

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
BOARD OF GOVERNORS

BOARD OF GOVERNORS' MEETING
AND
GOVERNORS' COMMITTEE MEETINGS

FEBRUARY, 1985

OFFICE OF THE BOARD OF GOVERNORS
B-390 MAYO

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**Minutes
Board of Governors
University of Minnesota Hospitals and Clinics
January 23, 1985**

CALL TO ORDER:

Chairman David Cost called the January 23, 1985 meeting of the Board of Governors to order at 1:45 p.m., in Room 555 Diehl Hall.

ATTENDANCE:

Present: David Cost
Phyllis Ellis
Al France
Bradley Hillstrom
Robert Latz
Jerry Meilahn
James Moller, M.D.
Robert Nickoloff
Barbara O'Grady
C. Edward Schwartz

Absent: Al Hanser
George Heenan
B. Kristine Johnson
David Lilly
Virgil Moline
Roby Thompson, M.D.
Neal Vanselow, M.D.

APPROVAL OF MINUTES:

The Board of Governors seconded and passed a motion to approve the minutes of the December 19, 1984 meeting as written.

REPORT OF THE NOMINATING COMMITTEE:

On behalf of the Nominating Committee, Mr. Jerry Meilahn recommended that Ms. Barbara O'Grady be elected Chair of the Board of Governors and that Mr. Robert Latz be elected as Vice Chair. The Board of Governors seconded and passed a motion to adopt the recommendations of the Nominating Committee.

PASSING OF THE GAVEL:

Mr. David Cost concluded his tenure as Board Chair by noting his appreciation at having served as a member and, most recently, as Chairman of the Board.

Mr. Cost officially passed the Chairman's gavel over to Ms. O'Grady, offering his congratulations and continued support.

Mr. Schwartz noted that an event in honor of retiring Governors Cost and France and incoming Governors Heenan, Hillstrom, Johnson and Nickoloff was being planned for the evening of March 27, 1985.

HOSPITAL DIRECTOR'S REPORT:

Mr. C. Edward Schwartz reported that the Board of Regents had approved the formation of a separate legal entity for the purposes of operating the Helicopter Program. Secondly, also at their January meeting, the Board of Regents reviewed, for informational purposes, the utilization of Unit J surplus. The Regents will be asked to approve the recommendations forwarded by the Board of Governors regarding the use of this surplus at their February meeting.

On the topic of Clinical Department Chairmanship Searches, Mr. Schwartz reported that candidates for Otolaryngology are currently being interviewed on campus. He also reported that the nomination period for OB/GYN chairmanship applicants had recently closed and that candidates for the Dermatology chairmanship will be interviewing shortly.

With reference to deanship searches, Mr. Schwartz reported that Dr. Gilbert S. Banker from Purdue University had recently accepted the deanship of the College of Pharmacy, while the School of Public Health deanship search committee is currently interviewing candidates.

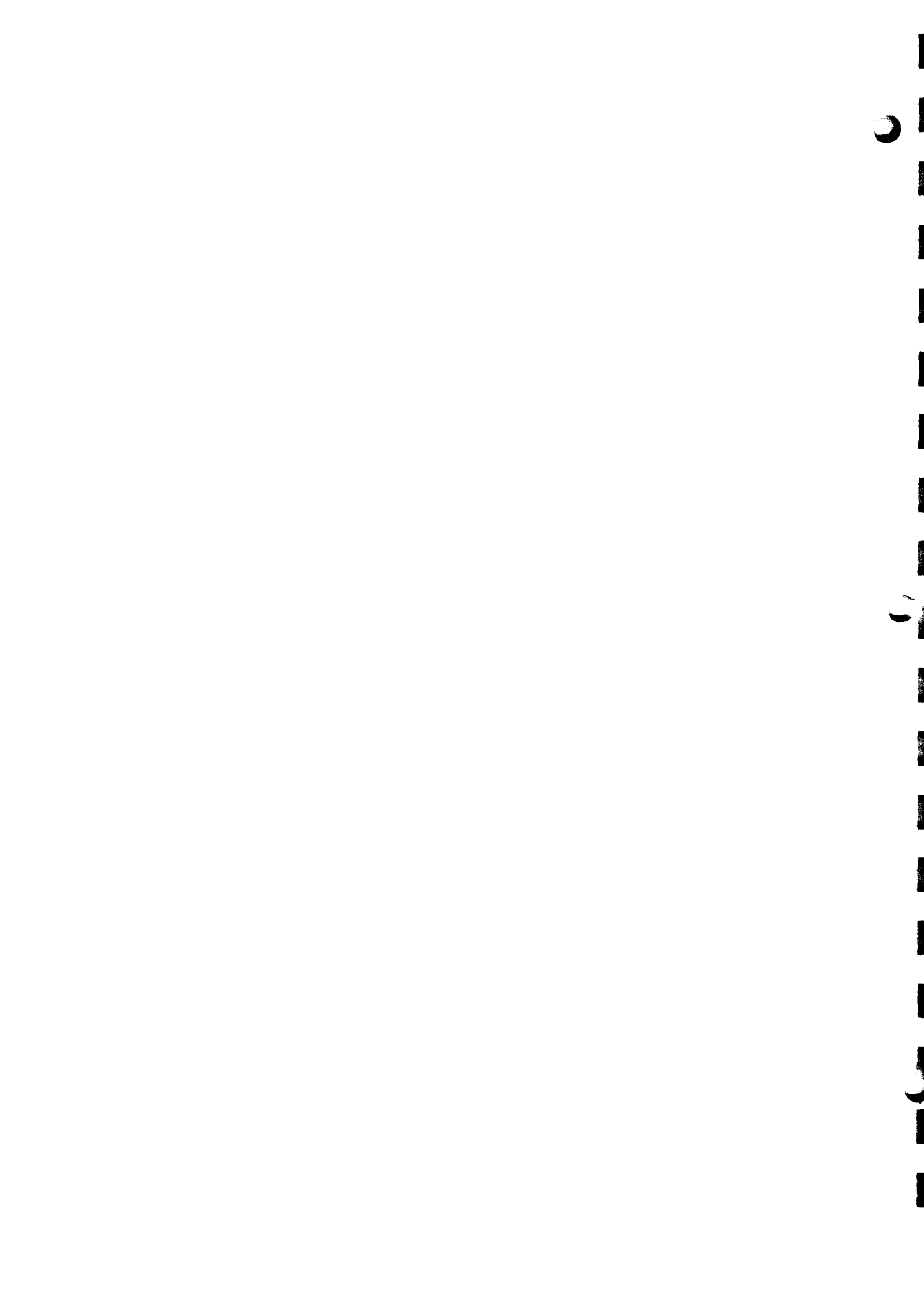
The University Hospital Consortium held its annual meeting in January. The group continues, Mr. Schwartz reported, to formalize its structure with a newly established office in Atlanta and is actively pursuing the study of group purchasing potential among its members. That study is expected to be concluded in approximately 3 months.

The 1984 Annual Report will feature partnerships between the University Hospitals and its various constituencies. Mr. Schwartz noted that the report will be sent out in February.

The Board of Governors Orientation session, scheduled for February 6th, will include a series of eight brief presentation and a tour of the physical facilities. Mr. Schwartz noted that the session is open to all interested Board members.

INSTITUTIONAL OBJECTIVE UPDATE:

The fiscal year 1984-85 Institutional Objectives, Mr. Schwartz explained, were developed as part of the budgeting process for the current fiscal year. Mr. Schwartz summarized the progress on each of the objectives at this half-way point through the fiscal year.



JOINT CONFERENCE COMMITTEE REPORT

Chairman O'Grady presented the report of the Credentials Committee and briefly explained how the process for reviewing and approving applications for clinical privileges at the Hospitals generally works. With that background, the Board seconded and passed a motion to approve the report of the Credentials Committee as endorsed by the Joint Conference Committee.

Secondly, Chairman O'Grady summarized both the Medical Staff/Hospital Council and the Clinical Chiefs reports. She noted that the Medical Staff/Hospital Council had reviewed guidelines for the utilization of blood platelets and that the Clinical Chiefs continued to move ahead with their new organization, but that neither the first formal meeting of the group nor the appointment of officers had taken place.

The Joint Conference Committee also spent considerable time, she reported, at its January meeting discussing the functioning of the Committee. The group agreed, that in addition to the traditional credentialling, medical staff and general quality of care issues, it is becoming increasingly important to have a more exact measure of the quality of care being provided.

PLANNING AND DEVELOPMENT COMMITTEE REPORT:

Mr. C. Edward Schwartz reported, on behalf of Committee Chairman Al Hanser, that the MRI in Unit J became operational in the beginning of January. Contractors continued to work on the demolition of the southeast portion of the Mayo building to ready the area for its link to "J". Interior work, he reported, is progressing throughout the building. Two packages remain to be sent out for bid, the site work and the final cleanup.

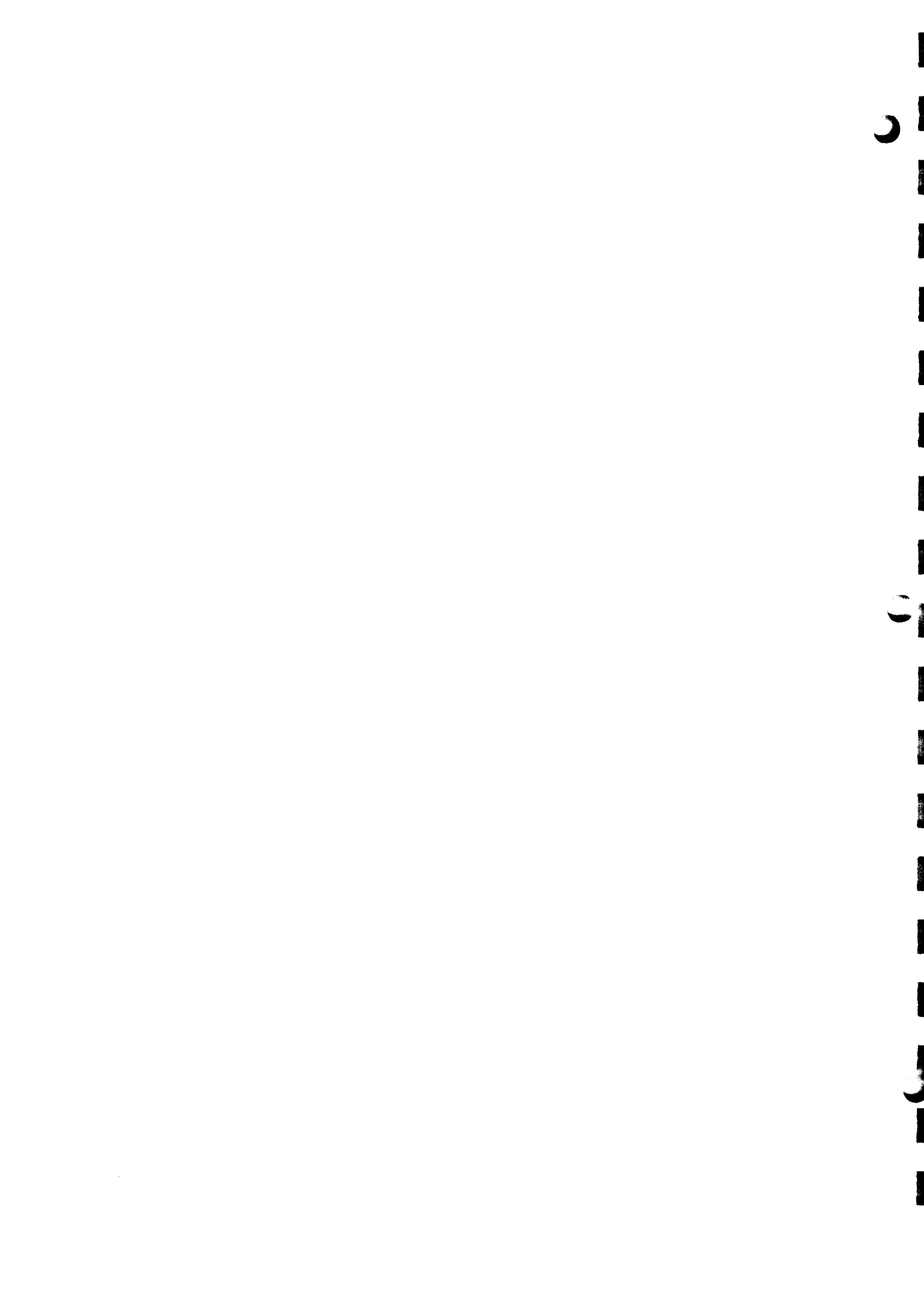
Mr. Schwartz also announced some changes in the leadership of the University of Minnesota Foundation, noting that Mr. Steven Rosell recently became the new Executive Director and that Mr. Dave Phillips replaced Mr. Dick Meyer as Director of Development.

Secondly, Mr. Schwartz highlighted for the Board three modifications to the federal tax code recently proposed by Treasury Secretary Donald Regan. The Board briefly discussed the potential impacts that these reforms in the tax code could have for charitable organization.

Lastly, Mr. Schwartz summarized giving levels year to date. Through December, \$132,209 cash gifts have been received. Additionally, \$262,000 in expectancies have been booked for a total of \$394,309. The goal for the fiscal year 1984-85 is \$927,000.

FINANCE COMMITTEE REPORT:

Mr. Al France and Mr. Cliff Fearing presented the report of operations for the period of July 1, 1984 through December 31, 1984. Admissions year to date are running approximately 3.9% under budget while the average length of stay and



the patient day levels are running 6.6% and 9.5% under budget respectively. The year to date clinic census through December is slightly (.5%) over budget. The statement of operations year to date shows a favorable variance of revenue over expenses of \$4.9 million.

Following a review of the financial statements, the Board discussed, in some detail, current and future approaches to keeping abreast of and responding to changes in state and federal health care policy.

Mr. Fearing also reported that the responses to the requests for proposal soliciting ideas for refunding of the 1982 Series Bonds had been quite positive. Currently, Mr. Fearing noted, it appears that the likelihood of going to market in mid-February for a combination fixed and variable rate refunding with Goldman Sachs as general manager is very good. Mr. Fearing reviewed the issues to be approved by the Board of Regents prior to refunding and answered several questions regarding the concept of refinancing.

Mr. Greg Hart detailed the quantitative need measurements that led the hospitals to conclude that the replacement of the hospitals main-frame computer is necessary. The information systems study completed by Ernst & Whinney confirmed this conclusion.

