

July 13, 2001

MEMORANDUM

TO: The Health Affairs Committee:

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

and

The Remaining Members of the Board:

Thomas F. Farrell, II	Timothy B. Robertson
Charles L. Glazer	Benjamin P.A. Warthen
T. Keister Greer	Joseph E. Wolfe
Elsie Goodwyn Holland	Sasha L. Wilson
Gordon F. Rainey, Jr.	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs  
Committee on July 13, 2001

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 1:25 p.m., Friday, July 13, 2001, in the offices of Troutman Sanders Mays and Valentine, 1111 East Main Street in Richmond; Charles M. Caravati, Jr., Chair, presided. H. Christopher Alexander, III, M.D., William G. Crutchfield, Jr., William H. Goodwin,

Jr., Terence P. Ross, Thomas A. Saunders, III, Ms. Elizabeth A. Twohy, Harry J.G. van Beek, and John P. Ackerly, III, Rector, were present.

Thomas F. Farrell, II, Charles L. Glazer, and Ms. Sasha L. Wilson also were present.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Thomas A. Massaro, M.D., Robert M. Carey, M.D., William E. Carter, Jr., Larry Fitzgerald, Ms. Pamela Cipriano, Ms. Barbara Baldwin, Ms. Beth Hodsdon, Ms. Sally Barber, Ms. Susan Harris, and Ms. Jeanne Flippo Bailes.

Charles H. Crowder, M.D., was present as a special guest.

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

Before presenting the Agenda, Mr. Sandridge told the Committee that a *U.S. News & World Report* ranking, just released, rates eight specialties at the Hospital as being among the best in the country. Endocrinology ranks 6<sup>th</sup>; Cancer 22<sup>nd</sup>; Ears, Nose and Throat 22<sup>nd</sup>; Urology 23<sup>rd</sup>; Neurology and Neurosurgery 29<sup>th</sup>; Respiratory Disorders 34<sup>th</sup>; Geriatrics 49<sup>th</sup>; and Kidney Disease 49<sup>th</sup>.

Mr. Sandridge introduced Ms. Barbara Baldwin, Chief Information Officer, and asked her to give a status report on the Integrated Health Information Management Systems (IHIMS).

Ms. Baldwin reminded the Committee that the Board of Visitors on May 14, 1999, approved the establishment of IHIMS. She also reviewed for the Committee some of the problems with the Health Science systems outlined to the Board in 1999 as justification for establishing IHIMS. She also discussed the exit strategies devised at that time.

The first IHIMS system, the clinical archive system, will be put in operation in August; it will replace the two existing systems. The next system, a replacement for

Eclipsis, which is the current inpatient system, is to be in operation by December of this year.

As for business systems, no replacement is planned at this time - the current systems are in good order and will be kept at state of the art.

Mr. Sandridge then introduced Ms. Pamela Cipriano, Chief Clinical Officer, and asked her to report on the clinical work force.

Ms. Cipriano's report covered the first six months of 2001. For the recruitment of registered nurses, the number of interviews has doubled from last year. A result has been a net increase in permanent positions. The Hospital works closely with the Piedmont Virginia Community College to increase enrollment in their Nursing program, as well as with the School of Nursing.

In other professional areas where there are serious shortages of personnel, Ms. Cipriano said there have been significant gains among pharmacists, to the point that there are now only a few vacancies. In radiology, the Rad Tech Program, which is conducted at the Hospital has the most successful class in five years. Among laboratory technicians, there is a 24% turnover rate, mostly at the lower levels. A Med Lab Tech Program is to begin at the Piedmont Virginia Community College in the fall.

Drawing conclusions from her report, Ms. Cipriano said the turnover among registered nurses was 23.2% in Fiscal Year 1999. The annualized figure for the first five months of calendar year 2001 is 16.8%. She said the goal is to reduce this figure to below 15%. The number of beds open in the Hospital is directly related to the number of nurses available. Since January, 25 beds - chiefly in cancer and cardiology - have been opened, a figure which is on target for the goals set. Six more beds, all in acute care, are scheduled to be opened by September. (Dr. Massaro interjected that five of the 25 beds opened so far this year are in the intensive care units and that this is of particular significance.)

Ms. Cipriano said the "continuing challenges" are to reduce the external travel workforce (which means hiring more permanent nurses), to remain competitive and in fact a leader in wages paid, and to convert to the new data system.

Mr. Sandridge next asked Mr. Fitzgerald, Chief Financial Officer for Health Sciences, to give his customary report on the Medical Center.

Mr. Fitzgerald noted that his figures were current to the end of May.

Patient discharges are down from the same period last year and below the number budgeted for this year. The average length of stay for patients is above last year and above budget. Net operating revenue is up from last year and above budget for this year, but so are net operating expenses. The operating margin thus stands at 2.2%, below the 4.2% for the comparable period last year and the 4.7% budgeted for this year.

In response to a question, Mr. Fitzgerald said the operating margin nonetheless is fairly strong compared to the operating margin at peer institutions. The figure, though, should be at least 3%. Replying to another question, Dr. Massaro said the incidents in the psychiatric ward had caused a drop in patients during the first two weeks in June but that as of this week, the Hospital is up to capacity.

On motion, the Committee adopted the following motion to go into Executive Session:

That the Health Affairs Committee of the Board of Visitors go into Executive Session to discuss personnel matters involving the appointment of specific individuals and the performance and evaluation of specific Medical Center employees and Medical Center departments which will necessarily involve evaluation of managing personnel; to evaluate investment in a joint venture which will involve consideration of proprietary business data and sales terms where disclosure at this time would adversely affect bargaining position and Medical Center financial interests; to consider marketing and business-development

strategies for Medical Center operations where disclosure at this time would adversely affect the competitive position of the Medical Center; and to evaluate and discuss with legal counsel pending litigation and Medical Center regulatory compliance, and the progress of contract negotiations for integrated computer systems which will also involve proprietary business information of the Medical Center. The relevant exemptions to the Virginia Freedom of Information Act are authorized in Section 2.1-344 (A) (1), (5), (6), (7), (8) and (23) of the Code of Virginia.

The Committee went into Executive Session at 2:30 p.m., resumed in Open Session at 4:20 p.m., and, on motion, adjourned.

AGG:jb

Copies to: Mr. John T. Casteen, III  
Mr. Gene D. Block  
Mr. Paul J. Forch  
Mr. William W. Harmon  
Mr. Steven Kaplan  
Ms. Patricia Lampkin  
Mr. Craig Littlepage  
Mr. Peter W. Low  
Dr. Robert E. Reynolds  
Ms. Yoke San L. Reynolds  
Mr. Leonard W. Sandridge  
Ms. Colette Sheehy  
Mr. Robert D. Sweeney  
Ms. Louise Dudley

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

Meeting Date: July 13, 2001

CERTIFICATION OF EXECUTIVE MEETING

The Board of Visitors, sitting in Open Session, unanimously adopted a resolution certifying that while meeting in Executive Session - as permitted by the relevant provisions of the Code of Virginia - only public business matters lawfully exempted from open meeting requirements were heard, discussed or considered in closed session.

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