

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETING**

EXECUTIVE COMMITTEE

**September 28, 2015
7:00 a.m.**

A meeting of the Executive Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock on behalf of Dr. Steve Furr, Chair *Pro Tempore*, on Monday, September 28, 2015, at 7:03 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Steve Furr (phone), John Peek, Jimmy Shumock and Jim Yance.

Members Absent: Tom Corcoran, Arlene Mitchell and Ken Simon.

Administration Monica Curtis, Ken Davis, Stan Hammack, Mike Haskins, John Smith,
Others: Becky Tate, Jean Tucker (Phone), Scott Weldon and Tony Waldrop.

The meeting came to order and the attendance roll was called. Mr. Shumock called upon President Waldrop, who welcomed the group. President Waldrop asked Mr. Weldon to present the materials. Mr. Weldon gave background on the involvement of USA HealthCare Management, LLC, in the Gulf Coast Regional Care Organization (GCRCO) and he said the purpose of the meeting was to request approval to execute an irrevocable Letter of Commitment (Letter). He and Mr. Hammack talked about expectations concerning Medicaid's revision and approval of the Letter. They shared insight on the intricacies involved with RCO development, inclusive of financial implications, and they addressed questions from Committee members. Discussion took place about RCO contenders in the state. Mr. Hammack said maternity services is a component driving provider interest, a matter on which he said the University should remain neutral. Amid a thorough discussion on risk factors, loss potential, the GCRCO Board of Directors, and concerns as to Medicaid dependency, President Waldrop expressed the opinion that not moving forward may pose a greater risk for the University in the long run. Mr. Shumock called for a vote. On motion by Mr. Peek, seconded by Mr. Yance, the Committee voted unanimously to approve the following resolution:

**RESOLUTION
APPROVAL OF LETTER OF COMMITMENT**

WHEREAS, the University of South Alabama is the sole member of the USA HealthCare Management, LLC, and

WHEREAS, the USA HealthCare Management, LLC is the sole member of the Gulf Coast Regional Care Organization, and

WHEREAS, in April 2015, the Gulf Coast Regional Care Organization established a Medicaid Health Home program for certain Medicaid patients in southwest Alabama, and

WHEREAS, in March 2015, the University of South Alabama Board of Trustees authorized the President to transfer \$2.5 million from the University of South Alabama Health system accounts to the USA HealthCare Management, LLC to meet Alabama Medicaid Agency solvency requirements, and

WHEREAS, the Gulf Coast Regional Care Organization is exploring the opportunity to be the capitated Alabama Medicaid Agency provider in the region, and


WHEREAS, the Alabama Medicaid Agency has established additional solvency requirements in order for the Gulf Coast Regional Care Organization to become the capitated Medicaid provider in the region, and

WHEREAS, the Alabama Medicaid Agency has established a deadline of October 1, 2015, for the Gulf Coast Regional Care Organization to have commitments in place that would meet Medicaid's solvency requirements,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees, authorizes the University president, who is the Manager of the USA Healthcare management LLC, or his designee, to execute an irrevocable letter of commitment from USA HealthCare Management, LLC to Gulf Coast Regional Care Organization for an amount up to \$6.7 million, with the understanding that fulfilling the commitment is contingent upon the execution of a contract between the Gulf Coast Regional Care Organization and the Alabama Medicaid Agency.

There being no further business, the meeting was adjourned at 7:44 a.m.

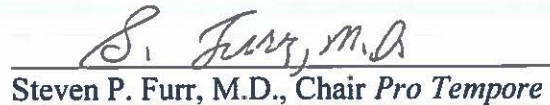
Attest to:


James A. Yancey

Respectfully Submitted:


James H. Shumock, Secretary

On behalf of:


Steven P. Furr, M.D., Chair *Pro Tempore*