

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS**

**Meeting of the Health System Board  
for the University of Virginia  
Health System**

**September 15, 2022**

## HEALTH SYSTEM BOARD

Thursday, September 15, 2022

8:30 a.m. – 12:15 p.m.

Pavilion Ballroom, Boar's Head Resort

### Committee Members:

Babur B. Lateef, M.D., Chair  
Robert M. Blue  
Whittington W. Clement  
Stephen P. Long, M.D.

James B. Murray Jr.  
James V. Reyes  
Arturo P. Saavedra, M.D., Faculty  
Consulting Member

### Public Members:

Kenneth B. Botsford, M.D., Vice Chair  
William G. Crutchfield Jr.  
Steven Danziger

Victoria D. Harker  
Thomas A. Scully

### Ex Officio Members:

James E. Ryan  
Ian B. Baucom  
Marianne Baernholdt  
Jennifer Wagner Davis

Wendy M. Horton  
K. Craig Kent, M.D.  
Melina R. Kibbe, M.D.  
Margaret C. Tracci, M.D.

## AGENDA

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**V. CLOSED SESSION**

- Discussion of proprietary, business-related information about the operations of the Medical Center, the School of Medicine, and the School of Nursing, where disclosure at this time would adversely affect the competitive position of the Medical Center, the School of Medicine, or the School of Nursing, specifically:
  - Strategic personnel recruitment and retention, financial, investment, facility needs, market considerations, growth initiatives, partnerships, and other resource considerations and efforts in light of market and regulatory changes for the Health System and expected impact for FY 2023, including proprietary information related to COVID-19; all of which further the strategic initiatives of the Medical Center, the School of Medicine, and the School of Nursing and include employee performance and other proprietary metrics;
  - Confidential information and data related to the adequacy and quality of professional services, competency, and qualifications for professional staff privileges, and patient safety in clinical care, to improve patient care for the Medical Center;
  - Consultation with legal counsel regarding compliance with relevant federal and state legal requirements and legislative and accreditation standards, all of which will involve proprietary business information and evaluation of the performance of specific personnel.
  - The relevant exemptions to the Virginia Freedom of Information Act authorizing the discussion and consultation described above are provided for in Sections 2.2-3711(A)(1), (6), (8), and (22) of the Code of Virginia. The meeting of the Health System Board is further privileged under Section 8.01-581.17 of the Code of Virginia.

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**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** I.A. Opening Remarks from the Chair

**ACTION REQUIRED:** None

**BACKGROUND:** The Committee Chair, Dr. Lateef, will welcome new board members and guests and provide opening remarks.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** I.B. Opening Remarks from the Executive Vice President for Health Affairs

**ACTION REQUIRED:** None

**BACKGROUND:** On February 1, 2020, Dr. Kent became the Executive Vice President for Health Affairs. Dr. Kent has held several leadership positions, including chief of the combined Division of Vascular Surgery at Columbia and Cornell, chair of the Department of Surgery at the University of Wisconsin, and most recently, Dean of the College of Medicine at The Ohio State University. His background includes substantial experience in growing clinical, research, and educational programs as well as health system management. He is a member of the National Academy of Medicine.

**DISCUSSION:** The Executive Vice President for Health Affairs will provide opening remarks and introduce new leaders.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** I.C. UVA Health Development Report

**ACTION REQUIRED:** None

**BACKGROUND:** Mark Luellen, Vice President for Development, and Amy Karr, Senior Associate Vice President, Health System Development & Executive Director, UVA Health Foundation, will provide a report on UVA Health's recent success in development.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** I.D. Signatory Authority Related to Medical Center Contracts  
Exceeding \$5 Million Per Year

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

**DISCUSSION:** In accordance with Medical Center procurement policy, the contract listed below exceeds \$5M in spend per year and is outside the signatory authority of the Executive Vice President for Health Affairs, who has been delegated authority from the Executive Vice President and Chief Operating Officer to approve certain Health System documents.

- Owens & Minor Distribution, Inc. for medical-surgical product distribution

The expense for goods and services purchased through this contract is reflected in the Medical Center's Operating Budget.

**ACTION REQUIRED:** Approval by the Health System Board, the Finance Committee, and by the Board of Visitors

**SIGNATORY AUTHORITY FOR CERTAIN MEDICAL CENTER CONTRACTS  
EXCEEDING \$5 MILLION PER YEAR**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute the contract on behalf of the Medical Center with Owens & Minor Distribution, Inc. for medical-surgical products.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

<b><u>BOARD MEETING:</u></b>	September 15, 2022
<b><u>COMMITTEE:</u></b>	Health System Board
<b><u>AGENDA ITEM:</u></b>	II. Medical Center Report (Written Report)
<b><u>ACTION REQUIRED:</u></b>	None

**BACKGROUND:** Wendy Horton became Medical Center CEO in November 2020. She came from The Ohio State University Wexner Medical Center, where she served as Chief Administrative Officer. Prior to Ohio State, Wendy served in several different leadership roles at University of Wisconsin Health, including Vice President of Operations.

