

The University of Minnesota Hospital and Clinic

Board of Governors

May 27, 1987

TABLE OF CONTENTS

	<u>Page(s)</u>
Agenda	1
April 22, 1987 Board of Governors Minutes	2-5
May 15, 1987 Planning and Development Committee Minutes	6-7
Mainframe Computer Upgrade	8-19
April 22, 1987 Finance Committee Minutes	20-22
Report of Operations for the Period July 1, 1986 through April 30, 1987	23-24
Executive Summary of Financial Activity for the Period July 1, 1986 to April 30, 1987	25

*** OTHER ATTACHMENTS ***

- Bill Would Bar Incompetent Doctors From Federal Programs, Minneapolis Star & Tribune, April 17, 1987
- Sell! Sell! Sell! Twin Cities Hospitals Are Taking Their Cue From Madison Avenue, St. Paul Pioneer Press & Dispatch, April 20, 1987
- Midway Gave Birth to New Marketing Plan, St. Paul Pioneer Press & Dispatch, April 20, 1987
- Bill Bans Smoking in Schools, Hospitals, Minneapolis Star & Tribune, April 22, 1987
- U's Newest Regents Represent Variety of Careers, Backgrounds, Minnesota Daily, May 14, 1987

**The University of Minnesota Hospital and Clinic
Board of Governors**

May 27, 1987
2:30 P.M.
555 Diehl Hall

AGENDA

- | | | |
|------|--|-------------|
| I. | <u>Approval of April 22, 1987 Minutes</u> | Approval |
| II. | <u>Chairman's Report</u>
- Mr. Robert Latz | Information |
| III. | <u>Hospital Director's Report</u>
- Mr. Gregory Hart | Information |
| IV. | <u>Special Presentation: Community University
Health Care Center</u>
- Ms. Mary Ellen Wells
- Dr. Amos Deinard | Discussion |
| V. | <u>Committee Reports</u> | |
| | A. <u>Planning and Development Committee</u>
- Ms. B. Kristine Johnson | |
| | 1. Mainframe Computer Replacement | Approval |
| | B. <u>Joint Conference Committee</u>
- Mr. George Heenan | |
| | The Joint Conference Committee did not meet in May. | |
| | C. <u>Finance Committee</u>
- Mr. Robert Nickoloff | |
| | 1. April Year-to-Date Financial Summary | Information |
| | 2. 1987-88 Hospital Pay Plan | Information |
| | 3. Primary Care Network Update | Information |
| VI. | <u>Other Business</u> | |
| VII. | <u>Adjournment</u> | |

Minutes

Board of Governors

The University of Minnesota Hospital and Clinic

April 22, 1987

CALL TO ORDER:

Chairman Robert Latz called the April 22, 1987 meeting of the Board of Governors to order at 2:40 P.M. in 555 Diehl Hall.

ATTENDANCE:

Present: Leonard Bienias
Phyllis Ellis
Donald Gilmore
Gregory Hart
George Heenan
Kris Johnson
Robert Latz
Jerry Meilahn
Robert Nickoloff

Absent: David Brown, M.D.
Shelley Chou, M.D.
Al Hanser
James Moller, M.D.
Barbara O'Grady
Neal Vanselow, M.D.

APPROVAL OF THE MINUTES:

The Board of Governors seconded and passed a motion to approve the minutes of the March 25, 1987 meeting as written.

CHAIRMAN'S REPORT:

Chairman Robert Latz introduced Dr. Richard Dinter from Hibbing, Minnesota, Ms. Bev Paul from AFSCME, and Mr. Bill Herrick, Director of the Information Services Department.

Mr. Latz reminded the Board members of the Minnesota Hospital Trustee Conference entitled "Hospital/Physician Relationships: Corporate-Cooperative-Competitive?" The conference will be held on Tuesday May 5, 1987 at the Radisson Hotel in St. Paul.

Ms. Barbara O'Grady, Mr. Latz reported, has been awarded the 1986 Excellence Award by Sigma Theta Tau, Zeta Chapter, for her outstanding contributions to nursing and health care on the local, regional and national level.

HOSPITAL DIRECTOR'S REPORT:

Mr. Greg Hart reported the April 5, 1987 Altobelli Soiree was a success and raised approximately \$10,000 for the Transplant Assistance Fund.

The April 10, 1987 University of Minnesota Heart-Lung Institute opening, Mr. Hart noted, was well attended and had been executed as planned. Mr. Robert Latz had represented the Board of Governors at the event. .

The year anniversary of the new hospital opening was celebrated on April 24, 1987 with an employee event entitled "Hands Around the Hospital."

Mr. Hart reported on a number of affiliation agreements between area hospitals. The Health East group includes Bethesda, Mounds Park, Midway, St. John's, St. John's Northeast and St. Joseph's. This network arrangement has not involved the transfer of assets or ownership. The former Health Central Corporation has joined with United and Metropolitan Medical Center and assumed the Health One name. Mr. Hart also reported that St. Mary's and downtown Fairview are now under joint management and will be called Riverside Medical Center.

SPECIAL PRESENTATION: UMHC AND THE OUTSTATE PHYSICIAN

Dr. John LaBree briefly described a series of programs currently in place that are designed to enhance cooperative relationships between our physicians and physicians outstate. Marketing support and management consultation is available to outstate hospitals, along with many long standing continuing medical education programs. Dr. LaBree has also developed computer reports that allow our physicians to better track referral patterns.

Dr. Richard Dinter described some of the challenges facing rural hospitals. Mesabi Regional Medical Center has been deeply affected by DRGs and restrictions imposed by the PRO. In response to these challenges, the hospital thoroughly evaluated itself and its way of caring for patients. Several changes have been made, including the development of more frequent referrals to University physicians. The Hibbing Hospital's financial health has now improved significantly. Dr. Dinter also shared some observations of the University Hospitals with the members of the Board.

PLANNING AND DEVELOPMENT COMMITTEE REPORT:

Ms. Kris Johnson and Mr. Greg Hart summarized a proposal to replace one of our mainframe computers. The proposal had been reviewed by the Planning and Development Committee for informational purposes on April 13, 1987. The recommendations include:

1. Replace the production A9F processor with a Burroughs (UNISYS) A15F processor.
2. Replace existing disk drive units with new state-of-the-art thin film disk drive units.
3. Upgrade the data communication system with the new network processor (CP2000) architecture available with the A15 series.

The estimated cost of this proposal is \$4,314,828. The Board of Governors will be asked to approve this acquisition on May 27, 1987.

JOINT CONFERENCE COMMITTEE REPORT:

Mr. George Heenan reviewed the highlights of a presentation made to the Joint Conference Committee on the Comprehensive Cancer Program. The program was designed to integrate the many services being provided to cancer patients by several different clinical specialties.

Secondly, Mr. Heenan reviewed a position paper entitled "Comparing the Performance of Hospitals and Physicians." The paper comments on methodologies designed to analyze the performance of hospitals and physicians; it questions the validity of measurement tools currently being applied and suggests how UMHC might contribute to the refinement of these systems. The Board of Governors seconded and passed a motion approving the position paper as written.

Lastly, Mr. Heenan reviewed a flow chart that detailed the process for credentialing members of the Medical and Dental staff.

FINANCE COMMITTEE REPORT:

Mr. Cliff Fearing reported that the average daily census for April was 423, April admissions were 23.6% above budget. Patient days were 20% above budget. Outpatient visits were 19.1% above budget. Expenses were 6.7% above budget. Revenues over expense were \$2,958,845, for a favorable variance of \$11,654,741. Mr. Fearing reported a drop from 111 to 107 days in accounts receivable.

Mr. Meilahn and Mr. Fearing also reviewed the 1987-88 operating budget. Highlights of that budget include a 2.9% price increase, bringing estimated gross patient charges to \$249,617,800; an average increase in costs of 7%, increasing operating costs to \$239,297,000. Cash flow from operations for the coming fiscal year is being budgeted at \$1,299,3000.

Following a review of the objectives and assumptions applied in developing the budget, Mr. Fearing responded to questions.

Mr. Meilahn and Mr. Fearing also reviewed the proposed Capital Budget for 1987-88. The budget included \$6,717,000 in recurring capital expenditures to

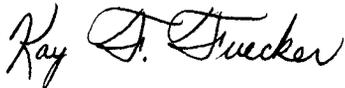
Minnesota an increase in Hospital patient charges an average of 2.9% on July 1, 1987 to support operating expenditures of \$239,300,000 and recurring equipment and remodelling costs of \$6,717,000 during the period of July 1, 1987 to June 30, 1988.

Lastly, the Board of Governors seconded and passed a motion to write off the Third Quarter, 1986-87 Bad Debts, which totalled \$784,203.

ADJOURNMENT:

There being no further business, the April 22, 1987 meeting of the Board of Governors adjourned at 4:05 P.M.

Respectfully submitted,



Kay F. Fuecker
Board of Governors Office

MINUTES
Planning and Development Committee
May 15, 1987

CALL TO ORDER

Committee Chairman, Ms. B. Kristine Johnson, called the May 15, 1987 meeting of the Planning and Development Committee to order at 12:07 p.m. in Room 8-106 in the University Hospital.

Attendance: Present	B. Kristine Johnson, Chair Leonard Bienias S. Albert Hanser Clint Hewitt William Jacott, M.D. Geoff Kaufmann Peter Lynch, M.D. Ted Thompson, M.D.
Absent	Greg Hart
Staff	Cliff Fearing Nancy Janda John LaBree, M.D. Lisa McDonald
Guest	William Herrick

APPROVAL OF MINUTES

The minutes of the April 13, 1987 meeting were approved as distributed.

MAINFRAME COMPUTER REPLACEMENT

Mr. Dees reviewed the reasons for upgrading UMHC's computer mainframe and asked the committee's authorization of \$4.3MM to replace it. Mr. Fearing reviewed the three financing options under consideration which are: outright purchasing, self-financing, and leasing. Mr. Fearing recommended the Burroughs' lease purchase option because it is the least expensive option at this time pending no changes in Medicare's reimbursement for capital expenditures. Mr. Herrick estimated that roughly half a million dollars could be recovered for trading in the existing mainframe and discs. Mr. Fearing concluded that the system should meet UMHC's needs for the next three years.

Dr. Lynch moved and Mr. Hewitt seconded the motion for the Burroughs' production mainframe replacement.

UMCA UPDATE

Dr. Lynch provided an update on UMCA's activities and concerns which are summarized below.

- UMCA has signed an agreement with UMHC for parenteral IV feeding.
- PHP has agreed to 1) speed up payments 2) reduce difficulty in specialist to specialist referral and 3) consider placement of an UMCA representative on their physician advisory board.

- UMCA is recruiting a chief operating officer and recently held their annual meeting with the clinical staff.
- Ongoing discussions continue with various HMOs and clinics across the state regarding contractual relationships.
- UMCA is concerned about pursuing national contracts until space and staff limitations have been reviewed even if the relationship is financially viable.

Mr. Kaufmann and Ms. Johnson said that the space and staff limitations will be addressed at the Board of Governor's retreat and in the strategic plan.

DEVELOPMENT OFFICE QUARTERLY SUMMARY OF DONATIONS

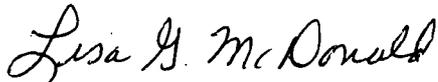
Mr. Bertschinger summarized contributions through the third quarter which were \$643,286. He also provided an update on fourth quarter fund raising activities which include Soiree '87, a direct mail campaign to former patients and friends, and involvement with the Sigma Chi Derby Days on 5/12-5/16.

The Development Office is currently strategizing on how to identify and inform friends of the hospital of deferred gift giving options.

ADJOURNMENT

The Planning and Development Committee adjourned at 1:07 p.m.

Respectfully submitted,



Lisa G. McDonald
Assistant Director
Planning and Marketing



UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Harvard Street at East River Road
Minneapolis, Minnesota 55455

TO: Board of Governors
FROM: Greg Hart 
DATE: May 18, 1987
SUBJECT: Mainframe Computer Upgrade

Attached is the material for the mainframe computer upgrade which we reviewed briefly during last month's meeting. This proposal was reviewed and endorsed by the Planning and Development Committee at its May 15 meeting. It will also be presented for final review and endorsement at the May 27 meeting of the Finance Committee. For your information, a page summarizing financing options has also been appended.

We recommend and request your endorsement of this project at your May meeting.

We will be happy to answer any questions you may have during the meeting.
Thank you.

BURROUGHS PRODUCTION MAINFRAME REPLACEMENT

INTRODUCTION

The University of Minnesota Hospital and Clinic (UMHC) has been developing its computer support system over the past seventeen years. Every four to five years the data processing needs of the organization have been extensively reviewed, and a strategic plan for computer support has been developed and approved.

The current strategic plan was prepared in 1984 with assistance from Ernst & Whinney healthcare consultant staff. In accord with the plan, mainframe computer capacity was expanded in January, 1985. Our staff has been proceeding with implementation of new applications and replacement or upgrading of existing applications.

UMHC's current computer network is displayed on Attachment A. The mainframe systems include two Burroughs A9F processors and a large disk storage system. One of the processors and its related disk system are designated as the "production" system. Six other computer systems, 50 micro computers, and 475 on-line devices (terminals and printers) are currently connected to it. The second processor, originally designed to be used for software development and testing, is now also used to do a significant amount of "production" batch processing.

Use of computer support to assist in delivery of care, to provide rapid and accurate information communication, and to support comprehensive data analysis in order to position the institution appropriately in the evolving marketplace has significantly exceeded the 1984 projections. The need to expand the capacity of the production system, as forecast in the 1984 strategic plan, has become reality.

CURRENT "PRODUCTION SYSTEM" UTILIZATION AND PERFORMANCE

A. Processor Utilization

When the production processor was installed in 1985, overall utilization was 50-55%. Currently, utilization is in excess of 70% of capacity with peaks ranging from 80 to 100% (see Attachment B).

When processor utilization exceeds 65-70%, performance of any computer system begins to degrade.

B. Batch Processing Time

Batch processing work should be completed between midnight and 7 a.m. daily -- the hours during which the on-line workload demand is minimal. The present production processor and related disk system do not have the capacity or speed to complete the current volume of batch work during these hours. Consequently, those batch applications which do not require direct access to the production data base have been shifted to the development/testing processor raising its utilization to over 90% during day-time hours (see Attachment C).

Even with the transfer of batch work, the daily cycles remaining on the production system are frequently not completed by 7 a.m. Therefore, they must be completed during peak periods of processor utilization and compete with on-line transactions from the nursing units and clinics.

C. On-line Response Time

The primary computer industry measurement for this aspect of performance is the average response time for 90% of transactions occurring each hour. The current UMHC hourly averages are equal to or greater than 4 seconds for all 24 hours of the day and are equal to or exceed 5 seconds for at least 14 hours of each day with peaks of 7-9 seconds during the heaviest hours.

D. Disk Storage System

The disk units currently being utilized to support our Burroughs configuration were originally installed in 1981. These disk units have become the cause for more than 90% of our unscheduled downtime. Recent performance records indicate an average of 8-12 disk failures per month. These failures account for 350-400 hours of restricted disk access and 3-1/2 to 4 hours of complete system downtime. This rate of failure is a clear indication that the disk system is worn out and must be replaced.

RECOMMENDATIONS

In May, 1986, the Information Services Department initiated a detailed analysis of the hardware resources and performance. The project focused on three components: mainframe processing, disk storage, and data communication. The following service goals were developed and approved by the Hospital's administrative staff:

- Reduce or eliminate downtime caused by preventive maintenance, power failures, and hardware failures.
- Reduce length of downtime periods caused by software problems and recovery processing time required after system failure.
- Provide 3 second average response time for 90% of on-line transactions during all 24 hours of each day.
- Provide capability for access to multiple computers by users from one terminal.

Alternatives for each of the three components (processor, disk, and data communications) were developed based on the service goals. Then different combinations of the component alternatives were evaluated to identify the best total solution. Consulting assistance for evaluation of current system performance and for computer simulation of various alternative combinations was obtained from Joseph & Cogan Associates, specialists in computer capacity planning. Based on the analysis and simulations, the following recommendations are made:

1. **Replace the production A9F processor with a Burroughs (UNISYS) A15F processor.**

Rationale:

- Will provide the additional speed and capacity required to eliminate batch processing during day-time hours.
- Will provide processor capacity necessary to reduce 90% response time levels to 3 seconds or less.
- Will provide adequate capacity to handle projected workload for the next 3-5 years.

2. **Replace existing disk drive units with new state-of-the-art thin film disk drive units.**

Rationale:

- Will eliminate frequent down-times due to disk system failures.
- Will enable faster and more effective data communication between the disk system and the processor, therefore, decreasing batch processing time and reducing on-line response time.
- Will reduce data base backup and recovery time.

3. **Upgrade data communication system by taking advantage of the new network processor (CP2000) architecture available with the A15 series.**

Rationale:

- Will enable increase in on-line data transmission speed required to reduce 90% response time average to 3 seconds or less.
- Will provide an architecture which will facilitate access to multiple computers from a single terminal.

ESTIMATED COST

A15F Computer and Operating Software	\$3,188,244
Disk System Replacement	921,314
Communications System Upgrade	<u>205,270</u>
TOTAL	\$4,314,828

COMPATIBILITY WITH 3-5 YEAR PLANS

The major new computer application planned during the next 3 years is the acquisition and installation of a Patient Care Information/Order Entry System (PCI/OE). Installation of this system will also require replacement of the Admissions/Discharge/Transfer System and have a direct influence on the replacement of the Patient Accounting System. The hardware replacement recommendations included in this proposal are intended to meet the immediate needs for additional processing resources and to place UMHC in a position which will allow the Patient Care Information/Order Entry System to be installed on either Burroughs or IBM hardware without major disruption to computer system operation. Each of the hardware alternatives have been reviewed for future impact.

A. Alternative I

Burroughs Based Patient Care Information/Order Entry System Selected. (Burroughs based Patient Accounting and A/D/T systems would also then be selected.)

1. Proposed new hardware would continue to be the "production" system.
2. "Development/Testing" A9F processor would have to be replaced with a second A15 processor and paired with the recommended A15F.
3. Use of the IBM system, currently being installed, would continue to grow slowly with the addition, primarily, of new financial applications.

See Attachment D for graphic display of projected systems utilization.

B. Alternative II

IBM Based Patient Care Information/Order Entry System Selected. (IBM based Patient Accounting and A/D/T system would also be selected.)

1. IBM system currently being installed would have to be upgraded to a 30XX system in 2-3 years, prior to actual implementation of PCI/OE system.

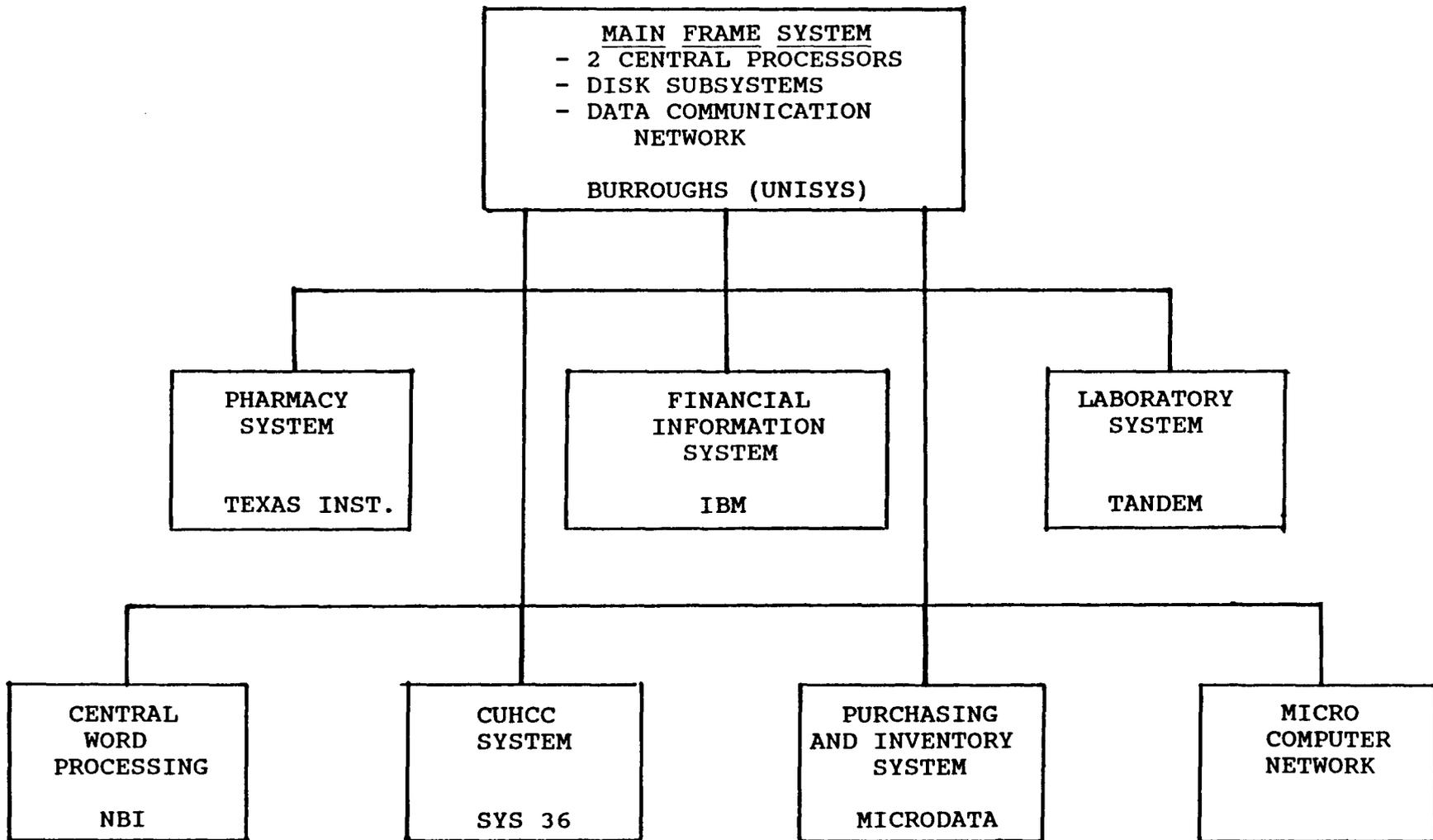
This upgraded IBM system would become the Hospital's mainframe computer system.

