



University of Connecticut
Health Center

Health Affairs Committee

March 20, 2001
Minutes

Attendees: See attached list.

Ms. Leonardi called the meeting to order at 8:20 a.m.

I. Public Comment - None.

II. Introductory Business Items

A. Approval of Minutes – February 6, 2001, February 22, 2001 and March 6, 2001

- The minutes of February 6, 2001, February 22, 2001 and March 6, 2001 were approved unanimously.

B. Recognition(s) – None.

III. Consents

A. Institutional

▪ Contracts > \$500,000

- The HAC unanimously approved the following recommendation to the Board of Trustees – **“Capital Area Health Consortium Contract – That the Board of Trustees approve the contract with the Capital Area Health Consortium in the amount of \$28,097,000. The Capital Area Health Consortium agrees to pay for personnel costs (stipend and fringe) incurred in providing payroll and benefits for University of Connecticut Health Center medical resident trainees, as well as certain program costs. These costs include recruitment, orientation, graduation and recruitment brochures. for the period July 1, 2001 – June 30, 2002.”**

- The HAC unanimously approved the following recommendation to the Board of Trustees – **“Purchase and Installation of Comprehensive Electronic Research Administration System – That the Board of Trustees approve the purchase (\$680,000) of an Electronic Research administration System in accordance with the recommendations of the PriceWaterhouseCoopers Performance Audit.”**

B. Specific to the UCHS including JCC approved action items and UCHC Finance Corporation – None

C. Specific to Schools

- The HAC unanimously approved the following recommendation to the Board of Trustees – **“School of Medicine Student Tuition and Professional Fee Increases – That the Board of Trustees approve an increase in the School of Medicine tuition and professional fee by 4% for the 2001/2002 academic year and an additional 4% in 2002-2003 academic year. These increases will take affect on July 1 of each year respectively.”**

- The HAC unanimously approved the following recommendation to the Board of Trustees – **“Endowed Chair Appointment – Dr. Richard Fortinsky – That the Board of Trustees approve the appointment of Dr. Richard Fortinsky to the Physician Health Services Endowed Chair in Gerontology for a three-year term.”**

IV. Information Items

A. Regularly recurring Items

- Contracts >\$5000
- Contracts \$3000-\$5000
- Personnel Actions

B. Policy Changes – None.

V. Education: None.

VI. Main Business

A. Chair's Remarks and Reports

B. Executive Vice President and Deans' Remarks and Reports (P. Deckers, P. Robinson)

Dr. Deckers' reports:

- Governor Rowland Commencement speaker – May 24, 2001
- Year to date research awards are \$6.6 million ahead of last year.
- Signature Program Update
 - ◆ Connecticut Health update of activities– (directed by Dr. Bailit and Dr. Trestman)
 - A Web-based database of UCHC activities related to public health is now available on the UCHC website. The breadth of activities is wide.
 - A project to develop a network to identify woman who are at high risk for premature delivery is now active.
 - Expanded continuing education for public health professionals is taking place.
 - A primary care network pilot for mentally retarded with emphasis on their dental, mental health and primary care needs is under development.
 - A pilot to return adolescents with severe mental health problems who are currently receiving care out of state back into state care is being planned.
 - ◆ Brain and Human Behavior – (Directed by Dr. Simon)
 - We have identified and are negotiating with an interventional neuroradiologist from Boston who might also possibly serve as the academic chair in Radiology to replace Dr. Ramsby.
 - ◆ Cancer – (directed by Dr. Srivastava and Dr. Peterson)
 - Engaged Tyler & Co. to help recruit a Division Chief for Hematology/Oncologist and Medical Oncologist.
 - Jasmine Zain, M.D. will start April 1, 2001; 60% clinical oncology 40% translational research in Dr. Srivastava's laboratory.
 - ◆ Musculoskeletal – (directed by Dr. Raisz)
 - Identified leader from the Mayo Clinic, has grants, well published – may be difficult to recruit.

