

July 14, 2000

MEMORANDUM

TO: The Health Affairs Committee:

Charles M. Caravati, Jr., M.D. Chair
H. Christopher Alexander, III, M.D.
Thomas J. Bliley, Jr.
William G. Crutchfield, Jr.
William H. Goodwin, Jr.
Terence P. Ross
Elizabeth A. Twohy
Harry J.G. van Beek
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Charles L. Glazer	Walter F. Walker
T. Keister Greer	Benjamin P.A. Warthen
Elsie Goodwyn Holland	James C. Wheat, III
Gordon F. Rainey, Jr.	Joseph E. Wolfe
Timothy B. Robertson	Stephen S. Phelan, Jr.

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs
Committee on July 14, 2000

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 11:05 a.m., Friday, July 14, 2000, in the 23rd floor Conference Room of Mays & Valentine, 1111 East Main Street, Richmond, Virginia; Charles M. Caravati, Jr., M.D., Chair, presided. H. Christopher Alexander, III, M.D., Thomas J. Bliley, Jr., William G. Crutchfield, Jr., William H. Goodwin, Jr., Harry J.G. van Beek, and John P. Ackerly,

III, Rector, were present. Charles L. Glazer and Benjamin P.A. Warthen also were present.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Robert W. Cantrell, M.D., Robert M. Carey, M.D., Ms. Beth Hodsdon, Ms. Jeanette Lancaster, William E. Carter, Jr., Thomas Massaro, M.D., Larry Fitzgerald, Ms. Donna W. Markey, Marc Dettman, Ronald Bouchard, and Ms. Jeanne Flippo Bailes.

Phillip Gibbs, M.D., John Hanks, M.D., and Bruce Hillman, M.D., were present as special guests.

The Chair entertained motions to enable the Committee to go into Executive Session later in the meeting. The following motions were approved by the Committee:

That the Health Affairs Committee of the Board of Visitors go into Executive Session to discuss proprietary business-related information pertaining to the operations of the Medical Center, where disclosure of such information would adversely affect the competitive position of the Medical Center, regarding performance of specific employees; and evaluation of performance of departments where such evaluation will necessarily involve discussion of the performance of specific individuals. These items are provided for in Section 2.1-344 (A) (1) and (23) of the Code of Virginia.

That the Health Affairs Committee of the Board of Visitors of the University of Virginia go into Executive Session to discuss proprietary, business related-information pertaining to, and consideration of matters relating to, a provider service contract for clinical services to be performed by the University of Virginia Medical Center, where disclosure would adversely affect the competitive position of the Medical Center, and consultation with Legal Counsel concerning federal regulations governing clinic billing practices as provided for in Section 2.1-344 (A) (1), (7), (8), and (23) of the Code of Virginia.

The Chair prefaced the discussion of the first item on the Agenda, "School of Medicine Ranking and Medical Research," with the statement that the School's "primary purpose is to educate students to give care." With that, he asked Dr. Carey, Dean of the School of Medicine, to take the first item.

Dr. Carey said the Medical School has ranked around 30th for the last few years. One of the most important determinants in medical school rankings is the amount a school receives in research grants. Research grants in turn depend to a large extent on the amount of laboratory space available. There is a serious shortage of research space at the School of Medicine and it is therefore essential that MR-6, Medical Research Building 6, be built on schedule. Using material distributed previously to the Committee, Dr. Carey discussed in some detail both the relationship between grant money and research space, and the planning for MR-6.

Mr. Goodwin expressed concerns about receiving the necessary funding for the building from the General Assembly. Dr. Alexander asked if there were any hope of receiving tobacco settlement money for the project; the President replied that this does not seem likely. Mr. Glazer wondered if the pharmaceutical companies might be a source of funds; the Dean said he thought not.

In reply to a question, Dr. Carey said that if the money were not a problem, construction on MR-6 could begin in two years.

The Chair said it is clear that it is the consensus of the Committee that MR-6 is crucial.

Mr. Sandridge, Executive Vice President and Chief Operating Officer, reported on efforts at the Medical Center to achieve "codified autonomy." He reminded the Committee of the recommendations toward this end that had been made at the June Board meeting, recommendations aimed toward achieving value for the University from the codified autonomy model (the recommendations had been made as part of a study comparing codified autonomy with "public

authority," the model chosen by the Medical College of Virginia).

