

# **Health Affairs Committee Meeting**

University of Missouri System

Zoom Webinar

Jan 27, 2022 1:00 PM - 2:15 PM CST

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### **I. HEALTH AFFAIRS COMMITTEE PUBLIC SESSION - CALL TO ORDER**

#### **A. INFORMATION (time is approximate)**

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#### **B. Action**

1. Minutes Approval, November 11, 2021 Health Affairs Committee Meeting...	49
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### **II. Health Affairs Committee Meeting - Executive Session (time is approximate)**

### **III. Recess**

# Health Affairs Committee

January 27, 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
- **Quarterly Compliance Report:** Dr. Julia Settles
- **School of Medicine Report:** Dean Steven Zweig
- **MU Health Care Report:** Jonathan Curtright
- **Quarterly Financial Report:** Kay Davis
- **Closed Session**

# Growth Plan

- Plan is to increase current operating margin from \$87M FY22 to \$135M FY26
- Primary ways to realize this goal:
  - Physician Recruitment
  - Stewardship
  - Philanthropy
- Physician recruitment focused on:
  - Cardiovascular/Metabolic, Neurosciences, Oncology, Pediatrics, Surgery and Women's Health
- Stewardship initiatives focused on revenue opportunities; fixed and variable expenses
  - Retail and specialty pharmacy
  - Supply chain, clinical integration efficiencies and standardization of clinical practices

# Philanthropic Support

## **MU Health Care, School of Medicine, Thompson Center for Autism and Neurodevelopmental Disorders**

FY19 - \$28,980,359

FY20 - \$20,367,883

FY21 - \$14,250,687

FY22 - \$7,173,100 (as of 12/31/21)

# NextGen Update

- All 16 inaugural “NextGenNauts” are in place
- New “NextGen ImagingNauts” have arrived, using Siemens equipment
- Patients being imaged in Siemens suite
- Constantly recruiting NextGen scientists through RiseUp and Mizzou Forward



# Compliance Leadership Update

## Julia Settles, MD, JD

- '04 UMKC School of Medicine graduate
- '07 MU School of Law graduate
- Certified in health care risk management
- Certified patient safety professional
- Six years with MU Health Care
- 11 years with an outside law firm working with the Curators (health and professional liability)
- Clinical risk management
- Hospital accreditation



# **Compliance Report**

**January 27, 2022**

**Julia Settles, MD, JD**

Interim Chief Compliance Officer



Health Care



# Compliance Program Updates

## Corporate Integrity Agreement (CIA)

- Office of Inspector General (OIG) has closed the CIA

## Leadership Update

- Julia Settles – interim Chief Compliance Officer

We now have better established policies and procedures which reinforce behaviors focused on **patient safety, employee engagement and professionalism, and financial integrity.**

