

Health Affairs Committee Meeting - Public Session

University of Missouri System

Health Sciences Building, Room 5309, University of Missouri - Kansas City

Aug 29, 2023 2:00 PM - 3:15 PM CDT

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II. Health Affairs Committee Meeting - Executive Session (3:15 PM, time is approximate)

The Health Affairs Committee will hold an executive session of the September 7, 2023 meeting, pursuant to Section 610.021(1), 610.021(2), 610.021(3), 610.021(12), and 610.021(13) RSMo, for consideration of certain confidential or privileged communications with university counsel and property, personnel and contract items, all as authorized by law and upon approval by resolution of the Health Affairs Committee.

Health Affairs Committee

Aug. 29, 2023

Richard J. Barohn, MD

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



Agenda

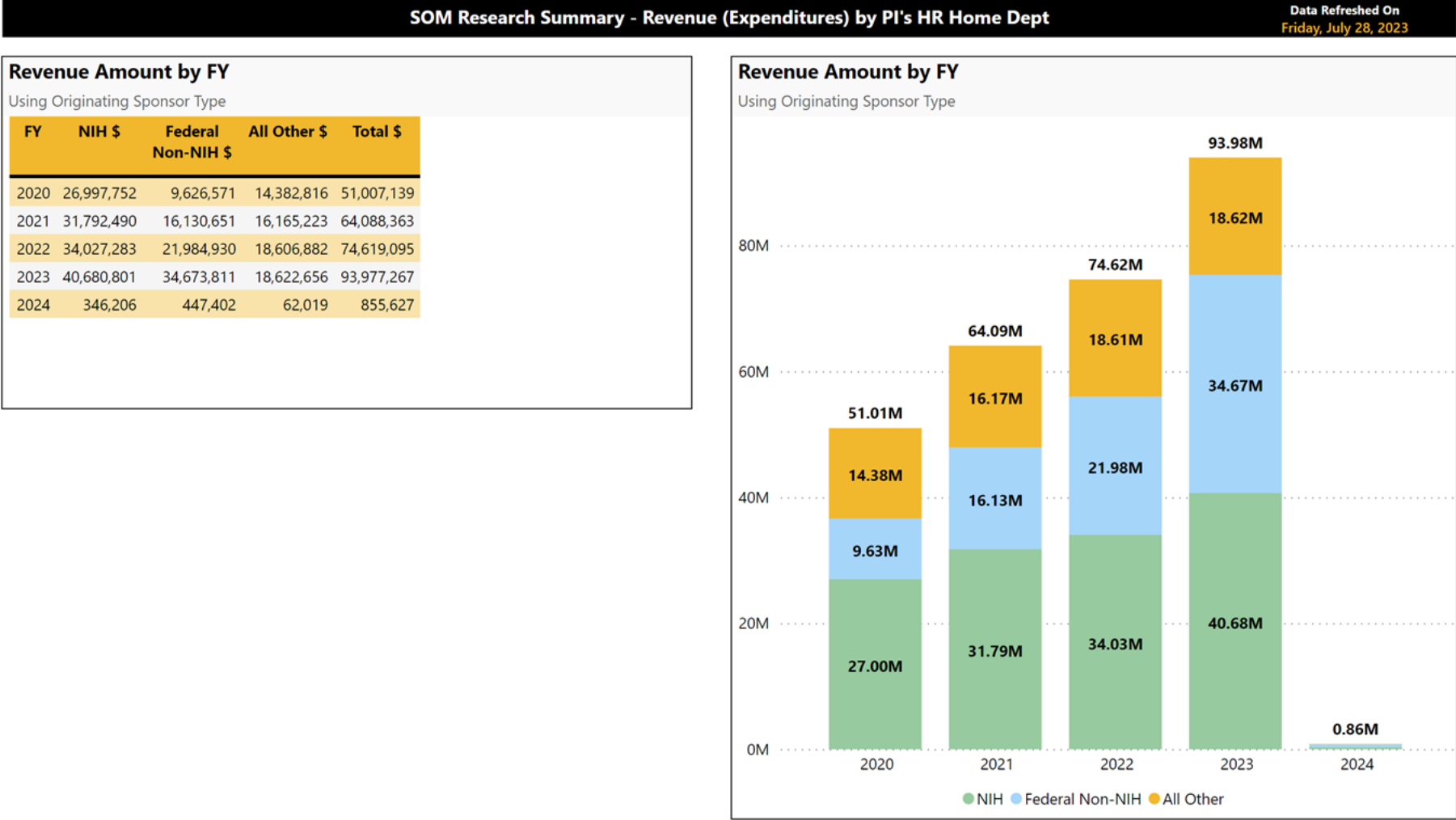
- **EVCHA/Dean Update:** Dr. Richard J. Barohn
- **Compliance and Audit Update:** Matt Frederiksen-England and Michelle Piranio
- **MU Health Care Financial Update:** Dustin Thomas
- **University of Missouri Kansas City:** Chancellor Mauli Agrawal
- **Closed Session**



School of Medicine Updates



Research



Research

- **Identifying needs of rural-based physicians to optimize cancer survivorship care**
 - 96% of cancer survivors reported meeting with their primary care physician for follow-up treatment
 - Only 60% of patients saw an oncologist
 - Identified tools, training and technology that can help rural physicians provide improved care
 - Published in the Journal of Cancer Education
- **\$3 million grant from the National Institute of Child Health and Human Development**
 - Grant to study trophoblast cells to understand how placental defects that cause preeclampsia function