Mr. Hart also noted that when the feasibility study for the Series 1982 Bonds was completed, this project was anticipated at an estimated cost of \$1.75 million. Some eighteen months ago, reassessment of this anticipated expenditure resulted in an increased cost estimate. The five year capital expenditure plan and the 1984-85 capital budget reviewed by the Board of Governors last Spring estimated the cost of the computer replacement project at \$2.5 million. Mr. Hart affirmed that the \$2.5 million project cost remains a reliable one. An analysis was performed to determine the least costly way of financing this acquisition. Of the options available, financing using a portion of the proceeds from the University's recent variable rate demand bond sale was determined to be to be most economical.

With that background information, the Board of Governors seconded and passed a motion to approve the authorization of expenditure of up to \$2.5 million for the computer replacement project.

Over recent months, Mr. Schwartz reported, the University has conducted several access and parking studies, all which confirmed an acute need to improve and access and availability to parking campus wide. Offers are currently being made to acquire land to construct a parking ramp at the corner of Delaware and Harvard Streets.

Mr. Schwartz outlined the program proposal and financing which would allow the Hospitals to own and operate this parking facility. Following considerable discussion the Board seconded and passed a motion to approve the concept of the Hospitals building and operating a patient/visitor parking ramp, with the understanding that the Hospitals would proceed with the required planning steps and submit a specific architectural plan for consideration by the Board at the earliest possible date.

in sum, that as the Hospitals and the University's Job Evaluation Studies conclude, this issue is becoming an increasingly important and complex one. The Board will be reviewing the outcome of the Job Evaluation Study and related comparable worth implications at a future meeting.

Lastly, the Board of Governors seconded and passed a motion to approve the appointment of Mr. C. Edward Schwartz as the Hospitals corporate representative on the Blue Cross Blue Shield of Minnesota Board.

ADJOURNMENT:

There being no further business the meeting of the Board of Governors was adjourned at 4:20 p.m.

Respectfully submitted,

Nancy C. Janda

Nancy C. Janda
Executive Assistant
to the Board of Governors

Minutes
Planning and Development Committee
Board of Governors
February 13, 1985

CALL TO ORDER:

Committee Chairman Robert Latz called the February 13, 1985 meeting of the Planning and Development Committee to order at 10:18 a.m. in Hospital Dining Room 111.

ATTENDANCE:

Present: Robert Latz, Committee Chair
Frank Cerra, M.D.
B. Kristine Johnson
Geoff Kaufmann
Virgil Moline
C. Edward Schwartz
I. Dodd Wilson, M.D.

Absent: Clint Hewitt
John LaBree, M.D.

Staff: Greg Hart
Nancy Janda
Mark Koenig

Guests: Ken Merwin
Lisa McDonald

APPROVAL OF MINUTES:

Mr. Virgil Moline moved and Ms. Kristine Johnson seconded the motion that the minutes of the January 9th meeting be approved as submitted. Motion passed.

PLANNING AND DEVELOPMENT COMMITTEE FUNCTIONING:

Chairman Latz asked that the Committee be briefed and updated on the functioning of the Planning and Development Committee. Mr. C. Edward Schwartz summarized the committee function as the major topics of business during the last year. Topics discussed included the Unit J bidding and contractual progress, Mayo remodeling, the purchasing functions and development activities. Mr. Schwartz elaborated on several of these topics.

Discussion then focused on program approval and the strategic planning process to be completed during the next year. Chairman Latz asked for clarification of the community health care responsibility role of the Planning and Development Committee and the importance of our interacting with those individuals who control reimbursement and state monies. Chairman Latz also asked about our relationship with St. Paul Ramsey and Hennepin County Medical Center beyond the educational relationship. These questions led to a further discussion of the Strategic Planning Steering Committee, its membership and goals.

It was agreed that at the next meeting of the Planning and Development Committee staff would provide the Committee members with an agenda of the next two to three months topics. The agenda items will be reflective of the Strategic Planning Steering Committee's work-plan over the next six to nine months and its major decision making functions during that time-frame.

MARKETING COMMUNICATIONS:

Mr. Geoff Kaufmann provided the Committee with an overview of the proposed advertising campaign and walked the committee members through the four story board ideas for commercials. This advertising campaign will begin in early March and continue through early May and consist of general advertising messages to the public about University Hospitals. It is the first phase of a continuing advertising campaign to make the general public and specific target groups aware of our mission, our hospitals resources and its capabilities. It was agreed that staff would touch base with referring physicians in Hibbing and general sampling of physicians in the Twin City area to test the sensitivity of advertising approaches. The advertising campaign will be an informational agenda item on the next Board of Governors meeting.

DEVELOPMENT UPDATE:

Mr. Ken Merwin detailed the role of development at University Hospitals for the Committee and the breakdown of funds and major contributors. Mr. Merwin discussed the role of the Masons, Variety Club, Lions Club, Vikings Children's Fund and Auxiliary in providing funding to the Hospital. Chairman Latz asked how much is given for general hospital use. The response was not very much. Most money is given for specific accounts and purposes.

Mr. Merwin reported on contributions made in the fiscal year to date. Cash receipts through January 12, 1985 totalled \$238,487, which, coupled with expectancies of \$259,000, bring total commitments to \$497,487. He also indicated that prospects currently being pursued with potential gifts of \$10,000 or more in cash before the end of the fiscal year could bring in another \$100,000 and that expectancies being pursued total \$1,400,000.

UNIT J PROGRESS UPDATE:

Mr. Mark Koenig walked the Committee through the most recent Unit J progress update dated February 1, 1985. Mr. Koenig stated that the project is still on schedule and considerably under-budget and the substantial completion date is still slated for March, 1986. The current best estimate for final cost under-budget is slightly less than \$12 million, 79% of these funds have been committed to date and 52% of the work has been paid to date. Progress on Unit J's interior is substantial with installation of interior studs substantially complete in all area except levels 3, 7, and 8. Sheet rocking on levels 1, 2, 4 and 5 is substantially complete. Average on-site manpower during this most recent period was 280 persons.

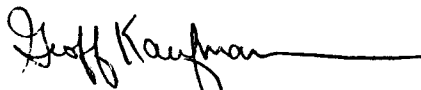
FUTURE MEETINGS:

It was agreed that the Planning and Development Committee would meet at 10:00 a.m. on the second Wednesday of each month throughout 1985.

ADJOURNMENT:

There being no further business the meeting of the Planning and Development Committee was adjourned at 12:00 p.m.

Respectfully submitted,



Geoff Kaufman
Senior Associate Director
for Planning and Marketing



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 22, 1985

TO: Board of Governors

FROM: Ken Merwin
Director of Development *KEM*

SUBJECT: Development Report

Herewith is a copy of the report given to the Planning and Development Committee on February 13. Expectations references gifts that will come to us at some future time through Wills, trust etc. Goal for the year as revised in light of the Flessner Report is \$927,000. Given the prospects currently being actively pursued, it appears as if the goal will be met.

/nd



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

REPORT TO THE PLANNING AND DEVELOPMENT COMMITTEE
BOARD OF GOVERNORS

From: Ken Merwin, Director of Development *K.M.*

Contributions received through January 12, 1985:

| | | |
|---------------|-----------------|---------------------------|
| Cash receipts | \$238,487. | (1984 - \$252,869.) |
| Expectancies | <u>259,000.</u> | (1984 - <u>320,000.</u>) |
| Total | \$497,487. | (1984 - \$572,869.) |

Prospective contributions currently being pursued: (\$10,000 +)

| | |
|-----------------------|--------------|
| Cash from individuals | \$ 40,000. |
| Cash from Foundations | \$ 60,000. |
| Expectancies | \$1,400,000. |

January 13, 1985

MINUTES
Joint Conference Committee
Board of Governors
February 13, 1985

ATTENDANCE: Present: Phyllis Ellis, Committee Chair
Dr. Paula Clayton
George Heenan
Bradley Hillstrom
Robert Maxwell, M.D.
James Moller, M.D.
C. Edward Schwartz

Absent: Glenn Gullickson, M.D.

Staff: Jan Halverson
Greg Hart
Nancy Janda
Geoff Kaufmann

Ms. Ellis, Chair, introduced the new members of the Joint Conference Committee: Mr. George Heenan and Mr. Bradley Hillstrom. Ms. Ellis also inquired of the Committee members their interest in continuing to meet on the Committee's historic schedule (second Wednesday in the month at 5 p.m.). The consensus of the members of the Committee was that this time is suitable.

APPROVAL OF MINUTES

The minutes of the January 9, 1985 meeting of the Joint Conference Committee were approved as submitted.

ROLE OF THE COMMITTEE

Dr. Moller and Mr. Hart reviewed the role of the Joint Conference Committee and its relationship to the Medical Staff. The formal charge to the Committee, as outlined in the Board of Governors Bylaws, was reviewed, with the notation that the quality assurance function is the primary responsibility of the Joint Conference Committee. Other activities, including involvement in Joint Commission preparation, disaster planning, and Medical Staff/management/governance problem-solving were also noted as being part of the Committee's responsibilities.

The Committee asked that Mr. Hart prepare a list of items within the Committee's charge which the Committee has not been involved in in the past one to two years.

Dr. Moller then reviewed the organization of the Medical Staff at University Hospitals. He noted in particular the Credentials Committee function and its relationship to the Joint Conference Committee and the Board of Governors.

Areas of potential Medical Staff/Board interface in the future were noted as including: monitoring of the development of the new Clinical Chiefs' organization, focusing on a patient/customer orientation, malpractice insurance changes, and relating the quality components of our various clinical programs to the planning and marketing effort.

MEDICAL STAFF HOSPITAL COUNCIL REPORT

Dr. Moller requested the Committee's endorsement of several changes to the Medical Staff Bylaws and Rules and Regulations. He indicated that these changes were recommended originally by the Bylaws Committee, and have been endorsed by both the Medical Staff Hospital Council and the Council of Chiefs of Clinical Services.

The first set of proposed changes relates to malpractice insurance requirements. The summary of the recommendations is that the Medical Staff (including attending and clinical staff, specified professional personnel, and non-Hospital ancillary personnel), are all moving to a standardized one million dollars minimum coverage for malpractice insurance, and also moving to a standardized naming of the Board of Regents as an insured under the staff members' policies. Dr. Moller indicated that this change originally grew out of a request from the Joint Conference Committee that such coverages be reviewed. After some discussion, the Joint Conference Committee approved the recommended changes to sections I, II, and III of the Rules and Regulations of the Medical and Dental Staff.

Dr. Moller then introduced a proposed addition to the Medical and Dental Staff Bylaws. This addition involves the creation of a cardiovascular services advisory committee. Dr. Moller reported on the genesis of this recommended committee, noting that past quality assurance studies have pointed out the

need for improved integration of these types of services. The Joint Conference Committee endorsed this change in the Bylaws.

It was noted that both of these items will be brought to the full Board for their approval at the next Board meeting.

END-STAGE RENAL DISEASE POLICY CHANGES

Ms. Tebbitt reported that as part of the conditions of our participation in the End-Stage Renal Disease (ESRD) program, policy changes for the kidney dialysis area must be approved annually by the Board of Governors. Ms. Tebbitt then introduced and recommended a series of changes, primarily logistical in nature, and requested the Committee's endorsement. The Committee acted to endorse the recommended policy changes.

CLINICAL CHIEFS REPORT

Dr. Clayton provided the Joint Conference Committee with an update on the Clinical Chiefs organization, and also noted that the most recent Clinical Chiefs meeting was spent in a discussion of Interim President Keller's remarks to the Board of Regents regarding the future of the University. It was also noted that Dr. William Nolan spent a luncheon session with the Chiefs recently and outlined his plans for a new book about teaching hospitals in the new healthcare environment, to be based largely upon observations at the University of Minnesota Hospitals.

There being no further business, the meeting adjourned at approximately 7:30 p.m.

Respectfully submitted,



Greg Hart

GH/kj



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 27, 1985

TO: Members, Board of Governors

FROM: Barbara Volk Tebbitt, Senior Associate Director and
Director of Nursing Services

The End Stage Renal Disease (ESRD) Program requires policies and procedures for Kidney Dialysis which have been added or revised be approved by the Board of Governors annually.

We are anticipating our annual ESRD visit sometime in early spring and wish to have the approval in place in time for that visit.

I have attached a copy of the Kidney Dialysis policies which have been added or revised for your consideration. The areas which have been changed have been noted and an explanation has been added at the end of each policy.

I will be happy to answer any questions at our meeting. The policies were reviewed and endorsed by the Joint Conference Committee on February 13 and are being presented for your approval today.

BT/sds

Enclosure



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

I have reviewed all of the following Policies for the Hemodialysis Unit
and approve those changes made.

