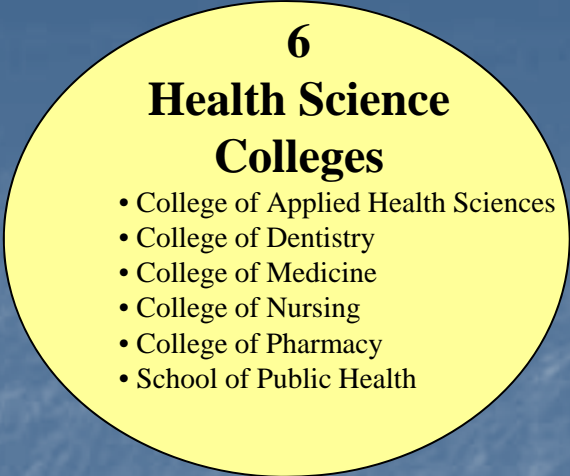




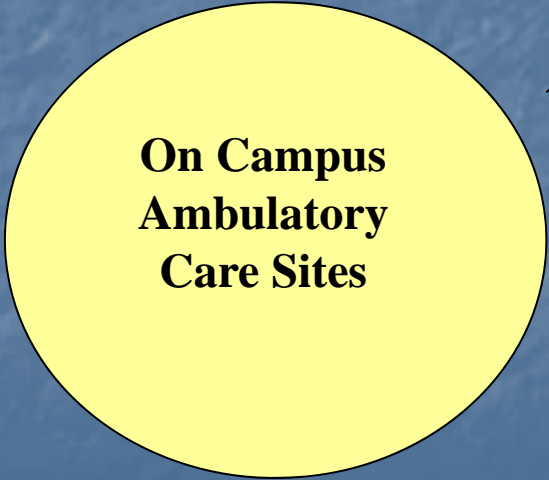
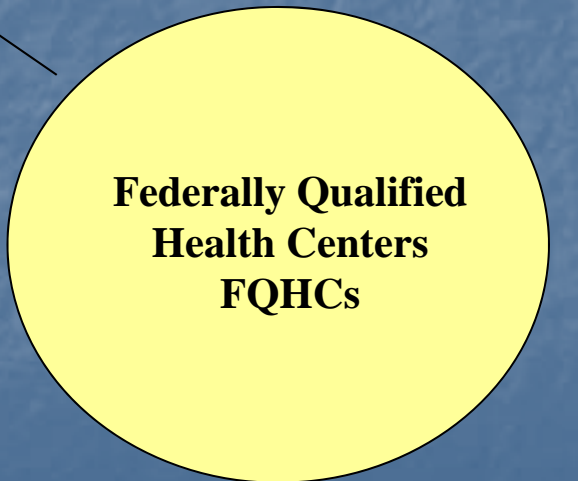
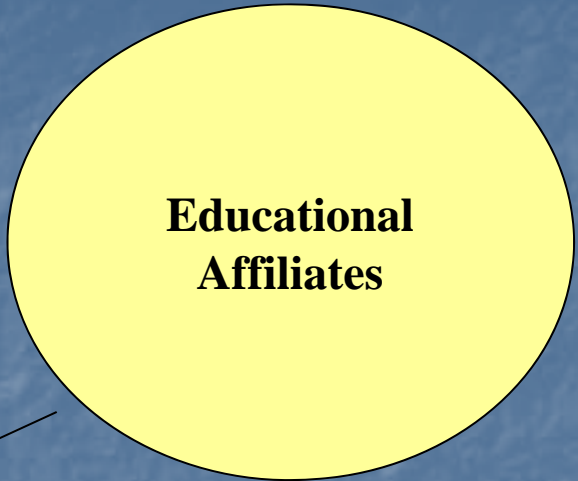
**Meeting of the Hospital Committee of the
Board of Trustees of the
University of Illinois
January 20, 2010**



6

Health Science Colleges

- College of Applied Health Sciences
- College of Dentistry
- College of Medicine
- College of Nursing
- College of Pharmacy
- School of Public Health



