

APPROVED BY THE
COMMITTEE

MAY 05 2016


SECRETARY OF THE BOARD

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

MARCH 3, 2016

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, March 3, 2016, beginning at 2:17 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. Christophe Pierre, vice president for academic affairs; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Dr. Lawrence B. Schook, vice president for research; Mr. Thomas P. Hardy, executive director for University relations; Mr. Thomas R. Bearrows, University counsel; Dr. Susan

M. Kies, secretary of the Board of Trustees and of the University; and Ms. Dedra M.

Williams, secretary designate 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 January 7, 2016. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the minutes were approved. There were no “nay” votes.

Next, Dr. Koritz gave an overview of the meeting’s agenda and asked Dr. Robert A. Barish, vice chancellor for health affairs at Chicago, if he would like to comment. Dr. Barish discussed a new cobranding strategy and showed examples of new materials featuring both the Chicago campus logo and the logo for UI Health, noting that the intent is to emphasize the relationship between UI Health and the Chicago campus. He referred to a monthly newsletter for the hospital and clinics and said that the February 2016 issue focused on a partnership between UI Health and the Center for Housing and Health, which works to provide permanent supportive housing for some chronically homeless upon their discharge from the emergency room or hospital. Dr. Barish described the associated benefits and use of resources.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON MARCH 16, 2016

Dr. Koritz introduced the recommended items within the purview of this committee on the Board's agenda at its meeting on March 16, 2016. All recommended items discussed at the meeting are on file with the clerk.

Approve Student Health Insurance Rates for Urbana, Chicago, and Springfield
Campuses, Academic Year 2016-17

Dr. Koritz asked Ms. P.J. Kale, executive director of risk management, to present information on the recommendation to approve health insurance rates for the Urbana, Chicago, and Springfield campuses for Academic Year 2016-17 (materials on file with the clerk). Ms. Kale reviewed cost drivers and presented the recommended health insurance rates for the three campuses, noting an increase of 11.9 percent for undergraduate students at Urbana; 10.5 percent for graduate students at Urbana; and 20.8 percent for students at Springfield. She indicated that there is no recommended increase in health insurance rates at Chicago. Ms. Kale then gave an overview of the total cost of medical coverage, including the health service fee, at each campus. Brief discussion followed regarding the costs for student health insurance.

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

Next, Dr. Koritz asked Dr. Barish to discuss the recommendation to reappoint a member to the advisory board of the Division of Specialized Care for Children in Springfield, Chicago. Dr. Barish commented briefly on the role of the DSCC and said that the Board is charged with appointing members to the advisory board.

Reorganize the Department of Pediatrics, College of Medicine at Peoria, Chicago

Dr. Barish then discussed the recommendation to reorganize the Department of Pediatrics in the College of Medicine at Peoria, Chicago, from its present structure of a department organized with a chair to a department organized with a head. He referred to the majority vote by faculty in the Department of Pediatrics that approved this change and described the role of a department head. He stated that this change will be more in line with the way in which the department functions and will bring greater long-term stability to the department.

Name the Glenn Netto Health and Wellness Center,
College of Medicine at Rockford, Chicago

Next, Dr. Barish reported on the recommendation to name the Glenn Netto Health and Wellness Center at the College of Medicine at Rockford. He said this would recognize the late Glenn Netto, MD, who was an alum of the College of Medicine and an associate professor of clinical medicine and interim chair of the internal medicine department at the

College of Medicine at Rockford. Dr. Barish said that Dr. Netto received numerous honors during his tenure at the College of Medicine and that the College of Medicine at Rockford established an endowed fund for an annual student award in his honor. He told the committee that Dr. Netto's sisters contributed \$20,000 to fund the renovation costs of the health and wellness facility to be named in recognition of Dr. Netto. Dr. Koritz commented that this will be a wonderful addition for the students at the Rockford campus and expressed appreciation for the generosity of Ms. Rosie Netto and Ms. Alice Netto.

