UNIVERSITY OF VIRGINIA
BOARD OF VISITORS

Meeting of the Health System Board
for the University of Virginia
Health System

December 6, 2017
UNIVERSITY OF VIRGINIA
HEALTH SYSTEM BOARD

Wednesday, December 6, 2017
11:00 a.m. – 5:00 p.m.
Board Room, The Rotunda

Committee Members:
L.D. Britt, M.D., Chair
Babur B. Lateef, M.D., Vice Chair
Frank M. Conner III
Tammy S. Murphy
James B. Murray Jr.

Public Members:
Hunter E. Craig
Eugene V. Fife
Victoria D. Harker

Ex Officio Members:
Teresa A. Sullivan
Dorrie K. Fontaine
Patrick D. Hogan
Thomas C. Katsouleas

Richard P. Shannon, M.D.
Pamela M. Sutton-Wallace
Scott A. Syverud, M.D.
David S. Wilkes, M.D.

AGENDA

I. HEALTH SYSTEM CORPORATE REPORTS

A. Opening Remarks from the Chair (Dr. Britt)
B. Reports from the Executive Vice President for Health Affairs (Dr. Shannon)
   1. Opening Remarks
   2. Be Safe Moment
   3. Health System Strategic Dashboard
   4. Role of Innovation in Health Care (Dr. Shannon to introduce Mr. Eric Langshur; Mr. Langshur to report)
C. Health System Consolidated Finance Report from the Finance Working Group and Discussion (Mr. Murray and Mr. Douglas E. Lischke to report)
   • Fiscal Year 2018 Consolidated Financials Year-to-Date Report
D. Health System Development Report (Written Report)

II. MEDICAL CENTER REPORTS (Ms. Sutton-Wallace)

A. Medical Center Chief Executive Officer Report
B. Ivy Mountain Design
III. SCHOOL OF MEDICINE REPORTS (Dr. Wilkes)

A. Research Presentations

1. Epigenomics Studies in AML and the NASA Twins Study
   (Dr. Wilkes to introduce Francine Garrett-Bakelman, M.D.; Dr. Garrett-Bakelman to report)

2. Perioperative Opioid Prescribing Patterns at the University of Virginia Health System
   (Dr. Wilkes to introduce Bhiken I. Naik, MBB.Ch.; Dr. Naik to report)

B. Dean’s Report

IV. COMMUNITY HOSPITALS AND POST-ACUTE SERVICES
   (Michelle D. Hereford, R.N.)

A. Chief of Community Hospitals and Post-Acute Division Opening Remarks

B. Transitional Care Hospital Report (Christine K. Matt, R.N.)

C. Annual Report on Continuum Home Health (Written Report)

V. CLOSED SESSION

- Discussion of proprietary, business-related information pertaining to the operations of the Medical Center and the School of Medicine, where disclosure at this time would adversely affect the competitive position of the Medical Center, specifically:
  - Strategic personnel, financial, investment, market and resource considerations and efforts; potential joint ventures or affiliations and partnership strategies; innovative efforts and improvement initiatives for patient care and operations, including ambulatory optimization, employee engagement initiatives, and specialty pharmacy, other strategic clinical, academic, and research growth efforts; all of which further the strategic initiatives of the Medical Center and the School of Medicine and include employee performance and other proprietary metrics;
  - Confidential information and data related to the adequacy and quality of professional services, competency, and qualifications for professional staff privileges, and patient safety in clinical care, for the purpose of improving patient care for the Medical Center and the Transitional Care Hospital;
  - Consultation with legal counsel regarding compliance with relevant federal and state legal requirements, legislative, and accreditation standards, including the 340B program; all of which will involve proprietary business information and evaluation of the performance of specific personnel.

The relevant exemptions to the Virginia Freedom of Information Act authorizing the discussion and consultation described above are provided for in Section 2.2-3711(A)(1), (6), (8) and (22) of the Code of Virginia. The meeting of the Health System Board is further privileged under Section 8.01-581.17 of the Code of Virginia.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: I. A. Opening Remarks from the Chair

ACTION REQUIRED: None

BACKGROUND: The Committee Chair, Dr. Britt, will welcome guests and provide opening remarks.
BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: I. B. Reports from the Executive Vice President for Health Affairs

ACTION REQUIRED: None

BACKGROUND: Richard P. Shannon, M.D., is the Executive Vice President for Health Affairs for the University of Virginia. Before joining the University in November 2013, he served as the Frank Wister Thomas Professor of Medicine at the University of Pennsylvania Perelman School of Medicine, and as chair of the Department of Medicine of the University of Pennsylvania Health System. An internist and cardiologist, Dr. Shannon is widely recognized for his work on patient safety.

DISCUSSION: The Executive Vice President will inform the Health System Board (“HSB”) of recent events that do not require formal action, including a “Be Safe” moment and a report on the Health System consolidated goals.

In addition, Dr. Shannon will introduce Mr. Eric Langshur of Avia. Mr. Langshur is the CEO and co-founder of Avia Health Innovation and co-founder of Abundant Venture Partner, a purpose-based incubator focused on improving the human condition by creating companies that improve Human Wellness, Human Performance, and Human Engagement.

Avia Health Innovation is the nation’s leading network of hospital systems focused on innovating the delivery of healthcare through digital technology. Premised on the thesis that healthcare is the last major industry to realize the impact of digital technology, Avia and its 25 member systems collectively prioritize high value target opportunities in health care operations, patient care, and clinician practice. UVA Health System joined the Avia network this past spring and is currently engaged with Avia to evaluate solutions to a number of topical and pressing issues facing health systems, including social determinants of health, consumer access, and clinician burnout.
The Health System prepares a periodic financial report and reviews it with the Executive Vice President for Health Affairs before submitting the report to the HSB.

Douglas E. Lischke, C.P.A., M.B.A., C.I.T.P., C.H.F.P., serves as the Health System’s Chief Accounting Officer and Controller. Prior to coming to UVA Health System, he was the Associate Vice President for Financial Services and Controller for Wake Forest Baptist Medical Center. Mr. Lischke is an active Certified Public Accountant, a Certified Healthcare Finance Professional, and a Certified Information Technology Professional with over 23 years of financial management experience.

