

Health Affairs Committee Meeting

University of Missouri System

Atkins Seminar Room, NextGen Precision Health Building

Nov 10, 2022 1:00 PM - 1:40 PM CST

Table of Contents

I. Public Session Call to Order - 1:00 PM

A. Information

1. Executive Vice Chancellor and Dean Report.....	2
Nov. 10 HAC - SOM, MUHC.pdf.....	2
2. MU Health Care Financial Update.....	15
Nov. 10 HAC - FINANCE.pdf.....	15

B. Action

1. Minutes Approval, September 1, 2022 Health Affairs Committee Meeting....	18
HAC 1-1 Action for Approval of Committee Meeting Minutes.docx.....	18
2. Resolution for Executive Session of the Health Affairs Committee, November 10, 2022.....	19
HAC 2-1 Resolution for Health Affairs Committee Executive Session.docx.....	19

II. Health Affairs Committee Meeting - Executive Session (1:40 PM, time is approximate)

Location: Atkins Seminar Room, NextGen Precision Health Building The Health Affairs Committee will hold an executive session of the November 10, 2022 meeting, pursuant to Section 610.021(1), 610.021(2), 610.021(3), 610.021(12), 610.021(13) and 610.021(14) RSMo, for consideration of certain confidential or privileged communications with university counsel and property, personnel, contract items, and records protected by law, all as authorized by law and upon approval by resolution of the Health Affairs Committee.

Health Affairs Committee

Nov. 10, 2022

Richard J. Barohn, MD

Executive Vice Chancellor for Health Affairs / Hugh E. and Sarah D.
Stephenson Dean of the MU School of Medicine



Agenda

- **EVCHA and Dean Update:** Dr. Richard J. Barohn
- **MUHC Financial Update:** Dustin Thomas



Executive Vice Chancellor and Dean Update



Here to Serve Rural Missouri and All Missourians

- **Training medical students in Springfield and southwest Missouri**
 - 28 students begin their training at Springfield Clinical Campus each June for two years of clinical training
 - Six residency graduates to date:
 - 50% practicing in southwest Missouri
 - 80% practicing in Missouri
 - Specialties include family medicine, pediatrics, internal medicine, emergency medicine and dermatology
- **New rural residency program in Sedalia**
 - Part of the state's first accredited rural residency program
 - Family medicine doctors train under guidance of Bothwell Regional Health Center physicians



Dr. Barohn with third-year student Jiji Oufattole at the Springfield Clinical Campus

MUHC Emergency Medicine Staffing Rural Missouri

Background

- High quality care, provider stability elusive for many small community hospitals
- Most community hospitals in central Missouri contract with national companies to staff emergency departments
- Often leads to high provider turnover rates

Goal: Extend consistent access to high-quality care in rural communities that connects them to an academic health system on the leading edge of health care



MUHC Emergency Medicine Staffing Rural Missouri

- Department of Emergency Medicine developed three staffing models to meet needs of rural communities
 - 24/7 Physician staffing on-site
 - Hybrid: Physician staffing during peak hours/Advanced Practice Provider staffing non-peak hours with virtual physician consultation as needed
 - Virtual: 24/7 Advanced Practice Provider staffing on-site with virtual physician consultation as needed

