

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS  
MEETING OF THE  
MEDICAL CENTER  
OPERATING BOARD  
December 4, 2008**

UNIVERSITY OF VIRGINIA  
MEDICAL CENTER OPERATING BOARD

Thursday, December 4, 2008

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
Randy J. Koporc	Edward J. Stemmler, M.D.
Vincent J. Mastracco, Jr.	John O. Wynne

Ex Officio Members:

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

AGENDA

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• Signatory Authority for Medical Center Procurement of Spine Implant Devices	1
II. REPORTS BY THE VICE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE MEDICAL CENTER (Mr. Howell)	
A. Research Presentation - "The Impact of Human Genomics on Clinical Care and Public Health" (Mr. Howell to introduce Mr. Stephen S. Rich; Mr. Rich to report)	2
B. Vice-President's Remarks	3
C. Finance, Write-offs, and Operations (Mr. Howell to introduce Mr. Larry F. Fitzgerald and Ms. Pamela F. Cipriano; Mr. Fitzgerald to report on Finance and Write-offs; Ms. Cipriano to report on Operations)	4
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E. Graduate Medical Education (Mr. Howell to introduce Susan E. Kirk, M.D.; Dr. Kirk to report)	24
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III. REPORT BY THE PRESIDENT OF THE CLINICAL STAFF OF THE  
MEDICAL CENTER (Dr. Hanks)

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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 capacity planning and potential strategic joint ventures or other competitive efforts, as well as linkage to the long-range strategic goals of the Medical Center and Health System Decade Plan and the mission of patient care, education, and research, all where public discussion would adversely affect the Medical Center's bargaining position.
  - 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.
  - Consultation with legal counsel regarding the Medical Center's compliance with relevant federal reimbursement regulations, licensure and accreditation standards, including Medicaid Disproportionate Share, and negotiations concerning performance of a contract, all of which will involve proprietary business information of the Medical Center and evaluation of the performance of specific Medical Center personnel.

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), 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: December 4, 2008

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: I. Approval of Signatory Authority for  
Medical Center Procurement of Spinal  
Implants and Related Products and Services

BACKGROUND: The Board of Visitors is required to approve the execution of any contract where the amount per year is in excess of \$5 million.

DISCUSSION: The University of Virginia Medical Center desires to contract with a vendor for the provision of spinal implants and related products and services at an estimated total cost of \$45 million over 5 years. The Medical Center is using a competitive procurement process to select the vendor.

ACTION REQUIRED: Approval by the Medical Center Operating Board and by the Board of Visitors

APPROVAL OF SIGNATORY AUTHORITY FOR MEDICAL CENTER PROCUREMENT OF SPINAL IMPLANTS AND RELATED PRODUCTS AND SERVICES

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer of the University to execute a contract for spinal implants and related products and services, based upon the recommendation of the Vice President and Chief Executive Officer of the Medical Center in accordance with Medical Center procurement policy.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.A. Research Presentation - "The Impact of Human Genomics on Clinical Care and Public Health"

ACTION REQUIRED: None

BACKGROUND: The Board of Visitors has undertaken a major initiative to enhance research in key areas of science and technology at the University of Virginia. As part of that initiative Stephen S. Rich, Ph.D., was recruited and appointed as Director of the newly established Center for Public Health Genomics in the School of Medicine. Mr. Rich is an epidemiologist and geneticist, and prior to coming to the University of Virginia was a professor and vice chair of the Department of Public Health Sciences, professor in the Department of Neurology, and associate professor in the Department of Cancer Biology at Wake Forest University.

DISCUSSION: Mr. Rich will describe the research being undertaken in the Center for Public Health Genomics and its impact on clinical care and public health. The focus of the Center is to translate findings from the Human Genome Project into usable science and treatments to benefit patients. The Center is composed of faculty in a number of departments across the University.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.B. 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: December 4, 2008

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

At the end of September, the operating margin was 4.6 percent, while the goal was 4.4 percent. Total operating revenue was below budget by 1.8 percent, but total operating expenses were below budget by 2.0 percent. The UVA Imaging Center and Outpatient Surgery Center exceeded their budgets while the hospital had operating income \$1,364,474 below its budget.

Inpatient admissions were 4.0 percent below budget. The lack of bed capacity at peak times has not permitted the Medical Center to accept all patients referred, which is a factor causing the budget shortfall. It seems, too, that the current economic crisis is causing potential patients needing services to defer those services, which appears to be the trend across the state and probably across the nation. Admissions of adult patients were 3.7 percent below budget and 1.7 percent below prior year. Cardiology admissions in the first quarter decreased by 27.3 percent from the first quarter of Fiscal Year 2008. Orthopedic admissions decreased by 7.6 percent as more cases are being handled on an outpatient basis. Pediatric admissions were 13.0 percent below budget and have declined by 9.0 percent from the prior year. At the end of September 2008, the Medical Center had 589 staffed inpatient beds in operation, compared to 579 beds in operation at the same time last year.

Patient days were 2.7 percent above budget because of a length of stay averaging 6.17 days, compared to the 5.80 day budgeted length of stay. The length of stay in the Neonatal Intensive Care Unit, for example, has increased because of higher patient acuity and some difficulty with transporting babies back to their local hospitals. The length of stay on the Medicine service has increased by .83 days (15.1 percent) over the prior year, in part because of decreases in discharges in the Cardiology division, which has a relatively low length of stay. Finally, the higher length of stay can also be attributed to an increased case mix index. The case mix index for all acute inpatients was 1.8388, which was above the 1.8200 budget and the 1.8063 level in the prior year.

Net patient service revenue for the first quarter of Fiscal Year 2009 was 1.6 percent below budget, primarily because of the admissions shortfall. Partially offsetting the decrease in admissions were the higher than expected overall and Medicare case mix indices. The case mix index for Medicare acute inpatients was 1.9603, which was above the 1.9400 budget and the 1.9445 level in the prior year. There was slight improvement in the payor mix with inpatient commercial discharges down 1.5% against prior year while the overall drop in inpatient discharges was 2.3%

Total operating expenses through September were 2.0 percent below the \$245.0 million budget. Total labor expenses (including salaries and wages, fringe benefits and contract labor) were 1.1 percent below budget. Medical supplies were above budget primarily because of organ acquisition costs, as the number of transplant cases through September was 22.0 percent higher than expected. Purchased services were below budget, partly because of lower than anticipated costs for utilities, housekeeping and dietary services.

