



BOARD MEETING MINUTES
May 15, 2023
Virtual Meeting
University of Florida, Gainesville, FL
Time Convened: 1:59 p.m.
Time Adjourned: 2:17 p.m.

Board members present:

Morteza “Mori” Hosseini (Board Chair), David L. Brandon, Richard P. Cole, Christopher T. Corr, Olivia E. Green, James W. Heavener, Daniel T. O’Keefe, Rahul Patel (Board Vice Chair), Amanda J. Phalin, Marsha D. Powers, Fred S. Ridley, and Anita G. Zucker.

Others present:

Ben Sasse, President; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; James Kelly, Interim Chief Executive Officer of UF Health; David Nelson, Senior Vice President for Health Affairs and President of UF Health; members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Board Chair Hosseini welcomed everyone in attendance and called the meeting to order at 1:59 p.m.

The UF Health Shands Hospital Board met just prior to this meeting to vote on the UF Health Flagler Hospital Affiliation Definitive Agreement. Trustees joined the UF Health Board’s call to listen to the presentation for efficiency purposes. Senior Vice President for Health Affairs and President of UF Health David Nelson shared information on the UF Health & Flagler Health integration venture.

President Ben Sasse stated the goal today is to recommend pursuing the UF Health & Flagler Health project. He expressed his thanks to both Boards, SVP Nelson and team, Boston Consulting Group (BCG), and outside legal teams on their hard work and expert advice. He shared three points: 1. this is a prudent investment decision that will strengthen both UF Health and Flagler Health, 2. integration is a bigger challenge and our aspiration is to create a health system, not merely a collection of assets, and 3. we should pursue an integrated governance system.

2.0 Verification of Quorum

Vice President and University Secretary Mark Kaplan verified a quorum noting Trustee Zalupski was unable to attend the meeting.

3.0 Public Comment

Vice President and General Counsel Amy Hass informed the Board there were no public comments to come before the Board.

4.0 Action Item

BT1 UF Health Flagler Hospital Affiliation

Board Chair Hosseini asked SVP Nelson to share information regarding the action item and VP Hass to add any additional comments as needed.

SVP Nelson noted the recommendation and resolution shared in the previous UF Health Shands Hospital Board Meeting stand firm. VP Hass shared there has been extensive work by the General Counsel team, UF Health legal, and outside counsel in negotiating the agreement and all feel comfortable with the terms.

Board Chair Hosseini advised if any changes are made to the Definitive Agreement voted on by UF Health Shands Hospital Board, they must be provided to himself and President Sasse to sign off on. VP Hass agreed and stated that will be noted.

Trustee Chris Corr asked SVP Nelson for clarification on the \$750M capital commitments versus the current enterprise value of the Flagler system. SVP Nelson stated he would provide Trustee Corr with full financials. Trustee Corr asked for clarification on which UF Health location will provide leadership. SVP Nelson explained that legally UF Health Shands Hospital Board in Gainesville will provide leadership, with the goal of a system level governance that is fully integrated. SVP Nelson noted Flagler has a strong local management team. Trustee Corr expressed his thanks and congratulations to SVP Nelson, but noted the financials to review in advance would have been beneficial. President Sasse added the \$750M allows us to move forward with all of our investments, not just patient facility investments. SVP Nelson clarified further that the \$750M is a 10-year estimate of UF Health's investment that includes Flagler's investment in their own campus and their annual spend rate is \$35M-\$40M. Board Chair Hosseini stated the leadership of Flagler Health will become members of UF Health and will report to UF Health in Gainesville for at least the next 2 years. SVP Nelson confirmed that is correct and added it will be an immediate transition, they will be subject to UF Health oversight and policies, and for 2 years we need to honor the Flagler dismissal policies.

Board Chair Hosseini asked Trustee Marsha Powers for her comments as a member of both the UF Health Shands Hospital Board and Board of Trustees. Trustee Powers shared she feels the capital that will be spent is in a fast growing and excellent managed care environment, substantially beneficial to our UF Health network, and she is very supportive of the agreement.

Board Chair Hosseini stated we would not move forward with this agreement if we could not deliver superior care for the patients in St. Johns County. The Flagler board had many great health care provider options and chose UF Health based on our exceptional reputation. He noted if we could not provide the culture of excellence at Flagler, UF Health would not have proceeded. He agreed with Trustee Powers on the great location. **He added it is of utmost importance to keep**

growing UF Health and extending our hospital system throughout St. Johns, Nassau, and Volusia counties and the I-4 corridor. He added it is of utmost importance to keep growing UF Health and extending our hospital system throughout the state of Florida. He noted we are making a commitment to the patients of St. Johns County to provide the best care and Flagler Health is trusting us to deliver.

Board Chair Hosseini asked Trustee Anita Zucker for her comments as a member of both the UF Health Shands Hospital Board and Board of Trustees. Trustee Zucker commented she feels this is a great plan to have another location nearby, it allows our students to be involved, it offers more opportunity for growth, the location of St. Johns County works well with the Gainesville and Jacksonville areas, and she is fully supportive of the agreement.

Board Chair Hosseini added he and President Sasse have met with Flagler leadership and they want the best for their community. The Flagler Board is very eager to be part of UF Health and we look forward to the partnership.

Board Chair Hosseini asked for any questions or further discussion. He then asked for a motion to approve Action Item BT1, noting that if there are any changes to the resolution SVP Nelson, the Board Chair, and President must consult before proceeding, which was made by Trustee Powers and seconded by Trustee Cole. Board Chair Hosseini asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

5.0 New Business

There was no new business to come before the Board.

6.0 Adjourn

There being no further discussion, Board Chair Hosseini adjourned the meeting at 2:17 p.m.