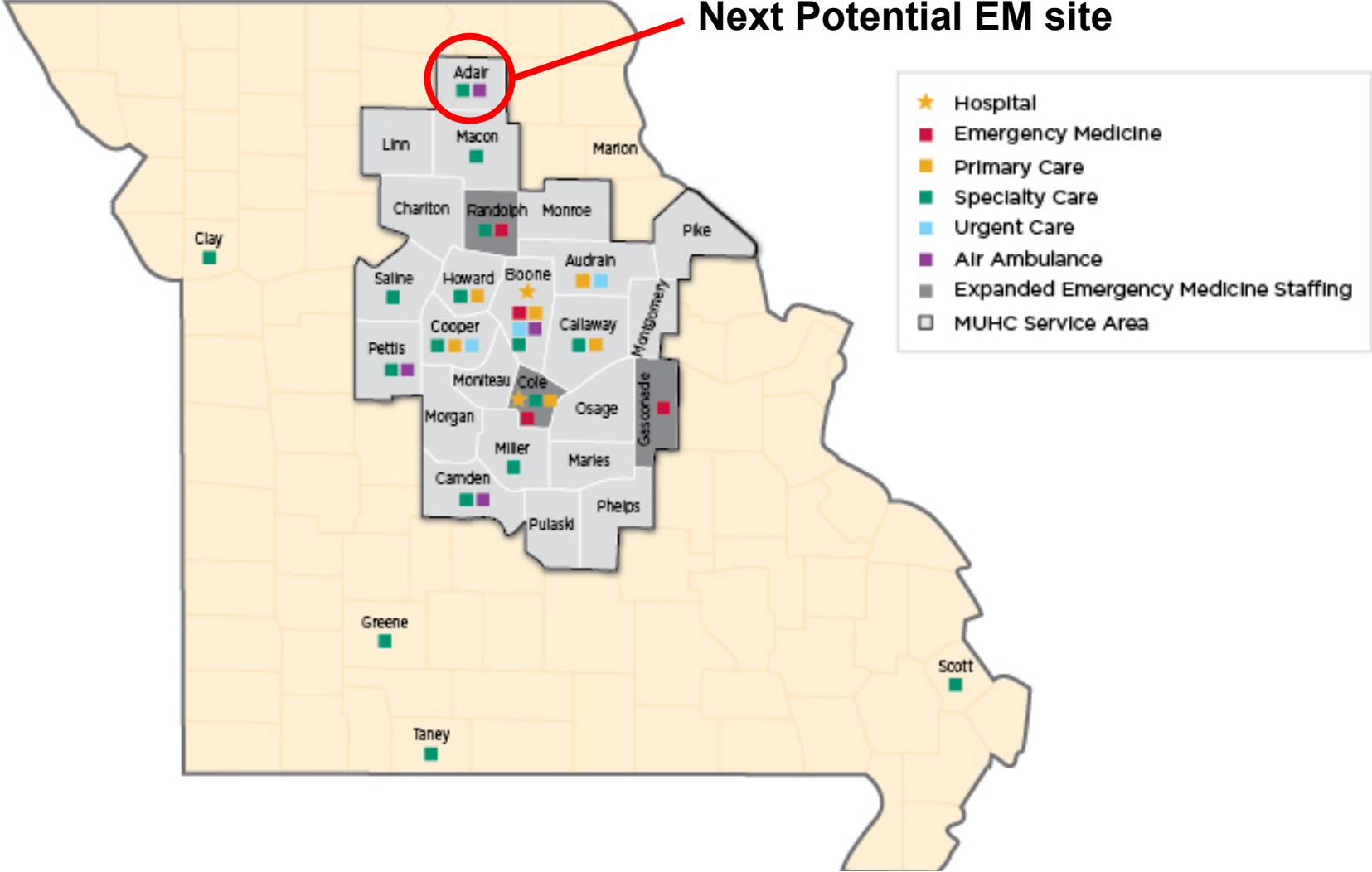


MUHC Emergency Medicine Staffing Rural Missouri

- **Moberly Regional Medical Center — 2016**
 - 24/7 physician staffing on-site
 - Three-month Tele-Pediatric Emergency consultation pilot in the ED, October through December 2022
- **Capital Region Medical Center — 2021**
 - 24/7 physician and advanced practice provider staffing on-site
 - Drafting a proposal to staff the Observation Unit
- **Hermann Area District Hospital — November 2022**
 - 24/7 advanced practice provider staffing on-site with virtual physician consultation as needed



MUHC Emergency Medicine Staffing Rural Missouri



How Can We Continue to Have an Impact on Rural Missouri?

- **Continue and potentially expand the Primary Care Resource Initiative for Missouri (PRIMO) program**
 - Includes student loans, recruitment/placement, loan repayment
- **Consider how to expand residencies not only in the number of primary care sites but also other specialties**
- **Develop ways to train more Physician Assistants and Advanced Practice Registered Nurses in rural Missouri settings**
- **Look for potential ways to expand medical school class size**



Connection Between Research and Patient Care

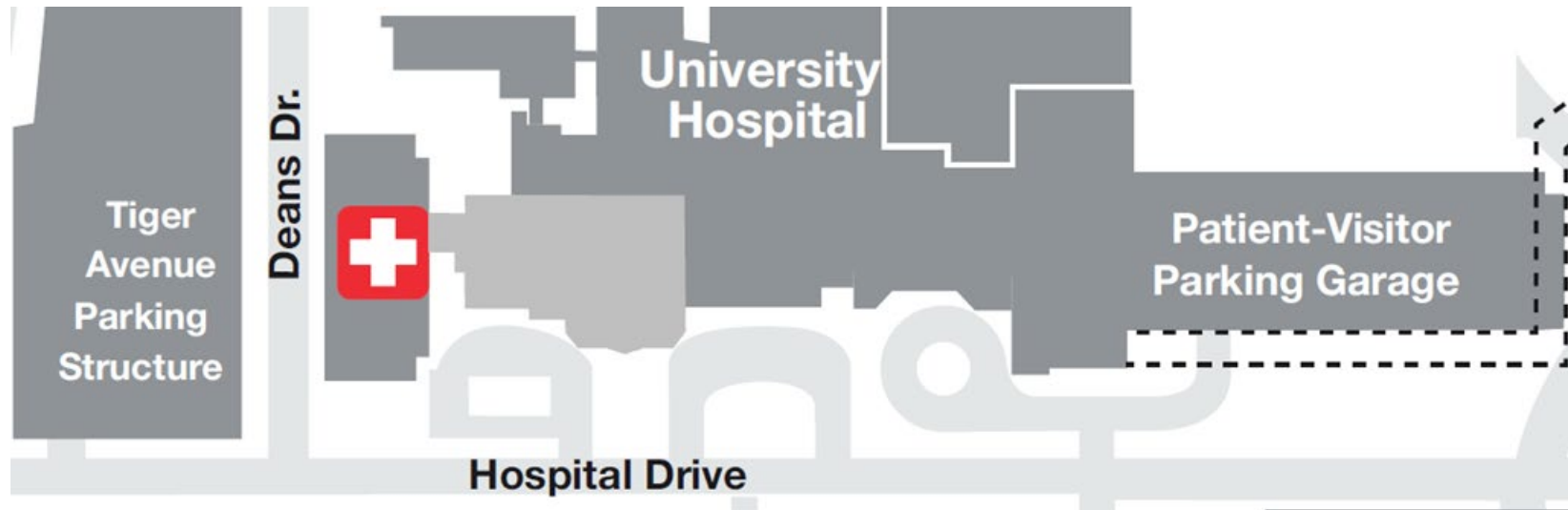
- **Dr. Bo Lu heading new clinical Department of Radiation Oncology**
 - His research examines effects of radiation therapy on immune system
 - As a clinician he treats patients and is working with rural providers to enroll patients in clinical trials
- **Next big idea: Inaugural Campus-Wide MU Brain Science Symposium, Jan. 13, 2023**
 - Neurosciences symposium spearheaded by College of Arts & Science, the School of Medicine, the College of Engineering, the College of Veterinary Medicine, and the School of Health Professions



Dr. Bo Lu

Emergency Department Expansion and Infrastructure Upgrade

- To support the consolidation of emergency services onto a single campus, a 16-bed expansion of the University Hospital Emergency Department (ED) is necessary.
- Enabling infrastructure work must be completed to support the expansion, including air handling and generator
- The two projects have been combined to favorably impact cost, schedule, and risk
- Upon completion, the consolidated ED will have 77 beds to meet volume projections through FY27
- Total project cost to be funded by MUHC annual capital budget
- Planned completion Fall 2024



