic medical centers, (referred to hereafter as USF Health (USFH) or the Morsani College of Medicine (MCOM)), will have a different set of challenges.

Both MCOM and Tampa General Hospital (its primary teaching partner) seek to address these issues immediately in preparation for the upcoming changes via a Letter of Intent and subsequent Joint Operating Agreement to be developed and administered by physician/healthcare provider leadership.

By 2019, under new federal legislation, the Medicare Access & CHIP Reauthorization Act (MACRA), requires transition from traditional fee-for-service to value-based physician payments and so, providers will, necessarily, need to form large clinically integrated network (CINs) to improve patient safety and satisfaction without increasing costs.

There are four basic areas of opportunity to strengthen the partnership between USFH and TGH; in areas of strategy, growth, governance and coordinated clinical leadership. The current economic model between TGH and USFH is transactional in nature and creates intrinsic misalignment of incentives and management objectives. Current clinical management of inpatient services is fragmented and needs improvement in the areas of patient safety, satisfaction and outcomes to improve hospital and practice operational efficiencies. Every aspect of TGH and USFH-provided care can improve dramatically if we all work together toward a common goal to improve and collaborate about these elements. This proposed Letter of Intent and Joint Operating Agreement is intended to address these issues (its elements presented via [posted slideshow](#))

Via these mechanisms, the parties propose joint leadership resulting in a strong chain of command where MCOM chairs run the clinical departments to address the needs of both to drive quality in practice and hospital environments, plus substantial economic benefits. Gainsharing would occur to benefit from additional funds realized by these improvements.

These efforts will require robust primary care networks with resulting network efficiencies sin referral of more patients to the hospital for care.

The Morsani College of Medicine and Tampa General Hospital are working toward a Letter of Intent to form the basis for a Joint Operating Agreement to be, hopefully, finalized, by January 1, 2017.

Chair Mullis posited that the purpose of these discussions was to attempt to bring our two organizations together within the format and context of a traditional academic medical center, a model that previously had not been fully successfully realized. He added that the discussions to date had been encouraging and we anticipate that there may be a finalized Letter of Intent for this committee to consider as early as the next scheduled Committee meeting on October 27th. He noted that it was hard to over rate the importance of these discussions and their objectives to enable both organizations to better prepare for the enormous changes that are on the horizon.

President Genshaft reaffirmed Chair Mullis' comments and complimented him and Dr. Lockwood and their teams for working on this, recognizing these efforts as remarkable progress. Trustee Hopes reiterated his compliments for the progress made to date by all and recommending a guiding principle in all further negotiations should be to provide the best care to our patients.

Dr. Lockwood stated that as a physician, and also in his role as Senior Vice President of Health, he verified that his colleagues in nursing, pharmacy, physical therapy, public health, physician assistants and other health caregivers, it was the responsibility of all on "the front lines" to provide the best care and ensure the success of efforts to improve quality, while reducing costs.

Trustee Carrere asked about the main goals of MCOM and TGH in engaging in these negotiations to achieve this new level of partnership and Dr. Lockwood responded that the two share the same goals of creating a platform of excellence (also illustrated in ongoing negotiations/discussions with Moffitt Cancer Center, the Veterans Administration and Johns Hopkins/All Children's Hospital) that being, to provide better health outcomes while keeping costs low.

In response to general discussion, Chair Mullis noted that USF and TGH need each other in order to survive into the future.

Trustee Goforth favorably noted the progress on patient quality and safety efforts and stated she would like to see a "dashboard" regarding those efforts at a future meeting. Dr. Lockwood mentioned his meetings with MCOM physician leaders to get monthly updates with discussion of where we should be, updates on best practices and provision metrics to reveal improvement or needed improvement.

Trustee Hopes also sought dashboards to be presented to the committee and, responding, Dr. Lockwood we would also seek information from TGH for that presentation. Trustee Hopes suggested Chair Mullis arrange for this committee to have a tour at TGH and Moffitt, and to hear from and ask questions of current TGH leadership about these efforts, noting the benefit of learning more about our strategic partners.

After this discussion, Chair Mullis congratulated Dr. Lockwood and team for addressing the Zika issues and relayed his belief that the news coverage resulting from the USFH one-day Zika forum and subsequent media interviews positioned us as leaders in this arena in both local and national news. Dr. Lockwood extended thanks in particular to those USF College of Public Health for its research relating

to not only Zika, but malaria and acknowledged their mastery understanding the mosquito vector that carries so many of these viruses worldwide.

