

May 10, 2001

MEMORANDUM

TO: The Health Affairs Committee:

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

and

The Remaining Members of the Board:

Thomas F. Farrell, II	Timothy B. Robertson
Charles L. Glazer	Benjamin P.A. Warthen
T. Keister Greer	Joseph E. Wolfe
Elsie Goodwyn Holland	Sasha L. Wilson
Gordon F. Rainey, Jr.	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs  
Committee on May 10, 2001

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, in Room 5044, McLeod Hall, at 1:10 p.m., Thursday, May 10, 2001; Charles M. Caravati, Jr., M.D., Chair, presided. H. Christopher Alexander, III, M.D., William G. Crutchfield, Jr., William H. Goodwin, Jr., Thomas A. Saunders, III, Ms. Elizabeth A. Twohy, and John P. Ackerly, III, Rector, were present.

Also present were Leonard W. Sandridge, Alexander G. Gilliam, Jr., Robert W. Cantrell, M.D., Robert M. Carey, M.D., Thomas A. Massaro, M.D., William E. Carter, Jr., Larry L. Fitzgerald, Ms. Pam Cipriano, Craig L. Slingluff, Jr., M.D., Ms. Beth Hodsdon, Ms. Barbara Baldwin, and Ms. Jeanne Flippo Bailes.

Charles H. Crowder, M.D., was present by special invitation.

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

Mr. Sandridge introduced Ms. Barbara Baldwin, the new Chief Information Officer for the Health System. He then asked Dr. Carey, Dean of the School of Medicine to introduce the first item on the Agenda, a presentation on Human Immune Therapy by Dr. Craig L. Slingluff, Jr., Professor of Surgery in the School of Medicine.

The central theme of Dr. Slingluff's presentation was a description of the immunotherapy research being conducted at the University which shows that the body's immune system can be mobilized to destroy cancer cells without destroying healthy tissue.

Mr. Sandridge next introduced Ms. Pam Cipriano, Chief Clinical Officer, who gave a report on the shortage of health care staff, chiefly nurses. The shortages, she pointed out, are not unique to the Hospital but in fact are global. The shortage of nurses is particularly acute.

The goal at the Hospital, Ms. Cipriano, said, is to reopen as many beds - closed because of the shortage of nurses - as possible, as quickly as possible. More nurses, therefore, must be recruited. More than fifty nurses have been recruited in the last year; a goal is recruit sixty more this summer.

There are shortages as well of pharmacists, radiology technicians and laboratory technicians. Ms. Cipriano reported good results in the recruitment of pharmacists and modest gains in radiology and laboratory technicians.

A short term solution to these shortages has been the hiring of temporary staff, but it is an expensive solution.

Although the normal benefits are not paid temporary staff, their wages are higher than those paid full time staff; for nurses, the figure is 40% higher per person. Ms. Cipriano then outlined ways to inspire and reward staff.

Noting that he had asked Ms. Twohy and Dr. Alexander to study the problem of nursing shortages, the Chair asked Dr. Alexander to comment. Dr. Alexander said the quality and quantity of applicants at the Hospital has not dropped - which is counter to national trends. Getting sufficient staff will be expensive, however, and changes in infrastructure at the Hospital will be necessary. Dr. Massaro, Chief of Staff of the Health Systems, noted that progress is being made on the latter point and that this progress has been recognized in the local medical community.

Mr. Sandridge then asked Mr. Fitzgerald, Financial Officer for the Health Systems, to present the customary financial report for the Hospital.

Noting that his figures are current as of March 21<sup>st</sup>, Mr. Fitzgerald said patient discharges from the Hospital are down from the same period last year and below the number budgeted for this year. The decline is attributed to the shortage of nurses and the availability of beds. Patient days are up over the same period last year and slightly above budget for this year. Net operating revenue is up, both from last year and from the amount budgeted for this year - lower indigent care write-offs and the opening of the Augusta Dialysis Center are among the factors causing this rise. Operating expenses, however, are up from last year and above budget for this year. The operating margin thus is down; it stands at 2.9%, which is below the budgeted figure of 4.8% and below the 4.1% figure for last year.

Dr. Alexander asked how these figures compare with the top ten teaching hospitals in the country; Mr. Fitzgerald said the Hospital is in better condition in this regard than are most. Mr. Sandridge noted that operating margins will be better when all beds are open, when it won't be necessary to have expensive temporary staff, and when the cost of pharmaceuticals can be brought under control.

On motion, the Committee approved the following motion to go into Executive Session.

That the Health Affairs Committee of the Board of Visitors of the University of Virginia go into Executive Session to discuss the appointment, assignment, performance, and evaluation of prospective candidates and specific employees of the University and departments of the Medical Center which will necessarily involve discussion of the performance of specific individuals; to evaluate with legal counsel the status of negotiations and performance with respect to integration of the Medical Center computer system; for discussion of existing investment in two joint ventures which will involve consideration of personnel and proprietary business data of the Medical Center, where public disclosure at this time would adversely affect the University's competitive position; and for discussion with legal counsel of the performance of Medical Center departments complying with regulatory requirements which will also necessarily involve discussion of the performance of specific individuals. The relevant exemptions to the Virginia Freedom of Information Act are found in Section 2.1-344 A (1), (5), (6), (7), (8) and (23) of the Code of Virginia.

The Committee went into Executive Session at 2:25 p.m., resumed in Open Session at 4:30 p.m., and, on motion, adjourned.

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AGG:jfb

- Copies to:
- Mr. John T. Casteen, III
  - Mr. Gene D. Block
  - Dr. Robert W. Cantrell
  - Mr. George E. Culbertson
  - Ms. Louise Dudley
  - Mr. Paul J. Forch
  - Mr. William W. Harmon
  - Mr. Terry Holland
  - Mr. Peter W. Low
  - Dr. Robert E. Reynolds
  - Mr. Leonard W. Sandridge
  - Ms. Colette Sheehy
  - Mr. Robert D. Sweeney
  - Dr. George Beller
  - Dr. Bruce Hillman
  - Dr. Robert Carey
  - Dr. Charles H. Crowder