Full time equivalent employees were 32 below budget and 141 greater than the prior year. Contract labor FTEs were 22 above budget but 61 below the prior year. FTEs and salary, wage and benefit cost per FTE were:

	<u>FY 2008</u>	<u>FY 2009</u>	<u>2009 Budget</u>
FTEs	5,995	6,136	6,168
Salary, Wage and Benefit Cost per FTE	\$66,068	\$68,011	\$68,947
Contract Labor FTEs	303	242	220
Total FTEs	6,297	6,378	6,388

#### OTHER FINANCIAL ISSUES

3M Health Information System, Inc., in conjunction with the Medical Center, has initiated a project to assess our coding and documentation and highlight opportunities to improve documentation as it impacts coding. The essence of the program would be to educate the Clinical Staff on best documentation practices (under the new severity adjusted DRG system) and focus on documentation that will better reflect severity of illness and risk of mortality. Another component of the program would be to employ a physician liaison and numerous clinical documentation specialists (coder or RN) to interact concurrently with the physicians and ancillary staff for identification of documentation improvement. A Request for Proposal was issued and the Medical Center has contracted with 3M for the first phase of the program, which will involve a review of 150 Medicare charts to assess the coding and the level of documentation. By November 21, 2008, 3M will present the roll out plan for physician education and program implementation. At that point, if the decision is made to engage with 3M and its implementation plan, another contract will be signed.

The Medical Center continues to work proactively on agreements with various payors. Recent efforts have included: 1) consolidation of all United Healthcare business under one 3-year agreement preserving the current margins; 2) extension of the Medical Center agreement with CIGNA which stipulates that the Medical Center will transition to MS-DRGs on or before January 1, 2009; 3) signing a home health/home infusion agreement with Aetna; and 4) amending several Part D pharmacy agreements to comply with new Centers for Medicare and Medicaid Services regulations and entering into three new Part D

agreements. On another note, Patient Financial Services participated with Marketing on a radio interview regarding indigent care and uninsured patients.

Anthem has continued our participation in its national transplant network, which now includes liver and kidney transplants.

The Medical Center will be required by the Centers for Medicare and Medicaid Services to bill separate evaluation and management codes for facility fees in the Ambulatory Clinics. In preparation for that change the Revenue Team, Health System Computing Services and Patient Care Services have worked jointly to finalize and test an electronic documentation and charge capture tool. In addition to Medicare compliance, we expect improvements in efficiency and increased revenue opportunities.

Losses due to the recent decline of stock values caused a loss on our endowment in the first quarter of \$10,569,849, which is recorded as non-operating revenue. We expect a loss of approximately the same amount the second quarter.

#### WRITE-OFF OF BAD DEBTS AND INDIGENT CARE

Indigent care charges totaling \$42.3 million for the period July 1, 2008, through September 30, 2008, have been written off. Recoveries during this period totaled \$13.3 million.

Bad debt charges totaling \$11.2 million have been written off in the first three months of Fiscal Year 2009. During this same period, \$4.6 million was recovered through suits, collection agencies, and Virginia refund set-off.

#### OPERATIONS REPORT

##### Facilities

The Smoke Free Hospital Initiative Oversight Committee convened in late September to begin planning for a year long campaign for the Medical Center to be 100% smoke-free by October 1, 2009. Information and education will be provided to patients and staff, and employees will be offered smoking cessation opportunities to assist them if they choose to quit smoking.

As construction begins on the Hospital Bed Expansion, the Cancer Center, and other building projects, an important goal of

the Medical Center is to ensure that patient satisfaction is not negatively impacted, and to minimize any disruption. Facilities Management, Finance, and Patient Care Services are collaborating to focus on the following efforts:

- 1) evaluating patient traffic flows,
- 2) implementing a temporary registration hub in the main hospital,
- 3) conducting a customer service training program for registrars, and
- 4) ensuring a proper care environment during renovation of the Admitting Area.

In preparation for the Hospital Bed Expansion project, tours of mock patient rooms were conducted from September 22 - October 24, for over 100 staff members from a variety of clinical disciplines. Feedback was overwhelmingly positive for the healing appearance of the environment and for the size of the space. Staff suggested options for such things as the placement of handrails, monitors, documentation stations, and storage. Feedback on surveys conducted after the tours will be used in finalizing the design. In mid-October construction began on enclosures for reinforcing columns in the University Hospital lobby in anticipation of the project.

Plans for refurbishing current inpatient units have been developed and approved to proceed. Refurbishing of corridors in the main hospital patient areas is under way. Refurbishing of inpatient nursing units will begin in December.

The Medical Center took over ownership and operations of the Blake Center and the Patton House on November 1<sup>st</sup>.

### Quality, Health, and Safety

On October 21<sup>st</sup>, the Medical Center announced the 3<sup>rd</sup> Annual Charles L. Brown Award for Patient Care Quality Application Process. Applications are due December 15<sup>th</sup>. The Award provides ten thousand dollars to a Health System team or teams to recognize excellence in improved patient care.

During the month of November, the Medical Center asked staff to complete a survey to rate our "culture of safety". The survey addresses the first element of performance for Standard LD.03.01.01 of the Joint Commission Leadership chapter of the hospital accreditation program: "Leaders regularly evaluate the culture of safety and quality using valid and reliable tools." Results are being tabulated and will be evaluated for action.

The Medical Center has hired an Employee Safety Coordinator, which is an investment in the safety of all employees and in the creation of a culture of safety within the Medical Center. The initial program focus has been on enhancing the Minimal Lift Program, which facilitates patient movement with specialized equipment and eliminates staff risk for musculoskeletal injury. The Coordinator also is heavily involved in the reduction of slips, trips and falls, and in the investigation of bloodborne pathogen exposures.

We have stepped up efforts to implement and coordinate the OSHA mandated Respiratory Fit Testing Program for employees in clinical contact with patients. Through this program, annual respiratory fit testing began in October and going forward will be conducted in the employee's birth month. Respiratory Fit Testing ensures we are meeting the OSHA mandate, and positions us to be prepared in the event of pandemic airborne illnesses such as influenza. Approximately 400 employees will be tested per month.

Flu vaccines clinics are under way throughout the Medical Center. For the entire flu season last year (October 2007 - March 2008) we administered 4,942 doses of vaccine. As of November 5, Employee Health has administered 4,408 doses of flu vaccine in the first 25 days of the campaign. In 2007, we did not reach this same number until November 27. We will continue to be persistent and creative in ensuring that vaccine is readily available to staff. To date, 6,186 patients have received flu vaccines.

