AGENDA

HEALTH AFFAIRS COMMITTEE MEETING – Public Session

1:45 P.M. Call to Order

Information
1. Quarterly Financial Report (Jennifer Doll)
2. Quarterly Compliance Report (Jennifer May)
3. School of Medicine Leadership Updates (Dean Delafontaine)
4. MU Health Care CEO Update (Jonathan Curtright)
5. Tiger Institute Collaboration with Cerner (Bryan Bliven)

Action
1. Resolution, Executive Session of the Board of Curators Health Affairs Committee
   Meeting

2:25 P.M. HEALTH AFFAIRS COMMITTEE MEETING – EXECUTIVE
SESSION (or upon adjournment of public session)

The Board of Curators will hold an executive session of the Health Affairs Committee
meeting on December 1, 2017, pursuant to Section 610.021(1), 610.021(2), and
610.021(12) RSMo, for consideration of certain confidential or privileged
communications with university counsel, property, and contract items as authorized by
law and upon approval by resolution of the Board of Curators Health Affairs Committee.
OPERATING RESULTS

October 2017
<table>
<thead>
<tr>
<th>STATISTIC</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE YTD</th>
<th>PRIOR YTD</th>
<th>% VARIANCE PRIOR YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISCHARGES</td>
<td>8,802</td>
<td>9,178</td>
<td>(376)</td>
<td>-4.1%</td>
<td>9,075</td>
<td>-3.0%</td>
</tr>
<tr>
<td>PATIENT DAYS</td>
<td>49,256</td>
<td>46,573</td>
<td>2,683</td>
<td>5.8%</td>
<td>46,469</td>
<td>6.0%</td>
</tr>
<tr>
<td>INPATIENT SURGERY</td>
<td>3,245</td>
<td>3,201</td>
<td>44</td>
<td>1.4%</td>
<td>3,267</td>
<td>-0.7%</td>
</tr>
<tr>
<td>OUTPATIENT SURGERY</td>
<td>5,442</td>
<td>5,363</td>
<td>79</td>
<td>1.5%</td>
<td>5,070</td>
<td>7.3%</td>
</tr>
<tr>
<td>DELIVERIES</td>
<td>832</td>
<td>951</td>
<td>(119)</td>
<td>-12.5%</td>
<td>795</td>
<td>4.7%</td>
</tr>
<tr>
<td>NICU DAYS</td>
<td>5,661</td>
<td>4,845</td>
<td>816</td>
<td>16.8%</td>
<td>4,674</td>
<td>21.1%</td>
</tr>
<tr>
<td>ER VISITS</td>
<td>25,346</td>
<td>25,218</td>
<td>128</td>
<td>0.5%</td>
<td>25,248</td>
<td>0.4%</td>
</tr>
<tr>
<td>CLINIC VISITS</td>
<td>222,768</td>
<td>211,940</td>
<td>10,828</td>
<td>5.1%</td>
<td>212,307</td>
<td>4.9%</td>
</tr>
</tbody>
</table>
# MU HEALTH CARE FINANCIAL PERFORMANCE

## Oct FY18

### SUMMARY OF FINANCIAL STATEMENT ($000S)

<table>
<thead>
<tr>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>MU HEALTH CARE CONSOLIDATED</th>
<th>PRIOR YEAR ACTUAL</th>
<th>FY18 ANNUAL BUDGET</th>
<th>MOODY'S A RATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$329,829</td>
<td>$313,313</td>
<td>Net Revenues</td>
<td>$298,479</td>
<td>$938,952</td>
<td></td>
</tr>
<tr>
<td>(294,688)</td>
<td>(293,452)</td>
<td>Operating Expenses*</td>
<td>(274,204)</td>
<td>(886,446)</td>
<td></td>
</tr>
<tr>
<td>35,141</td>
<td>19,861</td>
<td>Operating Income</td>
<td>24,275</td>
<td>52,506</td>
<td></td>
</tr>
<tr>
<td>2,011</td>
<td>(6,267)</td>
<td>Non-operating Revenues, Net</td>
<td>(2,739)</td>
<td>(17,739)</td>
<td></td>
</tr>
<tr>
<td>$37,152</td>
<td>$13,594</td>
<td>Change in Net Assets</td>
<td>$21,536</td>
<td>$34,767</td>
<td></td>
</tr>
</tbody>
</table>

*Includes University purchased clinical services annual budget of $44 million.

