

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

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

March 6, 2025

HEALTH SYSTEM BOARD

Thursday, March 6, 2025

8:30 a.m. – 12:00 p.m.

Pavilion 1 & 2, Boar's Head Resort

Committee Members:

Paul B. Manning, Chair
Robert M. Blue
Robert D. Hardie
Stephen P. Long, M.D.

David O. Okonkwo, M.D.
The Honorable L.F. Payne
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
Marianne Baernholdt
Ian B. Baucom
Jennifer Wagner Davis

Wendy M. Horton, Pharm.D.
Melina R. Kibbe, M.D.
Margaret C. Tracci, M.D.
Mitchell H. Rosner, 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 2025, 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

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

BOARD MEETING: March 6, 2025

COMMITTEE: Health System Board

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

ACTION REQUIRED: None

BACKGROUND: The Committee Chair, Mr. Manning, will welcome guests and provide opening remarks.

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

BOARD MEETING: March 6, 2025

COMMITTEE: Health System Board

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

ACTION REQUIRED: None

BACKGROUND: Mitchell H. Rosner, MD, FASN, serves as acting Executive Vice President for Health Affairs for the University of Virginia and in this role leads UVA Health. He joined the UVA School of Medicine as faculty in 2005 and has since served as a physician, educator, and scientist. In 2011, Dr. Rosner became Chair of the Department of Medicine, the School of Medicine's largest clinical department, where he has overseen the development of key strategic programs in oncology, critical care, and cardiology. He is board-certified in both internal medicine and nephrology and holds the title of the Henry B. Mulholland Professor of Medicine.

By training, Dr. Rosner is a nephrologist with a clinical focus on fluid and electrolyte disorders, acute kidney injury, peritoneal dialysis, and polycystic kidney disease (PKD). He is a Principal Investigator on several trials studying novel compounds for the treatment of PKD and leads a regional PKD clinical center of excellence. He has published over 200 peer-reviewed journal articles and seven books. Dr. Rosner serves as the Education Director for the International Society of Nephrology. He is also the recipient of the 2019 Robert Narins Award from the American Society of Nephrology, recognizing his contributions to the field.

A native of Roslyn, N.Y., Dr. Rosner completed his undergraduate studies at Harvard University and earned his medical degree from Harvard Medical School and the Medical College of Georgia. He completed his residency and fellowship training in nephrology at the University of Virginia. Outside of his role at UVA, Dr. Rosner enjoys spending time outside with his family, including his three children.

DISCUSSION: The Acting Executive Vice President for Health Affairs will provide opening remarks.

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

BOARD MEETING: March 6, 2025

COMMITTEE: Health System Board

AGENDA ITEM: I.C. School of Medicine Department Chairs Presentation

ACTION REQUIRED: None

BACKGROUND: Shayn Peirce-Cottler, Ph.D. has served as chair of the Department of Biomedical Engineering since 2022. She is an international leader in biomedical engineering and has been a UVA faculty member since 2004.

Scott T. Hollenbeck, M.D., has served as chair of the Department of Plastic and Maxillofacial Surgery since 2022. He came to UVA from Duke University, having served as Vice Chief of Research for the Division of Plastic, Maxillofacial, and Oral Surgery.

Xuemei Huang, M.D., Ph.D. was appointed chair of the Department of Neurology on August 1, 2024. Dr. Huang came to UVA from the Penn State College of Medicine, where she served as Associate Dean for Physician-Scientist Development and Chief of the Division of Movement Disorders.

Lu Q. Le, M.D., Ph.D, was appointed chair of the Department of Dermatology on January 29, 2024. Dr. Le came to UVA from the University of Texas Southwestern Medical Center, where he served as Professor of Dermatology and Associate Director of the Physician-Scientist track for the residency program in the Department of Dermatology.

DISCUSSION: Drs. Peirce-Cottler, Hollenbeck, Huang, and Le will present information on their respective departments in the School of Medicine, including their visions for the future.

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

<u>BOARD MEETING:</u>	March 6, 2025
<u>COMMITTEE:</u>	Health System Board
<u>AGENDA ITEM:</u>	II.A. Medical Center Report (Written Report)
<u>ACTION REQUIRED:</u>	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

- UVA Nursing submitted their application for the fifth Magnet certification and have been awarded a site visit for validation in February 2025. Additionally, seven UVA nurses received top honors at the annual Virginia Nurses Association awards. UVA's Chief Nursing Officer was inducted as a fellow into the American Academy of Nursing and was elected President of the Virginia Nurses Association, further demonstrating the leadership and excellence within the UVA Nursing team.
- A new UVA Health Team Member Gym has opened, reinforcing commitment to wellness and strategic plan goal of being the best place to work. Located just outside the Battle Building main lobby, this free, badge-accessible facility is available to all UVA Health team members, supporting their well-being and work-life balance.
- On February 14, 2025, UVA Health celebrated ASPIRE Day, bringing team members together to renew their commitment to UVA Health's values with chocolate giveaways, conversations, and team celebrations.
- As of December 2024, the University Medical Center's voluntary turnover rate was 11.5%. The nursing turnover rate has also returned to pre-pandemic levels at 9.4%.
- The number of external travelers has continued to decline, with the Full-Time Equivalent (FTE) dropping from 876 in February 2023 to 237 in January 2025.
- UVA Health's Earn While You Learn program continues to play a key role in addressing critical staffing shortages and providing valuable career pathways and opportunities for the community. Since its inception in June 2022, the program has successfully graduated over 450 new team members. Currently we have 750 applicants for various trainings.

Clinical and Operational

- UVA Health launched a mobile care unit to bring essential healthcare services directly to the community. Funded by \$347,060.95 in federal support, this community service offers adult and pediatric primary care, chronic disease management, minor illness treatment, women's health services, and lab testing. The mobile unit provides services in Fifeville on the second and fourth Tuesdays and in Southwood on the second and fourth Wednesdays, expanding access to care where it's needed most.
- UVA Health Children's, with financial partnership support from Sentara Martha Jefferson Hospital, opened a new outpatient pediatric neurodevelopmental and behavioral health clinic in Albemarle County to meet the growing demand for specialized and behavioral health care in Central Virginia.
- UVA Cancer Center, the Appalachian Community Cancer Alliance, and Buchanan General Hospital (BGH) have partnered to expand lung cancer screenings in rural Virginia and West Virginia. Through a simplified referral process and increased community outreach, the newly formed Rural Appalachian Lung Cancer Screening Initiative (RALCSI) aims to enhance screening access and improve early detection rates across the region.
- UVA Medical Center Transplant Program successfully completed their initial Virginia Department of Health (VDH) survey to establish a separate Pediatric Heart Transplant Program. VDH recommended approval of the Pediatric Heart Transplant Program to CMS for final review and approval.
- University Medical Center received recertification from The Joint Commission for Advanced Total Hip and Knee Replacement (Advanced Total Joint) Certification.
- The Breast Care Center Laboratory, Cancer Center Pantops Laboratory, and Cancer Center Augusta Laboratory at University Medical Center have received their initial College of American Pathologists (CAP) Accreditation.
- UVA Medical Center submitted for The Joint Commission (TJC) Sustainable Healthcare Certification, pending final approval. This certification focuses on decarbonization efforts and environmental sustainability.
- UVA Medical Center Continuum Home Infusion and UVA Health Specialty Pharmacy had successful routine audits with the Virginia Board of Pharmacy.

Regulatory, Quality and Safety

- Patient experience continues to be a focus, we have gained some positive momentum in the second quarter of FY25. The inpatient experience score rose to 77.0, reflecting a 0.8-point improvement over FY24. Outpatient clinic experience remains strong at 96.1, placing UVA in the 86th percentile against our peers. UVA ambulatory clinic providers maintain an outstanding 4.9 out of 5-star average rating, underscoring exceptional patient satisfaction. The Emergency Department has also demonstrated steady progress, achieving a score of 81.4, a 0.9-point increase from the previous fiscal year.

- UVA Cancer Center was recognized by Becker's Health 2024 report, Excellence in Oncology, for their national acclaim for advancing cancer care via cutting-edge clinical trials and life-changing research.
- UVA Health Medical Center was ranked Virginia's No. 1 hospital on Newsweek's Best-in-State Hospitals 2025 list. The rankings were based on several factors, including online surveys of healthcare professionals, publicly available patient survey data, hospital quality metrics from CMS, accreditation agencies, and data from the American Hospital Association's Annual Survey of Hospitals Database.
- UVA Medical Center received Five Stars for Patient Recommendations based on CMS Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), recognized as one of the top recommended hospitals in Virginia. The rating is based on patients' responses to: "Would you recommend this hospital to your friends and family?"
- UVA Health Orthopedics Earns National Honor for Quality Care, Research by Becker's Health. Recognition is based on delivering comprehensive, compassionate care for patients experiencing musculoskeletal conditions and injuries, facilitating cutting-edge clinical trials and employing the latest innovations in orthopedic technology.
- UVA University Hospital has been awarded for Best Hospital 2025 in the following categories by The Women's Choice Award (The Voice of Women): Bariatric Surgery, Patient Safety, Obstetrics, Heart Care, Minimally Invasive Surgery, Orthopedics, Cancer Care, Stroke Care, Women's Services, Mammogram, Outpatient Experience, and For Patient Experience.
- UVA Children's Hospital was awarded for Best Hospital 2024 in the following categories by The Women's Choice Award (The Voice of Women): Best Children's Hospital and Pediatric Emergency Care.
- UVA Health has been honored on Becker's Hospital Review's 2024 list of 100 health systems with great neuroscience and spine programs.
- The Health System Board Quality Subcommittee passed a resolution supporting the Medical Center's continued designation as a Level 1 Trauma Center

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

BOARD MEETING: March 6, 2024

COMMITTEE: Health System Board

AGENDA ITEM: II.B. Signatory Authority for Medical Center Contracts

BACKGROUND: The Board of Visitors is required to approve the execution of any procurement contract where the contract value is expected to exceed \$5M per year.

DISCUSSION: In accordance with Medical Center procurement policy, the contracts listed below exceed \$5M in spend per year and are 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 Medical Center documents.

- CareFusion Solutions, LLC for intravenous pump system remediation
- Siemens Medical Solutions USA, Inc. for MRI capital replacements

The expense for goods and services purchased through these contracts are reflected in the Medical Center's Operating Capital Budget.

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

**SIGNATORY AUTHORITY FOR CAREFUSION SOLUTIONS LLC AND SIEMENS
MEDICAL SOLUTIONS USA CONTRACTS EXCEEDING \$5 MILLION PER YEAR**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute the contracts on behalf of the Medical Center with CareFusion Solutions LLC for intravenous pump system remediation and with Siemens Medical Solutions USA, Inc. for MRI capital replacements.

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

<u>BOARD MEETING:</u>	March 6, 2025
<u>COMMITTEE:</u>	Health System Board
<u>AGENDA ITEM:</u>	III. School of Medicine Report (Written Report)
<u>ACTION REQUIRED:</u>	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-in-chief 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: Below are highlights from November 2024, December 2024, and January 2025 in the School of Medicine.

People

- Dr. Xuemei Huang, M.D., Ph.D., Chair of the UVA Department of Neurology, has been named one of the '100 People to Meet in 2025' by *Virginia Business*. Dr. Huang is an innovative physician-scientist and educator whose leadership and experience are strengthening neurology research and patient care across Virginia.
- The School of Medicine is pleased to announce that Jeffrey Elias, M.D. has been appointed as the Interim Chair of the Department of Neurosurgery, effective December 12, 2024. Dr. Elias is a renowned neurosurgeon known for his pioneering work in focused ultrasound technology, which has revolutionized the treatment of essential tremor and Parkinson's disease symptoms.
- The School of Medicine is pleased to announce that Michael Mazzeffi, M.D., MPH, has been appointed as the Interim Chair of the Department of Anesthesiology, effective January 12, 2025. Dr. Mazzeffi is highly recognized for his contributions to anesthesiology and critical care medicine with proven leadership experience in the department and expertise in his field.

Departments

- The inaugural John C. Marshall Lectureship was presented by the Department of Medicine's Division of Endocrinology and Metabolism at UVA on October 29, 2024. Dr. Griffin Rodgers, director of the NIH's NIDDK, delivered the lecture titled "NIDDK Support for the Scientific Workforce." Dr. Rodgers emphasized the importance of supporting the scientific community and highlighted various initiatives and funding opportunities aimed at fostering innovation and advancing research in diabetes, digestive, and kidney diseases.
- In December 2024, the UVA Department of Plastic Surgery hosted the 11th annual Oncologic Reconstruction Course. This event brought together experts in reconstructive surgery for a cadaver-based teaching course for senior plastic

surgery residents. Over 125 participants from top U.S. universities attended. The course featured innovative techniques in breast, head and neck, extremity, and torso reconstruction. The event concluded with awards and case presentations at the UVA Rotunda.

Research

- UVA has been awarded \$30M by the National Institute for Neurological Disorders and Stroke to lead a 60-site, five-year clinical trial. This study will investigate the safety and efficacy of ketamine as an adjunctive treatment for status epilepticus, a severe and prolonged form of seizures that do not respond to standard benzodiazepine treatments. The trial aims to improve patient outcomes by exploring new therapeutic options, potentially offering a significant advancement in the management of status epilepticus.
- Jie Sun, Ph.D., Harrison Distinguished Teaching Professor in the Department of Medicine's Division of Infectious Diseases and International Health, earned a \$3.1M grant to study how overactive T cells may contribute to ongoing lung damage during aging. This research aims to uncover how specialized types of immune cells contribute to the damage in lungs.
- Lulu Jiang, M.D., Ph.D., an assistant professor in the Department of Neuroscience, was awarded a \$3.6M R01 grant from the National Institute on Aging to investigate RNA modifications in Alzheimer's disease. This research seeks to understand how RNA modifications contribute to the progression of Alzheimer's and identify potential therapeutic interventions.

Clinical

- The UVA Cancer Center, in partnership with the Appalachian Community Cancer Alliance and Buchanan General Hospital, has launched an initiative to expand lung cancer screenings in rural Virginia and West Virginia. This program aims to make lung cancer screenings more accessible to residents in these underserved areas, improving early detection and treatment outcomes.

Education

- The School of Medicine's Center for Excellence in Education Teaching Committee hosted its inaugural Teaching Bootcamp for Trainees on December 3, 2024. This event drew more than 50 trainees across many specialties and provided hands-on training and resources, focusing on enhancing their teaching skills and preparing them for future educational roles in medicine.
- On November 8, 2024, 81 medical students presented their research projects at the UVA Office for Research's Medical Student Research Symposium. This event allowed students to showcase their work, covering a wide range of topics from laboratory and clinical research to epidemiological and theoretical studies. The symposium, which has expanded due to high student demand, provides a platform for students to receive feedback and encouragement. The high level of participation reflects the enthusiasm and dedication of the next generation of biomedical researchers.

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

<u>BOARD MEETING:</u>	March 6, 2025
<u>COMMITTEE:</u>	Health System Board
<u>AGENDA ITEM:</u>	IV. School of Nursing Report (Written Report)
<u>ACTION REQUIRED:</u>	None

BACKGROUND: Marianne Baernholdt, Ph.D., MPH, RN, FAAN—the Pew Charitable Trusts Dean of Nursing and dean of professional nursing at UVA Medical Center— a leading scholar of care quality and safety with an emphasis on healthcare in rural and global environments, has dedicated the expanse of her award-winning 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. Dean Baernholdt was named to Virginia Business magazine’s “Top 100 People to Meet in 2023” list.

DISCUSSION:

Academics and Strategic Planning

- On January 14, the school celebrated its first class of RN to BSN students taking courses in the new UVA Northern Virginia location in Fairfax. The new state-of-the-art facility will enhance student experience, and the occasion was marked by a visit from faculty and school leadership, a ribbon cutting, and lunch with students.
- Professors Kimberly Acquaviva and Julie Roebuck hosted multiple faculty forums in the fall focused on how faculty members can teach students how to harness artificial intelligence’s (AI) power to research complex topics, gather up-to-date information, and fact-check the information AI produces.
- Dean Baernholdt was interviewed by NPR on December 4 about approaches that the school and UVA Health are taking to attract and retain nurses.
- Clinical simulation educator Samantha Hudgins presented work she co-created with fellow faculty members Gina DeGennaro and Tanya Thomas at the American Association of Colleges of Nursing Transform conference in December in New Orleans. Her presentation focused on the team's novel approach to teaching end-of-life care competencies that allow students hands-on practice using novel simulation scenarios with simulated patients.

- Associate Dean Melissa Gomes and Assistant Professor Crystal Toll were both recognized at the Virginia Nursing Association's annual gala in November. Dean Gomes was awarded the 2024 Nurse Researcher Award and Professor Toll was given the Leadership Excellence Nurse Educator Award.
- Post-doctoral fellow Crystal Chu—who creates, deploys, and tests decision aids for women at risk for or facing breast cancer—earned the Society for Medical Decision Making's (SMDM) "Young Scholar Award" for 2024 at the group's annual meeting in Boston.
- Professor Ishan Williams was part of an interactive panel on the "University of Aging" for the American Academy of Nursing in October.

Research and Faculty Recognition

- Associate Professor Kelley Anderson received a \$300,000 grant from the Humana Foundation to develop a comprehensive nutrition counseling program for older adults in Nelson County.
- Associate professor Virginia LeBaron received a \$50,000 grant as part of the Cancer Center's Recruitment Enhancement Activities in Cancer to Have Impact (REACHI) Pilot Award program. This funding will support her research titled "Enhancing Recruitment Diversity for the Behavioral and Environmental Sensing and Intervention for Cancer Remote Health Monitoring System to Improve Cancer Pain Management."
- Postdoctoral scholar Victoria Petermann received a \$32,000 award as part of the cancer center's Cancer Prevention and Population Health Research Program Pilot Project for her research focused on "Evaluation the role of geographic disparities in the endometrial cancer diagnostic pathway."
- Associate professor Kathryn Laughon received a \$15,000 grant from the Karsh Institute for Democracy to support her project focused on community engagement and gun violence solutions.
- Postdoctoral scholar Mina Ostovari was awarded the Bhakta Rath Public Service Research Award.

Student Honors

- NCLEX licensure exam pass rates for the students graduating from the school's prelicensure programs remains very high. The numbers for 2024 were released in late January and Clinical Nurse Leader graduates had a 100% pass rate and Bachelor of Science in Nursing students had a 95% pass rate.
- DNP program student Ginger Richardson won first place in the student poster competition at the 2024 Rural Health Voice Conference in Abingdon, Virginia in late November.
- The school once again earned the American Association for Men in Nursing's "Best School for Men in Nursing" award, one of 17 U.S. nursing programs chosen for the honor.

Philanthropy and Alumni Affairs

- The school surpassed \$92M in funds raised for the Honor the Future Campaign. This represents 123% of its goal.
- Dean Baernholdt contributed to a Chronicle of Philanthropy piece about the tremendous impact of Bill Conway's philanthropy for nursing education in the United States. The story was published on November 13.
- On October 9, the school hosted a very successful inaugural "Accelerating Purpose" luncheon at The Forum, bringing together alumni and benefactors to witness the impact that philanthropy has on the school.
- Philanthropic gifts received in November and December 2024 now fund five new undergraduate scholarships.

Events

- Faculty and students in the School of Nursing participated in the UVA Health Town Hall on December 17 as part of a panel on nursing in the U.S. Armed Forces.
- Associate Dean Shelly Smith facilitated a continuing education event, entitled "Virginia's Healthcare Horizons" on December 9. This event delved into current issues at play in the commonwealth and shared some of Dean Smith's experience as a member of the Virginia Board of Nursing.
- On December 3, visiting scholar Luciana Luchesi delivered a lecture on "The Brazilian Ladies of Toronto and the Rockefeller Foundation in the 1940s" as part of her residency at the School of Nursing. She was hosted by the school's Bjoring Center for Nursing Historical Inquiry.
- On November 21, professor emerita Emily Hauenstein presented an hour-long forum about violence against nurses, why such violence is under-reported, and meaningful tools for nurses to use to speak up to end the cycle of violence.

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

BOARD MEETING: March 6, 2025

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.

FINANCE REPORT

During the first six months of operations in FY2025, UVA Health's operating income is unfavorable to budget. This is driven primarily by lower acuity accompanied by higher average length of stay.

	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	9	37	41	0.6%	2.7%	3.1%
Community Health	(8)	3	(15)	-2.4%	0.8%	-5.2%
UPG	(8)	(7)	(3)	-2.5%	-2.3%	-1.2%
SOM	(10)	(4)	(2)	-3.0%	-1.3%	-0.5%
SON	(0)	(0)	(0)	-1.0%	-2.6%	-2.7%
Health Sciences Library	(1)	0	0	-17.1%	6.1%	5.9%
Support/Transfers/Elims	(31)	(33)	(28)			
UVA Health	(49)	(4)	(7)	-2.1%	-0.2%	-0.3%
One-Time HS Activity	12	-	2			
UVA Health including 1-Time	(37)	(4)	(5)	-1.6%	-0.2%	-0.2%

During the month of January, UVA Health's operating income was \$14M, significantly favorable to the budgeted operating loss of \$1M. This is driven primarily by higher acuity during the month.