**DISCUSSION:**

**People**

- Improving team member engagement is an ongoing priority. This quarter’s recognition events included annual service awards and the UTeam member of the month breakfast.
- The FY2022 performance management review cycle has concluded and the annual retraining cycle kicked off in early August.
- The fifth cohort of New Manager Orientation kicked off this quarter with 41 participants. Planning is underway for the system-wide team member engagement survey, which will launch in October.
- Partnership on nursing retention efforts also remains a top priority.
- Nursing staff attrition for the first nine months of FY22 remains below the national average.
- The first international nurse has started at UVA Medical Center through Passport International. Additional nurses are slated to start this summer.
- “Earn While you Learn” program continues with the next cohort starting in October 2022.

**Quality and Safety**

- Patient Safety Risk Rounds expanded to all inpatient units with an emphasis of focusing on high priority patient safety risks for each unit.
- Integrated Interdisciplinary Rounding, utilizing the newly acquired Qventus software system, rolled out in all acute care units. Designed to optimize discharge planning and support clinical care decisions.



### **Recent Designations and Re-certifications**

- The Heart and Vascular Center earned three national awards for the care provided to Heart Failure patients, based on the American Heart Association's evidence-based standards. It received the Gold Plus Level Award, Get With the Guidelines—Heart Failure, as well as Target: Heart Failure and Target: Type 2 Diabetes Honor Roll awards.
- The UVA Medical Transport Network achieved two more years licensure based on a successful inspection by the Virginia Department of Health Office of Emergency Services.
- The Blood Bank and Cytology Lab had a successful inspection from the Food and Drug Administration.
- The Transplant Human Leukocyte Antigens Lab had a successful survey from the American Society for Histocompatibility and Immunogenetics, which was also confirmed in a validation survey from the Virginia Department of Health for the Centers for Medicare and Medicaid.
- The Inpatient Psychiatric Unit had a successful license renewal survey from the Virginia Department of Behavioral Health and Developmental Services.
- Two areas in the Emily Couric Clinical Cancer Center had successful inspections from the Virginia Board of Pharmacy.
- Both the Computed Tomography Suite and the Hematology Oncology Clinic had a successful inspections of their Controlled Substance Registrations.
- The new Medical Center Operating Room Pharmacy passed inspection from the Virginia Board of Pharmacy.
- The Altavista and Amherst Dialysis Centers both had successful triennial surveys from the Virginia Department of Health for the Centers for Medicare and Medicaid Services.
- The Trauma Program achieved recertification as a Level I Trauma Service for three years from the American College of Surgeons.
- The Virginia State Fire Marshal conducted a successful inspection of University Hospital.
- The Metabolic and Bariatric Surgery Program achieved a three year reaccreditation from the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program, a joint Quality Program of the American College of Surgeons and the American Society for Metabolic and Bariatric Surgery. In addition, this program also achieved recognition as a Bariatric Center of Excellence from the Clinical Sciences Institute of Optum.
- The UVA Inpatient Pharmacy had a successful inspection of the new Intravenous Room from the Virginia Board of Pharmacy.
- The Employee Health Clinic had a successful inspection of the Controlled Substances Registration by the Virginia Board of Pharmacy after moving to the new clinic location.
- The UVA Health Orthopedic Center Ivy Road had a successful inspection of the new Retail Pharmacy by the Virginia Board of Pharmacy.

- The Medical Center Regulated Medical Waste Process for the steam sterilizer and the Virginia Waste and Solid Waste Management processes had successful inspections. The inspections are unannounced and occur at least once per quarter. Of note, there have been 28 consecutive inspections without violations.
- The Medical Center was awarded an LGBTQ+ Healthcare Equality Leader award for its equitable treatment of lesbian, gay, transgender, and queer patients, visitors, and team members—receiving the highest possible score of 100 in the Healthcare Equality Index.

### **Patient Experience**

- Inpatient experience as defined by the overall hospital rating of 9s and 10s for FYTD2022 is 76.70% (78th percentile), above FY2021 of 76.2% (71st percentile), and slightly below the target of 77.8%. Strong performance was noted around Communication with Doctors, Medications, and Care Transitions. Women’s, and Oncology are performing well. Various purposeful rounding efforts are showing promising results.
- Outpatient clinic patient experience as defined by the overall question “likelihood of recommending your practice to others” for FYTD2022 reflects a score of 95.5% (71st percentile). Scores have remained flat and are below target of 96.7% and below FY2021 of 96.3% (86th percentile).
- Emergency Department patient experience for FYTD2022 is 80.1% (33rd percentile), below FY2021 of 81.1% (34th percentile), and below target of 84.6%.
- Leadership and workforce stabilization is showing a promising impact on the patient experience.

