

April 13, 2000

MEMORANDUM

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	Robert G. Schoenvogel

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs
Committee on April 13, 2000

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 4:05 p.m., Thursday, April 13, 2000, in the Lower West Oval Room of the Rotunda; Charles M. Caravati, Jr., M.D., Chair, presided. Thomas J. Bliley, Jr., Willim G. Crutchfield, Jr., William H. Goodwin, Jr., Terence P. Ross, Ms. Elizabeth A. Twohy, H. Christopher Alexander, III, M.D.,

Harry J.G. van Beek, and John P. Ackerly, III, Rector, were present.

Charles L. Glazer and Gordon F. Rainey, Jr. were present as well.

Also present were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Robert W. Cantrell, M.D., Robert D. Sweeney, Robert E. Reynolds, M.D., Gene D. Block, Larry Fitzgerald, William E. Carter, Jr., George Beller, M.D., Bruce J. Hillman, M.D., and Ms. Jeanne Flippo Bailes.

Philip Gibbs, M.D., was present by special invitation.

The Chair welcomed Mr. Bliley, the new Member, and asked Dr. Cantrell, Vice President and Provost for Health Sciences, to present the Agenda.

Dr. Cantrell in turn asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to lead a discussion of Medical Center finances. Mr. Sandridge asked Mr. Fitzgerald to give his customary report.

Mr. Fitzgerald said admissions for this fiscal year (his figures were current as of February 29th) are below budget by 1.9% and below last year by 2.9%. Outpatient and Emergency Room visits are up from last year and very slightly below budget for this year. Net operating revenue is 1.2% above budget and 0.76% above last year, although he cautioned that some of this increase is a result of Medicare funds restored to the Medical Center by the Balanced Budget Refinement Act of 1999. Total operating expenses are \$.35million above budget but \$4.8million below last year.

The operating margin, eight months into the fiscal year, is 3.8%, and Mr. Fitzgerald said he anticipated ending the fiscal year with an operating margin of 4%.

Mr. Fitzgerald then presented data comparing Medical Center figures in various categories with figures for five academic medical centers - the Medical College of Virginia, Johns Hopkins University, Pennsylvania State University at Hershey, Vanderbilt University, and Georgetown University,

as well as two nonacademic medical centers - Fairfax Hospital and Geisinger. He noted a downward trend in the operating margins of academic health centers in general.

Mr. Sandridge asked Mr. Carter to report on the Health System Performance Improvement Initiative, which entered its second phase in January.

Dr. Cantrell then gave his customary report. He spoke to the refinements of Balanced Budget Act of 1997 mentioned earlier by Mr. Fitzgerald in his report and repeated his warnings that revenues are decreasing.

Dr. Cantrell devoted a major portion of his report to nursing issues - principally the shortage of nurses at the University and what is being done to alleviate it. The other principal topic was the ranking of the Medical School and what can be done to improve it - the main concerns are faculty:student ratios (e.g., 7:3 at Harvard, 3:6 at Hopkins, 3:5 for Duke, and 2:6 at Vanderbilt, as compared to 1:3 for the University) and the need to increase the number of research grants. He pointed out that faculty:student ratios constitute 10% of the criteria used in ranking medical schools and the number of research grants 30%.

Finally, Dr. Cantrell introduced the new Executive Director of the UVa Health Services Foundation, Mr. Marc J. Dettmann.

Mr. Ross asked that the question of the Medical School's ranking be discussed at the next meeting of the Committee.

The Committee recessed at 5:05 p.m., resumed at 5:12 p.m. and, after passing the necessary motion, went into Executive Session.

That the Health Affairs Committee of the Board of Visitors of the University of Virginia go into Executive Session to discuss proprietary, business-related information pertaining to, and consideration of matters relating to, a provider servers contract for clinical

services to be performed by the University of Virginia Medical Center, where disclosure thereof would adversely affect the competitive position of the Medical Center, consultation with legal counsel concerning federal regulations governing clinic billing practices, and discussion of appointment and assignment of specific administrative employees of the Medical Center, as provided for in Section 2.1-344 (A) (1), (7), (8) and (23) of the Code of Virginia.

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The Committee resumed in Open Session at 7:10 p.m. and, on motion, adjourned.

AGG:lah

- Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. Ernest H. Ern
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Terry Holland
Mr. L. Jay Lemons
Mr. Peter W. Low
Dr. Robert E. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Ms. Louise Dudley
Dr. George Beller
Dr. Bruce Hillman
Dr. Robert Carey

At a meeting of the Health Affairs Committee of the Board of Visitors of the University of Virginia held on April 13, 2000 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>	
<u>John P. Ackerly, III</u>	<u>yes</u>	
<u>Thomas J. Bliley, Jr.</u>	<u>yes</u>	
<u>Charles M. Caravati, Jr.</u>	<u>yes</u>	
<u>William G. Crutchfield, Jr.</u>	<u>yes</u>	
<u>Charles L. Glazer</u>	<u>yes</u>	
<u>William H. Goodwin, Jr.</u>	<u>yes</u>	
<u>T. Keister Greer</u>		
<u>Mrs. Elsie Goodwyn Holland</u>		
<u>Gordon F. Rainey, Jr.</u>	<u>yes</u>	
<u>Timothy B. Robertson</u>		
<u>Terence P. Ross</u>	<u>yes</u>	
<u>Elizabeth A. Twohy</u>	<u>yes</u>	
<u>Walter F. Walker</u>		
<u>Benjamin P.A. Warthen</u>		
<u>James C. Wheat, III</u>		
<u>Joseph E. Wolfe</u>		
<u>Robert G. Schoenvogel</u>		
<u>H. Christopher Alexander, III</u>	<u>yes</u>	
<u>Harry J.G. van Beek</u>	<u>yes</u>	

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

Meeting Date: April 13, 2000

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: 11

NAYS: 0

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

ABSENT DURING VOTE: 0

ABSENT DURING MEETING: 0

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