

APPROVED BY THE  
COMMITTEE

NOV - 7 2012

  
SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
SEPTEMBER 13, 2012

This meeting of the University Healthcare System Committee was held in the Pine Lounge, Illini Union, 1401 West Green Street, Urbana, Illinois, on Thursday, September 13, 2012, beginning at 1:00 p.m. 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, Dr. Timothy N. Koritz, and Mr. Lawrence Oliver. President Easter was present. The following University officers were also present: Dr. Paula Allen-Meares, vice president, University of Illinois, and chancellor, Chicago; Dr. Christophe Pierre, vice president for academic affairs; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Joe G.N. Garcia, vice president for health affairs; Dr. Lawrence Schook, vice president for research; Mr. Thomas R. Bearrows, University counsel; Dr. Susan M. Kies, secretary of the Board of Trustees and of the University; Dr. Avijit Ghosh, special assistant to the president; Mr. Thomas P. Hardy, executive director for University relations; and Ms. Katherine Laing, executive director of governmental relations. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz then asked all in attendance to introduce themselves and thanked everyone for coming. He then asked for a motion to approve the minutes of the meeting that was held on May 30, 2012. On motion of Mr. Estrada, seconded by Mr. Oliver, the minutes were approved. There were no "nay" votes.

Dr. Koritz welcomed all to the meeting. He commented on the potential impact of the Affordable Care Act, and expressed concern that future State responsibility for Medicaid payments could impact the reimbursement rate for the hospital.

## 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 discussed the hospital's performance for the year ended June 30, 2012. He reviewed the increased average daily census and resulting enhanced revenue, and he discussed the cost of salaries, supplies, and services. He reported that bad debt and charity care increased over the previous year, and he discussed a delay in Medicaid payments. He compared the net income for Fiscal Year 2012 to the budgeted net income for Fiscal Year 2012 and the net income from Fiscal Year 2011. He said Fiscal Year 2012 reflected the highest net income in the last 15 years, with the exception of Fiscal Year 2010. Dr. Garcia

commented that the net income for Fiscal Year 2012 was achieved in a difficult healthcare environment.

### Healthcare System Dashboard Review

At 1:15 p.m., Dr. Garcia presented the hospital dashboard report (materials on file with the clerk). He reported on a variety of metrics and discussed the growth in the average daily census and an increase in the number of unique patients. He reported on the number of Medicaid-covered lives and inpatient satisfaction, and said that plans are underway to improve the patient satisfaction score. He referred to the hiring of a chief experience officer who will focus on patient satisfaction, and he and Dr. Bryan Becker, interim associate vice president for professional practice and chief medical officer at the University of Illinois Hospital, responded to questions regarding patient satisfaction and stated that hospital surveys indicate that low scores are due to many factors. Next, Dr. Garcia discussed the improvement in clinical volume, reported that the amount of cash-on-hand has decreased, and said the number of transplants completed is slightly below target due to organ availability, which is low throughout Chicago. He then reviewed a chart comparing metrics concerning clinical effectiveness, efficiency, financial stability, safety, and core measures, and showed performance in each area.



### Facilities Construction Plans Update

Dr. Koritz then asked Dr. Bryan Becker, interim associate vice president for professional practice and chief medical officer at the University of Illinois Hospital, to provide an update on facilities construction plans. Dr. Becker provided an update on the infrastructure modernization project at the hospital and highlighted areas of critical need. He also discussed several projects, including the reconfiguration of the second floor of the hospital to create an area for patients having same day surgeries, the reconfiguration of the morgue to provide room for a stem-cell facility, and updates to heating, cooling, and plumbing. Brief discussion regarding funding and the need for capital funds followed, and Dr. Koritz commented that these improvements should make the hospital more competitive.

### Legislative Report

At 1:32 p.m., Dr. Koritz asked Ms. Katherine Laing, executive director of governmental relations, to provide a brief report. Ms. Laing was accompanied by Ms. Maureen Parks, executive director and associate vice president for human resources, who was available to answer questions concerning recently passed legislation and its impact on human resources at the University. Ms. Laing commented on the passing of recent legislation that restricts the use of executive search firms at the University. She provided some information about the legislation and stated that President Easter was instrumental in changes that were made to the legislation that allow for some exceptions. She then

discussed recently passed legislation that impacts the rehiring of retired employees, which she said will have oversight from the State University Retirement System (SURS). She stated that the General Assembly did not reach a consensus regarding pension legislation, and said there has been a bill proposed that would shift the cost of the State's contribution to employers. She commented that it is uncertain how this will be addressed by the General Assembly, and she thanked Dr. Avijit Ghosh, special assistant to the president, for his contributions. She also referred to potential solutions concerning pension issues that were provided by members of the Institute of Governmental and Public Affairs. Ms. Laing responded to questions and stated that the General Assembly may enact legislation in January before new legislators are sworn in. Committee members also asked Ms. Laing to provide additional information regarding the legislation impacting the use of executive search firms, which she provided.

University of Illinois Hospital and Health Sciences  
Safety and Risk Management Report

Next, Dr. Koritz asked Dr. Bryan Becker, interim associate vice president for professional practice and chief medical officer at the University of Illinois Hospital, to provide a report on safety and risk management. Dr. Becker referred to a report (materials on file with the clerk) that had been made available to committee members in advance of this meeting, and he highlighted aspects of the report. He briefly discussed the "Seven Pillars" patient safety program, which he described as a method for analyzing root cause analysis. He referred to occurrence reports and initiatives to improve safety

throughout the hospital, and he discussed a patient safety initiative to reduce overall hospital mortality.

