MEMORANDUM

TO: The Medical Center Operating Board:

L. D. Britt, M.D.
Frank M. Conner III Constance R. Kincheloe
Hunter E. Craig Charles W. Moorman
Frank E. Genovese (Advisor) Tammy S. Murphy
Victoria D. Harker The Hon. Lewis F. Payne
Michael M. E. Johns, M.D. James V. Reyes
William P. Kanto Jr., M.D. William H. Goodwin Jr., Rector

Ex Officio Advisory Members:
Teresa A. Sullivan Thomas C. Katsouleas
Dorrie K. Fontaine Richard P. Shannon, M.D.
Robert S. Gibson, M.D. Pamela M. Sutton-Wallace
Patrick D. Hogan David S. Wilkes, M.D.

and

The Remaining Members of the Board of Visitors:

Frank B. Atkinson John A. Griffin
Mark T. Bowles Bobbie G. Kilberg
Whittington W. Clement John G. Macfarlane III
Helen E. Dragas Jeffrey C. Walker
Kevin J. Fay Joe Garofalo, Faculty Member
Barbara J. Fried Daniel T. Judge, Staff Member

FROM: Susan G. Harris

RE: Minutes of the Meeting of the Medical Center Operating Board on November 12, 2015

The Medical Center Operating Board (MCOB) met, in Open Session, at 8:48 a.m., Thursday, November 12, 2015, in the Auditorium of the Albert and Shirley Small Special Collections Library of the Harrison Institute. Dr. Britt, Chair, presided.
Committee members present were William H. Goodwin Jr., Frank M. Conner III, Victoria D. Harker, Tammy S. Murphy, James V. Reyes, Frank E. Genovese, Hunter E. Craig, William P. Kanto Jr., M.D., Constance R. Kincheloe, and the Honorable Lewis F. Payne.

Ex Officio advisory members present were Dorrie K. Fontaine, Robert S. Gibson, M.D., Patrick D. Hogan, Richard P. Shannon, M.D., Pamela M. Sutton-Wallace, and David S. Wilkes, M.D.

Frank B. Atkinson was also present.

Present as well were Evelyn R. Fleming, Susan G. Harris, Richard C. Kast, David W. Martel, Debra D. Rinker, Nancy A. Rivers, Roscoe C. Roberts, and W. Thomas Leback.

Others attending for presentations were Tracey R. Hoke, M.D. and Larry L. Fitzgerald.

Dr. Britt opened the meeting and gave the floor to Dr. Shannon.

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Report from the Executive Vice President for Health Affairs

After reviewing the agenda, Dr. Shannon explained that the meeting would focus on the Health System’s plans for responding to the current environment where health systems are consolidating to serve larger populations. He reviewed the strategies and aspirational goals of the Health System’s Clinical Enterprise.

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Medical Center Finance Report

Mr. Fitzgerald reviewed the FY 2016 first quarter results for the Health System's components. These include the hospitals, clinics, subsidiaries, joint ventures, the University Physicians Group and its subsidiaries, and the School of Medicine. Operating income exceeded the budget. Patient volume was a bit below budget, which, in turn, caused revenues to be below budget. Expenses were well controlled. The administration believes it will meet the budget for the next three quarters. Mr. Fitzgerald observed that since two-thirds of the income is derived from patients with a case mix index of greater than 2.2, admitting more high acuity patients is a key to financial success.

Revenues were $521.6 million with clinic revenues accounting for $448.6 million and academic revenues for $73.0 million. Operating income was $21.1 million with an operating margin of 4.0%. This was above the budget and above the results for the same period of the prior year. The market value of the Health System's investments dropped by 3%; this is less than the 5% drop in the Dow.

Adjusted admissions for the hospitals were 2.3% below budget, but 4.5% higher than the previous year. While admissions were down 0.3% from the prior year, observations were up by 4.4%. This is due to the new "48 Hour" rule which classifies patients admitted for 48 hours or less as observations. The rule negatively impacts revenues since reimbursements for observation patients can be as much as 75% less. The use of technology can also impact revenues. Over the past several years, robotic surgeries have increased. Originally the majority were hospital procedures. Now the majority are outpatient procedures, which have a lower reimbursement rate. The Medical Center plans to negotiate higher outpatient reimbursement rates with its insurers.