Thomas F. Ferris

Thomas F. Ferris, M.D., Medical Director

1/29/85

Date

Patricia V. Jacobberger

Patricia V. Jacobberger, R.N., Head Nurse

1/28/85

Date

Barbara Tebbitt

Barbara Tebbitt, R.N., Chief Executive Officer

1/29/85

Date

Board of Governors
University of Minnesota Hospitals and Clinics
End-Stage Renal Disease Program
Policy Statement for The
Renal Transplant Center and Dialysis Unit

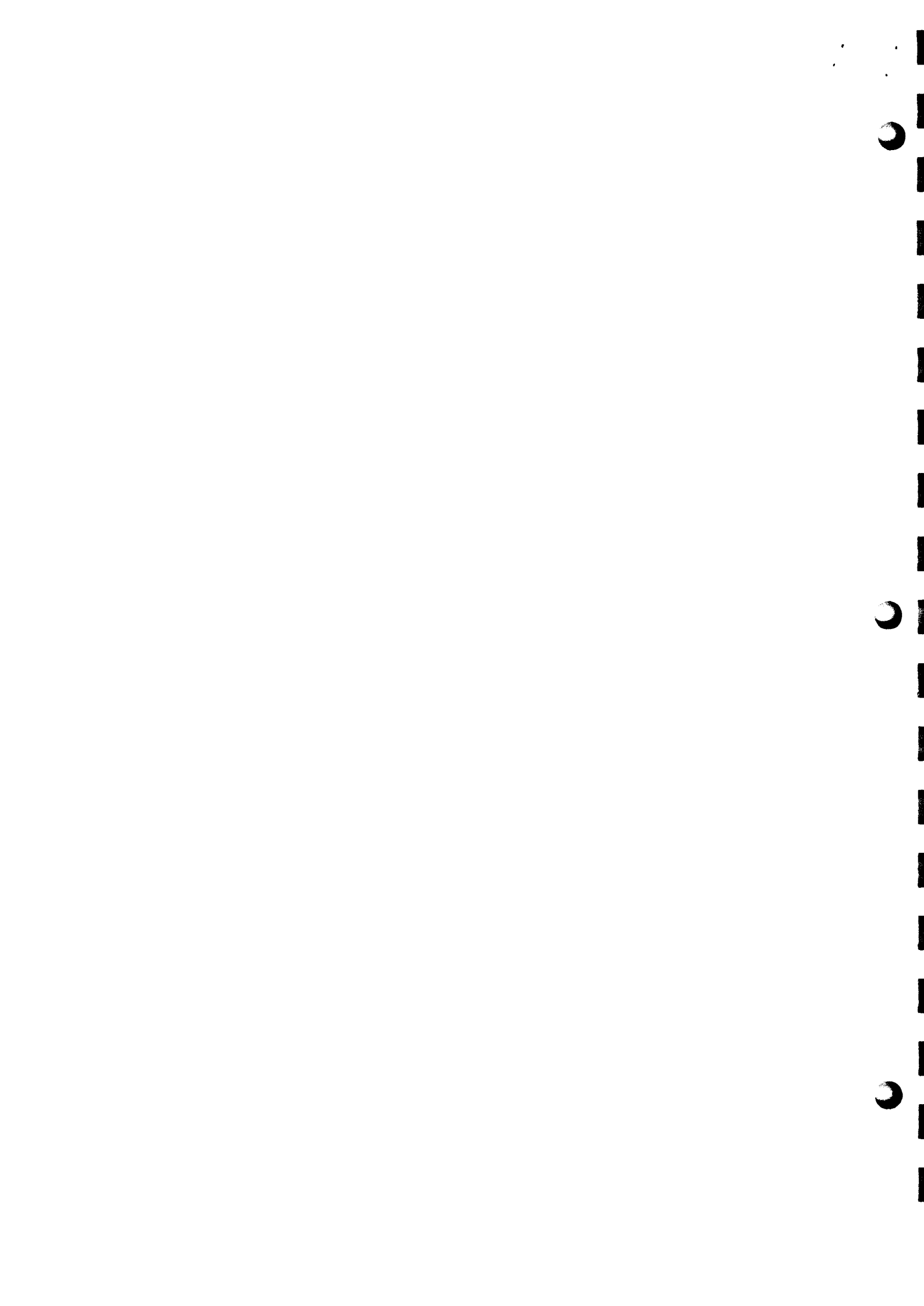
The services of the Renal Transplant Center and the Dialysis Unit shall be organized and operated as components of the Hospitals and Clinics. Bylaws of this Board of Governors and those of the Medical and Dental Staff, plus University policies and procedures and those of the Hospitals and Clinics, shall apply. These services are supportive of our Mission and Goals which include service to the state, region and nation, consistent with support for academic objectives of education and research.

The policies and procedures specific to the operation of these services have been recommended by the Medical Directors. The Medical Staff Hospital Council has recommended their approval and, upon recommendation of the Joint Conference Committee, they are hereby approved by the Board of Governors. The Medical Staff is directed to review these policies each year. Any recommended changes must be approved by this Board.

The Chart of Organization specific to the Renal Transplant Service and Dialysis Unit is attached. The General Director/Chief Executive Officer is responsible for management of these services. (See Job Description). Medical direction is established and organized according to the Medical and Dental Staff Bylaws.

Approved: _____
Chairman, Board of Governors

Date: _____



IV. PERSONNEL POLICIES

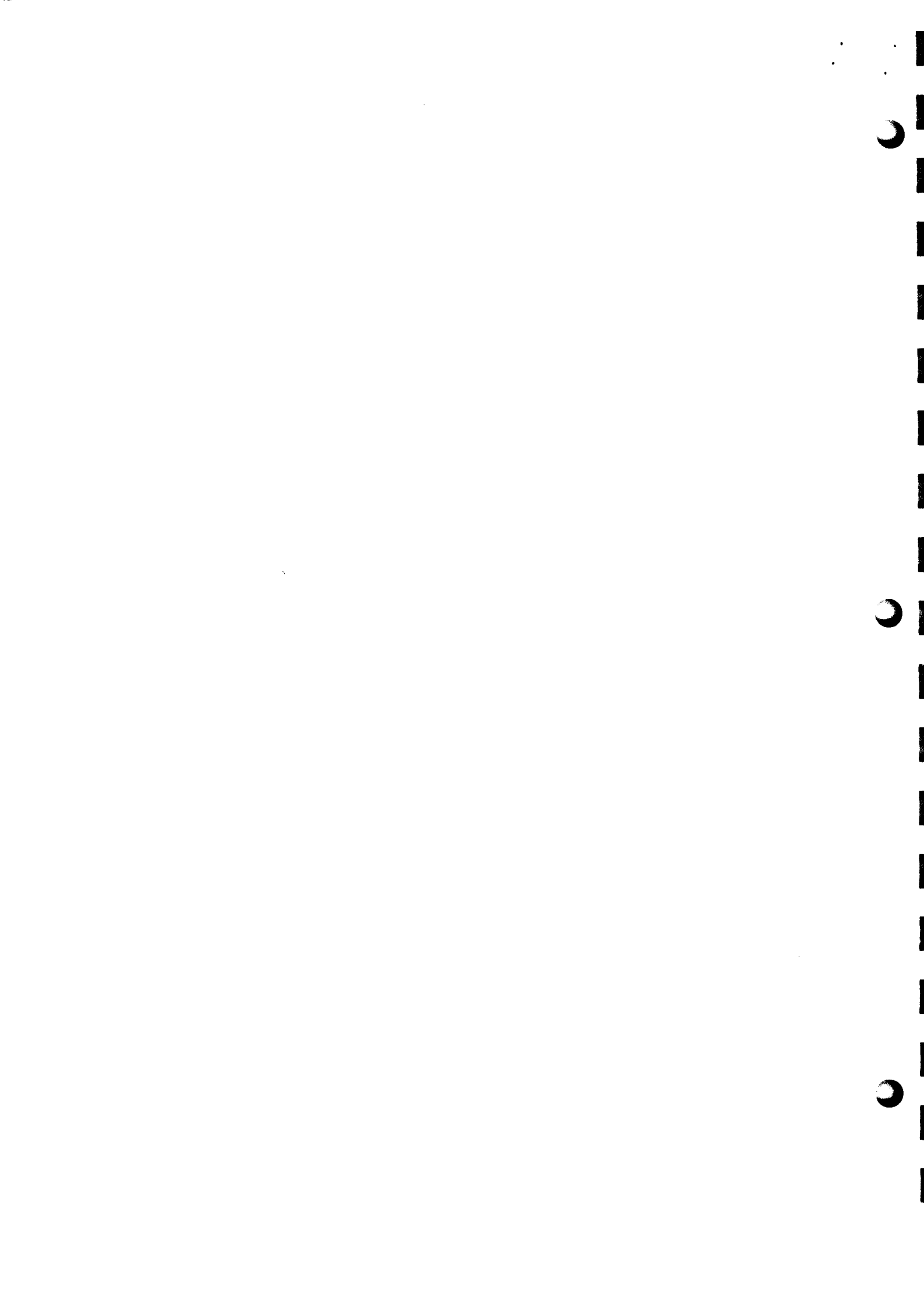
General Policies - Dialysis Unit
Physician Coverage - Dialysis Unit
Role of Fellows and Residents for The Renal Unit
Renal Fellow Coverage for Emergency Dialysis
Physician Signature Policy
Policy for Shunt Service Physicians
Personnel Policies for Dialysis Unit - Nursing and Tech
Nursing and Technician Coverage - Dialysis Unit
Training and Assimilation of New Employees
Specifications for Performing Procedures (Nurses and Techs)
Guidelines for Technicians Dialyzing Patients
Insertion of Fistula Needles by Kidney Dialysis Technicians
Charting by Kidney Dialysis Technicians
Drugs That Must be Checked by Two Nurses Before Administration
Guidelines for On Call Personnel in The Dialysis Unit
Permanent Shifts in The Dialysis Unit
Overtime Policy - Dialysis Unit
Communications and Staff Development Policy
Leadership Group
Pregnant Personnel Policy
Vacation Policy - Kidney Dialysis Unit
Peer Review
Kidney Dailyis Peer Evaluation Form

*Combined Appointments

V. JOB DESCRIPTIONS

Medical Director - Dialysis Unit
Chief Executive Officer - ESRD Program
Head Nurse Performance Expectations/Evaluations
Assistant Head Nurse Performance Expectations/Evaluation
Charge Nurse Role Description
CAPD Coordinator Role Description
General Staff Nurse Performance Expectations/Evaluations
PLT Performance Expectations/Evaluation
Senior Dialysis Technician Performance/Expectations Evaluation
Nursing Assistant Expectations/Evaluations
Senior Secretary Performance/Expectations Evaluation
Job Description for Volunteers

* Newly added policy



POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



| | |
|----------|------------------------|
| SUBJECT: | STANDING ORDERS POLICY |
| SOURCE: | |

| | |
|---|----------------|
| SECTION: | |
| VOL.: | POLICY NUMBER: |
| EFFECTIVE: March 1, 1979 | |
| REVISION: June 8, 1983 June 12, 1984, 1/85 | |
| REVIEWED: 1/84, 1/85 | |

STANDING ORDERS POLICY

Non-physician personnel (Registered Nurses) may administer the procedures, orders, treatments and medications to the patient upon his/her own judgement according to the Standing Orders. The Standing Orders will be signed by the physicians involved with the patient's treatment prior to the initiation of the first dialysis at the University of Minnesota. They will be placed in each patient's chart as a part of the Medical Record.

Standing Orders will be reviewed and/or updated every six months (in June and December)¹ by the Medical Director. Standing Orders will be replaced in all Outpatient Charts each time they are reviewed and/or changed.²

CHANGES:

1. Specific months added.
2. Change in wording to allow for simply removing old standing orders and replacing with reviewed standing orders rather than hand writing them in by HN.

APPROVED: *Pat Feaberry - N*

TITLE: Head Nurse Medical Director

DATE: June 12, 1984

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



| |
|---|
| SUBJECT: Charting by Kidney Dialysis Technicians |
| SOURCE: |

| | |
|------------------------------|----------------|
| SECTION: | |
| VOL.: | POLICY NUMBER: |
| EFFECTIVE: September 1976 | |
| REVISION: June 8, 1983, 1/85 | |
| REVIEWED: 1/84, 1/85 | |

CHARTING BY KIDNEY DIALYSIS TECHNICIANS

Kidney Dialysis Technicians will chart all pertinent data that they have collected on patients to whom they are assigned each shift. They will follow the charting policies using the POMR system after orientation to data collection and the policies. A SOAP note will be made by the nurse if a dialysis technician is dialyzing the patient.¹

CHANGES:

1. Clarification of who writes the soap note.

APPROVED: *[Signature]*
TITLE: Head Nurse Medical Director

DATE: June 8, 1983

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



SUBJECT: Guidelines for On Call Personnel in The Dialysis Unit

SOURCE:

SECTION:

VOL.:

POLICY NUMBER:

EFFECTIVE:

June 8, 1983

REVISION:

1/84, 8/84

REVIEWED:

1/84, 1/85

GUIDELINES FOR ON CALL PERSONNEL IN THE DIALYSIS UNIT

1. Weekday call starts at 12 midnight Sunday night and lasts until 7:30 a.m., Monday - Friday. Weekend call begins Friday night at 12 midnight and lasts until 12 midnight Sunday, excluding the hours between 9 a.m. - 5:30 p.m. Saturday.
2. On call personnel will carry a long range beeper when away from home, and are expected to respond within twenty minutes if called in.
3. On call pay is \$1.00/hr.¹
4. Call pay must be taken as pay rather than time back. If called in, hours worked may be claimed as time back or paid hours.
5. Call pay begins from the time you are called in, and continues until you leave the hospital. Minimum payment is for 3 hours if called in and dialysis is cancelled after you arrive.
6. If the Dialysis Unit is locked, the nurse should pick up the Unit and narcotic keys in the Nursing Office. If the Nursing Office is locked, page the Resource Nurse at the front desk.
7. Dialysis personnel are to be called in ONLY by the Renal doctors. If someone else calls you (i.e. Station 22 secretary or doctor), instruct them to contact the Renal doctor, who will contact you if needed.
8. Do not hesitate to discuss the need for emergency dialysis treatment with the Renal doctor (i.e. Station 22 patient with K+ of 6.0 who has not received Kayexalate or K-cocktail, OR being called in at 6:30 a.m. when dialysis staff arrives at 7:30 a.m.). On call personnel should be called for emergency situations only OR when the Saturday dialysis schedule runs past 7:30 p.m.
9. If caring for the patient becomes overwhelming in terms of work to be done, do not hesitate to request help from the patient's station and/or the Resource Nurse. 1:1 patients should have station nurse care for them during dialysis.

CHANGES:

Received previous misinformation from Personnel regarding unrestricted call. Item #3 is now correct.

APPROVED: *[Signature]*

Head Nurse

[Signature]
Medical Director

DATE:

June 8, 1983

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



| | |
|----------|---------------------------|
| SUBJECT: | PREGNANT PERSONNEL POLICY |
| SOURCE: | |

| | |
|------------------------------|----------------|
| SECTION: | |
| VOL.: | POLICY NUMBER: |
| EFFECTIVE: March 1, 1979 | |
| REVISION: June 6, 1983, 1/85 | |
| REVIEWED: 1/84, 1/85 | |

PREGNANT PERSONNEL POLICY

The pregnant nurse or technician will notify the Head Nurse of her pregnancy as soon as it is known. She will be given the option of transferring out of the Renal Unit.¹

She will be encouraged to seek information regarding the possible dangers of Cytomegalovirus and Hepatitis B to the fetus and to the mother.²

³The pregnant nurse or technician will be removed from the on-call rotation.⁴

CHANGES:

1. Dropped obtaining written permission from physician.
2. Changed from will be sent to see the Employee Health Physician.
3. Dropped signing a consent form for choosing to remain in dialysis.
4. Added that she will be removed from call schedule.

Changes reflect practice on transplant stations.