2. All Burroughs based mainframe systems would be transferred to the upgraded IBM system during the 2 years following implementation of the PCI/OE system. All Burroughs equipment would be sold during or at the end of the 2 year period.

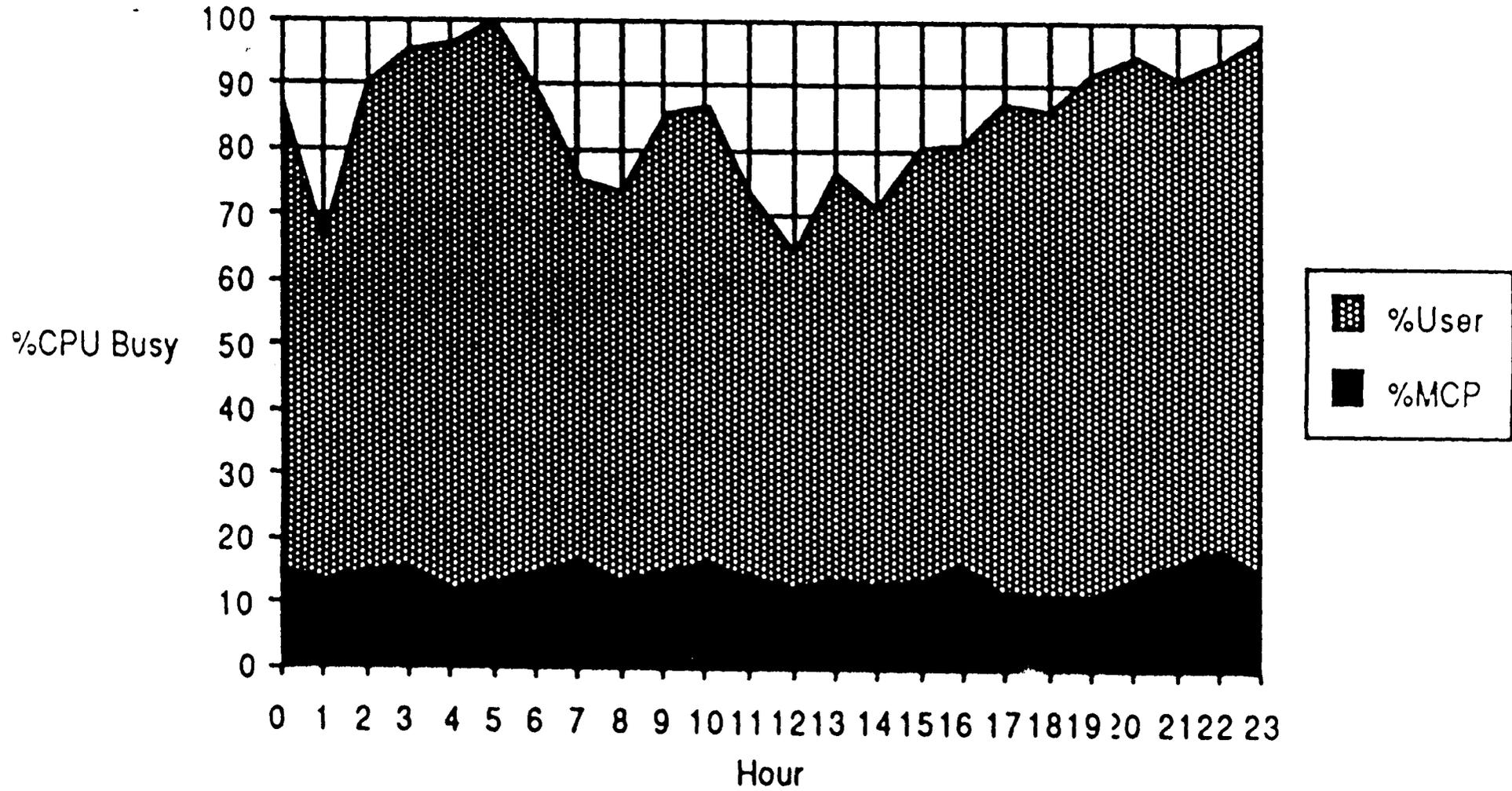
See Attachment E for graphic display of projected systems utilization.

FINANCING

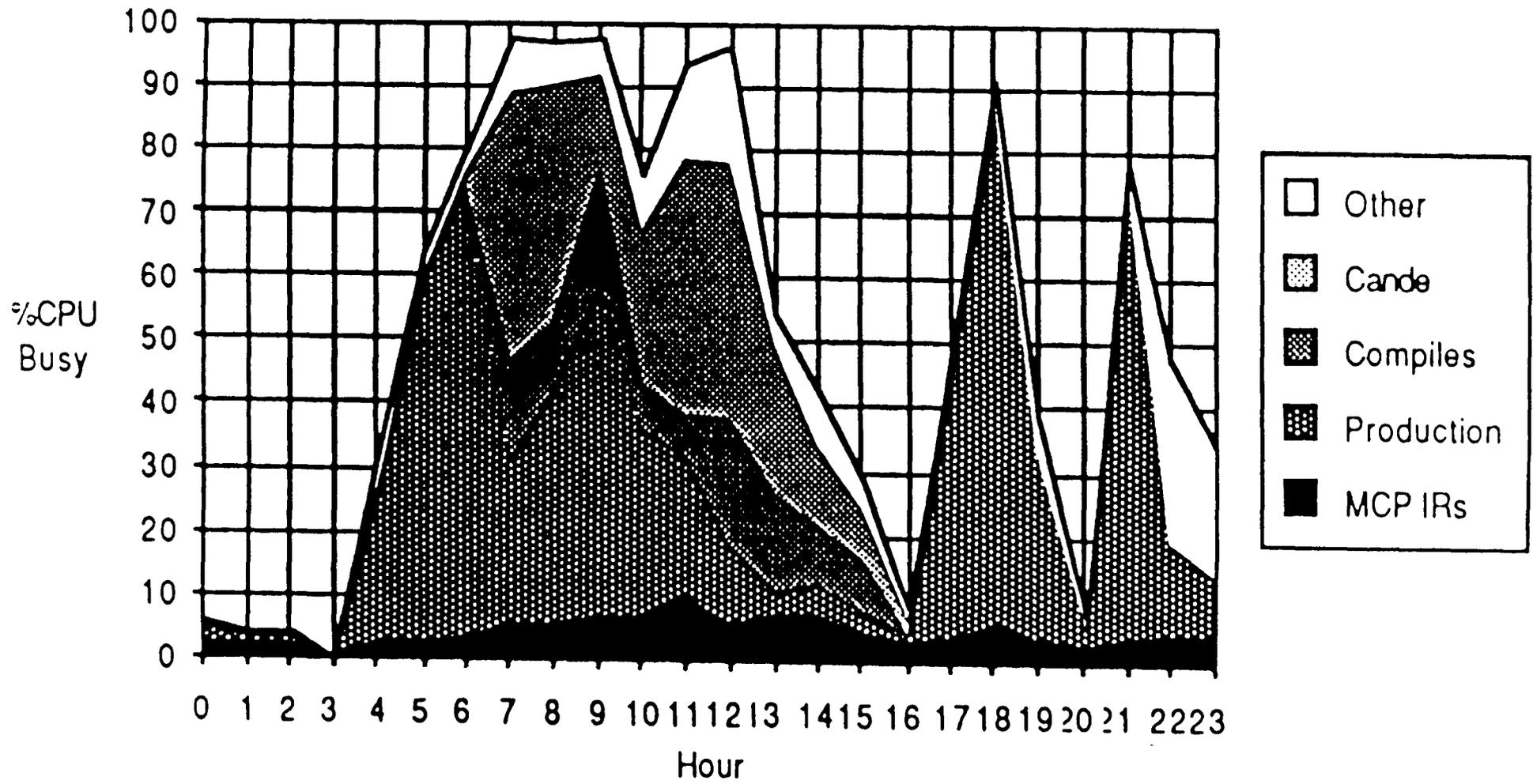
Several financing alternatives are available: lease/purchase through the vendor or a third party, borrowing from the University equipment loan fund, or direct purchase with UMHC reserve funds. The alternative used will be the one which is determined to be the least costly at the time the acquisition contracts are written.



Production CPU Utilization



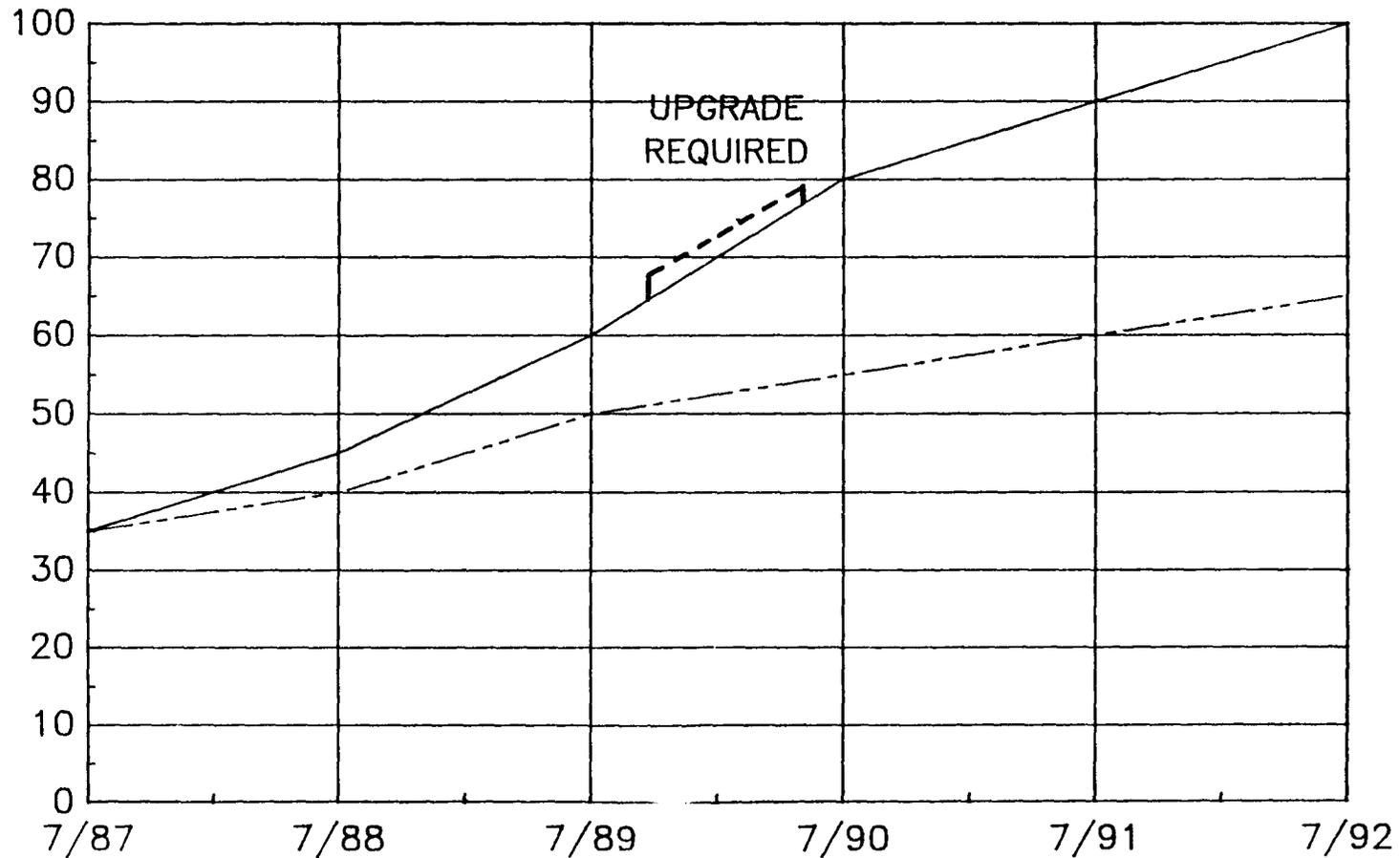
Development System Processor Utilization



PROJECTED PROCESSOR UTILIZATION BURROUGHS BASED PCI/OE

BURROUGHS

IBM

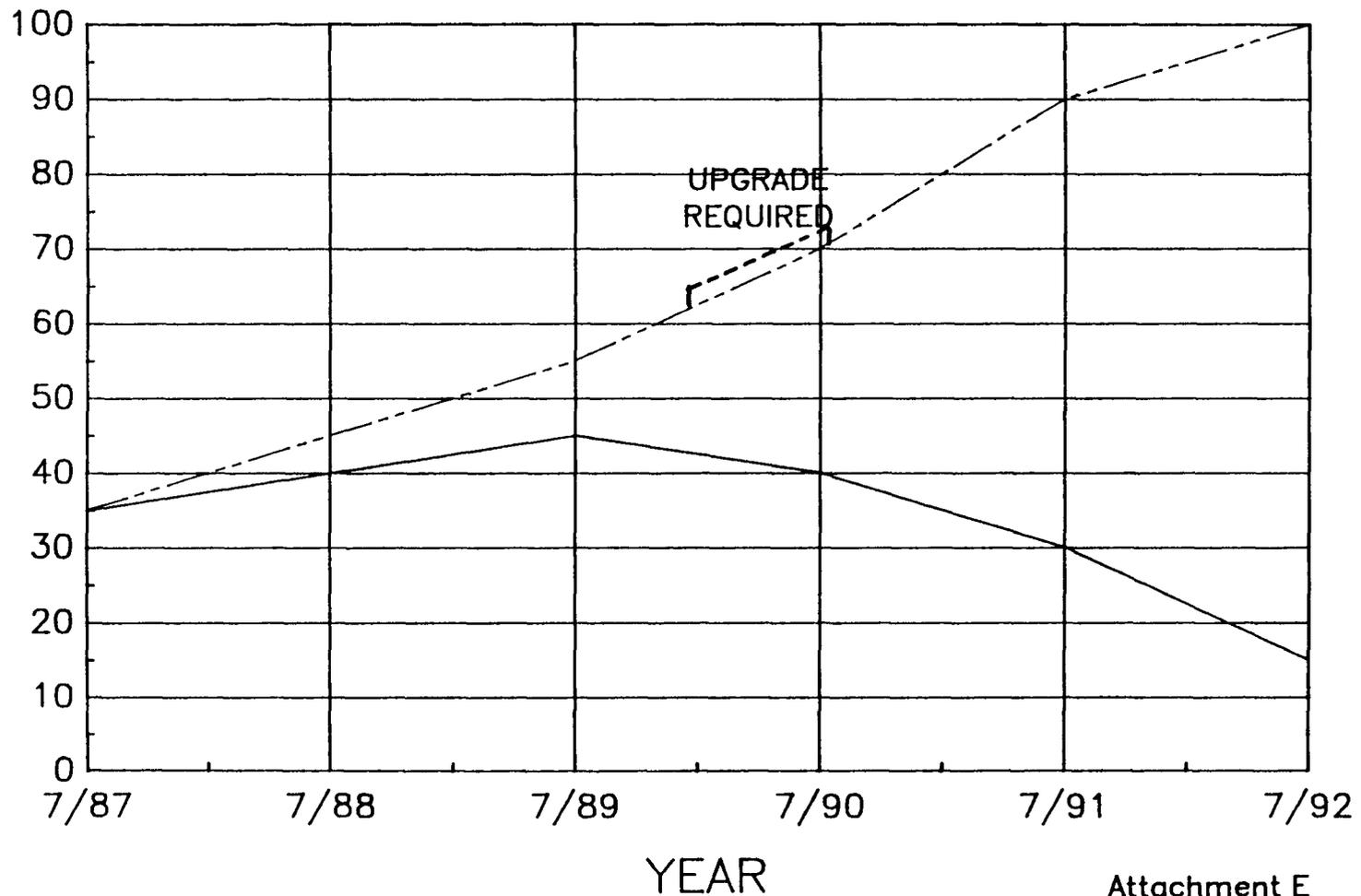


PROJECTED PROCESSOR UTILIZATION

IBM BASED PCI/OE

BURROUGHS

IBM



BURROUGHS PRODUCTION
MAINFRAME REPLACEMENT

Financing Options

	Purchase Option -----	Self Finance Option -----	Burroughs Lease Option -----
Cash Payments	\$4,314,828	\$4,725,555	\$4,835,556
Present Volume of Cash Payments	4,314,828	4,188,917	4,286,426
Net Present Value of Reimbursement Effect of Depreciation on Higher Base	<u>\$4,314,828</u>	<u>\$4,188,917</u>	<u>157,857</u> <u>\$4,128,569</u>
Assumptions:			
Life	36 months	36 months	36 months
Interest Rate	-0-	6%	8%
Salvage Value	\$ 862,966	\$ 862,966	\$ 862,966

Minutes
Meeting of the
Board of Governors Finance Committee
The University of Minnesota Hospital and Clinic
April 22, 1987

MEMBERS
PRESENT: Carol Campbell
Edward Ciriacy, M.D.
Clifford Fearing
Gregory Hart
William Krivit, M.D.
J.E. Meilahn

MEMBERS
ABSENT: Robert Nickoloff
Barbara O'Grady
Vic Vikmanis

STAFF: Kay Fuecker
William Herrick
Nels Larson
Dan Rode
Barbara Tebbitt

CALL TO ORDER: The meeting of the Finance Committee was called to order by Mr. J.E. Meilahn at 12:00 P.M. in the Board Room (8-106 University Hospital).

MINUTES: A motion was made and passed to approve the minutes of the April 22, 1987 meeting of the Finance Committee as written.

4/22/87
FINANCIAL
STATEMENTS: Mr. Cliff Fearing reported that inpatient admissions in March were 332 above budgeted levels, the average daily census was 422.7, and the average length of stay was 8.1 days. The increase in admission levels was primarily in the areas of Gynecology, Medicine, Pediatrics, and Surgery. Outpatient visits were 19.1% above budgeted levels.

The Hospital shows total revenues over expense of \$2,958,845 for a favorable variance of \$11,654,741. Mr. Fearing reported that patient care charges through March totaled \$175,681,516 (17.8% above budget) and reflect the higher acuity of our patients. Ancillary revenue was 21% above budget and reflected the favorable variance in both admissions and clinic visits and the utilization of ancillary services per patient being higher than anticipated. Inpatient revenue has averaged \$6,649 per admission as compared to the budgeted average of \$6,199. The average outpatient revenue is \$170 compared to the budgeted average of \$153.

Mr. Fearing reported the operating expenditures through March are 6.6% above budgeted levels, due to a continued increase in demand for patient services and patient care supplies.

Mr. Dan Rode reported that the accounts receivable in March decreased from 111 to 107 days. This decrease was primarily in the older commercial insurance, Medicare, Medical Assistance categories.

**1987-88
OPERATING
BUDGET:**

Mr. Cliff Fearing presented the Operating Budget for endorsement by the Committee to the full Board of Governors. The 1987-88 Budget includes overall expenditure increases of \$15.7 million or 7% and includes a 2.9% price increase and a 3.47% volume increase in patient census. Total patient charges will increase from \$234,700,000 to \$249,618,000.

The Finance Committee seconded and passed a motion to endorse the 1987-88 Operating Budget as presented, including a 2.9% increase in patient charge rates.

**1987-88
CAPITAL BUDGET:**

Mr. Greg Hart reported the 2.9% includes the revenues necessary to generate the income for the purchase of recurring capital equipment and remodeling costs. The Mayo renovation plans are scheduled to be presented to the Finance Committee and the Board in the near future for approval. These items are not included in the Capital Budget for approval at this meeting.

The Finance Committee seconded and passed a motion to endorse the Capital budget.

**MAINFRAME
COMPUTER
REPLACEMENT:**

Mr. Bill Herrick reviewed the utilization levels and performance status of the current mainframe computer system. Analysis completed by computer technical staff from UMHC and from Joseph & Cogan Associates, specialists in computer capacity planning, indicates that the present system does not have the speed, reliability, or capacity to adequately meet the hospital's data processing requirements for the next 3 years.

Mr. Herrick noted the following recommendations: 1) replace the production A9F processor with a Burroughs (UNISYS) A15F processor; 2) replace existing disk drive units with new state-of-the-art thin film disk drive units; 3) upgrade data communication system by taking advantage of the new network processor (CP2000) architecture available with the A15 series.

The cost is estimated at \$4,314,828, but does not include the return of the A9 (\$400,000) and the disk drives (\$150,000-\$180,000) to be sold.

Mr. Hart reported that this item will be brought back to the Finance Committee for its endorsement and the Board of Governors for approval in May.

**THIRD QUARTER,
1986-87 BAD
DEBTS:**

Mr. Cliff Fearing reviewed the bad debts for the third quarter totalling \$784,203.11, representing 1,413 accounts. Total bad debts to-date for the fiscal year amount to \$1,794,723.04, or 1.02% of gross charges, compared to a budgeted level of bad debts of 1.33% (\$1,978,538.00).