University of Illinois Medical Center

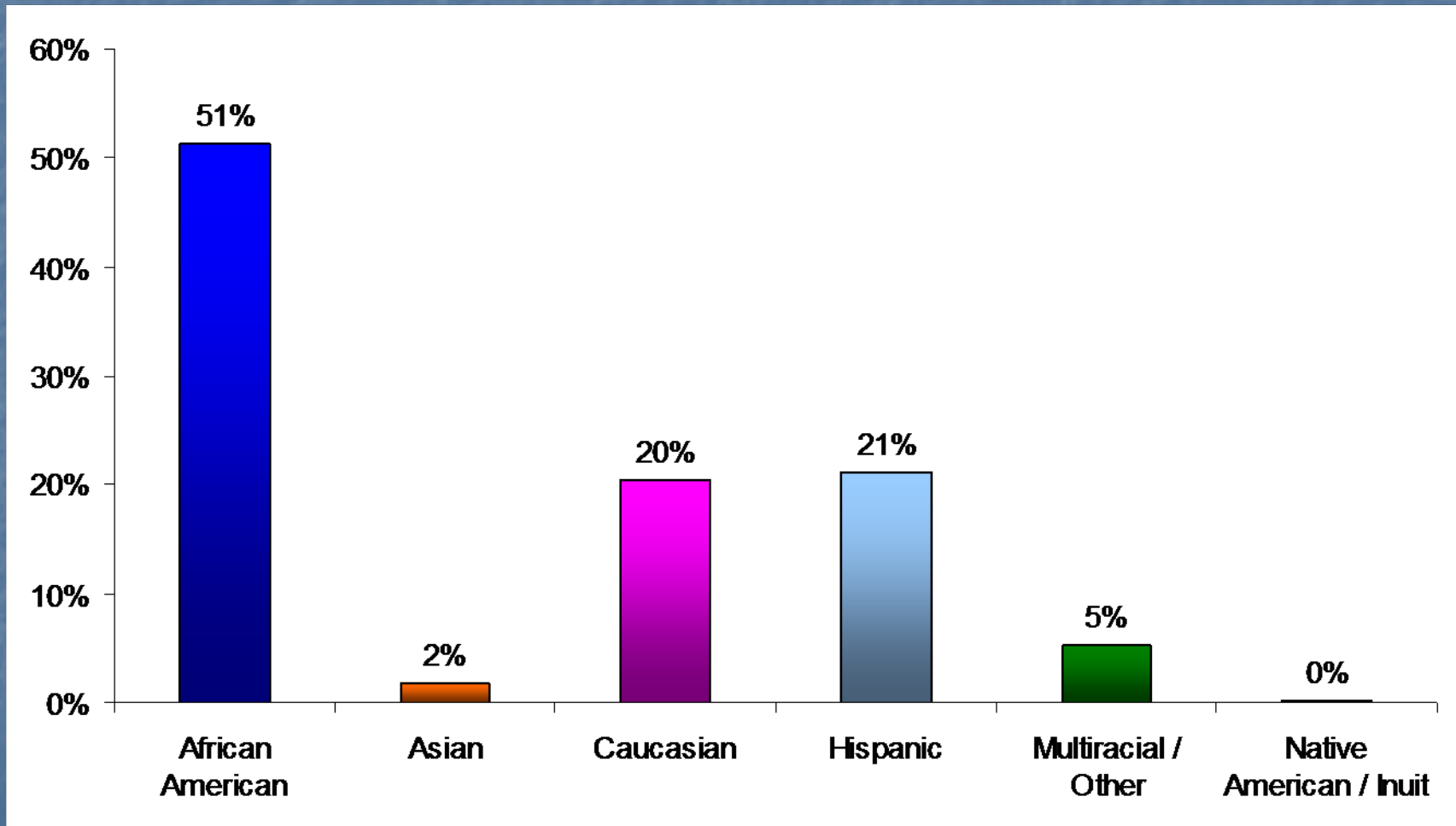
- Opened 1980
- 495 Licensed Beds
- Outpatient Care Center Opened on Campus in 1999
- 12 Community-based Federally Qualified Health Centers
- 3144 FTE's as of 11/30/09

FY 09

- 123,000 Unduplicated Patients
- From 89 of 102 Illinois Counties
- 91% from Cook County
 - Outpatient Visits 448,520
 - Admissions 19,911
 - Births 2,829
 - ER Visits 57,372

