

May 31, 2002

MEMORANDUM

TO: The Medical Center Operating Board:

E. Darracott Vaughan, Jr., M.D., Chair  
John P. Ackerly, III  
William G. Crutchfield, Jr.  
William M. Goodwin, Jr.  
Elizabeth A. Twohy

Ex Officio Advisory Members:

George A. Beller, M.D.  
Robert M. Carey  
R. Edward Howell  
Leonard W. Sandridge

and

The Remaining Members of the Board of Visitors:  
Thomas J. Bliley, Jr.      Don R. Pippin  
Thomas F. Farrell, II      Gordon F. Rainey, Jr.  
Charles L. Glazer      Terence P. Ross  
T. Keister Greer      Thomas A. Saunders, III  
Elsie Goodwyn Holland      Warren M. Thompson  
Mark J. Kington      H. Timothy Lovelace, Jr.

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Medical Center  
Operating Board

The Medical Center Operating Board of the Board of Visitors of the University of Virginia met, in Open Session, at 9:50 a.m., Friday, May 31, 2002, in the East Oval Room of the Rotunda; E. Darracott Vaughan, Jr., M.D., Chair, presided. William G. Crutchfield, Jr., William H.

Goodwin, Jr., Ms. Elizabeth A. Twohy, and John P. Ackerly, III, Rector, were present. Present as well were R. Edward Howell, George A. Beller, M.D., and Leonard W. Sandridge, all of whom are ex-officio advisory members of the Board.

Arthur Garson, Jr., M.D., was present as well.

Also present were T. Keister Greer, Mrs. Elsie Goodwyn Holland, Mark J. Kington, Don R. Pippin, Gordon F. Rainey, Jr., Terence P. Ross, Thomas A. Saunders, III, Warren M. Thompson, and H. Timothy Lovelace, Jr.

Present too were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Colette Sheehy, Ms. Patricia M. Lampkin, Robert E. Reynolds, M.D., R. Ariel Gomez, M.D., William W. Harmon, Harry J.G. van Beek, Larry L. Fitzgerald, William E. Carter, Jr., and Ms. Jeanne Flippo Bailes.

BECAUSE OF A MALFUNCTION IN THE RECORDING EQUIPMENT, THESE MINUTES ARE A RECONSTRUCTION.

The Chair asked Mr. Howell, Vice President and Chief Operating Officer of the Medical Center, to present the Agenda.

Before doing so, Mr. Howell said that the next budget year will reflect the comments and suggestions made during the Finance Committee's consideration of the budget the day before.

Mr. Howell then introduced the two action items on the Agenda. The first, which had been discussed during the Finance Committee's consideration of the budget the day before, was the approval of the Fiscal Year 2003 Medical Center operating budget.

The necessary resolution was approved by the Medical Center Operating Board and recommended to the full Board of Visitors for approval (see the Minutes of the meeting of the Board of Visitors, June 1, 2002).

The next action item on the Agenda was a proposed resolution changing Medical Center retirement benefits. The resolution was approved by the Medical Center Operating Board and recommended to the full Board of Visitors for approval (see the Minutes of the meeting of the Board of Visitors, June 1, 2002).

Mr. Howell gave the customary vice presidential report. He talked principally about the close relationship between the Medical Center and the Medical School, and between himself and Dr. Garson, the Dean and Vice President-elect.

Mr. Howell next asked Mr. Fitzgerald to give the regular financial report on the Medical Center. Mr. Fitzgerald said Fiscal Year 2002 continues to be below expectations with, in general, inpatient volume below budget and labor cost above budget. The operating margin for the Fiscal Year is .6%, which is below the budgeted figure of 1.6% and last year's 1.2%.

Mr. Carter reported briefly on operations at the Medical Center. Patient discharges are below budget but short stay/post procedure days are above budget.

Mr. Howell referred Members to the Capital Projects Report in the material previously distributed to them.

On motion, the Committee went into Executive Session at 10:25 a.m., and adopted the following motion:

That the Medical Center Operating Board of the Board of Visitors of the University of Virginia go into Executive Session to consider the appointment, assignment, performance, and evaluation and credentialing of medical staff and healthcare professionals. And to discuss the appointment, assignment, reassignment, performance and evaluation of employees of the Medical Center; to evaluate the performance of departments of the Medical Center which will necessarily involve consideration of the performance of specific individuals. And further, to consult with legal counsel on departments' performance in compliance with regulatory, licensing and accreditation requirements, which will necessarily involve discussion of the performance of individuals and include proprietary business-related

information, disclosure of which would adversely affect the competitive position of the Medical Center. To consult with legal counsel pertaining to litigation involving the HEALTHSOUTH Corporation; as well as discuss proprietary, business-related information pertaining to negotiation of reimbursement terms in proposed managed care contracts for medical services, disclosure of which would adversely affect the competitive position of the Medical Center, all as provided for in Section 2.2-3711 (A) (1), (7), (8) and (23) of the Code of Virginia.

The Committee resumed in Open Session at 10:50 a.m., voted to certify that their Executive Session discussions had been done in accordance with the provisions of the Virginia Freedom of Information Act, and on motion adjourned.

AGG:jb

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/mcobminutes.html>