

Health Affairs Committee Meeting - Public Session

University of Missouri System

Atkins Seminar Room, Roy Blunt NextGen Precision Health Building

Jun 22, 2023 1:00 PM - 1:45 PM CDT

Table of Contents

I. Public Session Call to Order (1:00 PM)

A. Information

1. Executive Vice Chancellor and Dean Report.....2

June 22 2023 HAC - OPEN_EVCDeanRpt_Final.pdf.....2

2. MU Health Care Financial Update.....24

June 22 2023 HAC - OPEN_FinRpt_Final.pdf.....24

B. Action

1. Minutes Approval, April 13, 2023 Health Affairs Committee Meeting.....37

HAC 1-1 Action for Approval of Committee Meeting Minutes.docx.....37

2. Resolution, Executive Session of the Health Affairs Committee Meeting,

June 22, 2023.....38

HAC 2-1 Resolution for Health Affairs Committee Executive Session.docx.....38

II. Health Affairs Committee Meeting - Executive Session (1:45 PM, time is approximate)

The Health Affairs Committee will hold an executive session of the June 22, 2023 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, property, personnel, contract negotiations and records protected by law, all as authorized by law and upon approval by resolution of the Health Affairs Committee.

Health Affairs Committee

June 22, 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
- **Philanthropy Update:** Jackie Lewis
- **MU Health Care Financial Update:** Dustin Thomas
- **Closed Session**



School of Medicine Updates



School of Medicine leadership updates

- Dr. Brandi French named chair of the Department of Neurology
- Dr. Laura Hesemann named chair of the Department of Child Health
- Conducting national leadership searches for:
 - Vice Dean for Academic and Faculty Affairs
 - Chair of Health Management and Informatics (newly constituted department)



Brandi French, MD



Laura Hesemann, MD

Celebrating commencement

- 110 medical students graduated on May 13, including 18 graduates who studied at the Springfield Clinical Campus
- 97% of the 2023 class received a residency program match
- Conferred honorary Doctor of Science degree upon Kristy Weber, MD, University of Pennsylvania School of Medicine
- Commencement speaker Doc Schmidt



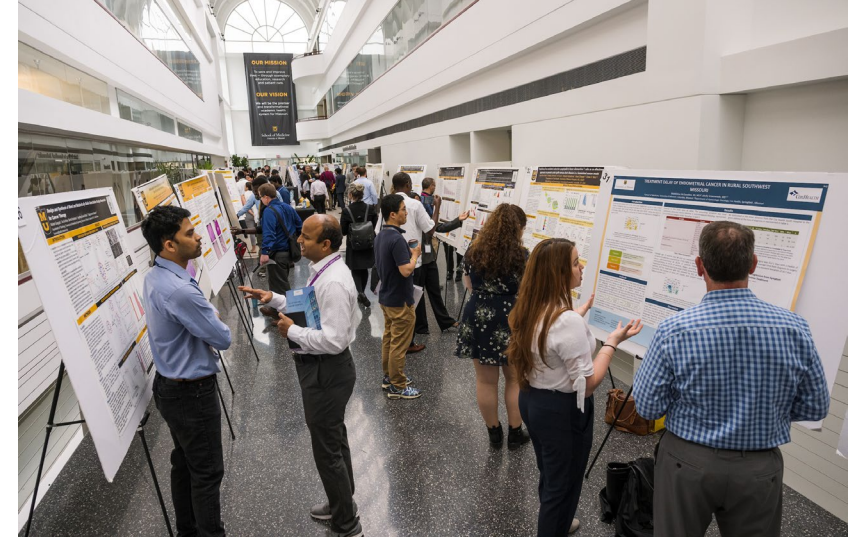
Curator Robin Wenneker, Dr. Kristy Weber and Dr. Richard Barohn



Dr. Ben Schmidt, MU School of Medicine graduate and social media personality

Cancer research

- **Celebrating scientific advancement at Cancer Research Day**
 - Showcased 78 presentations of original research conducted by MU faculty, staff and trainees
 - Focused on one thing: shaping the future of cancer care
- **Brought together 260 trainees and faculty members from both clinical care and translational science, and across different specialties**
- **Welcomed guest speaker Timothy Eberlein, MD, director of Siteman Cancer Center**
 - Celebrated our partnership with Washington University and Siteman Cancer Center in St. Louis
 - Dr. Eberlein discussed funding opportunities for research, cancer statistics and our shared path forward



Gerhard Hildebrandt, MD, director of the Ellis Fischer Cancer Center, and Timothy Eberlein, MD, director of Siteman Cancer Center

NextGen Precision Health Updates



Clinical Translational Science Unit open for research

- **Four clinical trials currently underway in the CTSU**
 - Study effects of a dietary supplement on blood flow in individuals with Type 2 diabetes, funded by **National Institutes of Health (NIH)**
 - Study effects of the drug amiloride on blood vessel stiffness in overweight individuals, funded by **NIH**
 - Study effects of a dietary supplement and exercise on blood vessel health, funded by **Department of Veterans Affairs**
 - Study biomarkers in ALS, funded by **NIH**
- **More than \$7 million in funding among the trials; more than 280 research participants**
- **Led by senior researchers**
 - Luis Martinez-Lemus, DVM, PhD
 - Jaume Padilla, PhD
 - Camila Manrique, MD
 - Richard J. Barohn, MD



Investing in junior faculty

- **Researcher Dr. Kris Kelly received grant from Kansas City Consortium on Musculoskeletal Disease for trial in the Clinical Translational Science Unit**
 - Studying new therapeutic approach for treating patients with myasthenia gravis using electro-muscular stimulation
- **Supporting our junior faculty**
 - Conducting research in her first faculty position
 - Started in December as an assistant research professor in the Department of Physical Medicine and Rehabilitation
 - Joined MU from The Ohio State University Wexner Medical Center, where she served as a clinical evaluator and physical therapist



Kris Kelly, PT, DPT

Systemwide outreach through NextGen Discovery Series

- Opportunity for UM System faculty, staff across disciplines to learn about precision health research and collaborate
- June 5 Discovery Series first to go on the road, hosted at University of Missouri-St. Louis
- 30 attendees in St. Louis, 30 at NextGen, and more than 80 online



Rachel P. Winograd, PhD

*Associate Professor, Department of Psychological Sciences
Missouri Institute of Mental Health
University of Missouri-St. Louis*

DISCOVERY SERIES

THE CURRENT STATE OF MISSOURI'S OVERDOSE CRISIS AND RECENT MITIGATION STRATEGIES

MONDAY, JUNE 5 | NOON

*Watch live at MU – lunch provided
Atkins Family Seminar Room
Roy Blunt NextGen Precision Health building*

Learn more: precisionhealth.missouri.edu/events



MU Health Care Updates



Ric Ransom is here!



