

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
MEDICAL CENTER
OPERATING BOARD
June 11, 2009**

UNIVERSITY OF VIRGINIA
MEDICAL CENTER OPERATING BOARD

Thursday, June 11, 2009
8:30 - 11:30 a.m.

Medical Center Board Room

Committee Members:

E. Darracott Vaughan, Jr., M.D., Chair	
W. Heywood Fralin	The Hon. Lewis F. Payne
Sam D. Graham, Jr., M.D.	Randl L. Shure
William P. Kanto, Jr., M.D.	Edward J. Stemmler, M.D.
Randy J. Koporc	John O. Wynne
Vincent J. Mastracco, Jr.	

Ex Officio Members:

Steven T. DeKosky, M.D.
John B. Hanks, M.D.
R. Edward Howell
Leonard W. Sandridge

AGENDA

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IV. EXECUTIVE SESSION

- ACTION ITEMS - To consider proposed personnel actions regarding the appointment, reappointment, resignation, assignment, performance, and credentialing of specific medical staff and health care professionals, as provided for in Section 2.2-3711(A) (1) of the Code of Virginia. The meeting of the Medical Center Operating Board is further privileged under Section 8.01-581.17 of the Code of Virginia.
- Discussion of proprietary, business-related information pertaining to the operations of the Medical Center, where disclosure at this time would adversely affect the competitive position of the Medical Center, specifically:
 - Strategic personnel, financial, market and resource considerations and efforts regarding the Medical Center, including a proprietary report on a health care information management system and performance of a contract, Medical Center market strategies and potential joint ventures;
 - Confidential information and data related to the adequacy and quality of professional services, patient safety in clinical care, and patient grievances for the purpose of improving patient care at the Medical Center; and
 - Consultation with legal counsel regarding federal and state investigations, the Medical Center's compliance with relevant federal reimbursement regulations including Medicaid Disproportionate Share, licensure and accreditation standards, and negotiations concerning performance of a contract and related litigation, all of which will also involve proprietary business information of the Medical Center.

The relevant exemptions to the Virginia Freedom of Information Act authorizing the discussion and consultation described above are provided for in Section 2.2-3711 (A) (1), (6), (7), (8) and (22) of the Code of Virginia. The meeting of the Medical Center Operating Board is further privileged under Section 8.01-581.17 of the Code of Virginia.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: I. Fiscal Year 2010 Medical Center
Operating and Capital Budget

BACKGROUND: The Medical Center's operating and capital budgets are consolidated with the University's overall budget. At its June meeting, the Board of Visitors acts on the proposed budget based on a recommendation for endorsement from the Medical Center Operating Board.

DISCUSSION: The Medical Center's 2009-2010 fiscal plan has been developed while considering the challenge of providing patient care, teaching, and research services in an increasingly changing health care industry. The cost associated with providing quality patient care will continue to have upward pressure due to increases in medical supply, pharmaceutical and medical device expenses, as well as a shortage of health care workers. In addition, in Fiscal Year 2010, the Medical Center expects to continue its growth in surgery and to care for patients with high acuity illnesses.

The Medical Center budget development process is clinically focused and highly participatory. Patient care service management, support function management, and physicians have significant roles in the budget development cycle. The budget process begins with senior management developing basic budget assumptions such as admissions, length of stay, standard for the number of employees, and inflation. This information is communicated to Medical Center managers and ends with each operating unit providing a cumulative operating and capital budget that contains service demand forecasts, required full-time equivalent personnel, and non-labor expenses.

BUDGET AND OPERATING ASSUMPTIONS

Market conditions: For Fiscal Year 2010 admissions are budgeted to grow 1.2 percent from Fiscal Year 2009 projected levels. The growth will be facilitated by enhanced patient bed flow resulting from renovations. Outpatient service demand is budgeted to grow 2.9 percent from Fiscal Year 2009 projected levels. The budgeted volume is below the 2009 budgeted volumes

which is a reflection of the nationwide economic slow down which has caused a drop in demand for healthcare services. The budget recognizes operating room capacity remaining at 26 for Fiscal Year 2010 as well as maintaining bed capacity at 575 inpatient beds. The following table includes historical and projected patient volumes:

	Budget	Projected	Budget
	<u>2008-2009</u>	<u>2008-2009</u>	<u>2009-2010</u>
Discharges	30,770	28,827	29,173
Adjusted Discharges	53,021	50,905	51,817
Average length of stay	5.80	6.11	5.90
Patient days	178,519	176,179	172,051
Clinic & ER visits	731,619	704,894	725,003

Revenues: The Medical Center's Fiscal Year 2010 budgeted payer mix remains consistent with that of 2009. One of the Medical Center's largest challenges is the unwillingness of government payers to increase their payments commensurate with the increases in medical delivery costs. Growth in revenues will result from the impact of increasing volume and negotiated contracts with rate increases.

Rate changes: The Medical Center proposes an overall rate increase of 7.0 percent to 9.9 percent, which is commensurate with rate increases that will generally be implemented in the hospital industry.

Expenses: Expenses for operations are projected to increase by \$41.6 million from the Fiscal Year 2009 projection. Expenses per case mix index (CMI) weighted adjusted discharge are projected to decrease, going from \$10,346 to \$10,327. We anticipate that expense per CMI weighted adjusted discharge included in the budget will be approximately equal to the academic medical center median expense as shown in the University HealthSystem Consortium Operational Data Base.

Previous increases in capital investment will result in additional depreciation expense of \$4.9 million for Fiscal Year 2010. The Medical Center's 2009-2010 fiscal plan accounts for these additional expenses while preserving its goal of providing high quality and cost effective health care, education, and research services.

Staffing: The Medical Center's Fiscal Year 2010 budget has been benchmarked with comparable academic medical centers. FTEs are planned at 6,247, a decrease of 129 FTEs from staffing at the

current Fiscal Year projection of 6,376 FTEs. This is expected to be achieved through managing attrition and the reduction in use of contracted employees.

Operating Plan: The rapidly changing health care environment will require continuous examination of budget assumptions. Management will monitor budget versus actual performance on a monthly basis and, where appropriate, make changes to operations. Also, management will continue to identify and implement process improvement strategies that will allow for operational streamlining and cost efficiencies.

