

APPROVED BY THE
COMMITTEE

JUL 15 2013


SECRETARY OF THE BOARD

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

MAY 13, 2013

This meeting of the University Healthcare System Committee was held in Room 414, Administrative Office Building, 1737 West Polk Street, Chicago, on Monday, May 13, 2013, beginning at 3:00 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. Mr. Kenneth M. Thomas, student trustee from the Chicago campus, also attended the meeting. 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; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Joe G.N. Garcia, 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. Also in attendance

were Dr. Avijit Ghosh, senior advisor to the president; Mr. Thomas P. Hardy, executive director for University relations; and Ms. Margaret M. O'Donoghue, interim special assistant to the president. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz asked all in attendance to introduce themselves. He requested a motion to approve the minutes of the meeting held March 6, 2013. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the minutes were approved. There were no "nay" votes.

REPORTS TO THE COMMITTEE

Hospital Financial Performance and Dashboard Review

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 reported on the hospital's revenues, expenses, and income for the quarter ending March 31, 2013. He stated that while patient volume was below budget through March 31, performance improved in April and May. He provided information on the impact of the Medicaid per diem reimbursement rate change, discussed the steps involved with a rate revision, and said that work is underway to change the reimbursement rate. He then reported on expenses and income and said that the hospital should end Fiscal Year 2013 with a zero balance. Brief discussion followed regarding a sick child who is being treated

at the hospital. Mr. Devoney stated that charity care has increased, and the number of days of cash on hand has dropped to 98.86 days.

Dr. Garcia referred to the health system dashboard (materials on file with the clerk) and reported on a variety of metrics. He discussed decreases in the average daily census, clinical activity, and relative value units (RVUs) and explained that the causes for this are multifactorial. Dr. Garcia stated that he anticipates a zero balance at year-end. He then reviewed the number of unique patients, debt service coverage, and patient satisfaction scores, and he discussed the use of benchmarking metrics using data from the University Healthsystem Consortium. Mr. Fitzgerald inquired about rankings related to patient safety and patient harm, and Dr. Garcia and Dr. Bryan Becker, associate vice president for hospital operations, discussed efforts that are underway to improve in these areas. Brief discussion regarding clinical activity at the Mile Square Health Center and metrics regarding appropriate care measures followed.

Facilities Construction Plans Update

At 3:56 p.m., Dr. Koritz asked Mr. David H. Loffing, chief operating officer, hospital administration, to provide an update on facilities construction plans (materials on file with the clerk). Mr. Loffing stated that the infrastructure modernization and renovation project is 42-percent complete, and it will be necessary to soon appear before the Illinois Health Facilities and Services Review Board to request an extension of the completion date. He said the scope of the project has been decreased because of financial resources, and he discussed the funding for the project, stating that the issuance of a bond would

cover the immediate infrastructure and renovation needs and would benefit the health enterprise. Dr. Koritz asked for additional information regarding the possibility of a bond issuance, and Mr. Knorr stated that some uncertainties pertaining to the Medicaid reimbursement rate, impact from the Affordable Care Act, and a shift from a fee-for-service to a managed-care model would need to be resolved.

Legislative Report

At 4:03 p.m., Dr. Koritz asked Dr. Nicole Kazez, director of health policy and programs, Office of the Vice President for Health Affairs, to provide a legislative report (materials on file with the clerk). Dr. Kazez commented on Federal sequestration and discussed aspects of President Obama's proposed budget that may impact the Hospital and Health Sciences System. She then presented proposed State legislation affecting health care and reported on the use of care coordination entities for children with complex health needs, which will begin in summer 2013. Dr. Kazez discussed upcoming changes that will take place beginning in fall 2013, including the opening of enrollment in the Affordable Care Act insurance marketplace, and stated that many changes will also take place in January 2014.

University of Illinois Hospital and Health
Sciences Compliance Report

At 2:06 p.m., Dr. Koritz asked Dr. Becker to provide a compliance report for the University of Illinois Hospital and Health Sciences System (materials on file with the clerk). Dr. Becker reviewed areas of compliance, including: culture, tone, and structure; provider relationships; privacy and information technology; clinical documentation and billing; and quality and patient safety. He provided a brief update of related activities that have occurred or are in progress in each area over the last six months.