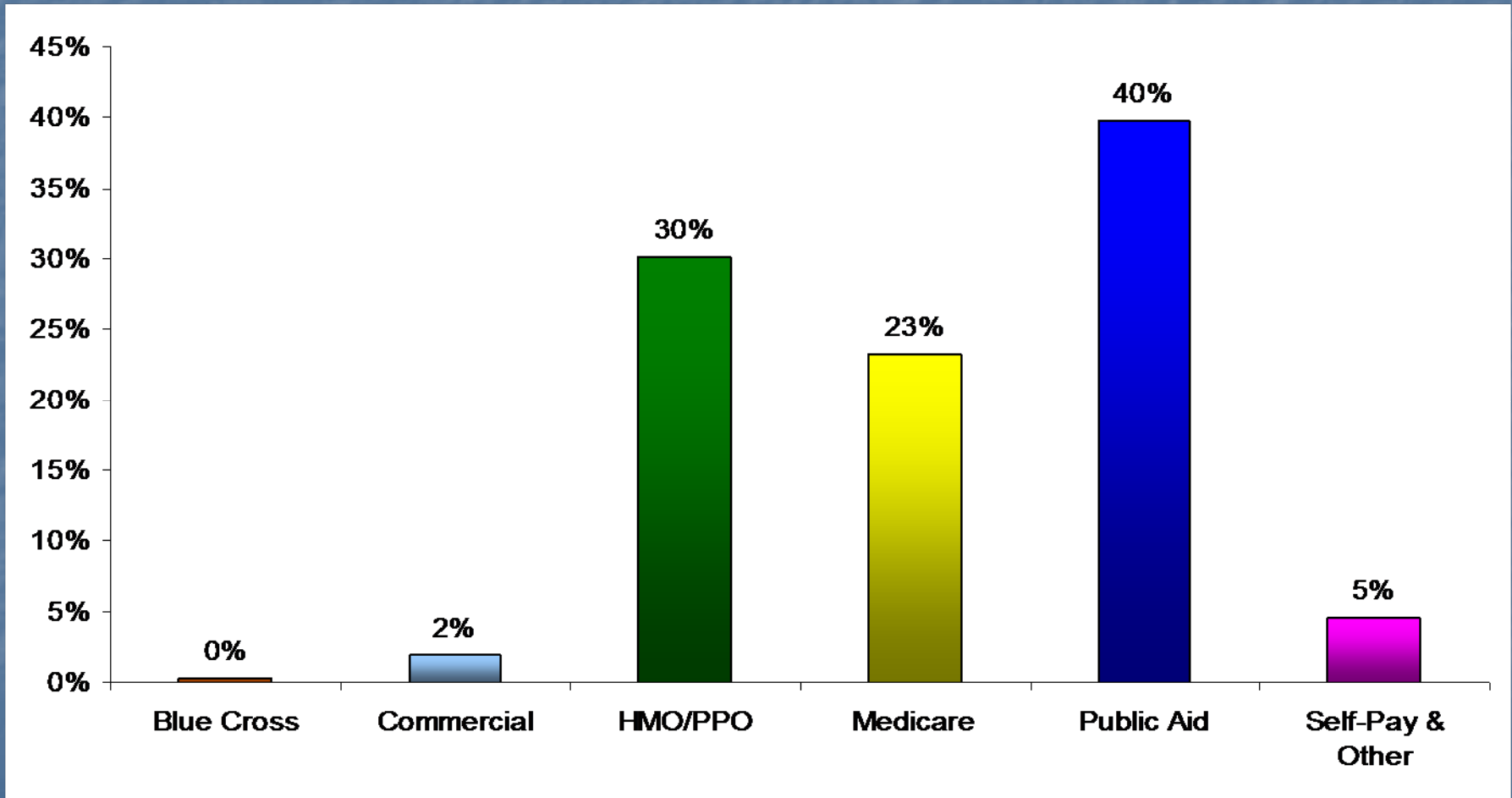
FY2009 UIMC Ethnicity Mix

(as a % of Inpatient Days)



FY2009 UIMC Payor Mix

(as a % of Inpatient Days)

