Table of Contents

I. Health Affairs Committee Meeting - Public Session Call to Order (1:00 PM)

A. Information

1. Executive Vice Chancellor Report.................................................................2
   EVC HAC Presentation 04_14_22.pptx.........................................................2

2. MU Health Care Report..................................................................................8
   CEO HAC Presentation 04_14_2022.pptx...................................................8

3. MU School of Medicine Report.................................................................18
   SOM HAC Presentation 04_14_2022.pptx.................................................18

4. Quarterly Financial Report, MU Health - written report only......................26
   Health Affairs Committee Finance 03.10.22_V2.docx.............................26

5. Quarterly Compliance Report, MU Health written report only.....................28
   Compliance Update for Board of Curators - April 2022 V1.docx..............28

6. Missouri University of Science and Technology Medical Research..............30
   HAC Info 6-1 Missouri S&T Medical Research No Materials.docx...........30

B. Action

1. Minutes Approval, January 27, 2022 Health Affairs Committee Meeting......31
   HAC 1-1 Action for Approval of Committee Meeting Minutes.docx.............31

2. Resolution for an Executive Session of the Health Affairs Committee, April
   14, 2022.......................................................................................................32
   HAC 2-1 Resolution for Health Affairs Committee Executive Session.docx......32

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
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**
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)
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 4th 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)
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
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)**
- Relocation:
  - Inpatient Pediatrics and PICU
  - Children’s Procedure Suite
  - Cancer and Blood Disorder Unit
  - In & Outpatient Pediatric Surgeries
  - Pediatric Emergency Department to main campus

**Phase II (Target Summer 2024)**
- 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
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.

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

  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
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

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.

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

Consolidated Financial Results ($000's) Actual Budget Prior Year
<table>
<thead>
<tr>
<th>Financial Ratios and Benchmarks</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Moody's A-Rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>4.0%</td>
<td>6.3%</td>
<td>7.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Annualized Return on Total Assets</td>
<td>2.4%</td>
<td>3.6%</td>
<td>7.3%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Cash to Total Debt</td>
<td>182.8%</td>
<td>209.3%</td>
<td>178.7%</td>
<td>160.9%</td>
</tr>
<tr>
<td>Debt to Capitalization</td>
<td>23.3%</td>
<td>22.7%</td>
<td>24.7%</td>
<td>31.7%</td>
</tr>
<tr>
<td>Maximum Annual Debt Service Coverage</td>
<td>4.0</td>
<td>3.1</td>
<td>6.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>181.9</td>
<td>184.8</td>
<td>203.5</td>
<td>261.4</td>
</tr>
<tr>
<td>Net Days Revenue in AR</td>
<td>55.8</td>
<td>49.9</td>
<td>47.3</td>
<td>46.3</td>
</tr>
</tbody>
</table>
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

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
      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.
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

Mr. Ashworth
Curator Holloway
Mr. Phillips
Curator Wenneker
Curator Williams

The motion ________________.
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:  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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</table>

Mr. Ashworth  
Curator Holloway  
Mr. Phillips  
Curator Wenneker  
Curator Williams

The motion ________________.