### FINANCIAL RATIOS AND BENCHMARKS

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>PRIOR YEAR ACTUAL</th>
<th>FY18 ANNUAL BUDGET</th>
<th>MOODY'S A RATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin Percent</td>
<td>11.3%</td>
<td>4.3%</td>
<td>7.2%</td>
<td>3.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Annualized Return on Total Assets</td>
<td>9.4%</td>
<td>2.9%</td>
<td>5.8%</td>
<td>2.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Cash to Total Debt</td>
<td>167.7%</td>
<td>158.6%</td>
<td>141.2%</td>
<td>169.6%</td>
<td>121.5%</td>
</tr>
<tr>
<td>Debt to Capitalization</td>
<td>29.2%</td>
<td>29.9%</td>
<td>32.6%</td>
<td>28.6%</td>
<td>33.9%</td>
</tr>
<tr>
<td>Maximum Annual Debt Service Coverage</td>
<td>6.8</td>
<td>3.6</td>
<td>5</td>
<td>3.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>223.0</td>
<td>214.2</td>
<td>214.4</td>
<td>217.8</td>
<td>215.5</td>
</tr>
<tr>
<td>Net Days Revenue in AR</td>
<td>50.2</td>
<td>50.5</td>
<td>49.8</td>
<td>51.0</td>
<td>48.1</td>
</tr>
</tbody>
</table>
UM SYSTEM CAPITAL PLANNING PROCESS

MUHC Process Starts Here

Sep
- Campus identifies priority projects
- System evaluates plans and develops target by year

Oct-Nov
- President/Chancellors present priority projects to BOC Finance Committee

Nov-Jan
- Campus develops capital project plan including each candidate project

Feb
- System/Campus consolidate projects by year

Mar
- BOC Finance Committee reviews projects and schedule

Apr
- BOC reviews and approves capital plan
MU HEALTH CARE CAPITAL PLANNING PROCESS

The MU Health Care Capital Process Occurs BEFORE the UM Process:

Includes multidisciplinary team to review and prioritize:
- MUHC executives – chiefs and directors
- SOM leadership
- Physician leaders
- University Physicians

Dec – Jan
MUHC Managers Request Capital

Jan – Feb
MUHC Facilities, IT and Purchasing Review Capital Requests

Feb
MUHC Planning and Finance Review Capital Requests

Mar
Executive Leadership Prioritize Capital Request

NEW STEP
Apr – Aug
Present to Health Affair Committee
MU HEALTH CARE PRELIMINARY CAPITAL PLAN

• Women’s and Children’s Hospital building exterior
• Health Pavilion purchase
• Primary care clinic facility
• Cardiovascular clinic and diagnostic center
• Contingent on Boone Hospital Center collaboration:
  • Outpatient clinic
  • Inpatient expansion – University Hospital
  • Inpatient expansion – Women’s and Children’s Hospital
The exterior building envelope of Women’s and Children’s Hospital (WCH) shows signs of deterioration.

Project will remove and replace the exterior building components.

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$0</td>
</tr>
<tr>
<td>MU Health Care Funds</td>
<td>$15 million</td>
</tr>
<tr>
<td>State Request</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$15 million</td>
</tr>
</tbody>
</table>
### Health Pavilion Purchase WCH Campus

#### Funds

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$0</td>
</tr>
<tr>
<td>MU Health Care Funds</td>
<td>$25 million</td>
</tr>
<tr>
<td>State Request</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$25 million</td>
</tr>
</tbody>
</table>

- 3-story 71,245 square feet, built in 1998
- Clinical space for pediatric specialty clinic and OB/GYN clinic
- Outpatient surgical center with 5 surgical suites
- Lease expires September 2020
PRIMARY CARE CLINIC FACILITY

- Construct a 15,000 gross square foot primary care clinic building near a growing residential area
- Southwest and north/northeast areas of Columbia

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$0</td>
</tr>
<tr>
<td>MU Health Care Funds</td>
<td>$5 million</td>
</tr>
<tr>
<td>State Request</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

Funds Amount
Gifts $0
MU Health Care Funds $5 million
State Request $0
Total $5 million
Consolidate and co-locate cardiovascular service line (CVSL)
Non-invasive imaging
Outpatient catheterization laboratory
Renovation or construction on existing campus

