

APPROVED BY THE
COMMITTEE

NOV 04 2013

Susan M. Kies
SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
SEPTEMBER 4, 2013

This meeting of the University Healthcare System Committee was held in Room 414, Administrative Office Building, 1737 West Polk Street, Chicago, on Wednesday, September 4, 2013, beginning at 2:59 p.m. Attendance via videoconference was available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana; the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield; and Room S200A, 1601 Parkview Avenue, College of Medicine, Rockford. Trustee Timothy N. Koritz, chair of the committee, welcomed everyone to the meeting and asked the clerk to call the roll. The following committee members were present: Mr. Ricardo Estrada, Mr. Patrick J. Fitzgerald, and Dr. Timothy N. Koritz. President Robert A. Easter was present.

The following University officers were also present: Dr. Paula Allen-Meares, chancellor, Chicago, and vice president, University of Illinois; Dr. Christophe Pierre, vice president for academic affairs; Dr. Jerry L. Bauman, interim vice president for health affairs; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies,

secretary of the Board of Trustees and of the University. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz asked all those in attendance to introduce themselves. He requested a motion to approve the minutes of the meeting held July 15, 2013. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the minutes were approved. There were no "nay" votes.

Dr. Koritz acknowledged the appointment of Dr. Bauman at the July meeting of the full Board, and commented on Dr. Bauman's experience. Dr. Koritz stated that the hospital bond issue was approved and bonds sold, and noted that Mr. Knorr would provide more information. Dr. Koritz also commented on the July retreat regarding the medical enterprise.

REPORTS TO THE COMMITTEE

Hospital Financial Performance

Dr. Koritz asked Mr. William L. Devoney, assistant vice president for health affairs and chief financial officer, University of Illinois Hospital, to provide a presentation on the financial performance of the hospital (materials on file with the clerk). Mr. Devoney provided a preliminary look at the Fiscal Year 2013 financial statements. He commented on income metrics, and noted that the hospital ended the year at nearly \$7 million more in revenue than budgeted. Mr. Devoney provided information on expense metrics, and stated that the net income was expected to be \$29.7 million, which is the hospital's

second best year to date. Dr. Koritz asked about inpatient census revenue numbers and outpatient visits in the future, and Dr. Bryan Becker, associate vice president for operations, outlined plans going forward.

Dashboard Review

Dr. Koritz asked Dr. Becker to provide a dashboard presentation (materials on file with the clerk). Dr. Becker began by discussing internal performance metrics. A discussion was had regarding a perceived need for growth, particularly at Mile Square Health Center. Dr. Becker presented a graphic on monthly discharges and average daily census and trends. He discussed outpatient clinic visits and potential paths to improvement. Dr. Becker asked Ms. Jodi S. Joyce, associate vice president for quality, to present information on efficiency measures and external benchmarking metrics. Ms. Joyce discussed areas of directional improvement. Mr. Fitzgerald asked about trends in the 30-day all cause readmission rates statistics, and Ms. Joyce provided information. A discussion followed regarding the comparative groups used in these statistics, and a continued discussion was had on health conditions affecting the patient population. Dr. Koritz inquired about PE or DVT rates, and Mr. Fitzgerald asked about catheter-related infections; Ms. Joyce and Dr. Koritz provided further information in those areas.

Legislative Report

At 3:39 p.m., Dr. Koritz asked Dr. Nicole Kazez, director of health policy and programs, to provide a legislative report (materials on file with the clerk). Dr. Kazez began her presentation by discussing the timeline for implementation of the Affordable Care Act. She also commented on the State's shift in Medicaid payment models. Dr. Kazez described the Affordable Care Act Medicare penalties, State insurance marketplace, and State Medicaid expansion, as well as the anticipated impact of the respective issues on UI Health. A discussion followed on potential enrollees in future plans. Dr. Koritz asked about administration of Medicaid HMOs, and Dr. Kazez provided information on managed organizations and on provider-led models. A discussion followed on possible rate differentials, and Dr. Bauman discussed the intent to form an accountable-care entity. Dr. Koritz inquired about the marketplace timetable, and Dr. Kazez provided details.

Compliance Update

At 4:01 p.m., Dr. Koritz asked Dr. Becker to provide an update on compliance (materials on file with the clerk). Dr. Becker reviewed portions of a proposed University of Illinois Hospital and Health Sciences System compliance plan set to come before the Board in November. He discussed ongoing compliance projects, which involve privacy and security issues, revenue cycles, and clinician documentation. Dr. Becker also commented on the Data Repository for Evaluation, Auditing and Monitoring System (DREAMS)

audit tool. Mr. Fitzgerald inquired about the system, and Dr. Becker provided further information.