# Dean's Report

January 27, 2022

**Steven Zweig, MD**

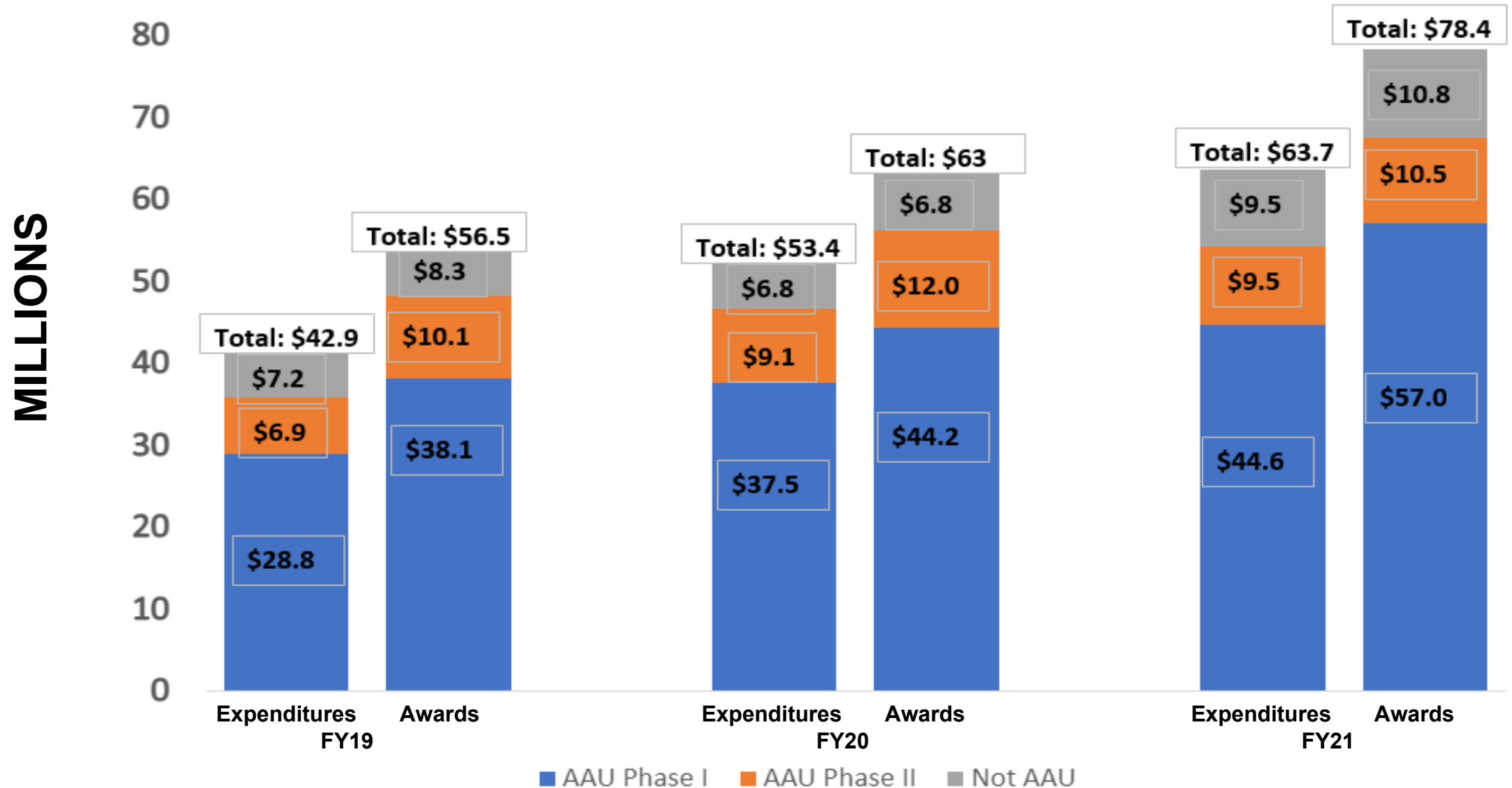
Dean of MU School of Medicine



School of Medicine

University of Missouri

# MU SOM Shared Credit Expenditures & Awards



# Revenue - All Sources Summary

Revenue Sources	FY21	FY20
<b>Clinical Revenue</b>	\$230,377,654	\$223,480,513
<b>MUHC</b>	80,809,002	74,958,931
<b>Sponsored Research</b>	58,087,741	47,382,725
<b>General Operating (Tuition)</b>	22,151,818	20,126,000
<b>School UP Trust</b>	13,610,164	11,911,712
<b>General Operating (Other)</b>	11,181,194	17,961,934
<b>Contracts</b>	7,287,580	7,693,100
<b>Endowments/Gifts</b>	7,268,942	6,860,789
<b>Service Operations</b>	6,006,978	5,222,012
<b>Restricted State Approp</b>	3,781,746	3,782,202
<b>Other Unrestricted Designated</b>	2,697,507	3,065,539
<b>Research Incentive Funds</b>	1,714,007	1,411,942
<b>Fixed Price Contracts</b>	695,313	364,907
<b>Patent &amp; Royalty</b>	304,494	145,143
<b>TOTAL</b>	<b>\$445,974,140</b>	<b>\$424,367,449</b>

General Operating revenue does not include Provost tax transactions: \$2,345,664 (anticipated)

# New Leadership Recruits

- **Jae-Wook Jeong, PhD**

- Reproductive biologist, Michigan State
- 3 RO1s and co-PI on Center Grant - NICHD, NCI
- Joins OBGYN as Professor and Director of the NextGen Reproductive Sciences Center and Dr. R. Phillip and Diane Acuff Endowed Professor
- Lab space in NextGen



**Dr. Jae-Wook Jeong**

- **Jean Ricci Goodman, MD**

- Chair of OBGYN and Women's Health
- Formerly Chief of Maternal Fetal Medicine, Loyola School of Medicine, Chicago
- Received more than \$1.3 million from the National Institute on Minority Health and Health Disparities for research on preeclampsia in Type I diabetic women



**Dr. Jean Ricci Goodman**

# New Leadership Recruits

- **Gerhard Hildebrandt, MD**

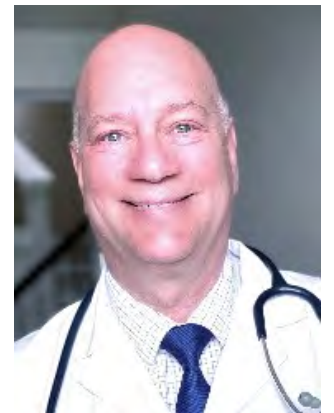
- Chief of Hematology and Bone Marrow Transplant, University of Kentucky
- PI for multiple industry sponsored and investigator-initiated clinical trials
- Will become Chief of Hematology/Oncology and Nellie B. Smith Endowed Chair of Oncology and Cancer Center Director
- Lab space in NextGen



**Dr. Gerhard Hildebrandt**

- **Mitchell Goldman, MD**

- Professor of Medicine and Associate Director of Graduate Medical Education, University of Indiana
- Infectious diseases, HIV expert, medical education
- New Associate Dean for Graduate Medical Education and Professor of Internal Medicine



**Dr. Mitchell Goldman**

# **CEO Report**

January 27, 2022

**Jonathan Curtright**

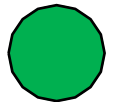
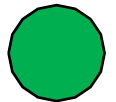
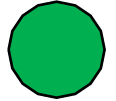
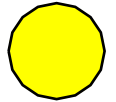
Chief Executive Officer



Health Care

# Strong Operational Performance

- **Vizient Quality and Accountability:** Ranked 18<sup>th</sup>
- **Financial Performance:** \$38.9 million operating margin YTD
- **Revenue Cycle:** \$92.3 million cash collections for December
- **Academic Performance-based Support:** 1% of net patient revenue generating approximately \$25 million
- **COVID-19:** Leadership through public health crisis
- **Managed Medicaid plans**





