

APPROVED BY THE
COMMITTEE

JAN 18 2012

Michele M. Thompson
SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

DECEMBER 1, 2011

This meeting of the University Healthcare System Committee was held in Rooms C and D, Public Affairs Center, One University Plaza, Springfield, Illinois on Thursday, December 1, 2011, beginning at 1:11 p.m. Trustee Timothy Koritz, chair of the committee, welcomed everyone to the meeting and asked the clerk to call the roll. The following members were present: Dr. Timothy N. Koritz and Mr. Lawrence Oliver. Mr. Ricardo Estrada was absent. President Hogan was present. The following University officers were also present: Dr. Phyllis M. Wise, vice president, University of Illinois and chancellor, Urbana-Champaign; Dr. Paula Allen-Meares, vice president, University of Illinois and chancellor, Chicago; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Joe G.N. "Skip" Garcia, vice president for health affairs; Dr. Lawrence B. Schook, vice president for research; Mr. Thomas R. Bearrows, University counsel; Mr. Thomas P. Hardy, executive director for University relations; Ms. Kappy Laing, executive director for governmental relations; Dr. Michele M. Thompson, secretary of the Board of Trustees and of the University; and Dr. Susan M. Kies, secretary designate of the Board of Trustees and of the University. Dr. Koritz introduced other individuals who would be providing presentations to the committee including Dr. William H. Chamberlin, chief medical officer, University of Illinois Hospital, Chicago; Dr. Terri E. Weaver, dean, College of Nursing, Chicago; Mr. John DeNardo, chief executive officer, UIC Healthcare

System, Chicago; and Mr. William Devoney, chief financial officer, hospital administration. Attached is a listing of other staff members in attendance at this meeting.

Dr. Koritz first asked if there were any corrections or additions to the minutes of the committee meeting that was held on September 8, 2011. There were no comments or corrections, and on motion of Mr. Oliver, seconded by Dr. Koritz, the minutes were approved. There were no nay votes.

OPENING REMARKS

Dr. Koritz provided introductory remarks by welcoming all to the meeting and commented that there was a full agenda for the meeting.

REVIEW RECOMMENDED BOARD ITEMS AND REPORTS

Dr. Koritz stated that the committee would review the recommended items that were on the Board's agenda for its meeting the following day. He asked Dr. William Chamberlin to provide comments on amendments to the Medical Staff Bylaws and to the Medical Staff Rules and Regulations of the University of Illinois Hospital and Health Sciences System, and to comment on the Graduate Medical Education Programs report. Dr. Chamberlin explained the process used to amend the Bylaws for the medical staff to update this document (materials on file with the clerk), which he said included the hiring of an outside attorney to consider federal and State statutes that are relevant as well as accreditation standards and to suggest changes to the document. He stated that the document then was submitted to the membership of the medical staff and was approved by a unanimous vote. Dr. Chamberlin stated there were more than 390 proposed amendments to the Bylaws, which included changes to protect medical information,

changing the language of the document to reflect accreditation standards, history, and practices regarding physical exams, and processes for dealing with faculty appointments. Trustee Oliver asked if the verification of license was a part of the review for hiring faculty, and Dr. Chamberlin responded that it was. Further, Dr. Chamberlin discussed how certain changes to the language within the document reflect an emphasis on collegial interventions. He discussed updates to summary suspension and hearing procedures and changes to the adoption of urgent amendments by the executive committee. He briefly reviewed some additional changes, and he stated that some of the revisions to the bylaws were required by the Joint Commission. Next, Dr. Chamberlin discussed the proposed amendments to the Medical Staff Rules and Regulations that included recommendations from the sedation and analgesic committee and proposed changes to other required processes and procedures.

