



# BOARD OF DIRECTORS

December 9, 2002  
Minutes

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Ms. Leonardi called the meeting to order at 9:30 a.m.

## 1. Public Comment

- Valerie Brachet
- Francesco Ferraro
- Alen Braut
- Jean Morningstar, President of the University Health Professionals

The speakers listed above all addressed their concerns related to the status of postdoctoral research fellows and the desirability of the fellows joining the University Health Professionals collective bargaining unit.

## 2. Approval of Minutes

- The minutes of September 9, 2002 were unanimously approved.

## 3. Main Business Items

Initial comments made by Ms. Leonardi

- Notification of Special BOD meeting on April 10, 2003 to discuss capital planning.
- Formation of a new standing subcommittee – The Compliance Subcommittee will have two regular meetings each year. Its members will be Ms. Leonardi (chair), Mr. Chudwick and Dr. Friend.
- Role of new Board in Health Center's fund raising success.
- Development: Ms. Leonardi introduced Ellen Ball, Associate Vice President for Development; Sally Weisman, Director of Major and Planned Gifts; and Frank Gifford, Director of Corporate and Foundation Relations, and Nancy Kotchko, Director of Alumni Relations. The strategic direction of the UCHC's development efforts will be presented at the March BoD meeting. The BoD's role in development will be an important one. Ms. Ball may ask some BoD members to become involved in such efforts before this meeting.

### 3.1 Medical Arts and Research Building of Farmington/Ambulatory Surgery Center – Moved to Executive Session

### 3.2 Shields (S. Strongwater)

This joint venture with Shields Imaging and the UConn Health Center Finance Corporation on behalf of UConn Medical Group is proposed to enhance the clinical, education and research

missions of the School of Medicine and specifically its Department of Diagnostic Imaging. By creating increased volume and revenue from imaging services, the UCHC Department of Diagnostic Imaging will be able to hire sub-specialists needed for the School's academic programs.

Shields has had considerable success in operating private MRI services in neighboring states but upon its application for a Certificate of Need (CON) to open a Connecticut facility, Shields was advised by the Office of Health Care Access to seek a Connecticut hospital partner. Shields approached UCHC as such a partner.

This partnership will provide high-field, high-quality MRI services to selected Connecticut communities in an ambulatory setting. Currently, ambulatory MRI services are using lower quality equipment in order to avoid the need for CON approvals. The Shields-UConn high-quality MRI units will require CONs for each proposed site. If successful, sites may be placed throughout the state.

Each party will provide \$250,000 in capital. The equipment will be leased. This proposal was reviewed by Finance and Audit (10/30/02) and Clinical Affairs (11/12/02) Subcommittees. Both recommend the BoD approve this project. The resolution was modified to read "Limited Liability Company" not "Limited Liability Corporation"

The **BOD** unanimously approved the **authorization of the University of Connecticut Health Center Finance Corporation on behalf of UConn Medical Group to form a limited liability company, MRI of Connecticut LLC, as a joint venture with Shields Imaging of Connecticut LLC.** There was one abstention (Mr. Meacham).

### 3.3 Delegation of BoD Authority to Subcommittee

The current University By-Laws require all BoD decisions be made as committee of the whole. The work of the BoD and its subcommittees are evolving. It has become apparent that certain items of business, such as medical staff credentialing, need to be approved in a timelier manner than on a quarterly basis. Subcommittees may also best handle other items of business without further discussion by the whole BoD.

The **BOD** unanimously approved the **notification of proposed changes to the University of Connecticut Laws and By-Laws.** The proposed changes in by-laws would enable to BoD to delegate its authority to its subcommittees. This notice will be posted at the January meeting of the Board of Trustees and brought to vote at the subsequent meeting of the BoT.

## 4. Executive Vice President's Report (P Deckers)

### 4.1 Sponsored Research Awards

1<sup>st</sup> quarter shows \$7.5 million ahead of last year at the same time and up over \$40 million in the last five years. A discussion took place concerning the difference between increases in awards and the variance between actual awards and budgeted awards. Also, the difference

between awards and actual funds flow (revenues and expenses.) There continues to be an issue relative to the appropriate allocation of non-direct research related expenses. The Finance Department is reviewing such budget allocations and analyzing flow of expenses and will make a more detailed presentation on the accounting practices for the research domain at a future Financial Affairs subcommittee.