# Strong Corporate Partner





## **Our Vision**

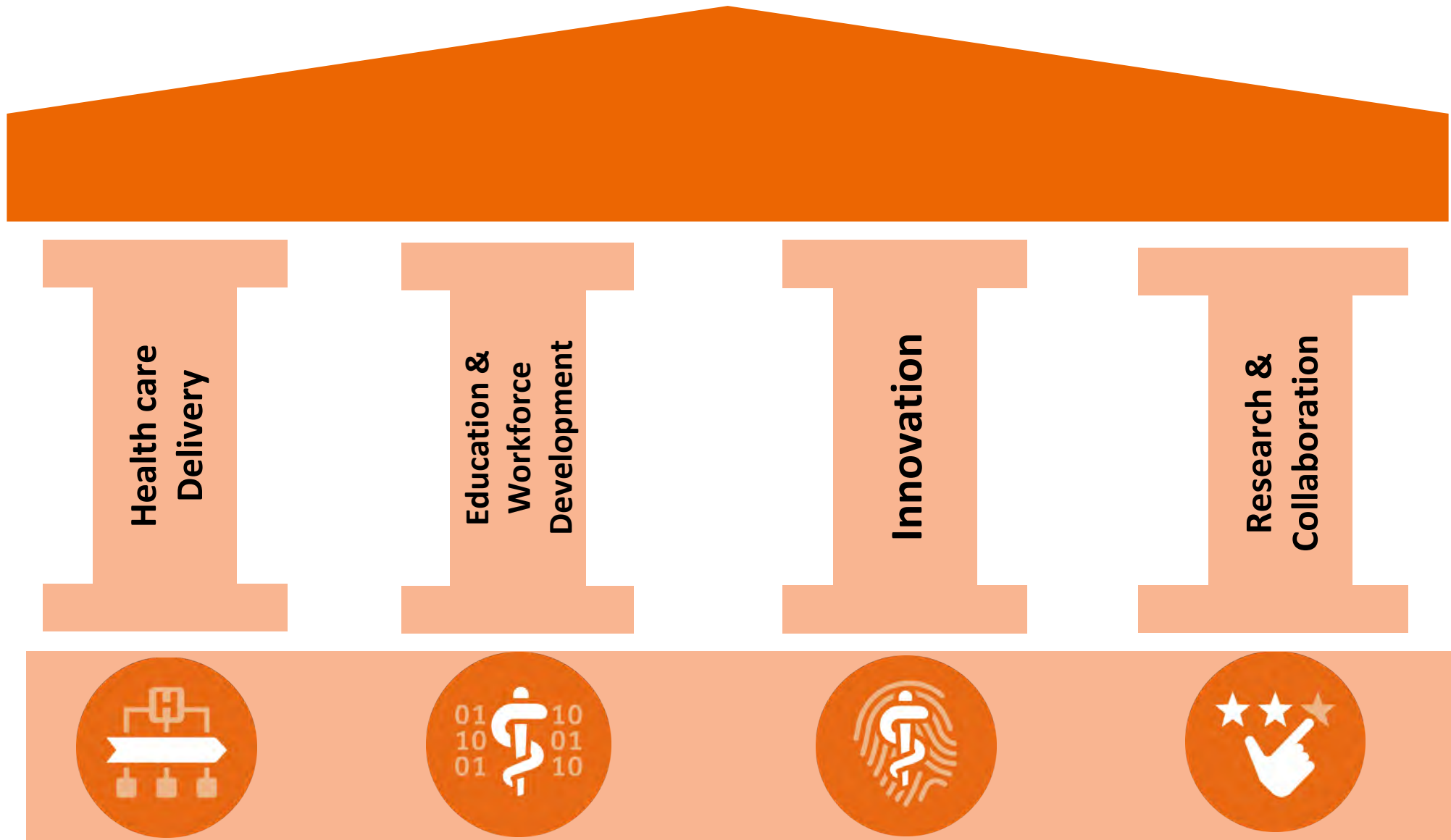
**We will transform health care in Missouri and beyond**



## **Our Mission**

**To save and improve lives through innovation, collaboration, education and research**

# Four Pillars – Siemens Healthineers and MU Health Care



# Key Strategic Investments

► **Imaging**

► **Mammography**

► **Radiation Oncology**

► **Lab Automation**



# Staffing Challenges

- **Nationally**
  - Full employment nationally (3.5% unemployment)
  - 11 million job openings
  - Monthly “quit rate” of 3%
- **Locally at MU Health Care**
  - A record-breaking year for hiring new employees (CY2021)
  - More open positions than ever before
  - Turnover rate increasing
- **MU Health Care Operational and Financial Impact**
  - 10% annual wage inflation for front-line staff
  - Surgical constraints and inpatient deferrals due to staffing
  - Agency spend of 7.3% of total compensation (Budget of 1.3%)
  - Agency spend of \$14.2M (Budget \$2.4M)

# Staffing Strategies

- Compensation to 50<sup>th</sup> percentile for front-line staff to combat inflation
- Tiger Flex internal agency model for nursing
- Team-based nursing models
- “Grow your own” training (CMAs, Surgical Techs, nursing)
- Career paths for local high school students (Columbia, Ranken Tech)
- Retention: relationships, and recognition, and rounding
- Marketing spend doubled – Nursing, front-line employees, career fairs

# Consumer Perception Survey

## OBJECTIVES

- Measure consumer perception of local and regional health care market
- Assess brand health/funnel, attitudes and associations for MU Health Care, Boone Health and other peers
- Determine the most relevant brand attributes and touchpoints and how they impact preference

## METHODOLOGY

- Conduct every 2 years in the fall
- Telephone and online survey
- Representative sample of over 900 consumers across service area (data weighted on age and geographical area)

# Consumer Perception Survey

## Key Findings

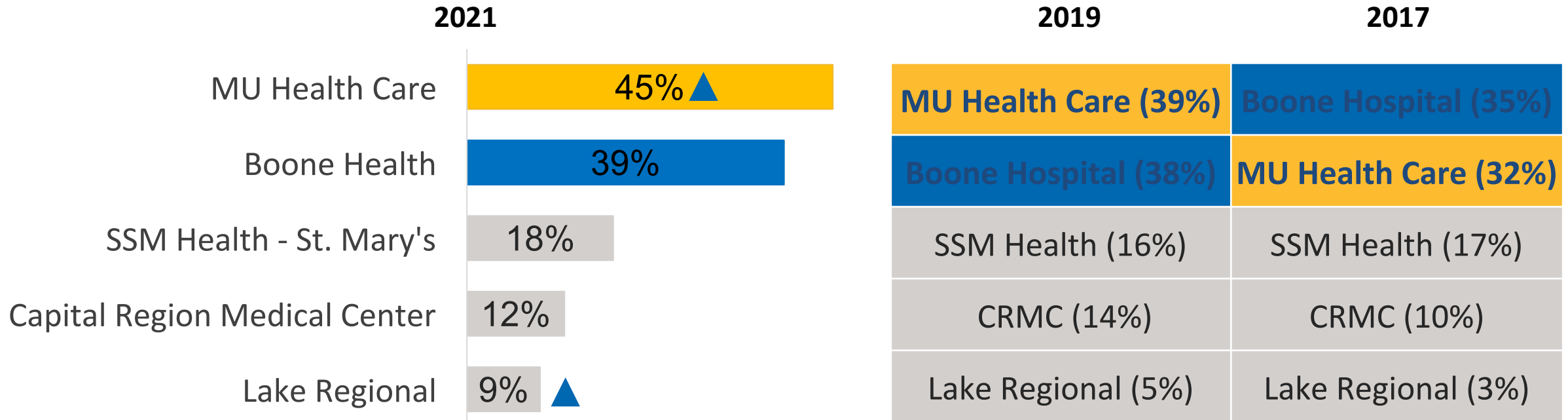
- ▶ **#1 in unaided mentions** of top hospitals/health systems
- ▶ **Strongest brand funnel** in the market
- ▶ The **preferred hospital** across all services lines