Mirna Becevic,
PhD
Dermatology



Laura Schulz,
PhD
Obstetrics,
Gynecology and
Women's Health

Welcoming the Class of 2027



Meet the **CLASS OF 2027**



Average Math/Science GPA: **3.72**
Average Total GPA: **3.77**
Average MCAT Score: **509**



2,699
TOTAL APPLICATIONS

400
Interviews
scheduled

128
Students
matriculated

Students from socioeconomically
disadvantaged backgrounds:

30%

Students from
rural areas:

18%

Students from
Missouri:

84%

Undergrad
majors
represented

31

Undergrad
institutions
represented

55

16%
SELF-IDENTIFY AS AN
UNDERREPRESENTED
MINORITY

13%

FIRST GENERATION
COLLEGE STUDENT

AGE RANGE: **19** ↔ **37**



82



45

GEOGRAPHIC
REPRESENTATION



MISSOURI - 107
ARKANSAS - 1
CALIFORNIA - 3
COLORADO - 1
FLORIDA - 2
GEORGIA - 3
ILLINOIS - 2
KANSAS - 2
MINNESOTA - 1
NEW JERSEY - 3
NORTH CAROLINA - 1
TEXAS - 1
VIRGINIA - 1



School of Medicine
University of Missouri



Miss Missouri visits the Thompson Center for Autism and Neurodevelopmental Disorders

- Hayley Leach, Miss Missouri 2023, took a tour followed by a discussion with leadership and staff, as well as representatives from the Thompson Foundation for Autism.
- Community Service Initiative titled "See the Able, Not the Label," which focuses on autism awareness and acceptance.
- Inspired by her family's experience with her brother Matthew, who has autism.
- Partners with her brother, Matthew, on education and advocacy work.



(L to R): Dr. Steve Sheinkopf, Hayley Leach, Myles Hinkel, Katie Lynn, Dr. Connie Brooks and Lou Leonatti

MU Health Care Updates



Capital Region Medical Center Integration

- **Operational integration activities underway led by Ric Ransom and Katrina Lambrecht**
- **Leadership Team Meeting (MU Health Care and Capital Region Medical Center) every Monday morning at 7 a.m. in Jefferson City**
- **MU Health Care leaders (CEO, COO, CMO, CNO, CFO) on-site weekly at Capital Region to guide integration work**
- **Second round of town halls with physicians and staff**
- **Key priorities:**
 - Increase volumes at CRMC
 - Improve financial performance
 - Coordination of activities between both organizations
- **Discussions with the Bishop and with Jefferson City Medical Group**



Children's Hospital Update

- **Local media recently toured the construction site**
- **Grand opening dates are set:**
 - **Tuesday, May 21:** Media event and employee event
 - **Wednesday, May 22:** VIP reception
 - **Thursday, May 23:** General public event



Successful accreditation survey

- **Hosted surveyors from our accreditation body, DNV (Det Norske Veritas) Aug. 15-17**
 - several weeks before our survey window opened
- **Surveyors impressed with our culture of quality and collaboration, exemplified through:**
 - Project to prevent pressure injuries
 - Sustaining zero workplace injuries for multiple months
 - Hosting a wedding ceremony for the daughter of a patient
- **We have been fully accredited for another year and recommended for full ISO (International Organization for Standardization) 9001 certification**
 - An international set of standards on quality management and quality assurance
 - Being certified means that we have structures, processes and systems in place to produce high quality services
 - Major accomplishment made possible by teams across the health system



MU Health Care Compliance and Audit/Review Update

August 29, 2023

Matt Frederiksen-England
Chief Compliance Officer, MU Health Care

Michelle Piranio
Chief Audit and Compliance Officer, UM System



Risk Assessment

- **Risk Assessment approach**
 - Collaboration between UM System's Ethics, Compliance and Audit Services and MU Health Care's Office of Corporate Compliance
 - 20 face-to-face interviews
 - 47 responses to an online survey
 - Review of national trends and risks
- **Background for developing risk profile**
 - Burnout and professionals exiting health care
 - Labor and supply costs
 - The number of surgical shifts from inpatient to out
 - Movement from fee-for-service to value-based
 - Pharmaceutical management shifts



Major Initiatives for MU Health Care

- Development of growth plan in Neurosciences, Cardiology, Oncology, and Women's and Children's service lines
- Bringing the Children's Hospital online
- Integration of Capital Region Medical Center
- Sustained financial performance



Key Themes / Risk Areas

- Strategic growth
- Talent acquisition/retention
- Cybersecurity and privacy
- Research
- School of Medicine accreditation survey
- Billing/coding/revenue cycle
- End of public health emergency

It is important to note, items identified as risks areas or on the audit/review plan are not confirmed risks for MU Health Care.



