

SPECIAL MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

August 10, 1989



A special meeting of the Board of Trustees of the University of Illinois was held in Room 1135, University of Illinois Hospital, Chicago, Illinois, beginning at 10:00 a.m., on Thursday, August 10, 1989. Pursuant to call by the president of the board, the meeting was a working session of the Board of Trustees concerning the University of Illinois Hospital, the College of Medicine, and health science programs. The secretary of the board gave notice of the meeting as prescribed by the By-Laws and by Illinois Statute.

President Charles P. Wolff called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Dr. Gloria Jackson Bacon, Mr. Kenneth R. Boyle, Mrs. Judith Ann Calder,¹ Mr. Donald W. Grabowski, Mrs. Susan L. Gravenhorst, Ms. Judith R. Reese, Mrs. Nina T. Shepherd, Mr. Charles P. Wolff. The following members of the board were absent: Mr. Ralph C. Hahn, Governor James R. Thompson. The following nonvoting student trustees were present: Mr. Matthew R. Byer, Urbana-Champaign campus; Mr. Randy Crumpton, Chicago campus.

Also present were President Stanley O. Ikenberry; Dr. Robert W. Resek, vice president for academic affairs; Dr. Donald N. Langenberg, chancellor, University of Illinois at Chicago; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for business and finance); Mr. Byron H. Higgins, university counsel; and Dr. Earl W. Porter, secretary.

¹ Mrs. Calder joined the meeting at the close of the executive session, at 10:45 a.m.

EXECUTIVE SESSION

President Wolff, referring to Section Two of the Open Meetings Act, stated: "A motion is now in order to hold an executive session to consider information regarding the appointment, employment, or dismissal of employees or officers, to discuss pending, probable, or imminent litigation, the acquisition of real property, and to discuss campus security."

The motion was made by Mrs. Gravenhorst and approved unanimously.

Harper vs. Wolff

At President Wolff's request, University Counsel Higgins reported briefly on the status of this lawsuit which challenges the University's earlier plans to seek agreements and affiliations with Cook County Hospital and Michael Reese Hospital and Medical Center. Mr. Higgins described the suit as "essentially political," indicating his professional view that it would be dismissed.

Report, Personnel Matters

At President Ikenberry's request, Executive Vice Chancellor Stukel was present to review personnel matters of current concern:

(1) The resignation (on August 8, 1989) of Dr. Phillip M. Forman as dean of the College of Medicine and vice chancellor for health services, effective August 31, 1990. It was pointed out that the resignation was accepted with considerable regret; possibly, it will provide a period of stability while the rebuilding and revitalization of the college and the hospital are underway. Some 21 of the 23 department heads in the College of Medicine have written, strongly favoring Dr. Forman's remaining in place. President Ikenberry paid tribute to Dr. Forman's extraordinary efforts in the last year to preserve the educational and financial stability of the Health Sciences Center. Dr. Stukel outlined the process by which a search for a successor will be launched in the forthcoming months.

(2) The status of six new department heads, those appointed from Michael Reese Hospital and Medical Center. At least three have received strong if not unanimous support from the faculty members of their departments. There are ambiguities and some difficulties in the other departments. In Stukel's judgment, however, the central question is one of accountability. He and the hospital director, Donovan Riley, will set goals for the departments for the coming year and will monitor them carefully in assessing the degree to which the departments are succeeding.

Affiliation with Reese

Dr. Stukel reported that a new approach to such an affiliation is being

considered by the Rebuilding Committee.¹ A draft is being prepared for discussion and is under review by University attorneys as well. The draft will be broad in scope, dealing with governance and institutional issues only. The intent is that such an affiliation, if pursued, should undergo a transition year in which each department will carefully weigh its potential relationship to Reese. Stukel emphasized that it is essential that a definitive decision be made by the Board of Trustees with regard to whether there should be an affiliation with Michael Reese Hospital and Medical Center and that this decision should be made soon, perhaps in September.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 10:45 a.m. The board reconvened in regular session at 10:55 a.m. President Wolff announced that this would be a working session of the board; that there would be no recommendations before the trustees for action and no decisions would be taken. He reviewed the schedule of the day and made the following general comments:

As I have reflected on the past eight months and prepare for the weeks ahead, I feel we need criteria against which our plans can be tested. For me, these include the following:

1. Do the plans lead to a strengthening of our College of Medicine? It is too easy to forget that the reason we operate a hospital and have other affiliations is to have strong academic programs in the health sciences.
2. Do our plans provide for the strengthening of the University Hospital, and are the plans realistic?
3. Will our plans provide for the clinical needs of medicine, nursing, and pharmacy? What other affiliations are required and for what purposes? What patient base is needed now and in the future?
4. Do the plans provide a setting for the generation of Medical Service Plan income sufficient to avoid major budget reductions in the College of Medicine? And finally,
5. As trustees of substantial State resources, will we have made wise use of these substantial (additional) funds provided us by the General Assembly?

