

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
SEPTEMBER 21, 2022

This meeting of the University Healthcare System Committee of the Board of Trustees of the University of Illinois was held on the Third Floor, Levis Faculty Center, 919 W. Illinois Street, Urbana, Illinois, and via remote videoconference, on Wednesday, September 21, 2022, beginning at 12:31 p.m.

Trustee Stuart C. King, chair of the committee, stated that the chair of the Board of Trustees determined that an in-person meeting would not be practical or prudent due to COVID-19 and that under Section 7(e)(2) of the Open Meetings Act, this meeting would be held virtually. He welcomed everyone to the meeting and asked the secretary to call the roll. The following committee members were present at Levis Faculty Center: Ms. Tami Craig Schilling, Dr. Stuart C. King, and Mr. Mohammed A. Haq,<sup>1</sup> student trustee, Chicago. Attending via remote videoconference were Mr. Ramón Cepeda, Mr. Joseph Gutman, and Ms. Sarah C. Phalen.<sup>2</sup>

Also present at Levis Faculty Center were Mr. Lester H. McKeever Jr., treasurer; President Timothy L. Killeen; Dr. Avijit Ghosh, interim executive vice president and vice president for academic affairs; Dr. Robert J. Jones, chancellor,

---

<sup>1</sup> Mr. Haq arrived at 12:38 p.m.

<sup>2</sup> Ms. Phalen arrived at 12:36 p.m.

University of Illinois Urbana-Champaign, and vice president, University of Illinois System; Dr. Javier Reyes, interim chancellor, University of Illinois Chicago, and vice president, University of Illinois System; Dr. Janet L. Gooch, chancellor, University of Illinois Springfield, and vice president, University of Illinois System; Dr. Paul N. Ellinger, interim comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, University counsel; Ms. Adrienne Nazon, vice president of external relations and communications; and Mr. Gregory J. Knott, secretary of the Board of Trustees and of the University. Dr. Joseph T. Walsh Jr., vice president for economic development and innovation, attended via remote videoconference. Attached is a listing of other staff members and some members of the media in attendance at this meeting.

#### MOTION FOR EXECUTIVE SESSION

At 12:32 p.m., Dr. King stated: “A motion is now in order to hold an executive session to consider pending, probable, or imminent litigation against, affecting, or on behalf of the University.” On motion of Ms. Craig Schilling, seconded by Dr. King, the motion was approved by the following roll call vote:<sup>3</sup> Aye, Mr. Cepeda, Ms. Craig Schilling, Mr. Gutman, Dr. King; No, none; Absent, Mr. Haq, Ms. Phalen.

---

<sup>3</sup> Per 5 ILCS 120/7(e), all votes are conducted by roll call.

## EXECUTIVE SESSION

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

## EXECUTIVE SESSION ADJOURNED

With no additional questions or comments, the executive session ended at 12:49 p.m.

## REGULAR MEETING RESUMED

The meeting resumed at 12:49 p.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 July 20, 2022. On motion of Mr. Cepeda, seconded by Ms. Craig Schilling, the minutes were approved by the following roll call vote: Aye, Mr. Cepeda, Ms. Craig Schilling, Mr. Gutman, Mr. Haq, Dr. King, Ms. Phalen; No, none.

## OPENING REMARKS

Dr. King asked Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, to make opening remarks. Dr. Barish welcomed Dr. Gutman to the committee. Dr. Barish referred to the ribbon cutting for the UI Health Specialty Care Building, provided information about the space, and showed a video about the construction process. He said that information about the hospital's performance would be provided later in the meeting.

