



# BOARD OF DIRECTORS MEETING

December 11, 2006  
Minutes

Dr. Burrow called the meeting to order at 8:30 a.m.

By unanimous vote the committee entered into Executive Session at 8:31 a.m.

Item A Preliminary notes and drafts – Academic Gap (8:31 am)

Present: P. Austin, G. Burrow, S. Cloud, P. Deckers, D. Friend, J. Goldberg, J. Haberland, B. Hehir, C. Leonardi, R. Samuels, A. Slaughter, L. Aronson, S. Brohinsky, T. Borda, B. Carlson, J. Comerford, C. Dugger, B. Feldman, D. Green, W. Kleinman, J. Lombardo, P. Robinson, S. Strongwater, J. Thornton, T. Trutter D. Upton, J. Walter, S. Wetstone, S. Whetstone, T. Trutter, W. Kleinman

Item B Preliminary notes and drafts – Clinical Facilities Planning (9:10 am)

Present: P. Austin, G. Burrow, S. Cloud, P. Deckers, D. Friend, J. Goldberg, J. Haberland, B. Hehir, C. Leonardi, R. Samuels, A. Slaughter, L. Aronson, S. Brohinski, T. Borda, B. Carlson, J. Comerford, C. Dugger, B. Feldman, D. Green, W. Kleinman, J. Lombardo, P. Robinson, R. Rubin, S. Strongwater, J. Thornton, T. Trutter D. Upton, J. Walter, S. Wetstone, S. Whetstone, T. Trutter, W. Kleinman

Item C Preliminary notes and drafts - Conflicts of Interest and Conflict of Commitment (10:05 am)

Present: P. Austin, G. Burrow, S. Cloud, P. Deckers, D. Friend, J. Goldberg, J. Haberland, B. Hehir, C. Leonardi, R. Samuels, A. Slaughter, L. Aronson, S. Brohinsky, T. Borda, B. Carlson, J. Comerford, C. Dugger, B. Feldman, D. Green, W. Kleinman, J. Lombardo, P. Robinson, R. Rubin, S. Strongwater, J. Thornton, T. Trutter D. Upton, J. Walter, S. Wetstone, S. Whetstone, T. Trutter, W. Kleinman

Executive session concluded at 10:12 a.m.

Public session resumed at 10:17 a.m.

## Chair's Remarks

- Dr. Burrow acknowledged the very recent death of Dr. John Bigos and our intent to more formally recognize him at the March meeting of the Board of Directors.

### 1. Public Comment

There was no public comment.

### 2. Approval of Minutes

- The BoD unanimously approved the Minutes of September 18, 2006 meeting.

### 3. Consents

The following Consent Agenda items were unanimously approved:

- 3.1 East Hartford Lease  
That the Board of Directors approves a five year lease extension with East Hartford HMO Reality Associations c/o Carpenter & Company for approximately 30,444 square feet of rentable space at \$16/square foot. The property is located in a medical office building at 99 Ash Street, East Hartford, CT. The lease will be for the period January 1, 2007 through December 31, 2011.
- 3.2 244 - The Exchange Lease  
The Board of Directors authorize an addendum to the lease agreement with New Boston Exchange Limited Partnership for an additional 2,911 square feet of rentable space, Suite 244, located on the second floor of the Building commonly known as the Exchange, Farmington, CT. The term of the lease will commence when occupancy occurs through June 30, 2010, contingent upon approval by the Board OF Trustees of the University of Connecticut.
- 3.3 Renaming of the Department of Oral Rehabilitation  
That the Board of Directors approve the proposed name change of he School of Dental Medicine Department of Oral Rehabilitation, Biomaterials and Skeletal Development to the Department of Reconstructive Sciences.
- 3.4 John Dempsey Hospital Medical Staff Bylaws  
That the UCHC Board of Directors (BoD) approve the attached revisions to the John Dempsey Hospital (JDH) Medical Staff Bylaws.

