

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
SEPTEMBER 18, 2024

This meeting of the University Healthcare System Committee of the Board of Trustees of the University of Illinois was held in the I Hotel and Conference Center, Illinois Ballroom, 1901 South First Street, Champaign, Illinois, on Wednesday, September 18, 2024, beginning at 12:39 p.m.

Trustee Donald J. Edwards, chair of the committee, convened the meeting and asked the secretary to call the roll. The following committee members were present: Ms. J. Carolyn Blackwell; Mr. Donald J. Edwards; Ms. Sarah C. Phalen;¹ Mr. Jesse H. Ruiz; and Mr. Quinn S. Basta, student trustee, Chicago. Mr. Ramón Cepeda was absent. Ms. Tami Craig Schilling;¹ Mr. Joseph Gutman; Mr. Wilbur C. Milhouse III; Ms. Ariana A. Mizan, student trustee, Urbana; and Mr. Christian Johnson, voting student trustee, Springfield, attended as guests.

Also present were President Timothy L. Killeen; Mr. Lester H. McKeever Jr., treasurer; Dr. Marie Lynn Miranda, 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.

¹ Ms. Phalen and Ms. Craig Schilling attended via remote videoconference.

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. Scott E. Rice, University counsel; and Dr. Jeffrey A. Stein, secretary of the Board of Trustees and of the University.

MOTION FOR EXECUTIVE SESSION

Mr. Edwards stated: “A motion is now in order to convene an executive session to consider the following topic as permitted under Section 2(c) of the Illinois Open Meetings Act: pending, probable, or imminent litigation against, affecting, or on behalf of the University (subsection 11).” On motion of Mr. Ruiz, seconded by Ms. Blackwell, the motion was approved. There were no “nay” votes.

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 12:58 p.m.

REGULAR MEETING RESUMED

The meeting resumed at 1:00 p.m. Mr. Edwards requested a motion to approve the minutes of the meeting held July 10, 2024. On motion of Ms. Blackwell, seconded by Mr. Ruiz, the minutes were approved. There were no “nay” votes.

OPENING REMARKS

Mr. Edwards asked Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, to make opening remarks. Dr. Barish gave a presentation (materials on file with the secretary) and highlighted the naming of the Herbert M. and Carol H. Retzky College of Pharmacy. He presented data reflecting the growth in the financial reserves of the University of Illinois Hospital and Clinics, and he reported on expenditures, including the Epic installation in Fiscal Years 2020 and 2021 and the construction of the UI Health Specialty Care Building and Atrium in Fiscal Year 2023. Dr. Barish referred to volume growth in clinic visits, surgical cases, and emergency department visits and said the committee would hear additional information throughout this meeting on the hospital’s progress.

REPORTS

Hospital and Clinics Chief Executive Officer Report

Mr. Edwards asked Dr. Mark I. Rosenblatt, chief executive officer, University of Illinois Hospital and Clinics, and G. Stephen Irwin Dean, College of Medicine, Chicago, to give

the Hospital and Clinics Chief Executive Officer Report (materials on file with the secretary). Dr. Rosenblatt shared points of pride and highlighted staff engagement events and recognitions of excellence from the American Heart Association. Dr. Rosenblatt then presented data on surgical volume from the operating room and the UI Health Specialty Care Building (SCB) and showed that surgical case volume has increased due to the addition of the SCB. He reported on quality and safety and shared progress on True North performance goals through June 2024. President Killeen inquired about outpatient surgeries, and Dr. Rosenblatt described the advantages of increased use of robotic surgeries, many of which are performed at the SCB.

Hospital and Clinics Nursing Data Update

Mr. Edwards asked Dr. Jonathan M. Radosta, chief medical officer, University of Illinois Hospital and Clinics, to give a hospital and clinics nursing update (materials on file with the secretary). Dr. Radosta noted that he was giving this report on behalf of Dr. Tiesa Hughes-Dillard, chief nursing officer, who was at a conference and unable to attend this meeting. Dr. Radosta reported on the status of the nursing Magnet program designation, and he shared the nursing staffing event reporting summary, stating that there were no occurrences of patient harm resulting from less-than-optimal staffing. He reiterated the low use of agency contract nurses at UI Health.

Hospital and Clinics Annual Financial Report

Next, Mr. Edwards asked Mr. Laurence Appel, chief financial officer, University of Illinois Hospital and Clinics, to give the annual financial report (materials on file with the secretary). Mr. Appel shared highlights from Fiscal Year 2024 and said that the hospital's finances exceeded expectations. He gave a Fiscal Year 2024 pre-audit summary and showed the payer mix and year-over-year increases in volume. Mr. Appel reported on the balance sheet and said the days of cash on hand is five days more than it was at the start of the fiscal year. Next, Mr. Appel discussed the positive operating margin, stating that the hospital is \$32.0 million over budget, and presented graphs depicting inpatient volumes and volume growth trends. He reported on revenue and expense per case and showed that revenue is currently greater than expense, noting that this relationship needs to be carefully monitored. Mr. Appel presented charts depicting unrestricted and internally restricted cash and investments and unrestricted days of cash on hand. He discussed key metrics and showed the comparison to Standard and Poor's medians.

Mr. Appel then presented key assumptions and highlights from the Fiscal Year 2025 budget and described expense challenges. He showed the number of cases, operating revenue, and expenses that comprise the Fiscal Year 2025 budget and said the operating margin will decrease due to increased expenses. Mr. Appel told the committee that this is a national trend in healthcare. Mr. Edwards inquired about data reflecting operating revenue and decreased expenses for Fiscal Year 2024, and Mr. Appel stated that he would investigate and report back. Mr. Appel concluded his presentation by discussing the long-term financial strategy and sources of funds for UI Health.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Edwards asked if there was any new business to discuss. He commended the financial and medical staff at UI Health for their performance and strong financial management. He highlighted the staffing strategy for nurses, which he said is an advantage. Mr. Edwards expressed appreciation for the care he received on a visit to UI Health and said Epic aids patients with a positive experience.

Mr. Edwards announced that the next meeting is scheduled for November 14, 2024, at 12:30 p.m., in Chicago.

MEETING ADJOURNED

Mr. Edwards then asked for a motion to adjourn the meeting. On motion of Mr. Ruiz, seconded by Ms. Blackwell, the meeting adjourned at 1:31 p.m. There were no “nay” votes.

Respectfully submitted,

JEFFREY A. STEIN
Secretary

DONALD J. EDWARDS
Chair

EILEEN B. CABLE
Special Assistant to the Secretary