The Finance Committee passed a motion to charge off the Third Quarter, 1986-87 Bad Debts as presented.

PRIMARY CARE

Mr. Greg Hart reported that PCN and its investors are working on plans for future actions. PCN is attempting to become a choice of the State of Minnesota employees and working on expanding its marketing to areas of the State in which it is not currently involved.

The Whiteheads have indicated they would be willing to continue to support the venture if necessary if other support in addition to their own could be found.

Mr. Hart also reported that MAPTH voted to continue the insurance for the residents with Blue Cross/Blue Shield through December rather than change to PCN, and then decide whether to change carriers or not.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 1:35 P.M.

Respectfully submitted,



Kay F. Fuecker
Recording Secretary



UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Harvard Street at East River Road
Minneapolis, Minnesota 55455

May 27, 1987

TO: Board of Governors

FROM: Clifford P. Fearing
Senior Associate Director

SUBJECT: Report of Operations for the Period
July 1, 1986 through April 30, 1987

The Hospital's operations through the month of April continued to reflect both inpatient admissions and outpatient visit activity that were above budgeted levels. In addition, we continued to experience ancillary service utilization that was higher than anticipated. To highlight our position:

Inpatient Census: For the month of April, inpatient admissions totaled 1,635 or 225 above budgeted admissions of 1,410. Our overall average length of stay for the month was 7.8 days. Patient days for April totaled 12,830 and were 1,710 days above budget. The increase in admission levels was primarily in the areas of Medicine, Pediatrics, and Clinical Research.

To recap our year-to-date inpatient census:

	1985-86	1986-87	1986-87		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
Admissions	14,490	14,096	15,805	1,709	12.1
Avg.Lnth.of Stay	8.3	8.3	8.3	0	0.0
Patient Days	119,291	116,246	128,639	12,393	10.7
Percent Occupancy	66.3	63.7	72.1	8.4	13.2
Avg.Daily Census	392.4	382.4	423.2	40.8	10.7

Outpatient Census: Clinic visits for the month of April totaled 22,257 or 2,057 (10.2%) above budgeted visits of 20,200. The increase in activity was experienced in nearly all clinic areas with the largest increases occurring in Medicine, Dermatology, Surgery, and Urology.

Report of Operations - April, 1987

Page two

To recap our year-to-date outpatient census:

	1985-86	1986-87	1986-87		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
Clinic Visits	184,183	182,825	205,204	22,379	12.2
CUHCC Visits	34,593	31,333	39,721	8,388	26.8
HHA Visits	7,601	12,394	7,913	-4,481	-36.2

Financial Operations: The Hospital's Statement of Operations shows total revenues over expense of \$ 4,243,049, a favorable variance of \$ 13,693,107.

Patient care charges through April totaled \$197,075,120 and were 18.9% above budget. Routine revenue was 11.3% above budget and reflected our favorable patient day variance. Ancillary revenue was approximately \$25,598,200 (22.2%) above budget and reflected (1) the favorable variance in both admissions and clinic visits; and (2) the utilization of ancillary services per patient being higher than anticipated. Inpatient ancillary revenue has averaged \$6,717 per admission compared to the budgeted average of \$6,199 per admission. Outpatient revenue per clinic visit has averaged \$169 compared to the budgeted average of \$153.

Operating expenditures through April totaled \$185,935,300 and were approximately \$ 12,197,700 (7.0%) above budgeted levels. The overall unfavorable variance continued to relate to the increase in demand for patient services and was seen primarily in increased personnel costs (salaries and fringe benefits) and patient care supplies (drugs, blood, medical supplies).

Accounts Receivable: The balance in patient accounts receivable as of April 30, 1987 totaled \$72,534,245 and represented 100.8 days of revenue outstanding. The overall decrease in our patient receivables in April of 6.2 days occurred primarily in the Medicare, Medical Assistance categories, and in older accounts in general.

Conclusion: The Hospital's overall operating position continues to be positive and above budgeted levels. Both inpatient and outpatient census levels remain above budget. We continue to monitor our demand for service closely and make those operating changes that are necessary and appropriate.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC
EXECUTIVE SUMMARY OF FINANCIAL ACTIVITY
FOR THE PERIOD JULY 1, 1986 TO APRIL 30, 1987

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Over/-Under Budget</u>	<u>Variance %</u>
Patient Care Charges	\$165,754,224	\$197,075,120	\$31,320,896	18.9%
Deductions from Charges	-25,804,770	-30,742,287	-4,937,517	-19.1%
Other Operating Revenue	4,436,255	4,561,316	125,061	2.8%
Total Operating Revenue	<u>144,385,709</u>	<u>170,894,149</u>	<u>26,508,440</u>	<u>18.4%</u>
Total Expenditures	-173,737,611	-185,935,277	-12,197,666	-7.0%
Net Operating Revenue	-29,351,902	-15,041,128	14,310,774	0.0%
Non-Operating Revenue and Expenses	<u>19,901,844</u>	<u>19,284,177</u>	<u>-617,667</u>	<u>-3.1%</u>
Revenue Over Expense	\$ <u>-9,450,058</u>	\$ <u>4,243,049</u>	<u>\$13,693,107</u>	(1)

(1) Variance equals 8.3 % of total budgeted revenue.

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Over/-Under Budget</u>	<u>Variance %</u>
Admissions	14,096	15,805	1,709	12.1%
Patient Days	116,246	128,639	12,393	10.7%
Average Daily Census	382.4	423.2	40.8	10.7%
Average Length of Stay	8.3	8.3	0.0	0.0%
Percentage Occupancy	63.7%	72.1%	8.4%	13.2%
Outpatient Clinic Visits	182,825	205,204	22,379	12.2%

Bill would bar incompetent doctors from federal programs

Newhouse News Service

Washington, D.C.

Congress is moving to bar incompetent or unethical doctors from federal health programs after years of unsuccessful attempts to pass punitive legislation.

Under existing law, health professionals can be barred from Medicare and Medicaid only for wrongdoings directly related to the programs or their beneficiaries. Conviction for other crimes is not grounds for exclusion.

And if physicians lose their licenses to practice medicine in one state, the government can exclude them from Medicare and Medicaid only in that state. Medicare finances health care for the elderly, while Medicaid pays for caring of the poor.

Sen. John Heinz, R-Pa., a sponsor of the legislation, said, "Doctors who had been banned from practice in one state for criminal acts like fraud, for drug trafficking, for sexual or immoral conduct and for gross incompetence, simply packed up their black bags and moved across state lines to set up practice."

Illustrating the point was a General

Accounting Office study in 1984 that said of 328 physicians whose licenses were revoked in Michigan, Ohio and Pennsylvania, 122 held licenses in at least one other state. As many as 100 of the doctors with revoked licenses in one state continued to participate in Medicaid and Medicare programs.

Since 1984, members of Congress have been trying to stop lucrative government checks from going to unscrupulous physicians or other health practitioners. The legislation, sponsored in the House by Rep. Bill Gradison, R-Ohio, ranking Republican on the House Ways and Means Committee, made it to the House floor in 1985 and won approval. The Senate Finance Committee reported the bill favorably, but it never reached the floor due to some deft political maneuvering that had nothing to do with the legislation's substance. Sen. Russell Long, D-La., reportedly kept it off the floor to avoid giving a legislative victory to Rep. Henson Moore, R-La., a sponsor of the bill and a candidate to succeed the retiring Long. Moore ended up losing the Senate race.

"The bill has the advantage this time of not having a lead sponsor who's running for the U.S. Senate," Gradison said.

The legislation was approved by subcommittees of the Ways and Means and Energy and Commerce committees. Gradison said he remains confident of victory in this Congress.

The legislation requires that the U.S. Department of Health and Human Services (HHS) exclude for a minimum of five years doctors or health care providers convicted of any patient abuse or neglect, or of fraud or abuse involving one of the health programs. It also would allow HHS to exclude practitioners convicted of other crimes related to fraud, theft or drugs; those who have had licenses suspended or revoked; those found to be furnishing unnecessary or substandard care; and those who default on medical and nursing school loans.

States also would be required to set up a system for reporting information on sanctions imposed against health care providers by state licensing authorities.

SELL! SELL! SELL!

Twin Cities hospitals are taking their cue from Madison Avenue

By Walter Parker
Staff Writer

One of the most appealing things about marketing people is the revealing stories they can tell about the rest of us. Our most selfish fantasies, embarrassing shortcomings and private fears are their stock in trade. Woe unto the seller who misses or ignores any of them.

Health-care marketers are the "new" players in the selling game, but they are no exception to its rules. They still don't engage in the Burger King-McDonald's kind of combat, and local professionals say they never will. But they can tell their own war stories.

Take the one about the doctors who decided what their practice needed was something called an "ambulatory care center," otherwise known as a walk-in clinic. The former title is the one they used, however, when they set up shop in an Upper Midwest shopping center.

As related by Dick Donald, a Milwaukee consultant, the doctors, casting about later for an explanation of why their clinic was empty, surveyed shoppers at their mall.

The result? Fifty-eight percent thought "ambulatory" meant you had to arrive in an ambulance.

Then there were the beach-area urologists who were spending \$4,000 a month on broad-brush newspaper ads and getting nowhere. Someone talked them into "targeting" a different message on radio stations favored by young men.

Spending the same amount of money but promoting their "sexual dysfunction" therapy, the doctors were soon taking in an extra \$15,000 a month from new customers, reported Medical Economics magazine.

In the Twin Cities, we're bombarded by health-care advertising in all media, on billboards, direct mail flyers and "patient satisfaction questionnaires" in the doctor's office.

But advertising is only the visible part, much less than half of an institution's overall marketing strategy, said Steven Hillestad, marketing vice president of Lifespan, parent company of Abbott Northwestern Hospital.

Behind the scenes are such efforts as focus group interviews, direct mailings to such target groups as all adult women under 34 in selected zip codes, studies of doctors' referral patterns and patient attitudes, strong efforts to woo doctors, expensive upgrading of showy high-tech equipment and a new interest in discretionary "products," such as cosmetic surgery.

Competition watched closely

And they watch each other closely. Any professional you talk to in town will have an idea of how much the "enemy" is spending on marketing, and they say it ranges from \$100,000 a year to more than \$1 million.

Robin Rainford, a marketing officer at St. Paul-Ramsey Medical Center, remembers her days in public relations when one of her jobs was to scope out the parking lot at United Hospital's Urgent Care Center on Larpentour Avenue in Roseville, to get a feel for the volume of traffic there.

At the time, Ramsey was contemplating what later became ReadyCare, an emergency room at the hospital for less-than-critical situations. The facility opened on St. Patrick's Day 1983 — a date that annually outstrips even New Year's Eve in Ramsey's emergency room volume — and has played a key role in keeping the hospital's overall ER volume above projections, she said.

The idea for ReadyCare grew from the realization that many of the hospital's 62,000 emergency room visitors a year became irritated at being shunted to the back of the line when patients needing more urgent care came in.

"The people with coughs, colds, fever and flu were being less served, and who's going to be more annoyed than somebody who's sick? We knew there was an opportunity to meet those needs better," Rainford said.

Changing perspective

Looking outward, at patient needs and at the competition's relative strengths is one of the first principles health-care marketers cite in describing their craft. They say the rule often crashed against the force of physician and administration egos, however, in the early '80s, when plunging patient numbers finally forced hospitals and health-maintenance organizations into spending big bucks on marketing.

"(Your) perception that that initial burst was money down a rathole is correct," Hillestad said. "The campaigns were not balanced, were not part of a long-term strategy, and they weren't given enough time. People wanted to see themselves on TV, but it was medical people talking to medical people."

According to articles in national marketing journals and various professionals here, marketing still remains "on trial" at many hospitals because the campaigns simply haven't helped the bottom line. Marketers say that's because doctors and administrators tend to be too conscious of the short term.

"You just don't drive people into the hospital by putting up billboards," said George Creel, an executive at the Martin Williams ad agency in Minneapolis, a firm that has the Abbott Northwestern account and recently picked up the MedCenters Health Plan. "If advertising is directed by a strong marketing research campaign beforehand, it's invariably going to be better."

"The creative part is the magic, but if those guys are given a good basis to work, it's going to be a helluva lot better," he said.

Marketing/ Some approaches daring

Two early efforts that won high marks in the field are Share Health Plan's pioneering recruitment of Medicare beneficiaries five years ago and Physicians Health Plan's "Freedom of Choice" theme.

"We don't talk so much about ourselves but focus on *their* needs and interests," said Share marketing vice president Phil Schalet of an ongoing campaign to lure members from among the 17,000 Twin Cities who turn 65 each year. Share mailings and ads for senior citizens accordingly boast little about "caring" or other images and talk instead about benefits details and the predictability of costs — factors that Schalet says research shows are uppermost in the minds of seniors.

And PHP "really tipped this marketplace on its end" with its "Freedom" campaign, recalled Steve Sjoblad, president of the Fallon McElligott agency in Minneapolis, which until recently held the MedCenters account. "Before that, everybody was emphasizing their peripheral services, staff and their state-of-the-art equipment.

"But PHP came in and simply said, 'Go to any clinic you want.' They picked up on the perception that no matter what HMOs say about themselves, what people think about is, 'They're going to make me go to one of *their* doctors.'"

He said MedCenters' recent television campaign, which featured showers of coins and phone-book-sized chunks of paperwork, were designed not to steal other HMOs' members, but people with traditional fee-for-service insurance coverage, which often requires deductibles and co-payments, unlike HMOs.

"Everybody says, 'We're good,' but we thought the consumer assumed that. The point was to show the difference between an insurance plan and an HMO," Sjoblad said.

Although many health policy experts look forward to the time when competition — and marketing — can be on the basis of more genuine quality considerations, based on morbidity and mortality records, for example — Sjoblad and others predict that will be a risky route to follow.

"The primary difference between selling health care and other products is that you can't denigrate your competition," Sjoblad said. "You can't say, 'Our medicine is better than yours.' If you're going to a doctor, by definition he's a 'good doctor.'"

Know your audience

There's a strong mutual interest in the industry to maintain a high-quality image that works against the use of negative or even implicitly negative ads, said Tim Clarity, president of Clarity Coverdale Rueff, the Minneapolis agency that produces North Memorial Medical Center's ads.

On the other hand, some agencies here — particularly Clarity Coverdale Rueff, which does North Memorial Medical Center's ads — have ventured into daring portrayals that once would have been rejected automatically as being in poor taste. The most recent was a humor-oriented campaign for cosmetic surgery that showed family members each with one oversized ear.

Another ad in a campaign two years ago to promote the hospital's reputation as a specialty center featured a huge photo of a shirtless older man, his vertical heart surgery scar the most arresting part of the picture. Its caption read: "Sometimes the difference between life and death is a fine line." Despite the controversial nature of the picture, hospital management accepted it immediately.

"They understood the importance of putting creative firepower behind their other marketing efforts," he said. "They couldn't afford to 'buy' market share with constant repetition of an ad; it wasn't possible for us to spend our way into people's minds, yet there was a need to adjust people's image of the hospital. It was a way of reconsidering everyday subject matter."

Another marketing maxim those in health care claim to live and die by is "Know your audience." Are you talking to doctors or patients? Employers? And

how does that audience fit into a larger strategic plan? Just because the hospital down the road is touting its emergency room or "women's center" doesn't mean you should, because you have no idea if they're making money.

Lisa McDonald, a former brand manager who left General Mills to join the newly formed marketing and planning department at the University of Minnesota Hospital and Clinic two years ago, explained that research indicated huge numbers of Minnesotans believed they couldn't come to the "U" without a referral from their doctor.

That wasn't true, but the university didn't want to oversell the point, which could alienate primary-care doctors whose referrals supply the core of any specialty hospital's patient base. So when the university began to advertise more aggressively, touting its "firsts" and transplants, a low-keyed tagline saying, in effect, "and now you can go there, too," was added into the ad copy for nearly a year.

Once the point was made, the message was withdrawn, McDonald said. But even before then, the hospital was working backstage to build better ties to referring doctors. Dr. John LaBree, former dean at the University's medical school in Duluth, was assigned physician outreach duties full time.

"There's a general problem in health care with trying to be all things to all people," said Bob Bartelma, marketing director for the 160-doctor Ramsey Clinic. "That's one reason marketing has been a disappointment to some hospital executives. They haven't gotten focused, and they've looked at the process more as a panacea than as a part of strategic planning."

Focus doesn't necessarily mean dropping specialty services entirely, especially for teaching hospitals, but it does mean emphasizing some and not others, which is a difficult process internally, he said.

Overall, business people in both the health and marketing industries seem to view health-care marketing as a new but permanent part of their disciplines. It won't go away, despite the qualms of some who see parts of it as unseemly. There are quirks peculiar to health care, but most agree it shares essential qualities with the selling of packaged goods, entertainment and automobiles.

A primary one is the need for getting your name out relatively consistently, or at least with lasting impact — becoming a household word. That's why marketers, who enjoy the reputation of being the health-care world's freest spenders of revenue hard-earned by others, say they tend to exist in a state of constant tension with their penny-pinching bosses.

"We in health care just love our business, but the truth is that the consumer on the street really doesn't think about it until he has to," said Hillestad of Abbott Northwestern, which has the largest single market share in the Twin Cities, despite being far from freeways and main arterials. "Just because we're talking doesn't mean they're listening. But when they want you," he paused, "you'd better be there."

Midway gave birth to new marketing plan

By Walter Parker
Staff Writer

Midway Hospital officials knew the old-fashioned, cold look of their maternity unit was hurting them. Expectant couples would visit, inspect the facilities and then politely take their leave, never to be seen again.

"That environment was a big negative for us, no question about it," said Betsy Stites, corporate communication director for HealthEast, the central St. Paul hospital's parent company.

Patient surveys — bolstered by a significant level of repeat business — said the nurses were popular with patients and were viewed as competent and caring women. But their dated-looking facilities meant they were competing on an uneven field.

Management knew it, which was why it spent \$700,000 last fall to build a new maternity unit on a different floor. Its 15 rooms — all of them single, decorated alternately in rose and ice blue with coordinated carpeting, wallpaper and hide-a-bed sofas — were designed to be the cream of the market.

Along with the new look, construction included a new "Level II" intensive-care nursery for any but the most extreme high-risk babies. In addition, the unit would be run in a different manner than in the past: Each family would be assigned one nurse per shift, instead of one for the mother and a differently trained nurse for the baby. And, unless she chose otherwise or needed a Caesarean section, the mother would not be moved to a delivery room to give birth.

The question was how to get the message about the new center out to a public — and to doctors — who already are saturated with health-care messages, especially about maternity care.

All of the changes were in response to market research and advice from staff nurses, such as assistant head nurse Colleen Hart.

Please see Midway/3C

preferences about maternity care. This supplemented other research and studies done elsewhere. They were curious to learn that some women had a negative reaction to the notion that each room had its own whirlpool.

"They said they didn't need that because they perceived that they couldn't afford it. There was a sense of 'That's too rich for my blood,'" he said. (Hospital officials say they have not raised rates to pay for the new rooms.) One response was to characterize the whirlpools, which are designed to soothe post-birth pain, as "therapeutic tubs" in promotional literature.

The campaign actually started several months before the center opened. It was a lighthearted approach, depicting five babies equipped with toy tools and yellow hard hats, a photo underlined with a message about "excitement building" at Midway, without saying exactly what. That was on billboards, in two St. Paul Pioneer Press Dispatch ads and in some neighborhood weeklies.

About 60 doctors — some who used Midway to deliver babies and some who didn't — received two promotional mailings inviting them to a Jan. 18 open house.

Continued from Page 1C

"People really do choose their own obstetric care now," she said during an interview. "I talk to people every week who are four weeks pregnant or who plan to be this summer. People plan everything nowadays."

Obstetrics, while generally considered a "leader" in hospitals, is advertised heavily because it is an area where patients can control their selection, said Patrick Klingaman, Midway's director of marketing.

"What we find is that once a person has had a positive experience with a hospital, that hospital tends to have a hold on them for life . . . We know that from our own consumer research, which found basically that you couldn't get them to go elsewhere," he said. An added benefit is that mothers tend to make most health-care decisions for the family, so if they're happy with a hospital they'll probably bring their children and spouse along."

Emergency rooms, also often money losers, are marketed heavily for the same reason; they're seen as an entree to people, especially young men, who haven't formed an allegiance to a hospital.

HealthEast retained the St. Paul advertising agency of Blaisdell & Westlie to develop a campaign and follow-up for the new center and HealthEast's other hospitals.

"We asked them what they felt their unique selling points were," agency President Kerry Blaisdell said. "As far as the consumer was concerned, it was that their nurses were cross-trained to take care of both moms and babies."

"For physicians, and we said 80 percent of these decisions are still made by physicians, we merely wanted to create an image of Midway as a place they'd be proud to be part of. Doctors have to be everybody else, and if a patient wants to be somewhere, it reflects well on them if they're able to please."

They performed three "focus group" interviews with groups of 12 women, eliciting their

But the core of the campaign, according to Blaisdell and agency marketing director Gary Kovacek, was radio spots on stations favored by 18- to 34-year-old women. They chose radio in part, they said, because the agency's media director insisted that women that age aren't very likely to read a newspaper.

They held one open house for dignitaries and doctors and another for the public on Jan. 18. Altogether, more than 1,200 persons toured the facility, including all 60 doctors, the agency officials said.

That was triple their goal, said Rebecca Crowder, public relations director. She and the others acknowledged that a tour doesn't equate to a gain in business for the hospital, but said their goal to that point — creating awareness of changes at Midway — was satisfied.