Ms. Sutton-Wallace pointed out that outpatient admissions increased by 5.2% over the previous year and that emergency visits were at an all-time high. While inpatient volumes were down, they are expected to increase. In-patient surgery decreased by 2.7%; outpatient surgery increased by 15.3%. The decrease in inpatient surgeries was due in part to six surgeons who were on extended leave.

Performance Discussion

Dr. Hoke reviewed the current U.S. News and World Report Best Hospitals rankings. Since the rankings are based on two years of data that is two years in arrears, the current rankings are based on 2011 - 2013 data. The Diabetes and Endocrinology department ranked 39th. Four departments: Cancer, Nephrology, Neuorology & Neurosurgery, and Orthopaedics, were ranked as high performers - departments with rankings between 50 and 100. In Virginia, the University had five nationally ranked specialties, Virginia Commonwealth University had four, Inova Fairfax had three, and Sentara Norfolk General Hospital had two. Out of the 185 children's hospitals that submitted data, the
University's children's pulmonology department ranked 37th, urology 41st, orthopaedics 47th, and neonatology 50th.

The Leapfrog hospital safety score for fall 2015 was 3.132. This is a letter grade of B. The University's goal is an "A" letter grade, which has a threshold of 3.151. The University's first score from the fall of 2012 was 2.348, a letter grade of D. As with the U.S. News and World Report rankings, the Leapfrog score is based on two years of data that is two years in arrears.

During the discussion, the Rector asked about the Medical Center's national ranking. Dr. Shannon replied that the School of Medicine ranks 26th out of 149 schools. Ms. Fontaine reported that the School of Nursing ranks 16th out of 450 programs.

School of Medicine Report and Discussion

Dr. Wilkes reported on recruitment efforts and the current initiative to develop themes focusing on specific areas of research. The school is also focusing on infrastructure and facilities improvements that will support research.

Executive Session

The following motion was approved, and the MCOB commenced in Executive Session at 9:46 a.m.:

Mr. Chair, I respectfully move the Medical Center Operating Board into closed meeting to discuss proprietary, business-related information pertaining to the operations of the Medical Center including strategic personnel, financial and market and resource considerations, potential joint ventures or affiliations, other marketing and clinical growth efforts, recruitment and retention of personnel, long range financial plan and assumptions, performance measures and metrics; to consider confidential information and data related to competency and qualifications for professional staff privileges and evaluation of the performance of specific personnel all for the purpose of improving patient care; and, in consultation with legal counsel, to discuss the Medical Center's compliance with relevant federal and state legal requirements, licensure and accreditation standards, which also will involve proprietary business information of the Medical Center and where disclosure at this time would adversely affect the competitive position of the Medical Center. The foregoing motion is authorized by Sections 2.2-3711 (A) (1), (6), (7), (8) and (22) of the Code of Virginia. The closed meeting of the Medical Center Operating Board is further privileged under Section 8.01-581.17 of the Code of Virginia.
At 2:11 p.m., the MCOB left Executive Session and adopted the following resolution certifying that its discussions in Executive Session had been conducted in accordance with the exemptions permitted by the Virginia Freedom of Information Act:

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

On motion, the following resolutions were approved:

**CREDENTIALING AND RECREDENTIALING ACTIONS – APPROVED October 20, 2015**

RESOLVED that the recommendations of the Clinical Staff Executive Committee for appointment to the Clinical Staff of the University of Virginia Medical Center and the granting of specific privileges to the following practitioners are approved:

1. **APPOINTMENTS TO THE CLINICAL STAFF**

RESOLVED that the recommendations of the Clinical Staff Executive Committee for appointment to the Clinical Staff of the University of Virginia Medical Center and the granting of specific privileges to the following practitioners are approved:

**Anderson, Virginia C., Ph.D., Clinical Psychologist in the Department of Psychiatry and Neurobehavioral Sciences; Attending Staff Status; Period of Appointment: September 18, 2015, through September 17, 2016; Privileged in Psychology.**

**Fadul, Camilo E., M.D., Neurologist in the Department of Neurology; Attending Staff Status; Period of Appointment: September 16, 2015, through September 15, 2016; Privileged in Neurology.**

**Holland, Eliza T., M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Appointment: September 2, 2015, through September 1, 2016; Privileged in Pediatrics.**

**Landen, Donna A., M.D., Physician in the Department of Family Medicine; Attending Staff Status; Period of Appointment: September 8, 2015, through September 7, 2016; Privileged in Family Medicine.**

**Potter, Jennifer V., M.D., Anesthesiologist in the Department of Anesthesiology; Attending Staff Status; Period of Appointment: September 8, 2015, through September 7, 2016; Privileged in Anesthesiology.**
Robinson, Elisabeth C., M.D., Orthopaedic Surgeon in the Department of Orthopaedic Surgery; Attending Staff Status; Period of Appointment: September 10, 2015, through September 9, 2016; Privileged in Orthopaedic Surgery.

