Board of Curators Meeting

April 20, 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
- MU Health Care Financial Update
Executive Vice Chancellor of Health Affairs/Dean Update
Incoming MU Health Hires

• Ric Ransom, Chief Executive Officer--Joins May 1 from University of Wisconsin Hospitals in the Madison Region; serves as president

• Emily Fondahn, MD—Chief Quality Officer--Joins April 25 from Barnes-Jewish Hospital and Washington University School of Medicine; serves as associate chief medical officer and associate professor
Serving rural Missouri

• Celebrated grand opening of new MU Health Care facilities:
  – Feb. 21, physical therapy, Mexico
  – April 11, primary care, Boonville

• Demonstrates commitment to bringing physical therapy to rural Missourians joining clinics in Ashland, Fulton and Boonville
School of Medicine Updates
Strategies to strengthen, grow and improve: RESEARCH

• New Senior Associate Dean for Research, coming from Washington University in St. Louis

• Invest in infrastructure that advances our research capacity

• Dr. Mittendorfer’s research focus: Nutrition, obesity, diabetes, hypertension and exercise; both human and laboratory research; federally funded with multiple RO1s
Strategies to strengthen, grow and improve: EDUCATION

• Liaison Committee on Medical Education (LCME) – April 2024

• Address gaps and opportunities identified through the LCME preparation process

• Other medical school priorities
  – Increase class size
  – Explore ways to increase residencies
  – Explore ways to collaborate across schools and campuses
Strategies to strengthen, grow and improve: CLINICAL CAPACITY

• Active search for Vice Dean for Academic and Faculty Affairs
• Top-down recruitment aligned with areas of MU Health Care growth
  – Cardiology
  – Oncology
  – Neuroscience
  – Women’s and children’s
• Recruit effectively; aggressively retain to reduce turnover of our best faculty and staff
• Improve communications about the unique value of joining Mizzou
• Ongoing support for rural health care
SOM clinical recruitment process

- Weekly recruitment meeting with executive team: Nim Chinniah, Dustin Thomas, Katrina Lambrecht, Dr. Ted Choma and Dr. Stevan Whitt
  - New vice dean will join this process

- Incorporates input from department chair and supporting business model

- Our strategic approach to clinical recruitment is aspirational for many universities
SOM research recruitment process

- Potential candidates presented to SOM research committee
- Committee determines if candidate is potential for Mizzou Forward
  - If YES, we work with candidate to enter Mizzou Forward process
  - If NO, recruitment can proceed through SOM
- Since July 1, 2022, we have brought in 21 new research hires
  - Transferred more than $7 million in grant awards
  - Have $25.7 million currently submitted
School of Medicine faculty by the numbers

713 TOTAL
NUMBER OF FACULTY

158 FULL PROFESSORS

185 ASSOCIATE PROFESSORS

339 ASSISTANT PROFESSORS

31 INSTRUCTORS

24% RESEARCH

75% CLINICAL
SOM rural focus and commitment

• MU is the only Land Grant Institution with a formal partnership between a medical school and Extension
  – The Office of Health, Outreach, Policy and Education is the link between Extension and SOM, and it has $23M in funding for FY23 from state and federal sponsors

• Our rural track program identifies rural medical students who want to practice in rural settings, and 63.5% of Rural Scholar Graduates practice in Missouri

• 8,998 professionals participate in Extensions for Community Healthcare Outcomes (ECHO) annually

• Second simulation van added this year, which provides training to rural providers

• With Washington University, establishing a community network to engage rural clinicians in research with the goal of offering more research opportunities and clinical trials to rural Missourians
Student/education updates

• Class of 2023 highly sought after
  – 97% received residency program match during annual Match Day
  – 31% will stay on MU campus for residency, 44% will remain in Missouri, and 36% selected residency programs in high-need care fields

• Commencement May 13
MU Health Care Financial Update
July – February FY23

- January and February both finished at +$7M operating margins. Highest months of the fiscal year so far.

- Agency labor remains high
  - $7.1M in Jan / $6.6M in Feb
  - Revenue is keeping pace.

- Last HAC meeting:
  - Projection was to carry Q2 results (+$17M) forward for Q3 and Q4.
  - Would end FY23 at ~$45M Operating Margin.

- Currently on track to exceed the $45M by end June.

- Peer Comparison Data:
  - Contract signed with Kaufman Hall
  - University & MUHC Finance will meet with KH to normalize

### Financial Table

<table>
<thead>
<tr>
<th>In Millions</th>
<th>Jul-Dec FY23</th>
<th>Jan-Feb FY23</th>
<th>Jul-Feb FY23</th>
<th>Dec FY23 Re-Project</th>
<th>FY22 Full Year</th>
<th>FY21 Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Care Revenue</td>
<td>$566.2</td>
<td>$201.0</td>
<td>$767.2</td>
<td>$1,121.3</td>
<td>$1,089.0</td>
<td>$1,040.1</td>
</tr>
<tr>
<td>Pharmacy/Other Revenue</td>
<td>$106.7</td>
<td>$35.4</td>
<td>$142.1</td>
<td>$188.8</td>
<td>$194.3</td>
<td>$157.2</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$672.9</strong></td>
<td><strong>$236.4</strong></td>
<td><strong>$909.3</strong></td>
<td><strong>$1,310.1</strong></td>
<td><strong>$1,283.2</strong></td>
<td><strong>$1,197.3</strong></td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$286.1</td>
<td>$100.0</td>
<td>$386.1</td>
<td>$567.2</td>
<td>$527.1</td>
<td>$460.0</td>
</tr>
<tr>
<td>Supplies</td>
<td>$180.0</td>
<td>$59.1</td>
<td>$239.1</td>
<td>$335.4</td>
<td>$346.8</td>
<td>$294.7</td>
</tr>
<tr>
<td>Other Expenses*</td>
<td>$193.8</td>
<td>$62.6</td>
<td>$256.4</td>
<td>$362.7</td>
<td>$380.5</td>
<td>$352.1</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td><strong>$659.9</strong></td>
<td><strong>$221.7</strong></td>
<td><strong>$881.6</strong></td>
<td><strong>$1,265.3</strong></td>
<td><strong>$1,254.4</strong></td>
<td><strong>$1,106.8</strong></td>
</tr>
<tr>
<td>Operating Gain/(Loss)</td>
<td>$13.0</td>
<td>$14.7</td>
<td>$27.7</td>
<td>$44.9</td>
<td>$28.8</td>
<td>$90.6</td>
</tr>
</tbody>
</table>

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