Monitoring Plan

- **The monitoring plan establishes regular, ongoing reviews, typically on a quarterly or monthly basis.**
 - 60-day Repayment Rule compliance
 - Verification of employees and vendors against the government's exclusion lists
 - Privacy Monitoring
 - Hotline Monitoring
 - Program for Evaluating Payment Patterns Electronic Report (PEPPER)



Audit/Review Plan

- **The audit/review plan is a collaboration between the UM System's Ethics, Compliance and Audit Services and MU Health Care's Office of Corporate Compliance.**
 - We have 37 planned reviews/audits for FY24
 - We often add many audits throughout the year due to changing regulations, emerging risks, or investigations
 - We have an additional 25 “time-permitting” reviews/audits for FY24



Audit/Review Plan

- **The Audit/Review Plan is broken up into areas:**
 - Compliance
 - Research
 - HIPAA
 - Operational Compliance
 - Information Technology
 - Security
 - Revenue Cycle
 - Coding
 - Charge capture



Audit/Review Plan

- **Intended audits/reviews will cover:**
 - Compliance with newer regulations
 - Coding and billing accuracy
 - Revenue capture
 - Information security
 - Clinical documentation compliance
 - Compliance with Stark and anti-kickback regulations
 - Drug diversion
 - Timecard/payroll operations
 - Institutional Review Board clinical trials processes
 - Provider-based clinics



Questions?



MU Health Care Financial Update

August 29, 2023

Dustin Thomas
Chief Financial Officer, MU Health Care



Full FY23 MUHC Financials

In Millions	FY23 Jul-Apr	FY23 May-June	FY23 Full Year		Dec FY23 Re-Project	FY22 Full Year	FY21 Full Year
Patient Care Revenue	\$968.6	\$217.8	\$1,186.4		\$1,121.3	\$1,089.0	\$1,040.1
Pharmacy/Other Revenue	\$181.0	\$43.1	\$224.1		\$188.8	\$194.3	\$157.2
TOTAL REVENUE	\$1,149.6	\$260.9	\$1,410.5		\$1,310.1	\$1,283.2	\$1,197.3
Salaries & Benefits	\$488.6	\$102.6	\$591.2		\$567.2	\$527.1	\$460.0
Supplies	\$302.9	\$69.6	\$372.5		\$335.4	\$346.8	\$294.7
Other Expenses*	\$320.2	\$75.5	\$395.7		\$362.7	\$380.5	\$352.1
TOTAL EXPENSE	\$1,111.7	\$247.7	\$1,359.4		\$1,265.3	\$1,254.4	\$1,106.8
Operating Gain/(Loss)	\$37.9	\$13.2	\$51.1		\$44.8	\$28.8	\$90.6
Average/ Mo:	\$3.8	\$6.6	\$4.3				

- Numbers are preliminary pending year-end adjustments and final audit (August).
- MUHC will end its year at \$51.1M favorable bottom line – needed for capital and to restore cash reserves that decreased over past three years.
- Over \$105M to School of Medicine this year to support Clinical, Education & Research missions.
- Revenue exceeded re-projection by \$100.4M. Expense exceeded re-projection by \$94.1M - netting \$6.3M

* FRA (Medicaid Tax), Purchased Services (including School of Medicine), Legal/Compliance, Depreciation, Amortization, etc.



FY22 vs. FY23 Financials

In Millions	FY22 Full Year	FY23 Full Year	% Change
Patient Care Revenue	\$1,089.0	\$1,186.4	8.9%
Pharmacy/Other Revenue	\$194.3	\$224.1	15.3%
TOTAL REVENUE	\$1,283.2	\$1,410.5	9.9%
Salaries & Benefits	\$527.1	\$591.2	12.2%
Drug Supplies	\$192.0	\$207.6	8.1%
Other Supplies	\$154.8	\$164.9	6.5%
Other Expenses*	\$380.5	\$395.7	4.0%
TOTAL EXPENSE	\$1,254.4	\$1,359.4	8.4%
Operating Gain/(Loss)	\$28.8	\$51.1	77.4%
Operating Margin %	2.2%	3.6%	

Growing revenue while spreading fixed expenses across that revenue contributed to margin gains.

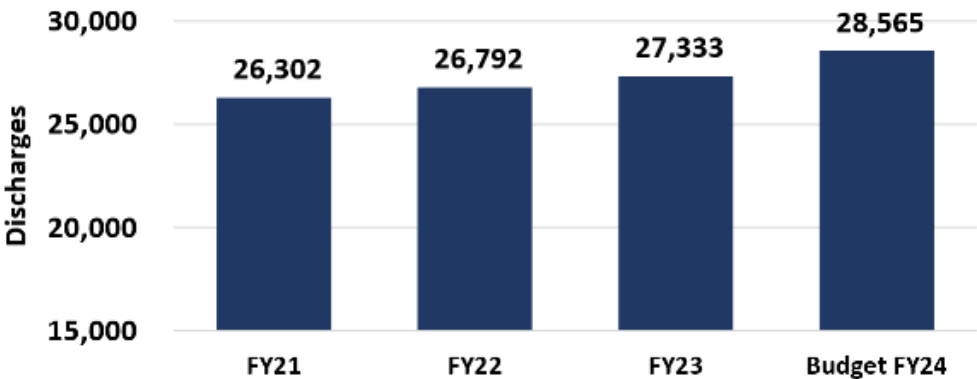
- \$127M of revenue growth only required \$105M of expense growth (83% of revenue generated).
- FY23: 96% of revenue was consumed by expense to generate that revenue vs. FY22: 98% of revenue was consumed by expenses to generate that revenue.