Bill bans smoking in in schools, hospitals

By Laurie Blake
Staff Writer

Legislation designed to protect children and adults from inhaling "second-hand" tobacco smoke from day care givers, teachers and hospital workers is moving toward a vote in the 1987 Legislature.

If it is approved, as expected, smoking would be outlawed in Minnesota schools, hospitals and day care centers by 1990. The legislation does not apply to day care homes.

The House version of the bill also would ban free distribution of cigarettes in the state and prohibit cigarette advertising in public buildings

such as the Metrodome, according to Rep. Wes Skoglund, DFL-Minneapolis, chief sponsor of the House bill.

Under pressure from cigarette industry lobbyists, those provisions were removed in committee in the Senate version, according to the Senate sponsor Sen. John Marty, DFL-St. Paul. When the bill reaches the Senate floor for a vote, Marty said, he will attempt to reinstate the ban against advertising in public buildings.

The legislation would help improve public health, Marty and Skoglund said. "Cigarette smoking is the most

Smoking continued on page 5B

Smoking

Continued from page 1B

preventable health problem we have," Marty said. "Thirteen Minnesotans die every day from smoke-related illnesses," he said.

Children are vulnerable to the harmful effects of second-hand smoke and should not be exposed to it in schools or day care centers, Marty said. And as for hospitalized adults, he added "the last thing they need is polluted air."

The image of teachers and doctors or nurses smoking is also a negative influence on children who look to people in these roles as models for their own lives, Marty said, adding that a number of school districts and hospitals are working to make their institutions smoke free.

The provisions against free distribution of cigarettes and against advertising in public buildings would contribute to efforts to stop teen-agers from taking up the habit, Skoglund said.

Tobacco lobbyists are fighting all attempts to cut back cigarette advertising on the ground that federal law preempts state authority on the topic.

Marty said it is a fact that well over 80 percent of adult smokers started when they were teens or younger.

The Senate has scheduled the bill for a floor vote. The House is still working on the bill in committee.

U's newest regents represent variety of careers, backgrounds

By **Michael Peltier**
Staff Writer

Amid glaring lights and camera crews, a doctor, a lawyer and a politician were sworn in Friday to begin their six-year tenures as the three newest members of the University's Board of Regents.

Dr. M. Elizabeth Craig, Elton Kuderer and Dr. J.P. Grahek were appointed in April by state legislators after endorsements from their respective congressional districts. David Roe, who ran unopposed for his second term as at-large regent, also received the legislative nod.

The four inductees donned maroon-and-gold gowns for the 15-minute ceremony on the Uni-

versity of Minnesota-Duluth campus.

U.S. Eighth Circuit Court of Appeals judge and former regent Gerald Heaney administered the oath of office to each of the candidates, who vowed to uphold the U.S. and Minnesota constitutions and the University charter.

Here is a look at the three new freshman regents:

Elton Kuderer (2nd District)

Kuderer, a Fairmont resident and former Martin County attorney, who replaces Verne Long, has rural roots. He was raised on a farm near Wilton, Wis., where he attended country school until the eighth grade.

After a prolonged stint in the

See Regents page 6

Three new regents inducted; Roe takes second term

Regents from 1

armed forces, he was discharged in 1953, the same year he graduated from the University with an agricultural education degree.

He graduated from William Mitchell College of Law in 1960 in the upper 15 percent of his class. The University's Law School was out of the question, Kuderer said, because he was working his way through school and University tuition at the time was too high.

He and his wife of 37 years, Ellen, have nine children, five of whom have graduated from the University.

When asked if he has priorities as a regent, Kuderer stressed that he has no hidden agenda.

"I did not come on the board with an ax to grind," he said. "I'm not here to reform the University. It's going to be here long after I'm gone. I just want to be able to contribute something while I am here."

Kuderer said, however, that his familiarity with rural life will affect his role as a regent and he wants to monitor the University's agricultural programs and services.

"Not only did I grow up on a farm, but I also come from a rural area. One of the things that I certainly want to watch is the way that the University interacts with rural communities."

Kuderer told legislators in March that Commitment to Focus raised crucial questions about access, especially for predominantly rural southwestern Minnesota.

Commitment to Focus is University President Ken Keller's plan to bring the University into the ranks of the top five public institutions in the country by



Newly elected members of the University's Board of Regents are, from left, Elton Kuderer, a lawyer from Fairmont; M. Elizabeth Craig, a doctor from Minnetonka; and J.P. Grahek, the mayor of Ely.

reducing undergraduate enrollment and improving graduate education.

"I want to work very closely with the Colleges of Agriculture, Forestry and Home Economics and also want to be very close to the Minnesota Extension Services," he said. "Those areas are the ones that I have some special expertise in."

Dr. J.P. Grahek (8th District)

The 77-year-old mayor of Ely, Minn., has had a long history of public service. Born and raised in the northern Minnesota town, Grahek became mayor in 1956 and held the spot until his initial retirement in 1980. He returned to the picture in November 1988 and completed his 14th successful

election bid.

Grahek, who replaces Erwin Goldfine, went through the community college system, receiving his Associate of Arts degree in 1930 from Vermillion Community College. He then transferred to Marquette University in Milwaukee, where he completed both his bachelor's and doctor of medicine degrees.

After two years of medical residency in Milwaukee, Grahek returned to Ely in 1939 and set up a family practice.

As Ely mayor, Grahek has had a knack for soliciting funds, pumping approximately \$30 million into the Ely community with projects including a nursing home and a \$10 million low-income housing project.

He said his political experience

has prepared him well for the new position.

"The University and its affiliates are dependent on the amount of money the legislators will appropriate. If they don't appropriate the money, we're in trouble. With my experience with all the legislators, I feel that I can have a direct input and influence on certain expenditures," he said.

Grahek's ties to the community college system have continued throughout his career. He has served on a number of educational boards including the Advisory Board of Northeastern Community Colleges.

Like Kuderer, Grahek has had concerns about Commitment to Focus' effect on access.

Students who may not meet University admission requirements, and who go to community colleges before transferring, need to know that their credits will transfer to the University, he said.

"I think there was a great deal of misunderstanding from students going to a community college and not being sure if their credits would transfer," he said.

University plans to develop a system allowing community college students to automatically transfer to the University is "a step in the right direction," he said.

The easy-transfer proposal, expected to be signed by University President Ken Keller this week, has eased Grahek's concern over University access, he said.

Dr. M. Elizabeth Craig (3rd District)

A graduate from the University Medical School in 1945, Craig replaces William Roe. The Minnetonka politician began private

practice in St. Louis Park in 1949.

Craig's life has been dotted with a number of accolades. In 1977, she was the first woman president of the 134-year-old Minnesota Alumni Association. She was named Woman Physician of the Year in 1984. And in 1985 she became the first woman to head the Minnesota Medical Association, representing 6,000 physicians across the state.

When asked what her major goals are this year, Craig said she has to familiarize herself with the new position.

"I'll be doing a lot of learning. I have to collect my thoughts," she said.

Craig is married to Howard Lincoln, a retired food scientist, and has two children, both of whom received graduate degrees from the University.

One son, Craig Lincoln, was a diver on the University of Minnesota swim team and received a bronze medal in the 1972 Olympics in Munich, West Germany.

Craig is a strong supporter of Commitment to Focus and said it will increase the University's prestige throughout the state and across the country while ensuring access.

"It's not cutting off access to good education to students in the state," she said. "It's a step forward, not retrenchment or an exclusion of any group of students."

Being a regent, which is a non-paid position, is "a devotion of love and appreciation," Craig said.

"My involvement with the University has been longstanding. You can't be involved with something unless you are concerned with it."

The University of Minnesota Hospital and Clinic

Board of Governors

June 24, 1987

TABLE OF CONTENTS

	<u>Page(s)</u>
Agenda	1
May 27, 1987 Board of Governors Meeting Minutes	2-5
June 11, 1987 Planning and Development Meeting Minutes	6-7
Purchasing Policy and Procedure Revisions	8-9
Quarterly Purchasing Report	10-27
June 10, 1987 Joint Conference Committee Minutes	28-30
Credentials Committee/Medical Staff-Hospital Council Report and Recommendations	31-34
Biennial Credentials Committee/Medical-Staff Hospital Council Report and Recommendations	35-60
Annual Reappointments of Chief of Clinical Services	61-62
Chief of Staff Appointment	63
May 27, 1987 Finance Committee Meeting Minutes	64-66
Report of Operations for the Period July 1, 1987 through May 31, 1987	67-69
1987-88 Compensation Plan	70-71

***** OTHER ATTACHMENTS*****

- Quarterly Report to the Regents - Presented June 12, 1987
- "Report of AIDS Mishaps Worries Hospital Staff", Minnesota Daily,
May 21, 1987
- "Local Nurses Voice Fears of AIDS Infection", St. Paul Pioneer Press Dispatch,
May 21, 1987

The University of Minnesota Hospital and Clinic
Board of Governors

June 24, 1987
2:30 P.M.
555 Diehl Hall

AGENDA

- | | | |
|------|---|-------------|
| I. | <u>Approval of April 22, 1987 Minutes</u> | Approval |
| II. | <u>Chairman's Report</u>
- Mr. Robert Latz | Information |
| III. | <u>Hospital Director's Report</u>
- Mr. Gregory Hart | Information |
| IV. | Committee Reports | |
| | A. <u>Planning and Development Committee Report</u>
- Mr. Gregory Hart | |
| | 1. Purchasing Policy & Procedure Revisions | Approval |
| | 2. Quarterly Purchasing Report | Approval |
| | B. <u>Joint Conference Committee Report</u>
- Mr. George Heenan | |
| | 1. Medical Staff-Hospital Council Credentials
Committee Recommendations | Approval |
| | 2. Biennial Medical Staff-Hospital Council
Credentials Committee Recommendations | Approval |
| | 3. Chief of Staff Appointment | Approval |
| | 4. Reappointment of Chiefs of Clinical Services | Approval |
| | C. <u>Finance Committee Report</u>
- Mr. Robert Nickoloff | |
| | 1. May Year-to-Date Financial Summary | Information |
| | 2. 1987-88 Compensation Plan | Approval |
| | 3. PCN Update | Information |
| V. | <u>Other Business</u> | |
| VI. | <u>Adjournment</u> | |

Minutes

Board of Governors

The University of Minnesota Hospital and Clinic

May 27, 1987

CALL TO ORDER:

Chairman Robert Latz called the May 27, 1987 meeting of the Board of Governors to order at 2:35 P.M. in 555 Diehl Hall.

ATTENDANCE:

Present: Leonard Bienias
Phyllis Ellis
Donald Gilmore
Al Hanser
Gregory Hart
George Heenan
Kris Johnson
Robert Latz
David Lilly
Jerry Meilahn
James Moller, M.D.
Robert Nickoloff
Barbara O'Grady

Absent: David Brown, M.D.
Shelley Chou, M.D.
Neal Vanselow, M.D.

APPROVAL OF THE MINUTES:

The Board of Governors seconded and passed a motion to approved the minutes of the April 22, 1987 meeting as written.

CHAIRMAN'S REPORT:

Chairman Latz introduced Dr. Amos Deinard, Director of the Community University Health Care Center, Ms. Mary Ellen Wells, Assistant Hospital Director, and Ms. Susan Weber, Administrator at the Community University Health Care Center.

Mr. Latz reminded the Board members that the Board of Governors 1987 retreat has been scheduled for September 17 & 18, 1987 at Riverwood Conference Center.

Mr. Latz reported that Mr. Vic Vikmanis, Assistant Vice President for Health Sciences, will summarize the highlights of the legislative session in written form and forward a copy to each member of the Board.

Mr. Donald Gilmore briefly summarized the Minnesota Hospital Trustee Conference entitled "Hospital/Physician Relationships: Corporate-Cooperative-Competitive?" held on May 5. The role of the hospital trustee in safeguarding community values and ethics was discussed. Three models for structuring physician/hospital joint ventures were explored.

HOSPITAL DIRECTOR'S REPORT:

Pending Regental approval, Dr. Al Michaels will become Chairman of Pediatrics. The Neurology Search Committee is currently interviewing candidates, Mr. Hart reported.

Mr. Hart described the Alliance of Academic Health Centers to the members of the Board. This organization is continuing to evolve and currently has 12 academic health center members. A national HMO, a national marketing and brokerage service to members, and the feasibility of a national brokerage service for transplant services are being explored. If UMHC were to join, UMCA would also be included. Mr. Hart noted that UMHC will be meeting with an Alliance of Academic Health Centers staff member before the end of June to continue these discussions.

Mr. Hart reported that three cases of AIDS transmission to health care workers have heightened anxiety about AIDS transmission in the Hospital. Dr. Frank Rhame, hospital epidemiologist, has scheduled 2 lectures on AIDS open to all employees. They are scheduled for May 27 and June 11. Mr. Hart also noted that an AIDS Coordinating Committee, chaired by Dr. Paul Quie, has been appointed.

Lastly, Mr. Hart reported that four employee recognition events have been scheduled during June, traditionally employee appreciation month at the Hospital. The first will honor retirees; a second for individuals with perfect attendance; a third for 10-year, 20-year, and 30-year service individuals; and the fourth will honor the distinguished service award winners and the Donna Ahlgred Award winner.

SPECIAL PRESENTATION: COMMUNITY UNIVERSITY HEALTH CARE CENTER

Ms. Mary Ellen Wells introduced the Community University Health Care Center (CUHCC) presentation. The presentation included a review of CUHCC's mission, history, patient population, and contributions to the community. Ms. Wells also introduced Dr. Amos Deinard, Director, and Associate Professor in the Pediatrics Department.

CUHCC, Dr. Deinard reported, was established in 1966 under office of the Vice President for Health Sciences. The Hospital assumed responsibility for the program in 1984. CUHCC is located at 16th Avenue S. & Franklin Avenue.

Dr. Deinard gave the following overview of CUHCC's activities and relationship to the community. CUHCC is a primary care facility that refers non-primary care cases to UMHC. Last year CUHCC saw over 6,000 patients, of which 5,362 were medical/dental related and 685 mental health cases. CUHCC is the 5th busiest UMHC clinic with 51,519 total visits last year. The patient population is predominately white (46%), S.E. Asian (30%), Native American (15%), followed by Black (5%), Hispanic (1%), and others (3%). Residents and Interns from various University/Hospital departments work at CUHCC. CUHCC is also involved in a number of research areas including iron deficiency, Hmung cultural studies and lead overburden. Dr. Deinard reported that the future concerns of CUHCC include changes in reimbursement, expansion of the educational program, growth factors, and the replacement of the physical facility.

PLANNING AND DEVELOPMENT COMMITTEE REPORT:

Ms. Kris Johnson reported the Committee has endorsed the computer upgrade proposal as submitted for \$4.3 million. This amount does not include the residual value of the disk system and the A9. The Board of Governors seconded and passed a motion approving the purchase of computer upgrade as submitted.

Ms. Johnson reported that the Committee had discussed the impact of national contracts for care. The Committee had questioned whether sufficient space and manpower are in place to serve patients generated through these contracts. The Committee also questioned whether these contracts would or would not generate patients that would foster the teaching and research aspects of our mission. This will be discussed in detail at future Planning and Development meetings and Clinical Chiefs meetings.

FINANCE COMMITTEE REPORT:

Mr. Robert Nickoloff reported a continued favorable financial position. The Hospital is currently ahead of budget.

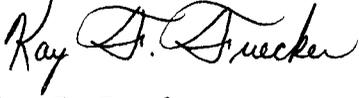
Mr. Greg Hart discussed the 1987-88 Pay Plan was discussed at the meeting for information only; it will be submitted for approval at the June meeting. Four categories of increases are proposed: 1) across the board increase; 2) progression increases; 3) pay equity; and 4) marketplace adjustments. A 2.5% increase has been anticipated for University employees. Mr. Lilly indicated that no money was allocated by the legislature for pay equity, but the University will be allocating some funds internally for this purpose.

Mr. Hart also noted that the Primary Care Network update will be sent out to Board members in the very near future. Enrollments have been up slightly in recent months, Mr. Hart reported. A PCN Board meeting is scheduled for June 10.

ADJOURNMENT:

There being no further business, the May 27, 1987 meeting of the Board of Governors adjourned at 3:50 P.M.

Respectfully submitted,



Kay F. Fuecker
Board of Governors Office

MINUTES
Planning and Development Committee
June 11, 1987

CALL TO ORDER

In the absence of Committee Chairman, Ms. B. Kristine Johnson, Greg Hart called the June 11, 1987 meeting of the Planning and Development Committee to order at 1:00 p.m. in Room 8-106 in the University Hospital.

Attendance: Present	Greg Hart William Jacott, M.D. Geoff Kaufmann Peter Lynch, M.D. Ted Thompson, M.D.
Absent	B. Kristine Johnson, Chair Leonard Bienias S. Albert Hanser Clint Hewitt
Staff	Cliff Fearing Nancy Janda Mark Koenig John LaBree, M.D. Lisa McDonald

APPROVAL OF MINUTES

The minutes of the May 15, 1987 meeting were approved as distributed.

PURCHASING POLICY AND PROCEDURE REVISIONS

Mr. Koenig reviewed a revised "Purchasing Authority" policy which eliminates bringing corrections of errors and minor changes in purchasing policy to the Board for approval. The change was adopted.

QUARTERLY PURCHASING REPORT (February 1987-April 1987)

This quarter's purchasing orders of \$14,194,174.27 and confirming orders of \$14,618,313.83 were detailed by Mr. Koenig as well as purchase awards to other than low bidder. Set Aside awards for this quarter of \$132,502.97 were comparable to last year. There were four vendor appeals which have been resolved. University Consortium savings this quarter were \$7,497.05 and \$339,261.64 for the fiscal year.

The Quarterly Purchasing report was approved as submitted.

UMCA UPDATE

Dr. Lynch briefed the committee on UMCA's activities. A Home Alimentation Management Contract has been signed with UMHC. Ongoing discussions are being held with PHP, Dakota Clinic, and other organizations. UMCA along with the hospital are reviewing the benefits of joining the Alliance of Academic Health Centers.

HEALTH EAST DISCUSSIONS

Mr. Hart updated the group on Health East's discussions regarding contracting with UMHC as a tertiary provider. Health East will be bidding their tertiary care package to selected Twin Cities hospitals.

CHILDREN'S NETWORK STUDY

Mr. Kaufmann discussed the results of the Children's Network Study which concluded that UMHC/Variety Club Children's Hospital staff, services and geographical areas were compatible and complimentary with St. Paul Children's. A list of potential joint programs was generated and is being evaluated.

CHILDREN'S AD CAMPAIGN

Preliminary results of the Children's Advertising Campaign were discussed by Mr. Kaufmann. During the initial campaign, (January-March) pediatric outpatient visits of 3,066 were up 9% after declining for the last six years. Referral line calls also continued to increase, up 45% vs 1986. Inpatient volume trends and image study results will also be analyzed for a more thorough assessment of the campaign.

ADJOURNMENT

The Planning and Development Committee adjourned at 1:45 p.m.

Respectfully submitted,

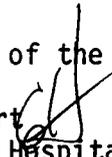
Lisa G McDonald
Lisa G. McDonald
Assistant Director
Planning and Marketing



UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Harvard Street at East River Road
Minneapolis, Minnesota 55455

June 17, 1987

TO: Members of the Board of Governors
FROM: Greg Hart 
Interim Hospital Director
SUBJECT: Purchasing Policy and Procedure Revisions

At the March Planning and Development Committee meeting the process for approving changes in the Purchasing Policy and Procedure Manual was discussed. It was the recommendation of staff that only significant changes in purchasing policy be brought to the Planning and Development Committee and the full Board of Governors for approval. It was recommended further that minor changes in procedure should not consume Planning and Development Committee and full Board meeting time.

The attached change in policy will implement the changes discussed at the March meeting. This policy revision is offered today for your approval.

/kj

attachment

POLICY AND PROCEDURES MANUAL



UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

SECTION:

Page 1 of 1

VOL.:

POLICY NUMBER:

EFFECTIVE: 1/3/84

REVISION: 1/2/85

REVIEWED:

12/31/85

SUBJECT:

PURCHASING AUTHORITY

SOURCE:

MATERIALS SERVICES

Policy

The Board of Regents of the University of Minnesota has delegated to the Board of Governors the authority to conduct all purchasing activity within the University of Minnesota Hospital and Clinic.

Procedure

1. The Hospital shall develop and the Board of Governors shall approve a set of purchasing policies and procedures which will govern all purchasing activity at University Hospital and Clinic.
 - A. Changes in purchasing policy shall be reviewed and approved by the Board of Governors.
 - B. Clarification, corrections of errors and minor changes in purchasing procedure shall be made at the discretion of the Hospital Director.
2. In fulfilling its purchasing responsibility, the Board of Governors may, on a quarterly basis, request reports from the Hospital Director regarding purchasing activity conducted by the University of Minnesota Hospital and Clinic. This report may include any purchasing activity related to awards made to minority vendors participating in the set aside program, and purchasing activity resulting in cost savings to the Hospital.

The above subjects are not to be construed as all inclusive as the Board of Governors may wish to seek additional purchasing-related information as it deems appropriate.

APPROVED: BOARD OF GOVERNORS

DATE:

10/24/86

TITLE:



UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Harvard Street at East River Road
Minneapolis, Minnesota 55455

June 17, 1987

TO: Board of Governors
FROM: Greg Hart *GH*
Interim Hospital Director
SUBJECT: Quarterly Purchasing Report

Attached is a copy of the Hospital's Quarterly Purchasing Activity report for the period February, 1987 through April, 1987.