Report on Quality Improvement Programs

Dr. Chamberlin then reported on Quality Improvement Programs within the University of Illinois Hospital and Health Sciences System (materials on file with the clerk). He explained that there are 23 departments with 20 clinical services that participate in the annual quality evaluation, and said that the top three priorities for fiscal year 2011 were patient satisfaction, patient access, and core quality issues. He reported that goals for these measures were collaboratively established across the departments, and that improvements in these areas ranged from 50 percent to almost 90 percent in the participating departments over the last year. He reviewed some observations and signs of success, and he told the committee that the hospital has partnered with Press-Ganey, a nationally recognized organization in health care performance improvement, to develop long term strategies to improve the patient experience. He said that thus far, Press-Ganey has

presented several improvement opportunities, including reduction of inter and intra department performance variation; provision of advanced training for hospital leaders to promote “best practices”; and realignment of the processes to maximize a positive patient experience.

Graduate Medical Education Programs Report

Dr. Chamberlin presented a brief report on graduate medical education programs (materials on file with the clerk) and defined ‘graduate’ medical education as those programs taken after receipt of the MD degree during residency and fellowship training. He reported that currently, the University sponsors 116 programs throughout its affiliated institutions, with 53 graduate medical education programs that are approved by the Accreditation Council for Graduate Medical Education (ACGME) and 62 ACGME-approved fellowships. Dr. Chamberlin then discussed review findings in various areas, including institutional, faculty, education, and hours required, and he responded to a request from President Hogan to compare the accreditation findings with other programs. Dr. Chamberlin stated that all programs are accredited and that these issues are typical. He discussed the upcoming institutional review by the ACGME that is scheduled for January 2012, noting that these occur every ten years. He said that the future emphases for graduate medical education programs will include focusing on patient volume in selected programs; emphasizing resident participation in safety and quality programs; and improving the evaluation process for residents and faculty members in selected programs. He then discussed additional areas of focus. Dr. Garcia complimented Dr. Chamberlin on these presentations and stated that these reviews provide an opportunity for the hospital and the departments to standardize evaluations. Further, Dr. Garcia stated that another goal is to increase diversity among physicians and residents. Dr. Koritz commented that residents may be exposed

to fewer cases if the number of hours spent in the hospital for resident training decreases, and he asked if board certification might be relaxed. Dr. Garcia responded that the requirements for board certification will not be relaxed and said this is one of the dilemmas faced in medical education. Additional discussion regarding residencies and fellowships followed, and Dr. Chamberlin provided information about factors that may cause a program to be placed on probation.

HEALTHCARE SYSTEM ORGANIZATION

Next, Dr. Koritz asked Dr. Garcia to provide a presentation on the organization of the healthcare system at the University (materials on file with the clerk). Dr. Garcia referred to efforts to strategically integrate the clinical enterprise at the University, and explained that he is working on developing strategies to improve the relationship between healthcare providers and hospitals. President Hogan emphasized the importance of the creation of a business development team and referred to the special attention given recently to the integration of the vice president for health affairs and the medical service program for strategic planning. Dr. Garcia reviewed the financial performance of the hospital and highlighted areas of progress. He then presented the healthcare system organizational structure from 2008 through 2010 and compared this to the current organizational chart for the office of the vice president for health affairs. Next, he presented information about eight new faculty appointments he has made and explained that the new faculty members are already making progress toward garnering additional grant funding. He stated that three of these hires are outstanding and are members of underrepresented minority groups who he thinks will be able to increase grant funding and also serve as role models for students, residents and other faculty. He reported that other new outstanding faculty members

are specialists in pulmonary medicine, and he explained that they are very strong 'thought leaders' in the discipline who should assist the University in gaining market share in pulmonary critical care. He told the committee that each comes to the University with a significant research portfolio, thus providing the University the opportunity to dominate in this area. Trustee Oliver inquired about the financial return to the University on the newly created positions, and Dr. Garcia commented that each individual physician is highly funded and will emphasize improving efficiencies in the clinical program. President Hogan commented that these impressive appointments are a by-product of Dr. Garcia's appointment at the University. Further, President Hogan congratulated the vice president and chancellor at Chicago, the provost at Chicago, and the vice president for health affairs for this successful hiring record. Finally, President Hogan pointed out that there has already been an increase in clinical revenue, and added that he expects additional increases in clinical revenue and in academic standing. Dr. Garcia concluded the presentation by discussing other clinical areas of excellence at the University, and said efforts are underway in several other areas.

