

APPROVED BY THE
COMMITTEE

JAN 07 2016


SECRETARY OF THE BOARD

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

OCTOBER 29, 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, October 29, 2015, beginning at 2:12 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.

President Timothy L. Killeen was present.

Also in attendance were Dr. Michael D. Amiridis, chancellor, Chicago campus, and vice president, University of Illinois; Dr. Christophe Pierre, vice president for academic affairs; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); 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 August 27, 2015. On motion of Mr. Fitzgerald, 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 NOVEMBER 12, 2015

Dr. Koritz introduced the recommended items within the purview of this committee on the Board’s agenda at its meeting on November 12, 2015. All recommended items discussed at the meeting are on file with the clerk.

Appoint Vice Chancellor for Health Affairs, Chicago

Dr. Amiridis stated that this recommended appointment is not ready to be discussed at this meeting and will instead be presented to the Academic and Student Affairs Committee at its meeting on November 11, 2015. He indicated that an announcement regarding the proposed candidate would be made the following day.

Purchase Recommendations

Dr. Koritz asked Mr. Richard D. Elmore, assistant vice president for procurement services, to report on purchase recommendations. Mr. Elmore discussed a proposed change order to an existing contract with The Chicago Lighthouse for People Who Are Blind or Visually Impaired for ongoing expansion, consolidation, and implementation of a centralized customer access call center for the University of Illinois Hospital and Health Sciences System. He reviewed the terms of the initial contract and the cost of the proposed expansion of services to include additional clinics. Discussion followed regarding the pricing structure and services provided. Mr. Elmore discussed the Minority and Female Business Enterprise (MAFBE) participation rate for this vendor and said that 113 veterans, visually impaired, or disabled individuals have been hired to perform this service. There was no objection to this item going forward to the full Board for voting.

Discuss Recommendation to Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

Dr. Kies stated that under the Open Meetings Act, public bodies that go into executive session under exceptions provided in the Open Meetings Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under any exception. She indicated that the recommendation regarding the disclosure of certain minutes of executive sessions will be discussed during the committee's executive session.

REMARKS FROM THE CHAIR

Dr. Koritz commented on the statement made by Southern Illinois University regarding medical marijuana and concerns related to the violation of federal laws. He stated that he and other Board members agree with this view and expressed concern regarding the potential involvement with medical marijuana at the University of Illinois Hospital and Health Sciences System. Dr. William H. Chamberlin, chief compliance officer, stated that there is no intention to become involved as an institution with medical marijuana issue, and he referred to internal discussions regarding federal laws. Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, and Dr. Amiridis also commented, and Mr. Fitzgerald emphasized the importance of complying with federal laws. Dr. Ghosh stated that Dr. Bauman would be able to comment further at a later date.

COLLABORATION HIGHLIGHT

Illinois Ophthalmology Engineering Partnership

At 2:35 p.m., Dr. Koritz introduced the collaboration highlight and asked Dr. Brian Cunningham, professor of electrical and computer engineering, Urbana; Dr. Mark Rosenblatt, head of ophthalmology, Chicago; and Dr. Tom Royston, head of bioengineering, Chicago, to give a presentation on the Illinois Ophthalmology Engineering Partnership (materials on file with the clerk). Dr. Cunningham described some of the work underway and said that their goal is to create the first engineering

research center focused on solving fundamental problems in ophthalmology. He gave examples of the types of challenges to be addressed. Dr. Cunningham then referred to combining strengths and expertise from the Department of Ophthalmology at Chicago and engineering at both Urbana and Chicago, and he described opportunities for internal and external funding. Dr. Rosenblatt and Dr. Royston also commented and engaged in a discussion with committee members regarding the leveraging of cross-campus expertise, working with underserved communities, and addressing health disparities. Dr. Ghosh told the committee that employees at The Chicago Lighthouse are calling patients with diabetes and encouraging them to be tested for glaucoma. President Killeen inquired about new faculty hires in the Department of Ophthalmology, and discussion followed regarding the areas of expertise of some new faculty members. The presenters stated that the opportunity for faculty to work alongside clinician scientists and the strengths of the ophthalmology department attract highly skilled faculty. Dr. Koritz thanked them for the presentation and said this is a great example of the possibilities resulting from collaboration.

REPORTS

Hospital Chief Executive Officer Report

Next, Dr. Koritz asked Dr. Ghosh to provide a report on the University of Illinois Hospital (materials on file with the clerk). Dr. Ghosh reviewed metrics from the first quarter of Fiscal Year 2016 and said it reflects continued progress. He presented the first

quarter operating summary, productivity summary, and quality summary, and he highlighted improvements in each area. Dr. Ghosh discussed zero harm initiatives and presented several metrics comparing the prior period and latest period in this area. Next, he reported on a revenue-management initiative and referred to ongoing changes in the administration and enforcement of reimbursement rules for managed care. Discussion followed regarding this issue, and examples were provided to demonstrate the changes and its impact on care providers and their workflow.

