

Executive Committee
Board of Governors
University of Minnesota Hospitals and Clinics
June 7, 1977

Present: Harry Atwood, Chairman
Al Hanser, Vice Chairman
Stanley Holmquist
John Tiede
John Westerman

Absent: John Najarian, M.D.

Guests: Bill Kreykes
Joseph Resch, M.D.
LaVand Syverson
Paul Winchell, M.D.
Tom Ayers

Staff: Bob Baker
Johnelle Foley

I. Resolution Consideration Up-Date

A. Hennepin County General Hospital

Mr. Kreykes reported that the Hennepin County Board of Commissioners had been briefed on the resolution to establish the Minnesota Association of Public Teaching Hospitals. He noted that this was accomplished through the Joint Conference Committee of that board and added that Mr. Russ Nelson, the head of the Commission on Public General Hospitals, was present at that meeting. He stated that the Commissioners expressed great interest in the resolution and planned to forward it on to the Health Commission of the County Board. Mr. Kreykes further reported that Commissioner Kramer had suggested that this action be delayed until the possibility of combining MAPTH with the Council of Community Hospitals could be explored. Mr. Kreykes stated that the Council was approached on this matter but had voted not to change their bylaws to provide membership to the teaching hospitals. He noted that the resolution will now go before the Health Commission of the County Board on Thursday, June 16, 1977, and added that he expects approval of Hennepin County's participation in the consortia study. He also mentioned that internal meetings with their Medical Staff had demonstrated considerable interest in the resolution.

II. Resolution Explanation and Discussion

Mr. Baker explained that consortia is not a new concept. Presently 28% of the hospitals in the U.S. accounting for 44% of the beds are joined in multi-institutional arrangements. He said that through the Council of Teaching Hospitals there already exists joint purchasing and regional referral of burn patients. Studies of shared services have been conducted in the past but there has been a lack of initiative to proceed further. Now, external pressures and internal needs are more demanding and provide greater incentive to work together. Current national health policy encourages the establishment of such relationships and stated that now is truly the time to prioritize how the hospitals will fulfill their missions and plan their facilities for the future.

Mr. Baker explained that the resolution proposes that a governance structure be formed to direct the study. He noted that it will include representatives from the boards, medical staffs, and administrative staffs of each of the institutions. He added that the resolution states that each of the institutions will provide up to \$25,000 in financial support for the study. The study's duration is to be 18 months with completion planned for December of 1978. Mr. Baker mentioned that there are foundations which are interested in supporting such studies and mentioned specifically the Robert Wood Johnson Foundation. He stated that the resolution provides for the authorization to submit grant applications to offset and/or supplement local funding.

Mr. Holmquist asked how joint purchasing has benefitted the hospitals in the past. Mr. Kreykes explained that the cost of purchasing pharmaceuticals has been greatly reduced with the joint arrangement and also mentioned that the shared venture in radio-paging communications has already shown cost savings, and is expected to show efficiency benefits. He added that Hennepin County has had a good experience in their relationships with Metropolitan Medical Center. Mr. Syverson commented on the importance of a shared and equal interest in education for success in joint efforts and noted Ramsey Hospitals' association with Gillette. Mention was made that

institution has services which would be improved if combined or centralized.

Mr. Hanser stressed the importance of the consortium study in preparing for the future and assuring survival of the hospitals appropriately within the health care delivery system.

Mr. Baker then commented further on the co-ordinating council's structure. He stated that consideration has been given to having three to five representatives from each hospital, involving medical staff, governance, and administrative interests. He pointed out that the V.A. Hospital would not have a trustee representative.

Mr. Atwood suggested that at least one representative from each hospital be present at the council meetings for a quorum. It was noted that the council would only have the authority to structure the study and nothing more. Mr. Westerman stated that Mr. Baker would serve as the senior administrative staff person for University Hospitals. Mention was also made of certain individuals who are being considered to head the study. He further mentioned that it had been felt to be premature to develop the details of the governance structure's protocol before it is approved. Mr. Diehl will be preparing proposals regarding the council to be considered. It was further noted that the council will not be able to take action unless it has the full approval of the boards of each institution. Mr. Westerman commented on how this cooperative venture will place the institutions in a better position with the Metropolitan Health Board and better position University Hospitals with the Legislature. Chairman Atwood again voiced his concern that the council be carefully planned to avoid political entanglements. Mr. Westerman stated that in many respects University Hospitals will serve as the flagship of the study. He added that the project represents a considerable challenge for the Board of Governors and a first in terms of uniting two county hospitals, one state and one federal institution. Chairman Atwood inquired if possibly University Hospitals should not have more representatives on the council because of the Medical School. It was pointed out that consideration by the institutions has already been given to having Dr. Resch

NOW, THEREFORE BE IT RESOLVED, that the University of Minnesota Hospitals and Clinics Board of Governors hereby endorses and authorizes membership in an association with the Hennepin County Medical Center, St. Paul-Ramsey Hospital and the Veterans Administration Hospital to be known as the Minnesota Association of Public Teaching Hospitals (MAPTH) to identify our present common interests and cooperative activities, to identify mutual interests that remain or arise in the future, to define the alternative options and opportunities that might be available to meet those needs, and to develop recommendations for future consideration by the public teaching hospitals' respective governing bodies; and

BE IT FURTHER RESOLVED, that the activities of the MAPTH shall be directed by a Coordinating Council consisting of representative(s) of the Governing Board, Medical Staff and Administration of each participating hospital; and

BE IT FURTHER RESOLVED, that the University of Minnesota Hospitals and Clinics be authorized to expend up to \$25,000 through December 1976 as its share of the support of the Association activities and study; and

BE IT FURTHER RESOLVED, that the Coordinating Council, when duly established, be held accountable for the administration of said funds and authorized to submit grant applications on behalf of University of Minnesota Hospitals and Clinics and other participants to offset and/or supplement local funding.

Further discussion concerning the resolution followed. It was suggested that the board chairmen or chief representatives of each of the institutions begin meeting immediately after the resolution has been approved by all parties. Mr. Diehl will present them with alternative proposals for the governance structure. The motion was then voted upon and passed. It was mentioned that Chairman Atwood will be presenting his annual report to the Board of Regents in September.

There being no further business, the meeting of the Executive Committee adjourned at 7:00 p.m.

Respectfully submitted,

Johanne Foley
Johanne Foley
Secretary

serve on the council as an ex-officio member.

Mr. Holmquist then moved that the Executive Committee, having reviewed the following resolution, recommend its approval by the Board of Governors. Dr. Tiede seconded the motion.

RESOLUTION TO ESTABLISH THE
MINNESOTA ASSOCIATION OF PUBLIC TEACHING HOSPITALS

WHEREAS, the University of Minnesota Hospitals and Clinics has had a long and positive history of cooperative activities for the advancement of health sciences education, creative inquiry and service with Hennepin County Medical Center, St. Paul-Ramsey Hospital and the Veterans Administration Hospital; and

WHEREAS, these public teaching hospitals share common philosophy, mission, and roles; and

WHEREAS, these public teaching hospitals have common cause in the future planning, development and regulation of health services delivery, manpower development and health services research for the improvement of the health status of Minnesota residents; and

WHEREAS, there is major and growing concern for a more systematic response to health needs and delivery of health services to moderate cost increase, improve access and maintain high quality; and

WHEREAS, national and local regulatory agencies endorse and support multi-hospital affiliations; and

WHEREAS, the Minnesota public teaching hospitals provide large and significantly unique resources to address the needs and concerns of the public and those who shape public policy; and

WHEREAS, the governing authorities, medical staff and management of these public teaching hospitals believe that a study of current and future relationships; a study of potential enhancement of common resources which might be more closely aligned among the public teaching hospitals; and a study of potential integration of hospital functions would be mutually beneficial to those hospitals both individually and collectively.

any previously formed associations which any of the hospitals may have had would remain intact with the formation of the MAPTH. It was then discussed that an additional resolution would be written suggesting that the Minnesota Association of Public Teaching Hospitals continue to pursue an association with the Council of Community Hospitals.

Other aspects involving the resolution were discussed including the timing of the announcement of agreement. It was pointed out, that with the varied schedule of meetings for each institution and because each meeting is open to the public, it would be difficult to assure a unified announcement. The suggestion was made that once the resolution has been approved by all four of the hospitals, a joint news release can be put forth. Mr. Westerman commented that from that point the institutions will be working from one document with the single spokesman being the governance structure. The issue of staff selection was also discussed with the point being made that one person would be hired to oversee and staff the study.

At that point, Mr. Ayers, Mr. Kreykes, Dr. Resch, and Mr. Syverson excused themselves from the meeting.

III. Executive Committee Discussion

Chairman Atwood noted that the resolution was not specific in the area of the composition of the governance structure and encouraged careful consideration of appropriate and equal representation. Dr. Tiede asked about the role of the Medical School in terms of the joint study. Mr. Westerman pointed out that their's was a different charter. He stated that University Hospitals' role is to provide treatment, free care, and organize the medical staff and should not be confused with the Medical School's purpose which is education and is well organized in terms of having one faculty and one house staff among the four institutions. Dr. Winchell explained that the faculty is paid by the University with funds provided by the four hospitals. Mr. Holmquist asked if the consortium would involve a trade off of strengths and weaknesses. Dr. Winchell commented that it would, in that each

B. Veteran's Administration Hospital

Mr. Ayers reported that the resolution has been forwarded to Dr. Chase's office in Washington, D.C. He stated that there has been a delay in receiving word back as the central office is heavily involved in budget preparation. He noted that the resolution is in no way in conflict with V. A. policy and therefore, will most likely be granted approval. He added that funding for the study will be picked up locally if necessary.

C. Ramsey County Hospital

Mr. Syverson reported that the resolution had been reviewed by their combined executive committee of the Medical Staff and department heads. He said the resolution was endorsed and sent on to the Ramsey County Commissioners where it was discussed as an information item to be resolved in June. He stated that there was excitement concerning the resolution and that he saw no difficulty in it being approved on June 29, 1977.

D. University of Minnesota Hospitals

Chairman Atwood inquired as to what would happen if University Hospitals would not approve the resolution. Both Mr. Kreykes and Syverson agreed that the potential for good results in terms of a consortium would diminish without the University Hospitals, especially in the area of enhancing educational programs.

Dr. Resch commented that he was encouraged by the consortium discussions. He stated that already the educational affiliations among the institutions support the largest medical school in the country and are based on a close working relationship. He said he was hopeful that this move would strengthen those ties for the betterment of the educational programs.

Minutes
Executive Committee
University of Minnesota Hospitals and Clinics
July 20, 1977

Present: Harry Atwood, Chairman
Albert Hanser, Vice Chairman
Stanley Holmquist
John Tiede
John Westerman

Absent: John Najarian, M.D.

Staff: Robert Baker
John Diehl
Johnelle Foley
Don Van Hulzen

Guests: Lynn Abrahamsen
Edward Howell

The Executive Committee of the Board of Governors of University of Minnesota Hospitals and Clinics was called to order at 12:30 p.m., by Chairman Atwood.

I. Hospital Liability Protection

Mr. Diehl presented a summary of malpractice incidents and their status from August 1, 1976 to July 20, 1977. He commented that a study of experience based on only one year's evidence is really insufficient to project future claims experienced. He pointed out that there are no cases in litigation from events arising after 8-1-76.

The Committee then discussed the meeting on liability insurance with Central Administration which was convened by Mr. Don Brown. It was noted that there is on-going analysis of a new insurance program with consideration being given to a captive insurance company. Chairman Atwood stated that the present policy expires on August 1, 1977. Mr. Hanser suggested that questions need to be asked of Central Administration to keep abreast of their deliberations on this matter. It was also commented upon that Mr. Van Hulzen's memo to Vice Presidents' Brown & French was received and the suggestion was made that it be circulated among the Clinical Chiefs.

