

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS**

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

**September 14, 2023**

## HEALTH SYSTEM BOARD

Thursday, September 14, 2023

8:30 a.m. – 12:15 p.m.

Pavilion 1 & 2, Boar's Head Resort

### Committee Members:

Babur B. Lateef, M.D., Chair  
Robert M. Blue  
Robert D. Hardie  
Stephen P. Long, M.D.

James B. Murray Jr.  
Paul B. Manning  
Douglas D. Wetmore

### Public Members:

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

Victoria D. Harker, Vice Chair  
Thomas A. Scully

### Ex Officio Members:

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

Wendy M. Horton, Pharm.D.  
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 2024, 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.

## VI. HEALTH SYSTEM FINANCE REPORTS FROM THE FINANCE WORKING GROUP AND DISCUSSION

- Health System Consolidated Financials (Mr. Lischke)

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

**BOARD MEETING:** September 14, 2023

**COMMITTEE:** Health System Board

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

**ACTION REQUIRED:** None

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

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

**BOARD MEETING:** September 14, 2023

**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 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.

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

**BOARD MEETING:** September 14, 2023

**COMMITTEE:** Health System Board

**AGENDA ITEM:** I.C. Emergency Department Transformation Initiative

**ACTION REQUIRED:** None

**BACKGROUND:** In June 2023, UVA Health University Medical Center launched a major reorganization of its 80-bed Emergency Department (ED). With the objectives of reducing wait times and providing the appropriate level of care for each patient, the ED trialed a number of improvements that were aptly named, "Excellence Driven." With this work, the care of patients is divided into a number of smaller zones dedicated to different levels of acuity. Very ill patients are taken to one area, moderately ill are treated in other zones, and less acute patients are treated in yet another unit. Patients that are not critically ill are allowed to sit in recliner chairs in their own clothes, as they wait for test results and may be managed without an IV. Research has shown that patients view these changes in flow quite positively. The project went into full implementation phase on July 6, 2023 and encouraging outcomes were found: a decrease in wait times to see the physician for all patients; a decrease in the rate of patients leaving because they have experienced long waits; already a decrease of one hour in the overall time spent by patients in the ED.

**DISCUSSION:** Chief Nursing Officer Kathy Baker, new Emergency Medicine Chair Andy Muck, M.D., Emergency Department Medical Director Bill Brady, M.D., Associate Medical Director Sarah Wendel, M.D., and Administrator of Emergency Services Nelson Figueroa will present the "Excellence Driven" initiative and answer questions from the board.

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**BOARD MEETING:** September 14, 2023

**COMMITTEE:** Health System Board

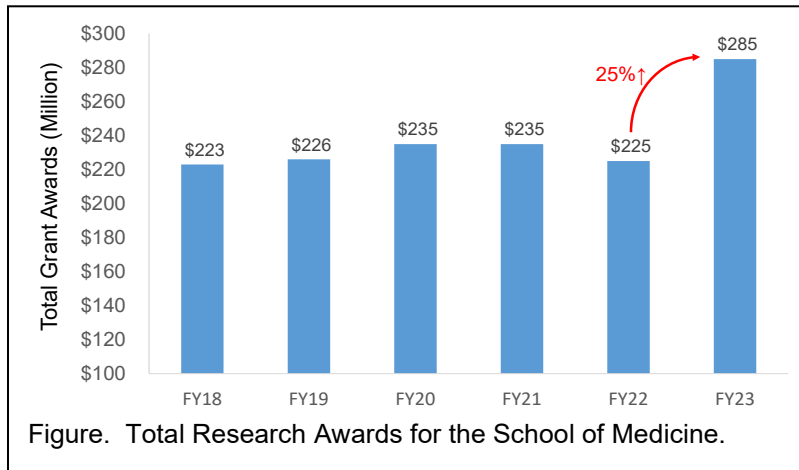
**AGENDA ITEM:** I.D. School of Medicine Research Report

**ACTION REQUIRED:** 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:** Since the recruitment of Dean Kibbe nearly two years ago, many initiatives were put in place to grow our research portfolio for the School of Medicine with the goal of having a greater impact of creating innovations to improve human health. As of the close of

FY23, total research awards for the School of Medicine have grown to \$285M. At the end of FY22, total research awards were at \$225M. This increase in research funding of \$60M represents a >25% growth in one year. While the growth spans the entire school, the largest increases were seen in several of the clinical departments, including medicine, pediatrics, neurology, surgery, and psychiatry, amongst others. The adjacent graph depicts total research awards over the past five years. With this growth, the School of Medicine now represents 54% of the total University portfolio of research funding.



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

<b><u>BOARD MEETING:</u></b>	September 14, 2023
<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, Ms. Horton served in several different leadership roles at University of Wisconsin Health, including Vice President of Operations.

