

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.; Xaviera 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-Holmes, 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 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 financial performance for FY'09 is projected to be challenging due to proposed cuts in state funding. He stated that the Corporation will continue to operate at a deficit for the entire year. He also noted that the Corporation's administrative and departmental expenses are being reduced by federal grants. Dr. Maupin also mentioned that the Corporation is conducting a strategic analysis of its operations.

Organizational Changes

Dr. Maupin advised the Board of the following additions to the Corporation's leadership team: Ms. Stacie Robinson, Assistant Vice President for Information Technology; and Mr. David C. Cigdem, Chief of Staff for the President's Office.

Governmental Relations

Dr. Maupin advised the Board that the Corporation's expansion plans for the 2009 budget are being reviewed. He mentioned that the Corporation's budget for 2009 is being reviewed by the Georgia General Assembly. He also noted that the Corporation's budget for 2009 is being reviewed by the Georgia General Assembly. He mentioned that the Corporation's budget for 2009 is being reviewed by the Georgia General Assembly.

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Strategic Plan

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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 partnership 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 2009-2010 fundraising metrics. Ms. Davis discussed the proposed scale focus work for the Strategic Plan. Ms. Davis stated that the Board of Advisors should 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 to provide her with the potential candidates for the meeting.

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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 to include the following:

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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 will be addressed jointly.

Academic Policy, Faculty and Student Affairs
The Committee presented the Corporation's faculty. Mr. Campbell, Donnell and Talib Saaf reported that the Corporation's faculty responsibilities should be maximized in order to improve the quality of the Corporation's faculty.

Administration and Facilities Management
Dr. Alexander, the Corporation's Vice President of Administration, reported that the Corporation's facilities and public safety are a high priority.

Dr. Alexander reported that the Corporation's salaries of non-faculty staff had been adjusted in order to remain competitive. Dr. Alexander reported that the Corporation's salary structure would be reviewed 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 benefits consultant. An October savings in FY 2008 of Healthcare. Moreover, Dr. Alexander stated that premiums in life and disability insurance.

Dr. Alexander stated that a Development, LLC presented this million note is due either secure these funds by

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

Health Services

Dr. Sanders, Associate Compliance Officer, stated that MMA has improved coding accuracy from 37% to 70% exceeding 70%. Dr. Sanders stated that, per the MMA's previous this regard is 95%.

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

Dr. Sanders reported that 85% of the faculty physicians were at the 25th percentile 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 (NAB) standards. Mr. Board recommended 30 seconds) as the appropriate standard.

Dr. Sanders reported that the school was in the process of negotiating affiliation agreement with Georgetown, the VA and Alan 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.