- Ric joined as CEO on May 1 from University of Wisconsin Hospitals in the Madison Region; served as president
- Nearly two decades in various health care leadership roles: chief operating officer at Greenville Memorial Hospital and positions in Memphis, Atlanta, Boston and Dallas
- Law degree from Cumberland School of Law in Birmingham and master's degrees in business administration and science in health administration from University of Alabama



Improvements to surgical services

- **Conducted a detailed review of our operating rooms:**
 - Governance
 - Capacity
 - Efficiency
 - Future Needs
- **Engaged physicians, administrative leaders and staff**
- **Opportunities for improvement were identified**
- **Implementing changes over the next nine months**
- **Goal: enable growth in surgical services**



Clinical program planning

- **To ensure five-year financial plan growth, engaged in detailed planning in these areas:**
 - Oncology
 - Cardiovascular
 - Neurosciences
 - Women's and Children's
- **Establishing a culture of rigorous planning and execution**
- **Goal: develop a multi-year plan that achieves growth, clinical excellence, patient safety/quality/experience**



Growing our neurosurgical clinical footprint

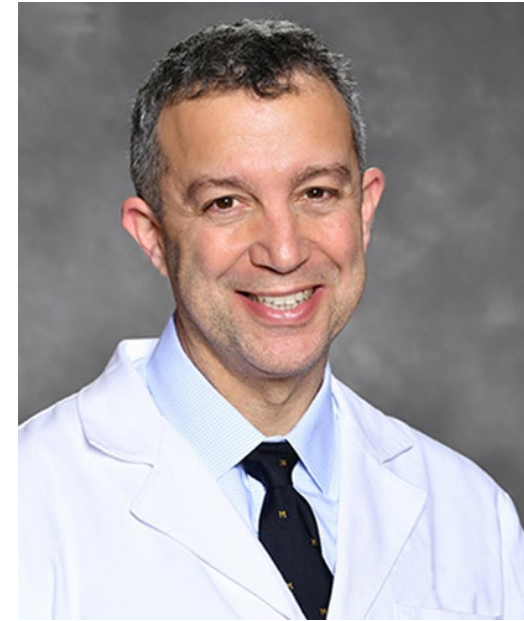
- Under the leadership of Michael Chicoine, MD, we've hired:
 - Paul Santiago, MD, premier neurosurgeon from Washington University in St. Louis
 - Andrew Youkilis, MD, from Neurosurgery of St. Louis



Michael Chicoine, MD



Paul Santiago, MD



Andrew Youkilis, MD

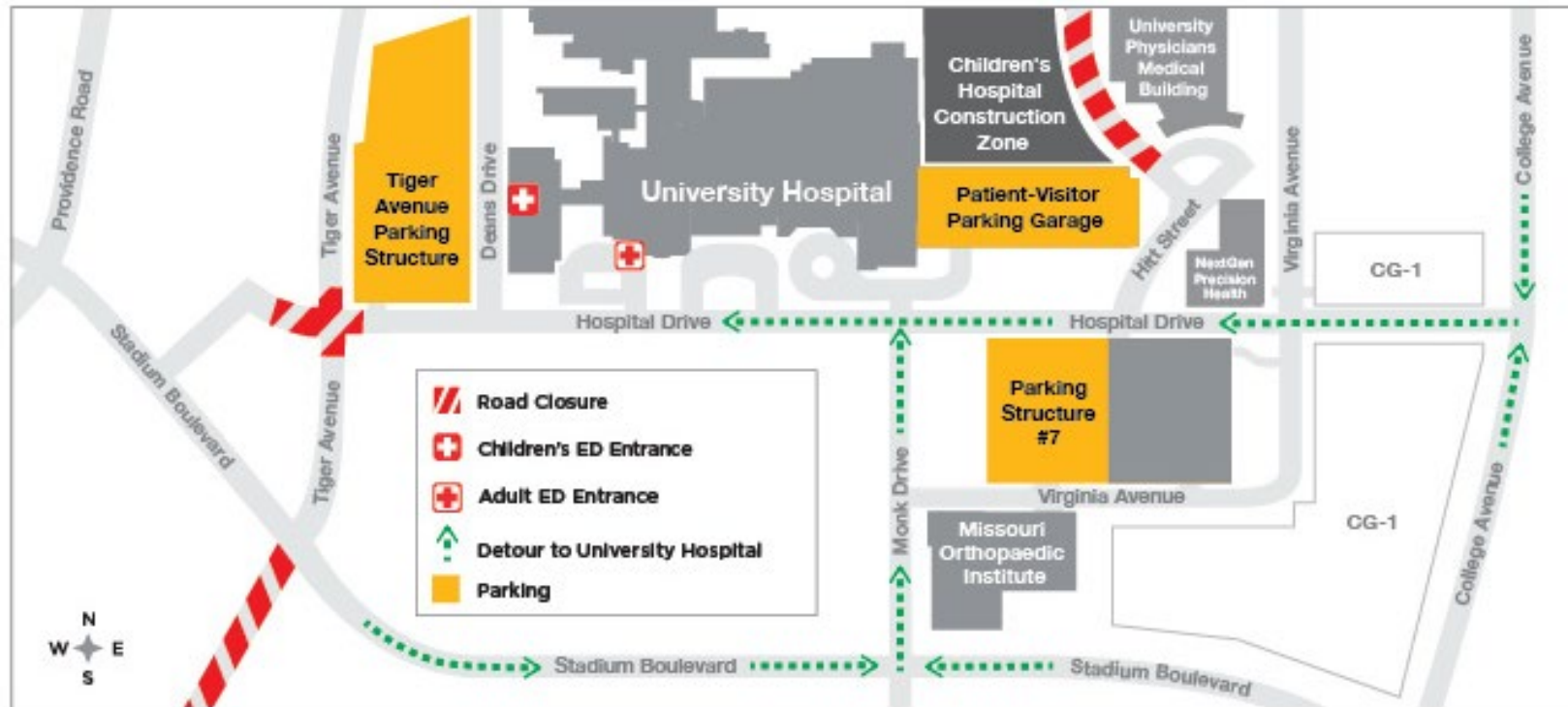
Children's Hospital update

- Installed skybridge between University Physicians Medical Building and new Children's Hospital
- Clinical services begin moving in March 2024
- Grand opening planned for June 2024



Improving the patient experience

- Construction of roundabout at Tiger Avenue and Hospital Drive to alleviate traffic congestion
- Scheduled for completion by July 28



Improving the patient experience

- Installing automated parking guidance system for patient parking garages
- Will display number of parking spots available on each level for patient and visitor parking
- Constructing new vehicle entrance in northeast corner of Patient and Visitor Garage for Children's Hospital patients and visitors



