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SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
FEBRUARY 24, 2014

This meeting of the University Healthcare System Committee was held in Room 270, Pharmacy Building, 833 South Wood Street, Chicago, on Monday, February 24, 2014, beginning at 2:00 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 Easter was present. Mr. Edward L. McMillan<sup>1</sup>; Mr. James D. Montgomery; Ms. Pamela B. Strobel<sup>1</sup>; Mr. Jamaal E. Hollins, student trustee from the Springfield campus; and Ms. Danielle M. Leibowitz, student trustee from the Chicago campus, also attended the meeting.

The following University officers were also present: Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Christophe Pierre, vice

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<sup>1</sup> Mr. McMillan and Ms. Strobel attended the meeting via telephone.

APPROVED BY THE  
COMMITTEE  
MAY 20 2014  
ADJUTANT GENERAL

president for academic affairs; Dr. Jerry L. Bauman, interim vice president for health affairs; Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University. Dr. Paula Allen-Meares, chancellor, Chicago, and vice president, University of Illinois, participated in the meeting via telephone. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz requested a motion to approve the minutes of the meeting held January 13, 2014. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the minutes were approved. There were no “nay” votes.

## PRESENTATIONS

### Organization of the Academic Health Center

President Easter commented briefly on the development of an implementation plan regarding the structure of the academic medical center and referred to much input from stakeholders in the process. He invited Dr. Bauman and Dr. Avijit Ghosh, senior advisor to the president, to provide a presentation on the reorganization of the academic health center (materials on file with the clerk). Dr. Ghosh mentioned some ideas regarding the academic health center that originated at the Board retreat in July 2013, and described a thoughtful and consultative process for planning its reorganization. He stated that this was motivated by the desire to position the academic health center as a leader among its peers and respond to changes in the health-care market. Dr. Ghosh noted that a clear consensus has emerged regarding the importance of properly aligning the academic and

clinical missions of the health center and also mentioned the opportunities presented by the co-location of the seven health sciences colleges at Chicago campus. He discussed the proposed management structure and explained that the proposal includes the elimination of the position of vice president for health affairs, to be replaced with the vice chancellor for health affairs. Dr. Ghosh said that this position would report to the Chicago chancellor, and that the clinical units and health sciences deans would report to the vice chancellor for health affairs. He commented on the importance of the academic health center and said the president will continue to provide oversight. Dr. Ghosh then presented an organizational chart and discussed the benefits of this proposed structure. He emphasized the commitment to the health-care needs of the State and the goal of making the academic health center a leader. Dr. Ghosh stated that the agenda item outlines a proposed plan for the reorganization of the academic health center and that he anticipates that a vice chancellor for health affairs will be in place in 2015. He said that until that time, the current structure will be maintained. Dr. Ghosh thanked those who contributed and said that much input led to widespread support.

Mr. Fitzgerald inquired about any dissent to the proposed structure, and Dr. Ghosh stated that while there were some objections early in the process, there is no longer hesitation. Dr. Bauman referred to the role of the chancellor's committee, the ad hoc committee of the senate, and the health sciences deans, all of whom were engaged in these discussions and came to congruence on the final recommendation. Mr. Fitzgerald also inquired about the involvement of those at the Peoria, Rockford, and Quad Cities campuses and asked how their budgets are handled. Dr. Bauman and Dr. Ghosh described the budget process and discussed how those at remote campuses participated in



these discussions. President Easter added that local issues or concerns will be addressed at the campus level. Mr. Montgomery asked about opportunities for collaboration, and Dr. Ghosh stated that the vice chancellor for health affairs will be charged with increasing opportunities for collaboration across the campus, University, and beyond.

### Hospital Strategy Group

Next, Dr. Koritz asked Dr. Bauman and Dr. Ghosh to provide a presentation on hospital strategy (materials on file with the clerk). Dr. Ghosh stated that hospitals throughout the country are at a crossroads and that President Easter requested the creation of a forward-looking strategic plan and framework with the identification of short- and long-term priorities. Dr. Ghosh presented members of the hospital strategy group and said a clear strategy is needed to develop institutional priorities for the State; more effectively fulfill clinical care, teaching, and research missions; increase “covered lives”; and serve citizens across the State. He outlined the task and planning road map and discussed elements of the strategy, which he said is based on service growth and cost efficiency. Dr. Ghosh discussed customer access, avenues for growth, and efforts that are already underway. He then described efforts to control costs to benchmarks. Dr. Ghosh concluded his presentation by reporting on next steps for the group. Dr. Bauman commented that this was a good summary of progress made to date and told the committee that the hospital strategy group meets weekly.

