
Sanford Cloud, Chairman, called the meeting to order at 9:02 am.

1. Public Comment

No public comment.

2. Chair's Remarks

2.1 Welcome

Chairman Cloud brought forth a motion to amend the Agenda to add two revenue-generating contracts with the Department of Public Health.

The Board of Directors unanimously approved the motion to add the contracts to the Agenda under item 3.5.

Chairman Cloud thanked everyone for being present at our regularly scheduled quarterly meeting which is recorded. The Chair recognized longtime assistant to the Board, Deb Kaufman, who will depart UConn Health in July.

2.1.1 Approval of Meeting Minutes

The Board of Directors unanimously approved the minutes of the UConn Health Board of Directors meeting held on March 13, 2023.

2.1.2 BOD Faculty Award Recognition

Chairman Cloud formally recognized Dr. Zita Lazzarini as the recipient of the 2023 Board of Directors Faculty Recognition Award.

3. Consent Items

Items 3.1, 3.2, and 3.3 were reviewed in the Finance Subcommittee meeting held earlier today.

3.1 Contracts > \$1,000,000 [F]

- 3.1.1 Alphatec Spine Inc.
- 3.1.2 ScribeAmerica LLC
- 3.1.3 FlashParking Inc.
- 3.1.4 Hologic Inc. dba Gen-Probe Sales & Service Inc.
- 3.1.5 Bioverativ
- 3.1.6 Cardinal Health Inc.
- 3.1.7 McKesson Corporation
- 3.1.8 Priority Healthcare Distribution Inc. dba CuraScript Specialty Distribution
- 3.1.9 Johnson & Johnson
- 3.1.10 Medtronic USA Inc.
- 3.1.11 Owens & Minor Inc.
- 3.1.12 Owens & Minor Distribution Inc.
- 3.1.13 Fisher Scientific Company LLC

- 3.1.14 Makiaris Media Services
- 3.1.15 Connecticut Natural Gas
- 3.1.16 Eversource (CL&P).
- 3.1.17 Dell Marketing LP
- 3.1.18 NWN Corporation
- 3.1.19 SHI International Corporation
- 3.1.20 Industrial Electric & Construction, LLC
- 3.1.21 iMethods LLC
- 3.1.22 Mediant Health Resources Incorporated
- 3.1.23 Superlanet Inc.
- 3.1.24 The CSI Companies Inc.
- 3.1.25 Airgas USA LLC
- 3.1.26 ASD Specialty Healthcare LLC
- 3.1.27 Experian Health Inc.
- 3.1.28 Immucor
- 3.1.29 Datix USA Inc.
- 3.1.30 Connecticut Children's Medical Center
- 3.1.31 Hartford Hospital
- 3.1.32 Saint Francis Hospital and Medical Center
- 3.1.33 The Hospital of Central Connecticut
- 3.1.34 Arthrex
- 3.1.35 Intuitive Surgical Inc.
- 3.1.36 CVS Pharmacy
- 3.1.37 Optum Pharmacy 702 LLC
- 3.1.38 Pharmacy Corporation of America
- 3.1.39 Asylum Hill Family Medicine Center
- 3.1.40 Center of Advanced Reproductive Services PC
- 3.1.41 Bruker Biospin