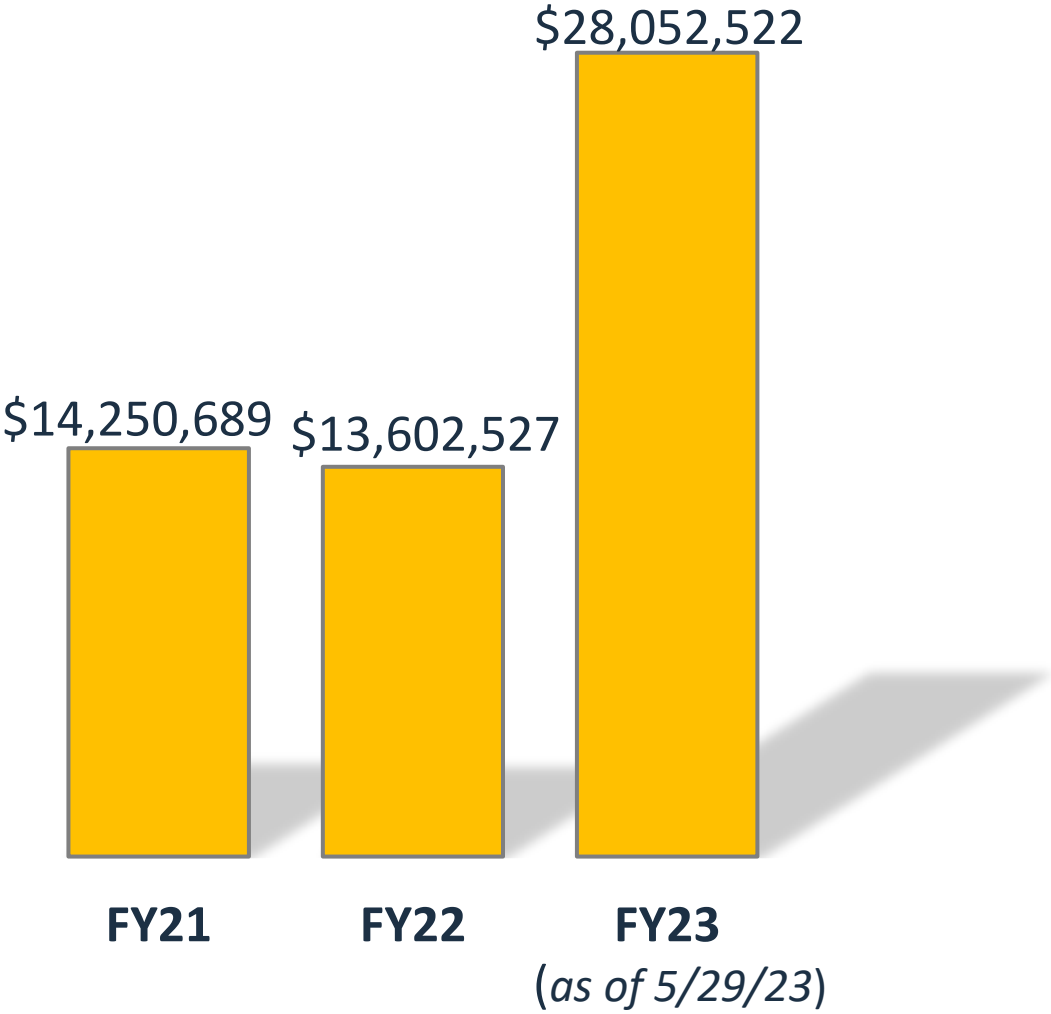
*Concept rendering
Final design and content TBD*

Philanthropy Update

Jackie Lewis
Vice Chancellor for Advancement



Total productivity for School of Medicine and MU Health Care



School of Medicine and MU Health Care highlights

Top Gifts

- \$5M** – Gift to support Department of Family and Community Medicine from Dr. David Cravens
- \$5M** – Gift to support scholarships for School of Medicine students from Anonymous Donor
- \$900K** – Gift to support scholarships for School of Medicine students from Estate of Dr. R. Philip Acuff
- \$440K** – Gift to support research in Alopecia areata from Mr. Bernie Fineman
- \$260K** – Total raised from Radiothon to support Children’s Hospital
- \$250K** – Gift to support New Children’s Hospital Interactive Screen from Mary Jo Henry
- \$200K** – Gift to support Faculty Professorship at Thompson Center for Autism & Neurodevelopment from Drs. Sonny and Dana Bal
- \$150K** – Gift to support New Children’s Hospital Family Camping Nook and NICU Patient Room from Missouri Forest Foundation

Recent Engagement Events

Dean’s Outreach Visits

- Kansas City, June 8, 2023
- St. Louis, November 17, 2022

Physicians Alumni Weekend

- Columbia, October 21-22, 2022

Children’s Hospital Receptions

- Columbia, June 21, 2023
- Columbia, May 10, 2023
- Jefferson City, April 19, 2023
- Columbia, December 6, 2022



Children's Hospital campaign highlights

**Total Raised: \$8,672,083.87
(as of 5/29/23)**



2023 MizzouThon

**In 2021,
MizzouThon
pledged to raise
\$1,250,000 to
support the NICU
in the new
Children's Hospital
and the Music
Therapy Program.**

MU Health Care Financial Update

Dustin Thomas
Chief Financial Officer

June 22, 2023



July – April FY23 MUHC Financials

In Millions	Jul-Feb FY23	Mar-Apr FY23	Jul-Apr FY23		Dec FY23 Re-Project	FY22 Full Year	FY21 Full Year
Patient Care Revenue	\$767.2	\$201.4	\$968.6		\$1,121.3	\$1,089.0	\$1,040.1
Pharmacy/Other Revenue	\$142.1	\$38.9	\$181.0		\$188.8	\$194.3	\$157.2
TOTAL REVENUE	\$909.3	\$240.3	\$1,149.6		\$1,310.1	\$1,283.2	\$1,197.3
Salaries & Benefits	\$386.1	\$102.5	\$488.6		\$567.2	\$527.1	\$460.0
Supplies	\$239.1	\$63.8	\$302.9		\$335.4	\$346.8	\$294.7
Other Expenses*	\$256.4	\$63.8	\$320.2		\$362.7	\$380.5	\$352.1
TOTAL EXPENSE	\$881.6	\$230.1	\$1,111.7		\$1,265.3	\$1,254.4	\$1,106.8
Operating Gain/(Loss)	\$27.7	\$10.2	\$37.9		\$44.9	\$28.8	\$90.6

- March and April finished at ~\$5M each.
- Agency labor began to subside at \$6.7M vs. \$7.1M in January.
- Currently on track to exceed the \$45M projection by end June.

