

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
SEPTEMBER 3, 2014

This meeting of the University Healthcare System Committee was held in Room 270, College of Pharmacy Building, 833 South Wood Street, Chicago campus, Chicago, Illinois, on Wednesday, September 3, 2014, beginning at 2:37 p.m. Attendance via videoconference was available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana campus, Urbana, Illinois; the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield campus, Springfield, Illinois; and Dean's Conference Room, 1601 Parkview Avenue, College of Medicine, Rockford, Illinois.

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, Dr. Timothy N. Koritz. Mr. Lucas N. Frye, student trustee from the Urbana campus, and Ms. Danielle M. Leibowitz, voting student trustee from the Chicago campus, were present. President Robert A. Easter was also present.

The following University officers were also present: Dr. Phyllis M. Wise, chancellor, Urbana campus, and vice president, University of Illinois; Dr. Paula Allen-

Meares, chancellor, Chicago campus, and vice president of the University of Illinois; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Christophe Pierre, vice president for academic affairs; 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. Sen. Chapin Rose, Illinois state senator, attended the meeting and left at 4:08 p.m. 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 July 14, 2014. On motion of Mr. Fitzgerald, seconded by Mr. Estrada, the minutes were approved. There were no "nay" votes.

REMARKS FROM THE CHAIR

Dr. Koritz briefly discussed the committee's agenda and asked Dr. Bauman to comment. Dr. Bauman highlighted the establishment of the managed care Medicaid product, UI Health Plus. He informed the committee that the State filed a 1115 waiver to access federal funding for health-care reform and that the University of Illinois Hospital and Health Sciences System will have access to some of these funds. Dr. Bauman reported that Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital and Health Sciences System, has formed committees dedicated to hospital growth.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON SEPTEMBER 11, 2014

Dr. Koritz introduced the discussion of items within the purview of the committee on the Board's agenda for its meeting on September 11, 2014. The recommended Board items discussed at the meeting are on file with the clerk.

Amend Bylaws of Wolcott, Wood and Taylor, Inc.

Dr. Dmitri T. Azar, dean, College of Medicine, Chicago, discussed the recommendation to amend the bylaws of Wolcott, Wood and Taylor, Inc., (WWT) and explained that one amendment proposes to modify the composition of the WWT board of directors. He stated that the second amendment proposes to change the approval process for the election and appointment of board members and would delegate authority for this to the WWT board of directors. Dr. Azar stated that a report of the composition of board members would be submitted to the Board of Trustees at least once per year.

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

Dr. Allen-Meares provided an overview and history of the DSCC and discussed the recommendation to reappoint Dr. Keith R. Gabriel to its advisory board.

Approve Project for Clinical Performance Center, College of Medicine, Chicago

Mr. Michael B. Bass, senior associate vice president and deputy comptroller, discussed the recommendation to approve a project for the Clinical Performance Center in the College of Medicine at Chicago. He provided some information about the project and said the proposed location of the Clinical Performance Center is on the fourth floor of the Mile Square Health Center. Mr. Bass reported that the proposed state of the art space will serve as the new headquarters for the Dr. Allan L. and Mary L. Graham Clinical Performance Center.

Purchase and Renewal Options Recommendations

Dr. Heather J. Haberaecker, executive assistant vice president, Office of Business and Finance, commented on the recommended purchase of specialty pharmaceutical drug products for the Ambulatory Care Pharmacy. She stated that this is a sole source purchase. Dr. Haberaecker referred to legislation that was signed into law the previous week that provides procurement reform in some areas, and she provided a brief overview of areas that will benefit from the exceptions allowed by this legislation. She also commented on the recommended purchase of 304B pharmaceutical drug products for the Ambulatory Care Pharmacy.

Dr. Koritz stated that this was also reviewed at the meeting of the Audit, Budget, Finance, and Facilities Committee, and that he asked for information regarding

pricing in previous years. He reported that Dr. Haberaecker would be providing this information at a later date.

PRESENTATIONS

The UIC College of Medicine and the Urbana-Champaign Campus

At 2:56 p.m., Dr. Koritz asked President Easter to give a presentation on the College of Medicine at Chicago and the Urbana campus (materials on file with the clerk). President Easter provided an overview of the UIC College of Medicine and its presence on the Urbana campus, noting that most students enrolled in the UIC College of Medicine at Urbana are pursuing dual MD/PhD degrees. He reviewed the UIC College of Medicine faculty teaching at Urbana. President Easter then presented the student progression for UIC College of Medicine students attending at Chicago and Urbana and showed the number of UIC College of Medicine degrees awarded each year at Urbana, which includes both the MD degree and the MD/PhD degree programs. Committee members discussed the division of students attending the UIC College of Medicine at Peoria, Rockford, and Urbana, and asked how decisions are made regarding the assignments of students to each campus. Dr. Azar explained these decisions are handled by a committee and are based on student interest.