This report is being submitted for your approval at the June Board of Governors meeting.

If you have any questions regarding the report before your meeting, please feel free to call me.

/kff

Attachment

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC
ADMINISTRATIVE REPORT ON PURCHASING ACTIVITY

PERIOD OF FEBRUARY - APRIL 1987

I. PURCHASE ORDER ANALYSIS

RANGE	NUMBER OF P.O.'S	TOTAL DOLLAR VALUE
\$ 0 - \$ 499	5886	\$948,421.71
\$ 500 - \$1,999	2110	\$2,168,911.62
\$ 2,000 - \$4,999	566	\$1,760,637.06
\$ 5,000 - \$9,999	253	\$1,795,155.82
\$10,000 - OVER	257	\$7,521,048.06
TOTAL PURCHASE ORDER	9072	\$14,194,174.27

II. CONFIRMING ORDERS

\$ 0 - \$ 99	177	\$9,311.60
\$ 100 - \$ 499	274	\$69,720.45
\$ 500 - \$ 999	83	\$54,722.93
\$1,000 - \$1,999	72	\$103,281.46
\$2,000 - OVER	51	\$187,103.12
CONFIRMING ORDERS	657	\$424,139.56
TOTAL	9729	\$14,618,313.83

III. SET ASIDE AWARDS

(Attachment C)

IV. PURCHASE AWARDS TO OTHER THAN APPARENT LOW BIDDER

(Attachment A)

V. SOLE SOURCE

(Attachment B)

VI. VENDOR APPEALS

(Attachment D)

VII. UNIVERSITY HOSPITAL CONSORTIUM ACTIVITY

(Attachment E)

ATTACHMENT A

IV. Purchase Award to Other Than Low Bidder, #5,000.00 or More

	BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
1.	87-223 Line 13	SMS, Inc./Scissors, Mayo, Curved Reason: Scissors do not open and close smoothly.	\$ 5,304.00	\$ 5,191.20	Materials
2.	87-226 Line 14	Lobdell Inst./Scissors, Metzenbaum Reason: Rough edge at base of scissor blade.	\$ 5,095.20	\$ 4,845.60	Materials
		SMS, Inc./Scissors, Metzenbaum Reason: Edge of instrument was nicked.	\$ 5,095.20	\$ 5,011.20	Materials
3.	87-222 Line 19	Edward Weck/Needle Holder, Derf Reason: Tip of instrument is not sufficiently delicate.	\$ 5,188.00	\$ 4,676.00	Materials
4.	87-223 Line 56	Codman & Shurtleff/Clamp, Chest Tube Reason: Stabilizer on clamp is unnecessary and would be difficult to clean.	\$ 6,125.00	\$ 5,801.25	Materials
		American V. Mueller/Clamp, Chest Tube Reason: Finish is pitted and clamp is not sturdy enough.	\$ 6,125.00	\$ 2,772.00	Materials
5.	87-231	Vestal Labs/Disinfectant-Phenolic Gen. Purpose Reason: Staff experienced adverse reactions during evaluation. The dispenser was also not accurate--instructions indicated product is to be dispensed by the 1/2 ounce, the dispenser allowed one ounce to be dispensed.	\$ 5,022.72	\$ 4,884.48	Materials
6.	87-227 Line 2	Medix/Box, Syringe Disp. Magnetized Case Reason: Box is too large for the purpose intended, is not sterile and is not magnetized.	\$ 10,121.93	\$ 6,451.20	Materials

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
	McKesson/Box, Syringe Disp. Magnetized Case	\$ 10,121.93	\$ 6,525.39	Materials
	Reason: Box is too large for the purpose intended, is not sterile and is not magnetized.			
	James Phillips/ Box, Syringe Disp. Magnetized Case	\$ 10,121.93	\$ 6,827.52	Materials
	Reason: Box is too large for the purpose intended, is not sterile and is not magnetized.			
	American Hospital Supply/ Box, Syringe Disp. Magnetized Case	\$ 10,121.93	\$ 2,451.46	Materials
	Reason: Samples were not received within the specified time frame.			
7. 86-674	Key Medical/Multi-Flo Adapter	\$ 16,255.00	\$ 15,180.00	Materials
	Reason: Package is difficult to open aseptically. Adapter does not have have a luer lock at the insertion site creating a potential for separating.			
8. 86-776	Deseret/I.V. Placement Catheter 24ga x 3/4	\$ 8,856.00	\$ 7,056.00	Materials
	Reason: Catheter is too stiff and harder to thread.			
9. 86-673	Transhealth/PRN Adapter	\$ 8,283.00	\$ 7,728.00	Materials
	Reason: Adapter is too bulky and short. Tends to dig into the patient's skin when used on a heparin locked peripheral line.			
	James Phillips/PRN Adapter	\$ 8,283.00	\$ 7,728.00	Materials
	Reason: Adapter is too bulky and short. Tends to dig into the patient's skin when used on a heparin locked peripheral line.			
	Quest Medical/PRN Adapter	\$ 8,283.00	\$ 6,216.00	Materials
	Reason: Adapter is too bulky and short. Tends to dig into the patient's skin when used on a heparin locked peripheral line.			

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
	Travenol/PRN Adapter	\$ 8,283.00	\$ 6,552.00	Materials
	Reason: Adapter is too bulky and short. Tends to dig into the patient's skin when used on a heparin locked peripheral line.			
	Burron Medical/PRN Adapter	\$ 8,283.00	\$ 5,040.00	Materials
	Reason: Adapter is too bulky when wrapped in a heparin lock bandage for home infusions and requires extra padding to prevent skin damage.			
	Key Medical/Adapter	\$ 8,283.00	\$ 7,056.00	Materials
	Reason: Adapter does not fit currently used catheter tightly enough resulting in leakage or dislodgement of the adapter.			
10. 87-281	Medline/Sponge, Pre-Op Textural Scrub, No-Soap	\$ 5,987.52	\$ 4,931.63	Materials
	Reason: Product is a sponge/brush rather than a textural sponge as specified.			
	Medix/Sponge, Pre-Op Textural Scrub, No-Soap	\$ 5,987.52	\$ 5,132.16	Materials
	Reason: Sponge is too stiff and solid. It does not conform to the fingers well and is too rough.			
	James Phillips/Pre-Op Textural Scrub, No-Soap	\$ 5,987.52	\$ 5,607.37	Materials
	Reason: Sponge is too stiff and solid. It does not conform to the fingers well and is too rough.			
11. 87-335 Line 4-6	Kontron/Percor Stat DL IAB & Insertion Kit, 12.0cc & 20.0cc Pediatric Balloon	\$ 68,460.00	\$ 60,600.00	Materials
	Reason: As this item is used in emergency situations where set-up time is critical, it is unacceptable to have two different brands of catheters in stock. Confusion could occur, delaying set-up time and procedure, and potentially compromising patient care.			

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
12. 87-297 Line 1	Colonial/Hydroactive Dressings Reason: Residue left on skin upon removal of dressing appears like a yeast rash making it hard to distinguish what it is. The barrier also dissolved too rapidly.	\$ 6,552.00	\$ 6,369.60	Materials
	Medix/Hydroactive Dressings Reason: Residue left on skin upon removal of dressing appears like a yeast rash making it hard to distinguish what it is. The barrier also dissolved too rapidly.	\$ 6,552.00	\$ 6,436.00	Materials
Line 1	C.R. Bard/Hydroactive Dressings Reason: Product is too adherent, causing serious skin stripping upon removal.	\$ 6,552.00	\$ 6,547.20	Materials
Line 1	Acme/Hydroactive Dressings Reason: Product does not sufficiently adhere to the wound site.	\$ 6,552.00	\$ 4,920.00	Materials
13. 87-247	McKesson/Underpads Reason: Absorbent field is too small and material shredded when it became wet, causing skin irritation.	\$ 45,760.80	\$ 42,448.80	Materials
14. H069081/ 87-363	Angelica Uniforms/Nutrition Uniforms Reason: Lead times are too long to meet bid specifications.	\$ 12,295.05	\$ 10,703.15	Nutrition
15. 87-381	Mallinckrodt/Contrast Media Reason: Contrast Media was previously evaluated in 1986 and found unacceptable due to adverse reactions in patients.	\$ 66,240.00	\$ 64,584.00	Materials
16. 87-332	Harbor Linen/Bath Towels Reason: Towel is too coarse to use on patients with fragile skin.	\$ 27,450.00	\$ 22,096.50	Materials

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
	E&I Cooperative/Bath Towels	\$ 27,450.00	\$ 22,785.00	Materials
	Reason: Towel is too coarse to use on patients with fragile skin.			
	Carolina Absorbent Cotton/Bath Towels	\$ 27,450.00	\$ 23,160.00	Materials
	Reason: Towel did not hold its shape--edges were uneven and puckered after washing.			
	Colonial Hospital Supply/Bath Towels	\$ 27,450.00	\$ 24,000.00	Materials
	Reason: Towel is too coarse to use on patients with fragile skin.			
17. H068638	Mid-America/Microfilm System	\$ 17,500.00	\$ 12,030.00	Pt. Acct.
	Reason: Bid for system did not include a camera. When the price of a camera was added in, the quotation was higher than another acceptable quotation.			
18. H068669	Pentax/Duodenoscope	\$ 12,900.00	\$ 9,306.00	Endoscopy
	Reason: Pentax channel size is only 3.7mm and a 4.2mm channel size was specified.			
19. H071080	Olympus/Endoscope Washer	\$ 9,900.00	\$ 875.00	Endoscopy
	Reason: Equipment offered was not a comparable washing/disinfecting machine. It was a washing cart.			
	Medivators/Endoscope Washer	\$ 9,900.00	\$ 8,500.00	Endoscopy
	Reason: Unit offered could handle one unit only rather than multiple units as specified.			
20. H069253	Siemens/Ultrasound System	\$172,531.00	\$ 62,295.00	Radiology
	Reason: System offered does not have a transducer as specified. Sector transducers are mechanical rather than electronic. Image memory is 512 x 512 rather than 512 x 1500 as specified.			

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
	Toshisba/Ultrasound System	\$172,531.00	\$125,980.00	Radiology
	Reason: System does not utilize a 128 channel system as specified. sector transducers are not electronic. Image memory is 512 x 512 rather than 512 x 1500 as specified.			
	Advanced Technology/Ultrasound System	\$172,531.00	\$162,383.00	Radiology
	Reason: Image memory is 512 x 512 x 6 rather than 512 x 1500 x 8 as specified. Sector transducers are not electronic. Electronic beam formation is not as effective as specified dynamic computed lens system.			
21. H070826	Wallace/Burster	\$ 5,540.00	\$ 3,195.00	Labs
	Reason: Maximum speed is 125 forms/minute, not 300/minute as specified. System does not offer conveyor belt forms stacker, which is required at specified speeds.			
22. 87-371 Line 2	Fashion Seal/Robes	\$ 5,273.40	\$ 5,108.40	Materials
	Reason: Robes has three-quarter length sleeves rather than full-length as specified.			
	White Knight Textiles/Robes	\$ 5,273.40	\$ 3,135.00	Materials
	Reason: Fabric is not seersucker and robe does not have full-length sleeves as specified.			
23. 87-276 Line 4	International Medical/Incentive Spirometer	\$ 27,612.00	\$ 20,264.40	Materials
	Reason: An aggregate award, as required by this bid, would be more costly overall.			
24. 87-356 Line 5	Whittaker General Medical/Universal Circuit	\$ 11,800.00	\$ 7,020.00	Materials
	Reason: Exhalation valve leaks under certain conditions, swivel hanger separates under stress and swivel connector has the potential to leak.			

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
24. 87-356	Medix/Universal Circuit	\$ 11,800.00	\$ 7,020.00	Materials
	Reason: Exhalation valve leaks under certain conditions, swivel hanger separates under stress and swivel connector has the potential to leak.			
	Medical Oxygen/Universal Circuit	\$ 11,800.00	\$ 6,550.00	Materials
	Reason: Circuit does not have locking nubs to prevent accidental disconnect; swivel connector has potential to leak; exhalation valve makes noise and causes readouts to be artificially high.			
	Medical Oxygen/Universal Circuit	\$ 11,800.00	\$ 7,020.00	Materials
	Reason: Exhalation valve leaks under certain conditions, swivel hanger separates under stress, and swivel connector has the potential to leak.			
	American Hospital Supply/Universal Circuit	\$ 11,800.00	\$ 9,800.00	Materials
	Reason: Circuit has residual P.E.E.P. and O-rings used to seal connections are unacceptable due to potential loss.			
	Tri-Med/Universal Circuit	\$ 11,800.00	\$ 9,760.00	Materials
	Reason: Resistance to exhalation exists at certain tidal volumes.			
25. 87-408	AHS/China	\$ 95,342.40	\$ 64,115.68	Materials
	Reason: Product offered does not match existing china.			
26. 87-266	Halcon/Anti-Embolsism Stockings	\$ 16,773.00	\$ 11,059.92	Materials
	Reason: Elastic material irritated the patient's skin; material stretched allowing the toes to slip through toe opening; stocking support is not equivalent to specified product.			

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
27. H068229	Siemens/Ultra Sound System Reason: System will not accept a 10MHz probe, the 3.5 and 5 MHz probes are not available with doppler capability, dual 9" monitors not available.	\$106,660.00	\$ 84,795.00	Radiology
28. H068230	Siemens/Ultra Sound System Reason: An 8 MHz annular array probe not available and dual 9" monitors not available to offer 2D simultaneous image viewing without minifying the images.	\$ 76,200.00	\$ 61,295.00	Radiology
29. 87-271	Consolidated Medical/Electrosurgical Dispersive Pads Reason: Connection between lead and pad is not dog-ear style like specified products, and placement of the connector over the gel causes an unevenness in the pad.	\$ 19,834.00	\$ 14,480.00	Materials
	American Hospital/Electrosurgical Dispersive Pads Reason: Adhesion was not sufficient.	\$ 19,834.00	\$ 13,920.00	Materials
	Colonial Hospital/Electrosurgical Reason: Connection between lead and pad is not dog-ear style like specified product, and placement of the connector over the gel causes an unevenness in the pad.	\$ 19,834.00	\$ 14,480.00	Materials
30. 87-340 Line 1&2	Cutter/DSOL Solution Reason: Does not meet specification for Adsol.	\$ 10,466.40	\$ 6,528.00	Labs
Line 10	Cutter/Plasma Transfer Set Reason: Tubing is difficult to strip.	\$ 13,708.80	\$ 12,432.00	Labs
	Delmed/Plasma Transfer Set Reason: Protective tips are not secure and fall off at an unacceptable rate.	\$ 13,708.80	\$ 12,499.20	Labs

BID # P.O. #	VENDOR/ITEM	TOTAL \$ VALUE	\$ VALUE LOW BIDDER	DEPT.
30. 87-340 Line 16	Cutter/Transfer Packs Reason: Bags have only one portal--two are needed. Bags are difficult to strip because of "y" shape; portal tabs are difficult to pull off.	\$ 5,740.80	\$ 3,024.00	Labs
Line 9 & 16	Delmed/Transfer Packs Reason: Unacceptable due to square shape design which results in loss of marrow cells.	\$ 7,880.80	\$ 4,924.80	Labs
Line 9 & 16	Terumo/Transfer Pack Units Reason: Unacceptable due to square shape design which results in loss of marrow cells; bag also has "y" shape tubing making it difficult to strip.	\$ 7,880.80	\$ 4,416.00	Labs
Line 11	Delmed/Platelet Recipient Sets Reason: Sample sets were not received as required for testing.	\$ 26,244.00	\$ 20,520.00	Labs

gov4

ATTACHMENT B

V. SOLE SOURCE

VENDOR	CONTRACT/ P.O. NUMBER	VALUE	DEPARTMENT	PRODUCT
Nellcor	H069717	\$275,220.00	Cardio	Oxisensors
Orthomet	87-302	OPEN	Nursing	CPM Supplies
Culligan	H069722	OPEN	Nursing	Carbon Tanks & Filters
Animal Fair	H068191	\$32,250.00	Vol. Serv.	U-Bears
American V. Mueller	H328932	\$6,206.08	O.R.	Spinal Instr.
Ruggles	H328933	\$12,960.00	O.R.	Spinal Instr.
Sales Marketing	H328884	\$4,350.00	Spec.Prog.	Key Chains
M.O. Sales	H329161	\$2,041.44	Spec.Prog.	Mugs
M.O. Sales	H329594	\$3,057.50	Spec.Prog.	Pens
Medical Engineering	H329532	\$6,535.00	O.R.	Stents
Storz Instruments	H329541	\$4,771.60	O.R.	Oph. Instr.
Karl Storz	H066361	\$3,973.00	O.R.	OB/GYN Instr.
Medtronics	H068218	\$3,240.00	M.S./CSP	Ext. Pacemaker
Medtronics	H068217	\$2,700.00	M.S./CSP	Seq. Pacemaker
Northern X-Ray	H068244	\$5,990.00	Labs	Headboard/ Armboard
M.O. Sales	H329620	\$4,392.00	Spec.Prog.	T-Shirts
Executone	H330063	\$4,847.70	Bio. Med.	Parts for Nurse- Call System
Midas Rex	H330145	\$16,344.21	O.R.	Pneumatic Tool
BioRad	H330814	\$3,780.00	Labs	Lymphocheck
M.O. Sales	H331205	\$4,230.00	Spec.Prog.	T-Shirts
Kopy King	H331705	\$8,977.00	Spec.Prog.	Note Pads & Folders
Aesculap	87-374	OPEN	O.R.	Burs/Blades
Haemonetics	H068666	\$23,500.00	Cardio	Blood Cell Recovery Sys.
Tandem	H069739	\$18,384.00	Labs	Computer Maint.
American Bentley	H069740	\$25,080.00	Cardio	Cell Saver Pacs
Hemotec	H069738	\$53,928.00	Cardio	Heparin Assay
HT Products	H068226	\$2,715.52	Facilities	Pneumatic Tube Materials
Philips Medical	H079067	\$118,807.00	Radiology	Film Changer
M.O. Sales	H069597	\$19,280.00	Spec.Prog.	T-Shirts
3M Vision Care	87-401	OPEN	O.R.	Intraocular Lens
Weck/Eder	87-416	\$50,000.00	M.S./CSP	Laparoscopy Equip. Parts
Nalco Chemical	H331780	\$2,331.65	Maint/Oper	Water Treatment Chemicals
Karl Storz	H070023	\$7,500.00	O.R.	Telescopes
S.I.A.	H070024	\$2,900.00	O.R.	Arthroscopes
M.A. Bioproducts	H070021	\$8,368.00	Labs	Serum

-cont'd-

V. SOLE SOURCE (cont'd)

Network Systems	H069771	\$31,050.00	Labs	Rental/Maint. of Computer Equip
Knowledge Data Sys.	H070365	\$23,475.00	Labs	Programming
Stryker	H070364	\$5,375.00	O.R.	Head/Neck Surg. Bed
S.I.A.	H070374	\$2,800.00	O.R.	Arthroscope
Midwest Micromedia	87-354	\$12,450.00	Labs	Microdilution Panels
TOTAL		\$813,809.70		

ATTACHMENT C

III. SET ASIDE AWARDS

A. AWARDED BIDS

CATEGORY	VENDOR	TOTAL DOLLAR VALUE
Ortho-Hard Goods	Quality Medical	\$4,912.50
Ortho-Hard Goods	Home Hospital Equipment	\$6,440.52
Name Badges/Pins	Trophy Craft	\$4,284.50
Office Furniture	Contract Furnishings	\$11,360.66
Office Supplies	Art Materials	\$11,880.00
Stockings, Anti-Emb.	Halcon	\$16,773.00
	TOTAL AWARDED BIDS	\$55,651.18

B. DEPARTMENTAL PURCHASES

FEBRUARY 1987

P.O. NUMBER	VENDOR	TOTAL DOLLAR VALUE
1. H327874	Quality Medical	\$37.18
2. H327953	Quality Medical	\$85.56
3. H329221	Quality Medical	\$118.50
4. H329295	Quality Medical	\$611.20
5. H328451	Office Machine Sales	\$844.20
6. H327428	Halcon Distributors	\$227.76
7. H327707	Halcon Distributors	\$388.20
8. H327780	Halcon Distributors	\$155.28
9. H328153	Halcon Distributors	\$310.56
10. H328296	Halcon Distributors	\$129.40
11. H328529	Halcon Distributors	\$3,395.75
12. H328708	Halcon Distributors	\$151.20
13. H328906	Halcon Distributors	\$307.12
14. H327653	Home Hospital Equip.	\$109.44
15. H328445	Home Hospital Equip.	\$388.08
16. H328710	Home Hospital Equip.	\$656.64
17. H329195	Art Materials	\$415.80
18. H055913	Hartmann Office Equip.	\$1,637.45
19. H327405	Budget Paper	\$88.60
20. H066714	Quality Medical	\$75.95
21. H327699	M.O. Sales	\$1,935.00
22. H056350	Northern Balance	\$174.00
23. H327867	Allanson Business Prod.	\$173.50
24. H066024	Quality Medical	\$49.95
25. H066715	Quality Medical	\$486.80
26. H066722	Quality Medical	\$652.90
27. H068026	Quality Medical	\$619.85
28. H068028	Quality Medical	\$162.46
29. H066839	Contract Furnishings	\$980.00
30. H328981	Audio Visual Wholesalers	\$421.48
31. H329161	M.O. Sales	\$3,073.44
	FEBRUARY TOTAL	\$18,863.25

