

Board of Trustees Meeting  
Thursday, October 30, 2008

### Minutes

**Members Present:** Regina Blum, M.D.; John Bluford, M.D.; William Cleveland, M.D.; Aaron Dent; Nerimiah Emmett, Ph.D.; Xaverie Estes; Joy Fitzgerald; Susan Grant; Sarah Hambrecht; DeLutha King, Jr., M.D.; Kevin Lofton; William Thomas Lomax; Ruth Love; D.D.; Thomas Malone, M.D.; John E. Maupin, Jr., D.D.S.; John Royce, M.D.; Michelle Staples-Hoover, M.D.; Bruce Sullivan; Felker Ward, Jr., J.D.; Anthony Welters, J.D.

**Members Absent:** Jordan Collier, M.D.; Robert Franklin, M.D.; Brian Jordan; The Honorable Judge Greg Mathis; Phillip H. McCall, Jr., J.D.; Sylvester McCall, M.D.; The Honorable Calvin Smyre; Philip G. Wiltz, Jr., M.D.; Robert L. Wright, Jr., O.D.

**Staff:** Denise Britt; Lori Collins, M.D.; Sally Davis; Cigdem Demirel; Martha Elks, M.D., Ph.D.; Sandra Harris-Hooker, Ph.D.; Eric J. Higginbotham, M.D.; Kimberly Jackson, J.D.; Harold W. Jordan, II, J.D.; Nicole Miller, J.D.; Eli Phillips; Lawrence Sarver, M.D.; Gloria Steele; Sandra Watson, M.F.A.; Terri Winston

### Introduction

Chairman Welters opened the meeting at 8:34 a.m. The introduction was given by Mr. Jordan, who also completed the Roll Call.

### Approval of Minutes

The Minutes of the March 27, 2008 meeting were reviewed and approved as presented.

### Governance and Nominations Committee Report

Mr. Jordan read Resolution to amend bylaws stating that the Corporation's General Counsel shall serve as the Corporate Secretary. The resolution was approved unanimously.

Mr. Jordan directed the Trustees to the resolution to amend the annual meeting date from the last Thursday in March to the first Thursday in April at 8:30 a.m. beginning in 2009. The resolution was approved unanimously.

Mr. Jordan read resolution to "Re-nominate Board Members" proposed adding John Bluford, Aaron Dent, and Susan Grant as new trustees. The resolution was approved unanimously and Chairman Welters welcomed Mrs. Bluford and Dent and Mrs. Grant to the Board of Trustees.

**Successor Trustee Presentation**

Ms. Javiera Estes, a fourth-year medical student at the University of Mississippi, presented Dr. Benjamin Maupin with a plaque in honor of her MacArthur Fellowship.

**President's Report**

**Corporation's Financial Performance**

Dr. Maupin advised the Board that the Corporation's FY'09 budget projections are due to proposed cuts in state funding. Dr. Maupin stated that the Corporation will guide FY'10 budget planning. He noted that the Corporation is reviewing its FY'09 budget projections and that state funding would be as much as \$1.7 million. He mentioned that the Corporation will continue hiring and that the President, Charles, the Associate Dean, and the Director will conduct a review of grant awards and financial operations. He also mentioned that the Corporation will conduct a restructuring analysis of the results of which.

**Organizational Changes**

Dr. Maupin advised the Board of the following additions to the Corporation's leadership team: Ms. Stof Robinson, Assistant Vice President for Academic Affairs; Dr. David Dellar, Chief Information Officer; and Mr. Jack Cigdem, Chief of Staff for the President's Office.

**Governmental Relations**

Dr. Maupin advised the Board that the Georgia General Assembly for the 2009 budget expansion of the State of Georgia is planned to be 2009 budgets by 6-11%. The Association, a lobbying firm, is currently monitoring the General Assembly's budget deliberations. He mentioned that the Georgia General Assembly for the 2009 budget expansion of the State of Georgia is planned to be 2009 budgets by 6-11%. The Association, a lobbying firm, is currently monitoring the General Assembly's budget deliberations.

**Governmental Relations**

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Strategic Plan

Dr. Maupin reviewed the latest draft of that management will finalize the Strategic Plan, including a baseline and target performance measure, and financial pro forma for Board approval at the next meeting. Management will develop an external plan and the executive summary with local foundations.

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regarding

- Goal prioritization and timeline
- Return on investment (research and clinical)
- Reducing the number of strategic initiatives
- Primary care and community health leadership
- Balance of portfolio
- Alternative financial pro forma
- Baseline and Target Performance measures
- Articulate and quantify community benefit
- Clinical delivery that focuses on diseases that affect minority populations
- Partnership based on careful assessment

and clinical initiatives leadership

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The Trustees also discussed the possibility of a partnership with the Medical College of Georgia ("MCG"). Dr. Maupin stated that he had met previously with Dr. Rahn, MCG President, and was scheduled to meet with him again in November 2008 to explore mutually beneficial opportunities. Moreover, Dr. Maupin stated that Management would continually evaluate other partnership possibilities.

