



# BOARD OF DIRECTORS

September 8, 2003

Minutes

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Ms. Leonardi called the meeting to order at 8:31 a.m.

## Executive Session

By unanimous vote, executive session was entered into at 8:32 am

### **First topic – 8:32 am**

Issues related to ongoing negotiations with the Orthopedic Associates

#### Attendees

P Austin, A Borda, B Carlson, B Chudwick, J Comerford, P Deckers, T Devers, L Flaherty-Goldsmith, D. Friend, J Goldberg, L Jacobs, P Johnson, K Kelly, W Kleinman, G Lawrence, C Leonardi, D Marks, J Mazzone, P McManus, P Robinson, J Rowe, R Simon, S Strongwater, D Upton, S Wetstone, S Whetstone

### **Second topic – 8:43 am**

Issues related to Postdoc labor negotiations

#### Attendees

P Austin, R Berlin, A Borda, B Carlson, B Chudwick, J Comerford, P Deckers, T Devers, L Flaherty-Goldsmith, D. Friend, J Goldberg, N Hutson, L Jacobs, P Johnson, W Kleinman, G Lawrence, C Leonardi, D Marks, J Mazzone, P McManus, P Robinson, J Rowe, M Ryan, S Strongwater, D Upton, S Wetstone, S Whetstone

### **Third topic – 9:11 am**

Issues related to ongoing negotiations with Connecticut Children's Medical Center and its Faculty Practice.

#### Attendees

P Austin, R Berlin, A Borda, B Carlson, B Chudwick, J Comerford, P Deckers, T Devers, L Flaherty-Goldsmith, D. Friend, J Goldberg, N Hutson, L Jacobs, P Johnson, W Kleinman, G Lawrence, C Leonardi, D Marks, J Mazzone, P McManus, P Robinson, J Rowe, M Ryan, S Strongwater, D Upton, S Wetstone, S Whetstone

Executive Session was concluded at 9:19 am

The public portion of the meeting was re-entered at 9:25 am.

## 1 Public Comment – None

Ms. Leonardi announced that Dr. John Rowe was named by Governor Rowland as Chairman of the Board of Trustees, UConn-Storrs. Dr. Gerard Burrow was named to replace Dr. Rowe on the Board of Directors. Dr. Burrow is President and CEO at the Sea Research Foundation, Inc., Mystic Aquarium and Institute for Exploration, the David Paige Smith Professor Emeritus of Internal Medicine and Dean Emeritus of the School of Medicine at Yale University.

## 2 Approval of Minutes

- The minutes of June 9, 2003 were revised to indicate that on page 4 there are “9” academic health centers in New England, not “8”.
- The minutes of June 9, 2003 were unanimously approved.

## 3 Consent Items

- Dr. Carolyn Runowicz was introduced to the Board by Dr. Deckers.

The **BOD** unanimously approved the following—**That the Board of Directors approves the appointment of Carolyn Runowicz, M.D. to the Northeast Utilities Chair in Experimental Oncology commencing October 1, 2003.**

- The **BOD** unanimously approved the **Annual Reports for the following Endowed Chairs: Infectious Diseases/AIDS Research, Transfusion Medicine and Human Genetics.**

## 4 Main Business Items

### 4.1 Signature Program Strategy Presentation – K. Kelly

- An historical overview was presented. The Signature Programs (SPs) were developed in response to financial difficulties encountered by the Health Center in FY 99-FY 00.
- Signature Programs represent a new strategy of integration across research, clinical and educational boundaries as opposed a conventional “silos”. Emphasis is placed on developing a critical mass of expertise resulting in synergy (productivity exceeds the sum of the parts) and expansion of translational research opportunities. This should increase research awards and discoveries, improve the quality of patient care, increase clinical activity and build economic strength.
- Phase I of SPs implementation has included:
  - Communicating a vision; clarifying the misperceptions that there will be “haves” and “have nots”.
  - Defining/inventorying the SPs and the faculty within each of them.
  - Establishing an infrastructure to support model

