

MAR 14 2018


SECRETARY OF THE BOARD

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

JANUARY 17, 2018

This meeting of the University Healthcare System Committee was held in Michèle M. Thompson Rooms B and C, UIC Student Center West, 828 South Wolcott Avenue, Chicago, Illinois, on Wednesday, January 17, 2018, beginning at 12:31 p.m.

Trustee Stuart C. King, chair of the committee, welcomed everyone to the meeting and asked the clerk to call the roll. The following committee members were present: Mr. Patrick J. Fitzgerald;¹ Dr. Stuart C. King; Dr. Timothy N. Koritz; Mr. Edward L. McMillan; Ms. Karina Reyes, voting student trustee, Chicago. President Timothy L. Killeen was in attendance.

Also present were Dr. Barbara J. Wilson, executive vice president and vice president for academic affairs; Dr. Michael D. Amiridis, chancellor, University of Illinois at Chicago, and vice president, University of Illinois; Dr. Avijit Ghosh, interim comptroller (and vice president/chief financial officer); Dr. Edward Seidel, vice president for economic development and innovation; Mr. Thomas R. Bearrows, University counsel; Mr. Thomas P. Hardy, executive director for University relations; and Ms. Dedra M.

¹ Mr. Fitzgerald arrived at 12:48 p.m.

Williams, 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. King welcomed everyone to the meeting and asked participants to introduce themselves. He then requested a motion to approve the minutes of the meeting held November 15, 2017. On motion of Mr. McMillan, seconded by Dr. Koritz, the minutes were approved. There were no “nay” votes.

OPENING REMARKS

Dr. King invited Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, and interim chief executive officer, University of Illinois Hospital and Health Sciences System, to make some opening remarks. Dr. Barish announced that 101 physicians at UI Health were named as “top doctors” by Castle Connolly, and he congratulated those who received this recognition. He also briefly reported on the hospital’s transplant program, which he said has seen an increase in patients, and he discussed the hospital’s volume of transplant cases. Dr. Barish recognized the hospital staff for their exceptional teamwork, particularly during a recent influenza outbreak that resulted in increased volume of patients in the emergency room and high numbers of patients admitted to the hospital. Dr. Barish also commented on the housing for homeless program, which he said is being extended, and said that this is one method for addressing health equity. He told the committee that the hospital was recently recognized in *IT News* for its hospital

information technology department. He noted that this is the last time he will be attending the meeting as interim chief executive officer, and he briefly commented on the increased operating margin at the hospital.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON JANUARY 18, 2018

Dr. King introduced the recommended items within the purview of this committee on the Board's agenda at its meeting on January 18, 2018. All recommended items discussed at the meeting are on file with the clerk.

Appoint Chief Executive Officer, University of Illinois Hospital and Clinics, Chicago

Dr. King asked Dr. Barish to discuss the recommendation to appoint Mr. Michael B. Zenn, presently chief financial officer and interim chief ambulatory officer, University of Illinois Hospital and Clinics, as chief executive officer, University of Illinois Hospital and Clinics, Chicago. Dr. Barish described Mr. Zenn's background, education, and experience and reviewed his many accomplishments. Dr. Barish stated that this recommendation is being made with the advice of a search committee, and he said Mr. Zenn will succeed Dr. Ghosh, who served as chief executive officer until August 31, 2017, and Dr. Barish, who served as interim chief executive officer since September 1, 2017.

Delegate Authority to Approve Policies of the
University of Illinois Hospital and Clinics, Chicago

Dr. Barish stated that this recommendation is related to a Joint Commission requirement of Board involvement in the approval of policies for the University of Illinois Hospital and Clinics. He gave an overview of three policies that are being recommended for approval and said it is also recommended that the Board approve the recommendation delegating the authority to approve these policies to any two voting members of the University Healthcare System Committee.

Purchase Recommendations

Next, Dr. King asked Ms. Gloria Keeley, interim assistant vice president for administrative services, to report on purchase recommendations. Ms. Keeley first provided information regarding the recommended purchase of sterilization and disinfection services for the University of Illinois Hospital and Health Sciences System. She said it is estimated to cost \$3,568,320 per year and that competitive sealed proposal procedures were followed in accordance with the Illinois Procurement Code.

Ms. Keeley then reported on the recommended purchase to furnish and deliver control retrofits and package system upgrades for the generators at the Abbott Power Plant. She explained that this is a sole source purchase because Solar Turbines is the original equipment manufacturer and the only vendor who can provide the equipment and service necessary to fulfill the system upgrades. Ms. Keeley told the committee that

the current control systems are at the end of their useful life and contain electronic parts that are no longer manufactured or available as replacement parts.

There were no objections to the items listed above going forward to the full Board.

REPORTS

Hospital and Clinics Chief Executive Officer Report

Dr. King asked Dr. Barish, Mr. Zenn, and Ms. Jodi S. Joyce, associate vice president for quality and patient safety, to provide a report (materials on file with the clerk). Mr. Zenn reported on improvements in the hospital's inpatient volume and length of stay, and he discussed significant growth in outpatient clinic visits. He reviewed the statement of operations and said that the hospital's operating margin has doubled. Committee members discussed revenue and expense and the impact of the payment delay from the State. Mr. Zenn discussed the hospital's method of accrual accounting and said that future reports will reflect an increase in days of cash on hand due to payments made by the State to cover medical bills from previous years. Mr. Zenn then showed days of cash on hand as of October 31, 2017, and said that this increased to 101 as of December 31. Mr. Zenn then reported on bond rating medians, and committee members briefly discussed discrepancies among reporting agencies.