The major strategic initiatives that impact next year's fiscal plan include:

- A focused collaborative effort between the Medical Center and the School of Medicine Faculty on documentation of clinical care and its coding.
- A focused collaborative effort between the Medical Center and the School of Medicine Faculty on supply cost.
- The continuation of our efforts to better engage our employees and enhance patient satisfaction.
- The asset integration with Culpeper Regional Hospital.
- Construction projects including: the Long Term Acute Care Hospital at Northridge, the Emily Couric Clinical Cancer Center, and the hospital bed expansion.
- The project to modernize and integrate information technology services through the Electronic Medical Record project.

The major risk factors that impact the ability to accomplish the fiscal plan include:

- Nationwide shortage in health care workers that could negatively impact our ability to maintain appropriate staffing.
- Maintaining an adequate number of physicians in areas experiencing a national shortage.
- New changes from the Centers for Medicare and Medicaid Services and other regulatory reimbursement changes which could be profound depending on legislative passage of health care reform.
- Advancements in medical technology that could alter expenses and/or revenues very quickly.

- Inflation for medical devices and pharmaceutical goods that could exceed the budget assumptions.
- Enhanced scrutiny by Federal regulators as the State of Virginia is scheduled to be included in the Federal Recovery Audit Contract Program starting in the fall of 2009.
- Economic pressures and uncertainty regarding cash flows from investments and non-operating income.

A summary of historical and projected financial operating results are provided as follows:

(Millions)	Actual <u>2007-2008</u>	Projected <u>2008-2009</u>	Budgeted <u>2009-2010</u>
Total operating revenue	\$960	\$984	\$1,039
Operating expense	921	948	990
Operating income	39	35	49
Non-operating gain/(loss)	6	(87)	31
Total margin	\$45	(\$52)	\$80
Operating income percent	4.1%	3.6%	4.7%

Capital Plan: Funds available to meet capital requirements are derived from operating cash flows, funded depreciation reserves, philanthropy, and interest income. The Medical Center faces many challenges regarding capital funding as continued pressures on the operating margin affect cash flow, while demand for capital has increased significantly due to space requirements, technological advances and aging of existing equipment. Subject to funds availability, the Medical Center management recommends \$75.9 million, which includes \$5.0 million for contingencies and \$8.0 million for Culpeper Regional Hospital investments, be authorized for capital requirements.

ACTION REQUIRED: Approval by the Medical Center Operating Board, the Finance Committee and the Board of Visitors.

RECOMMENDATION REGARDING FISCAL YEAR 2010 MEDICAL CENTER OPERATING AND CAPITAL BUDGETS

WHEREAS, the Medical Center Operating Board has reviewed the Fiscal Year 2010 Medical Center operating and capital budgets;

RESOLVED, the Medical Center Operating Board endorses and recommends to the Finance Committee and to the Board of Visitors approval of the Fiscal Year 2010 Medical Center operating and capital budgets.

Schedule A
University of Virginia - Medical Center
Projected Fiscal Plan
2009-2010

	2007-2008 Actual	2008-2009 Forecast	2009-2010 Budget
Revenues			
Total Gross Charges	\$ 2,101,835,206	\$ 2,315,215,659	\$ 2,572,736,235
Less Deductions:			
Indigent Care Deduction	133,319,965	146,586,768	173,099,662
Contractual Deduction	1,033,547,918	1,211,850,044	1,386,535,689
Total Deductions	1,166,867,883	1,358,436,812	1,559,635,351
Net Patient Revenue	934,967,323	956,778,847	1,013,100,884
Miscellaneous Revenue	25,161,119	27,006,938	25,754,089
Total Revenue	960,128,442	983,785,785	1,038,854,973
Expenses			
Expenses from Operations			
Operating Expenses	829,952,457	856,717,955	886,178,736
Depreciation and Amortization	51,272,980	52,054,344	56,934,260
Interest Expense	8,214,045	7,922,729	9,048,636
Bad Debt	31,472,448	31,681,844	37,773,453
Total Expenses from Operations	920,911,930	948,376,872	989,935,085
Operating Income	39,216,512	35,408,913	48,919,888
Other Gains and Losses			
Investment Income & Investment FMV	35,024,319	(78,709,252)	14,715,641
Net gain from Affiliates	1,618,846	1,459,771	1,100,000
Loss on Fixed Assets	(1,064,959)	(111,415)	(800,000)
Other	(29,432,989)	(10,150,251)	(6,024,442)
Total Other Gains and Losses	6,145,218	(87,511,147)	8,991,199
Revenues and Gains in Excess of Expenses	\$ 45,361,729	\$ (52,102,234)	\$ 57,911,087
Statistics			
Admissions or Discharges	29,922	28,827	29,173
Patient Days of Care	176,614	176,179	172,051
Clinic and Emergency Room Visits (Excluding Acquired Practices)	704,325	704,894	725,003
Average Length of Stay	5.89	6.11	5.90

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.A. Vice President's Remarks

ACTION REQUIRED: None

DISCUSSION: The Vice President and Chief Executive Officer of the Medical Center will inform the Medical Center Operating Board of recent events that do not require formal action.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.B. Annual Buchanan Report and Clinical Presentation

BACKGROUND: Mr. Ward Buchanan, a 1914 graduate of the University's Law School, left a \$52.6 million bequest to create an unrestricted endowment fund for the University of Virginia Medical Center. Interest earnings from the Ward Buchanan Fund are being used to provide seed funding of unique, "clinically differentiating" programs at the Medical Center. The annual interest amounts to approximately \$2.3 million and, with matching funds, up to \$5 million will be available. Funding will be provided for a maximum of three years for each new clinical program.

DISCUSSION:

As in past years, a request was sent to all School of Medicine clinical department chairs and clinical staff members for submission of Letters of Intent describing proposed clinically differentiating programs the Medical Center should fund.

In order to receive funding, the programs had to demonstrate that an 11% return on investment over a three year period and 7% net operating margin in the 3rd and final year of funding could be achieved. Programs had to be clinically differentiating and set the University of Virginia Medical Center apart from other academic medical centers and hospitals in the area. In addition, up to 25% of Buchanan funding may be used for Clinical Trials Research that is part of a differentiating clinical program.