- Establishing performance metrics and analysis process. Such metrics will be made available on-line and updated frequently (“balanced scorecards”.)
- As SPs are implemented, we are exploring the utility of public/private partnerships:
  - Orthopedic Associates
  - FSS
  - Olympus Corporation
  - Proctor and Gamble
- Each SP is at a different stage of development:
  - Center for Cardiology and Cardiovascular Biology (CCCB) - leadership is in place, faculty inventory has been completed and its governance infrastructure has been developed. It is currently developing its business plan.
  - Comprehensive Cancer Center - has recruited leadership (10/1/03), which has linkage to Women’s Health and the Cancer Center, and its faculty inventory has been completed. It is currently developing its governance infrastructure.
  - Bone biology and Musculo-skeletal Institute - Construction of the Medical Arts and Research Building (MARB) that contains the Farmington Surgery Center (FSC) should begin this month. The faculty inventory and osteoporosis business plan are under development. Next steps will include finalizing the options for the Orthopedics component as well as recruitment of leadership for this SP.
- Board discussion and comments:
  - The data within the on-line balanced scorecards should be updated as close to real time as possible.
  - Baseline data should be collected regarding each SPs individually and in aggregate. These would include percentage of the UCHC budget and profit/loss contribution. These could also include number and types of interactions with Storrs related to the SPs.
  - Other metrics for success should be developed and published early. Baselines should be establish if possible. These may need to be longer term measures (3 – 5 years goals) that are tracked over time. Objectives should be prioritized and tied into ROE, return on expenditure (economic and human.)
  - The business plans need to be developed more quickly as well as identifying immediate investment opportunities in the SPs.
  - As the SPs are implemented, we should be careful not to invent new “silos”. The BoD’s mechanism for governing the SPs may need revision in the future.

#### 4.2 Notification of Proposed Changes in the University of Connecticut Laws and By-Laws – Faculty Grievance Procedure

The proposed revisions addresses concerns raised by the Board, administration and the faculty. These revisions were negotiated with the faculty and have been reviewed and approved the School of Medicine and Dental Medicine Councils.

The **BOD** unanimously approved the following: **That the Board of Trustees add or delete language or otherwise amend the following section of the By-Laws – Article XV.T – Health Center Faculty Grievance Procedure.**

### 4.3 School of Medicine Reorganization

The process begun last summer has resulted in many faculty groups discussing departmental organization of the School. The result has been new and creative proposals that are under consideration and will be presented to the BoD over the next year as well as a growing positive attitude to this process.

4.3.1 Revised resolutions were distributed changing the name of the proposed department from “Molecular and Structural Biology” to “Molecular, Microbial and Structural Biology.” The **BOD unanimously** approved the following recommendation: **That the Board of Trustees approve: a) the creation of the Department of Molecular, Microbial and Structural Biology in the School of Medicine, b) The closing of the Department of Biochemistry, and c) The closing of the Department of Microbiology. These actions would take effect October 1, 2003.**

4.3.2 The **BOD** unanimously approved **the renaming of the School of Medicine Department of Physiology to the Department of Cell Biology effective October 1, 2003.**

### 4.4 2003-04 BoD and Subcommittee Schedules

No issues were raised concerning these schedules. The BoD retreat will be held on November 5–6. More information will be sent to BoD members later.

## 5. Chief Executive Officer’s Report (P Deckers)

### 5.1 CEO Letter and Updates

- The contents of the CEO letter were reviewed.
- It was noted that the JDH outpatient visits were up by 21%. This appears to be new volume and is the result of offering new services and an expansion of hours.

### 5.2 John Martin Introduction

- John Martin is the new President of the University of Connecticut Foundation. Most recently, he was the Vice Chancellor for Advancement at the University System of Maryland comprising eleven universities and two research institutions.

## 6. Academic Affairs (A. Cooper)

### 6.1 Chair’s Remarks

- Dr. Deckers reported in Mr. Cooper’s absence.
- The School of Medicine has been fully reaccredited at the undergraduate, graduate and continuing education levels. No major concerns were raised during these reviews.
- The other recent business of the subcommittee included SoM reorganization and the faculty grievance process, both of which were discussed in the Main Business portion of this agenda.