#### Human Resources Initiatives

The Medical Center participated in its second annual Employee Engagement Survey September 2-14, 2008. The survey was administered, scored, and analyzed by an outside company, Morehead Associates. We achieved a high response rate of 82%. Our survey results improved to a statistically significant degree from last year on 24 survey items, stayed consistent on 38 items, and were lower on 4 items. The areas of improvement include: satisfaction with benefits; connection to and awareness of Medical Center goals (I Care, I Heal, I Build); the Medical Center's environmental responsibility; the Medical Center's care for customers; the Medical Center's provision of career development opportunities; and the belief that survey information will be used to make improvements. Our overall Commitment Indicator rose from 3.79 in 2007 to 3.82 in 2008 (on a scale of 1-5). The Commitment Indicator reflects areas such

as pride in the institution, loyalty over time, and overall satisfaction as an employee. In response to a recommendation from the 2008 Employee Engagement Action Planning Teams, a centralized process was developed for the administration of tuition assistance and reimbursement for coursework taken at accredited institutions. Formerly, administration and budgeting of this benefit was done at the department level. Satisfaction from this initiative is reflected in the improved scores of this year's survey item on career development opportunities.

The Medical Center is in the process of upgrading its Human Resources data management system, with a "go live" date scheduled for December 8, 2008. The upgrade includes the expansion of the Employee Self Service module, which includes putting employee earnings statements on-line, with a projected savings of \$30,000 annually, as well as a "view mode" for benefit information. This is a green initiative in that paper earnings statements will no longer be printed, providing both an economical and an environmental benefit. Additionally, the self service system will provide better customer service by allowing employees to access their own pay information and history. Communication planning and training sessions for 600 timekeepers are in progress.

#### Supply Chain Opportunities

The Supply Chain Optimization and Process Excellence (SCOPE) project began in March with an \$8.6 million target reduction in ongoing expenses and a \$2.3 million one-time inventory reduction. To date, the twelve project teams have identified and implemented \$6.1 million in Fiscal Year 2009 savings, which have been applied to the respective departments' budgets. Going forward, on an annual basis, these savings will exceed \$10.5 million.

The affiliation between the Medical Center and Culpeper Regional Hospital was approved at the Board of Visitors meeting in October. Subject to review by the Attorney General of Virginia, this joint venture is slated for implementation beginning January 1, 2009. As an initial first step towards synergy, Culpeper Regional Hospital conducted a comparative analysis to see if additional savings could be realized by joining the University HealthSystem Consortium and accessing its group purchasing program. The analysis showed that Culpeper could achieve an estimated 9% additional savings through the Consortium program. As a result, Culpeper has initiated a conversion to the program, which is anticipated to be completed in early to mid-2009.

The Medical Center is a member of the Central Virginia Health Network. The Network operates a sterile processing facility in Richmond that processes surgical instrumentation and supplies for its members. The Medical Center is evaluating the Central Virginia Health Network's service offering to determine if any value exists in having it provide service to the Medical Center. Due diligence is currently under way and is expected to be completed by the end of the year.

### Technology and Health Information

The Medical Center notified the vendor of the SCI software, used as a trial for scheduling patients, that we are not accepting the software because it is not compatible with search function requirements.

Health Information Services started two pilot projects in October 2008. A project using handheld dictation devices, with Admission/Discharge/Transfer or "ADT" feed, went live on October 28th for 3 attending physicians (Dermatology, Nephrology, and Pediatrics), 1 physician assistant (Neurosurgery) and 1 resident physician (Neurology); and the global transcription solution pilot went live on October 6th for all Pulmonary dictation.

Technology Services is evaluating the use of radio frequency identification devices to allow the Medical Center to track in real time the location of medical devices (e.g., infusion pumps, defibrillators, wheel chairs, stretchers, ventilators) that move from place to place in the Medical Center, and to determine the real time location of patients as they progress through various locations for diagnosis and treatment.

### Medical Laboratory Operations

The Blood Bank was inspected recently by representatives from the American Association of Blood Banks and the College of American Pathologists. The results were extremely positive, with no deficiencies found and no recommendations made by the inspectors. New Point-of-Care testing is being implemented in the Operating Rooms so physicians can assess more quickly a patient's need for blood products. This testing will improve patient care as well as reduce unnecessary transfusions of these valuable resources. Point-of-Care testing Hemoglobin A1C will soon be offered at University Medical Associates. Health care providers will have results available to them during the patient's visit so that patients can be provided immediate

advice on the treatment of diabetes. A business plan is being developed that will incorporate the laboratories' Outreach program. The focus will be the growth in testing and Pathology services throughout the region.

### Awards and Recognition

As the University of Virginia Hospital Auxiliary celebrates its 100<sup>th</sup> anniversary, a grand re-opening of the Auxiliary Gift Shop was held in September in their new updated facility. This was followed by the new Hospital Hospitality House being renamed in honor of the Auxiliary at the October meeting of the Board of Visitors. On November 20<sup>th</sup>, a reception to celebrate the Auxiliary's 100<sup>th</sup> anniversary was held at Carr's Hill.

The Virginia Chapter of the American Association of Healthcare Administrative Management received first place recognition for Chapter Excellence and Best Newsletter at their national conference. Several staff members from Patient Financial Services hold leadership roles in this organization.

Mary Ann Himes and Hildy Baldwin of Patient and Guest Services attended the Relay Health Educational Conference in Phoenix on October 21<sup>st</sup> - 24<sup>th</sup>, and gave a presentation entitled, "Diversify to Solidify: Unusual Customers Contributing to Your Call Centers Bottom Line." The presentation included information on how to diversify a Call Center's customer base by adding services which are usually not provided through the typical health care Call Center, how to identify and add new revenue streams for a Call Center and learning to secure a Call Center's future viability by adding critical services for the organization into the Call Center's operations.

Nurses Pam Dennison, Kathleen Rea, Pam Cipriano, Paula Darradji, Susan Goins-Eplee, Malinda Whitlow, Teresa Haller, Carole Ballew, Barbara Trotter, and Marilyn Pace, provided five podium presentations and a poster at the National Magnet Conference in Salt Lake City, Utah, in October.

Barbara Post, M.D., Medical Director of Northridge Internal Medicine (Community Medicine), was recognized by her peers as one of the top clinicians and elected to the 2007-2008 Best Doctors in America database.

The Annual Community Service Awards dinner was held on October 28<sup>th</sup> in the Rotunda. At that time, Dr. Mohan Nadkarni and Ed Hicks (Department of Prosthetics and Orthotics) were honored as our two community service award winners. Dr.

Nadkarni was recognized for his efforts in improving health care access in the Charlottesville community and beyond. Ed Hicks was recognized for his involvement with Adventure Camp, Inc., a camp for children with limb loss. Ed is also active with the Ruritan Club.

The Medical Center also acknowledged two Community Builders during the Community Service Awards dinner. They were Michelle Hobbs (Director of Investigational Drugs, Pharmacy) and Doris Strother (Health Unit Coordinator, Neonatal Intensive Care Unit). Michelle is responsible for organizing the pharmacy for RAM every year and Doris is very active in her church. The recipients were chosen by a subcommittee of the Medical Center's Community Service Committee.