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



AMC Peer Institution Benchmarks

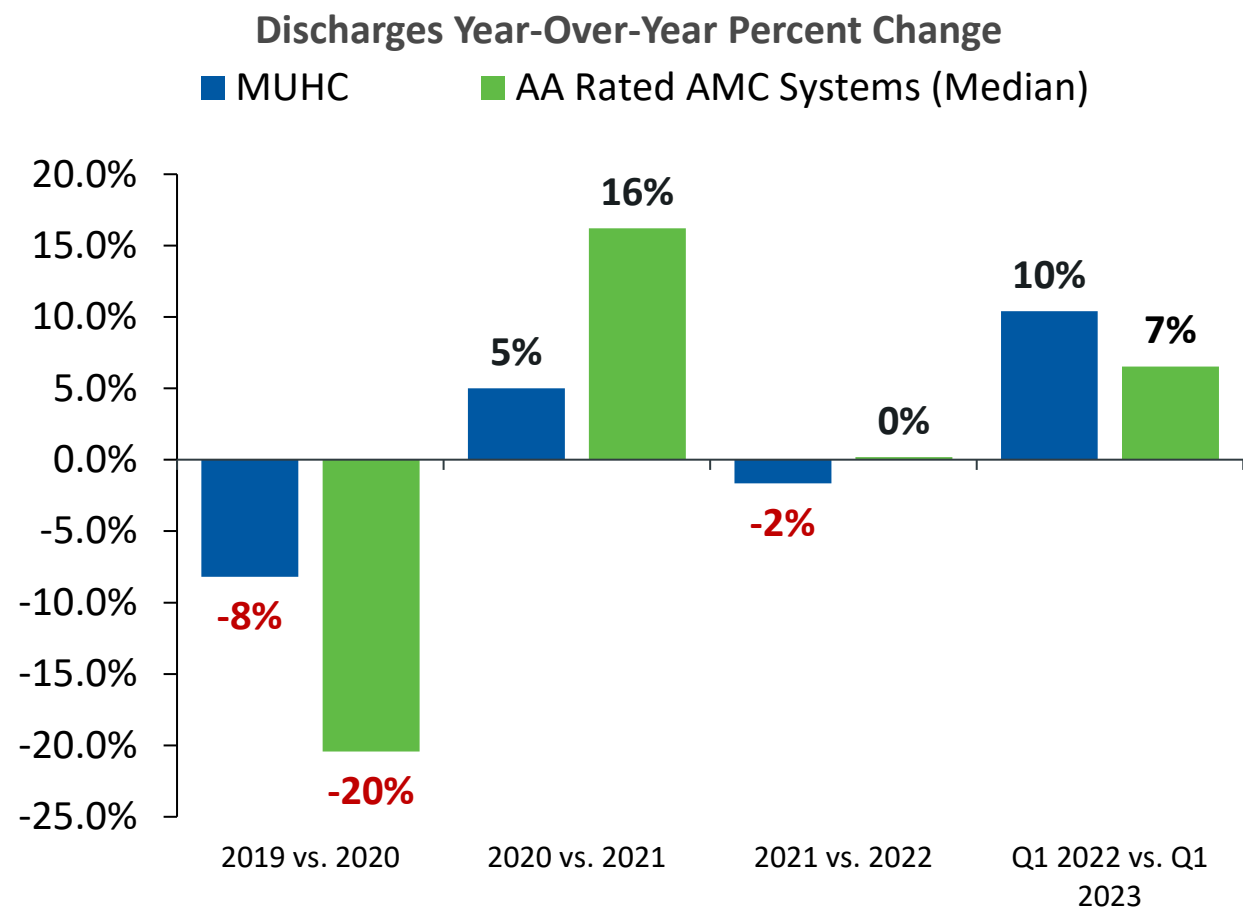
1) Peer Group Characteristics:

The peer group contains publicly owned AA rated academic health systems from the Kaufman Hall sample of health systems. For example, this would include health systems like the University of Iowa Health System, University of Kentucky Healthcare, University of Wisconsin Hospital & Clinics, and the University of Alabama at Birmingham (UAB) health system. The data looks only at the Health System component of the larger University operations.

2) These slides focus on volume and income statement comparisons. Balance sheet metrics & slides profiling the attributes of specific Health Systems as compared to MU Health Care are forthcoming.

Volume Comparisons

MUHC's Discharges Have Increased More Than the Benchmark Median in Q1 2023

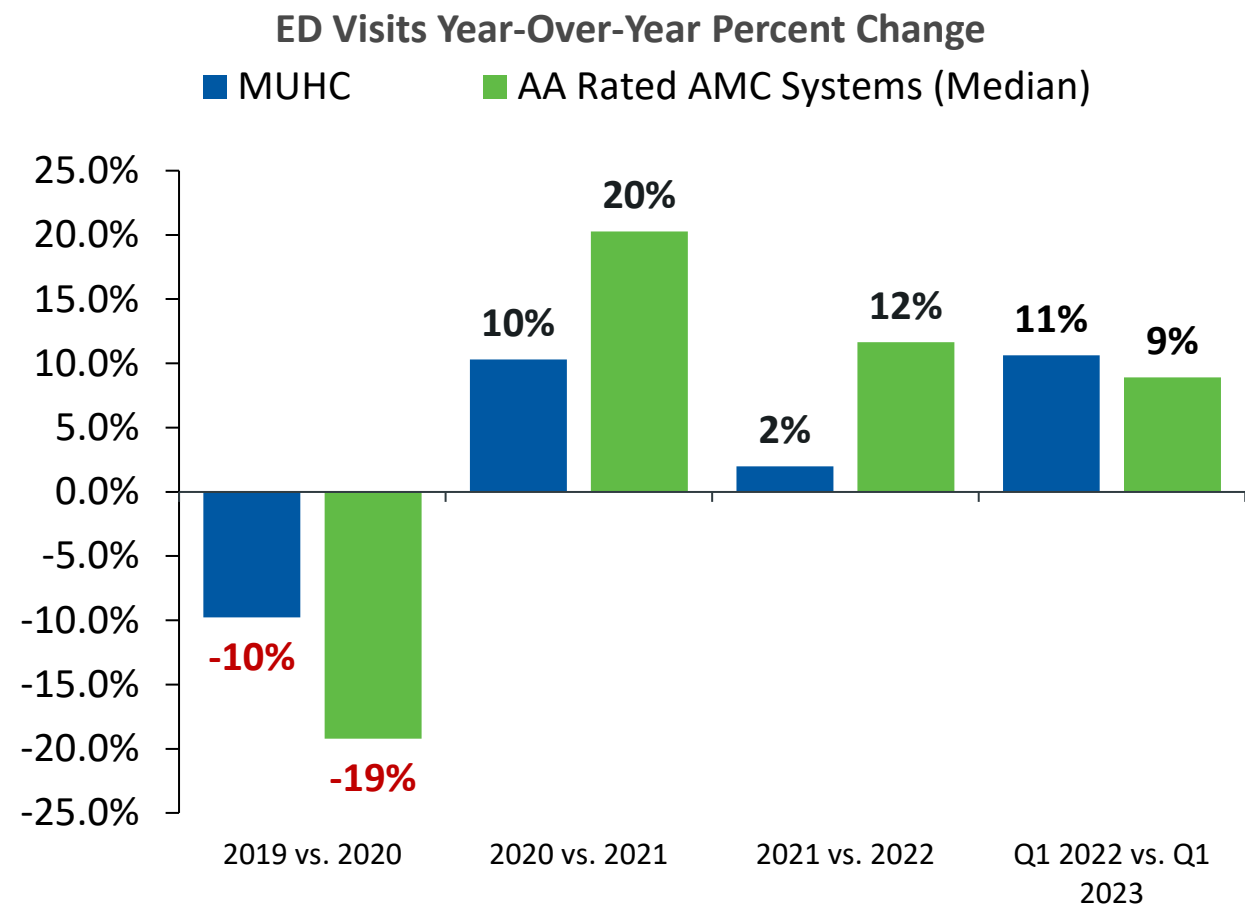


KEY TAKEAWAYS

- Discharges decreased in CY 2020 due to the pandemic, but subsequently increased in CY 2021 as the demand for elective procedures returned
- While the change in discharges was relatively flat in CY 2022, both MUHC and the median AA rated AMC system experienced an increase in discharges in Q1 2023

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis' Performance Solutions.