# Consumer Perception Survey

## Unaided Awareness

*When you think of the best hospitals or health care systems in the area, which ones first come to mind?*



# Challenges and Opportunities

- **Staffing and inflation**
- **Information security protection**
- **Cerner and Oracle**
- **Payor pressures**
- **Leadership transitions**

# **Financial Report**

**Health Affairs Committee**

**January 27, 2022**

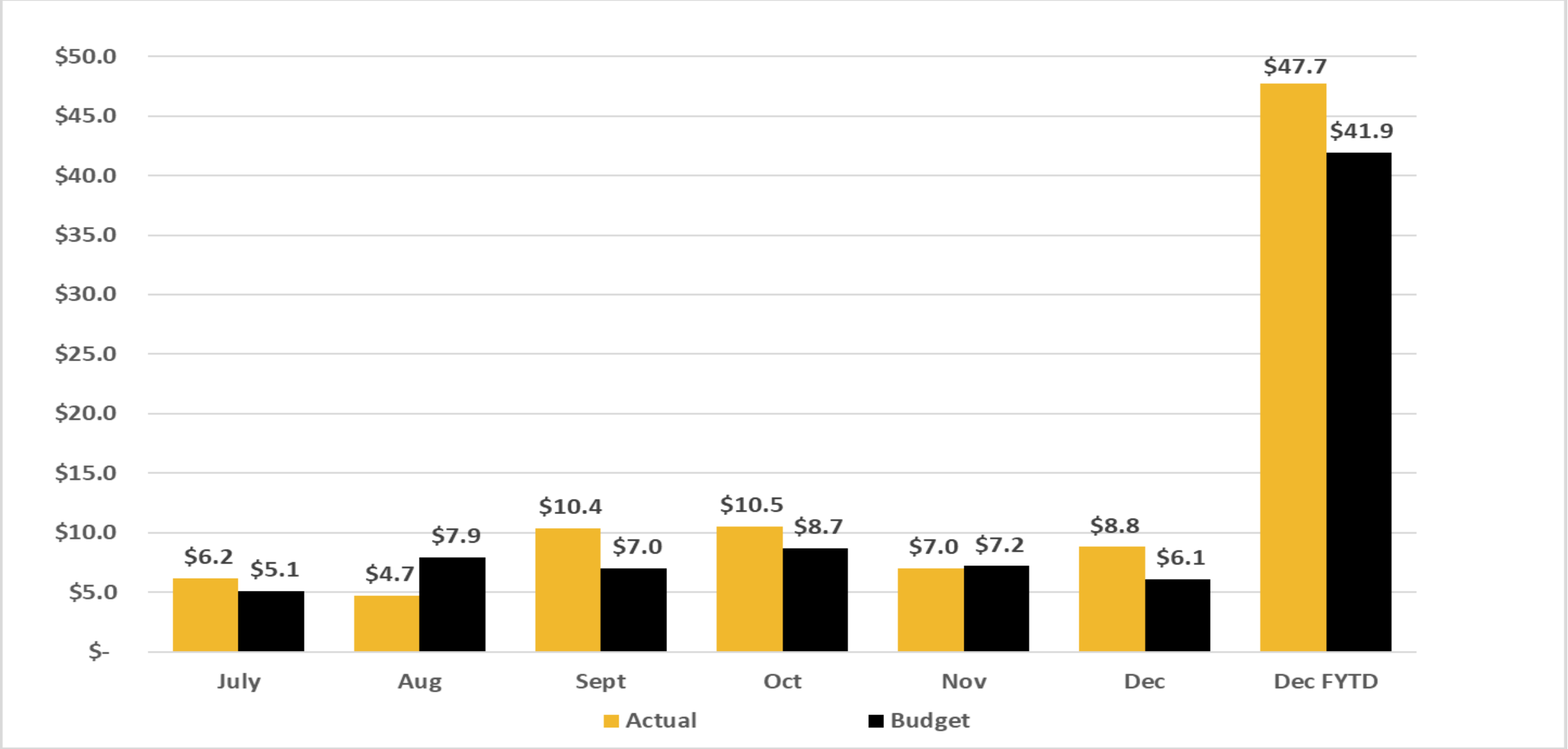
**Kay Davis**

Chief Financial Officer



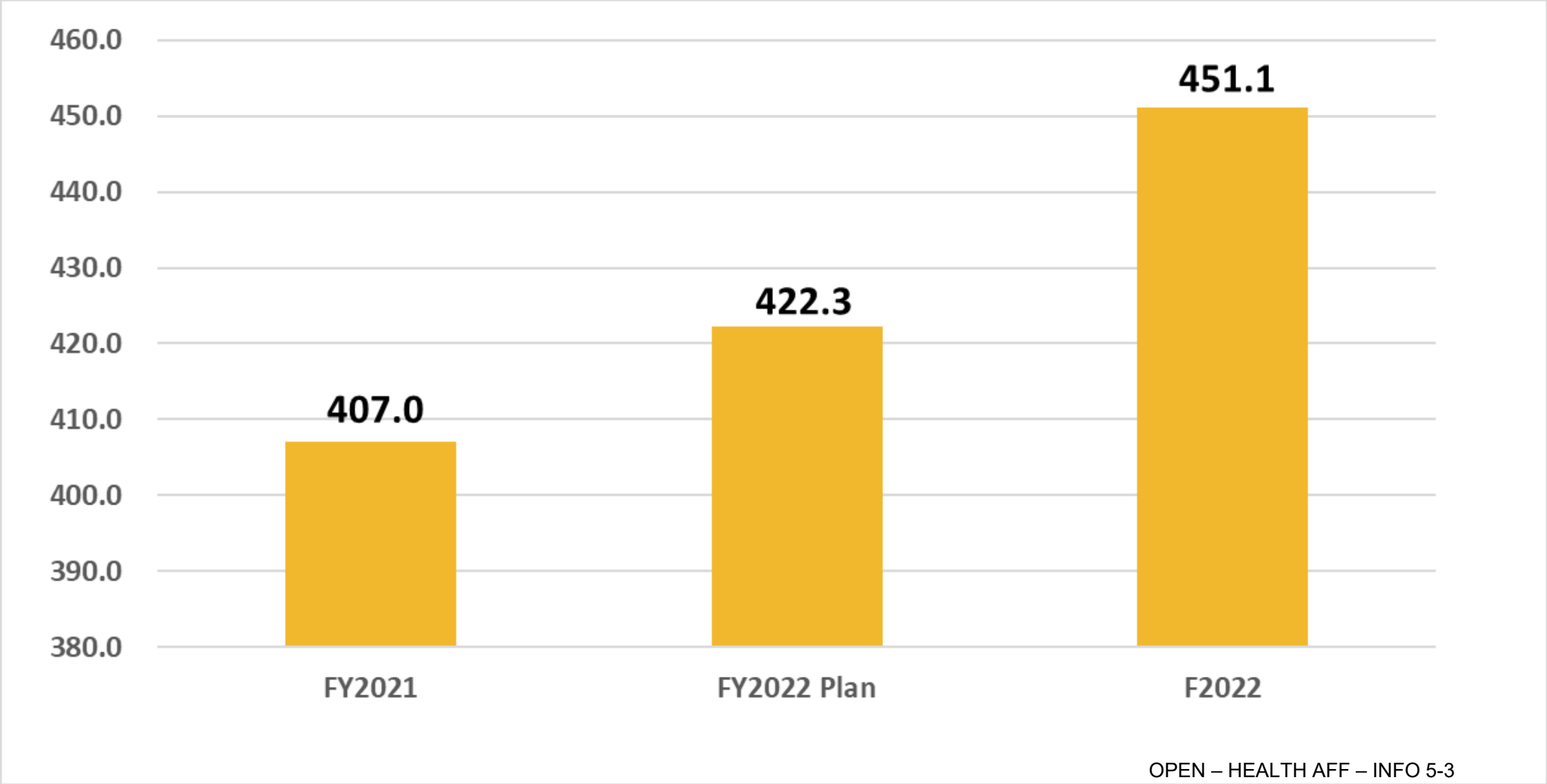
Health Care

# Financial Results

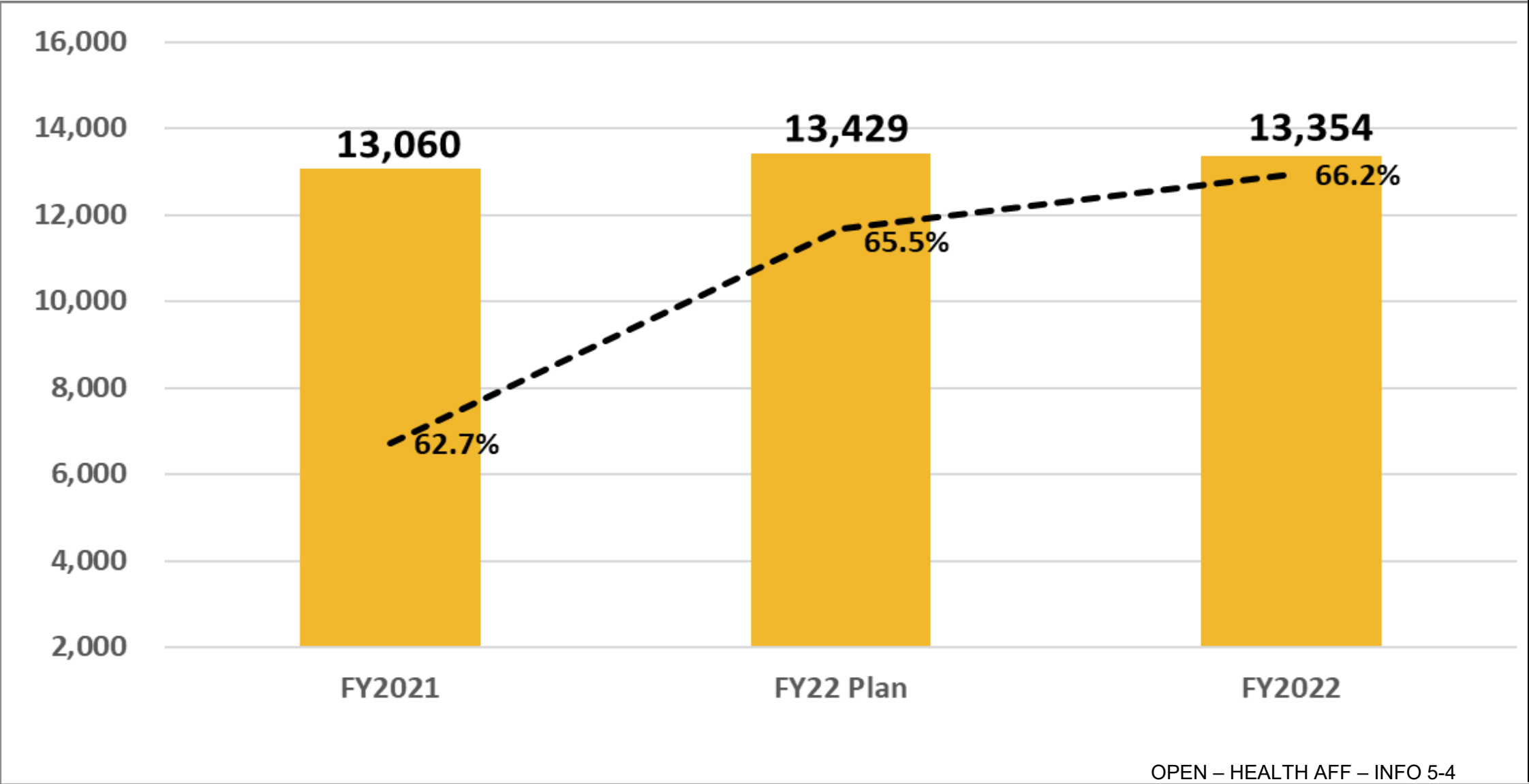


