



Full Board
November 28, 2023
FIU, Modesto A. Maidique Campus, Graham Center Ballrooms

MINUTES

1. Call to Order and Chair's Remarks

Board Chair Roger Tovar convened the meeting of the Florida International University Board of Trustees at 10:02 AM on Tuesday, November 28, 2023.

General Counsel Carlos B. Castillo conducted roll call of the Florida International University Board of Trustees and verified a quorum. Present were Roger Tovar, *Board Chair*; Carlos A. Duarte, *Board Vice Chair*; Cesar L. Alvarez; Noël C. Barengo (*Zoom*); Dean C. Colson; Alan Gonzalez; Francis A. Hondal; Natasha Lowell; Yaffa Popack; Gene Prescott (*joined after roll call*); Chanel T. Rowe; Marc D. Sarnoff; and Alexander P. Sutton.

Board Chair Tovar welcomed all Trustees and members of the University administration. He also welcomed the University community accessing the meeting via the webcast.

Board Chair Tovar stated that the Board's Bylaws provide that the Board Chair may, in consultation with the University President, allow an item to be presented to the Full Board without prior consideration by a Board committee when circumstances warrant. Board Chair Tovar added that to proceed directly to a Full Board meeting without a prior committee meeting would provide the most expeditious and efficient means by which to review the agenda item.

Board Chair Tovar commented that months of discussion and work with Baptist Health South Florida (BHSF) have culminated in a master affiliation agreement, which includes a series of subsidiary agreements pertaining to faculty clinical practice, education program development, research collaboration, medical center development, and marketing and co-branding.

Board Chair Tovar thanked Trustee Dean C. Colson for his leadership and guidance as Chair of the FIU Board of Trustees Health Care Affiliation Ad Hoc Committee. Board Chair Tovar also recognized the Baptist Board, including former chair, Jim Carr. On behalf of the Board of Trustees, Board Chair Tovar commended all those involved for their work and efforts. He recognized the BHSF leadership team: Ana Lopez-Blazquez, Executive Vice President and Chief Strategy and Transformation Officer Baptist Health South Florida and CEO, Baptist Health Enterprises; David Friedman, Senior Vice President and General Counsel; Jack Ziffer, MD, Executive Vice President and Chief Clinical Officer and Chief Physician Executive; Janette Sanchez, Corporate Vice President of Finance; and Jason Virelli, Corporate Vice President, Corporate Strategy and Transformation. Board Chair Tovar acknowledged the FIU leadership team: Juan C. Cendan, Senior Vice President for Health Affairs and Dean of the Herbert Wertheim College of Medicine (HWCOM); Carlos B.

Castillo, General Counsel; Osmel Delgado, Associate Dean for Clinical Operations; Sonia Benitez, Sr. Associate Dean for Finance and Administration; and Val Aubourg, Sr. University Counsel and Chief Legal Officer. Board Chair Tovar thanked the University's outside consultants Michael Saltzman and Tom Kiesau, of Chartis Group Consulting, and outside counsel Dale Webber of Buchanan Ingersoll & Rooney. Board Chair Tovar also recognized University President Kenneth A. Jessell for his vision and acknowledged that there are many who made contributions to position FIU to where it is today in regard to the affiliation agreement with BHSF, including FIU's past presidents and HWCOM's past leadership.

2. Public Appearances

There were no public appearances.

3. Action Item

BT1. Approval of Master Affiliation Agreement and Definitive Agreements

Dean and Sr. VP Cendan commented on strategic planning and the partnership rationale, which included developing a current state understanding of HWCOM, the articulation of the HWCOM requirements to ensure long-term sustainability, identifying potential long-term strategic options, and agreeing on best viable path to achieve requirements through partnership. He pointed out that, ultimately, two (2) substantial proposals were received. Dean and Sr. VP Cendan commented that in April 2023, FIU entered a period of exclusive discussions with BHSF. He commented that seven (7) months of discussions with BHSF have culminated in an affiliation agreement. Dean and Sr. VP Cendan remarked on numerous meetings of the leadership stakeholder group and research and teaching subgroups with the help and guidance of the outside consultants and counsel.

Dean and Sr. VP Cendan provided an overview of affiliation objectives. He stated that the establishment of a world-class Academic Medical Enterprise would position BHSF and FIU to be on the cutting edge of health care delivery, education, innovation, and research. He commented on incremental financial support to HWCOM for research, operating and other expenses necessary to establish and fully implement the Academic Medical Enterprise. Dean and Sr. VP Cendan remarked on building upon the existing FIU clinical faculty to establish a contemporary, fully integrated faculty practice group, operated through the Baptist clinical enterprise. He indicated that affiliation objectives also included facilitating the designation of BHM as a statutory teaching hospital, enhancing the health care services available at FIU's ambulatory care center, the development of a co-branded, state-of-the-art integrated outpatient medical center on the FIU Modesto A. Maidique campus (MMC), developing and implementing long-term commitments to jointly support undergraduate medical education and graduate medical education (GME) programs, establishing a platform for enhanced research collaboration, and supporting and enabling such other initiatives and priorities that are determined to be mutually beneficial and in furtherance of the Academic Medical Enterprise.