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$0</td>
</tr>
<tr>
<td>MU Health Care Funds</td>
<td>$16 million</td>
</tr>
<tr>
<td>State Request</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16 million</strong></td>
</tr>
</tbody>
</table>
INPATIENT and OUTPATIENT EXPANSION

Outpatient clinic
• $50 million
• Four-story clinic building
• 98,000 gross square feet

Inpatient Expansion – University Hospital
• $250 million
• Replace the original 1956 hospital

Inpatient expansion – Women’s and Children’s Hospital
• $200 million
• Ensuring adequate space for clinical care

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$0</td>
</tr>
<tr>
<td>MU Health Care Funds</td>
<td>$500 million</td>
</tr>
<tr>
<td>State Request</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$500 million</strong></td>
</tr>
</tbody>
</table>
MU Health Care Five-year Capital Plan for Board of Curators

<table>
<thead>
<tr>
<th>MU Health Care</th>
<th>Project Budget</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
<td>Year 4</td>
<td>Year 5</td>
</tr>
<tr>
<td><strong>New Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cardiovascular Clinic and Diagnostic Center</td>
<td>$  $16,000,000</td>
<td>$16,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outpatient Clinic - Keene Street or SPMB#2 *</td>
<td>$50,000,000</td>
<td>$25,000,000</td>
<td>$25,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Expansion - UH *</td>
<td>$250,000,000</td>
<td>$125,000,000</td>
<td>$125,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Expansion - WCH *</td>
<td>$200,000,000</td>
<td></td>
<td></td>
<td>$100,000,000</td>
<td>$100,000,000</td>
<td></td>
</tr>
<tr>
<td>Primary Care Clinic Facility - Land and Building</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purchase</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Pavilion Purchase</td>
<td>$25,000,000</td>
<td>$25,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Renovation/Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WCH Building Exterior (start in FY18 - $2 million spend)</td>
<td>$15,000,000</td>
<td>$13,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Outcome of Boone Hospital Center collaboration will affect status of proposed expansion.
Executive Summary

December 1, 2017

Project Description

This project will construct clinic space to consolidate and co-locate cardiovascular medicine, vascular surgery and cardiovascular surgery clinics with non-invasive imaging and an outpatient catheterization laboratory. The specific size and location is being assessed as part of the MUHC Master Facility Space Planning Study. The potential locations include renovation of existing space on the University Hospital campus or a new facility adjacent to the South Providence Medical Building.

Project Justification

The desired health care delivery model is to consolidate specialties that treat patients with the same conditions, disease states and similar care needs. MU Health Care has accomplished this in the children’s, musculoskeletal, and oncology areas. Significant benefits can be realized in terms of care coordination, service quality, efficiencies with technology, etc. Additionally, the cardiovascular medicine clinic is full to capacity, limiting the ability to grow. The distance from the existing clinic to diagnostic cardiology is not desirable for a patient population that is elderly, very sick and often has co-morbidities and cardio-pulmonary issues and limited ambulatory capacity.

Funding Strategy

Internal funding of $16 million (from MU Health Care) will be used.

Next Steps: Request to proceed to Gate A: Inclusion on the preliminary Capital Plan.

Supporting Documents

1. Priority Scoring Table (N/A)
2. Planning & Programming Study (N/A)
3. Business Plan (in progress)
4. ISES Reports (N/A)
5. Masterplan (N/A)
Project Description

The MU Health Care (MUHC) Outpatient Clinic project will construct a four-story clinic building with approximately 98,000 gross square feet to accommodate clinics and departments, such as, the Missouri Center for Reproductive Medicine & Fertility, the Missouri Center for Female Continence & Pelvic Surgery, Women’s and Children’s Hospital (WCH) Maternal & Fetal Medicine and Ultrasound, Plastic Surgery, MO OB/GYN Associates and others that have common patients and adjacencies. The planning and programming study identified two potential University-owned sites for this clinic. The first site is a six-acre, undeveloped parcel adjacent to Women and Children’s Hospital (WCH) on Keene Street. This site provides desirable adjacencies to WCH, but the site has significant challenges and to accommodate the necessary parking, a parking structure may be required. The second site is adjacent to the South Providence Medical Building (SPMB).