Monthly Operating Income and Margin reported excluding CARES/Covid Funds

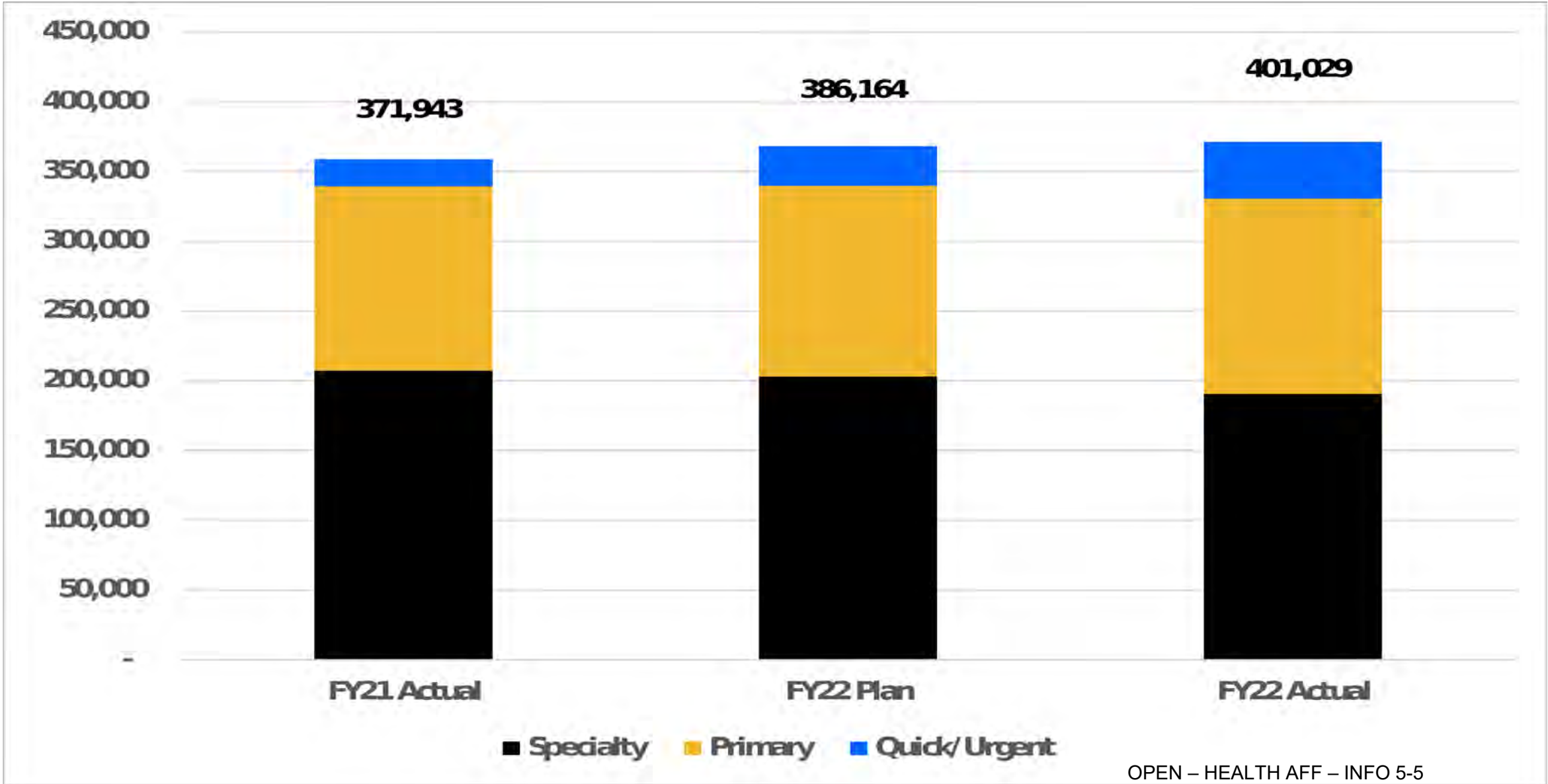
# Patient Utilization – Average Daily Census



# Patient Utilization – Surgeries



# Patient Utilization – Clinic Visits



# Financial Results – Ratios and Benchmarks

	Actual	Budget	Moody's A Rated
<b>Operating Margin (including Int Exp)</b> excluding CARES/ Covid Related Funds	6.4%	6.0%	
<b>Annualized Return on Total Assets</b>	4.6%	3.6%	3.8%
<b>Cash to Total Debt</b>	188.6%	206.3%	160.9%
<b>Debt to Capitalization</b>	22.2%	23.1%	31.7%