3.2 Leases [F]

- 3.2.1 Asylum Hill Family Medicine Center, Inc.
- 3.2.2 11 South Road LLC

3.3 Project Budgets [F]

- 3.3.1 Cryon Electron Microscope Installation (Planning: \$960,000)
- 3.3.2 Connecticut Tower (CT) 7th floor Med-Surg Observation Unit Renovation (Planning: \$2,500,000)
- 3.3.3 Hybrid OR #2 Fit out (Planning: \$7,100,000)
- 3.3.4 Interventional Radiology Equipment Replacement & Renovation (Final: \$4,700,000)
- 3.3.5 Outpatient Pavilion 3rd floor backfill (Planning: \$3,300,000)
- 3.3.6 Outpatient Pavilion X-Ray & Blood Draw Relocation (Planning: \$650,000)
- 3.3.7 Musculoskeletal Institute Rehabilitation Expansion (Planning: \$640,000)
- 3.3.8 Cadaver Lab Renovation & Air Handling Unit Replacement (Design: \$1,800,000)
- 3.3.9 Central Sterile Washer & Sterilizer Replacement (Design: \$3,985,000)
- 3.3.10 Cell & Genome Sciences Building Data Center Cooling System Upgrades (Design: \$650,000)
- 3.3.11 New England Sickle Cell Institute Renovation (Design: \$4,865,000)
- 3.3.12 Buildings D & N Roof Replacement (Final: \$2,500,000)
- 3.3.13 Buildings E & K Roof Replacement (Final: \$2,160,000)
- 3.3.14 TB-121 Blood Bank Relocation (Final: \$765,000)
- 3.3.15 Transitional Nursery Renovation (Final: \$1,800,000)
- 3.3.16 Canzonetti (F) Building Wound Care Center Renovation (Final: \$1,225,000)

3.4 Other Approvals]

- 3.4.1 School of Medicine Bylaws [A]
- 3.4.2 Chief of Service – Anesthesiology [C]
- 3.4.3 Chief of Service – Medicine [C]

The Board of Directors unanimously approved Agenda items 3.1, 3.2, 3.3. and 3.4 as described in the Board materials beginning on page 9.

3.5. Department of Public Health revenue-generating contracts

- 3.5.1. **HRSA MOA – \$1,755,000:** Memorandum of Agreement to pass through federal Health Resources and Services Administration (HRSA) funds to UConn Health/CT AHEC to manage the Connecticut State Loan Repayment Program (CT-SLRP). The CT-SLRP is a state loan repayment program to support loan repayment assistance for primary care health professionals who serve in the health professional shortage areas that have a site agreement with CT AHEC.
- 3.5.2. **ARPA MOA - \$11,600,000:** Memorandum of Agreement to pass through federal American Rescue Plan Act (ARPA) funds to UConn Health/CT AHEC to manage the Connecticut State Loan Repayment Program (CTSLRP). The CT-SLRP is a state loan repayment program to support loan repayment assistance for primary care health professionals who serve in the health professional shortage areas that have a site agreement with CT AHEC.

The Board of Directors unanimously approved Agenda item 3.5 as presented on the document distributed in the meeting.

4. EVP Report

4.1 Executive Vice President for Health Affairs/CEO Report – Dr. Bruce Liang

Dr. Bruce Liang began his report by thanking the directors, trustees, and faculty for their continued support and leadership. He also thanked the Governor and General Assembly for their continued support of UConn and UConn Health. He shared that the overall financial picture is performing well across all business units. As reported in previous meetings, visits to the emergency department continue to break records, as we are on target to reach 50,000 visits in 2023. Dr. Liang reported the most recent data of patients seeking care at UConn Health, stating that the trajectory continues upward showing that an additional 1.5 beds are needed for every passing month, which is up slightly from his last report at the March BOD meeting. Surgical activity in the main OR is a key driver in meeting or exceeding budgeted volumes consistently. GI procedures continue to perform well, as do volumes in the UConn Health Surgery Center - although results here are softer, they are still meeting their targets. In Outpatient activity, encounters and RVUs are ahead of budget and the prior year by more than 6.5%. The largest growth area is Dermatology. Dr. Liang reminded the Board that a few years back a number of Dermatology providers left UConn Health to form a private practice, but he is pleased to report that we have bounced back exceedingly well and successfully recruited excellent providers to grow the practice.

Dr. Liang ended his report by addressing some questions from the March meeting: Director Ressel's question about clinical space utilization from the March BoD meeting was addressed by presenting a chart on how space is allocated at the Outpatient Pavilion. Dr. Liang reported that 79% of space is used for exam and treatment areas, and offices integral to a clinical

setting, and 21% for administrative offices, and support functions such as food service, breakrooms and storage. Another follow-up question from March was Director Bessette's request for data to justify the purchase of a Tomotherapy unit, an expensive piece of medical equipment that delivers focused doses of radiation to patients. Dr. Liang reported that, conservatively, Tomotherapy is estimated to generate \$2.1 million in annual revenue and cost is estimated to be fully realized in 2.5 years.

Follow up to Director Freedman's question about what we are seeing with ED wait times now, with record volumes compared to pre-pandemic. Dr. Liang reported that in 2020, door-to-provider wait times were on average 25 minutes with an annual volume of 34K patients. In 2023, wait times only increased by 4 minutes on average – to 29 minutes – and as of April we have seen 52K patients in the ED.

Finally, in follow-up to Directors Archambault and Boxer request for information on the payor mix in the ED, Dr. Liang reported that in FY19, 28.1% of patients seen in the ED had Medicaid; and in 2023 that number increased to 29.%. The percentage of bad debts has decreased from 2.3% to 1.9% between 2021 and 2023.

Finally, Dr. Liang informed the Board of recent clinical awards, reporting that for the 5th consecutive time, JDH received an "A" safety rating from Leapfrog, the patient safety independent watch group in the Spring period. Also, Newsweek ranked JDH as one of the Best Hospitals in the US. Our overall score and ranking improved from 2022. Healthgrades, named JDH as top 10% of U.S. Hospitals for Patient Experience; JDH is the only CT hospital to receive this distinction.

4.2 Financial Update - Jeffrey P. Geoghegan

Mr. Geoghegan reviewed the FY23 Year-End forecast reporting that all business areas are performing well currently with a favorable variance to budget is \$87.4M or 5.2%. This is driven by clinical revenue specifically, net patient revenue of \$48.6M and the Pharmacy 340B program favorable to \$19.8M. Another key factor is state support is ahead of \$17.1M to budget. Staffing expenses in personal services and fringe are only slightly better than budgeted at this time, caused by the increased patient volumes, but temporary/contract support costs are 16.9% less than budgeted. Purchased services and other expenses related to software agreements are coming in less than budgeted and projects/consultants' expenses are not as far along as anticipated. Lease and debt payments are on budget. Capital projects are moving along as noted by the number of project budgets for approval today, especially those revenue generating projects. Director Bessette asked what is affecting the budget the expense or depreciation. Mr. Geoghegan stated it is the capital expense that affects the budget. Depreciation expense is the cash we must pay debts and reinvest through capital projects. Some operating expenses are over budget as shown on page 88, but overall expenses are favorable to budget by \$65.4M or 3.9%.

4.2.1 FY24 Budget/Spending Plan

Mr. Geoghegan began his presentation with words of appreciation for the UConn/UConn Health Government Relations team for their tremendous work at the Capitol, as well as President Maric and Dr. Liang for prioritizing their schedules and tirelessly advocating for our legislative priorities. Mr. Geoghegan also recognized the senior finance staff, Controller Chad Bianchi, AVP Nicole Baker, Budget and Data Analytics VP Lisa Danville, and Senior Director Greg Sznaj, who led our UConn Health leaders from all business units to present a balanced budget to you today.

Mr. Geoghegan reported that the FY24 state budget incorporates a budget-neutral element related to employee fringe benefit costs. This change in methodology will result in the state funding all retirement costs for all employees and the university funding all non-retirement costs for all employees. To accomplish this change in a budget-neutral way, the block grant or state support to UConn Health will be reduced by \$39.8M. This means that UConn Health will no longer be required to fund a portion of the state's unfunded liabilities. UConn Health's fringe benefit rate will be significantly reduced from an average of a 70% fringe rate to approximately 35%. This reduction closes the gap between JDH and other comparable hospitals in the state, where the fringe rate averages 25%. This new fringe methodology removes the future risk of increased costs of unfunded liabilities, and we are hopeful that this will make our faculty more competitive when applying for externally funded research grants.

