

MINUTES OF A MEETING OF THE EXECUTIVE AND HOSPITAL COMMITTEES
OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY
April 19, 1984

A meeting of the Executive and Hospital Committee of the Board of Visitors was held on Thursday, April 19, 1984, at 9:00 a.m. in the University Meeting Center.

Present were Drs. Coleman, Gayle and Nemuth; Messrs. Craigie, Grey, Lipman, Ludeman, Morris and Reynolds. Absent were Messrs. Farinholt and Smith and Mrs. Whittemore. Also present were Drs. Ackell, Dunn, Hall, Koontz, Salley and Woods; Messrs. Bruegman, Guerdon, Lash, Rapp, Ross, Schrock and Ward; Ms. Cushnie and Mrs. Price.

Mr. Ludeman called the meeting to order and asked Dr. Gayle, Chairman of the Hospital Committee, to assume the chair for the this portion of the meeting. Dr. Gayle introduced Mr. Myles Lash and Mr. Peter Rapp, the newly appointed associate director or MCVH.

Mr. Lash stated that the hospital's liver transplant program is progressing and recently a liver transplant and a heart transplant were performed simultaneously. The hospital administration is making several changes in the administrative operating areas including the recent approval by the Property Committee to install automated laboratory system in clinical pharmacology. Mr. Lash reported that the hospital's transition plan has gone well during the construction and renovation projects just complete and now underway.

Mr. Lash stated that with regard to the hospital's operating budget for 1984-85, the process begins in January and is based on goals and

strategic planning conducted by the hospital administration. The budget assumptions for the 1984-85 fiscal year are:

- . Patient day, admissions and clinical activity will reach targeted levels.
- . New Medicare Prospective Payment Regulations will be implemented on July 1, 1984.
- . Cash collections will meet projected schedules.
- . Salaries and wages and associated benefit costs will increase as directed by the General Assembly.
- . No further reductions in State or Federal support.


Mr. Lash also reported that the budget does propose a 10 percent room rate increase for this year. The proposed room rate increase keeps MCVH on the low side for teaching hospitals but 10 to 20 percent higher than community hospitals.

A question was raised concerning DRG's and the pricing structure. Mr. Lash stated that if a patient was admitted to the hospital with a heart attack and while he was in the hospital had a stroke, the DRG would pay based on the diagnosis when admitted. He continued that this is one of the points of the law that will have to be resolved.

Another question was raised concerning whether or not major capital items should be reviewed by the Property Committee or the Hospital Committee of the Board. Mr. Ludeman suggested that perhaps this could be a two-step process with the Hospital Committee determining that the scope of the project is in keeping with the mission of the hospital and the Property Committee acting on the acquisition of the equipment. It was suggested that a dollar limit be set that would allow the Hospital Committee to act up to that amount. Drs. Coleman and Gayle and Mr. Bruegman will discuss this situation and make a recommendation.

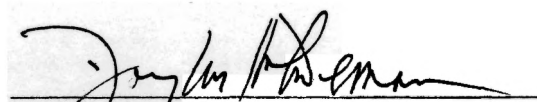
On motion made and seconded, the Hospital's Operating Budget for Fiscal Year 1984-85 was approved as submitted.

The joint meeting of the Hospital and Executive Committees was adjourned at 9:45 a.m.



Harold I. Nemuth, Secretary

Approved:



Douglas H. Ludeman, Rector