Children's Hospital Facility – 3rd Floor Shelled Space

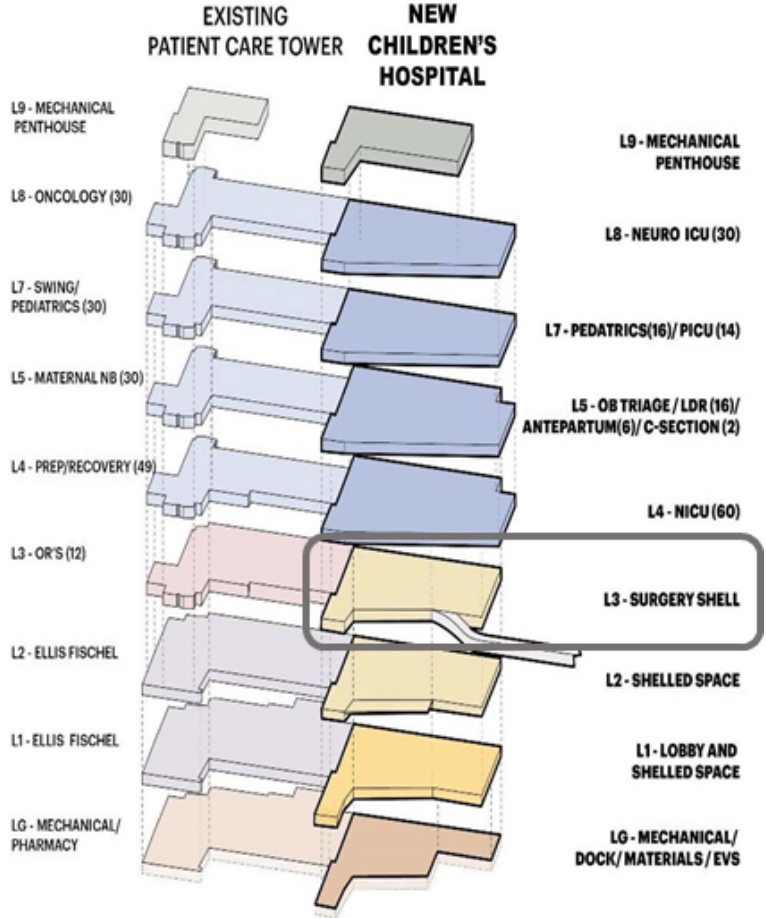
Children's Hospital 3rd floor is shelled for future surgical services growth and includes infrastructure to support an intra-operative MRI (iMRI) in future operating rooms.

Due to current lack of iMRI capability and projected demand for operating rooms, we have begun exploring options for future build-out.

Options include:

- 1. Build-out of only an iMRI suite that would be connected via corridor to existing OR space
- 2. Build-out of an iMRI suite + additional operating rooms to meet projected demand
- 3. Build-out of an iMRI suite + additional operating rooms + pediatric pre-operative and post-operative rooms and support space (build-out of entire floor)

After options are assessed, additional information will be shared regarding recommendations



Preparing for Accreditation Visits

- **MU Health Care:** Det Norske Veritas (DNV) site visit
- **MU School of Medicine:** Liaison Committee on Medical Education (LCME) site visit April 14-17, 2024
- **Residency:** Accreditation Council for Graduate Medical Education (ACGME) Clinical Learning Environments (CLE) visit