Mr. Geoghegan presented a balanced budget for FY24 in the amount of \$1,541.2 million as detailed on page 90 of the Board materials. Key factors of this budget include the removal of retirement/pension expenses in the amount of \$210.3M, which will be assumed by the Comptroller. In addition, the annual JDH fringe benefit differential of \$13.5 million has been eliminated, and UConn Health was provided \$4.5M in its budget instead. This \$13.5M was an appropriation that for many years has been required by CT statute to be provided to UConn Health to help with the extra fringe costs it has to pay compared to other CT hospitals.

One-time funds of additional state support in FY24/25 include APRA funds as well as funds that were not utilized by other agencies and allocated to UConn and UConn Health.

Mr. Geoghegan reviewed the FY24 proposed spending plan in detail, highlighting that Grants and Contract revenue is forecasted at \$11.8M more than FY23 due to Dr. Hoch's large grant and noted that some of that revenue will pass through to other institutions and is reflected in the Other Expenses line item, also budgeted higher than FY23. Clinical revenue is forecasted 7.8% higher this year, due to an expected Medicare reimbursement rate increase of 3.5% and increased contractual reimbursements with HMO. The Other Revenue line item budgeted 11.5% less than FY23 is related to the 340B eligibility and the reduction of the 340B pricing by manufacturers in the Contract Pharmacy realm. We expect payment reductions but hope to offset them with a shift to our specialty pharmacy. We will continue to monitor this matter and report significant issues at future meetings.

On the expense side, personal services or salaries are up 8.2%, however, the increase on temporary staffing is 2.2% higher than the previous fiscal year and we expect temporary staffing expenses to continue to fall. Caryl Ryan provided an update on traveling nurses reporting that only 44 travelers remain in the hospital, and that she expects that number to be reduced by 15-20 in the coming months.

Following Mr. Geoghegan's presentation, Chairman Cloud asked for a motion for the UConn Health Board of Directors to endorse and recommend that the University Board of Trustees approve a spending plan for Fiscal Year 2024 in the amount of \$1,541.2 million for UConn Health.

The UConn Health Board of Directors unanimously approved Agenda item 4.2.1 as detailed on the resolution on page 107 in the Board materials.

4.2.2 FY 2024 Capital Budget Spending Plan for UConn Health

Mr. Geoghegan presented the UConn Health Capital Budget Spending Plan in the amount of \$104.5 million for fiscal year 2024, comprised of \$43 million of State General Obligation (GO) bond funds and \$61.5 million of UConn Health Operating funds. The GO bond funds will be allocated for deferred maintenance, code compliance, infrastructure improvements, telecommunications upgrades, purchasing new equipment, and library collections. UConn Health funds operating funds of \$61.5 million will be allocated for campus renovations, clinical equipment, deferred maintenance, IT security, and other capital needs.

Chairman Cloud asked for a motion for the UConn Health Board of Directors to endorse and recommend that the University Board of Trustees approve a Capital Budget Spending Plan for fiscal year 2024 in the amount of \$104.5 million.

The UConn Health Board of Directors unanimously approved agenda item 4.2.2 as detailed on the resolution on page 112 in the Board materials.

Main Business

5.1 President Update

President Maric echoed the previous appreciation of the Government Relations and Finance teams, as well as the Governor and members of the General Assembly who worked so hard to present a budget-neutral spending plan and address the unfunded legacy costs. President Maric reported that unpaid legacy costs have increased by 273% since the fiscal year 2011. This change will position UConn/UConn Health to be successful with grants, recruitment, and philanthropy efforts across the institution.

5.2 Research Update

Dr. Alpay Pamir provided the research report through April 2024. New sponsorship awards for the 10 months of the fiscal year are down slightly compared to this time last year. Dr. Ivo Kalajzic in the SODM was awarded a 5 year NIH \$2 million grant just recently and 2 large equipment grants totaling \$3.5 million were awarded to Dr. Jeffrey Hoch and Dr. Wolfgang Peti in the SOM. Technology commercialization activity in patents and disclosures is down slightly. Dr. Pamir reported a new effort called Patent Monetization. The effort protects against infringement of patents and innovations coming out of UConn and seeks monetization with proceeds being reinvested into research. We will bring more details on this effort to the next Board meeting.

