

**APPROVED BY THE
COMMITTEE**

JUL 14 2014


SECRETARY OF THE BOARD

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

MAY 5, 2014

This meeting of the University Healthcare System Committee was held in Room 270, Pharmacy Building, 833 South Wood Street, Chicago, on Monday, May 5, 2014, beginning at 2:19 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 and Dr. Timothy N. Koritz. Mr. Patrick J. Fitzgerald was absent. 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; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Lawrence B. Schook, vice president for research; 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. 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 February 24, 2014. On motion of Mr. Estrada, seconded by Dr. Koritz, the minutes were approved. There were no “nay” votes.

COMMITTEE REPORTS

Hospital Financial Performance

At 2:21 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, volume metrics, and key performance indicators. Discussion followed regarding the Medicaid reimbursement rate, inpatient and outpatient volume, and the loss of income to the hospital. Dr. Bauman commented on efforts to increase inpatient volume and leverage federal funding streams, and Dr. Bryan Becker, associate vice president for hospital operations, described a comprehensive approach to expense management. Mr. Rooney presented data regarding the payor mix, and he and Dr. Nicole Kazee, senior director of health policy and programs, discussed the impact of Affordable Care Act insurance expansions. Mr. Rooney then showed the statement of operations for March 2014 and discussed revenue, statistics, and volume. He concluded his

presentation by providing the annual trend of uncompensated care at cost, inpatient volume, surgical volume, and outpatient visits.

Dashboard Report

Next, Dr. Koritz asked Dr. Becker; 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 financial performance measures and noted that labor expense is a significant challenge. Dr. Becker 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. He discussed patient safety indicators, and Ms. Joyce commented on the rate of catheter-associated urinary tract infections and readmission rates. Dr. Becker referred to improvements in the emergency department length of stay and inpatient mortality index.

Quality and Patient Safety

Next, Ms. Joyce made a presentation on quality and patient safety (materials on file with the clerk). She discussed improvements in decreasing the rate of central line-associated blood stream infections and catheter-associated urinary tract infections, noting that the hospital will exceed its stretch goals in these areas. Ms. Joyce told the committee that this is a result of efforts made by the entire workforce. She then discussed the unplanned

readmission rate and said that while efforts to improve are ongoing, it is unlikely the goal will be met in this area. She then reported on a hand hygiene campaign, which has a goal of 90 percent compliance. Ms. Joyce referred to an upcoming leadership conference and invited committee members to attend.

Dr. Bauman reiterated some of the points made by Dr. Becker and Ms. Joyce and referred to the efforts of many in the hospital, stating that he is optimistic that things are moving in a positive direction. Dr. Bauman and Ms. Joyce commented on the importance of accurate data, and Dr. Koritz congratulated all involved on their great work. Discussion followed regarding labor costs, and Dr. Becker stated that an ongoing investigation of labor costs shows that the hourly-wage rate is well above average. He referred to efforts to move toward a greater skill mix among employees and commented on an assessment of full-time employee ratios.

Facilities Report

At 3:25 p.m., Dr. Koritz asked Mr. David H. Loffing, chief operating officer, University of Illinois Hospital, to provide a facilities report. Mr. Loffing discussed work associated with the College of Nursing and the creation of a 20-bed, short-stay unit at the hospital. He also reviewed the timeline for the hospital infrastructure project and reported that improvements to the emergency department that will allow for greater patient-centered care.

Compliance Update

At 3:29 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 identification of problems with onboarding physicians and coders. He also commented on concealed carry and provider responsibilities. Dr. Chamberlin reported on business processes related to internal and external risk assessments, and he referred to reports and resolutions regarding the Mile Square Health Center. Lastly, he discussed areas of interest from the Office of the Inspector General and presented a work plan.

Legislative Report

Next, Dr. Koritz invited Dr. Kazee to provide a legislative report (materials on file with the clerk). Dr. Kazee discussed Affordable Care Act insurance expansions and efforts to enroll patients. She then provided information regarding the shift to Medicaid managed care in Illinois and said many Medicaid patients will select a Medicaid care coordination plan on July 1, 2014. Dr. Kazee referred to the establishment of UI Health Plus and explained this would allow patients to select UI Health as their managed care option and to continue to see their current UI Health providers. She discussed anticipated enrollment goals, payment, and care delivery. Dr. Kazee also commented on federal policy and its impact on Medicaid and Medicare.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON MAY 14, 2014

Dr. Koritz introduced the discussion of items within the purview of the committee on the Board's agenda for its meeting on May 14, 2014. The recommended Board items discussed at the meeting are on file with the clerk.