DISCUSSION:

School of Medicine: Academic, Clinical, Health System Library

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Fav / (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPG-Clinical</td>
<td>(8.7)</td>
<td>(6.6)</td>
<td>(2.1)</td>
</tr>
<tr>
<td>SOM - Academic</td>
<td>5.2</td>
<td>(.5)</td>
<td>5.7</td>
</tr>
<tr>
<td>Library</td>
<td>.2</td>
<td>(.4)</td>
<td>.6</td>
</tr>
<tr>
<td>Consolidated SOM</td>
<td>(3.3)</td>
<td>(7.5)</td>
<td>4.2</td>
</tr>
</tbody>
</table>

The Consolidated School of Medicine generated an operating loss of $3.3M after transfers from the Medical Center for the first three months of Fiscal Year 2018 (FY 2018), compared to a budgeted loss of $7.5M.

The clinical enterprise (the University of Virginia Physicians Group (“UPG”)) produced an operating loss of $8.7M, which was $2.1M unfavorable to budget. The unfavorable budget variance was driven by the revenue cycle impact of the Epic system
transition; the unfavorable variance is expected to fully recover before fiscal year-end. The UPG results include a $9.9M investment in the academic mission.

The academic enterprise generated operating income of $5.2M, a $5.7M favorable variance to budget. This favorable variance was due to additional gifts and Health System support, as well as delays in faculty hires.

Medical Center

After three months of operations in FY 2018, the operating income for all business units was $4.3M, resulting in a 1.1% operating margin. Operating income was favorable to budget by $0.5M. Performance was driven primarily by inpatient discharges, main operating room surgical cases, and transplants which were all favorable to budget. Outpatient clinic visits and outpatient surgery cases were unfavorable. The operating margin for the consolidated Medical Center is supported by imaging, dialysis, the Transitional Care Hospital, and the management of shared services expenses. For FY 2018, the Medical Center generated $18.8M in cash from operations (EBITDA) and cash reserves totaled 151 days. Total expenses adjusted for volume and case mix index were below the budget.

Total paid employees for all business units, including contracted employees, were 127 below budget. Contract labor is composed primarily of nurse travelers and individuals employed by the School of Medicine and contracted to the Medical Center. The Medical Center utilized 154 nurse travelers.

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>2018 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee FTEs</td>
<td>8,133</td>
<td>8,319</td>
</tr>
<tr>
<td>Contract Labor FTEs</td>
<td>389</td>
<td>330</td>
</tr>
<tr>
<td>Salary, Wage and Benefit Cost / FTE</td>
<td>$86,449</td>
<td>$88,789</td>
</tr>
<tr>
<td>Total FTEs</td>
<td>8,522</td>
<td>8,649</td>
</tr>
</tbody>
</table>

Transitional Care Hospital

For the first three months of operations in FY 2018, the operating income for the Transitional Care Hospital was $.2M, resulting in an operating margin of 4.3%, compared to budget of 2.1%. The favorable variance is attributable to favorable payor mix and variable expense management.

Admissions totaled 89 for the quarter, with 65 admissions coming from the Medical Center. This represents approximately 17 beds of capacity per day and a .21 day reduction to length of stay, yielding $.6M in financial benefit to the Medical Center. This underscores
the importance and value of long-term acute care services in the continuum of care for the Health System.

**Health System Summary**

Overall, the Health System operating income exceeded budget for the first quarter of FY 2018.
### University of Virginia Medical Center

**Income Statement**

(Dollars in Millions)

**Excluding Culpeper Regional Hospital**

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-16</th>
<th>Sep-17</th>
<th>Sep-18</th>
<th>Sep-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net patient revenue</strong></td>
<td>$346.6</td>
<td>$378.5</td>
<td>$399.8</td>
<td>$401.4</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td>10.8</td>
<td>11.5</td>
<td>11.0</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>$357.4</td>
<td>$390.0</td>
<td>$410.8</td>
<td>$415.0</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>316.6</td>
<td>345.7</td>
<td>376.1</td>
<td>381.6</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>24.0</td>
<td>24.0</td>
<td>25.3</td>
<td>24.4</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>5.0</td>
<td>4.6</td>
<td>5.1</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$345.7</td>
<td>$374.3</td>
<td>$406.5</td>
<td>$411.2</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>$11.7</td>
<td>$15.6</td>
<td>$4.3</td>
<td>$3.8</td>
</tr>
<tr>
<td><strong>Non-operating income (loss)</strong></td>
<td>($19.2)</td>
<td>$17.6</td>
<td>$2.2</td>
<td>($13.9)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>($7.6)</td>
<td>$33.2</td>
<td>$6.5</td>
<td>($10.1)</td>
</tr>
<tr>
<td><strong>Principal payment</strong></td>
<td>$3.7</td>
<td>$4.3</td>
<td>$5.1</td>
<td>$5.1</td>
</tr>
<tr>
<td>Description</td>
<td>Sep-16</td>
<td>Sep-17</td>
<td>Sep-18</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash and investments</td>
<td>$288.7</td>
<td>$58.3</td>
<td>$37.6</td>
<td></td>
</tr>
<tr>
<td>Patient accounts receivables</td>
<td>143.8</td>
<td>180.7</td>
<td>243.9</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>845.3</td>
<td>943.6</td>
<td>1,067.2</td>
<td></td>
</tr>
<tr>
<td>Depreciation reserve and other investments</td>
<td>195.0</td>
<td>637.1</td>
<td>592.6</td>
<td></td>
</tr>
<tr>
<td>Endowment Funds</td>
<td>551.4</td>
<td>564.1</td>
<td>611.6</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>184.9</td>
<td>262.5</td>
<td>256.8</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,209.1</td>
<td>$2,646.2</td>
<td>$2,809.7</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion long-term debt</td>
<td>$15.0</td>
<td>$17.1</td>
<td>$20.5</td>
<td></td>
</tr>
<tr>
<td>Accounts payable &amp; other liab</td>
<td>117.5</td>
<td>143.1</td>
<td>138.4</td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>447.1</td>
<td>773.3</td>
<td>790.4</td>
<td></td>
</tr>
<tr>
<td>Accrued leave and other LT liab</td>
<td>279.6</td>
<td>247.1</td>
<td>300.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$859.1</td>
<td>$1,180.6</td>
<td>$1,250.3</td>
<td></td>
</tr>
<tr>
<td><strong>Fund Balance</strong></td>
<td>$1,349.9</td>
<td>$1,465.6</td>
<td>$1,559.4</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Fund Balance</strong></td>
<td>$2,209.1</td>
<td>$2,646.2</td>
<td>$2,809.7</td>
<td></td>
</tr>
</tbody>
</table>