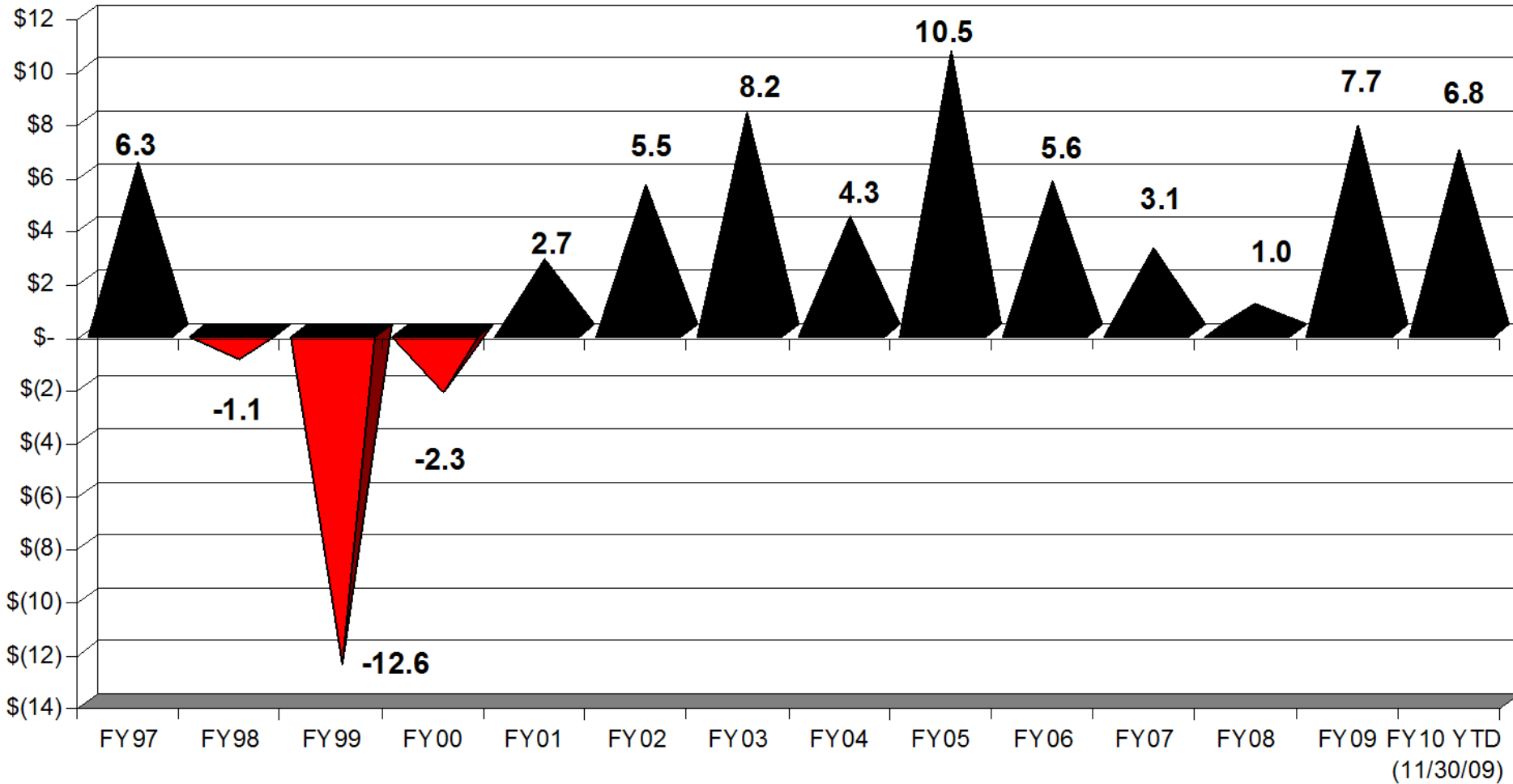


Financial Performance Through 11/30/09

William Devoney
Chief Financial Officer

Presentation to the Hospital Committee
January 20, 2010

Increase in Net Assets (FY97-FY10 (YTD 11/30/09)) (Millions)



Financial Performance Through 11/30/09

■ Utilization

- Although patient days remain 4.5% below budget, outpatient volume has bolstered adjusted days to exceed 2010 budget and pay period 4 actual by 2.3%

■ Revenues

- Despite 21% increase in charity care and bad debt, net revenues are equal to budget and 3.1% better than FY 09

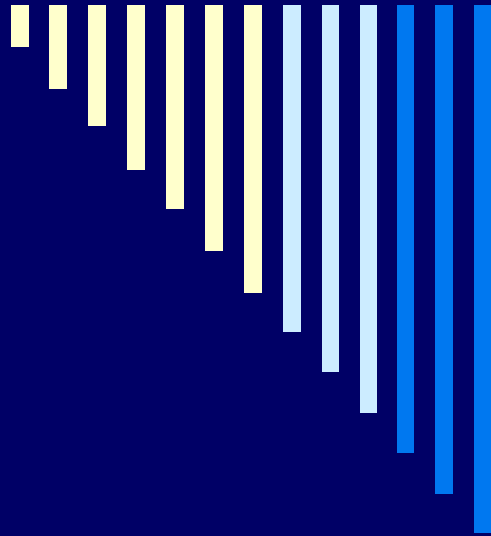
Financial Performance Through 11/30/09

■ Expenses

- Aggressive management of staffing has resulted in salaries being 3.5 % lower than budget and only 1.8% higher than 2009
- Supply and other expense management is 3% below budget and \$500,000 lower than last year
- Average FTE's for first five months is 122 lower than prior year