APPROVED: *[Signature]*
TITLE: Head Nurse Medical Director

DATE: June 8, 1983

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



| | |
|----------|-----------------------------|
| SUBJECT: | COMBINED APPOINTMENTS |
| SOURCE: | Pat Jacobberger, Head Nurse |

| | |
|------------|----------------|
| SECTION: | |
| VOL: | POLICY NUMBER: |
| EFFECTIVE: | 5/24/84 |
| REVISION: | 1/85 |
| REVIEWED: | 1/85 |

COMBINED APPOINTMENTS ¹

1. There will be two 40% positions for nurses on Station 44 in Kidney Dialysis.
2. The two nurses will be assigned 80% to the Kidney Dialysis Unit during orientation.
3. Orientation will take 8 weeks - the last two of which will include independent dialysis.
4. Orientation will be limited to the dialysis of chronic and acute adults. Peds will not be included.
5. Station 44 nurses will be scheduled for 2 weeks in Kidney Dialysis and 2 weeks on Station 44.
6. Station 44 nurses will be scheduled for one weekend an hour set in Kidney Dialysis and one weekend an hour set on Station 44.
7. If a holiday occurs during a 44 nurse's planned Rotation to Kidney Dialysis, the nurse will be included in KD's holiday plan. The HN's on KD & 44 will keep each other up-to-date as to holidays worked for those employees.
8. Nurses on a combined position will not take call for Kidney Dialysis.
9. Nurses on a combined position will have one primary patient in Kidney Dialysis.
10. If a 44 nurse wishes vacation that falls during a planned Rotation to Kidney Dialysis, that vacation will be subject to Kidney Dialysis' vacation policy.
11. Nurses on a combined position may float to Kidney Dialysis.
12. Nurses in a combined position will be expected to rotate days, noons, and p.m.'s in Kidney Dialysis.
13. Performance evaluations will collaborate between 44 and KD.
14. Discipline problems that occur on one area will be handled by that area with each HN communicating that discipline to the other.
15. Nurses in a combined position will not be trained for Charge Nurse in KD.

CHANGES: 1. New policy delineating shared position.

APPROVED: *Pat Jacobberger - Hd.*

TITLE: *Head Nurse* *Heather Viscotal*

DATE: *1/24/85*

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



| |
|--|
| SUBJECT: MEDICAL DIRECTOR - DIALYSIS UNIT |
| SOURCE: DIALYSIS UNIT |

| | |
|------------------------|----------------|
| SECTION: | |
| VOL.: | POLICY NUMBER: |
| EFFECTIVE: March, 1984 | |
| REVISION: | 1/85 |
| REVIEWED: | 1/85 |

Medical Director - Responsibilities:

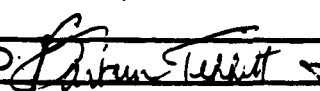
The Medical Director of the Dialysis Unit is appointed by the Chief of Staff. He/She is responsible for the medical management of the Dialysis Unit. Specific responsibilities include:

1. Implement, coordinate and evaluate hospital and medical staff policies in the Dialysis Unit.
2. Serves as arbitrator and final authority in the event of questions regarding interpretations of policies and procedures governing medical practice.
3. Assures regular periodic review and evaluation of the quality, safety and appropriateness of patient care services implemented as well as appropriate followup action based on the results.
4. Approves all station policies and procedures.
5. Provides inservice programs as requested for continuing education of nursing staff.
6. Acts as a consultant to the Renal Fellow and Attending Physicians for patient care management.
7. Serves as a consultant regarding patient care management and/or interpretation of administrative policies and decisions.
8. Participates in the selection of a suitable treatment modality for all patients either personally or through delegation.
9. Assures adequate training of nurses and technicians in dialysis techniques through delegation.
10. Assures adequate monitoring of the patient and the dialysis process through delegation.
11. Assures the development, implementation and availability of a Patient Care Policy and Procedures Manual through delegation.
12. Assures that patient teaching materials are continuously available for patient use in the CAPD program.

In the absence of the Medical Director, a designee shall be appointed.

CHANGES:

1. Replaced "Intensive Care Unit" with "Dialysis Unit".

| | |
|---|---------------|
| APPROVED:  | DATE: 1/24/85 |
| TITLE: Chief Executive Medical Director Officer | |

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services

| | |
|------------|----------------|
| SECTION: | |
| VOL.: | POLICY NUMBER: |
| EFFECTIVE: | |
| REVISION: | 1/85 |
| REVIEWED: | 1/85 |



| | |
|----------|--|
| SUBJECT: | Chief Executive Officer - Dialysis Unit |
| SOURCE: | DIALYSIS UNIT |

Chief Executive Officer - Responsibilities:

The responsibilities of the Chief Executive Officer for the End-Stage Renal Disease (ESRD) Facility are to:

1. Implement the policies of the hospital and coordinate the provision of services in accordance with delegations by the Board of Governors.
2. Organize and coordinate the administrative functions of the hospital, re delegating duties as authorized, and establish formal means of accountability.
3. Ensure that expenditures are in accordance with established policies and procedures.
4. Provide for the instruction of staff in policies, roles and regulations, and with applicable Federal, State and local laws and regulations.
5. Maintain and submit such records and reports as may be required by the Medical Review Board for the ESRD program and other agencies including the Secretary of Health Education and Welfare.
6. Participate in development and implementation of agreements into which the hospital may enter, subject to approval policies of the University and Board of Governors.

CHANGE:

Retyped onto policy paper.

| | |
|--|---------------|
| APPROVED: <i>Barbara T. [Signature]</i> | DATE: 1/24/85 |
| TITLE: <i>Chief Executive Officer Medical Director</i> | |

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services



SUBJECT: Checking the Emergency Cart
and Defibrillator

SOURCE:

SECTION:

VOL.:

POLICY NUMBER:

EFFECTIVE: March 1, 1979

REVISION: 12/79, 6/8/83, 3/84

REVIEWED: 1/84, 1/85

CHECKING THE EMERGENCY CART AND DEFIBRILLATOR

An emergency cart will be kept in the Dialysis Unit. It will be checked by the Charge Nurse after each use and at the beginning of each shift (i.e., a.m. and p.m. shifts on Monday through Friday and a.m. shift on Saturday).¹ The Charge Nurse will replace or reorder any missing items and outdated or contaminated sterile supplies. This will be evidenced in writing by documentation of dates and by signature on the Emergency Cart Checklist. The checklists will be kept on file in the Dialysis Unit.

The defibrillator will be checked at the beginning of each shift (i.e., a.m. and p.m. shifts on Monday through Friday and a.m. shift on Saturday)², for power on, charging and discharge. Both adult and infant paddles will be checked for charging and discharge.

After checking, a piece of adhesive tape with the date, shift and initials of the nurse who performed the checking will be placed on the Emergency Cart and the Defibrillator Cart.

CHANGES:

1. and 2. Changed to express exactly which shifts and on what day checks would be done.

APPROVED: *[Signature]*

TITLE:

Head Nurse Medical Director

DATE:

6/8/83

POLICY AND PROCEDURES MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Department of Nursing Services

SECTION:

VOL.:

POLICY NUMBER:

EFFECTIVE: 05/01/84

REVISION: 5/84

REVIEWED: YBS



SUBJECT: Assurance of Water Quality
Dialysis Unit

SOURCE: Medical Director & CEO -
Dialysis Unit

ASSURANCE OF WATER QUALITY - DIALYSIS UNIT

The University of Minnesota Hospitals Dialysis Unit will utilize the standards and methods established by the Association for the Advancement of Medical Instrumentation (AAMI) in determining the quality of water used for hemodialysis from a bacteriologic and chemical contaminant basis.

Bacteriologic growth of treated water will be assessed on a monthly basis and when clinical indications suggest the presence of pyrogens (i.e., fevers of 100° or above and chills occurring in two or more patients at the same time in the absence of obvious infection). Samples will be collected by the Senior Environmental Specialist or his designee. Samples will be obtained from the R/O holding tank and from two random stations. Results of bacteriologic testing will be forwarded to the Head Nurse, Chief Technician and Medical Director every month, for their evaluation.

The water treatment system will be disinfected with 4% formaldehyde twice a month by dialysis technician. More frequent disinfection may be necessary depending upon the monthly bacteriology sample.

Sampling for maximum allowable levels of chemical contaminants in feed and product water will be obtained in May or June,¹ & October each year. Samples will be collected by the Chief Technician and the results will be evaluated by the Medical Director, Chief Technician and Head Nurse. Should the results of those tests exceed the recommended maximum allowances, all patients will be dialyzed with distilled or deionized water until the water treatment equipment can be evaluated and repaired.

CHANGES:

I. Changed from May to May or June to accommodate practice.

APPROVED:

[Signature]

TITLE:

Director Dialysis Unit

[Signature]
CEO

DATE:

5/30/84



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 27, 1985

TO: Board of Governors
FROM: C. Edward Schwartz, Hospital Director
SUBJECT: Medical Staff Bylaws/ Rules and Regulations

Attached are two sets of proposed changes to the Medical Staff Bylaws and Rules and Regulations. The amendments have been reviewed and endorsed by the Joint Conference Committee. Prior to going to the Joint Conference Committee, the changes were also endorsed by the Medical Staff Hospital Council, the Council of Chiefs of Clinical Services, and the Medical Staff's Bylaws Committee.

The first set of amendments is to Sections I, II, and III of the Medical Staff Rules and Regulations, addressing malpractice insurance requirements. The new language creates standardized minimum malpractice insurance requirements for all members of the medical staff, specific professional personnel, and non-hospital ancillary personnel. This amendment was suggested at a Joint Conference Committee meeting several months ago.

The second amendment involves an addition to the Medical Staff Bylaws. A new committee, the Cardiovascular Service Advisory Committee, is being created as part of our quality assurance efforts.

We will be happy to answer any questions you may have at the Board meeting.

RULES AND REGULATIONS OF THE MEDICAL AND DENTAL STAFF
(Revisions)

Section I. Staff Membership.

D. Malpractice Insurance ~~Required~~ Requirement.

2. Attending Staff. Each Attending Staff member shall have a policy of malpractice insurance coverage policy which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence and which further shall provides that the Board of Regents of the University of Minnesota are is named as an additional insured under the policy.

3. Clinical Staff. Each Clinical Staff member, because of the predominance their practice elsewhere, shall demonstrate the existence of some malpractice insurance coverage that will be in place during their membership on the clinical staff. shall have a malpractice policy in force which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence that shall extend to his or her practice at the University of Minnesota Hospitals and Clinics and which further shall provide that the Board of Regents of the University of Minnesota is

are named as an additional insured under the policy. All members of the Clinical Staff shall provide proof of insurance coverage by June 1, 1985 and thereafter as required in their Application for Reappraisal and Reappointment.

4. Emeritus Staff. Each Emeritus Staff member with clinical privileges shall demonstrate the existence of some malpractice insurance coverage that will be in place during their membership on the Emeritus Staff have malpractice insurance policy which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence and which shall further provide that the Board of Regents of the University of Minnesota is are named as an additional insured under the policy. All members of the Emeritus Staff with clinical privileges shall provide proof of this insurance coverage by June 1, 1985 and thereafter as required in their Application for Reappraisal and Reappointment.

Section II. Specified Professional Personnel.

F. Malpractice Insurance Required Requirements.

2. Specified Professional Personnel Attending Staff.
Each member of the Specified Professional Personnel

Attending Staff member shall have a policy of malpractice insurance coverage policy which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence and which further shall provides that the Board of Regents of the University of Minnesota is named as an additional insured on under the policy.

3. Specified Professional Personnel Clinical Staff. Each member of the Specified Professional Personnel Clinical Staff member, because of the predominance of their practice elsewhere, shall demonstrate the existence of some malpractice insurance coverage that will be in place during their membership on the clinical staff. shall have a malpractice insurance policy in force which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence that shall extend to his or her practice at the University of Minnesota Hospitals and Clinics and which shall provide that the Board of Regents of the University of Minnesota are is named as an additional insured under the policy. All members of the Specified Professional Personnel Clinical Staff shall provide proof of this coverage by June 1, 1985 and thereafter as required in their Application for Reappraisal and Reappointment.

4. Specified Professional Personnel Emeritus Staff.
Each member of the Specified Professional Personnel Emeritus Staff member with clinical privileges shall demonstrate the existence of some malpractice insurance coverage that will be in place during their membership on the Emeritus Staff. have a malpractice insurance policy which shall provide for at least one million dollars (\$1,000,000) of coverage per claim or occurrence and which further shall provide that the Board of Regents of the University of Minnesota is are named as an additional insured on the policy. All members of the Specified Professional Personnel Emeritus Staff shall provide proof of this coverage by June 1, 1985 and thereafter as required on their Application for Reappraisal and Reappointment.

Section III. Personnel Performing Delegated Functions.

A. Non-Hospital Ancillary Personnel.

3. Insurance Required.

For non-hospital ancillary personnel who are not hired through the University of Minnesota Personnel Department to be qualified to practice within the University of Minnesota Hospitals and Clinics, the responsible physician or dentist

employing them must demonstrate that the employee is covered by a professional liability insurance policy of at least one million dollars (\$1,000,000) of coverage per claim or occurrence and which further shall provide that the Board of Regents of the University of Minnesota is are named as an additional insured on the policy. If the non-hospital ancillary personnel employee will have only limited or low risk patient contact, as determined by the Medical Staff - Hospital Council upon recommendation of the responsible physician or dentist, a professional liability insurance policy of one hundred thousand dollars (\$100,000) of coverage per claim or occurrence and which further shall provide that the Board of Regents of the University of Minnesota is are named as an additional insured on the policy may be accepted. The responsible physician or dentist shall also demonstrate that the non-hospital ancillary personnel employee is covered by a policy of worker's compensation insurance. It shall be the duty of the responsible physician or dentist to assure that the required coverage is in force at all times during the employment of such ancillary personnel and shall provide the hospital with evidence of such coverage on June 1, 1985, and

thereafter as required on annual performance evaluations.

Proposed Charge
Cardiovascular Services Advisory Committee

I) Composition:

The Cardiovascular Services Advisory Committee shall consist of at least nine representatives of the medical staff; which shall include representatives of Cardiovascular Surgery, Pediatric Cardiology, Internal Medicine Cardiology, Laboratory Medicine and Pathology, Diagnostic Radiology, Nuclear Medicine, and Hospital Administration as well the Medical Director of the Heart Catheterization Laboratory and the Director(s) of the Cardiopulmonary Laboratory. The Director of the Clinical Laboratories (Laboratory Medicine and Pathology) shall be designated as the chair of the committee.

II) Duties:

The Committee shall be responsible for the following specific duties and other tasks they deem appropriate in order to maintain the most effective and efficient use possible of the Heart Catheterization Laboratory and the Cardiopulmonary Laboratories (ECG, Stress Testing, Pulmonary Function, ECHO Laboratories).

- a) The formulation of broad policies and procedures regarding the provision of Coronary Angiography services and the functioning of the Heart Catheterization Laboratory and the Cardiopulmonary Laboratories.
- b) To assure that diagnostic patient care activities relating to cardiologic procedures are maximally cost effective.
- c) The review of proposed Capital Budget expenditures for the Heart Catheterization Laboratory and the Cardiopulmonary Laboratories.
- d) To advise the institution as to directions the Heart Catheterization Laboratory and the Cardiopulmonary Laboratories should take in developing, expanding or limiting of related service programs.
- e) The periodic review of the quality of Coronary Angiography, Angiography, and Physiologic Studies and the care provided in the Heart Catheterization Laboratory and the Cardiopulmonary Laboratories.

III) Meetings:

The Committee shall meet as often as necessary to accomplish its function, shall maintain a permanent record of its proceedings and shall make reports and recommendations as appropriate to the Medical Staff Hospital Council and the Hospital Director.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 27, 1985

TO: Board of Governors Finance Committee

FROM: Clifford P. Fearing
Senior Associate Director

SUBJECT: Report of Operations for the Period July 1, 1984
through January 31, 1985.

The Hospitals operations through the end of January continue to reflect the levels of activity and trends evident through the first half of the fiscal year. Inpatient census levels remain below seasonal projections while outpatient clinic activity remains slightly ahead of budgeted levels. To highlight our position:

Inpatient Census: Admissions for the month of January totaled 1,597, or 90 below projected admissions of 1,687. Patient days for January totaled 12,839 and were 2,443 days below projections. The patient day variance for the month continues to be from the combined effect of lower admission levels and a shorter overall length of stay.

January's census activity changed our admissions variance from 377 (3.9%) below budget at the end of December to 467 (4.1%) below budget as of the end of January. The patient day variance changed from 8,445 days (9.5%) below budget at the end of December to 10,888 days (10.4%) below budget at the end of January.

To recap our year-to-date inpatient census:

| | 1983-84 | 1984-85 | 1984-85 | | % |
|--------------------|---------------|---------------|---------------|-----------------|-----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Variance</u> |
| Admissions | 11,659 | 11,402 | 10,935 | <467> | <4.1> |
| Avg. Lgth. of Stay | 9.4 | 9.1 | 8.6 | <0.5> | <5.5> |
| Patient Days | 109,590 | 104,397 | 93,509 | <10,888> | <10.4> |
| Percent Occupancy | 69.3 | 71.4 | 64.4 | <7.0> | <9.8> |
| Avg. Daily Census | 509.7 | 485.6 | 434.9 | <50.7> | <10.4> |

Outpatient Census: Clinic visits for the month of January totaled 17,871 or 1,504 (9.2%) above projected visits of 16,367. The increase in outpatient activity during the month occurred throughout most of the clinic areas. In addition we also opened the Sports Medicine Clinic in January. Our year-to-date clinic census through January totals 121,162 visits and represents a favorable variance of 2,034 (1.7%) above projected levels.

Financial Operations: The Hospitals' statement of Operations shows total revenues over expense of \$11,837,122 a favorable variance of \$9,385,277. This overall variance reflects both a favorable variance in net revenues from operations of \$7,452,000 and a favorable variance in non-operating revenues of \$1,933,000.

Of the \$4,965,745 increase in revenue over expense for the month, approximately \$3,550,000 is due to a restatement of third party contractual discounts. Through the month of December we had taken a very conservative position in accruing for discounts in light of the many recent changes to the Prospective Payment System (PPS). Based on new payment monitoring reports available to us we are seeing that our experience under PPS is better than we anticipated and as a result are adjusting our contractual discounts down by \$3,550,000 to reflect that.

Patient care charges through January totaled \$109,366,272 and are \$3,149,236 (3.0%) above budgeted levels. Routine revenue is 7.5% below budget and reflects the overall patient day variance. Ancillary revenue remains 9.0% above budget and continues to reflect utilization levels per patient that are higher than anticipated.

Operating expenditures through January totaled \$96,116,034 and are approximately \$2,811,000 (2.8%) below budgeted levels. There were no significant changes in expenditure levels during the month of January and we continue to see the overall favorable variance reflected in nearly all expense categories.

Accounts Receivable: The balance in patient accounts receivable as of January 31, 1985 totaled \$48,421,443 and represents 95.7 days of revenue outstanding. Total patient receivables declined nearly \$900,000 during the month of January and reflects a \$735,000 advance from Blue Cross. We are continuing to work with Blue Cross with regard to their overall receivable position and expect to see further progress over the next several months.

Conclusion: The Hospitals' overall financial position as of the end of January remains positive and above budgeted levels. Based on an in-depth review of our projected year-end financial position it appears we will achieve our year-end targeted net revenues. We continue to monitor our demand for service, and to the extent it changes, we will make those operational changes that are appropriate.

UNIVERSITY OF MINNESOTA HOSPITALS & CLINICS

STATEMENT OF OPERATIONS

FOR THE PERIOD JULY 1, 1984 TO JANUARY 31, 1985

| | Budgeted | Actual | Variance Over/-Under Budget | Variance % |
|---|---------------------|---------------------|-----------------------------------|--------------|
| Gross Patient Charges | \$106,217,036 | \$109,366,272 | \$3,149,236 | 3.0% |
| Deductions from Charges | 17,645,900 | 16,086,320 | -1,559,580 | -8.8% |
| Other Operating Revenue | 2,010,092 | 1,942,452 | -67,640 | -3.4% |
| Total Revenue from Operations | \$90,581,228 | \$95,222,404 | \$4,641,176 | 5.1% |
| Expenditures | | | | |
| Salaries | \$47,406,155 | \$45,871,330 | \$-1,534,825 | -3.2% |
| Fringe Benefits | 9,631,167 | 8,259,452 | -1,371,715 | -14.2 |
| Contract Compensation | 4,893,551 | 4,881,039 | -12,512 | -0.3 |
| Medical Supplies, Drugs, Blood | 14,567,530 | 15,491,358 | 923,828 | 6.3 |
| Campus Administration Expense | 3,324,545 | 3,324,545 | 0 | |
| Depreciation | 3,889,172 | 3,923,736 | 34,564 | 0.9 |
| General Supplies & Expense | 15,214,682 | 14,364,574 | -850,108 | -5.6 |
| Total Expenditures | \$98,926,802 | \$96,116,034 | \$-2,810,768 | -2.8% |
| Net Revenue from Operations | \$-8,345,574 | \$-893,630 | \$7,451,944 | |
| Non-Operating Revenue | | | | |
| Appropriations | \$7,682,097 | \$7,621,409 | \$-60,688 | -0.8% |
| Interest Income on Reserves | 1,780,083 | 3,850,783 | 2,070,700 | |
| Shared Service | 239,623 | 242,072 | 2,449 | 1.0 |
| Investment Income on Trustee Held Assets | 1,095,616 | 1,016,488 | -79,128 | -7.2 |
| Total Non-Operating Revenue | \$10,797,419 | \$12,730,752 | \$1,933,333 | 17.9% |
| Revenue Over / -Under Expenses | \$2,451,845 | \$11,837,122 | \$9,385,277 | (1) |

(1) Variance equals 10.4% of total budgeted revenue.




UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 27, 1985

TO: Board of Governors Finance Committee

FROM: Clifford P. Fearing 
Senior Associate Director

SUBJECT: Bad Debts -- October 1, 1984 through December 30, 1984.

The total amount recommended for bad debt of Hospital accounts receivable during the second quarter of 1984-85 is \$811,283.01, represented by 1,071 accounts. Bad debt recoveries during the period amounted to \$4,812.29, leaving a net charge off of \$806,470,72.

Total bad debts for the first two quarters of the fiscal year 1984-85 are \$1,241,150.98, which is 1.33% of gross charges. This compares to a budgeted level of bad debts of 1.33%.

Also enclosed for your approval are \$1,005.72 of Home Health Services accounts.

A statistical summary follows on this report with detailed description of losses over \$2,000 and recoveries over \$200.

CPF/jem

enc.

HEALTH SCIENCES



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

February 27, 1984

TO: Finance Committee Members
and Board of Governors Members

FROM: Greg Hart
Senior Associate Director

SUBJECT: Comparable Worth Update.

The subject of comparable worth will again be on the agenda for the upcoming Finance Committee and Board of Governors meetings. The presentations at the February meetings will again be informational in nature, and will focus on compensation policy options within the context of comparable worth. Recommendations for Committee and Board action will be made at the March meetings.

The February presentation will briefly summarize the informational/historical material presented at the Board meeting in January, particularly for the benefit of new Board members or those who may have missed the January meeting. We will also be presenting the conclusions we have reached to date in our discussions with central University officers, including Vice President Vanselow and Vice President Lilly, on the general approach to implementation of comparable worth salary adjustments for Hospital employees.

The Finance Committee and Board should be aware that a somewhat tangential but related matter has arisen in the course of the recent discussions with central administration. That matter involves the basis for the "split" between the University and the Hospital personnel systems. You may recall that the Regents delegated responsibility for personnel compensation and classification to the Board of Governors in 1983. At that time the Board of Governors became responsible for compensation/classification for "Hospital-dominated" classifications, i.e., those employee classes where greater than 50% of the University's employees in that job class are based at the Hospital (e.g. nurses). Conversely, the University continued to set compensation policy for "University-dominated" classes, i.e., those classes where greater than 50% of the University's employees in that job class are based outside the Hospital (e.g. secretaries). Using this approach, approximately 80% of the Hospitals employees have their compensation determined by the Board of Governors, and 20% by the University.

Comparable Worth Update
Page two

Our recent discussions have led us to the conclusion that it would be preferable to have all Hospital employees functioning under the same compensation and classification system. While all concerned agree that this is a worthwhile objective, some logistical considerations remain to be explored. Once these have been further researched, we will likely be bringing a recommendation to the Board of Governors which would change the original principles of personnel delegation. Such a change would require the ultimate approval of the Regents. The time frame on this matter will be approximately 3 - 6 months from now.

We look forward to continued discussion of these items at the upcoming Finance Committee and full Board meetings.

GH/jem

PLAN OF REFINANCING
BOARD OF GOVERNORS OF
THE UNIVERSITY OF MINNESOTA HOSPITALS & CLINICS
UNIVERSITY HOSPITALS AND CLINICS BONDS, SERIES 1982

I. General Plan

The financing plan used by Goldman Sachs for the refinancing of the University's outstanding Series 1982 Bonds decreased University borrowing costs by:

- 1) Issuing \$97,151,138 in conventional long-term fixed rate advanced refunding bonds.
- 2) Issuing (in April 1985) approximately \$60,000,000 Variable Rate Demand Bonds (VRDBs).

The University purchased back through a tender offer a portion of the outstanding Series 1982 Bonds with an aggregate purchase price of \$53,395,900. These bonds would be refinanced with lower interest cost variable rate demand bonds to be issued in April 1985.

II. Managers

The fixed rate bonds were sold through a management group with Goldman Sachs as senior manager and Merrill Lynch, Dain Bosworth, First Bank St. Paul, Miller & Schroeder, Norwest Bank, and Piper Jaffray Hopwood as co-managers. The variable rate issue will be placed by Goldman Sachs who will also serve as remarketing agent. Dougherty, Dawkins, Strand & Yost is serving as financial advisor for the refinancing and information agent on the tender offer.

III. Savings

The savings anticipated from this plan result from two separate components: lower rates available in today's tax-exempt market on the fixed rate issue and the assumption of variable, short-term, tax-exempt bonds to average 5.75% gross including letter of credit and remarketing fees over the next 30 years. Potential savings will also result from allowable arbitrage earnings on the \$25.8 million equity contribution of the Hospital.

Under this plan, the estimated net present value savings (i.e., future savings to be realized, discounted at the interest rate projected as of today on the long-term bonds of 9.47% is \$22,885,464. This is calculated based on bond market conditions of January 25, 1985. (The gross savings is \$92,600,731).

These net P.V. savings are to be realized in two ways:

| | |
|------------------|----------------|
| Fixed Rate Bonds | \$5,847,142.00 |
|------------------|----------------|

| | |
|--|----------------|
| - Interest rate savings | \$2,490,082.00 |
| - Arbitrage earnings on Hospital equity | 3,357,060.00 |

| | |
|---------------------|-----------------|
| Variable Rate Bonds | \$17,038,322.00 |
|---------------------|-----------------|

The savings on the VRDBs assumes an average interest rate of 5.75% over thirty years.

The average interest cost on the 1985 Series long-term fixed rate bonds is 9.47%.

The present cost per patient day of debt service is \$83.70. The plan contemplates estimated cost per patient day of \$69.15.

IV. Assumptions

In order to structure the refinancing, the following assumptions have been made:

- 1) The bonds will be issued as General Obligation Bonds of the University of Minnesota. In 1982 the bonds were technically not secured by the full faith and credit of the University although the University guaranteed annual replacement of the Debt Service Reserve Fund.
- 2) The proposed plan of refinancing assumes a level annual debt service payment for 30 years commencing in 1987. This is the same as the Series 1982 Bonds. Debt service payments have not been extended.
- 3) The issuance of the \$60 million VRDB will take place in April 1985. The tender offer period expired February 11, 1985 at which time we selected \$43,705,000 of bonds to purchase from \$57,500,000 in tendered bonds. The amount of bonds purchased was determined by using a \$60,000,000 maximum VRDB issue level.
- 4) We currently have a rating of AA from Standard & Poors. The rating from Moody's is currently A-1. We have a continuation of these ratings.
- 5) The trustee on the fixed rate advanced refunding will be First Bank Minneapolis, the trustee on the 1982 Bonds. They likewise acted as depository for tendered bonds.

The trustee on the VRDB issue will be Norwest Bank Minneapolis, the same as for the 1984 Series VRDBs. We are presently arranging for a bank line of credit on the VRDB issue.