Project Justification

MUHC currently leases multiple clinic spaces on Keene Street near Women’s and Children’s Hospital. For the past several years, in an effort to consolidate services into a centralized location and reduce the use of lease space, MUHC has discussed constructing a new clinic building in that area or on the SPMB site.

MUHC is currently in negotiations with the Boone Hospital Trustees related to the operation of Boone Hospital Center. The outcome of those negotiations may alleviate the need to build.

Funding Strategy

Internal funding of $50 million will be used.

Next Steps: Request to proceed to Gate A: Inclusion on the preliminary Capital Plan.

Supporting Documents

(1) Priority Scoring Table (N/A)
(2) Planning and Programming Study (available)
(3) Business Plan (in progress)
(4) ISES Reports (N/A)
(5) Masterplan (N/A)
Project Description

University Hospital (UH) complex is the flagship hospital of MU Health Care (MUHC). This project will replace the original 1956 hospital with a new inpatient facility. The new construction will allow MU Health Care to meet current codes and standards for clinical functions and ensure adequate space for clinical care. The specific size of this expansion is being assessed as part of the MUHC Master Facility Space Planning Study.

Project Justification

A detailed analysis of the existing facilities as part of the MUHC Master Facility Space Planning Study indicates MUHC needs a slight increase in the total number of inpatient beds. However, the current type of beds and location of these beds do not meet current trends for clinical care. Overall, there has been a shift from acute care beds to observation beds as the trend in modern health care delivery.

The buildings that are least suitable for future health care facilities at UH are the original University Hospital patient tower and McHaney Hall, both constructed in the mid-1950s, due to building age, limited floor-to-floor height, limited adaptability for modern health care standards, lack of future expandability, as well as dated mechanical, electrical, plumbing and fire protection systems. As a result, the original UH 1950s patient tower is no longer suitable for contemporary patient care. The master plan process will identify the appropriate location for new patient services to capitalize on recent expansion implementation with the Patient Care Tower/Ellis Fischel Cancer Center. Throughout the study, evaluation of demolition or reuse of the facilities will be incorporated into the planning.

MUHC is currently in negotiations with Boone Hospital Trustees related to the operation of Boone Hospital. The outcome of those negotiations may alleviate the need to build.
Funding Strategy

Internal funding of $62.5 million and bond funding of $187.5 million will be used.

Next Steps:

Request to proceed to Gate A: Inclusion on the preliminary Capital Plan.

Supporting Documents

(1) Priority Scoring Table (N/A)
(2) Planning & Programming Study (N/A)
(3) Business Plan (N/A)
(4) ISES Reports (available)
(5) Master Plan summary of current and future state needs (available)
Project Description

This project will address inpatient expansion at Women’s and Children’s Hospital (WCH). The new construction will allow MU Health Care to meet current codes and standards for clinical functions and ensure adequate space for clinical care. The specific size of this expansion is being assessed as part of the MUHC Master Facility Space Planning Study.

Project Justification

The facility that is now Women’s and Children’s Hospital was originally constructed in 1972. A detailed analysis of the current WHC facilities indicates WHC does not meet contemporary standards for clinical functions. The inpatient beds do not meet contemporary benchmarks in both room and department sizing, and inequalities in room sizing and quality can create patient satisfaction and safety issues. The layout of the surgical department is inefficient, and many of the operating rooms are undersized. The pediatrics emergency department is also exceeding capacity. This facility also provides a high-risk obstetrics program that has increased the number of babies delivered and subsequently admitted to the neo-natal intensive care unit (NICU). The current facility has limited ability for program expansion.

MUHC is currently in negotiations with Boone Hospital Trustees related to the operation of Boone Hospital. The outcome of those negotiations may alleviate the need to build.

Funding Strategy

Internal (MUHC) funding of $50 million and bond funding of $150 million will be used.

Next Steps: Request to proceed to Gate A: Inclusion on the preliminary Capital Plan.

Supporting Documents

(1) Priority Scoring Table (N/A)
(2) Planning & Programming Study (N/A)
(3) Business Plan (N/A)
(4) ISES Reports *(available)*
(5) Masterplan summary of current and future state needs *(available)*
Project Description

MU Health Care (MUHC) continues to see growth in primary care services. This project will construct a 15,000-gross-square-foot primary care clinic building near a growing residential area. Multiple sites are being considered for this project, including growth areas in the southwest and north/northeast areas of Columbia. The sites being considered range in size from three to nearly five acres. These sites are chosen to allow continued growth in these heavily populated areas of Columbia. This growth is supported by the market analysis completed in 2015 and reviewed in 2017.