Dean and Sr. VP Cendan remarked that the tripartite mission collaboration will translate into 22 GME residencies and fellowships, shared GME leadership, integration of undergraduate education mission, and faculty clinical practice operation through two faculty practice plans. He added that BHSF will help manage FIU's existing ambulatory care center and BHSF and FIU will work together on building the integrated medical center at MMC. Dean and Sr. VP Cendan commented

on investments in research, integration of research resources and infrastructure, and a commitment to align research funding and reporting.

Dean and Sr. VP Cendan remarked on partnership attributes. He stated that an Academic Medical Center (AMC) Steering Committee will be established and will have equal representation from senior leadership from both organizations and will oversee the partnership. He added that there will also be three sub-committees, Education, Clinical, and Research, to support AMC Steering Committee decision making. Dean and Sr. VP Cendan indicated that partnership attributes also included, shared governance on organizations' respective boards, financial support from BHSF to support shared operations across all missions, co-branding of key facilities and activities, agreement to identify future collaboration opportunities and jointly share in growth across all missions, and commitment to redefine legacy agreements to better align with the new relationship model. He pointed out that the model was reviewed with the State Self-Insurance group to ensure the protection of sovereign immunity. Dean and Sr. VP Cendan indicated that the partnership with BHSF reduces HWCOC's reliance on tuition and has an estimated financial impact of \$500M over a 10-year period.

In terms of benefits, Dean and Sr. VP Cendan noted that the new model will provide for alignment with a strong clinical partner in BHSF and opportunities to grow across teaching, research, and clinical enterprises. He added that the model will also provide significant financial support from BHSF to fund joint activities and unrestricted funding to support HWCOC operations and limited financial risk on the HWCOC clinical faculty activities. Dean and Sr. VP Cendan commented on the operational and change management risks associated with implementing and executing the new partnership model. He indicated that leadership must identify ways to collaborate and align on when and how to execute discrete activities and ensure key decisions are shared with appropriate stakeholders across the organization. He added that the partners must align on long-term shared goals and how both organizations are going to support successful outcomes and share in the rewards.

Dean and Sr. VP Cendan indicated that the current implementation phase encompasses implementing a governance model, developing an education implementation plan and executing GME program requirements, finalizing key aspects of the clinical operating model and finalizing site selection on MMC, and implementation of the funding model. Dean and Sr. VP Cendan referred to a scrivener's error in the affiliation agreement. He pointed out that financial transfers from this relationship will flow to the Health Care Network and not HWCOC. He stated that as part of the partnership's next steps, BHSF and FIU will kick-off the governance process, further refine the operating and financial model, and define partnership priorities. He mentioned that as part of its next steps, FIU will announce the partnership, appoint an "Implementation/integration officer", and the Health Care Network will open a Government Money Market Account.

Board Chair Tovar encouraged all those involved to consider how best to work collaboratively and integrate with BHSF.

In response to Board Chair Tovar, President Jessell noted that the intent of the use of funds remains as presented and cannot and will not be changed. He commented on the edit to the agreement,

which now explicitly delineates the flow of funds. President Jessell explained that the agreement is to explicitly state that funds will be initially transferred into the Health Care Network, which is the equivalent of a Direct Support Organization and a component unit of the University, and then transferred from the Health Care Network to the University components, as needed to support University initiatives.

At the request of Board Chair Tovar, General Counsel Castillo read the proposed Board action.

A motion was made and unanimously passed that the FIU Board of Trustees adopt the following Resolution:

WHEREAS, FIU and the FIU-HCN have been participating in ongoing discussions with Baptist Health South Florida, Inc. in order to negotiate a strategic partnership, consisting of a tripartite mission (clinical, research and educational), critical for a successful relationship between the Parties; and

WHEREAS, the Parties have agreed to a final draft Master Affiliation Agreement and corresponding Definitive Agreements which codify core elements of the strategic partnership; and

WHEREAS, the FIU-HCN Board of Directors, on November 14, 2023 adopted unanimously a resolution authorizing the finalization of the Master Affiliation Agreement and Definitive Agreements; and presentation to the FIU Board of Trustees for its consideration and approval of the strategic partnership and approval of the Master Affiliation and Definitive Agreements.

NOW, THEREFORE BE IT RESOLVED that the FIU Board of Trustees hereby approves the University entering into the referenced strategic partnership and the delegation of authority to the University's President and the University's Dean of the Herbert Wertheim College of Medicine/Senior Vice President for Health Affairs, and/or their respective designees, to execute the Master Affiliation Agreement and Definitive Agreements and such other documentation that may be necessary to effectuate the transactions contemplated therein.

4. New Business

Board Chair Tovar reminded Trustees of the upcoming Board meetings scheduled for December 7, 2023.

Trustee Colson thanked Chartis Group Consulting and outside counsel Dale Webber. Trustee Alexander P. Sutton commented that enthusiasm is high among the student body regarding the affiliation.

5. Concluding Remarks and Adjournment

With no other business, Board Chair Roger Tovar adjourned the meeting of the Florida International University Board of Trustees Full Board on Tuesday, November 28, 2023, at 10:45 AM.