MU Health Care Financial Update

November 10, 2022

Dustin Thomas
Chief Financial Officer



Year-over-Year MU Health Care Financials

In Millions	FY23 Q1 Act	FY23 Q1 Bud	FY22 Q1 Act		FY22 Full Yr	FY21 Full Yr
Patient Care Revenue	\$268.0	\$294.6	\$278.8		\$1,089.0	\$1,040.1
Pharmacy/Other Revenue	\$46.6	\$53.0	\$46.0		\$194.3	\$157.2
TOTAL REVENUE	\$314.5	\$347.6	\$324.7		\$1,283.2	\$1,197.3
Salaries & Benefits	\$139.0	\$140.6	\$125.8	*	\$527.1	\$460.0
Supplies	\$86.2	\$92.1	\$89.5		\$346.8	\$294.7
Other Expenses	\$93.8	\$94.1	\$91.4		\$380.5	\$352.1
TOTAL EXPENSE	\$319.0	\$326.8	\$306.7		\$1,254.4	\$1,106.8
Operating Gain/(Loss)	(\$4.5)	\$20.9	\$18.0		\$28.8	\$90.6

3-Year Target

- FY22 ended with 1.3% (\$28.8M) Operating Income, down from 6.7% (\$90.6M) in FY21
- FY23 budget was set aggressively at \$83.3M operating margin
 - Labor costs are not stabilizing
 - Inpatient/Outpatient Mix Shifting
- Goal: Return to FY21 margin levels by FY26
 - FY26 achieves that level in total
 - Regains healthy financial targets for MU Health Care and MU School of Medicine

- * • FY21 to FY22: ~10% increase in salaries & benefits
- Q1 FY22 to Q1 FY23: 12%+ increase in salaries & benefits



Q1 Monthly Breakdown - MU Health Care Financials

In Millions	July Act	July Bud		Aug Act	Aug Bud		Sep Act	Sept Bud
Patient Care Revenue	\$76.6	\$96.6	*	\$97.7	\$99.0		\$93.6	\$99.0
Pharmacy/Other Revenue	\$13.2	\$17.3		\$17.0	\$17.7		\$16.3	\$18.1
TOTAL REVENUE	\$89.8	\$113.8		\$114.8	\$116.7		\$110.0	\$117.1
Salaries & Benefits	\$45.9	\$46.8		\$46.1	\$46.8		\$47.0	\$46.9
Supplies	\$27.2	\$30.0		\$29.7	\$31.0		\$29.3	\$29.3
Other Expenses	\$29.6	\$31.6		\$32.6	\$31.3		\$31.5	\$31.1
TOTAL EXPENSE	\$102.8	\$108.5		\$108.5	\$109.1		\$107.7	\$109.2
Operating Gain/(Loss)	● (\$13.0)	\$5.4		● \$6.3	\$7.6		● \$2.3	\$7.9

Q1 Financial Results

- August & September don't overcome July. Target: Repeat August.
- For FY26 Margin Goal to stay on track
 - Will require precision on growth, recruitment & operational efficiency
 - Continual investment in growing our staff
- Opening of Children's Hospital and adverse payor conditions will require additional growth & efficiency in FY24/25 to stay on track to FY26 goal

*

- Anthem/ Blue Cross annual fee increase: ~\$14M to hospitals and ~\$1.3M to physicians
- State Medicaid changes have risk to MUHC – we are monitoring
- Court decision on 340b drug program should have \$5-10M pick-up



No. 1

Recommended Action - Minutes, September 1, 2022 Health Affairs Committee Meeting

It was moved by _____ and seconded by _____, that the minutes of the September 1, 2022 Health Affairs Committee meeting, held in conjunction with the September 7, 2022 Board of Curators meeting, be approved as presented.

Roll call vote of Committee: YES NO

Mr. Ashworth

Mr. Devers

Curator Holloway

Curator Layman

Curator Wenneker

Dr. Whitaker

Curator Williams

The motion _____.

November 10, 2022

No. 2

Recommended Action – Resolution for Executive Session of the Board of Curators Health Affairs Committee Meeting, November 10, 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 November 10, 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(12), RSMo**, relating to matters identified in that provision, which include sealed bids and related documents and sealed proposals and related documents or documents related to a negotiated contract; 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.

Roll call vote of the Committee: YES NO

Mr. Ashworth
Mr. Devers
Curator Holloway
Curator Layman
Curator Wenneker
Dr. Whitaker
Curator Williams

The motion _____.

November 17, 2022