Once again, Chair Mullis noted that the committee would be voting on the following items, and noted the one-time shortened period of posting of this committee's agenda and the forwarding of these items (if approved) to the full Board for final vote.

V. New Business – Action Items

a. FL 103 – USF Health - Approval of Process Letter of Intent between USF and Moffitt Cancer Center (USF Eye Institute)

Dr. Lockwood presented this item, stating we have a great partner in Moffitt Cancer Center, a world-class medical center, however, both of us now sought the opportunity to more fully engage in mutually beneficial training, research and clinical care. An opportunity has arisen between the parties to enter into an agreement to accomplish a transition of the USF Eye Institute to more suitable space, to link our research faculty for enhanced collaboration enabling MCOM being acknowledged/credited (as well as Moffitt) for NIH and other grants awarded to faculty researching at Moffitt. He introduced Bryan Burgess to provide details of the proposal, but did note the basic principal of these efforts were to strengthen synergies between the two parties.

Mr. Bryan Burgess, USF Health Associate Vice President for Transactional and Corporate Affairs, presented a [slideshow](#) to the Committee outlining the conceptual framework developed thus far by the parties. Seven elements are involved in this LOI:

- 1) land transaction (expansion of Moffitt sublease) to accomplish transition of the USF Eye Institute (the primary focus of the arrangement);
- 2) the outline of potential leased/joint use research facilities on USF property as agreed in the future;
- 3) Moffitt's development of a new research facility on the property formerly housing the Eye Institute;
- 4) new reporting "credit" for USFH of research awards to faculty performing research at Moffitt to ranking agencies;
- 5) establishment of and process for collaborative academic programs which lead to degree credit;
- 6) reporting of post-doctoral scholar and non-faculty researcher information; and
- 7) faculty appointment procedural matters relating to the current USF Department of Oncologic Sciences.

Trustee Goforth stated her preference for calling the land transaction portion of this proposed arrangement something other than a "purchase" to align with the actual transaction mechanism. Chair Mullis acknowledged this as correct, noting the agreement actually would, if entered into, add the parcel of USF Eye Institute land to the current and existing Moffitt sublease.

Bryan reported that outside appraisals had been completed and Moffitt had agreed to pay an amount within appraisers' fair market value with regard to the land transaction; which monies would pay for

the build out of the new Eye Institute space and the move, furniture, fixtures, etc. If there were any savings when the move had occurred, the balance would be disbursed per the agreement. .

In the interest of time, Mr. Burgess presented a final slide detailing the benefits for USF if the LOI process is approved by the Board of Trustees to move forward.

President Genshaft remarked that this Letter of Intent and resulting transaction would be favorable for both parties; however, expressed her concern that USF is the academic entity between these parties and sought the committee members' input on their level of concern about this issue.

Trustee Hopes added that the USF role in this Moffitt partnership should be based on who we are and what we do best; whereby, USF should be acknowledged as the degree-granting university (regardless of how the lease is structured) and we offer the ability to create the degree programs and have accreditation expeditiously.

For information, it was noted that, per this proposed agreement, Moffitt agrees to consult with the USF President and its Board Chair prior to seeking BOG approval for Moffitt's establishment of academic degree programs.

Trustee Levy agreed with President Genshaft, however, was heartened by the fact that this LOI provided for a participatory process with Moffitt should they wish to proceed with degree-granting authority.

Trustee Geary, while not a member of the committee, did note his positive Departmental Chair experience regarding cooperation with Moffitt as to the current USF Cancer Biology degree and expressed his support for the LOI.

President Genshaft relayed that Alan List, President and CEO of Moffitt, has stated that he has no interest in having the degree-granting programs.

Board Chair and Trustee Lamb supported this continuing dialogue with Moffitt, and also his full support of the President's position regarding the grant of degrees; nonetheless, noting that we must continue with the "how tos" of proceeding to improve relationships and move the parties forward.

