

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
MARCH 29, 2023

This meeting of the University Healthcare System Committee of the Board of Trustees of the University of Illinois was held in the Student Union Ballroom, Room 224, 2251 Richard Wright Drive, Springfield, Illinois, on Wednesday, March 29, 2023, beginning at 12:31 p.m.

Trustee Ramón Cepeda, 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 in a hybrid format, meaning that some committee members would attend virtually and some in person. He convened the meeting and asked the secretary-designate to call the roll. The following committee members were present at the Student Union Ballroom: Mr. Ramón Cepeda and Mr. Donald J. Edwards. Attending via remote videoconference were Ms. Tami Craig Schilling;¹ Mr. Joseph Gutman; and Ms. Sarah C. Phalen.¹ Mr. Mohammed A. Haq, student trustee, Chicago, was absent.

Also present in the Student Union Ballroom were President Timothy L. Killeen; Dr. Nicholas P. Jones, executive vice president and vice president for academic affairs; Dr. Robert J. Jones, chancellor, University of Illinois Urbana-Champaign, and

¹ Ms. Craig Schilling and Ms. Phalen arrived at 12:34 p.m.

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, comptroller (and vice president/chief financial officer); Dr. Joseph T. Walsh Jr., vice president for economic development and innovation; Ms. Adrienne Nazon, vice president of external relations and communications; Mr. Gregory J. Knott, secretary of the Board of Trustees and of the University; and Dr. Jeffrey A. Stein, secretary-designate of the Board of Trustees and of the University. Mr. Lester H. McKeever Jr., treasurer, and Mr. Thomas R. Bearrows, University counsel, attended via remote videoconference. Attached is a listing of others in attendance at this meeting.

MOTION FOR EXECUTIVE SESSION

At 12:32 p.m., Mr. Cepeda 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 Mr. Gutman, seconded by Mr. Edwards, the motion was approved by the following roll call vote:² Aye, Mr. Cepeda, Mr. Edwards, Mr. Gutman; No, none; Absent, Ms. Craig Schilling, Mr. Haq, Ms. Phalen.

EXECUTIVE SESSION

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

² Per 5 ILCS 120/7(e), all votes are conducted by roll call.

EXECUTIVE SESSION ADJOURNED

With no additional questions or comments, the executive session ended at 12:51 p.m.

REGULAR MEETING RESUMED

The meeting resumed at 12:53 p.m., with all committee members recorded as being present at the start of the meeting in attendance. Mr. Cepeda requested a motion to approve the minutes of the meeting held January 25, 2023. On motion of Ms. Phalen, seconded by Mr. Edwards, the minutes were approved by the following roll call vote: Aye, Mr. Cepeda, Ms. Craig Schilling, Mr. Edwards, Mr. Gutman, Ms. Phalen; No, none; Absent, Mr. Haq.

OPENING REMARKS

Mr. Cepeda asked Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, to make opening remarks. Dr. Barish shared a video featuring Match Day, which represents the day applicants seeking residency and fellowship training positions receive their results. He told the committee that this event occurs at the exact same time throughout North America and is the culmination of four years of work by the medical students. He then reported that the College of Medicine participated in the American College of Cardiology Annual Scientific Sessions conference in New Orleans by live streaming two cardiac procedures. He said that there were nearly 20,000 attendees at the conference, and he thanked all involved for making it possible to share live footage of these cases.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON MARCH 30, 2023

Mr. Cepeda introduced the recommended item within the purview of this committee on the Board's agenda at its meeting on March 30, 2023 (materials on file with the secretary).

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

Mr. Cepeda asked Dr. Barish to report on the recommendation to appoint Dr. Mark I. Rosenblatt, dean of the College of Medicine; professor, Department of Ophthalmology and Visual Sciences; physician surgeon, Department of Ophthalmology and Visual Sciences; Illinois Lions/Charles I. Young Endowed Chair in Ocular Research; professor of pharmacology, College of Medicine at Chicago; departmental affiliate, Richard and Loan Hill Department of Biomedical Engineering, College of Engineering; and associate vice chancellor for physician affairs, Office of the Vice Chancellor for Health Affairs, as interim chief executive officer, University of Illinois Hospital and Clinics, University of Illinois Chicago. Dr. Barish stated that Mr. Michael B. Zenn, who has served as chief executive officer since 2018, would be stepping down and transitioning to an advisory role. He said Dr. Rosenblatt would serve in this role until a permanent chief executive officer is appointed. Dr. Barish described Dr. Rosenblatt's background, experience, and collaborative approach and said he is a good fit for the role. Brief discussion followed,

and Dr. Barish told the committee that Mr. Zenn will step down on May 15, 2023, and a search is not yet underway. There was no objection to forwarding this item to the full Board for approval.