### **Transitional Care Hospital**

- UVA’s Transitional Care Hospital (TCH) operated with high efficiency and produces quality outcomes better than targets throughout FY2022.
- The mortality rate for FY2022 is 2.68% compared to the case mix index weighted national benchmark data of 11.77%.
- The ventilator weaning rate is 66.7%, which is indicative of quality care when compared to the CMI weighted national average performance benchmark of 57.1%. Central line acquired blood stream infections remains better than the national standardized infection rate of 1, achieving a SIR of 0.608. Case Mix Index for admitted patients is at an all-time high, indicating that the hospital has treated the most complex and resource-intense patients in its existence.
- Staffing of clinical nursing roles is below the desired level to open beds sufficient to meet demand and to meet the forecasted volume projections.
- Management has responded by flexing down expenses while remaining committed to care delivery.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

<b><u>BOARD MEETING:</u></b>	September 15, 2022
<b><u>COMMITTEE:</u></b>	Health System Board
<b><u>AGENDA ITEM:</u></b>	III. School of Medicine Report (Written Report)
<b><u>ACTION REQUIRED:</u></b>	None

**BACKGROUND:** Melina R. Kibbe, M.D., became Dean of the School of Medicine on September 15, 2021. A member of the National Academy of Medicine, Dr. Kibbe is the editor of the *Journal of the American Medical Association (JAMA) Surgery*, a respected clinician, funded investigator, and highly recognized educator. Before coming to UVA, she was Chair of the Department of Surgery at the University of North Carolina.

**DISCUSSION:**

**People**

- The School of Medicine is proud to announce the development of the first Annual Report in over 21 years. The report will be published and distributed in November.
- The School of Medicine is conducting a nationwide search for the Senior Associate Dean (SAD) for Research. The SAD for Research fills an integral leadership role on the Dean's Cabinet and will be an important change agent as the School and University seek to expand research infrastructure and efforts at UVA.
- Faculty departures for FY22 was below the national average. From July 1, 2021 through June 30, 2022, only 76 of 1218 (6.6%) faculty have departed, with no significant difference between genders and proportionally fewer by underrepresented minority (URM) status.
- The School of Medicine remains in a growth phase. There were 115 new hires in FY22. As of August 2022, the School of Medicine had 152 clinical faculty and 21 research faculty openings posted in Workday.

**Departments**

- The 29 Departments and six centers completed their efforts towards achieving FY22 Annual Goals. As of June 30, 2022, the Departments have completed 82% of the goals with nine departments completing 100% of their goals for the fiscal year.
- The School of Medicine announced the selection of Anja Bielinsky, PhD, as the new Chair of the Department of Biochemistry and Molecular Genetics. Dr. Bielinsky will assume her role November 15, 2022. She comes to UVA from the University of Minnesota, Twin Cities where she serves as Professor in the Department of Biochemistry, Molecular Biology and Biophysics.

- The School of Medicine announced the selection of Scott T. Hollenbeck, MD, FACS, as Chair of the Department of Plastic and Maxillofacial Surgery. Dr. Hollenbeck will assume his role on November 28, 2022. He came to UVA from Duke University where he is Vice Chief of Research for the Division of Plastic, Maxillofacial, and Oral Surgery.
- UVA School of Medicine continues to execute strategic leadership searches. These include Chair searches for the following Departments: (1) Microbiology, Immunology and Cancer; and (2) Biomedical Engineering.

### **Clinical**

- UVA's stroke program was recently recertified as a Comprehensive Stroke Center (CSC), the highest level of certification available from The Joint Commission and American Heart Association/American Stroke Association. Just 12% of hospitals nationwide have earned this certification from The Joint Commission and UVA Health is one of four Joint Commission-certified CSCs in Virginia.
- Christopher Kramer, MD, is leading a clinical trial for which UVA is one of 80 sites worldwide studying a new therapy for Obstructive Hypertrophic Cardiomyopathy (oHCM). The study is entitled A Phase 3, Multi-Center, Randomized, Double-blind, Placebo-controlled Trial to Evaluate the Efficacy and Safety of CK-3773274 in Adults with Symptomatic Hypertrophic Cardiomyopathy and Left Ventricular Outflow Tract Obstruction.

