

Health Affairs Committee
Jonathan W. Curtright, CEO
September 10, 2018

MU Health Care Mission

To save and improve lives.

MU Health Care Vision

We will be Missouri's premier academic health system.

MU Health Care Academic Health System Growth Strategies

MU Health Care is an integrated academic medical center fully committed to growing all three of its missions in research, education, and clinical practice. Our commitment is materializing through strategic investments in clinical programs both in Boone County and throughout the 25-county region. These investments must enhance and ultimately grow financial reserves for MU Health Care and academic support to the University of Missouri. Specific examples of investment include the following:

- Community hospitals (Select and Limited)
- Physician affiliations and partnerships
- Tiger Institute and extension of MU/Cerner technology
- Insurance and value-based products
- Supply chain models
- MU Health service line investments

FY 2018 Performance Outcomes

MU Health Care has arguably had one of the best years in its history as measured by nearly any clinical, service, employee engagement, and financial performance metric. We are on strong financial footing, and have been able to make significant investments in the academic enterprise of the University, the School of Medicine and the Sinclair School of Nursing. Our leadership team is technically strong, committed, and loyal to the University of Missouri. We have a solid blend of physicians, professional health care administrators, internally grown executives, and externally recruited leaders. We have strategies to grow our clinical practice, achieve financial returns, and meet the overall academic mission of the University of Missouri.

While MUHC has strength in clinical operations and financial performance there must be substantive advancements in research funding and innovation. MU Health Care is an enthusiastic partner with the School of Medicine, Campus, and System in devising transparent and substantive strategies to grow the academic enterprise and strongly maintain AAU status. We look forward to building a strategic plan for the Academic Health Center under the leadership of Chancellor Cartwright.

1. Employee engagement — 70th percentile from 50th percentile
2. Patient satisfaction — Inpatient: 71st percentile from the 51st percentile
3. Volumes
 - a. Patient Days — 3.5% increase in FY 2018 from FY 2017
 - b. Surgical Cases — 2.7% increase in FY 2018 from FY 2017
 - c. Ambulatory Visits —5.7% increase in FY 2018 from FY 2017
4. Hospital Market Share
 - a. 25 County Region — 28.5% in 2018 from 27.7% in 2017
 - b. Boone County —59.1% in 2018 from 57.9% in 2017
5. Financial Performance
 - a. Operating Margin % — 10.2% in FY2018 from 10.4% in FY 2017
 - b. Net Operating Income — \$104M in FY2018 from \$98.5M in FY 2017
 - c. Net Patient Revenue \$1,015M in FY2018 from \$943M in FY 2017
6. University Health System Consortium Quality and Accountability Survey
 - a. 39th out of 97 AHCs overall
 - b. 13th overall for ambulatory operations
7. Extramural Research Funding
 - a. Total Research Expenditures — SOM up 7.0% from prior YTD
 - b. NIH Research Expenditures — SOM up 8.1% from prior YTD
8. Residency and Fellowship expansion 430 to 497 over past four years
 - a. Emergency Department
 - b. Psychiatry
 - c. General Surgery
 - d. Family Medicine (CRMC combination)
 - e. Palliative Care
 - f. Others