## REVIEW RECOMMENDED BOARD ITEMS

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 14, 2012.

### Amendments to the Bylaws of Wolcott, Wood and Taylor, Inc.

Dr. Garcia provided an overview of the proposed changes to the bylaws of Wolcott, Wood and Taylor, Inc., and explained that these changes would expand its purpose and improve the quality of its services.

### Award Construction Contracts for Mile Square Health Center, Chicago

Mr. Michael Bass, senior associate vice president for business and finance and deputy comptroller, provided information regarding proposed construction contracts for work at the Mile Square Health Center, Chicago (materials on file with the clerk). He discussed the proposed contracts and also provided an update on the project overall. Brief discussion regarding a request to extend the grant that is funding part of the project followed, and Mr. Bass also provided an update on the land transfer and the Memorandum of Understanding related to the project.



Employ Architect/Engineer for College of Medicine Learning  
Center Space Renovation, Chicago

Next, Mr. Bass provided information regarding the proposed contract to hire an architect/engineer for the Learning Center Space at the College of Medicine, Chicago (materials on file with the clerk). Dr. Dmitri Azar, dean of the College of Medicine, Chicago, stated that this is an important project to transform the educational environment at the college with modernized, updated facilities. He stated that this project will provide a basic framework, with the hope that additional funds will be raised at a later date for additional features, including the ability to link this classroom to classrooms at other College of Medicine campuses at the University. Dr. Koritz commented that he toured the College of Medicine classrooms with Mr. Estrada, and Mr. Oliver, and said he is pleased this project is moving forward.

PRESENTATIONS

University of Illinois Hospital and Health Sciences System Update

At 2:00 p.m., Dr. Koritz asked Dr. Garcia to provide a presentation on the University of Illinois Hospital and Health Sciences System (materials on file with the clerk). Dr. Garcia reviewed accomplishments that took place during Fiscal Year 2012, and highlighted hospital revenue, clinical volume growth, and the designation of the hospital and health sciences system as a “most wired” hospital for the sixth year by *Hospital & Health Networks* magazine. He provided information regarding the newly appointed

chairs of obstetrics and gynecology and of ophthalmology, and he discussed the new Illinois Heart Rescue Program, led by chair of emergency medicine Dr. Terry Vanden Hoek, which focuses on sudden cardiac arrest outside of hospitals. Next, Dr. Becker provided information concerning IPAL (Illinois Provider Access Line), which is a statewide, dedicated telephone line to connect referring physicians to University of Illinois attending physicians. He stated that this has improved communication and service and has resulted in an increase of patients transferred to the hospital. He then discussed additional benefits of IPAL and stated that it is part of a broader communications effort throughout the University of Illinois health system. Next, Dr. Becker presented major themes of the Affordable Care Act and provided a brief overview of the tele-health program, which he said could assist with the potential healthcare provider shortage. Lastly, Dr. Garcia highlighted two upcoming symposiums: one focusing on translational approaches to reduce health disparities in lung disease and the other concerning emerging health issues in underrepresented minorities.

Discussion followed regarding cardiac arrest survival and the benefits of IPAL. Dr. Koritz commented that IPAL was an excellent idea and should facilitate patient transfers and increase business at the hospital.

#### Report on the College of Medicine at Urbana

At 2:31 p.m., Dr. Uretz J. Oliphant, interim regional dean of the University of Illinois at Chicago College of Medicine at Urbana, provided a presentation on the College of Medicine at Urbana (materials on file with the clerk). Dean Oliphant presented an



overview of the history of the college and discussed its mission, vision, clinical affiliations, faculty, and current student body. He highlighted the Medical Scholars Program, which he said is one of the largest MD/PhD programs in the country and takes advantage of the graduate student opportunities at the Urbana campus. He provided examples of areas of study, and presented additional data concerning Medical Scholars Program graduates and alumni. He then outlined some upcoming goals and challenges of the college. Dr. Koritz thanked Dean Oliphant for the presentation, and Dean Azar commented on the importance of strengthening ties between the Urbana and Chicago campuses. Mr. Estrada also expressed appreciation for the presentations that were provided during today's meeting and for the impressive work that is underway.

#### OLD BUSINESS

There was no business presented under this aegis.

#### NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for November 7, 2012, at Springfield.

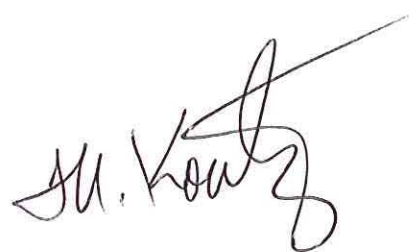
## MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Estrada, seconded by Mr. Oliver, the meeting adjourned at 2:54 p.m. There were no "nay" votes.

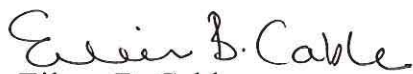
Respectfully submitted,



Susan M. Kies  
*Clerk*



Timothy N. Koritz, M.D.  
*Chair*



Eileen B. Cable  
*Assistant Clerk*