Chairman Atwood mentioned that the Hospitals' concern over the cost of the insurance is considerable, but that the physicians' concern is almost greater in terms of their belief that coverage is excessive. He added that consideration should be given to the Minnesota Hospital Association's off-shore insurance program as another alternative worth investigating.

The Committee also discussed the Tort Claims Act and its implications. Mr. Van Hulzen explained that the Act was instituted as the Legislature's response to the loss of sovereign immunity and should be viewed as their commitment to aid the University. It was suggested that the Regents do not view the Act as a total safeguard.

Mr. Westerman stated that the malpractice item was placed on the Committee's agenda for information. He explained that he and his staff will be meeting with Vice Presidents Brown and French on the following day and will express the Committee's concern over costs to them as well as relay their reactions back to the Committee. Mr. Holmquist pointed out that at this time, no claims have been paid outright while a total of 3.2 million have been earmarked for premium payment. Mr. Westerman interjected that in terms of process, consideration should perhaps be given to forming a Regents/Governors Committee to study the liability insurance issue as a matter which affects both groups jointly. Chairman Atwood commented that their impression of the last meeting with Central Administration was that University Hospitals is to be involved and kept informed of discussions pertaining to the insurance matter by Vice President Brown.

Brief mention was also made of Mr. Fearing's T.V. interview discussing University Hospitals' rate increase. Mr. Baker noted that the point of the news segment was to demonstrate that the Rate Review Program is working in Minnesota.

Community Hospitals and to the Chairmen of the thirteen respective boards of the member hospitals. Mr. Diehl suggested that the resolution be rephrased to represent that the University Hospitals was the body taking action. It was agreed that this modification would be included. Chairman Atwood also commented that the resolution could be ratified by the full Board of Governors at the August retreat. The motion to approve the Council of Community Hospitals Resolution was then voted upon and passed.

Mr. Westerman commented that later in the afternoon he would be meeting with the Blue Cross Board because the Minnesota Hospital Association has suggested that member hospitals do not sign their interagency contracts with Blue Cross. He noted that there appears to be some concern that the contracts are unreasonable.

B. Memorandum of Agreement

Mr. Baker explained that the Memorandum of Agreement was being presented as an attempt to structure the organization for MAPTH's governing board. He pointed out that this is the sixth draft of the memorandum and that much work was being put into developing a structure which would be satisfactory to all four hospitals. He mentioned that the document would be used as a point of discussion by a Study Committee consisting of Medical Staff, Board and Administrative Staff representatives to decide on an organizational configuration. Chairman Atwood commented that he was aware that there were differences among the four institutions in their ideas of size, composition, and function of the council. Dr. Tiede noted his preference for a smaller, more compact council in terms of workability. He also suggested the need for some reference to a quorum for council meetings so that no action can be taken without at least one member of the council present from each institution. Mr. Diehl stated that he would incorporate that point into the memorandum. Chairman Atwood pointed out

RESOLUTION FOR MAPTH BOARD

WHEREAS the MAPTH recognizes the need for cooperative relationships among all metropolitan hospitals; and

WHEREAS, the need exists for a spokesperson for the metropolitan area on public issues of common interest; and

WHEREAS, the Council of Community Hospitals have been formed to foster cooperative relations and develop a common position on items of mutual interest; and

WHEREAS, the Council of Community Hospitals have elected not to extend membership to MAPTH per the request of a Hennepin County Commissioner and MAPTH members;

BE IT HEREBY RESOLVED that MAPTH, recognizing the action of the Council of Community Hospitals, do hereby formally acknowledge the desire of MAPTH to continue to work with the Council of Community Hospitals to explore the potential for combined efforts between the two organizations.

that no action was required on the memorandum at this time.

Mr. Hanser mentioned that he had heard that Building F had lost its architects and was in jeopardy of losing its Federal funding if plans were not submitted by August 1, 1977. Mr. Van Hulzen explained that it was his understanding that although the architects working on Bldg. F had left their firm, they have been retained for the project through a contract for consultation. It was suggested that the status of that situation be sought at the Vice Presidents' meeting.

There being no further business, Chairman Atwood adjourned the Executive Committee meeting at 1:30 p.m.

Respectfully submitted,


Johnelle Foley
Secretary

II. Consortia

Mr. Baker up-dated the Committee on the current status of the approval process for establishing the Minnesota Association of Public Teaching Hospital. He reported that St. Paul Ramsey-Hospital unanimously endorsed the resolution establishing the consortia study, but due to financial difficulties, could only commit \$18,000 in funding. He stated that because there was not a quorum for the Hennepin County Health Sub-Committee, the resolution was passed on to the full Board of Commissioners. There, concerns were raised regarding the Council of Community Hospitals' denial of co-operation, so the resolution was remanded back to the Health Sub-Committee which is to meet on July 21, 1977. Mr. Baker commented that considerable assistance has been given to the Hennepin County group to assure their understanding of the plan. He added that more Commissioners have changed their sentiments to agree with the need for a study and he stated that he hoped their full board will be considering the resolution again at their next meeting the first week of August. Mr. Baker also reported that no word has as of yet been received from the V.A. Hospital. He explained that they were awaiting endorsement of the resolution from their central offices in Washington.

A. Council of Community Hospitals Resolution

The Committee discussed the possible reasoning behind the Council of Community Hospitals' denial of membership to the public teaching hospitals. Chairman Atwood explained that the purpose of the resolution before the Committee is to reinforce MAPTH's willingness to be co-operative with the Council. Minor changes in the resolution were suggested including substituting the word "expressed" for "acknowledged" and changing "do" to "does" in the last paragraph. Dr. Tiede moved for adoption of the resolution. Mr. Holmquist seconded the motion. It was noted that the same resolution is being considered by the other three consortia hospitals. It was suggested that the resolution be sent with a cover letter directly to the Chairman of the Council of

Minutes
Executive Committee
University of Minnesota Hospitals and Clinics
April 17, 1978

Present: Harry Atwood, Chairman
Al Hanser, Vice Chairman
John Najarian, M.D.
John Westerman

Absent: John Quistgard
Timothy Vann

Guest: Paul Winchell, M.D.

Staff: Cliff Fearing
Johnelle Foley

The meeting of the Executive Committee of the Board of Governors was called to order by Chairman Harry Atwood at 12:30 p.m., in Room 403 of the Campus Club.

Chairman Atwood referred the Committee to the announcement for this meeting which outlined its purpose as being "to define and evaluate the scope of the problem of rising hospital costs as that problem relates to University Hospitals, and to determine whether University Hospitals should formalize an approach by which the Board of Governors can become more involved in the development of mechanisms by which costs concerns can be addressed". He explained that this motion was brought before the Board of Governors at their March meeting where they agreed with the need for a closer examination of the issue of rising hospital costs and suggested that the Executive Committee study mechanisms, such as the appointment of a special task force, by which this study could best occur.

Chairman Atwood explained the origin of this matter as being an outgrowth of his idea that such an examination of hospital costs by a special group at University Hospitals would be good strategy in terms of public approval. He noted that the cost problem is universal and that all hospitals but especially University Hospitals, should be doing more to address the problem. He added that he was not implying that management is not containing costs but suggested that the Board and Medical

Staff could be doing more in terms assisting in the development of policies and guidelines to facilitate cost containment efforts. As background to this issue, Chairman Atwood referenced comments made by various Board members interviewed in the student study by Robert Cowle. He noted that the majority of the Board members questioned, identified hospital costs as the most pressing issue facing them. Also, he pointed out that the Strategic Planning Task Force had noted cost containment as an issue of major concern. Further, he referred to the national scene and the action of the A.M.A., A.H.A., and proprietary hospitals in proposing a national resolution advocating voluntary efforts toward achieving cost containment. Chairman Atwood commented that despite the fact that University Hospitals' rate increases in the last two years have been reasonable and reflect good financial management, the scope of the issue of rising hospital costs cannot be ignored. He suggested that in fact, this issue might best be addressed for University Hospitals through the appointment of a special task force.

The Committee then discussed the pros and cons of a task force approach and some of the aspects of the problem which a small group might consider. Suggestions of aspects included comparisons with cost containment efforts of other university hospitals, the relationship of a special task force with the Finance Committee, the role of inflation in raising hospital costs, the use of outside management consultants, various budgeting methodologies, the impact of Central University Administration on University Hospitals' financial position, the influence of JCAH requirements on costs, the response to the Voluntary Effort resolution, and the question of excess beds and hours of staffing time.

In conclusion, the Executive Committee agreed that there are many worthy potential involvements for such a task force and concurred that such a group should be

appointed. Chairman Atwood stated that he would carry that message back to the Board of Governors.

The Executive Committee briefly discussed possible appointments to the task force and adjourned at 1:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Johnelle Foley".

Johnelle Foley
Secretary

Minutes
Executive Committee
Board of Governors
August 14, 1978

Present: Harry Atwood, Chairman
Albert Hanser
John Najarian, M.D.
John Quistgard
Paul Winchell, M.D.
John Westerman

Staff: Robert Dickler
Johnelle Foley
Tom Jones

The meeting of the Executive Committee of University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:00 p.m., in Room 608 of the Campus Club.

I. Metropolitan Health Board Hearing Report

Mr. Jones reported that on the evening of August 3, 1978, representatives of University Hospitals met with a special task force of the Metropolitan Health Board to begin discussions of University Hospitals Long Range Planning Document. Those representing University Hospitals included Mr. Atwood, Mr. Westerman, Mr. Jones, Mr. Dickler, Mr. Fearing, Ms. Foley, Dr. Klausan, Dr. Thompson, Dr. Vernier and Dr. Winchell.

Mr. Jones explained that the University Hospitals and Clinics' presentation somewhat exceeded the allotted hour and a half time period. He noted that Mr. Westerman described University Hospitals and its role with regard to the national health care scene. Mr. Atwood discussed the Board of Governors organization and likened it in composition to the Metropolitan Health Board. Mr. Jones then reviewed the Planning

Document chapter by chapter with assisting comments by members of the Medical Staff who were present. Mr. Jones stated that the objective of the presentation was to show the uniqueness of University Hospitals' role in providing health care. He stated that in this objective they were successful. Of the 5 task force panel members from the Metropolitan Health Board, four were present. Few questions were asked. One Board member suggested a different format for presentation of the materials included in the Planning Document.

Mr. Jones commented that this was a preliminary meeting with the Health Board and noted that arrangements are now being made to schedule a second meeting with the Health Board task force. They have asked that the second meeting be scheduled at University Hospitals on a date on which the Health Board meets. (Two dates being considered are August 23 and September 27, 1978.) The Health Board would like this session to commence with a luncheon meeting and include a tour of University Hospitals and Clinics physical facilities. It was suggested that perhaps members of the Executive Committee should be in attendance for this next meeting. It was felt that representation could best be determined once the Metro Health Board task force informs University Hospitals of the issues they wish to have addressed at the next session.

II. Report of State Architect Selection Committee (8/9)

Mr. Jones explained that representatives of University Hospitals' Staff met with the State Architect Selection Committee on August 9, 1978, to explain architectural needs in terms of the completion of Unit K/E/H. Mr. Jones commented that they did

make an appeal to the Selection Committee that the firm which is hired have experience with University teaching hospitals. It was noted that the Selection Committee did narrow the potential firms from 20 to 6. Dr. Winchell stated that he was optimistic that a good choice could be made from among the six architectural firms. Mr. Jones stated that the actual selection of a firm is scheduled for Monday, August 21, 1978.

III. Vice Presidents' Meeting Report

Mr. Westerman noted that much of the meeting with Vice Presidents French and Brown was taken up with discussions of planning preparations for Units K/E/H and J. Mr. Dickler added that consideration was given to the timing of these planning preparations in terms of presentations to the Regents, the Metropolitan Health Board and the Legislature. Mr. Westerman concluded that it was a good meeting in terms of providing clear direction for future planning. He added that the Executive Committee of the Board of Governors will probably become intimately involved as this planning process develops further.