REPORTS

Hospital and Clinics Chief Executive Officer Report

Mr. Cepeda asked Dr. Barish and Dr. Tiesa Hughes-Dillard, chief nursing officer, to give the hospital and clinics chief executive officer report (materials on file with the secretary). Dr. Barish referred to an unplanned visit from The Joint Commission that took place over a five-day period. He said the hospital received good reviews and that more information about the visit will be shared at a future meeting. He said The Joint Commission highlighted nursing and the leadership of Dr. Hughes-Dillard, and he congratulated Dr. Hughes-Dillard on this achievement.

Dr. Hughes-Dillard gave a nursing services update and discussed current and near-term initiatives, including a new automated acuity system, standardization in quality and safety, and the partnership with the College of Nursing. She also gave an update on efforts to achieve Magnet status designation. Dr. Hughes-Dillard then reported on the downward trend of the rate of hospital acquired pressure injuries and discussed initiatives that led to this decline. She discussed the low use of agency contract nurses at UI Health compared to other area hospitals. Dr. Hughes-Dillard reviewed a staffing safety event report summary, and she discussed the patient experience, showing data that

reflects improvements in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) rating and percentile ranking.

Dr. Barish then presented the financial results for Fiscal Year 2023 through January 2023. He referred to financial losses at hospitals throughout the country totaling a range of \$1.0 billion to \$7.0 billion. He reported on the hospital's year-to-date operating margin of \$14.7 million and presented the income statement, unrestricted days of cash on hand, and unrestricted and internally restricted cash and investments. He showed key comparison ratios for health system bond rating medians for A-rated hospitals and remarked on the financial strain on health care nationally. Mr. Cepeda inquired about the unrestricted days of cash on hand shown in the key comparison ratios, noting that the hospital's unrestricted days of cash on hand is far below that of A-rated hospitals. Dr. Barish stated that the hospital now has 142 unrestricted days of cash on hand, versus 138 in January 2023, and he said the intent is to continue to increase that number. President Killeen stated that payments for capital investments impact this number, and Dr. Barish listed the costs of recent major projects, such as the installation of Epic and the construction of the Welcome Atrium and Specialty Care Building. He asked Mr. Laurence S. Appel, chief financial officer, University of Illinois Hospital and Clinics, to comment on the debt repayment structure. Mr. Appel reported on costs for those projects and said that despite these expenses, days of cash on hand has grown. He said these projects are in addition to the typical capital required for equipment and renovation,

which averages between \$20.0 million and \$25.0 million per year. He said additional large projects will need to be completed and funded over the next five or six years.

Mr. Cepeda thanked Dr. Barish and Mr. Appel for the information and remarked on the important impact of these major projects. He and Dr. Barish commented on the benefits of Epic, and Dr. Barish told the committee that patients greatly appreciate the Welcome Atrium, stating that it sets the tone for the level of care provided. Dr. Hughes-Dillard agreed and told the committee that patients enjoy spending time in the Welcome Atrium. Mr. Edwards commended the team on the hospital's financial performance. He asked for an update on the financial performance of the Specialty Care Building to be given at the next meeting of this committee. Mr. Cepeda asked if members of the committee had any additional comments or questions, and Ms. Craig Schilling expressed appreciation for Mr. Zenn's many accomplishments while serving as chief executive officer of the hospital. She thanked him and wished him well as he moves into an advisory position. Dr. Barish thanked Ms. Craig Schilling for her remarks and said they will have an opportunity to share their comments with Mr. Zenn at a future meeting. Mr. Cepeda stated that it was a pleasure to work with Mr. Zenn.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Cepeda asked if there was any new business to discuss, and there was none. He announced that the next meeting is scheduled for May 17, 2023, at 12:30 p.m., at Urbana.

MEETING ADJOURNED

Mr. Cepeda asked for a motion to adjourn the meeting. On motion of Mr. Edwards, seconded by Ms. Craig Schilling, the meeting adjourned at 1:21 p.m. by the following roll call vote: Aye, Mr. Cepeda, Ms. Craig Schilling, Mr. Edwards, Mr. Gutman, Ms. Phalen; No, none; Absent, Mr. Haq.

Respectfully submitted,

JEFFREY A. STEIN
Secretary-Designate

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary