

APPROVED BY THE
COMMITTEE

SEP 26 2018


SECRETARY OF THE BOARD

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

JULY 19, 2018

This meeting of the University Healthcare System Committee was held in Illini Rooms B and C, Illini Union, 1401 West Green Street, Urbana, Illinois, on Thursday, July 19, 2018, beginning at 8:30 a.m.

Trustee Stuart C. King, chair of the committee, welcomed everyone to the meeting and asked the secretary to call the roll. The following committee members were present: Dr. Stuart C. King; Dr. Timothy N. Koritz; Mr. Edward L. McMillan; Ms. Shaina Humphrey, voting student trustee, Springfield. Mr. Patrick J. Fitzgerald was absent. 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, comptroller (and vice president/chief financial officer) designate; Mr. Thomas R. Bearrows, University counsel; Mr. Thomas P. Hardy, executive director for University relations; and Ms. Dedra 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 acknowledged Ms. Humphrey, student trustee from Springfield, who recently joined the committee. Dr. King then asked participants to introduce themselves.

MOTION FOR EXECUTIVE SESSION

At 8:33 a.m., Dr. King stated: “A motion is now in order to hold an executive session to consider discussion of minutes of meetings lawfully closed under the Open Meetings Act; and pending, probable, or imminent litigation against, affecting, or on behalf of the University.” On motion of Mr. McMillan, seconded by Dr. Koritz, this motion was approved. There were no “nay” votes.

EXECUTIVE SESSION

Dr. King convened the executive session at 8:35 a.m. All committee members were present. The following were also in attendance: President Timothy L. Killeen; Mr. Thomas R. Bearrows, University counsel; Ms. Dedra M. Williams, secretary of the Board of Trustees and of the University; Dr. Michael D. Amiridis, chancellor, University of Illinois at Chicago, and vice president, University of Illinois; Dr. Robert A. Barish, vice chancellor for health affairs, Chicago; Dr. David E. Schwartz, head, Department of Anesthesiology, and assistant vice chancellor for health affairs for medical liability, Chicago; and Dr. Terry Vanden Hoek, interim chief medical officer, University of Illinois Hospital.

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

Dr. King asked Ms. Williams to discuss the recommendation regarding the disclosure of minutes of executive sessions of the University Healthcare System Committee held between July 2014 and November 2017. Ms. Williams outlined the requirement within the Open Meetings Act for public bodies to review minutes, at least twice annually, for purposes of protection of public interest and in the interest of protection of any individual, and to consider whether a need for these materials to be held from release continues. She stated that she has undertaken this review in conjunction with Mr. Bearrows and recommend the release of minutes from November 15, 2017. Ms. Williams described the subject matter of these minutes and said that no other minutes are proposed for release at this time.

Material redacted pursuant to the Illinois Open Meetings Act (5 ILCS 120/2.06d)**EXECUTIVE SESSION ADJOURNED**

The executive session adjourned at 8:42 a.m.

REGULAR MEETING RESUMES

The meeting resumed at 8:48 a.m., with all committee members recorded as being present at the start of the meeting in attendance. Dr. King requested a motion to approve the

minutes of the meeting held March 14, 2018. On motion of Dr. Koritz, seconded by Ms. Humphrey, the minutes were approved. There were no “nay” votes.

AGENDA

Dr. King stated that there was one agenda item requiring action by the committee, and Ms. Williams 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 November 2017 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

November 15, 2017, University Healthcare System Committee

Dr. Koritz convened this executive session at 1:51 a.m. All committee members were present. Also present were Mr. Thomas R. Bearrows, University counsel, and Ms. Dedra M. Williams, secretary of the Board of Trustees and of the University.

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

Ms. Williams 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. Ms. Williams 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 an item discussed in executive sessions during the July 12, 2017, meeting be made available to the public. She 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. Mr. Bearrows advised the committee of the guidelines applied during this review for certain types of discussions based on the exception invoked.

On motion of Dr. Koritz, seconded by Ms. Humphrey, this recommendation was approved by the following vote: Aye, Dr. King; Dr. Koritz; Mr. McMillan; Ms. Humphrey; No, none; Absent: Mr. Fitzgerald.

OPENING REMARKS

Dr. King invited Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, to make some opening remarks. Dr. Barish referred to an eventful year at UI Health and remarked on continued momentum. He introduced members of the UI Health leadership team and mentioned some newly hired physicians. Dr. Barish told the committee that Dr. William H. Chamberlin, who served as chief compliance officer for many years, is retiring from the position. He remarked on improved finances and expressed appreciation for Board support.

REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON JULY 19, 2018

Dr. King introduced the recommended items within the purview of this committee on the Board's agenda for its meeting on July 19, 2018. All recommended items discussed at the meeting are on file with the secretary.