IV. Mr. Atwood's Regents' Report Planning

Chairman Atwood inquired as to the timing of his annual report to the Board of Regents. He suggested that if timing is not a concern, he would prefer making his report at the October Regents' meeting. Mr. Dickler stated that he had been in touch with Vice President French's office regarding this matter and saw no problem with an October presentation date but would check further. He added that he had been advised that it would be best to separate

Mr. Atwood's report from the presentation of the revised Statement of Mission and Goals for University of Minnesota Hospitals and Clinics by bringing the Statement to the Regents sometime following Mr. Atwood's presentation. Chairman Atwood then noted that the revised Mission and Goals Statement had been transmitted to Vice President French's Office. He read the letter of transmittal to the Executive Committee.

Chairman Atwood concluded that preparations for his presentation to the Regents should be held until nearer the October date if it is confirmed. Mr. Westerman added that Mr. Dickler will be assisting Chairman Atwood in preparing his report. Chairman Atwood noted that he will be asking for Executive Committee in-put and advice as the report is prepared.

V. Department of Psychiatry

Chairman Atwood noted that memos had been sent to the Board of Governors from Ms. Foley regarding the recent newspaper articles which appeared about the Department of Psychiatry at the University of Minnesota. He commented that although the issues addressed in the articles pertain to Psychiatry as a Medical School Department, it is difficult to avoid consideration of the issues as they impact on University Hospitals and Clinics. He called for discussion of the subject and information as to what action is currently being taken regarding the Department of Psychiatry.

Dr. Najarian explained that he has been asked by Vice President French's Office to have a Clinical Chief committee investigate

the alleged billing improprieties in Psychiatry. Dr. Najarian stated that this study is underway and added that none of the allegations made in the articles had been substantiated. Dr. Winchell reported that Vice President French had requested that the Medical Staff/Hospital Council look into quality of care issues raised in the articles. Dr. Winchell added that he has sought the assistance of the Hospitals' Patient Relations Department in summarizing patient complaints concerning Psychiatry. A quality assurance audit will also be conducted. It was noted that the census of the Department of Psychiatry has not been adversely affected as of this date. Chairman Atwood pointed out that the Board of Governors is involved in the appointment of Chiefs of Clinical Services. Mr. Westerman commented that Dr. Hausman has been placed in the middle of a controversy between psychiatrists and psychologists which is going on nationally. Mr. Dickler pointed out that Dr. Hausman had submitted his resignation prior to the appearance of the newspaper articles and that several of the investigation processes had been initiated prior to the articles.

In concluding its discussion of the Department of Psychiatry, the Executive Committee agreed that with the appointment of the Medical School and Medical Staff committees to investigate billing and care practices in Psychiatry they are confident that the appropriate action steps are being taken and that this matter is well in hand. Chairman Atwood concluded that there appears to be no need for further action or concern at this time but that

the Executive Committee will await receipt of information of the results of the Psychiatry investigations. It was noted that this information should be available prior to the September Board meeting. It was further suggested that the discussion described in these minutes serve as a response back to the Board of Governors regarding the status of the Department of Psychiatry matter.

Chairman Atwood asked that these minutes be forwarded to the Board members as soon as possible.

VI. Retreat Digest Review

Ms. Foley reviewed with the Executive Committee its charge with respect to co-ordinating, monitoring and responding to long-range planning activities as approved at the Board of Governor's Retreat. She also commented on the various strategies which had been set forth as planning guidelines by the Strategic Planning Task Force to assist in future planning. As Ms. Foley discussed the strategies, she associated each with various programmatic activities which are currently getting underway such as Unit K/E/H and J planning, the Northwest Project, the Minnesota Association of Public Teaching Hospitals' study, the Cost Concerns Task Force, and the Rural Hospitals Co-Operative Program. She added that she will also be keeping the Executive Committee informed of Health Science Planning Council activities. In conclusion, Ms. Foley noted that by following the developments in such project areas as those listed above, the Executive Committee will be intimately involved in planning and charting University Hospitals' future and will be doing so within the guidelines and intent of the Strategic Planning Task Force and the Board of Governors.

Chairman Atwood pointed out that Ms. Foley's remarks spoke to how the Executive Committee should consider proceeding with its planning charge. He mentioned that with the areas which Ms. Foley mentioned and others, such as the monitoring of the Metropolitan Health Board activities, the Executive Committee at this time has a rather full agenda which will probably call for more frequent meetings but will probably not allow time for special planning projects other than in those areas mentioned.

There being no further business, Chairman Atwood adjourned the meeting of the Executive Committee at 3:45 p.m.

Respectfully submitted,

Johnelle Foley
Johnelle Foley
Secretary

Minutes
Executive Committee
Board of Governors
November 2, 1978

Present: Harry Atwood, Chairman
Al Hanser, Vice Chairman
John Quistgard
Timothy Vann
Paul Winchell, M.D.
John Westerman

Absent: John Najarian, M.D.

Guest: Bob Dickler

Staff: Johnelle Foley

The Executive Committee of the Board of Governors of University of Minnesota Hospitals and Clinics was called to order by Chairman Atwood at 2:00 p.m., in Room 405 of the Campus Club.

I. University Hospitals and Clinics Five Year Prospectus

Mr. Westerman introduced the Five Year Prospectus to the Committee and commented on its purpose. He explained that the Prospectus was written from a different point of view than the Five Year Metropolitan Health Board Plan which was more a planning document for external community planning purposes. He described the Prospectus as being an internal governance tool with less detail and more emphasis on current and future policy considerations. He noted that the Prospectus was viewed as a working document which would have periodic updates and would serve an internal audience including the Board, the Clinical Chiefs, the Medical Staff, and Department Heads. He suggested that it need not go to the Regents as Mr. Atwood's annual presentation serves as the annual report to that group, but added that it should be shared with the appropriate Vice Presidents. Mr. Westerman, Mr. Dickler, and Ms. Foley then reviewed each section of the Prospectus with the Committee.

Both Chairman Atwood and Vice Chairman Hanser raised questions pertaining to the need for some form of an annual plan beyond the Five Year Prospectus. The Committee discussed several possible approaches for integration of major annual objectives into the Prospectus. Chairman Atwood then suggested that the Executive Committee take the time to review in more depth the Prospectus and that Staff consider and recommend to

the Committee a method of incorporating annual planning.

Chairman Atwood posed a question relative to the justification behind the construction of Unit J at its estimated cost. Mr. Dickler described the deliberations and resulting study conducted by Herman Smith Associates, the consulting firm who three years ago prepared the need and rationale projections for University Hospitals' facilities. It was suggested that at some point, this study be presented to the full Board in detail. It was also suggested that Chairman Atwood may wish to weave mention of the Smith Study into his presentation to the Regents.

II. West Metro Area Trustee Council Report

Chairman Atwood discussed with the Committee the background and contents of the West Metro Trustee Report. He noted that generally the work of the Council resulted in a report which surpassed his expectations. He stated that the report's recommendations represented the consensus, but reminded the group that the Council was comprised of citizen volunteers and thus, they were not official representatives of the hospitals involved.

Chairman Atwood noted that the report primarily addressed the issue of hospital bed reduction. He briefly described the various phases of the proposed bed reduction plan. In terms of the impact of the plan on University Hospitals, Chairman Atwood suggested that there is awareness that University Hospitals has a unique mission and serves a larger constituency than the West Metropolitan area.

III. Presentation to Board of Regents

Chairman Atwood briefly commented on the Board of Governor's dinner with the Board of Regents scheduled for November 9, 1978. He noted that the evening is to be purely social with no formal presentations.

Chairman Atwood next took the Executive Committee through the basic outline of his presentation to the Board of Regents scheduled for November 10, 1978. He also reviewed the materials which will be distributed to the Regents prior to his presentation.

The Executive Committee also briefly discussed the status of the Nominating Committee's progress.

There being no further business, the Executive Committee meeting was adjourned by Chairman Atwood at 3:45 p.m.

Respectfully submitted,

Johnelle Foley
Johnelle Foley, Secretary

Background Material

CONTENTS

Item 1 - Patient Care Data

This table summarizes admissions, patient days, length of stay, and average daily census from 1967-68 through 1977-78. While admissions were fairly stable between 1976/77 and 1977/78, a continuing decrease in average length of stay led to a moderate decline in patient days and average daily census. Data from late 1977/78 and early 1978/79 indicates that average length of stay has stabilized at around 8.8 - 8.9 days and that admissions are increasing slightly.

Item 2 - Comparative Summary Statement of Operations

This table summarizes Hospital Budgets, rate increases, and average costs from 1975/76 through 1978/79. The budget for 1978/79 continues to reflect a trend of lower rate increases than those experienced in 1975/76 and 1976/77.

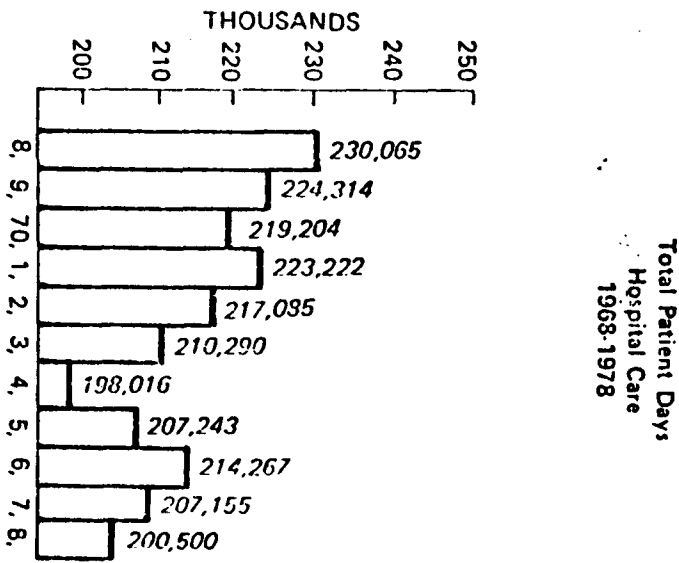
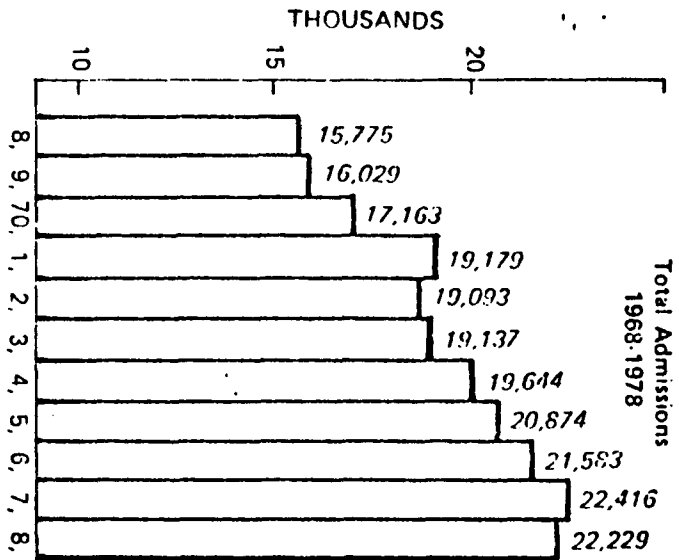
Item 3 - Capital Facilities Planning Summary

This document summarizes that status of University Hospitals and Clinics Central Planning and is intended to update the information provided to the Board of Regents in Spring, 1978.

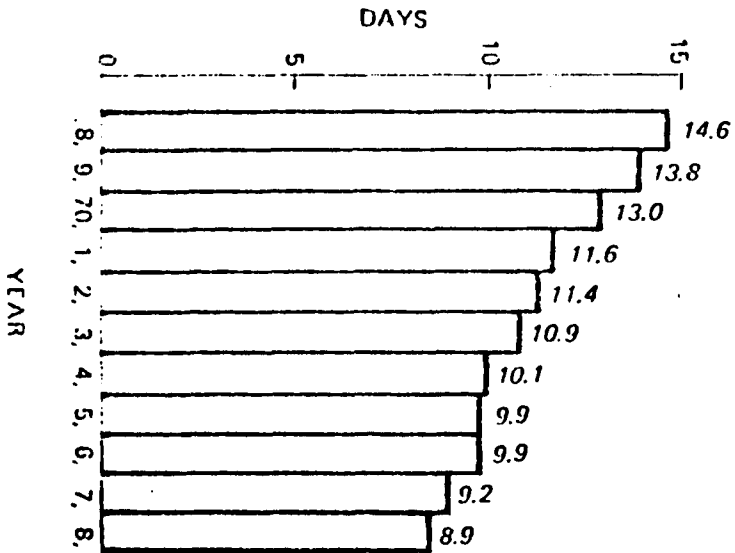
Note: all of the above information will be discussed in greater detail by Mr. Atwood during his verbal presentation.

