



BOARD OF DIRECTORS MEETING

June 14, 2004
Minutes

Ms. Leonardi called the meeting to order at 8:30 a.m.

By unanimous agreement, the Board moved into executive session at 8:31 am.

Executive Session

Part 1 - Appointment of a Public Official or Employee

Present: J Abromaitis, G Burrow, B Carlson, B Chudwick, A Cooper, P Deckers, T Devers, L Flaherty-Goldsmith, D Friend, J Goldberg, J Haberland, P Johnson, W Kleinman, G Lawrence, C Leonardi, P Robinson, M Ryan, R Samuels, S Strongwater, D Upton, S Wetstone, S Whetstone

Part 2 – Preliminary drafts related to Adjudicating Faculty Grievances

Present: J Abromaitis, G Burrow, B Carlson, B Chudwick, A Cooper, P Deckers, T Devers, L Flaherty-Goldsmith, D Friend, J Goldberg, J Haberland, P Johnson, G Lawrence, C Leonardi, P Robinson, M Ryan, R Samuels, S Strongwater, D Upton, S Wetstone, S Whetstone

Part 3 – Preliminary drafts related to the Budget

Present: J Abromaitis, G Burrow, B Carlson, B Chudwick, A Cooper, P Deckers, T Devers, L Flaherty-Goldsmith, D Friend, J Goldberg, J Haberland, N Hutson, P Johnson, G Lawrence, C Leonardi, P Robinson, M Ryan, R Samuels, S Strongwater, D Upton, S Wetstone, S Whetstone

Executive Session concluded at 8:48 am.

Public Session was resumed at 9:00 am.

Chair's Remarks

- Recognitions
 - Dr. Susan Reisine was recognized as the 2004 recipient of the UCHC Board of Directors Faculty Recognition Award.
 - Lawrence G. Raisz, M.D. and Howard Tennen, Ph.D. were recognized as the 2004 recipients of the University of Connecticut Board of Trustees Distinguished Professor Award.

- Ms. Leonardi thanked Paul H. Johnson for his service on the Board as a member and also as part of the original committee who created the governing structure.

The **BOD** unanimously **approved the recommendation that it recognize the service of Paul H. Johnson as a member of the UCHC Board of Directors, records its deep appreciation for his exemplary service, and such recognition be spread upon its minutes and those of the Board of Trustees.**

- Introductions

- Ms. Leonard introduced Mr. Jay Haberland, Vice President, Business Controls, United Technologies Corporation, as the newest member of the Board appointed by Governor Rowland replacing the vacated seat of Mr. Michael Meacham.

1 Public Comment

- None

2 Approval of Minutes

- The minutes of March 1 and April 12, 2004 meetings were unanimously approved.

3 Consents

- 3.1 The **BOD** unanimously approved the **authorization of the University of Connecticut Health Center, School of Medicine, through its clinical activities operating as UConn Medical Group and UConn Health Partners to contract the UCHC Finance Corporation to perform functions as set forth in Section 10a-250 et seq. of the Connecticut General Statutes, and further authorize the transfer of funds up to \$5,366,000 to perform functions for the period July 1, 2004 to June 30, 2005. This authorization is contingent on the Board of Trustees approval of the UCHC FY-05 operating and capital budgets that contain sufficient funding to execute them.**
- 3.2 The **BOD** unanimously approved the **authorization of the University of Connecticut Health Center, School of Dental Medicine, through its clinical activities operating as University Dentists and Faculty Practice to contract the UCHC Finance Corporation to perform functions as set forth in Section 10a-250 et seq. of the Connecticut General Statutes, and further authorize the transfer of funds up to \$637,000 to perform functions for the period July 1, 2004 to June 30, 2005. This authorization is contingent on the Board of Trustees approval of the UCHC FY-05 operating and capital budgets that contain sufficient funding to execute them.**
- 3.3 The **BOD** unanimously approved the **authorization of the John Dempsey Hospital to contract the UCHC Finance Corporation to perform functions as set forth in Section 10a-250 et seq. of the Connecticut General Statutes, and further authorize the transfer of funds up to \$31,092,000 to perform functions for the period July 1, 2004 to June 30, 2005. This authorization is contingent on the**

Board of Trustees approval of the UCHC FY-05 operating and capital budgets that contain sufficient funding to execute them.