Next, Mr. Zenn gave an update on the 3i project and said that it is now moving forward after a three-month delay due to a procurement protest that was ultimately denied by the state procurement office. He also referred to the development of a five-year capital plan and a performance improvement plan, which he said will be developed with a variety of stakeholders and partners.

Quality and Patient Safety Annual Report

Dr. Barish then asked Ms. Joyce to provide the annual report on quality and patient safety (materials on file with the clerk). Ms. Joyce referred to the annual report that was provided to members of the committee in advance of this meeting and summarized highlights from 2017. She discussed the quality and patient safety division, the quality and safety strategy and leadership committee, and Fiscal Year 2018 patient safety goals. Ms. Joyce referred to charts that showed continuous improvements and quality and patient safety performance. Brief discussion followed regarding patient safety and quality initiatives and improvements.

Next, Ms. Joyce gave an overview of the roles and responsibilities of teams that focus on improvements to quality and patient safety and described the work of the patient safety and risk management team; the quality performance and improvement team; the accreditation and clinical compliance team; and the infection prevention and control team. Dr. King thanked her for the report.

Chief Medical Officer Report

Dr. King asked Dr. Terry Vanden Hoek, interim chief medical officer, to give the chief medical officer report. Dr. Vanden Hoek discussed the outbreak of influenza A and said that it resulted in increased emergency room visits, admissions, and length of stay. He said that it required extensive teamwork to manage the increase in hospital admissions, and he thanked Dr. Michele Major, chief nursing officer, for her contributions, as well as the hard work of her staff. He also thanked Mr. David H. Loffing, chief operating officer, University of Illinois Hospital and Health Sciences System, for facilitating space solutions to accommodate an increased number of patients. Dr. Amiridis also commented that the University of Illinois at Chicago recently lost a staff member due to influenza.

Compliance Report

Dr. King then asked Dr. William H. Chamberlin, chief compliance officer, UI Hospital and Clinics, to give a compliance report (materials on file with the clerk). Dr. Chamberlin discussed compliance committee processes and gave an update on the development of policies and programs. He also informed the committee of some audits and investigations and reported on the status of each. Dr. Chamberlin highlighted some initiatives that will take place in 2018, including a review of the UI Health Compliance Plan, the development of a responsibility grid, and completion of the Vice Chancellor for

Health Affairs Compliance Website. There were no questions or comments about the report.

OLD BUSINESS

Dr. King asked committee members if there was any old business to discuss. Mr. McMillan commented on the quality and patient safety presentation and expressed concern regarding the inconsistent trends shown in some of the tables, particularly those related to sepsis mortality. He stated that a unified and consistent effort is needed for improvement. Ms. Joyce discussed the complexity of sepsis cases and the importance of ensuring that the right tools are available to allow for an effective response. She expressed confidence in the engagement of the hospital clinicians and team members. Dr. Barish referred to recent appointments of the chief nursing officer, chief medical officer, and chief executive officer and said he hopes to soon request Board approval to promote Ms. Joyce to chief quality officer, which would elevate her role in the organization. Dr. Barish also discussed criteria of the Centers for Medicare and Medicaid Services (CMS) five-star quality rating system and explained that the hospital faces several issues that may impact its rating. He said that because the hospital is in an urban setting, is an academic health center, is large, receives disproportionate share hospital (DSH) payments, is a safety net hospital, and treats high complexity cases, the hospital's rating is impacted. Mr. McMillan asked to compare the hospital's performance to other similar hospitals and to investigate the reasons why performance may be better at those

institutions. Dr. Chamberlin also commented on variations in severity of illness of the patients and the resulting variations in mortality.

NEW BUSINESS

Dr. King referred to a report in *Crain's Chicago Business* on the CMS five-star quality rating system and acknowledged the uniqueness of the hospital in its mission and patient profile. He requested a plan to improve the hospital's rating to be brought to the committee in July with an update in March. Dr. King acknowledged the hospital's challenges and the work that has been already done, and he thanked the health-care providers working in this complex environment. Mr. Fitzgerald also requested benchmark data for similar institutions, and Mr. Zenn and Dr. Barish also discussed plans for improvement.

Dr. King announced that the next meeting is scheduled for March 14, 2018, at 12:30 p.m.

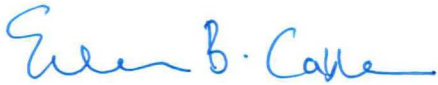
MEETING ADJOURNED

On motion of Mr. Fitzgerald, seconded by Dr. Koritz, the meeting adjourned at 1:47 p.m. There were no "nay" votes.

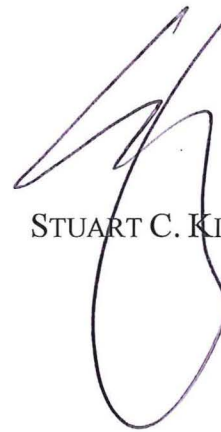
Respectfully submitted,



DEDRA M. WILLIAMS
Clerk



EILEEN B. CABLE
Assistant Clerk



STUART C. KING, MD, MBA
Chair