Project Justification

University of Missouri Health Care has identified primary care growth as a strategic initiative necessary to support patient access to care and continued growth of other specialty services. These services allow MUHC to be a more comprehensive provider of health care to the patients in our service area. MUHC have seen significant growth in primary care, and the remaining capacity within existing facilities is limited.

MUHC is currently in negotiations with the Boone Hospital Trustees related to the operation of Boone Hospital Center. The outcome of those negotiations may alleviate the need to build.

Funding Strategy

Internal funding of $5 million will be used.

Next Steps: Request to proceed to Gate A: Inclusion on the preliminary Capital Plan.

Supporting Documents

1. Priority Scoring Table (N/A)
2. Planning & Programming Study (N/A)
3. Business Plan (in progress)
4. ISES Reports (N/A)
5. Master Plan (N/A)
Project Description

The project involves purchase of the Health Pavilion building adjacent to Women’s and Children’s Hospital. The pavilion is currently under a capital lease agreement. Owner has stated intent to sell the building and the University has right of first refusal on a sale. Project would include purchasing the building and terminating the lease agreement.

Project Justification

The Health Pavilion is adjacent to the Women’s and Children’s hospital and is connected by an interior walkway. The University leases the space, which includes three stories and 71,245 square feet of clinical and administrative space, plus exterior parking. The current lease agreement costs $1.7 million per year, with the current lease term ending in September 2020, and an additional five-year renewal period available. If the five-year renewal is exercised, the total lease cost through 2025 will be approximately $15M because the lease terms include escalation clauses. MUHC also pays approximately $250,000 per year in real estate taxes to the lessor, per the lease agreement. This additional expense will be an additional $2 million in costs through 2025.

Continued use of the space is vital to the Women’s and Children’s campus because it houses the Pediatric Specialty Clinic, Women’s Obstetrics and Gynecological clinic, and five outpatient surgical suites. Ownership of the space would allow for continuity of use of the space for the future of the Women’s and Children’s services.

Funding Strategy: Internal funding of $25 million (from MUHC) will be used.

Next Steps: Request to proceed to Gate A: Inclusion on the preliminary capital plan.

Supporting Documents

(1) Priority Scoring Table (N/A)
(2) Planning & Programming Study (N/A)
(3) Business Plan (N/A)
(4) ISES Reports (N/A)
(5) Master plan summary of current and future state needs (available)
Project Description

The exterior building envelope of Women’s and Children’s Hospital (WCH) shows signs of deterioration and has exceeded the system’s life expectancy. This project will remove and replace the exterior building components including the metal panels, flashings, insulation, curtain walls, windows, roofs, etc.

Project Justification

A study of the facility’s exterior envelope was performed, including removal of existing metal panels to assess damage to the exterior wall assembly and interior walls as a result of suspected water infiltration.

Water infiltration will accelerate deterioration of the exterior skin and potentially damage interior spaces, including patient care areas. Evidence of water infiltration is present on the exterior, including staining on exterior sheathing, weather barrier, flashings, insulation and metal studs. The weather barrier is damaged in all locations, and windows need to be re-anchored to structure or wall assembly. Replacement of flashing is also needed.

Evidence of water infiltration is also present at interior locations with water staining the back of the insulation facing at the inboard side of walls. Fireproofing material has also disengaged from structural elements, likely as a result of water infiltration.

Funding Strategy

Internal funding of $15 million will be used.

Next Steps:

Request to proceed to Gate A: Inclusion on the preliminary Capital Plan. Potential to begin design in FY18.