*$592.6M includes ED Tower bond issue funds of $259.2M
<table>
<thead>
<tr>
<th>Description</th>
<th>Most Recent Three Fiscal Years</th>
<th>Budget/Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-16</td>
<td>Sep-17</td>
<td>Sep-18</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>3.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Current ratio (x)</td>
<td>3.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Days cash on hand (days)</td>
<td>180.9</td>
<td>146.9</td>
</tr>
<tr>
<td>Gross accounts receivable (days)</td>
<td>45.0</td>
<td>48.2</td>
</tr>
<tr>
<td>Annual debt service coverage (x)</td>
<td>2.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Debt-to-capitalization (%)</td>
<td>35.9%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Capital expense (%)</td>
<td>8.4%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>
### University of Virginia Medical Center
#### Operating Statistics
**Excluding Culpeper Regional Hospital**

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-16</th>
<th>Sep-17</th>
<th>Sep-18</th>
<th>Sep-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most Recent Three Fiscal Years</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acute Admissions</td>
<td>7,139</td>
<td>7,288</td>
<td>7,412</td>
<td>7,356</td>
</tr>
<tr>
<td>Patient days</td>
<td>44,894</td>
<td>44,689</td>
<td>47,186</td>
<td>46,462</td>
</tr>
<tr>
<td>Observation Patients - MC only</td>
<td>1,184</td>
<td>1,051</td>
<td>941</td>
<td>1,068</td>
</tr>
<tr>
<td>Post Procedure Patient - MC only</td>
<td>1,227</td>
<td>1,318</td>
<td>1,167</td>
<td>1,264</td>
</tr>
<tr>
<td>All Payor CMI Adj. Average Length of Stay</td>
<td>2.91</td>
<td>2.86</td>
<td>3.02</td>
<td>2.86</td>
</tr>
<tr>
<td>Clinic visits</td>
<td>219,614</td>
<td>221,308</td>
<td>206,481</td>
<td>216,461</td>
</tr>
<tr>
<td>ER visits - MC only</td>
<td>15,926</td>
<td>15,911</td>
<td>15,908</td>
<td>16,082</td>
</tr>
<tr>
<td>All Payor CMI</td>
<td>2.03</td>
<td>2.12</td>
<td>2.08</td>
<td>2.10</td>
</tr>
<tr>
<td>FTE's (including contract labor)</td>
<td>7,906</td>
<td>7,974</td>
<td>8,522</td>
<td>8,649</td>
</tr>
</tbody>
</table>
### Admissions and Case-Mix - Year to Date

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMISSIONS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult</td>
<td>6,371</td>
<td>6,304</td>
<td>1.1%</td>
<td>6,196</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>694</td>
<td>672</td>
<td>3.3%</td>
<td>684</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>258</td>
<td>276</td>
<td>(6.5%)</td>
<td>290</td>
</tr>
<tr>
<td>Transitional Care</td>
<td>89</td>
<td>104</td>
<td>(14.4%)</td>
<td>118</td>
</tr>
<tr>
<td><strong>Subtotal Acute</strong></td>
<td>7,412</td>
<td>7,356</td>
<td>0.8%</td>
<td>7,288</td>
</tr>
<tr>
<td>Observation</td>
<td>941</td>
<td>1,068</td>
<td>(11.9%)</td>
<td>1,051</td>
</tr>
<tr>
<td><strong>Total Admissions</strong></td>
<td>8,353</td>
<td>8,424</td>
<td>(0.8%)</td>
<td>8,339</td>
</tr>
<tr>
<td><strong>Adjusted Admissions</strong></td>
<td>15,631</td>
<td>15,501</td>
<td>0.8%</td>
<td>15,692</td>
</tr>
<tr>
<td>Post Procedure</td>
<td>1,167</td>
<td>1,264</td>
<td>(7.7%)</td>
<td>1,318</td>
</tr>
<tr>
<td><strong>CASE MIX INDEX:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Payor CMI - UVA Hosp &amp; Clinics</td>
<td>2.08</td>
<td>2.10</td>
<td>(1.0%)</td>
<td>2.12</td>
</tr>
<tr>
<td>Medicare CMI - UVA Hosp &amp; Clinics</td>
<td>2.23</td>
<td>2.23</td>
<td>(0.1%)</td>
<td>2.28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,191</td>
<td>7,489</td>
<td>(4.0%)</td>
<td>7,527</td>
</tr>
</tbody>
</table>

### Operating Financial Measures

#### Net Revenues

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Patient Service Revenue</td>
<td>399,812</td>
<td>401,360</td>
<td>(0.4%)</td>
<td>378,466</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>11,037</td>
<td>13,667</td>
<td>(19.2%)</td>
<td>11,510</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>410,850</td>
<td>415,027</td>
<td>(1.0%)</td>
<td>389,975</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Wages &amp; Contract Labor</td>
<td>167,206</td>
<td>192,444</td>
<td>2.7%</td>
<td>173,204</td>
</tr>
<tr>
<td>Supplies</td>
<td>98,655</td>
<td>96,183</td>
<td>(2.6%)</td>
<td>91,338</td>
</tr>
<tr>
<td>Contracts &amp; Purchased Services</td>
<td>90,196</td>
<td>92,941</td>
<td>3.0%</td>
<td>81,168</td>
</tr>
<tr>
<td>Depreciation</td>
<td>25,288</td>
<td>24,407</td>
<td>(3.6%)</td>
<td>24,326</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>4,528</td>
<td>5,244</td>
<td>15.5%</td>
<td>4,595</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>406,524</td>
<td>411,218</td>
<td>1.1%</td>
<td>374,333</td>
</tr>
</tbody>
</table>