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

### 7.1. Chair's Remarks

- JDH is striving for better indicators relating to patient safety and patient satisfaction
- JDH has entered into a voluntary consent agreement with the Department of Public Health regarding issues on pain management identified during the DPH's site visit on February 6, 2003. JDH must stop its practice of allowing pain medication orders to include ranges of dosages and dosing schedules that non-physician staff (i.e. nurses) used professional judgment to implement. The consent agreement required changes in policies and practices that have already taken place, a review process of 30 cases/week and two years of random monitoring. A fine of \$35 thousand was also paid.
- Preparation has begun for the JCAHO visit in December

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

### 8.1. Chair's Remarks

- The subcommittee reviewed the activities of the Financial Improvement Team (FIT) that as reduced accounts receivable billing times and increase the collection of charges.
- Two major events that impacted the FY04 budget, which was previously approved by the BoD, was a change in the State fringe benefit rate and the approval of the State Budget in mid August. The FB rate was increased by 3% impacting the budget by adding \$3.2M in expense. There was a reduction in the State appropriation of \$244K and a reduction as a result of the Early Retirement Incentive Program of \$1.1M. Medicaid funding will reduce clinical revenues by \$195K.
- The impact to FY05 is a reduction of the State appropriation of \$2.5M and Medicaid funding of \$355K. An opportunities register is being developed to offset these deficiencies.

### 8.2. Financial Reports

- A 5-year forecast was presented at last the Finance subcommittee meeting. This is an initial projection that anticipates flat State general funds and doesn't include positive returns on public-private partnership such as the Farmington Surgery Center. It projects a \$6.5 M deficit in FY 05 (prior to any corrective actions) that raises to a \$15.8 M deficit in FY 08.

While the assumptions within the model need to be reconsidered, long term financial planning is indicated. Such a plan will require focusing on priority programs while expense reductions in others. If corrective actions cannot address the problem, strategies in obtaining community support may be indicated.

It is likely the State budget situation will continue for the next two year. There could be initiatives to recover more clinical reimbursement funds from the Federal government but this may result in improvement to the State budget and not be realized by the Health Center. The Legislature doesn't appear to fully understand the funding of Academic Health

Centers or the compensation for teaching hospitals. The Health Center might be well advised provide such education.

One area of potential corrective action is if the State moves to an actual cost model for fringe benefit recovery rates. The Board suggested the Health Center work with OPM on such a model.

- FY 03 (un-audited) ended with a surplus of \$253 K (6.1% above budget.) This occurred despite a reduction in State appropriations of \$932 K. Clinical and research volumes were increased over FY 02. Both JDH and UMG were in the black. This represented a \$6.8 M improvement over FY 02.
- Year to date report for July '04 had a \$35 K surplus (\$80 K above budget.) Research award were up \$3 M over last year. Some of this increase may represent timing issues.

### 8.3. Revised FY 04 Operating Budget

- ERIP (early retirement incentive program) – the Board asked for the number of positions that have not been refilled. This will be sent to the Board later.
- A question was raised about the lowered insurance costs. UCHC is self-insured. The FY 03 rate was higher than usual due to the unique mix of active, outstanding cases.

The **BOD** unanimously approved the following recommendation: **That the Board of Trustees approves the University of Connecticut Health Center Operating Budget for Fiscal Year 2004.**

There being no further business, the meeting was adjourned at 11:28 pm

Respectfully submitted,

Peter J. Deckers, M.D.

## Attendees

S. Armstrong, P. Austin, E. Ball, R. Berlin, A. Borda, N. Brady, B. Carlson, B. Chudwick, J. Comerford, L. Danville, P. Deckers, T. Devers, L. Flaherty-Goldsmith, D. Friend, R Fuller, R. Garibaldi, J. Goldberg, W. Hengstenberg, A. Horbatuck, N. Hutson, L. Jacobs, P. Johnson, P. Keefe, K Kelly, P King, W. Kleinman, J. Lattanzio, G. Lawrence, C. Leonardi, J. Levine, B. Liang, S. Margiotta, D. Marks, J. Martin, I. Mauriello, J. Mazzone, P. McManus, M. Mina, C. Mitchell, J. Noonan, R. Reese, P. Robinson, J. Rowe, C. Runowicz, M. Ryan, P. Setlow, R. Simon, P. Srivastava, S. Strongwater, R. Trestman, T. Trutter, D. Turling, D. Upton, J. Walter, S. Weller, S. Wetstone, S. Whetstone, M. Whalen, and L. White

## Documents Distributed During the Meeting

- Updated agenda
- Updated Department Naming Resolution
- Dental Student Journal publication