

APPROVED BY THE  
COMMITTEE

AUG 27 2015

  
SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
JULY 9, 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, July 9, 2015, beginning at 2:42 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, Dr. Timothy N. Koritz. Mr. Patrick J. Fitzgerald was absent. President Timothy L. Killeen was present.

Also in attendance were Dr. Michael D. Amiridis, chancellor, Chicago campus, and vice president, University of Illinois; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); 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. 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 April 23, 2015. On motion of Dr. Koritz, seconded by Mr. Estrada, the minutes were approved. There were no “nay” votes.

#### REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON JULY 23, 2015

Dr. Koritz introduced the recommended items within the purview of this committee on the Board’s agenda at its meeting on July 23, 2015. All recommended items discussed at the meeting are on file with the clerk.

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

Dr. Koritz asked Dr. Eric A. Gislason, interim vice chancellor for academic affairs and provost, Chicago, to discuss the recommendation to reappoint Dr. William H.

Chamberlin Jr. and Dr. Shubhra Mukherjee to the advisory board of the Division of Specialized Care for Children (DSCC) in Springfield. He reviewed the qualifications and credentials of these individuals.

Approve Affiliation Agreement with the Carle Foundation  
Establishing the “Carle Illinois College of Medicine,” Urbana

Next, Dr. Koritz asked Dr. Ilesanmi Adesida, vice chancellor for academic affairs and provost, Urbana, to provide information on the recommendation to approve the proposed affiliation agreement with the Carle Foundation establishing the “Carle Illinois College of Medicine” at Urbana. Dr. Adesida gave a presentation (materials on file with the clerk) that highlighted aspects of organization and governance, financial organization, academic operations and clinical oversight, and the resolution process. Dr. Amiridis congratulated the Urbana campus on completing the proposed agreement and said he, Dr. Bauman, and Dr. Dimitri T. Azar, dean of the College of Medicine at Chicago, are committed to collaborating and assisting as needed. Dr. Azar reiterated these comments, and Dr. Adesida thanked them for their statements of support.

Purchase Recommendations

Dr. Koritz asked Mr. Michael B. Bass, senior associate vice president and deputy comptroller, to report on purchase recommendations. Mr. Bass provided information on a recommended renewal option for specialized radiation oncology services from the University of Chicago and told the committee that the price is fair and reasonable. He indicated that the actual cost will depend on demand, staffing and amount of services used. Mr. Estrada inquired about alternative vendors, and Mr. David H. Loffing, chief operating officer, University of Illinois Hospital, stated that the University of Chicago

was the only vendor to respond to a request for proposal (RFP) for these services three years ago. He stated that another RFP will be issued when this renewal period ends.

There were no additional questions or comments regarding these recommendations, and all agreed to forward these to the full Board.

### COLLABORATION HIGHLIGHT

#### Center for Alcohol Research in Epigenetics

Dr. Koritz asked Dr. Subhash Pandey, professor and director of Neuroscience Alcoholism Research, Chicago, and Dr. Victor Jongeneel, senior research scientist, Urbana, to provide a presentation on the Center for Alcohol Research in Epigenetics (CARE) (materials on file with the clerk). Dr. Pandey discussed aspects of alcoholism and alcohol abuse and reviewed genetic and epigenetic interactions in alcoholism. He described the function, mission, and organization of CARE and discussed its interaction with other training programs and centers. He told the committee that CARE has the potential to be a leader in alcohol research in the United States. Dr. Jongeneel then presented the data flow for CARE and the process by which this data is analyzed. Some discussion followed regarding CARE and potential preventative measures to prevent alcoholism and binge drinking.



## REPORTS

### Dashboard Report

Next, Dr. Koritz asked Dr. Bauman to provide the dashboard report (materials on file with the clerk). Dr. Bauman presented several metrics and reported that the average daily census, inpatient discharges and operations, and outpatient clinic visits for the fourth quarter of Fiscal Year 2015 are above budget targets. He showed that Mile Square visits are below target but are higher than they were in the fourth quarter of Fiscal Year 2014.

Dr. Bauman then read the following statement from Dr. Ghosh:

First, I wish to apologize that I could not be personally present at the meeting today.

I want to share with you preliminary financial results for the year. We started this fiscal year under a cloud of severe challenges, including a projected loss for the hospital. While the year-end financial statement is still being put together, it is safe for me to announce that the hospital has ended the year with a profit of approximately \$10.0 million.

A number of factors helped this turnaround. One key has been the operational improvements we achieved during the year, such as controlling cost, improving efficiency and better revenue management. Growing the number of people we care for in the hospital and the clinics is another important factor. We have also been helped by the fact that some key public policies, such as changes to federal disproportionate share payments and managed Medicaid rates, had a less negative effect than was expected.

I do want to take this opportunity to thank every single member of the UI Health family for their hard work and dedication that has made this financial turnaround possible.

While the improvement in our financial position is salutary, there are still steep hills to climb. The clouds we faced in the beginning of the year were real, and they still loom over us. But I am confident that we will rise to the challenge again as we did this year.

With the new fiscal year we will launch a number of new initiatives to further improve the quality and cost effectiveness of the care we provide to our patients and improve operational efficiency.

These initiatives will likely require changes to our current practices and, in some cases, changes in how we are organized to deliver services. And they will require financial investments that will require us to earn even better margins.

On behalf of the entire management team I pledge our unstinting diligence in continuing to solidify our position of preeminence in the Chicago marketplace.

Next, Mr. Michael Zenn, chief financial officer, UI Hospital, presented data related to financial stability and discussed factors leading to improvements in performance. He said he anticipates a variation in June due to disproportionate share payments, and he commented on the shift to Medicaid managed care and said that the rate paid was higher than anticipated. He reported that the fourth quarter of Fiscal Year 2015 showed an operating margin significantly above target and told the committee that days of cash on hand could be improved. Dr. Bauman reviewed areas of operational effectiveness and discussed improvements in average length of stay, total expense of net bad debt, and supply expenses. Ms. Jodi S. Joyce, associate vice president for quality and safety, reviewed metrics related to quality and safety and discussed progress in areas of patient mortality, postoperative pulmonary embolism or deep vein thrombosis, readmission rate, sepsis mortality index, central line associated blood stream infections,

and catheter associated urinary tract infections. Discussion followed regarding the diagnosis of deep vein thrombosis, and Ms. Joyce commented on issues related to these cases and planned interventions for improvement. She then highlighted aspects of the 2015 patient safety survey and shared information about the Illinois Surgical Quality Improvement Collaborative.

### Legislative and Policy Report

Next, Dr. Nicole Kazee, senior director of health policy and programs, gave a legislative and policy report and discussed the Supreme Court ruling that upholds the current implementation of the Affordable Care Act. She commented on the State budget and its impact on health care and gave the committee an update on Medicaid managed care.

### OLD BUSINESS

There was no business presented under this aegis.

### NEW BUSINESS

Dr. Koritz announced that the next meeting is scheduled for Thursday, August 27, 2015, at 2:15 p.m. Dr. Amiridis briefly updated the committee on the search for the vice chancellor for health affairs at Chicago and said that semifinalists are being interviewed.

MEETING ADJOURNED

On motion of Dr. Koritz, seconded by Mr. Estrada, the meeting adjourned at 4:08 p.m.

There were no "nay" votes.

Respectfully submitted,



SUSAN M. KIES  
*Clerk*



TIMOTHY N. KORITZ, M.D.  
*Chair*



EILEEN B. CABLE  
*Assistant Clerk*