MUHC's ED Visits Increased More Than the Benchmark Median in Q1 2023

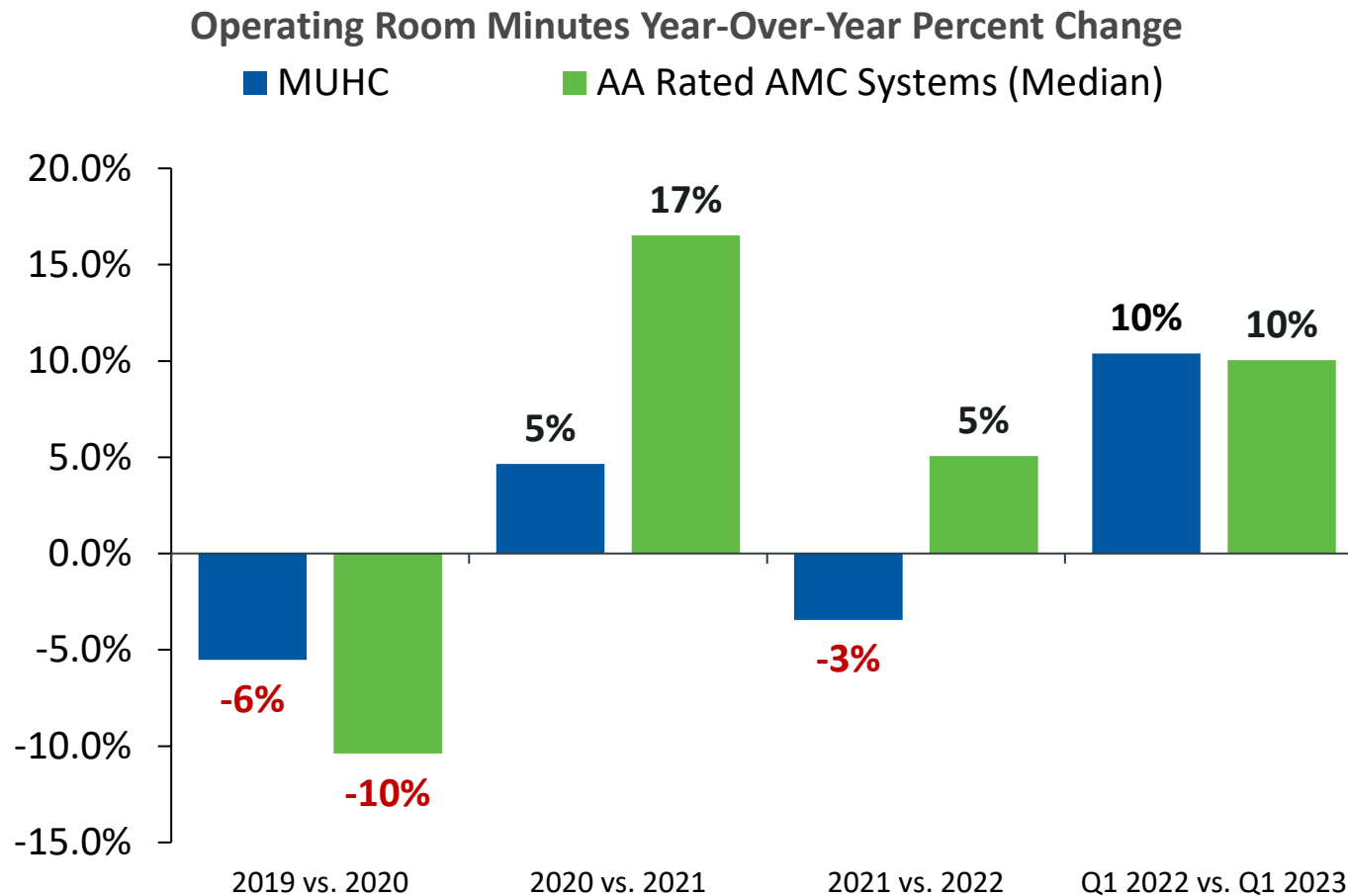


KEY TAKEAWAYS

- ED visits have continued to increase for both MUHC and the median AA rated AMC system since CY 2020
- MUHC's ED visits grew less than the median AA rated AMC system in CY 2021 and CY 2022

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis' Performance Solutions.

MUHC's Operating Room Minutes Increased by 10% in Q1 2023 and Slightly Outpaced the Benchmark Median



KEY TAKEAWAYS

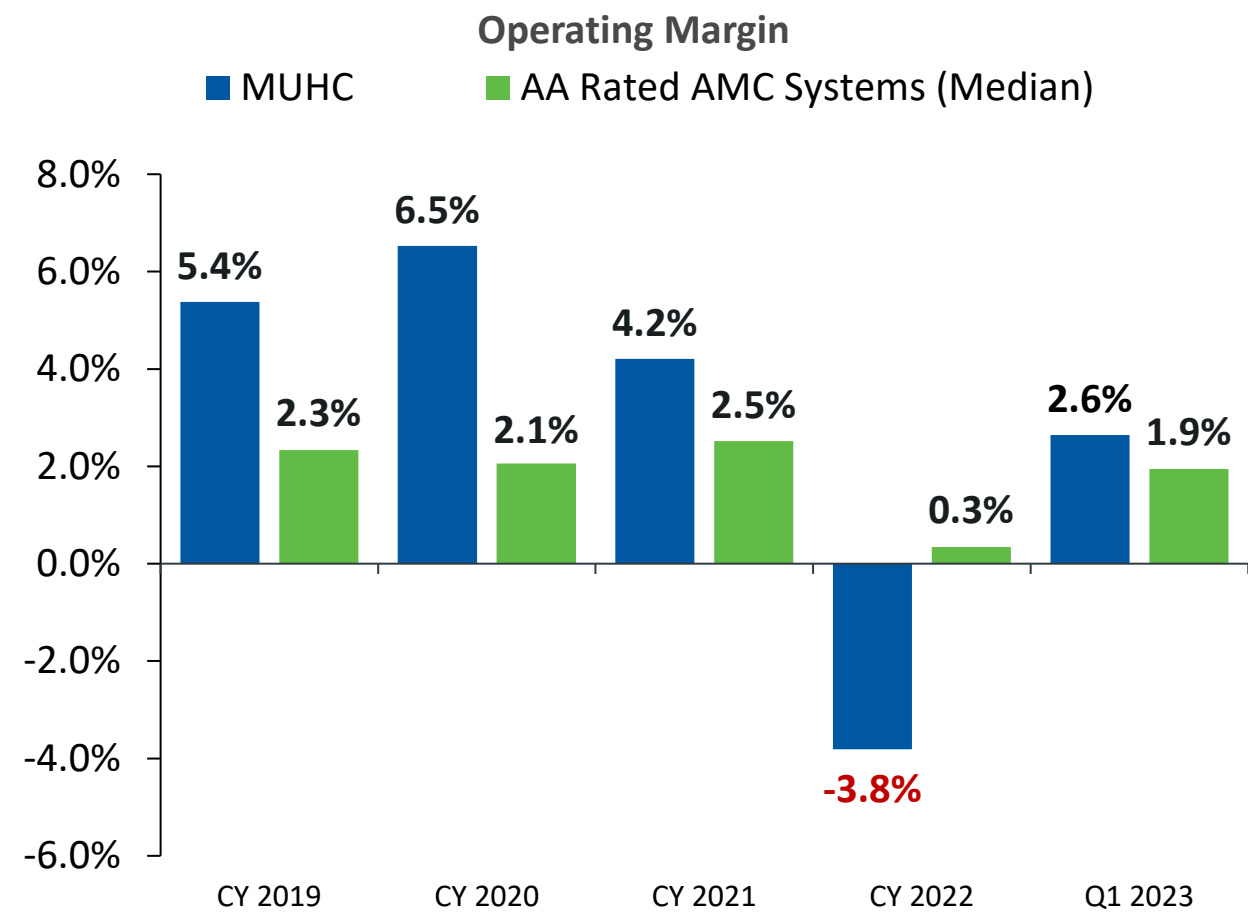
- Operating room minutes decreased in CY 2020 for both MUHC and the median AA rated AMC system
- Growth in MUHC's operating room minutes lagged the median AA rated AMC system in CY 2021 and CY 2022