UI Health Experience Update

At 4:08 p.m., Dr. Koritz asked Dr. Airica D. Steed, chief experience officer, to provide an update on the UI health experience (materials on file with the clerk). Dr. Steed presented patient experience performance metrics for Fiscal Year 2013, and a discussion followed on how the metrics were presented and on rank movement during the year. Dr. Steed discussed top performing and improving areas at UI Health, as well as customer access improvements at Mile Square. She summarized key focus areas and interventions for Fiscal Year 2014 and beyond.

University of Illinois Hospital and Health Sciences Safety and Risk Management

At 4:22 p.m., Ms. Joyce provided a presentation on safety and risk management (materials on file with the clerk). Ms. Joyce commented that this was part of the report presented for Board approval at the September meeting. She provided information on the Seven Pillars program and the safety and risk management teams, including their effect on the number of medical malpractice claims and insurance premium.

REVIEW RECOMMENDED BOARD ITEMS FOR
THE SEPTEMBER 12, 2013, BOARD MEETING

At 4:27 p.m., Dr. Koritz introduced the discussion of items within the purview of the committee that were on the Board's agenda for its meeting on September 12, 2013. The recommended Board items discussed at the meeting are on file with the clerk.

Approve Appointments to the Board of Directors of Wolcott, Wood and Taylor, Inc.

Dr. Bauman discussed the recommended appointments to the board of Wolcott, Wood and Taylor, Inc. He noted that there were two returning members (Dr. Bryan Becker, associate vice president for operations; and Mr. William L. Devoney, chief financial officer) and two new members (Dr. Jaewon Ryu, chief medical officer; and Dr. Avijit Ghosh, senior advisor to the president) being recommended. Dr. Bauman noted there was a fifth position that was not being filled at this time. Dr. Dimitri T. Azar, dean, College of Medicine, Chicago, stated that he and Dr. Fady Charbel, professor and head, department of neurological surgery, and Dr. Lon S. Kaufman, provost and vice chancellor for academic affairs, Chicago, would continue as Wolcott, Wood and Taylor, Inc., board members.

Rename the Department of Bioengineering, College of Engineering
and College of Medicine, Chicago

Dr. Azar discussed the recommendation to rename the Department of Bioengineering, Chicago. Dr. Azar acknowledged Dr. Peter C. Nelson, dean, College of Engineering,

Chicago, who was in attendance. Dr. Azar provided background information on renaming the department the Richard and Loan Hill Department of Bioengineering, noting that it is the first departmental naming at the Chicago campus.

Purchase Recommendations

Dr. Koritz asked Dr. Heather J. Haberaecker, executive assistant vice president for business and finance, to discuss the purchase recommendations under the purview of this committee. Dr. Haberaecker detailed the sole-source recommended purchases of remote-hosting billing system service (\$3 million) and medical products for cardiac, spinal and orthopedic surgeries (\$24 million) for the UI Health, and provided background on each item. Dr. Haberaecker also detailed a recommended renewal for administrative and management of healthcare services on the Chicago campus (\$1.763 million), and noted that the vendor, Apex Healthcare, Inc., is a certified MAFBE firm. Mr. Estrada inquired on the process for holding firms accountable to their contracts, and Dr. Becker stated that further information would be provided.

There were no objections to any of the above items being forwarded to the full Board. Mr. Fitzgerald abstained from decisions surrounding the purchase recommendation item.

PRESENTATIONS

Organizational Excellence: An Update

At 4:37 p.m., Dr. Koritz asked Dr. Avijit Ghosh, senior advisor to the president, to give his presentation. Dr. Ghosh discussed the review process surrounding the Huron Consulting Group's report, delivered at the July retreat, which suggested changes to the health sciences organizational structure. He reviewed the consensus issues from recent discussions on the future structure. Dr. Ghosh stated that a transition plan will be created, and noted that more information would be coming in future meetings. A discussion followed on the positive nature of the process.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for November 4, 2013, at 3:00 p.m.

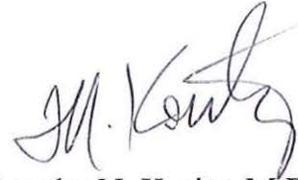
MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Estrada, seconded by Mr. Fitzgerald, the meeting adjourned at 4:45 p.m. There were no "nay" votes.

Respectfully submitted,



Susan M. Kies
Clerk



Timothy N. Koritz, M.D.
Chair



Aubrie L. Williams
Assistant Clerk