Dr. Ghosh then provided information on the clinical decision unit at the hospital, and committee members discussed the advantages and purpose of this unit. Next, Dr. Ghosh reported on UI Health Plus, an accountable care organization for Medicaid patients, and said it has been a success, noting that half the enrolled patients are new to UI Health. He provided some history and background on the establishment of UI Health Plus and said that a partnership with Blue Cross Blue Shield has been established that allows the hospital to be paid a fixed fee and reduces the risk to the hospital. He said this transition will take place on January 1, 2016, and he described the structure of this partnership. Some discussion followed, and Dr. Ghosh told the committee that approximately 42,000 lives are covered by UI Health Plus. Dr. Ghosh then discussed concerns related to the Medicaid trust fund, and he explained that without a State budget, there has been no contribution to the fund by the State or University and, therefore, no federal match of funds. He said there is now no money in the trust fund to pay for Medicaid services, and that the bill from the hospital is approximately \$14.0 million per

month. He also expressed concern regarding slow payments for Medicaid managed care and a growing accounts receivable balance. Dr. Ghosh then showed a video of a woman who suffered a brain aneurysm and who credits UI Health for saving her life.

Compliance Report

At 3:29 p.m., Dr. Koritz asked Dr. Chamberlin to give a compliance report (materials on file with the clerk). Dr. Chamberlin reported on campus compliance developments and told the committee that a recent HIPAA (Health Insurance Portability and Accountability Act) breach was handled well by the campus. He then discussed organizational issues and program development at UI Health and reviewed recent compliance-related reports and audits. Brief discussion regarding the use of consultants followed, and Dr. Chamberlin stated that outside help is used when needed.

Legislative and Policy Report

Next, Dr. Nicole Kazee, senior director of health policy and programs, gave a legislative and policy report (materials on file with the clerk) and provided an update on the State budget and Medicaid payments, stating that funds are being depleted. She then commented on the federal budget and the minimal impact a potential federal government shutdown would have on UI Health. Committee members then discussed the impact of the State budget impasse and the ramifications of its continuation beyond January. Committee members, President Killeen, Dr. Amiridis, and Dr. Ghosh then commented on

advocacy efforts, and Ms. Jennifer M. Creasey, assistant director of governmental relations, summarized a report given at the Governance, Personnel, and Ethics Committee meeting and briefly reported on advocacy efforts by the University and University of Illinois Alumni Association.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz announced that the next meeting is scheduled for Thursday, January 7, 2016, at 2:15 p.m.

MOTION FOR EXECUTIVE SESSION

At 3:50 p.m., Dr. Koritz stated that a motion was in order to convene an executive session to consider the discussion of 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. Koritz convened this executive session at 3:52 p.m. All committee members were present. Also present were Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University.

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

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. Dr. Kies reported that she and Mr. Bearrows reviewed all sequestered items considered in executive session during meetings of the University Healthcare System Committee and recommend that one matter discussed in executive session during the April 23, 2015, meeting be made available to the public. Dr. Kies said this portion concerns the discussion of minutes lawfully closed under the Open Meetings Act, and she and Mr. Bearrows recommend that all other matters continue to be sequestered. Dr. Kies outlined the topics discussed in the executive sessions that will continue to be sequestered. There were no additional comments or concerns expressed regarding this recommendation.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 3:54 p.m.

AGENDA

At 3:54 p.m., the open session resumed. Dr. Koritz stated that there was one agenda item requiring action by the committee, and Dr. Kies 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.

An item from July 2014 through July 2015 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

April 23, 2015, University Healthcare System Committee

Dr. Koritz convened this executive session at 4:12 p.m. All committee members were present. Also present were Mr. Thomas R. Bearrows, University counsel, and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University.

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

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. Dr. Kies reported that she and Mr. Bearrows reviewed all sequestered items considered in executive session during meetings of the University Healthcare System Committee and recommend that one matter discussed in executive session during the November 3, 2014, meeting be made available to the public.

Dr. Kies said this portion concerns the discussion of minutes lawfully closed under the Open Meetings Act, and she and Mr. Bearrows recommend that all other matters continue to be sequestered. Dr. Kies outlined the topics discussed in the executive sessions that will continue to be sequestered. There were no additional comments or concerns expressed regarding this recommendation.

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

On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the meeting adjourned at 3:55 p.m. There were no "nay" votes.

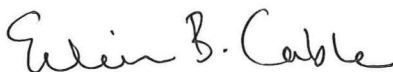
Respectfully submitted,



SUSAN M. KIES
Clerk



TIMOTHY N. KORITZ, MD
Chair



EILEEN B. CABLE
Assistant Clerk