

March 22, 2000

MEMORANDUM

TO: The Health Affairs Committee:

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

and

The Remaining Members of the Board:

Champ Clark	Albert H. Small
T. Keister Greer	Henry L. Valentine, II
Elsie Goodwyn Holland	Walter F. Walker
Timothy B. Robertson	Benjamin P.A. Warthen
Robert G. Schoenvogel	James C. Wheat, III
Joseph E. Wolfe	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Correction to the Minutes of the Meeting of the
Health Affairs Committee of February 25, 2000

The penultimate paragraph on page 2 of the Minutes of the February 25th meeting of the Health Affairs Committee should be amended to read as follows:

"On motion, the Committee approved the two resolutions and recommended them to the full Board for approval. The Chair, Dr. Caravati, abstained from voting on the DirectGene, Inc. resolution (see Minutes of the meeting of the Board of Visitors, February 26, 2000)."

AGG:lah

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Ms. Louise Dudley
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, Jr.
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Dr. W. Phillip Gibbs

February 25, 2000

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TO: The Health Affairs Committee:

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FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs Committee
on February 25, 2000

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 8:25 a.m., Friday, February 25, 2000, in the East Oval Room of the Rotunda; Charles M. Caravati, Jr., M.D., Chair, presided. William G. Crutchfield, Jr., William H. Goodwin, Jr., Terence P. Ross, Ms. Elizabeth A. Twohy, H. Christopher Alexander, III, M.D., and John P. Ackerly, III, Rector, were present.

Other Members of the Board of Visitors present were Champ Clark, T. Keister Greer, Timothy B. Robertson, Albert H. Small, Henry L. Valentine, II, Benjamin P.A. Warthen, James C. Wheat, III, Joseph E. Wolfe, and Robert G. Schoenvogel.

Also present 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, Ernest H. Ern, Robert E. Reynolds, M.D., Gene D. Block, L. Jay Lemons, William E. Carter, Jr., Larry Fitzgerald, and Ms. Jeanne Flippo Bailes.

The Chair asked Dr. Cantrell, Vice President and Provost for the Health System, to present the Agenda.

Dr. Cantrell proposed two Consent Agenda resolutions, both having to do with conflict of interest exemptions. The first concerned Upstate Biotechnology, Inc., a New York firm on whose scientific advisory board two University faculty members serve. One of the faculty members receives income from Upstate Biotechnology, Inc. in excess of \$10,000, which places that person in violation of the Virginia Conflict of Interests Act. In order to resolve the violation, the Board of Visitors must approve the conflict.

The second case involved DirectGene, Inc., a Delaware company, in which four members of the faculty and a University graduate student own equity.

Before the Committee voted on the resolutions, the Chair announced that he would abstain from voting on the DirectGene, Inc. resolution because of possible conflict of interest.

On motion, the Committee approved the two resolutions and recommended them to the full Board for approval (see Minutes of the meeting of the Board of Visitors, February 26, 2000).

Dr. Cantrell asked Mr. Fitzgerald, Associate Vice President for Finance, to give the financial report for the Medical Center.

Mr. Fitzgerald told the Committee that his figures, which cover the first seven months of the current fiscal year, are favorable. The operating margin stands at 4%, which is above budget and considerably above the operating margin last year. Hospital discharges are down from last year and budget; Mr. Fitzgerald commented that the main Hospital service showing a decline is Obstetrics. Patient days are down, outpatient admissions are slightly above budget, net operating expenses are over budget and operating expenses are below budget. Mr. Fitzgerald noted that one reason for the operating margin being up is a shortage of nurses and technicians, which of course means that less money is being expended on salaries.

Mr. Ross asked if there could be a report and discussion on the shortage of technicians. The Chair suggested that such a discussion take place at the July meeting of the Committee.

Dr. Cantrell then gave his customary report.

Dr. John Herr of the Department of Cell Biology in the School of Medicine has been named "Outstanding Scientist of 2000" by the Science Museum of Virginia, and Dr. Sharon Hostler, Medical Director of the Kluge Children's Rehabilitation Center and McLemore Birdsong Professor of Pediatrics, has received the Elizabeth Zintl Award for this year.

The Medical Center received a rating of 94 from the Joint Commission on the Accreditation of Health Care Organizations following JCAHO's survey in December. This is up from the 93 rating the Medical Center received three years ago when the criteria were less stringent.

The cost containment efforts implemented by Dr. Massaro are beginning to pay off: stricter oversight of antibiotic usage has decreased utilization and unit costs 19% in the fiscal year to date. The use of multiple - defined as three or more - antibiotics and/or broad spectrum antibiotics has decreased by more than 50%. All of this has meant savings of more than \$500,000.

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On motion, the meeting was adjourned at 8:50 a.m.

AGG:lah

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