**DISCUSSION:**

**People**

- The Medical Center's overall turnover rate continues to demonstrate positive trends. For the month of June, the voluntary turnover rate stood at 13.8%. Notably, the nursing turnover rate has impressively returned to pre-pandemic levels, reaching 12.9%.
- External travelers have continued to decrease, with the trend continuing over the past few months. The worked Full-Time Equivalent (FTE) of external travelers decreased from 875 in February 2023 to 495 in July 2023.
- Approximately 2,000 team members received compensation increases in July based on competitive analyses to align their compensation with the market. This move initiates FY24's intended \$50M budget for market-oriented adjustments, supplementing the \$108M already invested since 2021, reflecting UVA's commitment to securing and retaining top-tier talent as a pivotal driver of the workforce strategy.
- The UVA Health Service Awards underscored commitment to recognizing dedicated team members. This initiative included two separate events - one in June honoring those with 10, 15, and 20 years of service, and another in August commemorating milestones of 25, 30, 40, 45, and 55 years. This collective celebration honored the unwavering commitment, longevity, and loyalty of approximately 650 team members.
- UVA Health University Medical Center and UVA School of Nursing have launched two innovative opportunities for nurses: a clinical instructor workshop series to expand trained clinical instructors in various nursing programs, and the Nurse Educator Academy for advanced practice nurses with MSN, DNP, or PhD degrees, preparing them to be certified educators. These initiatives underscore long-term



workforce strategy of nurturing the next generation of nurses, especially in pre-licensure programs.

- Through UVA Health's Rewards and Recognition program, a series of team member engagement events have occurred, including a weekly Farmers Market offering food trucks and market fare and monthly Movie Nights for team members and their families to enjoy outdoor screenings at Fontaine Research Park, fostering unity and wellbeing.
- Earn While You Learn (EWYL) is embarking on its fifth cohort this October; the program maintains its strong collaboration with PVCC. Furthermore, a new partnership with the Tesla Institute for MRI Technologist training has been established. Impressively, the EWYL program boasts a six-month retention rate of 96%.
- Pipelines & Pathways Program: Focused on bolstering the hiring of individuals from underserved communities within the Charlottesville region, the Pipelines & Pathways program is dedicated to guiding community members through their journeys at UVA Health and ensuring their continuous growth and success. This program has also assumed responsibility for the hiring of candidates within the EWYL program, further expanding its positive impact.
- Career Development: The Learning to Lead program for new managers welcomed its eighth cohort on June 20. UVA Health's leaders continue to gain from ongoing programs such as Tools to Lead, Dare to Lead, and Leadership Essentials. As the current cohort of the Cornerstone program prepares to graduate in September, a fresh cohort is poised to embark on a similar journey in October. Moreover, applications are now open for the inaugural UVA Health Leadership Institute, aligning with the health system's strategic plan's goal of becoming a best place to work.

### **Quality and Safety**

- The Department of Medicaid Services completed a successful extension of services inspection for Air and Neonate Medical transport.
- The Virginia Department of Health completed a successful inspection of the Appomattox Dialysis Center.
- The State Fire Marshal Office completed a successful inspection of University Hospital.
- The Virginia Department of Health was re-designated as an Ebola Treatment Center by the Virginia Department of Health Emergency Management Division.
- Expanded Care Team Surveys to all inpatient units. Care Team Surveys are distributed to care team members who are involved in the care of patients who expire in their last 48 hours of life, and will be used to source additional information to inform the Mortality Coalitions' comprehensive, weekly reviews.
- Launched RN Sepsis Screening Tool, for completion by all inpatient RNs at least once per shift. Screening Tool is designed to support the comprehensive Sepsis Guideline, and the goal of administering antibiotics to all patients suspected of having sepsis within 60 minutes of "Time Zero" (per guideline).

### **Rankings/Accolades**

- *Newsweek* has ranked UVA Health University Medical Center as the #1 cancer hospital in Virginia and #50 in the United States on its “America’s Best Cancer Hospitals 2023” list.
- The World Health Organization and UNICEF awarded UVA Health Children’s Hospital with an A+ Baby Friendly Hospital for Maternity Practices in Infant Nutrition and Care
- UVA Health Children's: Holds #1 ranking among Virginia's children's hospitals for 3rd year running (*USNWR*).

Prominent UVA Health Children's program rankings:

- Neonatology: #23
  - Pediatric Gastroenterology & GI Surgery: #29
  - Pediatric Nephrology: #32
  - Pediatric Diabetes & Endocrinology: #34
  - Pediatric Orthopedics: #34
  - Pediatric Cardiology & Heart Surgery: #36
  - Pediatric Pulmonology & Lung Surgery: #38
  - Pediatric Neurology & Neurosurgery: #40
  - Pediatric Urology: #43
- The Extracorporeal Life Support Organization (ELSO) awarded UVA Health the Platinum Level Center of Excellence Award, the international group’s highest honor, for providing lifesaving care to patients with seriously injured hearts and lungs. UVA Health was recognized for providing advanced life support through its [Extracorporeal Membrane Oxygenation \(ECMO\) program](#). Hospitals that receive the Platinum Level Center of Excellence Award demonstrate a commitment to exceptional patient care through “excellence in training, education, collaboration, and communication supporting ELSO guidelines that contributes to a healing environment for families, patients, and staff.”
  - National healthcare publication *Becker’s Hospital Review* named UVA Health’s Heart & Vascular Center to its 2023 list of 100 hospitals and health systems with great heart programs. *Becker’s* described UVA Health’s Heart & Vascular Center as a renowned facility “that provides expert and comprehensive care for patients with cardiovascular disease.”
  - UVA Health’s Heart and Vascular Center earned three national awards for providing high-quality care for heart patients based on the American Heart Association’s evidence-based standards. UVA Health received the Gold Plus Level Get With The Guidelines-Heart Failure with Target: Heart Failure and Target: Type 2 Diabetes Honor Rolls award for its care of patients with heart failure.
  - *Becker’s Hospital Review* named UVA Health University Medical Center to its 2023 list of “Great Hospitals in America,” adding that UVA Health University Medical Center “has earned a reputation for superior care, research and education.”
  - *Newsweek* named, for the fourth consecutive year, University Medical Center to its list of America’s Top Maternity Hospitals for its high-quality care of newborns and

mothers. University Medical Center was among just 159 hospitals nationally that earned the publication's highest rating – five ribbons – for maternity care.

*Newsweek's* ratings are based on three factors:

- a national survey of hospital managers and maternity care specialists that asked them to recommend top maternity hospitals.
  - a review of key hospital-performance data related to maternity care, including a hospital's rate of cesarean births.
  - a review of patient-satisfaction data, such as how patients rated hospital staff for communication and responsiveness.
- UVA Health was named a “best in class” health system in Virginia for its cancer, heart, orthopedics, neurology, and digestive health care by WebMD and Medscape. The 2022-2023 WebMD Patient Choice and Medscape Physician Choice awards are based on surveys of consumers and physicians in Virginia, who were asked “to select the health system they believe provides the best overall quality and treatment capability,” according to the WebMD methodology. UVA Health was selected as a leading Virginia health system in all five specialties surveyed by WebMD and Medscape.
  - The Adult Echocardiography Lab at the UVA Heart & Vascular Center received the 25-Year Silver Accreditation Milestone from Intersocietal Accreditation Commission (IAC) Echocardiography, which accredits more than 2,800 healthcare facilities in the United States and Canada. UVA Health is one of just two health providers in Virginia to earn the 25-year accreditation award and is one of just 46 facilities recognized nationally for their longstanding commitment to excellent heart imaging with echocardiograms, which use ultrasound waves to examine the heart's structure and function.
  - The PKD Foundation, a foundation dedicated to battling polycystic kidney disease, named UVA Health as a Center of Excellence for providing patient-focused, comprehensive care for autosomal dominant polycystic kidney disease (ADPKD). UVA Health is one of just 28 centers nationally to earn this honor.
  - *Newsweek* named UVA Health's [Monticello Community Surgery Center](#) to its list of “America's Best Ambulatory Surgery Centers 2023,” based on recommendations from healthcare professionals and patient outcomes.
  - UVA Health earned a national “Most Wired” award for its advanced use of technology to bolster high-quality patient care.
  - Three specialties at University Medical Center were recognized by *Newsweek* on the news publication's 2023 list of World's Best Specialized Hospitals. The award is based on a national survey of more than 38,000 health organizations by the College of Healthcare Information Management Executives ([CHIME](#)), which assesses the adoption, integration, and impact of technologies in healthcare. Out of tens of thousands of hospitals worldwide, UVA Health is ranked in three specialties:
    - Neurosurgery: #72. UVA Health is a pioneer in the use of [focused ultrasound](#) – an incisionless form of brain surgery – to treat neurological conditions such as essential tremor as well as symptoms of Parkinson's disease.

- Oncology: #211. Earlier this year, UVA Health Cancer Center became one of just 53 National Cancer Institute-designated [Comprehensive Cancer Centers](#), which recognizes the nation's most outstanding cancer programs.
- Cardiology: #266. Recent breakthroughs at the UVA Health Heart and Vascular Center include the discovery that a common gout medication [improves survival rates](#) for patients with heart failure, according to a recent study.
- These three specialties also took top honors in Virginia, with Neurosurgery and Oncology ranking #1 in the state.

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<b><u>BOARD MEETING:</u></b>	September 14, 2023
<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**

- In FY23, the School of Medicine enjoyed another successful year of faculty promotions with 100 (8.3%) of 1212 faculty receiving promotion. Both FY23 and FY22 saw a significant increase in faculty promotions across the school and are positive indicators of the quality of the faculty representing the University and the School.
- Faculty departures for FY23 continued to remain low at 6.9%. Departures are below FY22 departure rates of 7.9%. The AAMC average annual departure rate across nationwide schools of medicine is 8.4%.
- Christopher Kramer, M.D., chief of the Division of Cardiovascular Medicine, was selected to serve as the next vice president of the American College of Cardiology in 2024-2025.
- David Kashatus, PhD, an associate professor in the Department of Microbiology, Immunology, and Cancer Biology, was awarded a 2023 Innovation and Collaboration Program grant from the Lustgarten Foundation, for his study “The Role of Lipid Droplets in Pancreatic Cancer Metastasis.”
- Susan M. Pollart, M.D., MS, FAAFP, Senior Associate Dean for Faculty Affairs at UVA School of Medicine and Ruth E. Murdaugh Professor of Family Medicine, received the 2023 Carole J. Bland Phronesis Award from AAMC Group on Faculty Affairs (GFA). This award honors members of the faculty affairs community who exemplify the spirit of phronesis through dedicated and selfless promotion of faculty vitality.

**Departments**

- The School of Medicine selected Ling Qi, PhD as the Chair of the Department of Molecular Physiology and Biological Physics. Dr. Qi will assume his new role on September 1, 2023. He comes to UVA from The University of Michigan School of Medicine, where he served as a professor in the Department of Molecular and Integrative Physiology and in the Department of Medicine.

- The School of Medicine selected Andrew Muck, M.D. as the Chair of the Department of Emergency Medicine. Dr. Muck will assume his new role on September 8, 2023. He comes to UVA from The University of Texas Health Science Center, where he served as a professor in the Department of Emergency Medicine.
- The School of Medicine selected Madhusmita Misra, M.D. as the Chair of the Department of Pediatrics. Dr. Misra will assume her new role on December 4, 2023. She comes to UVA from Massachusetts General Hospital and Harvard Medical School, where she serves as the chief of the Division of Pediatric Endocrinology.

### **Research**

- The School of Medicine is excited to report that as of the close of FY23, total research awards the research and clinical departments have grown to \$285M. In the year prior, at the end of FY22, total research awards were \$225M. This increase of \$60M in research funding represents a 25% growth in one year. The growth occurred in both research and clinical departments across the entire School of Medicine. With the growth in research awards in the past two years, the School of Medicine now represents 54% of the University of Virginia's total portfolio of research funding.

### **Clinical**

- U.S. Department of Agriculture (USDA) Deputy Secretary Xochitl Torres Small met with UVA Health leaders and other health institutions in Virginia on Tuesday, July 25 to announce its expanding access to healthcare for more than five million people living in 39 states, including Virginia, and Puerto Rico through President Biden's Investing in America agenda.

### **Education**

- The School of Medicine welcomed new medical students from the Class of 2027 and conducted their White Coat Ceremony on August 11, 2023 at Old Cabell Hall. A total of 160 new students started with the Class of 2027. They were selected from an applicant pool of 5,679 and have a mean GPA of 3.86.
- In July 2023, 52 first year Biomedical Science Graduate Program (BIMS) students started their journey towards achieving their PhDs in Biomedical Sciences with the UVA School of Medicine.
- In June 2023, the School of Medicine was incredibly proud to have a talented group of interns join all of the School of Medicine clinical departments, including Dentistry, and UVA Health Pharmacy. The 152 individuals come from 28 contiguous states and Puerto Rico, while eight international medical graduates are arriving from Australia, Bahrain, Costa Rica, Egypt, Grenada, Poland, and Ukraine.

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<b><u>BOARD MEETING:</u></b>	September 14, 2023
<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.

A former U.S. representative for the International Council of Nurses’ steering group for rural and remote nursing, Dean 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. Baernholdt was named to Virginia Business magazine’s “Top 100 People to Meet in 2023.”