Retail Pharmacy contributions to MUHC revenue:

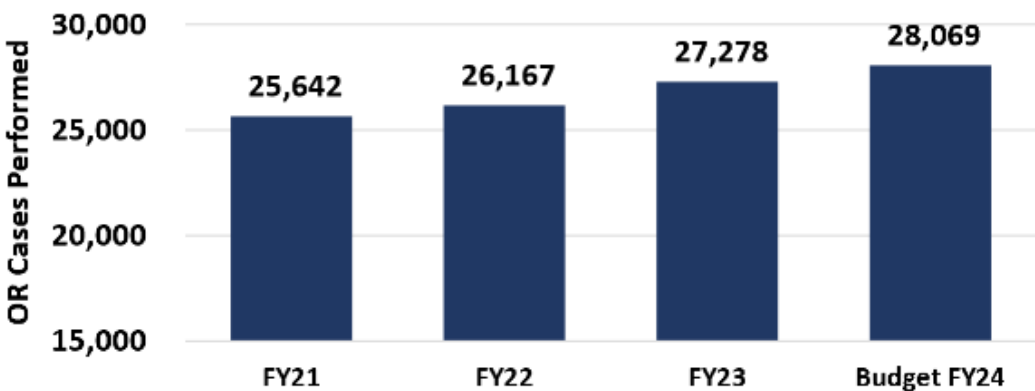
- Some FY23 revenue was back pay on FY22 340B payments required by the US Supreme Court.
- Keeping prescription fills at MUHC pharmacies will be a point of emphasis in FY24. That protects our 340B program to help provide safety net services to Medicaid and Low-Income patients.

Key Volume Trends

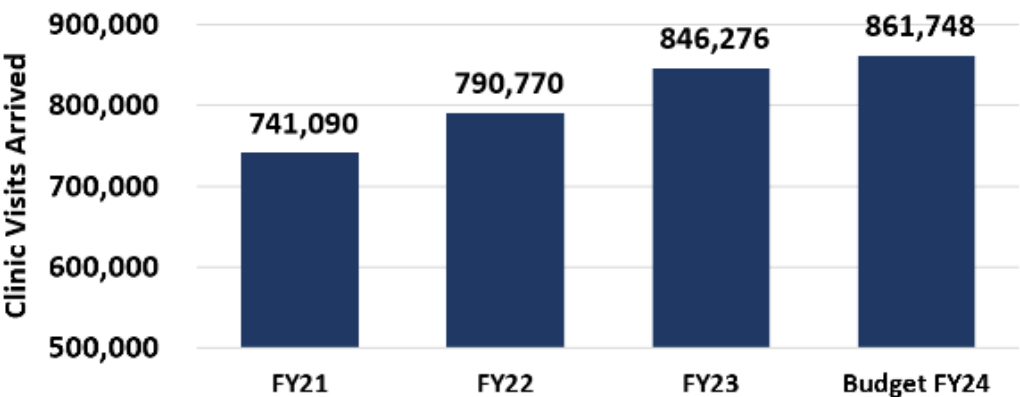
Discharges



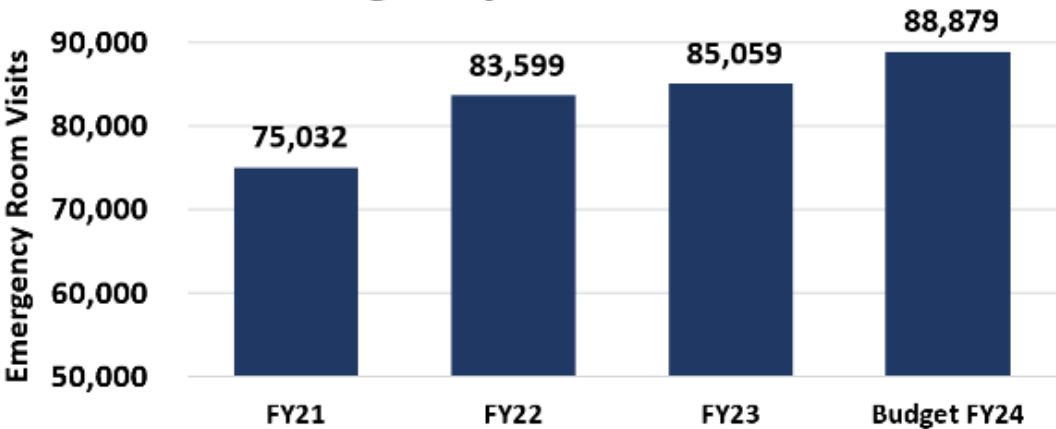
Operating Room Cases



Clinic Visits



Emergency Room Visits



FY24 Budget

In Millions	FY23 Full Year	FY24 Budget	
Patient Care Revenue	\$1,186.4	\$1,247.0	5.1%
Pharmacy/Other Revenue	\$224.1	\$209.3	-6.6%
TOTAL REVENUE	\$1,410.5	\$1,456.3	3.2%
Salaries & Benefits	\$591.2	\$616.8	4.3%
Drug Supplies	\$207.6	\$198.0	-4.6%
Other Supplies	\$164.9	\$169.1	2.5%
Other Expenses*	\$395.7	\$387.8	-2.0%
TOTAL EXPENSE	\$1,359.4	\$1,371.7	1.0%
Operating Gain/(Loss)	\$51.1	\$84.6	6.6%
Operating Margin %	3.6%	4.6%	

- CRMC related expenses are not in this MUHC budget. MUHC, CRMC and Integration related budgets will be separately reported in FY24.
- A new five-year financial plan is being drafted that will incorporate consolidated CRMC and MUHC operations.





