

Approved by the Board of Trustees,
September 9, 2004

Board Meeting
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ROLL CALL

PURCHASES

The "Purchases Recommended" are presented by campus and a Summary of Purchases from "Appropriated Funds" (i.e., from State appropriations to the University) and purchases from "Institutional Funds" is included. The latter term is used here to designate funds received by the University under contracts with the United States Government; contracts with private corporations and other organizations, from foundation grants, and grants from corporations and other donors; and University revolving funds authorized by law. The Summary of Purchases also indicates a total amount by campus.

PURCHASES RECOMMENDED

The Directors of Purchases have proposed and the Vice President for Administration recommends the following purchases. Unless otherwise specified, the purchase in each case is recommended on the basis of the lowest acceptable bid.

The President of the University concurs.

Chicago Campus

1 Unit Hospital/Health Information Management

Item Clinical documentation review to be conducted during the period of October 1, 2004 through June 30, 2005 with the Medical Center having the option to renew for two additional twelve month periods, subject to availability of funds, continuing need and satisfactory performance, with the Comptroller authorized to exercise such option.

Cost Not to exceed \$525,000 for Fiscal Year 2005

Vendor BearingPoint, Chicago

Other bid proposals received:

HP3, Bethlehem, Pennsylvania	\$585,000
KPMG, Lemont, Illinois	\$360,000

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. A Request for Proposal (RFP) was issued and eight (8) responses were received. An evaluation team consisting of members with backgrounds in clinical documentation, coding, reimbursement, and information technology reviewed the responses and ranked them based upon compliance with technical specifications. The top three firms were requested to make presentations to the evaluation team. Five other firms were eliminated from consideration for failure to meet one or more of the following specifications: quoting on all phases of the review, depth of program plan to meet objectives, appropriate assessment of hours necessary to complete the review, and providing detailed plans and measurable goals for the engagement.

Upon completion of the review of proposals and vendor presentations, BearingPoint was selected by the evaluation team as having submitted the best overall technical proposal and at the lowest hourly cost to the Medical Center.

The services to be provided by BearingPoint include a clinical documentation audit of outpatient and inpatient medical charts to collect data regarding the accuracy of documentation of severity of illness, mortality rate and other clinical measures which affect the Medical Center's database, research and reimbursement from third party payors, especially Medicare. The assessment phase will quantify the potential financial opportunities missed due to inaccurate reporting or incorrect coding to qualify for Medicare reimbursement. The implementation phase will educate the medical staff and ancillary departments in documentation concepts and DRGs (diagnosis related groups), coding guidelines for reimbursement, development of policies and procedures to govern and execute the document improvement program and provide in-service to departmental leadership on their roles in the program. The monitoring phase will review processes for compliance with program requirements, identify program benefits and financial impact, and will include "leave-behind" tools to allow for real-time tracking of operational performance thus allowing the Medical Center to train and educate new staff members.

The assessment and implementation phases are expected to take

approximately 3 months, with monitoring to begin upon completion of implementation and continuing through to June 30, 2005. Option years may be exercised (at a 5% discount from hourly rates) if additional monitoring is required.

2 Unit Hospital Radiology

Item Estimated quantities of neurological and peripheral vascular interventional radiological supplies consisting of the following: neurovascular stents, coils, guidewires, micro-catheters, and other related supplies to be purchased during Fiscal Year 2005.

Cost \$ 900,000 f.o.b. delivered (estimated)

Vendor Boston Scientific Co., Natick, Massachusetts

This purchase is considered a sole source under the Illinois Procurement Code because there is only one economically feasible source for the required products.

Boston Scientific manufactures supplies for endovascular aneurysm repair that are patented and exclusive to Boston Scientific. Further, Boston Scientific is the only manufacturer with FDA approval for neurovascular stents and coils used to treat wide neck aneurysms. These products are not available from any distributors and must be purchased directly from the manufacturer.

The coils have a patented electrolytic mechanism that provides precise, motion-free detachment of the coils. In addition, the coils are coated with an absorbable copolymer that is typically absorbed by the body in 90 days. The guidewires are made with proprietary Scitanium alloy. The unique microcatheters have precisely placed radiopaque marker bands for accurate delivery of detachable coils.

These supplies will be used specifically for various endovascular aneurysm procedures performed on patients at the University of Illinois Hospital and clinics.

The estimated expenditure is calculated by multiplying the estimated number of units by the unit price quoted. Actual expenditures may vary based upon actual quantity usage. List prices are the same as in FY04, with discounts of up to 40% from list price.

The price is considered reasonable and acceptable.

3 Unit University of Illinois Medical Center – Hospital Administration

Item Radiation oncology services for patients at the Medical Center for the period commencing September, 2004 through June 30, 2006 with the option to renew for four additional two-year periods subject to availability of funds, continuing need and satisfactory performance, with the Comptroller authorized to exercise such option.

Cost Not to exceed \$1,071,826 for the first year of the contract

Vendor University of Chicago, Department of Radiation Oncology, Chicago

This purchase is exempt from competitive bidding requirements under the Illinois Procurement Code because the services are for purchase of care for patients of the University of Illinois Medical Center at Chicago Cancer Program.

Under this agreement, the University of Chicago will provide radiation oncology physicians, residents and medical physicists on a 24-hour, 7-days a week basis to cancer patients at the Medical Center. The patient care responsibilities include, but are not limited to, physical assessments, diagnosis, treatment planning, administration of radiation therapy and ongoing patient care. Additional responsibilities will include: teaching medical and nursing staff in the care of cancer patients, management of day-to-day activities of the Medical Center's Radiation Oncology Service and support of treatment planning software.

The University of Chicago physicians, residents and medical physicists will be proposed for clinical and/or academic appointments via the Medical Staff office and/or Hospital Administration. Medical Physicists and/or Radiation Therapists shall be deemed "contracting parties" and shall provide their own professional liability coverage.

The annual cost of this agreement is based upon salaries of the medical professionals to be provided. The cost will not exceed \$1,071,826 for the first year of the agreement, and will increase no more than 3% for year two. Future option periods, if exercised, are also subject to the 3% per year cost increase limit.

The price is considered reasonable and acceptable.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

SUMMARY OF PURCHASES	
(Rounded to Nearest Dollar)	
Recommended from Appropriated Funds	
Recommended from Institutional Funds	\$2,496,826
Grand Total	\$2,496,826
Chicago Campus	\$2,496,826
Springfield Campus	
University Administration	
Urbana-Champaign Campus	