Using these criteria, the Buchanan Endowment Programs Committee recommended that three programs receive funding. The Vice President and Chief Executive Officer of the Medical Center and the Vice President and Dean of the Medical School made the final decision and concurred with the Committee's recommendations. The three programs are:

- Helical Tomotherapy-based STAT Stereotactic Body Radiation Therapy: Stereotactic Body Radiation Therapy is a proven treatment for patients with metastatic lung, liver, spine, and adrenal lesions. The purpose of this program is to reduce the time required for Stereotactic Body Radiation Therapy treatment from 2 weeks to 1-5 days, dramatically enhancing patient convenience and satisfaction. The University of Virginia will be the first institution to develop such a program.
- Stroke Telemedicine and Tele-Education Project: The goal of this project is to increase access to timely treatment for acute stroke patients in rural areas of Virginia. Building on existing Emergency Room video conferencing capabilities and the University of Virginia's telemedicine expertise, the project will establish a network of hospitals capable of conducting "live" acute stroke evaluations.
- UVA Children's Hospital Heart Center Fetal Cardiology Program: Fetal Cardiology services, a small but growing program, provides fetal cardiac ultrasounds to high risk obstetrical patients. The purpose of this project is to expand the fetal cardiology program by expanding current clinics, establishing an educational program for outlying rural communities, and developing a clinical investigation program to evaluate new ultrasound technologies.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.C. Finance, Write-offs, and Operations

ACTION REQUIRED: None

BACKGROUND: The Medical Center prepares a periodic financial report, including write-offs of bad debt and indigent care, and reviews it with the Executive Vice President and Chief Operating Officer of the University before submitting the report to the Medical Center Operating Board. In addition, the Medical Center provides an update of significant operations of the Medical Center occurring since the last Medical Center Operating Board meeting.

FINANCE REPORT

At the end of the first three quarters of Fiscal Year 2009, the operating margin was 3.7 percent, while the budget was 4.3 percent. Total operating revenue was below budget by 3.5 percent, and total operating expenses were below budget by 2.9 percent. The University of Virginia Imaging Center and Outpatient Surgery Center continued to exceed financial expectations and posted operating margins of 51.5 percent and 32.2 percent, respectively. The budgeted operating margin for the Imaging Center was 42.6 percent, and for the Outpatient Surgery Center was 14.0 percent. The operating margin for the Medical Center was 1.5 percent against a budget of 2.9 percent, resulting in operating income which was approximately \$10 million below budget for the hospital. On a consolidated basis, the shortfall in operating income was approximately \$5 million.

Inpatient admissions remained below budget, but the occupancy rate was relatively high as the number of observation patients exceeded budget, average length of stay was higher than expected, and available beds were limited by the inpatient unit refurbishment project. On March 31, 2009, the Medical Center had 570 staffed inpatient beds in operation, compared to 588 beds in operation at the same time last year.

Inpatient admissions for Fiscal Year 2009 through March were 6.5 percent below budget and 4.4 percent below prior year.

Admissions of adult patients were 6.3 percent below budget and 3.8 percent below prior year. Although Cardiology admissions increased slightly in the months of February and March, on a fiscal year-to-date basis they were 18.6 percent below the prior year. Admissions to pediatric inpatient units were 14.9 percent below budget and declined by 10.7 percent from the prior year. Admissions to the psychiatric service were 12.4 percent above budget, but in line with the prior year. In addition to internal factors, external forces have also contributed to the decline in admissions as the economic crisis caused some patients to defer non-emergent services.

Although admissions decreased by 6.5 percent, inpatient days were only 1.7 percent below budget. This was due to a length of stay of 6.11 days, compared to the 5.80 days budgeted. Length of stay through March in Fiscal Year 2008 was 5.93 days. Pediatric length of stay increased from 8.43 days in Fiscal Year 2008 to 9.21 days in Fiscal Year 2009. High acuity patients in the Neonatal Intensive Care Unit continued to drive the increased length of stay in Pediatrics. The length of stay on the Medicine service has increased by .30 day (5.3 percent) over the prior year, with the most significant increases in Gastroenterology and General Medicine. The length of stay for surgical patients has increased from 6.65 days to 7.12 days, with the most significant increases in Acute Care Surgery (predominately trauma cases).

Net patient service revenue for the first nine months of Fiscal Year 2009 was 3.5 percent below budget, primarily because of the admissions shortfall. In addition, the overall case mix index was 1.80, which was lower than the 1.83 budgeted. A project to improve coding and documentation processes will begin in August. This project is expected to result in an increase to the case mix index and a corresponding increase in our net patient service revenue.

Total operating expenses through March were 2.9 percent below the \$733.1 million budget. Total labor expenses (including salaries and wages, fringe benefits and contract labor) were 0.6 percent below budget. Total supply cost was 0.4 percent below budget. All other expense categories were below budget.

Total paid employees, including contracted employees, were 10 below budget.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>2009 Budget</u>
Employee FTEs	6,074	6,143	6,166
Salary, Wage and Benefit Cost per FTE	\$66,519	\$68,286	\$68,877
Contract Labor FTEs	273	234	221
Total FTEs	6,347	6,377	6,387

OTHER FINANCIAL ISSUES

We have completed our engagement with Renoir Consulting Ltd. to assist in a focused examination of supply cost. We established an objective of reducing annual supply cost by \$10.9 million. In February we concluded the project, and we exceeded the goal with an annualized reduction in supply cost of \$11.2 million. The cost of supplies was reduced across all departments, but the large dollar reductions were with implantable devices, such as knee and hip replacements, and spine instrumentation. While we achieved our goal, we are continuing the supply cost reduction program, although the consultant will no longer be involved.

For over a year we have been working with the Virginia Commonwealth University Health System in a collaborative effort to lower supply cost for both organizations. The supply chain collaborative among our two Health Systems, the University HealthSystem Consortium and Novation, recorded approximately \$1 million in combined savings in 2008 and is projecting an additional \$2.3 million in savings in 2009. The collaborative is currently exploring opportunities in orthopedics and cardiology and has initiated dialogue between the physician leaders in these areas.

We are closely following the Financial Stimulus package to pursue financial opportunities for the Health System. There is money in the package for the Commonwealth of Virginia to assist

with Medicaid funding. However the Virginia Department of Medical Assistance has indicated no additional money will be provided to the Medical Center. There is funding for the adoption of meaningful electronic health records, but details of how the money will be disbursed have not been released.