- ◆ Cardiology
 - Tyler & Co. has been engaged to recruit a Division Chief and a Non Interventional Cardiologist to help with clinical volume.
- Match Results – 100% of School of Medicine matched but we won't have further details until later in the week
- IT RFP – The request for proposals was released and approximately a half dozen vendors attended the prebid conference. Meanwhile discussion continues between UCHC and the main campus as to developing an integrated IT strategic plan for the whole University.
- Connecticut Health Partners - primary care network
 - Effect on SOM – provide expanded teaching facilities for Student Continuity Practice and education in the community setting.
 - Dr. Deckers thanked those involved.
- Economic Impact Study – Dr. Richard Berlin
 - Federal awards grew annually until the early 1990's and then leveled off until 1999. Since then they have risen by approximately \$20 million due to the recruitment of new faculty under the original five year strategic plan and the development of core facilities that promote research.
 - Requirements for continued research development
 - ◆ Faculty growth-increase faculty size, fill vacancies with competitive faculty
 - ◆ Maintain focus
 - ◆ Coordinate basic and clinical research
 - ◆ Increase laboratory space
 - ◆ Modernize administrative infrastructure
 - ◆ Improve faculty salaries and productivity with meaningful incentives
 - ◆ Provide flexible resources to seize new opportunities
 - ◆ Advance research support facilities necessary to stay competitive; cutting-edge technology must be accessible to all faculty.
 - ◆ Failure in these areas will inhibit growth, lead to loss of faculty, stagnation or decline
 - Future funding -
 - ◆ Three models were used to project future extramural funding based on the assumption that the current faculty are retained and: a) no additional investments are made, b) the \$3.1 million from the 5th years of the original Research Strategic Plan is funded on an on-going basis, and c) the Integrated Strategic Plan is fully funded.
 - ◆ The following issues were raised and discussed:
 - The total costs supporting the models outlined and including the “Requirements for continued research development” described has not been developed. In addition, other related costs such as for improving the IT research infrastructure and for capital improvements (renovations and new building) have not been developed. Therefore, more analysis is necessary to support a Return on Investment (ROI) analysis of additional spending in research.
 - The total revenues described in the models are based on assumptions that must be well articulated.
 - Research Capital Strategic Plan is under development.

- Legislative updates – Bruce Carlson
 - Biennial budget – The Governor’s budget not only didn’t include the requested funds for the research strategic plans (both the 5th year of the original plan or the new plan), it also did not fully fund current services. Our goal is to lobby for add backs for these items. The session ends on June 6, 2001
 - Oversight Committee Update – The next meeting won’t occur until after the submission of the next PricewaterhouseCoopers report at the end of March.
 - Governance – although a strategy hasn’t been selected yet, legislative action will be sought to empower the changes in bylaws recommended by HAC to the BoT last month.
- PricewaterhouseCoopers’ Report
 - 1st report submitted - December 22, 2000
 - 2nd report – due 4/6/01, will include contracting out procedures, economic impact study, review of the quarterly reports for the quarters ending September and December 2000, and status of the implementation of the 66 recommendations in the 1st report.

Dr. Robinson’s reports:

- The class of 2001 ranked as the best dental school class in nation, both academically and extracurricularly:
 - ◆ 1st in the country on Part Two of the National Dental Boards
 - ◆ 2nd in the country on National Dental Boards Part I.
 - ◆ Match into residency programs
 - ◆ American Association of Dental Research awards: Dr. Lalla, – first place in the senior division for Health in Research Award and Mr. Stosulis – third place in the junior division.
- Accreditation – confident in all areas except facilities. Need \$3-4 million to upgrade
- It appears as if a \$4.4 million training grant will be approved by June resulting in a combined \$6.9 million in training grant funding over a 5-year period for the SODM.
- Faculty Development Plan (distributed) – the Council approved a new plan that is similar to that of Stanford University. It includes a council of mentors comprised of emeritus faculty.
- Strategic Plan
 - Consists of 13 goals, 52 objectives; has operational oversight (Committee on Assessment and Planning), policy oversight (Strategic Planning Committee); all goals and objectives have been assigned with target time tables; metrics for measuring the progress of the implementation of the plan have been developed and responsibility assigned for their collection, quarterly progress reports to Dean will occur.
 - Issues and concerns discussed: the full implementation costs need to be calculated.
 - ◆ Chairwoman Leonardi congratulated Dr. Robinson on his efforts

C. Clinical Operations Report (S. Strongwater)

- JDH and UMG collectively are ahead of budget by ~\$2 million.
- Admissions for JDH for February fell behind projections compared to last year (leap year). March to-date is ahead of plan.
- New financial and operational performance improvement teams have been developed for JDH and UMG as per PwC.
- Mercury removal plan has been initiated.
- Corrective action plans have been submitted to JCAHO of the type I problems identified during the re-accreditation.

- CHPMG practice conversion is proceeding nicely, the Rocky Hill VA contract and Correctional Managed Care contracts are also active and on target.
- Lillian Wald award for expertise in nursing was awarded to Rhea Sanford by the Connecticut Nurses Association.

