

**West Virginia School of Osteopathic Medicine
Board of Governors – Emergency Meeting
Thursday, December 28, 2023
Location: President’s Conference Room**

I. Call to Order, Roll Call/Quorum

The meeting was called to order at 10:02 a.m. by Board Chair, Dr. Belt. Roll call was taken by Board Secretary, Ms. Kirby. A quorum was present.

Members Present via Teleconference:

Randall Belt, D.O., Chair	Michael Muscari, D.O.
Frederick Morgan, D.O., Vice Chair	Gary Poling, D.O.
Marlena Kirby, Secretary	Erin Reese
Thomas Cole	Caitlyn Santer, D.O.
Sharon Hall	Peter Ward, Ph.D.
Robert Holstein, D.O.	

Members Absent:

Todd Smith, D.O.

Others in Attendance:

James W. Nemitz, Ph.D., President	Debbie Green, Scribe/Board Liaison
Jeffrey Shawver, J.D., Chief Legal Officer	Drema Hill, Ph.D., Chief Operating Officer
Scot Mitchell, RCBC Chief Executive Officer	David Meadows, Chief Financial Officer
Mike Fowler, Director, Audio, Visual & Production	

- II. Reason/Purpose of the Emergency Meeting:** To address immediate financial shortfalls and imminent critical payment deadlines of the West Virginia School of Osteopathic Medicine Clinic, Inc., d/b/a Robert C. Byrd Clinic, which may be addressed through an emergency advanced payment amendment to the Health Center Agreement for Medical Education requiring WVSOM Board approval.

Chair Belt asked President Nemitz to explain the current financial deficiencies at the Robert C. Byrd Clinic (RCBC).

President Nemitz stated he was informed on December 21, 2023 that the RCBC would be unable to meet its payroll deadlines on December 29, 2023. President Nemitz stated since December 21, 2023, he and Senior Administration have been exploring numerous options to address the payroll shortage. Unfortunately, the RCBC has no financial reserves, and banks are unwilling to loan funds without a cosigner.

WVSOM researched its limited options, as advised by the West Virginia State Auditor’s Office, to assist the RCBC which include:

1. To prepay on the existing contract with the RCBC for student services.
2. To increase the existing contract with the RCBC for student services.

Either option must be justified and approved by the Board of Governors in an official meeting. Today's meeting is in full compliance with the Open Governmental Meetings Act and has been noticed with the West Virginia Secretary of State's Office.

President Nemitz requested that the Board of Governors support option 1 in which WVSOM would prepay \$250,000 on the existing contract with the RCBC for student services which would allow the RCBC to pay its employees on December 29, 2023. President Nemitz stated that David Meadows, Vice President for Finance & Facilities & Chief Financial Officer, has been given access to the financial records of the RCBC and a report will be presented at the January 25, 2024 meeting regarding long-term financial viability of the RCBC.

President Nemitz deferred to Jeffrey Shawver, Vice President for Legal, Governmental & External Affairs, Chief Legal Officer & General Counsel, to present the proposed First Amendment to the current agreement which has an effective date of July 1, 2023 and has a 12-month term. Mr. Shawver consulted the West Virginia State Auditor's Office concerning the proposed First Amendment, and in order for prepayment to be allowed, WVSOM must show there is a benefit to the state. The following revisions were included in the proposed First Amendment in order to comply with the State Auditor's requirements:

- Strike the language that each payment for services to the RCBC will be in 12 equal monthly installments, which would allow WVSOM to prepay funds.
- Add language to state it would be in the best interest of WVSOM, due to the critical nature of WVSOM's relationship with the RCBC, for prepayment to be allowed in the case of a financial exigent circumstance.
- Add language to provide a 2% discount to WVSOM for each prepayment.
- Add language to state WVSOM will be given the discretion to defer future payments until the original due date of those future payments.

Mr. Shawver asked if the board had questions regarding the proposed First Amendment. Dr. Holstein stated the wording of the First Amendment was advantageous on behalf of WVSOM.

Extensive discussion continued regarding the RCBC financial crisis to include:

- The individuals who constitute the RCBC Board of Directors (BOD);
- The lack of communication to the WVSOM BOG regarding the severity of the RCBC's financial shortfalls;
- The ways the RCBC has decreased its budget in order to increase cash flow, specifically within the last week;
- Additional consequences that could be imposed upon the RCBC by WVSOM (i.e., renegotiating provider contracts, increasing rent, withholding building maintenance, etc.);
- The potential of a combined meeting of the RCBC BOD and the WVSOM BOG;
- The potential of a WVSOM BOG member having dual membership on the BOG and the RCBC BOD;
- The need to receive more detailed financial information from the RCBC management;
- The need to create a finance committee within the RCBC BOD which would report to the RCBC BOD as well as the WVSOM BOG; and
- The need for restructuring of the RCBC.

Ms. Kirby requested that Mr. Mitchell provide more in-depth reporting at all future BOG meetings until the BOG deems it is no longer necessary. Ms. Kirby would also like the RCBC CFO to attend future BOG meetings as well.

Dr. Ward asked Mr. Meadows to provide insight on the financial challenges at RCBC. Mr. Meadows stated he has concerns with several of the RCBC key metrics and will need additional time to do a deep dive on the RCBC metrics in order to provide the BOG a more accurate picture of the systemic issues of the RCBC.

Mr. Shawver did receive confirmation from the West Virginia Ethics Commission that it is permissible for a WVSOM BOG member to also serve on the RCBC BOD.

It was moved and seconded (Morgan/Holstein) 1) to approve the prepayment of \$250,000 on the existing contract with the RCBC for student services as outlined in the proposed First Amendment to the Health Center Agreement for Medical Education, and 2) to give Mr. Shawver the ability to alter the language of the agreement per any recommendations or requirements from the Attorney General's office. Motion Carried

It was moved and seconded (Muscari/Morgan) to request a report at the next BOG meeting from Mr. Meadows regarding the financial status of the RCBC and his financial recommendations moving forward. Motion Carried

III. Information Gathering

No items were brought forth.


IV. Next Meeting Date

The next scheduled board meeting will be held Thursday, January 25, 2024 at the Embassy Suites in Charleston, WV.

V. Adjournment

It was moved and seconded (Holstein/Ward) to adjourn. The motion carried and the board meeting adjourned at 11:45 a.m.

Approved on January 25, 2024

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Marlena R. Kirby
Secretary
/dg