### **Research**

- Dr. Meaghan M. Stumpf led a first-of-its-kind study demonstrating that factory calibrated continuous glucose monitors may be sufficiently accurate for patients on dialysis and those suffering from end-stage renal disease.
- Jochen Zimmer, PhD, Professor of Molecular Physiology and Biological Physics and Howard Hughes Medical Institute Investigator and his lab were featured in the prestigious journal *Nature* for their publication of the structure and mechanism of substrate recognition of hyaluronan synthase.
- Researchers including Neurosurgery Professors Jeff Elias, MD, Mark Quigg, MD, Anesthesiology's Patrick Finan, PhD, and Neurosurgery Assistant Professor Chang-Chia "Jeff" Liu, PhD, are pioneering a new way to treat chronic pain that does not respond to medication. Their innovative approach will receive more than \$5M from the National Institutes of Health to fund a clinical trial to develop brain stimulation for severe pain conditions.

### **Education**

- The Senior Associate Dean for Education is actively preparing for a March 2023 Liaison Committee on Medical Education (LCME) Accreditation visit.
- On August 12, the School of Medicine welcomed the Class of 2026 during the White Coat Ceremony at Old Cabel Hall. A total of 152 new students started with the Class of 2026. They were selected from an applicant pool of 5,892 and have a mean GPA of 3.87.
- The School of Medicine appointed Michael Ryan, MD, to serve as Associate Dean for Assessment, Evaluation, Research and Innovation in the Office of Educational Affairs.

He also will be Director for the Center for Medical Education Research and Scholarly Innovation (CMERSI) and Professor of Pediatrics in the Division of General Pediatrics.

**Diversity, Equity, and Inclusion**

- Of the incoming medical student Class of 2026, 21% are from groups that are underrepresented in medicine.
- Nadia Holness, a biomedical sciences graduate student, and her adviser Sarah Ewald, PhD, were awarded a 2022 Gilliam Fellowship from the Howard Hughes Medical Institute. The program provides awards to pairs of dissertation advisers and their graduate students based on the student's potential for scientific leadership and the adviser's commitment to building an inclusive and effective academic environment.
- School of Medicine faculty Margaret L. Plews-Ogan, MD, Susan M. Pollart, MD, Anneke T. Schroen, MD, MPH, Gregory Townsend, MD and UVA Human Resources consultant Carol Caesar contributed to the AAMC special report *Understanding and Addressing Sexual Harassment in Academic Medicine*.

## UNIVERSITY OF VIRGINIA

### BOARD OF VISITORS AGENDA ITEM SUMMARY

<b><u>BOARD MEETING:</u></b>	June 2, 2022
<b><u>COMMITTEE:</u></b>	Health System Board
<b><u>AGENDA ITEM:</u></b>	IV. School of Nursing Report (Written Report)
<b><u>ACTION REQUIRED:</u></b>	None

**BACKGROUND:** Marianne Baernholdt, PhD, MPH, RN, FAAN—the Sadie Heath Cabaniss Professor of Nursing—is a leading scholar of care quality and safety with an emphasis on healthcare in rural and global environments and has dedicated the expanse of her award-winning nursing career to teaching and mentoring students and junior faculty. Baernholdt was a founding director of UNC Chapel Hill’s Pan American Health Organization/W.H.O. Collaborating Center in Quality and Safety Education in Nursing and Midwifery and founder and director of VCU School of Nursing’s Langston Center for Quality, Safety, and Innovation. During her first tenure at UVA School of Nursing (2005-2014), she directed the Rural and Global Healthcare Center and led its Global Initiatives. A former U.S. representative for the International Council of Nurses’ steering group for rural and remote nursing who earned degrees from the University of Pennsylvania, Columbia, Pace, and the Bispebjerg School of Nursing in her native Denmark, Baernholdt became UVA’s seventh nursing dean August 1, 2022.

#### **DISCUSSION:**

##### **Academics**

The School’s first-ever 24-member cohort of Accelerated BSN students arrived in May. In August, they were joined by first, second, third, and fourth-year BSN students as well as RN-to-BSN students, bringing our total number of undergraduate students to 460: a 24% increase over our 2018 BSN enrollment figures, and a 7% increase over last year’s BSN enrollment.

Earlier this summer, 11 nursing students studied abroad, including two groups of CNL students who completed their clinical hours in Roatan, Honduras, and in Kigali, Rwanda. Both groups were supported with grants from the Center for Global Health Equity.

The School’s Continuing Education arm developed and will deploy a new, free CE series this fall called “Clinical Updates from the Experts,” which will feature hour-long courses in lung cancer screening, immunizations, and travel health, and delayed oral feeding among neonates.

## Research and Faculty Recognition

Assistant professor **Meghan Mattos** earned a \$1.22M National Institutes of Health K76 early career award for her investigation into the effects an online insomnia intervention has on rates of cognitive decline in older adults.

Associate professor **Jessica Keim-Malpass** will be inducted as an American Academy of Nursing Fellow at a ceremony this October. Keim-Malpass is an NIH-, NSF-, and iTHRIV-funded scholar and pediatric nurse practitioner. Academy Fellows are nursing's most accomplished leaders in education, management, practice, and research. Keim-Malpass's honor brings the School's national academy fellowships count to 52, and its number of AAN Fellows to 35.