<b>Maximum Annual Debt Service Coverage</b>	5.3	3.1	4.4
<b>Days Cash on Hand</b>	181.2	185.8	261.4
<b>Net Days Revenue in AR</b>	59.5	49.7	46.3



# Health Affairs Committee Report

Chancellor Agrawal  
January 27, 2022



# UMKC School of Medicine

Furthering our mission of excellence and reaching the underserved



# Celebrating 50 years of excellence



## 2022 Rankings

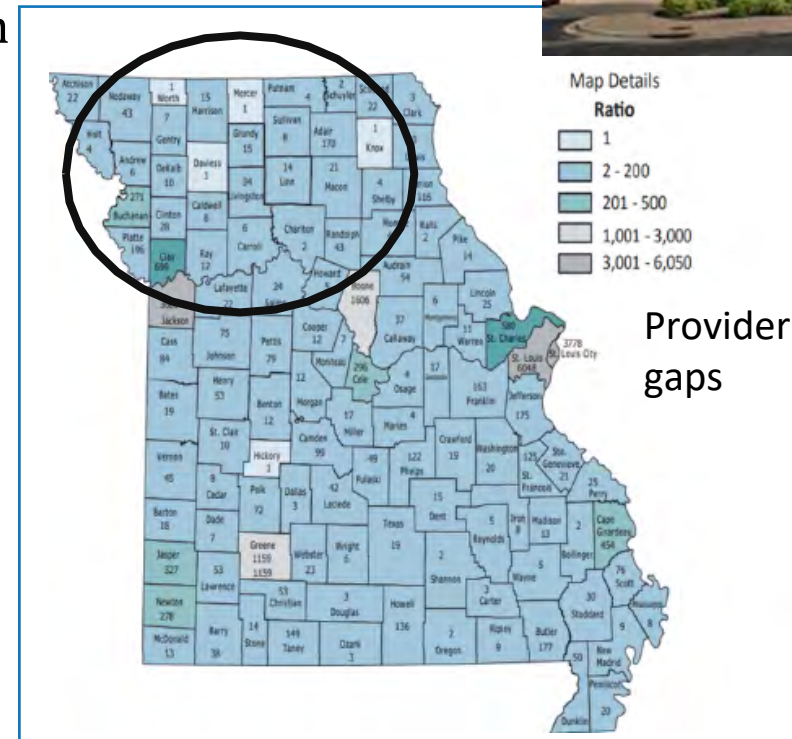
- 17<sup>th</sup> in Most Graduates Practicing in Medically Underserved Areas
- 64<sup>th</sup> in Primary care
- 78<sup>th</sup> in Most Diverse Medical Schools
- 83<sup>th</sup> in country in research