Since 1996, Medicare has implemented several initiatives to prevent improper payments to health care providers. The latest such initiative is Recovery Audit Contractors. The overall goal is to reduce payments due to billing errors concerning coverage and coding. Recovery Audit Contractors are private companies with whom Medicare has contracted to perform these audits. In Virginia, the contract has been awarded to Connolly Consulting Associates, a Connecticut-based firm that participated in the initial pilot projects prior to national implementation. The program has an effective date of August 1, 2009, or later. Based on our patient volumes, Connolly may review up to 286 claims every 45 days, totaling over 2300 claims per year. To prepare for the Recovery Audit initiative a multidisciplinary team consisting of Audit, Compliance, Medical Records, Revenue Cycle and Finance leaders in the Medical Center has been building tools and workflows to support this process.

WRITE-OFF OF BAD DEBTS AND INDIGENT CARE

Indigent care charges totaling \$139.8 million for the period July 1, 2008, through March 31, 2009, have been written off. Recoveries during this period totaled \$32.8 million.

Bad debt charges totaling \$28.7 million have been written off in the first nine months of Fiscal Year 2009. During this same period, \$12.1 million was recovered through suits, collection agencies, and Virginia refund set-off.

OPERATIONS REPORT

Pandemic Flu Planning - Swine Flu Outbreak Preparedness

Representatives from the Medical Center are working with the Virginia Department of Health and others across grounds to ensure readiness and scalability of response to the current threat posed by the swine flu outbreak. The Medical Center serves as a site that has antiviral medication from the U.S. pandemic emergency stockpile.

Clinical Operations

Revision of the Registered Nurse Wage (without benefits) staff compensation plan is complete and will be reflected in staff paychecks beginning July 31, 2009. The changes are designed to compensate the wage nursing staff for their experience and provide a premium for serving in either a unit-based or a Medical Center wage position.

Culpeper Regional Hospital

The University of Virginia Medical Center and Culpeper Regional Hospital began their formal asset integration affiliation over four months ago. Since then, several programs have been initiated to clinically integrate the two organizations.

In March, the MCOB Quality Subcommittee approved metrics for a Culpeper Regional Hospital quality dashboard. With the help of the Medical Center's Quality and Performance Improvement department, Culpeper Regional Hospital is in the process of developing targets for their dashboard. Once the performance targets are developed, the Culpeper Quality Committee and the MCOB Quality Subcommittee will approve the targets before implementation of the dashboard takes place. The target date to implement Culpeper's new quality dashboard is September.

Culpeper Regional Hospital has requested that a number of services be provided by the School of Medicine to the Culpeper community, including gastrointestinal services, infectious disease services, and endocrinology services. The School of Medicine is currently evaluating these requests.

Culpeper Regional Hospital has converted from Med Assets to Novation as their group purchasing organization. The savings from the conversion are estimated at \$172,000. Culpeper has also selected a consultant to evaluate their current revenue cycle. In addition, Chamberlin Edmonds will begin working with Culpeper on May 1st, to screen cases for Medicaid eligibility in an effort to improve the hospital's financial operations.

Both organizations are continuing to identify opportunities to collaborate in the areas of education, clinical operations, technology services and financial operations.

Community Service

On March 18th, Daffodil Day, Auxiliary volunteers created and delivered over 400 flower arrangements to every patient who was allowed to have flowers. The Auxiliary purchased 1,000 daffodils from the American Cancer Society in support of its Daffodil Days fundraiser.

Human Resources

Outstanding Contributor Awards

Five Health System employees were recently selected as winners of the University of Virginia Outstanding Contributor Awards. These individuals will be honored at lunch with the Board of Visitors, and at an awards dinner along with five additional winners from the University. The Health System winners are Susan Berres, Occupational Therapist Clinician 3, Children's Hospital; Shannon Janney, Medical Center Administrator, Marketing; Cindy Perry, Medical Center Administrator, Health Systems Computing Services; Sandra Shifflet, Administrative Office Coordinator, Perioperative Services; and Bucky Thacker, Chief Imaging Technician, Augusta Medical Center Cardiac Catheterization Lab.

Compensation

One hundred sixty-six Exceptional Performance Bonuses were awarded to Medical Center employees in March 2009 to recognize employees' accomplishments. This is a new program which allows Managers to reward exceptional contributions.

Employee Engagement

The organization's Employee Engagement Action Teams concluded a three month process of data collection (including follow-up with staff), appreciative inquiry, topical research, brainstorming, benchmarking, and analysis by making presentations at the Medical Center Executive Group, Medical Center Managers, and Employee Council meetings.

The Manager/Employee Relationships Action Team focused its efforts on two employee engagement themes: involvement in decision making and satisfaction with recognition. The action team recommended strategies for involvement in decision making and ensuring recognition of positive results at three levels:

the organizational level, the manager/supervisor level, and the employee level.

The Patient Focus Action Team narrowed its focus to the patient communication experience. The team focused on communication between staff and patient and between staff and the patient's family. The team's recommendations center on communication content (knowing the diagnosis and next steps) as well as the tone and tenor of the communication (warmness and politeness).

The Work-Life Balance Action Team focused its efforts on improving staff knowledge of and ability to access existing Work-Life Balance resources. In addition, recommendations were made to increase recognition, rewards, and options that support Work-Life Balance.

In the first quarter of calendar year 2009, Work Options, back up care for children and adults, reported 563.75 hours of care utilized. There are 507 registered users at this time, with 65 new registrants during this period. Eighty-nine percent (89%) of hours were used for care of children, with 11% for adults. January had a very high utilization rate, likely as a result of school breaks. Satisfaction has increased to 4.79 from 4.5 (on a 5 point scale). The program reached its one year anniversary in March of this year and has been recognized by our staff as a benefit that contributes to improving work-personal life balance, an important part of our employee engagement efforts.

Employee Health

The Employee Health service exceeded its 90% compliance goal for "Lag Time Compliance" in submitting Worker's Compensation claims. The March number was 90.6%, with 100% compliance during the first half of April.

The Medical Center has realized a reduction in patient handling injuries, especially in the Dialysis areas, almost three years after implementation of minimal lift equipment. Data collection and tracking of injuries related to patient movement now allow benchmarking and targeting of high risk areas. Specific educational offerings, equipment needs assessment, and follow up will be ongoing to assure the positive trend continues.