At the Annual Virginia State Simulation Alliance (VASSA) annual conference in early August, seven School of Nursing faculty and staff—including director **Ryne Ackard**—presented their creative teaching and learning lessons using simulation to fellow academics. No other university was so well represented at VASSA.

Assistant professor **Lee Ann Johnson** was selected by the National Institutes of Health for its Health Disparities Research Institute, which took place in August.

Newly published research by professors **Emily Drake** and **Gina DeGennaro** that tracked more than 100 Clinical Nurse Leader master's graduates over a decade found that more than 90% were both happy and satisfied in their professional lives and are “great investments” for hospitals where they work, given their professional longevity in an era of burnout and attrition.

Professor **Kathryn Reid**, a family nurse practitioner, was featured in UVA Today for her advocacy for nurse practitioner autonomy, along with alumna Brooke Bailey, lead clinician at a government supported clinic in Esmont, Va., who also applied for autonomy before the July 1 deadline.

**Jeanne Alhusen**, associate dean for research and the UVA Health Professor of Nursing, was named to John Hopkins University's Society of Scholars, a 55-year-old association that honors Hopkins alumni in June.

Dean emerita **Pam Cipriano** was honored in June by the University of Washington for her service and leadership with their highest alumni award, the *Alumna Summa Laude Dignata*.

Professor **Cathy Campbell's** research and work that supports transgender elders at the end of life was featured in *Mindful* magazine.

**Terri Yost**, a retired Army nurse practitioner and an associate professor, penned an essay on Memorial Day in the [Daily Progress](#), and was featured in UVA Today and *Virginia Nursing Legacy*.

At Final Exercises in May, nursing professors **Sharon Veith** (UVA Public Service Award) and **Sarah Craig** (All-UVA Teaching Award) were recognized with all-UVA faculty awards for 2022. **Theresa Carroll**, senior assistant dean for student services, was awarded the Gordon F. Rainey Jr. Award for Vigilance to the Student Experience from the Society of the Purple Shadows.

**Abby Self**, assistant dean for academic operations, and **Kathleen Rea**, a clinician educator and clinical nurse specialist on 5E at UVA Health, earned 2022 Hoos Building Bridges Award in May.

### **Student Honors**

The School will welcome two UVA scholars in its BSN class of 2026: Walentas Scholar **Katherine Olivar Flores**, valedictorian of Monticello High School's class of 2022, from Charlottesville and El Salvador, and **Tanise Cole**, a Ridley Scholar and a graduate of Maury High School's Medical and Health Specialties Program in Norfolk, Va.

PhD candidate **Ren Capucao**, a Fulbright Scholar, departed from the U.S. for the Philippines for a year-long term abroad in July to continue his dissertation investigation, "Pressed into starched whites: Nursing identity in Filipino American history."

At graduation in May, BSN Class of '22 graduate **Yaa Awusi-Sarkodi** was one of three students selected to receive the Algernon Sydney Sullivan Award.

### **Philanthropy and Alumni Affairs**

The School will be the beneficiary of a new \$14M, five-year gift that will benefit students in both the CNL and advanced practice graduate programs. Though the details have yet to be made public, the School, its students, and the Commonwealth and country will benefit immensely from this transformational gift.



**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** VI. Health System Consolidated Financials

**ACTION REQUIRED:** None

**BACKGROUND:** UVA Health prepares a comprehensive financial package at least monthly and reviews it with the Executive Vice President for Health Affairs and other executive leaders of the University before submitting the report to the Health System Board.

Douglas E. Lischke serves as UVA Health’s Chief Financial Officer. Prior to coming to UVAH, he was the Associate Vice President for Financial Services and Controller for Wake Forest Baptist Medical Center. He is an active Certified Public Accountant and Certified Healthcare Finance Professional with over 25 years of financial management experience.

**FINANCE REPORT**

Overall, despite the pandemic and workforce challenges, UVA Health’s operating income is favorable to budget for the 12 months ended June 30, 2022.

	Operating Income			Operating Margin		
	Actual	Budget	Pr Year	Actual	Budget	Pr Year
Medical Center	69.1	66.0	66.6	3.2%	3.3%	3.5%
Community Health	(26.6)	(10.7)		-5.6%	-2.5%	
UPG - SOM Clinical	17.9	0.6	6.4	3.2%	0.1%	1.2%
SOM Academic	22.2	(6.0)	7.0	4.2%	-1.2%	1.4%
SON Academic	0.3	(0.2)	4.9	1.1%	-0.6%	18.5%
Health Sciences Library	1.0	(1.4)	(0.2)	13.4%	-24.5%	-3.6%
Health System Support/Transfers	(45.0)	(44.9)	(50.0)			
<b>UVA Health</b>	<b>38.8</b>	<b>3.4</b>	<b>34.7</b>	<b>1.1%</b>	<b>0.1%</b>	<b>1.2%</b>