Supporting Documents

(1) Priority Scoring Table (N/A)
(2) Planning & Programming Study (in progress)
(3) Business Plan (N/A)
(4) ISES Reports (available)
(5) Masterplan (N/A)
Corporate Integrity Agreement

- Governance
  - Quarterly Updates to Health Affairs Committee
  - Monthly Executive Compliance Committee meetings
- Policies and Procedures
- Training
- Annual Report / Claims Review
- Risk Assessment
- Disclosure Program
- Exclusion Screening
- Reportable Events: FYTD - 3
COMPLIANCE PROGRAM UPDATE

Fraud, Waste and Abuse

• Annual CMS mandated training
• Overpayment Policies and Procedures
  – Claims Review
  – Reportable Events
• Monitoring Program
  – Risk Assessment
  – Departmental Requests and Reviews
COMPLIANCE PROGRAM UPDATE

Compliance Program Enhancement

• Information Security Officer
  – Will work in collaboration with Tiger Institute, MU Division of Information Technology, and MU Health Privacy Officer
  – Security Risk Assessment
SCHOOL OF MEDICINE LEADERSHIP UPDATES

There are no materials for this information item.
CEO Update
Jonathan W. Curtright, CEO
WHERE WE’RE GOING TODAY

• 2017 recap
• Leadership
• Our strategic plan
• Volume-to-value
• Tiger Institute for Health Innovation
• Growth strategies
2017 Recap
2017 RECAP – FACILITY EXPANSIONS

E.D. EXPANSION CONSTRUCTION

MOI PHASE 2 COMPLETION

PCCLC OPENING

ASHLAND FAMILY MEDICINE
2017 RECAP – AFFILIATIONS, AWARDS

FFHA
FULTON FAMILY
HEALTH ASSOCIATES

GREAT PLACE TO WORK
RECOGNIZED
BECKER’S HOSPITAL REVIEW
- 2017 -
#BECKERSONPTW17

Health Care Pavilion

MoodTrek
• Expand ACCESS to primary, specialty care
• Bring more JOBS to Columbia
• Keep hospital decision-making LOCAL
• Create more EFFICIENCIES, avoid duplication
• TRAIN more doctors, nurses, health professionals
Leadership
Our Strategic Plan
MISSION

To advance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri.

VISION

Through discovery and innovation, University of Missouri Health Care will be the model health care provider for exemplary patient- and family-centered care.

STRATEGIC FOCUS AREAS

1. STRATEGIC INVESTMENT
2. DELIVERY MODEL & PATIENT EXPERIENCE
3. LEADERSHIP & TALENT
4. HIGH VALUE SYSTEM OF CARE
5. QUALITY & INNOVATION
6. ORGANIZATIONAL SUSTAINABILITY
STRATEGIC PLAN

STRATEGIC INVESTMENT
• Clinical areas of focus – CV, oncology and primary care
• Brand/image/reputation

DELIVERY MODEL AND PATIENT EXPERIENCE
• Culture of YES evolution
• Post-acute strategy

LEADERSHIP AND TALENT
• Leadership development
• Innovative solutions to address national areas of shortage/hard-to-fill

HIGH VALUE SYSTEM OF CARE
• Partnerships – HNM, MPact, physician practices
• Private Label

QUALITY AND INNOVATION
• PDSAs
• IT – Infrastructure, registries, patient and provider portals

ORGANIZATIONAL SUSTAINABILITY
• Revenue cycle conversion
• Master Facilities Plan
STRATEGIC PLAN

- Expansion of the **Custom Network**
  - Self-insured mid/large organizations
  - Clinical integration activities continue

- **Statewide** resource
  - Health Network of Missouri and MPact
  - Tiger Institute and ability to go at-risk for care
  - Capital Region Medical Center

- Growth of **select service lines**
  - Cardiovascular service line
  - Ellis Fischel Cancer Center
  - Primary care services
Volume-to-Value
MISSOURI Custom
A collaborative care plan
TIGER INSTITUTE – REVENUE CYCLE

Analytical Decision Support

Collections

Patient Accounting

Access Management

Clinical Services

Care Management

One Data Model
Clinical & Financial Data Repository

Health Information Management

OPEN – HEALTH AFF – INFO 4-17
December 1, 2017
Growth Strategies
GROWTH STRATEGIES

MU Health Care continues to invest in inpatient beds

- FY15: 538 (538)
- FY16: 569 (+31)
- FY17: 595 (+26)
- FY18: 619 (+24)
- FY19: 643 (+24)

UH | MUPC | MOI | WCH
---|---|---|---
314 | 61 | 20 | 143
340 | 61 | 20 | 148
340 | 61 | 42 | 152
364 | 61 | 42 | 152
388 | 61 | 42 | 152