### 4. Main Business

#### 4.1 FY 07 YTD and action plan – D. Upton

Mr. Upton presented an overview of the Un-Audited Financial Results for the Fiscal Year ended October 31, 2006 for the Fiscal Year 2007.

- There was a deficit for FY 06 of \$6.9 million. This was driven by a growing academic gap, increases needed for the Malpractice Trust Fund, unexpected costs in Correctional Managed Health Care, and lower than expected clinical volumes resulting from physician vacancies (turnover and medical leaves.)
- Since FY 00, the Health Center has implemented \$74 million in cost/revenue improvements. JDH has been profitable every year for the last five years, and in that time, has provided \$19.3 million to support the schools.
- An \$8.9 million short-term opportunity register for FY 07 was put into place to address the originally projected shortfall. This cost-reduction/revenue enhancement plan is on track.
- An additional \$6.2 million deficit has occurred and is entirely attributable to hospital revenues as a result of unfavorable changes in payor mix and inadequate payor reimbursement levels. Admissions and average daily census are up FY 07 YTD over FY 06 by ~5% and up 2.7% and 5.2% over budget respectively. Outpatient visits are 5.6%

over FY 06 YTD. Operating expense YTD are \$1.3 million below budget as are expense per adjusted discharge. FTEs per adjusted occupied bed is below industry benchmarks, but the state fringe benefit rate rose from 38.7% to 40.9% (industry average including UCHC was 27.4% in 2005).

- The FY 2007 Action Plan to address the current deficits was also discussed including:
  - Renegotiation of the Managed Care contracts for JDH and UMG supported by better actual expense data from the hospitals new cost accounting system.
  - Standardization of Office Supplies
  - One time settlement of a class action suit \$550,000
  - Improvement of days in accounts receivable
  - Medicaid adjustments for past services
  - Continuation of the Medicare wage index for our region.

Board members requested a reforecast for FY07 incorporating a sensitivity analysis to highlight key items the Board should be aware of.

#### 4.2 Signature Program Update – B. Carlson

Mr. Bruce Carlson presented the annual Signature Program monitoring report FY 2006 on the three signature programs – Cardiology, Cancer and Musculoskeletal. Detailed summary reports on the programs included recruitment, research awards and financial reports. Mr. Carlson noted that philanthropic support of these programs is very important as illustrated by the Cancer program which is a great microcosm of the Signature program with increased endowments. Additionally three retreats were scheduled which brought researchers from three campuses including Hartford.

During Fiscal Year 2006, the UCHC Finance Group has implemented the “Kreg Cost Accounting System” to replace the “Cost to Charge Ratio Methodology”. This is a more accurate methodology for allocating and measuring true expenses per each unit of work. Utilizing the new Kreg Cost Accounting system a new five year strategic plan and projected financial data for each of the Signature Programs will be completed and presented to the Board no earlier than the Summer 2007.

### 5. CEO Report (Dr. P. Deckers)

Dr. Deckers notified Board members of the upcoming article in CT Medicine scheduled for publication in January 2007 entitled “The Perfect Medical Storm” addressing the relationship of UCHC with the state and how the forces in academic medicine impact revenues.

Ms. Jane Comerford’s service to UCHC was formally acknowledged and Dr. Decker’s deep appreciation for her exemplary service expressed. Ms. Comerford will be moving to the Attorney General’s office after serving as the Assistant Attorney General at UCHC since 1992.

Dr. Deckers introduced and formally welcomed the new Assistant Attorney General Mr. Donald Green. Mr. Green is a graduate of Trinity College and the University of Connecticut School of Law.

## 5.2 Update Stem Cell Initiative –

The State's initial distribution of \$20 million for the 10 year, \$100 million program was recently announced. Of this, \$12M in stem cell funding has been approved for projects submitted by the University of Connecticut.

## 5.3 Update – Farm Tech Acquisition – B. Carlson

An update was provided of the current status of the purchase of the Farm Tech building. There are still environmental issues to be dealt with which are still being negotiated and discussed.

## 5.1 Recognition of Dr. Steven Strongwater

Board members expressed their deep appreciation to Dr. Strongwater for his service at the Health Center.

Dr. Deckers formally acknowledged Dr. Strongwater's service to UCHC and expressed the deep appreciation felt by faculty, staff and students. The Board unanimously approved the resolution under tab 5 to this end with copies sent to Dr. Strongwater and his family.

# 6. **Academic Affairs Report (Dr. B. Koeppen)**

Dr. Koeppen presented a report on the last meeting of the Committee on November 6, 2006, highlighting the following:

- Dr. Warren presented the proposal to approve a Ph. D in Public Health with a concentration in Occupational and Environmental Health.
- Dr. Deckers presented data regarding the academic gap.
- Dr. Robinson provided an update on the School of Dental Medicine attrition rates, which has decreased from last year; however numbers are still higher than the national average.
- Dr. Koeppen presented the affiliation agreement with St. Vincent's Hospital.
- Dr. Jacob presented the School of Medicine department/center review schedule.

## 6.1 Ph. D in Public Health

Dr. Ann Ferris presented the proposal to approve a PhD in Public Health with a concentration in Occupational and Environmental Health. This new concentration will be an interdisciplinary program, bringing together 23 faculty throughout the University (both UConn Health Center and Storrs) specializing in occupational and environmental health. The first concentration in behaviorally sciences approved previously has received a number of qualified applications and the first cohort of students is scheduled to begin in the Spring 2006 semester with 5 students, 3 of

color. Requirements for admission are very stringent, with a masters degree preferred, and all current students are early-mid career professionals.

The Board Unanimously approved the following resolution: **“That the Board of Directors recommends that the Board of Trustees approve the establishment of a Ph.D. program in Public Health with a Concentration in Occupational and Environmental Health Sciences.**

## 6.2 Sabbatical of Dr. Peter Robinson

The Board Unanimously approved the following resolution: **“That the Board of Directors approves a sabbatical leave for Dr. Peter Robinson, Dean and Professor, Department of Oral Health and Diagnostic Sciences, at full pay for the period January 1, 2007 through December 31, 2007”.**

Dr. Burrows thanked Dr. Robinson for his years of dedicated service as dean.

## 7. Clinical Affairs – (Dr. S. Strongwater)

Dr. Strongwater presented a report on the last meeting of the Committee on November 28<sup>th</sup>. This meeting was devoted to issues related to the Geriatric program, medical staff bylaws, Technology, and the new Educational programs for better interaction with patients.

Dr. Deckers announced that Dr. Peter Albertsen and Mr. Jim Thornton will both manage the clinical enterprise. James Thornton will assume the responsibilities of Director of the John Dempsey Hospital. Peter Albertsen, M.D. will become the Medical Director of our multi-specialty physician practice, UConn Medical Group (UMG) and also assume, in addition to his role as Associate Dean for Clinical Research Planning and Administration, the academic and clinical duties of the Associate Dean for Clinical Affairs.

Dr. Deckers introduced and formally welcomed the new Dean of the School of Dental Medicine, Dr. Monty MacNeil.

## 8. Financial Affairs (Ms. C. Leonardi)

### 8.1 Chairs Remarks

Ms. Leonardi presented a report on the last two meetings of the Committee since the last BoD quarterly meeting. These included issues related to FY 07 budget, updates on the Stem Cell, the Farmington Surgery Center, the new Kreg Cost Accounting System, and the clinical compensation plan.

### 8.2 Tuition and Fees – B. Koeppen

Dr. Bruce Koeppen explained the process used in setting the various tuition and fee rates. Tuition and fee rates for the Schools of Medicine and Dental Medicine are set in accordance with the tuition policy of the Board of Governors for Higher Education which requires that the combined tuition and fee rates be set between the 70th and 75th percentile for public medical and dental schools.