A Motion was made by Trustee Hopes to approve the proposed LOI with Moffitt regarding Moffitt's purchase of the Eye Institute and other matters and report it favorably to the full BOT. Trustee Goforth seconded the motion. The Motion passed unanimously.

b. FL 104 – USF St. Petersburg – Approval/Authorization for Invitation to Negotiate (ITN) to identify preferred partner for public/private partnership (per BOG Guidelines)

Chair Mullis introduced Trustee Goforth, Chair of the USF St. Petersburg Campus Board, who relayed that this proposed Public/Private Partnership (P3) Project had been under consideration at the St. Petersburg campus and by the Campus Board for many months. She thanked John Long, Nick Trivunovich and Joe Trubacz, Facilities Director at the St. Petersburg campus for their research and long hours of hard work to enable this important strategic move for that Campus and the USF System.

Trustee Goforth commented that this presentation has gone before the Campus Board a number of times.

She introduced USF St. Petersburg Regional Chancellor Sophia Wiesniewska who addressed the Committee. Dr. Sophia Wiesniewska introduced a proposal for a 350-bed Residence Hall on the USF St. Petersburg campus to enhance campus life for its students, recognizing students who live in resident halls have higher rates of university retention and better engagement with the University community. USF St. Petersburg has experienced a 600% increase in students since 2000 and has grown from 82 incoming freshman to 663 for Fall 2016. The Campus residence halls have a 130% present occupancy rate, with 700 students currently living on campus, and 67 students having to be housed at a local hotel.

Because of the limited housing available, USF SP has data reflecting that many students choose to attend other institutions after their first year at USF SP.

The proposed P3 project, will not only provide unquestionably needed housing, but also 25,000 sq. ft. of conference center on the top floor to serve community needs. The proposed P3 developer (selected via required process), is Brailsford & Dunlavey, to develop, construct, finance and manage the new Residence Hall. The land on which this project would occur is that of the University of South Florida and at the end of the ground lease for this Project, the building would revert to USF after the lease term of 40 years.

Brad Noyes, a consultant with Brailsford & Dunlavey, presented the [PowerPoint presentation](#) that, in scope and detail, met all requirements/ guidelines of both the Florida Board of Governors and the USF Board of Trustees (the latter align with the BOG guidelines). The goal for the proposed Project would be to increase the number of available student housing beds from 553 to 1400 by 2025 plus increase available student dining space by 30,000 square feet. The Project Proposal also addresses parking for the additional students. The housing units would be designed as full suites and the top floor of the Project building would provide a 1,000 seating capacity theatre or could be converted to a 500 person banquet-style space for academic, student and community use.

At this point in the meeting, Trustee Lamb agreed to extend the Committee meeting time an additional 10 minutes to provide sufficient time for full discussion of the P3 Project presentation.

As required under state law and implementing BOG and BOT processes, USFSP will transfer risks of construction of the Project to the P3 partner, while maintaining control of it through specified project requirements.

Chair Mullis added that it was exciting for the Board of Trustees to have three Project construction alternatives to examine.

The next step in the Project process is to issue an Invitation to Negotiate (ITN) to gain which is most favorable to USFSP and can meet the proposed 2019-20 opening schedule.

Trustee Goforth moved that the Committee approve the continuance of this P3 process to provide additional housing for students at USFSP and specifically to approve the issuance of the ITN. Motion

was seconded by Trustee Carrere and the Motion passed unanimously. This item will now proceed for action to the full Board of Trustees' meeting on September 1, 2016.

Chair Mullis thanked Trustee Goforth for all of her hard work on this project.

He then recognized Trustee Hopes, who stated that, in the future, a Consulate healthcare facility project to be built on USF Tampa campus could potentially come before the Committee and the Board of Trustees.

If so, this could present a potential conflict of interest due to his "history" with Consulate and so, he had consulted with the USF Office of the General Counsel which had provided advice on the filing of appropriate statements and the Florida Commission on Ethics Form 8A. Those filings have been made and statements provided. If such matter comes before the Board or its Committee in the future, he would defer participation in on vote on that project.

Trustee Lamb suggested to President Genshaft, Dr. Lockwood and John Long to provide information to this Committee on the Consulate project; noting that the next Strategic Initiatives Committee is in approximately 45 days and his goal was to be briefed and updated on this matter prior to the October 27th meeting. He would seek President Genshaft's recommendation on any proposed actions. He reminded the Committee that it has updated its own Operating Procedures to govern how to handle actual or potential conflicts of interest in the future.

VI. Adjournment

With no further business, Chair Mullis adjourned the meeting at 10:51 a.m.

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