# St. Joseph campus, Cohort 2

- Solving for significant provider shortages
  - Medically underserved, low-income, including tribal peoples and people with limited English proficiency
- HRSA grant: \$12 million dollars over 4 years to create rural healthcare program
- Partners with Mosaic Life Care, a tertiary care facility of 350 beds, with more that 40 rural clinics
- Mosaic is part of the Mayo Clinic Network





# St. Joseph campus model

- Launched in 2021: anticipate 100 students in year 4
- Top-notch facilities and innovative programs
- St. Joe students interact with KC campus, complete the same curriculum and foundational principles
  - Early introduction to clinical experiences
  - Docent teams led by a physician who serves as role model, advisor and mentor
- Emphasis on **rural healthcare experiences** and **reducing health inequities**
  - Clinic core inpatient rotations at Mosaic
  - Feature primary care residencies

# UMKC Health Sciences District Development Project

**A visionary new project serving the Kansas City community and state of Missouri**









**A \$50M ask from  
the state will be  
matched by the  
community to  
fund a \$100M  
new building**

## **Health Sciences District Expansion Project**

- Relocating and updating the Dental School clinics to better serve the community.
- Expanding the School of Medicine to increase class size.

### **Additional Possibilities**

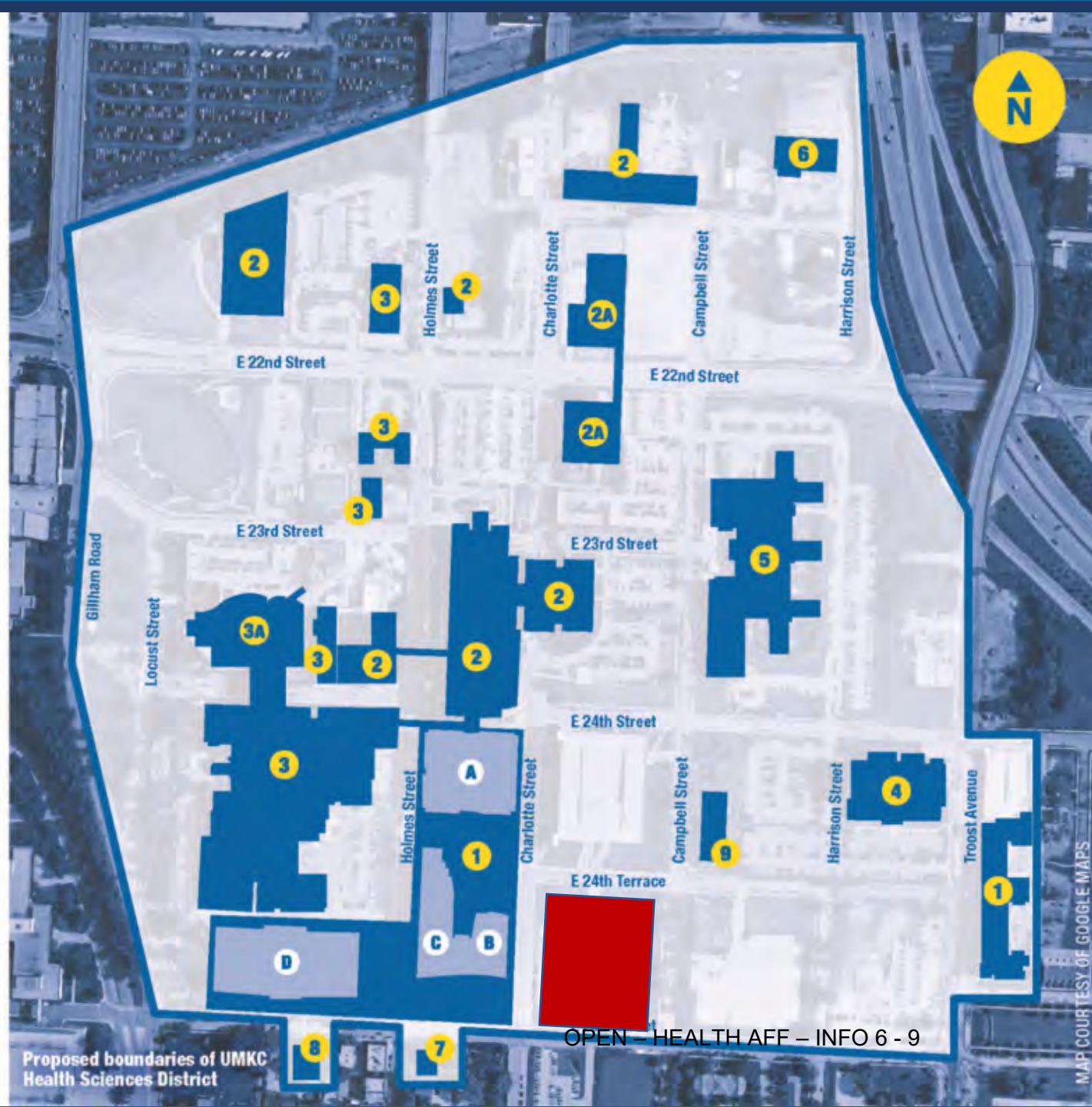
- Biomedical Engineering
- Data Science Center