Robinson, William P., M.D., Surgeon in the Department of Surgery; Attending Staff Status; Period of Appointment: September 1, 2015, through September 10, 2016; Privileged in Surgery.

Rucker, Tinsley W., M.D., Physician in the Department of Family Medicine; Attending Staff Status; Period of Appointment: September 9, 2015, through September 8, 2016; Privileged in Family Medicine.

Saha, Dipanwita, M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Appointment: September 2, 2015, through September 1, 2016; Privileged in Pediatrics.

Spaeder, Michael C., M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Appointment: September 9, 2015, through September 8, 2016; Privileged in Pediatrics.

Uflacker, Andre B., M.D., Radiologist in the Department of Radiology and Medical Imaging; Attending Staff Status; Period of Appointment: October 1, 2015, through September 30, 2016; Privileged in Radiology and Medical Imaging.

Wilkes, David S., M.D., Pulmonologist in the Department of Medicine; Administrative Staff Status; Period of Appointment: September 15, 2015, through September 14, 2016.

2. REAPPOINTMENTS TO THE CLINICAL STAFF

RESOLVED that the recommendations of the Clinical Staff Executive Committee for reappointment to the Clinical Staff of the University of Virginia Medical Center and the granting of specific privileges to the following practitioners are approved:

Bender, Scott D., Ph.D., Clinical Psychologist in the Department of Psychiatry and Neurobehavioral Sciences; Attending Staff Status; Period of Reappointment: November 15, 2015, through May 30, 2017; Privileged in Psychology.

Brant, William E., M.D., Radiologist in the Department of Radiology and Medical Imaging; Attending Staff Status; Period of Reappointment: November 25, 2015, through March 30, 2017; Privileged in Radiology and Medical Imaging.

Chastain, Dania C., Ph.D, Clinical Psychologist in the Department of Anesthesiology; Attending Staff Status; Period of Reappointment: October 25, 2015, through September 29, 2017; Privileged in Psychology.
Druzgal, Colleen H., M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Reappointment: November 1, 2015, through June 29, 2017; Privileged in Pediatrics.

Ehtesham, Asad G., M.D., Nephrologist in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 1, 2015, through June 29, 2017; Privileged in Medicine.

Esau, Sharon A., M.D., Pulmonologist in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 1, 2015, through October 30, 2017; Privileged in Medicine.

Grice, Darlinda M., M.D., Physiatrist in the Department of Physical Medicine and Rehabilitation; Attending Staff Status; Period of Reappointment: November 1, 2015, through October 30, 2017; Privileged in Physical Medicine and Rehabilitation.

Gumuscu, Burak, M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Reappointment: November 18, 2015, through August 29, 2017; Privileged in Pediatrics.

Hays, Rachel, M.D., Gastroenterologist in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 4, 2015, through April 29, 2017; Privileged in Medicine.

Hostler, Sharon L., M.D., Pediatrician in the Department of Pediatrics; Administrative Staff Status; Period of Reappointment: November 1, 2015, through October 30, 2016.

Kellams, Ann L., M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Reappointment: November 6, 2015, through June 29, 2017; Privileged in Pediatrics.

L'Ecuyer, Thomas J., M.D., Pediatrician in the Department of Pediatrics; Attending Staff Status; Period of Reappointment: November 15, 2015, through July 30, 2017; Privileged in Pediatrics.

Mann, James A., M.D., Gastroenterologist in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 1, 2015, through June 29, 2017; Privileged in Medicine.

Maughan, Karen L., M.D., Physician in the Department of Family Medicine; Attending Staff Status; Period of Reappointment: November 25, 2015, through October 30, 2017; Privileged in Family Medicine.

Newbrough, Mark A., M.D., Geriatrician in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 9, 2015, through September 29, 2017; Privileged in Medicine.

Vranic, Gayle M., M.D., Nephrologist in the Department of Medicine; Attending Staff Status; Period of Reappointment: November 21, 2015, through February 27, 2017; Privileged in Medicine.
Wilder, Robert P., M.D., Physiatrist in the Department of Physical Medicine and Rehabilitation; Attending Staff Status; Period of Reappointment: November 16, 2015, through June 29, 2017; Privileged in Physical Medicine and Rehabilitation.