Kathy Sudduth, Cytogenetics lab manager, received the annual national Outstanding Achievement Award of the Association of Genetic Technologists. An "ambassador" program was developed recently to enhance communications and relationships with the staff in Medical Laboratories and the patient care areas. Laboratory staff makes rounds on selected units and clinics on a regular basis to discuss potential problems or issues and how they can be addressed promptly. This program has been accepted widely and we feel it has had a positive impact on employee satisfaction.

In October, the University of Virginia Medical Center received the 2008 HHS Medal of Honor for Organ Donation at the National Learning Congress in Nashville, Tennessee. Angie Korsun, Director of Transplant, and Timothy Pruett, M.D., Professor and Head of Transplantation Surgery, represented the Medical Center to accept this distinguished award on behalf of Mr. Howell.

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

Description	Most Recent Three Fiscal Years			Budget/Target
	Sep-06	Sep-07	Sep-08	Sep-08
Net patient revenue	\$220.2	\$227.4	\$245.5	\$249.5
Other revenue	<u>5.0</u>	<u>6.1</u>	<u>6.3</u>	<u>6.9</u>
Total operating revenue	<u>\$225.2</u>	<u>\$233.5</u>	<u>\$251.8</u>	<u>\$256.4</u>
Operating expenses	199.0	211.7	225.1	228.2
Depreciation	11.8	12.5	13.1	14.2
Interest expense	<u>1.5</u>	<u>2.0</u>	<u>1.9</u>	<u>2.6</u>
Total operating expenses	<u>\$212.3</u>	<u>\$226.2</u>	<u>\$240.1</u>	<u>\$245.0</u>
Operating income (loss)	<u>\$12.9</u>	<u>\$7.3</u>	<u>\$11.7</u>	<u>\$11.4</u>
Non-operating income (loss)	<u>\$31.0</u>	<u>\$5.7</u>	( <u>\$6.0</u> )	<u>\$5.1</u>
Net income (loss)	<u>\$43.9</u>	<u>\$13.0</u>	<u>\$5.7</u>	<u>\$16.5</u>
Principal payment	\$2.3	\$2.7	\$3.1	\$2.0

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

Description	Most Recent Three Fiscal Years		
	Sep-06	Sep-07	Sep-08
<b>Assets</b>			
Operating cash and investments	\$181.1	\$117.8	\$60.4
Patient accounts receivables	64.4	51.9	55.8
Property, plant and equipment	355.0	391.9	431.7
Depreciation reserve and other investments	261.5	403.6	348.0
Endowment Funds	127.0	150.5	316.5
Other assets	<u>100.5</u>	<u>122.1</u>	<u>112.8</u>
<b>Total Assets</b>	<u>\$1,089.5</u>	<u>\$1,237.8</u>	<u>\$1,325.2</u>
<b>Liabilities</b>			
Current portion long-term debt	\$14.9	\$14.8	\$14.1
Accounts payable & other liab	70.4	86.8	92.9
Long-term debt	163.6	153.1	221.6
Accrued leave and other LT liab	<u>64.1</u>	<u>133.1</u>	<u>108.4</u>
<b>Total Liabilities</b>	<u>\$313.0</u>	<u>\$387.8</u>	<u>\$437.0</u>
<b>Fund Balance</b>	<u>\$776.5</u>	<u>\$850.0</u>	<u>\$888.2</u>
<b>Total Liabilities &amp; Fund Balance</b>	<u>\$1,089.5</u>	<u>\$1,237.8</u>	<u>\$1,325.2</u>

University of Virginia Medical Center  
Financial Ratios

Description	Most Recent Three Fiscal Years			Budget/Target
	Sep-06	Sep-07	Sep-08	Sep-08
Operating margin (%)	5.7%	3.1%	4.6%	4.4%
Total margin (%)	17.1%	5.4%	2.3%	6.3%
Current ratio (x)	2.9	1.7	1.1	2.0
Days cash on hand (days)	190.0	217.0	200.0	190.0
Gross accounts receivable (days)	51.5	49.9	47.2	60.0
Annual debt service coverage (x)	15.2	5.9	4.2	7.2
Debt-to-capitalization (%)	20.1%	18.0%	27.9%	20.0%
Capital expense (%)	6.3%	6.4%	6.2%	6.9%

University of Virginia Medical Center  
Operating Statistics

Description	Most Recent Three Fiscal Years			Budget/Target
	Sep-06	Sep-07	Sep-08	Sep-08
Acute Admissions	7,546	7,510	7,335	7,640
Patient days	43,267	43,983	45,536	44,325
SS/PP Patients	1,699	1,767	1,930	1,550
Average length of stay	5.70	5.93	6.17	5.80
Clinic visits	154,427	155,350	158,098	167,423
ER visits	14,813	15,387	15,488	15,471
Medicare case mix index	1.9336	1.9445	1.9603	1.9400
Occupancy %	76.1%	76.0%	72.1%	72.6%
FTE's (including contract labor)	6,100	6,297	6,378	6,388

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 - September FY2009

**OPERATING STATISTICAL MEASURES - September FY 2009**

<b>ADMISSIONS and CASE MIX - Year to Date</b>					<b>OTHER INSTITUTIONAL MEASURES - Year to Date</b>				
	<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Prior Year</u>		<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Prior Year</u>
<b>ADMISSIONS:</b>					<b>ACUTE INPATIENTS:</b>				
Adult	6,228	6,469	(3.7%)	6,338	Inpatient Days	45,536	44,325	2.7%	43,983
Pediatrics	732	841	(13.0%)	798	Average Length of Stay	6.17	5.80	(6.4%)	5.93
Psychiatric	375	330	13.6%	374	Average Daily Census	495	482	2.7%	478
					Births	478	464	3.0%	458
Subtotal Admissions	7,335	7,640	(4.0%)	7,510	<b>OUTPATIENTS:</b>				
Short Stay	1,930	1,550	24.5%	1,767	Clinic Visits	158,098	167,423	(5.6%)	155,350
					Average Daily Visits	2,712	2,858	(5.1%)	2,710
Total Patients Assigned a Bed	9,265	9,190	0.8%	9,277	Emergency Room Visits	15,488	15,471	0.1%	15,387
<b>CASE MIX INDEX:</b>					<b>SURGICAL CASES</b>				
All Acute Inpatients	1.8388	1.8200	1.0%	1.8063	Main Operating Room (IP and OP)	4,714	4,962	(5.0%)	4,535
Medicare Inpatients	1.9603	1.9400	1.0%	1.9445	UVA Outpatient Surgery Center	2,012	1,919	4.8%	1,749
					Total	6,726	6,881	(2.3%)	6,284