**DISCUSSION:**

**Academics and Strategic Planning**

- The School will be named a “Best School for Men in Nursing” by the American Association of Men in Nursing this coming October, an annual award is bestowed to institutions with strong commitments to diversity, equity, and inclusion.
- In mid-June, the School announced it would guarantee admission to nursing alumni interested in pursuing graduate degrees across the MSN, specialty certificate, and DNP programs. A marketing campaign ensued to build awareness for a well-attended June 26 Zoom for alumni interested in graduate programs that garnered 64 RSVPs and nearly 40 attendees.
- The School’s first-ever post-doctoral fellows Crystal Chu, Victoria Petermann, and Maria McDonald begin work this fall. After successful completion of their two-year fellowship, they will transition into full-time assistant professors on the tenure track.
- New faculty hires Shaune McKinnon and Mary Lavery-Fisher will begin teaching psychiatric mental health courses to prelicensure students this fall.
- Every decade, the School is assessed by the Commission on Collegiate Nursing Education (CCNE) and the Virginia Board of Nursing (BON). Self-study reports to both CCNE and BON were finalized and delivered in Early August. A host of

activities to prepare for this visit have been taking place for the last year in the lead up to the CCNE and BON assessors' visit Sept. 20-22.

- To strengthen the pipeline of nursing educators at UVA and PVCC and improve nurses' professional development and retention rates, the School launched two programs for UVA Health nurses: a Nurse Educator Academy (NEA), which begins this fall, and a three-day Clinical Instructors Bootcamp, which began last spring. The two-year NEA is designed for master's prepared nurses interested in becoming nursing faculty; its first cohort of six nurses begins this fall. The bootcamp is a three-day intensive for BSN-prepared nurses interested in becoming clinical instructors. Interest from UVA Health nurses in both of these teaching intensives has been strong, with more than 60 nurses reaching out to participate.

### **Research and Faculty Recognition**

- Post doctoral fellow Maria McDonald and simulation faculty member Samantha Hudgins will be named to the Virginia Nurses' Association's (VNA) "40 Under 40" award winner list at its Sept. 9 gala.
- Also honored at the VNA event will be professor and dean emerita Pam Cipriano, who will earn the Nancy Vance Award, the group's highest honor. This October, Ms. Cipriano will also be named a "Living Legend" by the American Academy of Nursing at the Academy's annual ceremony to induct new Academy Fellows and honor current Fellows.
- Professor Cathy Campbell and alumna Dallas Ducar, CEO of Transhealth in Northampton, MA, penned an essay, "Dying while Trans," that will be published in September in the *Boston Globe's* STAT News this August. Ms. Campbell was also featured on NBC 29, WINA radio, and across social media on the topic of caring for transgender elders at end of life.
- In June, a new acute care certification program that the School developed in partnership with Sentara Health was featured in *UVA Today* and on NBC 29, with an interview with Dean Baernholdt, which was carried on news stations across Virginia.
- In July, associate dean Melissa Gomes was featured on NBC 29 in a story about the School's new guaranteed graduate admissions for alumni, urging nursing alumni to "come home." That same month, Ms. Gomes also completed an American Association of Colleges of Nursing Diversity Leadership Institute with 39 faculty peers from around the U.S., a six-month program.
- Meghan Mattos, an assistant professor, was among 33 UVA faculty chosen to be a research communication fellow for the coming year by UVA's vice president for research.
- Kluge-Schakat Professor Virginia LeBaron was chosen to be a National Cancer Institute visiting scholar for 2023-2024, only the fourth academic ever to be so honored. The year-long fellowship begins this October.
- A new wearable birthing simulator that debuted in the Clinical Simulation Learning Center was featured in *UVA Today*, on CBS 19, and across social media, in July. Four simulation faculty presented at the annual Virginia Simulation Alliance conference.



- Professors Richard Ridge and Beth Quatrara were featured on NPR/WVTF, CBS 19, NBC 29, and in *UVA Today* about how they build graduate nursing students' business and fiscal savvy in July.
- Dean Marianne Baernholdt and UVA Health chief nursing officer Kathy Baker were featured in *Becker's Hospital Review* in a July article titled, "Labor costs are crippling hospitals. Here's how 47 executives are tackling them."
- Norris professor Kim Acquaviva was featured in a July *Hospice News* in an article titled, "How gender-affirming care bans could impact hospice access, utilization."

### **Student Honors**

- DNP student Sherrie Page Guyer published an op-ed that appeared on CNN.com—"The question every parent should ask before school starts"—in support of legislation that would place a full-time nurse in every school in early August.
- DNP student Ross Scallen, a clinical nurse specialist, earned first prize for his poster at the International Rural Nurses Conference in late July.
- DNP student Qaashuntae "Q" Wright was featured in the summer digital *Virginia Nursing Legacy* for the social needs screening tool she successfully developed, deployed, and tested at a UVA Health dialysis clinic that is now being administered across all 12 dialysis clinics, work she's just published in the *Journal of Nursing Care Quality*.
- Rising 3<sup>rd</sup> year Abdallah Aljerjawi wrote an op-ed that was featured in the *Richmond Times Dispatch* titled, "Affirmative action: student must demand equality and justice" July 11.