PATIENT CARE DATA

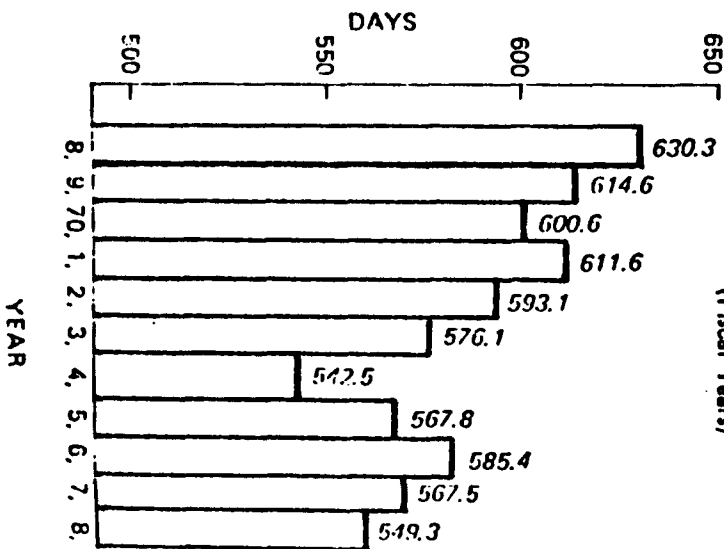
1968-69 to 1977-78



Average Length of Stay
1968-1978



Average Daily Census
1968-1978
(Fiscal Years)



UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
COMPARATIVE SUMMARY STATEMENT OF OPERATIONS

	1975-1976		1976-1977		1977-1978		1978-1979	
	Actual		Actual		Actual		Projected	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Net Patient Care Revenue	\$58,430,354	86.4%	\$65,096,181	86.3%	\$72,783,484	86.4%	\$80,839,282	87.7%
Other Operating Revenue	1,199,015	1.8%	1,263,390	1.7%	1,636,519	1.9%	1,678,283	1.8%
Appropriations/Interest Inc.	<u>7,956,162</u>	<u>11.8%</u>	<u>9,050,926</u>	<u>12.0%</u>	<u>9,843,082</u>	<u>11.7%</u>	<u>9,690,767</u>	<u>10.5%</u>
Total Revenue	\$67,585,531	100.0%	\$75,410,497	100.0%	\$84,263,085	100.0%	\$92,208,332	100.0%
Expenditures								
Salaries, Wages, Fees, Fringe Benefits	\$43,629,889	65.5%	\$48,460,498	64.1%	\$54,693,854	65.6%	\$59,476,298	63.9%
Other Expenses	<u>22,948,981</u>	<u>34.5%</u>	<u>27,144,944</u>	<u>35.9%</u>	<u>28,632,609</u>	<u>34.4%</u>	<u>33,619,549</u>	<u>36.1%</u>
Total Expenditures	\$66,578,870	100.0%	\$75,605,442	100.0%	\$83,326,463	100.0%	\$93,095,847	100.0%
Net Revenue Over/(Under) Expense	\$ 1,006,661		\$ (194,945)		\$ 936,622		\$ (887,515)	
Rate Increase per Year	12.0%		11.43%		6.3%		7.06%	
Volume Related Increase per Year	8.2%		.15%		5.44%		4.01%	
Avg Cost per Admission	\$2,730		\$2,902		\$3,207		\$3,525	
Avg Cost per Inpatient Day	\$275		\$314		\$356		\$394	
Avg Cost per Outpatient Day	\$42		\$54		\$57		\$68	

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

CAPITAL FACILITIES PLANNING SUMMARY

Introduction

This document is intended to provide a brief overview of the present facilities utilized by University Hospitals and Clinics, the deficiencies which exist within these facilities, and proposed solutions which have been, or are being, investigated. Some of this material has been presented previously to the Board of Regents and more detailed information about specific aspects will be presented in early 1979 to the Board.

Background

University of Minnesota Hospitals and Clinics presently utilizes all or part of seven buildings on the East Bank of the University Campus. Most of the Mayo Complex, which houses the majority of inpatient beds and diagnostic, treatment, and support facilities, was constructed prior to 1930. The last major Mayo Complex addition was completed in the mid-1950's.

All other facilities utilized by the Hospitals, with the exception of Powell Hall, were built after 1950 and generally remain functional at an acceptable level. Powell Hall was completed in the 1930's and early 1940's and is used primarily for office space and motel facilities.

Physical Facility Deficiencies

The physical facility deficiencies which University Hospitals and Clinics faces today are a reflection of the age of its present facilities and the status of health care when the facilities were built. Most of the facilities built since 1950 were designed during a period of expansion in health care technology and when University Hospitals role was changing to a regional specialty referral care hospital. These facilities (Variety Club Health Hospital, Masonic Memorial Hospital, Children's Rehabilitation Center, and the Dwan Cardiovascular Center) continue to be functionally adequate, especially with ongoing major and minor remodeling.

The Mayo Complex has a variety of problems which reflect both its physical age and the design limitations which are inherent in buildings constructed during the first half of the 1900's. These buildings (Elliott, Todd, Eustis, and Mayo Memorial) have been strained by the present role of University Hospitals and the current state of medical technology in terms of space, configuration, and building systems to their absolute limits.

The general building deficiencies which are faced in the Mayo Complex include:

- I. Transportation and Circulation - inefficient traffic patterns; congestion, noise, and unnecessary traffic; corridors too narrow; and too few elevators.

- II. Storage and Space Deficiencies - results in use of corridors for storage; poor aseptic technique and practice; overload of work areas.
- III. Nursing Stations - inadequate room size and toilets, lack of appropriate or adequately sized support facilities (i.e. waiting areas, private consultation rooms, treatment areas, etc.).
- IV. Ambulatory Care - inadequate space (size of rooms, support facilities, and waiting rooms) and inefficient operations due to fragmentation of clinic areas and ancillary support services.
- V. Support Departments - inadequate and inappropriate space for almost all departments, but especially Diagnostic Radiology, Therapeutic Radiology, Clinical Laboratories, Pharmacy, etc.

Planning Process and Conclusions

The Planning Process for upgrading University of Minnesota Hospitals and Clinics physical facilities began in the mid-1960's and has continued up to the present time. Planning efforts have utilized both internal resources and outside consultants. In addition, all planning efforts have been an integral part of the Health Sciences Master Planning process and conclusions reached have reflected a synergistic planning and functional relationship with other Health Services units.

The options explored since the mid-1960's have explored the full range of possibilities from total replacement of all facilities to limiting efforts to remodeling only. Total replacement was rejected as both too costly and inappropriate abandonment of functional facilities. Remodeling only was rejected since it does not deal with the overall space deficiencies which total approximately 400,000 square feet for inpatient and support services.

The planning process has led to the ultimate conclusions that:

1. University Hospitals and Clinics should retain and remodel present space where possible.
2. New construction should be utilized where no cost-effective or acceptable alternatives exist.
3. Any space to be vacated by the Hospitals on a permanent basis should be utilized to meet the overall space needs identified by the Health Sciences Master Planning process.

Solutions

The solutions which have been and are being pursued to correct major deficiencies as a result of this planning process are:

1. Unit B/C Project
 - a. Project Scope
 - 1) Relocate majority of clinic areas to new facility.
 - 2) Develop appropriate ambulatory care support services in Unit B/C to both adequately serve ambulatory patients and provide minimal relief for existing departmental space.

- 3) Utilize vacated space and some Unit B/C shell space to provide interim and permanent relief for some ancillary support services and Hospital Departments as well as space for other Health Sciences Units.

b. Present Status

Hospital portions of Unit B/C (Phase I) should be occupied by early 1979, vacated space remodeled and reoccupied over a two-year period.

2. Unit K/E/H Project

a. Project Scope

- 1) Four floor addition to Unit K/E to house approximately ninety beds of one-hundred and twenty total pediatric beds. Remaining beds will stay in Heart Hospital.

New Post-anesthesia and Surgical Intensive Care units will be developed in this space to replace obsolete and space deficient units.

- 2) Remodel existing and add on additional operating rooms and support space (Unit H).
- 3) Remodel vacated areas for support areas (nursing, cafeteria, etc.).

b. Present Status

Architect selected (Ellerbe) through State Designer Selection Board. Schematics and final review process planned for early 1979. Construction completion planned for 1982.

3. Unit J Project

a. Project Scope

- 1) Replace approximately 400 medical-surgical beds in Mayo Complex on Powell Hall site.
- 2) Relocate Diagnostic Radiology and Therapeutic Radiology to Unit J.
- 3) Utilize vacated Mayo space for Hospital support departments, laboratories, personnel, payroll, etc. and other Health Sciences units.

b. Present Status

Debt capacity study and other preliminary planning being completed. Initial presentation to Board of Regents, with request for approval to proceed with architect selection, planned for July, 1979. Earliest completion date January, 1987.

4. The above three projects constitute the bulk of the Capital Replacement and Renovation Program. The development of a Motel/Hotel facility is required to replace Powell Hall facilities and is being pursued with Central Administration. Equipment replacement and smaller remodeling/construction projects will continue on an ongoing basis.

Conclusion

This document has provided a brief outline of University Hospitals and Clinics Central Planning. We look forward to discussing it in more detail over the coming months with the Board of Regents.



UNIVERSITY OF MINNESOTA

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

FILE

January 4, 1979

TO: Members of the Executive Committee of the Board of Governors

FROM: Harry Atwood, Chairman
Al Hanser, Vice Chairman

RE: Next Meeting
Friday, January 12, 1979
11:30 A.M., for Lunch
Room 609 of the Campus Club

Agenda

- I. Regents' Meeting Report
- II. Unit J Planning
- III. University Hospitals and Clinics Five Year Prospectus

Copies mailed to:

Cost
Quistgaard
Vann
Najarian
Westerman
Atwood
Hanser
Winchell
Pillsbury

Minutes
Executive Committee
Board of Governors
January 12, 1979

Present: Mr. Harry Atwood
Mr. David Cost (for Mr. John Quistgard)
Ms. Sally Pillsbury (for Mr. Al Hanser)
Ms. Timothy Vann
Mr. John Westerman

Absent: Mr. Al Hanser
Mr. John Quistgard
Dr. Paul Winchell

Staff: Mr. Robert Dickler
Mr. John Diehl
Ms. Johnelle Foley

The meeting of the Executive Committee was called to order by Chairman Harry Atwood at 11:30 a.m., in Room 609 of the Campus Club.

I. Regents Meeting Report

At Chairman Atwood's request, Ms. Foley reported on the Board of Governor's items presented to the Board of Regents' at their Committee of the Whole meeting that morning.

Ms. Foley stated that the first item before the Regents was that of the revised Statement of Mission and Goals for University of Minnesota Hospitals and Clinics. Vice President French presented the Mission Statement as an information item to the Regents. In so doing, he provided background as to why the revision was felt necessary and how it was undertaken. He noted that one change had been suggested for the Preamble of the Statement which involved deleting the phrase "established by the Legislature" from the first sentence of the third paragraph. Regents Schertler and Latz commented on the quality of the Statement of Mission and Goals for the Hospitals. Chairperson

Wenda Moore noted that the Statement will be acted upon in February.