Name the Olga M. Jonasson, MD Classroom,
Library of the Health Sciences, Chicago

Dr. Barish then reported on the recommendation to name the classroom on the first floor of the Library of the Health Sciences in recognition of the late Olga M. Jonasson, MD. He told the committee that Dr. Jonasson was an alum and transplant surgeon whose bequest created an endowed fund supporting the Library of the Health Sciences, and he said that she also bequeathed her home, which is currently the Chicago chancellor's residence. Dr. Barish stated that \$274,000 payout of the endowed fund will be used to support the current renovation of the Library of the Health Sciences.

Approve Amendments to the University of Illinois
Hospital Medical Staff Bylaws, Chicago

Next, Dr. Koritz asked Dr. Bernard H. Pygon, chief medical officer, University of Illinois Hospital, to comment on the recommendation to approve amendments to the University

of Illinois Hospital medical staff bylaws. Dr. Pygon outlined the proposed amendments and explained that Board approval is needed in order to make these changes.

Award Construction Contracts for Mechanical and Electrical Upgrades,
University of Illinois Medical Center, Chicago

Dr. Koritz then asked for information regarding the recommendation to award construction contracts for mechanical and electrical upgrades at the University of Illinois Medical Center. Mr. Knorr discussed the recommendation and referred to the Board's previous approval of the Medical Center update project. He described the scope of the work to be completed and the cost, and said that these are being funded by the previous sale of revenue bonds to fund hospital projects.

Increase Project Budget and Amend Professional Services Consultant Contract
for Clinical Performance Center, College of Medicine, Chicago

Mr. Knorr then reported on the recommendation to increase the project budget and amend the professional services consultant contract for the Clinical Performance Center at the College of Medicine at Chicago. He discussed funding for the project and total cost of the project after the proposed increase.

Approve Project for Research Laboratories,
Medical Sciences Building, Chicago

Mr. Knorr discussed the recommendation to approve the project for research laboratories at the Medical Sciences Building at Chicago and reported on the source of funding. Brief discussion followed regarding the location of the Medical Sciences Building.

Health Services Facilities System Revenue Bonds,
Series 2013A (Alternate Projects)

Dr. Koritz then asked Mr. Robert L. Plankenhorn, assistant vice president for treasury operations, to provide information on the use of Series 2013A Health Services Facilities System Revenue Bonds for alternate projects. Mr. Plankenhorn referred to the Board's authorization to issue health services facilities system revenue bonds in 2013 and said the request is being made to reallocate some of those funds for alternate projects. He listed the alternate projects and said these projects represent enhanced utilization of the bond funds to support the combined strategic infrastructure replacement with enhanced care delivery and revenues. Dr. Koritz requested some clarification, and there were no additional questions or comments about this item.

Purchase Recommendations

Next, Dr. Koritz asked Mr. Richard D. Elmore, assistant vice president for procurement services, to report on purchase recommendations. Mr. Elmore discussed the recommended purchase of neurostimulator systems and pain control pump systems for

pain management therapy for the University of Illinois Hospital and Health Sciences System on an as-needed basis, with a cost not to exceed \$6.0 million over a three-year contract term. He said the University is receiving a discount of 5 percent to 10 percent off the list price.

Mr. Elmore then provided information on the recommendation to purchase consulting services for the University of Illinois Hospital and Health Sciences System on an as-needed basis and said this makes available the services of consultants in several areas as needs are identified. Committee members discussed anticipated costs, and Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, gave examples of the amount spent on consulting services in previous years. Dr. Ghosh emphasized the importance of having these services prequalified in order to comply with State procurement laws while responding quickly to the hospital's needs. Additional discussion followed regarding the vendors and types of consulting services included in this recommendation.

Next, Mr. Elmore gave an overview of the recommended purchase of student accident and illness insurance for students at Springfield. He said that pricing is based on an estimated number of enrolled students, and he clarified the cost per student. Mr. Elmore then presented the renewal option for student health insurance at Urbana.

Lastly, Mr. Elmore provided information on the renewal option for the purchase of dental supplies required for use in clinics at the College of Dentistry. He

referred to the vendor's past performance and said the vendor maintained adequate stock of supplies in the College of Dentistry's clinics.