To comply with this policy, the School of Medicine resident rate will increase by 3.5% in FY 08 and 5.0% increase in Fy 09. The School of Dental Medicine resident rate will need an increase of 10.4% in FY 08 and 5% increase in FY 09.

All students were informed of the proposed increases in tuition and fees via email. In addition, the medical and dental students were all invited to attend two presentations (November 20, 2006 at noon and November 20, 2006 at 5:00 PM by Dr. Koeppen and Dr. MacNeil). Approximately 80 students attended these sessions. The student were relieved that rate increases were not at the 15% level which had occurred it the past 4 years, but did express concerns bout the presence and impact of the academic gap recently reported in the newspaper and whether students would be expected to fill that gap with larger tuition increases.

The Board Unanimously approved the following resolution: **“That the Board of Directors recommends that the Board of Trustees approves the proposed tuition and fee increases for the School of Medicine and School of Dental Medicine fro the 2007/08 and 2008/09 academic years as described in attachment 1.**

The Board Unanimously approved the following resolution: **“That the annual fee for the Post Baccalaureate Program Fee be increased from \$75 to \$85 effective July 1, 2007.”**

The Board Unanimously approved the following resolution: **“That the Board of Trustees approve the School of Medicine and School of Dental Medicine recommendation for a Student Activities Fee increase from \$100 to \$125.**

The Board Unanimously approved the following resolution: **“That the Board of Trustees approve the School of Medicine recommendation for a College Summer Fellowship Fee increase from \$25 to \$30.**

The Board Unanimously approved the following resolution: **“That the Board of Trustees approve the School of Dental Medicine recommendation for an Application Fee increase from \$60 to \$75.”**

The Board Unanimously approved the following resolution: **“That the Board of Trustees approve the School of Medicine recommendation for an Application Fee increase from \$75 to \$85.”**

The Board Unanimously approved the following resolution: **“That the Board of Trustees approve the School of Medicine recommendation for a Transcript, Dean's Letter and Verification Fee increase from \$125 to \$150.”**

### 8.3 NextGen Electronic Medical System

As discussed previously, Siemens has backed away from their Clinical Manager product. After careful review, which included a high rating from Gartner, the NextGen product was viewed not only as replacement for the functionality we originally sought, but an expansion of that.

The Board Unanimously approved the following resolution: **“That the UCHC Board of Directors approves funding for an amount not to exceed \$1,894,000 (allocated \$1,626,000 of New Capital, Training Costs of \$118,000 & a contingency of \$150,000) to purchase and implement the NextGen Electronic Medical Record system.**

8.4 Hospital GME Contracts > \$500,000

The Board unanimously approved all Hospital GME contracts > \$500, 000 as listed on page 110 of the Board binder.

9. UCHC Compliance Monitoring Update – I. Mauriello

Ms. Iris Mauriello reported on the status of Compliance Monitoring for the Health Center. Ms. Mauriello explained the background for the implementation of a Compliance program at UCHC. The Health Center's Compliance Program has had a monitoring program in place since early 2003 and has been doing compliance presentations at the various Board sub-committee meetings outlining detailed plans. The Compliance Office has realized a return on investment with regards to the monitors now in place, which have revealed operations that need to be improved or alerted to assure we maintain compliance with applicable law or policy. Additionally, Ms. Mauriello will be requesting that compliance be included on the Board agenda to cover various facets of the program.

Ms. Leonardi thanks Ms. Mauriello and her staff for the accomplishments in the Compliance program over the last several years.

There being no further business, the meeting was adjourned at 11:22 am

Respectfully submitted,

Peter J. Deckers, M.D.

**Attendees:**

P. Austin, G. Burrow, S. Cloud, P. Deckers, D. Friend, J. Goldberg, J. Haberland, B. Hehir, R. Hennessey, C. Leonardi, R. Samuels, S. Strongwater, A. Slaughter

**Documents Distributed During the Meeting:**

Revised Executive Summary – Financial Report – October 31, 2006