



# BOARD OF DIRECTORS MEETING

June 8, 2009

Minutes

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Dr. Burrow called the meeting to order at 9:07a.m.

## 1. Chair's Remarks

- Dr. Burrow introduced Ms. Teresa Ressel who has just been appointed to the Board by Governor Rell. Ms. Ressel is CEO of UBS Securities and prior to that was CFO at the U.S. Treasury and an officer at Kaiser.

### 1.1 Master Schedule of Meetings

Dr. Burrow called the attention of the Board to the schedule of meetings contained in the Board Packet with dates for the Board of Trustees, the Board of Directors and several subcommittees for the remainder of 2009 through December 2010..

### 1.2 Re-employed Retiree Policy

As reported at the March BoD meeting, The Trustees have approved a policy on re-employed retirees (page 3 of the BoD book.) This policy ensures such appointments are only approved when they benefit the University and when fair market rates are paid for the actual serviced rendered

### 1.3 Posting of Materials, Minutes and Voting Results

Commencing July 1, all documents discussed in the public portion of BoD meetings will be posted on the Health Center's web sites. In addition, all recorded votes will be published within 48 hours and draft minutes of such meetings posted within one week. These changes will bring the BoD into alignment with the practices of the Board of Trustees.

### 1.4 Public Comment

There was no public comment.

## 2. Approval of Minutes

The Board of Directors unanimously approved the Minutes of March 9, 2009 and the Minutes of the Special Meeting of April 22, 2009.

## 3. Consent Items

### 3.1 Dual Degree Program SoDM/ Graduate School

Dr. MacNeil provided the Board with background information on the proposed dual degree multi disciplinary program. The program is aimed at strengthening the interaction between research and dental education,

stimulating academic dental biomedical and behavioral research and changing the culture of dental school education to value research in admissions and training. The dual degree is based on existing programs and there should be no increase in expenses. The School of Dental Medicine has received a training grant from the NIH to support 1-2 trainees per year. The resolution was previously approved by the Dental Senate at UCHC and the Graduate Faculty Council at Storrs.

The Board of Directors approved the following resolution unanimously:

***That the Board of Directors approve a dual degree program in Dental Medicine and Public Health and Clinical and Translational Research.***

3.2 Contracts, Amendments & Purchase Orders Over \$500,000.00

Contracts/ vendors were unanimously approved by the Board of Directors as detailed on pages 19-20 of the Board book.

3.3 Leases

The following resolution was unanimously approved:

**That the UCHC Board of Directors approve a 1 year (July 1, 2009 - June 30, 2010) lease with Sayedur Rahman, MD for 114.5 rentable sq. feet at 665 Terryville Ave., Bristol CT for a phlebotomy station at a lease cost of \$6,000.00.**

3.4 Finance Corporation Resolutions

The following agreements were unanimously approved by the Board. These were previously reviewed and approved at the UCHC Finance Subcommittee Meeting of June 1, 2009. These will be presented for approval at the UCHC Finance Corporation meeting on June 22, 2009:

- ***MGH Institute for Health Policy-not to exceed \$324,000 (page 23)***
- ***Heart Center of Greater Waterbury-\$2,274 per case FY 2010, \$2,342 per case in FY 2011 (page 24)***
- ***Siemens Healthcare Data Systems-not to exceed \$800,000 (page 25)***
- ***Larson Allen-contract amendment not to exceed an additional \$550,000 (total contract of \$1,300,000) (page 26)***
- ***Jeffers and Ireland-contract amendment not to exceed an additional \$500,000 (total contract of \$1,250,000 (page 27)).***

3.5 Resolutions to Transfer Cash to the Finance Corporation

Mr. Gray explained the purpose of the Finance Corporation as a separate instrumentality of the State for the procurement of items difficult to acquire through normal means. Its purpose is to facilitate financial flow within the clinical enterprise.

***That the UCHC Board of Directors approve the Transfer of Funds to the UCHC Finance Corporation for the period of July 1, 2009 to June 30, 2010 to perform functions for:***

- ***John Dempsey Hospital – not to exceed \$21,151,000 (page 28)***
- ***UConn Medical Group and UConn Health Partners - not to exceed \$12,434,500 (page 31)***
- ***Correctional Managed Health Care - not to exceed \$1,145,000 (page 34)***
- ***University Dentists and Faculty Practice - not to exceed \$611,600 (page 36).***

## **4. Main Business**

### **4.1 JDH Quality Update**

Dr. Summerer provided a written summary to the Board indicating that 6 weeks into the 6 month project 32 items are complete of the 182 action items identified. This is the work of 29 concurrently running multi-disciplinary teams whose work will ramp up considerably during the summer months. The Massachusetts General consultants will return in July for an interim report to be issued to JDH and DPH.