III. SET ASIDE AWARDS (cont d)

MARCH 1987

1.	H331071	Halcon	\$2,850.28
2.	H330875	Halcon	\$151.84
3.	H330737	Halcon	\$155.28
4.	H330637	Halcon	\$3,395.75
5.	H330511	Halcon	\$155.28
6.	H330416	Halcon	\$133.88
7.	H330121	Halcon	\$936.00
8.	H327780	Halcon	\$155.28
9.	H327784	Qualtiy Medical	\$37.18
10.	H330751	Home Hospital	\$656.64
11.	H330332	Kelly Computer	\$99.50
12.	H330122	Quality Medical	\$384.48
13.	H329981	Computer Supply Store	\$184.80
14.	H067008	Your Way Cleaning	\$2,660.00
15.	H329516	Audio Visual Wholesalers	\$469.00
16.	H068034	Quality Medical	\$334.95
17.	H068040	Quality Medical	\$83.10
18.	H067999	Quality Medical	\$49.95
19.	H068512	Quality Medical	\$537.60
20.	H068041	Quality Medical	\$453.55
21.	H068042	Quality Medical	\$194.16
22.	H330212	Sexton Data Products	\$167.50
23.	H326985	Halcon	\$77.64
24.	H068536	Quality Medical	\$327.10
25.	H068048	Quality Medical	\$89.40
26.	H068050	Quality Medical	\$167.65
27.	H331457	Budget Paper	\$44.30
28.	H329594	M.O. Sales	\$3,057.50
29.	H329620	M.O. Sales	\$4,392.00
30.	H069597	M.O. Sales	\$19,280.00
		MARCH TOTAL	\$41,681.59

APRIL 1987

1.	H069598	Lake's Enterprises	\$787.25
2.	H068555	Quality Medical	\$346.00
3.	H331977	Audio Visual Wholesalers	\$479.06
4.	H069479	Quality Medical	\$66.85
5.	H332227	Contract Furnishings	\$421.50
6.	H068935	Trophy Craft	\$99.00
7.	H069438	Quality Medical	\$21.00
8.	H332776	Audio Visual Wholesalers	\$115.20
9.	H332839	Sexton Data Products	\$105.00
10.	H068937	Trophy Craft	\$99.65
11.	H079488	Quality Medical	\$96.00
12.	H331563	Allanson Business Prod.	\$1,252.80
13.	H332158	Kelly Computer	\$87.56
14.	H331610	Quality Medical	\$64.17
15.	H332550	Quality Medical	\$384.48
16.	H332554	Quality Medical	\$138.25

-cont'd-

III. SET ASIDE AWARDS (cont'd)

APRIL 1987 (cont'd)

17.	H333032	Quality Medical	\$29.06
18.	H331521	Halcon	\$172.80
19.	H332151	Halcon	\$151.20
20.	H332549	Halcon	\$312.00
21.	H332266	Halcon	\$312.00
22.	H332731	Halcon	\$3,995.00
23.	H332742	Home Hospital Equipment	\$656.64
24.	H332665	Art Material	\$356.40
25.	H332839	Sexton Data Products	\$105.00
26.	H331972	Home Hospital Equipment	\$388.08
27.	H331205	M.O. Sales	\$5,265.00
		APRIL TOTAL	\$16,306.95

C. QUARTERLY GRAND TOTAL

Awarded Bids	\$55,651.18
February Purchases	\$18,863.25
March Purchases	\$41,681.59
April Purchases	\$16,306.95
GRAND TOTAL	\$132,502.97

ATTACHMENT D

VI. VENDOR APPEAL

1. VENDOR NAME: Trophy Craft

NATURE OF PURCHASE: Name Badges/Pins

AMOUNT OF AWARD: \$ 4,284.50

REASON FOR APPEAL: The vendor was of the opinion that the quality of the plastic was comparable to the currently used product. U.M.H.C. re-evaluated and agreed with Trophy Craft.
2. VENDOR NAME: Home Hospital Equipment

NATURE OF PURCHASE: Anti-Embolism Stockings

AMOUNT OF AWARD: \$ 16,918.08

REASON FOR APPEAL: The vendor contends that the "Jobst" stocking is comparable to the current "Kendall" product. The product is currently being re-evaluated.
3. VENDOR NAME: V. Mueller

NATURE OF PURCHASE: Surgical Instruments

AMOUNT OF AWARD: \$ 26,508.40 (13 lines)

REASON FOR APPEAL: Vendor disputed reasons given for unacceptability. Instruments were re-evaluated and still found unacceptable.
4. VENDOR NAME: Syva

NATURE OF PURCHASE: Lab Tests

AMOUNT OF AWARD: \$ 14,504.00

REASON FOR APPEAL: Syva did not agree with UMHC's decision that Syva was higher due to number of work units involved in processing their tests. Labs reiterated their position and indicated procedures, which dictate the number of work units and level of technicians required, were not flexible.

ATTACHMENT E

VII. UNIVERSITY HOSPITAL CONSORTIUM ACTIVITY

1. Nature of Purchase:	Labs - Blood Collection Sets
Consortium Vendor Name:	Travenol
Purchase Order #:	87-337
Value of Purchase:	\$ 2,245.39
Value of Next Lowest Bidder:	No other bidders
Savings:	\$ 650.82
2. Nature of Purchase:	X-Ray Line Projectors
Consortium Vendor Name:	Siemens Medical
Purchase Order #:	H070001 & H069100
Value of Purchase:	\$ 20,376.00
Value of Next Lowest Bidder:	\$ 22,950.00
Savings:	\$ 2,445.12
3. Nature of Purchase:	Forms
Consortium Vendor Name:	Standard Register
Purchase Order #:	6 P.O.'s (month of February)
Value of Purchase:	\$ 18,700.65 (total)
Value of Next Lowest Bidder:	Not Bid
Savings:	\$ 2,074.30
4. Nature of Purchase:	Forms
Consortium Vendor Name:	Standard Register
Purchase Order #:	15 P.O.'s (month of March)
Value of Purchase:	\$ 21,325.05 (total)
Value of Next Lowest Bidder:	Not Bid
Savings:	\$ 1,292.60
5. Nature of Purchase:	Forms
Consortium Vendor Name:	Standard Register
Purchase Order #:	16 P.O.'s (month of April)
Value of Purchase:	\$ 32,833.55 (total)
Value of Next Lowest Bidder:	Not Bid
Savings:	\$ 1,034.21
TOTAL SAVINGS THIS QUARTER:	\$ 7,497.05
TOTAL SAVINGS THIS FISCAL YEAR:	\$339,261.64

MINUTES
Joint Conference Committee
Board of Governors
June 10, 1987

ATTENDANCE: Present: George Heenan, Chair
Phyllis Ellis
Patricia Ferrieri, M.D.
Donald Gilmore
Greg Hart
James Moller, M.D.
Michael Popkin, M.D.

Absent: Bruce Work, M.D.

Staff: Jan Halverson
Nancy Janda
Barbara Tebbitt

APPROVAL OF MINUTES

The minutes of the April 8, 1987 meeting were approved as submitted.

MEDICAL STAFF HOSPITAL COUNCIL REPORT

Dr. James Moller presented the report and recommendations from the Credentials Committee. The recommendations included medical staff reappointments, recommendations for termination of medical staff appointments, recommendations for regular medical staff appointments, recommendations for addition and deletion of clinical privileges, recommendations for changes in staff category, recommendations for changes in primary appointment and joint appointment, recommendations for provisional medical staff appointment, and resignations from the medical staff. Dr. Moller noted that the recommendations for termination of medical staff appointment involved individuals who have not yet submitted the requisite information for reappointment or requisite evidence of malpractice insurance coverage. Letters have been sent to these individuals on several occasions requesting the required information. The Joint Conference Committee moved to endorse the recommendations of the Credentials Committee

and Medical Staff Hospital Council in all of the above areas, noting that if the required information is received from those individuals not recommended for reappointment before the June Board of Governors meeting, that information can be utilized in the recommendations for reappointment being forwarded to the Board of Governors on June 24th.

Dr. Moller and Mr. Hart presented the recommendations for annual reappointment of Chiefs of Clinical Services. It was noted that Dr. William Thompson, Dr. Peter Lynch, and Dr. Bruce Work are in their initial three-year appointment term and thus reappointment is not necessary for these three individuals. It was also noted that Dr. Michael has recently been appointed as Head of the Department of Pediatrics on a permanent basis having served on an interim basis during the last year. Lastly, the recommendation from Dr. Roby Thompson of Dr. Essam Awad as Clinical Chief of the Department of Physical Medicine and Rehabilitation was noted. Dr. Awad is not head of the department, thus his initial appointment as Clinical Chief shall be for one year, consistent with the Board of Governors Bylaws. The recommendations for reappointment of the Clinical Chiefs were then endorsed by the Joint Conference Committee.

Mr. Hart transmitted the medical staff's election results for the Office of the Chief of Staff. The medical staff, consistent with the requirements of the Bylaws, has elected Dr. James Moller to a second term as Chief of Staff. The Joint Conference Committee endorsed this recommendation, expressing gratitude to Dr. Moller for his first three years of service and for his willingness to continue to serve as Chief of Staff.

Dr. Moller provided the Joint Conference Committee with an update on medical records completion, referencing the fact that the JCAH will be reviewing University Hospital late this year. The Joint Conference Committee asked for monthly updates relative to medical records completion, expressing particular interest in the work of the newly appointed Medical Records and Patient Care Information Committee.

Dr. Moller also noted that three other items were briefly discussed at the Medical Staff Hospital Council meeting. These included the upcoming Semi-Annual meeting of the medical staff, which will have a "patient's first" emphasis, the work of the Quality Assurance Steering Committee in developing clinical department monitors, and the appreciation expressed by the Council to Patricia Ferrieri for her eight years of service on the Medical Staff Hospital Council.

INFORMED CONSENT

Jan Halverson provided the committee with a presentation on informed consent. He covered the causes of legal action relative to informed consent, the theory and principles of informed consent, the malpractice loss experience for our medical staff resulting from informed consent problems, and the current policies at University Hospital relative to informed consent. Mr. Halverson noted that issues currently under discussion include the timing of the provision of informed consent and the question of competency to provide informed consent.

The committee thanked Mr. Halverson for his informative presentation.

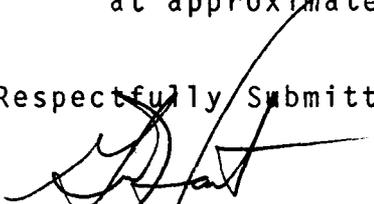
CLINICAL CHIEFS REPORT

Mr. Hart indicated that the Clinical Chiefs have recently discussed possible consolidation of their malpractice insurance policies and the multi-hospital system development in the Twin Cities.

ADJOURNMENT

There being no other business, the meeting adjourned at approximately 6:10 p.m.

Respectfully Submitted,


Gregory W. Hart

UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Box 707
Harvard Street at East River Road
Minneapolis, Minnesota 55455
(612) 626-1945

June 17, 1987

TO: Members of the Board of Governors
FROM: James H. Moller, M.D., Chief of Staff
Chairman, Medical Staff-Hospital Council
SUBJECT: Credentials Committee/Medical Staff-Hospital Council
Report and Recommendations.

The Medical Staff-Hospital Council and the Joint Conference Committee have endorsed the attached Credentials Committee Report and Recommendations.

I am forwarding this report to you for your review and approval on June 24, 1987. If you should have any questions, please feel free to call on me.

JHM/cf
Attachment



April 9, 1987

TO: Medical Staff-Hospital Council
FROM: Henry Buchwald, M.D.
Chairman, Credentials Committee
SUBJECT: Credentials Committee Report and Recommendations

The Credentials Committee after examining all pertinent information provided to them concerning the professional competence and other necessary qualifications, hereby recommend the approval of provisional status and clinical privileges to the following applicants to the medical staff of The University of Minnesota Hospital and Clinic.

Department of Hospital Dentistry	Category
Judith L. Marshall	Clinical
Department of Medicine	
Lewis M. Steinberg	Attending - ER
Department of Ophthalmology	
Thomas D. Lindquist	Clinical
Department of Pediatrics	
Ann Dunnigan	Attending
Ralph S. Shapiro	Attending
Department of Radiology	
Bennett A. Alford	Attending
Kenneth P. Korte	Clinical
Department of Urology	
Dexter L. Jeffords	Clinical

The following physician has submitted an application and supporting documentation requesting addition of clinical privileges. The Committee has reviewed and considered his requests and hereby recommend approval.

Department of Pediatrics	Category
Robert F. O'Dea	Attending

Privileges requested. Add:

- 1) stabilization of ill newborn infants
- 2) endotracheal intubation, initiation of positive-pressure ventilation, and insertion of umbilical artery and venous catheters
- 3) thoracentesis and chest tube insertion
- 4) arteriovenous monitoring
- 5) provision of parenteral nutrition (hyperalimentation)
- 6) initial assessment and stabilization of ill newborn infants with respiratory disorders, sepsis, shock, hemolytic disease and surgical emergencies
- 7) responsibility for moderately ill newborn infants on Level II status

The following physicians are completing their provisional status and are eligible for regular appointments as members of the medical staff of The University of Minnesota Hospital and Clinic. The Committee has reviewed recommendations concerning their appointment and hereby recommend approval.

Department of Family Practice and Community Health	Category	Date Eligible
Patricia M. Cole	Clinical	March 24, 1987
Gregory J. Gepner	Clinical	March 24, 1987
Department of Medicine		
Munir Abid	Attending-ER	December 25, 1986
Jessee L. Goodman	Attending	December 25, 1986
Bruce C. Wilson	Attending	December 25, 1986
Department of Obstetrics and Gynecology		
Mark L. Jutras	Attending	March 24, 1987
William R. Phipps	Attending	March 24, 1987
Klaus J. Staisch	Clinical	March 24, 1987
Department of Psychiatry		
James J. Lawton	Clinical	December 25, 1986
Department of Urology		
Stephen A. Ortlip	Clinical	December 25, 1986

The Committee recommends acceptance of the resignations of medical staff appointments from the following physicians.

Department of Pediatrics**Category**

Tyrone R. Melvin

Attending

Deborah Smith-Wright

Attending

Department of Radiology

Gunnar Lund

Attending

HB/cf

UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Box 707
Harvard Street at East River Road
Minneapolis, Minnesota 55455
(612) 626-1945

June 17, 1987

TO: Members of the Board of Governors

FROM: James H. Moller, M.D., Chief of Staff
Chairman, Medical Staff-Hospital Council

SUBJECT: Credentials Committee/Medical Staff-Hospital Council
Report and Recommendations.

The Medical Staff-Hospital Council and the Joint Conference Committee have endorsed the attached Credentials Committee Report and Recommendations which includes the reappointment of medical staff in Unit I for 1987 through 1989.

I am forwarding this report to you for your review and approval on June 24, 1987. If you should have any questions, please feel free to call on me.

JHM/cf
Attachment

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

DEPARTMENT

CATEGORY

JOINT APPOINTMENT

ANESTHESIOLOGY

ANDERSON, MD, WILLIAM W.	Attending Staff	
BELANI, MD, KUMAR G.	Attending Staff	
BERLAUK, MD, JON F.	Attending Staff	
BUCKLEY, MD, JOSEPH	Attending Staff	
CUMMING, MD, JAMES F.	Attending Staff	
ESTRIN, MD, JORGE	Attending Staff	
GILMOUR, MD, IAN J.	Attending Staff	
KOEHNTOPI, MD, DOUGLAS	Attending Staff	
LARSEN, MD, RUSSELL	Attending Staff	
LIAO, MD, JI-CHIA	Attending Staff	
LO, MD, JOSEPHINE N.	Attending Staff	
LUCIER, MD, EUGENE R.	Clinical Staff	
MONTGOMERY, DO, MICHAEL	Attending Staff	
SWEENEY, MD, MICHAEL F.	Attending Staff	Pediatrics

