Minutes
Board of Governors
University of Minnesota Hospitals and Clinics
December 17, 1975

Members Present: Mr. Harry Atwood, Chairman
Mr. Albert Hanser
Ms. Mary Jo Anderson
Ms. Judy Brandenburg
Mr. Orville Evenson
Ms. Jeanne Givens
Dr. Donald Hastings
Mr. Stanley Holmquist
Ms. Mary Lebedoff
Ms. Marie Manthey
Dr. Michael Paparella
Ms. Sally Pillsbury
Mr. John Quistgard
Dr. John Tiede
Ms. Timothy Vann
Mr. John Westerman
Dr. Paul Winchell

Members Absent: Mr. Charles Deegan
Mr. Ruben Ruiz
Dr. Erwin Schafer
Mr. Donald Shank

The meeting of the Board of Governors of University of Minnesota Hospitals and Clinics, was called to order by Chairman Atwood at 2:20 p.m., in Room 555 of Diehl Hall.

I. Minutes of the November 19, 1975 Meeting - Mr. Atwood

Mr. Quistgard moved that the minutes of the last meeting be approved. Ms. Brandenburg seconded the motion and it was passed.

II. Announcements

Mr. Atwood introduced Ms. Debbie Gruye from Bigelow, Minnesota to the Board. Ms. Gruy will be beginning her term of office with the Board of Governors in January of 1976.

Mr. Joel Tierney, of the University's Attorney's Office, introduced Mr. John Diehl to the Board. Mr. Diehl will be serving as an Assistant University Attorney and as Counsel to University Hospitals and Clinics. Each Board member was provided with a brief resume of Mr. Diehl's previous involvement.
Mr. Atwood mentioned that there would be a Holiday Gathering for the Board of Governors at the Campus Club following the meeting.

III. Orientation to the Volunteer Services Department - Lynn Abrahamsen, Co-ordinator, Volunteer Services

Ms. Foley introduced Ms. Lynn Abrahamsen who described for the Board the duties of the Office of Volunteer Services. She explained that the office coordinated the activities of approximately 300 volunteers and four auxiliaries. She mentioned that the department consisted of herself as Co-ordinator, a secretary, and a gift shop manager. In describing the types of activities in which volunteers become involved at University Hospitals, Ms. Abrahamsen cited the patient library, the shopping cart, the gift shop, and the surgery lounge hostesses. She added that training was provided for volunteers who became involved in patient recreation, the patient representative program, family counseling, and children waiting areas.

Ms. Abrahamsen defined volunteers as individuals who serve or assist the hospital staff in serving patients and their families. She mentioned that volunteers at University Hospitals cover all age groups and that each is interviewed to assess their reasons for volunteering and to determine into which volunteer capacity each would most appropriately fit. She added that along with training, special events, workshops and conferences are planned for the volunteers and staff assistance is provided for the auxiliaries.

Ms. Abrahamsen mentioned that a representative from each auxiliary had been invited to describe their respective activities to the Board. Due to the illness of Ms. Toni Goldstein, President of the Women of Variety Tent #12, Ms. Abrahamsen described this auxiliary as consisting of approximately 200 members who dedicate their time to the raising of money for equipment and programs for the children of the Variety Club Heart Hospital.
Ms. Abrahamsen then introduced Ms. Helen White, from the Faculty Women's Club Hospital Auxiliary. Ms. White explained that the auxiliary was one of 23 interest groups within the Faculty Women's Club. She said that her group consisted of approximately 35 members who devoted their time to the managing of the patient shopping cart, the patient library, and the gift shop. Ms. Bernice Cheeseman of the Masonic Memorial Hospital Auxiliary was next introduced to the Board. She described how their 345 members bought gifts, made tray favors, showed movies, and planned parties for the patients of Masonic Hospital. Ms. Marge Bromschwig, of the University Hospitals Volunteer Association, then talked about the work of that 200 member organization. She mentioned that the auxiliary was primarily involved in community education and that each year they sponsored a Health Alert Program or workshop and quarterly meetings. She concluded that this year's workshop would focus on Morality and Medicine and that the quarterly meetings would deal with the avoidance of heart attacks.

Mr. Atwood thanked Ms. Abrahamsen and the auxiliary representatives for their presentations and for the professional dedication with which they serve the patients of University Hospitals and its community.

IV. Finance Committee - Mr. Stanley Holmquist, Committee Chairman

Mr. Holmquist reviewed with the Board the Income Statement for November. He explained that the Thanksgiving Holiday had caused a decrease in patient days which concomitantly reduced the variance to total revenue to 2.28%. Ms. Pillsbury asked for an explanation of what was included under Contract Compensation and why there existed a considerable variance in Depreciation. Mr. Fearing explained that a contract with the Medical School for Graduate Medical Education was included under Contract Compensation, as well as pay to Residents, and physicians in Laboratory Medicine and Radiology, who have contract arrangements with the hospital. With respect to
be variance in Depreciation, he explained that this was the result of a miscalculation of hospital square footage in Building K/B. Mr. Evenson moved for the acceptance of this Finance Report. The motion was seconded and passed.

Mr. Holmquist added that the Finance Committee also examined the final draft of the Statement of Financial Policies and Requirements. It was explained that copies of the Statement would be mailed to the Board members prior to the January meeting for discussion at the meeting and acceptance in February.

V. Facilities Committee - Dr. John Tiede, Committee Chairman

Dr. Tiede described the interesting tour and report by Dr. Glen Gullickson of the Physical Medicine and Rehabilitation Department. Dr. Tiede noted that the facilities of this department appeared to be the closest to the Committee's perception of what University Hospitals should have. He added however, that the department was experiencing a need for conference and counseling rooms.

Dr. Tiede went on to describe the Facilities Committee meeting of that afternoon. He mentioned that in touring the Department of Psychiatry with Dr. Hausman, the Committee observed very nice facilities for adult psychiatry patients, but found the facilities for children and adolescents to be less than adequate.

Mr. Holmquist asked in what way the plans of the Facilities Committee would be tying in with the activities of the Finance Committee. Dr. Tiede explained that the Facilities Committee was presently in the process of gaining an overview of the hospital's needs and that the Committee would be working with staff to prioritize these needs and plan a capital development program. Ms. Manthey stressed the importance of attending to the minimum level of patient safety within the hospital.

Chairman Atwood mentioned that he and Mr. Hanser were presently involved in examining the composition of the various committees. He noted that consideration was being given to enlarging committees and appointing a dual-membership to the Finance and Facilities Committee. He added that the announcement of committee assignments
is expected to be made prior to the January meeting.

Dr. Paparella asked if any consideration had been given to the idea of the Board raising money for various facilities project. Mr. Van Hulzen explained that a clear understanding by the Board of the hospital's needs must be achieved before consideration can be given to developing a funding campaign. He added that half of the funds for the hospital have come from private monies. Ms. Pillsbury commented that she felt such fund raising would only be appropriate through the University of Minnesota Foundation's Development Office and not as an extra effort. Chairman Atwood suggested that this subject be further evaluated.

VI. Joint Conference Committee - Mr. Albert Hanser, Committee Chairman

Mr. Hanser informed the Board that Dr. Shelly Chou had presented the Thanatology Task Force Report to the Joint Conference Committee. He explained that the Task Force recommended providing death education to personnel and students, death counseling for patients and families, a hospital policy on euthanasia and the establishment of an on-going Thanatology Committee to advise Medical Staff, etc. Mr. Hanser also mentioned that the Committee was informed of the two year Medical Audit Program and that the Committee discussed the Malpractice situation.

Ms. Givens asked if any education was presently being done in the hospital with respect to death and dying. Dr. Winchell responded that Medical Students were given some background in this area. Ms. Lebedoff asked if the Chaplains had given in-put to this subject and she was informed that a member of the hospital's chaplaincy program had served on the Task Force. Dr. Paparella added that Dr. John Brantner of the University and a national figure in the study of death and dying had also served on the Task Force. Ms. Pillsbury asked if Dr. Winchell was satisfied with the work being done in the area of Thanatology in the hospital. Dr. Winchell explained that he had not been satisfied prior to the development of the Thanatology Task Force and that he hoped its recommendations would soon be operationalized so that training
could begin to sensitize University hospital's staff to the subject of death and
dying. He added that because of the uniqueness of the patients who come to this
hospital, it was imperative that this issue be addressed here.

VII. "Quality Care: How Do You Know When You Have It?" - Dr. William Fifer, Associate-
Medical Director for Ambulatory Care, Hennepin County Medical Center

Dr. Fifer began his presentation to the Board of Governors by discussing the inherent
difficulties involved in determining the quality of services as opposed to goods.
He explained that although inputs and processes were important in studying a service,
outcome was the key. He added that sampling and the use of criteria, norms, and
standards have been methodologic techniques applied to the study of quality care,
but with varied success. In discussing the practice of peer review he cited the
lack of objectivity in assessing the quality of care given and the need that
was found for valid measurement tools.

In examining what exists outside of the hospital in terms of quality control,
Dr. Fifer explained that it was essentially non-existent. Physician Licensure was
felt to be too broad, non-expiring, the revocation rate was too low, feedback was
too severe, and licenses were revoked for the wrong reasons. Specialty Board
Certification was also seen as inadequate as it was non-expiring and because there
was no revocation or feedback. Dr. Fifer added that although re-credentialing is
being considered, there is uncertainty as to how it might be accomplished. He
indicated that Malpractice suits could not be considered as an adequate means to
control the quality of care because of the length of time they took to reach the
source of the problem. He cited the case of Dr. Nork as an example of this time lag.

Dr. Fifer stressed that the responsibility for quality control in medical care
exists within the hospital and that that responsibility rests with the Board. He
explained that a hospital's Board may delegate the authority to provide care but
that it cannot delegate its ultimate responsibility. He stressed the importance
of the Medical Staff appointment process and noted that it was not too broad, it did expire, it did review for the right reason and it did provide appropriate feedback.

He concluded that because of these mechanisms within the hospital, the hospital and its Board must be viewed as the accountability point for the control of the provision of quality medical care.

In response to a question from Mr. Diehl, Dr. Fifer explained that few hospitals had good medical audit systems. He added that University Hospitals was considerably ahead of most hospitals in that it has an excellent medical audit system.

Mr. Holmquist asked what more the Board could do to assure quality control.

Dr. Fifer responded by saying that it was imperative that the Board have faith in the efforts of the Joint Conference Committee to conduct the most careful scrutiny of medical audits and credentials. Chairman Atwood thanked Dr. Fifer for his excellent presentation and expressed his desire to have Dr. Fifer return at some point to speak to the Board of Governors again.

VIII. General Director's Report - Mr. John Westerman, General Director

Because of the lateness of the hour, Mr. Westerman requested the Board's permission to omit his presentation. In view of the presentation of the 1976 annual plan at the January meeting, the December report will be incorporated in the January report.

IX. Board Concerns - Mr. Harry Atwood, Board Chairman

Mr. Atwood presented Certificates of Appreciation to the following outgoing Board members: Mary Jo Anderson, Judy Brandenburg, and Marie Manthey. He added that such certificates would also be sent to Charles Deegan and Donald Shank who were not in attendance. He concluded by thanking these members for their
assistance to the Board of Governors and commented on his regrets concerning their departure from the Board.

There being no further business, the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics was adjourned to the Campus Club at 4:50 p.m., by Chairman Atwood.

Respectfully submitted,

[Signature]
Johnelle Foley
Secretary
The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:10 p.m., in Room 555 of Diehl Hall.

I. Minutes of the October 22, 1975 Meeting - Mr. Atwood

Ms. Pillsbury moved that the minutes of the last meeting be approved. The motion was seconded and passed.

II. Health Sciences Placement Service - Dr. David Born, Director, Health Sciences Placement Service, Division of Health Ecology, School of Dentistry

Dr. Schaffer introduced Dr. Born. Dr. Born explained that the Health Sciences Placement Service originated in the School of Dentistry as a service for its students but has now grown to encompass the eight schools and colleges of the Health Sciences.
Dr. Born provided the Board members with a packet of information describing the placement service. He explained that the program was made up of three basic service elements. The first service discussed was called the Practice Location Search where an individual fills out a form citing the characteristics of a community in which he would choose to locate. This information is fed into a computer which contains data on more than 300 communities. The characteristics are then matched with communities which could come closest to the description provided by the individual. A second service component of the program is a Manpower Information Service which keeps a constant up-date on what health services are provided in various communities and what communities are in need of certain health services. The Community Liaison Service is the third service provided by the program and its function is to make communities aware of the Health Sciences Placement Service by describing what the program can do and how the community can utilize it to attract needed health professionals.

In response to questions, Dr. Born informed the Board that the service is open to anyone who wishes to utilize it and is free of charge. He explained that it was the first such systematic service in the country but that other states are now considering similar programs. He concluded that many more students are seeking placement in rural areas now than ever before and attributed this trend to a search for quality of life.

Chairman Atwood thanked Dr. Born for his interesting presentation.

III. Nominating Committee - Ms. Sally Pillsbury, Committee Chairperson

Ms. Pillsbury reported that no comments were received from Board members concerning the Nominating Committee's proposed slate of candidates to the Board of Governors' positions. Therefore, the slate was submitted to the Board of Regents and approved by them. In reviewing that slate, she stated that Debbie Gruye would be replacing Judy Brandenburg, Al France would
replace Donald Shank, Jo-Anne Lutz would replace Charles Deegan and David Cost would replace Marie Manthey.

Ms. Pillsbury also mentioned that CHIP held its election for a Health Sciences student representative to the Board in which Lily Burke, a Phase A Medical Student, was elected. Ms. Burke is a graduate of Macalester College where she is presently serving on their Faculty Curriculum Committee. She will be editor of a CHIP student journal to be published this Spring and she wrote the General Biology curriculum for the University of Minnesota Extension Division last summer. Ms. Burke, who was in the audience, was introduced to the Board.

Chairman Atwood mentioned that an orientation meeting would be held for the new Board members prior to their first meeting in January.

Mr. Westerman congratulated Mr. Atwood and Mr. Hanser on their re-appointments as Chairman and Vice-Chairman.

The Nominating Committee's report was accepted by the Board of Governors.

Ms. Pillsbury distributed copies of a letter her husband, as a legislator, had received from the Board of Regents. The purpose of the letter was to inform legislators of the creation of University Hospitals' Board of Governors and described the Board's functions. This letter had been drafted by Ms. Foley at the request of the Board of Regents.

IV. Finance Committee - Mr. Stanley Holmquist, Committee Chairman

Mr. Holmquist thanked Chairman Atwood for attending the Finance Committee meeting that morning and thanked Mr. Quistgard for acting as Committee Chairman at the last meeting. Mr. Holmquist commented that he was pleased to see that the first quarter financial statements indicated that the hospital was operating very close to the planned budget. With respect to October YTD data, he reported a plus 2.65%
variance to total operating revenue. The increased utilization of intensive patient care areas and ancillary services was mentioned as a cause for the variance along with an overall high occupancy rate of 76.6% during the first four months of the fiscal year.

Mr. Holmquist indicated that the Finance Committee was pleased with the hospital's year to date financial situation and felt that the 12% rate increase, as approved by the Voluntary Rate Review Panel, continued to be justified. He then suggested that the Board members view a slide show presentation which was developed by the Minnesota Hospital Association to describe the Voluntary Rate Review Program to hospital trustees.

In response to questions following the slide show, Mr. Fearing commented that unfortunately not all hospitals in Minnesota were participating in the rate review program. He explained that many rural hospitals saw this program as time consuming and as an added expense.

In continuing with the Finance Committee's report, Mr. Holmquist moved that the Board of Governors approve a write-off of credit losses amounting to $137,517.80 for the first quarter. Following discussion of the collection practices of the hospital, the motion was seconded and passed.

The report of the Finance Committee was then accepted by the Board.

Ms. Pillsbury asked for an account of how health services were provided to students and faculty. Dr. Winchell explained that the University Health Services provided medical care for these two groups and that it operated as a separate hospital with its own staff and board.
Ms. Lebedoff requested clarification of the free care regulations for hospitals which have received Hill-Burton funds. Mr. Van Hulzen and Mr. Westerman explained that the hospital has an obligation to provide a specified amount of free care. It was stated that public notice of the obligation is required. The amount of the Hill-Burton obligations is far less than the amount of free care actually provided.

V. Facilities Committee - Dr. John Tiede, Committee Chairman

Dr. Tiede deferred to Ms. Lebedoff as he was not present at the last meeting of the Facilities Committee.

Ms. Lebedoff reported that Mr. Larson reviewed some of the findings of the Joint Commission on the Accreditation of Hospitals survey. She then described Dr. Levitt’s presentation concerning his Department of Radiation Therapy. Ms. Lebedoff commented that in touring the department’s facilities they found the area to be in very good condition but severely lacking in sufficient space for storage and patient comfort. She concluded that this department was growing in terms of both employees and patients.

The report of the Facilities Committee as presented by Ms. Lebedoff was accepted by the Board.

Mr. Holmquist inquired as to the status of the B-C Building. Mr. Dickler explained that the project was on schedule and that the excavation had been fast-tracked in order to obtain a favorable contract price. He reported that building contracts were now out for bid and that steel work should begin by February.

VI. Joint Conference Committee - Mr. Albert Hanser, Committee Chairman

Mr. Hanser reported that the Joint Conference Committee had accepted the report of the Credentials Committee and referred the Board to the list of applicants to
the Medical Staff. It was moved, seconded, and passed that these applicants be appointed to the Medical Staff as recommended by the Committee.

Mr. Hanser mentioned that the Committee had been informed that two full-time equivalent positions had been approved for the Patient Relations Department and that this action would allow for the reactivation of the Volunteer Patient Representative Program, a very worthwhile patient ombudsman project.

Mr. Hanser reviewed for the Board the Well-Child Ambulatory Care Medical Audit which was presented to the Joint Conference Committee. He mentioned that the audit resulted in the development of special forms to improve documentation of care and to better utilize physician time. He concluded that this was a landmark audit in that it involved care of well-children in an ambulatory setting, and as a joint project of both the Medical and Nursing staffs. Mr. Hanser moved that the audit be accepted by the Board. Dr. Hastings seconded the motion which was passed.

Mr. Hanser also informed the Board that Dr. Michael had described the work of the Bed Allocation Committee which he chairs. Mr. Hanser said that the committee was doing a good job of assuring that beds were utilized efficiently for patient service needs and clinical educational needs. He also indicated however that this was being accomplished within the limitations of the present physical facility.

Mr. Hanser then requested that the Board view a slide show presentation describing the Medical Audit process so that they might become more familiar with the meaning and purpose of the Medical Audit.

After viewing the slide presentation, Mr. Hanser suggested that it might be of additional benefit to the Board if Ms. Jan Schindler, Director of the Quality Assurance Program, take the Board through an actual University Hospitals' medical audit.
Mr. Hanser's report on the Joint Conference Committee meeting was accepted by the Board of Governors.

VII. General Director's Report - Mr. John Westerman, General Director

Mr. Westerman began his report by commenting that much of the management staff effort is concerned with the shaping of future events. He mentioned Mr. Dickler's efforts to establish a new form of ambulatory care organization, which was seen as a long and involved project that would not come to fruition until January of 1978.

Mr. Westerman announced that an attorney had been secured for University Hospitals. He explained that the lawyer could not at this time be presented to the Board of Governors as Regent's approval of the appointment was required before public announcement. Mr. Westerman described the importance of this position as one which will provide corporate direction through involvement in areas such as hospital liability, non-physician privileges, and contracts and compliance.

At Mr. Westerman's request, Mr. Farrell informed the Board of the progress of the primary care clinic to be located in Northwest Hennepin County. Mr. Farrell explained that this project would be moving from a process phase to a planning phase with the establishment of a community task force which is expected to occur in early January.

Mr. Westerman also mentioned the new regional Epilepsy Center which will soon be located on the 6th floor of the hospital. He suggested that at some point the Board might be interested in hearing Dr. Gumnit, the Director the program, describe its services. In conjunction with this, Mr. Westerman said that unfortunately and due to the limitations of the facility, not all programs in which University Hospitals has interest can be accommodated here. Thus, a search is presently
being conducted to relocate the Child Psychiatry Unit.

Mr. Westerman referred the Board to their copies of the patient questionnaires. He explained that a tool such as this was utilized to capture the expressions of patients who might wish to comment about the care they received at University Hospitals.

Mr. Westerman mentioned that Ms. Foley had recently met with Dr. Edmund Pellegrino, Chairman of the Board of Directors of Yale-New Haven Medical Center, Inc. Ms. Foley explained that she and Dr. Pellegrino had discussed the possibility of conducting a leadership conference for a few University hospital boards to examine the uniqueness of such boards and some of the issues which they will be facing in the coming years.

At this point Ms. Pillsbury suggested that the Board congratulate Ms. Manthey on her recent appointment as Associate Administrator and Director of Nursing at the Yale-New Haven Medical Center.

Mr. Westerman then continued with his report by mentioning the Annual Plan for 1976 which will soon be presented to the Board. He commented that many of the programs described within the plan were projects of two and three year durations. He also mentioned that he would report back to the Board the results of the second Deans and Directors Retreat to be held on December 15.

In conclusion Mr. Westerman informed the Board that a study had been conducted concerning the hospital's dress code which indicated that a majority of the departments had individual codes. Mr. Westerman suggested that all departments are being reminded of the Board's concern about general appearance.

Mr. Westerman's General Director's report was accepted by the Board of Governors.
Mr. Evenson asked if the Board could be furnished with a clear definition of quality care. He mentioned how frequently the term was used and asked to be informed as to what guidelines would represent quality care. Dr. Winchell commented that it was a very nebulous term and that it is easier to describe poor quality care than quality care. It was suggested that a good health care referral system might represent quality care. Mr. Holmquist asked how the quality of our care would compare with that in other countries. Dr. Hastings explained that this would be difficult to measure as care is often specific to its region, thus, medical audits which objectively measure the quality of care are hospital specific with each hospital defining what it considers to be quality care in its institution. Mr. Westerman suggested that perhaps Dr. William Fifer, an expert in the area of quality care assurance, might come to speak to the Board on this subject.

III. Board Concerns - Mr. Atwood, Chairman

Chairman Atwood thanked the Committees for the fine work they were doing in their individual areas. There being no further business, he then adjourned the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics at 4:35 p.m.

Respectfully submitted,

Johnelle Foley
Secretary
Minutes
Board of Governors
University of Minnesota Hospitals & Clinics
October 22, 1975

Members Present:  Mr. Harry Atwood, Chairman
Mr. Albert Hanser
Ms. Mary Jo Anderson
Mr. Orville Evenson
Ms. Jeanne Givens
Dr. Donald Hastings
Ms. Mary Lebedoff
Dr. Michael Paparella
Ms. Sally Pillsbury
Mr. John Quistgard
Mr. Donald Shank
Ms. Timothy Vann
Dr. Paul Winchell
Mr. John Westerman

Members Absent:  Ms. Judy Brandenburg
Mr. Charles Deegan
Mr. Stanley Holmquist
Ms. Marie Manthey
Dr. Erwin Schaffer
Dr. John Tiede
Mr. Ruben Ruiz

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:10 p.m., in Room 555 Diehl Hall.

I. Minutes of the September 17, 1975 Meeting - Mr. Atwood

Dr. Hastings moved that the minutes of the last meeting be approved. The motion was seconded and passed.

II. Joint Commission on Accreditation of Hospitals Site Visit - Mr. Michael McKee, Assistant Director

Mr. McKee explained the JCAH site visit and accreditation process. He mentioned that the surveyors function as consultants working with the health care industry's own standards. He reminded the Board that many of these standards were written to apply to the community hospital and as such, were often not completely applicable to the large University teaching hospital.
In Mr. McKee's review of the recommendations of the Joint Commission surveyors, he noted that certain themes prevailed in their comments. Documentation of such activities as continuing education, rules and regulations, and policies and procedures was one such theme. Building deficiencies and space shortages were also mentioned throughout. Mr. McKee added that such areas as Social Service and Medical Audit were commended for their excellence. He concluded that his description of the site survey was based upon comments made at the summation conference on the last day of the visit and said that a formal written report of the findings would be sent by the JCAH to the hospital in approximately four weeks. Mr. McKee also offered to provide the Facilities Committee with copies of his notes on the visit.

Mr. Atwood told the Board that he had been present at the JCAH summation conference and commented that it was his impression that other than deficiencies in the hospitals' physical facilities, no comments of a serious nature were made. He added that in reference to the Board of Governors, suggestions were made concerning an attendance requirement and equal Board and Medical Staff representation on the Joint Conference Committee.

Mr. Atwood thanked Mr. McKee for his report and his fine work in organizing for the JCAH site visit.

Ms. Foley asked the Board to note the parking cards which had been distributed to each of the Governors. She explained that these cards could be used by the Board members for parking in the Mayo Garage when on campus for Board-related business.

Mr. Atwood then introduced Ms. Eliza Ovrom from the Minnesota Daily. Ms. Ovrom will be taking Ms. Markie Harwood's place in reporting Health Sciences news.

III. Finance Committee - John Quistgard, Acting Committee Chairman

Mr. Quistgard thanked Mr. Hanser for joining the Finance Committee for its meeting that morning. Mr. Quistgard stated that having reviewed all of the necessary
financial statements for the first quarter, the Finance Committee found that the hospitals' financial situation to be in accord with projected income and expense. He then commented on first quarter patient service experience trends as compared to the annual plan, noting that admissions, patient days, and ancillary services were up, while clinic visits were slightly down.

Mr. Fearing reviewed the Income Statement for September 30, 1975 Year to Date. He explained that a change in Medicare regulations required a one-time write-off of approximately $150,000 for charges made to live kidney donors. Another variance which he cited was caused by a miscalculation of the hospitals' square footage in Building K/E and therefore an overestimate of the depreciation on this footage. Generally, he stated that the statement showed the hospitals to be only 1.07% over budgeted net revenue at this point. The Projected Statement of Operations, which he reviewed next, also showed only a fourth of a percent variance under the planned Net Revenue.

Mr. Quistgard continued with the Finance Committee's report by informing the Board that the Committee had completed review of the third draft of the Statement of Financial Policies and Requirements and would be examining a fourth draft at its next meeting.

Mr. Atwood asked if the Finance Committee still found the 12% rate increase to be appropriate in light of their examination of the hospitals' first quarter financial experience. Mr. Hanser responded to Mr. Atwood's question on behalf of the Committee by stating that the rate increase continues to be justified by virtue of the closeness of the hospitals' present financial situation to budget.

The report of the Finance Committee was accepted by the Board.

IV. Facilities Committee - Ms. Timothy Vann, Acting Committee Chairperson

Ms. Vann briefly reviewed for the Board the goals and role of the Facilities Committee. She commented that the Committee was very aware of the structural deficiencies of the
hospitals as they had toured a number of areas, such as the Laboratories, where they had found space shortages to be considerable.

In reporting on the last meeting of the Facilities Committee, Ms. Vann explained that Mr. Dickler had informed the Committee of a Residential Child Psychiatry program which was being discussed with Abbott Hospital. Because a nursing dorm was to be remodeled to house the unit, a Certificate of Need is required.

Ms. Vann further informed the Board of the report presented to the Facilities Committee by Ms. Hokenson and Mr. Larson on the Adult Medical-Surgical Nursing Units. In the report and tour of the areas, the Committee was made aware of conditions of congestion, lack of storage, inadequate patient - visitor - staff facilities, etc. On a map of the Health Sciences Campus which she distributed to the Board, Ms. Vann pointed out the Powell Hall site where future development of the hospitals long range plan is contemplated. She commented that there were no cost estimates at this time but that certain funds have been earmarked for short-range projects.

Mr. Evenson commented that he had questioned the Facilities Committee staff as to why the number of hospital beds could not be cut back to accommodate space problems. He said he was informed that this had been done to a certain extent and that any further cutting of beds would deter the development of medical programs. Mr. Hanser commented that at the next meeting of the Joint Conference Committee they would be examining the hospitals' bed allocation procedure. Mr. Evenson further commented on his concern over the amount of noise throughout the hospitals as well as congestion and lack of attractive decor.

Ms. Anderson responded to questions concerning nurses' dress requirements. She explained that the key to the identification of nurses was name tags and that caps and all-whi
uniforms were not mandatory. Mr. Atwood, for reasons of security and identification for patients requested that Mr. Westerman provide the Board with information concerning uniforms and a dress code for the hospitals.

Dr. Paparella asked if a cost estimate could be given of the funds which would be required to renovate the Mayo Building. Mr. Jones responded that a study of such costs had been done and that an estimated $23 million would be needed. Mr. Atwood then encouraged the Facilities Committee to continue its careful study of present physical conditions and future planning. Ms. Vann concluded that despite the adverse conditions in the hospital, it was apparent that the staff provided quality care in a dedicated manner.

The Facilities Committee report was accepted by the Board.

Mr. Tierney of the University's Attorney's Office, reported to the Board the status of the search for in-house counsel for University Hospitals. He explained that the process has been slowed due to the difficulties involved in locating lawyers with expertise in the area of health. He assured the Board, however, that some well qualified candidates were being considered and that he planned to have the position filled by the next Board meeting.

V. Joint Conference Committee - Albert Hanser, Committee Chairman

Mr. Hanser reported that the Joint Conference Committee had accepted the report of the Credentials Committee and referred the Board to the list of new applicants to the Medical Staff. It was moved and seconded and passed that these applicants be appoint to the Medical Staff.

Mr. Hanser further reported that Dr. John Reynolds had presented an audit of Neonatal Respiratory Distress Syndromes which was accepted by the Committee. Dr. Winchell commented that Dr. Reynolds had been asked to review the audit when he was at St. Paul Children's Hospital and now that he is on University Hospitals' staff he
will be able to facilitate the accomplishment of the recommendations cited in the medical audit.

Mr. Hanser continued his report of the Joint Conference Committee meeting by informing the Board that the Committee had also reviewed with Mr. McKee the findings of the Joint Commission site visit. Dr. Winchell added that the Commission would also be requiring that the Medical Staff be reappraised every three years as to their physical and mental health and their work within the hospital for re-appointment to the Staff. Dr. Hastings commented that many of these requirements were the result of the Commission's desire to strengthen its own validity and to aid the hospitals in avoiding medical/legal problems.

The Board of Governors accepted the report of the Joint Conference Committee.

VI. Nominating Committee - Sally Pillsbury, Chairperson

Ms. Pillsbury restated the names of those Board members whose terms are to expire on December 31, 1975. The list included the following: Judy Brandenburg, Charles Deegan, Marie Manthey, Donald Shank, John Tiede, and Mary Jo Anderson whose ex-officio position as a health sciences student representative will be filled annually by nomination through the Council of Health Interdisciplinary Programs. Ms. Pillsbury reported that of the above group only Dr. John Tiede is able to continue on the Board. Each of the other individuals has been contacted separately and has indicated they will not be able to continue for another term due to various personal reasons.

Ms. Pillsbury explained to the Board that the Nominating Committee has put much effort into the process of developing a slate of replacements to the Board. She commented that an excellent group of candidates has been selected with the help of Lauris Krenik, a member of the Board of Regents; the outgoing Board of Governors members; community input; and Mr. Atwood and Mr. Hanser, who worked diligently while Ms. Pillsbury was out of the country.
Ms. Pillsbury reminded the Board that it is their role to recommend nominees for Board of Governors positions. She explained that a list of candidates has been developed by the Nominating Committee and that these individuals have been contacted and have expressed an interest and a desire to serve on the Board of Governors. She informed the Board that a letter would be sent to each Board member naming the nominees and requesting any comments concerning them. Should Ms. Pillsbury hear no response from Board members by November 1st, the nominees as listed will be considered as having full Board of Governors' approval for recommendation to the Vice President for Health Sciences and thence to the Board of Regents. The names will be submitted to the Board of Regents for discussion at their November meeting with appointments to be made at their December meeting.

Ms. Pillsbury thanked the Nominating Committee for its hard work in this effort and thanked the outgoing Board members for their cooperation and assistance. The Nominating Committee's report was then accepted by the Board of Governors.

VII. General Director's Report - John Westerman, General Director

Mr. Westerman began his report by commending Mr. Farrell for his good work related to the Residential Care Child Psychiatry program at Abbott Hospital. He went on to cite Mr. Fearing for the good results achieved through the Financial Seminars he and other staff members conducted for the Medical Staff.

Mr. Westerman described a study project which was being planned to examine the costs of providing various state and federal agencies with fiscal and statistical data. It is thought that such a study would reveal duplications which could hopefully be reduced. He added that Hill-Burton now has new requirements related to provisions of free care.
Mr. Westerman also mentioned that the Hospitals' Annual Plan for 1976 is slated to be presented to the Board of Governors at their December meeting. He informed the Board that in the next week the Medical School would be visited for its accreditation. He described the process as one which takes place every seven years, is conducted by four individuals, and primarily examines the School's curriculum, faculty and support services. He went on to mention a possible second retreat for the Deans and Directors of the Health Sciences and the up-coming Association of American Medical Colleges conference to be held in Washington, D. C.

VIII. University of Minnesota Hospitals Slide Show Presentation - Susan Stuart-Otto, Director, Public Relations

Before presenting the slide-show, Ms. Stuart-Otto explained that it had been produced to assist in accommodating the many requests for hospital tours. It was felt that the presentation can be taken to groups outside the hospital, or groups could come to the hospital to view it. She described a booklet which is being planned to accompany the slide-show which will go into more depth and detail concerning the hospitals.

Following the slide-show presentation, Ms. Stuart-Otto commented on the older pictures used in the show, telling the Board that they would be a part of the University's Bicentennial Display, 1/3 of which was to be devoted to health care at the University.

Ms. Stuart-Otto introduced Dr. Owen Wangensteen who had joined the Board to view the slide-show presentation. Dr. Wangensteen commented on his pleasure at seeing the Board of Governors a reality for University Hospitals. He was able to make a correction to the slide-show concerning the dates of the first heart surgeries and he joined with the Board in complimenting Ms. Stuart-Otto on a fine presentation.
There being no further business, Chairman Atwood adjourned the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics at 4:20 p.m.

Respectfully submitted,

Johnelle Foley
Secretary
Minutes

BOARD OF GOVERNORS

University of Minnesota Hospitals and Clinics

September 17, 1975

Members Present: Mr. Albert Hanser, Vice Chairman
Ms. Mary Jo Anderson
Ms. Judy Brandenburg
Mr. Orville Evenson
Ms. Jeanne Givens
Dr. Donald Hastings
Mr. Stanley Holmquist
Ms. Mary Lebedoff
Ms. Marie Mantey
Ms. Sally Pillsbury
Mr. John Quistgard
Dr. Erwin Schaffer
Ms. Timothy Vann
Mr. John Westerman

Members Absent: Dr. John Tiede
Mr. Harry Atwood
Dr. Michael Paparella
Mr. Ruben Ruiz
Mr. Donald Shank
Dr. Paul Winchell

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Vice Chairman Hanser at 2:10 p.m. in Room 555 of Diehl Hall

I. Minutes of the August 20, 1975 Meeting - Mr. Hanser

Ms. Lebedoff moved that the minutes of the last meeting be approved. The motion was seconded by Ms. Givens and passed.

II. Orientation to Controller's Functions
    - Mr. Cliff Fearing, Hospital Controller

Mr. Fearing explained that the Controller's Office contains three divisions with separate functions. The first division which he cited was the Budget Office, responsible for budget preparations, variance analysis and rate setting. The Hospital Accounting area handles accounts payable, property

There are 85 individuals involved in the three divisions, a number which has grown considerably since the advent of government regulations. In a plan to reduce this staff size, the department is moving toward computerizing many of the various systems. A thrust toward on-lining capability in billing is also expected to eliminate file storage problems and provide the department with needed space.

In the future, Mr. Fearing commented that he is looking forward to tape-to-tape communication with Blue Cross, implementation of a budget forecasting program, and initiation of an internal audit program. He also informed the Board of the financial seminar series which were conducted to increase the medical staff's awareness of hospital financial matters.

In response to a question from Mr. Evenson concerning the Hospital's relationship with the Minnesota Hospital Association's Voluntary Rate Review Program, Mr. Fearing explained that participation in the program provides the Hospitals with an objective review of its financial practices and is a good transition if the federal government should mandate such a review. It was further explained that decisions of the rate review panel would still remain subject to Board acceptance.

Mr. Hanser thanked Mr. Fearing for discussing his department with the Board.
III. Finance Committee - Mr. Stanley Holmquist, Chairman

Mr. Holmquist summarized the hospital's August financial experience for the Board. He indicated that the variance in Revenue from Operation was a plus 1.88%. He explained that variances in items such as fringe benefits and general supplies and expenses were to be evaluated and added that fringe benefits are usually affected by the employment of students during summer months.

Mr. Holmquist informed the Board that the Finance Committee will be studying the first quarter report at its next meeting. He then concluded with a summation of the budget planning process schedule for next year, stating that a recommended budget for 1976-77 would come to the Board in April for approval at its May meeting and then on to the Board of Regents.

Mr. Evenson moved for acceptance of the Finance Committee's report. The motion was seconded and passed.

IV. Facilities Committee, Ms. Timothy Vann, Acting Chairperson

Ms. Vann announced to the Board that the Facilities Committee had secured Room 555 Diehl Hall for future Board of Governors meetings as well as the use of the room for the Facilities Committee meetings. She explained that the Committee had examined several alternative meeting rooms and found 555 Diehl Hall to be most suitable.

Ms. Vann described the Facilities Committee tour of the hospitals' laboratory as conducted by Dr. David Brown. She commented on the dedication to their work which the hospital staff demonstrated despite less than satisfactory working conditions. She concluded by informing the Board that architects had been secured to study Bldg. K/E.
Ms. Pillsbury mentioned that she felt it was fortunate that the Facilities Committee was touring the hospital and added that she hoped that the full Board could be given an armchair tour of the facilities at some future point.

The Facilities Committee report was accepted by the Board.

V. Nominating Committee, Ms. Sally Pillsbury, Chairperson

Ms. Pillsbury reminded the Board that the terms of office of the following individuals will expire on December 31, 1975:

- Judy Brandenburg
- Charles Deegan
- Marie Manthey
- Donald Shank
- John Tiede
- Mary Jo Anderson, Health Sciences Student

She informed the Board that the Nominating Committee's recommendation to Vice President French's office was that the Health Sciences student representative be chosen on a basis which rotates through the various Health Sciences schools.

Ms. Pillsbury further highlighted the Nominating Committee's discussions by informing the Board that the Committee had made a motion stating that members with expiring terms will not serve on the Nominating Committee. Therefore, Judy Brandenburg and Donald Shank will not serve on the Committee this year. Ms. Pillsbury mention that Ms. Brandenburg had already indicated her desire not to seek a new term with the Board of Governors because she was planning to return to school.

Ms. Pillsbury said that the Nominating Committee would be surveying the intentions of the other individuals whose terms will expire.
Ms. Pillsbury added that the Committee would be looking for individuals representative of the consumer voice. The Committee felt provider input could be supplied primarily through the Board's six ex-officio members. Ms. Pillsbury further explained that the Nominating Committee felt a special need to evaluate individuals with expertise in the areas of architecture, construction, finances, etc.

In response to a question concerning attendance from Ms. Lebedoff, Ms. Pillsbury reminded the Board that those individuals who were demonstrating poor attendance at Board meetings were primarily those who had indicated beforehand that this would be a difficulty of their appointment. Mr. Hanser then suggested that Board members should direct any recommendations of candidates to Ms. Pillsbury. The Nominating Committee plans to present a slate of candidates to the Board of Governors in October so that Vice President review and Board of Regents action can be accomplished at their November meeting.

The report of the Nominating Committee was accepted by the Board of Governors.

VI. **Orientation to Clinical Services - Medicine - Richard Ebert, M.D., Clinical Chief of Medicine**

Dr. Ebert informed the Board that the Department of Medicine consisted of a full-time faculty of 161, with 100 of these members located off-campus at hospitals such as the V.A., Hennepin and Ramsey Counties, Northwestern, Miller, and Mt. Sinai. He mentioned that research was a major activity of the Department and was conducted through grants of $1.5 million at University Hospitals and $1 million at the Veterans Administration Hospital. In discussing undergraduate education, he said that the University of Minnesota Medical School was one of the largest in the
United States with 1,000 students, approximately 250 entering each year. Graduate students in Internal Medicine were numbered at 250, with 50 students taking their residencies at University Hospitals. He explained that the Department of Medicine was governed by a Council made up of sub-specialties within the department.

Dr. Ebert explained that there were 120 medicine beds, some being specifically designated to oncology and cardiology. He further explained that the faculty is able to augment their relatively low University base salaries through private practice.

In citing a problem area of the Department of Medicine, Dr. Ebert told the Board that because University Hospitals is a referral hospital, a majority of the patients are unusual cases. Fortunately, more common cases are admitted to other affiliated hospitals and, thus, were most helpful for the training of primary care physicians. Mr. Holmquist questioned Dr. Ebert as to what the Department was doing to provide rural areas with primary physicians. Dr. Ebert informed the Board of the Rural Physicians' Associate Program. In response to Ms. Given questions concerning the affects of the federal incentive program, Dr. Ebert commented that, unfortunately, funds for that program were being cut back.

Mr. Evenson asked Dr. Ebert if the University was involved in the training of physician assistants. Dr. Ebert responded that it was, and that in his opinion such training was most appropriate for nurses. Ms. Manthey, concurred with Dr. Ebert's suggestion.

Mr. Hanser thanked Dr. Ebert for his presentation to the Board.
Joint Conference Committee - Mr. Albert Hanser, Committee Chairman

Mr. Hanser reported that the Joint Conference Committee had accepted the report of the Credentials Committee and referred the Board to the list of applicants for appointment and re-appointment to the Medical Staff. Ms. Givens moved to accept the above. The motion was seconded and passed.

Mr. Hanser requested that Mr. McKee inform the Board of the Disaster Drill which took place on the evening of August 25th. Mr. McKee reported that there were 40 rather complex simulated casualties. He said that the hospital was congratulated by professional observers for conducting a well planned and efficient drill. Mr. McKee commented that minor problem areas had been revealed and that they were being worked on by the Disaster Committee.

Mr. McKee also was requested to comment on the up-coming Joint Commission for Accreditation of Hospitals site visit. Mr. McKee announced that the visit was scheduled for October 15, 16, and 17. He informed the Board of a provision of the site visit which calls for a public meeting to be held at that time, the community can present comments concerning the Hospitals to the site survey team. Mr. Hanser requested that he or Mr. Atwood be contacted in order that Board representation is provided at this meeting.

Dr. Hastings commented that the JCAH will be especially interested in the Board of Governors as it was formed after their last visit.

Mr. Westerman added that physical facilities will also be a primary concern of the survey team.

Continuing his report of the Joint Conference Committee, Mr. Hanser informed the Board that the Committee had reviewed two medical audits of Cystic Fibrosis as presented by Dr. Kronenberg and had accepted them.
He then moved that the Board accept these audits as well. The motion was seconded and passed.

Mr. Hanser told the Board about Kathy Countryman, Director of Patient Relations, and of her report to the Joint Conference Committee on the Patient Bill of Rights. The Board requested that copies of the Patient Rights brochure be sent to them.

Mr. Quistgard requested information concerning the care of Vietnamese refugees to be provided at University Hospitals. Mr. Baker explained that the hospital had volunteered this service because individuals on the hospital staff are capable of serving as translators. He added that the refugees are able to receive care through Medical Assistance funds.

The Joint Conference Committee's report was accepted by the Board of Governors.

VIII. General Director's Report - John Westerman, General Director

Mr. Westerman mentioned that the full Board might be interested in seeing copies of the Patient Relations Department Report which Ms. Countryman had presented to the Joint Conference Committee.

Mr. Westerman discussed certain items of interest from a recent Health Sciences Deans and Directors Retreat. The subject of the retreat was a discussion of a programs plan for the health sciences units. Health Sciences programs relating to health delivery would be reflected in the 1976 Hospitals & Clinics Annual Plan. Discussion items of special interest included:

1. Consideration of the creation of an advisory committee to the Office of Coordinator for Health Care Systems
Research & Development, the office headed by Mr. Westerman. One of the functions of an advisory committee would be to stimulate the development of an inter-disciplinary health services delivery research function in the School of Public Health.

2. Consideration of a study to coordinate the allied health educational programs. The School of Public Health will direct the study. The study is of interest to the hospital because of the potential advantages of having an academic base for selected hospital staff.

3. Discussion by the Health Sciences units of a joint effort in the area of health education for patients and the public. Dean Schaeffer said the health education item will be discussed later.

All of the items from the Retreat will be further discussed, but the Hospitals & Clinics do have enough information to begin working on the 1976 Annual Plan.

Mr. Westerman requested that Ms. Foley provide the Board with an up-date on the malpractice scene. Ms. Foley informed the Board of the mood of the local interim legislative hearings to this point and of the individuals who were providing testimony at these hearings. She commented that she expected the legislators to begin study on specific legislation soon. Mr. Westerman mentioned that the hospital was considering a plan of self-insurance for the house-staff. The quoted renewal premium rate for malpractice coverage is $350,000. Mr. Van Hulzen added that this would be a claims made policy requiring almost $700,000 to cover the
Mr. Westerman asked Mr. Farrell to inform the Board of progress with the out-reach clinics. Mr. Farrell said that the Community University Health Care Clinics' expansions to the provision of adult care was going well. He also announced that the Metropolitan Council had granted final approval of the Northwest Human Services Council as the designated organization and area for the primary care clinic. Mr. Farrell said that planning has begun with the Council and that the first step was the arrangement of a schedule of public in-put meetings with the community providers, school officials, community agencies, and elected officials.

Mr. Westerman commented on the funds which were being made available to community hospitals through the Robert Wood Johnson Foundation for the development of hospital-related group practice programs. He indicated that the project was attaining considerable interest.

Mr. Westerman informed the Board that the administrative staff, as well as Dr. Winchell, had already begun planning for the 1976 Annual Plan for University Hospitals.

In reference to obtaining legal counsel for the Board, Mr. Westerman asked Ms. Foley of the progress in this matter. Ms. Foley explained that Mr. Van Hulzen and she would be meeting with Mr. Tierney, the University Attorney, on September 22nd to begin initial screening of applicants.
Mr. Westerman, commenting again on the JCAH site visit, reiterated his remarks concerning the emphasis he believes the surveyors will put on such areas as life safety codes and facility conditions.

At the request of Mr. Westerman, Mr. Dickler explained that, as a result of the union election on September 9th and 10th, AFSCME was now the union representing approximately 800 hospital employees. Mr. Dickler continued that contract negotiations were scheduled to begin on October 7.

Mr. Westerman told the Board of plans to develop a trustee educational conference with other universities who have hospital boards. He mentioned that Ms. Jan Shapiro and Ms. Foley would soon begin discussions on this matter with Dr. Pellegrino of Yale University.

Ms. Lebedoff inquired as to the progress of the hospital in the area of Thanatology. Mr. Pierson explained that the Thanatology Task Force was working toward the recommendation of a standing Thanatology Committee to provide counsel to patients, family, and staff. He concluded that the task force would be finalizing its report by the end of the year and that he would provide the Board with its findings.

IX. Board Concerns - Mr. Albert Hanser, Vice Chairman

Ms. Lebedoff asked if the hospital would be involved in the Bicentennial Celebration. Ms. Perlmutter, of the Health Sciences Office, informed the Board that Ms. Susan Stuart-Otto, Director of Public Relations for the hospital, was representing the Hospitals on a University-wide Bicentennial Planning Committee.
Dr. Schaeffer remarked that if the Board was interested in the Health Sciences rural placement program, Dr. Born, who is running the project, could be requested to speak to the Board about the computerized health workers placement center. In light of this, Mr. Westerman suggested that departmental and clinical service orientation reports could perhaps be deferred for the next meet so that other areas of interest to the Board could be covered.

Ms. Vann questioned whether the right to a dignified death was included in the Patient Bill of Rights. Mr. Pierson explained that the Thanatology Committee was covering this issue and it would probably be noted in its task force report.

Mr. Evenson remarked that an excused absence from Board meetings be designated as such and not listed as simply "absent".

Mr. Hanser stated that the Finance Committee had requested that the next meeting of the Board of Governors be changed to October 22nd, rather than October 15th, so that the Committee and the Board would have available the appropriate financial statements to study the first quarter's activities. The Board agreed to this change.

Vice Chairman Hanser adjourned the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics at 4:50 p.m.

Respectfully submitted,

Johnelle Foley
Secretary
Minutes
BOARD OF GOVERNORS
University of Minnesota Hospitals and Clinics
August 20, 1975

Members Present:  Mr. Harry Atwood, Chairman  Dr. Michael Paparella
Ms. Mary Jo Anderson  Ms. Sally Pillsbury
Ms. Judy Brandenburg  Mr. John Quistgard
Ms. Jeanne Givens  Dr. Erwin Schaffer
Mr. Albert Hanser  Dr. John Tiede
Dr. Donald Hastings  Ms. Timothy Vann
Mr. Stanley Holmquist  Mr. John Westerman
Ms. Mary Lebedoff  Dr. Paul Winchell
Ms. Marie Manthey

Members Absent:  Mr. Charles Deegan
Mr. Orville Evenson
Mr. Ruben Ruiz
Mr. Donald Shank

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:10 p.m., in Room 555 Diehl Hall.

I.  Minutes of the June 18, 1975 Meeting - Mr. Atwood

Mr. Holmquist moved that the minutes of the last meeting be approved. The motion was seconded and passed without dissent.

II.  Orientation to Operations Analysis - Mr. Harry Brekhus, Director, Operations Analysis

Mr. Brekhus related to the Board that the Department of Operations Analysis was formed in 1968, due to an interest in data processing and an awareness of shortcomings in hospital systems and operations. The informational needs of the hospital were increasing and areas such as management methods, systems analysis and forms design demanded study.
Mr. Brekhus explained that Operations Analysis developed a philosophy by which they would strive to work toward efficiency and effectiveness without exorbitant developmental costs. He mentioned that the department uses a team approach and operates as a consultant to departments who submit formal proposals for Operations Analysis' study.

Mr. Brekhus went on to say that Operations Analysis functions first in general analysis of methods and procedures. An example of work in this area would be the productivity indices which the department has developed. In relation to computer work the department has a medium size Burroughs Computer which operates 24 hours, 7 days per week. Mr. Brekhus also described the department's information system, pointing out that he sees availability of information as the key to a successfully operating hospital. Parts of this system were said to be accounting services, patient data base, care center, and management reporting information systems.

Mr. Brekhus summarized by indicating that there was an aggressive use of Operations Analysis' services in the hospital, but that this use was cautious in a healthy sense, in that each step of a project would be evaluated through cost benefit analysis. In response to a question by Ms. Givens, Mr. Brekhus explained that a considerable amount of equipment would be required to take the aforementioned information system mechanically through to the patient care center. Chairman Atwood thanked Mr. Brekhus for his report and commented on his pleasure in seeing that the hospital was using modern systems and approaches.

III. Orientation to the Department of Physical Medicine and Rehabilitation

Dr. Frederic Kottke, Clinical Chief of Physical Medicine and Rehabilitation explained that the purpose of PM&R was to restore people therapeutically with skeletal, muscular and circulatory defects to as normal a life as possible. His department was started in 1952 on the 7th & 8th floors of the Mayo Building with 20 beds for adults. With state and federal grants, the 7 story Children's
Rehabilitation Hospital was built adjacent to the hospital in 1962. This facility contains 20 adult beds, 20 children's beds, 5 school rooms, 2 research floors, and areas for the teaching of therapists.

Dr. Kottke mentioned that in his department a great number of allied health professionals were used, from therapists to counselors to teachers. PM&R sees approximately 4,200 patients per year with 90% of these comprising 46,000 patient day visits on a comprehensive 2 half-day visit program. This program is subsidized by a state appropriation of $1.5 million matched by a federal grant of $1.3 million. Dr. Kottke indicated that all types of therapy were utilized, such as physical, speech, occupational, and social work.

In the area of adults, Dr. Kottke cited spinal cord injuries and strokes as making up the largest number of cases seen in the department, while children were primarily seen for congenital diseases or cerebral palsy. In response to a question from Dr. Paparella concerning research trends in PM&R, Dr. Kottke concluded that the department was even instrumental in the development of the Health Maintenance Organization theory of health promotions. Chairman Atwood thanked Dr. Kottke for his interesting and informative report.

IV. Finance Committee - Mr. Stanley Holmquist, Committee Chairman

Mr. Holmquist announced that University Hospitals' rate increase had been reviewed by the Minnesota Hospital Association's Voluntary Rate Review panel and that the increase was approved.

Mr. Holmquist stated that in reviewing the 1974-75 Preliminary Financial Statements, staff had explained that an estimated $800,000 net revenue was the result of an error in estimating Third Party Contractual Adjustments. Mr. Holmquist informed
the Board that the Finance Committee recommends the transfer of that net revenue to funded depreciation. Reasons for this recommendation were explained to the Board.

Secondly, Mr. Holmquist commented on the Financial Statements for July of 1975. In response to Mrs. Pillsbury's concern over the Hospitals' rate increase based on July's net revenue, Mr. Holmquist explained that a judgement as to an adjustment of the rate should not be made on one month's experience. Accounts receivable were then cited by Mr. Holmquist as showing marked improvement in the reduction of revenue days in accounts receivable since 1971.

In the area of bad debts, Mr. Holmquist asked that the Board approve the Finance Committee's recommendation to consider the statement of accounts which the Committee reviewed as uncollectible.

Mr. Holmquist then explained to the Board the concept behind Physician Compensation Contracts which were being negotiated with the departments of Psychiatry, Radiology, and Laboratory Medicine on a percentage of gross income basis. He asked that the Board approve the Finance Committee's recommendation to allow the General Director, Mr. Westerman, the authority to negotiate such Physician Compensation Contracts as seen as necessary to conduct the affairs of the Hospitals under the direction of the Board of Governors.

Mr. Holmquist concluded by inviting the Board to attend any meeting of the Finance Committee they wish, explaining that they may participate in discussion but cannot be allowed to vote. Mr. Holmquist then moved for acceptance of the Finance Committee's report. Chairman Atwood reiterated that acceptance of the report would indicate approval of the transference of 1974-75 net revenue to funded depreciation,
the writing off of bad debts for 74-75, and the authorization of the General Director to negotiate Physician Compensation Contracts. The motion was seconded and passed. Mr. Hanser reminded the Committee that despite a good financial situation, the Hospitals desperately lacked good patient care facilities.

V. Facilities Committee - Dr. John Tiede, Committee Chairman

Dr. Tiede requested that the Board briefly review the minutes of the last Facilities Committee meeting. He explained that the committee had given its support to an architects' feasibility study of Unit K/E and to the Hospitals' three year building and budget plan and the ten year project plan. Dr. Tiede emphasized that the committee was still very much in a learning phase.

Mr. Jones responded to Ms. Manthey's question regarding station renovation by explaining that Psychiatry and Rehabilitation areas were being air conditioned and that Pediatrics, Intensive Care, and Post Anesthesia Recovery would eventually be placed in the new K/E building.

Chairman Atwood thanked Dr. Tiede for his report and announced that the Facilities Committee had responded to the Boards' request to investigate the possibility of finding a permanent meeting room by securing Room 555 Diehl Hall for Board meetings this year and next.

Before beginning the next committee report, Mr. Holmquist asked if he might again stress the importance of following the malpractice issue, especially through the legislative hearings. Miss Foley commented that she was attending the hearings and would keep the Board informed as they progressed. Mrs. Pillsbury also made mention of an upcoming meeting on malpractice and an article on the review of a book, Ending Insult to Injury, by Jeffery O'Connell, on the no-fault concept applied to malpractice. Mr. Westerman commented that University Hospitals' staff has met
with Jeffrey O'Connell and looks forward to working with him to develop an innovative no-fault program for hospitals to deal with malpractice.

VI. Joint Conference Committee - Mr. Albert Hanser, Committee Chairman

Mr. Hanser stated that there was no quorum at the last Credentials Committee and, thus, no new appointments to be considered by the Board. He did mention that the reappointment process had been completed for doctors already on the medical staff of University Hospitals.

Mr. Hanser then told the Board of a JCAH questionnaire which has been completed and returned to the Commission. A JCAH site visit is expected sometime in mid-October.

Mr. Hanser informed the Board that the Joint Conference Committee will be invited to the next surprise disaster drill and that they were given a report of a disaster communications drill which recently took place.

Mr. Hanser also told the Board of a presentation which the Joint Conference Committee heard on Medical Audit, as given by Jan Schindler, Coordinator of University Hospitals' Quality Assurance Program. He informed the Board that according to JCAH requirements, a certain number of audits must be reviewed by the Governing Board. It was the Joint Conference Committee's suggestion that this task be covered by the committee. Dr. Tiede commented that this would be good and that it is important that the Board demonstrate confidence in its sub-committees.

A discussion then ensued, based on a question from Mrs. Lebedoff, on how University Hospitals relates its findings, such as in medical audit, to outside interested parties. Mr. Westerman responded by saying that, unless requested, it would be difficult to provide assistance or information to groups outside the Hospitals. He continued, however, that the Association of American Medical Colleges had requested information on University of Minnesota Hospitals' quality assurance program and that
a program description booklet had been forwarded to the AAMC and would similarly be distributed to members of the Board.

In discussing grants which have been awarded to University Hospitals or the Health Sciences, Dr. Schaffer emphasized the importance of Board members relating to their Congressmen in order that much more needed grants might be received.

Chairman Atwood congratulated Mrs. Pillsbury on her recent appointment by President Ford to the United Service Organization. Dr. Tiede noted that Chairman Atwood had been recognized by the Minnesota Red Cross and Chairman Atwood commented on Mr. Westerman's invitation to speak in Brazil.

VIII. General Directors Report - Mr. Westerman

Mr. Westerman reminded members of the Board to return their travel vouchers to Ms. Shirley Sudduth.

In giving his report, Mr. Westerman informed the Board that progress was being made in securing corporate counsel. Consideration of innovative approaches to the malpractice issue by University Hospitals is awaiting the assistance which an attorney could provide.

Mr. Westerman then provided the Board with a six month interim report on the Annual Plan for 1975. He referred the Board members back to that plan which was located under the February tab of their Board books. A written account of Mr. Westerman's remarks on the Annual Plan is attached to these minutes as Appendix "A". Also attached is an account which Mr. Westerman requested of Miss Foley concerning the B-C modification primary care clinic site selection, Appendix "B".

Mr. Westerman concluded by pointing out that many projects have evolved during the past six months which were not expected when the Annual Plan was written. Examples which he cited were the Tucson Conference on governance of which copies on the
proceedings were distributed to the Board, parking arrangements, and employee relations, on which he requested Mr. Dickler to comment.

Mr. Dickler reminded the Board of the labor election which had been called for by the Teamsters requiring employees to vote for AFSCME, Teamsters, or no union representation. He informed the Board that the dates for the election have been set for September 9 and 10. Mr. Dickler further explained that in preparing for the election, the AFSCME group had sought a restraining order on the Hospitals to cease and desist the practice of forbidding election campaigning by the unions in patient areas. As the restraining order is still be considered by the judge, Mr. Dickler promised to keep the Board informed of the results of the negotiations.

Mr. Westerman introduced Mr. Robert Emmett from the University of Iowa and Mr. Dana Ramish from Northwestern University who have been spending the last few months at University Hospitals as summer clerks. Mr. Westerman then introduced Mr. Gregory Hart, who is the new resident from the University of Minnesota’s Program in Hospital and Health Care Administration, and congratulated him on winning the Program’s Clerkship Award.

IX. Board Concerns – Mr. Atwood, Chairman

Chairman Atwood expressed his appreciation to the Board for its very good attendance at meetings. He announced that the next meeting of the Board of Governors will be on September 17th and that Mr. Hanser will be presiding at that meeting, as he, Mr. Atwood, will be in Europe.

Chairman Atwood adjourned the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics at 4:45 p.m.

Respectfully submitted,

Johnelle Foley
Secretary
The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:10 p.m., in Room 555 Diehl Hall.

I. Minutes of the June 18, 1975 Meeting - Mr. Atwood

Mr. Holmquist moved that the minutes of the last meeting be approved. The motion was seconded and passed without dissent.

II. Orientation to Operations Analysis - Mr. Harry Brekhus, Director, Operations Analysis

Mr. Brekhus related to the Board that the Department of Operations Analysis was formed in 1968, due to an interest in data processing and an awareness of shortcomings in hospital systems and operations. The informational needs of the hospital were increasing and areas such as management methods, systems analysis and forms design demanded study.
Mr. Brekhus explained that Operations Analysis developed a philosophy by which they would strive to work toward efficiency and effectiveness without exorbitant developmental costs. He mentioned that the department uses a team approach and operates as a consultant to departments who submit formal proposals for Operations Analysis' study.

Mr. Brekhus went on to say that Operations Analysis functions first in general analysis of methods and procedures. An example of work in this area would be the productivity indices which the department has developed. In relation to computer work the department has a medium size Burroughs Computer which operates 24 hours, 7 days per week. Mr. Brekhus also described the department's information system, pointing out that he sees availability of information as the key to a successfully operating hospital. Parts of this system were said to be accounting services, patient data base, care center, and management reporting information systems.

Mr. Brekhus summarized by indicating that there was an aggressive use of Operation Analysis' services in the hospital, but that this use was cautious in a healthy sense, in that each step of a project would be evaluated through cost benefit analysis. In response to a question by Ms. Givens, Mr. Brekhus explained that a considerable amount of equipment would be required to take the aforementioned information system mechanically through to the patient care center. Chairman Atwood thanked Mr. Brekhus for his report and commented on his pleasure in seeing that the hospital was using modern systems and approaches.

III. Orientation to the Department of Physical Medicine and Rehabilitation  
- Dr. Frederic Kottke, Clinical Chief of Physical Medicine and Rehabilitation

Dr. Kottke explained that the purpose of PM&R was to restore people therapeutically with skeletal, muscular and circulatory defects to as normal a life as possible. His department was started in 1952 on the 7th & 8th floors of the Mayo Building with 20 beds for adults. With state and federal grants, the 7 story Children's
Rehabilitation Hospital was built adjacent to the hospital in 1962. This facility contains 20 adult beds, 20 children's beds, 5 school rooms, 2 research floors, and areas for the teaching of therapists.

Dr. Kottke mentioned that in his department a great number of allied health professionals were used, from therapists to counselors to teachers. PM&R sees approximately 4,200 patients per year with 90% of these comprising 46,000 patient day visits on a comprehensive 2 half-day visit program. This program is subsidized by a state appropriation of $1.5 million matched by a federal grant of $1.3 million. Dr. Kottke indicated that all types of therapy were utilized, such as physical, speech, occupational, and social work.

In the area of adults, Dr. Kottke cited spinal cord injuries and strokes as making up the largest number of cases seen in the department, while children were primarily seen for congenital diseases or cerebral palsy. In response to a question from Dr. Paparella concerning research trends in PM&R, Dr. Kottke concluded that the department was even instrumental in the development of the Health Maintenance Organization theory of health promotions. Chairman Atwood thanked Dr. Kottke for his interesting and informative report.

IV. Finance Committee - Mr. Stanley Holmquist, Committee Chairman

Mr. Holmquist announced that University Hospitals' rate increase had been reviewed by the Minnesota Hospital Association's Voluntary Rate Review panel and that the increase was approved.

Mr. Holmquist stated that in reviewing the 1974-75 Preliminary Financial Statements, staff had explained that an estimated $800,000 net revenue was the result of an error in estimating Third Party Contractual Adjustments. Mr. Holmquist informed
the Board that the Finance Committee recommends the transfer of that net revenue to funded depreciation. Reasons for this recommendation were explained to the Board.

Secondly, Mr. Holmquist commented on the Financial Statements for July of 1975. In response to Mrs. Pillsbury's concern over the Hospitals' rate increase based on July's net revenue, Mr. Holmquist explained that a judgement as to an adjustment of the rate should not be made on one month's experience. Accounts receivable were then cited by Mr. Holmquist as showing marked improvement in the reduction of revenue days in accounts receivable since 1971.

In the area of bad debts, Mr. Holmquist asked that the Board approve the Finance Committee's recommendation to consider the statement of accounts which the Committee reviewed as uncollectible.

Mr. Holmquist then explained to the Board the concept behind Physician Compensation Contracts which were being negotiated with the departments of Psychiatry, Radiology, and Laboratory Medicine on a percentage of gross income basis. He asked that the Board approve the Finance Committee's recommendation to allow the General Director, Mr. Westerman, the authority to negotiate such Physician Compensation Contracts as seen as necessary to conduct the affairs of the Hospitals under the direction of the Board of Governors.

Mr. Holmquist concluded by inviting the Board to attend any meeting of the Finance Committee they wish, explaining that they may participate in discussion but cannot be allowed to vote. Mr. Holmquist then moved for acceptance of the Finance Committee's report. Chairman Atwood reiterated that acceptance of the report would indicate approval of the transference of 1974-75 net revenue to funded depreciation,
the writing off of bad debts for 74-75, and the authorization of the General Director to negotiate Physician Compensation Contracts. The motion was seconded and passed. Mr. Hanser reminded the Committee that despite a good financial situation, the Hospitals desperately lacked good patient care facilities.

V. Facilities Committee - Dr. John Tiede, Committee Chairman

Dr. Tiede requested that the Board briefly review the minutes of the last Facilities Committee meeting. He explained that the committee had given its support to an architects' feasibility study of Unit K/E and to the Hospitals' three year building and budget plan and the ten year project plan. Dr. Tiede emphasized that the committee was still very much in a learning phase.

Mr. Jones responded to Ms. Manthey's question regarding station renovation by explaining that Psychiatry and Rehabilitation areas were being air conditioned and that Pediatrics, Intensive Care, and Post Anesthesia Recovery would eventually be placed in the new K/E building.

Chairman Atwood thanked Dr. Tiede for his report and announced that the Facilities Committee had responded to the Boards' request to investigate the possibility of finding a permanent meeting room by securing Room 555 Diehl Hall for Board meetings this year and next.

Before beginning the next committee report, Mr. Holmquist asked if he might again stress the importance of following the malpractice issue, especially through the legislative hearings. Miss Foley commented that she was attending the hearings and would keep the Board informed as they progressed. Mrs. Pillsbury also made mention of an upcoming meeting on malpractice and an article on the review of a book, *Ending Insult to Injury*, by Jeffery O'Connell, on the no-fault concept applied to malpractice. Mr. Westerman commented that University Hospitals' staff has met
with Jeffrey O'Connell and looks forward to working with him to develop an innovative no-fault program for hospitals to deal with malpractice.

VI. Joint Conference Committee - Mr. Albert Hanser, Committee Chairman

Mr. Hanser stated that there was no quorum at the last Credentials Committee and, thus, no new appointments to be considered by the Board. He did mention that the reappointment process had been completed for doctors already on the medical staff of University Hospitals.

Mr. Hanser then told the Board of a JCAH questionnaire which has been completed and returned to the Commission. A JCAH site visit is expected sometime in mid-October.

Mr. Hanser informed the Board that the Joint Conference Committee will be invited to the next surprise disaster drill and that they were given a report of a disaster communications drill which recently took place.

Mr. Hanser also told the Board of a presentation which the Joint Conference Committee heard on Medical Audit, as given by Jan Schindler, Coordinator of University Hospitals' Quality Assurance Program. He informed the Board that according to JCAH requirements, a certain number of audits must be reviewed by the Governing Board. It was the Joint Conference Committee's suggestion that this task be covered by the committee. Dr. Tiede commented that this would be good and that it is important that the Board demonstrate confidence in its sub-committees.

A discussion then ensued, based on a question from Mrs. Lebedoff, on how University Hospitals relates its findings, such as in medical audit, to outside interested parties. Mr. Westerman responded by saying that, unless requested, it would be difficult to provide assistance or information to groups outside the Hospitals. He continued, however, that the Association of American Medical Colleges had requested information on University of Minnesota Hospitals' quality assurance program and that
a program description booklet had been forwarded to the AAMC and would similarly be distributed to members of the Board.

In discussing grants which have been awarded to University Hospitals or the Health Sciences, Dr. Schaffer emphasized the importance of Board members relating to their Congressmen in order that much more needed grants might be received.

Chairman Atwood congratulated Mrs. Pillsbury on her recent appointment by President Ford to the United Service Organization. Dr. Tiede noted that Chairman Atwood had been recognized by the Minnesota Red Cross and Chairman Atwood commented on Mr. Westerman's invitation to speak in Brazil.

VIII. General Directors Report - Mr. Westerman

Mr. Westerman reminded members of the Board to return their travel vouchers to Ms. Shirley Sudduth.

In giving his report, Mr. Westerman informed the Board that progress was being made in securing corporate counsel. Consideration of innovative approaches to the malpractice issue by University Hospitals is awaiting the assistance which an attorney could provide.

Mr. Westerman then provided the Board with a six month interim report on the Annual Plan for 1975. He referred the Board members back to that plan which was located under the February tab of their Board books. A written account of Mr. Westerman's remarks on the Annual Plan is attached to these minutes as Appendix "A". Also attached is an account which Mr. Westerman requested of Miss Foley concerning the B-C modification primary care clinic site selection, Appendix "B".

Mr. Westerman concluded by pointing out that many projects have evolved during the past six months which were not expected when the Annual Plan was written. Examples which he cited were the Tucson Conference on governance of which copies on the
proceedings were distributed to the Board, parking arrangements, and employee relations, on which he requested Mr. Dickler to comment.

Mr. Dickler reminded the Board of the labor election which had been called for by the Teamsters requiring employees to vote for AFSCME, Teamsters, or no union representation. He informed the Board that the dates for the election have been set for September 9 and 10. Mr. Dickler further explained that in preparing for the election, the AFSCME group had sought a restraining order on the Hospitals to cease and desist the practice of forbidding election campaigning by the unions in patient areas. As the restraining order is still be considered by the judge, Mr. Dickler promised to keep the Board informed of the results of the negotiations.

Mr. Westerman introduced Mr. Robert Emmett from the University of Iowa and Mr. Dana Ramish from Northwestern University who have been spending the last few months at University Hospitals as summer clerks. Mr. Westerman then introduced Mr. Gregory Hart, who is the new resident from the University of Minnesota's Program in Hospital and Health Care Administration, and congratulated him on winning the Program's Clerkship Award.

IX. Board Concerns - Mr. Atwood, Chairman

Chairman Atwood expressed his appreciation to the Board for its very good attendance at meetings. He announced that the next meeting of the Board of Governors will be on September 17th and that Mr. Hanser will be presiding at that meeting, as he, Mr. Atwood, will be in Europe.

Chairman Atwood adjourned the meeting of the Board of Governors of University of Minnesota Hospitals and Clinics at 4:45 p.m.

Respectfully submitted,

Johnelle Foley
Secretary
No July, 1975 Meeting
Minutes

BOARD OF GOVERNORS

University of Minnesota Hospitals and Clinics

June 18, 1975

Members Present: Mr. Harry Atwood Dr. Michael Paparella
Ms. Mary Jo Anderson Ms. Sally Pillsbury
Ms. Jeanne Givens Mr. John Quistgard
Mr. Albert Hanser Dr. Erwin Schaffer
Dr. Donald Hastings Mr. Donald Shank
Mr. Stanley Holoquist Dr. John Tiede
Ms. Mary Lebedoff Ms. Timothy Vann
Ms. Marie Manthey Mr. John Westerman
Mr. Albert Hanser Dr. Paul Winchell

Members Absent: Ms. Judy Brandenburg
Mr. Charles Deegan
Mr. Orville Evenson
Mr. Ruben Ruiz

The meeting of the Board of Governors of the University of Minnesota Hospitals
and Clinics was called to order by Chairman Atwood at 2:15 p.m., in Room 555 Diehl Hall.

I. Minutes of the May 21, 1975 Meeting - Mr. Atwood

Dr. Donald Hastings moved that the minutes of the last meeting be approved.
Mr. John Quistgard seconded the motion, which was passed without dissent.

II. Orientation to Nursing Services - Ms. Donna Nehls, Chairperson, Nursing Services

Ms. Nehls identified the Nursing Service Status Report which was distributed to the
Board members, commenting that the booklets contained a detailed account of Nursing
Service programs, while her presentation would provide the Board with an overview of the
Department.

Ms. Nehls discussed the commitment of University Hospitals Nursing Service Department
in terms of three primary elements. The first, being quality of care, was defined
by Nursing Service as involving technical skills, psychosocial understanding and the
ability to teach patients. Because the Joint Commission for the Accreditation of
Hospitals requires evaluation, the department has developed a technique for evaluation
which combines both process audits (watching care) and outcome audits (examining charts). This method has been facilitated by the introduction of the problem-oriented medical record charting system which provides much more information on the care actually given to patients. Staff development is conducted on the station level with various courses being offered on an on-going basis.

The second component of Nursing Services' commitment pertained to individualized patient care. It was felt by the Department that this could generally best be provided by a plan known as primary nursing in which a patient is assigned to one nurse and that nurse is responsible for that patient's care, thus eliminating fragmentation of care and the impersonalization of a number of different nurses for one patient.

The third component of Nursing Services' commitment was to efficient management. In this area the department worked to decentralize their system and to provide all nurses with the ability to become involved in decision making. Their organization has benefitted with the aid of such programs as leadership training and staff utilization monitoring system.

In response to various questions, Ms. Nehls commented that the average tenure of nurses at University Hospitals was 24 months and that the department was working closely with the University School of Nursing to attract its graduates. She also described the various types of R.N. degrees and the requirements necessary to qualify for graduate specialization. In response to the question posed by Dr. Winchell, Ms. Nehls informed the committee that her background is Industrial Relations.

III. Comments of Interest to the Board

Mr. Westerman introduced Ms. Markie Harwood who is covering the Board of Governor's meetings for the Minnesota Daily. Chairman Atwood made mention of a cover article in Urban Voices which was a tribute to Mrs. Timothy Vann and her diligent work throughout the community.
IV. 1976-1976 Budget Letter - Mr. Stanley Holmquist, Chairman, Finance Committee

Mr. Holmquist presented the Board members with copies of the May 31, 1975 Year to Date Income Statements. Discussion was held on the issue of the Social Security Administration's classification of hospitals and their allowed routine cost limits. It was pointed out that University Hospitals was running at approximately $115-120 per day while the federally allowed limit was $95 per day according to the classification system of SSA. It was stated that this classification for 1974-75 will be appealed. The 1975-76 classification will allow $174 per day as the limit. After more discussion on trends indicated in the Income Statement, Mr. Holmquist concluded that sufficient questions and satisfactory responses had been covered on this statement both in this meeting and the Finance Committee Meeting.

Mr. Holmquist then introduced the 1975-1976 Budget Letter for review and comment by the Board. He stated that the letter had been examined by the Finance Committee and it was their belief that the 12% rate increase was justifiable based on a 17.5% increase in expenditures. These expenditures had been studied by the Finance Committee and found to be well planned and reasonable.

Mr. Hanser stated that he felt it would be irresponsible for the Board to approve a 12% rate increase. A discussion then ensued covering various points in the Budget Letter. Laundry and Linen were said to increase because of the rising costs of cotton goods, increased use, especially in the Operating Room, and high laundry charges. Salaries showed an increase because of the staff positions added for new and expanding programs and because salaries and other payroll costs must be increased commensurate with the University compensation program. In addition, if the Hospitals experience a projected 6-7% patient services volume increase, more supplies will be needed and these supplies will be more costly due to inflation.
Chairman Atwood inquired as to the flexibility of the budget and was told that the Hospitals' sound accounting system facilitated change. The Budget Letter also indicated that last year a 12% rate increase had been granted and, when found that it would have generated 10.7% over budgeted gross revenue, the rate was then reduced by 4.2%, so that the effective rate increase for 1974-75 will be 7.8%.

Mr. Holmquist moved that the Board of Regents be informed that the Board of Governors had reviewed University Hospitals 1975-76 Budget Letter as prepared and that discussion brought forth no necessary changes. Further, the Regents should be informed that some concern was felt among the Governors pertaining to the 12% rate increase, but that close monitoring of costs and revenue might permit downward rate adjustments. The motion was seconded by Ms. Vann.

Mr. Brown, of Vice President Brinkerhoff's Office, informed the Board that a 14.1% rate increase had originally been discussed with the Vice Presidents, so that it was with careful study and examination of programs and improvements that 12% had been achieved. He stated that Vice President Brinkerhoff had already accepted the 12% rate increase, as would be the practice this year because of the newness of the Board, and was waiting for the July Regent's meeting to take the Budget Letter before them with the Board of Governors' comments.

It was Dr. Paparella's suggestion that the monitoring of the budget system should be structured. It was agreed that there should be a quarterly in-depth review by the Finance Committee.

Mr. Holmquist's motion was voted upon and carried.

V. Orientation to the Department of Psychiatry - Dr. William Hausman, Clinical Chief of Psychiatry

Dr. Hausman commenced his presentation by saying that he was the third Chairman of the Psychiatry Department, immediately proceeded by Dr. Hastings. Until 1969, Psychiatry was a joint department with Neurology. At that time the department had
68 beds in four units and a clinic. Today the department has 55 operating beds, 34 for adults, 13 for adolescents, and 8 for child psychiatry as well as a day hospital and a separate out-patient clinic. Through reorganization of treatment methods, the department has evolved successfully even in a community (Metro area) which has a large number of psychiatric beds. Although other facilities may be more attractive physically, University Hospitals' Psychiatric Department is more completely staffed.

Dr. Hausman explained that the trend in psychiatry had been moving from a medical model to a social model, but was now somewhere in the middle with psychoses being treated with drugs and neuroses with psycho-therapy. The greatest focus for the department now is in the area of adolescent and child psychiatry. Thus, the department is looking forward to moving that part of its program to an off-site residential care setting.

Dr. Hausman reported that research was being conducted in the Psychiatric Department in the areas of obesity, drug abuse, and manic depression. He indicated the Psychiatric beds were utilized more than the out-patient clinic because so many of their patients were from out state. Although there might sometimes be a waiting list, he did not feel that additional beds would be advantageous to teaching. However, the unit could be more attractive to provide a better atmosphere for patients.

VI. Facilities Committee - Dr. John Tiede, Committee Chairman

Dr. Tiede reported that the Facilities Committee had discussed planning in the B-C Unit with long range plans being described by Dr. Varco.

To further their orientation of University Hospitals, the Committee was taken on a tour of the K-E building and were informed as to how it would relate to various Hospital units.
Ms. Lebedoff expressed distress with the conditions which the committee observed in its tour of the hospital. She was particularly concerned with the Intensive Care Unit and the Pediatric Units.

Dr. Tiede stated that the Facilities Committee will continue informing the Board of University Hospitals planning as they progress in their orientation of the facilities.

VII. Joint Conference Committee - Mr. Hanser, Committee Chairman

Mr. Hanser reported that the Joint Conference Committee had met the night before and had a number of action items for the Board. Mr. Hanser first moved that the recommended re-appointments to the Medical Staff be approved. The motion was seconded and discussion followed concerning those doctors who had not re-applied for membership. The Board was told the doctors would be informed and when their information was in order, would be approved at a later date. The motion was passed.

Mr. Hanser then made a motion, which was seconded, requesting the Board's approval of the recommended new applicants to the Medical Staff. The motion passed without dissent.

A third motion was made by Mr. Hanser and seconded in which he requested the approval of the recommended appointments of the Medical Staff-Hospital Council Standing Committee Chairmen. After explaining that some of these appointments were new and some held over, the motion was carried.

Mr. Hanser then reported that the Committee had heard a presentation on the Hospitals' Disaster Plan as given by Dr. Charles Drage and Mr. Michael McKee. It was felt by the committee that the plan was good and well directed.

Mr. Hanser concluded with mention of the Joint Commission on the Accreditation of Hospitals' site-visit which is planned for September or October.
Mr. Westerman informed the Board that many other university hospitals are showing an interest in Minnesota's Board of Governors concept.

Ms. Johnelle Foley briefly described a paper which she had prepared for the Board's information on the issue of malpractice. She noted that the paper dealt not only with the national scene, but with the Minnesota situation and University Hospitals implications as well. She informed the Board that she was maintaining a file on the subject of malpractice and would be most happy to monitor the malpractice scene and provide the Board with any additional information they might wish to have.

Mr. Holmquist noted that it was imperative that the Board go to the next legislative session with a proposal on this critical issue of malpractice.

Mr. Westerman drew to the attention of the Board a brief summary placed in their notebooks of the last legislative session and mentioned that the Minnesota Hospital Association's summary of the same would be forwarded to them as soon as it is received.

Mr. Westerman informed the Board that meetings were continuing in liaison with the Metropolitan Health Board on the proposed outreach clinic and that site visits were the next order of business. He also described Health Sciences Task Force work in the area of patient education and indicated that at the next meeting of the Board they would be provided with an Interim Report of the 1975 Annual Plan for University Hospitals.

Chairman Atwood suggested that consideration should be given by the Board to the idea of recessing in either the month of July or August. Mr. Holmquist motioned that the Board not meet until August for reasons of financial reporting. The motion was seconded and passed.
Chairman Atwood also suggested that the Facilities Committee investigate the possibility of finding a permanent meeting room for the Board of Governors.

Chairman Atwood then adjourned the meeting at 4:45 p.m.

Respectfully submitted,

Johnelle Foley
Secretary to the
Board of Governors
Minutes
University of Minnesota Hospitals and Clinics

BOARD OF GOVERNORS
May 21, 1975

Members Present: Mr. Harry Atwood Ms. Sally Pillsbury
Ms. Mary Jo Anderson Mr. John Quistgard
Ms. Judy Brandenburg Dr. Erwin Schaffer
Mr. Orville Evenson Mr. Donald Shank
Mr. Albert Hanser Dr. John Tiede
Dr. Donald Hastings Ms. Timothy Vann
Mr. Stanley Holmquist Mr. John Westerman
Ms. Mary Lebedoff Dr. Paul Winchell
Ms. Marie Manthey

Members Absent: Mr. Charles Deegan
Ms. Jeanne Givens
Dr. Michael Paparella
Mr. Ruben Ruiz

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:00 p.m. in the Dale Shepherd Room of the Campus Club in Coffman Memorial Union.

I. Minutes of the April 16, 1975 Meeting - Mr. Atwood
Dr. Donald Hastings moved that the minutes of the last meeting be approved. Mr. John Quistgard seconded the motion, which was passed without dissent.

II. Introduction of New Secretary to the Board - Mr. Westerman
Mr. Westerman introduced Ms. Johnelle Foley, who will be assuming responsibilities as Secretary to the Board of Governors as approved by Mr. Atwood.

III. Orientation to Social Services - Mr. Robert Spano, Director, Social Services Department
Mr. Spano identified handouts which were distributed in the Board packets. He enumerated the organizational and service
Mr. Spano discussed the priorities of the Social Service Department in relation to the three basic missions of the Health Sciences, namely training, research, and service. He detailed those situations in which social work intervention is appropriate.

He also highlighted programs in which Social Service has a role. These included the Family Education Center, The Weight Control Program, Pain Treatment Program, Chemical Dependency Consultation Team, Home Health Care, and various kidney disease treatment efforts.

It was emphasized that Social Service is an integral part of the overall program of University Hospitals and Clinics. Full implementation of Public Law 92-603 utilization control provisions will significantly impact on the Department and will be one of its concerns.

In answer to a question, Mr. Spano stated that the Department's annual budget totals $472,000.

IV. Orientation to Clinical Services - Neurology - A. B. Baker, M.D., Clinical Chief of Neurology and Regents' Professor

Mr. Westerman introduced Dr. Baker and made reference to his many achievements.

Dr. Baker defined Neurology and provided background information about the history of the specialty at University Hospitals. He said that the service now has 50 beds which are occupied virtually 100%.
The Child Neurology Service sees about 2,000 outpatients annually. In total, over 10,000 neurology patients are seen per year. Dr. Baker outlined a number of other units at affiliated hospitals which are the academic responsibility of the Department.

There are 32 full-time staff members, 11 of whom are full professors. A close affiliation is maintained with the Veterans Administration Hospital, Hennepin County Medical Center, and St. Paul Ramsey Hospital. These institutions have an additional 22 full-time staff personnel. In order to expand clinical training, additional units are being developed in selected private hospitals.

A Legislative Neurology Special exists which is unique in that it is awarded directly to the Department. This is for the care of special Neurology problems, research, and for the teaching of students.

Another part of the Department's budget comes from the Federal Government. Dr. Baker said that University Hospitals is the base for the largest training program in the United States. However, federal funding for training will terminate next year, so funds will have to be found elsewhere.

Research grants and contracts also provide support. The Department does a large amount of work on strokes.

Dr. Baker stated that the total of funds is $2 million per year. The Department has private funds, fee for service income, and some Hospitals support for many of its activities which provide the needs of neurology patients.

Research interests are broad and include Multiple Sclerosis. At least 300-400 patients are admitted annually for this problem.
The Department is interested in Epilepsy and does considerable research in this area. Another large program deals with Parkinsonism. Very satisfying results have been realized.

Dr. Baker discussed University Hospitals' new ACTA Scanner and mentioned the press conference scheduled for May 23, 1975. In answer to a question, Dr. Baker said that the Residency period comprises a one-year Internal Medicine experience and three-years of Neurology training.

V. Finance Committee - Mr. Stanley Holmquist, Committee Chairman

Mr. Holmquist reviewed the proceedings of the Committee meeting and provided an overview of the sources of funding for capital expenditures. The Year-to-Date financial position of the Hospitals was explained. It was pointed out that salaries and fringe benefits accounted for about 65% of the expenditures and that the State of Minnesota provides approximately 11% of the total operating revenues. The rationale for rates was discussed, and the effect of inventory on net revenue was explained.

Mr. Donald Shank commended the staff for its capable handling of financial matters and expressed his hope that the Finance Committee would soon be able to meet jointly with the Facilities Committee.

Chairman Atwood asked that the entire Board of Governors receive periodic and condensed copies of the financial reports. This will be done on a quarterly basis.

VI. Joint Conference Committee - Ms. Marie Manthey, Committee Member

There was discussion of the Utilization Review Plan which was distributed to the Board of Governors at the last meeting. Ms. Manthey stated that
the Health Board had requested that 2 minor modifications be made. These changes have been incorporated into the plan.

Ms. Manthey moved that the Utilization Review Plan be accepted as presented and modified. Dr. Winchell seconded the motion, which passed without dissent.

It was reported that the Joint Commission on Accreditation of Hospitals (JCAH) review will be held this Fall. University Hospitals is prepared for the review, which is expected to emphasize the requirements of the Occupational Safety and Health Act (OSHA). Federal jurisdictional disputes were discussed.

Mr. Albert Hanser moved that the recommendations on staff membership for physicians be approved. Ms. Lebedoff seconded the motion, which passed without dissent.

Mr. Hanser then moved that the Bylaws be approved and implemented; and that they supercede all previous Bylaws. This motion was seconded by Mr. Shank. After an explanation by Chairman Atwood, the motion passed without dissent.

VII. Facilities Committee - Dr. John Tiede, Committee Chairman

Part of the document referring to changes in the Federal Certificate of Need Law was discussed. The Committee recommended the adoption of compliance and annual review of the designated capital projects. Dr. Tiede explained other matters considered by the Committee in relation to Certificate of Need.

The role of the Board of Governors in regard to smaller capital projects was explained. It was said that the preparatory work will be done by the committees which will formulate recommendations which will be
reviewed by the entire Board.

A motion was made by Mr. Shank that the recommendations of the Facility Committee be approved. The motion was seconded by Ms. Vann, and passed by unanimous consent. Following the approval, Mr. Evenson complimented the staff on its expertise.

VIII. General Director's Report - Mr. John Westerman, General Director

Mr. Westerman asked Mr. Joel Tierney to discuss the recruitment of full-time Hospitals counsel. This attorney would be housed in University Hospitals and would deal with matters relating to the institution including the Board of Governors. He or she would liaison directly with Mr. Tierney's office.

Mr. Westerman said that University Hospitals accomplished much with the Legislature this year. $12-million for 1975-77 were appropriated including $4-million in the County Papers Program. Another $8-million was for direct support. It was observed that Vice President French and Assistant Vice President Preston did an outstanding job in presenting the position of the Health Sciences.

Concern was expressed about rate review, a mechanism which restricts revenue, but not expenses. However, this matter was deferred by the Legislature.

Parking problems were discussed and the openings of the Oak Street Ramp and the Shuttle Bus Service were discussed. Chairman Atwood suggested that a diagram of parking facilities be provided to the Board of Governors at a later date.

Mr. Westerman explained the budget planning process and outlined the steps to be followed this year.
Background information on relationships between the Veterans Administration Hospitals and University Hospitals and Clinics was provided. The policies regarding new construction of the national Veterans Administration were explained. Current developments and discussions about joint relationships between University Hospitals and the VA were considered. Mr. Westerman said that the Board of Governors will be kept up to date on any developments.

Mr. Westerman said that the Teamsters' Union has filed for an election in an attempt to represent those employees who are now members of Local 1164 AFSCME.

The Home Health Care Department's provision of service to the elderly and the Dental School's activities were explained.

The question of malpractice insurance was raised. Mr. Westerman stressed the need for orientation in this area.

IX. Board Concerns - Chairman Atwood

Mr. Atwood stated that the Board of Governors is beginning to move into substantive areas of responsibility. He expressed appreciation to the Board members for their patience and understanding.

It was announced that the next meeting of the Board of Governors will be held on Wednesday, June 18, 1975.

Chairman Atwood adjourned the meeting at 4:20 p.m.

Respectfully submitted,

Donald L. Van Hulzen
Secretary
Minutes
Board of Governors
University of Minnesota Hospitals and Clinics
April 16, 1975

Members Present:  Mr. Harry Atwood
                 Ms. Mary Jo Anderson
                 Mr. Charles Deegan
                 Mr. Orville Evenson
                 Mr. Albert Hanser
                 Dr. Donald Hastings
                 Mr. Stanley Holmquist
                 Ms. Jeanne Givens

                 Ms. Mary Lebedoff
                 Dr. Michael Paparella
                 Ms. Sally Pillsbury
                 Mr. John Quistgard
                 Dr. John Tiede
                 Ms. Timothy Vann
                 Mr. John Westerman
                 Dr. Paul Winchell

Members Absent: Ms. Judy Brandenburg
                Ms. Marie Manthey
                Mr. Ruben Ruiz
                Mr. Donald Shank
                Dr. Erwin Schaffer

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order at 2:10 p.m., by Chairman Atwood in the Board of Regents Conference Room, Morrill Hall, University of Minnesota. Mr. Atwood commented that it would be desirable to locate a permanent home for the Board of Governors. He then suggested that the Agenda be re-arranged at this meeting to accommodate the schedules of some of the speakers.

I. Minutes of the March 19, 1975 Meeting - Mr. Atwood

Mr. Hanser moved that the minutes of the last meeting be adopted. Mr. Quistgard seconded the motion. The minutes were approved without dissenting vote.

Chairman Atwood then discussed two supplementary items of interest. He first addressed the matter of liability insurance for members of the Board. He commented that an endorsement to the Board of Regents liability policy covering the Board of Governors had been
obtained. He then mentioned that inquiries had been received by some Board members concerning selection of students by the Medical School. Mr. Atwood emphasized that matters of this type were not the responsibility of the Board of Governors. He suggested that, as individuals, members of the Board may wish to contact Dr. N. L. Gault, Dean of the Medical School, if information regarding students is desired.

II. Orientation to Clinical Services - Surgery - Dr. John Najarian
Professor & Chairman, Department of Surgery

Dr. Najarian provided printed materials which gave the history, background and present activities of the Department of Surgery, and enumerated the faculty and teaching assignments. A section of the materials was devoted to the degrees which have been granted by the Department.

It was stated that more than 135 beds in University Hospitals are utilized for surgery patients, and 812 additional beds are used in the other area hospitals. The printed document also included admissions statistics, service areas, and reprints of research which has been done.

The Department of Surgery was characterized as being premier in the United States. Dr. Najarian has been Chief of the Department since Dr. Owen Wangensteen retired in 1967. The Department began full-time operation in 1930 under the direction of Dr. Wangensteen. At the present time there are 35 full-time faculty members on the staff. Dr. Najarian described the various aspects of the Department's activities and detailed the many services in which the Department leads the nation.
It was stated that the education and research activities of the Department of Surgery are financed largely by non-State means. About 80% of the support is generated through grants, foundation funds and philanthropy. In addition, the Department generates financial resources through its private practice activities.

Most graduates of the Residency programs are not from Minnesota. Many of the outstate people train at the University for 7 years. Most of these graduates remain in the State following their training.

Dr. Najarian said that the need for surgical beds is burgeoning. The recent bed reallocation at University Hospitals was mentioned. Dr. Najarian stated that the operating rooms are extremely busy and that the case load cannot increase much more without the addition of more operating rooms and support space.

III. Joint Conference Committee Report - Mr. Hanser, Chairman

Mr. Hanser explained the function and duties of the Committee and its composition. Appreciation was expressed to the physician members of the Committee for their attendance and participation.

Mr. Hanser said there is a need to accept the report of the Credentials Committee. Dr. Winchell detailed the way in which privileges are extended to new members of the medical staff.

Mr. Hanser moved that the report recommendations be approved. Mr. Quistgard seconded the motion that the new appointments be approved. The motion passed without dissent.

Mr. Hanser then discussed the Utilization Review Plan, which is
designed to comply with the sections of Public Law 92-503, the so-called Professional Standards Review Organization (PSRO) provisions. The plan has three components. Admissions Review; Extended Duration Review; and, Audit. Such a plan is required by law.

Mr. Hanser made a motion to approve the Plan in accord with the recommendations of the Joint Conference Committee. Dr. Paparella seconded the motion.

After further discussion, Mr. Hanser withdrew his original motion, and restated a new one which called for Board acceptance of the Joint Conference Committee's Report, subject to final Board action in one month. This motion was seconded by Ms. Givens and was passed without dissent.

The legal status of the Medical and Dental Staff By-Laws was discussed. Mr. Joel Tierney has addressed a letter to Chairman Atwood in which it is stated that approval of the By-Laws without qualification and their implementation are appropriate. This will be accomplished by official signature of the Chairman of the Board of Governors.

IV. Structure and Functions of the Council of Chiefs of Clinical Services, Dr. Michael Paparella, Council Chairman

The origin of the Council of Chiefs of Clinical Services in 1963 was explained. The Council is composed of the Chiefs of each of the various clinical services. It has 18 voting members and a number of ex-officio members. It meets weekly and works closely with Hospital Administration.
Dr. Paparella enumerated the officers and the standing committees. He said that the function of the Council is to deal with major policy questions affecting clinical services. In addition, it acts as liaison to the Council of Chiefs of Clinical Sciences which deals with clinical education policy.

Dr. Paparella expressed the support of the Chiefs to the Board of Governors. He explained the interplay of the functions of education, research and patient care.

V. Medical Staff-Hospital Council, Dr. Paul Winchell, Chief of Staff and Council Chairman

The composition and function of the Council are explained on page 45 of the Medical and Dental Staff By-Laws. The Council serves as a voice for the medical and dental staff. Members include the Chief of Staff, the Vice Chief of Staff, one House Officer, the General Director, six elected medical staff members, the Medical School Dean and the Vice-President of Health Science Affairs or his designee. It is the parent organization of all the hospital staff committees and serves as the route to the Board of Governors for these committees. Though the Council is concerned basically with medical staff responsibilities defined in the By-Laws, it does get involved with policy questions. Dr. Winchell stated that University of Minnesota Hospitals was the first such institution in the United States which set day-to-day patient care policy by use of an elected medical staff council.

VI. Structure and Function of the Council of Chiefs of Clinical Sciences

Dr. Eugene Gedgaudas, M.D., Council Chairman

Background information on the relationship between University Hospitals and the Medical School was provided. Dr. Gedgaudas
said that, in the future, it would not be required that all Chiefs of Clinical Services also be Chiefs of Clinical Sciences departments.

The composition of the Council was described and the membership and function of its various committees were explained. The continuing education coordination activities were detailed, and the research and training concerns were discussed.

VII. Report of the Finance Committee - Mr. Holmquist, Chairman

Mr. Holmquist listed the Committee members who had been present at the meeting and offered preliminary remarks about the importance of the financial aspects of University Hospitals and the favor with which the State Legislature has always viewed the Health Sciences.

Mr. Holmquist discussed the 1973-74 audit report submitted by Ernst and Ernst. He said that the audit had been made at the request of University Hospitals. Although some remedial recommendations were made by Ernst and Ernst, the University Hospitals' accounting staff had been aware of the deficiencies in question before the audit was made, and had been working to correct them consistent with cost/benefit evaluation. The integrity of the management of cash was mentioned.

The Financial Statements and the Report of the Audit Committee were praised. Mr. Holmquist said that, although fund balances exist, every asset dollar is earmarked for future use, and additional funds will be needed. He said that every dollar is invested and earns the maximum return possible. The Hospitals receive investment
income on funds which are available for long-term (12 month) investment.

It was said that the revenues over expenses ratio, including Legislative appropriations, is favorable. Depreciation is a cost of hospital care and is recognized as such by the third-party payors. At University Hospitals such depreciation is funded or used for replacement of capital assets.

Mr. Holmquist stressed the importance of the issue of malpractice insurance and asked that a solution be sought for this problem.

It was observed that no question was asked of the staff which could not be answered by them immediately. Mr. Holmquist said that, as far as he was concerned, University Hospitals has an excellent financial staff which fully understands the program.

Further steps which will be taken by the Finance Committee in the future were outlined.

Mr. Holmquist requested that a copy of the Ernst and Ernst Audit Report be provided to each member of the Board of Governors. He said that another audit will be made at the conclusion of the current fiscal year.

VIII. Report of Facilities Committee - Dr. Tiede, Chairman

Dr. Tiede stated that the Facilities Committee would meet immediately following the Board of Governors' meeting. A report will be presented to the Board at the next meeting.
The history and reorganization in 1972 of the Personnel Department were discussed. University Hospitals and Clinics is the single largest employer unit of the University of Minnesota. As a part of the health-care industry, University Hospitals has unique personnel concerns. It was stated that the Hospitals created its own department in June, 1972, under the direction of Ms. White.

It was explained that the State Legislature develops a comprehensive pay plan for the State and provides appropriations to the University consistent with this plan. The University develops its own compensation guidelines within which University Hospitals and Clinics has to operate. In addition, the Hospitals has some guidelines of its own such as comparative parity. Two employee groups which are exceptions are:

A. **PEPOM** (Professionally Employed Pharmacists of Minnesota). This is a small group of about 10 pharmacists.

B. **AFSCME** (American Federation of State, County and Municipal Employees, Local 1164). This group represents about 800 service employees. It signed its first contract with the University in June, 1973, and has begun negotiations on a new contract. The composition of the University/Hospitals negotiating team was explained. The possible petition by the Teamsters Union to the Bureau of Mediation to hold another election was mentioned.
Ms. White then discussed the Affirmative Action Program and distributed printed materials dealing with the subject. She explained the document and explained that it represents the current program for the fiscal year. Major efforts have been devoted to providing upward mobility opportunities for minority employees.

It was stated that University Hospitals has approximately 2,800 full-time equivalent positions, and about 3,500 total part-time and full-time employees.

Questions about upward mobility and recruitment were discussed. The Regents' Scholarship Program was detailed. It was said that a file of all applicants for employment is maintained in relation to specific interest. Positive programs designed to interest employees in continuing education and to counsel them are being planned.

X. Board Concerns - Mr. Atwood

A. Mr. Evenson suggested that a letter be sent to the Board of Regents asking for clarification of those areas for which the Board of Governors has no responsibility. One area would be student activities and another would be regulation of the cost of patient care. It was observed that the determination of physicians' fees, the hiring of the General Director, and selection of students are not Board responsibilities. However, the Board of Governors is responsible for recommending the annual budget and necessary increases in the rate structure. The Board of Regents has delegated the selection
of students, the formulation of the curriculum, and assessment of student performance to the faculty. University Hospitals has no authority in regard to the selection of students or what number of outstate students are admitted to the various Health Sciences schools.

B. Next Meeting of Board of Governors. The next meeting of the Board has been scheduled for Wednesday, May 21, 1975, at 2:00 p.m.

Mr. Hanser moved that the meeting adjourn. The motion was seconded by Ms. Givens, and was passed by the Board without dissent.

Respectfully submitted,

[Signature]
Donald L. Van Hulzen
Secretary
Minutes
University of Minnesota Hospitals and Clinics
BOARD OF GOVERNORS
March 19, 1975

Members Present:  Mr. Harry Atwood  Ms. Marie Manthey
Ms. Mary Jo Anderson  Dr. Michael Paparella
Ms. Jeanne Givens  Mr. Donald Shank
Mr. Albert Hanser  Dr. John Tiede
Mr. Stanley Holmquist  Ms. Timothy Vann
Ms. Mary Lebedoff  Dr. Paul Winchell

Members Absent:  Ms. Judy Brandenburg  Mr. John Quistgard
Mr. Charles Deegan  Mr. Ruben Ruiz
Mr. Orville Evenson  Dr. Erwin Schaffer
Dr. Donald Hastings  Mr. John Westerman
Ms. Sally Pillsbury

The third meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order at 2:07 p.m., by Chairman Atwood in the Dale Shepherd Room of the Campus Club, Coffman Memorial Union.

I. Minutes of the February 19, 1975 Meeting - Mr. Atwood

An explanation was made of the meaning of 0100 funds referred to in the minutes. These are Legislative appropriations to the University for general operations and maintenance. Following this, Ms. Givens moved that the minutes be approved. The motion was seconded by Mr. Hanser. The minutes were approved by voice vote.

II. Medical Staff By-Laws - Mr. Atwood

Ms. Manthey asked if any health professionals, other than physicians have admitting privileges at University Hospitals and Clinics. Dr. Winchell explained that only M.D.'s and Oral Surgeons have
such privileges. Mr. Atwood referred to a letter from Mr. Quistgard which raised certain questions. Mr. Tierney remarked that the By-Laws could be approved in principle, subject to interpretation of the University's Cease and Desist Order affecting faculty unionization. Dr. Tiede moved that the By-Laws be approved in accordance with the terms outlined by Mr. Tierney. Mr. Holmquist seconded the motion. The Board approved the motion with no dissenting votes.

III. Medical Staff Application and Privileges Forms - Dr. James House for Dr. Donald Hastings

The forms were drafted by Attorney John Horty in parallel with the Medical Staff By-Laws. It was observed that University Hospitals and Clinics is the home of extensive Medical School activity and that the staff physicians are also faculty members. The Hospitals currently operate with forms which achieve similar purpose. The proposed forms are an updated revision and include re-application for privileges on an annual basis. The forms will be maintained in concert with JCAH requirements and will be reviewed annually or as necessary. The documents will delineate those medical/surgical functions for which each physician is certified. Approval of the applications will be required of the Board of Governors after recommendation of the Joint Conference Committee. There is a By-Laws provision for the temporary granting of privileges. Termination or limitation of privileges procedures are also outlined in the By-Laws. Mr. Tierney suggested that the forms be approved in principle, as were the Medical Staff By-Laws. Dr. Winchell explained the approval process for the physicians and dentists.
presently on staff.

Mr. Hanser moved that the Medical Staff Application and Privileges Forms be approved in principle. The motion was seconded by Ms. Vann, and approved by the Board of Governors without dissent.

IV. Medical Staff Clinical Service Orientation - Pediatrics
- John Anderson, M.D., and Al Michael, M.D.

Dr. Anderson provided historical background and discussed the core pediatric facilities located in the Eustis Wing. He explained the modification made to accommodate the Intensive Care Unit in Pediatrics, but said that the core Pediatrics facilities have remained essentially unchanged since 1923. The current status of the service was outlined. It was stated that the bed count has remained stable for the past 20 years, and that there are approximately 30,000 pediatric admissions per year.

Dr. Anderson observed that the Mission Statement for the Health Sciences stressed ambulatory and out-patient care. This emphasis has resulted in new efforts in these areas by Pediatrics. The new primary care clinic has been seeing about 4,000 visits per year. Three community clinics have been established and around 1,800 visits are made to these annually. Dr. Anderson said that excellence cannot be maintained unless the facilities are modernized.

Dr. Michael discussed the development of children's hospitals around the nation and mentioned the advantages and disadvantages of such institutions. A committee was formed at University Hospitals in 1969 to consider the possible development of a
children's center. The objectives of the center were identified as:

A. To provide facilities which would be adequate for the care of the children who would be referred.

B. To compliment the education mission of the Health Sciences.

C. To separate the facility from the adult care functions, but make it accessible to all the resources of the Health Sciences Center.

Dr. Michael said that it would not be desirable to remodel the existing pediatric wards, but would be ideal to build a new facility.

It was stated that all Twin Cities' hospitals who carry on extensive pediatric work are parts of the University's undergraduate and graduate medical education programs.

The Medical School Department of Pediatrics is responsible for the direction of more than 1/3 of the 700 pediatric beds in the 7 county metropolitan area.

V. Hospital Clinical Facilities Planning Committee Report
   - Richard Varco, M.D., Chairman, Hospital Clinical Facilities Planning Committee

Dr. Varco discussed the following:

A. High priority consideration to additional floors on the K/E Building to accommodate pediatric beds and replacement of intensive care and post anesthesia recovery beds.
B. The future use of the Powell Hall site for replacement of in-patient clinical facilities. The interrelationships with existing and future buildings were explained. The proposal represents a consensus of consulting engineers and Hospitals' staff about the most logical future planning alternative for replacement of in-patient services.

C. Remodeling of vacated space and finishing support department areas in B-C.

Mr. Jones mentioned that the sources of funds for these projects would be endowment funds and University Hospitals and Clinics' Depreciation Reserve Funds. There are, however, other needs that must be evaluated which would require reserve fund financing.

External and internal traffic patterns were discussed, and the authority of the Board of Governors in relation to the proposed projects was addressed. It was stated that the Regents would not act without a prior recommendation from the Board of Governors. Mr. VanHulzen explained that all of these questions are properly part of the long-range capital planning process.

These matters were referred to the Facilities Committee of the Board of Governors. Chairman Atwood outlined the responsibilities of this committee, as set forth in the By-Laws.

Ms. Vann expressed the Board's appreciation to Dr. Anderson and Dr. Michael.
VI. Board Concerns - Mr. Atwood

The following items were considered:

A. Health Legislation Overview. A handout dealing with legislation was distributed.

B. Committee Assignments. Clarification of the optimal method of operation was requested. It was suggested that the three Standing Committees should begin meeting at a time and place convenient to their members. The three respective committee chairmen, Mr. Hanser, Dr. Tiede, and Mr. Holmquist, agreed that the committees would meet soon with the assistance of Mr. Baker, Mr. Jones and Mr. VanHulzen. Each of the committees will provide minutes for the benefit of all Board members.

C. Legislative Testimony. Mr. VanHulzen reported that Mr. Westerman had presented the University Hospitals and Clinics requests to members of the House Appropriation Committee's Education Division. Testimony will be given before the Senate Finance Education Sub-Committee on March 26, 1975.

D. Agenda Items. A Board member who wishes to suggest future agenda items should contact the Secretary, Mr. Westerman or Mr. Atwood.

E. Next Meeting of Board of Governors. The next meeting of the Board has been scheduled for Wednesday, April 16, 1975, at 2:00 p.m.
Mr. Hanser moved that the meeting adjourn. The motion was seconded by Ms. Anderson, and was passed by the Board without dissent.

Respectfully submitted,

[Signature]

Donald L. VanHulzen
Secretary
Minutes
University of Minnesota Hospitals and Clinics
Board of Governors
February 19, 1975

Members Present:  Mr. Harry Atwood  
Ms. Mary Jo Anderson  
Ms. Judy Brandenburg  
Mr. Orville Evenson  
Ms. Jeanne Givens  
Mr. Albert Hanser  
Dr. Donald Hastings  
Mr. Stanley Holmquist  
Ms. Mary Lebedoff  
Ms. Marie Manthey  
Dr. Michael Paparella  
Ms. Sally Pillsarella  
Dr. Erwin Schaffer  
Mr. Donald Shank  
Dr. John Tiede  
Ms. Timothy Vann  
Mr. John Westerman  
Dr. Paul Winchell

Members Absent:  Mr. Charles Deegan  
Mr. John Quistgard  
Mr. Ruben Ruiz

The meeting of the Board of Governors of the University of Minnesota Hospitals and Clinics was called to order at 2:07 p.m., by Chairman Atwood in Room 299 Variety Club Heart Hospital.

I. Minutes of the January 15, 1975 Meeting - Mr. Atwood

Mr. Evenson moved that the minutes be approved. The motion was seconded by Ms. Givens. The motion passed, and the minutes were accepted.

II. Orientation to University Hospitals Relationship with Office of University Finance - Mr. Brinkerhoff

Chairman Atwood introduced Mr. James Brinkerhoff, Vice President for Finance, University of Minnesota.

Vice President Brinkerhoff presented a brief overview of the fiscal relationships of University Hospitals and Clinics with the Office
of University Finance. The speaker referred to the Supplement to the University Financial Report which he said is available to anyone desiring a copy. He also mentioned an available booklet which details endowment funds.

Vice President Brinkerhoff said that the University realized $381 million of income and incurred $371 million of expense during the last fiscal year. Because the University accounts on a cash basis, the excess of $10 million is basically found in accounts payable, etc. $125 million of the $381 million of income was derived from State tax money, operating, maintenance and specials funds. These monies are for education and research and are under the control of the Board of Regents.

During the same year, University Hospitals and Clinics realized $39 million in revenue for activities and received $2 million in operational support as accounted for within the educational accounting structure. These accounting figures are different from, but reconcilable to, the accounting system of the Hospitals.

Vice President Brinkerhoff also discussed the frequency of accountability. An annual report has been considered adequate by the Regents for the teaching units of the University. Administrative controls are utilized on a continuing basis. However, in instructional service units such as University Hospitals and Clinics, available funds can vary in a manner which is determined by external forces. Thus, different kinds of fiscal controls are used for these units. Performance is measured in relation to comparable units in the region and the
nation. The Hospitals financial operations are reviewed on a monthly basis by Vice Presidents French and Brinkerhoff.

The accounting classification of University Hospitals is "General Education and Research." The Hospitals represent the largest single "business activity" of the University.

Vice President Brinkerhoff stated that the Office of the Vice President traditionally has not gotten overly involved in the activities of the Hospitals. However, his office will continue its present involvement and will assist the Board of Governors through participation with the Finance Committee of the Board.

Mr. Brinkerhoff said that University Hospitals and Clinics is as fiscally healthy as any comparable institution in the nation.

The speaker enumerated three areas for Board of Governors concern and assistance. These were:

A. Budgetary matters;
B. Capital concerns; and
C. Changes in room rates and ancillary charges.

The Vice President views University Hospitals as being responsible for its own fiscal obligations, while enjoying a certain latitude within overall University policy.

Earned income from operations represents about 85-90% of the total income of University Hospitals and Clinics.

The Board of Governors is fiscally responsible to the Board of Regents. The Finance Committee, in turn, is a working unit of
the Board of Governors. As long as University Hospitals and Clinics stay within the broad outlines approved by the Regents, its activities are only reported to the Regents once per year.