■ Cash Available

- Cash balances remain strong and are actually \$8.5 million higher than prior year



Governance of the Clinical Enterprise

Presentation to the Hospital Committee
January 20, 2010

William Chamberlin, MD

CMO, University of Illinois Medical Center



Legal & Regulatory Responsibilities

The Governing Body is legally accountable for the safety & quality of care within the Enterprise as required by:

- ◆ The Joint Commission (Accreditation)
- ◆ Centers for Medicare & Medicaid
 - CMS (Reimbursement)



Tri-partite Leadership Structure

- Board of Trustees (Governance)
 - Enterprise Management
 - Organized Medical Staff
-



Specific BOT responsibilities- Hospital Management

- ❑ Selects Chief Executive of Enterprise
 - ❑ Approves hospital written scope of services
 - ❑ Approves conflict management process among leadership groups
 - ❑ Provides adequate staff and resources
 - ❑ Annual evaluation of hospital performance related to mission, vision, & goals
 - ❑ Enterprise compliance with law & regulation
-



BOT Responsibilities- Financial

- Governing body approval of annual budget & long-term capital expenditure plan
 - Independent public accountant audit of hospital finances-annual basis
 - Provision of adequate staffing and resources
-



BOT Responsibilities- Medical Staff

The Organized Medical Staff is self-governing & is accountable to the Governing Body:

- ❑ Board approval of medical staff structure
 - ❑ Board approval of medical staff appointment & privileges (at least 2 voting members of BOT)
 - ❑ Board approval of Medical Staff Bylaws that define rules for self-governance of the medical staff
 - ❑ Provides medical staff w/opportunity to participate in governance
 - ❑ GME Committee communicates to the Board
-



BOT responsibilities- Patient Safety & Quality

- Create a culture of safety & quality
 - Departments are educated & involved
 - Root cause analysis of sentinel events is performed
 - Medical errors are investigated and tracked & Institution learns from these investigations
 - Blame free reporting of system failures is promoted
 - Success of improvements in measured/sustained
 - Input from communities served is considered
 - Annual report to BOT on sentinel events & actions taken to improve safety
-



What is a Sentinel Event?

A Sentinel Event is defined as an unexpected occurrence resulting in death or serious physical or psychological injury

- Serious injury includes loss of limb or function.
 - The risk from a similar event suggests that a repeat occurrence might have a high likelihood of resulting in an injury (the 'near miss').
-



Board Orientation per TJC

Members of board are oriented on:

- 1) Hospital mission & vision
 - 2) Hospital quality & safety goals
 - 3) Hospital structure & decision making process
 - 4) Budget development process/financial statements
 - 5) Profile of populations served by the hospital and special needs
 - 6) Interdependent responsibilities of Board, Administration & Medical Staff
 - 7) Applicable law & regulation
-



Mission-

Health Care Delivery ♦ Teaching ♦ Research

The mission of the University of Illinois Medical Center is to support essential teaching and research functions of the academic units of the University's Health Sciences Center... we must provide the best of care in accordance with the highest standards of hospital accreditation, having at all times the welfare of the patient as a primary concern.



Vision

We will be true to our commitment to the people of Illinois to provide compassionate, high quality health care and be an acclaimed leader in advancing the art and science of medicine.



Values

- * Integrity
 - * Innovation
 - * Service Excellence
 - * Safety
 - * Accountability
-



Medical Center Code of Ethics (Policy *LD 1.03*)

- We will involve patients and family members in decisions regarding the care they receive.
 - We will inform patients of the alternatives and risks associated with the care they are seeking and that we offer to provide.
 - We will protect the integrity of clinical decision making, regardless of how the Medical Center is compensated financially.
-



Medical Center Code of Ethics (Policy *LD 1.03-continued*)