3. STATUS CHANGES TO CLINICAL STAFF

RESOLVED that the recommendation of the Clinical Staff Executive Committee for the status change in clinical privileges to the following practitioners is approved:

Goldstein, Robert B., M.D., Anesthesiologist in the Department of Anesthesiology; Attending Staff Status; Date Status; Period of Reappointment September 29, 2005 through April 29, 2016; Privileged in Anesthesiology.

4. RESIGNATIONS OF CLINICAL STAFF

RESOLVED that the recommendations of the Clinical Staff Executive Committee for the resignation and expiration of privileges to the following Clinical Staff are approved:

Al-Shammas, Bann, M.D., Pediatrician in the Department of Pediatrics; Effective Date of Resignation: May 18, 2015.

Ballengee, Cortney R., M.D., Pediatrician in the Department of Pediatrics; Effective Date of Resignation: April 13, 2015.

Black, Joshua S., M.D., Dermatologist in the Department of Dermatology; Effective Date of Resignation: September 3, 2015.

Commins, Scott P., M.D., Allergist in the Department of Medicine; Effective Date of Resignation: September 30, 2015.

Hayden, Frederick G., M.D., Physician in the Department of Infectious Diseases; Effective Date of Retirement: September 24, 2015.

Jane, John A., M.D., Sr., Neurosurgeon in the Department of Neurosurgery; Deceased Effective Date: September 18, 2015.

Moore, Michael P., M.D., Physiatrist in the Department of Physical Medicine and Rehabilitation; Deceased Effective Date: September 7, 2015.

6. PRIVILEGES FOR NEW ALLIED HEALTH PROFESSIONALS

RESOLVED that the recommendations of the Clinical Staff Executive Committee for the granting of privileges to the following Allied Health Professionals are approved:
Jones, Charles, R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Period of Privileging: September 14, 2015 through September 13, 2016; Privileged as Certified Nurse Anesthetist.

Oncu, Susan, R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Period of Privileging: October 14, 2015 through September 13, 2016; Privileged as a Certified Nurse Anesthetist.

Patrizio, Allison, R.N., N.P., Acute Care Nurse Practitioner in the Department of Medicine; Period of Privileging: September 14, 2015 through September 13, 2016; Privileged as an Acute Care Nurse Practitioner.

Pongracz, Brian A., R.N., N.P., Acute Care Nurse Practitioner in the Department of Neurology; Period of Privileging: September 28, 2015 through September 27, 2016; Privileged as an Acute Care Nurse Practitioner.

Roman, Amy, R.N., N.P., Acute Care Nurse Practitioner in the Department of Radiology and Medical Imaging; Period of Privileging: September 14, 2015 through September 13, 2016; Privileged as an Acute Care Nurse Practitioner.

Wentworth, Danielle, R.N., N.P., Family Nurse Practitioner in the Department of Medicine; Period of Privileging: September 24, 2015 through September 13, 2016; Privileged as a Family Nurse Practitioner.

7. RENEWAL OF PRIVILEGES FOR ALLIED HEALTH PROFESSIONALS

RESOLVED that the recommendations of the Clinical Staff Executive Committee for the renewal of privileges to the following Allied Health Professionals are approved:

Carmel, Rebekah L., R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Period of Privileging: November 30, 2015 through November 29, 2017; Privileged as a Certified Nurse Anesthetist.

Compton, Rebekah M., R.N., N.P., Family Nurse Practitioner in the Department of Family Medicine; Period of Privileging: November 27, 2015 through November 26, 2017; Privileged as a Family Nurse Practitioner.

Good, Elizabeth, R.N., N.P., Acute Care Nurse Practitioner in the Department of Surgery; Period of Privileging: November 15, 2015 through November 14, 2017; Privileged as an Acute Care Nurse Practitioner.

Harwood, Douglas, R.N., N.P., Acute Care Nurse Practitioner in the Department of Neurology; Period of Privileging: November 21, 2015
through November 20, 2017; Privileged as an Acute Care Nurse Practitioner.

Lally, L. Hope, R.N., N.P., Acute Care Nurse Practitioner in the Department of Surgery; Period of Privileging: November 12, 2015 through November 11, 2017; Privileged as an Acute Care Nurse Practitioner.

