

October 18, 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 October 18, 2001

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 12:10 p.m., Thursday, October 18, 2001, in the Board Room of the Rotunda; Charles M. Caravati, Jr., M.D., Chair, presided. Thomas J. Bliley, Jr., 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.

Also present were T. Keister Greer, Gordon F. Rainey, Jr., Timothy B. Robertson, Benjamin P.A. Warthen, and Ms. Sasha L. Wilson.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Gene D. Block, Robert D. Sweeney, William W. Harmon, Ms. Yoke San L. Reynolds, Ms. Patricia M. Lampkin, Thomas A. Massaro, M.D., Robert M. Carey, M.D., Bruce J. Hillman, M.D., William E. Carter, Jr., Larry L. Fitzgerald, Thomas P. Bleck, M.D., Ms. Pamela Cipriano, Ms. Marjorie Sidebottom, Mark Dettman, and Ms. Jeanne Flippo Bailes.

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

In introducing the customary presentation of the financial report for the Medical Center, Mr. Sandridge observed that much work needs to be done. For example, the Operating Margin for the first two months of this Fiscal Year is below what it should be.

Mr. Fitzgerald, Associate Vice President of Health Sciences for Finance, gave the report. Medical Center patient discharges for the first two months of the current Fiscal Year are below budget and below the figure for the comparable period last year. Patient days are slightly above last year and slightly below budget for this year. Net revenue is above last year but below budget for this year. Total operating expenses are at budget and above last year, but total expenses per adjusted discharge are higher than both budget and last year. The number of full time employees is above budget and above last year. Operating income is significantly below budget and the comparable period last year. The Operating Margin is 2.1%, which is below the budgeted 5.4% and the 5.2% figure for the comparable period last year.

Dr. Thomas Massaro, Chief of Staff and Senior Associate Vice President of Health Sciences for Clinical Affairs, gave a report on applications of the principles of the Six Sigma Program to the operations of the Health Sciences Center. One example he cited is the discharge cycle time, defined as "the interval between the attending physician's discharge decision and when the room is available for the next patient." The average discharge cycle time is 8.4 hours and the Six Sigma Program aims to reduce it by 50% and for the average discharge time to be 12 noon. Dr. Massaro outlined the operating efficiencies to be achieved by this reduction in the discharge cycle time. He pointed out that for example, a three hour reduction in the length of the cycle could result in additional "patient days" available to the Medical Center, the possibility of 630 new admissions and a possible net reimbursement increase of \$7,892,054.

Mr. Goodwin suggested that there be a five minute progress report on the applications of the Six Sigma Program at the January Board meeting.

Mr. Sandridge referred Members to a written report on the Health Insurance Portability and Accountability Act (HIPAA); he explained that there will be a discussion of this at the January Board meeting.

The following motion was adopted and the Committee went into Executive Session at 12:50 p.m.

That the Health Affairs Committee of the Board of Visitors go into Executive Session to discuss the appointment, assignment, performance, and evaluation of prospective candidates and specific employees, and Medical Center departments which will also necessarily involve consideration of the performance of specific individuals; to discuss and evaluate proprietary business information involving patient development strategies with respect to a health care venture and affiliation, where disclosure at this time would adversely affect the Medical Center's competitive position and its negotiation of reimbursement terms in future provider contracts for medical services; and to discuss and evaluate risk prevention strategies for deployment at the Medical Center. The relevant exemptions to the Virginia Freedom of Information Act are provided for in Sections 2.2-3711 (A) (1), (8), (20) and (23) of the Code of Virginia.

After adopting the following resolution which attested to the legality of the Executive Session,

Mr. Rector, I move that we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion(s) authorizing the closed session, were heard, discussed or considered in closed session.

The Committee resumed in Open Session and, on motion, adjourned at 2:50 p.m.

AGG:jfb

These minutes have been posted to the University of Virginia's Board of Visitors website.
<http://www.virginia.edu/bov/healthminutes.html>