**OPERATING FINANCIAL MEASURES - September FY 2009**

<b>REVENUES and EXPENSES - Year to Date</b>					<b>OTHER INSTITUTIONAL MEASURES - Year to Date</b>				
	<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Prior Year</u>		<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Prior Year</u>
<b>NET REVENUES:</b>					<b>NET REVENUE BY PAYOR:</b>				
Net Patient Service Revenue	\$ 245,531,430	\$ 249,516,404	(1.6%)	\$ 227,362,960	Medicare	\$ 75,288,516	\$ 74,738,387	0.7%	72,341,351
Other Operating Revenue	6,293,324	6,887,342	(8.6%)	6,179,284	Medicaid	27,679,071	30,363,080	(8.8%)	27,708,002
Total	\$ 251,824,754	\$ 256,403,746	(1.8%)	\$ 233,542,244	Commercial Insurance	47,737,885	45,805,635	4.2%	40,480,493
					Anthem	44,521,732	44,625,161	(0.2%)	39,591,700
					Southern Health	12,494,907	12,335,345	1.3%	10,940,646
					Other	37,809,319	41,648,796	(9.2%)	36,300,769
					Total Paying Patient Revenue	\$ 245,531,430	\$ 249,516,404	(1.6%)	227,362,960
<b>EXPENSES:</b>					<b>OTHER:</b>				
Salaries, Wages & Contract Labor	\$ 109,625,645	\$ 110,811,395	1.1%	\$ 105,178,248	Collection % of Gross Billings	41.63%	42.86%	(2.9%)	44.30%
Supplies	55,744,679	55,521,864	(0.4%)	52,908,920	Days of Revenue in Receivables (Gross)	47.2	60.0	(21.3%)	49.9
Contracts & Purchased Services	49,662,430	52,290,031	5.0%	44,165,924	Cost per CMI & OP-Adj Discharge	\$ 9,170	\$ 9,189	0.2%	\$ 8,763
Bad Debts	10,061,783	9,540,296	(5.5%)	9,426,738	Cost per CMI & OP-Adj Day	\$ 1,477	\$ 1,583	6.7%	\$ 1,496
Depreciation	13,091,211	14,165,443	7.6%	12,495,741	Cost per Outpatient Visit	\$ 75.92	\$ 70.65	(7.5%)	\$ 76.67
Interest Expense	1,937,866	2,672,074	27.5%	2,021,687	Total F.T.E.'s (including Contract Labor)	6,378	6,388	0.2%	6,297
Total	\$ 240,123,614	\$ 245,001,103	2.0%	\$ 226,197,258	F.T.E.'s Per Adjusted Occupied Bed	7.39	7.66	3.5%	7.78
Operating Margin	\$ 11,701,140	\$ 11,402,643	2.6%	\$ 7,344,986					
Operating Margin %	4.6%	4.4%		3.1%					
Non-Operating Revenue	\$ (5,972,861)	\$ 5,099,744	(217.1%)	\$ 5,673,095					
Net Income	\$ 5,728,279	\$ 16,502,387	(65.3%)	\$ 13,018,081					

### **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 Medicare 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 September <u>2008-09</u>	<u>Annual Activity</u>	
		<u>2007-08</u>	<u>2006-07</u>
<u>INDIGENT CARE (IC)</u>			
Net Charge Write-Off	<u>33,800</u>	<u>133,320</u>	<u>113,523</u>
Percentage of Net Write-Offs to Revenue	5.73%	6.34%	6.08%
Total Reimbursable Indigent Care Cost	<u>12,776</u>	<u>54,558</u>	<u>43,652</u>
State and Federal Funding	12,776	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>
	September <u>2008-09</u>	<u>Annual Activity</u>	
		<u>2007-08</u>	<u>2006-07</u>
<u>BAD DEBT</u>			
Net Charge Write-Offs	<u>10,062</u>	<u>31,472</u>	<u>32,843</u>
Percentage of Net Write-Offs to Revenue	1.71%	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 indi

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

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 is 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  
December 2008**

Scope	Budget	Funding Source	BOV Approval Date	Projected Completion Date
<b>1. Pre-Construction</b>				
<b>Clinical Office Building:</b> Board of Visitors approved project to complete the 3 <sup>rd</sup> floor fit out for the Spine Center and Orthopaedic Services. Design work underway.	\$8 M	Bonds	Jan 2003 Feb 2008	2009
<b>West Main Street Development - including Children's Hospital:</b> Facility programming being validated for children's outpatient services and new outpatient surgery center.	\$117 M	Bonds and Outside Fundraising	TBD	TBD
<b>University Hospital Bed Expansion:</b> Project to increase inpatient bed capacity in University Hospital by adding 72 private, ICU-level rooms. Construction procurement underway.	\$80.2 M	Bonds and Health System Operating Revenue	Sept 2005 June 2007	2011
<b>University Hospital:</b> Renovate Heart Center invasive procedure areas – design underway. <sup>1</sup>	\$15.6 M (21,600 GSF)	Bonds	Feb 2008	2010
<b>University Hospital:</b> Add two Operating Rooms and Magnetic Resonance Imaging Room (with equipment) – design underway. <sup>1</sup>	\$14.3 M (2,330 GSF)	Bonds	Feb 2008	2010

<sup>1</sup> Project modifies original Hospital Expansion Project

**The University of Virginia Medical Center  
Capital Projects Report  
December 2008**

Scope	Budget	Funding Source	BOV Approval Date	Projected Completion Date
<b>1. Pre-Construction</b>				
<b>University Hospital:</b> Renovate and relocate Surgical Pathology Laboratory – design underway <sup>1</sup> .	\$6.5M (8,800 GSF)	Bonds	Feb 2008	2010
<b>University Hospital:</b> Add elevators – evaluations underway.	\$7.6 M	Bonds	Feb 2008	2010
<b>Moser Radiation Therapy Center:</b> Construct addition for 2 <sup>nd</sup> linear accelerator – design underway.	\$2.5 M (3,000 GSF)	Bonds	Feb 2008	2010
<b>Primary Care Center:</b> Repair brick façade and replace roof – work scheduled to start in September 2008.	\$6.6 M	Bonds	Feb 2008	2010
<b>2. Under Construction</b>				
<b>University Hospital:</b> Renovate Radiology Department – phased construction underway	\$21.2 M (52,000 GSF)	Bonds	Feb 2008	2012
<b>Emily Couric Clinical Cancer Center :</b> Construction documents complete for consolidated and comprehensive Cancer Center. Construction Manager (Gilbane/Russell) is on board. Ground breaking occurred April 12, 2008. Installation of building foundation is underway.	\$74 M (including added floor)	General Fund Appropriation ( @ \$25 M ) , Bonds and Outside Fundraising	Oct 2004 July 2006 (B&G Committee) June 2007	2010

<sup>1</sup> Project modifies original Hospital Expansion Project

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.E. Graduate Medical Education

ACTION REQUIRED: None

BACKGROUND: Graduate Medical Education remains a cornerstone of all academic medical centers. It is within Graduate Medical Education that we have the opportunity to secure the future of medicine with those we are educating and training. The Medical Center has over 750 residents and fellows participating in 95 training programs - 64 programs accredited by the Accreditation Council for Graduate Medical Education, and 26 non-accredited medical subspecialty programs. Additionally, the Medical Center offers a Dentistry residency accredited by the American Dental Association, and four paramedical programs in Clinical Psychology, Pharmacy, Chaplaincy, and Radiation Physics.