V. Estimated Sources and Uses of Funds

Further detail of the estimated sources and uses of funds for the two-part refinancing is outlined below:

SOURCES AND USES OF FUNDS FOR REFUNDING

SOURCES OF FUNDS:

| | | |
|------------------------|-------------------|-------------------------|
| Bond Proceeds | | \$97,151,138.60 |
| Trustee-Held Funds: | | |
| Interest Fund | \$19,138,754 | |
| Reserve Fund | 17,283,499 | |
| Construction Fund | <u>32,662,324</u> | 69,084,577.00 |
| University Equity | | <u>79,195,900.00</u> |
| TOTAL SOURCES OF FUNDS | | <u>\$245,431,615.60</u> |

USES OF FUNDS:

| | | |
|----------------------------|-------------------|-------------------------|
| Escrow Deposit: | | |
| SLGs | \$81,061,000 | |
| Open Markets | <u>25,800,000</u> | \$106,861,000.00 |
| Capitalized Interest | | 11,292,330.00 |
| Tender Price | | 53,395,900.00 |
| Tender Accrued Interest | | 1,336,119.00 |
| Construction Fund | | 33,063,822.60 |
| Construction Reimbursement | | 25,800,000.00 |
| Debt Service Reserve Fund | | 10,421,175.00 |
| Underwriter's Discount | | 1,985,769.00 |
| Original Issue Discount | | 166,500.00 |
| Issuer's Expenses | | <u>1,109,000.00</u> |
| TOTAL USES OF FUNDS | | <u>\$245,431,615.00</u> |

VARIABLE RATE ISSUE:

| | | |
|---|--|------------------------|
| Sources of Funds: | | \$60,000,000.00 |
| Uses of Proceeds | | |
| Tender Purchase Price | | \$53,396,000.00 |
| Debt Service Reserve Fund | | 6,000,000.00 |
| Costs of Issuance | | <u>640,000.00</u> |
| Total VRDBs | | <u>\$60,000,000.00</u> |
| Present Value Savings at 9.50% | | \$22,885,000.00 |
| Gross Savings | | \$92,601,000.00 |
| Average Interest Cost on Fixed Rate Issue | | 9.47% |

VI. Schedule for Two-Part Refinancing

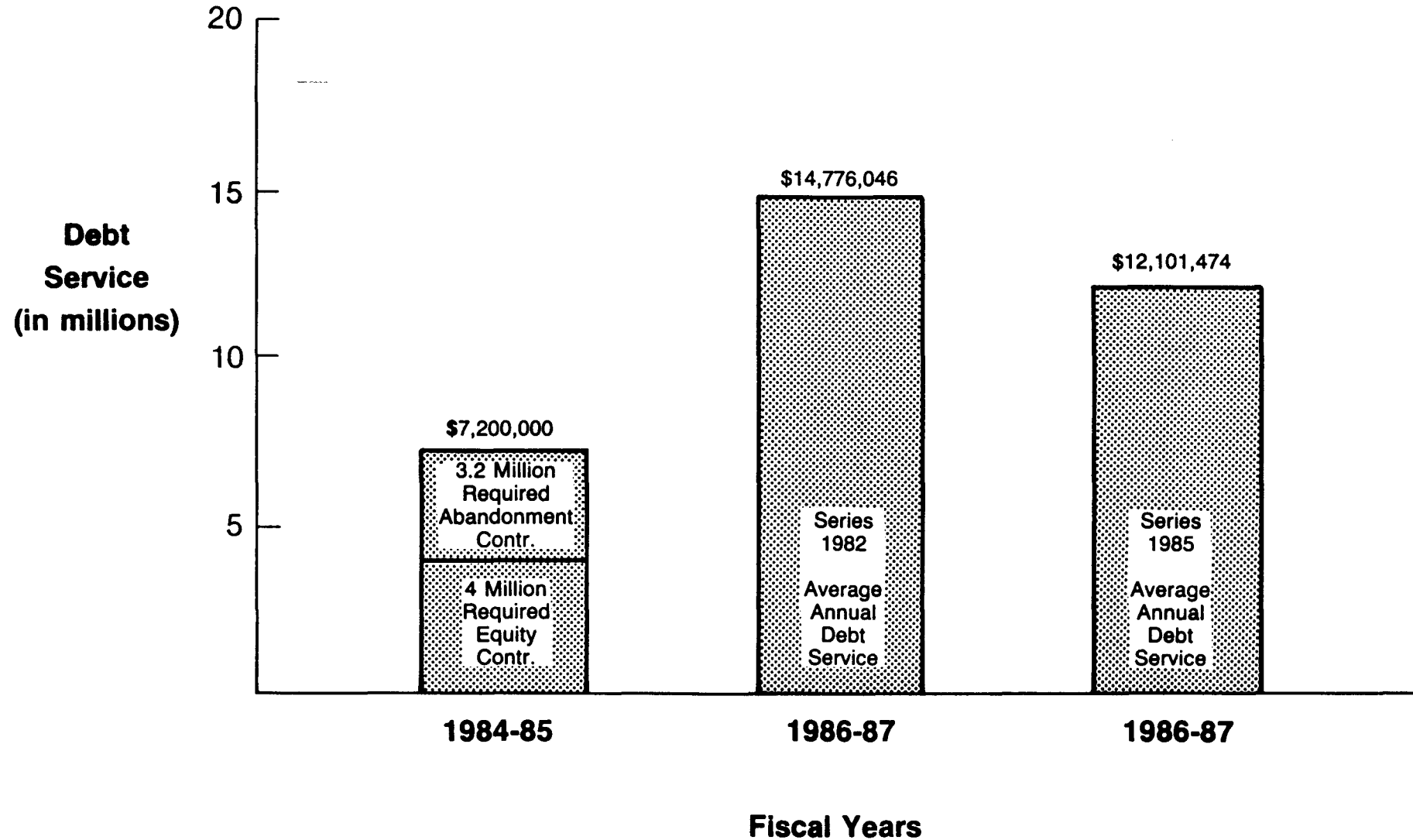
| | |
|----------------|---|
| January 28/29 | Publication of Tender Notice. |
| February 7/8 | Regents' authorization to proceed with refinancing plan; Bond resolution for fixed rate bond issue and approval of temporary borrowing of tendered bonds. |
| February 9 | Mail Preliminary Official Statement on fixed rate bond issue. |
| February 11 | Close of tender offer period; determine exact size of fixed rate bond issue. |
| February 12 | Staff meets with Standard & Poor's for rating review. |
| February 12/13 | Establish prices on fixed rate bond issue. |
| February 14/15 | Sign Purchase Agreement with Goldman Sachs on fixed rate bond issue; acceptance of tendered bonds. |
| March 7/8 | Regent's authorization - bond resolution for variable rate demand bond issue. |
| March 11/12 | Pre-close and close on fixed rate bond issue; pay bondholders for tendered bonds*. |
| March 27 | Mail Preliminary Official Statement for VRDBs. |
| April 8/10 | Establish price on VRDBs. |
| April 11 | Sign Purchase Agreement with Goldman Sachs on VRDBs. |
| April 19 | Close on VRDB issue. (Repay University loan with bond proceeds.) |

* This payment may be made through a temporary loan from University funds with a line of credit to secure the loan.

VII. Other Considerations

It is possible that the Hospital will seek financing of approximately \$5 million to construct a 560 space parking ramp for patients and visitors to the Health Sciences.

University of Minnesota Hospitals & Clinics Impact of Debt Service for Unit J



BOARD OF GOVERNORS
CONSORTIUM SEPARATE LEGAL ENTITY
TO OPERATE HELICOPTER PROGRAM
AND OTHER SERVICES

FEBRUARY 27, 1985

BACKGROUND:

In December, the Board of Governors endorsed the concept of University Hospitals entering into a separate legal entity which would acquire Bio Medical Research Associates, Inc. for the purposes of owning and operating a helicopter program as well as other services currently provided by that company. The other services currently being provided by BMRA include a fixed-wing airplane and land-based ambulance company and perfusionist services for hospitals. The Regents approved this concept in January, 1985. At the time the concept was presented to the Governors, it was agreed that the Hospital would provide, for review and approval, the Articles of Incorporation for the new separate legal entity prior to the finalization of those documents.

Jan Halverson, together with other members of the University Attorney's office, has worked with the three hospitals involved to produce the Articles of Incorporation (Attachment "A"). Essentially, the Articles would accomplish the creation of a nonprofit Minnesota corporation with membership from the three hospitals. The incorporators would be the Chief Executive Officer of each of the hospitals and a Board of Directors who would be elected to oversee the ongoing work of the corporation, with each institution having two representatives.

It is our desire to obtain the endorsement of the Boards of the respective institutions and to take steps to accomplish the incorporation in the immediate future. The critical time elements related to this incorporation include the need to finalize the acquisition of BMRA and to enter into an agreement with the firm that will provide the helicopter.

Also, attached is a copy of the Bylaws of Critical Care Services that has been developed and will represent an initial item of business for the new corporation once it is formed (Attachment "B").

Because of the nature of the relationship between the University Hospitals and this newly formed separate legal entity, we are providing the bylaws as an item of information and are presenting the Articles of Incorporation for your approval.

RECOMMENDATION:

It is recommended that the Board of Governors approve the Articles of Incorporation of Critical Care Services, Inc.

ARTICLES OF INCORPORATION
OF
CRITICAL CARE SERVICES, INC

The undersigned, for the purpose of forming a corporation under the provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317, adopts the following Articles of Incorporation:

ARTICLE I

The name of the corporation is Critical Care Services, Inc.

ARTICLE II

The purposes for which the corporation is organized are exclusively charitable and educational within the meaning of Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954. Within the framework and limitations of the foregoing, the corporation shall be operated exclusively to engage in the development and operation of medical transportation service and critical care support services. Its primary purpose is to support and assist its members in providing specialized care for the medical needs of their patients, such as trauma, burn, neurologic, orthopedic, neonatal and cardiac, and achieving their respective goals in research and education.

For such purposes, and not otherwise, the corporation shall have and exercise only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature

whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and whether in trust or otherwise, and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom in furtherance of the purposes of the corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the same, and such other powers that are consistent with the foregoing purposes and that are afforded to this corporation by the Minnesota Nonprofit Corporation Act. Provided, however, that all such powers of the corporation shall be exercised only so that the activities of the corporation shall be exclusively within the contemplation of Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, and of Section 290.05, Subdivision 1(i), of the Minnesota Statutes; provided further, however, that the reference herein to Section 290.05, Subdivision 1(i), of the Minnesota Statutes shall not permit, and shall not be taken as permitting, this corporation to have or exercise any power which is not within the contemplation of Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954; and provided finally, however, that this corporation shall not carry on any activity not permitted to be carried on by a corporation that is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1954 as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954 or by a corporation that is described in, and contributions to which are deductible for federal income tax pur-

poses under, Section 170(c)(2) of the Internal Revenue Code of 1954.

All references in these Articles of Incorporation to a particular section of the Internal Revenue Code of 1954 shall mean and include, as now enacted or as hereafter amended, such section and any provision of federal law as is or may hereafter be applicable, cognate to such section; and the references in this Article II to Section 290.05, Subdivision 1(i), of the Minnesota Statutes shall mean and include, as now enacted or as hereafter amended, such provision and any provision of Minnesota law as is or may hereafter be applicable, cognate to such provision.

ARTICLE III

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered. The corporation shall not lend any of its assets to any officer, director, or member of the corporation or guarantee to any person the payment of a loan by any officer, director, or member of the corporation.

No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE IV

The duration of the corporation shall be perpetual.

ARTICLE V

The registered office of the corporation shall be located at 800 East 28th Street, in the City of Minneapolis, County of Hennepin, State of Minnesota.

ARTICLE VI

The names and addresses of the incorporators, each of whom is a natural person of full age, are:

| <u>Name</u> | <u>Address</u> |
|--------------------|---|
| David Gitch | 640 Jackson Street, St. Paul, MN |
| Gordon Sprenger | 800 East 28th Street, Minneapolis, MN |
| C. Edward Schwartz | 420 Delaware Str. S.E., Minneapolis, MN |

ARTICLE VII

The general management and affairs of the corporation shall be vested in a Board of Directors. The number, qualifications, term of office, method of election, powers, authority, and duties of the directors of the corporation, the time and place of their meetings, and such other provisions with respect to them as are not inconsistent with the express provisions of these Articles of Incorporation shall be as specified in the Bylaws of the corporation. The names and addresses of the first Board of Directors, each of whom shall hold office until the annual meeting of the members of the corporation or until such director's successor shall have been elected or otherwise shall qualify, are:

| <u>Name</u> | <u>Address</u> |
|--------------------|---|
| David Gitch | 640 Jackson Street, St. Paul, MN |
| Gordon Sprenger | 800 East 28th Street, Minneapolis, MN |
| C. Edward Schwartz | 420 Delaware Str. S.E., Minneapolis, MN |

The directors shall serve without compensation but shall be reimbursed for expenses incurred in connection with conduct of the corporation's affairs.

ARTICLE VIII

The officers, directors and members of the corporation shall not be personally liable to any extent whatsoever for any debts or obligations of the corporation.

ARTICLE IX

The corporation shall have no capital stock, either authorized or issued.

ARTICLE X

The corporation may be dissolved in accordance with the laws of the State of Minnesota. Upon dissolution of the corporation, and after the payment of all liabilities and obligations of the corporation and all costs and expenses incurred by the corporation in connection with such dissolution, and subject always to the further provisions of this Article X, any remaining assets shall be distributed to and among such one or more corporations, associations, trusts, foundations, and institutions that are then in

existence, that are organized and operated exclusively for one or more purposes described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, that are described in Section 501(c)(3) and in Section 509(a)(1), (2), or (3) of the Internal Revenue Code of 1954, and that are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1954, all in such proportions as shall be determined (1) by the Board of Directors of the corporation if the dissolution of the corporation is not required by the laws of the State of Minnesota then in existence to be conducted under court supervision, or (2) by a court of competent jurisdiction if the dissolution of the corporation is required by the laws of the State of Minnesota then in existence to be conducted under court supervision.

Notwithstanding anything apparently or expressly to the contrary hereinabove contained in this Article X, if any assets are then held by this corporation in trust or upon condition or subject to any executory or special limitation and if the condition or limitation occurs by reason of the dissolution of this corporation, such assets shall revert or be returned, transferred, or conveyed in accordance with the terms and provisions of such trust, condition, or limitation.

ARTICLE XI

These articles may be amended only as provided in the corporation's bylaws.

IN WITNESS WHEREOF, we have subscribed our name hereunto.

BYLAWS
OF
CRITICAL CARE SERVICES, INC.

ARTICLE I

NAME & LOCATION

The name of this corporation is Critical Care Services, Inc. The Corporation is a non-profit corporation organized under the laws of Minnesota, the principal place of business of which shall be Minneapolis, Minnesota.

ARTICLE II

PURPOSE

The Corporation is formed to provide medical transportation and critical care support services.

ARTICLE III

MEMBERSHIP AND REPRESENTATIVES

1. Membership. Members of Critical Care Services, Inc. are Abbott-Northwestern Hospital, Inc., St. Paul-Ramsey Medical Center and University of Minnesota Hospitals and Clinics. Members may be added in accordance with provisions of ARTICLE XII.
2. Financial Contribution of Members. Members shall share equally in the initial capitalization of the Corporation. The Board of Directors shall determine, on an annual basis, the financial contribution which members will be required to make

to the Corporation in order to continue their participation in the Corporation. The Board may also determine additional financial contributions which shall be required of members to cure operating deficits or which the Board may deem necessary.