Electronic Medical Record

The Medical Center has signed a contract with Epic Systems to implement all of its clinical information systems over the next two years. The plan is to implement Epic's clinical software suite in all outpatient clinics and the emergency room by September, 2010, and in all inpatient units by March, 2011. Implementation of Epic's integrated financial systems is under consideration. The design and build of the Epic software is being led by clinicians. More than 75 clinicians will be involved in designing the software, based on Epic's very mature model system, with another 100 clinicians certified by Epic to modify the model system to our clinicians' specifications. More than 200 clinicians will participate in critiquing and validating the software modifications recommended by the design team. Fifty clinicians will serve as full-time trainers for nearly 6,000 users of the EpicCare system and more than 600 clinicians will be involved as super-users when the system goes live.

Dr. Marshall Ruffin, the Medical Center's Chief Technology and Health Information Officer, was named by Aneesh Chopra, formerly the Virginia's Technology Secretary and now the U.S. Chief Technology Officer, to serve as Chairman of a new Health Information Technology Subcommittee of the Information Technology Investment Board of the Commonwealth. Other members of the Subcommittee include Alistair Erskine, MD, Chief Medical Information Officer, Virginia Commonwealth University Health System, Mr. Geoff Brown, Chief Information Officer of Inova Health System, and Mr. Dan Barchi, Chief Information Officer of Carilion Health System. Mr. Bert Reese, Chief Information Officer of Sentara Health System, is a member of the Information Technology Investment Board and will be board liaison to the Health Information Technology Standards Subcommittee. The Subcommittee's goal is to establish interoperability standards for health information technology in Virginia to expedite health care services and protect the privacy and confidentiality of clinical information exchanged between patients and health care providers.

Environment of Care/Facilities

Structural steel installation for the Hospital Bed Expansion project began on March 16th. This phase is projected to be completed by September.

The refurbishment of two acute care units has been completed, with a third currently in progress. All refurbished patient rooms will include cushioned resting benches under the windows.

The Steel Topping-Out Ceremony for the Emily Couric Clinical Cancer Center took place on April 22nd.

Clinical Engineering Services completed installation of a Safe Place Infant Security System. This is an actively monitored system where signals from transmitters on the infant are heard every ten seconds. With this system, the protected zone has expanded to include the entrances to the nursing units, and alarms will sound if the infant is taken off of the unit. The former system would alarm only at elevators or stairwells.

Smoke-Free Campaign

In 2008, a work group was formed to develop an implementation plan for making the Medical Center a smoke-free environment by October 1, 2009. A number of steps have been taken toward that goal, including closing of the smoking shelter in front of University Hospital, expansion of employee benefits through Southern Health to cover smoking cessation pharmaceuticals and coaching programs, creation of the "Environment Beyond Measure" campaign that explains the benefits of going smoke-free for patients, guests, and employees, and development of the "Clean Air Club," which will be composed of employees who have quit smoking and their colleagues who are supporting their efforts.

A letter was sent to employees from the Vice President and Chief Executive Officer of the Medical Center, the Deans of the Schools of Medicine and Nursing, and the Chief Executive Officer of the Health Services Foundation in April announcing their support for banning smoking on Medical Center grounds and their joint efforts to pursue the smoking ban on all Health System grounds in the future. The letter included a directory of resources to help smokers who want to quit. Fifty employees signed up for smoking cessation assistance at a fair sponsored by the Benefits Office and the Smoke-Free Workgroup on April 13th. Additional activities will be held in the coming months to educate the public about the dangers of second-hand smoke and to inform smokers of smoking cessation resources.

Expanded Recycling Program

In late March, representatives from the Medical Center and University of Virginia Recycling met to finalize an agreement to expand the recycling program within the hospital. The expanded program will be a collaborative effort between Environmental Services and Recycling and will create additional opportunities for recycling of paper, bottles and cans on patient care units and in adjacent areas. In addition to the "green benefits" of recycling, the program is expected to reduce waste processing costs by removing more recyclables from the hospital waste stream.

Nutrition Services

During March, Nutrition Services organized weekly events in honor of National Nutrition Month to raise awareness about the value of nutrition in a healthy lifestyle. Events promoted the benefits of consuming locally grown foods, tips for healthy eating during the economic downturn, and the nutritional benefits of breast feeding. All events were open to patients, visitors and employees.

Awards and Recognition

Top 100 Hospitals

The University of Virginia Medical Center is one of only 15 major teaching hospitals to be ranked among the nation's top 100 hospitals, according to Thomson Reuters' 100 Top Hospitals: National Benchmarks study. In addition, the Medical Center is one of only two hospitals from the Commonwealth to be selected.

The award recognizes hospitals that have achieved excellence in clinical outcomes, patient safety, patient satisfaction, financial performance, and operational efficiency. This is the eighth year the Medical Center has received the honor.

The study evaluated 3,000 short-term, acute care, non-federal hospitals in nine areas: mortality, medical complications, patient safety, average length of stay, expenses, profitability, cash-to-debt ratio, patient satisfaction and adherence to clinical standards of care.

America's Top Doctors

Forty-seven physicians from the University of Virginia Health System were included in the eighth edition of America's Top Doctors™. Published annually by Castle Connolly Medical Ltd., the guide recognizes physicians who are considered to be in the top one percent in the nation in their medical specialties and sub-specialties. To be selected for inclusion in the book, doctors must be nominated by their peer physicians.

Virginia Hospital and Health Care Association Community Benefit Award

The Virginia Hospital and Health Care Association awarded the University of Virginia Health System its 2009 Community Benefit Award on April 14, 2009. The Health System, which shares the award with Mountain States Health Alliance in Tennessee and the Norton Community Hospital in Norton, was recognized for its contributions to the Remote Area Medical clinic in Wise.

Now in its tenth year, the Remote Area Medical clinic in Wise is the largest free mobile health fair in the nation, caring for several thousand people during a 30-hour period. The Health System has been a participating partner in the clinic since 2001. Planning and patient follow-up for Remote Area Medical Clinic is a year-round endeavor. At the clinic, the Health System provides hundreds of volunteers, more than a ton of supplies, and over \$1 million in medical services.

Marketing

Marketing received a Gold Award for In-House Publication for the "Beyond Measure" campaign and a Gold Award for Special Video Production for "Making of Beyond Measure." This video can be viewed on the Health System homepage.