#### Operating Income

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Salaries, Wages &amp; Contract Labor</td>
<td>167,206</td>
<td>192,444</td>
<td>2.7%</td>
<td>173,204</td>
</tr>
<tr>
<td>Supplies</td>
<td>98,655</td>
<td>96,183</td>
<td>(2.6%)</td>
<td>91,338</td>
</tr>
<tr>
<td>Contracts &amp; Purchased Services</td>
<td>90,196</td>
<td>92,941</td>
<td>3.0%</td>
<td>81,168</td>
</tr>
<tr>
<td>Depreciation</td>
<td>25,288</td>
<td>24,407</td>
<td>(3.6%)</td>
<td>24,326</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>4,528</td>
<td>5,244</td>
<td>15.5%</td>
<td>4,595</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>406,524</td>
<td>411,218</td>
<td>1.1%</td>
<td>374,333</td>
</tr>
</tbody>
</table>

### Other Income Measures - Year to Date

#### Net Revenue by Payor

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>$113,580</td>
<td>$113,180</td>
<td>0.4%</td>
<td>$110,036</td>
</tr>
<tr>
<td>Medicaid</td>
<td>76,738</td>
<td>79,418</td>
<td>(3.4%)</td>
<td>75,541</td>
</tr>
<tr>
<td>Commercial Insurance</td>
<td>61,588</td>
<td>62,367</td>
<td>(1.2%)</td>
<td>61,861</td>
</tr>
<tr>
<td>Anthem</td>
<td>63,094</td>
<td>61,911</td>
<td>1.4%</td>
<td>72,154</td>
</tr>
<tr>
<td>Aetna</td>
<td>27,322</td>
<td>27,325</td>
<td>(0.1%)</td>
<td>27,325</td>
</tr>
<tr>
<td>Other</td>
<td>37,491</td>
<td>36,112</td>
<td>3.8%</td>
<td>31,549</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$399,812</td>
<td>$401,360</td>
<td>(0.4%)</td>
<td>$378,466</td>
</tr>
</tbody>
</table>

### Other Institutional Measures - Year to Date

#### Other:

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>% Variance</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection % of Gross Billings</td>
<td>29.62%</td>
<td>29.10%</td>
<td>1.8%</td>
<td>29.39%</td>
</tr>
<tr>
<td>Days of Revenue in Receivables (Gross)</td>
<td>53.5</td>
<td>45.0</td>
<td>(18.9%)</td>
<td>48.3</td>
</tr>
<tr>
<td>Cost per CMI Adjusted Admission</td>
<td>$12,585</td>
<td>$12,710</td>
<td>1.0%</td>
<td>$11,341</td>
</tr>
<tr>
<td>Total F.T.E.'s (including Contract Labor)</td>
<td>8,522</td>
<td>8,649</td>
<td>1.5%</td>
<td>7,974</td>
</tr>
<tr>
<td>F.T.E.'s Per CMI Adjusted Admission</td>
<td>24.27</td>
<td>24.59</td>
<td>1.3%</td>
<td>22.23</td>
</tr>
</tbody>
</table>

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**SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES**

Fiscal Year to Date September 30, 2017 with Comparative Figures for Prior Fiscal Year to Date September 30, 2016

Excludes Culpeper Regional Hospital
### Assumptions - Operating Statistical Measures

**Admissions and Case Mix Assumptions**
- Admissions include all admissions except normal newborns.
- Pediatric cases are those discharged from 7 West, 7 Central, 7 North, NICU and PICU.
- Psychiatric cases are those discharged from 5 East.
- TCH cases are those discharged from the TCH, excluding any Medicare interrupted stays.
- All other cases are reported as Adult.
- Short Stay Admissions include both short stay and post procedure patients.
- Case Mix Index for All Acute Inpatients is All Payor Case Mix Index from Stat Report.

**Other Institutional Measures Assumptions**
- Patient Days, ALOS and ADC figures include all patients except normal newborns.
- Surgical Cases are the number of patients/cases, regardless of the number of procedures performed on that patient.

### Assumptions - Operating Financial Measures

**Revenues and Expenses Assumptions:**
- Medicaid out of state is included in Medicaid.
- Medicaid HMOs are included in Medicaid.
- Physician portion of DSH is included in Other.
- Non-recurring revenue is included.

**Other Institutional Measures Assumptions**
- Collection % of Gross Billings includes appropriations.
- Days of Revenue in Receivables (Gross) is the BOV definition.
- Cost per CMI Adjusted Discharge uses All Payor CMI to adjust.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: I. D. Health System Development Report

ACTION REQUIRED: None

BACKGROUND: Health System Development will provide reports of recent activity to the Health System Board from time to time. Ms. Karen Rendleman, Senior Associate Vice President for Health System Development, has directed Health System fundraising efforts since 2006 and has been a member of the University of Virginia development community since 1988.

DISCUSSION:

SIGNIFICANT GIFTS
July 1 – September 30, 2017

A School of Medicine alumnus increased his bequest commitment by $4,150,000, bringing his total commitment to $4,750,000. The gift will be split equally between a medical scholarship fund and Alzheimer’s research.

The family of a grateful patient made a $2 million gift to support Dr. Tom Loughran’s LGL leukemia research program.

An anonymous donor made a gift of $1,445,000 to benefit the Family Medicine/Emergency Medicine Grand-Aides program.