5.2 Dean, School of Medicine Update – Bruce Liang

Dr. Liang reported on recruitments since the last meeting. Dr. Linda Sprague Martinez will join SOM and UCH as the new director of the Health Disparities Institute. Danielle Rux Ph.D. joins as a tenure track assistant professor of Orthopedics and Musculoskeletal Institute as an expert on articular cartilage. Benjamin Sinder Ph.D. joins as an assistant professor of Orthopedics and Musculoskeletal Institute as an expert on spine and rib cage deformities.

Dr. Liang also reported the School of Medicine ranking in research moved up eight places to 53 among all 180 medical schools nationwide and is also ranked 27 among public medical schools. The full presentation begins on page 114 of the board materials.

5.3 Dean, School of Dental Medicine Update – Steven Lepowsky

Dr. Lepowsky reported that self-study documents for the Accreditation site survey this fall are nearly final, and the target date of submission is August 4, 2023. The focus will shift to onsite documentation, conducting mock surveys, and weekly meetings with facilities. The School of Dental Medicine continues to expand community engagement activities by providing oral hygiene screenings and services at the Stand Down event hosted by the Connecticut Department of Veteran Affairs in September 2023. The SODM is also partnering with the Boys and Girls Club of Hartford and finalizing an agreement with the Hospital of Special Care to bring onsite dental care to their patients. In association with the State Dental Association, the SODM has developed materials and assessments for dental assistants to demonstrate competencies in dental radiology. Finally, Dr. Lepowsky reported the American Dental Education Association discourages all dental schools from participating and reporting rankings in public materials which is misleading to potential applicants. In addition, ADEA discontinued the use of gender in reporting national trends.

6. Financial Affairs – Tim Holt

The Finance Subcommittee met before this meeting to approve the minutes of the March 13, 2023 meeting and to review and recommend approval of 41 contracts, 2 leases, and 16 project budgets. Information on contracts from \$500,000-\$999,999 and the personnel report begins on page 119 of the Board materials.

7. Building and Grounds – Rick Carbray

The Buildings and Grounds Subcommittee met on May 18, 2023. The committee received its last COVID-19 update as the public emergency ended on May 11th. The committee received capital projects update reporting 18 new projects added and 19 projects closed. Deferred maintenance project funding of \$22.5 million is committed to active projects. Sixteen project budgets approved earlier today were discussed in detail. The next meeting is August 17, 2023.

8. Academic Affairs – Joel Freedman

The Academic Affairs Subcommittee met on April 17, 2023. The committee approved recommendations from both schools for promotion, emeritus, and tenure decisions. The committee received a positive report from the Oversight Committee, that all department reports are on schedule. The committee approved a revision to the School of Medicine bylaws regarding gender pronouns. Dr. Lepowsky reported on faculty diversity and recruitment in the SODM. The committee had an excellent presentation from Dr. Anton Alerte on the Urban Service Track: AHEC Scholar Program now in its 16th year. The next meeting is scheduled for August 7, 2023.

9. Clinical Affairs – Cheryl Chase

The Clinical Affairs Subcommittee continues to meet monthly on the 3rd Tuesday of each month to review and vote on staff appointments, reappointments, and other credentialing matters relating to the medical staff.

The Subcommittee also held its regular quarterly meeting on May 11, 2023, to address matters outside of credentialing

Dr. Bruce Liang provided an overview of operations for the clinical enterprise, reporting that the average daily census shows that steep growth continues in the number of patients

seeking care at John Dempsey Hospital. Surgery and Procedure volumes also continue to be strong.