- UMG Restructuring – Larson Allen Report – December 2000
 - Three issues – UMG faculty composition and productivity; faculty compensation and UMG organization, structure and governance (CGC).
 - Productivity
 - ◆ Achieve 75th percentile over three years
 - ◆ Configure faculty to support signature programs
 - ◆ Support for education time should be approved by Dean's office
 - ◆ Research support should be aligned with SSOG
 - Compensation
 - ◆ Implement "Simon Plan"
 - ◆ Further develop plan to apply to tenured and non tenured faculty
 - ◆ Improved financial performance should be shared with departments and faculty
 - Restructuring
 - ◆ Change organization behaviors (accountability, role of chairs, etc.)
 - ◆ Change configuration and accountability of CGC
 - ◆ Pursue provider base UMG conversion (will need CON)
 - ◆ Assess Pediatric faculty - ? move to CCMC – currently being evaluated
 - Discussion and Issues: concern was raised that some faculty may not pay sufficient attention to academic activities in order to maximize their clinical incentive. Satisfying academic expectations is a requirement in order to be eligible for clinical incentive pay. Efforts are underway to reliably allocate a faculty member's time to academic versus clinical activities.

D. CFO's Remarks and Reports (L. Aronson, D. Upton)

- February closed with a favorable variance of \$204,030. Revenues exceeded expenses for the month by \$127,404 compared to a budgeted deficiency of \$76,626.
- Fiscal year-to-date shows a favorable variance of \$605,951 versus a budgeted deficiency of \$1,025,026. We have experienced surpluses for 6 months in a row and had a positive variance for 7 out of the 8 months of this year.
- Issues and discussion – The difference between the report of research awards (up \$6.6 million year to date over last year, and the negative variance between budgeted and actual research revenues was discussed. This is due to a change in accounting practice to an accrual basis. In the past, awards were booked in the month received, even for multiyear awards. In these cases, the expenses incurred in later years were then posted without any income for that year. HAC requested that a balance sheet be provided. This will be provided for the quarterly report ending in March.

E. Other Business

- PricewaterhouseCoopers First Interim Performance Audit
 - The original matrix for tracking UCHC's response to the initial 66 recommendations has been expanded to include a Corrective Action Plan (CAP) for each of these recommendations. These plans include the cost of implementing the recommendation and will be provided to both PwC and the HAC on a regular basis. So far

we are on track in responding to the original recommendations.

- FY-02 Cost Improvement Opportunity Register – S. Whetstone
 - We are budgeted to reach a \$5.5 million target for FY 02. \$2.5 million in revenue enhancements and non-FTE reductions has been identified. The remaining \$3 million is targeted to come from the SOM and will include FTE reductions, which at this time have yet to be fully identified.
 - FY-03: It is becoming increasingly difficult to identify expense reductions and in the future we will need to consider process improvements and redesigns that take more detailed business analysis and planning.
- Audited Financial Statements and Management Letter for the John Dempsey Hospital, University Medical Group, and UCHC Finance Corporation – Gordon Pingicer and Bob Plaza -KPMG.
 - KPMG is ready to submit an unqualified opinion of the audit that is essentially the same as the draft report submitted to HAC last month. They found UCHC fully cooperative with the audit.
 - Issues and Discussion – The timelines for the implementation for HIPPA were discussed. While the cost of HIPPA related activities is likely to be less than first estimated, it is possible that the schedule will not be as delayed as fully anticipated.

VII. Executive Session

The Health Affairs Committee voted to enter into Executive Session at 10:23 am. to discuss matters that would result in the disclosure of public records described in Sec. 1-210 (b) of the Connecticut General Statutes. The Chairman noted that on the advice of counsel only staff members whose presence was necessary to provide their opinion would be permitted to attend Executive Session.

Trustees present for the first topic were: C. Leonardi, M. Martinez

Staff present were: L. Aronson, B. Carlson, P. Deckers, E. Grab, B. Kleinman, P. Robinson, S. Strongwater, D. Upton, and S. Wetstone

Trustees present for the discussion on the KPMG audit were: C. Leonardi, M. Martinez

Guests present were: Gordon Pingicer and Bob Plaza - KPMG

HAC left Executive Session at 11:30 pm.

There being no further business, the meeting was adjourned at 11:30 pm.

Respectfully submitted,

Peter J. Deckers, M.D.

Attendees

L. Aronson, E. Allenby, R. Berlin, N. Brady, S. Brohinsky, B. Carlson, T. Cawley, P. Deckers, R. Garibaldi, R. Gelfenbien by phone, E. Grab, L. Jacobs, W. Kleinman, B. Kozol, J. Lattanzio, C. Leonardi, M. Martinez, J. Mazzone, P. McManus, J. Moringstar, J. Noonan, P. Robinson, S. Strongwater, D. Turling, D. Upton, J. Walter, S. Wetstone, S. Whetstone

Documents Distributed During the Meeting

Research Economic Impact Study

SODM Faculty Development Plan

February Financials and Graphs

FY-02 Cost Improvement Opportunities Register

KPMG Presentation to the Health Affairs Committee