OPEN – HEALTH AFF – INFO 4-19

December 1, 2017
GROWTH STRATEGIES

Bedside nursing recruitment

108 Full-time experienced RNs
207 2017 new graduate nurses
116 2 talent scouts

315 New nurses in CY 2017 to date
292 New nurses in FY 2017

December 1, 2017
GROWTH STRATEGIES

Recruitment, retention of hard-to-fill positions

- Referral rewards: 21
- Retention rewards: 218
- RN weekend program: 272
- Pay adjustments for market competitiveness: 1,566
- Student loan payments: 136
- Refresher courses: 2
- Relocation assistances: 93
GROWTH STRATEGIES

Recruitment, retention of hard-to-fill positions

Still hard-to-fill: 5
- CMA/LPN-Clinics
- Medicine-UH-RN
- Mental Health Tech
- MRI-Radiology-Specialty Technicians
- Psychiatry-RN

Still hard-to-fill, but improved: 5
- CTA-Clinical Labs
- Neurosciences ICU-UH-RN
- Registration-UH
- UH/MOI Ortho-RN

No longer hard-to-fill: 13
- Cardiology-Cath Lab-UH
- Cardiology-Unit-UH-RN
- CICU-UH-RN
- Dining & Nutrition Services
- Genetic Counselor
- Housekeeping-UH
- Neurodiagnostic Techs
- Neurosciences-UH-RN
- Observation-UH-RN
- Oncology-UH-RN
- Radiology-Specialty Technicians
- Respiratory Therapist
- Surgical Technician

Strategies
- Student loan payments
- Retention rewards
- Weekend pay increases
- Nurse refreshers
- Relocation assistance

OPEN – HEALTH AFF – INFO 4-23
December 1, 2017
Tiger Institute for Health Innovation

VISION: A healthy Missouri  MISSION: Transform health and care for Missourians

In the fall of 2009, former University of Missouri System President, Gary Forsee, and Cerner Corporation’s CEO, Neal Patterson, launched a unique private/public partnership — the Tiger Institute for Health Innovation.

- Local Leadership
- R&D Know-How
- Strategic Agility
- Intellectual Property
- Capital
- Engineering Expansion

- Broad delivery platform
- Operational Know-How
- Research Base
- Relationships
- IT all-in
- “ology” expertise
MU and Cerner Relationship

• Phase I: EMR Vendor 1996-2006

• Phase II: Experimenting with the relationship 2006-2009

• Phase III: Changing the deal 2010

• Phase IV: The plumbing 2010-2013

• Phase V: Connect Tiger Institute to strategy 2012 →
Recent Industry Awards

- CHIME: November 2016 | Winner of CHIME/AHA Transformational Leadership Award
- Becker’s Hospital Review: August 2016 | Becker’s Hospital Review recognized MU Health Care as an Innovation Center
- HealthData Management: 2015 & 2016 | Bryan Bliven recognized by HealthData Management as a Top 50 Healthcare IT Expert
- HIMSS: November 2012 | HIMSS EMRAM Stage 7 across 5 inpatient facilities (top 1.9% of all US hospitals)
- HIMSS Davies Award: October 2016 | HIMSS Stage 7 recertification for both inpatient and outpatient
- Healthcare IT News: 2015 | Dr. Tom Selva recognized by Healthcare IT News as a leader in healthcare information technology receiving the “Enhancing Patient Care Through IT” award
- November 2013 | HIMSS EMRAM Stage 7 across 44 clinics (top 1.5% of all USAmbulatory sites)
Health Network of Missouri Partnership

- **HNM’s Struggle**
  - HNM lacked common infrastructure such as technology platforms needed to achieve its goals.
  - Developing a common technology platform is extremely expensive, resource intensive, and time consuming.
- **HNM/Cerner Partnership**
  - Provide a low cost of entry for HNM to implement population health technology infrastructure.
  - University of Missouri’s *HealthIntent* domain will be extended to HNM Members and affiliates.
  - Focus on creation of value.
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 December 1, 2017 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(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.

Roll call vote of the Committee: 

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tr>
<td>Mr. Ashworth</td>
<td>Curator Layman</td>
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<tr>
<td>Ms. Maledy</td>
<td>Curator Phillips</td>
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<td>Curator Snowden</td>
<td>Curator Sundvold</td>
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The motion ________________.