UVA Medical Center (MC)

Through the first half of FY25, operating income before one-time items was \$9M, which was unfavorable to budget, resulting in a 0.6% operating margin. Net revenue results were driven by increasing volumes, decreasing acuity, and sustained rate increases. The all-payer case mix index and length of stay were 2.25 and 7.00 days, respectively. The operating margin includes imaging, dialysis, home health and outpatient pharmacy services. Progress has been steady in reducing the use of external nurse travelers and other contract labor, but staffing and compensation pressure remains very high. The cost of premium pay, overtime, and bonuses used to fill open shifts with employed nurses is up, driving labor \$57M unfavorable to budget (10%). Additionally \$6M one-time audit remediation expense is impacting purchased services. Total expenses adjusted for volume and acuity were 4% unfavorable to budget, driven by pharmaceutical expense, inflation, and labor challenges. In total the MC generated \$88M in operating cash (EBITDA) after transfers.

Total paid employees, including contracted employees, were 396 FTEs over budget. This variance is partially driven by a large number of new grad hires, approximately double the budgeted amount, who were non-productive due to orientation and training. Many of the incremental new hires will allow contract labor to be further reduced in the future. Contract labor is composed of 618 FTEs, of which 320 are nurse travelers.

In the month of January, the MC delivered \$20M operating income, significantly better than the \$5M budget. The improved financial result was driven by high all-payer case mix index, which rose to 2.38 for the month, and by strong surgery volumes.

UVA Community Health (CH)

Through the first six months of FY25, CH operating loss was \$8M before one-time items, which was unfavorable to budget but favorable to prior year. The loss was the result of volume mix, with discharges up but surgeries below budget, driving lower than budgeted revenue. CH had strong inpatient and outpatient volumes ahead of budget and prior year. ED volumes were in line with budget and prior year. Surgeries were below budget, partially due to one provider leaving the market and one retirement. In total CH generated \$18M in operating cash (EBITDA).

In the month of January, CH broke even, which was in line with budget. The improved financial result was driven by high acuity, which rose to 1.51 for the month.

UVA Physicians Group (UPG)

UPG finished the first six months of FY25 with an operating deficit of \$8M, which was \$1M lower than plan. Patient volumes were 1% higher than plan and 8% higher than prior year. However total revenues were \$4M or 1% lower than budget, mainly due to lower than plan patient revenue. Expenses were \$5M lower than plan due to favorable timing difference in other than personnel services costs. The UPG YTD operating income

was a surplus of \$17M before contributing \$25M to the academic mission. UPG operating income after investment in the academic mission was a deficit of \$8M.

UVA School of Medicine (SOM)

Through the second quarter of FY25, the SOM generated a \$10M deficit yielding a \$6M unfavorable variance to budget. A \$10M budgeted support request from the University that is not being received is contributing to this result (\$4M unfavorable impact YTD). This support was intended to fund capital renovations which will not be undertaken. Unfavorable spending on personnel and OTPS as well as unfavorable indirect cost recoveries due to lower than budget grant spending are offset by favorable gift and Health System revenues.

UVA School of Nursing (SON)

Through the first half of FY25, the SON generated operating income in-line with budget. Overall revenue had a slightly positive variance, attributable to higher returns on grants and gifts. Personnel is favorable driven by vacancies (currently recruiting), which is offset by purchase service expense associated with temp and contractor costs. SON is on track to meet its budget.

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

Description	Most Recent Three Fiscal Years			Budget/Target
	Year to Date			
	Dec FY23	Dec FY24	Dec FY25	Dec FY25
Net patient revenue	\$1,087.7	\$1,542.1	\$1,729.3	\$1,625.5
Other revenue	<u>19.5</u>	<u>78.5</u>	<u>48.7</u>	<u>55.3</u>
Total operating revenue	<u>\$1,107.3</u>	<u>\$1,620.6</u>	<u>\$1,778.0</u>	<u>\$1,680.7</u>
Operating expenses	938.6	1,474.8	1,640.7	1,519.5
Depreciation	61.2	95.2	102.1	100.9
Interest expense	<u>16.5</u>	<u>22.1</u>	<u>21.6</u>	<u>20.5</u>
Total operating expenses	<u>\$1,016.3</u>	<u>\$1,592.1</u>	<u>\$1,764.4</u>	<u>\$1,640.8</u>
Operating income (loss)	<u>\$90.9</u>	<u>\$28.5</u>	<u>\$13.6</u>	<u>\$39.9</u>
Non-operating income (loss)	<u>(52.7)</u>	<u>2.4</u>	<u>36.6</u>	<u>(27.5)</u>
Net income (loss)	<u><u>\$38.3</u></u>	<u><u>\$30.9</u></u>	<u><u>\$50.2</u></u>	<u><u>\$12.4</u></u>
Principal payment	\$10.8	\$18.8	\$20.3	\$20.3