Ms. Foley noted that the Regents next considered the re-appointments of the five Governors whose terms expired on December 31, 1978. A motion to approve these re-appointments was passed without discussion. Following that action, the Regents attention was directed to the vacancy on the Board of Governors left by the resignation of Mr. Stanley Holmquist. They were asked to consider the appointment of the candidate described in their Board Books (Mr. Ed La Fave) for action in February. The Regents then approved the recommendation to appoint Mr. Al Hanser as Chairman of the Board of Governors and Ms. Sally Pillsbury as Vice Chairperson of the Board. Ms. Foley added that Regent Latz suggested that a letter of appreciation be sent to Mr. Harry Atwood for the excellent leadership he has provided the Board of Governors over the last four years.

Ms. Foley explained that Regent Latz then reported on the progress of his ad hoc committee to review Board of Governors' Bylaws. He noted that he and Regents Schertler and Utz have been conducting a comprehensive review of the Bylaws and plan very soon to draft their proposed revisions for review by the Governor's Bylaws and Executive Committees. He stated that the proposed revisions will then be brought to the Regents for consideration in February and for action in March. Regent Krenik commented that he hoped appropriate procedure will be followed in this review process. Regent Latz commented that to this point, the Hospital's Attorney has been informed of the revisions being considered and a dinner was held with Ms. Pillsbury, Mr. Hanser and Mr. Atwood, of the Board of Governors, for the same purpose. Ms. Foley stated that concluded Regents' discussion of Board of Governors' matters.

The Executive Committee next discussed the dinner meeting which was held with the Regents' ad hoc committee.

II. Unit B/C Opening

Mr. Dickler stated that the relocation into Unit B/C is scheduled for February 24-25, 1979. He noted that tours, etc., are being scheduled for the week before that move. He added that the University is planning a large dedication affairs and asked if the Board of Governors would be interested in conducting an opening ceremony for the hospital portions of the building.

The Executive Committee discussed this concept at some length. It was determined that a wine and cheese affair with a brief ceremony and optional tours following the February 21, 1979, Board meeting would be most appropriate and convenient for Board members. It was suggested that invitations be sent to the following groups in keeping with a health emphasis theme:

- Trustee Councils
- Metropolitan Health Board
- Chief Executive Officers of local hospitals
- Chiefs of Staffs of local hospitals
- Foundation for Health Care Evaluation
- Blue Cross/Blue Shield
- Clinical Chiefs
- Medical Staff/Hospital Council
- Health Sciences' Deans
- Press - Lew Cope
- Citizens League - Ted Kolderie
- Spouses of Board Members

Mr. Dickler stated that he will initiate making these arrangements and will consult with Padilla and Speer in so doing.

III. Unit J Planning

Mr. Westerman reported that the Central Officers Group of the University did approve the appointment of a Unit J Co-ordinating Committee, the membership of which includes Vice Presidents Brown and Kegler, Mr. Al Hanser, Mr. Harry Atwood, and Mr. John Westerman. He noted that he was asked to convene the first meeting and that Vice President Brown

was then designated as the Chair. He stated that at its first meeting the Committee discussed the following:

- 1) The February 8, 1979, presentation on Unit J to the Physical Plant and Investment Committee of the Board of Regents.
- 2) The Padilla and Speer theme assessment list and triad group discussion meetings.
- 3) The hiring of a full-time position to co-ordinate Unit J planning.
- 4) Funding strategies for financing Unit J.
- 5) Consideration of a name for the Unit J building.

IV. University Hospitals and Clinics Five Year Prospectus

Mr. Atwood reminded the Committee that the Prospectus was brought before them for the first time at their last meeting. He noted that no fault was found with the document but that the suggestion was made to add specific annual objectives to each of its sections to better allow for monitoring of progress made on a yearly basis. He then called upon Ms. Foley to comment further.

Ms. Foley noted and reported changes which Mr. Van Hulzen had requested be made in the objective statements for Operations. She also explained that her role in the preparation of the Prospectus has been primarily that of co-ordinator with specific section responsibility being as follows:

Operations Planning - Mr. Van Hulzen

Capital Planning - Mr. Jones

Financial Planning - Mr. Fearing

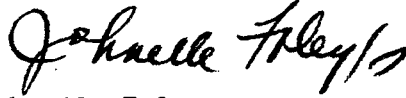
External Activities Planning - Mr. Dickler

The Executive Committee had received the Prospectus and added objectives in advance of the meeting and found it acceptable with only minor changes made to the Introduction.

It was suggested that the Prospectus be presented by Ms. Foley to the Board of Governors next week for information and for action the following month.

There being no further business, the Executive Committee meeting was adjourned at 2:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Johnelle Foley". The signature is written in black ink and is positioned above the printed name and title.

Johnelle Foley
Secretary

Minutes
Executive Committee
University of Minnesota Hospitals and Clinics
Board of Governors
August 8, 1979

Present: Al Hanser, Chairman
Sally Pillsbury, Vice Chairman
Harry Atwood
Paul Quie, M.D.
John Westerman

Staff: Cliff Fearing
Johnelle Foley
Shirley Sudduth

Absent: John Najarian, M.D.
David Cost

I. Retreat Follow-up

At Chairman Hanser's request, Ms. Foley commented on the digest which she had prepared on the proceedings of the Board Retreat in Bemidji. She explained that the digest summarized the presentations and highlighted points raised during the discussion session. She pointed out that in preparing the digest she was reminded of various items which will require follow-up in some form. She listed those items as follows:

- a) It was suggested that at the 1980 Board Retreat a portion of the meeting be devoted to a review of the impact of the Padilla and Speer Communications Program.
- b) It was recommended that the Executive Committee or some other group be charged with the task of assessing University Hospitals and Clinics - its strengths and weakness and the opportunities and threats of its environment.
- c) It was felt that the trustees of other University hospitals should be brought together to jointly work toward resolution of common issues.
- d) It was found that a Medical Staff policy relating to a uniform method of communicating with referring physicians would be helpful. It was suggested that this policy be developed through the Joint Conference Committee.
- e) It was reported that investigations were being made into securing an

"800" phone line for easy access into University Hospitals by out-state referring physicians. It was noted that details of this undertaking will be presented through the Finance Committee of the Board.

In discussing these items, Mr. Westerman was asked which University hospitals might be interested in pursuing a joint study of issues. He listed the following:

Nebraska
Colorado
Washington
Wisconsin
Alabama
Florida
North Carolina
Vanderbilt
Yale-New Haven
Michigan

Mr. Westerman commented that he, Dr. Kralewski, Dr. Choi and Ms. Foley were interested in doing research in this area. In commenting on some of the issues facing University Hospitals, the following questions were raised:

- How can the Medical Staff and Central Administration be involved in the Hospitals' planning and do so with an awareness of the financial impacts of their decisions?
- Can educational costs continue to be tacked onto patients' bills?
- How can the tertiary role and unique mission of University Hospitals and Clinics best be described?
- Should University hospitals be re-evaluating the continuing appropriateness of their affiliations with Universities?

It was determined that a task force should be appointed to consider these questions and identify more questions and develop processes toward solution. Mr. Westerman suggested that Mr. Jones and Mr. Fearing serve as staff to this task force. Ms. Pillsbury commented on the importance of strong Medical Staff representation on the Task Force. Dr. Quie indicated that he would be happy to provide names of possible Medical Staff members.

Mr. Atwood noted the importance of assuring a distinction between the charge to the task force and the role of the Planning and Development Committee. He suggested that the task force's role be primarily that of assessment and that its report will provide valuable information for the Planning and Development Committee.

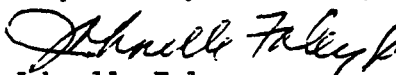
Mr. Westerman noted that the report of the task force could serve as a position paper to the Board of Regents, supplying them with an environmental impact statement and considerations for the 1980's. Chairman Hanser stated that he would attempt to finalize the task force's charge and its composition so that it may be presented at the August Board meeting.

II. Financial Status Report

Mr. Fearing reported to the Committee on the status of Rate Review Panel deliberations. The attached documentation relates to his report. Chairman Hanser asked that this information be transmitted to the full Board through the Finance Committee report.

There being no further business, the Executive Committee meeting of the Board of Governors was adjourned by Chairman Hanser at 1:45 p.m.

Respectfully submitted,


Johnelle Foley
Secretary



UNIVERSITY OF MINNESOTA

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

October 29, 1979

TO: Members of the Executive Committee, Board of Governors

Mr. Harry Atwood
Mr. David Cost
Dr. John Najarian
Ms. Sally Pillsbury
Dr. Paul Quie
Mr. John Westerman

FROM: Mr. Al Hanser, Chairman

RE: Executive Committee Meeting Time Change

The Executive Committee of the Board of Governors will meet at 3:00 p.m., on Tuesday, November 13, 1979, in Room 624 of the Campus Club instead of 12:00 noon as previously scheduled.

The agenda will follow.

AH/sds

cc: Mr. Tom Jones
Mr. Ron Werft

EXECUTIVE COMMITTEE

Board of Governors

University of Minnesota Hospitals and Clinics

November 13, 1979

3:00 P.M.

624 Campus Club
Coffman Memorial Union

Agenda

- I. Strategic Options Study
 - Mr. Tom Jones, Staff Lead
- II. Study Proposal
 - Dr. John Kralewski, Director
Center for Health Services Research
- III. Organization for Medical Staff Involvement
 - Dr. John Najarian, Chief of the Council of Clinical Chiefs
 - Dr. Paul Quie, Chief of Staff
- IV. Other

Minutes
Executive Committee
Board of Governors
University of Minnesota Hospitals and Clinics
November 13, 1979

Present: Al Hanser, Chairman
Sally Pillsbury, Vice Chairman
Harry Atwood
David Cost
John Najarian, M.D.
Paul Quie, M.D.
John Westerman

Staff: Johnelle Foley
Tom Jones
Ron Werft

Guest: Dr. John Kralewski

The meeting of the Executive Committee was called to order by Chairman Hanser at 3:00 p.m., in Room 624 of the Campus Club.

I. Strategic Options Study

Mr. Jones explained that the purpose of this meeting was to review the outline proposal for the strategic options study and to discuss the proposed process for Medical Staff involvement in the study.

In terms of background, Mr. Jones explained that the idea for the strategic options study surfaced at the last Board of Governors Retreat where concerns were raised regarding the future role for University Hospitals and Clinics in the health care system. Simultaneously, the results of the MAPTH study brought forth similar issues. He noted that it is evident that the health care environment is changing rapidly and thus, demanding that time be taken to assess University Hospitals current position and to plan for the future.

II. Study Proposal

Dr. John Kralewski, Director of the Health Services Research Center, reviewed for the Executive Committee the attached study proposal.

Following Dr. Kralewski's comments, members of the Committee expressed their support for the study. The data gathering portion of the study was discussed in terms of its timeliness in light of the Renewal Project planning. It was also pointed out that the Executive Committee should serve a monitoring role to follow the progress and findings of the study at various points.

III. Organization for Medical Staff Involvement

Dr. Quie reported that he, Dr. Najarian, and Mr. Jones had met regarding the Medical Staff's involvement in monitoring the strategic options study. He reported that they agreed to propose that the Program Review Committee of the Medical Staff serve in the monitoring role. (see attached membership list) Dr. Najarian added that it was felt to be most advantageous to utilize an already existing body. He commented that the Program Review Committee has primarily been involved in the examination of new program proposals. He stated that the study will add a new challenge to the Committee's work and the direction and depth of their decisions.

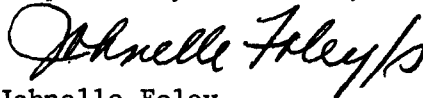
A motion was made by Mr. Cost to recommend approval to proceed with the study and its mechanism for Medical Staff involvement. His motion was seconded by Dr. Najarian, voted upon, and passed.