Establishing an Engineering-Focused College of Medicine

At 3:06 p.m., Dr. Koritz asked Dr. Wise to provide a presentation on a proposal to establish an engineering-focused College of Medicine at Urbana (materials on file with the clerk). Dr. Wise introduced Dr. James C. Leonard, MD, president and chief executive officer of The Carle Foundation, and discussed her vision for a research intensive College of Medicine at Urbana based on the intersection of engineering, technology, big data, and medicine. Dr. Wise commented on the timing and the proposed partnership with the Carle Healthcare System and said that this presents a tremendous opportunity and would complement programs offered at other medical colleges in Illinois, including the College of Medicine at Chicago. Dr. Wise reviewed distinguishing characteristics of the proposed program at Urbana and discussed its role as an economic development engine, noting that this is aligned with the land-grant mission of the campus. She described the benefits of establishing a College of Medicine at Urbana and reiterated that this would be complimentary to the college at Chicago. Dr. Wise said that the establishment of a College of Medicine at Urbana would help sustain the campus's preeminence, and she discussed its impact on faculty recruitment and retention, ability to secure grant funding, and Association of American Research Universities rankings. She then invited Dr. Leonard to comment.

Dr. Leonard discussed his role at The Carle Foundation and his relationship with the University, and he provided an overview of the Carle Healthcare System. He discussed the benefits of creating a partnership with the Urbana campus to establish a

College of Medicine and commented on the potential discovery of medical breakthroughs and the ability to meet the needs of the region and transform the community.

Dr. Wise described this as a defining moment and reviewed the benefits of designing a new College of Medicine on the same campus as a top-ranked College of Engineering and in partnership with a local clinical partner. She stated that the proposed College of Medicine would be created without additional State funding, and she asked the committee for the endorsement of a fully accredited College of Medicine at Urbana. Dr. Wise told the committee that a business plan will be available at a later date.

Committee members discussed the request for endorsement. Dr. Kies stated that a business plan will be made available to the Board in November, and that this will also appear on the Board's agenda at its November meeting. Dr. Koritz said while the committee does not have the authority to issue an endorsement, he is not opposed to the chancellor moving forward with this proposal. No committee members objected to this. Discussion followed regarding opportunities for interdisciplinary study.

The College of Medicine of the Future

At 3:43 p.m., Dr. Azar provided a presentation on the College of Medicine of the Future (materials on file with the clerk). He presented the pillars of the College of Medicine at Chicago and described a vision for the unified College of Medicine of the future. He commented on the college's aspirations and advised taking a big picture view. Dr. Azar discussed the disadvantages of establishing a College of Medicine at Urbana and

reviewed recommendations for the College of Medicine at Chicago. These included strategically integrating engineering into College of Medicine education and training; redefining the role of the College of Medicine's regional campus at Urbana; and formalizing clinical partnerships. He also discussed the potential creation of an Illinois Translational Bioengineering Institute, which would be a cross-campus research institute with primary locations at Urbana and Chicago that focuses on the convergence of engineering and medicine.

Dr. Koritz asked for questions or comments regarding these presentations and said he wanted to ensure that all ideas and opinions were heard. There were no additional questions or comments.

COMMITTEE REPORTS

Hospital Financial Performance

At 4:19 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 through June 2014, and highlighted operating income and net income, noting that these figures are better than was budgeted for the year. He discussed the impact of the decreased Medicaid reimbursement rate and commented on year-end adjustments to the hospital's finances. Mr. Rooney then presented data regarding the payor mix, and he discussed the impact of a shift to Medicaid managed care. Dr. Ghosh added that while

Fiscal Year 2014 closed with the hospital's finances better than expected, there is much focus on reducing expenses and increasing revenue.

Quality and Patient Safety

Dr. Koritz then asked Ms. Jodi S. Joyce, associate vice president for quality and patient safety, to make a presentation on quality and patient safety (materials on file with the clerk). Ms. Joyce discussed Fiscal Year 2015 goals, which she said include reducing the rates of unplanned readmissions, sepsis mortality, and post-operative deep vein thrombosis and pulmonary embolism. She stated that the proprieties from last year will continue to be monitored, and she reported on progress made in reducing the rate of central line-associated bloodstream infections and catheter-associated urinary tract infections, which were goals from the previous year. Committee members discussed causes of unplanned readmissions, and Ms. Joyce provided examples of diagnoses and explained these are highly vulnerable populations. Discussion followed regarding unplanned readmissions and characteristics of the hospital's patient population. Committee members also briefly discussed initiatives to help reduce the rate of post-operative deep vein thrombosis and pulmonary embolism, particularly among neurosurgery patients.

Legislative Report

Dr. Nicole Kazee, senior director of health policy and programs, gave a presentation on legislation and policy (materials on file with the clerk). She provided a timeline for enrollment in UI Health Plus and said it is possible there will be 40,000 enrollees by next spring. She reported that the fee for service model will be retained for the next 18 months. Dr. Kazee then provided an update on the Affordable Care Act and described the benefits and disadvantages for the hospital. Lastly, she reported on federal reductions to Medicare and described its impact on the hospital for Fiscal Year 2014 and expectations for Fiscal Year 2015.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

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

MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Fitzgerald, seconded by Ms. Leibowitz, the meeting adjourned at 4:49 p.m. There were no “nay” votes.

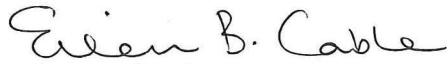
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Susan M. Kies".

SUSAN M. KIES
Clerk

A handwritten signature in blue ink, appearing to read "Timothy N. Koritz".

TIMOTHY N. KORITZ, M.D.
Chair

A handwritten signature in black ink, appearing to read "Eileen B. Cable".

EILEEN B. CABLE
Assistant Clerk