University of Virginia Medical Center
Balance Sheet
(Dollars in Millions)

Description	Most Recent Three Fiscal Years		
	Dec FY23	Dec FY24	Dec FY25
Assets			
Operating cash and investments	321.7	137.7	134.7
Patient accounts receivables	388.3	423.5	456.0
Property, plant and equipment	1,606.1	1,624.6	1,628.7
Depreciation reserve and other investments	414.5	438.0	481.4
Endowment Funds	861.5	880.6	947.1
Other assets	528.3	724.7	594.4
Total Assets	<u>\$4,120.4</u>	<u>\$4,229.1</u>	<u>\$4,242.4</u>
Liabilities			
Current portion long-term debt	24.3	28.0	25.8
Accounts payable & other liab	435.7	484.4	326.7
Long-term debt	866.4	835.5	795.5
Accrued leave and other LT liab	<u>576.7</u>	<u>501.0</u>	<u>461.4</u>
Total Liabilities	<u>\$1,903.1</u>	<u>\$1,849.0</u>	<u>\$1,609.4</u>
Fund Balance	<u>\$2,217.2</u>	<u>\$2,380.2</u>	<u>\$2,632.9</u>
Total Liabilities & Fund Balance	<u>\$4,120.4</u>	<u>\$4,229.1</u>	<u>\$4,242.4</u>

**University of Virginia Medical Center
Financial Ratios**

Description	Most Recent Three Fiscal Years			Budget/Target
	Year to Date			
	Dec FY23	Dec FY24	Dec FY25	Dec FY25
Operating margin (%)	8.2%	1.8%	0.8%	2.4%
Current ratio (x)	1.5	1.1	1.7	2.0
Days cash on hand (days)	258	147	146	190
Gross accounts receivable (days)	66.3	62.1	54.4	50.0
Annual debt service coverage (x)	4.3	3.6	4.2	3.6
Debt-to-capitalization (%)	30.0%	27.8%	24.8%	34.0%
Capital expense (%)	7.6%	7.4%	7.0%	7.4%

**University of Virginia Medical Center
Operating Statistics**

Description	Most Recent Three Fiscal Years			Budget/Target
	Dec FY23	Dec FY24	Dec FY25	Dec FY25
Acute Discharges	12,989	14,351	15,649	14,854
Patient days	98,500	100,471	107,778	103,384
Observation Billed Encounters	3,870	3,126	3,001	3,368
All Payor CMI Adj Avg Length of Stay	3.23	3.01	3.12	3.00
OP Billed Encounters	455,004	467,387	501,486	470,943
ER Billed Encounters	24,282	26,455	26,537	25,509
All Payor CMI	2.37	2.30	2.25	2.32
FTE's (including contract labor)	9,101	10,073	10,803	10,407

