

January 18, 2001

TO: The Health Affairs Committee:

Charles M. Caravati, Jr., M.D. Chair
H. Christopher Alexander, III, M.D.
Thomas J. Bliley, Jr.
William G. Crutchfield, Jr.
William H. Goodwin, Jr.
Terence P. Ross
Elizabeth A. Twohy
Harry J.G. van Beek
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Charles L. Glazer	Walter F. Walker
T. Keister Greer	Benjamin P.A. Warthen
Elsie Goodwyn Holland	James C. Wheat, III
Gordon F. Rainey, Jr.	Joseph E. Wolfe
Timothy B. Robertson	Stephen S. Phelan, Jr.

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs
Committee on January 18, 2001

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 4:15 p.m., Thursday, January 18, 2001, in the Board Room of the Rotunda; Charles M. Caravati, Jr., M.D., Chair, presided. H. Christopher Alexander, III, M.D., Thomas J. Bliley, Jr., William G. Crutchfield, Jr., William H. Goodwin, Jr., Terence P. Ross, Harry J.G. van Beek, and John P. Ackerly, III, Rector, were present.

Also present were T. Keister Greer, Gordon F. Rainey, Jr., Timothy B. Robertson, Benjamin P.A. Warthen, Joseph E. Wolfe, and Stephen S. Phelan, Jr.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Robert W. Cantrell, M.D., Peter W. Low, Ms. Colette Sheehy, Robert E. Reynolds, M.D., Gene D. Block, Larry H. Fitzgerald, George A. Beller, M.D., Robert M. Carey, M.D., Bruce J. Hillman, M.D., Karen S. Rheuban, M.D., Ms. Jeanette Lancaster, Ms. Pam Cipriano, and Ms. Jeanne Flippo Bailes.

Charles H. Crowder, M.D., President of the Medical Alumni, was present as a special guest.

Mr. Sandridge, Executive Vice President and Chief Operating Officer, introduced Ms. Pam Cipriano, Chief Clinical Officer of the Health System. Ms. Cipriano, he explained, is particularly involved with trying to do something about the shortage of beds at the Hospital.

The Chair noted the recent untimely death of Dr. Phillip Gibbs and introduced and welcomed his successor as President of the Medical Alumni, Dr. Charles H. Crowder of South Hill.

The Chair then asked Mr. Sandridge to present the Agenda.

Before introducing Mr. Larry Fitzgerald, Associate Vice President of Health Sciences for Finance, Mr. Sandridge noted that the Medical Center is on budget as far as its Operating Margin goes but that December was "a tough month." The Hospital was a busy place with very sick patients.

Mr. Fitzgerald then gave his customary financial report on the Medical Center.

Discharges of patients from the Medical Center for the first six months of the fiscal year ran 2% behind budget and 2% behind the same period last year. Patient days, which is to say the number of days spent by patients in hospital, is considerably above the figure for the same period last year and about 2% above budget. Outpatient and Emergency Room visits are about the same as last year and a bit under budget for this year. Operating revenues are considerably above last year and above budget for this year; operating expenses show the same pattern. Mr. Fitzgerald noted that indigent care costs are about \$8m below last year - there is no explanation for this: the Medical Center continues to treat all who seek help, regardless of ability to pay. Medical supplies are significantly above budget and continue to rise; all of the Medical Center's peer institutions are experiencing the same problem. Medical Center FTE's are a bit above last year and a bit above budget as well.

Mr. Sandridge reported on the availability of beds at the Hospital. The Hospital, he said, has a total of 570 possible beds; some of the rooms are closed off and used for other purposes, however, so the practical figure is 550 available beds. In July, 1999, 530 of these were open. In September, 2000, only 462 were open. The most recent figure (January 15th) is 478. Thirty of the 550 beds are not available at the moment because of construction; 5 of these should be available as early as March 1st and the remainder will be available in May. Of the 72 closed beds, therefore, 17 are not available because of staff limitations. Mr. Sandridge said the real challenge facing the Hospital is to find staff sufficient to open these beds and the 30 which will become available in the spring when construction is done.

He noted, however, that the Hospital's staffing problems are almost universal among hospitals throughout the nation.

Dr. Cantrell, Vice President and Provost for Health Sciences, introduced Dr. Karen Rheuban, Associate Dean for Continuing Medical Education, Professor of Pediatrics, and Medical Director of the Office of Telemedicine. Dr. Rheuban gave a presentation on telemedicine, which is a method of using advanced telecommunications technologies for medical diagnosis, patient care and "health-related distance learning." This is accomplished primarily by videoconferencing. She described some of the uses: linkages between the Medical Center and community hospitals, rural health care, connections with the state Correctional System, school health programs, and the like. There have been international linkages as well.

The telemedicine program has received grants from the Virginia Healthcare Foundation, the Bell Atlantic Foundation, the Baxter Foundation, the WestWind Foundation, and the United States Departments of Commerce, Agriculture and Transportation.