3. Representatives of Members and Voting Powers. The representatives of the members shall be the Directors appointed by such members. Voting rights shall vest in each designated Director. Members shall not have voting rights.
4. Termination of Membership. Should any member fail to make any financial contribution required by the Board of Directors for participation in the Corporation within forty-five (45) days of the mailing of invoice, the Board may give notice of its intention to terminate the membership of that member. Upon the member's failure to make the required contribution within an additional ten (10) days of the mailing or other delivery of such notice the Board may terminate that member's membership.

ARTICLE IV

BOARD OF DIRECTORS

1. Directors. The property, affairs and business of the Corporation shall be managed by the Board of Directors which shall consist of six (6) persons. The Chief Executive Officer of each member hospital shall appoint two (2) Directors, one of whom has medical staff privileges at the institution and the other who shall be a member of the institution's administrative staff.

2. Term. Directors shall serve for an indefinite term until removed by their member institution.

3. Annual Meetings. The Board of Directors shall hold an annual meeting. Notice of the annual meeting shall be provided to all Directors and such other persons as the Board may designate. Said notice shall designate the time and place of the meeting and shall be provided to all Directors more than fourteen (14) days in advance of the date of the meeting. The purpose of the annual meeting shall be the election of the officers for the ensuing year in accordance with these Bylaws and to transact such other business as may properly come before the meeting.

4. Regular Meetings. Regular meetings of the Board of Directors shall be held as necessary but at least quarterly at a time and place designated by the Board at its last previous meeting. The initial meeting shall be held at such date, hour and place as the founding Directors shall determine.

5. Special Meetings. Special meetings of the Board of Directors shall be held at such time and place as shall be designated in a written notice of meeting. Special meetings may be called by the Chair or any two (2) Directors. Written notice of any special meeting shall be provided to each Director by mail at least five (5) days in advance of the meeting, or by personal delivery to each Director at least twenty-four (24) hours in advance of a meeting.

6. Quorum. A majority of the Directors shall constitute a quorum at any meeting as long as each member is represented. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors -- excepting for amendment of these Bylaws, as provided in ARTICLE XII.

7. Absent Directors. A Director may give advance written consent or opposition to a proposal to be acted on at a Board or committee meeting. If the Director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting if the proposal acted on in the meeting is substantially the same or has substantially the same effect as the proposal to which the Director has consented or objected.

ARTICLE V

OFFICERS

1. Officers. The officers shall be: Chair, Vice Chair, Treasurer and Secretary.
2. Election of Officers. All of the officers shall be elected by the Board of Directors at its initial meeting. Thereafter, the officers shall be elected at the annual

meeting of the Board of Directors. They shall hold office at the pleasure of the Board, and until their successors are elected. If for any reason an elected officer cannot continue to serve in office, a special election will be held at any regular meeting of the Board to elect a successor for the vacated office. Nominees for any office must be Directors. The officers shall be distributed among the members of the corporation so that each member has at least one officer.

ARTICLE VI

DUTIES OF OFFICERS

1. Chair. The Chair shall preside at all meetings of the Corporation, and shall perform such other duties as may be assigned or required by the Board of Directors.
2. Vice Chair. The Vice Chair shall perform all the duties of the Chair in his or her absence, and such other duties as may be assigned by the Chairman or the Board of Directors.
3. Treasurer. The Treasurer shall be responsible for the financial affairs of the Corporation, and shall be responsible for preparation of the Corporation's annual budget and such other duties as may be assigned to him or her by the Chair. He or she shall cause to be kept such financial records as are expected for prudent fiscal management. He or she shall report on the financial affairs of the Corporation as requested by the Board of Directors.

4. Secretary. The Secretary shall be responsible for minutes of all meetings of the Board of Directors, and in general perform such acts as are customarily associated with this office.

ARTICLE VII

EXECUTIVE DIRECTOR

1. Appointment. The Board of Directors shall appoint an "Executive Director" who shall administer the office and conduct the business of the Corporation in accordance with the Board's policies and programs.
2. Responsibility. The Executive Director shall be responsible to the Board for the faithful performance of all assigned duties.

ARTICLE VIII

COMMITTEES

Committees. The Board of Directors may authorize establishment of committees as deemed necessary. At least one member of the Board of Directors will be named to each committee. Recommendations of committees will be made to the Directors. Committees will continue in existence until terminated by action of the Board. The Chair shall be an ex-officio member of all committees; and the Executive Director shall attend all meetings of committees.

ARTICLE IX

RECORDS

1. Records To Be Kept At Registered Office. The Corporation shall at all times keep at its registered office the following records:
 - (a) The original or copies of all proceedings of the Board of Directors, its Articles of Incorporation, Bylaws and all amendments thereto and of reports made to the members or any of them within the preceding three (3) years;
 - (b) A statement of the names and post office addresses of the principal officers and Board of Directors;
 - (c) Appropriate and complete books of account.

2. Members Rights to Examine Records. Every member of the Corporation shall have the right to examine, in person or by agent or attorney at any reasonable time or times, for any proper purpose and at the place or places where usually kept, the books of account and records of the proceedings of the Board of Directors and to make extracts therefrom.

ARTICLE X

INSURANCE

The Board of Directors may authorize the purchase and maintenance of such insurance as it may deem necessary or prudent to indemnify the Corporation or the persons who have been are or may be Directors or officers of the Corporation against any liability

asserted against and incurred by the Corporation or such persons acting in their capacity as officers or Directors.

ARTICLE XI

CORPORATE SEAL

The Corporation shall not have a corporate seal.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended at any meeting of the Board of Directors by an affirmative vote of seventy-five percent (75%) of the Directors. Proposed amendments must be submitted to each Director not later than five (5) days prior to any meeting at which an amendment is to be proposed.

*Hand out at
2/27/85
Board Meeting*

Board of Governors

PARKING RAMP FUNDING

Background

In January, the Board of Governors endorsed the concept that University Hospitals proceed to acquire property and begin planning a parking ramp for Hospital patients and visitors. Since that time, the University, through Associate Vice President Clint Hewitt's office has made purchase offers to the existing land owners. The purchase price offers were based on two independent property appraisals. Responses by the owners are expected within the near future (construction is expected to start in July 1985).

At the time the Board of Governors endorsed the Parking ramp concept, the hospital administrative staff prepared a financial analysis of the parking ramp which contemplated using variable rate debt as the source of capital for the parking facility. In the interim, an advanced refunding of the 1982 Series Hospital debt has been initiated and partially completed. The remaining part of the refinancing transaction to be finished is the variable rate portion of approximately \$60 million.

Since it is the Hospitals' intention to use variable rate debt for the parking structure, we propose that the Board of Governors recommend to the Board of Regents that the funds required for the parking facility, approximately \$5 million, be added to the \$60 million needed to complete the refinancing transaction and have one combined variable rate bond issue. This combination will reduce both the costs of issuance of the bonds and the ongoing administrative costs of maintaining the debt.

If, for some unforeseen reason the Hospital does not move forward with the parking facility, the \$5 million in bonds can be retired at the end of their expiration date which at the present time is expected to be each 7 days. In the interim, the \$5 million will be invested at current yields of approximately 10%.

Recommendation

It is recommended that the Board of Governors endorse the issuance of \$5 million in variable rate demand bonds for the parking facility in conjunction with the \$60 million in variable rate demand bonds required to complete the refunding of the 1982 Series Hospital Bonds.

*Hand out
at 2/21/85
meeting*

MINNESOTA

Amendments to Chapter 43A, pertaining to state employees - 1981

- requires the establishment of equitable compensation relationships between female-dominated, male-dominated, and balanced classes in the executive branch
- requires a report every odd-numbered year of the inequities that exist
- first implementation July 1, 1983

Letter of Agreement between AFSCME and University of Minnesota and University of Minnesota Hospitals and Clinics - 1983

- agreement to conduct job evaluation studies
- identification of male-female composition of all job classes
- compensation for all classes
- report by January 1, 1985

Amendment to Chapter 456, pertaining to University of Minnesota employees requests

- a job evaluation study
- an analysis of compensation comparability for male-dominated, female-dominated and balanced classes
- a report by April 1, 1985

TIMELINE OF EVENTS

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

- . May 1983 Requests for proposals sent to eight job evaluation consultants
- . January 1984 Letter of Agreement regarding job evaluation and comparability studies signed with AFSCME
- . March 1984 ARTHUR YOUNG CO. selected as consultant
- . April 11-27,1984 Employee and management information meetings regarding Arthur Young's Decision Band Method of job evaluation
- . April 24, 1984 Legislation signed requesting University of Minnesota to conduct Compensation Comparability Study
- . May 10,1984 Hospitals Job Evaluation Committee's first meeting
- . October 5, 1984 First report of Job Evaluation Study to Hospitals Human Resource Management Committee

THE DECISION STRUCTURE

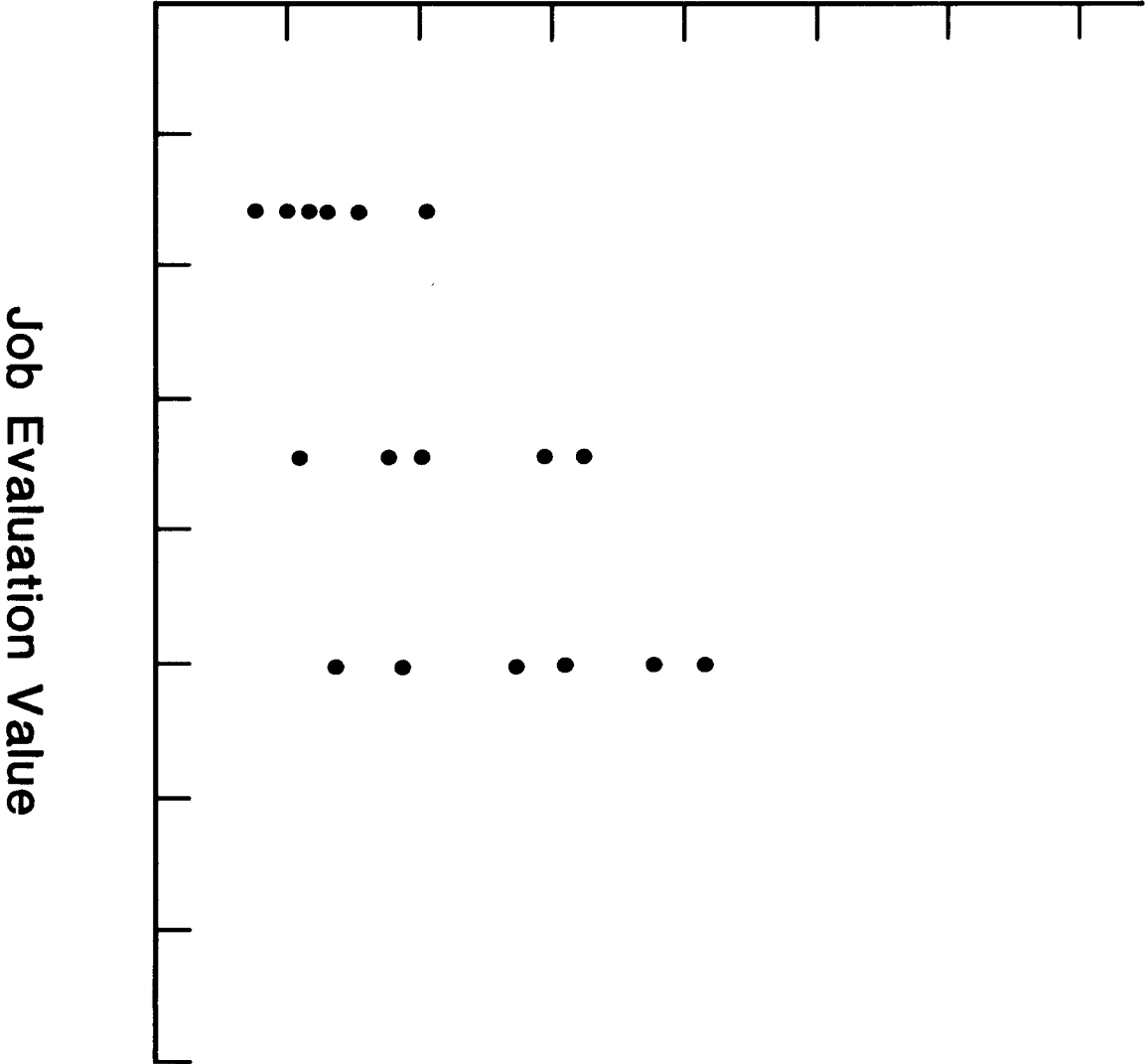
| Band | | Grade | | Sub-grade |
|------|--------------|-------|-----------------|-----------|
| F | Policy | 11 | Coordinating | 1 |
| F | | 10 | Noncoordinating | 3 |
| F | | 10 | | 2 |
| F | | 10 | | 1 |
| E | Programming | 9 | Coordinating | 2 |
| E | | 9 | | 1 |
| E | | 8 | Noncoordinating | 3 |
| E | | 8 | | 2 |
| E | | 8 | | 1 |
| D | Interpretive | 7 | Coordinating | 2 |
| D | | 7 | | 1 |
| D | | 6 | Noncoordinating | 3 |
| D | | 6 | | 2 |
| D | | 6 | | 1 |
| C | Process | 5 | Coordinating | 2 |
| C | | 5 | | 1 |
| C | | 4 | Noncoordinating | 3 |
| C | | 4 | | 2 |
| C | | 4 | | 1 |
| B | Operational | 3 | Coordinating | 2 |
| B | | 3 | | 1 |
| B | | 2 | Noncoordinating | 3 |
| B | | 2 | | 2 |
| B | | 2 | | 1 |
| A | Defined | 1 | Noncoordinating | 3 |
| A | | 1 | | 2 |
| A | | 1 | | 1 |