President Ikenberry introduced two of the four consultants who have been employed to be of assistance to the Board of Trustees and to the

¹ James Stukel, executive vice chancellor and vice chancellor for academic affairs, *chair*; Riad Barmada, professor and head of orthopaedics, College of Medicine at Chicago and surgeon-in-chief, University of Illinois Hospital; Judith Cooksey, associate vice chancellor for health services; Joseph Flaherty, professor of psychiatry in the College of Medicine at Chicago; Elmer Hadley, professor of biological sciences; Patricia Kaisling, administrative nurse, University of Illinois Hospital; Thomas Layden, associate professor of medicine, College of Medicine at Chicago; Henri Manasse, dean of the College of Pharmacy; Donovan Riley, interim director of the University of Illinois Hospital and associate vice chancellor for health services; James Schuler, associate professor of surgery, College of Medicine at Chicago and chief, Division of Vascular Surgery, University of Illinois Hospital; John Skosey, chief, rheumatology, professor of medicine, College of Medicine at Chicago; John Solaro, professor and head of the Department of Physiology and Biophysics; Martin Swerdlow, professor and head of pathology, and chief of service-Michael Reese, College of Medicine at Chicago; Paul Thomas, professor of surgery, College of Medicine at Chicago, and chief of surgery, West Side Veterans Administration Hospital; James Whalen, assistant professor of clinical medicine, College of Medicine at Chicago; Jacob T. Wilensky, professor of clinical ophthalmology and acting head of the Department of Ophthalmology.

president in the resolution of problems in the operation of the hospital and the College of Medicine. Two of those present were: Dr. Robert Petersdorf, president, American Association of Medical Colleges, chairman of the group; and Dr. Steven C. Beering, president, Purdue University. Those who could not attend are: Dr. Edward J. Stemmler, former executive vice president, University of Pennsylvania Medical Center, now with the American Association of Medical Colleges; and Dr. Sheldon King, president, Cedars-Sinai Medical Center, Los Angeles.

The president then presented Dr. Stukel who introduced several members of the Rebuilding Committee who were present. He then provided a detailed review of the operations of the hospital and the College of Medicine and the other colleges of the health sciences. He noted in particular the inseparable relationship of educational mission, patient care, and financial status of the hospital and the colleges of the health sciences.

Dr. Stukel reviewed current sites where clinical instruction is provided, at the University of Illinois Hospital and at other hospitals with which the University has affiliations; the curricula of both undergraduate and graduate students (residents), their numbers and their distribution; the size and significance of the "metro" group of hospitals which serve as major teaching centers, especially for residents. Clinical departments of special importance are the Departments of Surgery, Pediatrics, Obstetrics and Gynecology, Medicine, and Psychiatry. As to affiliations with other hospitals, he provided an "early warning": All of the U.S. Veterans Administration Hospitals now are under review, including that on the West Side of Chicago. Three hospitals in the metro group may seek affiliations elsewhere. Finally, he observed that all academic medical centers are facing similar difficulties and that we are in a highly competitive situation with regard to affiliation and a well-distributed patient clientele. Indeed, over 50 percent of the personal services budget of the College of Medicine is derived from Medical Service Plan revenues. In some departments the clinical expenditures from the Medical Service Plan may be as much as three times that of the State appropriation afforded the department. Dr. Stukel also reviewed the relative significance of the sources of funds for patient care, i.e., Medicare, public aid, Blue Cross and commercial insurance, self-pay — and emphasized the importance of the newly-negotiated higher rate and larger numbers of ICARE days to be obtained from the Illinois Department of Public Aid.

As to the hospital itself: the highly-concentrated area in which it operates provides a "poorer, sicker, and younger-than-average" clientele; it requires primary care services; yet, the colleges also must be staffed to provide tertiary care for adequate educational experiences. A much broader referral network is necessary as well.

A variety of hospital statistics were provided, data indicating that the average daily census has declined in the last three years by over 30 per-

cent. There are key service shortages, i.e., loss of staff and other support, in neurosurgery, cardiothoracic surgery, obstetrics and gynecology, anesthesiology, radiology, and plastic surgery.