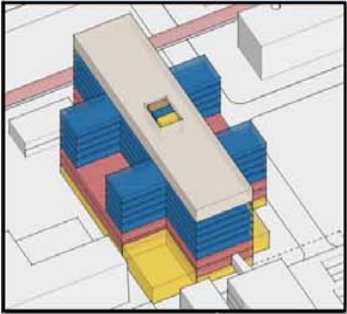
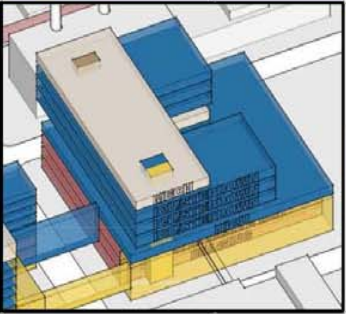
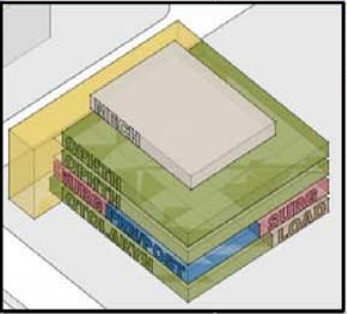
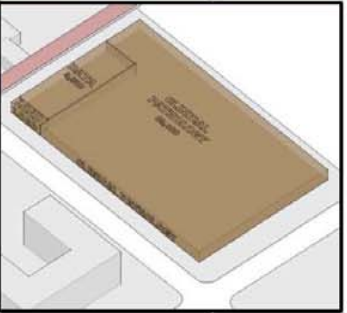
- ❑ We will protect patient confidentiality and information will be shared with those individuals authorized to receive and act on such information on the patient's behalf.
 - ❑ We will fairly and accurately represent ourselves to the public.
 - ❑ We shall make every effort to distribute accurate and timely bills to patients and payers.
-



Safety & Quality Goals

- Established by each clinical service & operational department
 - Organizational priorities of senior leadership:
 - 1) Access & Admissions
 - 2) Surgical operation efficiency
 - 3) Infection reduction
 - 4) Patient satisfaction & service recovery
-

RECOMMENDED PHASING STRATEGY

| Existing Hospital | Taylor Street | Roosevelt Road | South of Roosevelt Road | | | | |
|--|---|--|---|------------------------------------|---------------|------------------------------------|---------------|
| <i>Defend-In-Place</i> | <i>New Hospital</i> | <i>New Illinois Eye & Ear Institute</i> | <i>New Pathology Center</i> | | | | |
|  |  |  |  | | | | |
| BUILDING AREA | | BUILDING AREA | | BUILDING AREA | | BUILDING AREA | |
| Program DGSF | 32,500 | Program DGSF | 282,000 | Program DGSF | 92,000 | Program DGSF | 76,500 |
| | | Shell SF | 71,000 | Shell SF | - | Shell SF | - |
| | | BGSF | 465,000 | BGSF | 119,000 | BGSF | 99,000 |
| | | Req'd Renovations | 32,500 | | | | |
| PROGRAM COMPONENTS | | PROGRAM COMPONENTS | | PROGRAM COMPONENTS | | PROGRAM COMPONENTS | |
| Life Safety System Upgrades | | ICU | 72 Beds | Surgery | 4 OR + 2 PR | Clinical Pathology | |
| MEP Systems Upgrades | | Stepdown Beds | 84 Beds | Pre/Post NU | 16 Rooms | Data Center | |
| Associated Architectural Renovations | | NICU | 60 Beds | Imaging | 2 Modalities | | |
| | | Surgery, CSP + APEC | 6-8 OR + 1-2 PR | Ophthalmology | 88 EX + 24 TR | | |
| Recapitalization does NOT include: | | Pre/Post NU | 32 Rooms | Otolaryngology | 31 EX + 2 TR | | |
| - Adapting for Service Line Growth | | Imaging | 17 Modalities | Facial Plastics | 8 EX | | |
| - New Technology Adoption | | GI/Endo | 8 Rooms | Optical Shop | | | |
| - Changes in Models-of-Care | | Satellite + OP Pharmacy, OP Registration | | | | | |
| - Changes in Market Expectations | | Respiratory Therapy, Ancillary Support | | | | | |
| | | Renovations to connect to existing Hospital | | | | | |
| | | On-Call, Conference Center, Waiting, etc | | | | | |
| COST | | COST | | COST | | COST | |
| Recapitalization Cost Over 10 Years | \$ 80,000,000 | Total Project Cost + Escalation | \$ 450,000,000 | Total Project Cost + Escalation | \$ 75,000,000 | Total Project Cost + Escalation | \$ 55,000,000 |
| CONSTRUCTION START - FINISH | | CONSTRUCTION START - FINISH | | CONSTRUCTION START - FINISH | | CONSTRUCTION START - FINISH | |
| January 2010 - January 2020 | | January 2011 - January 2015 | | January 2011 - January 2013 | | January 2010 - January 2012 | |

**Total Project Cost =
\$660,000,000**