## REPORTS

## Hospital and Clinics Chief Executive Officer Report

Dr. King asked Mr. Michael B. Zenn, chief executive officer, University of Illinois Hospital and Clinics; Dr. Susan Bleasdale, chief quality officer, University of Illinois Hospital and Clinics; and Mr. Larry Appel, chief financial officer, University of Illinois Hospital and Clinics, to give the hospital and clinics chief executive officer report (materials on file with the secretary). Mr. Zenn informed the committee that the Welcome Atrium project is delayed and showed pictures from the ribbon cutting ceremony for the said the UI Health Specialty Care Building, stating it would open the following week. He expressed appreciation for the gift from the Pasquinelli family, which helped make the project possible, and commented on the importance of philanthropy. Mr. Zenn recognized Chicago Alderman Walter Burnett Jr. (D-Ward 27) for his work on this project that helped ensure increased participation of Business Enterprise Program (BEP) and local vendors. Mr. Zenn discussed aspects of the project and the process for preparing the building for activation. He remarked on the contributions of many staff that helped make this project a success, including Mr. David H. Loffing, former chief operating officer, University of Illinois Hospital and Clinics. Mr. Zenn then highlighted the hospital's receipt of the Beacon Award for Excellence and recognition by the American Heart Association and American Stroke Association.

Mr. Zenn commented on the hospital's partnership with the College of Medicine and asked Dr. Mark I. Rosenblatt, dean of the College of Medicine, Chicago, to comment. Dr. Rosenblatt discussed increased collaboration between the college and the hospital and the role of philanthropy, and he said the ability to provide specialty care within an academic health center will attract residents and promote groundbreaking research and discovery.

At 1:10 p.m., Mr. Appel, reported on financial results and presented the Fiscal Year 2022 operating margin and a comparison to Fiscal Year 2021. He also compared year-over-year activity to Fiscal Year 2021, showed operating expenses, and remarked on an improving balance sheet. He told the committee the Fiscal Year 2022 operating margin was \$29.0 million over budget and that the Fiscal Year 2022 results were \$7.0 million over budget. He reported on increases in days of unrestricted cash on hand and showed unrestricted and internally restricted cash and investments over the past six years. He discussed health system bond rating medians for A-rated hospital and showed key comparison ratios, and he said the hospital received a stable rating from Moody's and Standard and Poor's, noting that many hospitals have been downgraded.

Next, Mr. Appel reported on the Fiscal Year 2023 budget and listed key assumptions that were considered in the development of the budget. He referred to growing volumes of discharges, surgical cases, emergency department visits, and clinic visits, as well as gross revenue, yield, net patient revenue, and operating revenue growth. He noted that expenses have increased along with volumes, and he presented the

operating margin in dollars as a percentage. Brief discussion followed. Mr. Zenn told the committee that the budget is imbedded in the strategic plan, and he discussed strategic goals and initiatives, as well as current and near-term initiatives.

At 1:29 p.m., Mr. Zenn presented the report on quality and safety transformation and perioperative workflows. Dr. Bleasdale gave an update on the quality and safety transformation and reviewed “red rules,” which she said are rules that apply to everyone on the surgical team and cannot be broken. She reported on aspects of the pre-procedure area, reviewed 11 True North quality metrics, and discussed foundational quality and safety elements, all of which promote an aligning of culture and safety. Dr. Bleasdale gave an example of a “red rule,” and Mr. Zenn said the hospital is committed to transformation and ensuring the best quality possible. Dr. Rosenblatt commented that the quality metrics do not reflect the team’s dedication to quality and emphasized the collaborative effort, understanding, and commitment that are underway. President Killeen remarked on the history of the hospital and expressed appreciation for the improvement in its finances and the increased collaboration between the hospital and College of Medicine. Mr. Cepeda echoes these remarks and commended the hospital and College of Medicine leadership on this progress.

#### OLD BUSINESS

There was no business presented under this aegis.

#### NEW BUSINESS

Dr. King asked if there was any new business to discuss. He welcomed Mr. Gutman to the committee and said that it would be helpful for the new trustees to receive an overview of the hospital and health sciences system. He announced that the next meeting is scheduled for November 16, 2022, at 12:30 p.m., at Chicago.

#### MEETING ADJOURNED

Dr. King asked for a motion to adjourn the meeting. On motion of Mr. Haq, seconded by Ms. Craig Schilling, the meeting adjourned at 1:45 p.m. by the following roll call vote: Aye, Mr. Cepeda, Ms. Craig Schilling, Mr. Gutman, Mr. Haq, Dr. King, Ms. Phalen; No, none.

Respectfully submitted,

GREGORY J. KNOTT  
*Secretary*

STUART C. KING, MD, MBA  
*Chair*

EILEEN B. CABLE  
*Special Assistant to the Secretary*