IV. Other

Chairman Hanser explained that at the last meeting of the Joint Conference Committee, Mr. Evenson had asked if malpractice insurance premium costs could not be identified on the patients' bill. The matter was referred to the Executive Committee. Chairman Hanser explained that Mr. Fearing has reviewed the implications of such a request and has stated his findings in a letter (see attached). The Executive Committee reviewed the letter and concurred with Mr. Fearing's recommendation that the matter not be further pursued due to the prohibitive costs involved.

There being no further business the Executive Committee adjourned at 4:40 p.m.

Respectfully submitted,



Johnelle Foley

Strategic Options Study

University of Minnesota Hospitals and Clinics

I Background

The recent pilot study, "The Potential for Cooperation Among the Minnesota Public Teaching Hospitals", concluded that the University of Minnesota Hospitals and Clinics with its present strong clinical, organizational, and administrative base can survive the turbulent health care environment of the near future. However, the study hospitals were cautioned that maintenance of a patient base to support high quality teaching, research and patient care programs over the long term would be an increasingly difficult task.

The report suggested that individual hospitals build on initial MAPTH study impressions by:

- (1) Identifying likely environmental changes that would have a significant impact on the patient base of the individual hospital.
- (2) Determine the probable consequences of change and suggest courses of action.

The proposed Strategic Planning Study of University of Minnesota Hospitals will be two phased:

Phase I involves organizing the present hospitals' data base and expanding it where necessary to permit assessment of historical and also projected change.

- Phase II centers on identifying likely changes in the health care environment which could have an impact on University Hospitals and Clinics patient base; determination of those changes which can be predicted to have significant impact; suggestions of organizational or programmatic options intended to enhance the hospitals' position relative to these changes.

II Study Outline

A. Data Base Development

1. Collect and analyze existing data regarding changes in patient population by:
 - a) County of origin
 - b) Diagnosis
 - c) Other relevant patient characteristics (such as age, sex, source of payment, intensity of care).
2. Financial description of existing health care services.
3. Description of present student training and research programs at University Hospitals.
4. Review present patient survey questionnaire regarding reasons for admission to University Hospitals (rather than another institution); alter if necessary; resurvey.
5. Review present data regarding physician referral patterns; determine whether this information is a useful alternative to patient origin data; implement a study if necessary.
6. Develop a study proposal intended to identify numbers and types of patients needed to achieve educational, research, and clinical program financing objectives for the future; a definition of a "core hospital" or "critical mass".

B. Environmental Assessment /Impact Analysis

1. Develop "likely scenarios" of the future health care system.
2. Seek agreement regarding scenarios which will have significant impact on University Hospitals and Clinics.
3. Develop potential strategies to address significant impact scenarios.

STRATEGIC OPTIONS STUDY - PRELIMINARY COST ESTIMATE

1. Data Base Development

A. Data gathering guidance

0.5 man-months

B. Description of present student training
and research programs

0.5 - 1.0 man-months

C. Analysis of change

0.5 - 1.0 man-months

D. "Core Hospital/Critical Mass" Study Proposal

0.5 man-months

II. Scenario/Strategy Development

2.0 man-months

Total...4.0 - 5.0 man-months @ \$3,500/month = \$14,000 - \$17,500

PROGRAM REVIEW COMMITTEE

1. Dr. John Najarian, Chairman
2. Mr. Bob Dickler
3. Dean Gault
4. Dr. Eugene Gedgaudas
5. Dr. Robert Goltz
6. Dr. Frederick Kottke
7. Dr. Seymour Levitt
8. Dr. Michael Paparella
9. Mr. Don Van Hulzen
10. Mr. John Westerman
11. Dr. Paul Quie
12. Dr. David Brown



UNIVERSITY OF MINNESOTA
TWIN CITIES

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

November 12, 1979

Mr. Al Hanser
Chairman
Board of Governors

Dear Mr. Hanser:

At the October 16, 1979 Joint Conference Committee meeting Mr. Orville Evenson asked that Administration review the implications of indicating on each non-governmental patient hospital bill the cost of malpractice insurance being paid because of the recent change in the federal reimbursement regulations regarding payment for these costs.

The idea of making other payors aware of what the federal programs are not paying for certainly has merit. Unfortunately the complexities of this change are significant. It would be necessary to handle each payor type separately because they all have different levels of coverage. It would be necessary to adjust the amount shown on each bill either daily or in aggregate. If shown daily, it would be necessary to accumulate the portions of the malpractice premium attributable to all services of any given day. If shown in aggregate, this same calculation would be required for the entire stay or clinic visit.

The amount of malpractice insurance applicable to each admission would have to be separated from that of each clinic visit. This would require allocating the premium on each bill based on cost of ambulatory care versus inpatient care.

Finally, the amount paid by insurance company X who has certain coverages for various types of medical care would need to be differentiated from those companies who have more or less coverage for each type of service.

I have not pursued the cost of this type of change in detail with our data processing department, but I have discussed it with them. It is their feeling that to accurately calculate this cost and display it separately for each payor class would require a major revision to our patient accounting and financial reporting systems. This would be an expensive process and one which I would suggest we not undertake. The alternative of manually including this on the statement would also be prohibitively expensive.

HEALTH SCIENCES

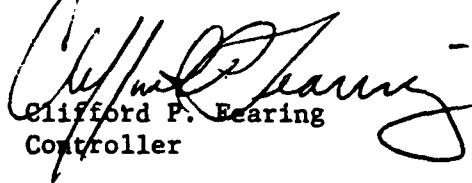
Mr. Al Hanser
November 12, 1979
Page 2

The last alternative is to show an average cost on each bill. This alternative, however, would have wide variations of distortion because of the way malpractice premiums are allocated to each type of service, i.e., ancillary, routine, special care, and ambulatory care, and because each payor type has different levels of covered services. In my opinion, this would be an inaccurate presentation of who is paying these costs.

Although I understand and agree with the reasons for Mr. Evenson's request, I believe it would be prohibitively expensive to accurately reflect the payment of malpractice insurance premiums on each bill. To do less than accurately reflect these costs would be a disservice to those companies that pay more than their fair share. Therefore, I recommend that we not pursue this request further.

If you have any questions regarding this matter, please feel free to contact me at your convenience.

Respectfully,


Clifford P. Eearing
Controller

CPF/tr

Minutes
Executive Committee
Board of Governors
February 19, 1980

Present: Mr. Al Hanser, Chairman
Ms. Sally Pillsbury, Vice Chairman
Mr. Harry Atwood
Dr. Paul Quie
Mr. John Westerman

Absent: Mr. David Cost
Dr. John Najarian

Guests: Mr. Leonard Bienias
Ms. Fannie Kakela
Dr. John Kralewski

Staff: Mr. Clifford Fearing
Ms. Johnelle Foley
Mr. Tom Jones
Mr. Ron Werft

The meeting of the Executive Committee of the Board of Governors of University of Minnesota Hospitals and Clinics was called to order at 3:10 P.M. in Room 626 of the Campus Club.

I. Introduction/Orientation of New Board Members

Ms. Fannie Kakela and Mr. Leonard Bienias were introduced to the Executive Committee. Both were asked to comment on their backgrounds. Ms. Kakela explained that she is a retired librarian from Mountain Iron, Minnesota. Among many involvements, she mentioned that she served as Chairman of the St. Louis County Board of Health for twenty years. Mr. Bienias stated that he is a resident of North Minneapolis, that he began as an asbestos worker in 1941, and that he is now Business Manager for the Minneapolis Building and Construction Trades Council. He listed a number of community-related committees and councils on which he currently serves.

Others present then introduced themselves and explained their positions. Chairman Hanser explained the current role of the Executive Committee as it relates to strategic planning and commented that today, it was hoped that the members of the Executive Committee could also aid in the orientation of the new Board members. He stated that the Board of Governors is primarily run through its committees. It was pointed out that Ms. Kakela will be serving on the

Finance Committee and that Mr. Bienias will become a member of the Planning and Development Committee.

First, Ms. Pillsbury, as its Chairman, described the role of the Joint Conference Committee in terms of its liaison with the Medical Staff and its responsibility for monitoring the quality of care provided at University Hospitals and Clinics. Then Mr. Atwood, Chairman of the Planning and Development Committee, told of that Committee's evolution from the Facilities Committee. He explained the magnitude of the Renewal Project and how its importance has changed the scope of the committee to overseers of the entire replacement project involving planning as well as brick and mortar implementation. Next, Mr. Fearing, the Hospitals' Controller, represented Mr. David Cost, Chairman of the Finance Committee. Mr. Fearing reported on that Committee's charge with regard to monitoring the Hospitals' budget and rate structuring and seeing to the Hospitals' financial positioning to assure completion of the Hospitals' Renewal Project. Dr. Paul Quie commented on his role as Chief of Staff and Chairman of the Medical Staff-Hospital Council. He noted that the Council has 14 sub-committees dealing with credentialing, infection control, etc., and how those committees' reports go through the Council to the Joint Conference Committee and on to the Board of Governors. Next, Mr. John Westerman, the Hospitals' General Director reviewed the history of University Hospitals and Clinics, spoke to its placement among other University Hospitals in the country, and addressed its current placement in the community. Mr. Westerman noted the Hospitals' mission and pointed out the Board's challenge to serve patients, to educate health professionals, to develop an appropriate research and development role in the health care field, and to educate the public to understand the importance of that role. Ms. Foley concluded by listing the background materials and documents which were being supplied to the new Board members.

II. Strategic Options Study Status

Chairman Hanser explained that as a result of the last Board of Governor's Retreat, the Board's Executive Committee had been charged with an examination of future directions for University Hospitals and proper courses of action to assure the most positive future for the institution. He noted that the endeavor has become what is known as the Strategic Options Study. He explained that Mr. Tom Jones and Mr. Ron Werft are staffing the study co-operatively with the Health Services Research Center, directed by Dr. John Kralewski.

Mr. Jones provided a report of progress with the study. He noted that the approach being taken is first an examination of patient trend lines through data gathering, then a further explanation or analysis of those trends through data gathering, then a further explanation or analysis of those trends through interviews with the Chiefs of the Hospitals' Clinical Services and discussion with the chiefs regarding strategies which medical staff, management staff, and Board might consider to influence the trend lines in a positive manner. Findings should be able to lead to the development of strategic options for consideration of proper positioning of the Hospitals for the future. Mr. Jones referred to his handout describing the phasing of the study, showing some preliminary aggregate data, and the questionnaire to be used in the interviews with Clinical Chiefs (see attached).

The Executive Committee then discussed possible interpretations of the preliminary figures. The Committee discussed trends in out-of-state activity, acuity levels, and the potential impact of trends on facility planning, program planning, budgeting and marketing. Co-operative community planning efforts were also described such as the Minnesota Association of Public Teaching Hospitals which involves a consortium of Hennepin County, Ramsey County, University, and the Veterans Administration Hospitals. In particular, the group discussed the history of attempts in conjoint planning with the Veterans Administration Hospital. The importance of this history was commented upon in light of current demands for renewed co-operative planning between University Hospitals and the Veterans Administration Hospital because of public announcement of the proposed new building plans of these two institutions.

III. Laboratory Utilization Conference

Mr. Jones explained that concerns regarding high costs in health care have led to an interest in growth in laboratory utilization. He noted, however, that good data does not exist regarding clinical decision making, lab usage and its impact on health care costs. He stated that a conference is being planned to stimulate research in this area.

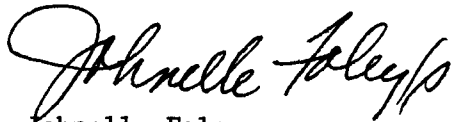
Mr. Ron Werft referred the Executive Committee to a summary of the proposal (see attached). He noted that the conference proposal was initiated by Dr. Ellis Benson, Head of the Department of Laboratory Medicine and Pathology at the University of Minnesota, and by Dr. John Kralewski, Director of the

University's Health Services Research Center. He explained that the conference, which is to occur in June, has received some funding but that additional sponsorship is being sought. He went on to state that it is hoped that the conference will stimulate research in effective utilization of laboratory services which may have spinoff value in review of utilization in other areas of health care technology.

