Board of Curators
EVC Report
Richard J. Barohn, MD
Executive Vice Chancellor for Health Affairs
April 22, 2021
Agenda

- COVID-19 Update
- MUHC Strategic Plan
- Finance Report
- Compliance Report
- SOM Report
- Health System Update
- Challenges
COVID-19 Update

- All people in Missouri 16 and older are eligible for COVID-19 vaccine.

- The state of Missouri designated MU Health Care as one of three high volume vaccination sites in the region. (67,027 vaccines administered to 39,746 individuals)

- COVID-19 testing moves from drive-thru site to MU Health Care clinics (148,588 COVID-19 tests given with 16,006 positive)

- Fewer COVID-19 patients in the hospital. (3 inpatients)

- Daily review of data, continued COVID-19 incident command structure, ability to flex space and staffing if numbers increase.
MISSION
To save and improve lives – through exemplary education, research, and patient care.

VISION
We will be the premier and transformational academic health system for Missouri.

VALUES
Inclusion, Diversity & Equity • Respect • Service
Discovery • Responsibility • Excellence
NextGen Precision Health

• $220.8 Million
• 256,000 sq. ft
• Top research priority for MU
• Grand Opening Oct. 19, 2021

More information about the in-person and virtual events coming soon from the grand opening planning committee.
Finances

Health Care
## Financial Results – Ratios and Benchmarks

<table>
<thead>
<tr>
<th>Actual</th>
<th>Forecast</th>
<th>Financial Ratios and Benchmarks</th>
<th>Prior Year</th>
<th>FY21 Annual Forecast</th>
<th>Moody's A Rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9%</td>
<td>6.8%</td>
<td>Operating Margin (including Int Exp)</td>
<td>4.9%</td>
<td>6.2%</td>
<td>2.7%</td>
</tr>
<tr>
<td>6.5%</td>
<td>3.9%</td>
<td>Annualized Return on Total Assets</td>
<td>0.8%</td>
<td>3.9%</td>
<td>4.4%</td>
</tr>
<tr>
<td>180.8%</td>
<td>143.3%</td>
<td>Cash to Total Debt</td>
<td>188.8%</td>
<td>113.3%</td>
<td>137.9%</td>
</tr>
<tr>
<td>24.4%</td>
<td>29.9%</td>
<td>Debt to Capitalization</td>
<td>24.2%</td>
<td>34.8%</td>
<td>30.9%</td>
</tr>
<tr>
<td>6.1</td>
<td>4.8</td>
<td>Maximum Annual Debt Service Coverage</td>
<td>2.7</td>
<td>4.8</td>
<td>4.7</td>
</tr>
<tr>
<td>196.7</td>
<td>193.8</td>
<td>Days Cash on Hand</td>
<td>191.2</td>
<td>200.2</td>
<td>215.1</td>
</tr>
<tr>
<td>54.2</td>
<td>49.5</td>
<td>Net Days Revenue in AR</td>
<td>47.7</td>
<td>49.8</td>
<td>46.2</td>
</tr>
</tbody>
</table>
Expense per Adjusted Discharge

- Comparative database of 137 teaching hospitals
- 5 straight quarters trending to the most efficient quartile, while comparators were trending up
- 2Q blip due to COVID, but returning to prior performance

Source: AAMC-COTH Quarterly Survey of Hospital Operations & Financial Performance
Compliance

Health Care
Corporate Integrity Agreement Update

**Reporting Period 4**
Covered dates July 1, 2019 – June 30, 2020
Received close-out letter from the OIG Monitor on February 18, 2021

**Reporting Period 5**
Covers dates July 1, 2020 through June 30, 2021
Final year of the five-year agreement, term ends June 30, 2021
- Certain audit and default clauses set to expire on or about January 29, 2022
- Validation Review option shall expire on or about October 1, 2022