The Owens Family Foundation grew its annual support to $1.1 million to seed basic research, with an emphasis on neuroscience, in the School of Medicine and the College of Arts & Sciences.

Friends of the Health System documented an $800,000 bequest to support mediums research in the Division of Perceptual Studies.

The Schiff Foundation, Inc. committed $325,000 in support of neuro-oncology research in the School of Medicine.

A couple, both of whom are graduates of the University of Virginia, committed $300,000 in support of the Division of Perceptual Studies.
The Charlottesville Women’s Four-Miler event raised $270,000 from a number of donors in support of the Cancer Center’s Women’s Breast Care Program.

Kohl’s Department Store pledged $250,000 in support of a pediatric wellness and fitness program at UVA Children’s Hospital and within the community.

A grateful patient made a planned gift of $187,500 for the UVA Memory Disorders program in honor of Dr. Carol Manning.

A former medical resident documented a $150,000 expectancy for the Terry and Sean Yemen Pediatric Anesthesiology Memorial Fund.

Bama Works pledged $100,000 in support of family-centered care programs for financially challenged families at UVA Children’s Hospital.

Other gifts and pledges received include:

- A $70,000 commitment in support of Multiple Sclerosis research;
- A $50,000 commitment to support human induced pluripotent stem cell research led by Mike McConnell, PhD;
- A $50,000 commitment for the pediatric cancer program in support of financially challenged families at UVA Children’s Hospital;
- A $50,000 pledge as a presenting sponsor of the 2018 Main Event;
- A $50,000 commitment from a grateful patient to establish the Bradley W. Kesser, MD Ear Fund in the Department of Otolaryngology;
- A $50,000 commitment to the Fontaine Fund for Compassionate Care in the School of Nursing;
- A $50,000 commitment to the School of Medicine Class of 1961 Scholarship Fund;
- A $25,000 commitment to support UVA Cancer Center in honor of Dr. Rick Shannon;
- A $25,000 commitment from an emeritus Health Foundation trustee to support the acquisition of art for the Medical Center;
- A $25,000 commitment in support of the Cynthia and Mark Lorenzoni Volunteer Service Award; and
- A $25,000 pledge in support of UVA Children’s Hospital.

Other Development Initiatives

- The UVA Cancer Center Board hosted a White Coat Lab Tour attended by 90 guests, including UVA Board of Visitors Vice Rector Jim Murray. Guests toured labs and listened to short presentations by UVA cancer researchers, including Cancer Center Director Dr. Tom Loughran.
## FUNDRAISING PROGRESS THROUGH SEPTEMBER 30, 2017

<table>
<thead>
<tr>
<th>FY 18 to date progress (7/1/17 through 09/30/2017)</th>
<th>FY 18 Annual Goal</th>
<th>FY 18 Progress to date</th>
<th>Compare FY 17 (through 09/30/2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New gifts</td>
<td>$45,000,000</td>
<td>$5,104,737</td>
<td>$6,111,334</td>
</tr>
<tr>
<td>New pledges</td>
<td>$7,000,000</td>
<td>$4,321,108</td>
<td>$83,033</td>
</tr>
<tr>
<td><strong>Total new commitments</strong>*</td>
<td><strong>$52,000,000</strong></td>
<td><strong>$9,425,845</strong></td>
<td><strong>$6,194,367</strong></td>
</tr>
<tr>
<td>New expectancies</td>
<td>$10,000,000</td>
<td>$5,300,500</td>
<td>$2,380,000</td>
</tr>
<tr>
<td><strong>Total new gifts, pledges, and expectancies</strong></td>
<td><strong>$62,000,000</strong></td>
<td><strong>$14,726,345</strong></td>
<td><strong>$8,574,367</strong></td>
</tr>
</tbody>
</table>

* excludes pledge payments on previously booked pledges
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: II. A. Medical Center Chief Executive Officer Report

ACTION REQUIRED: None

BACKGROUND: Pamela M. Sutton-Wallace is the Chief Executive Officer for the University of Virginia Medical Center. She joined the Medical Center in July 2014 and oversees the strategic direction and operations of all inpatient and ambulatory services of the Medical Center.

DISCUSSION: This report summarizes operations of the Medical Center with focus on FY 2018 priorities of quality and safety, patient experience, team member engagement as well as financial performance and growth.

OPERATIONS REPORT

HEALING

Consistent with national trends, healthcare delivery at UVA is increasingly moving to the outpatient setting. In 2016, there were 1.1 million outpatient visits compared with approximately 63,000 emergency room visits and 28,000 inpatient discharges from the Medical Center. The Health System is undergoing an initiative that will accelerate the use of the Be Safe methodology in outpatient clinics. The initiative is called “Ambulatory Optimization.” For patients, the goal is to provide an increased ease of access to UVA care with a better total experience and excellent clinical outcomes. For care teams, the goal is to allow providers to work at the top of their licenses while delivering patient experience in more efficient and effective ways.

In FY 2018, Ambulatory Optimization will occur in one clinic in each of the 12 patient population service lines. Work is underway to assess current processes and workflows in regards to scheduling, pre-visit, visit and post-visit.

SERVING

Inpatient patient experience performance as reflected in the overall hospital rating for FY 2018 as of September 2017, was 77.9% (73rd percentile), the highest quarterly score ever achieved. This is a significant increase over the FY 2017 of 72.0% and FY 2016 of 70.5%. FY 2018 year-to-date is also above the stretch target of 77.3%.
The improved performance resulted from focus on the Inpatient Experience Bundle (Leader Rounding, Comfort Rounds, Bedside Handover of Care, and Quiet at Night) with particular attention on Leader Rounding. Unit leadership teams have rounded on patients at an average of 5,600 patient touches per month in the quarter or, said another way, each day leadership teams rounded on 38% of all patients. A new focus on Leader Rounding started in May 2017. Prior to May, leading rounding occurred on an average of 12% of patients daily. Leaders are using this real time insight to provide positive feedback to educate staff for ongoing improvement. Leader Rounding has had a significant impact on our outcomes and will continue to do so as an increased number of patients are rounded on a daily basis. As expertise and skill of our leaders with Leader Rounding develop, the goal is to increase leader rounding to 70% by February 2018 and 100% by June 2018.

