

# Health Affairs Committee Meeting - Public Session

University of Missouri System

Atkins Conference Room, NextGen Precision Health Building

Apr 14, 2022 1:00 PM - 3:30 PM CDT

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#### C. Health Affairs Committee Meeting - Executive Session (2:00 PM, time is approximate)

The Health Affairs Committee will hold an executive session of the April 14, 2022 meeting, pursuant to Section 610.021(1), 610.021(2), 610.021(3), 610.021(13), 610.021(14) and 610.021(20) RSMo, for consideration of certain confidential or privileged communications with university counsel, property, personnel, records protected by law and computer systems, all as authorized by law and upon approval by resolution of the Health Affairs Committee.

# Health Affairs Committee

April 14, 2022

**Richard J. Barohn, MD**

Executive Vice Chancellor for Health Affairs



University of Missouri

MU Health Care | NextGen Precision Health | School of Medicine

# Agenda

- **Executive Vice Chancellor Report:** Dr. Richard Barohn
- **MU Health Care Report:** Jonathan Curtright
- **School of Medicine Report:** Dean Steven Zweig
- **Missouri S&T:** Chancellor Mo Dehghani
- **Closed Session**

# Leadership Recruitment

## **Nim Chinniah, vice chancellor for health affairs**

- provides high-level support and partnership to EVC, MU Health Care CEO and leadership team
- supports clinical scale strategy, implementation and ensures that strategic objectives are achieved
- decades of experience in academic medical centers, strategy, finance, operations, leadership and governance, organization structures and board engagement
- experience at Northwestern University (EVP/COO), University of Chicago (EVP/CFO), Vanderbilt University (Finance/Operations), and Investment Banking (Health Care/Higher Education)



**Nim Chinniah**

# Leadership Recruitment

## Searches underway for:

- Chief of marketing and communications
- Chief compliance officer
  - Dr. Julia Settles will return to director of risk management and regulatory affairs with new hire



# NextGen Updates

- Initiating next executive director search
- Roy Blunt NextGen Precision Health Building is fully functional and operating
- Six more faculty moving in:
  - Drs. Senthilnathan Palaniyandi and Gerhard Hildebrandt (new recruits/cancer)
  - Drs. Jaewook Jeong and Tae Hoon Kim (new recruits/reproductive science)
  - Drs. Tom Spencer and Andrew Kelleher will relocate their labs to NextGen (reproductive science)
- Partnership Innovation Space and opening of the Clinical and Translational Science Unit – May
- Planning and build out of 4<sup>th</sup> floor



# Information Technology Update

- Closely monitoring Oracle acquisition of Cerner as it may impact our informatics infrastructure and/or strategy
- Conducting internal assessment of Cerner capabilities that support our mission
- Upcoming meeting between President Choi and Cerner CEO, Dr. David Feinberg (April 15)



# CEO Report

April 14, 2022

**Jonathan Curtright**

Chief Executive Officer



Health Care



# Re-Emergence and Strategic Growth



**Oncology**



**Cardiovascular**



**Neurosciences**



**Rural health care**



**Pharmacy**



**Surgical**

# Leadership Recruitment

**Katrina Lambrecht, JD, MBA**

**MU Health Care Chief Operating Officer**

- Chief Operating Officer, Dignity Health's St. Joseph's Hospital and Medical Center in Phoenix
- Experience at University of Texas Medical Branch, University of Wisconsin-Madison
- Start date of May 9



**Katrina Lambrecht**



# Children's Hospital Construction Update

- Children's Hospital continues on track to open in **June 2024**
- Project is on budget - **\$232M total**
  - In addition to the base project, we anticipate adding the skybridge enhancement from project savings
- Major upcoming milestones:
  - Building Top Out – January 2023
  - Substantial Completion – October 2023
  - Building Open – June 2024



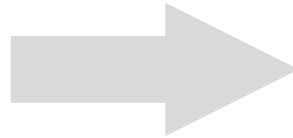
# Children's Hospital Construction Update (continued)

- No approved deviations or change orders to date
- As planned, 2 ½ floors of the new building will be shell space
- Planned shell space allows for infrastructure to accommodate new physicians and services



# Clinical Campus Integration Update

## Phase I (Completed 11/16/2021)



## Phase II (Target Summer 2024)

- Relocation:
  - Inpatient Pediatrics and PICU
  - Children’s Procedure Suite
  - Cancer and Blood Disorder Unit
  - In & Outpatient Pediatric Surgeries
  - Pediatric Emergency Department to main campus

- Design, Construction, Occupancy of the new Children’s Hospital and Birthing Center
- Relocation of Phase 1 inpatient Pediatric services to the new building and move remaining Keene Street ED and outpatient services

### How does phase 1 (2021) better prepare us for phase 2 (2024)?

1. Reduced complexity of Phase 2 move due to:
  - a. Fewer patients and units to move across town in 2024
  - b. Children’s Hospital services already integrated into the central campus
2. Support and ancillary services are better prepared for full integration
3. Community awareness of the relocation is improved due to multi-year communication

# Children's Hospital - Phase 1 Integration Update

## What went as planned:

- Move of Pediatrics & PICU, Pediatric ED, Pediatric Surgery, Children's Procedure Suite, and Children's Cancer & Blood Disorders
- Maternal newborn services (including Labor & Delivery and NICU) and a reduced size Emergency Department remain on Keene Street through 2024
  - Initial plans were to consolidate emergency
  - Based on providing the best care for laboring patients arriving via ambulance and system ED volumes due to COVID, decision to continue a reduced size ED (June 25, 2021)
- Successful integration of relocated units into the existing facility

## Opportunities identified:

- One adult and pediatric emergency entrance presents a challenge
  - Plans are in progress to provide separate entrances
- Staffing challenges persist system-wide due to labor shortages



# MU Health Care Net Operating Income

- January, February **\$27M unfavorable to budget**
- Reconciling Items:
  - \$6.4M** — 675 deferred surgical cases (COVID, snow)
  - \$5.0M** — Contract and specialty pharmacy accrual
  - \$7.2M** — Agency and overtime expense

# Financial Improvement Teams

- MU Health Care has initiated seven teams charged with developing and executing a plan to improve financial performance over the remaining four months of FY22.

Area	Key Responsibility	Initial Target
Surgical and Procedural Services	Recover lost volume from Jan/Feb (637 cases) Ensure consolidation savings	75% recapture \$4.0M
Hospital Deferrals	Ensure bed and staff availability to reduce deferrals	50% reduction \$4.0M
Clinic Volumes and Ambulatory Access	Recover lost volume from Feb (9,154 visits)	75% recapture \$0.9M
Collection Rates	Review factors contributing to lower collection rates and determine strategies to improve	TBD
Supply Chain	Ensure accurate supply charge and usage processes Improve pricing through standardization and negotiation	\$5M
Agency Rates and Tiger Flex	Identify strategies to reduce utilization and rate of premium pay	\$1.8M
Pharmacy	Identify strategy to maintain contract pharmacy revenue Identify growth strategies Reduce drug expense/unit	TBD



# Challenges and Opportunities

- 1. Financial performance from January and February**
- 2. Re-emergence and growth plans**
- 3. Ambulatory space plans and complex queue**

# Dean's Report

April 14, 2022

**Steven Zweig, MD**

Dean of MU School of Medicine



School of Medicine

University of Missouri

# Match Day 2022

- **Our students are highly sought after**
  - 96% residency match rate (national rate 93%)
  - 30% of the class will stay on the MU campus for their residency training and 43% will remain in Missouri
- **We want the best – Second Look Weekend**



# New Leadership

- **Michael Chicoine, MD**
  - chair of new Department of Neurosurgery
  - internationally recognized expert in neurologic surgery joins us in June from Washington University
  - will be the Hugh E. Stephenson Jr., MD, Professor in Cancer Research
  - specialist in neuro-oncology, pituitary tumors, skull base surgery, cerebrovascular disease, and Chiari malformations



# New Greater Plains Collaborative Award

- The Greater Plains Collaborative Clinical Research Network is one of eight networks within PCORnet, the National Patient-Centered Clinical Research Network
- GPC supports studies that leverage electronic health record (EHR) data from millions of patients.

– Sites include:

## **University of Missouri**

Medical College of Wisconsin

University of Nebraska

University of Kansas

Washington University-St. Louis

Intermountain Healthcare

University of Texas Health Science Center at San Antonio

University of Texas University of Texas Southwestern

Marshfield Clinics

University of Utah

University of Iowa

Allina Health

University of Texas-Houston



**GPC is led by  
Dr. Russ Waitman**

# Strategic Growth in Research, Processes and Infrastructure

(April 2019 - present)

**Shared credit Phase 1 AAU awards grew from \$26.7 million in FY 18 to \$56.8 million in FY21**

- Strategic plan with accountable leaders
- Research office with governance and infrastructure
- Added leaders with new skills sets
- New federally funded informatics program
- RISE-UP strategic hiring - 15 T/TT faculty in one year
- Bridge funding for federally funded investigators (large R01 )

# Strategic Growth in Research, Processes and Infrastructure

- Pilot projects to support future federal grants (TRIUMPH)
- Redesigned specialized research support units
- New strategies to facilitate federal grant submissions
- Trainee mentorship and grant writing workshops
- Creation and approval of Translational Biosciences PhD program
- Levering Mizzou Forward hiring process



# Enhanced Strategies for Hiring Clinical and Research Faculty

## Dedicated Recruitment Focus: 2021

- Created recruitment team
- Implemented foundational processes
- Professional approach to high volume recruitment
  - Created supporting recruitment material
  - Refined processes for improved candidate experience
  - Accurate, real-time data on recruitment
- Shared vision of accelerating clinical and research recruitment



# Enhanced Strategies for Hiring Clinical and Research Faculty

## 2022 and Going Forward

- Strategic approach with multi-year view to meet research and clinical growth targets
- Broadscale marketing and PR about MU
- Aggressive, multi-pronged outreach to candidates
- Attention to diversity in recruiting
- Matching peer and AAU leading institutions with comparable compensation and incentives when possible
- Goal of increasing recruitment by 30% in 2022
  - 98 faculty in 2021, with goal of 125 in 2022

**University of Missouri Health Care  
Health Affairs Committee**

**Financial Report  
Fiscal Year 2022, February Year-To-Date**

<b>Consolidated Financial Results (\$'000's)</b>	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>
Net Revenues	\$ 849,101	\$ 814,491	\$ 785,381
Contributions	\$ 12,682	\$ -	\$ 6,275
Operating Expenses	(820,963)	(756,550)	(721,727)
Operating Income	40,820	57,941	69,929
Non-operating Revenues, Net	(16,801)	(21,623)	(413)
Change in Net Assets/Net Income	\$ 24,019	\$ 36,318	\$ 69,517

**Overview**

Year-to-date financial performance for Net Income is unfavorable to budget by \$12.3M. Net revenues per adjusted patient day are 4.6% lower than prior year, with operating expenses per adjusted patient day 0.4% higher than prior year in operating expenses per adjusted patient day. The impact of low volumes in January and February emphasizes the continued focus on aligning operating expenses to volumes and revenues to achieve operating performance targets. Primary drivers in operating income variances include:

- Decrease in surgical cases due to bed capacity & weather
- Continued staffing costs (agency, enhanced pay programs & overtime)
- Decrease in contract pharmacy revenue

Teams have been developed to address these areas along with deferrals, clinic volumes, supply chain and collection rates.

**Performance Updates**

- Case Mix Index of 2.02 is 3.5% higher than budget and 0.6% higher than prior year
- Average Daily Census is 3.5% higher than budget and 9.5% higher than prior year
- OR Cases are 4.0% lower than budget and 0.4% lower than prior year
- Clinic visits are 1.6% higher than budget and 7.9% higher than prior year
- Emergency Room visits are 14.9% higher than budget and 18.5% higher than prior year

**Ratios and Benchmarks**

Operating Margin, Cash to Total Debt, Debt to Capitalization are favorable to Moody's A rated medians, while Annualized Return on Total Assets, Maximum Annual Debt Service Coverage, Days Cash on Hand and Net Days in AR are unfavorable to Moody's A rated medians.

<b>Financial Ratios and Benchmarks</b>	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Moody's A-Rated</b>
Operating Margin	4.0%	6.3%	7.9%	1.4%
Annualized Return on Total Assets	2.4%	3.6%	7.3%	3.8%
Cash to Total Debt	182.8%	209.3%	178.7%	160.9%
Debt to Capitalization	23.3%	22.7%	24.7%	31.7%
Maximum Annual Debt Service Coverage	4.0	3.1	6.5	4.4
Days Cash on Hand	181.9	184.8	203.5	261.4
Net Days Revenue in AR	55.8	49.9	47.3	46.3

# Memo

**To:** Board of Curators – Health Affairs Committee  
University of Missouri System

**From:** Julia Settles  
MU Health Interim Chief Compliance Officer

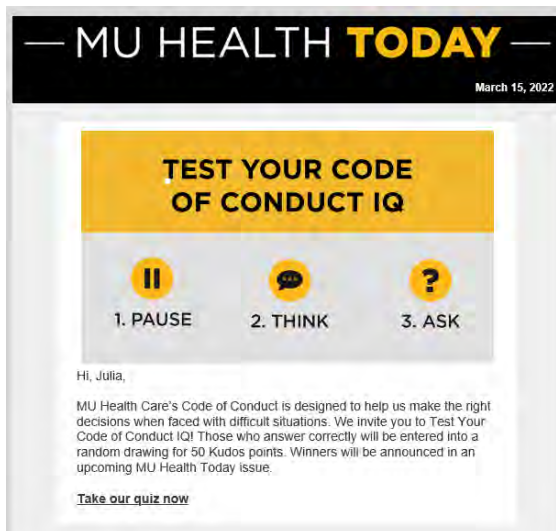
**Date:** April 14, 2022

**Re:** Quarterly Compliance Update

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## I. Compliance Program Update Summary