**UVA Medical Center**

Through the fourth quarter of FY2022, the operating income was \$69.1M, resulting in a 3.2% operating margin and yielding a \$3.1M favorable budget variance. Net revenue results were driven by high inpatient acuity, strong ambulatory volumes, and growth in outpatient pharmacy business. The all payer case mix was 2.37 and exceeded budget by

4.7%. The operating margin is supported by imaging, dialysis, the post-acute care division and the management of shared services expenses. The Medical Center generated \$171.2M in cash from operations (EBITDA) after transfers and cash reserves totaled 209 days, which included non-operating investment losses of 120.9M and Federal Loan funds of \$25.4M (which will be repaid by end of August 2022). Total expenses adjusted for volume and acuity were 6.9% unfavorable to budget, driven by inflation and labor challenges.

Total paid employees, including contracted employees, were 443 under budget. Contract labor is composed primarily of nurse travelers and individuals employed by the School of Medicine and contracted to the Medical Center. The Medical Center utilized 502 nurse travelers.

	<b><u>FY2022</u></b>	<b><u>2022 Budget</u></b>
Employee FTEs	8,166	9,136
Contract Labor FTEs	642	115
Salary, Wage and Benefit Cost / FTE	\$96,415	\$89,282
Total FTEs	8,808	9,251

### **UVA Community Health**

UVA Community Health was unfavorable to budget by \$16M during for FY2022. Volumes were in-line with budget, but one-time transition costs associated with moving services from Novant Health to UVA are significant and unbudgeted (due to timing of the acquisition). Transition costs totaled \$22M which accounts for more than the entire margin variance. Salaries and supplies were also unfavorable to budget due work force challenges/contract labor and inflation, respectively.

### **Transitional Care Hospital**

TCH experienced and operating loss of \$5.7M for the fiscal year, which was in-line with budget. Staffing challenges related to COVID-19 issues caused a reduction in capacity and negatively impacted admissions and discharges. TCH admitted 153 patients and 73% of those were from the Medical Center. The case mix index was 1.35, which exceeded budget by 44% and favorably impacted revenue.

### **UVA Physicians Group**

Through the fourth quarter of FY2022, the Physicians Group (UPG) produced an operating surplus of \$17.9M, which was \$17.3M favorable to budget and \$11.5M favorable to prior year. Favorable results were driven by higher than plan patient volumes, \$2.8M combined from the CARES Act and the American Rescue Plan, and cost savings from social distancing and remote work. These results include \$35.4M in support towards the Academic Mission.

### **UVA School of Medicine**

Through the fourth quarter of FY2022, the School of Medicine generated a \$22.2M surplus yielding a \$28.2M favorable variance to budget. This is primarily related to favorable gift revenues of \$12.3M and a \$6.4M favorable timing variance related to a change in methodology for recognizing research revenue earned by clinical trials, fixed price events, and program income. Additional favorable variances from residual grant conversions, utilization of state funds and a decrease in discretionary spending were also realized during the year.

### **UVA School of Nursing**

The School of Nursing had a slightly favorable budget variance for FY22. The favorable variance was driven primarily by non-personnel expenditures being lower as professional development and activities related to recruitment were less than budgeted and total lower labor expenditures resulting from unfilled vacancies. Graduate tuition revenue decreased again in line with national trends but was offset by increases in research, gifts, and other operating revenue.

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

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-20	Jun-21	Jun-22	Jun-22
Net patient revenue	\$1,688.8	\$1,847.9	\$2,557.3	\$2,378.8
Other revenue	<u>66.6</u>	<u>66.0</u>	<u>92.0</u>	<u>71.3</u>
Total operating revenue	<u>\$1,755.4</u>	<u>\$1,914.0</u>	<u>\$2,649.3</u>	<u>\$2,450.2</u>
Operating expenses	1,603.9	1,696.2	2,425.8	2,198.0
Depreciation	115.9	133.8	156.5	161.0
Interest expense	<u>18.3</u>	<u>17.4</u>	<u>24.5</u>	<u>35.9</u>
Total operating expenses	<u>\$1,738.0</u>	<u>\$1,847.3</u>	<u>\$2,606.8</u>	<u>\$2,394.8</u>
Operating income (loss)	<u>\$17.4</u>	<u>\$66.6</u>	<u>\$42.5</u>	<u>\$55.3</u>
Non-operating income (loss)	<u>\$36.7</u>	<u>\$522.9</u>	(\$138.2)	<u>\$51.6</u>
Net income (loss)	<u>\$54.1</u>	<u>\$589.5</u>	(\$95.7)	<u>\$107.0</u>
Principal payment	\$20.6	\$21.7	\$21.5	\$21.5
<i>*FY22 includes UVACH (acquisition date: 7/1/21). Prior years do not include UVACH.</i>				