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis' Performance Solutions.

Income Statement Comparisons

Financial Ratio Metrics

MUHC's Operating Margin Was Higher Than the Benchmark Median in Q1 2023

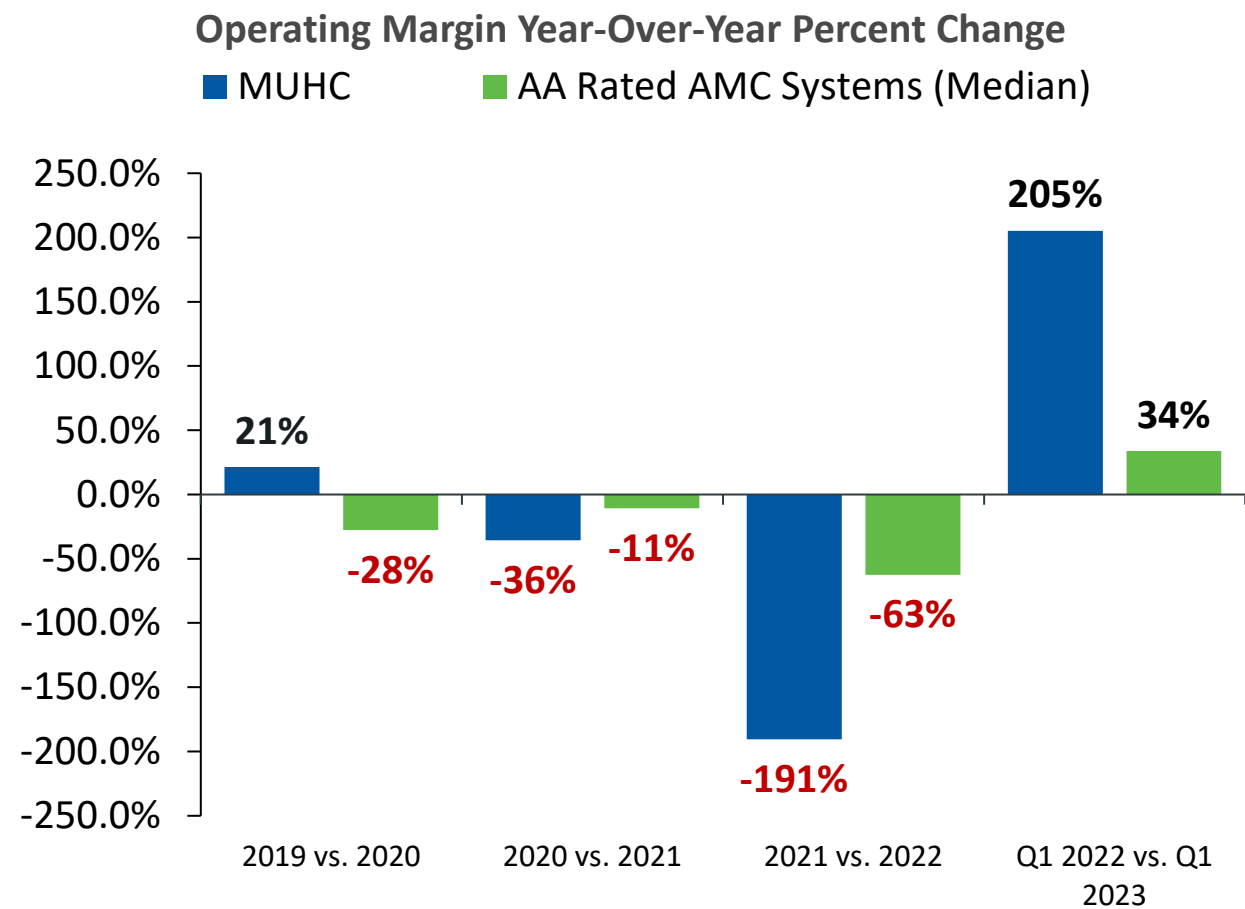


KEY TAKEAWAYS

- MUHC's operating margin was higher than the median AA rated AMC system for all time-periods except CY 2022
- MUHC's operating margin is still below pre-pandemic levels in Q1 2023

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis' Performance Solutions.

MUHC's Operating Margin Grew Significantly Faster Than the Benchmark Median in Q1 2023