### **Philanthropy and Alumni Affairs**

- As of August 10, the School of Nursing has secured \$84,981,836 in gifts and commitments to the Honor the Future Campaign, which represents 113% of the goal with slightly less than two years remaining in the campaign.
- More than 100 alumni returned to the School in celebration of Reunions June 3-4 and June 10-11.
- The summer digital edition of *Virginia Nursing Legacy* was sent July 29 to our nearly 10,000 constituents and the second-best performing issue ever.

### **Events**

- A Sept. 19 evening remembrance event will commemorate the life of late MSN and DNP alumna Lindsey Grizzard Braun, who died suddenly Aug. 3.
- A three-day Clinical Instructor Bootcamp readied BSN-prepared nurses to be clinical educators Aug. 14-16.
- The School hosted a Welcome Back for all faculty and staff Aug. 21, and took part in a community Welcome Back picnic Aug. 22 on McLeod patio for the entire employee and student community.
- Faculty and staff leaders from the School took part in a community "Healthy Streets / Healthy People" event July 8 with UVA Health.

- Human resources staffer Sue Loving earned the 2023 “Invisible Hand” award July 3 for her “proactive, reliable work” to facilitate School needs across UVA, UVA Health, and with external agencies.
- The first-ever Clinical Instructor Bootcamp hosted 18 UVA Health nurses interested in becoming clinical instructors at the School and at PVCC, part of the School’s new effort to recruit, develop, and retain excellent nursing faculty.

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

**BOARD MEETING:** September 14, 2023

**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 almost 30 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 twelve months ended June 30, 2023.

	Operating Income			Operating Margin		
	<u>Actual</u>	<u>Budget</u>	<u>Pr Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Pr Year</u>
Medical Center	53	53	52	2.1%	2.4%	2.4%
Community Health	11	12	9	2.2%	2.4%	1.8%
UPG	8	6	19	1.4%	1.0%	3.4%
SOM	(4)	(15)	22	-0.7%	-2.5%	4.2%
SON	(0)	-	0	-0.3%	0.0%	1.1%
Health Sciences Library	0	(0)	1	3.4%	-4.7%	13.4%
Support/Transfers/Elims	(54)	(47)	(45)			
<b>UVA Health</b>	<b>14</b>	<b>8</b>	<b>58</b>	<b>0.4%</b>	<b>0.2%</b>	<b>1.6%</b>
One-Time Settlements	35		59			
One-Time CH Integration	(53)	(40)	(25)			
<b>UVA Health including 1-Time</b>	<b>(3)</b>	<b>(32)</b>	<b>92</b>	<b>-0.1%</b>	<b>-0.9%</b>	<b>2.5%</b>

## **UVA Medical Center**

For FY23, the operating income excluding one-time Medicaid settlements was \$53M, meeting budget and resulting in a 2.1% operating margin. Net revenue results were driven by high acuity, strong ambulatory volumes, and sustained outpatient pharmacy business. The all payer case mix was 2.37 and exceeded budget by 3.0%. The operating margin is supported by imaging, dialysis, home health and the management of shared services expenses. Continued dependence on nurse traveler/contract labor created a significant challenge with labor being \$181M unfavorable to budget. The Medical Center generated \$238M in operating cash (EBITDA) after transfers and cash reserves totaled 171 days. Total expenses adjusted for volume and acuity were 7.0% unfavorable to budget, driven by inflation and labor challenges.

Total paid employees, including contracted employees, were 201 over 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 734 nurse travelers.

	<b><u>FY23 Actuals</u></b>	<b><u>FY23 Budget</u></b>
Employee FTEs	8,356	8,905
Contract Labor FTEs	865	116
Salary, Wage and Benefit Cost / FTE	\$105,018	\$99,982
Total FTEs	9,221	9,020

## **UVA Community Health**

For FY23, UVA Community Health's operating income excluding one-time integration impacts was \$11M, resulting in a 2.2% operating margin and in-line with budget. Volumes were mixed with inpatient volumes behind budget while outpatient and emergency room volumes were ahead of budget. Labor costs were unfavorable to budget due to work force challenges and contract labor. Unfavorable one-time impacts associated with moving services from Novant Health to UVA were \$53M, driving an overall operating loss of \$41M, which was unfavorable to budget.

### **UVA Physicians Group**

For FY23, the Physicians Group (UPG) produced an operating surplus of \$8M, which was \$2M favorable to budget. Favorable results were driven by operating revenue, including patient care reimbursement and increased capture of Value-Based Care revenue. The results include \$40M in transfers to support the Academic Mission.

### **UVA School of Medicine**

For FY23, the School of Medicine generated a \$4M deficit, \$11M favorable to budget. Significant activity includes \$5M in favorable strategic spending and an additional \$4M in favorable savings related to utilization of Cancer Center State Funds, \$5M in unbudgeted gifts, and a \$6M transfer from UPG as a contribution to endowments. This is partially offset by a \$6M UFM charge from FY16 and \$3M unfavorable research and indirect cost recoveries.