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
DERMATOLOGY		
BART, MD, BRUCE J.	Clinical Staff	
BAYRD, MD, GARRETT T.	Clinical Staff	
DAHL, MD, MARK V.	Attending Staff	
FENYK, MD, JOHN	Clinical Staff	
GENTRY, MD, WILLIAM	Attending Staff	
HORDINSKY, MD, MARIA D.	Attending Staff	
KAYE, MD, VALDA N.	Attending Staff	
LYNCH, MD, PETER J.	Attending Staff	
PETERSON, MD, WILLARD C.	Clinical Staff	
PRAWER, MD, STEVEN E.	Clinical Staff	
VANCE, MD, J. CORWIN	Attending Staff	
ZELICKSON, MD, ALVIN S.	Clinical Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
FAMILY PRACTICE AND COMMUNITY HEALTH		
ALLEN, MD, SHARON SMITH	Clinical Staff	
CIRIACY, MD, EDWARD	Attending Staff	
CONNOLLY, MD, JOSEPH P.	Attending Staff	
DALY, MD, MICHAEL L.	Attending Staff	
HALVORSEN, MD, JOHN G.	Attending Staff	
KELLY, MD, JOHN T.	Attending Staff	
MCCONNELL, MD, JOHN W.	Attending Staff	
O'LEARY, MD, JOHN B.	Clinical Staff	
RICHARDSON, MD, NANCY C.	Clinical Staff	
SATTERFIELD, MD, SHARON	Attending Staff	
SEIM, MD, HAROLD C.	Attending Staff	
SOLBERG, MD, LEIF I.	Clinical Staff	
VERBY, MD, JOHN E.	Attending Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
HOSPITAL DENTISTRY		
BAKER, DDS, JAMES, L.	Clinical Staff	
BANDT, DDS, CARL L.	Clinical Staff	
BEVIS, DDS, RICHARD R.	Attending Staff	
BIORN, DDS, JOHN R.	Attending Staff	
BROWNE, DDS, GRAEME A.	Clinical Staff	
CAVANAUGH, DDS, GERALD D.	Clinical Staff	
CLAY, DDS, DAVID	Clinical Staff	
COLE, DDS, SANDRA J.	Attending Staff	
DERR, DDS, ROBERT E.	Clinical Staff	
ELDEEB, DDS, MOHAMED EN	Attending Staff	
FORD, DDS, RICHARD T	Clinical Staff	
FRICTON, DDS, JAMES R.	Attending Staff	
GATTO, DDS, DANIEL J.	Attending Staff	
GOODKIND, DDS, RICHARD J.	Clinical Staff	
GORLIN, DDS, ROBERT J.	Attending Staff	
GRAYDEN, DDS, JOSEPH M.	Attending Staff	
HINRICHS, DDS, JAMES E.	Clinical Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
HOSPITAL DENTISTRY		
HOFFMANN, DDS, WILLIAM P.	Clinical Staff	
HOLTE, DDS, NORMAN O.	Attending Staff	
JASPERS, DDS, MARK	Attending Staff	
JENSEN, DDS, JAMES R.	Attending Staff	
KWON, DDS, HAK-JOO	Attending Staff	
LA BELLE, DDS, RONALD E.	Clinical Staff	
LARSON, DDS, THOMAS D.	Clinical Staff	
LEHNERT, DDS, MICHAEL W.	Attending Staff	
LEONARD, DDS, MYER S.	Attending Staff	
MARKER, DDS, JOHN C.	Clinical Staff	
OLIVER, DDS, RICHARD C.	Attending Staff	
PIHLSTROM, DDS, BRUCE L.	Attending Staff	
SCHULTE, DDS, HERBERT W.	Attending Staff	
SCHULTZ, DDS, CHESTER J.	Clinical Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
HOSPITAL DENTISTRY		
SIMMONS, DDS, MARK S.	Clinical Staff	
SPEIDEL, DDS, T. MICHAEL	Attending Staff	
STICKEL, DDS, FRANKLIN R	Clinical Staff	
TILL, DDS, MICHAEL J.	Attending Staff	
VICKERS, DDS, ROBERT	Attending Staff	
WALKER, DDS, PAUL O.	Attending Staff	
WITKOP, DDS, CARL J.	Attending Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
ANDRES, MD, CHARLES W.	Attending Staff	
AZAR, MD, SILVIA H.	Attending Staff	
BACHE, MD, ROBERT J.	Attending Staff	
BAKER, MD, GARY L.	Clinical Staff	
BANTLE, MD, JOHN	Attending Staff	
BARBOSA, MD, JOSE	Attending Staff	
BARAN, MD, KENNETH W.	Attending Staff	
BELL, MD, LARRY P.	Attending Staff	
BENDITT, MD, DAVID	Attending Staff	
BITTERMAN, MD, PETER B.	Attending Staff	
BLOOMER, MD, JOSEPH R.	Attending Staff	
BLOOMFIELD, MD, CLARA	Attending Staff	
BLUMENTHAL, MD, MALCOLM	Clinical Staff	
BOND, MD, JOHN H.	Clinical Staff	
COHN, MD, JAY N.	Attending Staff	
CONFER, MD, DENNIS L.	Attending Staff	
DUANE, MD, STEVEN F.	Clinical Staff	
DUANE, MD, WILLIAM C.	Clinical Staff	
EGGERT, MD, RONALD C.	Clinical Staff	
FERRIS, MD, THOMAS F.	Attending Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
FLYNN, MD, PATRICK J.	Clinical Staff	
FULLER, MD, BENJAMIN	Clinical Staff	
FUNKE, MD, JOYCE L.	Attending Staff	
GAULT, MD, N.L.	Attending Staff	
GEBHARD, MD, ROGER L.	Clinical Staff	
GOETZ, MD, FREDERICK C.	Attending Staff	
HAMMERSCHMIDT, MD, DALE	Attending Staff	
HEBBEL, MD, ROBERT P.	Attending Staff	
HEDEMARK, MD, LINDA L.	Attending Staff	
HERTZ, MD, MARSHALL I.	Attending Staff	
HOMANS, MD, DAVID C.	Attending Staff	
HOSTETTER, MD, THOMAS H	Attending Staff	
HOWE, MD, ROBERT	Attending Staff	
HRUSHESKY, MD, WILLIAM	Attending Staff	
HUNNINGHAKE, MD, DONALD	Attending Staff	
HURD, MD, DAVID	Attending Staff	
JACOB, MD, HARRY S.	Attending Staff	
JORDAN, MD, M. COLIN	Attending Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
KELLY, MD, JOSEPH R.	Clinical Staff	
KENNEDY, MD, B.J.	Attending Staff	
KIANG, MD, DAVID T.	Attending Staff	
KING, MD, RICHARD	Attending Staff	
KINLAW, MD, WILLIAM B.	Attending Staff	
KOTTKE, MD, THOMAS E.	Attending Staff	
LABREE, MD, JOHN W.	Attending Staff	
LASSER, MD, ROBERT B.	Clinical Staff	
LERNER, MD, IRVING	Clinical Staff	
LEVINE, MD, ELLIS G.	Attending Staff	
LEVITT, MD, JOHN I.	Clinical Staff	
LIMAS, MD, CONSTANTINOS	Attending Staff	
LUIKART, MD, SHARON D.	Attending Staff	
MARIASH, MD, CARY N.	Attending Staff	
MCCOLLISTER, MD, ROBERT	Attending Staff	
MCGLAVE, MD, PHILIP	Attending Staff	
MCKENNA, MD, JAMES L.	Clinical Staff	
MEIER, MD, PETER	Clinical Staff	
MERYHEW, MD, NANCY L.	Attending Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
MESSNER, MD, RONALD P.	Attending Staff	
MILLER, MD, WESLEY	Attending Staff	
MURRAY, MD, M.J.	Attending Staff	
NATH, MD, KARL A.	Attending Staff	
OLIVARI, MD, MARIA-TERESA	Attending Staff	
OPPENHEIMER, MD, JACK H.	Attending Staff	
PALLER, MD, MARK S.	Attending Staff	
PETERSON, MD, BRUCE	Attending Staff	
PFOHL, MD, RICHARD A.	Clinical Staff	
PHINNEY, MD, STEPHEN D.	Attending Staff	
PLIMPTON, MD, DAVID	Clinical Staff	
RAINES, MD, JOHN R.	Clinical Staff	
RANK, MD, JEFFREY M.	Attending Staff	
RHAME, MD, FRANK S.	Attending Staff	Laboratory Medicine and Pathology
RICE, MD, FRED A.	Clinical Staff	
SCHNED, MD, ERIC S.	Clinical Staff	
SCHWARTZ, MD, JEFFREY S.	Attending Staff	
SKUBITZ, MD, KEITH M	Attending Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
SLUNGAARD, MD, ARNE	Attending Staff	
SOLTIS, MD, RONALD D.	Attending Staff	
SPINK, MD, WESLEY W.	Emeritus Staff	
SULLIVAN, MD, CHRISTOPHER	Attending Staff	
TAKAHASHI, MD, MASANAO	Clinical Staff	
TOBIAN, MD, LOUIS	Attending Staff	
TOMBERS, MD, JOSEPH M.	Clinical Staff	
TRENCE, MD, DACE L.	Clinical Staff	
TUNA, MD, NAIP	Attending Staff	
VANSELOW, MD, NEAL A.	Attending Staff	
VENNES, MD, JACK A.	Clinical Staff	
VERCELLOTTI, MD, GREGORY	Attending Staff	
WANG, MD, YANG	Attending Staff	
WANGNESS, MD, JOHN A.	Clinical Staff	
WATSON, MD, KATHLEEN V.	Attending Staff	
WEISDORF, MD, DANIEL J.	Attending Staff	
WHITMER, MD, DOROTHY I.	Attending Staff	
WINCHELL, MD, PAUL C.	Emeritus Staff	
ZOSCHKE, MD, DAVID C.	Attending Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
NEUROLOGY		
BIRNBAUM, MD, GARY	Attending Staff	
FIOL, MD, MIGUEL E.	Clinical Staff	
GATES, MD, JOHN R.	Attending Staff	
GUMNIT, MD, ROBERT J.	Attending Staff	
KENNEDY, MD, WILLIAM R.	Attending Staff	
KLASSEN, MD, ARTHUR C.	Attending Staff	
KNOPMAN, MD, DAVID	Attending Staff	
LEE, MD, MYOUNG C.	Attending Staff	
LEPPIK, MD, ILO E.	Attending Staff	
LOCKMAN, MD, LAWRENCE A.	Attending Staff	Pediatrics
MORIARTY, MD, JAMES A.	Attending Staff	
RASK, MD, CYNTHIA A.	Attending Staff	
RESCH, MD, JOSEPH	Emeritus Staff	
RITTER, MD, FRANK J.	Attending Staff	
ROELOFS, MD, ROBERT I.	Attending Staff	
ROSENFELD, MD, WILLIAM E.	Attending Staff	
SHER, MD, PHYLLIS K.	Attending Staff	Pediatrics
SMITH, MD, STEPHEN A.	Clinical Staff	
SWAIMAN, MD, KENNETH F.	Attending Staff	Pediatrics
TORRES, MD, FERNANDO	Attending Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
NEUROSURGERY		
CHOU, MD, SHELLEY N.	Attending Staff	
ERICKSON, MD, DONALD	Attending Staff	
FRENCH, MD, LYLE	Emeritus Staff	
HAINES, MD, STEPHEN J.	Attending Staff	
MAXWELL, MD, ROBERT E.	Attending Staff	
ROCKSWOLD, MD, GAYLAN L.	Clinical Staff	
SELJESKOG, MD, EDWARD L.	Attending Staff	
TURNER, MD, DENNIS A.	Attending Staff	
WISIOL, MD, ERICH S.	Clinical Staff	

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
OBSTETRICS AND GYNECOLOGY		
ADCOCK, MD, LEON	Attending Staff	
BROOKER, MD, DORIS C.	Attending Staff	Laboratory Medicine and Pathology
CAMPBELL, MD, BRUCE F.	Attending Staff	
FARB, MD, HARRY F.	Clinical Staff	
FARR, MD, JOHN D.	Clinical Staff	
FEHR, MD, PETER E.	Clinical Staff	
JOSEPH, MD, MARILYN S.	Attending Staff	
JULIAN, MD, THOMAS M.	Attending Staff	
LEVINE, MD, HOWARD M.	Clinical Staff	
MALO, MD, JOHN WM.	Clinical Staff	
NAGEL, MD, THEODORE	Attending Staff	
NORDLAND, MD, ROBERT	Clinical Staff	
OKAGAKI, MD, TAKASHI	Attending Staff	Laboratory Medicine and Pathology
PAVELKA, MD, DONALD A.	Attending Staff	
PREM, MD, KONALD A.	Attending Staff	
SAVAGE, MD, JOHN E.	Attending Staff	

Continued on next page.....

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

DEPARTMENT

CATEGORY

JOINT APPOINTMENT

OBSTETRICS AND GYNECOLOGY

SLOSSER, MD, GAIUS J.

Clinical Staff

STEGEMAN, MD, CHARLES A.

Clinical Staff

TAGATZ, MD, GEORGE E.

Attending Staff

TWIGGS, MD, LEO B.

Attending Staff

WILLIAMS, MD, PRESTON P.

Attending Staff

WORK, MD, BRUCE A.

Attending Staff

WYNNE, MD, ERNEST C.

Clinical Staff

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
OPHTHALMOLOGY		
CAMERON, MD, J. DOUGLAS	Attending Staff	
CANTRILL, MD, HERBERT L.	Attending Staff	
DOUGHMAN, MD, DONALD	Attending Staff	
KNOBLOCH, MD, WILLIAM H.	Attending Staff	
LETSON, MD, ROBERT D.	Attending Staff	
LINDSTROM, MD, RICHARD L.	Attending Staff	
NELSON, MD, JOHN DANIEL	Attending Staff	
PEDERSON, MD, JONATHAN E.	Attending Staff	
RAMSAY, MD, ROBERT C.	Attending Staff	
SUMMERS, MD, CAROLE GAIL	Attending Staff	
TANI, MD, GEORGE T.	Clinical Staff	
WIRTSCHAFTER, MD, JONATHAN	Attending Staff	Neurology

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Reappointment
to the Medical and Dental Staff

July 1, 1987 - June 30, 1989

DEPARTMENT

CATEGORY

JOINT APPOINTMENT

UROLOGY

CHIOU, MD, REI-KWEN	Attending Staff	
ERCOLE, MD, CESAR J.J.	Clinical Staff	
FRALEY, MD, ELWIN E.	Attending Staff	
GONZALEZ, MD, RICARDO	Attending Staff	
HULBERT, MD, JOHN C.	Attending Staff	
LANGE, MD, PAUL	Attending Staff	
PINTO, MD, MARCOS H.	Clinical Staff	
REDDY, MD, PRATAP K.	Attending Staff	
SCHWARTZ, MD, STEVEN	Clinical Staff	
SIDI, MD, ABRAHAM AMI	Clinical Staff	
UKE, MD, EROL T.	Clinical Staff	

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Termination
of Medical/Dental Staff Appointments

NO REAPPRAISAL REAPPOINTMENT APPLICATION SUBMITTED

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
BURTON, MD, JACK D.	Attending Staff	
FRENNING, MD, DANIEL	Clinical Staff	
GILBERSTADT, MD, STEPHEN	Clinical Staff	
KATZENSTEIN, MD, DAVID A.	Attending Staff	
LAURITZEN, MD, HERBERT	Clinical Staff	
LEW, MD, BRIAN T.	Attending Staff	
LUEPKER, MD, RUSSELL V.	Attending Staff	
RYAN, MD, JOSEPH M.	Clinical Staff	
SABATH, MD, LEON D.	Attending Staff	
SCHOENWETTER, MD, WILLIAM	Clinical Staff	
SILVIS, MD, GREGORY L.	Attending Staff	

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Termination
of Medical/Dental Staff Appointments

NO REAPPRAISAL REAPPOINTMENT APPLICATION OR EVIDENCE OF REQUIRED INSURANCE SUBMITTED

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
MEDICINE		
ADICOFF, MD, ARNOLD	Clinical Staff	
CARDAMONE, MD, JOSEPH M.	Clinical Staff	
GOLDENBERG, MD. IRVIN F.	Attending Staff	
HATHAWAY, MD, DANIEL	Clinical Staff	
HUTTON, MD, SCOT W.	Clinical Staff	
KAISER, MD, FRAN E.	Clinical Staff	
LEWIS, MD, F. BRUCE	Clinical Staff	
LOBELL, MD, MICHAEL	Clinical Staff	
MARECEK, MD, RAYMOND L.	Clinical Staff	
SMITH, MD, THOMAS R.	Clinical Staff	
TIERNEY, MD, ROBERT J.	Clinical Staff	

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC
Recommendations for Regular Medical/Dental Appointments

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>DATE ELIGIBLE</u>
HOSPITAL DENTISTRY		
SELF, DDS, KARL D.	Clinical Staff	March 24, 1987
MEDICINE		
CHRISTIANSEN, MD, NEAL P.	Attending Staff	March 24, 1987
KUBO, MD, SPENCER H.	Attending Staff	March 24, 1987
LINN, MD, FRANK	Attending Staff-ER	March 24, 1987
MOORE, MD, RANDY	Attending Staff-ER	March 24, 1987
SHAW, MD, MICHAEL J.	Attending Staff	March 24, 1987
WHITE, MD, CARL W.	Attending Staff	March 24, 1987
OBSTETRICS AND GYNECOLOGY		
CARSON, MD, LINDA	Attending Staff	April 22, 1987
OTOLARYNGOLOGY		
LEVINE, MD. SAMUEL C.	Attending Staff	March 24, 1987
MARENTETTE, MD, LAWRENCE J.	Clinical Staff	April 22, 1987
PSYCHIATRY		
HICKS, MD, FREDERICK G.	Attending Staff	March 24, 1987
RITTEBERG, MD, BARRY	Attending Staff	March 24, 1987
RADIOLOGY		
CRAGG, MD, ANDREW H.	Attending Staff	March 24, 1987
DRAKE, MD, DAVID G.	Attending Staff	March 24, 1987
DU CRET, MD, RENE P.	Attending Staff	March 24, 1987
LARSON, MD, TIMOTHY L.	Attending Staff	March 24, 1987
SURGERY		
BULS, MD, JOHN G.	Clinical Staff	March 24, 1987
DUNN, MD, DAVID J.	Attending Staff	March 24, 1987
JAMIESON, MD, STUART W.	Attending Staff	March 24, 1987
ROTHENBERGER, MD, DAVID A.	Clinical Staff	March 24, 1987
SHEAREN, MD, JOHN G.	Clinical Staff	March 24, 1987

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Addition and/or Deletion of Clinical Privileges

DEPARTMENT

CATEGORY

MEDICINE

HURD, MD, DAVID D.

Attending Staff

Add: Bone Marrow Harvests

LUIKART, MD, SHARON D.

Attending Staff

Add: Arterial puncture, Thoracentesis-aspiration and chemotherapy, Infusion pump filling

MARIASH, MD, CARY N.

Attending Staff

Add: Metabolic Diseases

TUNA, MD, NAIP

Delete: Needle biopsy of bone marrow, kidney, and liver; Thoracic aspiration with chemotherapy

WHITE, MD, CARL W.

Attending Staff

Add: Balloon valvuloplasty of aortic and mitral valves

WILSON, MD, ROBERT F.

Attending Staff

Add: Balloon valvuloplasty of aortic and mitral valves

NEUROLOGY

RASK, MD, CYNTHIA A.

Attending Staff

Add: Electroencephalographic monitoring during surgical procedures, Electrocorticogram

Continued on next page.....

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Addition and/or Deletion of Clinical Privileges

DEPARTMENT

CATEGORY

NEUROLOGY

ROSENFELD, MD, WILLIAM E.

Attending Staff

Add: Electroretinography, Electroencephalographic monitoring during surgical procedures, Electroencephalography with video monitoring

OBSTETRICS AND GYNECOLOGY

NAGEL, MD, THEODORE C.

Attending Staff

Add: Use of Neodymium - YAG laser for ablation of the endometrium and for hysteroscopic resection of uterine septa

WILLIAMS, MD, PRESTON P.

Add: Early amniocentesis - less than 14 weeks gestation

WORK, MD, BRUCE A.

Attending Staff

Delete: Cystectomy - partial and total, Tubal Plasty

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Change in Staff Category

<u>DEPARTMENT</u>	<u>PRESENT CATEGORY</u>	<u>RECOMMENDED CATEGORY</u>
HOSPITAL DENTISTRY		
HOLTE, DDS, NORMAN O.	Attending Staff	Emeritus Staff
LEONARD, DDS, MYER S.	Attending Staff	Clinical Staff
PHYSICAL MEDICINE AND REHABILITATION		
AWAD, MD, ESSAM A.	Clinical Staff	Attending Staff

Recommendations for Change in Primary Appointment and Joint Appointment

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>PRIMARY APPOINTMENT</u>	<u>JOINT APPOINTMENT</u>
OBSTETRICS AND GYNECOLOGY			
BROOKER, MD, DORIS	Attending	Laboratory Medicine and Pathology	Obstetrics and Gynecology
OKAGAKI, MD, TAKASHI	Attending	Laboratory Medicine and Pathology	Obstetrics and Gynecology

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Recommendations for Provisional Medical/Dental Staff Appointments

DEPARTMENT

CATEGORY

FAMILY PRACTICE
AND COMMUNITY HEALTH

KEENAN, MD, JOSEPH M.

Attending Staff

MEDICINE

RAUSCH, MD, DOUGLAS J.

Attending Staff-ER

UROLOGY

STEIN, MD, NEIL A.

Clinical Staff

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Resignations from the Medical/Dental Staff

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>JOINT APPOINTMENT</u>
HOSPITAL DENTISTRY		
RAJEK, DDS, EDGAR	Clinical Staff	
LABORATORY MEDICINE AND PATHOLOGY		
THOMPSON, MD, HANNIS W.	Attending Staff	
MEDICINE		
CARSON, MD, PETER	Attending Staff	
HAASE, MD, ASHLEY T.	Attending Staff	
KNOPELL, MD, ROBERT G.	Clinical Staff	
KUROSS, MD, STEVEN	Attending Staff	
LEEBAW, MD, WAYNE F.	Clinical Staff	
MCGINN, MD, ANDREW	Attending Staff	
MOLDOW, MD, CHARLES	Clinical Staff	
POMEROY, MD, CLAIRE	Attending Staff	
STARK, MD, RANDALL P.	Attending Staff	
STAUB, MD, DAVID B.	Attending Staff	
NEUROLOGY		
COHEN, MD, DANIEL	Attending Staff	
OBSTETRICS AND GYNECOLOGY		
FOREMAN, MD, HARRY	Emeritus Staff	
RADIOLOGY		
FORD, MD, WILLIAM J.	Attending Staff	



June 17, 1987

TO: Members of the Board of Governors

FROM: Greg Hart, Interim Hospital Director
James Moller, M.D., Chief of Staff

SUBJECT: Annual Reappointments of Chief of Clinical Services

The Bylaws of the Board of Governors of The University of Minnesota Hospital and Clinic were amended in November, 1982, requiring the following:

Article V. Section 5 (B)

After consultation with the Joint Conference Committee, at its June meeting each year, the Board of Governors shall appoint the chief of each clinical service of the Medical Staff to serve at the discretion of the Board for an initial term of three years, except in the case of a chief of a clinical service who is an individual other than the Head of the corresponding medical or dental school clinical department, in which case the initial appointment shall be for one year. Reappointment thereafter by the Board of Governors shall be yearly. Vacancies in the office of the chief of a clinical service may be filled at any time by the Board. In the event that a chief of a clinical service is appointed at some time other than the June meeting, and if the appointment is made no later than December, for purposes of determining the time of reappointment the appointment shall be deemed to have commenced the preceding June. In the event that the appointment is made after December, for purposes of determining the time of reappointment the computation of time shall be deemed to commence at the next succeeding June.

The Hospital Director, in consultation with the Chief of Staff, hereby recommends the reappointment of the following Clinical Chiefs for 1987-88:

<u>NAME</u>	<u>DEPARTMENT</u>
Dr. Ellis Benson	Laboratory Medicine & Pathology
Dr. Joseph Buckley	Anesthesiology
Dr. Shelley Chou	Neurosurgery
Dr. Edward Ciriacy	Family Practice
Dr. Paula Clayton	Psychiatry
Dr. Donald Doughman	Ophthalmology
Dr. Thomas Ferris	Medicine
Dr. Elwin Fraley	Urology
Dr. Essam Awad	Physical Medicine & Rehab.
Dr. Arthur Klassen	Neurology
Dr. Alfred Michael	Pediatrics
Dr. Seymour Levitt	Therapeutic Radiology
Dr. John Najarian	Surgery
Dr. Arndt Duvall	Otolaryngology
Dr. Roby Thompson	Orthopaedic Surgery
Dr. Mark Jaspers	Dentistry

Dr. William Thompson (Radiology), Dr. Peter Lynch (Dermatology), and Dr. Bruce Work (OB/Gyn.) were initially appointed in July, 1986, and are in their three year initial appointment period. Reappointment is thus not required this year.

Dr. Alfred Michael has recently been appointed as the Head of the Pediatrics Department, having served as Interim Head and Clinical Chief for the past year.

Dr. Essam Awad is recommended as Clinical Chief of Physical Medicine and Rehabilitation by Dr. Roby Thompson, who is serving as Head of the department, thus Dr. Awad's initial appointment shall be for one year.

Thank you.

GH/kj

UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Box 707
Harvard Street at East River Road
Minneapolis, Minnesota 55455
(612) 626-1945

June 17, 1987

TO: Board of Governors
FROM: Greg Hart, Interim Hospital Director
SUBJECT: Chief of Staff Appointment

The Bylaws of the Medical and Dental Staff, Article V, Part A:, Section 3. (a) states "Election: The Chief of Staff shall be elected by the voting members of the medical staff by a plurality vote of staff voting by mail ballot. His or her election shall become effective as soon as approved by the Board. The Chief of Staff shall serve a three year term and is eligible for a second two year term but in any event shall serve until a successor has been elected and his or her election approved by the Board. If the Office of Chief of Staff becomes vacant the Vice Chief of Staff shall serve as acting Chief of Staff for the remainder of the term or until a successor is elected.

Dr. James Moller will complete his three year term of office June 30, 1987. The Nominating Committee appointed by the Medical Staff-Hospital Council selected Dr. Moller to run for re-election for a second term of office of two years. Elections were held in May and the tabulated results indicate that Dr. James Moller has won the election by plurality. I hereby request your approval of Dr. James Moller as Chief of Staff.

Thank you for your consideration of this request.

GH/lk

Minutes
Meeting of the
Board of Governors Finance Committee
The University of Minnesota Hospital and Clinic
May 27, 1987

MEMBERS
PRESENT: Carol Campbell
Edward Ciriacy, M.D.
Gregory Hart
William Krivit, M.D.
J.E. Meilahn
Robert Nickoloff
Barbara O'Grady
Vic Vikmanis

MEMBERS
ABSENT: Clifford Fearing

STAFF: Kay Fuecker
William Herrick
Nels Larson
Dan Rode
Barbara Tebbitt

CALL TO ORDER: The meeting of the Finance Committee was called to order by Mr. Robert Nickoloff at 12:10 P.M. in the Board Room (8-106 University Hospital).