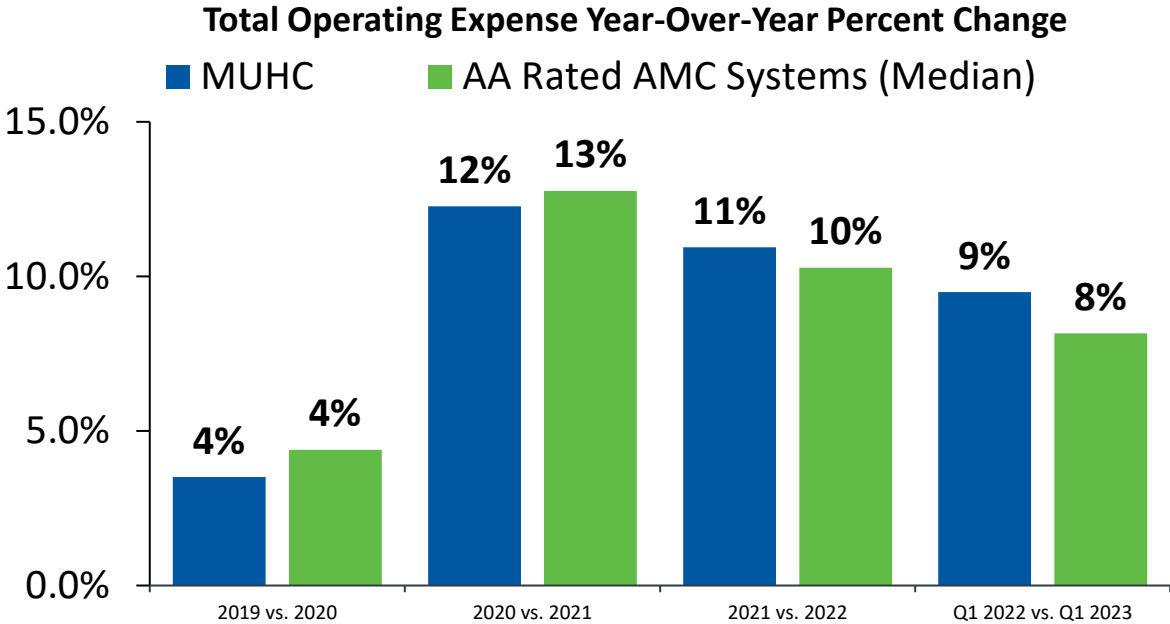
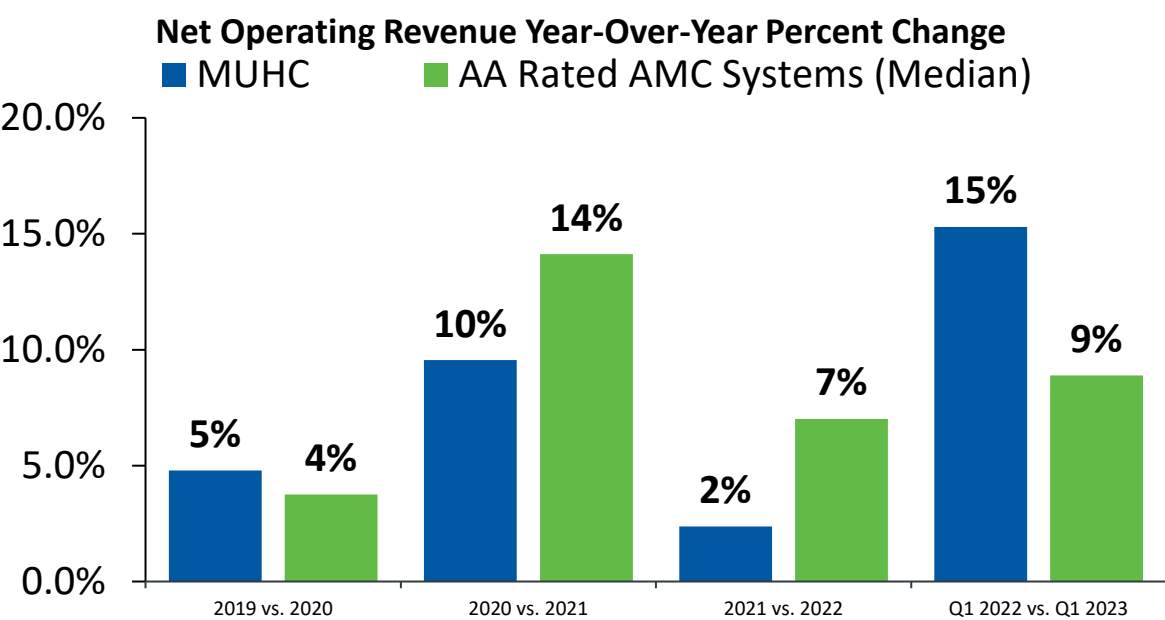


KEY TAKEAWAYS

- MUHC's operating margin grew faster than the median AA rated AMC system in CY 2020 but grew slower in CY 2021 and CY 2022
- Operating margins declined for both MUHC and the median AA rated AMC system during CY 2021 and CY 2022 but have rebounded in Q1 2023

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis' Performance Solutions.

Growth in MUHC’s Net Operating Revenue Outpaced both the Benchmark Median and Total Operating Expense in Q1 2023



Key Takeaways

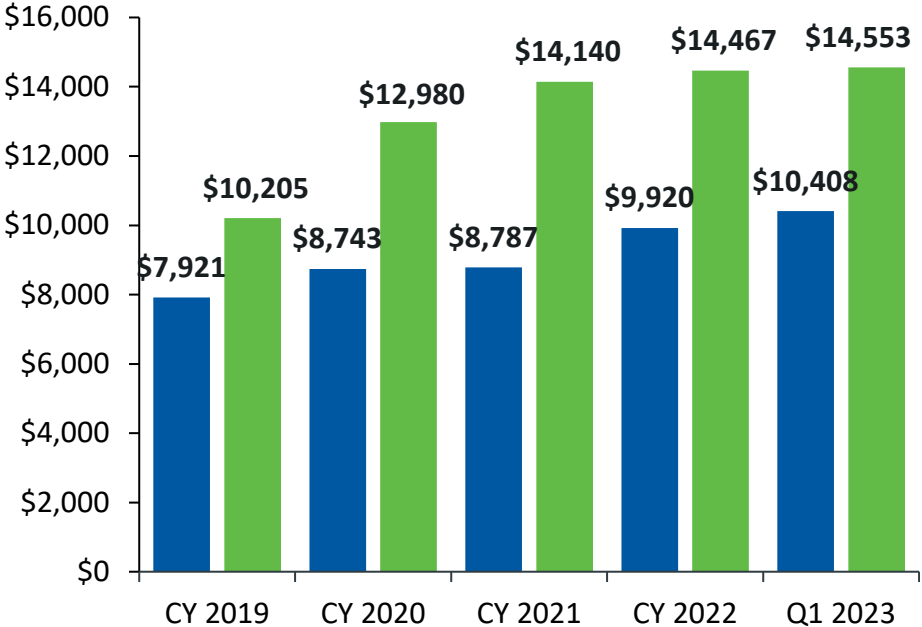
- MUHC experienced higher growth in net operating revenue in CY 2020 and Q1 2023 compared to the median AA rated AMC system
- MUHC’s total operating expense grew less than the median AA rated AMC system in CY 2020 and CY 2021, but has slightly outpaced the benchmark median in both CY 2022 and Q1 2023

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis’ Performance Solutions.

MUHC’s Labor Expense per Adjusted Discharge Was Below the Median AA Rated AMC Health System in Q1 2023 but increased more than peers.

