

APPROVED BY THE  
COMMITTEE

AUG 25 2016

*Dedra M. Williams*  
SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
JULY 7, 2016

This meeting of the University Healthcare System Committee was held in Room 270, College of Pharmacy Building, 833 South Wood Street, Chicago, Illinois, on Thursday, July 7, 2016, beginning at 1:47 p.m. Attendance via videoconference was available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana, Illinois; the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, 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,<sup>1</sup> Mr. Patrick J. Fitzgerald, Dr. Timothy N. Koritz.

President Timothy L. Killeen was present.

Also in attendance were Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Mr. Thomas P. Hardy, executive director for University relations; Mr. Thomas R. Bearrows, University counsel; and Ms. Dedra M. Williams,

---

<sup>1</sup> Mr. Estrada arrived at 1:51 p.m.

secretary of the Board of Trustees and 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 May 5, 2016. On motion of Mr. Fitzgerald, seconded by Dr. Koritz, the minutes were approved. There were no "nay" votes.

Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, congratulated Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, and his team on the success of the housing for homeless program that was recently implemented. Dr. Barish referred to press coverage of the program and said will cost the hospital approximately \$250,000. He then announced an award from the National Institutes of Health that was granted to the University of Illinois Hospital that focuses on precision medicine. He told the committee that the hospital aims to enroll 150,000 individuals in this study and will receive \$45.0 million over five years. Dr. Barish provided additional information about the study and said that precision medicine is an emerging approach to disease management. He said that the hospital received one of the highest scores in the application process and that this award will help position the hospital as a leader in this area of study.

REVIEW OF RECOMMENDED BOARD ITEMS  
FOR THE MEETING OF THE BOARD OF TRUSTEES  
OF THE UNIVERSITY OF ILLINOIS ON JULY 21, 2016

Dr. Koritz introduced the recommended items within the purview of this committee on the Board's agenda at its meeting on July 21, 2016. 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. Susan Poser, vice chancellor for academic affairs and provost, Chicago, to report on the recommendation to reappoint members Dr. Julian J. Lin and Dr. Theodore R. Sunder to the advisory board, Division of Specialized Care for Children (DSCC) in Springfield, Chicago. Dr. Poser described their backgrounds and experience and said that the term for these appointments would end on June 30, 2019.

Amend the University of Illinois Hospital Medical Staff Bylaws

Next, Dr. Koritz asked Dr. Ghosh to discuss the recommendation to amend the University of Illinois Hospital Medical Staff Bylaws. Dr. Ghosh reviewed the proposed changes, many of which he said pertain to changing of titles and response to regulatory changes. Mr. Fitzgerald inquired about language in the bylaws that deals with employees who are leaving the hospital while being investigated or about to be investigated. Dr. Ghosh stated that the language and definition is consistent with industry standards. Dr. Koritz

and Ms. Jodi S. Joyce, associate vice chancellor for quality, commented on the credentialing process and additional mechanisms for checking references. Mr. Fitzgerald asked to see examples of this language at other academic hospitals to compare this policy to those at peer institutions. Dr. Ghosh agreed to provide this after the meeting of this committee.

Mr. Estrada inquired about the credentialing process for telemedicine, and a brief discussion followed regarding difficulties in navigating rules that vary by State. Dr. Koritz noted that doctors can consult with one another across state lines. Committee members and others in attendance then discussed the benefits of telemedicine and its future.

#### Purchase Recommendations

Next, Dr. Koritz asked Mr. Richard D. Elmore, assistant vice president for procurement services, to report on purchase recommendations. Mr. Elmore provided information on the recommended purchase of pharmaceutical wholesale distribution services of pharmaceutical drug products on an as-needed basis from McKesson Corporation. Mr. Elmore said that the increased cost is reflective of industry trends and standards, and he told the committee that a 5.9 percent decrease over the original proposal was achieved through negotiations. Mr. Estrada asked if companies in Illinois benefit in the procurement process. Mr. Elmore explained that a vendor would receive preference if they are a diverse vendor and meet the 10 percent Business Enterprise Program (BEP) goal or are a certified Minority and Female Business Enterprise (MAFBE) firm within



the State, noting there is not a preference given to Illinois vendors overall. Additional discussion followed regarding pharmaceutical costs. Mr. Fitzgerald reminded members of the committee that he abstains from voting on procurement items.

## REPORTS

### Hospital and Clinics 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 told the committee that he would delay his fiscal year report due to uncertainty related to the hospital's finances. He discussed changes to the Medicaid reimbursement methodology and the impact of delays in Medicaid Managed Care reimbursements, and he referred to considerable transactional complexity and unpredictability. Mr. Michael Zenn, chief financial officer, University of Illinois Hospital, also commented on the complexities of dealing with multiple companies and said that each has initiatives underway to resolve these issues. He and Dr. Ghosh explained that this has been a greater issue in Illinois than in other states because of the rapid shift to Medicaid Managed Care in Illinois, and they both stated that additional employees have been hired to handle processing and coding of transactions, noting that it is costing more money to collect receivables than it did in the past. Mr. Knorr added that money is also due to providers in Illinois because of the State's budget issues. President Killeen advised that the University should be studying this issue and providing intellectual leadership in this area. Additional discussion followed regarding the

collection processes of companies offering both commercial managed care and Medicaid Managed Care, and Mr. Zenn stated that the success of the Affordable Care Act is at risk if these issues are not resolved.

Dr. Ghosh emphasized that despite these difficulties, long-term focus is on a successful future. He reviewed quality and safety goals for Fiscal Year 2017 and referred to stagnation in some areas and improvement in others. Ms. Joyce highlighted a double-digit improvement in sepsis mortality rates and said that improvements continue to be made in previous areas of focus while initiatives in new areas are underway. Dr. Ghosh then gave a brief overview of the operating summary through May 2016, and he reported on major projects at the hospital. He referred to the upcoming Joint Commission accreditation site visit, and discussion followed regarding costs of preparing for these visits and alternative accreditation mechanisms. Dr. Koritz commented briefly on issues related to the Affordable Care Act and the layer of bureaucracy it has added, noting that there is potential for some services to be reduced due to delayed receivables and funding shortages.

#### OLD BUSINESS

There was no business presented under this aegis.


## NEW BUSINESS

Dr. Koritz announced that the next meeting is scheduled for Thursday, August 25, 2016,  
at 2:15 p.m.

## MEETING ADJOURNED

On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the meeting adjourned at 3:10  
p.m. There were no "nay" votes.

Respectfully submitted,

  
DEDRA M. WILLIAMS  
*Clerk*

  
TIMOTHY N. KORITZ, MD  
*Chair*

  
EILEEN B. CABLE  
*Assistant Clerk*