University of Virginia Medical Center
Income Statement
(Dollars in Millions)

Description	Most Recent Three Fiscal Years			Budget/Target
	Mar-07	Mar-08	Mar-09	Mar-09
Net patient revenue	\$664.6	\$692.8	\$719.0	\$745.2
Other revenue	<u>16.8</u>	<u>18.2</u>	<u>20.3</u>	<u>20.5</u>
Total operating revenue	<u>\$681.4</u>	<u>\$711.0</u>	<u>\$739.3</u>	<u>\$765.7</u>
Operating expenses	608.0	643.9	666.8	682.5
Depreciation	35.2	37.5	39.1	42.6
Interest expense	<u>4.4</u>	<u>6.0</u>	<u>5.9</u>	<u>8.0</u>
Total operating expenses	<u>\$647.6</u>	<u>\$687.4</u>	<u>\$711.8</u>	<u>\$733.1</u>
Operating income (loss)	<u>\$33.8</u>	<u>\$23.6</u>	<u>\$27.4</u>	<u>\$32.6</u>
Non-operating income (loss)	<u>\$36.5</u>	<u>\$22.1</u>	(<u>\$88.0</u>)	<u>\$15.4</u>
Net income (loss)	<u>\$70.3</u>	<u>\$45.7</u>	(<u>\$60.6</u>)	<u>\$48.0</u>
Principal payment	\$6.8	\$8.0	\$9.2	\$6.0

University of Virginia Medical Center
Balance Sheet
(Dollars in Millions)

Description	Most Recent Three Fiscal Years		
	Mar-07	Mar-08	Mar-09
Assets			
Operating cash and investments	\$219.5	\$85.4	\$33.6
Patient accounts receivables	61.4	53.6	56.4
Property, plant and equipment	372.9	409.5	457.6
Depreciation reserve and other investments	275.2	351.5	344.7
Endowment Funds	136.4	241.1	232.0
Other assets	<u>116.9</u>	<u>121.6</u>	<u>146.5</u>
Total Assets	<u>\$1,182.3</u>	<u>\$1,262.7</u>	<u>\$1,270.8</u>
Liabilities			
Current portion long-term debt	\$11.5	\$11.3	\$6.7
Accounts payable & other liab	108.3	90.0	94.6
Long-term debt	163.4	152.5	229.4
Accrued leave and other LT liab	<u>96.3</u>	<u>126.2</u>	<u>118.4</u>
Total Liabilities	<u>\$379.5</u>	<u>\$380.0</u>	<u>\$449.1</u>
Fund Balance	<u>\$802.8</u>	<u>\$882.7</u>	<u>\$821.7</u>
Total Liabilities & Fund Balance	<u>\$1,182.3</u>	<u>\$1,262.7</u>	<u>\$1,270.8</u>

University of Virginia Medical Center
Financial Ratios

Description	Most Recent Three Fiscal Years			Budget/Target
	Mar-07	Mar-08	Mar-09	Mar-09
Operating margin (%)	5.0%	3.3%	3.7%	4.3%
Total margin (%)	9.8%	6.2%	-9.3%	6.1%
Current ratio (x)	2.3	1.4	0.9	2.0
Days cash on hand (days)	213.0	216.4	171.0	190.0
Gross accounts receivable (days)	48.8	47.6	49.1	60.0
Annual debt service coverage (x)	9.8	6.4	(1.0)	7.0
Debt-to-capitalization (%)	19.7%	19.2%	28.0%	20.0%
Capital expense (%)	6.1%	6.3%	6.3%	6.9%

University of Virginia Medical Center
Operating Statistics

Description	Most Recent Three Fiscal Years			Budget/Target
	Mar-07	Mar-08	Mar-09	Mar-09
Acute Admissions	22,518	22,443	21,452	22,937
Patient days	129,472	132,722	130,826	133,076
SS/PP Patients	5,229	5,570	5,757	4,645
Average length of stay	5.68	5.93	6.11	5.80
Clinic visits	471,876	481,851	483,656	500,705
ER visits	44,097	46,156	45,497	46,198
Medicare case mix index	1.9523	1.9699	1.9583	1.9400
FTE's (including contract labor)	6,159	6,347	6,377	6,387

University of Virginia Medical Center
SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES
 Fiscal Year to Date with Comparative Figures for Prior Year to Date - March FY2009

OPERATING STATISTICAL MEASURES - March FY 2009

ADMISSIONS and CASE MIX - Year to Date					OTHER INSTITUTIONAL MEASURES - Year to Date				
	Actual	Budget	% Variance	Prior Year		Actual	Budget	% Variance	Prior Year
ADMISSIONS:					ACUTE INPATIENTS:				
Adult	18,191	19,423	(6.3%)	18,919	Inpatient Days	130,826	133,076	(1.7%)	132,722
Pediatrics	2,147	2,523	(14.9%)	2,404	Average Length of Stay	6.11	5.80	(5.3%)	5.93
Psychiatric	1,114	991	12.4%	1,120	Average Daily Census	477	486	(1.9%)	483
Subtotal Acute	21,452	22,937	(6.5%)	22,443	Births	1,333	1,399	(4.7%)	1,381
Short Stay/Post Procedure	5,757	4,645	23.9%	5,570	OUTPATIENTS:				
Total Admissions	27,209	27,582	(1.4%)	28,013	Clinic Visits	483,656	500,705	(3.4%)	481,851
					Average Daily Visits	2,815	2,917	(3.5%)	2,786
					Emergency Room Visits	45,497	46,198	(1.5%)	46,156
CASE MIX INDEX:					SURGICAL CASES				
All Acute Inpatients	1.80	1.83	(1.6%)	1.81	Main Operating Room (IP and OP)	14,019	14,268	(1.7%)	13,967
Medicare Inpatients	1.96	1.94	0.9%	1.97	UVA Outpatient Surgery Center	5,937	5,698	4.2%	5,519
					Total	19,956	19,966	(0.1%)	19,486