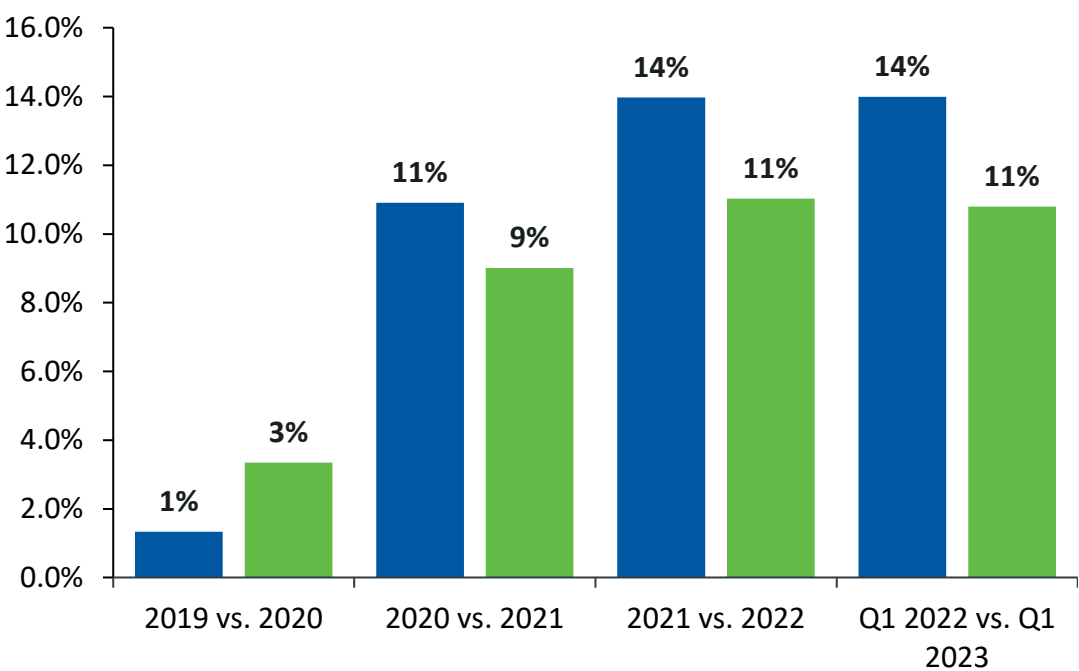
Labor Expense per Adjusted Discharge

■ MUHC ■ AA Rated AMC Systems (Median)



Labor Expense Year-Over-Year Percent Change

■ MUHC ■ AA Rated AMC Systems (Median)

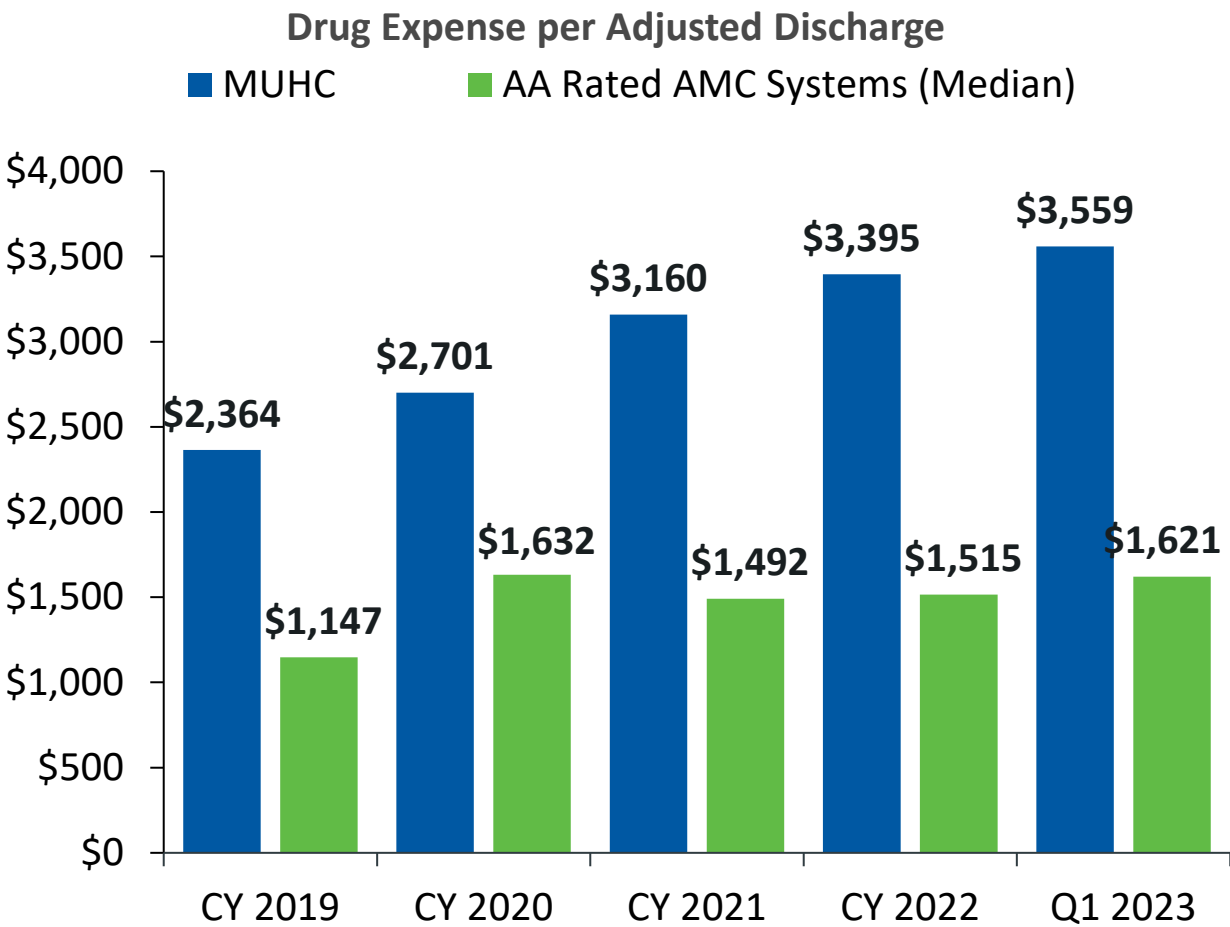


KEY TAKEAWAYS

- MUHC’s labor expense per adjusted discharge was below the median AA rated AMC system for all time-periods
- Labor expense for both MUHC and the median AA rated AMC health system increased significantly starting in CY 2021
- MUHC’s labor expense increased at a higher rate compared to the median AA rated AMC health system for CY 2021, CY 2022, and Q1 2023

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis’ Performance Solutions.

MUHC’s Drug Expense per Adjusted Discharge Was Above the Median AA Rated AMC Health System in Q1 2023



KEY TAKEAWAYS

- MUHC’s drug expense per adjusted discharge was above the median AA rated AMC system for all time-periods.
- We suspect some of this is from our large retail pharmacy business.
- It is a known area of opportunity receiving enhanced focus in FY24 with a \$4M savings target.

Source(s): 1) AA rated AMC system medians were produced by Kaufman Hall using data sourced from Syntellis’ Performance Solutions.

No. 1

Recommended Action - Minutes, April 13, 2023 Health Affairs Committee Meeting

It was moved by _____ and seconded by _____, that the minutes of the April 13, 2023 Health Affairs Committee meeting, held in conjunction with the April 20, 2023 Board of Curators meeting, be approved as presented.

Roll call vote of Committee:	YES	NO
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Mr. Ashworth

Curator Brncic

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, June 22, 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 June 22, 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; 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
Curator Brncic
Curator Fry
Mr. Devers
Curator Holloway
Curator Layman
Curator Wenneker
Dr. Whitaker

The motion _____.

June 22, 2023