Operating Statistics exclude UVA Community Health

University of Virginia Medical Center
SUMMARY OF OPERATING STATISTICS AND FINANCIAL PERFORMANCE MEASURES
Fiscal Year to Date December 31, 2024 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
DISCHARGES					ACUTE INPATIENTS				
Medical Center	15,649	14,854	5.4%	14,351	Inpatient Days - MC	107,778	103,384	4.3%	100,471
Community Health	7,592	7,058	7.6%	7,002	Inpatient Days - CH	28,712	27,540	4.3%	27,404
Total Discharges	23,241	21,912	6.1%	21,353	All Payor CMI Adjusted ALOS - MC	3.12	3.00	3.9%	3.01
Adjusted Discharges - MC	38,010	35,050	8.4%	33,975	All Payor CMI Adjusted ALOS - CH	2.64	2.69	1.7%	2.75
Adjusted Discharges - CH	24,469	22,467	8.9%	21,813	Average Daily Census - MC	586	562	4.3%	546
Total Adjusted Discharges	62,479	57,517	8.6%	55,788	Average Daily Census - CH	156	150	4.0%	149
CASE MIX INDEX					Births - MC	1,247	1,258	(0.9%)	1,208
All Payor CMI - MC	2.25	2.32	(3.2%)	2.30	Births - CH	1,315	1,265	4.0%	1,240
All Payor CMI - CH	1.43	1.45	(1.4%)	1.42					
OUTPATIENT BILLED ENCOUNTERS					SURGICAL CASES				
Medical Center	501,486	470,943	6.5%	467,387	UVA Main Hospital Operating Room	10,417	10,037	3.8%	10,004
Community Health	106,675	99,217	7.5%	96,325	Battle	5,769	5,953	(3.1%)	5,925
Emergency Room - MC	26,537	25,509	4.0%	26,455	Monticello Surgery Center	3,611	3,597	0.4%	3,933
Emergency Room - CH	58,746	59,125	(0.6%)	58,186	Orthopedic Center	727	743	(2.2%)	743
					Community Health	4,660	4,759	(2.1%)	5,533
					Total	25,184	25,089	0.4%	26,138
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
NET REVENUES					NET REVENUE BY PAYOR				
Net Patient Service Revenue	\$1,729,268	\$1,625,468	6.4%	\$1,542,086	Medicare	\$503,321	\$484,078	4.0%	\$448,359
Other Operating Revenue	48,750	55,260	(11.8%)	78,516	Medicaid	\$334,469	\$308,985	8.2%	\$294,123
Total	\$1,778,018	\$1,680,728	5.8%	\$1,620,602	Commercial Insurance	\$159,326	\$149,675	6.4%	\$159,504
					Anthem	\$360,287	\$340,177	5.9%	\$355,643
EXPENSES					Aetna	\$136,619	\$126,648	7.9%	\$118,332
Salaries, Wages & Contract Labor	\$814,307	\$754,524	(7.9%)	\$731,145	Other	\$235,246	\$215,904	9.0%	\$166,124
Supplies	513,682	451,984	(13.7%)	438,952	Total Paying Patient Revenue	\$1,729,268	\$1,625,468	6.4%	\$1,542,086
Contracts & Purchased Services	312,716	312,980	0.1%	304,688					
Depreciation	102,082	100,885	(1.2%)	95,250	OTHER				
Interest Expense	21,595	20,460	(5.5%)	22,056	Collection % of Gross Billings	29.2%	28.8%	1.4%	29.3%
Total	\$1,764,381	\$1,640,833	(7.5%)	\$1,592,090	Days of Revenue in Receivables (Gross)	54.4	50.0	(8.9%)	62.1
Operating Income	\$13,636	\$39,895	(65.8%)	\$28,512	CMI Adjusted Cost per Adjusted Discharge	\$14,265	\$13,986	(2.0%)	\$14,177
Operating Margin %	0.8%	2.4%		1.8%	Total FTEs (including Contract Labor)	13,298	12,922	(2.9%)	12,439
					FTEs Per CMI Adjusted Discharge	19.8	20.3	2.4%	20.5

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

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

BOARD MEETING: March 6, 2025

COMMITTEE: Health System Board

AGENDA ITEM: VII. Credentialing and Recredentialing Actions

BACKGROUND: The Health System Board is the governing body of the University of Virginia Medical Center. The Health System Board is responsible for final approval of clinical privileges of providers that have been approved by the Credentials Committee and the Clinical Staff Executive Committee.

ACTION REQUIRED: Approval by the Health System Board

<p><u>CREDENTIALING AND RECREDENTIALING ACTIONS</u></p> <p>RESOLVED, the credentialing and recredentialing items from the March 6, 2025 Health System Board meeting are approved.</p>
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**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 6, 2025

COMMITTEE: Health System Board

AGENDA ITEM: VII.B. Amended Bylaws of the Clinical Staff of the Medical Center

BACKGROUND: The Health System Board is the governing body of the University of Virginia Medical Center. The Health System Board is responsible for final approval of amended bylaws that have been approved by the Bylaws Committee, the Clinical Staff Executive Committee, and a majority of the Active Clinical Staff in accordance with the bylaws.

ACTION REQUIRED: Approval by the Health System Board

**AMENDED AND RESTATED BYLAWS OF THE CLINICAL STAFF OF THE MEDICAL
CENTER**

RESOLVED, the attached amended and restated bylaws of the Clinical Staff of the Medical Center are approved.

ATTACHMENT