**Current Activities**
- Training modules in process to compete by April 30, 2021
- Facility list and payor mix information submitted on March 31, 2021
- Final annual report will be submitted no later than October 1, 2021
<table>
<thead>
<tr>
<th>Strategic Faculty Positions Approved to Date Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncology Clusters: Search for Chief of Oncology in progress</td>
</tr>
<tr>
<td>Imaging Cluster: 7 Faculty</td>
</tr>
<tr>
<td>Neurological Sciences Clusters: 8 Faculty and search for chair of neurology in progress</td>
</tr>
<tr>
<td>Population Health: 3 Faculty</td>
</tr>
<tr>
<td>Cardiovascular Clusters: 5 Faculty</td>
</tr>
<tr>
<td>Reproductive Biology Cluster: 1 Faculty and search for chair of OB/GYN in progress</td>
</tr>
</tbody>
</table>
New Thompson Center Executive Director

Stephen J. Sheinkopf, Ph.D.
- Recruited from Alpert Medical School, Brown University
- Associate Professor of Psychiatry and Human Behavior
- Research involves identifying early signs of autism in infants and children
- Principal Investigator of the Rhode Island Consortium for Autism Research and Treatment (RICART)
- Principal Investigator on an NIH R01
  o Neonatal Cry Acoustics and Neurobehavioral Characteristics as Early Markers of Risk for Autism Spectrum Disorder
- Projected start date: September 2021
### Research Growth

#### School of Medicine AAU Expenditures
(in millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21*</th>
<th>Goal by 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAU Phase 1</td>
<td>28.8</td>
<td>37.5</td>
<td>44.1</td>
<td>70M</td>
</tr>
<tr>
<td>(Primarily NIH)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAU Phase 2</td>
<td>6.9</td>
<td>9.1</td>
<td>9.1</td>
<td>20M</td>
</tr>
<tr>
<td>(Primarily Clinical Trials)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7.2</td>
<td>6.8</td>
<td>8.3</td>
<td>10M</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$43.0</td>
<td>$53.4</td>
<td>$61.5</td>
<td>100M</td>
</tr>
</tbody>
</table>

*projected for year
School of Medicine “Match Day 2021”

• 125 students participated
• 97% match rate
• 37% staying in Missouri

Specialties
Family Medicine 13
Internal Medicine 7
Emergency Medicine 10
Ob/Gyn 10
Pediatrics 9
Orthopaedic Surgery 8
Psychiatry 8
Anesthesiology 7
Radiology 6
Surgery 6
Critical 3 Strategies for MU Health Care

• **Children’s Hospital** and Columbia clinical consolidation

• Tighter integration in Jefferson City with **Capital Region Medical Center** to realize financial, clinical, and operational value

• Grow **exclusive provider networks** in Jefferson City, Columbia, and Medicaid expansion
Children’s Hospital Rendering

- PARIC-Barton Malow Construction Firm
- Burns & McDonnell Architect
- Groundbreaking in Fall 2021
- Opening Summer 2024
- 323K total square ft
- 98K square ft shelled
Quality & Safety
## Foundational Adult Quality

<table>
<thead>
<tr>
<th>Survival</th>
<th>Readmissions</th>
<th>Safety Composite</th>
<th>Infection Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul' 20 - Dec' 20</td>
<td>Jul' 20 - Nov' 20</td>
<td>RTM as of Dec' 20</td>
<td>Jan' 21</td>
</tr>
<tr>
<td>0.6</td>
<td>10.0%</td>
<td>0.62</td>
<td>0.17</td>
</tr>
<tr>
<td>PR:22</td>
<td>PR:22</td>
<td>PR:5</td>
<td>Target: 0.44</td>
</tr>
<tr>
<td>Rank: 2 of 99</td>
<td>Rank: 22 of 99</td>
<td>Rank: 5 of 97</td>
<td></td>
</tr>
</tbody>
</table>

FYTD through Dec. 2020 (Mortality), Nov. 2020 (Readmissions), RTM through Dec. 2020 (PSI-90), Jan. 2021 (HAIs); Trends represent monthly results since October 2016.
Our Top Challenges

1. Regarding the combined mission, the top challenge is finding the correct academic-business balance.

2. Regarding NextGen Precision Health initiative, the top challenge is continued and increased funding for academic hires for success of the initiative through SOM/ MUHC.

3. Communication surrounding NextGen and obtaining buy-in from multiple stakeholders.

4. COVID-19 reemergence.
Questions?