Preparations are underway for the JCAHO accreditation visit. Dr. Summerer presented a draft “balanced scorecard” focused on management metrics in the areas of Patient Experience, Quality, Financial Performance and Growth. The Board was invited to provide suggestions on the content and format of the scorecard. While the goals for the scorecard are not fully defined, but will be in alignment with the budget assumptions, the aim for next year is improvement in all categories (i.e. positive trend lines.) Dr. Burrow commented on the helpfulness of the weekday “All Hands on Deck” meeting which reviews progress being made on initiatives.

### **4.2 FY 10 Operating Budget**

Mr. Haberland stated that the Finance Committee has approved a spending plan rather than a FY 10 budget. The later will be developed and approved after the State’s budget is resolved and we can assess its impact on the UCHC budget. The spending plan is at the projected level of spending for FY 09.

Mr. Gray reiterated that both the Board of Directors and Board of Trustees are being asked to approve spending plans and that the approval of the FY 10 budget will occur once the State budget is approved.

Mr. Gray stated that the Legislature and Governor are far apart on the budget and it is unclear when it will be passed. The proposed budget in the Board book has a planned \$13.5 million deficit and it based on the Governor’s original budget proposal. This deficit represents the “fringe

benefit differential', the extra fringe benefit cost of JDH personnel incurred because they are State employees as compared to the other hospital staffs in the State.

The budget proposed by the Appropriations committee would actually result in a positive margin for UCHC. However, the deficit would grow by \$4.6 million in FY 10 under the Governor's revised budget proposal and by about \$7 million in FY 11.

Options for addressing these deficits will be presented to the Board later.

The drivers of the FY 09 deficit (budgeted at \$11.5 million but project to be about \$23 million by year's end, were discussed (page 43). The budget assumptions for FY 10 were discussed (pages 45-49) and a much more conservative approach was used in projecting revenues and clinical volumes

The Board took note of the growing deficit in UMG which occurred due to higher than expected expenses, lower volume increases than budgeted for (but still significant increases over FY 08), and the increase in the number of Medicaid visits. Larsen Allen has been retained to assess opportunities for financial improvement for UMG and identified four areas of interest: overhead cost reductions (non-physicians), revenue cycle improvement, faculty (physician) productivity, and the use of provider-based billing. Implementing their recommendation will take about three years.

A revised resolution was handed out.

Board members questioned whether they were being asked to approve a deficit budget. The resolution is actually for a on-going spending plan that will enable operations after July 1 until a complete budget is presented. This budget would be based on the State budget. Once the terms of the latter is known, management can present options for a balanced FY 10 budget. The spending plan is for \$755.6 million whereas the draft budget has \$776 million in expenses.

At 9:44 am, a motion was made, and unanimously approved to enter into executive session – preliminary notes and drafts exemption.

BoD members present: M. Bertolini (phone), G. Burrow, M. Cicchetti (left after the 1<sup>st</sup> executive session), C. Chase, S. Cloud, J. Droney, R. Galvin, J. Goldberg, J. Haberland (phone), M. Hogan, T. Ressel, and R. Samuels

Other parties present: P. Albertsen, S. Brohinsky, B. Carlson, S. Cowherd, B. Feldman, R. Gray, G. Hart, W. Kleinman, B. Koeppen, C. Laurencin, J. Lombardo, M. MacNeil, P. Nicholls, D. Papler, M. Summerer, L. Troyer, J. Walter

At 10:43 am the Board ended executive session.

The following resolution was unanimously approved:

***That the UCHC Board of Directors endorse and recommend the University Board of Trustees approve the continuation of the University of Connecticut Health Center FY 2009 projected spending level of \$755.6 million for FY 2010.***

10:45 am Break

10:55 am – Regular Session resumed.

#### 4.3 Capital Budget Items

Mr. Trutter reviewed the capital budget which was presented in draft form to the Board in March. A summary of its funding sources was discussed (page 68). Major revisions since March were the return of \$14.9 million of UConn 2000 Phase 3 funding for FY 10 (used to accelerate the CLAC, Main Building Renovations, and Data Center projects), and the designation of \$12.3 million to contingency pending the partnership with the Hartford Hospital

The Data Center project originally called for a new building. Given the on-going hospital negotiations, the plan is leave the data center in its current location in the ASB, but there are infrastructure improvements needed to enable this. Even if the hospital affiliation occurs, it will take considerable time to shift data system, so this investment will be well spent.