Outpatient patient experience results are not available at this time. Due to the Epic Phase II project, reprogramming of data uploads and the reporting site have been required. This is taking longer than the other services due to the complexity of the data set (number of locations, physicians, and total returns). Final testing and validation is ongoing and must be completed before results are released.

The Emergency Department FY 2018 year-to-date patient experience score is 84.6 (55th percentile). This is above FY 2017 (83.6). The Patient Experience Bundle, Rapid Medical Evaluation, and “direct to bed” (bed side triage) continue to have positive impacts on patients’ experience. Additionally, the improvements in throughput for admitted patients are having an impact on the overall patient experience.

**ENGAGING**

The 2017 UVA Health System Engagement Survey results were shared with teams through early November. This was the first year that the survey was conducted by the new vendor, Press Ganey. Teams and leaders have developed action plans based on opportunities for improvement.

On October 5, the Medical Center Peak Performers Breakfast celebrated top performing leaders and teams with leading engagement survey results and patient satisfaction results.

**BUILDING**

Four months post Epic Phase II “go-live,” the organization is beginning to stabilize operations with respect to cash collection. Ongoing work continues related to scheduling workflows and templates, which has had a relatively small impact on outpatient volumes and patient access. Monitoring of key indicators to ensure sustained performance and optimization work is progressing.

Two key facility projects are underway at various points of development and implementation:
The hospital expansion project is proceeding on schedule and within budget. Most of the exterior shell is complete and the glass façade has been installed on the lower levels.

Since project authorization in June 2017, ZGF Architects, LLP has been hired for plan validation and schematic design for the Musculoskeletal Center at Ivy Mountain. The Buildings and Grounds subcommittee will review building specifications and initial concept design at their December meeting with the expectation that final budget and schematics will be presented at the March 2018 meetings for project approval.

**RECENT DESIGNATIONS AND RE-CERTIFICATIONS**

The Joint Commission completed a re-certification survey for the Heart Failure program.

The Virginia Board of Pharmacy completed a re-inspection of the UVA Cancer Center Augusta Pharmacy.

The Virginia Department of Health completed a funding validation survey for the Ryan White program.

The Virginia Board of Pharmacy completed an initial inspection of 500 Ray C. Hunt Drive (Urology Clinic and the Heart and Vascular Center).
BACKGROUND: The Ivy Mountain Musculoskeletal Center ("IMMSKC") project will be approximately 200,000 GSF and will include the IMMSKC and a central utilities plant to serve the project and the future facilities proposed in the Ivy Mountain Master Plan. Demand for orthopedic services is expected to increase over the next several years, and this center will afford the growing patient population with a comfortable and accessible facility. The IMMSKC will provide modern, comprehensive orthopedic outpatient clinics and surgical services. The IMMSKC includes sports medicine, hand, spine, joint replacement, orthopedic trauma, and foot and ankle specialties. This full service, patient centric center will also offer prosthetics and orthotics, diagnostic imaging, pharmacy, physical therapy, and a surgery center with extended recovery beds.

The Ivy Mountain Musculoskeletal Center project and site are consistent with the approved Ivy Mountain Master Plan, and co-locates UVA’s outpatient orthopedic services on the site. The building’s design and use of materials are purposeful to enhance the patient experience through connections to the natural beauty of the site and maximized natural light and views to all patient and public spaces.

DISCUSSION: The design team led by ZGF Architects, in collaboration with the Architect for the University and representatives of the Health System and Facilities Management, has developed a schematic design, which will be reviewed with the HSB.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: III. A. Research Presentations

ACTION REQUIRED: None

BACKGROUND: Francine E. Garrett-Bakelman, M.D., Ph.D. is an Assistant Professor of Medicine and of Biochemistry and Molecular Genetics. She received her B.S. in Biochemistry from California State University-Fullerton, and an M.D. and Ph.D. from the Albert Einstein College of Medicine of Yeshiva University. She then completed clinical training in Internal Medicine and Hematology/Medical Oncology as well as post-doctoral training at Weill Cornell Medicine. She joined the UVA faculty in March of 2017 as a physician scientist who cares for acute myeloid leukemia patients and performs research on hematological malignancies. She is leading several large national and international molecular studies addressing mechanisms of disease in Acute Myeloid Leukemia.

Bhiken Naik, MBB.Ch., Associate Professor of Anesthesiology and Neurological Surgery, attended medical school at the University of the Witwatersrand, Johannesburg, South Africa, and completed Residency in Anesthesiology and a Fellowship in Critical Care Medicine at the University of Florida. He is board certified in Anesthesiology, Critical Care, and Neurocritical Care. He is the Associate Medical Director of the Neuroscience Intensive Care Unit and Director of the Anesthesia Critical Care Fellowship.

DISCUSSION:

Epigenomics Studies in AML and the NASA Twins Study

Dr. Garrett-Bakelman is interested in the care of patients with, and the study of disease mechanisms in, Acute Myeloid Leukemia (AML). Despite her junior status, she is leading several large national and international molecular studies addressing mechanisms of disease in AML. Her expertise in cell biology and epigenomics has also been applied as part of the team of researchers engaged in the scientific correlates of the NASA Twins Study. She will provide an overview of her work on AML and her participation in the NASA study.

Perioperative Opioid Prescribing Patterns University of Virginia

Opioid addiction is a national crisis, and some patients have persistent opioid use as a result of their surgery. Dr. Naik and his colleagues have studied hundreds and thousands of cases and developed a standard of care that reduces the administration of opioids in the intraoperative period. At the same time, patients are reporting that they are experiencing less pain with this new strategy.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: III. B. Dean’s Report

ACTION REQUIRED: None

BACKGROUND: David S. Wilkes, M.D. is the Dean of the School of Medicine. Dr. Wilkes is a nationally recognized specialist in pulmonary disease and critical care medicine. Before coming to UVA, Dr. Wilkes served as executive associate dean for research affairs at the Indiana University School of Medicine.