Dr. Cantrell asked Ms. Lancaster, Dean of the School of Nursing, to discuss the shortage of nurses and what the School is doing to respond to it.

Dean Lancaster said she can identify four reasons for the shortage of nurses: a decline in the number of applicants to nursing schools; an ageing workforce [i.e., of nurses]; an ageing faculty in schools of nursing; and what she termed the "increasingly challenging environment" of hospitals.

About two thirds of the students in the School of Nursing are undergraduates. Dean Lancaster said there is encouraging news this year in that there were 43 applicants for Early

Decision in the undergraduate program this fall (14 of the 43 applicants were offered admission in the fall; the remainder were deferred to the regular admission "season" in March), up significantly from 24 last year. She noted, too, that the graduate programs in the School are strong.

The School is working to increase the number of RN's accepted into its baccalaureate programs. She would like to increase the Masters program by ten students. The principal barrier to increasing the size of the student body, however, is space - the School desperately needs an addition to McLeod Hall for more classrooms. The number of faculty can be increased relatively easily, but there is no place to put them.

Dean Lancaster noted that about 40% of each graduating class stays at the University to work in the Hospital.

The Rector suggested there might be merit in scholarships which would require a certain number of years of post-graduate service in Charlottesville. Ms. Lancaster and Mr. Sandridge said that was something that is being looked into. Ms. Lancaster said the School is working to recruit more male students as male nurses statistically work longer than female nurses.

Mr. Ross said it would be useful to have a clear idea of the costs of recruiting nurses.

Because of the lateness of the hour, Dr. Cantrell gave only a summary of his customary report to the Committee. His full report is attached to these Minutes as an Appendix.

On motion, the Committee adopted the following motion permitting it to meet in Executive Session.

That the Health Affairs Committee of the Board of Visitors of the University of Virginia go into Executive Session to discuss and evaluate the performance of specific officers, appointees and employees of the Medical Center; and to evaluate with Legal Counsel compliance with federal regulatory requirements governing patient care and billing which will involve discussion of the performance of specific individuals. The Committee also will discuss proprietary business development and marketing strategies regarding employment funding, where disclosure of such information would adversely affect the competitive position of the Medical Center, and will discuss proprietary information pertaining to the operations and business development of a joint venture involving the Medical Center. Further, the Committee will consider the status of contract

negotiations with respect to finalizing provider service contracts, where disclosure would adversely affect the Medical Center's competitive position and its financial interests; as provided for in Section 2.1-344 (A) (1), (6), (7),(8) and (23) of the Code of Virginia.

The Committee went into Executive Session at 5:40 p.m., resumed in Open Session at 7:05 p.m., and, on motion, adjourned.

AGG:jb

Attachment

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Terry Holland
Mr. George Culbertson
Mr. Peter W. Low
Dr. Robert E. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Ms. Louise Dudley

At a meeting of the Health Affairs Committee of the Board of Visitors of the University of Virginia held on January 18, 2001, of Visitors of the University of Virginia held on January 18, 2001, a roll call vote was taken immediately following an executive session. Members voting "yes" certify that to the best of the Member's knowledge (1) only public business matters lawfully exempted were discussed in closed session; and (2) only public business matters identified in the public motion by which the executive or closed meeting were discussed. In accordance with the law, any member of the public body who believes that there was a departure from the foregoing shall so state prior to the vote indicating "the substance of the departure". Any such statements are recorded below under "comments".

<u>NAME</u>	<u>VOTE</u>	<u>COMMENTS</u>
	<u>yes or no</u>	
John P. Ackerly, III	yes	
Thomas J. Bliley, Jr.	yes	
Charles M. Caravati, Jr.	yes	
William G. Crutchfield, Jr.	yes	
Charles L. Glazer		
William H. Goodwin, Jr	yes	
T. Keister Greer	yes	
Mrs. Elsie Goodwyn Holland		
Gordon F. Rainey, Jr.		
Timothy B. Robertson	yes	
Terence P. Ross	yes	
Elizabeth A. Twohy		absent
Walter F. Walker		
Benjamin P.A. Warthen	yes	
James C. Wheat, III		
Joseph E. Wolfe		
Stephen S. Phelan, Jr.		

ADDENDUM TO THE OFFICIAL MINUTES OF THE MEETING
OF THE BOARD OF VISITORS OF THE UNIVERSITY OF
VIRGINIA

Meeting Date: January 18, 2001

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS the Health Affairs Committee of the Board of Visitors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS Section 2.1-344.1 of the Code of Virginia requires a certification by this Health Affairs Committee that such executive meeting was conducted in conformity with Virginia law;

NOW THEREFORE BE IT RESOLVED that the Health Affairs Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Health Affairs Committee.

VOTE

AYES: 9

NAYS: 0

[For each nay vote, the substance of the departure from the requirements of the Act should be described].

ABSENT DURING VOTE: 1

ABSENT DURING MEETING: 1

Alexander G. Gilliam, Jr.
Secretary, Board of Visitors,
University of Virginia