The Medical Center continues to endeavor to meet the challenges of the Accreditation Council for Graduate Medical Education Duty Hour regulations and ensure that our trainees work and learn in an environment where education is emphasized over service. This requires continual oversight of all aspects of every program, including compliance with Duty Hours. In 2008, the New Innovations Residency Management Suite replaced an older system, Residency Attending Fellow Tracking, which was utilized for Duty Hours and Evaluations. New Innovations also provides a more in-depth management tool to effectively measure Outcomes and Assessments as they pertain to defining a successful Graduate Medical Education program. From compliance with Duty Hours to building curricula, to the creation of individual scholarly portfolios for each of our trainees, New Innovations will be utilized by both the Graduate Medical Education Office and individual programs to assist in managing and monitoring the quality of trainees' education.

DISCUSSION:

Housestaff Statistics

The training year for housestaff generally is July to June, although several programs are slightly off-cycle. Medical, dental, and clinical psychology residents are appointed annually and reappointed through the Credentials Committee. Statistics for Fiscal Year 2008 are as follows:

Departing Housestaff:

Completed training program*	236
Transferred to another program	4
Not reappointed for academic reasons	2
Resigned for personal or academic reasons	9
Deceased	1
Terminated from program	0

\* Of the 236 residents completing training, 13 were appointed to faculty positions.

New Appointments 257

Reappointments 497

Accreditation Status

Accreditation of graduate medical education programs is provided by the Accreditation Council for Graduate Medical Education. Accreditation is accomplished through a peer review process and is based upon standards and guidelines established by twenty-six specialty-specific committees, known as Residency Review Committees. The accreditation (or reaccreditation) process occurs periodically on a schedule set by the Residency Review Committees and is based upon documentation provided by the program director and by a reviewer following an on-site visit of the program. The current accreditation status of our programs is as follows:

- All 64 programs accredited by the Accreditation Council for Graduate Medical Education and the Institution have full accreditation
  - 21 core residency programs
  - 43 subspecialty/fellowship programs

Program success also is measured by the length of the accreditation provided by the Accreditation Council for Graduate Medical Education and the Residency Review Committees. Nearly 70% of all University of Virginia accredited programs have a 4-5 year cycle and 50% have a full 5-year cycle.

- 5 year accreditation -- 32 programs
- 4 year accreditation -- 12 programs
- 2.5-3 year accreditation -- 10 programs
- 1.5-2 year accreditation -- 10 programs

However, more programs received shorter cycles this past year than in the previous year. Of the seven programs that received an official Letter of Notification from the Accreditation Council for Graduate Medical Education in 2008, two received 5-year cycles, one received a 4-year cycle, one received a 3-year cycle, and three received 2-year cycles.

The Designated Institutional Official and Graduate Medical Education Committee have begun to track common citations received by programs during their Residency Review Committee visits as a method to evaluate deficiencies and take action that will lead to overall improvement of the training environment. During the past year, areas that have been cited more than once include:

- *Insufficient Volume* - Programs did not document sufficient exposure to certain cases or areas of medicine.
- *Evaluations* - Programs failed to document compliance with one of the required competencies.
- *Curriculum* - Goals and objectives were not clearly stated or not stratified by year.
- *Lack of Institutional Support* - Three programs were cited for not having sufficient technical or clerical support or space to carry out educational activities.

Although correcting the first three citations will be aided by the use of our new tracking system, New Innovations, the increasing frequency of the fourth is more difficult to address. This is a particular concern as the institution prepares for its next Institutional Review by the Accreditation Council for Graduate Medical Education, tentatively scheduled for October 2009.

A significant positive achievement is the on-time completion of all Internal Reviews, which was a major concern at the Institutional Review in 2005. Since the change in Graduate Medical Education leadership, every program has had its Internal Review, the audit conducted by the Graduate Medical Education Office and overseen by the Graduate Medical Education Committee, performed on time. Consequently, individual programs have seen the elimination of Residency Review Committee citations for the lack of mid-cycle internal review. The institution remains on a rigorous schedule with 17 Internal Reviews scheduled between January 2009, and December 2009.

### National Match

The Medical Center participates in the National Residency Matching Program. Participation is required for programs offering Post Graduate Year 1 positions and available to programs offering Post Graduation Year 2 positions. Twenty-seven programs, offering 148 positions, participated in the 2008 Match - 14 Categorical programs (Post Graduate Year 1 for July 2008), 4 Preliminary programs (Post Graduate Year 1 for July 2008), 1 Primary program, and 8 Advanced programs (Post Graduate Year 2 for July 2009). All but one program filled through the Match; the Non-Designated Preliminary Surgery program intentionally did not fill all positions offered, but did successfully fill the remaining open spots post-match.

### Finance

The total direct budget for Graduate Medical Education programs for fiscal year 2009 is \$47,219,247. Funds to support this program come from Medicare, Medicaid, other government or industry sources, and the Medical Center.

In addition to continuing to fund innovative programs to support education, such as the Master Educators Award, the Graduate Medical Education Innovative Grant Program, and the Certificate Program, the Medical Center increased salaries and benefits for all graduate medical trainees in July 2008, in order to remain competitive with Graduate Medical Education programs nationally.