REVIEW RECOMMENDED BOARD ITEMS FOR
THE MAY 29, 2013, BOARD MEETING

Dr. Koritz introduced the discussion of items within the purview of the committee that were on the Board's agenda for its meeting on May 29, 2013. The recommended Board items discussed at the meeting are on file with the clerk.

Approve Student Health Insurance Rates for
Chicago Campus, Academic Year 2013-2014

Dr. Barbara Henley, vice chancellor for student affairs, Chicago, discussed the proposed student health insurance rates for the Chicago campus for Academic Year 2013-2014. She reviewed features of the self-funded student health benefit plan, Campus Care, and stated that the cost to students has not increased in six years, despite the increased cost of health care and some expanded plan benefits. Mr. Michael S. Jonen, associate vice

president for enterprise strategy, and Dr. Michael H. Ginsburg, associate vice chancellor, Chicago, discussed the benefits provided by the plan, noting that students who have positive experiences with the hospital may remember those experiences when selecting a provider of choice as alumni in the future. They also referred to some changes in the plan that have increased costs, including the ability for students to receive care at emergency rooms outside the University, which they said may be a necessity for students who live off campus and need emergency care. Dr. Ginsburg then discussed the proposed coverage of gender reassignment surgery and stated that this was proposed and supported by the students and adds a cost of \$4.50 per student per semester. Brief discussion followed regarding the cost of covering gender reassignment surgery and student support for the fee, and committee members agreed to forward the item to the full Board for discussion and voting.

Designate J. Joseph Shelley, M.D., and Mark Fefferman, M.D., Atrium in the Outpatient Care Center, University of Illinois Hospital and Health Sciences System, Chicago

Chancellor/Vice President Allen-Meares stated that the recommendation to designate the J. Joseph Shelley, M.D., and Mark Fefferman, M.D., Atrium in the Outpatient Care Center is in recognition of a gift from Mrs. Ethel Shelley to be used for renovation of the space. She discussed the renovation and said Mrs. Shelley requested that the gift be named to honor her husband and son.

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

Dr. Allen-Meares discussed the recommendation to reappoint two members to the advisory board, Division of Specialized Care for Children (DSCC) in Springfield and described the individuals' background and qualifications.

Approve Membership and Participation in Coordinated Care Alliance, an Illinois Not-for-Profit Corporation, and Appoint Designated Representative, Chicago

Dr. Allen-Meares provided information about a recommendation to approve membership and participation in the Coordinated Care Alliance and stated that it focuses on care for the aged and elderly. She said grant funds would be used to pay the membership fee.

Purchase and Renewal Recommendations

Dr. Heather J. Haberaecker, executive assistant vice president for business and finance, discussed recommended purchases and renewals within the purview of this committee. She reported on the recommendation to purchase temporary personnel services at Chicago and explained that this recommendation includes vendors selected for a variety of temporary personnel services in several categories, noting that one of the primary vendors is a certified Minority and Female Business Enterprise (MAFBE) firm and that two secondary vendors are supplier diversity firms. She also discussed the recommended renewal option for the purchase of implantable cardioverter defibrillators, pacemakers,

leads, and ancillary items for the University of Illinois Hospital and Health Sciences System. There were no questions or comments about these items.

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

PRESENTATIONS

University of Illinois Hospital and Health Sciences System Update

Next, 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 introduced Dr. Jerry A. Krishnan, associate vice president for population health sciences. Dr. Krishnan provided information about Unison Health, which is the University of Illinois Survey on Neighborhood Health, and said this will allow for greater understanding and management of the population served by the University of Illinois Hospital and Health Sciences System. He discussed the goals of Unison Health and said that the completion of a health needs assessment of this population is a large undertaking. He reported on the methodology that will be used to conduct the survey and the difference between this survey and those that have been conducted in the past. Dr. Krishnan also discussed health disparities in the primary service area of the University of Illinois Hospital and Health Sciences System. He described the collaboration and feedback that occurred during the development of Unison and commented on its process and design.

Dr. Krishnan then commented on the Emergency Patient Interdisciplinary Care (EPIC) team. He stated that EPIC is funded by the UI Health Innovative Healthcare Strategy Award and focuses on the complex UI Health population. He discussed unique aspects of the population targeted by this program and the EPIC team model, and emphasized patient centered outcomes and innovation.