The Chair applauded these efforts and said it is important "to get as much out of codified autonomy as possible."

Mr. Sandridge asked Mr. Larry Fitzgerald, Associate Vice President for Health Sciences for Finance, to give the customary financial report for the Medical Center.

Mr. Fitzgerald explained that his figures were current for the end of May - it was too soon after June 30th, to have end of the Fiscal Year numbers. Medical discharges ran below last year and below budget; the average length of patients' stays are also below last year and below budget. Outpatient and Emergency Room visits are up from last year but below budget. Net operating revenues are above last year and above budget, as are operating expenses. The Operating Margin, however, stands at 4.2%; above the 1.7% of last year and above the budgeted 3.6%.

Mr. Sandridge next reviewed the capital construction needs of the Health System through the 2006-2008 biennium. He pointed out in particular MR-6, the expansion of the University Hospital and the expansion of McLeod Hall (School of Nursing).

The Chair asked Dr. Carey to report on the Strategic Plan for the School of Medicine.

Dr. Carey explained that it is particularly important for medium-size schools of medicine, such as the University Medical School, to make carefully thought out strategic decisions in order to invest resources to the best advantage. He then outlined the goals of the Strategic Plan, which include strengthening the teaching of the clinical sciences and strengthening research. If the latter is to be done, it is imperative that the Medical School have more research space - e.g., MR-6; and here, Dr. Carey gave examples of what might be done in research with more space. Medical School development efforts, he said, will be focused on raising money to achieve the goals of the Strategic Plan.

In reply to a question from Mr. Goodwin, Dr. Carey said the cost of research in MR-6 would come from funds raised by development efforts and from the generation of grants.

The Committee recessed for lunch at 12:30 p.m. and resumed, once more in Open Session, at 12:55 p.m.

After lunch, Ms. Donna Markey, a nurse-clinician, and Mr. Ronald Bouchard, Associate Vice President for Health Sciences for Human Resources, led a discussion on the shortage of nurses and allied health care professionals.

The rate of turnover in these groups at the University Hospital is 23%, which is higher than the rate at the Martha Jefferson Hospital and higher than the national average of 15-16%. Nationally, both the population as a whole and people in these groups are aging; there are declining enrollments in nursing and allied health instructional programs; there is disillusionment with the practice setting and there are more opportunities outside these professions; and finally, the workload for inpatient care is increasing because of the shorter length of hospital stays and the increased seriousness of the illnesses treated in hospitals. At the University Hospital, 24 beds have been closed because of staffing shortages; there are 100 vacancies among RN positions, 46 in allied health positions and 62 in-patient care assistants; and in 1999, the local unemployment rate was 1.3%.

In reply to a question, Ms. Markey said the size of the Hospital can be a factor working against us.

Ms. Jeanette Lancaster, Dean of the School of Nursing, discussed School of Nursing enrollment issues and ways in which the School can help alleviate the shortage of nurses.

Among the facts and figures Ms. Lancaster cited are the continuing aging of both the nursing workforce and the nursing faculty; the fact that women, who constitute 90% of today's nurses, have many more career opportunities than heretofore; the fact that nationally, matriculation in baccalaureate nursing programs has decreased over the last

five years - though the numbers have remained constant at the University of Virginia School of Nursing; and the fact that by 2020, the RN workforce is forecast to be nearly 20% lower than projected requirements.

Ms. Lancaster told the Committee that the School will increase its recruitment efforts among associate degree programs in the central and western parts of the state; can increase its master's degree program by 10 students by the fall of 2002 if an additional faculty member can be hired; and evaluate the feasibility of increasing by the size of the undergraduate programs by the same number of students by 2002 if the necessary resources are available. The School also will devise partnerships with the Piedmont Virginia Community College and will increase recruiting efforts in local high schools and colleges.

Ms. Lancaster concluded by saying that although these efforts will mean only modest increases of faculty, there are major space needs at McLeod Hall that absolutely must be met.