Dr. Liang presented his last COVID-19 update to the committee, as UConn Health has been loosening up COVID-19 restrictions for employees, patients, and visitors over the past several months in line with public health guidance and the overall reduction in COVID cases. UConn Health has also reviewed all waivers that were in effect during the Public Health Emergency and has made sure that all its processes were complying when the PHE ended on May 11.

Dr. Liang also reported that UMG visits and revenues have been strong and are ahead of budget. He also shared the exciting news that the UMG Simsbury practice has relocated to 836 Hopmeadow Road and started seeing patients in the new location on May 5th.

During the Quality presentation, the Subcommittee reviewed the scorecard established to track clinical safety and quality metrics, as well as targeted patient satisfaction metrics.

The Subcommittee acted on several items from the JDH Medical Board. It approved Chief of Service appointments for the Department of Medicine and the Department of Anesthesiology and approved the 2022 Utilization Review Report.

The School of Medicine reported on the Graduate Medical Activities, including the addition of four new programs starting this July: Epilepsy, Foot and Ankle Orthopedic Surgery, Musculoskeletal Radiology, and Sleep Medicine are slated to join the existing 70 training programs in the SOM

The School of Dental Medicine reported the results of the second administration of the Patient Safety Culture Survey after a year of process improvement activities and reported most areas saw significant improvement. Patient visits are unfavorable to budget, but revenue remains favorable. Dean Lepowsky announced that Dr. Christy Lottinger, a member of the Clinical Affairs Subcommittee as well as an outstanding Oral and Maxillofacial Surgeon and educator, is leaving UConn Health this summer. The next meeting is August 10, 2023.

10. Joint Audit & Compliance Report – Mark Boxer

The committee met on March 23, 2023, and reviewed and accepted two internal audit reports for UConn Health. There were 115 open matters with actions which is slightly up from the past quarter. On external audits, the state auditors presented a clean opinion of the UCH Annual Comprehensive Financial Report for y/e June 30, 2022. No significant issues were presented on the FY22 UConn 2000 Infrastructure Program Agreed Upon Procedure Report. Annual Compliance and Ethics training launched on February 6, 2023. Elle Box, Chief Healthcare Compliance and Privacy Officer, presented the annual Board Healthcare Compliance and Privacy training.

11. Conflict of interest Committee Report – Sandy Cloud

The Conflict of Interest Subcommittee met on April 24th. The Subcommittee reviewed potential conflicts that were disclosed by Board members and recommended a plan to manage these proposed conflicts, which I accepted. This conflict management plan is effective immediately and will remain in place for the year, and until modified or a new plan is adopted.

12. Other Reports – Informational

- 12.1 Recruitment and Retention MOU/MOAs
- 12.2 UConn Medical Group Operational Report

Informational items begin on page 148 of the Board materials.

12 Executive Session

To discuss preliminary notes and drafts that the Health Center has determined that the public interest in withholding such documents and discussions clearly outweighs the public interest in disclosure; trade secrets as defined by the Freedom of Information Act; Attorney-Client privileged communications; and responses related to requests for proposals, where the process still remains open.

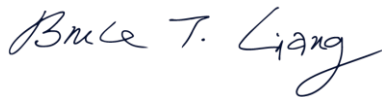
The Board of Directors unanimously approved entering Executive Session.

Guests admitted: A. Keilty, A. Horbatuck, B. Liang, C. Ryan, C. Hyers, D. Toscano, E. Kruger, J. Geoghegan J. Lombardo, M. Williams, R. Rubin, R. McCarthy, S. Simpson, A. Mehta.

The Board returned to the Public Session at 11:42 am.

With no further business, the meeting was adjourned at 11:44 am.

Respectfully submitted,



Bruce T. Liang, M.D.
Interim Executive Vice President for Health Affairs
Dean, UConn School of Medicine

Voting Members Present: A. Bessette, B. Cole-Johnson, C. Chase, C. Gualtieri, J. Freedman, K. Alleyne, M. Boxer, R. Maric, R. Barry, R. Carbray, S. Cloud, T. Holt