Approve Minutes of Wolcott, Wood and Taylor, Inc., Meeting

Dr. Barish discussed the recommendation to approve the minutes of the meeting of Wolcott, Wood and Taylor, Inc., held on July 13, 2017. There were no comments or questions regarding this item.

Appoint President of Wolcott, Wood and Taylor, Inc., Chicago

Dr. Barish then reported on the recommendation to appoint Ms. Lisa Lenz as president of Wolcott, Wood and Taylor, Inc. He described Ms. Lenz's background and experience and told the committee that Dr. Frank Goldberg, who served as the president of Wolcott, Wood and Taylor, Inc., since April 2015, has indicated his intention to significantly reduce his effort affecting both his roles as president of Wolcott, Wood and Taylor, Inc., and as chief business officer of the University of Illinois Physicians Group. Dr. Barish stated that the board of Wolcott, Wood and Taylor, Inc., nominated Ms. Lenz at its March 29, 2018, meeting and that they recommend approval of this nomination.

Report of the Composition of the Board of Directors of Wolcott, Wood and Taylor, Inc.

Dr. Barish stated that pursuant to Article III, Section 3.2 of the bylaws of Wolcott, Wood and Taylor, Inc., the board of directors shall submit to the Board of Trustees of the University of Illinois, as the sole member of Wolcott, Wood and Taylor, Inc., on at least an annual basis prior to each annual meeting of the sole member, a report of the

composition of the Wolcott, Wood and Taylor, Inc., board, including the names of the individuals selected to serve as directors and their terms. He indicated this report has been provided to the Board.

Purchase Recommendations

Dr. King then asked Ms. Gloria Keeley, assistant vice president for administrative services, to discuss purchase recommendations. Ms. Keeley reported on the recommended purchase of TAVR Evolut Valves used for transcatheter aortic valve replacement for the University of Illinois Hospital and Health Sciences System at Chicago. She said that a new surgeon was recently hired who anticipates doing approximately four TAVR procedures each month. She provided additional information about candidates for the procedure and explained that this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code.

Ms. Keeley then discussed the recommended purchase of craniomaxillofacial/thoracic plating systems that are used in a variety of specialty surgical applications at the University of Illinois Hospital and Health Sciences System. She provided some information about the Biomet Microfixation plate system and said this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code.

Ms. Keeley reported on the recommended purchase of specialized radiation oncology services from the University of Chicago for the University of Illinois Hospital

and Health Sciences System, Department of Radiation Oncology. She said the University of Illinois Hospital and Health Sciences System does not employ radiation oncology physicians, PhD-level physicists, or radiation oncology resident staff in the Department of Radiation Oncology. She said these services have been provided by the University of Chicago since 2004, and she stated that this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code.

Ms. Keely then discussed the recommended purchase of spinal cord stimulator and drug pump surgical implants for the University of Illinois Hospital and Health Sciences System on behalf of Surgical Services. She discussed neuromodulation and its application as a medical therapy that targets the nervous system for restoration of function, relief of pain, or control of symptoms following surgery or injury. Ms. Keeley reported that this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code and that the pricing is considered reasonable and acceptable based on the historical cost. She said negotiations resulted in discounted pricing of 50 percent off the list price.

There were no objections to the items listed above going forward to the full Board for consideration and voting.

REPORTS

Hospital and Clinics Chief Executive Officer Report

Dr. King asked Dr. Barish and Mr. Michael B. Zenn, chief executive officer, University of Illinois Hospital and Clinics, to provide a report (materials on file with the secretary) on the University of Illinois Hospital and Clinics. Mr. Zenn told the committee that the Department of Nursing received the Academy of Medical-Surgical Nurses PRISM Award for the second time, which he said is a symbol of exceptional patient care. He said the University of Illinois Hospital is the only hospital in Illinois to receive this distinction, and he congratulated Dr. Shelly Major, chief nursing officer, and the nursing department staff, on the receipt of this award. He then reported on the Elite Plus status that has been awarded to the hospital by the American Heart Association and the American Stroke Association for the second year. He referred to additional forms of recognition awarded to the hospital and thanked all involved for their hard work.

Mr. Zenn then began his presentation with a performance summary and remarked on improvements in financial condition and performance. He reported on significant operating margin improvement resulting from a successful underpayment project. Mr. Zenn discussed an improved cash position and showed the operating margin for Fiscal Year 2018 compared to prior fiscal years and the Fiscal Year 2018 budget. He reported on the Fiscal Year 2018 run rate, days of unrestricted cash on hand, and unrestricted and restricted cash and investments, and he presented a chart depicting key comparison ratios for health system bond rating medians. Dr. Amiridis commented on the remarkable improvement in the hospital's financial position that has occurred in recent years.