Lindsay, Raymond, R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Period of Privileging: November 21, 2015 through November 20, 2017; Privileged as a Certified Nurse Anesthetist.

Passerini, Heather, R.N., N.P., Acute Care Nurse Practitioner in the Department of Surgery; Period of Privileging: November 19, 2015 through November 18, 2017; Privileged as an Acute Care Nurse Practitioner.

Strider, David V., R.N., N.P., Acute Care Nurse Practitioner in the Department of Surgery; Period of Privileging: November 13, 2015 through November 12, 2017; Privileged as an Acute Care Nurse Practitioner.

Wenger, Constance N., P.A., Physician Assistant in the Department of Medicine; Period of Privileging: November 7, 2015 through November 6, 2017; Privileged as a Physician Assistant.

Wolf, Jean M., R.N., N.P., Neonatal Nurse Practitioner in the Department of Pediatrics; Period of Privileging: November 10, 2015 through November 9, 2017; Privileged as a Neonatal Nurse Practitioner.

Wood, Susan P., R.N., N.P., Family Nurse Practitioner in the Department of Medicine; Period of Privileging: November 17, 2015 through November 16, 2017; Privileged as a Family Nurse Practitioner.

8. RESIGNATIONS OF ALLIED HEALTH PROFESSIONALS

RESOLVED that the recommendations of the Clinical Staff Executive Committee for the resignation and expiration of privileges to the following Allied Health Professionals are approved:

McHugh, Thomas A., R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Effective Date of Resignation: September 11, 2015.

Berniger, Marilise, P.A., Physician Assistant in the Department of Medicine; Effective Date of Resignation: September 8, 2015.

Ciccarello, Maria L., R.N., N.P., Acute Care Nurse Practitioner in the Department of Surgery; Effective Date of Resignation: September 19, 2015.
Schuyler, Deborah B., R.N., N.P., Certified Nurse Anesthetist in the Department of Anesthesiology; Deceased Effective Date: August 5, 2015.

Skinner, John A., P.A., Physician Assistant in the Department of Surgery; Effective Date of Resignation: September 2, 2015.

9. NEW PRIVILEGES TO CLINICAL STAFF MEMBERS

RESOLVED that the recommendations of the Clinical Staff Executive Committee for new procedural privileges to Clinical Staff of the University of Virginia Medical Center and the granting of specific privileges to the following practitioners are approved:


Rasmussen, Sara, M.D., Pediatric Surgeon in the Department of Surgery; New Privileges in Renal Transplant, Pancreas Transplant, Liver Transplant and Transplant Organ Harvest. Effective October 9, 2015 through March 31, 2016.

On motion, the committee approved the following resolution and recommended it for full Board approval:

FORMATION OF A JOINT OPERATING COMPANY WITH NOVANT HEALTH, INC.

WHEREAS, the University of Virginia Medical Center and Novant Health, Inc. desire to form a joint operating company to create a regional health care alliance in Northern Virginia (the JOC); and

WHEREAS, the Medical Center has a 100% membership interest in Culpeper Memorial Hospital, Incorporated, d/b/a UVA Culpeper Hospital ("Culpeper Hospital"); and

WHEREAS, it is the intent of the Medical Center to contribute the Culpeper Hospital to the JOC and receive a 40% membership interest in the JOC; and

WHEREAS, the Medical Center Operating Board finds it to be in the best interests of the University of Virginia for the Medical Center to become a member of the JOC as described above;

RESOLVED, the University, on behalf of the Medical Center, is authorized to form a joint operating company with Novant Health, Inc. (the JOC) and to contribute the Medical Center’s membership interest in Culpeper Hospital to the JOC; and
RESOLVED FURTHER, the Executive Vice President for Health Affairs of the University, with the concurrence of the Chair of the Medical Center Operating Board, is authorized to negotiate the terms of such transaction, including execution of contracts and all other documents necessary for the formation of the JOC and the closing of the transaction, on such terms as the Executive Vice President for Health Affairs deems appropriate, and to take such other action as the Executive Vice President for Health Affairs deems necessary and appropriate to consummate the foregoing.

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Dr. Shannon reported that this would be Ms. Lorna Facteau’s last meeting and thanked her for her contributions to the Health System.

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On motion, the meeting was adjourned at 2:12 p.m.

SGH:wtl

These minutes have been posted to the University of Virginia’s Board of Visitors website:

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