OPERATING FINANCIAL MEASURES - March FY 2009

REVENUES and EXPENSES - Year to Date					OTHER INSTITUTIONAL MEASURES - Year to Date				
(\$s in thousands)	Actual	Budget	% Variance	Prior Year	(\$s in thousands)	Actual	Budget	% Variance	Prior Year
NET REVENUES:					NET REVENUE BY PAYOR:				
Net Patient Service Revenue	718,965	745,180	(3.5%)	692,759	Medicare	\$ 234,145	\$ 249,197	(6.0%)	231,667
Other Operating Revenue	20,293	20,515	(1.1%)	18,217	Medicaid	99,229	103,800	(4.4%)	96,499
Total	\$ 739,258	\$ 765,695	(3.5%)	\$ 710,976	Commercial Insurance	127,966	128,672	(0.5%)	119,620
					Anthem	129,331	132,215	(2.2%)	122,914
					Southern Health	37,448	36,971	1.3%	34,370
					Other	90,847	94,325	(3.7%)	87,690
					Total Paying Patient Revenue	\$ 718,965	\$ 745,180	(3.5%)	692,759
EXPENSES:					OTHER:				
Salaries, Wages & Contract Labor	330,380	\$ 332,276	0.6%	321,197	Collection % of Gross Billings	41.34%	42.75%	(3.3%)	44.36%
Supplies	163,719	164,383	0.4%	161,993	Days of Revenue in Receivables (Gross)	49.1	60.0	18.2%	47.6
Contracts & Purchased Services	149,004	157,310	5.3%	137,363	Cost per CMI Adj Discharge	\$ 10,081	\$ 9,735	(3.6%)	\$ 9,556
Bad Debts	23,705	28,565	17.0%	23,375	Total F.T.E.'s (including Contract Labor)	6,377	6,387	0.2%	6,347
Depreciation	39,073	42,568	8.2%	37,421	F.T.E.'s Per CMI Adjusted Discharge	25.60	24.18	(5.9%)	25.12
Interest Expense	5,948	8,017	25.8%	6,020					
Total	\$ 711,829	\$ 733,119	2.9%	\$ 687,369					
Operating Income	\$ 27,429	\$ 32,576	(15.8%)	\$ 23,607					
Operating Margin %	3.7%	4.3%		3.3%					
Non-Operating Revenue	\$ (88,028)	\$ 15,391	(671.9%)	\$ 22,090					
Net Income	\$ (60,599)	\$ 47,967	(226.3%)	\$ 45,697					

University of Virginia Medical Center
SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES
Fiscal Year to Date with Comparative Figures for Prior Year to Date - March 31, 2009

Assumptions - Operating Statistical Measures

Admissions and Case Mix Assumptions

Admissions include all admissions except normal newborns
Pediatric cases are those discharged from 7 West, 7 Central, NICU, PICU and KCRC
Psychiatric cases are those discharged from 5 East or Rucker 3
All other cases are reported as Adult
Short Stay Admissions include both short stay and post procedure patients
Case Mix Index for All Acute Inpatients is All Payor Case Mix Index from Stat Report

Other Institutional Measures Assumptions

Patient Days, ALOS and ADC figures include all patients except normal newborns
Surgical Cases are the number of patients/cases, regardless of the number of procedures performed on that patient

Assumptions - Operating Financial Measures

Revenues and Expenses Assumptions:

Medicaid out of state is included in Medicaid
Medicaid HMOs are included in Medicaid
Physician portion of DSH is included in Other
Non-recurring revenue is included

Other Institutional Measures Assumptions

Collection % of Gross Billings includes appropriations
Days of Revenue in Receivables (Gross) is the BOV definition
Cost per CMI & OP-Adj Discharge and Day uses All Payor CMI to adjust, and excludes bad debt
Costs for Cost per Outpatient Visit come from clinic income statement, and exclude bad debt
OP visits used in calculation of Cost per Outpatient Visit are provider based clinic visits only

MEDICAL CENTER ACCOUNTS COMMITTEE REPORT

(Includes All Business Units)
(Dollars in Thousands)

	Year to Date	<u>Annual Activity</u>	
	March 2008-09	<u>2007-08</u>	<u>2006-07</u>
<u>INDIGENT CARE (IC)</u>			
Net Charge Write-Off	<u>110,233</u>	<u>133,320</u>	<u>113,523</u>
Percentage of Net Write-Offs to Revenue	6.34%	6.34%	6.08%
Total Reimbursable Indigent Care Cost	<u>41,668</u>	<u>54,558</u>	<u>43,652</u>
State and Federal Funding	41,668	54,558	43,652
Total Indigent Care Cost Funding As a Percent of Total Indigent Care Cost	100%	100%	100%
Unfunded Indigent Cost	<u>-</u>	<u>-</u>	<u>-</u>
		<u>Annual Activity</u>	
<u>BAD DEBT</u>	March 2008-09	<u>2007-08</u>	<u>2006-07</u>
Net Charge Write-Offs	<u>23,705</u>	<u>31,472</u>	<u>32,843</u>
Percentage of Net Write-Offs to Revenue	1.36%	1.50%	1.76%

Note:

Provisions for bad debt write-offs and indigent care write-offs are recorded for financial statement purposes based on the overall collectibility of the patient accounts receivable. These provisions differ from the actual write-offs of bad debts and indigent care which occur at the time an individual account is written off.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.D. Capital Projects

ACTION REQUIRED: None

BACKGROUND: The Medical Center is constantly improving and renovating its facilities. A status report of these capital projects will be provided at each Medical Center Operating Board meeting.

DISCUSSION: The current Medical Center capital projects report is set forth in the following table:

**The University of Virginia Medical Center
Capital Projects Report
June 2009**

Scope	Budget	Funding Source	BOV Approval Date	Projected Completion Date
1. Pre-Construction				
West Main Street Development - including Children's Hospital: Design started on December 12, 2008.	\$117 M	Bonds and Outside Fundraising	TBD	2013
*University Hospital: Renovate Heart Center invasive procedure areas – design underway.	\$15.6 M (21,600 GSF)	Bonds	Feb 2008	2010
*University Hospital: Add two Operating Rooms and Magnetic Resonance Imaging Room (with equipment) – design underway.	\$14.3 M (2,330 GSF)	Bonds	Feb 2008	2010
University Hospital: Add elevators – design complete.	\$7.6 M	Bonds	Feb 2008	2011
Moser Radiation Therapy Center: Construct addition for 2 nd linear accelerator – design complete.	\$2.5 M (3,000 GSF)	Bonds	Feb 2008	2010

*Project modifies original HEP project

**The University of Virginia Medical Center
Capital Projects Report
June 2009**

Scope	Budget	Funding Source	BOV Approval Date	Projected Completion Date
2. Under Construction				
University Hospital: Renovate Radiology Department – phased construction underway	\$21.2 M (52,000 GSF)	Bonds	Feb 2008	2012
Emily Couric Clinical Cancer Center : Construction underway. Structural steel top-out accomplished on 4-22-09	\$74 M (including added shelled floor)	General Fund Appropriation (@ \$25 M) , Bonds and Outside Fundraising	Oct 2004 July 2006 (B&G Committee) June 2007	2010
University Hospital Bed Expansion: Project to increase inpatient bed capacity in University Hospital by adding 72 private, ICU-level rooms. Structural steel erection is underway.	\$80.2 M	Bonds and Health System Operating Revenue	Sept 2005 June 2007	2011
Primary Care Center: Repair brick façade and replace roof – work commenced in August 2008.	\$6.6 M	Bonds	Feb 2008	2010
Clinical Office Building: Board of Visitors approved project to complete the 3 rd floor fit out for the Spine Center and Orthopedic Services. Construction is underway.	\$8 M	Bonds	Jan 2003 Feb 2008	2009

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.E. Health System Development

ACTION REQUIRED: None

BACKGROUND: Health System Development will provide reports of recent activity to the Medical Center Operating Board from time to time.