REPORT FROM COLLEGE OF NURSING

Dr. Koritz asked Dr. Terrie E. Weaver, dean, College of Nursing, to make a presentation to provide information about the College of Nursing (materials on file with the clerk). Dean Weaver began her presentation by describing the mission and vision of the College of Nursing and provided a history of the college. She discussed several measures of success, and said that the College of Nursing is ranked first among nursing schools in Illinois and its PhD program is ranked fifth nationally. Further, Dean Weaver referred to the the recent outstanding report from the American Association of Colleges of Nursing accrediting body's findings about the college.

The dean then presented details regarding the student body and programs leading to the Bachelor of Science in Nursing, the Master of Science in Nursing, and the Doctor of Nursing Practice. Dean Weaver also discussed several innovations introduced by the faculty members, and clinical aspects as well as research were highlighted. She discussed total sponsored research expenditures and areas of research, and highlighted funding from the National Institutes of Health. She also provided details about the Global Leadership Office and the Clinton Health Access Initiative, in which the College of Nursing is participating. Next, Dean Weaver discussed departmental performance metrics, and she described the leadership roles of some of the college's distinguished alumnae and faculty. She then concluded her presentation by discussing nursing leadership, community engagement, the Institute of Medicine Report on the future of the field, and plans for the college for the next five years. Trustee Oliver asked about diversity challenges for recruiting students, and Dean Weaver reported that there are some cultural barriers and few diverse faculty members in the College, which she said is an issue at colleges of nursing throughout the country. She emphasized that diversity is important and is something the College is dedicated to addressing. Trustee Oliver mentioned that marketing to the Chicago Public Schools might help address this issue, and Dean Weaver indicated that there are plans to increase these efforts, some of which are already underway.

HOSPITAL FINANCIAL PERFORMANCE

Dr. Koritz asked Mr. Devoney to provide a brief update on the financial performance of the hospital (materials on file with the clerk). Mr. Devoney compared the actual fiscal year 2012 figures to those from fiscal year 2011 and those that were budgeted for fiscal year 2012, and said that during November, the total operations increased by 4 percent. He reported that clinical

visits have increased and that emergency department revenues are strong. He said that at this time, revenues are 6 percent higher than in fiscal year 2011, Medicaid billings have increased, and managed care days have increased by 3 percent. He said that the case mix (measure of patient acuity) has contributed to this increase in revenues, and that salaries for hospital staff have risen by 2.5 percent, which he said is attributed to labor increases and is less than what was budgeted. He stated that supplies and services costs have increased and that this is attributable to building expenses, and he reported that charity care has increased by 15 percent this year. He said the cash flow is \$9 million less than it was last year because the State is slow on payments, noting that the approval process for Medicaid patients has slowed and that denials have increased. He stated that there is an overall \$2.3 million gain in this year's operating budget.

FACILITIES' CONSTRUCTION PLANS UPDATE

Mr. John DeNardo, chief executive officer, UIC Healthcare System, deferred his full report until the next meeting of the committee. He commented briefly on the project to build a new Mile Square Clinic, and stated that the project is moving forward. Dr. Garcia stated that that top three floors of the building will be used for research space.

REVIEW OF AGENDA ITEMS FOR MEETING OF WOLCOTT, WOOD AND TAYLOR, INC., CHICAGO (WWT)

Dr. Koritz asked Dr. Garcia to present the amendments to the bylaws of Wolcott, Wood and Taylor, Inc., Chicago (materials on file with the clerk) of which the Board of Trustees is the sole member. Dr. Garcia commented that the board of directors of WWT recommends changes to the WWT bylaws to address certain recommendations from the office of University audits with respect to the composition of the board of directors, as well as to make certain technical changes

and corrections to the bylaws. He discussed the proposed composition of the WWT board of directors, and referred to amendments in Article III, Section 3.2 that would increase the size of the WWT board from five members to seven with the following representation: a designee of the vice president/chancellor of the Chicago campus; the vice president for health affairs (VPHA), *ex officio*, with vote; the dean of the College of Medicine as chair of the board, *ex officio* with vote; a clinical department head, nominated by the medical service plan executive committee and elected by the sole member to serve for a two year term; three individuals selected by the VPHA, at least one of whom shall be a person with financial experience, all elected annually by the sole member.

