


APPROVED BY THE
COMMITTEE

APR 23 2015.


SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
FEBRUARY 26, 2015

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 Thursday, February 26, 2015, beginning at 2:15 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. Leibowitz¹, voting student trustee from the Chicago campus, were present.

¹ Ms. Leibowitz arrived at 2:58 p.m.

Also in attendance were Dr. Eric A. Gislason, interim chancellor, Chicago campus, and vice president, University of Illinois; Dr. Jerry L. Bauman, interim vice president for health affairs; and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University. Dr. Christophe Pierre, vice president for academic affairs, attended the meeting telephonically. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz welcomed everyone to the meeting and asked participants to introduce themselves. He then requested a motion to approve the minutes of the meeting held January 5, 2015. On motion of Mr. Fitzgerald, seconded by Mr. Estrada, the minutes were approved. There were no “nay” votes.

REMARKS FROM THE CHAIR

Dr. Koritz noted the committee’s new schedule. He also asked Dr. Kies to confirm that participants had received the appropriate agenda information, and Dr. Kies described the process. Dr. Koritz also thanked the committee’s IT staff for addressing technology concerns.

COMMITTEE REPORTS

Dashboard Presentation

Dr. Koritz asked Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, to provide a dashboard report on the University of Illinois Hospital and Health Sciences

System (materials on file with the clerk). Dr. Ghosh explained that this report would focus on the second quarter of Fiscal Year 2015. He reported on the average daily census, which had declined during the quarter, and discussed the variance in the average daily census, the impact of the potential nursing strike during this time frame, and the robust numbers seen during December. Dr. Ghosh then showed the inpatient volume trend, outpatient care center visits, and Mile Square visits.

Next, Dr. Ghosh presented data concerning days of cash on hand, operating margin, and accounts receivable. A discussion was had regarding reasons for delayed payments and the effects of shifting to Medicaid managed care on accounts receivable. Dr. Ghosh discussed the statement of operations and volume metrics through December 2014, noting that the hospital saw a \$1.175 million net profit in December. Next, he presented data regarding the length of stay, and a discussion was had regarding comparison of this metric to other urban hospitals. Dr. Ghosh also reviewed metrics on bad debt.

Dr. Ghosh then presented the inpatient mortality index and said there were several projects in place to promote sustained improvement in this area. He reported on post-operative pulmonary embolism or deep vein thrombosis rates and discussed improvements in this area. A discussion was had regarding fluctuation in this statistic and the medical specialties and protocols that affect it. Dr. Ghosh presented the 30-day readmission rate and reviewed steps underway to improve this area. Next, he reported on rates of sepsis mortality, noting that the number has been trending downward and new

protocols being put into place are starting to take effect. Mr. Fitzgerald asked about the effect of the potential nursing strike on the November numbers, and Dr. Ghosh provided further information. Dr. Ghosh then presented information on the rates of central line associated blood stream infections, which have increased, and a discussion was had regarding causes. Dr. Ghosh also reviewed catheter associated urinary tract infections statistics.

Finally, Dr. Ghosh commented on the overall Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) rating of the hospital and the HCAHPS metric that measures willingness to recommend, and Mr. Estrada inquired about the impact of the potential nursing strike. Dr. Koritz thanked Dr. Ghosh for his presentation.

Legislative Report

At 2:51 p.m., Dr. Koritz asked Dr. Nicole Kazee, senior director, health policy and strategy, University of Illinois Hospital, to provide a legislative and policy report (materials on file with the clerk). Dr. Kazee began by discussing President Barack Obama's federal budget proposal, including proposed cuts to Medicare payments that could affect the University of Illinois Hospital. She also discussed the recent Medicare announcements regarding the movement from fee-for-service payment model to a value-based payment model and the implications for the transition on the hospital. Dr. Kazee then reviewed Governor Bruce Rauner's State budget proposal, including proposed cuts

to the Medicaid program. She also provided an update on UI Health Plus. Mr. Estrada inquired about possible cuts to the funding for care coordinators, and Dr. Kazee provided further information. A discussion was then had on the Medicare plan to move toward a capitated model. Dr. Koritz thanked Dr. Kazee for her presentation.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON MARCH 12, 2015

Dr. Koritz introduced the discussion of items within the purview of the committee on the Board's agenda for its meeting on March 12, 2015. The recommended Board items discussed at the meeting are on file with the clerk.

Rename the Master of Science in Pharmacology and
Doctor of Philosophy in Pharmacology, College of Medicine, Chicago

At 3:10 p.m., Dr. Koritz asked Dr. Gislason to provide information on renaming the Master of Science in Pharmacology and Doctor of Philosophy in Pharmacology, Chicago. Dr. Gislason stated that the name of these degrees would change to the Master of Science and Doctor of Philosophy in Cellular and Molecular Pharmacology, reflecting the research done in the department and similar changes made at other universities.

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

Dr. Gislason then reviewed the recommendation to appoint one member to the Division of Specialized Care for Children (DSCC) in Springfield, Chicago. He provided background information and qualifications for Dr. Ralph M. Schubert, who was recommended for the position, as well as details on the term of appointment.