### **UVA School of Nursing**

The School of Nursing was close to break-even for FY23, which is in-line budget. Graduate tuition revenue decreased consistent with national trends of decreased enrollment but was offset with unexpected gift revenue, as well as favorable Undergraduate tuition. Unfavorable salary variances reflect opportunistic hiring for FY23 with late fall start dates.

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

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-21	Jun-22	Jun-23	Jun-23
Net patient revenue	\$1,847.9	\$2,610.6	\$2,938.4	\$2,600.5
Other revenue	<u>66.0</u>	<u>100.2</u>	<u>80.8</u>	<u>80.7</u>
Total operating revenue	<u>\$1,914.0</u>	<u>\$2,710.7</u>	<u>\$3,019.2</u>	<u>\$2,681.2</u>
Operating expenses	1,696.2	2,411.2	2,744.8	2,448.6
Depreciation	133.8	166.2	190.9	166.4
Interest expense	<u>17.4</u>	<u>37.9</u>	<u>36.8</u>	<u>41.2</u>
Total operating expenses	<u>\$1,847.3</u>	<u>\$2,615.3</u>	<u>\$2,972.5</u>	<u>\$2,656.2</u>
Operating income (loss)	<u>\$66.6</u>	<u>\$95.4</u>	<u>\$46.6</u>	<u>\$25.0</u>
Non-operating income (loss)	<u>\$522.9</u>	<u>(\$114.8)</u>	<u>(\$34.3)</u>	<u>\$53.1</u>
Net income (loss)	<u>\$589.5</u>	<u>(\$19.3)</u>	<u>\$12.3</u>	<u>\$78.1</u>
Principal payment	\$20.6	\$21.7	\$37.6	\$37.6
<i>*7/1/21 and forward includes UVACH</i>				






**University of Virginia Medical Center**

**Balance Sheet**

(Dollars in Millions)

Description	Most Recent Three Fiscal Years		
	Jun-21	Jun-22	Jun-23
<b>Assets</b>			
Operating cash and investments	\$463.2	\$346.9	\$276.8
Patient accounts receivables	265.2	352.8	382.5
Property, plant and equipment	1,389.0	1,622.2	1,639.5
Depreciation reserve and other investments	517.1	416.0	423.4
Endowment Funds	958.7	874.7	870.7
Other assets	<u>292.0</u>	<u>438.5</u>	<u>652.3</u>
<b>Total Assets</b>	<u>\$3,885.1</u>	<u>\$4,051.1</u>	<u>\$4,245.2</u>
<b>Liabilities</b>			
Current portion long-term debt	\$28.4	\$42.9	\$41.8
Accounts payable & other liab	143.2	302.5	455.0
Long-term debt	726.0	868.0	839.1
Accrued leave and other LT liab	<u>623.4</u>	<u>568.7</u>	<u>562.0</u>
<b>Total Liabilities</b>	<u>\$1,521.1</u>	<u>\$1,782.2</u>	<u>\$1,898.0</u>
<b>Fund Balance</b>	<u>\$2,364.0</u>	<u>\$2,269.0</u>	<u>\$2,347.2</u>
<b>Total Liabilities &amp; Fund Balance</b>	<u>\$3,885.1</u>	<u>\$4,051.1</u>	<u>\$4,245.2</u>
<i>*7/1/21 and forward includes UVACH</i>			

University of Virginia Medical Center  
Financial Ratios

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-21	Jun-22	Jun-23	Jun-23
Operating margin (%)	3.5%	3.5%	1.5%	0.9%
Current ratio (x)	4.2	2.0	1.3	2.0 
Days cash on hand (days)	355	205	173	190 
Gross accounts receivable (days)	51.8	51.9	51.4	50.0 
Annual debt service coverage (x)	19.5	3.1	3.2	3.6 
Debt-to-capitalization (%)	25.5%	30.0%	28.5%	34.0% 
Capital expense (%)	8.2%	7.8%	7.7%	7.8%
<i>*7/1/21 and forward includes UVACH</i>				



University of Virginia Medical Center  
Operating Statistics

Description	Most Recent Three Fiscal Years			Budget/Target
	Jun-21	Jun-22	Jun-23	Jun-23
Acute Discharges	26,304	25,679	26,505	27,661
Patient days	193,395	196,749	195,252	194,087
Observation Billed Encounters	5,922	6,291	7,430	5,750
All Payor CMI Adj Avg Length of Stay	3.10	3.19	3.16	3.00
OP Billed Encounters	859,337	906,981	938,117	900,000
ER Billed Encounters	36,792	41,975	49,112	42,500
All Payor CMI	2.32	2.36	2.37	2.30
FTE's (including contract labor)	8,883	8,891	9,221	9,020