**University of Virginia Housestaff Salaries**  
**Effective July 1, 2008 - June 30, 2009**

<b>Program</b>	<b>Level</b>	<b>UVA Annual Salary</b>	<b>50<sup>th</sup> Percentile All Regions*</b>	<b>Median Southeast Region*</b>
<b>Medical/Dental</b>	<b>PGY 1</b>	<b>\$47,749</b>	<b>\$45,659</b>	<b>\$46,245</b>
	<b>PGY 2</b>	<b>\$48,419</b>	<b>\$47,257</b>	<b>\$48,092</b>
	<b>PGY 3</b>	<b>\$50,347</b>	<b>\$49,095</b>	<b>\$50,128</b>
	<b>PGY 4</b>	<b>\$53,978</b>	<b>\$50,987</b>	<b>\$52,154</b>
	<b>PGY 5</b>	<b>\$54,508</b>	<b>\$52,956</b>	<b>\$54,164</b>
	<b>PGY 6</b>	<b>\$55,810</b>	<b>\$55,265</b>	<b>\$56,463</b>
	<b>PGY 7</b>	<b>\$57,632</b>	<b>\$57,027</b>	<b>\$58,520</b>
	<b>PGY 8</b>	<b>\$59,324</b>	<b>\$59,108</b>	<b>\$60,278</b>
<b>Chaplain</b>	<b>PGY 1</b>	<b>\$26,218</b>		
	<b>PGY 2</b>	<b>\$27,040</b>		
	<b>PGY 3</b>	<b>\$27,862</b>		
	<b>PGY 4</b>	<b>\$28,651</b>		
<b>Pharmacy</b>	<b>PGY 1</b>	<b>\$43,077</b>		
	<b>PGY 2</b>	<b>\$45,514</b>		
<b>Clinical Psychology</b>	<b>PGY 1</b>	<b>\$31,296</b>		
	<b>PGY 2</b>	<b>\$33,008</b>		

\*2007 AAMC Survey on Stipends, Benefits and Funding

## Update on Graduate Medical Education Initiatives

### 1. Duty Hour Compliance

- a. The Medical Center has had very few issues with duty hour non-compliance over the past year. On the infrequent occasions where it has been noted, there has been swift and collaborative action on the part of the Graduate Medical Education Office and the individual program to remedy the situation.
- b. The Resident and Fellow internet-based tracking system was replaced in July 2008, to better monitor compliance with duty hours. New Innovations, a commercially available system in use in many academic medical centers nationally, allows graduate medical trainees to enter hours in real-time, rather than retrospectively. Moreover, it allows close monitoring by both the Graduate Medical Education Office and individual programs to note impending duty hour violations and take action to prevent them.

### 2. Resident Supervision, Responsibilities, and Evaluation

- a. The Designated Institutional Official is directly involved in monitoring resident performance issues.
- b. Each program continues to update program policies that define the scope of practice and supervision requirements for residents at each level of training. In addition to adhering to the Institutional Policy on Resident Supervision, each program must update and maintain its own Supervision Policy, which must be stratified by year of training. Program directors are ultimately responsible for evaluating trainees and determining proficiency in all competencies, including patient care and medical knowledge.
- c. Competency checklists have been developed that provide information on each resident's competence to perform specific activities and procedures and the levels of supervision required. This information is available to nursing and allied health staff as a reference.
- d. All programs must evaluate trainees regularly and use New Innovations to provide documentation of the evaluations. Moreover, each program must evaluate and provide written feedback to the resident or fellow semi-annually. Finally, each program director must complete a summary evaluation of each trainee at the end of his or her training. A copy of this evaluation is provided to the Graduate Medical Education Office.

3. Resident Participation in Quality and Patient Safety Initiatives.

- a. At the institutional level, both mandatory and voluntary educational initiatives involving Quality and Patient Safety are offered. All incoming residents are required to take part in the following educational activities: Abuse or Neglect, Prevention and Investigation; Advanced Care Planning; Blood Gas Sample Identification; Bloodborne Pathogen and Infection Control; Pain Management; Acute Care Insulin Administration; and Procedural Sedation. They also must complete mandatory computer-based learning modules on Basic Quality and Patient Safety issues. The Medical Center also offers elective education in our Institutional Lecture Series that covers such important topics as Fatigue Awareness, Metrics and Process Improvement, Sentinel Events and Ensuring Patient Safety.
- b. Each individual residency or fellowship program must offer training in Quality and Patient Safety as part of their standard curricula. For some, it is offered in traditional settings such as Morbidity and Mortality conferences. Others have developed highly sophisticated systems to meet the competencies of Practice Based Learning and Improvement and Systems Based Practice.
- c. Trainees are encouraged to develop their own individual learning portfolios, and to include such items as self-initiated Practice Based Learning and Improvement projects or chart reviews, thereby documenting their own involvement in Quality and Patient Safety issues. In addition, the Housestaff Council, with broad membership from many of the core residencies and subspecialty fellowships, participates in these areas. The Housestaff Council ensures participation by trainees on key Medical Center and School of Medicine Committees, including both the standing committees of Quality and Patient Safety. The Housestaff Council Co-Presidents also represent the trainees in key leadership committees, such as the Clinical Staff Executive Committee, where Quality and Patient Safety issues are discussed monthly.

4. Innovations in Graduate Medical Education.

- a. The Graduate Medical Education Innovation Grant Program, created in July 2003, encourages creative projects in restructuring resident education. Funds are available for pilot programs, demonstration projects, and proof-of-concept efforts relating to improvements in resident and

fellow training. Grant proposals are submitted for consideration by faculty, housestaff, and other staff involved in graduate medical education. The principal focus is on the development or evaluation of new initiatives related to competency-based education and the development of new educational techniques, specifically simulation.

- b. Support continues to be provided for presenting these and other innovative practices at graduate medical education conferences. The Graduate Medical Education Office held its second annual Research Day in the spring of 2008 specifically to provide a venue for presentation of results from these awards.
  - c. For the fourth year, two Master Educator Awards were presented to outstanding teaching faculty members who have been leaders in Graduate Medical Education, Mary Bryant, M.D., in the Department of Physical Medicine and Rehabilitation, and Ed Nemergut, M.D., in the Department of Anesthesiology.
  - d. The second year of the Graduate Medical Education Certificate Program began in July 2008. First year courses included Epidemiology, offered during the University's summer term, and Biostatistics, which was completed during the 2008 January winter term. Second year participants enrolled in Methods of Clinical Research during the summer term. Completion of each of these courses earns three credits towards a certificate in either Clinical Research or Public Health. Credits can also be transferred to a Masters Program. The first residents and fellows to "graduate" will earn their Certificates in 2009.
  - e. The Graduate Medical Education Office continues to expand its Institutional Graduate Medical Education Curriculum. The evening programs with dinner and didactic lectures are offered quarterly and cover topics that are general to all training programs, such as Fatigue Awareness, Physician Wellness, Ethics, and the Business of Medicine.
5. Support of Program Directors and Coordinators
- a. Program Evaluations, including self-evaluations by the Program Directors, were completed for the first time in the summer of 2008.
  - b. Partial salary support is provided to Program Directors based on number of trainees per program.
  - c. The first annual Graduate Medical Education retreat was offered in April 2008. The retreat offered professional development for all program directors and program

coordinators. The topic of the first retreat was "Legal Issues in Graduate Medical Education."

- d. The Graduate Medical Education Office continues to support two junior program directors per year to travel to national Graduate Medical Education conferences.
- e. The Graduate Medical Education Office helped sponsor a retreat for Program Coordinators with their peers from Virginia Commonwealth University and Eastern Virginia Medical School. In addition, the Graduate Medical Education Office provides funding for two program coordinators to attend national meetings to enhance their professional development.

