



Board of Trustees Meeting
Thursday, October 30, 2008

Minutes

Members Present: Regina Blumstein, M.D.; John Bluford; William Cleveland, M.D.; Aaron Dent; Nerimiah Emmett, Ph.D.; Xaverie Grant; Sarah H. Grant; DeLutha King, Jr., M.D.; Kevin Lofton; W. Thomas Lomax; Ruth Love; D.; Thomas M. Maupin, Jr., D.D.S.; John Royce, M.D.; Bruce S. Jr., J.D.; Anthony Welters, J.D.

Members Absent: Jordan Callahan, M.D.; Robert Franklin; Brian Jordan; The Honorable Judge Greg Mathis; Phillip H. McCall, Jr., J.D.; Sylvester McCall; M.D.; The Honorable Phillip 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, 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 Lee; 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 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 "Eliminate 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 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 M. 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 that could be as much as \$1.5 million. Dr. Maupin stated that the Corporation would accomplish its budget goals by continuing the hiring freeze for the entire year. The President charged the Associate Deans with a review of grant awards and plan departmental expenses. A Joint Institutional Review Board (JIRB) conducted a restructuring analysis the results of which will guide the FY'10 budget.

Organizational Changes

Dr. Maupin advised the Board of the following additions to the Corporation's leadership team: Ms. Stacie Robinson, Assistant Vice President for Academic Affairs; Dr. David D. 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 cycle has reduced substantially the funding for the State Executive Branch. The School, which previously approved by the Georgia General Assembly, would have reduced substantially the funding for the State Executive Branch. The School, which previously approved by the Georgia General Assembly, would have reduced substantially the funding for the State Executive Branch.

Governmental Relations

Dr. Maupin reported that the federal funding for Title VII programs is \$12.7 million for the health care program and \$9.8 million for the health care program. Dr. Maupin reported that the federal funding for Title VII programs is \$12.7 million for the health care program and \$9.8 million for the health care program.

Governmental Relations

Dr. Maupin reported that the Senate Committee on Veterans' Affairs in an effort to secure additional funding for the School's research and scholarship activities on the School's behalf. Dr. Maupin also reported that the Department of Defense appropriations bill includes a \$1.8 million grant over 3 years for research on the new prosthetic limb.

Governmental Relations

Dr. Maupin reported that the School should be eligible for Title III funding in FY 2009 and the School of institutions eligible for Title III funding in the short term despite the current budget cuts. The School of institutions eligible for Title III funding in the short term despite the current budget cuts.

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Strategic Plan

Dr. Maupin reviewed the Strategic Plan with the Board. Dr. Maupin stated that management will finalize the Strategic Plan, including a baseline and target performance summary for 2009 meeting with local foundations.

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Board members asked about the environmental assessment emphasizing the following:

of classifying questions and sharing issues and strategies, and providing several thoughts regarding

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regarding

- Goal prioritization
- Return on investment
- Reducing the number of primary care and specialty hospitals
- Balance of portfolio
- Alternative financing
- Baseline and Target
- Articulate and quantify clinical delivery and partnership based

- Research and clinical initiatives
- Leadership
- Formal measures to benefit diseases that affect minority populations
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Research and clinical initiatives

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The Trustees also discussed the possibility of a partnership with the Medical College of Georgia and was scheduled to meet with Dr. Rahn, MCG President, to explore mutually beneficial partnership opportunities.

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Committee Reports

Development and External Affairs

Ms. Davis, Vice President for Development, reviewed the School's 2010 fundraising plan. Ms. Davis discussed implementing the Corporate Development Board meeting in April 2009 in conjunction with the Board of Trustees. Ms. Davis stated that the Board of Advisors would have 10-20 members and the External Affairs Committee would have potential candidates for

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Ms. Davis then discussed the capital campaign, stating that we are currently preparing for the silent phase of the campaign which is scheduled to be launched in 2016, with a tentative goal of \$100 million. Ms. Davis stated that the School of Institutional Advancement would work with the Trustee support in expanding the campaign. Ms. Davis stated that the campaign should plan

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significant emphasis on the solicitation of funding for scholarships and the development 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 at least a portion of the Corporation's investment assets be reviewed and replaced by Merrill Lynch. The Committee voted to appoint a sub-committee to review the Corporation's investment manager's investment assets.

Mr. Phillips reported that the Corporation's investment assets lost approximately 17% (or \$10 million) in August 2008 and October 2008. Mr. Phillips stated that making the Corporation's investment a priority for the Corporation's investment policy.

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

Audit and Compliance
Committee Chairman Lorenson reviewed the minutes of the Committee meeting during which the Committee reviewed the Corporation's internal auditors' findings regarding travel and information systems within the Compliance and Finance departments. Mr. Lorenson also met with representatives from the Corporation's internal auditors. Mr. Lorenson stated that the Corporation's findings would be addressed jointly.

Academic Policy, Faculty and Student Affairs
The Committee presented the following names for appointment to the Corporation's faculty: Tamara Campbell, Donald and Talib Saaf. The trustees approved the appointments in order to maximize the Corporation's financial position in the future. Mr. Lorenson stated that the Corporation's financial position would be addressed jointly.

Administration and Facilities Management
Dr. Alexander, the Corporation's Vice President of Administration, presented the minutes of the Committee meeting and discussed the Corporation's future and public safety. The minutes of the meeting discussed the Corporation's future and public safety.

Dr. Alexander reported that the salaries of non-faculty staff had been adjusted in order to meet the Corporation's budget for 2009. Dr. Alexander reported that the Corporation's budget for 2009 would require salary revisions for non-faculty staff by January 2009.

Dr. Alexander stated that the U.S. Department of Labor's audit of the Corporation's affirmative action plan was complete and that no further action was necessary.

Dr. Alexander stated that the 2008 group health benefits review was completed in September 2008 to achieve savings in FY 2008 of \$2.5 million. Dr. Alexander stated that the review resulted in a 9% savings in life and disability premiums. An October 2008 group health benefits review is being completed from Group Healthcare. Dr. Alexander stated that the review resulted in an additional \$250,000 in savings.

Dr. Alexander stated that the 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 will be either secured or refinanced by 2011.

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

Health Services

Dr. Sanders, Associate Director of Clinical Affairs, gave the Committee's compliance is a priority for the House Medical Associates (MMA). Dr. Sanders reported that, per the Committee's previous MMA has improved coding accuracy from 37% to 70% in billing, with this regard 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 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 will be upgraded to meet the Committee for Quality Assurance (CQA) standards. Mr. Blufford recommended that the appropriate standard be 30 seconds.

Dr. Sanders reported that the school was in the process of negotiating an affiliation agreement with Georgia Tech, the VA and Atlanta 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.