Typically 27 in Total

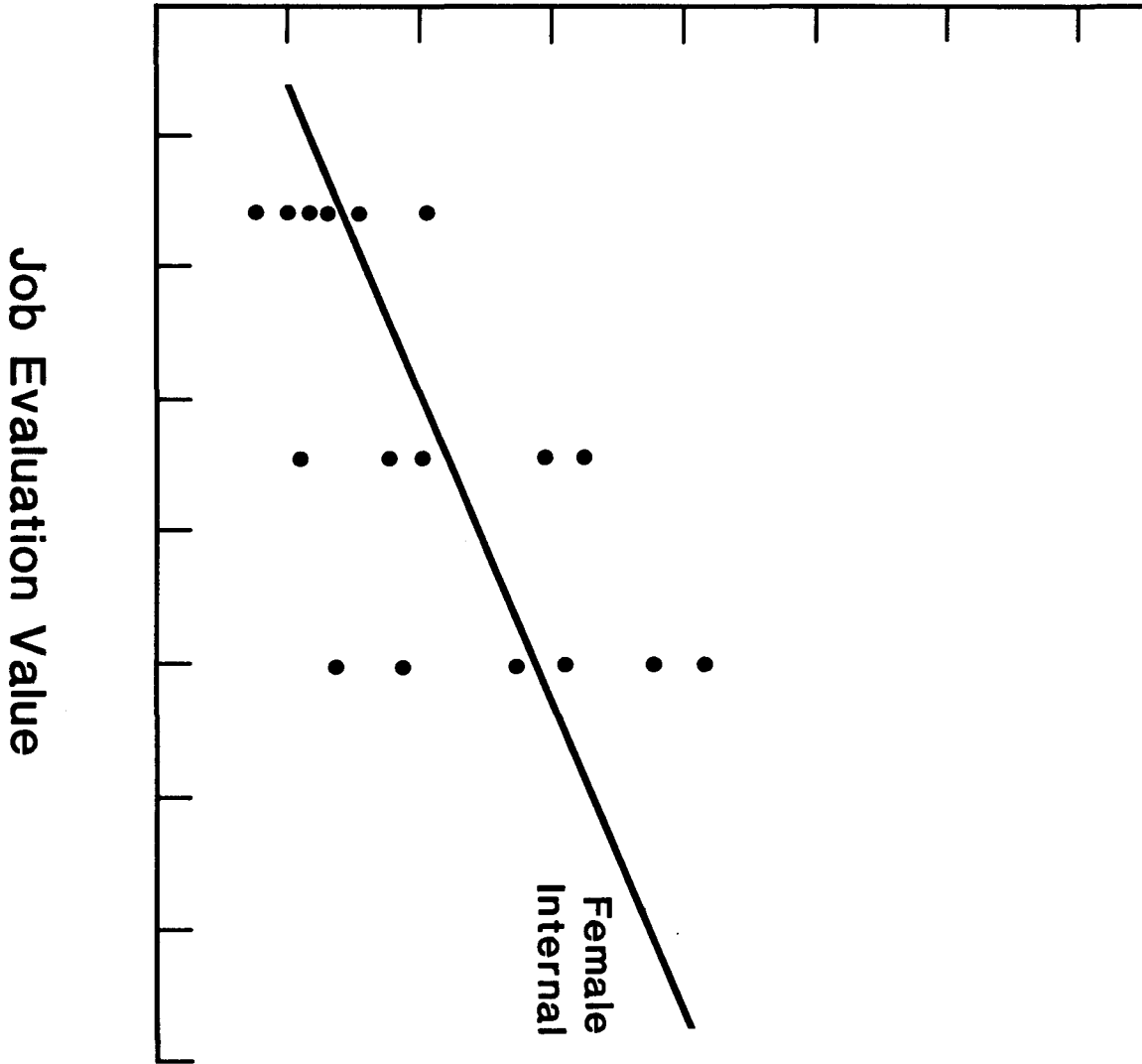
How Can Comparable Worth be Implemented at University Hospitals?

- Such that our social and
legal obligations are met, and**
- In a manner which considers the Hospital's
financial constraints and competitive environment**

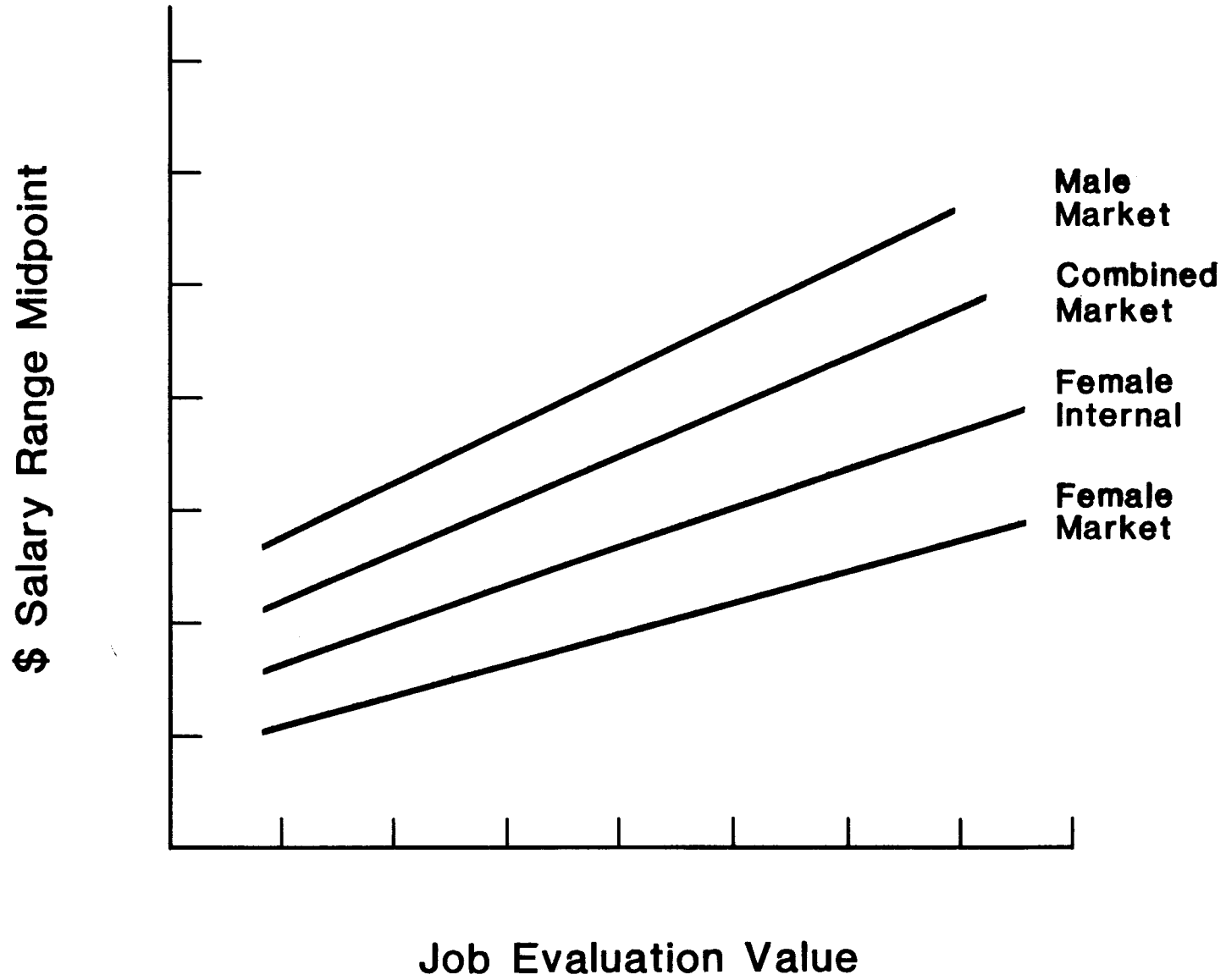
\$ Salary Range Midpoint



\$ Salary Range Midpoint

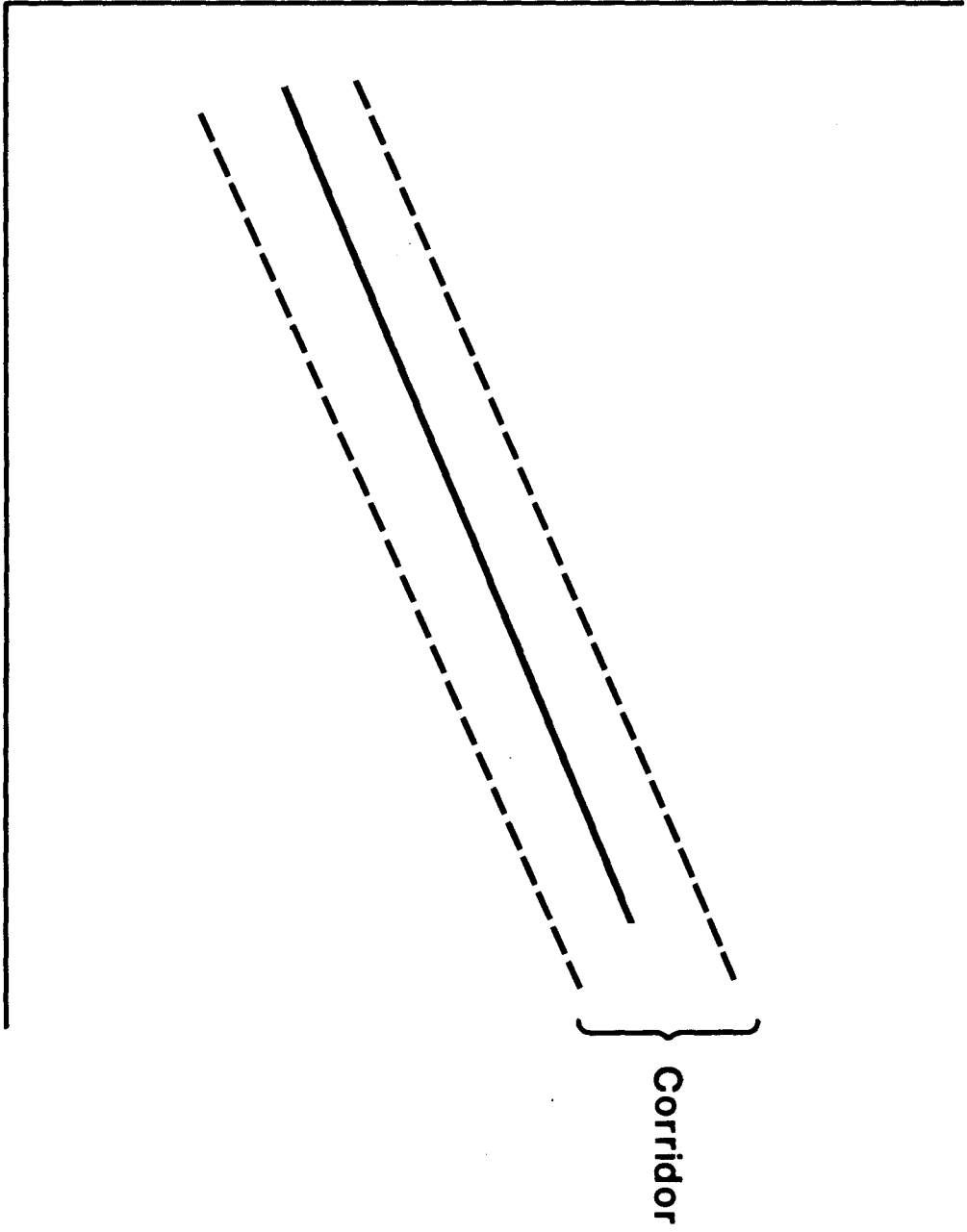


not drawn to scale



\$ Salary Range Midpoint

Job Evaluation Value



Focus Group Session - Hill and Knowlton

Handwritten notes

persons ranging in age from
received public assistance.
employed a

[REDACTED]

February 8, 1985

*Hand out at
Feb 14th meeting*

Focus Group Session - Hill and Knowlton

The Group

The group consisted of eleven "middle class" type persons ranging in age from 23-70 years. Several were retired, only one person received public assistance. All had been hospitalized during the last four years. The group displayed a mix of insurance coverage from Blue Cross to HMOs to other third-party payors. The facilitator was a skilled group leader and did a masterful job of working the group. Through a series of questions, opinions were expressed on the health care system. Finally, our four story boards were presented for discussions.

The Questions/Responses

1) How has coverage for health care changed?

- More complicated, more paperwork for the individual, more expensive;
- More insurance companies are picky about what they will pay for;
- More competitive;
- No paperwork with HMOs.

The conversation then shifted to the problems with HMOs - no choice of physician or specialist, doctors control your lives, doctors don't inspire confidence, it's hard to go to the hospital.

This group has not shopped around for insurance!

2) How have medical services changed (M.D.s and hospitals)?

- More personalized, shorter stays, not much time with doctor, more out-patient treatment, people discharged before they are ready to go, too much red tape, doctors fees are too high. Hospital personnel need greater sensitivity to patients. The admission people and the nurses are the key.

Abbott Northwestern and North Memorial are friendly places.

3) When you were hospitalized last, did you have a choice of hospitals?

- M.D. determined the hospital; very little choice;
- Doesn't matter--all hospitals cost the same.

4) What's the most irritating thing in hospitals today?

- The long waits, multiple testing, lack of privacy, not enough nurses, non-flexible visiting hours, waiting for the doctor, not enough patient education about what's going to happen.

5) Do you get what you pay for in hospitals?

- No, room charges are a joke, they charge for every item, they charge for things you don't use, the rates should go down after the most intensive part of the stay;
- Most people don't know what they pay for.

- 6) Have you been hospitalized at UMHC or do you know someone who has? What was the experience?
- Two people were referred here. One for eye laser surgery, one for foot surgery. Both indicated very good care and satisfaction with the outcome.
 - Specific comments included: "I saw more doctors than nurses." "The head of the department had the last say." "The Eye Clinic was a little depressing."
 - Other comments by the group: "They have residents at the U, don't they?" "Hospital advertising doesn't work because the doctor chooses the hospital." "I like the birthmate and birthplace ads." "I heard St. Paul Ramsey ad, but don't remember it."
- 7) What is the best hospital in Minnesota?
- Mayo--lots of votes, but the last resort;
 - U of M--lots of votes;
 - Neither of these places are good places to go for minor problems;
 - If you want multiple doctors and opinions, go to a big place;
 - HCMC is good too;
 - ABN has the best facilities (peds, Sister Kenny, chemical dependency)

Story Board Comments

- 1) The building rising up out of the ground.
- If you are sick, go to the U;
 - You must be referred there;
 - Reputation for dealing with serious problems;
 - If the doctor says to go to the U, you must really be sick;
 - The U has everything;
 - The UMHC is hard to find, hard to find parking.
- * This ad was the top vote getter.
- 2) People Board
- What does this ad mean?
 - Why would people come all that way for common problems?
 - The UMHC is a special place;
 - You need to be famous or rich to go to UMHC.
- 3) Quadruplets
- Cute ad;
 - Touch of humor;

- Go to UMHC for serious problems;
- Can't self refer, can you?
- The UMHC is a place to get answers.

4) Decending U

- I'm going there next week if I can go without a referral;
- Simpler graphics - good message;
- I can go there for common problems.

7 out of 10 believed this after seeing the ad.

General Comments

UMHC ads should say you can come here without referral for general and serious problems.