## Map & Legend

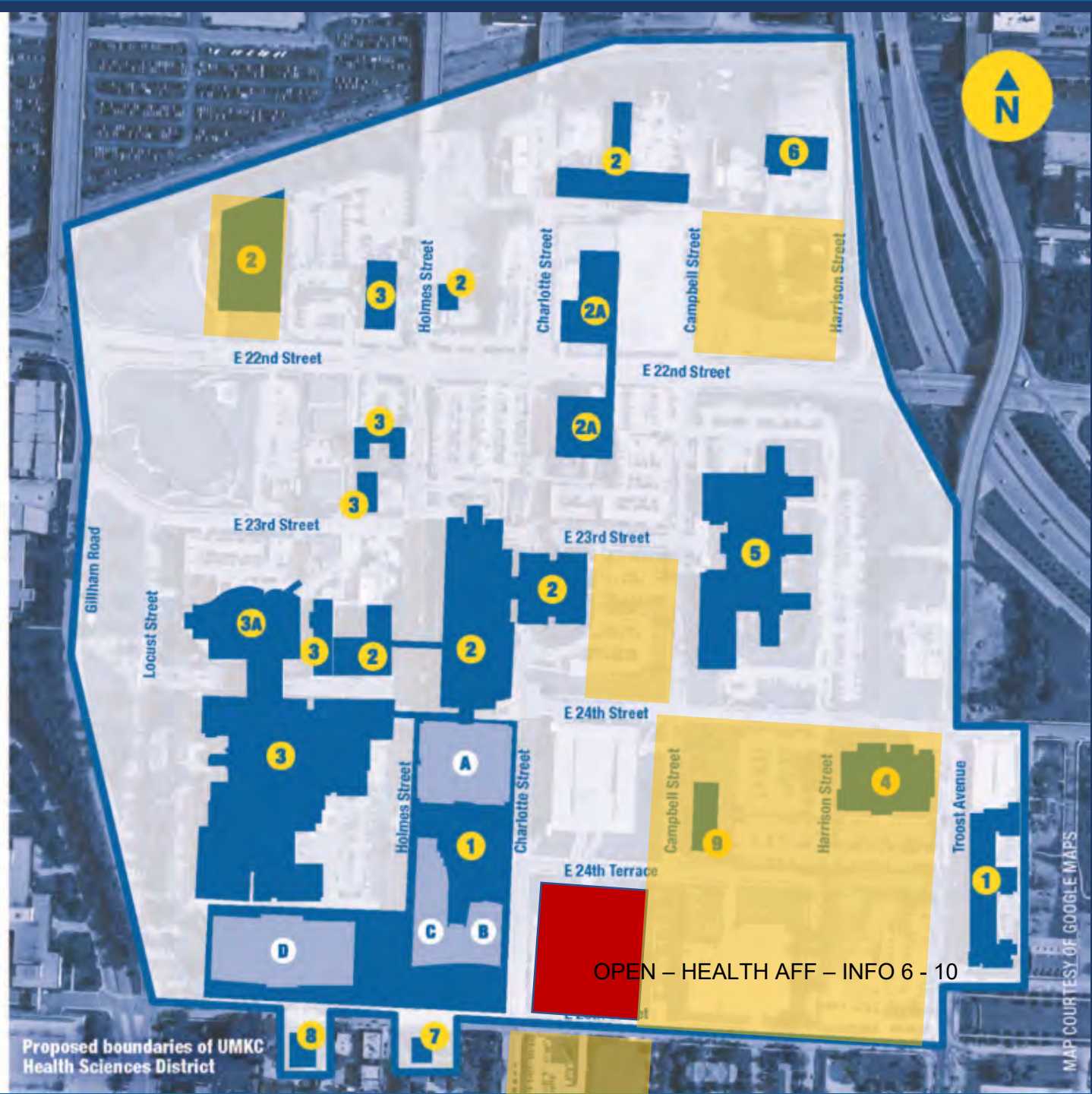
- 1** University of Missouri-Kansas City
  - A** UMKC School of Medicine
  - B** UMKC School of Nursing and Health Studies
  - C** UMKC School of Pharmacy
  - D** UMKC School of Dentistry
- 2** University Health Truman Medical Center
  - A** University Health 1
  - B** University Health 2
  - C** University Health 3
  - D** University Health 4
- 3** Children's Mercy
  - A** Children's Research Institute
- 4** Kansas City, Missouri, Health Department
- 5** Missouri Department of Mental Health Center for Behavioral Medicine
- 6** Jackson County Medical Examiner
- 7** Diastole Scholars' Center
- 8** Ronald McDonald House Charities of Kansas City
- 9** Charlie's House - Safety Demonstration House





## Map & Legend

- 1** University of Missouri-Kansas City
  - A** UMKC School of Medicine
  - B** UMKC School of Nursing and Health Studies
  - C** UMKC School of Pharmacy
  - D** UMKC School of Dentistry
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Charlotte Street

25th Street

OPEN – HEALTH AFF – INFO 6 - 12

helix.





Children's Mercy  
Emergency Room at...

UMKC School  
of Dentistry

Truman Medical  
Center Hospital Hill

City of Kansas City  
Health Department

Beth-Beth  
Judah Ministries



**A \$50M  
opportunity from  
the state could  
spark a billion  
dollars in  
development  
opportunities for  
Kansas City**

***Our vision is to  
launch the creation  
of a large medical  
center that would  
make KC the center  
of medical care for a  
4-5 state area***







- ① UMKC School of Dentistry
- ② UMKC School of Pharmacy and School of Nursing and Health Studies
- ③ UMKC School of Medicine

OPEN - HEALTH AFF - INFO 6 - 15

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# Project Support

- Our Health Science District Partners have all signaled their support for the project.
- Mayor and City Manager are keenly interested in the project –as is the Jackson County Executive.
- Civic Council and Chamber of Commerce have voted to make it a top priority.



No. 1

Recommended Action - Minutes, November 11, 2021 Health Affairs Committee Meeting

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_, that the minutes of the November 11, 2021 Health Affairs Committee meeting, held in conjunction with the November 18, 2021 Board of Curators Meeting, be approved as presented.

Roll call vote of Committee:	YES	NO
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Mr. Ashworth

Curator Graham

Curator Holloway

Mr. Phillips

Curator Wenneker

Curator Williams

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

No. 1

Recommended Action – Resolution for Executive Session of the Board of Curators  
Health Affairs Committee Meeting, January 27, 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 January 27, 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 Graham		
Curator Holloway		
Mr. Phillips		
Curator Wenneker		
Curator Williams		

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

January 27, 2022