

January 30, 2003

MEMORANDUM

TO: The Medical Center Operating Board:

E. Darracott Vaughan, Jr., M.D., Chair
John P. Ackerly, III
William G. Crutchfield, Jr.
Eugene V. Fife
John I. Gallin, M.D.
William H. Goodwin, Jr.
Katherine L. Smallwood, M.D.
Elizabeth A. Twohy

Ex Officio Advisory Members:

George A. Beller, M.D.
Arthur Garson, Jr., M.D.
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 on January 30, 2003

The Medical Center Operating Board of the Board of Visitors of the University of Virginia met, in Open Session, at 10:05 a.m., on Thursday, January 30, 2003 in the Hospital Dining Conference Rooms 1, 2, and 3 at the Medical Center; E. Darracott Vaughan, Jr., M.D., presided.

William G. Crutchfield, Jr., William H. Goodwin, Jr., Eugene V. Fife, and Katherine L. Smallwood, M.D., and John P. Ackerly, III, Rector, were present.

Gordon F. Rainey, Jr. also was present.

Present, too, were George A. Beller, M.D., Arthur Garson, Jr., M.D., R. Edward Howell, and Leonard W. Sandridge - all ex-officio Members.

Also present were Paul J. Forch, Ms. Pamela F. Cipriano, Ms. Sally Barber, Ms. Margaret van Bree, Ralph Traylor, and Ms. Jeanne Flippo Bailes.

At the Chair's request, Mr. Howell, the Vice President and Chief Executive Officer of the Medical Center, gave his customary report.

Mr. Howell discussed the actions taken by the Medical Center as a result of the shortfalls in the State budget. He introduced Ms. Margaret van Bree, the new Operations Officer for the Medical Center, who will begin her duties on February 1st. He referred Members to the quarterly report on capital projects which was in the written material previously distributed to them.

He then asked Mr. Fitzgerald to give the Finance and Operations Report.

Mr. Fitzgerald's report covered the first five months of Fiscal Year 2003. He noted that discharges are 2.2% below budget and .7% above the same period last year. Total operating revenue is 4.2% above budget and 8.1% above last year - the latter figure reflecting a rate increase of 5% that went into effect at the beginning of the fiscal years. Operating expenses are on budget and .7% above last year. The operating margin is 7.4%, which is above the budgeted 3.5% and the figure for the previous year.

Noting that the Educational Policy Committee is to discuss a proposal to establish a Masters of Public Health Program at its meeting tomorrow, Mr. Howell asked Dr. Garson to brief the Medical Center Operating Board on the proposed program.

Following this, Mr. Howell asked Dr. Beller to give the customary report of the President of the Clinical Staff.

Following Dr. Beller's report, the Medical Center Operating Board, after approving the following motion, went into Executive Session:

That the Medical Center Operating Board convene in Executive Session to consider approval of proposed personnel actions regarding the appointment and credentialing of specific medical staff and health care professionals; to be briefed on

proprietary business-related information pertaining to strategic reassignment and compensation of Medical Center personnel; to consider business development, marketing and fundraising for the Cancer Center, the Children's Medical Center and a proposed radiation therapy joint venture; and, in consultation with legal counsel, Medical Center compliance with its regulatory, licensing and accreditation requirements. Disclosure of these matters would adversely affect the competitive position of the Medical Center. The relevant exemptions to the Virginia Freedom of Information Act for all of these are provided for in Section 2.2-3711 (A) (1), (7), (8) and (23) of the Code of Virginia.

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The meeting was resumed in Open Session at 12:10; the Medical Center Operating Board adopted the following resolution certifying that its deliberations had been conducted in accordance with the exemptions permitted by the Virginia Freedom of Information Act:

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 Medical Center Operating Board then adopted the customary credentialing resolution (see the Minutes of the meeting of the Board of Visitors, January 31-February 1, for the text of this resolution.

After hearing Mr. Traylor's Compliance Training and Report, the Medical Center Operating Board adjourned at 1:20 p.m.

AGG:lah

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

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