The following resolutions were unanimously approved:

**That the UCHC Board of Directors approve the following:**

- **Revised UConn 2000 Phase III Phasing Plan, Fiscal Year 2007 revised, Fiscal Year 2008 revised, Fiscal Year 2009 revised and Fiscal Year 2010 Project Lists (page 92)**
- **Project budget (design) for Academic Building (Bldg. A) Roof replacement - \$1,050,000 (pages 93-94)**
- **Project budget (planning) for Main Building Cooling System Chiller #2 Replacement - \$1,350,000 (pages 95-96)**
- **Project budget (planning) for Datacenter Infrastructure Improvements - \$1,800,000 (pages 97-98)**
- **The FY 10 Capital Spending Plan & the FY 11-15 Five Year Capital Spending Plan (page 99)**

## **5. Chief Executive Officer's Report – Dr. Laurencin**

### 5.1 and 5.2 Updates

Dr. Laurencin highlighted achievements made during his 9 months at UCHC which were described in a 19 page PowerPoint handout.. He noted the following:

- UCHC leads in state awards for stem cell research
- \$151M in ARRA applications
- CTSA Award Application
- SODM Reaccreditation
- Development of CT Health Education and Research Collaborative
- Renovation of clinical space
- Quality initiatives (JDH)
- PwC Engagement ROI
- CREATE initiative (CREAM)
- Dean's Task force on UMG
- Foundation efforts- Alumni, Capital Campaign Sept. 09
- Chair centered system for Academic & Financial Direction & Responsibility
- Summary of his 12 Point Plan

He also noted key changes with the implementation of the SEBAC negotiated wage freeze and furlough days, program reductions and revenue increases. He restated his vision of UCHC as a top tier medical center, destination for healthcare and economic driver for prosperity in the region, all of this through the proposed affiliation agreement with Hartford Hospital creating a 1000 bed University Hospital on two campuses.

### 5.3 Affirmative Action Annual Report

Ms. Lyle stated that the 2008 UCHC Affirmative Action plan was approved. She presented graphs to the board detailing goal achievement in the areas of hiring, promotion, CHRO goal achievement and small and minority business achievement. Going forward, there will be focus centering on furthering progress on the goals associated with recruits and the recruiting process. Dr. Burrow suggested Ms. Lyle return at a later date for further discussion with the board.

## **6. ACADEMIC AFFAIRS REPORT – Dr. Jacobs**

No report.

## **7. CLINICAL AFFAIRS REPORT – M. Summerer**

Covered under Agenda item 4.1.

## **8. FINANCIAL AFFAIRS REPORT – J. Haberland**

No further discussion.

## 9. Other Reports

### 9.1 Joint Audit and Compliance – Jay Haberland

Mr. Haberland reported that the auditors noted that UCHC takes HIPPA policies very seriously. The single year audit report for federal programs was discussed and management is cooperating with the auditors and working to address all the cited deficiencies in a timely manner.

### 9.2 Compliance Update

Mr. Walker reviewed the Compliance Office Report included in the Board packet.

Dr. Caron discussed the draft Institutional Conflicts of Interest in Research Policy and distributed a summary of it to the Board. She commented that all academic medical centers will soon be required to have such conflict of interest policies and only about 30 out of 150 have them. We are “ahead of the game.” UCHC needs to pass such a policy now in order to maintain our human subjects protection program accreditation. Dr. Caron hopes to have this policy to present to the board for approval at its September meeting and believes that a BOD CoI policy will be presented at the same time, which is a policy required for School of Medicine continuing accreditation.

11:41 am - A motion was made, and unanimously approved to enter Executive Session, preliminary notes and drafts, hospital affiliation.

BoD members present: M. Bertolini (phone), G. Burrow, C. Chase, S. Cloud, J. Droney, D. Friend, R. Galvin, J. Goldberg, J. Haberland (phone), M. Hogan, T. Ressel, and R. Samuels

Other parties present: P. Albertsen, S. Brohinsky, B. Carlson, S. Cowherd, B. Feldman, R. Gray, G. Hart, W. Kleinman, B. Koeppen, C. Laurencin, J. Lombardo, M. MacNeil, P. Nicholls, D. Papler, M. Summerer, L. Troyer, J. Walter

Executive Session adjourned at 12:25 p.m.

Regular session resumed at 12:25 p.m.

There being no further business, the meeting was adjourned at 12:26 p.m.

Respectfully submitted,

Cato T. Laurencin, M.D., Ph.D.  
Vice President for Health Affairs  
Dean, School of Medicine

Board of Directors

June 8, 2009

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Attendees: M. Bertolini (phone), G. Burrow, M. Cicchetti (left after the 1<sup>st</sup> executive session), C. Chase, S. Cloud, J. Droney, D. Friend (phone, called in during the 1<sup>st</sup> executive session), R. Galvin, J. Goldberg, J. Haberland (phone), M. Hogan, T. Ressel, and R. Samuels

**Documents Distributed During the Meeting:**

Dr. Laurencin's CEO report summary

UCHC Operational Improvement Initiative, Financial Metrics Dashboard

Resolution for Approval of FY 2010 Spending Plan for UCHC

Research Compliance Report, Institutional Conflict of Interest in Research DRAFT Policy