Appoint Member to the Advisory Board,
Division of Specialized Care for Children (DSCC) in Springfield, Chicago

Dr. Allen-Meares reviewed the recommendation to appoint one member to the advisory board, Division of Specialized Care for Children (DSCC) in Springfield, Chicago. She provided a brief history of the DSCC and explained that the Board of Trustees is charged with appointing members to the DSCC advisory board. Dr. Allen-Meares then discussed the recommended appointment of Dr. Laura Deon.

Establish the Bachelor of Science in Rehabilitation Sciences,
College of Applied Health Sciences, Chicago, and
Establish the Doctor of Philosophy in Rehabilitation Sciences,
College of Applied Health Sciences, Chicago

Dr. Lon S. Kaufman, vice chancellor for academic affairs and provost, Chicago, provided information regarding the recommendation to establish the Bachelor of Science in Rehabilitation Sciences, College of Applied Health Sciences, Chicago, and the Doctor of Science degree in rehabilitation sciences, College of Applied Health Sciences, Chicago. He discussed these programs and stated that this will be the first Ph.D. program in

rehabilitation sciences in Illinois, and that it provides an opportunity to be in the market early.

Establish the Clinician Executive Master of Healthcare
Administration, School of Public Health, Chicago

Dr. Kaufman reported on the recommendation to establish the Clinician Executive Master of Healthcare Administration degree, School of Public Health, Chicago. He stated that this will be a specialized degree and a small program for individuals who already have clinical degrees.

Transfer the Doctor of Occupational Therapy from the Graduate College
to the College of Applied Health Sciences, Chicago, and
Transfer the Doctor of Nursing Practice from the Graduate College
to the College of Nursing, Chicago

Dr. Kaufman reviewed the recommendations to transfer the Doctor of Occupational Therapy from the Graduate College to the College of Applied Health Sciences at Chicago and to transfer the Doctor of Nursing Practice from the Graduate College to the College of Nursing at Chicago. He stated this structure will be similar to other programs throughout the country, including many peer institutions

Increase Project Budget for Learning Center Space Renovation,
College of Medicine, Chicago

Mr. Michael B. Bass, senior associate vice president and deputy comptroller, commented on the recommendation to increase the budget for the Learning Center Space renovation at the

College of Medicine, Chicago. He discussed condition changes and design costs leading to this recommendation.

Approve Lease for College of Nursing, Urbana

Mr. Bass then provided information regarding the recommendation to approve leased space for the University of Illinois at Chicago College of Nursing Regional Campus at Urbana. He explained that this proposed space would be used for classes and would allow students and staff to move into a quality space.

Approve Lease for UIC College of Medicine, Chicago

Mr. Bass commented on the recommendation to approve leased space for the College of Medicine at Chicago for medical office space for the departments of otolaryngology and urology. He discussed the terms of the lease and the location of the offices.

Purchase and Renewal Options Recommendations

Dr. Heather J. Haberaecker, executive assistant vice president, discussed the recommended purchase of administrative and management services for the Student Health Benefit Program, also known as Campus Care, at Chicago. She told the committee that while only one vendor responded to the request for proposal, she was

happy with the pricing that was submitted. She then commented on renewal options within the purview of the committee.

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

PRESENTATION

Community Based Practice

At 3:59 p.m., Dr. Koritz asked Dr. Robert A. Winn, associate vice president for community based practice, to provide a presentation on community based practice (materials on file with the clerk). Dr. Winn referred to the rich history of the Mile Square Health Center, which he said is a federally qualified health center (FQHC). He described the function and purpose of FQHCs and stated that the University operates the Mile Square Health Center in conjunction with its community board. Dr. Winn provided additional details about this arrangement and discussed Mile Square patients and its payor mix. He commented on the new Mile Square Health Center that opened in January 2014. Dr. Winn then discussed the vision of UI Health and the potential for Mile Square to increase the primary care base. Discussion followed, and Dr. Winn commented on unique opportunities available to FQHCs. Dr. Bauman and Dr. Winn also discussed the role of urgent care and primary care referrals. Dr. Koritz inquired about financial risk to the University, and Dr. Winn told the committee that while there is a risk to the University, it is worthwhile. Dr. Winn indicated that Mile Square provides an

opportunity to increase patient volume and advocated that approaches to make Mile Square more robust and provide appropriate oversight should be considered. Dr. Haberaecker discussed medical malpractice insurance and the liability of FQHCs. Discussion followed regarding the UI Health vision and access to care in rural areas in Illinois. Dr. Koritz thanked Dr. Winn for the presentation and for his enthusiasm.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for Monday, July 14, 2014, at 3:00 p.m.

MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Estrada, seconded by Dr. Koritz, the meeting adjourned at 4:25 p.m. There were no “nay” votes.

Respectfully submitted,



SUSAN M. KIES
Clerk



TIMOTHY N. KORITZ, M.D.
Chair



EILEEN B. CABLE
Assistant Clerk