Dr. Koritz inquired about work investigating partnerships and affiliations with the hospital and commented briefly on the benefits of these. Discussion followed,

and Dr. Bauman and Dr. Ghosh discussed examples of affiliations and reasons to do this and stated that this is being investigated by a partnership committee.

## COMMITTEE REPORTS

### Hospital Financial Performance

At 3:05 p.m., Dr. Koritz asked Mr. Jeffrey M. Rooney, interim chief financial officer, University of Illinois Hospital, to present a report on hospital financial performance (materials on file with the clerk). Mr. Rooney provided an overview of a statement of operations and volume metrics and key performance indicators, and commented on the operating loss, costs of providing charity care, and increase in cost of supplies. He mentioned an uncertain Medicaid reimbursement rate and said that while patient volume is good, clinic visits are below budget. Mr. Rooney discussed additional performance indicators, and there were no comments or questions regarding his presentation

### Dashboard Report

Next, Dr. Koritz asked Dr. Bryan Becker, associate vice president for hospital operations; Ms. Jodi S. Joyce, associate vice president for quality and patient safety; and Dr. Bernard H. Pygon, chief medical officer, University of Illinois Hospital, to provide a dashboard report for the hospital (materials on file with the clerk). Dr. Becker reported on metrics and discussed days of cash on hand and maximum debt service coverage. He then presented data measuring the management of cost, utilization, and financial stability, and he and Mr. Fitzgerald discussed labor expenses. Mr. Fitzgerald requested a comparison

of labor costs at the hospital to others in the area, and Dr. Becker said he could provide this. Dr. Becker then reported on the average daily census, number of surgical procedures, and total unique patients, and he presented data regarding clinic visits and Mile Square visits. Ms. Joyce then discussed improvements in preventing patient harm, and Dr. Becker commented on initiatives to improve the observed/expected ratio regarding length of stay. Ms. Joyce reported on the total patient mortality ratio and appropriate care measures, and Dr. Pygon and Ms. Joyce commented briefly on patient mortality rates. They discussed the rates of pulmonary embolism or deep vein thrombosis, surgical site infections, and ventilator-associated pneumonia and investigations to determine the drivers for these rates, noting that some may be due to coding errors.

### Quality and Patient Safety

Dr. Koritz then asked Ms. Joyce to make a presentation on quality and patient safety (materials on file with the clerk). Ms. Joyce discussed areas of focus, which she said include central line-associated blood stream infections, catheter-associated urinary tract infections, and unplanned readmissions. She then reported on a hand hygiene campaign and on the culture of safety survey results. Ms. Joyce referred to the safety and risk management report that had been made available to members of the committee and told the committee that Dr. Timothy B. McDonald, chief safety and risk officer for health affairs, will be leaving the University around July 1, 2014, for another position. Dr. Koritz and Mr. Fitzpatrick congratulated Ms. Joyce for improvements in quality and



patient safety, and Ms. Joyce stated that any success is a result of hard work on the part of the entire workforce.

### Compliance Update

At 3:36 p.m., Dr. Koritz asked Dr. William H. Chamberlain, chief compliance officer, to provide a compliance update (materials on file with the clerk). Dr. Chamberlin discussed education and the focus on policies and training and the management of and education for privacy and security. He reported on business processes and reports and resolutions, and he discussed routine reports. There were no questions or comments, and Dr. Koritz thanked Dr. Chamberlin for the update.

### Legislative Report

Next, Dr. Koritz invited Dr. Bauman to present a legislative update. Dr. Bauman introduced Ms. Amy C. Sagen, health policy analyst, Office of the Vice President for Health Affairs. Ms. Sagen commented on Affordable Care Act insurance expansions and discussed efforts to enroll patients and members of the community. She described internal and external communications and provided an update on community outreach, and she discussed aspects of federal policy that may impact the hospital. Mr. Estrada inquired about the work of Certified Application Counselors (CACs), and Ms. Sagen described the enrollment process and number of applications that may be processed per day. She also commented on efforts to enroll patients and members of the community during the last four weeks of the enrollment period.