Next, Mr. Zenn began the report on quality and safety, noting that Ms. Jodi S. Joyce, associate vice chancellor for quality and patient safety and chief quality officer, was unable to attend this meeting. Mr. Zenn showed the sepsis mortality index and listed a series of initiatives aimed at reducing the hospital's sepsis mortality rate. He said Dr. Terry Vanden Hoek, interim chief medical officer, University of Illinois Hospital and Clinics, and Dr. Major have provided leadership in this area. Mr. Zenn and Mr. McMillan discussed the method by which the sepsis mortality index is calculated, and Mr. Zenn indicated that the national norm is 1, noting that the goal is to be below 1. Mr. Zenn then reported on three key efforts to reduce rates of deep vein thrombosis and pulmonary embolism, and he discussed the need to implement intensivist staffing to achieve an improved rating with Leapfrog. He told committee members that the hospital dashboards have been distributed to them and have been modified to highlight areas in which the hospital excels and those in which it needs to improve.

Mr. Zenn then asked Dr. Major to report on nursing staffing and safety service excellence. Dr. Major referred to the results of the third quarter, Fiscal Year 2018, staffing data analysis that examined staffing related to safety and sentinel events. She showed several metrics and overall outcomes and percentile rank for each, noting that there is much room for improvement. She described her previous work in patient experience and a goal of improving patient satisfaction at the hospital.

Next, Mr. Zenn gave a 3i project update and said it can now move forward because the Procurement Policy Board found there was no conflict of interest in the

process. He showed a schedule and road map and said that the protest from Cerner resulted in an eight-month delay. Mr. Zenn also gave an update on the ambulatory surgery center and specialty clinics expansion project. He provided a timeline and said a Certificate of Need will be submitted in September. Mr. Zenn discussed the strategic planning process and said that ECG Management Consultants have been selected to assist with this. He also provided a brief update on the timeline. Lastly, Mr. Zenn showed a University of Illinois Hospital and Clinics grid of initiatives for Fiscal Years 2017, 2018, and 2019 and beyond.

Chief Medical Officer Report

Dr. King asked Dr. Vanden Hoek to give a report (materials on file with the secretary). Dr. Vanden Hoek described his background and experience and said he agreed to serve as chief medical officer on a permanent basis because of the current leadership team. He told the committee that Dr. Bernard H. Pygon, who previously served as chief medical officer, has been very helpful in this transition. Dr. Vanden Hoek said the role of the chief medical officer is to empower medical staff leadership to promote UI Health core goals, and he described its mission, vision, and values. He presented opportunities in the coming year for medical staff engagement, interdisciplinary training, and information support. Committee members discussed burnout and whether some specialties or age groups are disproportionately affected. Dr. Vanden Hoek commented on the advantages

of the 3i project and Epic software and indicated that initiatives to promote wellness are also being considered.

Compliance Report

Next, Dr. King asked Dr. William H. Chamberlin, chief compliance officer, Chicago, to provide a compliance report (materials on file with the secretary). Dr. Chamberlin gave an overview of the work of the compliance committee and described the development of programs related to Medicare coverage analysis, budget development, and the use of bill holds to ensure proper Medicare billing for trials and research studies. He gave an update on two audits and investigations of Medicare overpayments and said the practices used in these units have since changed. Dr. Chamberlin referred to a 2018 plan to conduct a survey of attitudes toward compliance.

Dr. King thanked Dr. Chamberlin for the report. Dr. Koritz said he has worked with Dr. Chamberlin as the chief compliance officer since becoming a trustee, and he thanked him for his service to the University. Dr. Chamberlin expressed appreciation for his remarks and said he has enjoyed his time at the University.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. King asked if members of the committee had any new business to discuss. Dr. Koritz remarked on the start of the Carle Illinois College of Medicine at Urbana and said he would appreciate an update at a future meeting. Dr. King agreed. Dr. King then thanked all involved for their participation on the committee and emphasized the role of health-care professionals who are saving lives every day. He expressed appreciation for their hard work.

Dr. Barish told the committee that the transplant program celebrated its 50th anniversary in June, and he listed the number of kidney, liver, pancreas, and small bowel transplants performed to date. He noted that the University of Illinois Hospital is one of the leaders of small bowel transplants in the country.

Dr. King announced that the next meeting is scheduled for September 26, 2018.

MEETING ADJOURNED

On motion of Ms. Humphrey, seconded by Dr. Koritz, the meeting adjourned at 10:03 a.m. There were no “nay” votes.

Respectfully submitted,

DEDRA M. WILLIAMS
Secretary

STUART C. KING, MD, MBA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary