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Activities

of the

University of Minnesota Hospitals and Clinics

Board of Governors

from

January, 1975 - December, 1975

as presented by

Johnelle Foley

Executive Assistant

to the Board of Governors

Orientation Session

for New Members of the Board

January 20, 1976

The Board of Governors of University Hospitals and Clinics has been meeting monthly since January of 1975. During this first year of its existence, the Board has spent much time in orientation. In no way can our orientation session today compare to the extensive experience of the Board, but hopefully by reviewing the minutes of the past year, you will be able to acquaint yourselves to a certain extent with various aspects of the hospital.

Initially the Board of Governors learned of the history of the Boards formation, as Dr. Hastings has just explained, and of thier relationship with the Board of Regents. The Board was also farmiliarized with the Hospital's placement within the organization of the Health Sciences and as a part of the University structure. Such subjects as the open meet law, legislative special appropriations, and the Hospital's relationship with the Office of University Finance were discussed and clarified in those first meetings. Further, the Medical Staff organization was reviewed by the Board - its Bylaws, its application and privileges process, its committees and councils.

The 1975 Annual Plan for the Hospitals and Clinics was also introduced to the Board. As you will learn tomorrow when the '76 Plan is discussed at the January Board meeting, this report primarily pertains to areas of operations and identifies forces, objectives and programs which are new and require high priority effort by the management team. Items which were a part of last years plan included the reorganization of the Hospital's ambulatory care structure as it

relates to the building of Unit B/C for outpatient clinics, the development of an outreach health care clinic in the N. W. Hennepin County area, the planning for a three year capital construction budget and a ten year physical development plan, the writing of a Board Statement of Financial Policies and Requirements, preparation for patient and consumer education, the establishment of a Thanatology Task Force to study the issues of death and dying, investigation into the potentials of management contract services, and enhancement of the Hospital's public communication system. In June, an Interim Report of the Annual Plan was provided to the Board of Governors as an update on the progress of these projects. Continuous reference to these subjects in the General Director's Report has enabled the Board to monitor their progress.

Along with the General Director's Report and committee reports, Board meetings have generally consisted of one or two special presentations as well. Over the past year the Chiefs of such clinical services as Surgery, Pediatrics, Neurology, Medicine and Psychiatry have come to the Board to provide the members with information about their Hospital departments. When interest and/or timeliness suggested, special presentations were made to the Board of Governors on such sugjects as Malpractice, Quality Assurance - Medical Audit, the Health Sciences Placement Service, the Minnesota Hospital Association's Rate Review Process, current health care legislation, and the recent site visit by the Joint Commission on the Accreditation of Hospitals.

It has been a busy year for this new Board. Having approved a rate increase, it has worked diligently to monitor the Hospitals'

financial situation to assure the appropriateness of that decision. Similarly, the Board has carefully followed the Hospital's labor relations and present contract negotiations. An Executive Assistant was acquired, corporate counsel has been hired, the Bylaws have been studied, and new members have been appointed.

I have attempted here to only just touch on some of the activities and involvements of the Board of Governors of University Hospitals and Clinics over the past year. Again, as I mentioned, as you review the minutes you can examine these areas in more depth. In doing so, am sure that you will find that much of the real work of the Board is accomplished, as it should be, in its committees. Mr. Van Hulzen, Mr. Baker, and Mr. Jones will tell you some more about the three standing committees.

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Board of Governors

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Johnelle Foley

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Orientation Session
for
New Members of the Board
January 17, 1977

The Board of Governors began 1976 with five new members. Ms. Debbie Gruye, Ms. Jo-Anne Lutz, Mr. David Cost, Mr. Al France, and Ms. Lillian Burke, the Health Sciences student representative, joined the Governors. They replaced Ms. Mary Jo Anderson, Ms. Judy Brandenburg, Ms. Marie Manthey, Mr. Charles Deegan and Mr. Donald Shank, all of whom left the Board for such reasons as moving or insufficient time to commit to University Hospitals. The new members joined the Board of Governors eagerly and soon began functioning as diligent Board and committee members. Following is a brief sketch highlighting the activities of the Board of Governors in 1976.

In January of 1976, the 1976 Annual Plan was presented to the Board. An issue which had been brought forth in the 1975 Annual Plan also came to fruition. That is, a Statement of Financial Policies and Requirements was adopted by the Board as a guide for management in financial decision making. The Department of Radiology was toured by the Facilities Committee. A disaster Drill was reviewed by the Joint Conference Committee and a letter was received by the Board from President C. Peter McGrath commenting on the excellent care which he had received while hospitalized at University Hospitals.

In February, the Board approved the first set of amendments to their Bylaws. They also reviewed their first report from the Joint Commission on the Accreditation of Hospitals. In terms of their continuing education, the medical audit process was described to them, they were provided with copies of a new book entitled, Governing Hospitals: Trustees and the New Accountabilities, and one Board member reported on a conference which he attended in Denver on "Reassessing the Role of the Hospital Trustee". This month also marked the beginning of the construction on Unit B/C.

In March, the Board of Governors were orientated to the Chaplaincy Department and the Bone Marrow Transplant Program. Discussion was held on the establishment of a Medical Risk Management Task Force to consider necessary precautionary measures to be taken with the University's loss of its sovereign immunity. A joint Board-Medical School procedure for the appointment of Clinical Chiefs was considered. The Finance and Facilities Committee held their first joint meeting.

In April, the Board began discussions on the next budget and reviewed the Minnesota Hospital Association's rate review requirements. The capital equipment and remodeling budgets were considered and Drs., Resch and Prem were approved as the Clinical Chiefs for Neurology and Obstetrics and Gynecology respectively. That month, the Board concluded its meeting with a tour and dedication of the new Kidney Dialysis Center.

In May, as in most months, the Board, through the Joint Conference Committee reports, reviewed medical audits such as those done on appendectomies, depressive neurosis, and blood transfusions. They also were familiarized with the Department of Laboratory Medicine and Pathology. It was in April that the 1976-1977 budget gained its final approval and a rate increase of 9.6% was approved for the first six months of the new fiscal year. Discussion was also held on the financial implications of necessary physical corrections to meet Life Safety Codes.

In June, the Board received an interim report of the 1976 Annual Plan updating them on the status of the various programs. Mr. Atwood went before the Board of Regents with his first presentation to that goup which was met with praise for the diligent work of the Governors. A local Minnesota Hospital Association sponsored trustee seminar was attended by a Board member and University Hospitals was used as a pilot review site by the Commission on Public-General Hospitals. The actual meeting that month included a presentation by the staff from the Home Health Care Program.

The Board of Governors chose not to meet in July as they had previously done in 1975. In August they welcomed two new ex-officio members to the Board. Dean Weaver of the College of Pharmacy took Dean Schaffer of the School of Dentistry's place as the Vice Chairman of the Council of Deans and Directors. Dr. John Najarian, Chief of Surgery took Dr. Michael Paparella, Chief of Otolaryngology place as the Chief of the Council of Clinical Chiefs. The Facilities Committee took a tour of the new Hennepin County General Hospital. The Board approved a Memorandum of Understanding between University Hospitals and the Foundation for Health Care Evaluation, the local Professional Standards Review Organization. Discussions were also held on the negotiations for the Hospitals' labor contract and the new state rate review plan and its implications to budgeting timing. A review was also made of year-end financial statements.

In September, a private all-day retreat was held by the Board of Governors away from the Hospitals. The purpose of the session was to provide the Board with a comfortable setting and the time for the discussion of general issues of concern or interest. Board evaluation of the retreat noted that it was a valuable experience and suggested that it should be repeated periodically.

In October, the Board once again addressed itself to the latest visit of the Joint Commission on the Accreditation of Hospitals noting that University Hospitals was generally in compliance with their standards except in the area of proper physical facilities.

In November, the meeting consisted primarily of a presentation describing the Hospitals' Clinical Research Center and an in-depth description of the program which the University had developed for professional liability insurance.

December marked the end of a very busy year for the Board. Physical facilities were considered at length, a draft of the 1977 Annual Plan was introduced, and

additional rate increase was approved and two new members, Mrs. Dionisa C. Coates and Mr. Ron Werft were added.

The above was provided simply to give an idea of the sorts of involvements which the Board of Governors had in 1976. For more detailed information, referral to the Board or committee minutes is suggested.

UNIVERSITY OF MINNESOTA
Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

September 1, 1976

TO: Members of the Board of Governors

FROM: Harry Atwood, Board Chairman

RE: Board of Governors Retreat
Wednesday, September 15, 1976
9:30 A.M.
Andromeda - Chapel of the Open Door
Long Lake, Minnesota

As you will recall, the August meeting of the Board of Governors was adjourned to Andromeda in September, to be followed by a Board retreat. The purpose of this retreat is to provide our Board with ample time and conducive surroundings for discussions pertaining to issues which will be affecting the future of University of Minnesota Hospitals and Clinics. The schedule which has been planned for September 15, will hopefully meet with your approval in terms of allowing each of you the opportunity to participate in the planning of the day's agenda.

The program will begin sharply at 9:30 A.M., with a brief business meeting. We will then break into three small groups for the purpose of identifying those top priority issues which we would most like to address that day. Each group will have a discussion leader and will be asked to develop a prioritized list of concerns which they envision as potentially affecting our Hospitals' future. Resource people from the Administrative Staff will be present to assist us in whatever way possible. They will take the lists developed in the small group sessions and will prepare brief introductory comments to direct our entire Board in discussion sessions on the issues of greatest interest which we have identified. It should be noted that although time probably will allow us to examine only three topics that day, our issue identification exercise will have provided us with ample material for future Board meeting presentations.

Attached to this memo you will find a schedule for the retreat day, a tentative list of the small groups - pending notification of attendance - and a map to Andromeda. Ms. Foley has asked that should you have any questions regarding the retreat or Andromeda, to please feel free to contact her at 376-3906 or 373-9066.

I will look forward to seeing you on September 15, and to spending a day in fruitful discussion.

HEA/sds

Enc.

University of Minnesota Hospitals and Clinics

Board of Governors

Retreat Schedule

September 15, 1976

Andromeda

9:30 A.M.	- 10:00 A.M.	Continuation of the August 18, 1976 Board Meeting - Joint Conference Committee Report - August, 1976 Financial Statements

Retreat Commences

10:00 A.M.	- 10:15 A.M.	Introductory Remarks - Chairman Atwood - Mr. Westerman
10:15 A.M.	- 11:00 A.M.	Small Group Issue Identification
11:00 A.M.	- 11:15 A.M.	Coffee Break
11:15 A.M.	- 12:30 P.M.	Discussion Session #1
12:30 P.M.	- 1:00 P.M.	Lunch
1:00 P.M.	- 2:15 P.M.	Discussion Session #2
2:15 P.M.	- 2:30 P.M.	Coffee Break
2:30 P.M.	- 3:45 P.M.	Discussion Session #3
3:45 P.M.	- 4:15 P.M.	Retreat Wrap-Up

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

BOARD OF GOVERNORS

RETREAT

TENTATIVE DISCUSSION GROUPS

Group #1	Group #2	Group #3
Ms. Lillian Burke	Mr. Harry Atwood	Ms. Jeanne Givens
*Mr. David Cost	~~Mr. Alfred France~~	Ms. Debbie Gruye
Mr. Orville Evenson	Mr. Al Hanser	*Dr. Donald Hastings
~~Dr. John Najarian~~	~~Ms. Jo-Anne Lutz~~	Mr. Stanley Holmquist
Ms. Sally Pillsbury	*Mr. John Quistgard	Ms. Mary Lebedoff
Dr. John Tiede	~~Ms. Timothy Vann~~	~~Mr. Ruben Ruiz~~
Dean Lawrence Weaver	~~Dr. Paul Winchell~~	Mr. John Westerman

*Discussion Leaders

Resource People

Mr. Robert Baker

Mr. Robert Dickler

Mr. John Diehl

Mr. Clifford Fearing

Ms. Johnelle Foley

Mr. Tom Jones

Mr. Don Van Hulzen

Draft

Suggested Seminar Topics

1. Quality Assurance - Audit
   P.S.R.O.

2. Planning Parameters - Certificate of Need
   1122

3. National Legislation - External Forces

4. Hospital Financing and Budget - Guidelines Review

5. Hospital Productivity Trends

6. Future of Ambulatory Care

7. Legal Concerns - Informed Consent
   Medical Staff issues

8. Patient Sensitivity

9. Board - Medical Staff Relations

10. State Board of Health Involvement - Licensure
    H.S.A.

Board of Governors
Retreat
September 15, 1976

Issues Identified In Small Groups

1. Who are we as Board members?
2. What is our role?
3. What is our relationship in the University structure?
4. What is the Hospitals' relationship in the community?
5. How responsive are we to the community?
6. How good are our public relations?
7. What are the roles of our committees?
8. How should the Board's Facilities Committee be functioning?
9. How responsive is the Board's Finance Committee?
10. What is the role of University Hospitals in terms of the total health care community?
11. In terms of budgeting and financing are we prepared for future services?
12. What is our relationship to the Health Sciences?
13. Are we adequately considering long range replacement funding?
14. Can we affect the successful recruting of minority groups into the Health Sciences?
15. Can we be doing more to reduce the number of malpractice cases?
16. Should we be considering the development of performance criteria for departments?
17. What should University Hospitals be doing in terms of preventive medicine?
18. Are we truly being senstive to our patients' needs?

Three Major Themes

1. Role of the Board of Governors
2. Role of University Hosptials in the Community
3. University Hospitals' Financing for the Future

Discussion Flow

University Hospitals Mission Statement

University Organization Chart

Board of Governors Role

- probe
- input
- support/lobby
- staff confidence
- guidelines
- policy
- direction

Legislative Involvement

Administrative Staff

Research and Development

External Forces

Public Relations

Care Facility

Negotiating Future

Public Role

Medical Staff Attitudes

University Hospital Charges

Malpractice

Task Forces

Costs

Staff Impressions

Mr. Baker:

- good in-service training on organization
- low key discussion on charge
- much philosophical debate

Mr. Baker cont:

- 75% of retreat good - then frustration
- identified many small issues - could have thought out more
- should have gotten into preventive care
- Board needs to take one issue to see where they stand

Mr. Dickler:

- only portion of Board know how to be Board members
- need constant re-education as to University structure
- must work out mission, role, perrogatives, and authority
- probably 10 years before they deal with issues
- unusual ending - no summary or bringing together
- need to know who Dr. French is

Mr. Van Hulzen:

- good orientation session
- question as to whether it satisfied their frustrations
- some more capable of serving as Board members than others
- we should poll Board members for their reactions - they should evaluate
- JHW did great job
- should ask Atwood and Hanser how to follow up

Mr. Jones:

- no clear objectives so hard to evaluate the success
- useful to be in different setting
- sensed frustration at end - mormal after 8 hours of chatting
- JHW suggestion good - State of Hospital Report periodically - vise-a-versa Mission & Goal Statement - could be preambple to annual plan
- 3 issues were right ones
- chart helped to clarify

Mr. Jones cont:

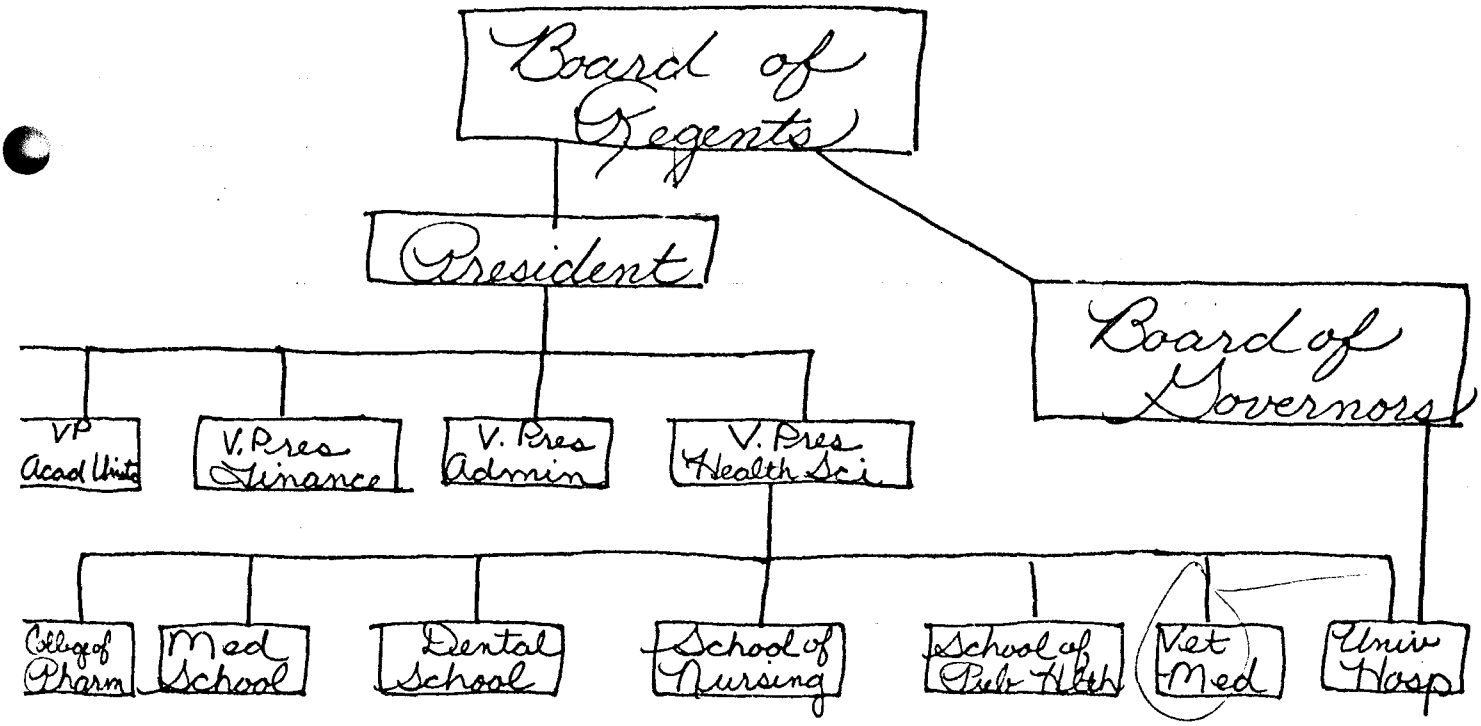
- good to point out our differences based on academic units
- staff should go back and decide what we expect from the Board in terms of those three issues

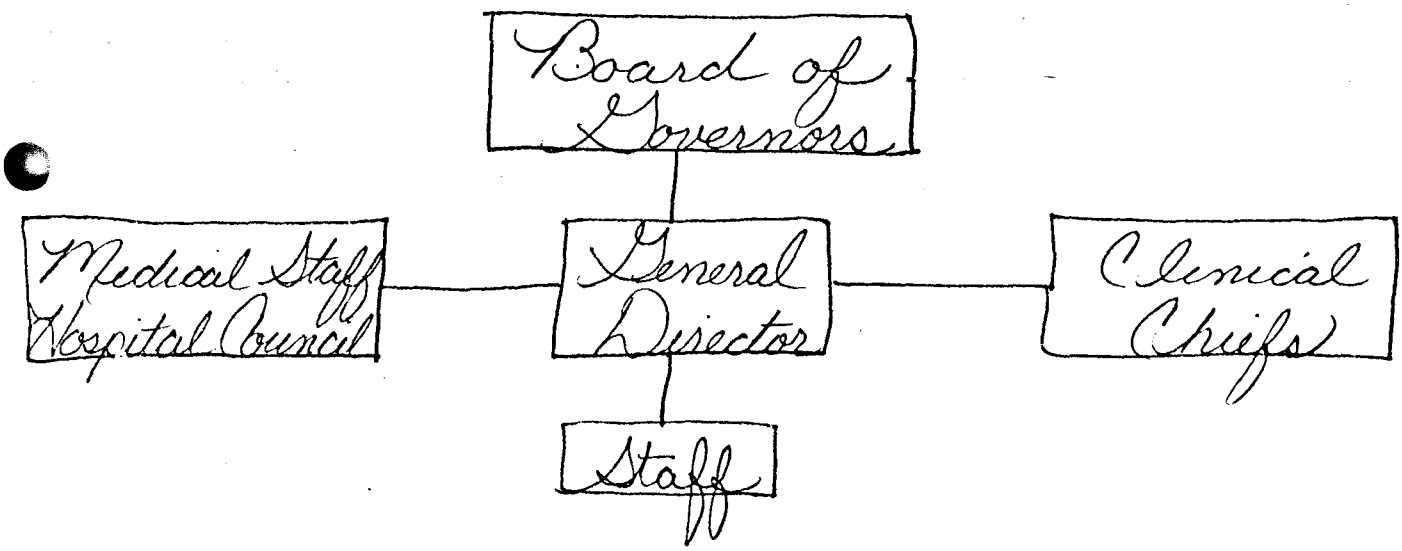
Mr. Diehl:

- retreat was overdue - good social experience
- identified subjective concerns
- previous orientation was meaningless
- JHW - good explanation
- need to understand JHW as communication link in political relationships
- gave opportunity to share frustrations and understand all are in the same boat
- areas left out of - labor negotiations, malpractice policy, building contract
- should increase Board involvement in writing of Annual Plan

Ms. Foley:

- administrative staff should discuss their impressions of the Board and the Board's role


Board of Regents
President
Board of Governors
VP Acad Affairs
V. Pres Finance
V. Pres Admin
V. Pres Health Sci
College of Pharm
Med School
Dental School
School of Nursing
School of Pub Hlth
Vet Med
Univ Hosp


Board of Governors
Medical Staff Hospital Council
General Director
Clinical Chiefs
Staff

UNIVERSITY OF MINNESOTA
Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

October 4, 1976

Dear Board Members:

On September 15, 1976, we participated in our first Board of Governors' Retreat. If we are to truly learn and benefit from that experience, we should take the time to reflect on that day and share our impressions of what occurred and how it occurred.

I would like to ask each of you who were present at the retreat to respond to the attached questions and forward those responses to me in the enclosed envelope by October 13, 1976.

I will look forward to receiving your responses, tabulating them, and reporting them to you at our October 20th Board of Governors meeting.

Thank you in advance for your cooperation.

Sincerely,

Harry E. Atwood
Chairman

HEA/sds

Enclosure

Board of Governors

Retreat Evaluation

1. Did you feel that the Board of Governors' Retreat provided a worthwhile experience? _____Yes _____ No

2. Would you like the Board of Governors to repeat the Retreat on an annual basis? _____Yes _____No

3. What element of the Retreat did you feel to be of most value?

4. Did you feel that there was any particular aspect of important Board involvement or concern which was not covered during the Retreat?

5. Are there any additional comments which you would like to make regarding the Board of Governors' Retreat?

University of Minnesota Hospitals and Clinics
Board of Governors Retreat
September 15, 1976
Andromeda - Chapel of the Open Door
Long Lake, Minnesota

Retreat Responses:

1. Did you feel that the Board of Governors' Retreat provided a worthwhile experience?

   All agreed - Yes

2. Would you like the Board of Governors to repeat the Retreat on an annual basis?

   All agreed - Yes

3. What element of the Retreat did you feel to be of most value?

   "Getting to know Board members (better)"

   "Relaxed atmosphere and frankness"

   "Open-ended structure"

   "Opportunity to discuss issues (and frustrations) without time pressures"

   "Discussion of roles"

   "The opportunity to discuss procedures we were unfamiliar with and to express opinions on various issues"

   "Possibly the informality gave some Board members with feeling they could express their thoughts more freely"

   "It was an opportunity for all members of the Board of Governors and staff to become better acquainted"

   "Discussion in A.M. of issues"

   "Clarification of responsibilities (organizational chart) presented by John Westerman"

   "Relaxed atmosphere - members felt free to express themselves"

   "Hearing and seeing the "real" structure and relationship of Board of Governors/Regents/Staff and others"

Retreat Responses cont:

"Having the insulation somewhat removed for the staff as it relates to us and reporting"

"Probably most valuable was the chance to meet in a "loose" way without a formal agenda, getting to know each other better, and to talk about most anything we want to. It probably should not represent a meeting from which we expect much action to be forthcoming"

"I loved the place - it was beautiful - informal - freed us to come together as people rather than positions, etc., time element important to me - less pressure to cover so many items in a given time. The whole day was there to be used. Getting to know each other better individually and collectively"

"I felt that it gave us a chance to ask questions which might have been embarassing to staff, if asked at a regular meeting. Questions which touched areas of concern but were not intended to be ultra critical. (an interpretation which might have been placed upon that question, if taken out of context of the discussion"

4. Did you feel that there was any particular aspect of important Board involvement or concern which was not covered during the Retreat?

"I would have reversed the time spent in a large group versus small groups. We just skimmed the surface in finding out where each board member is, and where we as people - lay people, can use our special talents in our roles as a board member"

"I had none, I would assume that by next year there will be others"

"Legal aspects of Board membership probably need more emphasis although "Trustee" magazine, if read, constantly refers to this"

"More clearly defined mission and more visable long range plan"

"Members seemed to feel costs were too high"

"Concern about our P.R."

"John Westerman and Board spoke of chemical dependency as becoming an "emerging" concern. What additional application and focus is being given to this?

"We covered so many subjects I find this difficult to answer. I would like further discussion on:

1. The hospital's role in the community and its relationship to other hospitals.

2. What are we doing to maintain or lower health costs?

3. An explanation of dress codes, plus employee training, notably those employees engaged in communication with patients.

Retreat Responses cont:

"No"

"No, however I do not believe that the Board has an understanding of the role they are to play. I believe this warrants further discussion"

"I hope that some of the issues which were not discussed during retreat due to lack of time will be brought up a future board meetings as planned. Also, continuing dicussions of mission statement in light of possible future developments - should be ongoing"

5. Are there any additional comments which you would like to make regarding the Board of Governors' Retreat?

"I think the ciscussions more clearly defined the Board's duties and responsibilities and started to outline the areas which, though of great interest, are not areas of responsibility for the Board. To me this is very important!"

"Good idea"

"I like the informality - very please with availability of information from staff on an impromptu basis"

"I think the Retreat should be repeated, but only if it is first determined that another is needed. I feel that an agenda should be prepared and approved before the "Retreat" outlining topics and subjects for discussion. I think the past retreat started out very well, but later on in the afternoon lost sight of its goals by generalizing too much"

"I hope that some of the concerns can be addressed by the staff"

"Patient sensitivity should be discussed. This is vital in hospital service"

"Re: The topic of evaluation and objectives - we should follow up! .. for both the staff and hospital. Our mission is key - we really can't effectively do anything esle without a clear understanding of what we are and where we're going"

"None except that basically I think that a "retreat" from time to time is worth it. Perhaps it does not need to be on an annual basis and could be on an "as needed" basis as determined by Board members requesting such a get-together on a semi-social basis"

Retreat Responses cont:

"Excellent - everyone had chance to participate. Concerns were basic"

"It was very valuable to actually see where we fit into the overall University of Minnesota as far as responsibility to etc., etc., -- I'm assuming we will receive a copy of that structure"

"I do not believe that the Board has an understanding of the role they are to play. I believe this warrents further discussion"

University of Minnesota Hospitals and Clinics

Board of Governor's

Retreat Digest

August 17-18, 1977

Madden's Resort
Brainerd, Minnesota

PARTICIPANTS

Mr. Harry Atwood
Chairman of Board

Ms. Dionisa Coates
Board Member

Mr. Ed Connors
President
Sisters of Mercy Health Corp.

Mr. Al France
Board Member

Ms. Jeanne Givens
Board Member

Ms. Debbie Gruye
Board Member

Mr. Al Hanser
Vice Chairman of Board

Dr. Donald Hastings
Board Member

Mr. Stanley Holmquist
Board Member

Ms. Mary Lebedoff
Board Member

Ms. Sally Pillsbury
Board Member

Mr. John Quistgard
Board Member

Dr. John Tiede
Board Member

Ms. Timothy Vann
Board Member

Dean Lawrence Weaver
Board Member

Mr. John Westerman
Board Member

Dr. Paul Winchell
Board Member

Mr. Lauris Krenik
Member, Board of Regents

Dr. Lyle French
Vice President, Health Sciences

Mr. David Preston
Assoc. Vice President, Health Sciences

Dr. Joseph Resch
Asst. Vice President, Health Sciences

Mr. Robert Baker
Staff

Mr. Robert Dickler
Staff

Mr. Cliff Fearing
Staff

Mr. John Diehl
Staff

Mr. Don Van Hulzen
Staff

Mr. Tom Jones
Staff

Ms. Johnelle Foley
Staff

Ms. Shirley Sudduth
Staff

AGENDA

Wednesday, August 17, 1977

12:00 - 1:15 P.M.	Luncheon (Pine Portage Office Building)
1:15 - 1:30 P.M.	Introductory Remarks - Chairman Harry Atwood
1:30 - 2:15 P.M.	"Mission Considerations for All University Hospitals" - Mr. Edward Connors President Sisters of Mercy Health Corporation
2:15 - 2:30 P.M.	Coffee Break
2:30 - 3:00 P.M.	"University of Minnesota Hospitals & Clinics - A Historical Perspective" - Dr. Donald Hastings
3:00 - 3:30 P.M.	"Our Mission Statement and the Factors Affecting It - The Present Day" - Mr. John Westerman
3:30 - 4:30 P.M.	"Futuring" - Dean Lawrence Weaver - Mr. Robert Baker

Wednesday, August 17, 1977 cont:

4:30 P.M. - Discussion Group Assignments:

I. Hospital Costs - Mr. Don Van Hulzen

II. Multi-Hospital Systems - Mr. Robert Baker

III. Quality of Health Services - Mr. Robert Dickler

IV. Regulations - Mr. Tom Jones

(CHECK-IN TIME FOR MADDEN'S RESORT)

5:00 P.M. - Hospitality Suite
(Location to be announced)
Dinner arrangements can be made individually

8:00 P.M. - "Town Council Meeting"

- Chairman Harry Atwood

Thursday, August 18, 1977

8:00 - 10:00 A.M. Breakfast
Discussion Group Meetings

10:00 - 11:00 A.M. Discussion Group Reports

11:00 - 12:00 Noon "Retreat Summary"

- Chairman Harry Atwood

- Mr. John Westerman

12:00 - 1:00 P.M. Luncheon

1:30 - Check-out time

RETREAT DIGEST CONTENTS

A. Introduction

- Mr. Harry Atwood, Chairman
  Board of Governors

B. "Mission Considerations for All University Hospitals"

- Mr. Edward Connors
  President
  Sisters of Mercy Health Corp.

C. "The Past, Present, and Future of University of Minnesota Hospitals and Clinics"

- Dr. Donald Hastings, Professor
  Department of Psychiatry
- Mr. John Westerman
  General Director
- Lawrence Weaver, Dean
  College of Pharmacy
- Mr. Robert Baker
  Associate Director

D. "Questions To Be Asked - Directions To Be Considered"

- Town Council Meeting - All

E. "Costs, Systems, Quality and Regulations"

- Hospital Costs
  Mrs. Timothy Vann
- Multi-Hospital Systems
  Mr. John Quistgard
- Quality of Health Care
  Mr. Al France
- Regulations
  Mrs. Debbie Gruye

F. "The Dynamics of Change and The Changes"

- Mr. John Westerman
  General Director

G. Conclusion

- Mr. Harry Atwood, Chairman
  Board of Governors

Introduction

Mr. Atwood presented his preliminary remarks pertaining to this, the second annual retreat of the Board of Governors. Noting that although the retreat would revolve around four major areas of current concern to University Hospitals (1) hospital costs, 2) multi-hospital system, 3) quality of health services, and 4) regulation) and the bearing which these will have on University Hospitals, he emphasized that the underlying theme or primary purpose of the retreat was to take a hard look at the Hospitals' Statement of Mission in light of the many internasl and external influences affecting the Hospitals. He concluded that he hoped the retreat would result in the pulling together of thoughts and ideas as to whether the current mission of the Hospitals is the one which the Board of Governors should be pursing, or if changes should be made or considered for that mission, and how best the Board could go about determining those changes. Thus, the tone was set and the retreat began.

Mission Consideration for All University Hospitals

The theme of the conference is to be applauded. The examination of mission and goals by a major institution is necessary. It is a timely endeavor, one which should be on-going with the Board giving recurring consideration to what University Hospitals' is about. Without a clear statement of purpose, without goals which can be owned by those who make them and those who implement them, and without crisp objectives an organization wwill flounder - it cannot be effective. The truly effective organization

requires:

1) long range planning
2) a marketing orientation
3) goal oriented strategies
4) a people building philosophy
5) a program of recruitment
6) capabilities for renewal
7) continuous evaluation
8) an adequate system of communication
9) an interest in what it is to become
10) that it be run on motivation

A governing body may question how the effectiveness of its organization can be addressed. Essentially, the effectiveness of the hospital depends on the effectiveness of its board. Governance boils down to five basic functions:

1) to specify mission, goals, objectives, and strategy
2) to control and to direct the making of policy
3) to protect and to enhance all assets of the institution
4) to appoint management, to ensure that it is competent, and to ensure that it carries out designated strategies.
   (key - mutual trust and confidence)
5) to assure the quality of services

Without a strong governing body, there is no willingness to examine the assumptions under which a hospital functions. To be effective, assumptions must be challanged and alternatives must be debated. University Hospitals has developed the structure, the mix and the capability to move to a deliberate choice of mission and goals. There are five basic options with respect to

mission - the broadest statement of purpose - which should be examined for a University hospital:

Option 1

To provide education, patient care, research, and community service without distinction. This option fails to determine primary purpose or priorities.

Option 2

To declare the mission to be primarily that of providing the educational under pinning for the Health Sciences. Such a purpose should be openly enunciated and defended on its merits.

Option 3

To define the patient care mission in terms of tertiary care, highly specialized referral care only at specific educational levels. This option would require dependence on other institutions to round out the educational experience of students and to provide access to a full range of services.

Option 4

To define mission primarily in terms of a research establishment. This option is not consistent with state ownership, public expectation, funding sources, or manpower requirements.

Option 5

To define the mission to be a comprehensive patient care organization and as such a resource providing a total range of services to a defined population. This option presents a different approach to education and research.

These options are provided to challange ones thinking about the mission of a university hospital. The mission cannot be taken for granted. It will be tested, and it will be tested in light of the environmental setting in which it must function. To endure, it must be broad and flexible, allowing the institution to adapt. Mission options 2, 3, and 4 present a narrow view, while some combination of 1 and 5 could provide the breadth needed to encompass today's considerations. Simultaneously, it is key that the governing structure lay out its beliefs about the environmental factors which affect the institution's mission and that it does so continuously so to be up-to-date. This is called strategic planning or the laying out of alternative plans to accomplish mission.

The following are headings which represent current environmental considerations which this nation's hospitals should be studying:

- Service Accessibility for the Under-privileged
- Technological Developments in Health Care
- Physician/Institution Relationships
- Governments Role in Health Care
- National Health Insurance
- Quality Control
- Quality of Life

It is imperative that the governing body wrestle with these issues as they provide the environmental conditions underwhich hospitals will operate in the future. For them, one must attempt to develop sets of conclusions and strategic plans.

The Past, Present, and Future of University of Minnesota Hospitals and Clinics

There was a time when there was no thought for the future, when the responsibility for planning and preparing for the future lay with no one. There was a time when there was no Chief of Staff, no Medical Staff/Hospital Council, no Council of Clinical Chiefs and most of all, no sharing of administrative responsibility

for University of Minnesota Hospitals. There was a time when there was no statement of mission and purpose and no delineation of goals and objectives. Of course, there was also a time when external environmental influences were minimal in number and minor in impact. This was before the Korean War, before the beginning of federal grants, before Medicare and Medicaid - before government controls. This was before leadership in the Hospitals administration which encouraged dialogue, promoted shared responsibility for determining directions, and forced examination of the issues facing University Hospitals.

There was a time when University Hospitals fell under the College of Medical Sciences as a part of the Medical School, along with Public Health and Nursing. This was a time when governance was fragmented, the Schools were in conflict, there was no one with final responsibility, and no spokesman with authority and leadership for the Health Sciences. This was before the Heard study and before the creation of the Office of the Vice President for Health Sciences.

Great strides have been made but equally great challanges lie ahead. The present is the time to prepare for those challanges so that University Hospitals can adapt and respond appropriately to their demands.

When the Office of the Vice President for Health Sciences was instituted in 1970, University Hospitals was a small paragraph in its mission statement. With the creation of the Board of Governors and the establishment of that Board's role under the Board of Regents, a seperate mission statement was developed for the Hospitals. It is a statement with strengths and weaknesses. It gives flexibility and allows for diversity, but increasingly, it is

under scrutiny from various public sectors. The Regents, the Legislature, and health planning agencies are increasingly interested in its contents, its specific goals, and its direction. One must ask if the time has not come for more preciseness in its terms. One must ask what we are doing, how we are doing it and for whom. There is a need to develop a strategy for the future and to evaluate if the present mission statement has the dimension for that future. There is a need to ask what that future will be in health care.

There appears to be two constants in the delivery of health care. One, is that medical technology will continue to advance and two, is that recipients of that technology, those seeking health care, will continue to be filled with worry and uncertainity. Thus, as advances are made, there must continue to be a oneness in interactions between provider and patient, and provider and provider. The patient must be treated as a whole person and planning for the future must serve that patient. Certain questions must be asked when planning for change:

1) Is the change needed?
2) On what assumptions is the decision for change predicated?
3) What revisions are required for the change to occur?
4) How and which changes should be made?
5) What will the public and professional reactions be to that change?
6) What are the financial costs of the change?
7) What affect will the change have on society and the health care delivery systems?

These are the questions which must be considered when change seems necessary.

What are the predictions for the future of health care which are suggesting the need for change?

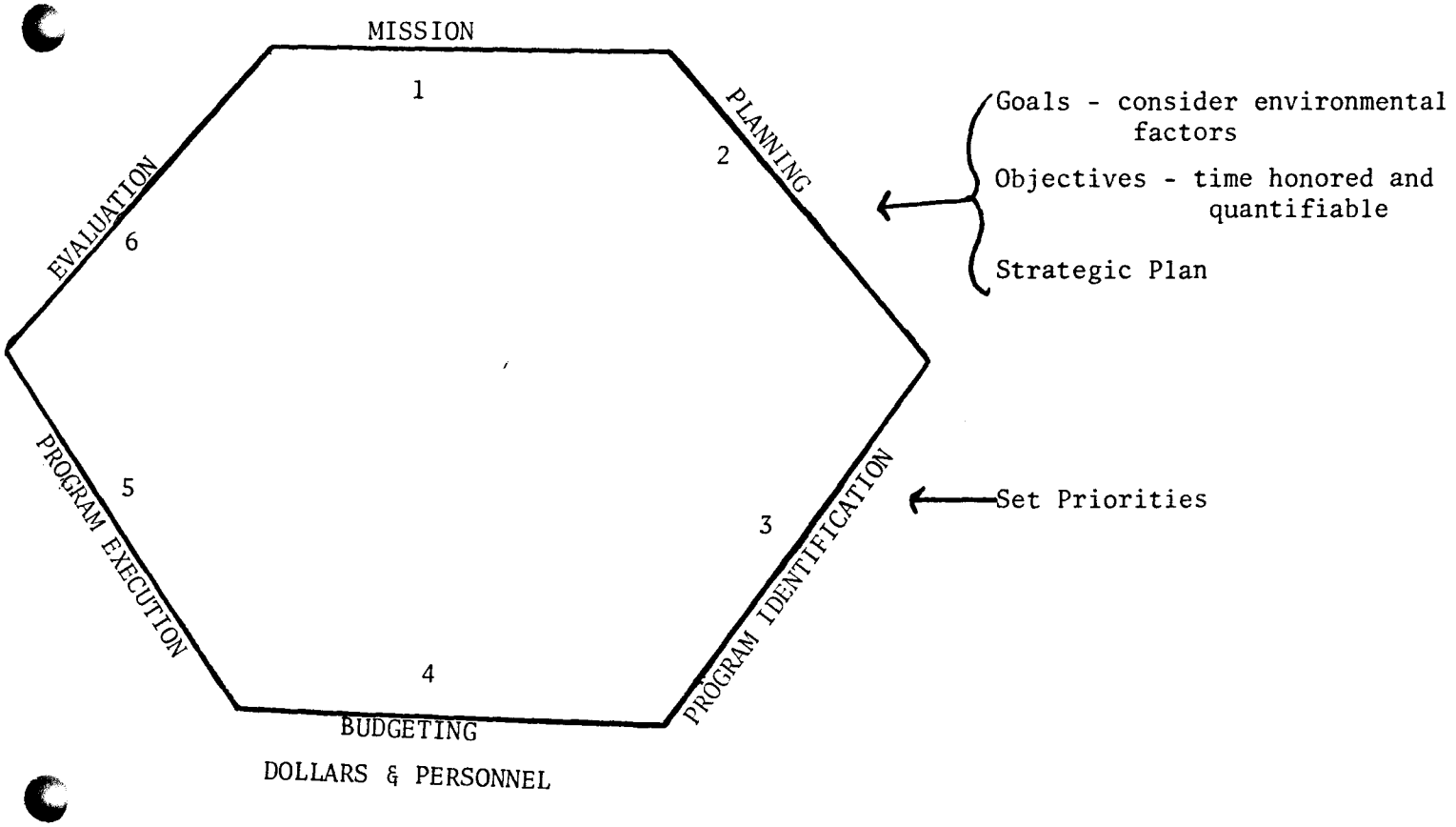
It appears that there will be increasing government control, that health manpower development will see new roles for existing professionals and new professions, that computer technology will play a large role in health care, and that communication tools such as telephones and televisions will be playing a key role in the delivery of health care. More emphasis will be put on the prevention and early treatment stages of health care than on acute or convalescent care. The delivery of care will change from a physician centered model to a health team model to a medic computer model. Care will be more regionalized. It will reach out to rural areas and be centralized through phone and T.V. communication. Health care will be publically financed with all receiving equal access to a minimum level of care. Advances in medical technology will increasingly force the question of quantity of life versus quality of life. If this picture of the future is real, how will and how can the University of Minnesota Hospitals and Clinics respond?

Questions To Be Asked - Directions To Be Considered

Before a look into the future, must there not first be an evaluation of whether the present mission is being achieved? Must not the parameters of the mission be defined - the length of time to be planned for? Can we continue to believe that University Hospitals can be all things to all people? How broad can or should a statement of mission be? How does what University Hospitals provides in service affect teaching? What is the difference between mission, goals, and objectives? How was the role of

University Hospitals defined in terms of Minnesota? Does that still hold true? What are the priorities? How does this unit relate to the rest of the Health Sciences? Can a broad statement of mission be defended? Is University Hospitals comprehensive? How do and can other hospitals in the community interrelate? Does the Board of Governors feel any ownership of University Hospitals' present mission statement? How does University Hospitals' annual plan relate to the mission? What role can the Board play in forming the mission statement? What kind of statement should University Hospitals have?

A mission statement should be broad and flexible without specifics. It should have the capability to adapt. It should suggest an annual cycle of events:



The role of a board is to develop, respond to, debate, and act on the established goals of the institution. It is the body which holds administration accountable for implementation. The board provides counsel and advice. At University Hospitals an annual cycle for planning development is carried out through the preparation of the annual plan. With this document, goals and objectives are put forth, program priorities are set, budgetary implications are applied and a six month status report demonstrates progress in execution and poses questions for evaluation. What is missing, however, is the overall monitoring of this annual cycle in terms of the long range goals and objectives. The Board may wish to consider charging a sub-set of its membership with the development of these long range considerations and a process by which progress toward their achievement can be monitored.

Costs, Systems, Quality and Regulations

The issue of hospital costs is complex. The reasons for rising costs are many. The same problems in this area have endured over time. Recommendations to solve these problems within the present health care delivery system have not produced desired results. The examination of other delivery models with other cost containment incentives is essential.

A Multi-hospital system is one such delivery model alternative. It assumes that the sharing of health care delivery functions will reduce costs. It is a system with advantages and disadvantages for the participants. It requires co-operation, consolidation, and possible conformity or loss of identity. It promises a better base for financing, better planning of health care resources, and better patient care.

Better patient care must be defined. What are quality health services. Quality for whom - the patient, the physician, the health care insitution?

Is quality care the minimum safest care, the most effective care, the most appropriate care? Is it human care? Who determines the quality of health services? Quality to whom - the JCAH, the PSRO, the HSA - the government?

The government regulates the provision of health care. Some of these regulations are good, others are superfluous. Nonetheless, they do exist and providers of health care must adhere to them. All those involved in health care however, should realize their potential to influence the shape, size and form of regulations through appropriate government channels. To a certain degree, this has been done with the creation of health care laws, but the regulations for those laws continue to come out in too much detail, requiring unnecessary and inappropriate work and duplicating effort. Regulation is expensive - which takes us back to hospital costs.

The Dynamics of Change and The Changes

If consideration is to be given to an examination of the mission statement for University Hospitals and Clinics, the dynamics of change/no change must be analyzed in terms of measuring the impact of various forces.

Change:

1) With certainty, one can predict more external controls and regulations for hospitals which will force adaptive and modified behavior.

2) In a competitive market University Hospitals must provide an environment for investigation and education to attract superior faculty.

3) The projects and programs which are created are often the result of well-thought-out internal staff desires.

4) There exists an obligation to be aware of income and revenue opportunities, the responsibility to keep the Hospitals operating.

5) New technological assessment must be dealt with in terms of responding to the changes it involves.

6) Improvements and changes in education requires that the clinical site provide the innovations which are being taught.

These forces must be coped with yet, on the other hand:

No Change:

1) University Hospitals has no major crisis to rally around.

2) Change costs money and this is the era of cost caps and cost containment.

3) University Hospitals does what it does well. Why should it expand when smaller is better and it has no skills beyond the present involvements.

4) Others with skills should do and probably will do better.

5) There is no plan to debate so why consider change. There is nothing to change from.

6) Change creates problems for the Board in terms of justification.

Why is there a Board of Governors for the University of Minnesota Hospitals and Clinics? Because, one person alone cannot provide the microcosm of the State of Minnesota which can help to examine the role and direction of University Hospitals. The Board is essential in its in-put, in its questioning, and in its demand for accountability.

What process steps exist for the Board in its role of providing direction?

I. The development of a precise summary statement of issues and difficulties.

II. The development of specific goals and objectives for the future.

III. The development of a strategic plan for implementation of the mission.

IV. The justification of that mission, those goals, and the strategic plan to the public.

These are the steps which must be taken if the Board of Governors is to truly serve the Board of Regents and meet the expectations for which it was These are the steps which make ownership of a mission statement possible.

Conclusion

Chairman Atwood concluded the Board of Governors Retreat by expressing appreciation for the valuable input provided by the retreat participants during the two day session and pointed out two needs which had become apparent through the deliberations. First, he commented on the need for the appointment of an ad hoc mission statement study committee of the Board to reflect on the discussions of the retreat and move toward

the development of a University Hospitals' strategic plan for consideration by the full Board. Second, he requested of staff a digest of the retreat comments to serve as a working paper from which the ad-hoc study committee can view the parameters of its charge.

University of Minnesota Hospitals and Clinics
Board of Governors Retreat
August 17-18, 1977
Maddens Resort
Brainerd, Minnesota

Retreat Responses:

1. Did you feel that the Board of Governor's Retreat provided a worthwhile experience?

   All agreed - Yes

2. Would you like the Board of Governors to repeat this type of two day retreat?

   All agreed - Yes

   "Not a strong feeling, but I think it helps to have some leisure time together"

3. What elements of the retreat did you feel to be of most value?

   "The attention to the role of the board and the subsequent analysis of mission"

   "The opportunity for board and staff interaction and idea exchange in a less formal setting. The opportunity for board members to express abstract concerns too general to pursue at monthly board meetings"

   "I really enjoyed every aspect of the Retreat--the lectures, the workshops, the socializing and the open session on Wednesday night. I felt that the latter, particularly, was good and feel that it brought the members of the Board and staff much closer together. I wish we could do it more often.

   "Discussion regarding "The Mission"

   "A. Town Hall Meeting and B. Task Group Session"

   "All"

   "Discussion groups - particularly discussion of Hospitals' involvement in Twin cities consortium"

   "Town meeting"

   "A. Keynote speaker, B. Evening discussion and C. Informal "after-meeting dialogue"

   "Openness - no inhibitions and the 4 round table committees"

   "Town meeting, group discussion, Connors keynote address"

   "General participation"

"Honest expression of feelings about role and impact of trustee.... and how that can be enlarged"

"Discussion and focus regarding role of Board"

"Chance to get to know each other better - to discuss Board interests on an informal basis"

"Our informal gatherings - these times we could relate as plain people - sharing fun - common interests - hobbies, etc. We could speak to one another andknow one another and this cements friendship and trust which frees us to relate more openly and with more confidence when assuming our mutal board roles. There never has been enough time to visit etc., before or after committee and board meetings which is quite normal - but if a board works together well and feel ownership it needs to know where each is coming from - so these retreats aside from the continuous learning experience vs. the Hospital & Clinics are an important aspect of our social learning. The sharing of feels are valuable in my humble opinion."

"Meeting and getting to know more of the members"

4. Did you feel that there was any particular aspect of important Board involvement or concern which was not covered at the retreat?

"No. But, I feel that an appropriate follow-up would be to discuss mission specifics and board strategy (regents, legislature, public) in accomplishing this mission"

"No"

"More emphasis might be given to patient needs and concerns"

"No"

"Insurance, but realize this is in limbo at present"

"HSA's and our position in the Hospital system during the next decade - plus strategies to maintain our status. ? V.A. Hospital on campus and potential effects on this hospital"

"No"

"We should have discussed cost containment more in detail"

"Probably - but we covered about all that time would permit"

"Not really - But, perhaps Long Range Planning Re: financial"

"Not considering time restraints"

"Not that occurs to me"

"No, as a new member I felt I was learning a lot and could not make an evaluation as such"

5. Would you like to make any suggestions in terms of format, location, and schedule for future retreats?

"Perhaps it could be Friday-Saturday or Sunday-Monday in order to:
1. Accommodate a long weekend, and
2. To avoid taking two business days"

"It was personally convenient to have to noon to noon scheduling. Being aware of new spending restrictions, I still favor Spring Hill Conference Center in Orono. mid-August seems a good time or mid-September"

"No--everything excellent, thank you."

"No"

"I was quite satisfied with all of the above - Johnelle & Shirley did a super job - driving up with another board member gave us additional time to get better acquainted - nice!

"The "breakout" sessions in the a.m. were subject to too much distraction. Seperate rooms, or corners would help"

"In my opinion this year's retreat was very worthwhile and why not stay with this successful plan?"

"Found Town Meeting and morning work shops most productive"

"In light of the feeling, especially among state politicians, that meetings could just as well be held in state-owned facilities, a place of that type might be considered"

"Small group sessions after breakfast are not very productive"

"This one was good enough to repeat"

"Format excellent - staff work preparation excellent"

"Not really - unless some other location would be more central for some"

"Spring Hill"

"Only that there might be merit in picking a place that didn't involve so much driving"

6. Are there any additional comments which you would like to make regarding the Board of Governors' retreat at Maddens?

"My compliments to the staff for excellent coordination. Every aspect was efficient without giving the feeling of being too rushed or regimented! Thank you."

"No"

"No"

"Excellent"

"The Board members are beginning to see their roles"

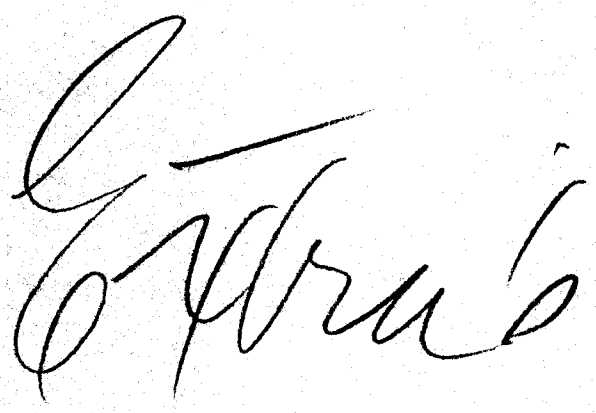
"Exchange during social hour and feasting was stimulating"

"No"

"One of best retreat I have attended"

"I have been at a multitude of "retreats" at one time or another and thought that this was the best organized and smoothest of the lot. Hats off to Harry Atwood, Johnelle and Shirley!"

"More fun time - this is a reteat having checked the dictionary I chose #4, which reads: to go into retirement, as for rest or devotions' as, to retreat from the city away from the pressures of ordinary life. I would like to suggest studying one rather than 3 topics next year using the same method of discussion and evaluation - but getting 3 condensed attitudes from 3 groups of people and then the Chairman and John W. could conclude from that study what the groups concensus really is. My last suggestion is that John Westerman not be on the wine choosing committee - and I Deb Gruye do publicly volunteer for that responsibility. Thank you."



University of Minnesota Hospitals and Clinics

Board of Governor's

Retreat Digest

July 18 - 19, 1978

(Also included July Board Meeting Minutes)

University of Minnesota

Duluth Campus

PARTICIPANTS

Mr. Harry Atwood
Chairman of the Board

Ms. Dionisa Coates
Board Member

Mr. David Cost
Board Member

Mr. Al France
Board Member

Ms. Jeanne Givens
Board Member

Ms. Debbie Gruye
Board Member

Mr. Al Hanser
Vice Chairman

Ms. Mary Lebedoff
Board Member

Ms. Jo-Anne Lutz
Board Member

Mr. Dan Notto
Board Member

Ms. Sally Pillsbury
Board Member

Dr. Paul Quie
Board Member

Mr. John Quistgard
Board Member

Ms. Timothy Vann
Board Member

Mr. John Westerman
Board Member

Dr. Paul Winchell
Board Member

Mr. Erwin Goldfine
Member, Board of Regents

Dr. Lyle French
Vice President, Health Sciences

Mr. David Preston
Assoc. Vice President, Health Sciences

Mr. Clifford Fearing
Staff

Ms. Johnelle Foley
Staff

Mr. Tom Jones
Staff

Ms. Shirley Sudduth
Staff

Mr. Donald Van Hulzen
Staff

University of Minnesota Hospitals and Clinics

Board of Governors Retreat Schedule

University of Minnesota - Duluth Campus

Tuesday, July 18, 1978

	Room Registration	Lake Superior Residence Hall - Information Desk & Lounge
12:30 - 1:30 P.M.	Luncheon Dining Facility Kirby Student Center	Introductory Remarks - Harry Atwood Board Chairman
	Retreat Rafters Kirby Student Center	
1:30 - 1:45 P.M.		Description of Strategic Planning Task Force - Mr. Al France Task Force Chairman
1:45 - 2:45 P.M.		Presentation of Proposed Mission Statement and Goals for University Hospitals - Ms. Sally Pillsbury Task Force Member
2:45 - 3:00 P.M.	Health Break	
3:00 - 3:45 P.M.		Presentation of Planning Document for the Metropolitan Health Board - Mr. Tom Jones Task Force Staff

Tuesday, July 18, 1978 cont:

3:45 - 5:00 P.M.

Panel Discussion of Planning Strategies for University Hospitals

- Mr. Al France
  Moderator

Panel Members:

- Dr. Paul Winchell
  Strategy A. Medical Staff
- Ms. Jeanne Givens
  Strategy B. Demographics
- Mr. Al Hanser
  Strategy C. Competition
- Ms. Debbie Gruye
  Strategy D. Other Considerations

Strategic Planning Task Force Members

PLANS FOR DINNER AND TUESDAY EVENING ACTIVITIES TO BE ANNOUNCED

Wednesday, July 19, 1978

8:00 - 9:30 A.M. Breakfast
Dining Facility
Kirby Student Center

Small Group Discussion of Previous Day's Deliberations

9:30 - 10:15 A.M. Retreat
Rafters
Kirby Student Center

On-Going Planning

Health Science Planning

- Dr. Lyle French
  Vice President for Health Sciences
- Mr. David Preston
  Task Force Member

Recommendation for University Hospitals On-Going Planning

- Mr. Al France
  Task Force Chairman

10:15 - 10:30 A.M. Health Break

Wednesday, July 19, 1978 cont:

10:30 - 11:30 A.M.		Summary and a Look Ahead - Mr. Harry Atwood Board Chairman - Mr. John Westerman General Director
	Meeting	
11:30 - 12:30 P.M.		Chairman Harry Atwood Presiding
12:30 - 1:30 P.M.	Lunch Dining Facility Kirby Student Center	
1:30 - 3:00 P.M.	Continuation of Session if necessary Rafters Kirby Student Center	

Introduction

Chairman Harry Atwood explained that the Third Annual Retreat of the Board of Governors represents the culmination of discussions which began a year before at the Board's Retreat at Madden's. He reflected that it was at that Retreat, at its "Town Hall" open discussion session, that the decision was made by the Board to take a hard look at University Hospitals and Clinics' mission, its goals and objectives, and its strategic plans for the future. He explained that as a result of that decision, a Strategic Planning Task Force of the Board was created. He noted that the materials provided to Retreat participants in advance of the session in their Briefing Books were in essence the products of the work and involvement of the Strategic Planning Task Force over the last year. He added that time was allotted for each item provided by the Task Force to be discussed fully during the Retreat session.

Chairman Atwood went on to state that he viewed this Board Retreat as a most significant and challenging meeting. He suggested that at this point in time the Board of Governors is faced with several issues that have and will continue to present challenges to the Board. He listed these challenges as follows:

1) working with the Metropolitan Health Board, the local Health Systems Agency, as it devises planning for the hospital and health care community.
2) involvement in the Minnesota Association of Public Teaching Hospitals as it undertakes its consortium study to consider

the advantages which may be achieved through a union of county, state and possibly federal hospitals.

3) efforts in cost containment and participation in the Minnesota Rate Review Program as the Cost Concerns Task Force of the Board attempts to bring understanding to the hospital costs issue and leadership to its solution.

4) addressing the financial needs of University Hospitals as physical facility replacements come to the forefront and require the attention of the Regents, the Legislature, and the people of the State of Minnesota.

Chairman Atwood stated that while these challenges are great they are not unsurmountable for a Board such as the Board of Governors which has demonstrated its dedication and willingness to be involved. Further, he added, that the Board of Governors has the advantage of a qualified Staff and strong Central Administration and Board of Regents' support. He concluded therefore, that the Board of Governors is equipped to meet these challenges before it and prepared to position itself for the future through its deliberations at this Retreat.

The Strategic Planning Task Force

Mr. Al France, the Chairman of the Strategic Planning Task Force referred the Retreat participants to the section of their Briefing Books which contained the letter of appointment to the Task Force members and its charge as follows:

1) to evaluate and propose restructuring as necessary, University Hospitals' planning process and work toward the development of a five year plan.

2) to re-evaluate the appropriateness of University Hospitals' mission and make recommendations for the continued monitoring of that statement.

3) to make recommendations regarding future program development in light of the mission statement.

4) to maintain adequate communication with the Board of Governors and its operating sub-committees.

Mr. France stated that the Strategic Planning Task Force, in attempting to meet and fulfill these charges was bringing before the Board for its consideration certain documents which represent the end products of the Task Force deliberations. He listed these end products as follows:

1) a revised Statement of Mission and Goals for University Hospitals and Clinics.

2) a five year long range plan as prepared in a document for submission to the Metropolitan Health Board.

3) an outline of suggested planning strategies for the future of University Hospitals.

4) a recommendation for the monitoring of on-going planning for University Hospitals.

Mr. France noted that in its meetings of the last year, the Task Force engaged in thorough discussions of the many issues which must be taken into account in the

the planning for the future of University Hospitals. He then called upon Ms. Sally Pillsubry to present the first end product of the Task Force's efforts which represents the base for all planning.

Statement of Mission and Goals

By way of introduction, Ms. Pillsbury began by defining mission. She related that it is a statement of the fundamental purpose for which an institution exists. She suggested that it may be helpful to first consider the fundamental purpose for which the Board of Governors exists. She noted that the role of the Board is to oversee the operation of University Hospitals and Clinics and that the only exceptions to this role involve the hiring and firing of the General Director, the final approval of the annual budget and major capital expenditures, and the final approval of revisions to the mission of the Hospitals.

In terms of history, Ms. Pillsbury reminded those present that University Hospitals began originally as a part of the University's Medical School and was first known as the Minnesota General Hospital. In 1970, with the creation of the Health Sciences it became a separate unit under the Health Sciences. At that time and until now, the Hospitals have functioned with a mission statement which was created internally and used for internal purposes. With the creation of the Board of Governors in Juanuary of 1975, and having reached a level of understanding and maturity, a segment of that Board undertook the revision of the mission statement and today presents Draft IV for final consideration by the Board of Governors.

Ms. Pillsbury then commented on the process which the Strategic Planning Task Force followed to bring the revised Mission and Goals Statement to this point. She listed the various groups beyond the Board which were given the opportunity to review drafts of the statement - the Council of Clinical Chiefs, the Council of Chiefs of Clinical Sciences, the Medical Staff-Hospital Council, the Hospital

Planning Steering Committee, and the Department Head Group. She noted that there was continuous communication with the full Board of Governors as the mission statement went through its redrafting and commented on the involvement of Chairman Atwood in the process.

In terms of intent or thought process, Ms. Pillsbury pointed out that the Strategic Planning Task Force wanted to rid the former mission statement of its health and management jargon and internal uses to make it a document more easily understood by the general public and of more value for uses outside of the institution. She interjected that while interrupted in its work by the need to respond to such groups as the Metro Health Board and its Viable Hospital Task Force, these interruptions only emphasized the need for University Hospitals to have a clear statement of its purpose that could be understood by external constituencies.

Ms. Pillsbury then presented to the Retreat participants Draft IV of the Statement of Mission and Goals for University of Minnesota Hospitals and Clinics. As she read the various sections of the statement, she prefaced each with a brief description of the intent of the Strategic Planning Task Force. The following outlines her comments:

Preamble

This is a new addition to the Mission Statement. The Task Force felt that it was important to relate the origin of University Hospitals for a better understanding of its purpose as legislated and its role as a resource to the state, region, nation and world.

Mission

The narrative style is continued for easy readability. The mission is to reflect a clear statement of purpose. It points out four major roles each of which is elaborated upon in the section on goals.

Goals

These represent a narrowing of the broad mission statement. Each goal category is followed by a definition.

I. Patient Care

- A. Reflects cost, quality and sensitivity of care.
- B. Speaks to primary, preventive, and tertiary care mix.
- C. Talks of out-patient and emergency services.
- D. Mentions alternatives to in-patient care.
- E. Relates unique availability and accessibility.

II. Education

- A. Notes support of Health Science educational objectives.
- B. Speaks of patient education and health maintenance.
- C. Reflects interdisciplinary approach.
- D. Mentions continuing education for health professional.
- E. Points out role as state resource.
- F. Talks to education in health administration.

III. Research

- A. Providing the Health Sciences with a site for research.
- B. Reflecting capabilities of University Hospitals.
- C. Noting resource role in delivery models.

Conclusion

Reflects the leadership role of University Hospitals as a statewide resource, in working with various agencies, with respect to public accountability, and in the area of governance.

As each section of the Statement of Mission and Goals was reviewed there was considerable discussion on certain points and some suggestions for changes. Those changes which were agreed upon are reflected in the attached revised copy of the Statement. Final approval of the Statement was held for action during the official meeting portion of the Retreat.

Metropolitan Health Board Planning Document

Mr. Tom Jones, as the Administrative Officer in charge of University Hospitals' planning, presented to the Retreat participants the long range plan as prepared for submission to the Metropolitan Health Board. Mr. Jones explained that with the creation of Health Systems Agencies, such as the Health Board, came considerable concern as to how to approach planning for hospital systems. He noted that for some time agency planners have grappled with how to deal with the size and shape of hospital networks and how to approach planning processes--whether public planners should undertake the task or allow providers opportunity for input. He explained that the planning document requested by the Metro Health Board represents in essence, a solution to the planning dilemma in that the Health Board has provided an outline of the information which they require and the health providers of the community have agreed to provide that information. He reminded those present that in January of 1978, University Hospitals submitted its draft planning document to the Health Board as requested. Now, it was time to prepare for the submission of the final draft of the planning document which must go to the Health Board by October, 1978.

Mr. Jones reviewed the basic contents of the planning document, noting that it is divided into nine sections. He explained that the initial sections are primarily descriptive in that they provide background information about University

Hospitals' service area, its Medical Staff, its co-ordinated and co-operative arrangements, and the services which it provides. He commented that little of this information required change from the draft document which the Board first reviewed. He added that if approved, the revised Statement of Mission and Goals for University Hospitals will be incorporated into one of those initial descriptive sections.

Mr. Jones noted that the Retreat Briefing Books contained the last three sections of the Metro Health Board Planning Document. He stated that sections VII and VIII, The Analysis of Service Capability and Role for the Future, were combined and also remain unchanged from the original draft. He stated that these sections were included in the Briefing Book because they provided a summary of the preceeding sections. He added that the Strategic Planning Task Force found the statements made in these sections to be consistent with University Hospitals' mission and goals.

Next Mr. Jones reviewed the contents of section IX on Objectives. He stated that this section had been changed form the original draft to accomodate provisions of the 1978-1979 operating budget and a five year plan of Certificate of Need projects. He outlined the section as first a restatement of role with up-front comments about University Hospitals' capital replacement needs and its association with the Minnesota Association of Public Teaching Hospitals and the consortium study. He noted that the section contained reference to University Hospitals' activities outside the realm of in-patient care such as emergency services, the home care program for the dying child, rural programs and the out-patient clinics of Unit BC. He added that the section also included reference to University Hospitals' willingness to participate in working toward solutions to the community hospital bed problem. Finally, he stated that the

section listed current capital planning considerations of University Hospitals and longer term anticipated Certificate of Need projects. He pointed out that the purpose of including these final items was to put the Metropolitan Health Board on alert as to the directions of University Hospitals' facilities and equipment planning.

Following Mr. Jones' presentation, the planning document was discussed at length. Two specific recommendations were made for section IX. - one dealt with the most advisable way to describe the current condition of University Hospitals' in-patient facilities and the second, suggested the addition of reference to the status of the Northwest Project. Chairman Atwood made reference to a meeting which is to take place concerning the planning document on August 3rd, at 7:00 p.m., with members of the Metropolitan Health Board. It was noted that the meeting would have a presentation, question and answer format. Certain members of the Board of Governors volunteered to be present at that meeting to show their support of the planning document.

Planning Strategies

Mr. France, Chairman of the Strategic Planning Task Force, next referred the Retreat participants to the Planning Strategies section of their Briefing Books which contained an outline presentation of areas possibly requiring strategic emphasis. He noted that these strategies were based on the following goal:

"II. Strategic Goal: To develop and implement programs which are directed toward maintaining an adequate patient base.

An adequate patient base is defined as that which meets financial, patient care, educational and research objectives."

Mr. France explained that there exists essentially four factors with potential influence on the ability of University Hospitals to achieve that strategic goal. He then called upon four of his Task Force members to describe those four elements. The following briefly summarizes their comments:

Medical Staff

Dr. Paul Winchell noted that his was an issue with two sides. In attempting to increase the number of clinical appointments (part-time) to University Hospitals' Medical Staff, one must weigh the advantages and disadvantages to both the clinician and the Hospitals. He stated that for the clinician there were advantages at University Hospitals in having a full-time staff with full-time ER coverage, a full-time house staff, easily available consultation, continuing education, and high quality care. Disadvantages to a clinical appointment at University Hospitals were listed as inconvenience of access and parking, little space, higher costs for patients, difficulties in working in departmental systems and patient resistance to leaving their community. For the Hospitals he pointed out a double sword situation in seeking to increase clinical appointments. He noted that there may be an increase in census but the provider community may consider this as patient stealing. Thus, University Hospitals' image could be improved or harmed and possibly the quality of its care and education could be improved or harmed. Further, the Hospitals would have to face and solve space and

parking problems, operating room scheduling problems and patient costs problems. Dr. Winchell concluded that the true need in this area of strategic emphasis is to make University Hospitals more accessible to private practitioners and their patients. Dr. Winchell also agreed however, that the quality of the medical faculty continues to be high and there appears to be no danger of losing their support. Another issue which was cited under this topic was the question of how University Hospitals' highly specialized medical staff will fare in the future as the trend toward primary care continues.

Demographics

Ms. Jeanne Givens, in speaking to demographics and the public relations priorities which such statistics reveal, talked of the role and importance of various groups in facilitating public relations efforts. She noted that trustees can be the best ambassadors for the institution which they serve but she added that to do so properly, a Board member must be informed about their hospital and about the constituent groups which the hospital serves. Further, she noted the importance of the trustee keeping abreast of current issues and future trends in the health care field. Another group which Ms. Givens mentioned was the Medical Staff and the importance of keeping them involved and participating in Hospitals affairs so that they too can represent University Hospitals from a base of understanding. In terms of hospital employees as another group, she suggested the valuable role and service which their pride in the institution could serve in relating to public groups. Finally, Ms. Givens mentioned hospital volunteers and stressed the importance of recognizing the services which they provide both internally and externally. In concluding, Ms. Givens emphasized the value of open communication to these groups so that they all can serve as ambassadors of University Hospitals to the general public.

Competition

Mr. Al Hanser in discussing competition noted that the competitive influences which impact upon University Hospitals take many shapes. He commented that in a brainstorming session of the Strategic Planning Task Force approximately 17 external forces were identified as potenitally affecting University Hospitals and many of these could be considered as competitive in nature. He stated that competition occurs on two fronts - locally and out-state. Some of the competitive forces which he listed included community hospitals, Health Maintenance Organizations, private practices, regional clinics, and emergency services planning. He suggested methods of meeting competition as including continuing referral and outreach activities, working with public health planners, regulators, and interested citizens, involvement in the consortium study, preserving University Hospitals' subsidy, being open to consideration of alternative arrangements to University Hospitals' fulfillment of its mission, and the educating of the people as to what that mission is.

Other Considerations

Ms. Debbie Gruye chose to emphasize the preventive medicine portion of her strategic area noting that cost containment and alternative funding sources can be addressed in other arenas. She commended the openness of University Hospitals' Administrative Staff in making the provision which would allow and be supportive of Board Members pursuing their interests in and being catalyst to achieving improvements in such areas as preventive medicine. She cautioned however, that in this field of prevention there exists considerable confusion as to what is and what is not good for one's

health and what is and is not disease prevention or health maintenance. To accompany her comments copies of a document listing University Hospitals' activities in health maintenance and disease prevention were distributed. (see attached) It was further noted that the Board of Governors should not limit their interest to improvement of preventive aspects of health care alone, but rather should strive to achieve improvements in all aspects of health care for the people of Minnesota.

Small Group Discussions

Chairman Atwood noted that the Retreat participants were given an opportunity to break up into four small groups for the purpose of further discussing those matters which had been dealt with to this point in the Retreat and for the purpose of raising items and issues of importance which should be dealt with in the future. He called upon the four discussion leaders to summarize their group's comments. The following briefly outlines the group reports:

Group I - Ms. Sally Pillsbury

1. Reviewed previous Retreat deliberations.
2. Discussed the relationship between the Board of Regents and the Board of Governors.
3. Related pleasure with revised Mission Statement.
4. In terms of planning strategies:
   a) questioned Medical Staff joint appointments:
      how many
      which hospitals
      amount of use
   b) considered potential of HMO at University Hospitals to encourage preventive medicine and contain costs.

c) questioned alternative sources of funding for capital replacement and discussed State reaction.

d) discussed the size and magnitude of University Hospitals and suggested emphasizing its community aspects of health delivery.

Group II - Mr. Al France

1. Contemplated Board of Governors opportunities to influence existing programs and to create new initiatives.

2. Discussed Board's ability to influence program development, curtailment, and elimination.

3. Noted importance of watching demographic trends such as the aging of society.

4. Considered importance of Board orientation and suggested its continuation with more emphasis on external experts in the health field.

5. Discussed University Hospitals' role in education and the impact of education upon its service programs.

6. Noted importance of cost containment and encouraged work of the Cost Concerns Task Force.

Group III - Mr. Tom Jones

1. Voiced satisfaction with work of Strategic Planning Task Force.

2. Discussed future Certificate of Need projects and the probable positive reaction of the Metropolitan Health Board to facility replacement needs.

3. Considered varied affects on University Hospitals of the possible different locations of the V.A. Hospital.

4. Noted the advantages and disadvantages of University Hospitals affiliations with the University.

5. Pointed out how the fund raising efforts of Ted Alexander and the Medical School will test the waters for University Hospitals' fund-raising efforts.

6. Discussed the future of the Department of Family Practice and the possibility of developing an HMO at University Hospitals.

Group IV - Mr. John Westerman

1. Considered paradoxes facing University Hospitals such as the promotion of health when in the disease business.

2. Discussed University Hospitals need to diversify and establish new relationships.

3. Talked about the importance of responding to community needs.

4. Noted the need and importance of considering alternative delivery models or survival strategies.

5. Questioned the bed size of Unit J.

6. Asked if turning into a cancer hospital.

7. Queried if other hospitals could take over education role.

Chairman Atwood summarized that some of the issues raised in the small group discussion will in the future demand attention as implementation of programs and strategies is initiated to meet the objectives of University Hospitals and Clinics.

On-Going Planning

Health Sciences Planning:

Dr. Lyle French, Vice President for the Health Sciences initiated the discussion of Health Sciences planning by relating the history of that planning. He noted that in 1963-64 University faculties were asking for planning in curriculum and were suggesting that adequate enrollments were needed to meet State needs. They were able to motivate Central Administration's interest in such planning and in 1966, a Hill Family Foundation study grant was awarded. For the sake of good study methodology and credible findings an outside firm was hired to conduct the study. Findings showed that in fact more health personnel were needed, that distribution problems did exist and that family practitioners would be needed. The Regents responded well to this report and Elmer Learn became the Assistant for Planning under President Wilson.

Dr. French noted that it was at this time that the Health Sciences concept surfaced as health-related faculty showed an interest in working as a team. Central Administration appeared supportive of the concept and Dr. Learn gathered a good planning staff headed by John Westerman. Planning took place on two fronts - programmatic and facilities. Much of this occurred at a time when many of the health related units were seeking new leadership as dean positions turned over.

Through this planning process the Health Sciences became a reality and today those plans are on schedule both in terms of programs and facilities. Much has happened in 15 years. There is interdisciplinary team education and enrollments have doubled. Dr. French pointed out the key points which lead to the success of that planning endeavor. He noted that Dr. Learn was exceptionally competent, that the planning was expansion oriented, that it called for program change, that it was bottom up planning in terms of faculty involvement, that

it was directed by an excellent staff, that John Westerman, an outsider, headed the project, and that the planning was conducted with strategies in mind. Dr. French noted that now the Health Sciences are involved in a new planning process which is more closely linked to University planning. He called upon Dave Preston to elaborate.

Mr. David Preston, Associate Vice President of Health Sciences, commented that to date, the University has done little in terms of long range planning. He noted however, that recently President Magrath has given high priority to such planning and has appointed a University Planning Council to co-ordinate the long range planning of its various units. He added that the work of this Council has been slow and that in many respects the Health Sciences planning effort is ahead.

Mr. Preston then referred the Retreat participants to their Briefing Books and the section marked Health Sciences Planning. He reviewed the various documents contained within that section such as the letter of appointment to the Health Sciences Planning Council, its membership list, its planning process schedule (noting they are presently at the stage of goal development), their draft mission statement which has been considerably reduced, their planning assumption statements regarding the implications of external forces, their issue outline, their definitions of terms, and their draft of mission-related goals. Mr. Preston commented that soon the Health Sciences Planning Council will be working on resource related goals, finalization of the Health Sciences mission statement, and then program planning. He indicated that the various units of the Health Sciences are at various stages in their individual planning with University Hospitals being at the forefront due to external planning requirements.

Mr. Preston concluded his review of Health Sciences planning by commenting upon certain important aspects of the experience. He noted that the Health Sciences Planning Council has made a special effort to keep planning realistic. Also, he commented on the important of faculty involvement in planning and pointed out how the planning process has improved communications throughout the Health Sciences. Finally, he stated that for University Hospitals to participate in Health Sciences planning a mechanism must be established for the Board to monitor on-going planning and to react and respond to the requests of the Health Sciences Planning Council for needed planning information.

On-Going Planning

University Hospitals Planning:

Mr. Al France reflected that planning is a difficult process noting that it is tied to the relevance and validity of facts. He pointed out that throughout its deliberations, the Strategic Planning Task Force was mindful of the work of the Health Sciences Planning Council and participated in that planning process through the development of planning assumptions. He added that Mr. Preston, as a member of both the Task Force and Planning Council was able to serve as a liaison between the two groups.

Mr. France then put forth the recommendation of the Strategic Planning Task Force regarding on-going planning for University Hospitals and Clinics as follows:

> "That the Executive Committee of the Board of Governors be charged with responsibility for co-ordinating, monitoring and responding to on-going long range planning activities of University Hospitals and Clinics, recognizing that planning is an integral and essential activity of all Board committees."

Mr. France commented that this recommendation was based on several considerations including avoidance of overburdening the Board with another committee, meeting Joint Commission on the Accreditation of Hospitals requirements, and providing for the monitoring of Health Sciences and other planning group processes. He added that the recommendation could involve the Executive Committee's utilization of ad hoc committees or special task forces to meet specific demands. He concluded that the recommendation representated an approach to on-going for the Board of Governors worthy of trying and certainly condusive to altering if found to be unsuitable. Discussion following the presentation of the recommendation indicated a Board reaction of hope that the momentum of recent planning efforts will be maintained through the Executive Committee. Actual formal action on the Task Force's recommendation was held for the official meeting portion of the Retreat.

Summary and a Look Ahead

Mr. John Westerman:

Mr. Westerman commended the Board of Governors for the quality of their work during the Retreat and on the importance of their accomplishments. He stated that with the revised Statement of Mission and Goals, the Long Range Planning Document, and the proposed Planning Strategies they had positioned themselves well and provided themselves with instruments to facilitate their policy setting in the future. He reflected that in the early years of the Board there was much time spent in orientation for the purpose of learning about the stewardship responsibilities of being a Board member. He commented on monitoring skills which were learned in committee. He did add however, that at the previous year's Retreat at Madden's a gap was discovered - the absence of a vehicle by which to consider and set policy directions. He noted again that through

the work of the Strategic Planning Task Force, the gap has been closed.

Mr. Westerman proposed that a considerable challange has now been placed before the Executive Committee, if in fact they do take on the work of monitoring on-going planning. He pointed out that considering future directions is not an easy task in light of the complex structure and political environment of an academic health center. He suggested however, that this effort should be fun as today there exists for University Hospitals an atmosphere free of crisis. Further, he added that the Board of Governors has demonstrated excellent governance abilities and thus, has won the confidence and respect of others.

Mr. Westerman went on to say that at this point in time, the organization is ripe for firm policy directions. Several areas such as primary care, multi-institutional arrangements, and the implications of Health Sciences planning will demand serious consideration. Again he stressed that the Board has a good track record and the luxury of examining alternatives for the future without crisis. He pointed out other pluses for University Hospitals in terms of the quality of its Medical Staff, the momentum of its building program and the rich tradition and warm following of the institution. He concluded that although certain uncertainties lie ahead for University Hospitals and the issues which it faces, there are good times ahead as these issues can be met in a solid framework for rational decision making.

Mr. Al Hanser:

Mr. Hanser pointed out that the Board of Governors is almost four years old. He talked about the uniqueness of the Board in terms of its formation and role. He too commended the work of the Strategic Planning Task Force and the solid base it has provided the Board for the questions ahead.

Mr. Hanser noted that an area of particular importance facing the Board of Governors is that of the new in-patient facility. He stressed the role of the Board in preparing for this facility. He stated that to this point, the Board has done excellent work internally but that now the time is quickly approaching for the Board to more completely consider its external role and responsibilities in being spokesmen for University Hospitals so that the general public may be made aware of the institution and its needs. He stated that the Board and the institution was fortunate to have such a capable and helpful Staff and to exist in an environment which fostered good and open communication. He concluded that the last year was a good year and that the year ahead will be filled with challanges. He urged the Board to participate in those challenges and to go out and spread the good will of University Hospitals.

Mr. Harry Atwood:

Chairman Atwood noted that the Retreat truly had proven to be a significant meeting. He suggested that it reflected the Baord's ability to be a body which could now move ahead on issues rather than simply responding to that which already exists. He commented that the challenges for the Board still remain to be Health Board regulation, consortium planning, cost containment, and the acquisition of financial support for physical planning needs. To this list he added the Executive Committee's challange to continue planning for the future. Chairman Atwood again pointed out however, that the work of the Board is fortunately made easy by the quality of the Administrative Staff, by the good dedication and involvement of its membership, and by the support of Central Administration and the Board of Regents. He stated that soon he will be delivering his annual report to the Board of Regents and will be bringing to them, for their approval, the revised Statement of Mission and Goals, as well as the Metropolitan Health Planning Document and other items of information.

Gratitude was expressed to Regent Erwin Goldfine for his participation in the Board of Governors' Retreat and also to Mr. Al France and the Strategic Planning Task Force for their work in planning and hosting the Retreat and to Chairman Harry Atwood for his skill in conducting the Retreat sessions so smoothly. Chairman Atwood then concluded the Retreat and officially called to order the July meeting of the Board of Governors.

~~Draft~~

STATEMENT OF MISSION AND GOALS
OF
UNIVERSITY HOSPITALS AND CLINICS

Preamble

The University of Minnesota Hospitals and Clinics has many different responsibilities and goals. The primary mission of the institution is rooted in the early recognition by the University of Minnesota Medical School of a need for a clinical teaching environment. In the early 1900's, the Minnesota Legislature determined that this need be met by the University of Minnesota Hospitals and Clinics. (As provided in Laws of Minnesota, 1907, Chapter 80, and as perpetuated in Minnesota Statute, Chapter 158, first enacted in ~~1971~~ 1921).

The Legislative mandate underlies the Hospitals' role in providing health care services, programs of education and research, and referral relationships with other health care providers and institutions in the State of Minnesota. In this role, University of Minnesota Hospitals and Clinics serves various constituent groups by making health care services available to all residents of Minnesota, to those of the upper Midwest region, and in the case of some more specialized service programs, by serving as a national resource. Its programs of

education, research, continuing education, patient and community health education, developed in conjunction with the units of the University of Minnesota Health Sciences (the Medical School, School of Nursing, College of Pharmacy, School of Dentistry, and School of Public Health), serve students, faculty, its own medical and professional staff, many other practicing health care deliverers, and the general public. Further, the research conducted in association with University Hospitals benefits both providers and recipients of health care services nationally and internationally.

The University of Minnesota Hospitals and Clinics is obligated to the people of Minnesota to fulfill its special role, established by the Legislature, as a broad health care resource for the state. Thus, the Board of Governors of University of Minnesota Hospitals and Clinics, on behalf of the Board of Regents, representing the people of Minnesota, set forth this statement of mission and corresponding goals which has been developed to meet the unique responsibilities of this institution.

MISSION

The responsibilities of the University of Minnesota Hospitals and Clinics require that its mission be uniquely broad, allowing it to serve as a principal medical and health

care resource for the state of Minnesota. Elements of its mission must also permit the institution to provide a wide range of specialized health delivery programs designed to advance quality health care.

In this pursuit:

- University Hospitals and Clinics provides patient care services which respond to local, state and in some instances, national needs.

- University Hospitals and Clinics is an integral part of the Health Sciences Center of the University of Minnesota. Through its multiple health care programs, University Hospitals and Clinics will provide an environment for the clinical education of Health Science students; continuing education for its medical staff and other health practitioners; and, in the course of patient care, health education in the areas of preventive care, and in personal management of patients' own health.

- University Hospitals and Clinics provides a distinctive ~~an~~ environment for the advancement of biomedical research and technological development, as well as innovations in the delivery of medical care and health services.

- University Hospitals and Clinics also fulfills a role in education for health services management. In this role, it will serve as a statewide and national resource for the management of the health delivery system.

GOALS

I. PATIENT CARE: Services for the sick and convalescing to give comfort, assist in recovery, and maintain health.

A. To offer ~~health delivery~~ sensitive, quality patient care programs at the lowest possible cost, ~~consistent with sensitive, quality patient care.~~

B. To provide innovative primary and preventive care programs and models, both within the University setting and ~~through~~ at other ~~clinic~~ sites and to provide well functioning, specialized and advanced or tertiary care for patients of referring physicians.

C. To provide well organized modern medical care services for ambulatory patients not requiring hospitalization, thus promoting the appropriate use of health care resources, and to provide emergency medical services consistent with the developing regional referral emergency care network and the educational needs of the institution.

D. To provide programs of home health care ~~delivery~~ and other outreach services as alternative and less costly methods for providing ~~the delivery of~~ medical care.

E. To assure quality health care delivery 24 hours a day, seven days a week through a highly specialized medical and professional staff.

II. EDUCATION: programs for students, faculty, staff, practitioners and others ~~citizens~~ interested in learning, teaching, practicing, maintaining and using health skills.

A. To participate in and develop health care ~~delivery~~ programs in support of the educational objectives of the Health Sciences Units.

B. To provide patient education programs as a means of helping patients to become involved in the process of improving their health status.

~~C. To foster the education of health sciences professionals in an integrated "team" approach.~~

C. To support continuing education programs for health care professionals both within the hospital and throughout the state of Minnesota.

D. To participate in the dissemination of community health education information to health professionals throughout the State.

E. To expose ~~health care management~~ MANAGEMENT students to a wide variety of experiences both in internal hospital operations and external health policy.

~~III. RESEARCH: projects of innovative inquiry within an environment for clinical, biomedical, health care, and delivery systems research for the benefit of all users of the health care process.~~

~~A. To conduct clinical and biomedical research programs consistent with the research objectives of the other Health Sciences Units.~~

~~B. To encourage research leading to technological and procedural advances in medical and the other health sciences disciplines.~~

~~C. To develop, evaluate and improve systems of "health and patient care delivery" for statewide use.~~

III Research: projects and programs which support the commitment of the University Health Sciences as a major research resource for the State and nation in biomedical and clinical research.

A. To encourage and support the Medical Staff and other health professionals in research inquiries and investigations.

B. To recognize the relationship between a variety of investigative programs so that research findings can be used for patient care

In pursuit of all of these goals, University of Minnesota Hospitals and Clinics strives to provide leadership through the development of model programs. These model programs serve as examples for individuals and institutions in the health care field and stimulate the planning for and improvement of the health care system. Excellence, therefore, is sought in these patient care, education and research models so that they may be shared with confidence. Thus, University of Minnesota Hospitals and Clinics attempts to provide a health care services environment for Health Sciences students, practitioners, and clinical investigators which will be of benefit to all other health care programs in Minnesota. In respect to this, University of Minnesota Hospitals and Clinics will serve as a resource to public groups studying health issues and policy and will participate fully in local, State, and national health systems planning. University of Minnesota Hospitals and Clinics will continue to provide a governance model which reflects the public accountability of a statewide health care resource.

University of Minnesota Hospitals and Clinics

Health Care Maintenance and Disease Prevention

University of Minnesota Hospitals and Clinics has expended considerable effort to establish health care maintenance and disease prevention programs in recent years. Major endeavors have been undertaken internally, and several collaborative arrangements with external agencies have been developed as outreach projects. The following describes each outreach program briefly:

I. Community University Health Care Center (CUHCC)

This program serves 3800 high risk, low income citizens of South Minneapolis. It is indeed a Health Sciences venture, however University Hospitals has the most significant contribution. There are several preventive programs at CUHCC:

Dental Prophylaxis

2800 of CUHCC registrants are participants in a semi-annual prophylactic program. Services are free and provided by two Dentists, two Hygienists and one Dental Assistant.

Women-Infant-Children Feeding Program (WIC)

785 of CUHCC registrants are lactating mothers of children between age 0-2. They are participants in a nutrition program which provides special foods and milk to enhance proper growth and development during these critical years. Services are free and provided by a nutritionist.

Well Child Program

920 CUHCC children are active participants in this program which emphasizes health rather than illness. Six month physicals

and education for wellness are provided by two pediatric nurse practitioners and a pediatrician. Services are free.

II. Home Health

University Hospitals Home Health Department was established in 1974. The basic philosophy is to provide continuity of care for the patient after hospitalization by the primary care giver. One of the first tangential efforts of this department was development of preventive health programs for the elderly. Services are provided at two high rises in St. Paul and one in Columbia Heights. The program is staffed by three part-time adult nurse practitioners and a part-time social worker. The objective is to prevent problems through screening and counseling. Regular monthly educational sessions are held at each high rise on such topics as nutrition, meal planning (and budgeting), physical activity, dental care, respiratory therapy, pharmaceuticals, etc.

The screening consists of blood pressure checks, glaucoma tests, history and physicals. Records are maintained on each resident at the high rise. Referrals are made when appropriate to other health providers. Services are free. The active participants at each location are:

Parkview Villa - Columbia Heights -- 117

Sealt St. Hi Rise -- St. Paul -- 130

Montreal Hi Rise -- St. Paul -- 195

III. Northwest Health Project

A major effort of University Hospitals and other Health Science Units has been programming for this project. Services and educational programs have been established at nursing homes, day care centers, schools, and senior citizen high rises. While all have a preventive focus, perhaps the most significant is the high rise development. Students are living in two

projects in Golden Valley and Robbinsdale. They experience the day to day social, economic, and health problems the residents must cope with. The students contract to live in (at no expense to the student) and provide services for an entire academic year. Educational and service objectives are developed jointly between faculty, students, and housing authority representatives. The students have undertaken these projects during Fiscal Year 1977-78.

1. Blood Pressure Clinics
2. Exercise Clinics
3. Gardening Projects
4. Support Groups
5. Leisure Activities
6. Education on Over-The-Counter Drugs
7. Drug Surveys
8. Education on Taxes and Social Security
9. Mental Health

The services are free. The people participating at each high rise are:

Dover Hills, Golden Valley -- 140

Robins Landing, Robbinsdale -- 130

IV. Child Bearing/Child Rearing Center

The University Hospitals established a Child Bearing-Child Rearing program at 2512 Delaware Avenue S.E. in 1976. The main focus of this center is health care for the well woman in child rearing years with secondary emphasis on well being for children. The Center provides nurse midwife services for 200 women annually with deliveries at University Hospitals. The

preventive aspects of the program are on education for the well woman, well child and to teenagers who conceive out of wedlock.

Well Woman Clinic

This clinic provides screening and physicals services to 240 registrants annually. It includes pelvic exam, pap smear, and breast exam. The objective is simply to maintain well being in the woman.

Well Child Clinic

This program is very similar to the CUHCC Well Child Clinic. Services are provided to children Age 0-6 on a semi annual plan. In addition, the pediatric nurse practitioner is on call for any and all childrearing concerns 24 hours per day. Back up medical coverage is through a pediatrician on 20% time. The clinic serves 320 children annually.

Outreach to Teens in Minneapolis at The University of Minnesota (OPTIMUM)

This program started in March, 1978 through grants from The City of Minneapolis and The Ripley Foundation. The focus is on education for proper health during the pregnancy months for the high risk teenager. Services are provided at eight sites in Minneapolis. An obstetrical nurse and psychiatric social worker are the educators. Currently 40 pregnant teenagers are enrolled. Services and education are free.

V. Community Clinics

University Hospitals provides support to The Helping Hand Health Center (St. Paul), the Beltrami Clinic (N.E. Minneapolis), and The Fremont Clinic

(North Minneapolis). The support is direct funding for essential supplies to carry on preventive as well as therapeutic programs. Over 10,000 people receive services at these clinic.

In Patient & Clinic Activities in Preventive Care

Within University of Minnesota Hospitals and Clinics it is more difficult to seperate out "pure" preventive medicine programs. Throughout the nursing stations and clinics there are a multitude of instructional sessions being provided for patients by various members of the health care team. The expected outcome of this teaching is prevention. In some cases, these preventive measures may be related to preventing complications or further deterioration of a certain disease entity or condition. Prevention, therefore, is closely related to all therapeutic activities. The following list provides a sampling of subject areas in which health maintenance and disease prevention activities are conducted at University Hospitals. The subject areas are categorized under clinical area headings to reduce to some extent, repetition. It must be understood however, that instruction is based upon the individual needs of the patient and not on the patient's particular location within University Hospitals:

Obstetrics and Gynecology

prenatal classes

parenting classes

infant care

post partum exercises

birth control

flu shots

self breast exam

nutrition

Obstetrics and Gynecology cont:

labor and delivery techniques

pap smear

family counseling

Kidney Transplant

prevention of complications

signs of rejection

taking insulin

medication management

avoidance of infection

exposure to sun

weight control

pulse checks

ulcer prevention

oral hygiene and dental care

skin and hair care

sex counseling

exercise

smoking

immunizations

dealing with emergencies

follow-up care procedures

Pediatrics

school/family situation

home/family situation

nutrition

immunization history

safety precautions

anticipatory guidance for minor illnesses

handling the chronically ill child

feeding techniques

limitation of activity

Surgery

dressing changes

detection and prevention of infection

pre and post operative instructions

discharge planning

medication instructions

diet instructions

post operative exercises

pulse checks

safety instructions for pacemakers

signs of malfunctioning pacemakers

importance of rest

sex counseling

care of incision

complications prevention and identification

cardiac rehabilitation program

"mended" hearts support group

Eye

proper use of contacts

safety glasses

eye medications

affects of local anesthetic

follow-up care

glaucoma treatment

diabetes and the eye

prevention of retinal detachment

use of steroids

eye disorder/disease treatment instruction

referral to state services (blind)

Rehabilitation

awareness of total body functioning

physiological processes

alternatives in daily living activities

identification of symptoms requiring attention

Orthopedics

care of cast

crutch/cane/walker instructions

wound care

exercise

adjustment of activities of daily living

skin care under brace or prosthesis

care of stump/prosthesis

Orthopedics cont:

care of back/body mechanics

sleep posture

medication instruction

foot care

General Medicine

medications management

breathing exercises

basic skin care

disease expectations and processes

equipment explanation and care

procedure and tests explanation

sterile techniques

nutrition and diet instruction

coping counseling

limitation of activities

follow-up care

cancer detection program

examination process

wound care

infection avoidance and identification

exercises

disease treatment

hypertension identification and treatment

discharge plans

Employee Health (Emergency Room)

Pediatrics
- counseling
- nutrition
- child safety care
- poison control
- medications
- fever control
- skin care

Adults
- breast self exam
- skin care
- pap smears
- nutrition
- weight control
- back problems
- medications management
- hypertension
- crisis counseling
- prevention of problem reoccurance

Consultation/Education

Onocology Nurse Specialist: Death and dying teaching (preventive in the sense that unresolved grief causes physical illness).

Staff Education in cancer prevention and detection (e.g., regular breast self-exam, quitting smoking, etc.)

Cardiovascular Nurse Specialist: Teaching patients and their family members about prudent heart living (e.g., risk factors of how to avoid heart attacks or heart disease or coping with, if present).

Patient Education Specialist: Cancer Information Program prepares parents of children with cancer for their child's discharge by providing them with information on what they can do for their child at home to help prevent unnecessary complications. Open to all parents of children with cancer on Peds. stations.

Epilepsy education classes provide patients with information on their disease process, treatment, nutrition, oral hygiene, excercise, sexuality, medications, etc. Mandatory for all patients on 49.

Patient manuals and booklets:

a) Diabetic Patient manual provides patients with information on control and maintenance of diabetes.
b) Congenital Glaucoma Booklet provides parents of children with congenital glaucoma with information on treatment and care of their child's eyes.

The goal is to get this written material to every applicable patient on an inpatient and outpatient basis.

The above list cannot be considered to be all inclusive. It is provided to indicate the spectrum information which is provided to patients and other consumers to assist them in health maintenance, disease prevention, or stabilization. It would be impossible to estimate the time, money, or space allocated to these endeavors. The activities of patient teaching and counseling are on-going and everywhere. The purpose of this instruction is to assure the patient's or consumer's understanding of self -- one's body, its functions and malfunctions and its care and treatment. Implicit in this instruction, as with all preventive medicine measures, is the understanding that one must take responsibility for one's own health and well-being.

Minutes

University of Minnesota Hospitals and Clinics

Board of Governors

July 19, 1978

Present: Mr. Harry Atwood, Chairman
Mr. Al Hanser, Vice Chairman
Ms. Nicha Coates
Mr. David Cost
Mr. Al France
Ms. Jeanne Givens
Ms. Debbie Gruye
Ms. Mary Lebedoff
Ms. Jo-Anne Lutz
Mr. Dan Notto
Ms. Sally Pillsbury
Dr. Paul Quie
Mr. John Quistgard
Ms. Timothy Vann
Mr. John Westerman
Dr. Paul Winchell

Absent: Mr. Orville Evenson
Mr. Stanley Holmquist
Dr. John Najarian
Dr. John Tiede
Dean Lawrence Weaver

The meeting of the Board of Governors was called to order by Chairman Atwood at 11:30 a.m., in the Kirby Student Center on the University of Minnesota - Duluth Campus.

I. Minutes of June 21, 1978 Meeting

Ms. Vann moved that the minutes of the June meeting be approved. Mr. Quistgard seconded the motion. It was suggested that corrections be made of various typographical errors which appeared in the text of the minutes. The motion to approve the minutes was then voted upon and passed.

II. Minnesota Association of Public Teaching Hospitals

Chairman Atwood referred Board members to the June meeting minutes in which Mr. Westerman reported on the first meeting of the Minnesota Association of Public Teaching Hospitals. In that report it was stated that each of the three

member institutions was to have five representatives to serve on the MAPTH Board. Drs., Moller, Benson, and Winchell, Chairman Atwood, and Mr. Westerman had been designated to represent University Hospitals. Chairman Atwood called for a motion to officially authorize these individuals to represent University Hospitals. Mr. Quistgard so moved. Dr. Quie seconded the motion.and it was passed.

III. Medical Staff Appointments

A. Acting Chief of Pediatrics

Dr. Winchell explained that after eighteen months Dr. Moller has relinquished his position as the acting Head of the Department of Pediatrics. Dr. Winchell announced that Dr. Robert L. Vernier has been asked to take over the acting-Chief position. Dr. Winchell moved that Dr. Vernier's appointment be approved by the Board of Governors. Dr. Quie seconded the motion. It was noted that the Search Committee, chaired by Dr. Najarian, for a head of Pediatrics has been reactivated. Dr. Quie noted that the Committee is scheduled for a key meeting on July 24. The motion to appoint Dr. Vernier as acting Chief of Pediatrics was then voted upon and passed.

B. Medical Staff/Hospital Council Sub-Committee Chairmen Appintments

Dr. Winchell referred the Board to the list of proposed Chairmen for the various sub-committees of the Medical Staff/Hospital Council. He pointed out that Dr. Richard Varco has been asked to Chair two of these sub-committeees. He explained that Dr. Varco is on a leave of absence but has agreed to return to University Hospitals once each month to see to the work of his committees. Dr. Winchell then moved that the chairmanship positions be approved by the Board of Governors. His motion was seconded, voted upon and passed.

IV. Statement of Mission and Goals

Chairman Atwood noted that time had been provided during the Retreat to discuss in detail the Statement of Mission and Goals for University Hospitals. He asked if there were any additional comments regarding the Statement. There being none, Mr. France moved for approval of the Statement and for permission to forward it through the appropriate channels to the Board of Regents for their final approval. Ms. Givens seconded the motion and it was passed.

V. Metropolitan Health Board Planning Document

Similarly Chairman Atwood called for any additional comments on the Metropolitan Health Board Planning Document. There being none, he called for a motion to offically authorize the submission of the Planning Document to the Health Board on or before October 1, 1978. Ms. Lebedoff so moved and Ms. Coates seconded his motion. It was then voted upon and passed.

VI. University Hospital On-Going Planning

Mr. Al France moved that the Board of Governors approve the recommendation of the Strategic Planning Task Force to charge the Executive Committee of the Board with responsibility for co-ordinating, monitoring, and responding to on-going long range planning activites of University Hospitals and Clinics, recognizing that planning is an integral and essential activity of all Board Committees. Ms. Pillsbury seconded the motion and it was passed.

Mr. France also referred the Board to the statements in the Retreat Briefing Book providing the rationale for the on-going planning recommendations. He pointed out that one provision of the recommendation suggested that the Executive Committee utilize the planning strategies provided by the Strategic Planning Task Force as guidelines in their planning endeavors. Following discussion the

following change was made to the last planning strategy - Page 3, D 3 -

> "To identify and facilitate opportunities for individual Board members to pursue their interest in and to catalyze improvement of health care in the State of Minnesota including preventive aspect of health care."

VII. Discharge of Strategic Planning Task Force

Having completed its work, Mr. Al France moved that the Strategic Planning Task Force be discharged. Ms. Pillsbury seconded the motion. Several comments of appreciation were made on behalf of the efforts and accomplishments of the Task Force. Chairman Atwood thanked the following individuals for their work on the Task Force:

Mr. Al France, Chairman
Ms. Jeanne Givens
Ms. Debbie Gruye
Mr. Al Hanser
Ms. Sally Pillsbury
Mr. Dave Preston
Dr. Paul Winchell

The motion to discharge the Strategic Planning Task Force was then voted upon and passed.

VIII. Board Concerns

Chairman Atwood commented on the Board of Governors taking a summer break. Following some discussion it was determined that the Board would not meet in August but would hold its next meeting in September.

Before conclusion of the meeting Vice President French commended the Board of Governors on another excellent Retreat. He voiced his appreciation of the good

leadership of Chairman Atwood.

There being no further business, Chairman Atwood adjourned the July meeting of the Board of Governors at 12:30 p.m.

Respectfully submitted,

Johnelle Foley

Johnelle Foley
Secretary

12/1/76

CURRICULUM VITAE

Robert L. Vernier, M.D.

Birthplace and date: El Paso, Texas. July 29, 1924.

Education:
B.S. (Chemistry), 1948. University of Dayton, Ohio.
M.D., 1952. University of Cincinnati, Ohio.

Positions:
1943-46 First Lieutenant, U.S. Army
1952-53 Intern in Pediatrics, University of Arkansas
1953-54 Resident in Pediatrics, University of Arkansas
1954-55 Chief Resident in Pediatrics, University of Minnesota
1955-56 Postdoctoral Research Fellow of National Heart Institute
1956-57 Renewal of National Heart Institute Research Fellowship
1957-59 Postdoctoral Research Fellow of American Heart Association
1958-64 Assistant Professor of Pediatrics, University of Minnesota
1964-65 Associate Professor of Pediatrics, University of Minnesota
1965-68 Professor of Pediatrics, University of California,Los Angele
1968 - Director, Cardiovascular Research Center and Professor of Pediatrics, University of Minnesota

Awards:
1960-61 Guggenheim Fellowship Department of Biophysics at State Serum Institute, Copenhagen
1959-64 Established Investigator of American Heart Association
1962 Mead Johnson Award for Pediatric Research
1972 Distinguished Service to Research; American Heart Association
1972 & 73 Distinguished Service Award; Kidney Foundation
1975-76 Senior Fellow, Fogarty International Center, USPHS, Department of Pathology, University of Groningen, Netherlands

Societies:
American Association for Advancement of Science
American Society for Experimental Pathologists
Society for Pediatric Research
Northwestern Pediatric Society
Central Society for Clinical Research
Midwestern Society for Pediatric Research
American Society for Cell Biology
Royal Society of Medicine (affiliate)
Society for Experimental Biology and Medicine
American Society for Clinical Investigation
Western Society for Pediatric Research
American Pediatric Society
American Society for Nephrology (Founding Member);
Member: Council-1976
American Society of Pediatric Nephrology (Founding Member);
Council and Executive Committee, 1969-present
President-1976

Organizations:
National Institutes of Health
Member-Scientific Review Committee; Health Research Facilities Council, NIH -1961-66
Chairman;Subcommittee-Immunologic Renal Disease, Gottschalk Committee, NIAMD, 1975-76

National Kidney Foundation
Member-Scientific Advisory Board - 1958-67
Member-Research and Fellowship Committee -1967-1972
Board of Directors - Executive Committee - 1971-1974

American Heart Association
Member - National Research Committee- 1966-1971
Chairman, 1969
Executive Committee - Council on Rheumatic Fever and Congenital Heart Disease - 1966-1971
Member - Council on Circulation - Renal Section - 1966-1970
Executive Committee, Council on the Kidney, 1969-present

Kidney Foundation of the Upper Midwest
President-1968-1971
Board of Directors - 1971-Present
Executive Committee - 1968-Present
Scientific Advisory Board - 1971-Present

Editorial Boards
Associate Editor, The Kidney International- 1971-1974
Associate Editor, The Kidney. (National Kidney Foundation) 1969-1975
Associate Editor, Practice of Pediatrics, Kelley-Brennemann. 1966-1973

UNIVERSITY OF MINNESOTA
TWIN CITIES

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

July 11, 1978

TO: Joint Conference Committee

FROM: Medical Staff-Hospital Council

SUBJECT: Appointment of Medical Staff-Hospital Council Sub-Committee Chairmen

In compliance with the Bylaws of the Medical and Dental Staff of the University of Minnesota Hospitals and Clinics, Article VI, Section I, a, b, we hereby recommend the approval of the following individuals for appointment as Chairmen of the Medical Staff-Hospital Council Sub-Committees from July 1, 1978 through June 30, 1979.

1. Bed Allocation Committee
   Dr. Richard Varco
2. Bylaws Committee
   Dr. Russell Lucas
3. Concurrent Review Committee
   Dr. Amos Deinard
4. Credentials Committee
   Dr. James House
5. Emergency Room Committee
   Dr. Charles Drage
6. External Disaster Committee
   Dr. David Hurd
7. Hospital Infection Committee
   Dr. Leon Sabath
8. Medical Risk Management Committee
   Dr. Shelley Chou
9. Operating Room Committee
   Dr. Roby Thompson
10. Outpatient Committee
    Dr. Preston Williams
11. Pharmacy & Therapeutics Committee
    Dr. Bernard Mirkin
12. Product Evaluation & Standardization Committee
    Dr. Richard Howard
13. Quality Assurance Committee
    Dr. John Murray
14. Tissue Committee
    Dr. Richard Varco
15. Respiratory Therapy Advisory Committee
    Dr. Russell Larsen
16. Thanatology Committee
    Dr. Yang Wang

STATEMENT OF MISSION AND GOALS
OF
UNIVERSITY HOSPITALS AND CLINICS

Preamble

The University of Minnesota Hospitals and Clinics has many different responsibilities and goals. The primary mission of the institution is rooted in the early recognition by the University of Minnesota Medical School of a need for a clinical teaching environment. In the early 1900's, the Minnesota Legislature determined that this need be met by the University of Minnesota Hospitals and Clinics. (As provided in Laws of Minnesota, 1907, Chapter 80, and as perpetuated in Minnesota Statute, Chapter 158, first enacted in 1921.)

The Legislative mandate underlies the Hospitals' role in providing health care services, programs of education and research, and referral relationships with other health care providers and institutions in the State of Minnesota. In this role, University of Minnesota Hospitals and Clinics serves various constituent groups by making health care services available to all residents of Minnesota, to those of the upper Midwest region, and in the case of some more specialized service programs, by serving as a national resource. Its programs of education, research, continuing education, patient and community health education, developed in conjunction with the units of the University of Minnesota Health Sciences (the Medical School, School of Nursing, College of Pharmacy, School of Dentistry, and School of Public Health), serve students, faculty, its own medical and professional staff, many other practicing health care deliverers, and the general public. Further, the research conducted in association with University Hospitals benefits both providers and recipients of health care services nationally and internationally.

The University of Minnesota Hospitals and Clinics is obligated to the people of Minnesota to fulfill its special role, established by the Legislature, as a broad health care resource for the state. Thus, the Board of Governors of University of Minnesota Hospitals and Clinics, on behalf of the Board of Regents, representing the people of Minnesota, set forth this statement of mission and corresponding goals which has been developed to meet the unique responsibilities of this institution.

MISSION

The responsibilities of the University of Minnesota Hospitals and Clinics require that its mission be uniquely broad, allowing it to serve as a principal medical and health care resource for the State of Minnesota. Elements of its mission must also permit the institution to provide a wide range of specialized health delivery programs designed to advance quality health care.

In this pursuit:

- University Hospitals and Clinics provides patient care services which respond to local, State and in some instances, national needs.

- University Hospitals and Clinics is an integral part of the Health Sciences Center of the University of Minnesota. Through its multiple health care programs, University Hospitals and Clinics will provide an environment for the clinical education of Health Science students; continuing education for its medical staff and other health practitioners; and, in the course of patient care, health education in the areas of preventive care, and in personal management of patients' own health.

- University Hospitals and Clinics provides a distinctive environment for the advancement of bio-medical research and technological development, as well as innovations in the delivery of medical care and health services.

- University Hospitals and Clinics also fulfills a role in education for health services management. In this role, it will serve as a Statewide and national resource for the management of the health delivery system.

GOALS

I. PATIENT CARE: Services for the sick and convalescing to give comfort, assist in recovery, and maintain health.

A. To offer sensitive, quality patient care programs at the lowest possible cost.

B. To provide innovative primary and preventive care programs and models, both within the University setting and at other sites and to provide well functioning, specialized and advanced or tertiary care for patients of referring physicians.

C. To provide well organized modern medical care services for ambulatory patients not requiring hospitalization, thus promoting the appropriate use of health care resources, and to provide emergency medical services consistent with the developing regional referral emergency care network and the educational needs of the institution.

D. To provide programs of home health care and other outreach services as alternative and less costly methods for providing medical care.

E. To assure quality health care delivery 24 hours a day, seven days a week through a highly specialized medical and professional staff.

II. EDUCATION: programs for students, faculty, staff, practitioners and others interested in learning, teaching, practicing, maintaining and using health skills.

A. To participate in and develop health care programs in support of the educational objectives of the Health Sciences Units.

B. To provide patient education programs as a means of helping patients become involved in the process of improving their health status.

C. To support continuing education programs for health care professionals both within the hospital and throughout the State of Minnesota.

D. To participate in the dissemination of community health education information to health professionals throughout the State.

E. To expose students to a wide variety of management experience both in internal hospital operations and external health policy.

III. RESEARCH: projects and programs which support the commitment of the University Health Sciences as a major research resource for the State and nation in biomedical and clinical research.

A. To encourage and support the Medical Staff and other health professionals in research inquiries and investigation.

B. To recognize the relationship between a variety of investigative programs so that research findings can be used for patient care.

In pursuit of all of these goals, University of Minnesota Hospitals and Clinics strives to provide leadership through the development of model programs. These model programs serve as examples for individuals and institutions in the health care field and stimulate the planning for and improvement of the health care system. Excellence, therefore, is sought in these patient care, education and research models so that they may be shared with confidence. Thus, University of Minnesota Hospitals and Clinics attempts to provide a health care services environment for Health Sciences students, practitioners, and clinical investigators which will be of benefit to all other health care programs in Minnesota. In respect to this, University of Minnesota Hospitals and Clinics will serve as a resource to public groups studying health issues and policy and will participate fully in local, State, and national health systems planning. University of Minnesota Hospitals and Clinics will continue to provide a governance model which reflects the public accountability of a Statewide health care resource.

University of Minnesota Hospitals & Clinics

Board of Governors

1981 Annual Retreat

July 27-29, 1981

Minnesuing Acres

Strategic Decisions

Monday, July 27, 1981

6:00 P.M.	-	Welcome	Mr. Al Hanser
	-	Introductory Comments	Mr. John Westerman
	-	Strategic Action Results	Mr. Tom Jones
	-	Reaction to Strategic Actions	Mr. John Fox Touche-Ross
7:00 P.M.	-	Reception	
8:00 P.M.	-	Dinner	

Tuesday, July 28, 1981

8:00-8:30 A.M.	-	Breakfast	
8:30-8:45	-	Retreat Processes	Mr. Duane Scribner
8:45-9:00	-	1981 Retreat Objectives	Mr. Al Hanser
9:00-9:30	-	Environmental Assessment	Mr. Tom Jones
9:30-9:45	-	Break	
9:45-10:00	-	Framework for Discussion of Organizational Models	Mr. John Westerman
10:00-10:30	-	Existing Organizational Models	Mr. John Diehl
10:30-11:15	-	Alternative UMH&C Models	Mr. John Diehl
11:15-11:30	-	Charge to Groups	Mr. Al Hanser
11:30	-	Lunch	
1:00-3:00 P.M.	-	Group Sessions (4 Groups)	
3:00	-	Executive Committee Meeting	
7:00	-	Reception	
8:00	-	Dinner	

Wednesday, July 29, 1981

8:00-8:30 A.M.	-	Breakfast	
8:30-10:00	-	Panel Discussion and Synthesis of Group Sessions	
10:00-10:15	-	Break	
10:15-11:00	-	Executive Committee Resolutions	
11:00-11:30	-	Observations	Mr. Duane Scribner
11:30-12:00	-	Future Directions	Mr. Al Hanser
12 Noon	-	Lunch	
1:15 P.M.	-	Leave for Duluth Airport	

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

BOARD OF GOVERNORS

1981 RETREAT SUMMARY

JULY 27-29, 1981
MINNESUING ACRES CONFERENCE CENTER

RETREAT PARTICIPANTS

1981

Mr. Harry Atwood
Board Member

Mr. Larry Baldwin
Board Member

Mr. Leonard Bienias
Board Member

Ms. Jo-Anne Barr
Board Member

Dr. Shelley Chou
Professor & Head
Department of Neurosurgery

Ms. Dionisa Coates
Board Member

Mr. David Cost
Board Member

Mr. John Diehl
Staff

Mr. Cliff Fearing
Staff

Mr. Al France
Board Member

Mr. John Fox
Touche Ross

Dr. Eugene Gedgaudas
Professor & Head
Department of Radiology

Dr. William Gentry
Associate Professor
Department of Dermatology

Dr. G. Scott Giebink
Associate Professor
Department of Pediatrics

Ms. Jeanne Givens
Board Member

Ms. Debbie Gruye
Board Member

Mr. Tom Jones
Staff

Ms. Fannie Kakela
Board Member

Dr. Richard Kronenberg
Professor
Department of Medicine

Ms. Mary Lebedoff
Board Member

Mr. John Mason
Board Member

Mr. Virgil Moline
Board Member

Ms. Sally Pillsbury, Vice Chairman
Board Member

Mr. John Quistgard
Board Member

Ms. Margaret Sandberg
Board Member

Mr. Duane Scribner
Facilitator

Ms. Shirley Sudduth
Staff

Mr. Don Van Hulzen
Staff

Ms. Timothy Vann
Board Member

Dean Lawrence Weaver
Board Member

Mr. Ron Werft
Staff

Mr. John Westerman
Board Member

Dr. Paul Winchell
Board Member

University of Minnesota Hospitals and Clinics
Board of Governors
1981 Retreat Summary
July 27-29, 1981
Minnesuing Acres Conference Center

I. Welcome - Ms. Sally Pillsbury, Vice Chairman

Following introductions, Ms. Pillsbury began the sixth Board of Governors Retreat by noting that, while previous retreats had been focused toward acquisition of knowledge of Board members, the purpose of the 1981 Retreat was to provide a forum through which the Board could make critical decisions about its future. She explained that the Board had followed national planning trends as it has considered cost control, mission evaluation, and strategic planning, and now was forced with issues of competition and accountability.

In emphasizing the importance of trusteeship, Ms. Pillsbury noted the need for Board members to be open and inquisitive during the Retreat.

II. Introductory Comments - Mr. John Westerman, General Director

Mr. Westerman indicated that the intent of the planning behind the 1981 Retreat was to provide an opportunity for the Board of Governors to take an introspective evaluation of its effectiveness as a hospital board. He explained that while the strength of the University was made evident in the legislative approval of the Renewal Project bonding bill, the role of the Board should be in assisting the hospital in the fulfillment of mission. He commented that the two goals for the 80's are to pay for the bond indebtedness in a comfortable fashion and to develop more creative means in which to fulfill the mission of the University Hospitals and Clinics. He added that one of the great attributes of University Hospitals' is the uncomparable awareness and involvement of the medical staff in hospital issues along with

their commitment in making the system work. He concluded that the road to trusteeship difficulties in the 1980's was that of maintaining the status quo.

III. Strategic Action Results - Mr. Tom Jones, Associate Director

Mr. Jones reported on the Strategic Planning efforts resulting from the 1980 Board Retreat. He noted that three years ago, the Board had conducted an evaluation and revision of the hospitals' mission statement; two years ago, the Board had considered essential components of quality, cost, and technology; and last year the Board, with the assistance of the Center for Health Services Research, conducted the Strategic Options Study which identified major strengths, weaknesses, opportunity, and threats.

Mr. Jones reported that the basic strategy during the 1970's had been to pursue provision of care primarily at the subspecialty level. In referring to a graph of total admissions from 1970 to 1980 (Attachment "A") he noted that this basic strategy had been very effective in the 1970's. He added that this approach had fulfilled basic strategic planning theory in that the hospital had "achieved the highest product/service/quality differentiated position relative to competition coupled with both an acceptable delivered cost structure and a pricing policy to gain margins sufficient to fund reinvestment in product/service differentiation." [1]

Mr. Jones reviewed the major SWOT conclusions from the 1980 Board Retreat (Attachment "A"), and reported on the strategic actions which had been

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[1] Hall, William K. "Survival Strategies in a Hostile Environment." Harvard Business Review. September-October 1980.

implemented during 1980-81. He noted that the overall plan had been to build on basic strengths in subspecialty care, to strengthen the hospitals' relative cost-price position, and to conduct a review of alternative strategies. Mr. Jones reviewed in detail efforts which had been focused on these three strategic plans in resolving capacity issues in nursing and operating rooms, improving communication through Dr. John LaBree's work with referring physicians and HMO's, and emphasizing priorities through the Inpatient Care Management Council. In addition, the fiscal strategy had focused on increasing legislative support, improving capital forecasting, pursuing exceptions to reimbursement limits, and pursuing differential pricing strategies. Mr. Jones added that a number of organizational options were being considered in connection with the pursuit of new revenue streams and the review of current programs.

Mr. Jones emphasized the need to evaluate and pursue alternate revenue sources, shared services, and philanthrophy during the 1980's.

IV. Reactions to Strategic Actions - Mr. John Fox, Touche Ross

Mr. Fox noted that the hospitals dependence on specialty care caused a need to build a strong referral system to maintain the volume necessary to fulfill mission. He then stated that there has been a shift in planning from that of facilities planning to strategic planning. He added that many hospital corporations were now considering restructuring as a result of strategic planning efforts.

Mr. Fox indicated that there are a number of pressures which cause organizations to consider restructuring. These include regulatory interference, certificate of need requirements, rate setting difficulties, financial or liability exposure, the impact of a higher proportion of federal patients, and the need for more revenue streams. He added that there are pitfalls to restructuring,

particularly when there is no consensus on strategy, faulty assumptions about the market, or when no measurable objectives are established. He emphasized the importance of integrating strategic and operational planning.

A number of survival strategies were presented which were based on increasing demand through an expanded service area or market penetration, maximizing revenue, forming capital, or achieving economies of scale.

Mr. Fox indicated that, given the current structure and limitations on operational flexibility, the hospital experiences increasing difficulty in replacing technological developments and in funding new developments and new programs, a capability essential to the mission.

He reported that, among the objectives of organizations considering restructuring, are to build operational flexibility, to strengthen financial integrity, to maximize revenues and reimbursement, to avoid government regulations, to maintain competitive edge by emphasizing strengths and deleting weaknesses, to create new source of non hospital, independent revenue, to assure stable leadership and governance, to attract a quality medical staff, and to maintain quality patient care. He indicated that the formula for survival must achieve efficient volume, increase market penetration, develop a competitive cost-pricing structure, develop the capability to form capital, and to diversify.

Mr. Fox concluded that there are two basic options. The first, that of status quo, allows others to determine the future. The second evaluates the present position, determines the organizational direction, and implements strategies required to get there.

V. Retreat Objectives and Charge to Groups - Ms. Sally Pillsbury, Vice Chairman

Ms. Pillsbury reviewed the agenda and indicated that the groups should focus on the question of effective governance. In particular, she asked, how can the trustees be effective in the tripartite mission of providing patient care, education, and supporting new discoveries? She also asked how can University Hospitals operate within the current structure and respond to a demanding public.

VI. Summary of John Fox Presentation - Mr. Ron Werft, Assistant Director

Mr. Werft summarized the presentation by indicating that many corporations were considering restructuring of their governance structures due to pressures in financial, tax, legal, and regulatory arenas. He reviewed the risks presented by Mr. Fox along with survival strategies to maintain mission and a competitive advantage. In general, he concluded that status quo is an unacceptable survival strategy and that additional revenue streams would be required to support the mission of an academic hospital particularly in development.

Questions focused on the definition of "efficient" programs, and the impact of restructuring on mission. Mr. Fox indicated that it is not necessary to delete programs which are inefficient, but it is important to understand the nature of these programs and to either pursue public funding or restructure these programs outside the regulated hospital umbrella. He also indicated that restructuring should not compromise the mission, but should enhance the mission. Programs related to education and research cost more than non-academic community counterparts, but they should not be dropped as a result; rather, they should be supported by other than in-patient revenue. The essential need for academic excellence was emphasized in further discussion.

VII. Retreat Processes - Mr. Duane Scribner, Facilitator

Mr. Scribner outlined the purpose of the Retreat, as decribed in the briefing books, to identify key issues in governance and organization and to provide an introspective review of board effectiveness. Mr. Scribner provided an anecdote emphasizing the shift in patient control and decision-making with regard to gaining access to the health care system. This shift emphasizes the need to know University Hospitals' role and to communicate the role to the public.

Mr. Scribner then presented a series of questions designed to assess board effectiveness from an individual trustee basis (Attachment "B"). The questions focused on skills of board members, instutitional structure, areas of influence, and how to monitor board performance. It was added that the American Hospital Association has developed criteria for assessing board effectiveness.

VIII. Environmental Assessment - Mr. Tom Jones, Associate Director

Mr. Tom Jones presented an analysis of the current health care environment. He indicated that he had examined environmental assessments conducted by the Joint Commission on Accreditation of Hospitals, the American Hospital Association, and Health Central, Inc. He indicated that there are three general areas of environmental impact: Supply and demand, regulation, and the transitional nature of the industry. (Attachment "C" includes the trends presented by Mr. Jones

Mr. Jones presented trends related to increasing public expenditures for health care, decreasing available capital, and decreasing philanthropy. Trends relating to demand showed much greater demand by the over 65's along

with a projected older population. Also highlighted was a change in utilization toward outpatient care and reductions in surgical patient days in the Metropolitan area. Also shown was the continued increase in HMO enrollment.

IX. Organizational Study - Mr. John Diehl, Legal Counsel

Mr. Diehl presented a summary of an organizational study which cites basic principles of organization, describes the University of Minnesota structure, evaluates that structure against established organizational principles, describes other university hospital structures which have addressed problems of an organizational nature, and recommends a model for consideration by the University of Minnesota Hospitals and Clinics Board of Governors. Mr. Diehl described Beckhardt's characteristics of a healthy organization and compared University Hospitals. In general, Mr. Diehl reported that aside from being a purposeful, goal-directed organization, University Hospitals fell short on the majority of characteristics. (A summary of the paper is included as Attachment "D".)

Mr. Diehl noted that the only authority actually held by the Board of Governors is related to the credentialling of physicians and quality assurance. He added that both the Board of Governors and management report to the Vice President for Health Sciences, and that problems arise with the interface of authority between managers in the hospital and those in central administration. It was added that the incongruency of authority, responsibility, and accountability abrogates the most basic of organizational principles. Examples of cases in which the hospital management and governance systems were bypassed by this structure were presented. Mr. Diehl indicated repeated instances of inconsistency between University procedures and hospital mission.

Mr. Diehl stated that the current system is not without merit in that the Vice President for Health Sciences protects the academic and research interests of the hospital.

Examples of other models of organization were given. It was indicated that the University of North Carolina, the University of Florida at Gainesville, and Stanford University had pursued structures which recognized these problems. Common to these alternate structures is the recognition of the inappropriateness of state-wide or university-wide management systems, the hospital boards have university representation, the boards have non-university representation, the boards oversee hospital management and set policy, the previous mission is maintained, and the boards are small.

Mr. Diehl presented a list of forces for reorganization which focus on the problems related to state-wide or university-wide management systems, reimbursement limitations, need to develop philanthropic support, legal liability, need for self-discipline in managing certain cost-centers, and rate review considerations. He added that there are reasons to support the review and planning of changes in the organizational structure. He further noted basic assumptions on Regental objectives toward repayment of the Renewal debt, hospital operations consistent with major University policy, hospital support of the academic and research missions, effective management of the hospitals, and sufficient Regental involvement to fulfill the legal duties of governance of the University of Minnesota.

The structure recommended to resolve the defined difficulties featured a Board of Governors reporting directly through the President of the University to the Board of Regents. This Board of Governors would include the Vice President for Finance and Health Sciences. The General Director would report

to the Board of Governors. Safeguards retained in the recommended structure included representation on the Board of the Clinical Chiefs, the Council of Deans and Directors, the Chief of Staff, and one health sciences student. The central role of the Council of Clinical Chiefs would remain as an advisory/leadership role in administrative policy making. The leadership role of the Ambulatory and Inpatient Care Management Councils would be maintained as well as that of the Medical Staff/Hospital Council.

Mr. Diehl then presented a list of action items for Board consideration during the Retreat which called for an evaluation of Board involvement in establishing policy and overseeing management; the development of findings and recommendations needed to carry out the role of the Board; an assessment of financial needs to adequately finance the hospital' service, education, and research missions; and the establishment of policies and the development of enterprises necessary to meet financial requirements.

Also presented was a holding company model for new and currently operated ventures which could allow for maximization of revenue from non-hospital streams.

X. Group Sessions

(The Board divided into four groups for discussion of the series of questions in the briefing book and those provided by Mr. Duane Scribner).

XI. Discussion and Synthesis

Ms. Pillsbury summarized the discussions of the group sessions which had been reported to the Executive Committee. She indicated that there was general agreement that the Board of Governors needs additional authority to effectively govern University Hospitals and that the Board must ensure academic integrity.

Discussion focused on the need for further study of the issues involved in consideration of restructuring. Ms. Pillsbury indicated that the Executive Committee had discussed the option of meeting on a bi-monthly basis in order to allow additional time for consideration of restructuring issues.

It was moved and seconded that commencing September, 1981 meetings of the full Board of Governors would occur on a bi-monthly and alternating basis with bi-monthly meetings of the Executive, Joint Conference, Planning and Development, and Finance Committees. Discussion focused on the need for more information during the coming months and the question of whether more frequent or less frequent and longer meetings would meet this need. It was suggested that the Board adopt a semi-monthly schedule until the issues regarding restructuring have been further examined. After further discussion, it was agreed that a monthly meeting schedule was most appropriate. The resolution was withdrawn.

Discussion followed on the need for further evaluation by the Board of Governors on the effectiveness of the Board in establishing policy and overseeing management and the need for changes in organizational structure which might exist. It was moved and seconded that the Chairman appoint a task force to:

1. Evaluate the role of the Board of Governors in establishing policy and overseeing management.

2. Make findings and recommend any changes needed, if a need for change is perceived, to carry out the purpose and role of the Board (including the development of Bylaws revisions necessary to effect these changes).

3. Assess the future financial needs of the University Hospitals and Clinics and estimate the additional earned revenue and philanthropic support that will be needed to adequately finance the Hospitals' service, education and research activities, and the activities of the faculty.

4. Propose policies and recommend new developments that will meet these objectives no later than December, 1981 with monthly reports to the full Board of Governors.

Discussion followed on the issue of conducting further study through a task force versus standing committees. Dr. Kronenberg indicated that medical staff and Vice-President concerns may not be adequately addressed through standing committees. It was suggested that input by more Board members could be facilitated through standing committees, but the content of the study would require the input of both the Finance and Planning and Development Committees. After further discussion, the motion was passed.

XII. Observations - Mr. Duane Scribner, Facilitator

Mr. Scribner commented on his observations of the 1981 Board of Governors Retreat indicating that the momentum appears strong for further evaluation. He noted that there was good participation, that the Board arrived at key issues early in the process, that individual Board members were starting to think about their role, that the emphasis had been placed on organization rather than introspection.

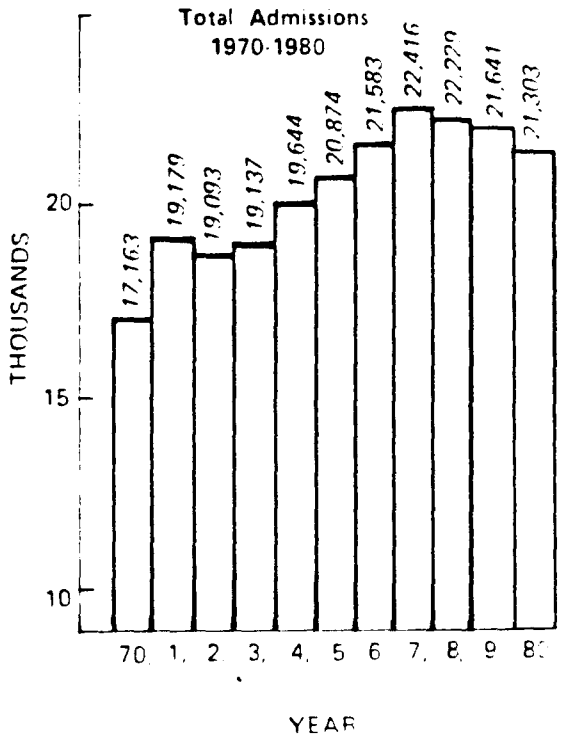
In regards to his list of questions, Mr. Scribner noted that the consideration of role and Board effectiveness had been derived from the impact of the Renewal Project. He added that members have reached general agreement on the limited role as inappropriate and that the resolution for a task force shows that the Board is enthusiastic.

He suggested that the Board approach must consider the university relationship in detail, the academic interests of the Health Sciences units, the purpose of increased authority, and the hospital role in the health sciences: He added that the Board must consider Regental needs and responsibilities in acquiring increased authority, and that delegation of authority will not change the Regents stewardship responsibilities.

Mr. Scribner concluded by suggesting that the Board think of Renewal as more than bricks and mortar, but rather, as an organizational renewal.

XIII. Closing Comments, Ms. Sally Pillsbury, Vice Chairman

Ms. Pillsbury thanked Mr. John Fox and Mr. Duane Scribner for their contribution to the Retreat, and also thanked the Board for their participation and support.



Basic Strategy Statement

"Achieve the highest product/service/quality differentiated position relative to competition, coupled with both an acceptable delivered cost structure and a pricing policy to gain margins sufficient to fund reinvestment in product/service differentiation."

Major SWOT Conclusion - 1980 Board Retreat

Strengths

1. The quality of the medical, professional and management staffs are the basis for the outstanding reputation of University of Minnesota Hospitals & Clinics and will serve as the foundation for future developments.

2. The community and University environment is positive for implementation of strategic plans.

3. The special nature of University Hospitals & Clinics rests in its history and acceptance as the State medical center.

Weaknesses

4. The cost of services is of concern to all of the University Hospitals and Clinics constituents and must continue to be managed in all future plan considerations.

5. The present facilities are a major liability in maintaining current services and meeting new community needs.

6. The patient care range of services does not position the organization optimally to compete in the health care marketplace, could inhibit new developments and does not fulfill the mission and objectives.

7. Governance and management functions are defective in certain key areas; centering on effective delegation of authority and assignment of responsibility. Without resolution of the deficiencies, implementation of a strategic action plan may not be possible.

Opportunities

8. There are clear and present community needs in areas consistent with University Hospitals and Clinics mission.

Opportunities cont:

9. The enormous energy and effort devoted to the Renewal Project has built a certain momentum that could be used to build client-constituency relationships in the implementation of action plans.

10. The University relationship has the potential for further mutual exploitation to the benefit of both parties.

Threats

11. The heightened competition in the local and regional marketplace needs to be managed in order to preserve what exists and bring about change.

12. The operating, capital and renewal fiscal projections require some major modification of behavior to achieve other objectives.

13. The growth of HMOs in the local marketplace requires University Hospitals & Clinics to develop a strategy to cope with the potential reduction of referrals.

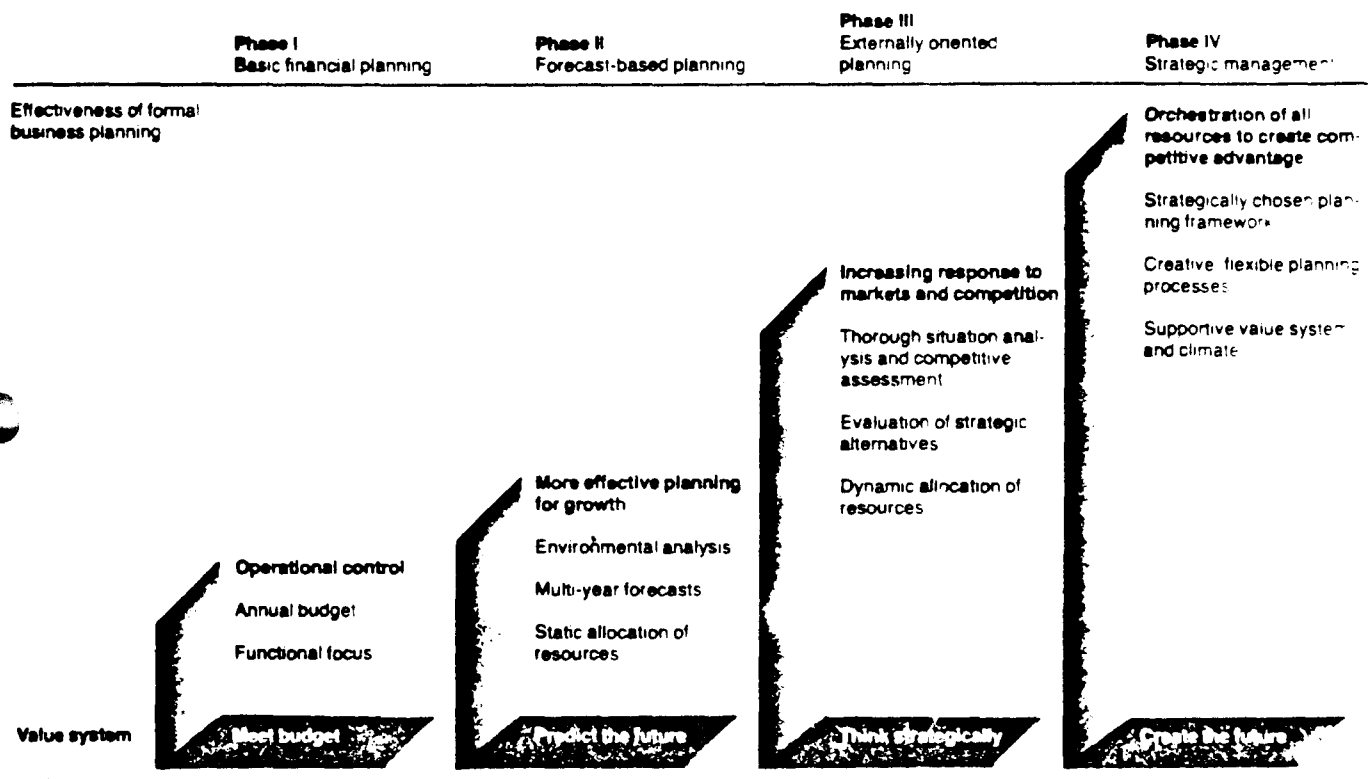
Table I

University of Minnesota Hospitals and Clinics

Strategic Planning - 1981

Strategic Plan	Strategic Action	Benefits
Build on basic strengths in sub-specialty care - State medical center role	Resolve capacity issues	improved census potential
	Improve communication programs	
	Strategic clinical service emphasis	
	Fiscal strategy: emphasis on legislative support, capital forecasting, reimbursement limits exception, differential pricing	fund differentiation position
	Organizational options	facilitate implementation
Strengthen relative cost-price position	Alternate revenue source development	improved market position
	Focused utilization review	
	Program policy review	
	Management information system enhancement	
	Organizational options	facilitate implementation
Review of alternative strategies	HMO feasibility	improved long-term market position
	Geographic alternatives	
	Organizational options	facilitate implementation

Exhibit
Four phases in the evolution of formal strategic planning



Attachment "B"

University of Minnesota Hospitals Board of Governors Retreat
July 1981

Retreat Processes--Duane C. Scribner--EIGHT LITTLE QUESTIONS

1. In specific, practical terms, what does the situation of the U Hospitals for the next five years and more mean to the role of the Board of Governors? What will "governance" be?

2. In specific, practical terms, what do I as an individual Board member have to offer the Board in this period?
   --skills and judgment?
   --special perspectives?
   --institutional and personal relationships?
   --knowledge directly related to Board tasks?
   --other?

3. What effect does the Board's institutional positioning within the University of Minnesota structure have on the effectiveness of the Board and my effectiveness within the Board?

4. What conditions outside the University can be influenced and what conditions cannot--by the Board? What part if any, can I play? What part do I want to play? What part is it appropriate for me to play?

5. When we return for next year's retreat, if we do, how will I know whether the Board has done well at its governance task in 1981-1982? How will I know whether I have done well as a member?

6. When the University Hospitals construction project is complete, how will I know whether the Board has done its governance task well in relation to this project? How will I know whether I have done well as a Board member?

7. Tomorrow afternoon, how will I know whether the Board has done its job well at this retreat? How will I know whether I have done well as a Board member?

8. On a scale ranging from "leadership by the Board" (LB) to "support by the Board of others' leadership" (SB), where do I think the Board should be and where do I think I should be within the Board?

LB——————Balance——————SB

What would "balance" be like in a specific case?

Environmental Assessment Trends

Following is a summary of trends presented at the 1981 Board of Governors Retreat by Mr. Tom Jones.

1. Consumer Price Index

   Trend shows increasing CPI total and medical component during 1970s for Minnesota and Metropolitan area. Medical component shows higher rate of increase than total.

2. Percent Changes in Per Capita Expenditures 1976-9

   Data shows average annual percent increases of 12.1% for Medicare, 14.8% for Medicaid, 14.4% for total public expenditures, and 10.8% for total private expenditures.

3. Sources of Funds for New Capital Projects

   Trend shows decreasing government and philanthropic funds with large increases in debt service as a method of financing.

4. Projected Growth in Percent Elderly

   Projections of the U.S. Census Bureau predict an increase from 11.0% of population over 65 to 17.0% by the year 2030.

5. Metropolitan Hospital Patient Day Rates by Age

   Logarithmic graph shows four times the utilization by over 65s as the 35-44 age group.

6. Metropolitan Patient Days per 1000 Population

   Trend during 1970s shows a decrease from 902 medical-surgical patient days in 1970 to 762 in 1979.

7. Metropolitan HMO Enrollment

   1970s trend shows logarithmic increases from 48,000 in 1971 to 325,000 in 1979.

8. Increasing Regulation

   There has been an increase of regulations printed in the Federal Register from 9,562 in 1950 to 60,221 in 1975.

9. Growth of Multi-Hospital Systems

Trend shows growth in the percent of community hospital beds involved in multi-hospital corporations from 2.0% in 1965 to 31.3% in 1979.

10. Growth in Management Contracts

The number of existing management contracts in the Upper Midwest has increased from 11 in 1977 to 69 in 1979.

ORGANIZATIONAL PROBLEMS

Henry S. Dennison:

> The importance of [the] right structure of organization is sometimes undervalued, because with the right men almost any kind of organization can run well. This is true but this is by no means the whole truth. With the finest of personnel, an illogical organization structure makes waste through internal friction and lost motion; it fails to retain and develop good men and to invite into its membership new men of high quality.

Dr. Marjorie Wilson:

> Academic medical centers are characterized by dispersed organizational systems, diffused centers of authority and responsibility, and ambiguous and shifting... social and organizational structure. They operate in a complicated and fast moving environment characterized by multiple missions, tasks, sources of support, organizational structure, and processes of decision making... It is a 'processed world' where every solution to a problem becomes a problem of its own.

EVALUATION CRITERIA

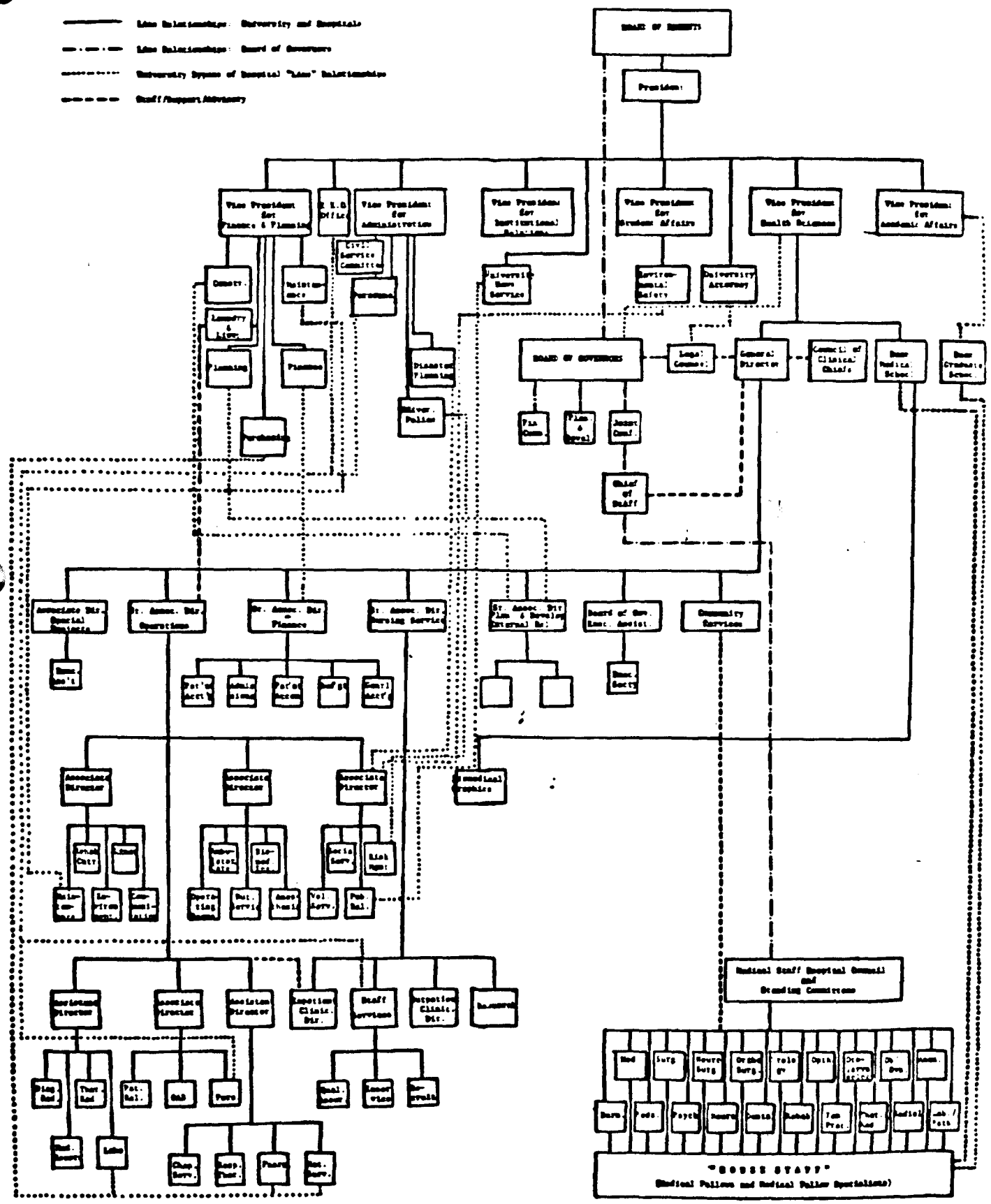
Managerial Activities

1. Personal
2. Inter-personal
3. Administrative
4. Technical

Organizational Activities

1. Definition of functions
2. Departmentalization
3. Span of control
4. Delegation of authority

ORGANIZATION DESCRIBED



North Carolina Memorial Hospital

Reorganized, May 1974

Implemented by state legislation

Governed by a 12-person board of directors

Board appointed by the University's Board of Governors

Board comprised of the University vice chancellor for finance, the vice chancellor for health sciences, the dean of the medical school and nine outside directors, who may be selected for "special competence in business management, hospital administration, and medical practice not affiliated with University faculty."

Statute provides for the following Board powers:

> ...The board of directors shall make rules, regulations and policies governing the management and operation of the North Carolina Memorial Hospital...to meet the goals of education, research, patient care and community service. The board's action on matters within its jurisdiction is final...The board of directors shall elect and may remove the director of the hospital. The board of directors may enter into formal agreements with the University...with respect to the provision of clinical experience for students and may also enter into formal agreements with the University...

Also the hospital is expressly excluded from university personnel, financial and purchasing systems. The statute provides that the hospital board is responsible to the university board for the maintenance, operation and control of the hospital and its grounds.

Shands Teaching Hospitals and Clinics

Reorganized, October 1979.

Implemented by state legislation

The statutes mandate the establishment of a separate corporate entity to be chartered by the State of Florida.

The board of directors has 11 directors.

The board is appointed by the President of the University of Florida. The chairman of the hospital board is the university Vice President for Health Affairs.

The statute required an orderly transition of employees from state to corporate employment, preservation of collective bargaining units, the continued maintenance of the Health Center's research programs, and the funding (by the State Board of Education) of indigent care.

The physical plant is leased to the hospital corporation, with payments equivalent to debt repayment obligations.

Except for the obvious board ties, some common missions and the transition "conditions," the hospital has no interaction with the University systems.

Stanford University Hospital

Reorganized, October 1980

Implemented by the Stanford Board of Trustees

Governed by a 15-member board

The hospital was reorganized as a separete non-profit membership corporation

The corporate members are the members of the Board of Trustees of the University

The Board has three ex officio members (the President of the University, the president of the hospital, and the executive director of the hospital), two members from the University Board of Trustees, and ten others. Of these ten, there must be "seven persons who are neither general members nor [University] employees,...of which three must be Palo Alto residents and at least one must be a physician in private practice."

This entity is completely autonomous. However, the general members (which are the Stanford Trustees) have final authority on capital and operating budgets, and may establish certain business "guidelines."

COMMON CHARACTERISTICS

1. A finding of the inappropriateness of state-wide or central university management systems is implicit in these reorganization efforts.
2. Board representation is given to university officials.
3. The involvement of "outsiders" is also required or encouraged.
4. The new organization is given a broad grant of authority to manage and oversee the affairs of the hospital, and in some cases the separation of the hospital's operation from the university is required.
5. The organic instruments of the hospital and/or the authorizing legislation provide for the continued adherence to the previously perceived mission of the hospital.
6. The boards of directors are relatively small (11 to 15 members).

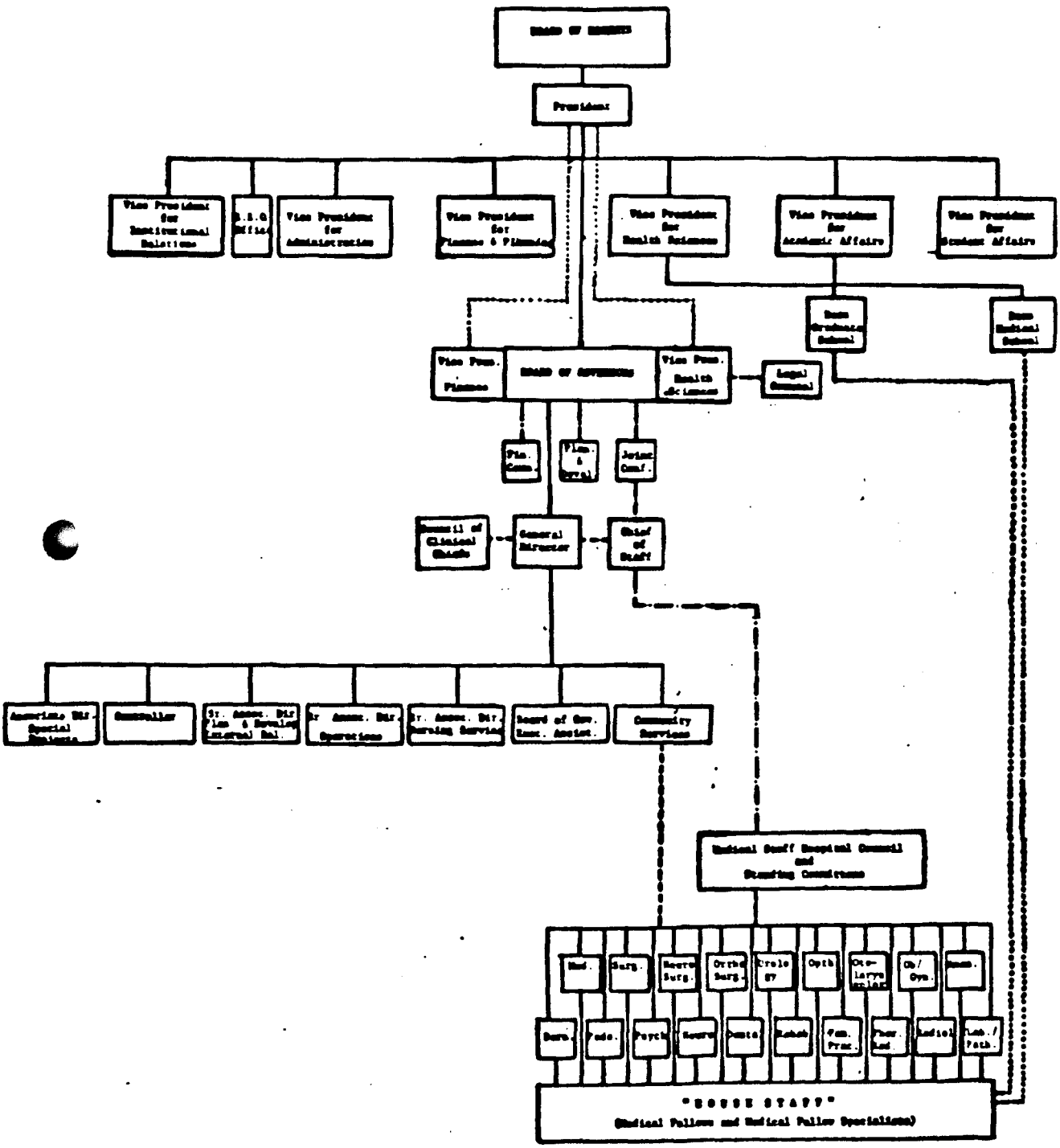
FORCES FOR REORGANIZATION

1. Avoiding inappropriate management intrustion/control from a state-wide or central university management system;
2. The tax status of the University and/or the Hospitals;
3. The reimbursement formulae employed by major "third party" payors;
4. The further development of philanthropic support for the Hospitals;
5. Protection of the institution and its reputation from damage claims and law suits;
6. The management and financing of education and research;
7. To enhance self-discipline in managing and reporting the performance of certain kinds of cost centers;
8. The desire to exploit parts of the hospital enterprise, or other enterprise, to finance programs that are maintained at a loss to support research, education or public service;
9. General regulatory considerations;
10. Rate review considerations; and
11. Certificate of need considerations.

ASSUMPTIONS ON REGENTAL OBJECTIVES

1. Repayment of the Hospital Renewal Project debt;
2. Hospital operations consistent with major University policy;
3. Strong Hospital support of the academic mission in the Health Sciences and the research mission of the University faculty;
4. Effective management of the Hospitals in a competitive environment; and
5. The maintenance of sufficient Regental involvement to fulfill the Regents legal duties of governance of the University of Minnesota.

DISCUSSION RECOMMENDATION



SAFEGUARDS RETAINED

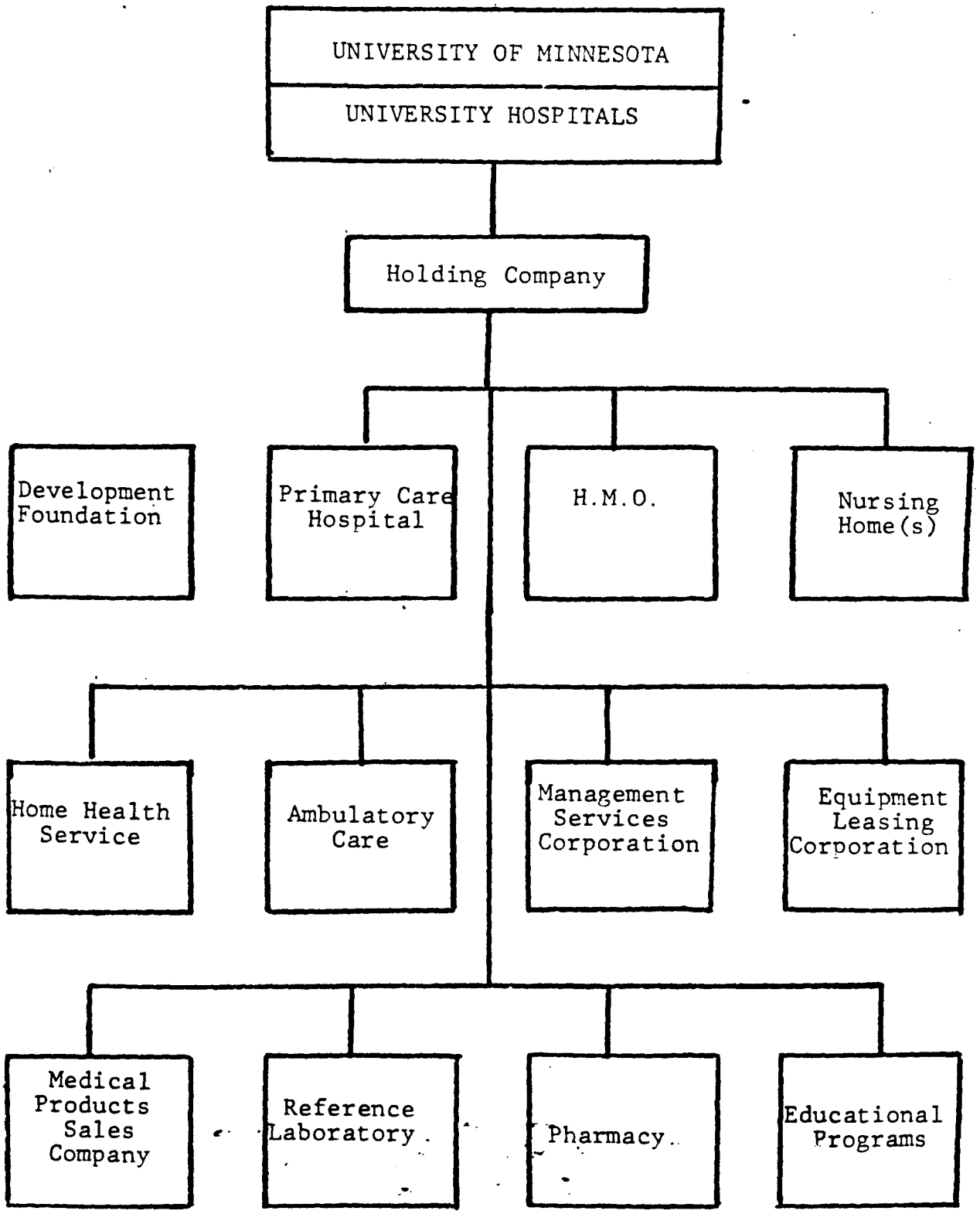
1. The ex officio positions on the Board of Governors of a representative of the Council of Deans and Directors, the Chairman of the Council of Clinical Chiefs (by definition, an academic clinical department head), the Chief of Staff (of necessity, a member of the Medical School faculty), and one health sciences student;
2. The central role of the Council of Clinical Chiefs (which, from an academic perspective, is also the Council of Clinical Sciences) is an advisory/leadership role in administrative policy-making;
3. The strong leadership role of the Outpatient and Inpatient Management Councils, which are comprised primarily of clinical department heads, who are in almost every instance clinical department heads;
4. The Medical Staff Hospital Council, comprised, by virtue of the closed staff nature of the University Hospitals, of the medical school faculty; and
5. The involvement of the General Director of the Hospital as a member of the Council of Deans and Directors, the leadership/ advisory body for all of the Health Sciences.

ORGANIZATIONAL OPTIONS

1. Associations
2. Consortia
3. Shared Services Organizations
4. Management Contracts
5. One-Hospital Holding Company
6. Umbrella Corporation
7. Merger/Consolidation

BOARD OF GOVERNORS ACTION ITEMS

1. Evaluate the current involvement of the Board of Governors in establishing policy and overseeing management.
2. Make findings and recommend any changes needed, if a need for change is perceived, to carry out the purpose and role of the Board (including the development of Bylaws revisions necessary to effect these changes).
3. Assess the future financial needs of the University Hospitals and Clinics and estimate the additional earned revenue and philanthropic support that will be needed to adequately finance the Hospitals' services, education and research activities, and the activities of the faculty.
4. Establish policies and develop and organize enterprises that will meet these financial objectives.


UNIVERSITY OF MINNESOTA
UNIVERSITY HOSPITALS
Holding Company
Development Foundation
Primary Care Hospital
H.M.O.
Nursing Home(s)
Home Health Service
Ambulatory Care
Management Services Corporation
Equipment Leasing Corporation
Medical Products Sales Company
Reference Laboratory
Pharmacy
Educational Programs

October

1. The Executive Assistant to the Board should begin conversations with the General Director in October to initiate determination of a theme for the Annual Plan.

2. The Management group should also begin their Outcome Expectations process.

November

3. The Outcome Expectations process should be completed by the end of November.

December

4. The month of December should be spent in writing the Annual Plan and preparing slides. There should be ample time for review of the plan by the General Director, his group and the management team.

January

5. The Annual Plan should be distributed to the Board of Governors prior to their Annual Meeting in January. A cover letter from the General Director to the Chairman of the Board (Exhibit I) should be attached to the Plan.

6. The Annual Plan should be presented at the Annual Board meeting by the General Director in his Report to the Board. His report

Exhibit 1

UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals
Minneapolis, Minnesota 55455

January 21, 1976

Mr. Harry Atwood
Chairman
Board of Governors
University Hospitals & Clinics
Box 502
Minneapolis, MN 55455

Dear Mr. Atwood:

Enclosed is the University Hospitals and Clinics Annual Plan for 1976.

This report projects policy items that the board committees have been concerned with over the past year. While this has been primarily a year of orientation for the board and hospital staff, members of the planning, joint conference and finance committees are beginning to report a sense of direction in their respective areas.

Other parts of the plan originate from new technology, institutional compliance requirements and further adjustments to the patient care, education and research missions.

A restatement of the previously adopted mission statement is included. It is important that the University Hospitals Statement of Mission and Goals be reviewed within the context of the University and Health Sciences goals. There has been thorough review of the hospital mission statement and broad based consensus about the contents within the University.

An emerging theme from this year's plan is that there is a new era in health delivery which is broadening our concepts of service and accountability for performance. Judgments about these concepts are reflected in the proposed plan.

We invite the Board's serious consideration of this document and hope the approved plan will serve as a reasonable basis for shaping policies of this institution to best meet the needs of the publics served.

Sincerely yours,

John H Westerman

John H. Westerman
General Director
University Hospitals & Clinics
& Coordinator, Health Care Systems
Research & Development, Office of the
Vice President for Health Sciences Affairs

JHW/mwpc

Enclosure

Exhibit 2

UNIVERSITY OF MINNESOTA
Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

January 26, 1976

Lyle A. French, M.D.
Vice President for Health Sciences
Box 501
University of Minnesota Hospitals
Minneapolis, Minnesota 55455

Dear Dr. French:

Enclosed is the University of Minnesota Hospitals & Clinics Annual Plan for 1976. This document was approved by the Board of Governors at their Annual Meeting on January 21, 1976, and is being submitted to you for your consideration. As Article II, Section 2, of the Board of Governors Bylaws states that the Chairman of the Board of Governors shall report annually to the Board of Regents, it is hoped that you will find this Plan to be an appropriate vehicle by which the activities of University Hospitals for 1976 can be reported to the Board of Regents.

Because 1975 was primarily a year of orientation for the Board of Governors and the hospital staff, the committees of the Board are just beginning to report a sense of direction in their respective areas of planning, joint conference, and finance. Thus, portions of this report project policy items that these committees have been concerned with over the past year. Other parts of this plan originate from new technology, institutional compliance requirements, and further adjustments to the patient care, education and research missions.

A restatement of the previously adopted mission statement is included. We realize the importance of reviewing the University Hospitals Statement of Mission and Goals within the context of the University and Health Sciences goals. It is our belief that the programs and projects described in this plan are in accord with the Hospitals mission and the University's goals.

We invite serious consideration of this document as we hope the plan will serve as a reasonable basis for shaping policies of University Hospitals to best meet the needs of the publics served.

Sincerely yours,

Harry E. Atwood
Chairman
Board of Governors

Enc.

Bylaws Committee Process

November

1. The Executive Assistant to the Board of Governors should review the Bylaws and prepare a report to be submitted to the Administrative Staff for their review and input. (Exhibit 1)
   The report should include recommendations on amendments, additions and changes to the Bylaws as well as policy statements.

2. Once Administrative in-put has been received, the Secretary should prepare a second draft of the recommendations to be presented to the Chairman of the Bylaws Committee for discussion. (Exhibit 2)

December

3. A meeting should be called by the Chairman of the Committee and an agenda should be prepared based on items of recommendation. (Exhibit 3)

4. Legal Counsel should be present at the meeting.

January

5. Minutes of the Bylaws Committee meeting should be recorded. (Exhibit 4)
When the Committee has completed its examination of the Bylaws, a report should be prepared by Staff. (Exhibit 5)
This draft report should be sent to the members of the Committee for their comment before a certain date.

6. Once finalized, the report should be sent to members of the Board prior to the January Annual Meeting for their review. The Bylaws Committee Report should then be presented by the Committee's Chairperson at the January meeting for discussion and hopefully approval.

7. The Bylaws Committee Report as approved by the Board should then be submitted to the Board of Regents with a cover letter to the Vice President of the Health Sciences from the Chairman of the Board. (Exhibit 6)
If policy statements were approved these statements hould not be sent to the Regents but should be catagorized and placed within this book. (See Section 1)

Exhibit 1

November 5, 1975

TO: Mr. John Westerman, Dr. Paul Winchell, Mr. Don Van Hulzen, Mr. Robert Baker, Mr. Tom Jones, Mr. Robert Dickler

FROM: Johnelle Foley

RE: Board of Governors Bylaws

The Bylaws Committee of the Board of Governors will soon be activated to begin its annual review of the Board and Medical Staff Bylaws. In preparation for this, an initial examination of these bylaws by members of the administrative staff would be most helpful in facilitating the work of the Committee.

In this memo, referring only to the Board of Governors Bylaws, I have attempted to list items which either through discussions or JCAH recommendations, have been cited as areas potentially requiring change. Your review of this list and the Bylaws manual itself would be greatly appreciated. I will look forward to receiving your commnents on the list and any further suggestions you may have as to possible amendments to the Bylaws.

Should I not hear from you by Wednesday, November 12, I will assume that you have no comments or additions to this memo.

JF/sds

Enclosure

BYLAWS OF THE BOARD OF GOVERNORS

Article II - Officers - Section 5. General Director

Under - "the specific authority and duties of the General Director shall be:

(e) To supervise all business affairs and to ensure that all funds are collected and expended to the best possible advantage.

This item was discussed in the Finance Committee meeting of October 22, 1975. Mr. Westerman was requested to report back to the Committee with suggestions as to how the General Director's spending might be limited to a specific dollar amount over which Board approval would be required.

Article III - Standing Committees - Part A: Executive Committee

Section 3. Meetings: "The Executive Committee shall meet at least nine times a year..."

The Executive Committee which consists of the Chairman and Vice Chairman of the Board, the General Director, the Chairman of the Council of Chiefs of Clinical Services, and the Chairmen of the Standing Committees of the Board has not met once this first year. Perhaps this item should be amended somehow to state that the Committee shall meet as often as necessary to accomplish its functions. These functions as stated include, "responsibility for the promulgation of policy for the guidance of the General Director to promote the efficiency of the work in the hospital, subject to all policies of the Board of Governors. The Executive Committee shall have power to transact all regular business of the Board during the interim between the meetings of the Board of Governors."

Article III - Standing Committees - Part D. Joint Conference & Accreditation Committee

Section I. Composition: "The Joint Conference & Accreditation Committee shall consist of the following members: the Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, two other members of the Board of Governors, and six members of the Medical Staff..."

The Joint Commission for the Accreditation of Hospitals recommended that the Joint Conference Committee consist of equal members of Medical Staff and Board members.

Article IV - Special Committees - Part B. Nominating Committee

Section I. Composition: "The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, the Chairman of the Health Sciences Committee of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors."

Because there no longer is a Health Sciences Committee of the Board of Regents, this statement should be amended to note some other form of Regents' representation. Further, because situations could arise where a Nominating Committee member's term may be up for consideration, a statement on their ineligibility to serve on the committee at that time might be useful.

Article V - Medical Staff - Section 4. Procedures for Board Actions Pretaining to Medical Staff Applicants for Membership

(c) "Whenever the Board of Governors determines to reject a recommendation of the Joint Conference Committee favorable to an applicant for staff membership, either with respect to membership or to clinical privileges, or determines to reject a recommendation of the Joint Conference Committee favorable to a Medical Staff member with respect to reappointment, promotion in staff category or increase in clinical privileges, or whenever the Board of Governors determines on its own motion and without prior Joint Conference Committee action to decrease the clinical privileges, of a member of the Medical Staff or revoke his staff membership, before taking final action the Board shall notify the applicant or Medical Staff member in writing, sent by certified mail or registered mail, return receipt requested, of this decision of the Board....."

In regard to the above, it was the Joint Commission's recommendation that the matter be returned to the Joint Conference Committee for further study before the individual in question is notified and final action is taken.

It was also the recommendation of the Joint Commission that the Board of Governors' Bylaws reflect that the hospital does have an auxillary and should possibly include a provision for acceptance of that auxilliary's bylaws.

A final JCAH recommendation referred to the establishment of an attendance policy for members of the Board of Governors. This issue presents questions as to what form that policy should take and whether it need be stated in the bylaws or stand as a policy statement of the Board.

Thus, according to -- Article IV - Special Committees - Part A. Bylaws Committee

Section 2. Duties: "The Committee shall be responsible for an annual review of the hospital and Medical Staff Bylaws and shall make a report of its review with appropriate recommendation to the Board at its annual meeting. In addition, the Committee may make such additional periodic reviews and recommendations to the Board of Governors as deemed necessary".

As the above statement includes review of both Board and Medical Staff Bylaws by the Committee, I imagine that it will be necessary to reflect certain ammendments to the Medical Staff Bylaws in the Board Bylaws.

Again, I ask for your help in making me aware of any such changes. I am certain this list is not inclusive and will be most grateful if you can assist in pointing out what I have missed.

Exhibit 2

UNIVERSITY OF MINNESOTA
Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

November 25, 1975

Mrs. Jeanne Givens
72 Groveland Terrace
Minneapolis, Minnesota 55403

Dear Mrs. Givens:

First, a very envious welcome back from Hawaii. As you can see from the snow, you left Minnesota at the right time!

I am writing to you concerning the Bylaws Committee of the Board of Governors. As the year is rapidly coming to an end, and because a report from the Committee is required to be presented to the Board of Governors at their January meeting, it was felt that the Bylaws Committee should be activated. It is especially necessary that the Committee meet in December, as one of its members, Mary Jo Anderson, the Health Sciences student representative, will be leaving the Board at the end of the month.

In preparation for a Bylaws Committee meeting, I have prepared with the assistance of the Administrative Staff, a list of recommendations concerning the Bylaws which you and your committee might wish to consider. I would like to discuss these enclosed recommendations with you and any suggestions or additions you might have to the list. Perhaps we can meet on this at your convenience or simply discuss the matter over the phone. I would then suggest that a meeting of the Bylaws Committee be called, preferably prior to the December 17th Board meeting, thus, if a second Bylaws Committee meeting is required, we will still have time in December to do so.

I know that with the Holidays, this can be a very busy time of the year but I do feel that if we can properly prepare the agenda for the Bylaws Committee, the meeting should run smoothly and possibly complete its business in one meeting.

I will look forward then to hearing from you and working with you and your Committee.

Sincerely,

Johnelle Foley

Johnelle Foley
Executive Assistant
to the Board of Governors

JF/sds
Enc.

UNIVERSITY OF MINNESOTA

Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

November 24, 1975

TO: Ms. Jeanne Givens, Chairperson, Bylaws Committee

FROM: Johnelle Foley, Executive Assistant to the Board of Governors

RE: Recommendations for Ammendments, Corrections, Additions, and Policy Statements relating to the Bylaws of the Board of Governors of University of Minnesota Hospitals

I. Health Sciences Student Representative

Article I - Board of Governors

Section I. Board of Governors

"A Health Sciences student shall be selected by the Board of Regents after reviewing the recommendations of the Board of Governors."

Amended to read:

A Health Sciences student shall be selected through an election process conducted by the Council for Health Interdisciplinary Programs and shall be approved by the Board of Regents.

Policy:

The position of the Health Sciences student representative shall rotate anually through the Schools of the Health Sciences.

II. Number of Board Meetings

Section 3. Meetings and Notice

(a) "Regular meetings. Regular meetings of the Board of Governors may be held at the hospital each month at a time which shall be set and publically announced by the Chairman of the Board of Governors or at such other time or place as may be fixed by the Chairman."

Amended to read:

Regular meetings of the Board of Governors may be held at the hospital and may be held each month but no less than once per quarter....

III. Number of Executive Committee Meetings

Article III - Standing Committees

Part A. Executive Committee

Section 3. Meetings:

"The Executive Committee shall meet at least nine times a year and in the interim as often as necessary when called by the Chairman."

Amended to read:

The Executive Committee shall meet as often as necessary to accomplish its duties as determined by the Chairman of the Board of Governors.

IV. Composition of Joint Conference Committee

Article III - Standing Committees

Part D. Joint Conference and Accreditation Committee

Section I. Composition:

"The Joint Conference and Accreditation Committee shall consist of the following members: the Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, two other members of the Board of Governors, and six members of the Medical Staff three of whom shall be selected by the Medical Staff Hospital Council and three of whom shall be selected by the Council of Chiefs of Clinical Services."

Amended to read:

The Joint Conference and Accreditation Committee shall consist of the following members: the Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, three other members of the Board of Governors, and four members of the Medical Staff two of whom shall be selected by the Medical Staff Hospital Council and two of whom shall be selected by the Council of Chiefs of Clinical Services.

V. Bylaws Committee Duties

Article IV - Special Committees

Part A. Bylaws Committee

Section 2. Duties:

"The committee shall be responsible for an annual review of the hospital and Medical Staff Bylaws and shall make a report of its review with appropriate recommendation to the Board at its annual meeting. In addition, the committee may make such additional periodic reviews and recommendations to the Board of Governors as deemed necessary."

Amended to read:

The Committee shall be responsible for an annual review of the Bylaws of the Board of Governors of University Hospitals and shall.....

VI. Nominating Committee Composition

Article IV - Special Committees

Part B. Nominating Committee

Section 1. Composition:

"The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, the Chairman of the Health Sciences Committee of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors."

Amended to read:

The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services, a representative of the Board of Regents, as well as three additional members of the Board of Governors.

Policy - No members of the Board of Governors shall serve on the Nominating Committee while that committee is considering their term of office.

VII. Mis-Worded Sentence

Article IV - Special Committees

Part B. Nominating Committee

Section 2. Duties:

"The committee shall select a slate of individuals to the proposed members of the Board...."

Amended to read:

The committee shall select a slate of proposed individuals to present the members of the Board.....

VIII. Typographical Error

Article V - Medical Staff

Section 1. (c) third line "within"

IX. Hospital Auxiliary

Amended to read:

Article VI. Hospital Auxiliary

Section 1. Organization:

The Board of Governors shall organize volunteers and grant them privileges to serve the hospital through an auxiliary operating under Bylaws developed by the auxiliary and approved by the Board of Governors.

Section 2. Bylaws:

There shall be By-laws, rules, and regulations, or amendments thereto for the auxiliary that set forth its organization and government. Proposed By-laws, rules and regulations shall be recommended by the auxiliary, subject to the approval of the Board of Governors. The power of the Board of Governors to adopt or amend auxiliary By-laws, rules and regulations shall not be dependent upon ratification by the auxiliary.

Article VII. Ammendments.....

X. Attendance Policy

Policy - When unable to attend a meeting of the Board of Governors, each member must submit an excuse for his or her absence to the Secretary of the Board. A Board member with four or more unexcused absences in one year will be referred to the Nominating Committee when re-appointments are being considered.

JF/sds

Exhibit 3

UNIVERSITY OF MINNESOTA

Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

December 5, 1975

TO: Bylaws Committee, Board of Governors

Mary Jo Anderson
Erwin Schaffer
Donald Hastings
John Westerman
Johnelle Foley, Staff

FROM: Jeanne Givens, Chairperson

The first meeting of the Bylaws Committee will be held on Tuesday, December 16, 1975 at 12:00 in Room 405 of the Campus Club. Lunch will be served.

Committee members are asked to examine the attached list of recommended amendments to the Bylaws as prepared by the Board staff in consultation with myself. These points and any additional considerations concerning the Bylaws will be discussed at this meeting. Should any Bylaws Committee member have any questions or comments pretaining to the attached list prior to the meeting they may be directed to me at 377-4647 or Ms. Foley at 376-3906.

Please notify Ms. Shirley Sudduth at 373-9066 if you are unable to attend this meeting.

JG/sds

Enc.

Recommended Amendments
to the
Bylaws of the Board of Governors
of
University of Minnesota Hospitals and Clinics

I. Health Sciences Student Representative

Article I - Board of Governors

Section I. Board of Governors

"A Health Sciences student shall be selected by the Board of Regents after reviewing the recommendations of the Board of Governors."

Amended to read:

A Health Sciences student shall be selected through an election process conducted by the Council for Health Interdisciplinary ~~Programs~~ Participation and shall be ~~approved~~ subject to approval by the Board of Regents.

Reason for Change: Preferred process as proposed by the Nominating Committee.

Policy: (Proposed by the Nominating Committee)

Policy statements should be considered by the Bylaws Committee but would not become a part of the Bylaws themselves. Policy statements will be contained within a separate policy book.

II. Number of Board Meetings

Section 3. Meetings and Notice

(a) "Regular meetings. Regular meetings of the Board of Governors may be held at the hospital each month at a time which shall be set and publically announced by the Chairman of the Board of Governors ~~or at such other time or place as may be fixed by the Chairman.~~"

Amended to read:

Regular meetings of the Board of Governors may be held ~~at the hospital and may be held~~ each month but no less than once per quarter....

Reason for Change: To allow for more flexibility in the meeting schedule.

III. Number of Executive Committee Meetings

Article III - Standing Committees

Part A. Executive Committee

Section 3. Meetings:

"The Executive Committee shall meet at least nine times a year and in the interim as often as necessary when called by the Chairman."

Amended to read:

The Executive Committee shall meet as often as necessary to accomplish its duties as determined by the Chairman of the Board of Governors.

Reason for Change: Considered to be an unnecessary requirement.

IV. Composition of Joint Conference Committee

Article III - Standing Committees

Part D. Joint Conference and Accreditation Committee

Section I. Composition:

"The Joint Conference and Accreditation Committee shall consist of the following members: the Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, ~~two~~ five other members of the Board of Governors, and six members of the Medical Staff three of whom shall be selected by the Medical Staff Hospital Council and three of whom shall be selected by the Council of Chiefs of Clinical Services."

Amended to read:

The Joint Conference and Accreditation Committee shall consist of the following members: the Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, three other members of the Board of Governors, and four members of the Medical Staff two of whom shall be selected by the Medical Staff Hospital Council and two of whom shall be selected by the Council of Chiefs of Clinical Services.

Reason for Change: JCAH recommendation concerning equal Board and Medical Staff representation on the Joint Conference Committee.

V. Bylaws Committee Duties

Article IV - Special Committees

Part A. Bylaws Committee

Section 2. Duties:

"The committee shall be responsible for an annual review of the hospital and Medical Staff Bylaws and shall make a report of its review with appropriate recommendation to the Board at its annual meeting. In addition, the committee may make such additional periodic review and recommendations to the Board of Governors as deemed necessary."

Amended to read:

The Committee shall be responsible for an annual review of the Bylaws of the Board of Governors of University Hospitals and shall....

Reason for Change:

Medical Staff Bylaws are to be studied by the Medical Staff Bylaws Committee, then referred to the Board for approval through the Joint Conference Committee.

VI. Nominating Committee Composition

Article IV - Special Committees

Part B. Nominating Committee

Section 1. Composition:

"The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, the Chairman of the Health Sciences Committee of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors."

Amended to read:

The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services, a representative of the Board of Regents, as well as three additional members of the Board of Governors.

Reason for Change: The Board of Regents no longer has a Health Sciences Committee.

Policy: (Proposed by the Nominating Committee)

No member of the Board of Governors shall serve on the Nominating Committee while that committee is considering their term of office.

VII. Mis-Worded Sentence

Article IV - Special Committees

Part B. Nominating Committee

Section 2. Duties:

"The committee shall select a slate of individuals to the proposed members of the Board....."

Amended to read:

The committee shall select a slate of proposed individuals and a proposed Chairman and Vice Chairman to be presented to the Board of Governors...

VIII. Typographical Error

Article V - Medical Staff

Section 1. (c) third line "within"

IX. Hospital Auxiliaries

Amended to Read: Article VI - Hospital Auxiliaries

Section 1. Composition

The Board of Governors shall be authorized to designate volunteer activities for the hospital and shall provide for their co-ordination as an integral part of the hospital corporation. These activities may be performed by, but not limited to, the University Hospitals Volunteer Association, the Masonic Memorial Auxiliary, the Women of Variety Tent 12, the Faculty Women's Club - Hospital Auxiliary, and such other support volunteers.

Section 2. Duties

Volunteer activities may include but not be limited to performing patient-related services within or outside of the hospital, conducting fund raising activities, conducting community service projects, entering into contracts as approved by the General Director or his designee, and carrying on other such activities necessary to accomplish their purposes as approved by and co-ordinated through the Office of Volunteer Services.

Article VII - Amendments

Reason for Addition: JCAH recommendation

X. Attendance Policy (Joint Commission recommendation)

Policy - When unable to attend a meeting of the Board of Governors, each member must submit an excuse for his or her absence to the Secretary of the Board. A Board member with four or more unexcused absences in one year will be referred to the Nominating Committee when re-appointments are being considered.

Exhibit 4

Minutes

Bylaws Committee

Board of Governors

University of Minnesota Hospitals and Clinics

December 16, 1975

Present: Jeanne Givens, Chairperson
Donald Hastings, M.D.

Absent: Mary Jo Anderson
Erwin Schaffer, D.D.S.
John Westerman

Staff: John Diehl, Counsel
Johnelle Foley
Shirley Sudduth

The meeting of the Bylaws Committee of the Board of Governors of University of Minnsota Hospitals and Clinics was called to order at 12:05 p.m., by Jeanne Givens, Chairperson.

Ms. Givens commenced the meeting by commenting that all committee members had received copies of the recommended changes to the Bylaws and that only a minor correction had been received from one Committee member not in attendance. The Bylaws Committee then began its discussion of those recommended changes which had been prepared for the Committee's consideration by Staff.

I. Health Sciences Student Representative

On a motion by Dr. Hastings, seconded, and approved, the following amendment was accepted by the Bylaws Committee:

Article I - Board of Governors

Section 1. Board of Governors

" A Health Sciences student shall be selected ~~by the Board of Regents after reviewing the recommendations of the Board of Governors~~ through an election process conducted by the Council for Health Interdisciplinary Participation and shall be approved by the Board of Regents."

It was noted that the Nominating Committee found this process to be the preferred manner for selection of a student representative to the Board. The Bylaws Committee further approved the following policy statement as proposed by the Nominating Committee:

"The position of the Health Sciences student representative shall rotate annually through the Schools of the Health Sciences."

II. Number of Board Meetings

To allow for more flexibility in the Board meeting schedule, it was moved, seconded, and passed that Article I, Section 3., Item (a) Regular Meetings be amended to read as follows:

"Regular meetings of the Board of Governors may be held ~~at the hospital~~ each month but no less than once per quarter at a time and place which shall be set and publically announced by the Chairman of the Board of Governors ~~or at such other time or place as may be fixed by the Chairman~~."

III. Special Meetings

Dr. Hastings suggested that the Bylaws Committee consider elements of Article 1, Section 3., Item (b) Special Meetings. Following discussion of this section, the Bylaws Committee approved the following amendment referring to Special Meetings:

> "Special meetings may be called by the Chairman at his own discretion or shall be called at the request of five (5) members of the Board at such time and place as he may determine, provided that notice thereof be given ~~not more than five (5) days and~~ not less than one (1) day prior to the meeting of the time and place and purpose of same. ~~Any notice may be sufficiently given hereunder by postcard sent by regular mail to members.~~ Notice hereunder may be by actual notice by telephone to all Board members or in the absence of such notice, by written notice by regular mail to all members."

IV. Number of Executive Committee Meetings

Dr. Hastings moved that there be no specifications as to the number of Executive Committee meetings. His motion was seconded and passed to read as follows:

> Article III - Standing Committees
>
> Part A. Executive Committee
>
> Section 3. Meetings
>
> "The Executive Committee shall meet ~~at least nine times a year and in the interim as often as necessary when called~~ as often as necessary to accomplish its duties as determined by the Chairman."

V. Composition of the Joint Conference and Accreditation Committee

Because of a recommendation by the Joint Commission for the Accreditation of Hospitals suggesting that there should be equal Medical Staff and Board representation on the Joint Conference Committee, the Bylaws Committee discussed this issue. Ms. Givens requested that Staff further investigate the composition of the Joint Conference Committee and provide the Bylaws Committee with a recommendation which would allow for flexibility in Joint Conference Committee size and equalization in representation.

It was further noted by the Bylaws Committee that there existed no provision within the Bylaws for specifying the lengths of terms which individuals could serve on the various committees. It was suggested that Staff make a recommendation concerning this issue and include it in the draft of the report which will be submitted to the Board of Governors following Bylaws Committee approval. Ms. Givens and Dr. Hastings suggested that the recommendation allow for the continuity of committee assignments as well as their orderly rotation.

VI. Bylaws Committee Duties

Because there is a seperate committee of the Medical Staff for the purpose of reviewing Medical Staff Bylaws, the following amendment was approved by the Bylaws Committee of the Board of Governors:

Article IV - Special Committees

Part A. Bylaws Committee

Section 2. Duties

"The committee shall be responsible for an annual review of the ~~hospital-and-Medical-Staff-Bylaws~~ Bylaws of the Board of Governors of University Hospitals and shall...."

VII. Nominating Committee Composition

It was pointed out to the Bylaws Committee that the Board of Regents no longer has a Health Sciences Committee and thus, the wording regarding the composition of the Nominating Committee should be reworked. On a motion by Dr. Hastings, seconded by Ms. Givens and passed, the following amendment was approved:

Article IV - Special Committees

Part B. Nominating Committee

Section 1. Composition

"The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, ~~the-Chairman of-the-Health-Sciences-Committee-of-the-Board-of-Regents~~ a representative of the Board of Regents, the Chief of Staff, the..."

Also with respect to the composition of the Nominating Committee, the Bylaws Committee approved the following proposed policy statement of the Nominating Committee:

"No member of the Board of Governors shall serve on the Nominating Committee while that committee is considering their term of office."

VIII. Misworded Sentence and Typographical Error

Ms. Givens moved that the following two correction be approved by the Committee. Her motion was seconded and passed and the corrections were amended as follows:

Article IV - Special Committees

Part B. Nominating Committee

Section 2. Duties

"The committee shall select a slate of ~~individuals-to-the-proposed-members-of-the-Board~~ proposed individuals and a

proposed Chairman and Vice Chairman to be presented to the Board of Governors..."

Article V - Medical Staff

Section 1. (c) third line...~~iwthin~~ within..."

IX. Hospital Auxiliaries

The Bylaws Committee discussed the fact that the Joint Commission on the Accreditation of Hospitals had suggested mention of the hospitals' auxiliaries within the Board Bylaws. Because of the uniqueness of the University Hospitals situation, in that it has a number of volunteer organization, the Bylaws Committee approved Staff's recommendation concerning this matter as follows:

~~Article VI---Amendments~~

Article VI - Hospital Auxiliaries

Section 1. Composition

The Board of Governors shall be authorized to designate volunteer activities for the hospital and shall provide for their co-ordination as an integral part of the hospital corporation. These activities may be preformed by, but not limited to, the University Hospitals Volunteer Association, the Masonic Memorial Auxiliary, the Women of Variety Tent 12, the Faculty Women's Club-Hospital Auxiliary, and such other support volunteers.

Section 2. Duties

Volunteer activities may include but not be limited to performing patient-related services within or outside of the hospital, conducting fund raising activities, conducting community service projects, entering into contracts as approved by the General Director or his designee, and carrying on other such activities

necessary to accomplish their purposes as approved by and co-ordinated through the Office of Volunteer Services.

Article VII. - Amendments

In response to a question by Dr. Hastings, Ms. Foley commented that this recommendation had been discussed with the Volunteer Service Department and the responsible administrator and was found by them to be appropriate.

X. Attendance Policy

Dr. Hastings moved that the following policy statement be approved by the Bylaws Committee in response to a recommendation by the Joint Commission:

> " A Board member with four or more unexcused absences in one year will be reported to the Nominating Committee when reappointements are being considered. When unable to attend a meeting of the Board of Governors, each member is requested to submit an excuse for his or her absence to the Secretary of the Board."

The motion was seconded and passed.

XI. Bylaws Committee Report to the Board

Ms. Givens explained that a draft of the report to be submitted to the Board of Governors for their approval will be prepared by Staff and distributed to the Bylaws Committee members. She mentioned that the report will include the recommended amendments discussed at this meeting and requested Staff recommendations. Members of the Bylaws Committee will then be asked to comment on the draft by a certain date. The Bylaws Committee will not meet again unless comments on the draft demand another meeting. Once appropriately finalized, the report of recommended amendments and additions to the Bylaws will be

submitted to the Board of Governors at their annual meeting in January, for their acceptance.

The meeting of the Bylaws Committee was adjourned by Ms. Givens, Chairperson at 1:30 p.m.

Respectfully submitted,

Johnelle Foley
Secretary

Exhibit 5

UNIVERSITY OF MINNESOTA

Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

December 23, 1975

TO: Members of the Bylaws Committee

FROM: Johnelle Foley, Executive Assistant to the Board of Governors

RE: Bylaws Committee Report

Attached is a draft of the Bylaws Committee Annual Report to the Board of Governors. The contents of this report are based on actions by the Bylaws Committee at their December 16th meeting and Board staff recommendations. In reference to action taken by the Bylaws Committee concerning the selection of the Health Sciences student representative, Staff recommends that the Committee reconsider its decision to amend the Bylaws and suggests the process be noted as a policy statement. Further consideration of this matter revealed undue restrictions which such an amendment might make.

At the request of Jeanne Givens, Bylaws Committee Chairperson, each member of the Bylaws Committee is asked to review this draft and submit their comments to Ms. Givens at 377-4647 or to myself, Johnelle Foley, at 373-9066 by Friday January 9, 1976.

The finalized report will then be submitted to the Board of Governors prior to the January Board meeting for discussion and acceptance at that meeting.

JF/sds

Enclosure

Recommended Amendments

to the

Bylaws of the Board of Governors

of

University of Minnesota Hospitals and Clinics

Recommended Policy Statements

of the

Board of Governors

As Prepared and Approved by
The Bylaws Committee
of
The Board of Governors

Submitted to the Board of Governors

January, 1976

Minneapolis, Minnesota

AMENDMENTS

I. Number of Board Meetings

Reason for Change: To allow for more flexibility in the meeting schedule..

Article I - Board of Governors

Section 3. Meetings and Notice

(a) Regular Meetings.

Regular meetings of the Board of Governors may be held ~~at the hospital~~ each month but no less than once per quarter at a time and place which shall be set and publically announced by the Chairman of the Board of Governors ~~or at such other time or place as may be fixed by the Chairman.~~

II. Notification of Special Meetings

Reason for Change: To assure sufficient and appropriate notification of Special Meetings.

Article I - Board of Governors

Section 3. Meetings and Notice

(b) Special Meetings

Special meetings may be called by the Chairman at his own discretion or shall be called at the request of five (5) members of the Board at such time and place as he may determine, provided that notice thereof be given ~~not more than five (5) days~~ and not less than one (1) day prior to the meeting of the time and place and purpose of same. ~~Any notice may be sufficiently given hereunder by postcard sent by regular mail to members.~~ Notice hereunder may be by actual notice by telephone to all Board members or in the absence of such notice, by written notice by regular mail to all members.

III. Number of Executive Committee Meetings

Reason for Change: Lack of necessity for specifying the number of meetings which the Executive Committee must hold.

Article III - Standing Committees

Part A. Executive Committee

Section 3. Meetings

The Executive Committee shall meet ~~at least nine times a year and in the interim as often as neeessary when called~~ as often as necessary to accomplish its duties as determined by the Chairman.

IV. Compositon of the Joint Conference and Accreditation Committee

Reason for Change: Joint Commission on Accreditation of Hospitals recommendation concerning equal Board and Medical Staff representation on the Joint Conference Committee.

Article III - Standing Committees

Part D. Joint Conference and Accreditation Committee

Section 1. Composition:

The Joint Conference and Accreditation Committee shall ~~consist of the following members~~: be made up of equal numbers of Lay Board and Medical Staff representatives and shall be composed as follows: The Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, at least ~~two~~ three other members of the Board of Governors, and at least ~~six~~ four members of the Medical Staff ~~three of whom shall be selected by the Medical Staff Hospital Council and three of whom shall be selected by the Council of Chief of Clinical Services~~ with equal numbers selected by the Medical Staff-Hospital

Council and the Council of Chiefs of Clinical Services.

V. Duties of the Bylaws Committee

Reason for Change: The Medical Staff has a Bylaws Committee to review Medical Staff Bylaws which are then referred to the Board of Governors for their approval through the Joint Conference Committee.

Article IV - Special Committees

Part A. Bylaws Committee

Section 2. Duties:

The committee shall be responsible for an annual review of the ~~hospital-and-Medical-Staff-Bylaws-~~ Bylaws of the Board of Governors of University Hospitals and shall make a report of its review with appropriate recommendation to the Board at its annual meeting.

VI. Composition of Nominating Committee

Reasons for Change: The Board of Regents no longer has a Health Sciences Committee.

Article IV - Special Committees

Part B. Nominating Committee

Section 1. Composition:

The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, ~~the~~

~~Chairman-of-the-Health-Sciences-Committee-of-the Board-of-Regents~~ a representative of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors.

VII. Typographical Errors

Article IV - Special Committees

Part B. Nominating Committee

Section 2. Duties:

The committee shall select a slate of ~~individuals to the proposed members of the Board~~ proposed individuals and a proposed Chairman and Vice Chairman to be presented to the Board of Governors for their recommendation, to the Vice President for Health Sciences for his approval and thence through normal channels for Board of Regents action.

Article V. - Medical Staff

Section 1. (c) third line ....~~iwthin~~ within...

VIII. Recognition of Hospital Auxiliaries

Reason for Addition: Joint Commission on the Accreditation of Hospitals recommendation.

Article VI. - ~~Amendments~~ Hospital Auxiliaries

Section 1. Composition:

The Board of Governors shall be authorized to designate Volunteer activities for the hospital and shall provide for their co-ordination as an integral part of the hospital corporation. These activities may be performed by, but not limited to, the University Hospitals Volunteer Association, the Masonic Memorial Auxiliary, the Women of Variety Tent #12, the Faculty Women's Club - Hospital Auxiliary, and such other support volunteers as the Board may from time to time recognize.

Section 2. Duties:

Volunteer activities may include but not be limited to performing patient-related services within or outside of the hospital, conducting fund raising activities, conducting community service projects, entering into contracts as approved by the General Director or his designee, and carrying on other such activities necessary to accomplish their purposes as approved by and co-ordinated through the Office of Volunteer Services.

Article VII. - Amendments

Policy Statements

The following Statements of Policy were considered and approved by the Bylaws Committee of the Board of Governors of University of Minnesota Hospitals and Clinics to be contained and appropriately categorized within a Policy Book of the Board of Governors, separate and apart from the Board Bylaws.

Policy Statement Number 1.

(Proposed by the Nominating and Bylaws Committees of the Board of Governors)

- The position of the Health Sciences student representative is suggested to rotate annually through the Schools of the Health Sciences. Presently, it is understood that the mechanism for selection of the student nominee to the Board of Regents shall be the responsibility of the Council for Health Interdisciplinary Participation as designated by the Office of the Vice President for Health Sciences.

Policy Statement Number 2.

(Proposed by the Nominating Committee of the Board of Governors)

- No member of the Board of Governors shall serve on the Nominating Committee while that Committee is considering that member's term of office on the Board.

Policy Statement Number 3.

(Recommendation of the Joint Commission on the Accreditation of Hospitals)

- The attendance records of all members of the Board of Governors for both committee and Board meetings shall be reviewed by the Nominating Committee on an annual basis.

Policy Statement Number 4.

(Proposed by the Bylaws Committee of the Board of Governors)

- All Board member and Medical Staff appointments to the Committees of the Board of Governors, other than appointments by virtue of title or position, shall be appointed to one year terms or to fill an unexpired portion thereof and shall not exceed more than five successive terms.

Exhibit 6

UNIVERSITY OF MINNESOTA

Hospitals and Clinics
Board of Governors
Box 502
Minneapolis, Minnesota 55455

February 23, 1976

Lyle A. French, M.D.
Vice President for Health Sciences
Box 501
University of Minnesota Hospitals
Minneapolis, Minnesota 55455

Dear Dr. French:

Enclosed you will find a report from the Bylaws Committee of the Board of Governors. The report contains a listing of proposed amendments to our Bylaws which were found to be necessary after one year's experience. Included with each amendment is a statement of the reasoning for the particular change. Both Mr. John Horty, the Legal Counsel who participated in the development of the Bylaws, and Mr. John Diehl, the newly appointed Corporate Counsel for University Hospitals, have examined these amendments and found them to be in order.

On Wednesday, February 18, 1976, the Board of Governors accepted the Bylaws Committee's Report of Amendments and recommended their approval by the Board of Regents. I am, therefore, submitting this report to you for forwarding to the Board of Regent's should you find the amendments to be appropriate.

Sincerely,

Harry E. Atwood
Chairman
Board of Governors

HEA/sds

Enclosure

Amendments to the Bylaws

of

The Board of Governors

of

University of Minnesota Hospitals and Clinics

As Prepared by

The Bylaws Committee of the Board

and

Accepted by

The Board of Governors

February 18, 1976

Minneapolis, Minnesota

AMENDMENTS

I. Number of Board Meetings

Reason for Change: To allow for more flexibility in the meeting schedule.

Article I - Board of Governors

Section 3. Meetings and Notice

(a) Regular Meetings.

Regular meetings of the Board of Governors may be held ~~at the hospital~~ each month but no less than once per quarter at a time and place which shall be set and publically announced by the Chairman of the Board of Governors ~~or at such other time or place as may be fixed by the Chairman.~~

II. Notification of Special Meetings

Reason for Change: To assure sufficient and appropriate notification of Special Meetings.

Article I - Board of Governors

Section 3. Meetings and Notice

(b) Special Meetings

Special meetings may be called by the Chairman at his own discretion or shall be called at the request of five (5) members of the Board at such time and place as he may determine, provided that notice thereof be given ~~not more than five (5) days~~ and not less than one (1) day prior to the meeting of the time and place and purpose of same. ~~Any notice may be sufficiently given hereunder by postcard sent by regular mail to members.~~ Notice hereunder may be by actual notice by telephone to all Board members or in the absence of such notice, by written notice by regular mail to all members.

III. Number of Executive Committee Meetings

Reason for Change: Lack of necessity for specifying the number of meetings which the Executive Committee must hold.

Article III - Standing Committees

Part A. Executive Committee

Section 3. Meetings

The Executive Committee shall meet ~~at least nine times a year and in the interim as often as necessary when called~~ as often as necessary to accomplish its duties as determined by the Chairman.

IV. Compositon of the Joint Conference and Accreditation Committee

Reason for Change: Joint Commission on Accreditation of Hospitals recommendation concerning equal Board and Medical Staff representation on the Joint Conference Committee.

Article III - Standing Committees

Part D. Joint Conference and Accreditation Committee

Section 1. Composition:

The Joint Conference and Accreditation Committee shall ~~consist of the following members~~: be made up of equal numbers of Lay Board and Medical Staff representatives and shall be composed as follows: The Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, at least ~~two~~ three other members of the Board of Governors, and at least ~~six~~ four members of the Medical Staff ~~three of whom shall be selected by the Medical Staff Hospital Council and three of whom shall be selected by the Council of Chief of Clinical Services~~ with equal numbers selected by the Medical Staff-Hospital

Council and the Council of Chiefs of Clinical Services.

V. Duties of the Bylaws Committee

Reason for Change: The Medical Staff has a Bylaws Committee to review Medical Staff Bylaws which are then referred to the Board of Governors for their approval through the Joint Conference Committee.

Article IV - Special Committees

Part A. Bylaws Committee

Section 2. Duties:

The committee shall be responsible for an annual review of the ~~hospital-and-Medical-Staff-Bylaws-~~ Bylaws of the Board of Governors of University Hospitals and shall make a report of its review with appropriate recommendation to the Board at its annual meeting.

VI. Composition of Nominating Committee

Reasons for Change: The Board of Regents no longer has a Health Sciences Committee.

Article IV - Special Committees

Part B. Nominating Committee

Section 1. Composition:

The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, ~~the~~

~~Chairman-of-the-Health-Sciences-Committee-of-the Board-of-Regents~~ a representative of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors.

VII. Typographical Errors

Article IV - Special Committees

Part B. Nominating Committee

Section 2. Duties:

The committee shall select a slate of ~~individuals to the proposed members of the Board~~ proposed individuals and a proposed Chairman and Vice Chairman to be presented to the Board of Governors for their recommendation, to the Vice President for Health Sciences for his approval and thence through normal channels for Board of Regents action.

Article V. - Medical Staff

Section 1. (c) third line ...~~iwthin~~ within...

VIII. Medical Staff Membership and Privileges

Reason for Change: Recommendation of the Joint Commission on Accreditation of Hospitals to assure reveiw by a joint committee of the Medical staff and governing body.

Article V - Medical Staff

Section 4. Procedures for Board Actions Pretaining to Medical Staff Members or Applicants for Membership:

"(C) Whenever the Board of Governors determines on its own motion and without prior Joint Conference Committee action to decrease the clinical privileges of a member of the Medical Staff or revoke his staff membership, the Board shall refer such determination to the Joint Conference Committee for its consideration and recommendation. Whenever the Board of Governors determines to reject a recommendation of the Joint Conference Committee favorable to an applicant for staff memberhsip, either with respect to membership or to clinical privileges, or determines to reject a recommendation of the Joint Conference Committee favorable to a Medical Staff member with respect to reappointment, promotion in staff category or increase in clinical privileges, ~~or whenever the Board of Governors determines on its own motion and without prior Joint Conference Committee action to decrease the clinical privileges of a member of the Medical Staff or revoke his staff membership,~~ before taking final action the Board shall notify the applicant or Medical Staff member in writing, sent by certified mail or registered mail, return receipt requested, of this decision of the Board..."

IX. Recognition of Hospital Auxiliaries

Reason for Addition: Joint Commission on the Accreditiation of Hospitals recommendation.

Article VI. ~~Amendments~~ Hospital Auxiliaries

Section 1. Composition:

The Board of Governors shall be authorized to designate Volunteer activities for the hospital and shall provide for their co-ordination as an integral part of the hospital corporation. These activities may be performed by, but not limited to, the University Hospitals Volunteer Association, the Masonic Memorial Auxiliary, the Women of Variety Tent #12, the Faculty Women's Club - Hospital Auxiliary, and such other support volunteers as the Board may from time to time recognize.

Section 2., Duties:

Volunteer activities may include but not be limited to performing patient-related services within or outside of the hospital, conducting fund raising activities, conducting community service projects, entering into contracts as approved by the General Director or his designee, and carrying on other such activities necessary to accomplish their purposes as approved by and co-ordinated through the Office of Volunteer Services.

Article VII - Amendments

UNIVERSITY OF MINNESOTA

Office of the University Attorney
Hospitals and Clinics
Box 607
Minneapolis, Minnesota 55455

March 18, 1976

To: Mr. Harry Atwood, Chairman
Board of Governors

Mr. Albert Hanser, Vice Chairman
Board of Governors

Mr. R. Joel Tierney
University Attorney

From: John E. Diehl, Attorney
University Hospitals and Clinics

Subject: Amendments to Bylaws

The Hospital bylaws amendments, approved by the Board of Governors in its February meeting, are apparently going to be presented for Regents' approval in the near future. This is to review those amendments for you so that you can respond to questions about the proposed changes.

Some changes were originally proposed by the Joint Commission on Accreditation of Hospitals (J.C.A.H.), and I will address all of the changes in light of the J.C.A.H. standards.

I have also considered the changes in light of the authority delegated to the Board by the Regents in their resolution July 12, 1974. In this regard, you will note that the Regents specifically retained final authority in certain areas, primarily those relating to the Hospitals' mission and financial operations, and specifically delegated certain other matters. The delegated matters deal with standards of patient care, medical staff activities, compliance with J.C.A.H. standards, and, implicitly, the authority over the Board's own activities necessary to carry out its delegated responsibilities. My analysis indicates that the changes either go directly to the maintenance of the J.C.A.H. standards or to the implicit management prerogatives that are vested in the Board, and, therefore, that there are no proposals which would violate the original relationship as articulated in the Regents' resolution. Since the University was established by Territorial Laws and is perpetuated by the Constitution of the State of Minnesota, Article 8, Section 3, and is not a Corporation in the usual sense, the state statute on corporate articles and bylaws are applicable only by analogy and really do not assist in this particular analysis.

Amendment to Article I, Section 3 (a)

"(a) Regular Meetings. Regular meetings of the Board of Governors may be held ~~at the hospital~~ each month but no less than once per quarter at a time and place which shall be set and publicly announced by the Chairman of the Board of Governors ~~or at such either time or place as may be fixed by the Chairman.~~"
As amended , 1976.

This amendment is primarily for clarification although, if adopted, it would make one substantive change. The present bylaw "suggests" monthly meetings held at the hospital, but actually gives the Chairman of the Board the discretion to call meetings at whatever time or place he deems appropriate. The clarification is effected by being more straightforward in vesting the Chairman with this discretion. The substantive change is to limit that discretion somewhat in that, under the new bylaw, the Chairman must assure at least one meeting each quarter. The "suggestion" of monthly meetings is still retained.

While this was raised originally by the Board Bylaws Committee, and was not mentioned by the J.C.A.H., it is in keeping with J.C.A.H. Governing Body and Management Standard III, which provides:

> "The governing body....shall adopt a schedule of meetings, attendance requirements and methods of recording minutes of governing body proceedings."

This is interpretted by the J.C.A.H. to require that general meetings of the governing body should be held frequently enough to ensure that its members are actively participating in the affairs of the hospital. To the extent that this change would have a practical impact it will facilitate compliance with this standard.

Amendment to Article I, Section 3 (b)

"(b) Special Meetings. Special meetings may be called by the Chairman at his own discretion or shall be called at the request of five (5) members of the Board at such time and place as he may determine, provided that notice thereof be given ~~not more than five (5) days and~~ not less than one (1) day prior to the meeting of the time and place and purpose of same. ~~Any notice may be sufficiently given hereunder by postcard sent by regular mail to members.~~ Notice hereunder may be by actual notice by telephone to all Board members or in the absence of such notice, by written notice by regular mail to all members."
As amended , 1976.

This amendment was also initiated by the Committee and would operate to make it easier to call a special meeting by making the form of notice more flexible.

The rationale is that if a special meeting is necessary it might be desirable to be able to meet on very short notice. This proposal allows this, while providing the safeguard of requiring actual notice to all board members before a meeting can properly be called without mailed notice. Under the present provision there

could be one day mailed notice, which may not effect notice for some Board members.

This is consistent with the J.C.A.H. standard discussed above relative to Article I, Section 3 (a).

Amendment to Article III, Part A, Section 3

"Section 3. Meetings. The Executive Committee shall meet ~~at least nine times a year and in the interim as often as necessary when called~~ as often as necessary to accomplish its duties as determined by the chairman. The Secretary shall keep accurate minutes of the Executive Committee meetings and actions which shall be presented to the Board of Governors for such action as they may desire to take in connection therewith." As amended , 1976.

In view of the fact that the Board meets monthly and the various committees work diligently in their respective areas, the Executive Committee device has not been a necessary management tool. Accordingly, it is not consistent with actual operations to require the Executive Committee to meet nine times a year, and this proposal would delete that requirement.

The J.C.A.H. Governing Body and Management Standard III, discussed above, provides in relevant part:

> "The governing body shall provide for the election of its officers and for the appointment of committees as necessary..."

This is interpretted to require an executive committee empowered to act between Board meetings to assure continuity of governing body control. It is apparent that these objectives are met and the deletion of the minimum number of meetings should not present any deviation from J.C.A.H. standards.

Amendment to Article III, Part D, Section 1

"Section 1. Composition: The Joint Conference and Accreditation Committee shall ~~consist of the following members:~~ be made up of equal numbers of Lay Board and Medical Staff representatives and shall be composed as follows: The Vice Chairman of the Board of Governors, who shall be chairman of this committee, the General Director, the Chief of Staff, at least ~~two~~ three other members of the Board of Governors, and at least ~~six~~ four members of the Medical Staff ~~three of whom shall be selected by the Medical Staff Hospital Council and three of whom shall be selected by the Council of Clinical Services~~ with equal numbers selected by the Medical Staff-Hospital Council and Council of Chiefs of Clinical Services." As amended , 1976.

This amendment is one that was recommended by the J.C.A.H. Their recommendation, which has the effect of increasing the relative number of laymen on the Committee, is, once again, related to J.C.A.H. Governing Body and Management Standard III.

This suggestion is based on the following J.C.A.H. interpretation:

> "A committee should be established to serve as a formal means of medico-administrative liaison among the governing body, the administration and the medical staff. This committee

should include an equal number of representatives from the executive committee of each group. The chief executive officer should be a member of the committee. Through such representation the committee can participate more effectively in the development of hospital policy.

The purposes of this committee should be: to keep the governing body, medical staff and administration cognizant of pertinent actions taken, or contemplated; to consider plans for the future growth of, and change in, the hospital organization and to discuss problems that arise in the operation of the hospital. The committee should meet as frequently as is necessary, but at least quarterly. Minutes should be recorded and sent to the governing body and to the medical staff."

The proposed bylaw will meet the criteria and perform the functions contemplated in this interpretation.

Amendment to Article IV, Part A, Section 2
(Bylaws Committee)

"Section 2. Duties. The committee shall be responsible for an annual review of the ~~hospital and Medical Staff~~ Bylaws of the Board of Governors of University Hospitals and shall make a report of its review with appropriate recommendation to the Board at its annual meeting. In addition, the committee may make such additional periodic reviews and recommendations to the Board of Governors as deemed necessary." As amended , 1976.

The committee recommended this change in this bylaw on the basis that the Board Bylaws Committee could not initiate changes in the medical staff bylaws. Therefore, it was proposed that the duties of the Bylaws Committee be changed so as to limit review to the hospital bylaws, and this amendment would accomplish that objective.

As a practical matter, the Board of Governors could communicate any concern it may have over medical staff organization and operation to the medical staff either informally, through the Joint Conference Committee, or through a formal resolution.

Hospital Bylaws Article III, Part D, Section 2 (e) gives the Joint Conference Committee "jurisdiction" over recommendations to the Board of Governors on medical staff bylaws changes. At the same time the Medical Staff Bylaws, Article VI, Part O, establishes a medical staff bylaws committee which is obliged to assure that the medical staff bylaws are "kept current". Under Article X of the Medical Staff Bylaws, all proposed amendments to the Medical Staff Bylaws must be referred to the Bylaws Committee, and it must make its recommendations to the Medical Staff Hospital Council and the Council of Clinical Chiefs. Changes approved by both bodies then are referred to the Joint Conference Committee under Hospital Bylaws Article V, Part D, Section 2, and then to the Board for final approval.

In summary, mechanisms exist in other provisions of the Hospital Bylaws and the Medical Staff Bylaws to review the Medical Staff Bylaws and effect changes in them, and the Board of Governors' Bylaws Committee, therefore, need not have a mandate for annual review of the Medical Staff Bylaws. Hospital Bylaws Article IV, Part A, Section 2, in the last sentence, still allows the Bylaws Committee to undertake other reviews it deems necessary, and presumably this would allow a review of Medical Staff Bylaws if problems were perceived. (That Committee would then make recommendations to the Board, which could proceed as indicated above).

Amendment to Article IV, Part B, Section 1

"Section 1. Composition. The Nominating Committee shall consist of the Chairman of the Board of Governors, the General Director, ~~the Chairman of the Health Sciences Committee of the Board of Regents,~~ a representative of the Board of Regents, the Chief of Staff, the Chairman of the Council of Chiefs of Clinical Services as well as three additional members of the Board of Governors." As amended , 1976.

This amendment presents merely technical changes and is appropriate.

Amendment to Article IV, Part B, Section 2

"Section 2. Duties. The committee shall select a slate of ~~individuals to the proposed members of the Board~~ proposed individuals and a proposed Chairman and Vice Chairman to be presented to the Board of Governors for their recommendation, to the Vice President for Health Sciences for his approval and thence through normal channels for Board of Regents action." As amended , 1976.

This amendment presents merely technical changes and is appropriate.

Amendment to Article V, Section 1 (c)

"(c) To adequately represent the physicians and dentists of University Hospitals of the University of Minnesota and to provide a means whereby issues concerning the Medical Staff and the hospital may be discussed both ~~iwthin~~ within the Medical Staff organization and with the Board of Governors and the General Director." As amended , 1976.

This amendment presents merely technical changes and is appropriate.

Amendment to Article V, Section 4 (c)

The J.C.A.H. has recommended a further bylaw change to assure Joint Conference

Committee review of any Board action affecting staff privileges. This recommendation is based on J.C.A.H. Governing Body and Management Standard VIII, which requires that the governing body delegate professional evaluation to the medical staff, subject to final authority in the Board. Accordingly, the following change is recommended:

"(c) Whenever the Board of Governors determines on its own motion and without prior Joint Conference Committee action to decrease the clinical privileges of a member of the Medical Staff or revoke his staff membership, the Board shall refer such determination to the Joint Conference Committee for its consideration and recommendation. Whenever the Board of Governors determines to reject a recommendation of the Joint Conference Committee favorable to an applicant for staff membership, either with respect to membership or to clinical privileges, or determines to reject a recommendation of the Joint Conference Committee favorable to a Medical Staff member with respect to reappointment, promotion in staff category or increase in clinical privileges, ~~or whenever the Board of Governors determines on its own motion and without prior Joint Conference Committee action to decrease the clinical privileges of a member of the Medical Staff or revoke his staff membership~~, before taking final action the Board shall notify the applicant or Medical Staff member in writing, sent by certified mail or registered mail, return receipt requested, of this decision of the Board. Such applicant or staff member shall have 10 days following the date of receipt of such notice within which to request a hearing by the Hearing Committee to be appointed by the Board. Request for a hearing shall be by notice to the General Director in writing, sent by certified or registered mail, return receipt requested. In the event the applicant or Medical Staff member does not request a hearing within the time and in the manner required, he shall be deemed to have accepted the action involved and it shall become effective immediately. If a hearing is requested it shall be conducted under the procedures set forth in Article VII of the Medical Staff Bylaws, with the following exceptions: (a) the members of the Hearing Committee shall be appointed by the Board of Governors and, (b) at the conclusion of the hearing, the committee's decision and report shall be sent directly to the Board for action. Thereafter, the applicant or staff member or the Credentials Committee of the Medical Staff shall have the right to an appeal to the Board of Governors which shall be conducted under the procedures set forth in Article VII, Part D, of the Medical Staff Bylaws."
As amended , 1976.

This not only complies in greater detail with the J.C.A.H. Standards, it assures that a staff member would not be denied due process in any action dealing with privileges. This, in turn, protects decisions in these matters from successful judicial challenges.

Amendment Adding Bylaw on Auxiliaries

"Section 1. Composition: The Board of Governors shall be authorized to designate Volunteer activities for the hospital and shall provide for their co-ordination as an integral part of the hospital corporation. These activities may be performed by, but not limited to, the University Hospitals Volunteer Association, the Masonic Memorial Auxiliary, the Women of Variety Tent #12, the Faculty Women's Club - Hospital Auxiliary, and such other support volunteers as the Board may from time to time recognize." As amended , 1976.

"Section 2. Duties: Volunteer activities may include but not be limited to performing patient-related services within or outside of the hospital, conducting fund raising activities, conducting community service projects, entering into contracts as approved by the General Director or his designee, and carrying on other such activities necessary to accomplish their purposes as approved by and co-ordinated through the Office of Volunteer Services." As amended , 1976.

The most extensive change recommended by the Committee is the addition of a new provision relating to auxiliaries (and renumbering the Article on amendments). This is another change recommended by the J.C.A.H. Specifically, the J.C.A.H. letter relating to the October, 1975 survey advises:

> "The governing body must make provision for the establishment of any auxiliary organizations, and must also approve the auxiliary bylaws."

This is based on J.C.A.H. Governing Body and Management Standard I, which requires the adoption of bylaws and which has been interpretted as follows:

> "When the governing body makes provision for the establishment of auxiliary organizations, it shall also approve the bylaws that delineate the purpose and function of such organizations."

There may be some question regarding an auxiliary's authority under proposed Article VI, Section 2, to enter contracts. In this connection it should be noted that the principal activity of this kind relates to the auxiliaries' operation of the gift shop, and that the auxiliaries already enter contracts for goods, etc. Therefore, the practical effect of this bylaw provision is to create accountability and insert management control in an existing activity where there has been no such safeguards.

JED:dl

cc: Ms. Jeanne Givens
Ms. Johnelle Foley
Dr. Lyle A. French