There was no objection to any of the items listed above going forward to the full Board.

COLLABORATION HIGHLIGHT

College of Nursing Partnership with University of Illinois Sister Universities

At 3:04 p.m., Dr. Koritz introduced the collaboration highlight and asked Dr. Terri E. Weaver, dean of the College of Nursing, Chicago, and Dr. Krista Jones, director of the Urbana Regional Campus College of Nursing, to give a presentation on the College of Nursing partnership with University of Illinois sister universities (materials on file with the clerk). Dr. Weaver gave an overview of the College of Nursing at Chicago and reviewed the programs available through the College of Nursing at Chicago at the Urbana and Springfield campuses. She presented enrollment at each campus and described aspects of the recently established Springfield regional campus. Dr. Weaver gave examples of interdisciplinary research done in partnership with faculty in the College of Nursing at Chicago and faculty at Urbana and also described collaborative community and practice partnerships with the College of Nursing faculty at Urbana. She concluded her presentation by referring to a training session on interprofessional education in team-based care that was offered in collaboration between the College of Nursing at Chicago,

the College of Medicine at Chicago, and the School of Social Work at Urbana. Dr. Koritz thanked her for the presentation.

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 presented data reflecting quality improvements over a three-year period and said while there is still room for improvement, much progress has been made. Mr. Fitzgerald said that viewing this data over a three-year period is helpful, and he commented on progress made in some areas. Discussion followed regarding factors contributing to improvements in some areas and less progress in others. Dr. Barish also commented, and Mr. Fitzgerald inquired about comparison institutions that have similar patient groups in an urban environment. Dr. William H. Chamberlin, chief compliance officer, University of Illinois Hospital; Dr. Ghosh; and Dr. Koritz discussed improvement and rank of readmissions and post-operative DVT/pulmonary embolism and factors that have made progress difficult in some areas.

Next, Dr. Ghosh presented the Fiscal Year 2016 second-quarter report and gave an operating summary and productivity summary. He discussed the decrease in discharges and increase in length of stay, noting that the hospital appears to be serving more acute patients. Dr. Ghosh then reported on the opening of the clinical decision unit,

which he said is a major achievement that will grow from its current eight beds to 32 beds, and he discussed the benefits of a new project appraisal and prioritization process. Dr. Ghosh then informed the committee of a shift to diagnosis-related group (DRG) based payments and described the anticipated impact of this change, and he also reported on rising pharmaceutical costs. At 3:45 p.m., Mr. Fitzgerald left the meeting.

Committee members discussed the change in payments to the hospital, and Dr. Dmitri T. Azar, dean of the College of Medicine at Chicago, commented that this structure may present some opportunities due to the acute nature of patients served by the hospital. Mr. Michael Zenn, chief financial officer, University of Illinois Hospital, indicated that greater analysis is needed to determine the potential impact.

Legislative and Policy Report

Next, Dr. Koritz asked Dr. Nicole Kazee, interim assistant vice chancellor for strategy, to give a legislative and policy report. Dr. Kazee referred to discussion in the federal government surrounding Medicare payments and said she will provide a more detailed report on this at a future meeting. She discussed potential changes to Medicare payments to new hospital-based clinics and said this could affect the hospital's growth strategy. Dr. Kazee also referred to discussions that are taking place in the federal government regarding Medicaid readmission penalties that were part of the Affordable Care Act and said legislation has been proposed that would allow the Centers for Medicare and

Medicaid Services (CMS) to risk-adjust, noting that the University may also provide input on the creation of new policies related to this potential change.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz announced that the next meeting is scheduled for Thursday, May 5, 2016, at 2:15 p.m.

MEETING ADJOURNED

On motion of Mr. Estrada, seconded by Dr. Koritz, the meeting adjourned at 3:55 p.m.

There were no "nay" votes.

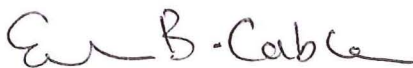
Respectfully submitted,



SUSAN M. KIES
Clerk



TIMOTHY N. KORITZ, MD
Chair



EILEEN B. CABLE
Assistant Clerk