Future vision for UMKC Health Sciences District

August 29, 2023

Chancellor Mauli Agrawal

Expanding our UMKC Health Sciences District

- UMKC is Kansas City's **top provider** of doctors, nurses, dentists and pharmacists
- **1 of 20** U.S. public universities with a similarly comprehensive health district.
- Our UMKC Health Sciences District serves:
 - **868,000+** outpatient visits in the UMKC Health Sciences District
 - **30,000+** patients annually
 - **12,000+** employees working in the district
- UMKC Health Sciences has a **\$234 million** economic impact



School of Dentistry



527 students

School of Medicine



843 students

School of Pharmacy



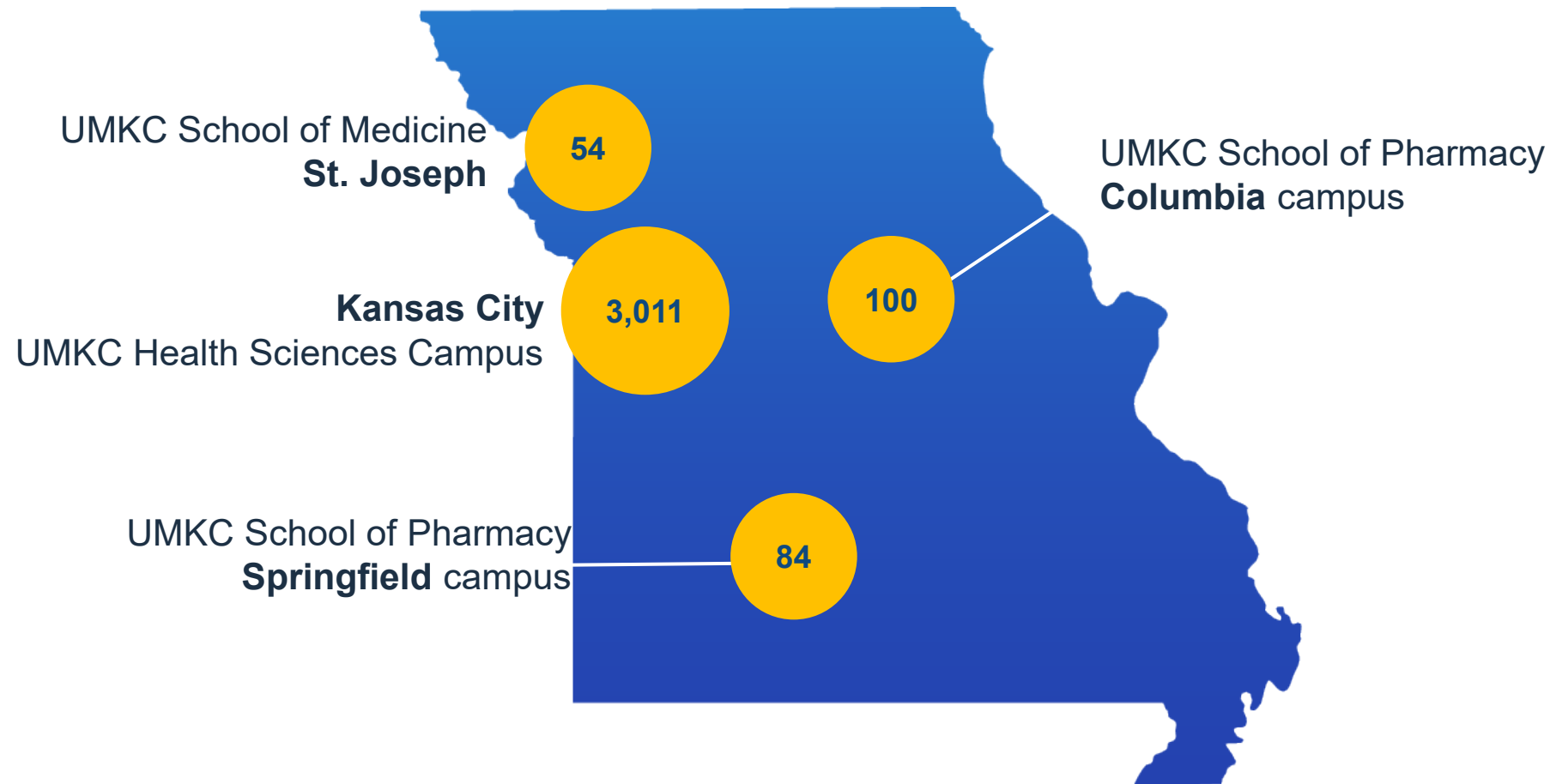
503 students

School of Nursing and Health Studies



1,265 students

UMKC's statewide healthcare footprint



One big idea. 13 healthcare partners.

- UMKC offers community-based medical education – student clinicals are conducted at Kansas City's top hospitals and healthcare facilities.
- UMKC specializes in outreach to underserved populations. For example, our School of Dentistry provides up to \$750K in uncompensated care annually through its dental clinics.



UMKC Healthcare Delivery and Innovation Building

- **The Vision:** Make Kansas City a regional draw for healthcare, innovation and magnet for top students and medical providers, starting with this new addition to our UMKC Health Sciences District.

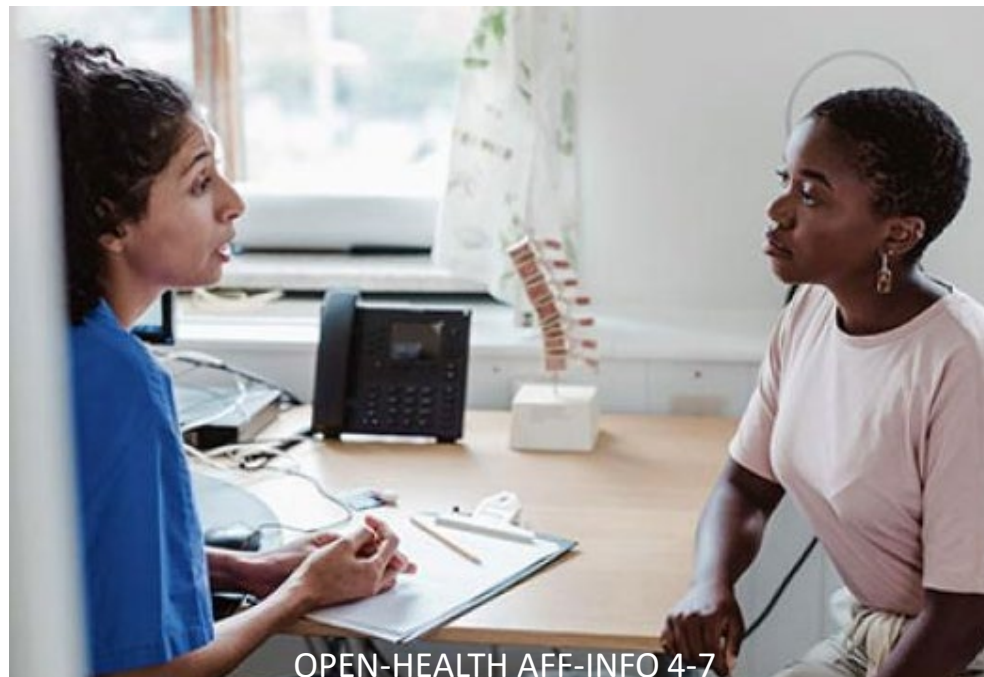
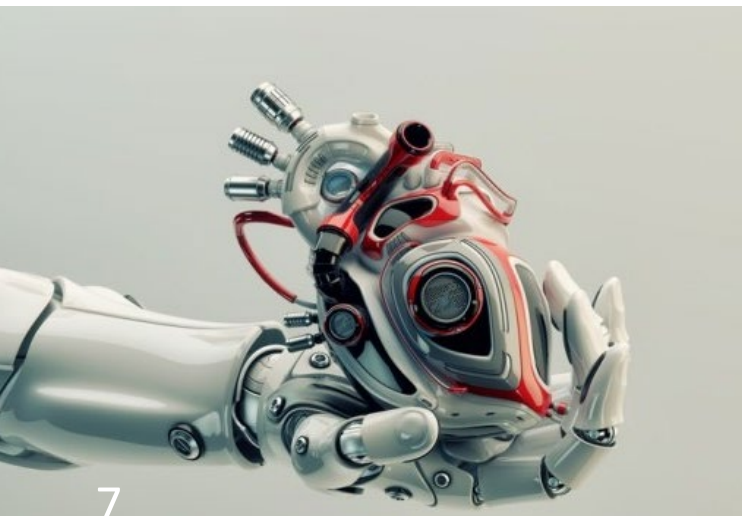




School of Medicine sim labs



School of Dentistry clinics



OPEN-HEALTH AFF-INFO 4-7



Research space for Biomedical Engineering, Health Equity, and Data Science

Project Funding

\$60M	Missouri ARPA Funds, '22 and '23
\$30M	Sunderland Gift
\$15M	Hall Family Foundation gift
\$10M	Federal funding
<u>\$5M</u>	<u>Additional funding TBA</u>
\$120M	Total Project Costs