DISCUSSION: Shortly after his arrival in September 2015, Dr. Wilkes announced the Strategic Hiring Initiative ("SHI"), which has the goal of transforming the research program at the School of Medicine through the recruitment of 32 funded mid- and senior-level faculty who collaborate across departments and schools. The SHI supports the School's goal of increasing NIH funding by $50 million by 2020.

Dr. Wilkes will provide an update on the School of Medicine, including Cellular Transplant Therapy, and will discuss the common themes that emerged from the recent department annual reviews.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: IV. A. Chief of Community Hospitals and Post-Acute Division Opening Remarks

ACTION REQUIRED: None

BACKGROUND: Michelle D. Hereford, R.N., MSHA, FACHE, is the Chief of the Community Hospitals and Post-Acute Division at the University of Virginia Health System. She joined the organization in 2009 where she oversaw the development and successful opening of the UVA Transitional Care Hospital (“TCH”). Her responsibilities now include overseeing UVA’s post-acute assets as well as managing the relationship between UVA and its new joint operating company, Novant Health UVA Health System. Ms. Hereford is a registered nurse who holds a Diploma in Nursing from the Riverside School of Professional Nursing, a bachelor’s degree from the Medical College of Virginia, and a master’s degree in healthcare administration from Virginia Commonwealth University.

DISCUSSION: Ms. Hereford will inform the HSB of recent events that do not require formal action.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: IV. B. Transitional Care Hospital Report

ACTION REQUIRED: None

BACKGROUND: The TCH prepares a periodic report, including significant operations of
the hospital occurring since the last HSB meeting.

Christine K. Matt, R.N. joined the University of Virginia Health System in 1978 and
has served in various leadership roles across the organization since 1981. As Interim
Associate Chief of the Transitional Care Hospital, she oversees all operations of this long-
term acute care facility.

DISCUSSION: CLINICAL OPERATIONS REPORT

Clinical Operations encompasses an array of services focused on furthering the TCH
goal of becoming the safest place to receive and provide care. Providing this care requires
talented, well-educated team members. TCH is currently supporting 26 team members in
degree-granting programs. Of the nursing staff, 70% is educated at the baccalaureate level
or above.

Patients in need of Respiratory Services continue to be the largest percentage of
patients served and the TCH continues to excel in the delivery of these services. From July
1, 2017 to September 30, 2017, 25% of the TCH admissions were for vent weaning. Earlier
this year, the TCH applied for The Joint Commission Disease-Specific Certification for
Respiratory Failure. The survey was conducted on September 28, and the TCH was granted
the certification. The UVA TCH is currently the only hospital in the state of Virginia to have
the Respiratory Failure Program recognition by The Joint Commission, and the 18th in the
nation.

Complex Wound Management remains a significant Diagnostic Related Group
discharged from TCH. Despite CMS regulatory changes, the number of patients who
require this high resourced care has not diminished. For the period of July 1, 2017 to
September 30, 2017, 36% of TCH patients discharged were admitted for complex wound
care needs. The care of patients with wounds crosses all professional boundaries and
much work has been done to enhance the Wound Care Program as a result of the TCH’s
intra-professional patient care culture, which was recognized by The Joint Commission’s
Disease Specific Certification process.
Rehabilitation Services are provided through the TCH Physical Therapy, Occupational Therapy, and Speech/Language Pathology program. The program continues to serve our population well and contributes to patient satisfaction as well as to clinical improvement. These therapy services continue to be in high demand as a result of acuity levels and complicating factors, including a high proportion of morbidly obese and/or debilitated patients in need of rehabilitation therapy. Patient satisfaction with these services remains high, and our patients continue to respond well physiologically as a result of this care. Beginning in April of 2016, CMS for the first time began collecting quality data in this area. In the first quarter of FY 2018, 57% of TCH patients in the program showed improved function of > 10% and 37% showed improvements of > 20%.

The TCH physical facility has been a high-satisfier for patients and families, with all private, well-appointed patient rooms in addition to a caring, calm, and healing environment. As we continue to seek operational changes to even better serve patients, we eagerly await the opening of an on-site pharmacy in December, and continue to work closely with our nutrition-services partners to identify opportunities for various fresh food-options on-site.

**CARE MANAGEMENT REPORT**

The TCH has a Care Management program which is comprised of Clinical Liaisons, who assess patients for admission to the TCH, and RN/SW Case Managers, who follow patients/families throughout their stay at the TCH and facilitate their discharge to the next level of care. This partnership strengthens communication, knowledge, and collaboration throughout the patient progression process.

New patient referrals for the period of July 1, 2017 through September 30, 2017 totaled 307. Of the 307 referrals, 87 patients were admitted to the TCH, for a conversion rate of 28%. During this period, 75% of the admissions originated from UVA Medical Center and 25% originated from 17 outside facilities.

For the same period, the average length of stay was 27.44 days, which is 2.44 days higher than the minimum CMS requirement of 25 days and slightly below budget at 28.31 days. Factors resulting in a shorter length of stay include: the SGR Reform Act of 2013; Medicare “non-qualifying” patients whose clinical conditions are too expensive or complex to manage safely at a lower level of care and require a short period of continued medical management at the LTACH level of care; and the number of patients with managed-care payers authorizing a shorter LTACH stay. Other factors resulting in an abbreviated length of stay include clinical conditions necessitating a return to a Short Term Acute Care Hospital (e.g. the UVA Medical Center), a change in the patient’s treatment goals (e.g., selecting palliative care or hospice), and faster than expected clinical improvement.