Designate the Women of Steel Obstetrical Simulation Lab,
College of Medicine, Chicago

Finally, Dr. Gislason reviewed the recommendation to designate the Women of Steel Obstetrical Simulation Lab, Chicago. He provided background information on Dr. Howard Grundy, who provided the funds for the renovation, and the naming of the facility. Dr. Gislason also noted that the United Steelworkers union had approved the use of the name.

Student Health Insurance Rates for Urbana, Chicago, and Springfield Campuses,
Academic Year 2015-16

Dr. Koritz then asked Dr. Peter J. Newman, associate vice president for treasury operations, to provide a presentation on student health insurance (materials on file with the clerk). Dr. Newman reviewed key cost drivers for the Chicago and Springfield campus student health insurance rates. He provided tables showing Fall 2015 semester health insurance fee for each campus: \$286 (1.7 percent decrease) for undergraduates and

\$370 (1.6 percent decrease) for graduates on the Urbana campus, \$570 (21 percent increase) on the Chicago campus, and \$495 (20.7 percent increase) for the Springfield campus.

Purchase Recommendations

Dr. Newman then provided information on the proposed purchase of student health insurance for the Urbana and Springfield campuses, including policy and vendor details. Dr. Koritz inquired about the cost per covered life in this item, and Dr. Newman provided information.

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

PRESENTATIONS

University of Illinois Hospital & Clinics: An Agenda for the Future

At 3:22 p.m., Dr. Koritz asked Dr. Ghosh to give this presentation (materials on file with the clerk). Dr. Ghosh provided background information on the topic and historical information on the hospital. He stated that with that foundation, the hospital's goal is to become one of the preeminent providers of health care in the nation. Dr. Ghosh described several strengths of the institutions, including a dedicated group of physicians, caregivers and staff, the partnership with the health sciences colleges, and the partnership with the University, city of Chicago, and State. He stated that the health-care industry is

changing, highlighting the shift of focus from episodic maladies to one of wellness and health; the shift in the financial model, from fee-for-service to a value-based system; and the pressure to provide quality care and access to care while keeping costs down. Dr. Ghosh stated that the “triple aim” for the hospital is to improve clinical outcomes and patient experience, improve operational efficiency and cost rationalization, and maintain growth. He stated that to continue growing the hospital has to move beyond being “just a hospital” and instead serve the broader health needs of individuals across the entire care continuum. Additionally, Dr. Ghosh said that the hospital has to become an academic health center known for innovative models of care delivery that solves relevant health issues of citizens. He discussed the idea of managing population health and reviewed goals for the strategic transformation of the hospital and clinics. Dr. Ghosh then described the stages the hospital must go through to achieve those goals. He stated that he believes the changes will be successful if the hospital focuses on a patient-centric approach to decisions and leverages research and teaching. Dr. Ghosh also said there remains a need to improve the fundamental functions of a hospital, including clinical outcomes, patient experience, operational efficiency, and revenue management. He continued by reviewing cost restructuring methods, including operational improvement and business restructuring. Dr. Ghosh stressed that collaboration – with physician partners, with the health sciences colleges, and with other health care providers – is the key to success in this environment.

Following Dr. Ghosh's presentation, Dr. Bauman reviewed the next steps in relation to UI Health Plus, as well as thoughts on potential growth strategies for increasing covered lives. He began by reviewing the background of the medical center and UI Health Plus. He discussed the allocation of patients to accountable care entities in the State, and commented that UI Health Plus anticipates approximately 40,000 enrollees by April, with approximately half of them being new patients. Dr. Bauman reviewed the focus on retention of UI Health Plus enrollees by addressing access issues related to appointment availability, as well as improving care management capabilities and striving toward patient-centered medical home model. A discussion was had regarding a closed-referral network. Dr. Bauman then reviewed the implementation of retention and outreach strategies. He detailed secondary priority areas of growth with specific market segment opportunities, and he presented a timeline of key implementation steps and milestones. Mr. Estrada said he embraced the growth concept presented, and a discussion was had on providing services to State and University employees. A discussion was also had regarding growth versus a current excess capacity environment and on focusing efforts on the areas the hospital succeeds in. Dr. Koritz thanked Dr. Ghosh and Dr. Bauman for their presentations and noted that he would request that presentation to be given to the Board as a whole. Dr. Koritz asked about working with the State to effect policy changes that would benefit the hospital, particularly as they related to agreements with other health-care entities. Dr. Ghosh stated that other academic health centers have moved toward separation from their respective universities' authority and what benefits

might be obtained from that model. He added that the University would look at alternate governance models that maintained the teaching and research missions.

Mr. Estrada left the meeting at 4:12 p.m., and Mr. Fitzgerald left the meeting at 4:17 p.m.

MEETING ADJOURNED

At 4:18 p.m., it was announced that the meeting would adjourn because there was no longer a quorum. On motion of Mr. Frye, seconded by Dr. Koritz, the meeting adjourned. There were no “nay” votes.

Respectfully submitted,



SUSAN M. KIES
Clerk



TIMOTHY N. KORITZ, M.D.
Chair



AUBRIE L. WILLIAMS
Assistant Clerk