Mr. Westerman explained that sponsorship of the conference by the Board of Governors would involve a commitment of up to \$4,000. Mr. Atwood commented on the appropriateness of the Board's support of such a conference as it reflects their long standing interest in cost containment. He moved that a tentative commitment of up to \$4,000 be recommended to the Board of Governors for sponsorship of the Laboratory Utilization Study. His motion was seconded by Ms. Pillsbury and passed.

There being no further business, the meeting of the Executive Committee was adjourned by Chairman Hanser at 5 P.M.

Respectfully submitted,



Johnelle Foley

Secretary



UNIVERSITY OF MINNESOTA
TWIN CITIES

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

February 15, 1980

TO: Executive Committee, Board of Governors
FROM: Thomas F. Jones
SUBJECT: Strategic Options Study - Progress Report

A three-phased study has evolved.

Phase I: Patient trends tabulation and organization of data for analysis (an example is attached).

Phase II: Review of trends data with clinical services; series of questions answered to identify common problems and opportunities which could lead to recommendations for medical staff, management or Board strategic actions; tabulate and organize responses. (Questionnaire attached)

Phase III: Retest responses from Phase II by re-analysis of existing data or generation of new data by special study to confirm tentative findings and conclusions; write report.

Regarding Timing: Phase I will be complete March 1. Phase II will begin March 1 with interviews completed by April 1; responses analyzed by April 15. Phase III timing is dependent on outcome of Phase II interviews and analysis. A final report should be ready for Executive Committee discussion no later than June 30, 1980.

TJ/tr

enc.

UNIVERSITY HOSPITALS
 PATIENT ORIGIN COMPARATIVE DATA
 1973-1978

Area	Number of Admissions					
	1973	1974	1975	1976	1977	1978
Metro	9,298	9,489	9,763	9,651	9,899	10,254
Non-Metro	6,584	6,713	7,239	7,551	7,832	7,794
Out-of-State	<u>3,255</u>	<u>3,442</u>	<u>3,872</u>	<u>4,381</u>	<u>4,685</u>	<u>4,181</u>
Total	19,137	19,644	20,874	21,583	22,416	22,229

Area	Percent of Total Admissions					
	1973	1974	1975	1976	1977	1978
Metro	48.58	48.30	46.76	44.71	44.16	46.13
Non-Metro	34.40	34.17	34.68	34.98	34.93	35.06
Minnesota	82.99	82.48	81.45	79.70	79.10	81.17
Out-of-State	17.01	17.52	18.55	20.30	20.90	18.81

Area	Number of Patient Days					
	1973	1974	1975	1976	1977	1978
Metro	93,833	93,771	84,203	86,235	80,735	79,518
Non-Metro	78,888	69,731	81,136	80,580	78,643	79,298
Out-of-State	<u>36,569</u>	<u>34,514</u>	<u>41,904</u>	<u>47,452</u>	<u>47,777</u>	<u>41,684</u>
Total	210,290	198,016	207,243	214,267	207,155	200,500

Area	Average Length of Stay*					
	1973	1974	1975	1976	1977	1978
Metro	10.1	9.9	8.6	8.9	8.2	7.8
Non-Metro	12.1	10.4	11.2	10.7	10.0	10.2
Out-of-State	11.2	10.0	10.8	10.8	10.2	10.0
All	10.9	10.1	9.9	9.9	9.2	9.0

Clinical Chiefs Interview

1. Why is there an increase/decrease in your services -
 - a) Admissions? Outpatient visits?
 - b) Length-of-stay (intensity?)
 - c) Geographic origin of patients?

2. What is the relative mix (percentage) of your service's patients which could be characterized as requiring primary/secondary vrs. tertiary (sub-specialty) care? Is the increase/decrease in your services admissions or outpatient visits related to a gain/loss in primary/secondary or in tertiary care?

3. Regarding competition:
 - a) Are there other hospitals (or medical groups) capable of picking up your service demands? Why? Where (Metro or Mayo?)
 - b) If your service has declining admissions or outpatient visits, which referring M.D.'s (geographic location, type of M.D.-primary or specialist) have stopped referrals?
 - c) Does your service offer patient care programs which are unique to the metropolitan area or are these services readily available elsewhere?
 - d) Regarding your market share: Which statement would best characterize your present position.
 - (1) Saturated - your share is as high as its likely to get
 - (2) Promising - large market but smaller share than you'd expect
 - (3) Unpromising - small market with already large share; or very small market
 - (4) Threatened - major market where your share might collapse if something now foreseeable happens

4. What strategies do you plan to take to improve your market position? What can the Hospitals management and Board do to help you implement your plans? What is the probability of success?

5. Some suggested strategies or role emphasis are listed. What is your reaction?
- a) Everything is o.k. UMH&C should/will remain as large sub-specialty referral center
 - b) Coordination/integration of service programs with:
 - (1) M.A.P.T.H.
 - (2) Other metro hospitals. Name them.
 - (3) Mayo Clinic
 - (4) Adjoining state University Hospitals such as Wisconsin, Iowa etc.
 - c) Major effort in developing primary care programs
 - d) Development of a large University Hospital H.M.O.
 - e) Increase rural co-operative or other outstate outreach efforts
 - f) Compress service programs to a 300-400 bed "research institute" size
 - g) Other?
6. Some health care planners suggest that 50% of the population in Minnesota will be enrolled in HMO's within the next 5-10 years. If this should happen what will be the effect on your service? If the effect is negative-what strategies would you recommend to offset the negative impact?

CLINICAL DECISION MAKING AND LABORATORY USE

Appropriate utilization of diagnostic services is one of the more complex problems facing medicine today. The escalating cost of health care and the public's desire to contain costs adds urgency to the need to examine the use of diagnostic services including clinical laboratory services. Nearly 10% of the nation's health care expenditure is attributable to clinical laboratory costs. It is estimated that in 1979, 8.8 billion tests will be done at a cost of \$15 billion. Soon the nation's annual clinical laboratory bill alone will be more than the total spent on all health care cost in 1950. Aside from the major impact of general inflation, much of the growth of clinical laboratory expenditures has arisen from the expanding laboratory workload. There have been recurrent concerns widely expressed that a significant fraction of the workload growth is inappropriate and not beneficial to the care of the patient. However, translating this concern into productive studies aimed at understanding and affecting the problem are of rather recent origin. This relatively new field of research endeavor has grown in importance during a period in which health care cost has skyrocketed and laboratory testing has proliferated.

The aim of the proposed conference is to define, describe and discuss problems of laboratory utilization in medicine and to point out avenues through research and education by which laboratory utilization may be made more clinically effective. It is the contention of the organizers of the conference that improved laboratory use will come through a better understanding of clinical decision processes. Improved test selection and strategies for laboratory use will be most acceptable if they can be integrated into established clinical practices. Identification of more nearly optimal strategies will require means of assessing effectiveness of laboratory use and evaluating alternate approaches. Efforts in physician education are needed to promote the adoption of more rational approaches to the use of the laboratory resource. Although the major educational burden must be borne by those teaching medical students and house staff, for at this stage lifelong patterns of use are developed, physician education at all other career stages is also important. With the rapidly advancing changes and increasing complexity of medical science, education efforts cannot be relied on as the only means of promoting more nearly optimal laboratory use. Prescriptive decision tools evolving from decision theory and statistics, protocols, automated decision support systems and artificial intelligence are now beginning to be applied to the problem. Such tools must be proven clinically effective and be smoothly integrated into the decision making process before wide acceptance and impact can be expected.

Research efforts identifying the causes of inappropriate laboratory use and evaluating means of effecting more appropriate use are growing in number. However, further development of practical research methodologies is critically needed. Research findings relating to laboratory use and clinical medicine must be rapidly disseminated and techniques that are proven to improve such use must be expeditiously applied in other settings to promote a timely and significant impact on patient care and costs.

Conference Planning Group

A seven person conference planning group began developing the framework of this conference during the fall of 1978. The role of this group has been to develop the conceptual framework of the conference, define goals and objectives of the conference, identify and select appropriate conference faculty and to develop the format of the conference to insure maximum information exchange. The program committee chairman and principal investigator for this research conference proposal is Ellis S. Benson, M.D., Head of the Department of Laboratory Medicine and Pathology at the University of Minnesota, Minneapolis. Dr. Benson chairs one of the nation's largest and most prestigious departments of Laboratory Medicine and Pathology and has been a leader in studying logical laboratory use for many years. Most recently his efforts towards promoting concern for more optimal laboratory use have culminated in a book co-edited with Dr. Martin Rubin, entitled Logic and Economics of Clinical Laboratory Use (New York: Elsevier, 1978. 273 pp.). Dr. Benson's curriculum vitae, along with that of the other members of the program committee, is included in this proposal and may be referred to for further evidence of this expertise and interest in the study of appropriate laboratory use. M. Desmond Burke is Associate Pathologist at Mount Sinai Hospital in Minneapolis and has been very actively involved in teaching medical students appropriate laboratory use for many years. He has written widely on the medical decision making process and the use of algorithms in the use and interpretation of laboratory data. Donald Connelly, M.D., Ph.D., is Assistant Professor in the Department of Laboratory Medicine and Pathology at the University of Minnesota and has been actively studying medical decision processes, patterns of laboratory use and means of promoting more optimal use. He is Director of the Laboratory Data Division and is a faculty member in the Division of Health Computer Sciences. He is actively involved in research and teaching, dealing with methods and systems for medical decision support and computer applications in laboratory medicine. Douglas Fenderson, Ph.D., Director of Continuing Medical Education at the University of Minnesota, is deeply involved in developing and delivering effective education programs for physicians and has a long interest in decision making in medicine. Dr. Fenderson has been instrumental in developing a conference format that aims to maximize information and idea interchange. G. Anthony Gorry, Ph.D., Professor and Associate Dean of Baylor College of Medicine, has been a major contributor to the study of medical decision making especially as it relates to the diagnostic process. Paul F. Griner, M.D., Professor of Medicine at the University of Rochester Medical Center, continues to be a leading investigator and educator studying and promoting more critical and logical use of laboratory services. He has published widely in this field and has developed a multi-faceted educational program for medical residency training. John Kralewski, Ph.D., Director of the Center for Health Services Research at the University of Minnesota, has been an active leader in the relatively new field of health services research for many years. His involvement in the field has associated him with many medical professionals, economists, health planners and government experts that can bring important insights to the study of more effective medical resource utilization.

In addition to the conference planning group, Ilene Harris, Ph.D., affiliated with the Medical School Curriculum Office at the University of Minnesota, has acted in an advisory capacity and has been instrumental in developing a conference design aimed at promoting information flow to medical educators while insuring effective interchange amongst experienced investigators in this area.

c. Conference Format

This conference will bring experts together to discuss experiences, ideas and problems related to the study of laboratory use in clinical decision making and to

make recommendations for further research and educational activities. At the same time the conference will bring the latest research information relating to effective laboratory use and clinical decisions to medical educators, health services planners and administrators. Medical educators are one of the most important user groups for this research information and will provide important ideas related to priority areas and methods. To meet both of these goals simultaneously this conference will proceed as two parallel but widely overlapping meetings. The six half day symposia will provide a forum for formal information exchange amongst the experts and the conference attendants. During each symposium a panel discussion will promote discussion on specific questions and problems related to the topics of that session. During breaks, speakers will be available to all participants. In addition, special closed meetings of the faculty of each symposium will be held. In these sessions the nominal group process technique will be employed to facilitate exchange amongst the experts concerning research problems and priority areas of investigation. Each symposium chairman will be in charge of the nominal group process sessions for his section and will be assisted by a local staff expert in applying the nominal group process. The symposium chairman assisted by the corresponding panel chairman will develop a working paper which will be presented in a preliminary form to all conference participants during the last day of the conference. In addition there will be opportunity for discussion during informal social events. All speakers have been asked to make recommendations concerning their published papers that may be sent in advance to all conference participants.