REVIEW OF RECOMMENDED BOARD ITEMS  
FOR THE MEETING OF THE BOARD OF TRUSTEES  
OF THE UNIVERSITY OF ILLINOIS ON MARCH 6, 2014

Dr. Koritz introduced the discussion of items within the purview of the committee on the Board's agenda for its meeting on March 6, 2014. 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 provided information regarding two recommended appointments to the board of directors of Wolcott, Wood and Taylor, Inc. There were no comments or questions about this.

Approve Student Health Insurance Rates for Urbana, Chicago, and Springfield  
Campuses, Academic Year 2014-15

Dr. Peter J. Newman, senior assistant vice president for treasury operations, commented on the item recommending student health insurance rates for the Urbana, Chicago, and Springfield campuses for Academic Year 2014-15. Dr. Koritz referred to an in depth discussion regarding this item at the Audit, Budget, Finance, and Facilities Committee meeting. Dr. Newman provided an overview of the recommendation and discussed various cost drivers for the rate increase and presented the recommended rates and percent increase at each campus. He explained that some of the increase is due to aspects of the Affordable Care Act.



Dr. Koritz summarized the discussion that occurred at the Audit, Budget, Finance, and Facilities Committee meeting. He referred to the Board agenda item for student health insurance at Urbana, which includes coverage for gender reassignment surgery, and he explained that Mr. Cunningham, student trustee from the Urbana campus, felt he was not adequately informed of this proposed change in coverage and had expressed concern that the student body had not been informed. Dr. Koritz reiterated the comments he made previously and referred to a medical ethics issue due to the permanent sterility that would result from this type of surgery. Mr. Fitzgerald recalled when this surgery was added to the student health insurance coverage at Chicago and said it had been vetted and received strong student support. He inquired about the process at Urbana. Dr. C. Renee Romano, vice chancellor for student affairs, Urbana, provided some background on the process and said discussions regarding coverage for the surgery began last spring when the Chicago campus approved coverage there. She stated that the student insurance committee at Urbana, which is made up of members appointed by the student senate, asked to include gender reassignment surgery in the student health insurance coverage. She reported that this was also discussed with the Graduate Employees' Organization and at a campus town hall meeting. Dr. Romano said she will meet with Mr. Cunningham. She reported that a resolution from the student senate on transgender issues received overwhelming support. She then told committee members that \$2 to \$3 per semester of the cost of insurance is due to gender reassignment surgery coverage. Additional discussion followed, and Dr. Romano stated that one student at Chicago has begun the gender reassignment process since this coverage was offered. She reported that medications and counseling are mandated by the Affordable Care Act and

that this surgery must be deemed medically necessary by a doctor. Lastly, Dr. Romano reported that students have alternatives to buying this insurance.

#### Rename Women's and Children's Health Center, Rockford

Mr. Michael B. Bass, senior associate vice president and deputy comptroller, discussed the recommendation to rename the Women's and Children's Health Center, Rockford, as the University Children's Health Center. He said this would provide an appropriate description of the building's use, since the College of Medicine will no longer provide women's health care and will continue to provide pediatric care at this facility.

#### Purchase Recommendation

Dr. Heather J. Haberaecker, executive assistant vice president, Office of Business and Finance, reported on purchase and renewal recommendations. Dr. Haberaecker discussed the recommendation of a renewal option for the purchase of human organs, including tissue and histocompatibility testing services, for accredited transplant programs at the University of Illinois Hospital and Health Sciences System. She explained that this vendor is the only certified, federally qualified organ procurement organization in the region. She stated that the \$6.0 million listed in the item is the maximum that may be spent and that these will be purchased as needed.

There were no objections to any of the above items being forwarded to the full Board.

OLD BUSINESS

There was no business presented under this aegis.

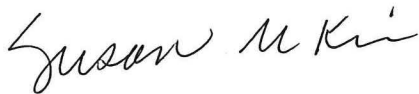
NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for Monday, May 5, 2014, at 3:00 p.m.

MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Fitzgerald, seconded by Mr. Estrada, the meeting adjourned at 4:15 p.m. There were no "nay" votes.


Respectfully submitted,



SUSAN M. KIES  
*Clerk*



TIMOTHY N. KORITZ, M.D.  
*Chair*



EILEEN B. CABLE  
*Assistant Clerk*