During the period of July 1, 2017 through September 30, 2017, TCH discharged 89 patients; the majority of these patients (72%) were discharged to home or to a lower level of care in the post-acute continuum of care.
QUALITY REPORT

Quality, Performance Improvement, and Patient Safety

The TCH monitors clinical outcomes and performance using external and internal benchmarking. Interdisciplinary committees and teams work together to develop and implement improvement strategies when needed and evidenced by the Quality and Patient Safety Dashboard. The TCH participates with the CDC’s National Healthcare Safety Network (NHSN) for device-related and hospital-acquired infection benchmarking as well as the Centers for Medicare and Medicaid’s Long-Term Care Hospital Quality Reporting Program. TCH contracted with LTRAX Healthcare Data Service for external quality benchmarking beginning July 1, 2017. LTRAX has a significantly larger long-term acute care hospital participation rate, which should provide even more valuable benchmarking information in the future. The TCH is pleased to have achieved/exceeded targets for five of the six quality priorities; with the sixth metric measuring higher than our comparative groups due to our practice of reporting each incidence, not a prevalence rate.

Patient Satisfaction

TCH continues to seek and use feedback from patients and families in daily rounds and interactions with them, but also utilizes Press Ganey for formal patient satisfaction surveys. This feedback is invaluable in guiding efforts to improve and provide exceptional service to patients. TCH exceeded the target goals in the first quarter FY 2018 with average scores of 4.9 on a 5-point scale for “Overall Satisfaction” and “Likely to Recommend”.

Discharged patients consistently rated the TCH as a 4.9 in the category of “likelihood to recommend” and as a 4.9 in “overall assessment.” TCH’s physician staff also remain ranked as top performers in the TCH’s Press-Ganey comparative long-term acute care hospital group. The TCH utilizes massage therapy for both comfort as well as therapeutic gains, such as reducing anxiety during ventilator wean trials, as an alternative to medication for pain when possible, and to assist with physical therapy (pre- or post-therapy). The patient satisfaction scores and comments about this therapy service are consistently outstanding.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 6, 2017

COMMITTEE: Health System Board

AGENDA ITEM: IV. C. Annual Report on Continuum Home Health

ACTION REQUIRED: None

BACKGROUND: Continuum Home Health Care is structured as a department of the Medical Center, and is included in the Post-Acute Division. Continuum has been operating for 22 years and is the largest agency in Central Virginia, now serving approximately 7,000 patients annually. It is also the only integrated home health and infusion provider in Central Virginia. Continuum currently maintains a workforce of 125 staff.

DISCUSSION: Continuum Home Health Care (Continuum) provides two Primary Services, Home Health and Home Infusion.

Home Health provides direct, intermittent skilled nursing, physical (PT), occupational (OT), and speech therapy (SLP), home health aides, and social work services to patients in the 11 counties surrounding the Medical Center. Average Daily Census is 579 patients.

Home Infusion provides home infusion therapy, supplies, and clinical pharmacy services to patients throughout Virginia, and to UVA patients in North Carolina. Average Daily Census is 687 patients.

Continuum also offers specialty home health services, including psychiatric services, pediatric services, and interdisciplinary wound care. In addition, Continuum maintains four full-time home health liaisons at the Medical Center to aid in patient transitions to home health, and to provide education to patients and their caregivers for home infusion services.

Home Health receives 64.4% of its referrals from UVA (in-patient units, the Transitional Care Hospital, and outpatient clinics), and 35.6% from outside hospitals, non-UVA community physicians, and post-acute facilities. Home referrals grew 4.5% in FY17.

Home Infusion receives 90% of its referrals from UVA sites and 10% from outside hospitals and other post-acute facilities.
**Admissions/Visit Volumes and Infusion Therapy Days**

In FY 2017, total new agency patient episodes grew 5.3%. Home Health new admissions grew 5.1% over FY 2016, with the agency providing on average over 200 home visits to patients each day. Home Health therapy visit volumes increased 8.4% over FY 2016 levels, reflecting the increasing functional impairments of many home health patients. Home Infusion therapy days increased 11.4% over FY 2016 indicative of increasing numbers of patients receiving IV therapies in the home setting.

**Payer Mix**

Traditional Medicare continues to be the primary payer for Home Health (54.1%), while Home Infusion continues to be more heavily covered by commercial insurances and Medicaid.

**Patient Satisfaction and Outcomes**

Continuum received a 3.5 star rating from the Center for Medicare and Medicaid Services ("CMS") for patient outcomes and a 4.0 star rating for patient satisfaction. HHCAPS patient satisfaction scores have only been released by CMS through December 2016 and for the first six months of FY 2017 CHHC exceeded both State and National benchmarks.

Home Infusion patient satisfaction was above goal in three of the four quarters in FY 2017 achieving 97% in overall patient satisfaction in the 4th quarter and averaging 94.75% for the year.

CMS publicly reported improved patient outcomes in dyspnea and pressure ulcer prevention, and both were consistently higher than national averages. Home Health patient re-hospitalization rates were reduced to below both state and national levels.

**Employee Engagement and Recognition**

In the 2017 Press-Ganey employee engagement survey, UVA Health System recognized Continuum as a Top Performer and overall tier one performing department.

Two home health nurses became certified as Home Care Clinical Specialists in OASIS (Medicare benchmark data), and another nurse became certified in Home Infusion. A pharmacy staff member was recognized in UVA Connect for exemplary customer service.

Continuum’s Administrator served on the National Association for Home Care and Hospice Board of Directors representing five states and the District of Columbia.
Agency Initiatives

Continuum successfully implemented the EPIC home health system on July 1, 2017. Planning spanned an 18-month period and staff collectively underwent 1500 hours of training prior to “go live.” Active patients as of July 1 continued their episode of care and documentation in the Legacy home health system with all remaining patients transitioned to EPIC by August 30. Stabilization is underway as evidenced by home health returning to baseline levels for referrals, admissions, and average daily census.

Continuum implemented both a new SHP Medicare OASIS Scrubber system and also OnBase (paperless documentation management) system on July 1 along with EPIC.

Planning for a facility expansion to accommodate the growing needs of home health and home infusion are underway with expected completion in CY 2018.

Continuum completed the development of a high-risk newborn program branded with the Children’s Hospital, which is slated to start seeing patients in the first quarter of CY 2018.