III. Medical Staff By-Laws - Donald Hastings, M.D., Chairman

A pending cease and desist order related to current collective bargaining activities, if implemented, could delay the final adoption of the By-Laws. Mr. Tierney will report on this matter at the March meeting. Dr. Hastings made reference to several minor changes which were to be effected, and observed that a By-Laws Committee will be established for the purpose of annually reviewing the Medical Staff By-Laws. Chairman Atwood asked that the Board of Governors act to approve the By-Laws at the next meeting unless major deficiencies are found in the meantime.

IV. 1975 Annual Plan - Mr. Westerman

Mr. Westerman's presentation consisted of a discussion of the mission of University Hospitals and Clinics and the introduction of members of the management team who would present information about their respective areas of concern.

A. The Mission

The place of University Hospitals and Clinics was discussed. There are approximately 7,000 hospitals in the nation, 1,100 of which are classified as teaching hospitals. The Council of Teaching Hospitals of the Association of American Medical Colleges has 400 member institutions, including Veterans' Administration facilities, and some city and county hospitals. There are only about 120 institutions
which are similar to University Hospitals, and within this group, University Hospitals ranks ninth in excellence. About 60 institutions in this category are owned by universities, and these are located primarily in the western states. In the East, many of the institutions are private. These are not comprehensive in the way that University Hospitals is, but are usually combinations of a medical school and a hospital. These institutions are characterized by national recruiting of students and possess superb undergraduate reputations. On the other hand, the university-owned hospitals enjoy outstanding graduate training reputations.

The 60 university-owned hospitals have had limited responsibility to care for indigent patients, in contrast to the eastern institutions.

University Hospitals and Clinics is a state resource, with roughly 50% of its activities related to non-metropolitan and regional constituencies. As a result, the responsibilities of the Board of Governors is different than the concerns of other hospital boards.

Mr. Westerman called attention to page 4 of the Annual Plan for 1975 where the Statement of Mission and Goals of University Hospitals and Clinics is presented. In relation to the four statements in that Section, the following comments were made.

1. The Regents do not want to restrict the Hospitals' to the provision of tertiary care.
2. The Hospitals and Clinics provide educational opportunities for all health sciences students, not just for one or two disciplines.

3. The institution must assume the posture that any program is conceivably possible and that a commitment exists for innovation and experimentation.

4. This is the third Board of Governors created by a university hospital in the United States. However, it is the first one which was created because it was wanted for other than financial problems.

The speaker expressed the view that the evolution of the hospital system in the State could result in a limited number of large hospital organizations. Any urban hospital which has less than 400 beds will have a difficult time surviving in the changing environment.

Mr. Westerman emphasized that consensus had been reached by the Board of Regents in regard to the mission of the Hospitals and Clinics and the mission serves as the basis for planning.

University Hospitals has no plans to attempt to recruit specific economic groups. However, educational units need a broad diversity of patients from all economic strata. Therefore, the hospital and other Health Sciences
units cooperate with community and rural health delivery organizations.

B. Members of the Management Team

1. Mr. Robert Dickler, Assistant Director, University Hospitals and Clinics

Mr. Dickler discussed four areas related to Ambulatory Care.

a. Unit B-C. This structure will house University Clinics and other Health Sciences facilities. 156 exam rooms will be opened initially with additional space added in the future. Plans for space and equipment are being finalized to meet programs. The University Clinics Committee has administrative authority in this regard. The Space Allocation Committee will make determinations in its area of responsibility. The move into Unit B-C is expected to be made sometime in 1977.

b. Ambulatory Care Re-organization. This project was initiated to address internal concern for improved performance. Two task forces have been established to deal with the reorganization question. One will consider medical staff organization and the second will examine the organization of support services.
c. External Ambulatory Care Activities. There is a present need to consolidate efforts in view of community needs and our support of new delivery forms.

d. Current Projects. Services are being upgraded through an examination of the needs of current services.

Mr. Dickler then explained the function of the new Oak Street Parking Ramp, the Reception Center, and the Shuttle-Bus Service.

He stated that Home Health Care will probably grow as an area of service with a concomitant increase in ambulatory care. The result should be an added emphasis on preventive medicine.

2. Mr. Thomas Jones, Associate Director, University Hospitals and Clinics

Planning activities at the institution cover a broad range. The staff is involved in master planning for physical development and space utilization for both University Hospitals and Health Sciences.

The Certificate of Need Law was discussed and its effect on capital construction and renovation was explained. In addition, the Social Security Amendments of 1972, which establish Federal constraints, were mentioned. Mr. Jones said that University Hospitals and Clinics has presented 15
projects for review and that all of these have been approved.

It was stated that University Hospitals is required to develop capital budgets for all projects which cost $100,000 or more. This development is a joint concern of the Administration, the Medical Staff, and the Board of Governors. A committee chaired by Dr. Richard Varco has developed a long-range program of in-patient services facilities development. The report of this program will be submitted to the Board of Governors in the near future.

3. Mr. Donald VanHulzen, Senior Associate Director, University Hospitals and Clinics

Mr. VanHulzen discussed three objectives for the area of finance:

a. To define Board of Governors' statements of financial objectives in relation to the Mission Statement.

b. To re-organize the financial management area.

The first step in this process has been the appointment of Mr. Clifford Fearing as Controller. There are three budgets which will be of concern to the Board of Governors: the Expenditures Budget, the Capital Development and Program Enhancement Budget, and the Revenue Budget.
c. To develop and implement a computer assisted accounting information system which will recognize all aspects of the operation which affect financial outcomes.

4. Mr. Robert Baker, Associate Director, University Hospitals and Clinics

Mr. Baker stated that an annual plan is made in the area of operations to identify those forces, objectives, and programs which are new and require high priority effort.

The Community Services Program was discussed and other programs were identified for the Board's attention.

5. Dr. C. Paul Winchell, Chief of Staff, University Hospitals and Clinics

Dr. Winchell addressed the issue of Thanatology and its relationship to University Hospitals, especially the Pediatrics Service.

The Board asked for clarification on the question of legal liability which might arise in regard to such issues as Thanatology and abortion, and other areas which might become important legally, such as malpractice.

V. Legislative Special Appropriations - Mr. Van Hulzen

It was stated that Legislative funding supplied 11.5% of cash received by University Hospitals and Clinics for 1973-74 operation. If reimbursement for the treatment of patients covered by State
and County payments are added, the amount would total about 15%. However, the 3.6% in State and County funds represents payment for services rendered and is thus earned income in the same way that funds received from Medicare and Medicaid are earned.

0100 funds are from maintenance and operations appropriations of the University. The remaining categories of legislative support also were discussed. State funds support those programs and services which can not be funded from "marketplace" revenue.

VI. Overview of Physical Facilities - Mr. Jones

Mr. Jones provided a "mini-tour" of the past, present, and proposed future physical facilities of University Hospitals and Clinics through the medium of color slides.

VII. Board Concerns - Chairman Atwood

The Chairman summarized the proceedings briefly, and expressed thanks to the participants.

He also expressed his appreciation to the Board for submitting their Committee Preferences. Between now and the next meeting these will be reviewed and hopefully be ready for consideration at the next meeting. The Chairman will attempt to honor as many of the first choices as possible.
The next meeting of the Board of Governors will be held March 19 at 2:00 in the Dale Shepherd Room of the Campus Club, Coffman Memorial Union.

Mr. Atwood adjourned the meeting at 4:35 p.m.

Respectfully submitted

[Signature]

Donald L. VanHulzen
Secretary
Minutes
University of Minnesota Hospitals and Clinics
BOARD OF GOVERNORS
January 15, 1975

Members Present: Mr. Harry Atwood    Dr. Michael Paparella
                Ms. Mary Jo Anderson  Ms. Sally Pillsbury
                Ms. Judy Brandenburg  Dr. John Quistgard
                Mr. Charles Deegan    Mr. Ruben Ruiz
                Mr. Orville Evenson    Dr. Erwin Schaffer
                Ms. Jeanne Givens      Mr. Donald Shank
                Mr. Albert Hanser       Dr. John Tiede
                Dr. Donald Hastings    Ms. Timothy Vann
                Mr. Stanley Holmquist  Mr. John Westerman
                Ms. Marie Manthey       Dr. Paul Winchell

Members Absent: Ms. Mary Lebedoff

The first meeting of the Board of Governors of the University
of Minnesota Hospitals and Clinics was called to order at 1:35 p.m.,
by Chairman Atwood in Room 555 Diehl Hall. The Chairman then
introduced Mr. Lauris Krenik, Chairman, Board of Regents Health
Sciences Committee.

I. Opening Remarks - Mr. Krenik

Mr. Krenik discussed the development of the Board of Governors' By-Laws by the Health Sciences Committee and outlined the work of the Nominating Committee. He pointed to the national reputation of University Hospitals in both teaching and service, and spoke of the rapidly evolving nature of medical care, especially in settings such as University Hospitals.

Mr. Krenik conveyed the wishes of the Regents to the Board of Governors for a successful operation.
Chairman Atwood expressed the gratitude of the Board of Governors to Mr. Krenik and the Board of Regents.

II. Orientation to the Health Sciences - Lyle French, M.D., Vice President for Health Sciences

Dr. French outlined the need which was seen for the establishment of a Board of Governors and endorsed its formation.

Health Sciences was characterized as an administrative umbrella under which the College of Pharmacy, Medical School, Dental School, School of Nursing, School of Public Health, and University Hospitals function in a coordinated fashion. Dr. French then explained the history and rationale behind the structure and its relationships with the University as a whole. He discussed the following:

A. The Council of Deans and Directors.
B. The various units and their respective responsibilities.
C. The role of University Hospitals as a clinical services support unit for all the health sciences.
D. The service function of University Hospitals as the general referral hospital for the State of Minnesota.
E. University Hospitals as a national resource.
F. The need for and function of a Board of Governors.
III. History of the Development of the Board and Orientation to University Hospitals - Mr. John Westerman, General Director, University Hospitals, and Coordinator, Health Care Systems Research and Development

Mr. Westerman briefly outlined developments at University Hospitals.

A. 1966 - There was no health sciences organization when the current administration began. This lack caused coordination and communication difficulties with other units. The structure hampered the development of any trustee body which could speak for the University Hospitals. At the same time, there were significant manpower training pressures on the institution.

B. 1969 - The University of Minnesota became one of the few institutions with a coordinated health sciences structure having a clearly defined set of goals and objectives. At that time, a need was recognized to validate the Mission Statement.

C. 1974 - Manpower training has increased. A significant physical facility program is currently in progress. Health-related issues have moved into the political arena.

Mr. Westerman said that a more complete orientation to University Hospitals will be provided at subsequent meetings of the Board of Governors.
University Hospitals was characterized as having more constituencies than other hospitals. The institution is a specialized referral center which places heavy emphasis on education and in-patient care. However, it is moving toward more secondary and primary care services. In the future, University Hospitals will increasingly be serving all of the health sciences.

University Hospitals has a significantly unique role in the provision of Tertiary Care. This role is illustrated in such fields as Kidney Transplant, Oncology, Neurology/Neurosurgery, Cardiovascular care, and Ophthalmology. However, as Dr. Paparella observed, if services are restricted to those of a pioneering nature, University Hospitals would be unable to achieve its mission.

IV. University Hospitals and the Health Sciences Student - Ms. Mary Jo Anderson, CHIP Representative and Senior Nursing Student

Ms. Anderson explained the structure of CHIP (Council for Health Interdisciplinary Participation) and discussed the students' perceived need for interdisciplinary programs.

The numbers of students enrolled in the Health Sciences and their use of University Hospitals were explained.

The University of Minnesota is unique in that it provides opportunities for Health Sciences students in various disciplines to work together, and offers the chance to plan and execute long-term projects. Ms. Anderson especially commended the staff members of University Hospitals for their dedication to the teaching of students.
Dean Schaffer remarked that University Hospitals is the environment in which health sciences teachers are trained to instruct future professionals in other settings throughout the State and the Nation.

V. Chairman Atwood announced the appointment of Mr. Donald VanHulzen, Senior Associate Director of University Hospitals, as Secretary to the Board of Governors.

VI. Members of the Board of Governors introduced themselves and made comments on their reasons for being selected to serve.

VII. Mr. Westerman introduced members of the University Hospitals' staff who were present at the meeting.

VIII. Information and Future Action Items

A. Explanation of Open Meeting Law - Mr. Joel Tierney, University of Minnesota Attorney

Mr. Tierney reviewed relevant portions of the Open Meeting Law and the By-Laws of the Board of Governors. He distributed copies of the Law and explained the constraints it placed upon members of the Governing Board. He stated that the Regents are committed to openness and that the Board of Governors should follow their lead. There is nothing in the legislation regarding notification of meetings, but Mr. Tierney said that "reasonable" notice should be given. He suggested the establishment of an annual calendar, and
assured members that the University will provide counsel to them in regard to any alleged violations of the Open Meeting Law.

Mr. Tierney stated that there is provision for insurance coverage for members of the Board of Governors in the By-Laws. Any vote dealing with a financial matter must be recorded. Mr. Tierney said that the Law does not mandate open committee meetings, but a good rule-of-thumb is to be as open as possible.

B. Introduction of Medical Staff By-Laws Committee - Dr. Donald Hastings, Chairman, By-Laws Committee

Dr. Hastings stated that the Medical Staff and its relationships will be important areas for Board concern. The Joint Commission on Accreditation of Hospitals made its most recent inspection of University Hospitals about 18 months ago. As a result of that visit, the JCAH required the development of new up-to-date Medical Staff By-Laws. These have since been compiled by the By-Laws Committee following a draft prepared by Attorney John Harty of Pittsburgh. Review and approval of this document will be the responsibility of the Board of Governors.

Consideration of the By-Laws is expected to be an early action item for the Board. The members were asked to review the document prior to the next meeting. Final approval has been requested within two or three months.
Mr. Tierney then said that he would supply Board members with printed materials dealing with the Board's responsibility for medical care. The need to carefully review the documents and to note any ambiguities was emphasized.

IX. Discussion of Board Procedures - Mr. Harry Atwood, Chairman, Board of Governors

Mr. Atwood stressed the need for orientation. He said that a number of committees must be formed in accordance with the By-Laws of the Board of Governors. Members were asked to consider their preferences for committee assignments.

Another matter for orientation will be the budgeting process. Mr. Westerman outlined the basic budget factors. He said that the total budget for University Hospitals is approximately $50 million. The budget process will be an agenda item for orientation.

The following additional agenda items were suggested:

A. The relationship between decisions made by the Board of Governors and action by the Board of Regents. Mr. Westerman briefly outlined this relationship.

B. The impact of accountability to various planning and regulatory bodies.

C. A detailing of how University Hospitals is organized and how the Board of Governors relates to this organization.
D. The function of the Board of Governors as a two-way communications vehicle between professionals and the community.

E. The limits of legislative protocol on the Board of Governors ability to act as liaison to the State Legislature.

It was stated that all materials relating to the agenda will be mailed to members of the Board ten days in advance of each meeting. In addition, these materials will be duplicated and distributed at the meeting. Expense reimbursements forms and instructions were provided with the suggestion that any questions be referred to Ms. Shirley Sudduth for assistance.

It was decided that, until further notice, the meetings will be held on the third Wednesday of each month at 2:00 p.m., in 555 Diehl Hall. The next meeting will be held on Wednesday, February 19, 1975.

It was requested that a tour be scheduled of the physical facilities and that additional sessions be scheduled for discussion between the Department Heads and members of the Board of Governors. The tours will be taken by sub-groups of the Board and will be preceded by an "arm-chair" tour.

In response to a request that the meetings be tape-recorded, it was decided first to test the adequacy of the written minutes and then use tape-recordings if a need is perceived and if the budget permits.
Mr. Atwood asked that Board members submit their first, second and third preferences for committee service. A form will be prepared for this purpose and mailed to members.

Mr. Atwood adjourned the meeting at 4:15 p.m.

Respectfully submitted,

[Signature]

Donald L. VanHulzen
Secretary.