9. Qualitative Performance Outcomes
 - a. Academic Investments — Invested over 20% of net operating income in academic support for multiple colleges at the University of Missouri.
 - i. \$18M in the School of Medicine
 - ii. \$3M in the Sinclair School of Nursing
 - iii. \$0.5M in the TPMC strategic initiative
 - b. MU Health Care Leadership Team completed
 - i. Stevan Whitt, MD, Chief Clinical Officer
 - ii. Michael Blair, CPA, Chief Financial Officer
 - iii. Michael Koehler, Chief Human Resources Officer
 - iv. Pamela Mulholland, Chief Ambulatory Services Officer
 - v. Jennifer May, JD, Chief Compliance Officer
 - vi. James Stannard, MD, Chief Medical Officer for Strategic Initiatives
 - c. MU Health Care Strategic Growth Initiatives
 - i. Physician Growth — Columbia ENT, Fulton Family Health, Ashland Primary Care
 - ii. Completed sale of MU's interest in Fulton Medical Center
 - iii. Cardiovascular Service Line — Named Leadership team and appointed 8 cardiologists and 2 cardiovascular surgeons, 1 vascular surgeon.
 - iv. Strategic partnership opportunities – Evaluated and explored multiple opportunities to maintain and expand clinical and geographic reach
 - d. Tiger Institute/Cerner Partnership with University of Missouri
 - i. CRMC decision to move to Tiger Institute Cerner Millennium and Revenue Cycle products.
 - ii. MU Health Care to the Tiger Institute Cerner Revenue Cycle product
 - iii. Crossed 104K Tiger Institute Cerner web portal accounts
 - e. MU Health Care Facilities
 - i. MOI Phase II completed adding surgical, inpatient, clinic, imaging, therapy, and research capacity.
 - ii. Emergency Medicine — University Hospital construction scheduled for completion in Fall 2018 with opening in November 2018.
 - iii. Purchased primary care land in northeast Columbia
 - f. Community Engagement
 - i. MU Health Care Southern Boone YMCA
 - ii. MU Health Care Farmer's Market Pavilion
 - g. Value-Based Care Services
 - i. University of Missouri Custom Network: Strong FY 2018 performance culminating in shared savings of \$1.7M between the UM System and MU Health Care.
 - ii. Anthem Exclusive Provider Organization: Completed planning with Anthem and Mercy for exclusive clinical services that will be marketed to fully-insured employers in central Missouri.

FY 2019 Strategic Goals

MU Health Care is committed to growing its clinical system of care and making major investments in the academic enterprise of research and education. It is recognized that the University of Missouri must make major strides in its extramural AAU recognized research funding, and MUHC will make the necessary investments to foster this growth. Examples of this commitment include sustainable SOM financial support, TPMC investments through funding and space partnerships, and support for the Sinclair School of Nursing and the School of Health Professions.

Similar to national forces of change in health care, the central Missouri health care market is in major state of consolidation and upheaval. MU Health Care is the only local system that has the energy and desire to create a system of care to take care of 1M central Missourians. We have significant opportunities to create an academic health system of care through physician partnerships, value-based care, select and limited hospital and clinic purchases, and the Tiger Institute. This growth better position us to create appropriate and thoughtful scale that allows us to make the necessary investments in clinical and academic programs.

1. Academic Support and transparency
 - a. Create a sustainable and transparent performance-based support model for School of Medicine, Campus, and System to enhance our AAU status.
 - b. Creation of AHC strategic plan in concert with Chancellor Cartwright.
2. Translation and Precision Medicine Complex
 - a. TPMC Site Planning complete for the University Hospital Campus.
 - b. Partner in the planning for the integration of research and clinical services in the TPMC.
3. MU Health Care Facilities
 - a. Master Facilities Space Planning completed in concert with Cannon Design and MU Campus and System Leadership.
 - b. Facilities Construction
 - i. University Hospital Patient Care Tower 3 and 4 construction to build 6 incremental operating rooms and necessary pre and post-surgical rooms.
 - ii. University Hospital West Wing completed including the enhanced Emergency Department and the Medicine/Psychiatry inpatient unit.
 - c. Space identified for the necessary primary and specialty care clinics.
4. Community hospital(s) and clinics
 - a. Continued integration of CRMC into MU Health Care's management and operations
 - b. Complete the necessary due diligence for the potential purchase of St. Mary's Medical Center and Audrain Medical Center
5. Tiger Institute
 - a. Revenue Cycle project is on-plan for implementation according to the formal project plan.

- b. Capital Region Medical Center on-plan for implementation according to the formal project plan.
- 6. Branding of MU Health Care
 - a. Development of branding and naming conventions for current and additional hospitals and clinics.
- 7. Strategic Initiatives & External Partnerships
 - a. National Cancer Institute comprehensive planning will commence by developing a roadmap to achieve cancer center designation.
 - b. Anthem and MU Health Care are working closely to create exclusive clinical networks for both Medicaid enrollees and fully insured companies in central Missouri.
- 8. Performance Metrics
 - a. Financial Performance: Aggregate net operating income achieves budget.
 - b. Patient Satisfaction: Patient satisfaction maintains inpatient HCAHPS level and outpatient clinics grow ambulatory CG-CAHPS scores by 5 percentile points.
 - c. Employee Engagement: Employee engagement scores greater than the 60th percentile for MU Health Care employees.
 - d. UHC Quality and Accountability Survey: Performance in the top third of academic health centers.
 - e. MU Health Care Academic and Financial Support: Maintain FY2018 financial support of the MU School of Medicine