DISCUSSION:

SIGNIFICANT GIFTS (February - May 2009)

The diabetes research and islet transplant program received \$5 million over five years.

A donor pledged \$2 million to support construction of the 5th floor of the Emily Couric Clinical Cancer Center. This commitment was matched by a \$2 million pledge from another donor.

Following a successful site visit in March involving Mr. Howell and Children's Hospital leadership, Food Lion pledged \$1 million to the Barry and Bill Battle Building.

Another donor pledged \$1 million to the Barry and Bill Battle Building.

A \$615,000 gift was received in support of Dr. Craig Slingluff's research and the Cancer Center's Human Immune Therapy Center.

A School of Nursing alumna and her husband documented a \$500,000 bequest to establish a named nursing scholarship.

A former house staff physician documented a bequest to the School of Medicine for the first \$1 million of net proceeds from a future building sale (currently booked at \$420,886) to support a fellowship in General Thoracic Surgery.

Dr. Brian Helmke of the Department of Biomedical Engineering received an Individual Biomedical Research Award

from the Hartwell Foundation. He was one of 12 investigators nationally funded this year and will receive \$300,000 over three years.

The University of Virginia Children's Hospital received a \$275,000 realized bequest from a friend of the Health System to support physical space for children's rehabilitative care in the Barry and Bill Battle Building.

An anonymous donor committed a gift of real estate valued at approximately \$270,000 to establish a fund in support of pediatric faculty.

Other gifts and pledges received include:

- A \$200,000 insurance policy for the Department of Geriatrics in gratitude for a family member's care;
- A \$170,000 gift for basic science research in the Cancer Center;
- A \$100,000 commitment to the Christiana M. Brenin, M.D. Fellowship in Hematology-Oncology in gratitude for a family member's care;
- A \$100,000 pledge to the School of Medicine Class of 1959 Scholarship Fund;
- A \$100,000 bequest to the Department of Neurology for Alzheimer's disease research;
- A \$60,000 gift to the Department of Cell Biology; and
- A \$50,000 bequest in support of the Department of Neurology.

OTHER DEVELOPMENT INITIATIVES

On February 15, Dean DeKosky and Dean Fontaine hosted key major gift prospects and donors at the University of Virginia-Clemson basketball game. Provost Garson also attended the event.

On March 10, the Cancer Center held its 12th annual benefit dinner at Hamiltons' at First & Main, hosted by Cancer Center board member Kate Hamilton and her husband Bill. Approximately 60 guests, including Mr. Howell, attended the event, which raised more than \$11,000 in support of Dr. Peyton Taylor's cervical cancer vaccine research in Tanzania.

On March 19, a University of Virginia Children's Hospital Envision session was held in Harrisonburg, Virginia, for the Barry and Bill Battle Building. Thirty-five prospects and donors attended.

On March 28, School of Nursing students coordinated and hosted a barn party for approximately 100 guests to benefit the Jeffrey's Gifts Fund, which provides toys for children being treated at the Medical Center. The event raised \$36,000.

On April 2, the Patients and Friends Research Fund Steering Committee hosted the second Hot Topics in Cancer panel discussion at Alumni Hall, featuring Dr. Todd Bauer and Dr. Sally Parsons. The event was moderated by Dr. Peyton Taylor and approximately 150 people attended.

The Medical Alumni Association held its Medical School Reunion on April 24-25. More than 450 alumni and their families attended reunion events, including individual class dinners. The Class of 1984 pledged \$250,000 in support of the Claude Moore Medical Education Building, and the Class of 1959 pledged \$250,000 in support of a scholarship.

The December 2008 direct mail solicitation, which was sent to 23,000 donors and former patients, has yielded more than \$10,645 in gifts to date. Forty-one percent of the gifts were generated from new donors to the University of Virginia Health System. The majority of gifts were given for unrestricted support of the Medical Center or directed to the Cancer Center, Children's Hospital, Heart and Diabetes, Neurological Programs, and Nursing.

The Health System Development communications team published the winter issue of *Pulse*, which mailed to approximately 30,000 alumni, volunteers, and donors. The team also created and sent the first issue of *Volunteer Exchange*, a quarterly electronic newsletter to inform volunteers about events of interest taking place across the Health System, as well as information on campaign giving priorities. Another electronic bulletin, *News for Friends of the UVA Cancer Center*, which highlights upcoming Cancer Center events, was redesigned and sent to volunteers and friends.

Between February 1, 2009 and April 30, 2009, Development staff made 564 face-to-face visits with donors and prospects, bringing the fiscal year 2009 total to 1,613.

CAMPAIGN PROGRESS THROUGH April 2009

Through the end of April 2009, the Health System campaign total is \$454,422,425. This represents 91% of the campaign goal, with 67% of the campaign period elapsed. The following table shows the Fiscal Year 2009 totals as of April 30 for new commitments, including new gifts and pledges, as compared to this same time frame in FY '08.

These campaign numbers do not include approximately \$11 million in gifts listed above that were received in April and May 2009 but not yet booked.

	FY '09	FY '08
Total new commitments <i>(excludes pledge payments on previously booked pledges)</i>	\$37,874,885	\$40,601,781
New gifts	\$33,356,423	\$32,196,222
New pledges	\$4,518,462	\$8,405,559

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 11, 2009

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: III. Report by the President of the
Clinical Staff

ACTION REQUIRED: None

DISCUSSION: The President of the Clinical Staff of the Medical Center will inform the Medical Center Operating Board of recent events regarding the Clinical Staff which do not require formal action, but of which the Medical Center Operating Board should be made aware.