#### 4.2 Compliance Subcommittee

- New subcommittee to meet twice - February 3 and August 4, 2003.
- A question was offered regarding why there wasn't an Executive Committee – the BOD is evolving and such a committee and/or others may be added in the future

#### 4.3 Tentative Agenda for FY03

- Subcommittee and BOD timeframes and agenda items for FY03 were provided in the Board book.

#### 4.4 Development

- Full development team now in place. A full presentation on Development will be made at the March BoD meeting.

#### 4.5 Performance Reviews

- Performance reviews have been done for all managerial/confidential staff, although no funds are currently available for raises.
- Peter Robinson, Dean, School of Dental Medicine has undergone a 5-year performance review. The committee charged with this task has submitted its report to President Austin. Dr. Robinson has also submitted his response to this report to the President.

#### 4.6 IT Personnel Changes

- Sandra Armstrong has been named Interim Chief Information Officer to replace Thomas Cawley who will be retiring June 2003.

### 5. Deans' Reports

#### 5.1 Medical School (P Deckers)

##### a. Status of LCME Review

- Bruce Koeppen was thanked for his considerable efforts in preparation for the LCME site visit in January. A thorough self-evaluation has been completed.

##### b. School of Medicine Reorganization

Active discussion within the School of Medicine has continued since this issue was raised at the start of the summer. At least 7 major proposed new institutes/departments are receiving serious attention. These include: Musculoskeletal; Immunotherapy and Cancer; Vascular Biology; Public Health; Bone Biology/Cell & Molecular Biology, Immunology and Microbial Pathogenesis; and Human Genetics/Developmental Biology. This issue will be brought to the BoD at its March

meeting. The BoD noted the alignment of resources and institutional goals was viewed as a critical need, but the challenge in obtaining internal buy-in from the faculty was viewed as a challenge.

- c. The clinical incentive plan is evolving to a market-based compensation model; 10% tithe; being examined at subcommittee level
- d. Tuition increases are current under review. The current combined tuition and fees is ~\$15 thousand and will probably need to be increased by 15% per the Department of Higher Education Board of Governors policy. This issue will be discussed at the February Academic Affairs subcommittee and brought to the BoD in March. The BoD asked that reports on student debt and loan availability be provided as well.
- e. Department meetings – Dr. Deckers has met with all the academic departments in the School of Medicine and, for the first time, School of Dental Medicine. The main issue of concern was the state budget situation and its implications for the Health Center.

A discussion took place as to how the State allocates general funds to the Health Center. This is a fixed amount (i.e. it is not adjusted to ensure an end of year balanced budget) but can include rescissions as the year progresses and the amount of fringe benefits received can vary with our hiring patterns. Any deficit would have to come from reserves and these are small. In such an environment, forecasting becomes a critical activity and the reliance on historical revenue and expense trends is essential.

## 5.2 Dental School (P Robinson)

- a. Class of 2007  
There has been an increase in the applicant pool and a better URM yield is expected. Nationally, applications are up 10-15%; SODM and pharmacy is the only medical specialty showing increases
- b. Major dental equipment is being replaced
- c. Part I of Boards – rank 3<sup>rd</sup> in nation
- d. Tuition fee increases are expected

## 6. Academic Affairs (A. Cooper and B. Koeppen)

### 6.1 Chair's Remarks

Met on November 4<sup>th</sup> for the first time.

### 6.2 Status of LCME Review

The self study is completed. The culture for Medical School accreditation self-studies is full candor in identifying and reporting problems. There are no red flags and only some small partial non-compliance issues that are currently being addressed. A fully successful accreditation is expected.

### 6.3 Change in process for the Appointment of Emeritus Faculty

The **BOD** unanimously approved to amend the **process by which emeritus status is conferred and allow conferral prior to retirement, contingent upon retirement on a specified date.** A draft letter of appointment to emeritus status describing the rights of emeritus faculty will be presented to the Academic Affairs subcommittee.