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Committee Reports

Development and External Affairs

Ms. Davis, Vice President for Institutional Advancement, reviewed the School's 2009 fundraising metrics. Ms. Davis discussed the proposed scale focus within the Strategic Plan. Ms. Davis stated that the Board of Advisors would have 10-20 members and would have an initial committee of candidates for the meeting in April 2009 in conjunction with the Board of Trustees. Ms. Davis asked the Board of Advisors.

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Ms. Davis then discussed the School's fundraising campaign, stating that we are currently preparing for the silent phase. According to Ms. Davis, the public phase of the campaign is scheduled to be launched in 2012, concluding in 2016, with a tentative goal of \$100 million. Ms. Davis stated that the School's Department of Institutional Advancement would work to insure significant involvement of local foundations in the campaign and solicited the Trustee support in expanding the campaign's reach. Ms. Davis stated that the campaign should plan

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significant emphasis on the solicitation of funding for scholarships and investment for academic projects.

Finance and Investment  
Mr. Phillips, the Chairman of the Committee, reported that the Corporation approved its charter. Mr. Phillips reported that the Corporation's investment manager strongly recommended that a portfolio of the Corporation's investment assets be reviewed. The Committee voted to replace Merrill Lynch with a new investment manager.

Mr. Phillips reported that the Corporation's endowment lost approximately 17% (or \$10 million) in August 2008. Mr. Phillips reported that the Corporation's investment manager advised that making the Corporation's investment a priority for the Corporation would be necessary.

Chairman Walters asked the Committee to provide the trustees with investment criteria for the Trustees' review.

Audit and Compliance  
The Committee Chairman, Mr. Lohax, reported that the Committee reviewed the Corporation's internal auditors regarding travel and information systems. Mr. Lohax stated that the Corporation's compliance and finance departments reviewed the minutes of the Committee meeting on October 29, 2008. Mr. Lohax also met with representatives from the Corporation's compliance and finance departments.

Academic Policy, Faculty and Student Affairs  
The Committee presented the Corporation's faculty. The Committee reported that the Corporation's faculty should be utilized effectively. The Corporation's Vice President of Administration, Mr. Miller, reported that the Corporation's faculty should be utilized effectively.

Administration and Facilities Management  
Dr. Alexander, the Corporation's Vice President of Administration, reported that the Corporation's facilities management department had been reviewed. The Corporation's facilities management department had been reviewed.

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Dr. Alexander stated that TRS was selected in September 2008 to review health benefits consultant. An October 2008 group health benefits review was completed as a result of the review. Dr. Alexander stated that the review identified savings in FY 2008 of \$1.2 million. Dr. Alexander stated that the review identified savings in life and disability premiums of \$270,000.

Dr. Alexander stated that a Committee's October 29, 2008 meeting presented the plans for a medical complex on the property by 2011, and Dr. Alexander stated that the plans would be either secured by 2011 or refinanced.

Mr. Phillips responded affirmatively to Mr. Blufford's query as to whether pension liability was fully funded. Mr. Jordan informed the Trustees that an ERISA insurance policy was purchased in September 2008.

Health Services

Dr. Sanders, Associate Director of Clinical Affairs, gave the Committee's compliance is a priority for MMA's house Medical Associates (MMA). Dr. Sanders reported that MMA has improved coding accuracy from 37% to 70% in billing, with this regard is 95%. Dr. Sanders reported that, per the Committee's previous meeting, MMA's coding accuracy is 95%.

Dr. Sanders noted that MMA's revenue cycle is important and stated that improvements had been made in MMA's billing efforts, including an update in technology. Dr. Sanders noted that McKesson was being retained to perform billing functions, thereby allowing MMA to focus on front-end functions.

Dr. Sanders reported that 85% of the faculty physicians were at the 25th percentile for salary guidelines. Mr. Blufford stated that it is essential for competitive salaries in order to attract and retain faculty physicians.

Dr. Sanders stated that an electronic medical record system was being implemented at the Piedmont Avenue location.

Dr. Sanders stated that while MMA is relatively small, it is distinguished by the services rendered by its physicians. Dr. Sanders reported that patient results of these surveys would be reported at the April 2009 Board meeting.

Dr. Sanders stated that MMA's phone system would be upgraded to meet the Committee for Quality Assurance (CQA) standards. Mr. Blufford recommended 30 seconds as the appropriate standard.

Dr. Sanders reported that the school was in the process of negotiating an affiliation agreement with Georgetown, the VA and Alan Hancock Medical Center (both owned by Tenet Healthcare Corporation).

Dr. Sanders stated that clear and specific metrics for physician compensation would be articulated in the Strategic Plan.

**Executive Session**

The Board went into Executive Session at approximately 11:38 a.m. During Executive Session, Mr. Jordan reviewed the School's outstanding litigation matters, Dr. Alexander and Ms. Britt, the Corporation's Associate Vice President of Human Resources, reported on several HR initiatives and Dr. Maupin discussed a variety of organizational dynamics.

The meeting adjourned at approximately 1:00 p.m.