- 3.4 The **BOD** unanimously approved the **authorization of the University of Connecticut Health Center through its clinical entities, operating as the Correctional Managed Health Care Program, to contract the UCHC Finance Corporation to perform functions as set forth in Section 10a-250 et seq. of the Connecticut General Statutes, and further authorize the transfer of funds up to \$500,000 to perform functions for the period July 1, 2004 to June 30, 2005. This authorization is contingent on the Board of Trustees approval of the UCHC FY-05 operating and capital budgets that contain sufficient funding to execute them.**
- 3.5 The **BOD** unanimously approved **contracting with Connecticut Children’s Medical Center (Contractor) where the Contractor agrees to provide faculty to teach, supervise and instruct Health Center Medical students as determined and agreed to by the Health Center’s Dean of Academic Affairs and Education and the Contractor’s Chairman of the Department of Pediatrics. Professional Services - \$508,000 for year 1; \$708,394 year 2; \$800,000 per year thereafter, contingent upon a successfully negotiated Pediatric Sub-specialty Coverage Agreement for the JDH Neonatal ICU. Total = \$7,616,394.**
- 3.6 The **BOD** unanimously approved **contracting with Connecticut Children’s Medical Center (Contractor) where the Contractor agrees to reimburse the Health Center for providing the Department of Pediatrics 'tenured faculty' who will perform clinical and teaching activities at the Contractor’s site in accordance with the following terms and conditions:**
- | | | | |
|--------------------------|-------------------------|---|------------------------|
| FY03 - \$583,936 | FY04 - 548,200 | FY05 - 564,700* | FY06 - 581,600* |
| FY07 - \$599,100* | FY08 - 617,100* | FY09 - 635,600* | FY10 - 654,650* |
| FY11 - \$674,300* | FY12 - 694,500*. | (*prior year cost plus 3% inflation) | |
- 3.7 The **BOD** unanimously approved **contracting with the Capital Area Health Consortium (Contractor) which represents personnel costs (stipend, fringe) incurred in providing payroll and benefits for UCHC medial resident trainees as well as certain related program costs. Total = \$32,353,132.**
- 3.8 The **BOD** unanimously approved the **proposed addendum to the School of Dental Medicine Senior Appointments and Promotions Guidelines.**

4 Main Business Items

4.1 UCHC 2020 Vision

- Ms. Leonardi received very little feedback regarding the draft policy mailed earlier to the BoD members and members of the faculty working groups. Revisions were made to clarify the specific role of the School of Dental Medicine in providing clinical service.

The **BOD** unanimously approved the **UCHC 2020 Vision.**

- Next steps include developing work plans, schedules, costs and metrics for each goal.

4.2. Cancer Signature Program Business Plan – C Runowicz

- Ultimate goals– becoming an NCI designated comprehensive cancer center within a decade. Integrating clinical care with basic sciences and developing translational research in cancer immunology, molecular medicine, bone neoplasia and oral oncology.
- Major emphasis on prevention, early detection, and maintaining good quality of life including palliative care
- Conduct collaborative clinical trials with other regional hospitals
- Expand community outreach programs, especially in Hartford and with the underserved and under-insured, through collaborations with the SODM, Institute for Community Research, CT Primary Care Association and apply for funding from the CDC and NIH
- Aggressive marketing campaign through targeted advertising, physician outreach and cross marketing with Foundation Programs (Women’s Health, Geriatrics, Internal Medicine Primary Care Network and the other Signature programs.)
- A ROI matrix was provided showing the impact of not implementing the Cancer Signature program (-9.4% annual return over the next 5 years), implementation of the Program (+13.9% annual ROI), and stretch metrics (+16.4% annual ROI.)
- Keys to success include: strong leadership, faculty recruitment, disciplined execution of business plans including operational improvements, monitoring of performance and research metrics and accountability
- Discussion took place regarding this presentation:
 - The plan was viewed very positively
 - The emphasis on prevention and early detection will integrate well with the new emphasis on public health in the 2020 Vision
 - Cancer should be thought of as a chronic disease rather than just from an acute care perspective. Aggressive management of pain, nausea and other palliative care will take place.
 - As with any proposals in the clinical arena, estimates have been made for future expenses such as cost of medications, needs for technology, reimbursement rates and mix of patients that are insured or under-insured. This program will be reviewed annually to ensure it remains on target.