**University of Virginia Medical Center**

**Balance Sheet**

(Dollars in Millions)

Description	Most Recent Three Fiscal Years		
	Jun-20	Jun-21	Jun-22
<b>Assets</b>			
Operating cash and investments	\$273.3	\$463.2	\$373.2
Patient accounts receivables	240.7	265.2	353.2
Property, plant and equipment	1,372.2	1,389.0	1,637.3
Depreciation reserve and other investments	430.3	517.1	398.8
Endowment Funds	676.5	958.7	874.7
Other assets	<u>278.3</u>	<u>292.0</u>	<u>296.8</u>
<b>Total Assets</b>	<u>\$3,271.4</u>	<u>\$3,885.1</u>	<u>\$3,934.0</u>
<b>Liabilities</b>			
Current portion long-term debt	\$27.3	\$28.4	\$45.8
Accounts payable & other liab	137.5	155.7	275.2
Long-term debt	741.2	726.0	865.5
Accrued leave and other LT liab	<u>590.9</u>	<u>611.0</u>	<u>455.7</u>
<b>Total Liabilities</b>	<u>\$1,496.9</u>	<u>\$1,521.1</u>	<u>\$1,642.3</u>
<b>Fund Balance</b>	<u>\$1,774.5</u>	<u>\$2,364.0</u>	<u>\$2,291.6</u>
<b>Total Liabilities &amp; Fund Balance</b>	<u>\$3,271.4</u>	<u>\$3,885.1</u>	<u>\$3,934.0</u>
<i>*FY22 includes UVACH (acquisition date: 7/1/21). Prior years do not include UVACH.</i>			

**University of Virginia Medical Center  
Financial Ratios**

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-20	Jun-21	Jun-22	Jun-22
Operating margin (%)	1.0%	3.5%	1.6%	2.3%
Current ratio (x)	3.1	4.0	2.3	2.0 
Days cash on hand (days)	263	351	209	190 
Gross accounts receivable (days)	57.5	51.8	46.9	50.0 
Annual debt service coverage (x)	4.8	19.0	1.9	3.6 
Debt-to-capitalization (%)	31.6%	25.5%	29.8%	34.0% 
Capital expense (%)	7.7%	8.2%	6.9%	8.2%

**University of Virginia Medical Center  
Operating Statistics**

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-20	Jun-21	Jun-22	Jun-22
Acute Discharges	26,297	26,311	25,760	28,539
Patient days	184,378	193,426	196,973	202,946
Observation Billed Encounters - MC only	5,053	5,919	6,235	5,508
All Payor CMI Adj Avg Length of Stay - MC only	3.06	3.10	3.18	3.01
OP Billed Encounters	741,696	859,366	906,742	839,893
ER Billed Encounters	40,653	36,793	41,992	36,137
All Payor CMI - MC Only	2.20	2.32	2.37	2.26
Average beds available				
FTE's (including contract labor)	8,889	8,883	8,808	9,251

Operating Statistics exclude UVA Community Health

**University of Virginia Medical Center**  
**SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES**  
**Fiscal Year to Date June 30, 2022 with Comparative Figures for Prior Fiscal Year**

