

**REPORT FROM THE JUNE 6, 2018 MEETING
OF THE
HEALTH SYSTEM BOARD
FOR
THE UNIVERSITY OF VIRGINIA HEALTH SYSTEM**

UVA Health System Board (UVA HSB) Chair L.D. Britt, M.D., chaired the meeting.

- Dr. Britt noted that Hunter Craig’s term on the UVA HSB is ending June 30 and read a commending resolution thanking him for his service on the board.
- Dr. Britt welcomed a guest, John Niederhuber, M.D. Dr. Niederhuber is the Executive Vice President and CEO of the Inova Translational Medicine Institute and the President of the Global Genomics and Bioinformatics Research Institute. He previously served as the director of the National Cancer Institute of the National Institutes of Health and is recognized by his peers as a visionary leader in oncology. The Board of Visitors is expected to vote to approve Dr. Niederhuber as a member of the HSB.
- Dr. Britt also announced that Jessica Lukacs, M.D. will join the UVA HSB in September as a student member. Dr. Lukacs is a 2017 graduate of the UVA School of Medicine and a current Darden School student.
- The HSB recognized and thanked a number of individuals who are retiring or leaving their positions with the University, including Health System CFO and Business Development Officer Larry Fitzgerald, University EVP and COO Pat Hogan, and President Teresa Sullivan. Both Dr. Britt and Dr. Shannon offered remarks of gratitude and well wishes.
- President Sullivan made a few remarks to the HSB. She commented on the importance of the right leadership for the institution and the importance of the academic health system to the University. She noted that Charlottesville is not a large population center in the state but that Health System leadership understands and has developed strategies to address and compensate for that reality. President Sullivan also stated that while both higher education and healthcare are somewhat under siege, the Health System and the Academic Division have been able to leverage our strengths and build a strong collaboration.

Reports from the EVP for Health Affairs for the Health System

- Richard Shannon, M.D., noted that Dr. Britt was recently recognized for his many contributions by his hometown of Suffolk.
- Dr. Shannon reviewed with the Board the strategies and goals for the combined Clinical and Academic Enterprise. The six Health System goals include: safest place to receive care, healthiest work environment, providing exceptional clinical care, generating biomedical discovery that better the human condition, training the providers of the future in multi-disciplinary teams, and ensuring value-driven

stewardship of resources. Each goal includes various strategies. Dr. Shannon provided the FY 2018 year to date status of each of the goals and underlying strategies.

- Mr. Doug Lischke, the Health System Chief Accounting Officer and Controller, reported on the consolidated financials for the UVA Health System, including the UVA Transitional Care Hospital (TCH), through March 2018. For FY 18 the Health System budgeted and planned for the Epic scheduling, registration, and billing implementation that began July 1, and Mr. Lischke stated that we have stabilized Epic. We had planned for a loss during the first six months of the fiscal year. On the Academic side, the School of Medicine extramural and philanthropic funding continues to be strong. Operating income for the Health System overall through March is behind budget. However, Mr. Lischke noted that volume for April and May was very strong, and if June is consistent with those two months, the Health System should achieve its budget by June 30.
- Mr. Lischke also presented the FY 19 operating and capital budgets for the Health System, including the TCH. He reviewed the major assumptions behind the budget and the major initiatives that management must undertake in order to achieve the budget. The total Health System operating income is projected to be \$23.1 million in FY 19. Total capital spend is budgeted to be \$160.2 million. The HSB recommended approval of the budgets to the Finance Committee and the full Board of Visitors.
- The UVA HSB received a written report from Health System Development.

Medical Center Reports

- The HSB approved a resolution authorizing the Executive Vice President for Health Affairs to execute four Medical Center procurement contracts with (i) Virginia Blood Services for blood products, (ii) Medtronic for spinal implants, (iii) CDW for computers and related items and (iv) Hill Rom for a replacement nurse call system.
- Pamela Sutton-Wallace presented her report as Chief Executive Officer of the UVA Medical Center. She provided an update on the Ivy Mountain Musculoskeletal Center that was discussed at the last HSB meeting. The schematic design for the project will be presented at the Buildings and Grounds Committee meeting tomorrow.
- The HSB also received a written report regarding other Medical Center operations from the Chief Executive Officer.

School of Medicine Reports

- David Wilkes, M.D., Dean of the School of Medicine, was unable to attend the meeting due to another commitment. He provided a written update on School of Medicine education and research.

UVA Transitional Care Hospital and Post-Acute Services

- The UVA HSB received a written report on the operations of the TCH.
- The HSB approved the renaming of the UVA HealthSouth Rehabilitation Hospital to the UVA Encompass Rehabilitation Hospital.

Closed Session

- In Closed Session the HSB received updates on (i) confidential quality and patient safety efforts by the Medical Center and the TCH, (ii) proprietary Medical Center and TCH performance metrics, and (iii) personnel matters involving the Medical Center Clinical Staff and the TCH Clinical Staff. In addition, the HSB engaged in discussion regarding the FY 19 Health System clinical enterprise strategy, as well as looking ahead to strategies through 2022. The HSB also discussed the impact of certain regulatory changes and healthcare headwinds on Medical Center and clinical finances, and management's proposed proprietary and strategic responses to counter them. Further, the HSB was briefed on the Health System Innovation Funds strategy.
- In public session, the UVA HSB approved (i) the credentialing actions for the Medical Center, and (ii) the credentialing actions for the TCH.