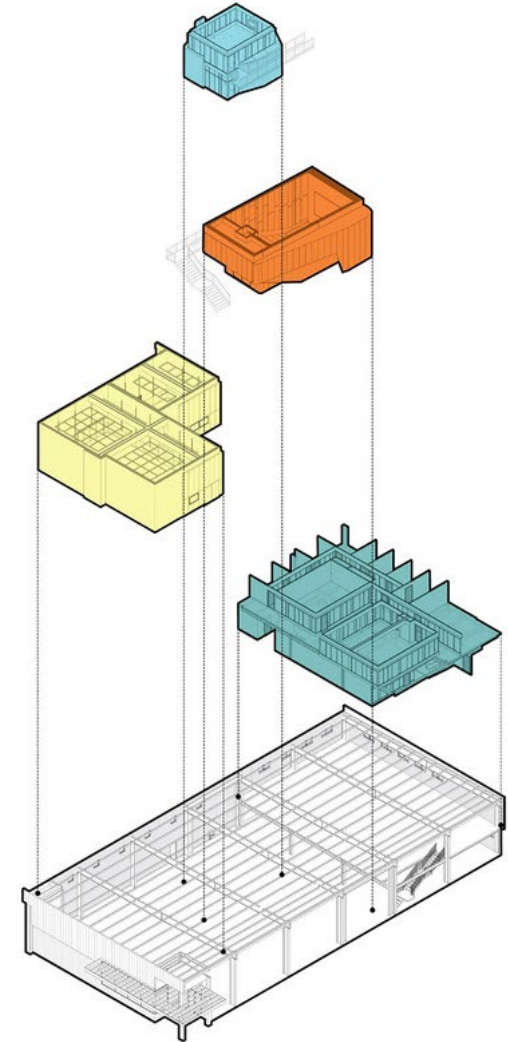
Progress Update



Finalizing schematics
and design

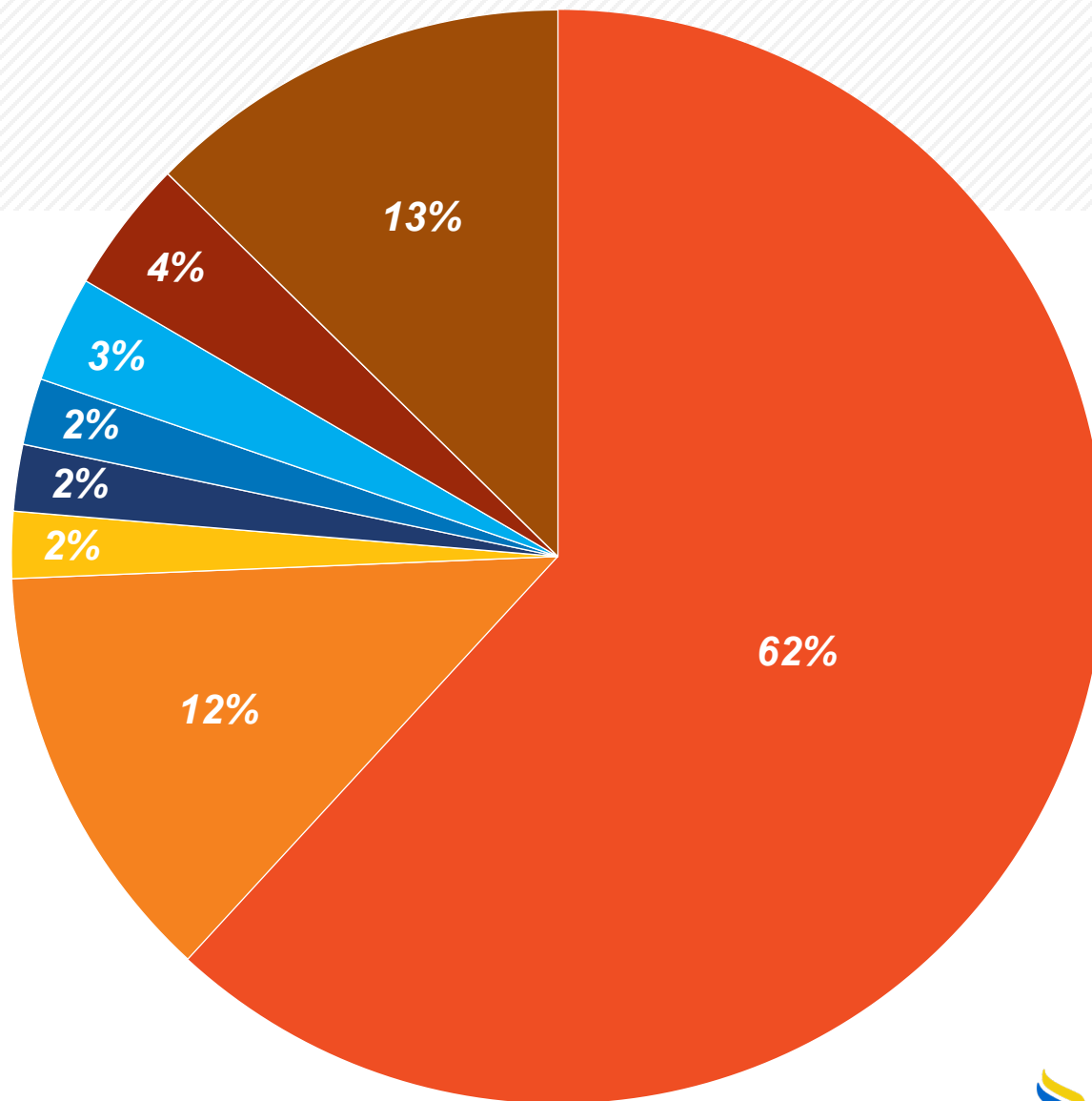


Hired a construction
manager

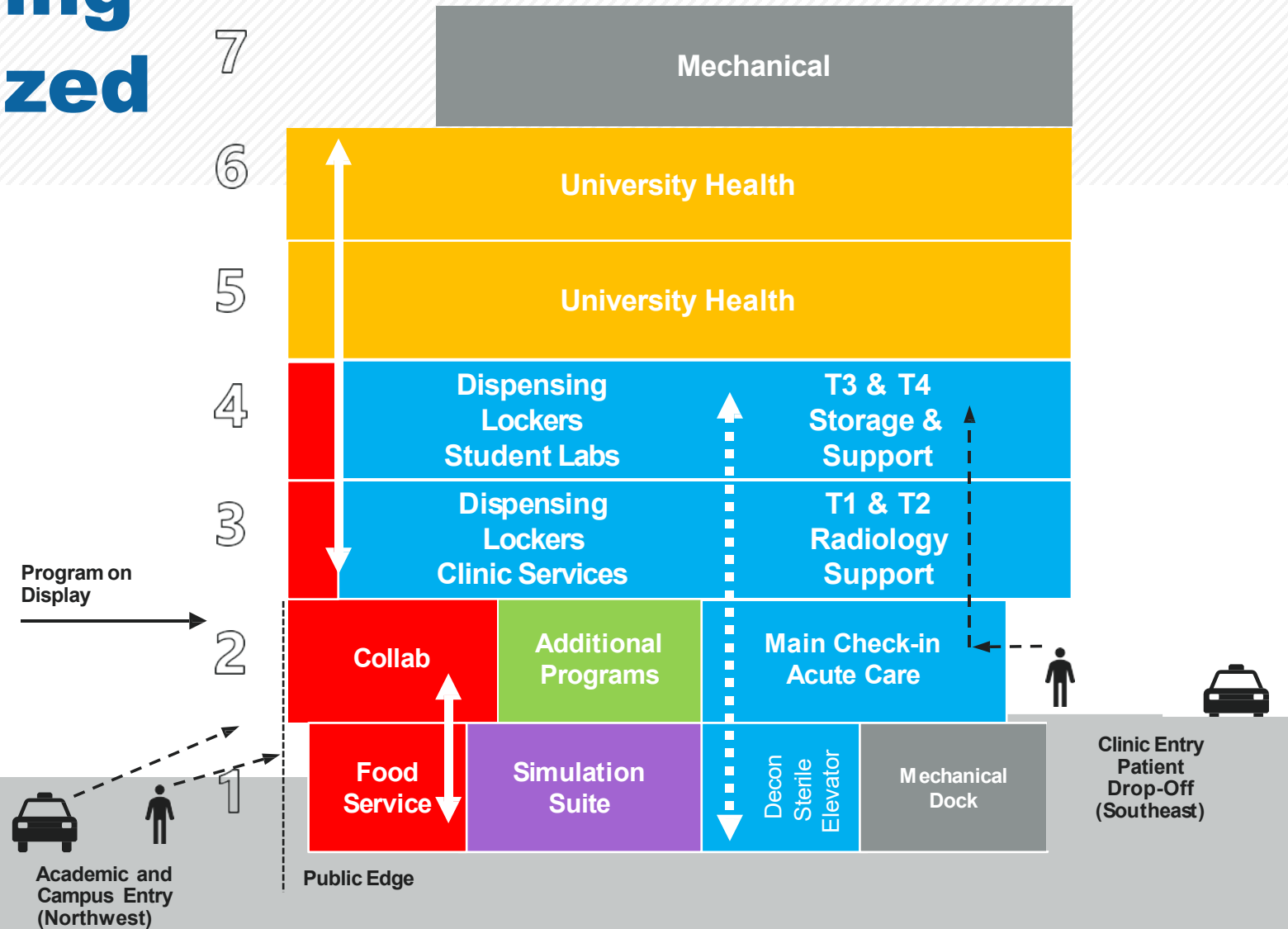


Facility Program Summary

The Facility Program reflects an innovative inter-disciplinary clinic and academic building that meets current needs while positioning programs for future-state learning and clinical models.



How the Building Will be Organized



Current Design Direction



HSD Master Plan



- Vehicular Circulation
- Pedestrian Circulation
- Primary Entry
- Secondary Entry
- Children's Mercy
- University of Health
- UMKC
- Institution Development
- Mixed Use Development
- Mixed Use & Institution Development
- Green Spaces
- Parking
- ++ Future Development with parking below

***Our new building
will be the catalyst
for the creation of
a large medical
center that would
make KC the center
of medical care for
a 4-5 state area***



Potential Regional Impact

- Meet physician shortage
- Improve outcomes for those in underserved communities through Health Equity Institute
- Significantly increase research funding
- Develop patents and start-up businesses
- According to MARC, Health Sciences District could ultimately provide 19,000 jobs
- \$1.9B in gross regional product for KC metro



San Antonio
February 1966



Economic Impact

- \$7.3 billion total revenues
- 58,730 jobs
- \$3.1 billion in wages and salaries
- \$4.2 billion, gross regional product

No. 1

Recommended Action - Minutes, June 22, 2023 Health Affairs Committee Meeting

It was moved by _____ and seconded by _____, that the minutes of the June 22, 2023 Health Affairs Committee meeting, held in conjunction with the June 29, 2023 Board of Curators meeting, be approved as presented.

Roll call vote of Committee:	YES	NO
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Mr. Ashworth

Curator Brncic

Mr. Burger

Curator Fry

Mr. Devers

Curator Holloway

Curator Layman

Curator Wenneker

Dr. Whitaker

The motion _____.

Recommended Action – Resolution for Executive Session of the Board of Curators Health Affairs Committee Meeting, August 29, 2023

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 August 29, 2023 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.

Roll call vote of the Committee: YES NO

Mr. Ashworth
Curator Brncic
Mr. Burger
Curator Fry
Mr. Devers
Curator Holloway
Curator Layman
Curator Wenneker
Dr. Whitaker

The motion _____.