Dr. Garcia then asked Dr. Jaewon Ryu, associate vice president for professional practice and chief medical officer, to give a presentation on a Care Coordination Entity (CCE) proposal for children enrolled in Medicaid with complex medical needs (materials on file with the clerk). He provided details about the proposal and some background information, and he described the population and coverage model. He said the State has expressed interest in models that are patient-centered, focus on improved health outcomes and enhanced patient access, and are cost neutral or yield cost savings. Dr. Ryu reported that there are 22,000 children with complex medical needs that are eligible patients in Cook County, and that seven applications from hospitals in Chicago and beyond were submitted. He described the benefits of being selected, and he provided more information about this population. Dr. Ryu then discussed the proposal and anticipated collaborators and explained that this care model focuses on transitions and building bridges. He presented the financial model, which is based on a care coordination fee, and said that a response to the proposal should be available in 1-2 months. Mr. Estrada inquired about the amount of funding available, and Dr. Ryu and Dr. Kazee said this is unclear.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for July 15, 2013, at 3:00 p.m.

MOTION FOR EXECUTIVE SESSION

At 5:25 p.m., Dr. Koritz stated that a motion was in order to convene an executive session to consider the recommendation to disclose minutes of meetings lawfully closed under the open meetings act. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, this motion was approved. There were no "nay" votes.

EXECUTIVE SESSION

Dr. Kies stated that the Open Meetings Act requires that minutes from business conducted under exceptions specified in the Act must, at least every six months, be reviewed to determine whether the need for confidentiality still exists with respect to each item considered under such exception. She reported that she and Mr. Bearrows reviewed all sequestered items and recommend that one item considered in executive session during the December 1, 2011, meeting of the University Healthcare System Committee be made available to the public. She said this portion of the executive session

minutes concern the discussion of the release of minutes that was held on that date.

There were no questions or comments regarding this recommendation.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 5:27 p.m.

AGENDA

At 5:27 p.m., the open session resumed. All committee members previously recorded as being present were in attendance. Dr. Koritz stated that there was one agenda item requiring action by the committee, and he asked Dr. Kies to read aloud the title of the item, "Disclose Certain Minutes of Executive Sessions Pursuant to the Open Meetings Act." The committee agreed that one roll call vote would be taken and considered the vote on the agenda item as listed below.

Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

(1) Under the Open Meetings Act passed by the General Assembly, public bodies subject to the Act that conduct business under exceptions specified in the Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under such exception.

One item from December 2011 through November 2012 that has been heretofore unreleased is recommended for release at this time.

The University Counsel and the Secretary of the Board, having consulted with appropriate University officers, recommends that the following matter considered in executive session for the time period above be made available to the public at this time.

The committee action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.

Executive Session Minutes Released to Public

December 1, 2011, University Healthcare System Committee

Discussion of Minutes of Meetings Lawfully Closed Under the Open Meetings Act

Dr. Thompson explained that the Open Meetings Act requires that all minutes of closed sessions (executive sessions) be reviewed at least semi-annually to determine if disclosure is advised based on several considerations. She said that she and Mr. Bearrows had reviewed the minutes of the committee's closed session of June 8, 2011, and recommended disclosure of these minutes. Mr. Bearrows concurred. There was no disagreement with this.

On motion of Mr. Fitzgerald, seconded by Mr. Estrada, this recommendation was approved by the following vote: Aye, Mr. Estrada, Mr. Fitzgerald, Dr. Koritz; No, none.

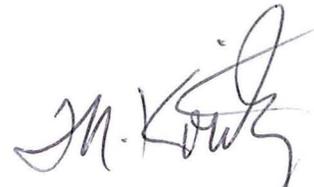
MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Estrada, seconded by Mr. Fitzgerald, the meeting adjourned at 5:28 p.m. There were no "nay" votes.

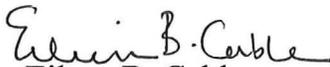
Respectfully submitted,



Susan M. Kies
Clerk



Timothy N. Koritz, M.D.
Chair



Eileen B. Cable
Assistant Clerk