Minutes
Executive Committee
Board of Governors
November 18, 1980

Present: Harry Atwood
David Cost
Sally Pillsbury
John Westerman

Staff: John Diehl
Johnelle Foley
Tom Jones
Ron Werft

Guest: Robert Allison

Absent: Al Hanser
John Najarian
Paul Quie

The meeting of the Executive Committee of the Board of Governors was called to order at 3:15 p.m., by Vice Chairman Sally Pillsbury in Chairman Hanser's absence. Mr. Westerman introduced Mr. Robert Allison, Associate-to-the-Director of University of Michigan Hospitals. Mr. Allison is currently examining governance structures in university hospitals around the country in preparation for an organizational change at Michigan.

I. Strategic Action Plans

A. Mr. Westerman reviewed with the Committee the history behind the development of the Action Plans. He commented on their evolution through two Retreat sessions and through a discussion exercise known as SWOT. He stated that the plans were focused on three areas, competitive marketing, financial strategies, and organizational configurations. He stressed the importance of the total plan regarding its impact on achieving survival for the institution in the 1980's.

Mr. Westerman also talked about the Renewal Project and stressed the importance of the Hospitals ability to obtain a Certificate of Need and Legislative support for the Project. He suggested that the Committee consider the timing of the Renewal Project and legislative discussions as they examine the action plans and review them for forwarding on to the full Board.

B. Mr. Jones reviewed an Action Plan Summary which included expected outcomes, measurement of achievement and time schedule. He explained that the two hand-outs were activity and action step summarized versions of recently compiled white papers. The categorization used in the summary were of a marketing perspective.

He attributed this to the fact that he prepared the summary with a marketing orientation. They could also be described in long range planning terms regarding mission accomplishment or in financial terms as fiscal scenarios or resource allocation models.

C. Mr. Diehl spoke to possible organizational reconfigurations which could be of assistance in accomplishing marketing and financial strategies. He suggested that more accountability to the Governors could strengthen the Board's ability to best function in the highly competitive environment of the 1980's.

D. Discussion Committee members inquired about certain strategic items of their interest, in relationship to the plans. These items included the continued development of out-patient activity, the implementation of MAPTH, the efforts under-way to block proposed changes in third party reimbursement, and the review of where emphasis should be placed in terms of service offerings. Mr. Jones and Mr. Westerman pointed out the activity areas where these were being addressed.

In terms of possible changes in the Board of Governor's organizational ties to the Regents, members discussed the very positive relationship which currently exists between the two groups. It was suggested that an organizational adjustment might enhance communications with the Regents by calling for more frequent formalized report sessions. Another topic of discussion was that of fund-raising and the potential benefits of such efforts for the Renewal Project.

It was decided by the Executive Committee that they would continue to monitor the strategic action plan activity areas as these develop at future meetings. With that in mind, it was felt that the report of the Executive Committee to the full Board should be a verbal one. The distribution of the action plans summary and schedule will be deferred until the Executive Committee feels the timing was appropriate to send it forward.

There being no further business, Ms. Pillsbury moved for adjournment of the Executive Committee at 4:45 p.m.

Respectfully submitted,


Johnelle Foley, Secretary.



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

January 9, 1981

TO: Executive Committee, Board of Governors

Harry Atwood
David Cost
Sally Pillsbury
Paul Quie
John Najarian
John Westerman

FROM: Al Hanser, Chairman

RE: Executive Committee Meeting
Tuesday, January 20, 1981
3:00 p.m.
Room 404 Campus Club

Agenda

- I. Strategic Action Plan
- II. Pillsbury Letter - re: U of M Foundation
- III. Citizen League Follow-up
- IV. Other

AH/sds

cc: Robert Dickler
Tom Jones
Ron Werft
Cliff Fearing
John Diehl

Minutes
Executive Committee
University of Minnesota Hospitals and Clinics
January 20, 1981

Present: Mr. Al Hanser
Mr. John Westerman

Guests: Mr. Robert Dickler
Mr. John Diehl
Mr. Cliff Fearing
Ms. Johnelle Foley
Mr. Tom Jones
Mr. Ron Werft

Absent: Ms. Sally Pillsbury
Dr. John Najarian
Mr. Harry Atwood
Mr. David Cost
Dr. Paul Quie

The Executive Committee meeting was called to order by Chairman Hanser at 3:00 p.m., in Room 404 of the Campus Club.

I. Citizens League Follow-Up

Chairman Hanser indicated that he, Mr. Cost, Mr. Bienias, Mr. Moline, and Ms. Pillsbury will be meeting with representatives of the Citizens League on Thursday, January 22, 1981. It was noted that Mr. Cliff Fearing would represent the Hospitals and Clinics at that meeting. As Mr. Dickler commented, the purpose of the meeting is to provide an overview of information regarding the Renewal Project to the League representatives in hopes of clarifying any misconceptions the League may have about the Project. Mr. Dickler provided a four-page fact document which he suggested participants in the meeting may wish to use.

II. Commissioner's Letter

It was reported that the letter had been received from Dr. George Petterson, State Commissioner of Health, stating his approval of the Certificate of Need proposal for the Renewal Project with certain revisions requested. Mr. Dickler reviewed for those present the suggested revisions and commented on areas of confusion in some. It was agreed that Mr. Dickler should work with the Metropolitan Health Board staff to pursue the Health Board's request for clarification of certain points.

Discussion followed regarding the need to establish a tighter system to ensure proper monitoring of the Renewal Project through the construction phases. Mr. Westerman indicated that customary systems for such monitoring established by the University's Central Administration would probably not allow for sufficient Hospitals' involvement considering the Board of Governors' accountability for this Project.

III. Pillsbury Letter - Re: U of M Foundation

Chairman Hanser, on behalf of the Board of Governors, directed management to pursue with Mr. Robert Odegard the creation of an organization within the University of Minnesota Foundation to handle private philanthropy for University Hospitals' Renewal Project. Mr. Westerman suggested that he, Mr. Fearing, Mr. Diehl, and Mr. Tierney would arrange for a meeting with Mr. Odegard regarding the matter. Mr. Westerman suggested he should be able to report back to the Board on this subject within 30-60 days.

IV. Strategic Action Plan

Mr. Jones presented the group with a summary sheet providing information on the various activities underway as result of the SWOT conclusions reached at the Board of Governor's 1980 Retreat. Chairman Hanser indicated it would be additionally helpful to list the names of the individuals primarily responsible for each activity. It was pointed out that since many individuals are involved in each activity area and that organizational assignments are being realigned, Mr. Jones, Mr. Fearing and Mr. Westerman will continue to monitor progress.

The group discussed areas of priority in the Strategic Action Plan. In particular, they considered the importance of understanding the governance implications of large debt retirement for University Hospitals and Clinics. Chairman Hanser charged management to begin studying these implications so that once the bonding bill is passed, University Hospitals will be prepared to structure itself to meet the impact of bonding. One suggestion was to consider creating a special "blue-ribbon" advisory committee to aid the Board and management in policy and money management decision making following approval of the bonding bill.

There being no further business, the meeting of the Executive Committee was adjourned at 4:30 p.m.

Respectfully submitted,


Johnelle Foley
Secretary

Minutes
Executive Committee
University of Minnesota Hospitals & Clinics
January 20, 1981

Present: Mr. Al Henser
Mr. John Westerman
Guests: Mr. Robert Dickler
Mr. John Dierl
Mr. Cliff Tearing
Mr. Phyllis Voley
Mr. Tom Jones
Mr. Ron West
Absent: Mr. Sally Pillsbury
Dr. John Najarian
Mr. Harry Atwood
Mr. David Cost

The Executive Committee meeting was called to order by Chairman Henser at 3pm in Room 404 of the Commons Club.

Citizens League Follow-up

Chairman Henser indicated that he, Mr. Cost, Mr. Benias, Mr. Poline, and Mr. Pillsbury will be meeting with representatives of the Citizens League on Thursday, January 22, 1981. It was noted that Mr. Cliff Tearing would represent the Hospitals and Clinics at that meeting. As Mr. Dickler commented, the purpose of the meeting is to provide an overview of information regarding

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to pursue the ^{Health} Board's request
for clarification of certain points.
Discussion followed re-
garding the need to establish
a tighter system of to ~~ass~~
ensure proper monitoring

30-60 days.

IV Strategic Action Plan

Mr. Jones ~~commented~~ ^{presented} the group with a summary sheet ~~providing~~ ^{providing} information on the various activities underway as a result of the SWOT conclusions reached at the Board of Governors 1980 Retreat. Chairman Hanser indicated that while it was helpful to have proposed dates for completion of the various activities, it would be additionally helpful to list the names of the individuals primarily responsible for each activity.

The group discussed areas of priority in the Strategic Action Plan. In particular, they ^{con-} ^{under-} ^{standing} considered the importance of the implications of ~~bonds~~ for University Hospitals & Clinics of Bonding. Chairman Hanser charged management to begin studying these implications so that once the bonding bill is past, University Hospitals will be prepared

to ~~reprop~~ structure itself to meet the impact of bonding. Consideration was also given to the possibility of creating a special "blue-ribbon" advisory committee to aid the Board and management in policy ^{money management} ~~financial~~ decision making following approval of the bonding bill.

~~Mr. Westerman~~
There being no further business the meeting of the Executive Committee was adjourned at 4:30 pm.

Respectfully submitted
Johnelleoley
Secretary

<u>Major SWOT Conclusions</u>	<u>Activity Area</u>	<u>Expected Outcome</u>	<u>Achievement Measure/Date</u>	<u>Progress-January 1981</u>
Develop H.M.O. referral arrangements	H.M.O. referral contracts	Remove barriers to H.M.O. patient referrals	Issues addressed by H.M.O. committee-December 1980; contracts signed-ongoing	Good progress on HMO-Minnesota contract. Group Health and Physicians Health Plan discussions continue.
Address facilities weaknesses	Motel development	Improved patient services	University approval to build-March 1981	Continued high level University and hospital management attention.
Consider improving market position through analysis of range of services offered	H.M.O. feasibility study	Financial and program modeling of University owned and operated pre-paid group practice	Written options developed-January 1982	To be considered by HMO Committee as a future agenda item.
	Financial analysis/less acute facility purchase	Financial feasibility and cost-benefit analysis of geographic alternatives to East Bank campus location of selected services	Written report-January 1982	Project assignment due approximately February 15, 1981.
Consider governance issues	Options study	Alternate governance options studied and potential benefits considered by Board of Governors	Report and recommendations complete-June 1981	Draft I issues ready for discussion.

Board of Governors
University of Minnesota Hospitals and Clinics
Executive Committee
Minutes
November 11, 1981

Present: Al Hanser, Chairman
Harry Atwood,
David Cost
Sally Pillsbury
Paul Quie, M.D.
John Westerman

Staff: John Diehl
Cliff Fearing
Tom Jones
Don Van Hulzen
Ron Werft

Absent: John Najarian, M.D.

I. November 12, 1981 Nominating Committee Meeting

The Committee reviewed attendance and background information of Board members whose terms expire December 31, 1981. It was agreed that the five Governors eligible for re-election, Governors Barr, Cost, France, Gruye, and Moline, should be nominated. It was also agreed that an outstate candidate should be nominated to fill an outstate vacancy at the present time.

The Committee discussed nominations for the offices of Chairman and Vice Chairman of the Board of Governors. It was agreed that Ms. Sally Pillsbury should be nominated for the office of Chairman and Mr. David Cost should be nominated for the office of Vice Chairman.

II. Task Force on Governance and Organization

The Committee discussed the status of the draft working paper of the Task Force. After some discussion, it was agreed that Governors Hanser and Pillsbury would meet with Vice President French and with Dr. John Najarian to determine how best to achieve full consultation regarding the document.

III. Board of Governors Meeting Minutes

Mr. John Diehl reviewed the applicability of the "Open Meeting Law" and the Data Practices Act to University Hospitals Board of Governors meetings and minutes of those meetings. Discussion focused on the legal requirements of the meeting records. It was moved, seconded, and passed that Board of Governors minutes should merely