MINUTES: A change was made to reflect the start of the meeting to be 12:00 Noon rather than 12:00 P.M. A motion was then seconded and passed to approve the minutes of the April 22, 1987 meeting of the Finance Committee as written.

4/30/87
FINANCIAL
STATEMENTS: Mr. Nels Larson reported the April admissions totaled 1,635 or 225 above budget. The average length of stay was 7.8 days, while patient days were 1,710 (15%) above budget. The April average daily census was 428, down slightly from the 440 level of February and March. Outpatient clinic visits were 10.2% above budget with the largest increases occurring in Medicine, Dermatology, Surgery, and Urology.

The Hospital shows total revenues over expenses of \$4,243,049 for a favorable variance of \$13,693,107. Patient care charges through April totaled \$197,075,120 (18.9% above budget). Ancillary revenue was 22.2% above budget and reflected the favorable variance in admissions and clinic

visits, and the higher utilization of ancillary services per patient. Operating expenditures through April were 7.0% above budgeted levels and reflects the increase in demand for patient services. The increase in expenditures is primarily in personnel costs, and patient care supplies.

Mr. Larson briefly reviewed the relationship of CUHCC to UMHC. CUHCC is an off-campus UMHC clinic in south Minneapolis. CUHCC's clinic operations are at a break-even point with funding from patient care charges, grant support, and University support. UMHC receives referrals from CUHCC for inpatient care.

Mr. Dan Rode reported that patient account receivables as of April 30, 1987 totaled \$72,534,245 and represented 100.8 days outstanding. This is an overall decrease of 6.2 days as seen primarily in Medicare, Medical Assistance Categories, and in older accounts in general.

**1987-88 HOSPITAL
PAY PLAN:**

Mr. Greg Hart reported that the University has not made a final decision on its pay plan and union contracts have not yet been signed. The Hospital anticipates approval of the plan in June so increases can be included on the first pay checks in July for morale reasons. The proposed plan includes funds for: 1) 2.5% across the board increase; 2) progression increases; 3) pay equity; and 4) marketplace adjustment increases. The state's plan calls for progression and pay equity funds to come from sources other than specific legislated money for those items.

Marketplace increases will be approximately 4-5% and do not embrace pay equity. The Hospital has recommended a 4.5% increase which is a combination of across the board and progression increases and a merit component. The nurses, Mr. Hart reported, propose a component for intensive care payments and a 15% shift differential for permanent night employees.

Mr. Hart reported the pay plan will be submitted for endorsement at the June meeting.

PCN UPDATE:

Mr. Hart reported that the enrollment figures have increased over the past two months. Additional contracts have been added in the East metro area, Park Nicollet declined signing, and the objectives were met in the Twin Cities. PCN presented a proposal to the state to be a provider for

state employees. A decision is expected in July. PCN is interested in purchasing MORE HMO on the Range. This will be discussed in more detail in the coming months.

Mr. Hart reported no additional movement in securing an additional investor. Equicor has shown an interest, but nothing definite has been discussed as yet. The Hospital is pursuing other possibilities and other HMO's in the Twin Cities. Mr. Hart reported a Board meeting will be held on June 10.

**COMPUTER
UPGRADE:**

Mr. Al Dees briefly reviewed background of the computer system, the utilization levels, and the recommendation for purchase. Mr. Dees noted the compatability between the proposed system and future Patient Care Information/Order Entry System and the Census System. The question of whether to move to an exclusive IBM system in 3-5 years was discussed. The consultants determined our present system would not make another 36 months.

A motion to endorse the purchase of the computer upgrade as proposed was seconded and passed.

ADJOURNMENT:

There being no further business, the Finance Committee adjourned at 2:00 P.M.

Respectfully submitted,



Kay F. Fuecker
Recording Secretary



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospital and Clinic
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

June 24, 1987

TO: Board of Governors Finance Committee

FROM: Clifford P. Fearing
Senior Associate Director

SUBJECT: Report of Operations for the Period
July 1, 1986 through May 31, 1987

The Hospital's operations through the month of May continued to reflect both inpatient admissions and outpatient visit activity that were above budgeted levels. In addition, we continued to experience ancillary service utilization that was higher than anticipated. To highlight our position:

Inpatient Census: For the month of May, inpatient admissions totaled 1,653 or 239 above budgeted admissions of 1,414. Our overall average length of stay for the month was 7.6 days. Patient days for May totaled 13,008 and were 1,644 days above budget. The increase in admission levels was primarily in the areas of Medicine, Pediatrics, and Surgery.

To recap our year-to-date inpatient census:

	1985-86	1986-87	1986-87		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
Admissions	16,042	15,510	17,458	1,948	12.6
Avg. Lnth. of Stay	8.3	8.3	8.2	-.1	-1.2
Patient Days	132,707	127,610	141,647	14,037	11.0
Percent Occupancy	66.9	63.5	72.1	8.6	13.5
Avg. Daily Census	396.7	380.9	422.8	41.9	11.0

Outpatient Census: Clinic visits for the month of May totaled 20,722 or 822 (4.1%) above budgeted visits of 19,900. The increase in activity was experienced in nearly all clinic areas with the largest increases occurring in Medicine, Family Practice, and Urology.

Report of Operations - May, 1987

Page two

To recap our year-to-date outpatient census:

	1985-86	1986-87	1986-87		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
Clinic Visits	203,898	202,725	225,926	23,201	11.4
CUHCC Visits	38,700	34,317	43,420	9,103	26.5
HHA Visits	8,529	13,658	8,401	-5,257	-38.5

Financial Operations: The Hospital's Statement of Operations shows total revenues over expense of \$ 2,760,769, a favorable variance of \$ 13,425,342.

Patient care charges through May totaled \$217,529,513 and were 19.2% above budget. Routine revenue was 11.8% above budget and reflected our favorable patient day variance. Ancillary revenue was approximately \$28,531,400 (22.4%) above budget and reflected (1) the favorable variance in both admissions and clinic visits; and (2) the utilization of ancillary services per patient being higher than anticipated. Inpatient ancillary revenue has averaged \$6,720 per admission compared to the budgeted average of \$6,199 per admission. Outpatient revenue per clinic visit has averaged \$170 compared to the budgeted average of \$153.

Operating expenditures through May totaled \$205,917,000 and were approximately \$ 14,456,400 (7.6%) above budgeted levels. The overall unfavorable variance continued to relate to the increase in demand for patient services and was seen primarily in increased personnel costs (salaries and fringe benefits) and patient care supplies (drugs, blood, medical supplies).

Accounts Receivable: The balance in patient accounts receivable as of May 31, 1987 totaled \$74,120,799 and represented 103.8 days of revenue outstanding. The overall increase in our patient receivables in May of 3.0 days occurred primarily in the Commercial insurance, Blue Cross, and in older accounts in general.

Conclusion: The Hospital's overall operating position continues to be positive and above budgeted levels. Both inpatient and outpatient census levels remain above budget. We continue to monitor our demand for service closely and make those operating changes that are necessary and appropriate.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC
EXECUTIVE SUMMARY OF FINANCIAL ACTIVITY
FOR THE PERIOD JULY 1, 1986 TO MAY 31, 1987

	<u>Budgeted</u>	<u>Actual</u>	Variance Over/-Under Budget	Variance %
Patient Care Charges	\$182,449,713	\$217,529,513	\$35,079,800	19.2%
Deductions from Charges	-28,416,070	-35,092,654	-6,676,584	-23.5%
Other Operating Revenue	<u>4,896,912</u>	<u>5,074,708</u>	<u>177,796</u>	<u>3.6%</u>
Total Operating Revenue	158,930,555	187,511,567	28,581,012	18.0%
Total Expenditures	<u>-191,460,645</u>	<u>-205,917,024</u>	<u>-14,456,379</u>	<u>-7.6%</u>
Net Operating Revenue	-32,530,090	-18,405,457	14,124,633	
Non-Operating Revenue and Expenses	<u>21,865,517</u>	<u>21,166,226</u>	<u>-699,291</u>	<u>-3.2%</u>
Revenue Over Expense	<u>\$-10,664,573</u>	<u>\$2,760,769</u>	<u>\$13,425,342</u>	(1)

(1) Variance equals 7.4 % of total budgeted revenue.

	<u>Budgeted</u>	<u>Actual</u>	Variance Over/-Under Budget	Variance %
Admissions	15,510	17,458	1,948	12.6%
Patient Days	127,610	141,647	14,037	11.0%
Average Daily Census	380.9	422.8	41.9	11.0%
Average Length of Stay	8.3	8.2	-0.1	-1.2%
Percentage Occupancy	63.5%	72.1%	8.6%	13.5%
Outpatient Clinic Visits	202,725	225,926	23,201	11.4%



UNIVERSITY OF MINNESOTA
TWIN CITIES

The University of Minnesota Hospital and Clinic
Harvard Street at East River Road
Minneapolis, Minnesota 55455

June 9, 1987

TO: Board of Governors

FROM: Greg Hart
Interim Hospital Director

*Greg Hart
CH*

SUBJECT: 1987-88 Compensation Plan

The Hospital's Personnel Policies and Procedures require that the Board of Governors approve the employee compensation plan on an annual basis. We have the following recommendations at this time regarding the 1987-88 compensation plan for **non-student, non-union represented employees in Hospital dominated classifications:**

- A. Increase salaries and salary ranges 2%, effective July 1, 1987.
- B. Defer implementation of any additional across-the board increase and defer implementation of performance based in-range increases for eligible employees until final information regarding State of Minnesota and University pay plans becomes available.
- C. Implement the comparable worth increases scheduled for year three of the previously approved four-year plan, effective July 1, 1987.
- D. Continue in-range progression (step) increases based on accumulated hours worked for employees in general staff nurse, pharmacist, radiology technologist and nurse anesthetist classifications.
- E. Implement salary and salary range adjustments for employees in the laboratory medical technologist classification series required to match current community market levels.

As in the previous two years, we believe it is important from a recruiting and retention perspective to implement at least some part of the annual compensation program on July 1 for employees in non-student, non-union represented Hospital dominated classifications. Of particular concern is maintenance of salary comparability for general staff nurses with the salary levels negotiated by the Minnesota Nurses Association (MNA) and Health Employers Incorporated (HEI) representing a number of local hospitals. Implementation of recommendations A and C will match the 3% increase negotiated and implemented on June 1, 1987.

We also believe that the amount of the total increase in compensation for this group of employees should not be significantly different from that negotiated by the State or the University for their represented employees. Therefore, recommendation B is to defer a decision regarding allocation of any additional

monies budgeted for compensation plan changes until pay plans for State and other University units are finalized. We will bring recommendations regarding additional pay plan changes which appear appropriate to the Board at that time.

UMHC's comparable worth program, including phased implementation over four years, was approved by the Board of Governors in 1985. In accord with this action, recommendation C is to implement the changes scheduled for year three for non-student, non-union represented employees in hospital dominated classifications. This recommendation will cost approximately \$496,000. The University has indicated that it will commit \$800,000 for pay equity adjustments for non-hospital employees during 1987-88.

During the past several years, UMHC has implemented in-range progression (or "step") increase plans for employees in the classifications listed in recommendation D. The community comparability pressures which lead to our adoption of these anniversary-based plans remain. Therefore, in D we are recommending their continuation with an approximate cost of \$668,600.

A survey of salary levels for employees in the medical technologist classification series indicates that UMHC's salaries are more than 9% below the average of salaries at other Twin Cities hospitals. Therefore, to avert a recruiting and retention problem which is beginning to emerge, recommendation E is to adjust salaries and salary ranges for employees in this series in accord with current community averages. The total annual cost for these changes will be \$648,000, well within the \$725,000 budgeted.

We will be happy to answer questions you may have during the June meetings.

<personnel>8788payplan.bd.1

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

BOARD OF GOVERNORS

QUARTERLY REPORT TO THE REGENTS

JUNE 12, 1987

INTRODUCTION

Chairman McGuiggan, President Keller, members of the Board of Regents, ladies and gentlemen, it is my pleasure to be here representing the Board of Governors and an honor to have succeeded Barbara O'Grady as Chair.

HOSPITAL UTILIZATION TRENDS

Utilization of hospital services on both the inpatient and outpatient side continue to be greater than expected. It now appears that we will end the fiscal year at about 18,500 admissions, approaching a level which we last saw in the 1983-84 fiscal year. Outpatient clinic visits have increased steadily over the last several years. During most of the 1980's we have seen, on the average, about 208,000 patients in the clinics annually. That number jumped to 225,000 last year. We anticipate seeing about 245,000 patients in the clinics this year. These trends are not, by the way, unique to our hospital. Growth in outpatient volumes specifically, is evident nationally.

The Board of Governors believes that the budget that will be presented shortly accounts for the variables that we expect will influence our operations in

the coming fiscal year, incorporates an appropriately modest price increase and provides the resources necessary to fund debt and provide for the replacement of equipment.

MERGERS AND AFFILIATIONS IN THE HEALTH CARE MARKETPLACE

There have been several mergers or affiliations among hospitals in the metro area in the recent past that are of interest to the Board of Governors and the Hospital's Administrative Staff.

In November, the owners of five St. Paul hospitals formed a system called HealthEast. Although assets have been retained by the original owners, the hospitals are now jointly managed. The five include Bethesda Lutheran Medical Center, Midway Hospital, Mounds Park Hospital, St. John's, St. John's Northeast and St. Joseph's Hospital. The HealthEast group has expressed an interest in contracting with another hospital for the provision of tertiary care services. We are currently discussing the potential for a relationship with them.

The 122 bed Minneapolis Children's Hospital began managing the 54 bed Gillette Children's Hospital in St. Paul in January.

More recently, the Health One Corporation and the Health Central Corporation consolidated their assets under the Health One banner. This gives the new Health One Corporation six hospitals in the metropolitan market area and several more in a three state area.

Just across the river from our campus, Fairview Riverside Hospital and St. Mary's Hospital announced a joint management agreement. The organizations together have been renamed Riverside Medical Center. Fairview Hospital and Health Services and Carondelet Community Hospitals, their respective parent organizations, will retain separate assets.

Last, but not least, we at the University Hospital have formalized our affiliations with the Mesabi Clinic, the Adams Clinic and Mesabi Regional Medical Center, all in Hibbing. The agreement created a program whereby physicians from that area can come to the University Hospital for advanced clinical training. University physicians are also travelling to Hibbing periodically. Patients from Hibbing's 175-bed hospital are being transferred to the University Hospital when a needed service is not available there.

The extent to which these affiliations will influence the marketplace is unclear. A desire to create geographically dispersed networks of hospitals that together provide a full range of health care services likely motivates these affiliations. Geographic distribution and comprehensive care offerings, in turn, are intended to attract exclusive HMO contracts to these systems.

We are, on an ongoing basis, evaluating whether additional affiliations would enhance our ability to fulfill our stated mission and role in the state of Minnesota.

HMO RELATIONSHIPS

The University of Minnesota Hospital and Clinic currently has contracts with most of the major HMO's in the metropolitan area. These contracts are generally for tertiary care services, such as organ transplantation and lithotripsy. We are also participating in negotiations with a handful of national insurance companies who are interested in developing contracts for similar categories of service.

Although HMO patients still represent a small portion of all of our patients, we have seen a 62% increase in the number of HMO inpatients from last year to this year. Revenues generated from care to that population is less than proportionate to a 62% increase because HMO contracts usually involve some discounting of prices in exchange for the patient volumes they bring.

REFERRING PHYSICIAN RELATIONSHIPS

Last December our report to you was devoted to a review of the programs we have in place to enhance cooperative relationships between our physicians and the physicians outstate. In line with this objective, the Board of Governors invited a physician from the Mesabi Regional Medical Center, Dr. Richard Dinter, to share his observations of the University Hospital with us. Dr. Dinter is in a position to evaluate our hospital from a very unique perspective. He is a hospital Board member at Mesabi, he frequently refers patients to us and he spent much of this spring in our intensive care units participating in the newly initiated continuing medical education program.

Dr. Dinter's frank observations familiarized all of us more closely with the challenges faced by rural hospitals. He also described clearly the desire of rural physicians to serve patients well in their local hospitals and their desire to refer patients, when necessary, to an institution that will both care for the patient and communicate well with a referring physician.

PURCHASING AND PERSONNEL UPDATE

In closing, I would briefly note that during the months of February through April, 1987 the dollar amount associated with the hospital's purchase orders was about \$2 million above what we have considered an average quarter. This was due primarily to the acquisition of four major pieces of capital equipment, including an IBM computer to support our financial systems.

Lastly, June is employee recognition month at the hospital. Events honoring long-term employees and employees selected for outstanding service commendations have been planned.

Report of AIDS mishaps worries hospital staff

By Delores Lutz
Staff Writer

Three health care workers were infected with the AIDS virus after skin contact with infected patients' blood, federal health officials reported this week.

The news is not surprising, and it underscores the need for health care workers to strictly follow policies on gloves, masks and protective eyewear. Dr. Frank Rhame, head of infection control at University Hospital, said Wednesday.

"The risk of acquiring the (AIDS) infection is not zero, it never has been zero, and there is no point in underplaying it," he said.

Although the three cases reported by the federal Centers for Disease Control will not change any of University Hospital's infection control procedures, Rhame said, the anxiety they generated should make people especially conscious of following the policies.

Federal guidelines and Univer-

sity Hospital policy require health care workers to wear rubber gloves when likely to contact any patient's blood or body fluids and masks and protective eyewear when they are in danger of being splashed with blood or body fluids.

In two of the three cases, the patient's infection was undiagnosed at the time the virus was transmitted to the workers.

"We have to be careful with blood and body fluids at all times with all people," he said.

Until now, four of the six reported virus transmissions to health care workers involved needlestick injuries.

Anxiety was so high Wednesday at the University Hospital station with most of the AIDS patients that Rhame held an impromptu education session to allay fears.

"It was not possible for me to walk 10 feet without someone raising the issue," he said.

Carol Brand and Kathy Froiland, two University Hospital registered nurses said that CDC

See AIDS page 5

AIDS from 1

report increased their consciousness about protecting themselves. They work on the hospital's hematology station, where they work with patients' blood.

"It made me real conscientious about things like this, but it did not change the way I relate to patients," Brand said. "It did not reinforce anxiety, it just reinforces the need for taking realistic precautions."

In announcing the cases, federal officials emphasized that there still is no evidence that the virus can be spread through casual contact.

The three cases of infection are reported in this week's issue of Morbidity and Mortality Weekly Report, published by CDC.

In two of the cases, the health care workers clearly should have been wearing gloves, Rhame said, and the third case involved a freak accident that splattered

blood into the worker's face and mouth.

In one case, professionals were trying to resuscitate a patient when a health care worker's chapped hands came in contact with the patient's blood for 20 minutes while she applied pressure to gauze on the patient's arm.

Another case involved blood spilled on the hands of a worker operating a machine that separates blood components.

In the freak accident, a rubber stopper popped off a glass tube, and the worker had blood splattered in her face and mouth. Experts are not sure whether the infected blood entered her body through her mouth or the acne on her face, Rhame said.

In two of the cases, the workers later fell ill with symptoms similar to mononucleosis, officials said.

Local nurses voice fears of AIDS infection

By Theresa Monsour
Staff Writer

Some Twin Cities nurses on Wednesday voiced fear of working with AIDS patients because of an announcement by federal officials that three health care workers elsewhere had become infected with the AIDS virus after their skin was briefly exposed to blood from infected patients.

"There is a lot of concern," said Dr. Frank Rhame, University of Minnesota Hospital and Clinic hospital epidemiologist.

Rhame said many health care workers stopped him in the halls Wednesday to ask him about the federal report.

He said he has emphasized to

concerned staff that "it is terribly important to be careful with blood and body fluids."

"This doesn't help us in the battle against fear," said Dr. Keith Henry, co-director of the immunodeficiency clinic at St. Paul-Ramsey Medical Center.

Henry said he received more than 10 or 15 calls from concerned health care workers after news of the federal report was published.

"I received calls from people splashed with blood two years ago," said Henry.

Nurses who work with AIDS patients and who are aware of the precautions they should take were not the ones calling, Henry said. The calls, he said, came from

health care workers already afraid of AIDS.

"They view it as additional evidence that their fear is justified," Henry said. The report may make it harder to recruit people to work with AIDS patients, he said.

Bob Wiesner, field representative for the Minnesota Nurses Association, which represents 11,000 registered nurses, said he had received no calls from concerned health care workers.

"It's a transmission route we're aware of," Wiesner said of contact with blood. "It's bad news, but it's not startling."

Wiesner said it is still possible for health care professionals to protect themselves and treat pa-

tients.

He said the cases revealed by federal officials highlight the fact "when infectious and contagious diseases are diagnosed or suspected, health care workers must be informed."

Wiesner said hospitals in Minnesota have notified health care workers of such cases. In such instances, he said, the health care workers generally wear gowns, masks and gloves. Some have also begun wearing goggles for certain types of work.

Officials at the Federal Centers for Disease Control in Atlanta said Tuesday the three cases were the first documented spread of the AIDS virus to health care workers

that did not involve direct injection of infected blood into the body or prolonged exposure to body fluids. The six previously reported cases among health care workers involved such injection or prolonged exposure.

Health officials said there was no evidence the virus passes through intact skin. They said each of the three workers had small breaks or other abnormalities in the skin through which the virus might have passed. One was also splashed with infected blood in the mouth.

None of the three health care workers have developed AIDS symptoms, the federal officials said.