4.3 FY04 Performance/Budget Overview – P Deckers

- Performance Overview
 - The BoD has set the UCHC 2020 Vision
 - Signature Program business plans status
 - Leadership –Permanent leaders are in place for Cardiology and Cancer. An interim musculoskeletal leader has been named and a national search has begun for a permanent head.
 - Business plans – Cardiology-finalized; Cancer-ready for BOD review; Musculoskeletal-in preparation for review in September
 - Master Plan and 21st Century planning completed
 - MARB under construction and will open with the Farmington Surgery Center in operation in February 2005

- Munson road building undergoing purchase and will house administrative staff and off-campus faculty
 - ASB planning to be renovated into clinical space
 - IT Strategic Plan completed
 - Clinical Facilities planning in process
 - Faculty compensation plans have been reviewed and revised and are being implemented
 - Research services - review underway
 - Education remains excellent; enhancement to educational IT planned.
 - Clinical operations continue to be successful
 - Clinical safety enhancements
 - Collaborative Center for Clinical Improvement (CCCI) developed
 - Seimen's patient safety system implementation
 - School reorganizations – active discussions have continued with recommendations to the BoD expected in FY 05
 - UCHC/Storrs joint venture – Public Health Center/Institute
 - Balanced UCHC budget, maintained gains in clinical profitability
- Budget Overview FY 05
 - Expense budget is ~\$595 million.
 - UCHC's largest benefactor is the State of Connecticut (16.1% of the budget down from ~23% in FY 01). No new State [appropriation](#) to support basic science strategic plans or raises needed to support current services (i.e. to address CPI, clinical CPI).
 - Additional cost improvements planned of \$2.5 million planned raising the 6 year total to ~\$61 million.
 - NIH research budget growth will slow in FY 05.
 - Development income - .0.4 %of revenue
- FY 05 Action Agenda
 - Signature Program implementation
 - UCHC/Storrs joint venture Public Health Center/Institute
 - Patient safety initiatives
 - 21st Century UConn implementation
 - Opening of new buildings: MARB, Munson Road
 - Budget stability – clinical profitability

4.4 FY05 Operating Budget – D Upton

The FY05 budget executive summary was reviewed. The budget is for \$595 million, a 6.4% increase over FY04 and projects a positive margin of \$584,584. Revenues, other than State appropriations, are expected to increase by 7.8% with State appropriations decreasing by .9%. The former are driven by increases in research awards, clinical volume, and tuition raises among other factors. [Expenses](#) are increasing due to inflation, contractual salary increases (and related fringe benefits), further implementation of Signature programs and research strategic plan, IT, operations of new buildings, and expansions of research awards and clinical volume.

Discussion took place regarding identifying future trends in clinical reimbursement, especially in regards to Medicare. This is difficult as there are no 'roadmaps' as with the NIH or other alerts to provide aids in planning.

The **BOD** unanimously approved the following recommendation: **That the Board of Trustees approves the University of Connecticut Health Center Operating Budget for Fiscal Year 2005.**

4.5 FY06-07 Biennium Budget

The biennials budget submission is required by State statute. It represents a best estimation of the budgets in the out-years and helps the State plan future budgets. The actual amounts may be modified as more precise information becomes available and will result in a precise spending plan that is approved each year (the regular budget.)

FY 06 will need operational improvements of ~\$2 million to come into balance and an additional \$2.7 million in FY 07. These budgets project the State appropriations increases at the rate published in the Governors Three-Year Budget Report issued in February 4, 2004 (2.6% and 1.9% respectively.)

The **BOD** unanimously approved the following recommendation: **That the Board of Trustees approves the University of Connecticut Health Center Biennium operating budget for FY06 and FY07.**

4.6 BOD Membership By-Laws Revision

The By-laws of the University may be amended by majority vote of the Board of Trustees after being posted at a prior meeting. The recommended revisions would amend the By-laws to include the Commissioner of Public Health as a voting member of the UCHC Board of Directors.

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**

4.7 Delegation of Authority – Faculty Grievances

The By-laws establish the BoD as the last step in the UCHC faculty grievance process. The BoD may appoint a designee to triage or handle such appeals.