OPERATING STATISTICAL MEASURES									
DISCHARGES and CASE MIX - Year to Date					OTHER INSTITUTIONAL MEASURES - Year to Date				
	Actual	Budget	% Variance	Prior Year		Actual	Budget	% Variance	Prior Year
<b><u>DISCHARGES</u></b>					<b><u>ACUTE INPATIENTS</u></b>				
Medical Center	25,607	28,245	(9.3%)	26,079	Inpatient Days - MC	192,941	192,066	0.5%	186,461
Transitional Care	153	294	(48.0%)	232	Inpatient Days - CH	53,851	55,191	(2.4%)	
Community Health	13,953	14,435	(3.3%)		All Payor CMI Adjusted ALOS - MC	3.18	3.01	(5.6%)	3.10
Total Discharges	39,713	42,974	(7.6%)	26,311	All Payor CMI Adjusted ALOS - CH	2.72	2.73	0.3%	
Adjusted Discharges - MC	61,535	64,113	(4.0%)	60,586	Average Daily Census - MC	529	526	0.5%	511
Adjusted Discharges - CH	42,245	40,700	3.8%		Average Daily Census - CH	147	151	(2.4%)	
Total Adjusted Discharges	98,733	99,974	(1.2%)	60,586	Births - MC	2,206	1,951	13.1%	2,123
<b><u>CASE MIX INDEX</u></b>					Births - CH	2,627	2,528	3.9%	
All Payor CMI - UVA Hosp & Clinics	2.37	2.26	4.7%	2.32	<b><u>SURGICAL CASES</u></b>				
All Payor CMI - CH	1.42	1.40	1.3%		UVA Main Hospital Operating Room	18,609	19,291	(3.5%)	18,676
<b><u>OUTPATIENT BILLED ENCOUNTERS</u></b>					Battle	11,507	12,389	(7.1%)	13,110
Medical Center	906,742	839,893	8.0%	859,366	Monticello Surgery Center	7,596	6,000	26.6%	
Community Health	237,583	243,134	(2.3%)		Community Health	11,042	10,902	1.3%	
Emergency Room - MC	41,992	36,137	16.2%	36,793	Total	48,754	48,582	0.4%	31,786
Emergency Room - CH	105,151	94,467	11.3%						
OPERATING FINANCIAL MEASURES									
REVENUES and EXPENSES - Year to Date					OTHER INSTITUTIONAL MEASURES - Year to Date				
	Actual	Budget	% Variance	Prior Year		Actual	Budget	% Variance	Prior Year
(\$s in thousands)					(\$s in thousands)				
<b><u>NET REVENUES</u></b>					<b><u>NET REVENUE BY PAYOR</u></b>				
Net Patient Service Revenue	\$2,557,277	\$2,378,848	7.5%	\$1,847,945	Medicare	\$743,454	\$664,572	11.9%	\$561,067
Other Operating Revenue	92,041	71,329	29.0%	66,013	Medicaid	\$474,052	\$420,478	12.7%	\$299,223
Total	\$2,649,318	\$2,450,177	8.1%	\$1,913,958	Commercial Insurance	\$283,063	\$287,508	(1.5%)	\$195,481
<b><u>EXPENSES</u></b>					Anthem	\$584,840	\$553,953	5.6%	\$427,424
Salaries, Wages & Contract Labor	\$1,199,158	\$1,046,505	(14.6%)	\$806,933	Aetna	\$194,972	\$175,308	11.2%	\$131,479
Supplies	682,668	621,550	(9.8%)	514,822	Other	\$276,897	\$277,028	(0.0%)	\$233,270
Contracts & Purchased Services	543,989	529,898	(2.7%)	374,406	Total Paying Patient Revenue	\$2,557,277	\$2,378,848	7.5%	\$1,847,945
Depreciation	156,468	161,025	2.8%	133,811	excludes UVACH				
Interest Expense	24,545	35,857	31.5%	17,373	<b><u>OTHER</u></b>				
Total	\$2,606,827	\$2,394,835	(8.9%)	\$1,847,344	Collection % of Gross Billings	28.6%	27.3%	5.0%	27.5%
Operating Income	\$42,491	\$55,342	(23.2%)	\$66,614	Days of Revenue in Receivables (Gross)	46.9	50.0	6.2%	51.8
Operating Margin %	1.6%	2.3%		3.5%	CMI Adjusted Cost per Adjusted Discharge	\$13,011	\$12,209	(6.6%)	\$13,190
					Total FTE's (including Contract Labor)	10,941	11,433	4.3%	10,892
					FTE's Per CMI Adjusted Discharge	19.9	21.3	6.3%	28.4



University of Virginia Medical Center

SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES

Fiscal Year to Date June 30, 2022 with Comparative Figures for Prior Fiscal Year

**Assumptions - Operating Statistical Measures**

**Discharges and Case Mix Assumptions**

Discharges include all admissions except normal new borns

TCH cases are those discharged from the TCH, excluding any Medicare interrupted stays

Oberservations are for billed encounters only

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 new borns

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 Adjusted Discharge uses All Payor CMI to adjust

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** VII.E. UVA Health Strategic Plan

**ACTION REQUIRED:** None

**BACKGROUND:** Jason Lineen, Chief Strategy Officer, will present UVA Health's 10-year strategic plan which has been in development over the past year.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** September 15, 2022

**COMMITTEE:** Health System Board

**AGENDA ITEM:** VII.F. Endorsement of UVA Health Strategic Plan

**BACKGROUND:** Health System leadership is seeking endorsement of the UVA Health Strategic Plan.

**DISCUSSION:** Over the past year UVA Health has developed its first-ever enterprise-wide strategic plan encompassing all of UVA Health’s four mission areas (clinical care, education, research, and community) as well as all six entities that comprise UVA Health (the Schools of Medicine and Nursing, University Medical Center, University of Virginia Physicians Group, the Health Sciences Library, and UVA Community Health).

**ACTION REQUIRED:** Endorsement by the Health System Board and by the Board of Visitors

**ENDORSEMENT OF UVA HEALTH STRATEGIC PLAN**

RESOLVED, the Board of Visitors endorses the UVA Health Strategic Plan; and

RESOLVED FURTHER, UVA Health leadership will keep the Board of Visitors and Health System Board apprised of progress or significant changes.