Review of Graduate Medical Education Committee  
Activities during the Past Year

1. Graduate Medical Education Subcommittees and Ad Hoc Committees. The following subcommittees of the Graduate Medical Education Committee met regularly to complete their duties and report to the Executive Committee of the Graduate Medical Education Committee:
  - a. Internal Review Subcommittee. All internal reviews were conducted at the midway point between Residency Review Committee visits, as required by the ACGME. Preparation of individual programs for their Internal Review and Residency Review Committee visit was supported and organized by the Graduate Medical Education Office. The subcommittee reviewed all findings from the Internal Review and reported to the full Committee. Any necessary Action Items, as well as completion of such, were recorded in the minutes.
  - b. The Research Subcommittee continues to oversee approval by the Graduate Medical Education Committee of research projects with Graduate Medical Trainee involvement, especially those that involve animals. The committee meets on an as needed basis.
  - c. The Education Subcommittee oversees all away rotations and affiliation agreements. It also reviews all proposed new programs and provides recommendations to the full GME Committee.
  - d. Resident salaries and benefits were reviewed by the Subcommittee on Program Director and Resident Support and presented to the Medical Center. New salary levels for Fiscal Year 2009 are shown above.
  - e. Ad Hoc committees were convened to provide recommendations on Away Rotations, Improving

Communications to Graduate Medical Education Trainees,  
Parking, and Orientation.

2. The Graduate Medical Education Committee continued to review and approve, as appropriate, all requests for changes in Program Director, all complement changes, and all Response Letters, as required by the ACGME.
3. Improvements in resident support and benefits:
  - a. The Medical Center increased the parking reimbursement to reflect an increase in parking fees effective July 1, 2008.
  - b. Stipend levels were again increased by 3.8%, with a larger increase given to residents in Pharmacy, whose stipends were substantially lower than other programs in the region. In addition, substantial funds were provided for to cover a significant increase in housestaff healthcare premiums.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II.F. 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

An alumnus documented a \$2 million bequest to fund a professorship in the School of Medicine.

A grateful patient and her husband committed \$1 million to the Chairman's Discretionary Fund for Otolaryngology - Head and Neck Surgery, in support of education and research programs within the department.

A \$354,270 commitment was received to establish the Audrey M. Snell Endowment Fund in support of cancer research and care initiatives.

The Ivy Foundation committed funding for a new biomedical innovation grants program at the University of Virginia, to be funded at \$200,000 for the first year.

A foundation committed \$138,322 to match gifts previously received in support of Dr. David Jones' lung cancer research, completing a \$400,000 challenge grant made by the foundation.

A \$100,000 contribution was made in support of the Alzheimer's research of Dr. W. Davis Parker, Jr.

A \$100,000 commitment to pediatric neurology was made by a donor following a personal solicitation by a Health Foundation Trustee and Medical Center Operating Board member.

For the second year, the University of Virginia was named one of the Hartwell Foundation's Top 10 Centers for Biomedical

Research, which will provide a \$100,000 fellowship for a researcher whose work impacts children's health and enable nominated researchers to compete for a \$300,000 investigator award.

*Other gifts and pledges received include:*

- A \$96,500 commitment for the Jean McNutt Martin Glasgow Scholarship Fund in the School of Medicine;
- A \$77,000 commitment for program and equipment support benefitting pediatric cerebral palsy patients;
- A \$70,000 realized bequest for unrestricted support of the School of Medicine, with an additional \$35,000 - \$40,000 annual contribution in perpetuity towards a fellowship in the allergy division of the Department of Medicine;
- A \$50,000 commitment to the School of Medicine Class of 1986 Scholarship Fund;
- A \$50,000 commitment to create an award for the top student in the Medical Scientist Training Program;
- A \$50,000 commitment for the Pegasus Critical Medical Transportation unit;
- A \$25,000 commitment for the Emily Couric Clinical Cancer Center;
- A \$25,000 commitment for the Frederic Berry Chair in Pediatric Anesthesiology;
- A \$25,000 commitment for trauma research in the Department of Surgery;
- A \$25,000 pledge in support of the Hematologic Malignancies Program in the Cancer Center; and
- A \$25,000 pledge for the Tegtmeier Lectureship in interventional radiology.

OTHER DEVELOPMENT INITIATIVES

The 26<sup>th</sup> Annual Charlottesville Women's Four Miler featured more than 3,100 participants. Proceeds will benefit the University of Virginia Cancer Center Breast Care Program for the 16<sup>th</sup> consecutive year, supporting patient education, service, and outreach efforts to the local community and underserved women in Virginia. This year, twenty percent of the funds were earmarked for promising breast cancer research through the Patients & Friends Research Fund. Participants raised almost \$217,000 in personal sponsorship donations, with a projected net of \$319,000 for all funds raised - the largest amount in the event's history.

Several other events were held in support of cancer initiatives. The inaugural Doug Ellett Memorial 5K Run/Walk raised more than \$12,000 to support melanoma research in the Human Immune Therapy Center, and an event in Virginia Beach raised more than \$9,000 to support lymphoma research. The Patients & Friends Steering Committee hosted a panel event at Alumni Hall for more than 100 guests to raise awareness about cancer research and treatments at the University of Virginia, and the Lou Beeler Foundation "Tee it Up Fore a Cure" golf tournament generated several thousand dollars in support of neuro-oncology.

The Log-A-Load for Kids Fire at McIntire Softball Tournament raised an estimated \$50,000 for pediatric research and family support services, and the Atlantic Regional Children's Miracle Network Golf Tournament raised an additional \$25,000 for University of Virginia Children's Hospital.

The Health System Development communications team completed a new publication that will be used with prospective donors to highlight cutting-edge research leading to new treatments for cancer patients. The team also completed a new case insert on the University of Virginia's medical simulation program and launched a new Patients & Friends website to highlight volunteer activities and special events benefitting cancer research at the University of Virginia.

Between July 1, 2008 and September 30, 2008, Health System development staff made 360 face-to-face visits with donors and prospects.

#### CAMPAIGN PROGRESS THROUGH SEPTEMBER 30, 2008

Through the end of September 2008, the Health System Campaign total is \$425,644,248. This represents 85.12% of the Campaign goal, with 59.40% of the Campaign period elapsed. The following table shows the Fiscal Year 2009 totals for new commitments, including new gifts and pledges.

	FY '09	FY '08
Total new commitments <i>(excludes pledge payments on previously booked pledges)</i>	\$5,819,981	\$13,742,962
New gifts	\$5,763,991	\$12,990,477
New pledges	\$55,990	\$752,485

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: December 4, 2008

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.