Dr. Koritz then noted that Dr. Chamberlin would be moving to a new position in the Institute for Patient Safety Excellence. Dr. Koritz thanked Dr. Chamberlin for his hard work, sage advice and support of the University and the healthcare system. The audience and committee responded with a round of applause and a standing ovation.

OLD BUSINESS

Dr. Koritz asked if there was any old business to present for discussion. There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz asked if there was any new business to present for discussion. There was no business presented under this aegis.

MOTION FOR EXECUTIVE SESSION

At 3:39 p.m., Dr. Koritz asked for a motion to convene an Executive Session to consider: Discussion of minutes of meetings lawfully closed under the Open Meetings Act. The motion was made by Mr. Oliver and seconded by Dr. Koritz. The motion was approved. There were no nay votes. Dr. Koritz declared the motion to hold an Executive Session approved and asked for the members of the public to depart.

EXECUTIVE SESSION

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 3:50 p.m.

COMMITTEE MEETING RESUMED

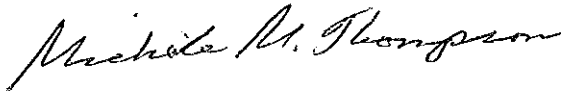
AGENDA

At 3:52 p.m. the open session resumed. The purpose for the remaining time in the meeting was to consider one item and vote on it. This was: "Recommendation Concerning Disclosure of Certain Minutes of Executive Sessions Held During Meetings of the University Healthcare System Committee Pursuant to the Open Meetings Act." The clerk read the recommendation, and the chair requested a motion for this item. On motion of Mr. Oliver, seconded by Koritz, this was approved by the following vote: Aye, Dr. Koritz, Mr. Oliver; No, none; Absent, Mr. Estrada. There were no nay votes.

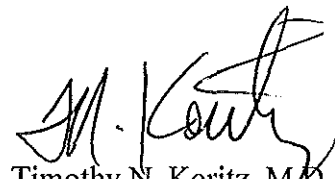
MEETING ADJOURNED

There being no further business, Dr. Koritz announced the next meeting of the University Healthcare System Committee will be Wednesday, January 18, 2012, 8:30* a.m., Rooms B and C, Student Center West, Chicago Campus. With no additional questions or comments, he called for a motion to adjourn the meeting. On motion of Mr. Oliver, seconded by Dr. Koritz, the meeting was adjourned at 3:54 p.m. There were no nay votes.

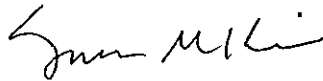
Respectfully submitted,



Michele M. Thompson
Clerk



Timothy N. Koritz, M.D.
Chair



Susan M. Kies
Assisting

*Subsequently changed to 8:00 a.m.

UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
STAFF AND PUBLIC ATTENDANCE, MEETING OF DECEMBER 1, 2011

Mike Bass, senior associate vice president for capital programs and real estate services
Eileen Cable, special assistant to the secretary, Board of Trustees
William Devoney, chief financial officer, hospital administration, Chicago
Ellen Foran, assistant secretary, Board of Trustees
Marnie Fuesting, assistant secretary, Board of Trustees
Heather Haberaecker, executive assistant vice president for business and finance
Lon Kaufman, vice chancellor for academic affairs and provost, Chicago
Jo Menacher, associate director, University office for planning and budgeting
Peter Newman, assistant vice president, treasury operations
Menah Pratt-Clarke, associate chancellor, Urbana
Jon Pyatt, director, federal relations, Office of Governmental Relations
Lisa Troyer, chief of staff to the president
Julie Wurth, *The News-Gazette*
Julie Zemaitis, executive director of University audits

EXECUTIVE SESSION

Dr. Thompson explained that the Open Meetings Act requires that all minutes of closed sessions (executive sessions) be reviewed at least semi-annually to determine if disclosure is advised based on several considerations. She said that she and Mr. Bearrows had reviewed the minutes of the committee's closed session of June 8, 2011, and recommended disclosure of these minutes. Mr. Bearrows concurred. There was no disagreement with this.