### 6.4 Consent Items

6.4.1 The **BOD** unanimously approved the following recommendation –**That the Board of Directors approve the School of Medicine and the School of Dental Medicine recommendations for tenure, promotion, appointment and reappointments.**

6.4.2 The **BOD** unanimously approved **the appointment of Richard H. Fortinsky, Ph.D. to the Physicians Health Services Chair in Geriatrics and Gerontology commencing December 10, 2002.**

6.4.3 The **BOD** unanimously approved **the Annual Reports for the Endowed Chairs: Infectious Diseases/AIDS Research; Transfusion Medicine and Human Genetics.** The phrase in the resolution “Board of Trustees” was amended to read “Board of Directors”. A concern was raised that the revenue and expense reports for these endowed chairs accurately reflect all sources of revenue in order to ensure the base endowment is protected.

## 7. Clinical Affairs/Peer Review Subcommittees (B. Chudwick & S. Strongwater)

### 7.1. Chair’s Remarks

- The subcommittee met on November 12<sup>th</sup>.
- A monthly credentialing process will be put into place utilizing a monthly phone meeting (3<sup>rd</sup> Tuesdays). The subcommittee’s recommendations will then be send to the whole BoD and a fax vote taken.

### 7.2. Consent Items

7.2.1. The **BOD** approved the **John Dempsey Hospital Human Resources Annual Report, calendar year 2001.** There was one No vote (Mr. Meecham.) The BoD made the following requests concerning the next annual report: the author(s) names should be listed, the issue of diversity should be included, the percentage of required performance reviews completed needs to be improved to national standards, the low training levels need to be explained or completion levels raised to national standards, and better explanations need to accompany all tables so that they cannot be taken out of context if the table is presented as a figure without the rest of the report.

7.2.2. The **BOD** unanimously approved the **John Dempsey Hospital Plan for Improving Organizational Performance**. [Note that after the meeting it was discovered the document in the Board book attached to this resolution was not the Plan for Improving Organizational Performance, but the Report on Hospital Department Performance Improvement Projects. The Plan for Improving Organization Performance will be presented at the March BoD meeting and the vote retaken at that time.

### 7.3. Key Performance Indicators

Further discussion concerning what performance indicators the BoD wishes to receive will take place during the spring. Suggestions are welcome.

A discussion took place concerning the Health Center's role in the nation's and state's small pox vaccination program.

- Small pox vaccination strategy is being coordinated statewide with UCHC as base; 3 stage program; first responders scheduled for early January. Known as "Genesis" team.
- The threat of small pox is a very serious one in that it is highly contagious and has a high mortality rate (70%). Those vaccinated over 20 years ago are unprotected.
- The current vaccine has a 1-2% side effect rate, a small mortality rate, and those vaccinated can shed virus and affect family or close contacts. It can provide protection relatively quickly. Safer vaccines may be available in approximately one year, but the threat may be more imminent.
- There may be resistance by some health care providers to be in the first wave to be vaccinated. As a health care facility it is important for us to be good role models in taking this preventative step.

## 8. Financial Affairs and Audit (D. Marks & D. Upton)

### 8.1. Chair's Remarks

- The subcommittee last met on October 30<sup>th</sup> and November 22<sup>nd</sup>.

### 8.2 Audits of John Dempsey Hospital, UConn Medical Group and the UCHC Finance Corporation

- There were no major audit concerns and end of year statements did not change materially.
- The audit management letter will be sent to all BOD members

### 8.3 Clinical Compensation Plan

A performance based clinical compensation plan was originally developed and implemented at the request of the Health Affairs Committee. This plan had no risk but incentivized increases in productivity (as measured by RVUs) or by clinical earnings. While viewed as successful, a more effective plan is now being proposed that places some salary at risk. As a first phase of this market-based plan, only 90% of current base salary is assured, 10% is at risk and an additional

40% of base can be earned as incentive for good performance as measured by net revenues after all expenses. Over time, the Clinical Oversight Group may move to more expansive plans with a higher percentage of salary at risk and a higher allowance for incentive payments. More authority to managed unit expenses will have to be given to clinical units.