The Chair then asked Dr. Cantrell, Vice President and Provost for Health Sciences, to give his customary report.

Dr. Cantrell recommended a book which had been recommended to him by the Chair, Time to Heal, by Dr. Kenneth Ludmerer of the medical faculty at Washington University in St. Louis. The book is a history of medical education in this country from the beginning of the twentieth century; Dr. Cantrell said he would send copies to each Member of the Committee.

Plans for the health fair for Southwest Virginia, to be held at The University of Virginia's College at Wise on November 16th, are progressing.

As of May 31st, the Health System had received \$193,632,000 in gifts and pledges and there is every expectation that the total will exceed \$200,000,000 by December 31st. Dr. Cantrell reminded the Committee that the Health System part of the original Capital Campaign goal had been \$125 million.

The recent *U.S. News and World Report* ratings of medical specialties recognized eleven at the University as being among the best in the country. Seventeen such categories of specialties are ranked and only 25 other academic medical centers had eleven or more specialties ranked. For the second year in a row, the Hospital was ranked by HCIA-Sachs among the best 100 hospitals in the country; only 15 teaching hospitals were so ranked and only four of these have an integral medical school.

On motion, the Committee went into Executive Session at 2:30 p.m., and resumed in Open Session at 3:45 p.m.

The Chair reminded Members that the next meeting of the Committee has been set for September 7th, at McKim Hall.

On motion, the meeting was then adjourned.

AGG:jb

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. Ernest H. Ern
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Terry Holland
Mr. L. Jay Lemons
Mr. Peter W. Low
Dr. Robert E. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Ms. Louise Dudley
Dr. George Beller
Dr. Bruce Hillman
Dr. Robert Carey
Dr. Phillip Gibbs

At a meeting of the Health Affairs Committee of the Board of Visitors of the University of Virginia held on July 14, 2000, a roll call vote was taken immediately following an executive session. Members voting "yes" certify that to the best of the Member's knowledge (1) only public business matters lawfully exempted were discussed in closed session; and (2) only public business matters identified in the public motion by which the executive or closed meeting were discussed. In accordance with the law, any member of the public body who believes that there was a departure from the foregoing shall so state prior to the vote indicating "the substance of the departure". Any such statements are recorded below under "comments".

<u>NAME</u>	<u>VOTE</u>	<u>COMMENTS</u>
	<u>yes or no</u>	
<u>John P. Ackerly, III</u>	<u>yes</u>	
<u>Thomas J. Bliley, Jr.</u>	<u>yes</u>	
<u>Charles M. Caravati, Jr.</u>	<u>yes</u>	
<u>William G. Crutchfield, Jr.</u>	<u>yes</u>	
<u>Charles L. Glazer</u>		
<u>William H. Goodwin, Jr</u>	<u>yes</u>	
<u>T. Keister Greer</u>		
<u>Mrs. Elsie Goodwyn Holland</u>		
<u>Gordon F. Rainey, Jr.</u>		
<u>Timothy B. Robertson</u>		
<u>Terence P. Ross</u>	<u>yes</u>	
<u>Elizabeth A. Twohy</u>		<u>absent</u>
<u>Walter F. Walker</u>		
<u>Benjamin P.A. Warthen</u>		
<u>James C. Wheat, III</u>		
<u>Joseph E. Wolfe</u>		
<u>Stephen S. Phelan, Jr.</u>		

ADDENDUM TO THE OFFICIAL MINUTES OF THE MEETING
OF THE BOARD OF VISITORS OF THE UNIVERSITY OF
VIRGINIA

Meeting Date: July 14, 2000

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS the Health Affairs Committee of the Board of Visitors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS Section 2.1-344.1 of the Code of Virginia requires a certification by this Health Affairs Committee that such executive meeting was conducted in conformity with Virginia law;

NOW THEREFORE BE IT RESOLVED that the Health Affairs Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Health Affairs Committee.

VOTE

AYES: 6

NAYS: 0

[For each nay vote, the substance of the departure from the requirements of the Act should be described].

ABSENT DURING VOTE: 1

ABSENT DURING MEETING: 1

Alexander G. Gilliam, Jr.
Secretary, Board of Visitors,
University of Virginia