- A. The MU Health Compliance Program is focused on a goal of creating a shared culture and structure to provide the discipline, scalable core resources, and efficiency needed to promote a sustainable and integrated academic health system. To achieve this goal, the program is focused on the following strategies for FY22:
  - i. Revising compliance-assigned training programs to better align with specific staff roles and obligations
    - 1. Status: Updated content was developed for annual mandatory training that will be assigned in FY23. Targeted training for specific topics is developed and launched ad hoc on the compliance intranet page. The newly hired compliance education and training coordinator is engaged in continued efforts to develop more in-depth training for specific groups on relevant topics based on role and assignment.
  - ii. Enhance coordination between the Privacy and Information Security programs to assure alignment
    - 1. Status: Privacy and Information Security meet regularly to coordinate on projects and efforts. The director for privacy sits on the MUHC Information Security Council.
  - iii. Execute on plan to make the MU Health Code of Conduct highly visible and integrated into staff workflows
    - 1. Status: The updated Code of Conduct is available in several formats, including print and digital versions. Use of infographics to denote Code of Conduct themes helps highlight important topics in MU Health internal communications. Periodic quizzes on Code of Conduct topics have good participation and response among staff with increasing engagement on these topics.
    - 2. This is a screenshot of a quiz included in MU Health Today (an email publication for staff) on March 15, 2022.



- iv. Assess current benchmarks and explore incorporating other industry benchmarks into the compliance program
  1. Status: We continue to research industry benchmarks published by several organizations (e.g. Healthicity, Association of American Medical Colleges, Vizient) and their application to Academic Medical Centers.

## II. Compliance Program Leadership Update

- A. The Executive Vice Chancellor will launch a search for a Chief Compliance Officer. Julia Settles will continue to serve in the interim role and will assist in the search. UM System Chief Audit and Compliance Officer, Michelle Piranio, will chair the search committee with the support of the MU Health Care Chief Human Resources Officer, Beth Alpers.

MISSOURI UNIVERSITY OF SCIENCE AND TECHNOLOGY  
MEDICAL RESEARCH

There are no advance materials for this information item.

No. 1

Recommended Action - Minutes, January 27, 2022 Health Affairs Committee Meeting

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_, that the minutes of the January 27, 2022 Health Affairs Committee meeting, held in conjunction with the February 3, 2022 Board of Curators Meeting, be approved as presented.

Roll call vote of Committee:	YES	NO
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Mr. Ashworth

Curator Holloway

Mr. Phillips

Curator Wenneker

Curator Williams

The motion \_\_\_\_\_.

April 14, 2022

No. 2

Recommended Action – Resolution for Executive Session of the Board of Curators Health Affairs Committee Meeting, April 14, 2022

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_, that there shall be an executive session with a closed record and closed vote of the Board of Curators Health Affairs Committee meeting April 14, 2022 for consideration of:

- **Section 610.021(1), RSMo**, relating to matters identified in that provision, which include legal actions, causes of action or litigation, and confidential or privileged communications with counsel; and
- **Section 610.021(2), RSMo**, relating to matters identified in that provision, which include leasing, purchase, or sale of real estate; and
- **Section 610.021(3), RSMo**, relating to matters identified in that provision, which include hiring, firing, disciplining, or promoting of particular employees; and
- **Section 610.021 (13), RSMo**, relating to matters identified in that provision, which include individually identifiable personnel records, performance ratings, or records pertaining to employees or applicants for employment; and
- **Section 610.021(14), RSMo**, relating to matters identified in that provision, which include records which are protected from disclosure by law; and
- **Section 610.021(20), RSMo**, relating to matters identified in that provision, which include records that identify the configuration of components or the operation of a computer, computer system, computer network, or telecommunication network, and would allow unauthorized access to or unlawful disruption of a computer system.

Roll call vote of the Committee:	YES	NO
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Mr. Ashworth  
 Curator Holloway  
 Mr. Phillips  
 Curator Wenneker  
 Curator Williams

The motion \_\_\_\_\_.

April 14, 2022