*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, 2023 with Comparative Figures for Prior Fiscal Year

<b>OPERATING STATISTICAL MEASURES</b>									
<b>DISCHARGES 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><u>DISCHARGES</u></b>					<b><u>ACUTE INPATIENTS</u></b>				
Medical Center	26,505	27,661	(4.2%)	25,679	Inpatient Days - MC	195,252	194,087	0.6%	196,749
Community Health	13,861	14,101	(1.7%)	13,953	Inpatient Days - CH	52,931	53,260	(0.6%)	53,851
Total Discharges	<u>40,366</u>	<u>41,762</u>	<u>(3.3%)</u>	<u>39,632</u>	All Payor CMI Adjusted ALOS - MC	3.16	3.00	5.5%	3.19
Adjusted Discharges - MC	65,765	64,060	2.7%	61,342	All Payor CMI Adjusted ALOS - CH	2.67	2.58	(3.6%)	2.66
Adjusted Discharges - CH	43,343	49,191	(11.9%)	42,387	Average Daily Census - MC	535	520	2.9%	539
<b><u>CASE MIX INDEX</u></b>					Average Daily Census - CH				
All Payor CMI - MC	2.37	2.30	3.0%	2.36	Births - MC	2,312	1,951	18.5%	2,206
All Payor CMI - CH	1.43	1.44	(0.7%)	1.45	Births - CH	2,487	2,684	(7.3%)	2,627
<b><u>OUTPATIENT BILLED ENCOUNTERS</u></b>					<b><u>SURGICAL CASES</u></b>				
Medical Center	938,117	900,000	4.2%	906,981	UVA Main Hospital Operating Room	19,852	20,528	(3.3%)	18,609
Community Health	265,787	259,181	2.5%	248,273	Battle	11,681	11,462	1.9%	11,507
Emergency Room - MC	49,112	42,500	15.6%	41,975	Monticello Surgery Center	8,272	7,000	18.2%	7,596
Emergency Room - CH	111,941	109,669	2.1%	105,151	Orthopedic Center	903			
					Community Health	<u>11,050</u>	<u>11,178</u>	<u>(1.1%)</u>	<u>11,042</u>
					Total	51,758	50,168	3.2%	48,754

<b>OPERATING FINANCIAL MEASURES</b>									
<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>
(\$s in thousands)					(\$s in thousands)				
<b><u>NET REVENUES</u></b>					<b><u>NET REVENUE BY PAYOR</u></b>				
Net Patient Service Revenue	\$2,938,415	\$2,600,465	13.0%	\$2,610,592	Medicare	\$832,196	\$765,619	8.7%	\$746,454
Other Operating Revenue	80,752	80,719	0.0%	100,150	Medicaid	\$714,426	\$691,980	3.2%	\$678,436
Total	<u>\$3,019,167</u>	<u>\$2,681,183</u>	<u>12.6%</u>	<u>\$2,710,743</u>	Commercial Insurance	\$306,194	\$252,107	21.5%	\$274,833
<b><u>EXPENSES</u></b>					Anthem				
Salaries, Wages & Contract Labor	\$1,373,141	\$1,163,548	(18.0%)	\$1,194,638	Aetna	\$205,764	\$167,472	22.9%	\$188,579
Supplies	795,600	699,463	(13.7%)	684,646	Other	<u>\$332,869</u>	<u>\$219,800</u>	<u>51.4%</u>	<u>\$235,548</u>
Contracts & Purchased Services	576,041	585,604	1.6%	531,922	Total Paying Patient Revenue	\$2,938,415	\$2,600,465	13.0%	\$2,610,592
Depreciation	190,936	166,394	(14.7%)	166,214	<b><u>OTHER</u></b>				
Interest Expense	36,809	41,184	10.6%	37,883	Collection % of Gross Billings	29.8%	27.4%	8.5%	28.7%
Total	<u>\$2,972,527</u>	<u>\$2,656,193</u>	<u>(11.9%)</u>	<u>\$2,615,302</u>	Days of Revenue in Receivables (Gross)	51.4	50.0	(2.8%)	51.9
Operating Income	<u>\$46,640</u>	<u>\$24,990</u>	<u>86.6%</u>	<u>\$95,441</u>	CMI Adjusted Cost per Adjusted Discharge	\$13,907	\$13,061	(6.5%)	\$13,014
Operating Margin %	1.5%	0.9%		3.5%	Total FTEs (including Contract Labor)	11,528	11,146	(3.4%)	11,061
					FTEs Per CMI Adjusted Discharge	19.8	20.0	1.2%	20.1

University of Virginia Medical Center

SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES

Fiscal Year to Date June 30, 2023 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

Observations 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