Dr. Stukel then offered a variety of budget alternatives for the next year, each based on different assumptions with regard to income and hospital occupancy. These range from the least-optimistic alternative, which would result in a net deficit of over \$5 million—to the most optimistic, which would provide a surplus of \$7.8 million. Among strategies being considered for the improvement of the hospital census are: a general reaffirmation of the primacy of the hospital within its service area and within the University; a strong focus on ambulatory care, satellite clinics, and family practice residencies; and a faculty incentive program to encourage faculty support of the efforts described. Moreover, an “open” medical staff is being discussed; as is the need to expand HMO relationships; to increase the institution’s outreach to the community; and to heighten the use of marketing efforts in general.

Finally, reiterating the interlocking significance of hospital revenue, Medical Service Plan income, and education and patient care, Dr. Stukel indicated that the following conclusions are derivative of the recent deliberations of his Rebuilding Committee:

A healthy Medical Service Plan is crucial for the clinical departments’ operation. The hospital operating conditions must be improved, services and staff restored, and census expanded. Significant opportunities must be exploited, i.e., ambulatory care and clinical enhancement. A definitive settlement of the question of the relationship with Michael Reese Hospital and Medical Center must be made. Finally, a continued effort is essential to retain, if not improve, State support for the hospital. The \$25 million additional funds appropriated by the General Assembly must be made a permanent part of the annual appropriation.

Hospital Director Donovan Riley reviewed some of the opportunities within the southwest Chicago area for the construction or leasing of primary care and ambulatory care facilities that might be productive in referral of patients; and he discussed the development and enhancement of HMO operations. He expected to have a full analysis for the board within the next month or so.

**Discussion with Dr. Bernard J. Turnock, Director,
Illinois Department of Public Health; and
Dr. Richard M. Krieg, Acting Commissioner,
Department of Public Health, City of Chicago**

President Wolff had invited Drs. Turnock and Krieg to meet with the board to discuss the relationship of the University’s planning to the larger role of the city and the county in health care. Dr. Turnock identified two constants from the impact study undertaken by this department in the

spring: (1) the area in which the University of Illinois Hospital operates is under-served, especially in terms of primary care services; and (2) there is always a problem when "incremental" decisions are made in public health service planning: once taken, they influence subsequent incremental decisions. Therefore, it is important that all relevant institutions attempt to work together. He emphasized that this is of particular importance in regional perinatal care, in which the University has historically provided a large share of service.

Dr. Krieg said that his earlier concerns about high risk and neonatal care have been eased somewhat. He believed there was a strong potential now for relating city programs to the plans of the University of Illinois. A mechanism is needed, however, to provide standards or guidelines against which short-term decisions and arrangements can be measured. In the general discussion it was pointed out that now, after considerable ferment and controversy, the climate is good for all parties at all levels to consult and to work together.

BOARD MEETING RECESSED

The board recessed for lunch at 1:00 p.m. Guests of the board at luncheon were Dr. Petersdorf, Dr. Beering, members of the Rebuilding Committee, Dr. Turnock, Dr. Krieg, and others.

The board reconvened at 2:10 p.m. President Wolff announced that an opportunity now was available to speak briefly to the board and a number of individuals from the University staff, the community, and from other institutions did so. At the conclusion, President Ikenberry expressed the view that it had been a productive meeting overall, that there appeared to be a strong determination to preserve the strength of the programs in the health sciences and to quickly rebuild the University Hospital. He welcomed the spirit of conciliation expressed by some of the speakers and he looked forward to positive achievement.

EXECUTIVE SESSION CONTINUED

At 3:25 p.m., the board meeting was adjourned. On motion of Trustee Calder (who was absent from the earlier executive session), the board approved an executive session at this time.

The following members of the board were present: Dr. Gloria Jackson Bacon, Mr. Kenneth R. Boyle, Mrs. Judith Ann Calder, Mr. Donald W. Grabowski, Ms. Judith R. Reese, Mr. Charles P. Wolff. The following members of the board were absent: Mrs. Susan L. Gravenhorst, Mr. Ralph C. Hahn, Mrs. Nina T. Shepherd, Governor James R. Thompson. The following nonvoting student trustees were present: Mr. Matthew R. Byer, Urbana-Champaign campus; Mr. Randy Crumpton, Chicago campus.

Also present were President Stanley O. Ikenberry; Dr. Robert W. Resek, vice president for academic affairs; Dr. Donald N. Langenberg, chancellor, University of Illinois at Chicago; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for business and finance); Mr. Byron H. Higgins, university counsel; and Dr. Earl W. Porter, secretary. (Also attending was Executive Vice Chancellor James J. Stukel.)

The session was devoted essentially to a reiteration of the report and discussion of personnel matters at the morning executive session.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

CHARLES P. WOLFF
President