This plan would go into operations on July 1, 2003. Shadow reports will be available to faculty for six months prior to that and will be used to “test the system”. A tithe will be implemented to fund a pool of money needed to ensure the salaries of low earners that are viewed as vital to the practice (i.e. typically primary care providers.) The necessary information systems will be in place to monitor this plan.

In the future, the plan may be modified to take into account measures of patient satisfaction and quality of care provided. As the plan is implemented the insurance status of patients cannot be a factor – being a state agency we accept all patients.

The BOD unanimously approved **the authorization of the Executive Vice President of Health Affairs to execute and implement a market-based UConn Medical Group Clinical Compensation Plan.** The Board expects to be notified of any changes in the plan for FY 05. It also wishes to be kept informed as to whether the clinical plan provides a disincentive to other important activities such as teaching or research. The Board also wishes to be assured that no unprofessional attempts at shifting a participant’s payer mix takes place (i.e. any attempts to limit Medicaid or similar low paying patients.)

#### 8.4. Financial Reports

8.4.1. The financial report through October 31, 2002 was reviewed.

#### 8.5. Consents

8.5.1. Contracts > \$500,000 – None.

8.5.2. Personnel List - The BOD unanimously approved the personnel list.

#### 8.6. Informational

8.6.1. Contracts <\$500,000

### 9. Other Committee Reports – None.

### 10. Consent/Informational Items

#### 10.1. NRC Certification

The BOD unanimously approved **the authorization of transmission of letter of intent for financial assurance for decommissioning as required by 10 CFR 30.35 to the Nuclear Regulatory Commission.**

**Executive Session was entered into at 11:30 am**

## **EXECUTIVE SESSION**

Item 1 – Discussion of strategy relative to collective bargaining.

### **Attendees**

J Abromaitis, L Aronson, B Carlson, B Chudwick, J Comerford, A Cooper, P Deckers, T Devers, D Friend, R Gelfenbien, J Goldberg, E Grab, N Hutson, L Jacobs, W Kleinman, G Lawrence, C Leonardi, D Marks, J Mazzone, M Meacham, P Robinson, J Rowe, R Samuels, S Strongwater, D Upton, S Wetstone, S Whetstone

Item 2 – Discussion of preliminary drafts relative to the proposed Medical Arts and Research Building having determined that the public interest in having the discussions in Executive Session clearly outweighed the public interest in having the discussions in open session.

### **Attendees**

J Abromaitis, L Aronson, PJ Camp, B Carlson, B Chudwick, J Comerford, A Cooper, P Deckers, T Devers, D Friend, R Gelfenbien, J Goldberg, E Grab, N Hutson, L Jacobs, C Johnson, W Kleinman, G Lawrence, C Leonardi, D Marks, P McManus, M Meacham, P Robinson, J Rowe, R Samuels, S Strongwater, P Struzz, D Upton, S Wetstone

Executive Session concluded at 1:03 pm

There being no further business, the meeting was adjourned at 1:04 pm

Respectfully submitted,

Peter J. Deckers, M.D.

### **Attendees**

J. Abromaitis, N. Adams, S. Armstrong, E. Ball, R. Berlin, N. Brady, B. Carlson, B. Chudwick, J. Comerford, A. Cooper, P. Deckers, T. Devers, F. Dew, D. Friend, R. Gelfenbien, J. Goldberg, E. Grab, H. Hansen, L. Jacobs, C. Johnson, P. Keefe, K. Kelly, W. Kleinman, B. Koeppen, R. Kozol, J. Lattanzio, G. Lawrence, C. Leonardi, D. Marks, J. Mazzone, P. McManus, M. Meacham, L. Paplauskas, D. Penney, K. Price, J. O'Rourke, R. Reese, P. Robinson, J. Rowe, R. Samuels, R. Simon, S. Strongwater, P. Struzzi, T. Trutter, N. Sullivan, C. Trummel, D. Turling, D. Upton, J. Walter, S. Wetstone, S. Whetstone, L. White

Documents Distributed During the Meeting - None.