The **BOD** unanimously approved the following: **That the Board of Directors delegates authority to the chairperson of the Board of Directors to appoint on a case by case basis a designee to handle faculty grievances that are being appealed to the Board.**

5 Chief Executive Officer's Report – P Deckers

- Dr. John and Valerie Rowe have endowed a \$1.5 million program called *The John and Valerie Rowe Health Professions Scholars Program*. The program represents a collaborative effort between the Honors Program at Storrs and the Health Center's HPPI program to support activities to enhance the educational experience of underrepresented undergraduate students interested in careers in the health professions with an emphasis on those students interested in medicine and dental medicine.
- A partnership has been formalized with Equistrides where the UConn Health Center will serve as the "medical home" for this program.
- A partnership between UConn Health Center and the American School for the Deaf is being developed entitled *Connecticut Diagnostic and Evaluation Center for Deaf and Hard of Hearing Individuals*.
- Consistent with national trends, a tenure policy has been adopted creating a minimum guaranteed salary policy which establishes a guaranteed salary, "floor", below which compensation for tenured faculty cannot fall. Further discussion of this policy will be held at the Academic Affairs subcommittee meeting in September.

6. Academic Affairs Report – G Burrow

- The subcommittee last met in May. It reviewed and revised a proposal to change the School of Dental Medicine's Guidelines to create a Dental Educator track. This is on the consent agenda of the BoD meeting.
- The cooperative program with Storrs to attract its students to the SoDM appears to be successful. Currently there are 10 such students matriculating with 9 more in the incoming class. The goal is to have 25% of our students originating from UConn.
- Next year's agenda will cover topics including: floor salary for tenured faculty, School of Dental Medicine student attrition, research focus and scope, governance of departments, centers and Signature Programs, and implementation of the UCHC 2020 Vision.

7. Clinical Affairs Report – C Leonardi

- The subcommittee last met on May 11. The clinical compensation plan was reviewed and appears to be successful. An at-risk component has been implemented.
- National quality measures have been adopted by CMS & JCAHO and the results were recently reported by the DPH showing UCHC to be performing quite well with the heart care measures and in line with other providers in the area of pneumonia, but with room for improvement.
- Space planning – ambulatory and hospital planning continues and is expected to result in the need for ~ \$150 million in capital. The plan and methods for financing it will be on the BoD agenda in FY 05.
- Ms. Ellen Leone was introduced as the new Director of Nursing.

8. Financial Affairs Report – D Upton

- The subcommittee last met on May 24. It discussed the FY 05 budget and FY 06 & FY 07 biennial budgets presented earlier today.
- Financial results for April are in the Board materials.

9.1 BOT Audit and Compliance Report – C Leonardi

- The last meeting was May 11th. It including a joint meeting with the State auditors. The subcommittee requested that the auditors provide an outline of audit plan including areas of risk.
- KPMG (Mr. Pingicer) presented the audit methodology and found that UCHC has proper controls in place and that there were no significant areas of deficiency.
- T. Callahan provided a search update for the leader of the University's Audit and Compliance program.

9.2 Subcommittee Changes – C Leonardi

- Executive Committee – Ms. Leonardi has established this committee which is charged to coordinate the agendas of the BoD and its subcommittees and to serve as the nominations committee for BoD membership vacancies. Its membership will be the chairs of the BoD and its subcommittees.
- Strategic Planning Committee – Ms. Leonardi has established this committee which is charged to guide process used to implement the UCHC 2020 Vision. Dr. Nancy Hutson will serve as its chair. The other members will be the chairs of the BoD and its subcommittees.

There being no further business, the meeting was adjourned at 11: 15 am

Respectfully submitted,

Peter J. Deckers, M.D.

Attendees

J. Abromaitis, R. Berlin, E Brenner, A. Borda, S Brohinsky, G. Burrow, T. Callahan, B. Carlson, B. Chudwick, J Comerford, A Cooper, L. Danville, P. Deckers, T. Devers, C. Dugger, J. Fifield, L. Flaherty-Goldsmith, D. Friend, R. Garibaldi, J. Goldberg, D. Gregorio, J. Haberland, W. Hathaway, A. Horbatuck, N. Hutson, P. Johnson, W. Kleinman, K. Kelly, B. King, E. Leone, J. Levine, B. Koeppen, J Lattanzio, G. Lawrence, C. Leonardi, I. Mauirello, P. McManus, M. McGuire, C. Mitchell, J. Noonan, L. Raisz, S. Reisine, P. Robinson, M. Ryan, R. Samuels, P Setlow, S. Strongwater, H. Tennen, J. Thibeault, D. Turling, D. Upton, J. Walter, S. Wetstone, and S. Whetstone

MATERIALS DISTRIBUTED AT THE MEETING:

American School for the Deaf affiliation organizational chart
Cancer Signature Program presentation
Vision definition