

Minutes

November 23, 1998 Meeting

Medical Center Caucus

Present:

Senators

Cole (Chair), Danielsen, (Secretary), Glazer, Harter, Kromer, Nelson, Myers, Regan, Siva Subramanian, Kellar, Lauerman, Mcgrail, Wientzen, Young, Spiegel, Tracy, Breall, Zuccarelli

Guests

Bates (Chair, Faculty Senate), Dretchen, Wiesel, Bloom, Gale, Moore (Price Waterhouse Coopers), Hurley (Price Waterhouse Coopers), Haramati, Katz, Cowly

Absent

Sribnau

The meeting was called to order at 5 p.m., by the Chair, Dr. Cole. The following items were discussed:

1. Approval of the Minutes for the meeting of Oct 15 98

The minutes were approved unanimously by voice vote.

2. Presentation by Mr. Bloom on the audited financial returns for the financial year ending June 30th 1998.

Mr. Bloom discussed the audited financial returns for last year. The details of these returns are contained in a letter from Mr. Bloom to the Medical Center Leadership that is appended to these minutes. In brief, last years audited deficit was \$62.4 million. The \$62.4 million deficit includes a 26.9 million correction recommended by the auditors to cover aged accounts receivable and government audits.

The accounting firm of Price Waterhouse Coopers (PWC) performed the audit and currently has 18 people on campus to improve accounting/financial practices at the Medical Center. Mr. Bloom stated that the major problem at the Medical Center is the extremely poor collection rate for accounts receivable. Part of this problem was due to the computer software updates in registration and billing, but the problem has been getting worse. Confidence was expressed in the new software (SMS) and blame placed on poor registration/data keeping practices. At

one time error rates in registration were as high as 30% but are now running at 3%. Errors allow insurance companies to deny claims.

For the first third of the year, there has been a 9.7 million loss of which 1.9 million is in special funds (funds received last year but spent this year). Two problem areas are Pediatrics and OB/GYN, a cost savings plan is in effect for these departments. Savings from the 27 early retirements/buyouts have not yet been realized. The cost of the buyouts was not available at the meeting but was promised for the next meeting.

A major concern from the floor was why the 26.9 million correction to the Medical Center's returns had not been anticipated by the leadership. Mr. Bloom explained that there were exceptional circumstances last year, that due to budget cuts capable staff were missing from the Medical Center, that large write-offs of this nature are common practice in business and that as long as we went forward we would be OK. He expressed confidence in PWC team but did not discuss the cost/benefit aspects of these consultants.

3. Composition of the joint board, administration, faculty review committee

There was a lengthy discussion of the joint board, administration, and faculty review committee. One problem was that the purpose of the committee was not made clear. Dr. Bates stated that it mainly concerned the effects on the main campus of a Hospital merger/buyout. However, Mr. Bloom stated that it would examine the compensation policy at the Medical Center. The following resolution was passed unanimously.

The Medical Center Caucus requests five representatives from the Medical Center to be members of this committee. The Medical Center Caucus feels very strongly that it is essential for all faculty of the Medical Center to be represented on the committee including those involved in Graduate and medical student teaching, tenured and nontenured or nontenure track faculty and faculty whose primary responsibility is to practice medicine.

4. Discussion of the main Campus resolutions on the medical center

Discussion was held regarding the membership of the Joint Board as requested by the Main Campus Executive Committee. The charge of the committee remains to be fully detailed by Fr. Leo O'Donovan. It is our expectation that the board will review financial and academic issues of the medical center.

The membership of that Board is expected to consist of representatives from the Law Center, Main Campus, Board of Directors and Medical Center. The initial number of Medical Center appointees to the Committee was anticipated to be two. At this time, we are awaiting volunteers from the clinical and basic science

to assume membership on that Board. However, the Medical Center Caucus feels that the issues which this Board will address will be integral not only to the future of the Main Campus and interactions between the Medical Center and the Main Campus, but will pertain to operations in the Medical Center that are vital to our continued survival and growth. The diversity of faculty in the Medical Center is great. To best reflect that diversity, the members of the Medical Center Caucus propose that there be representation on from the School of Nursing, from Basic Science Graduate Education, from Basic Science Research, from Clinical Practice, and from Clinical Research Enterprises. We feel that a total of five representatives to the Committee from the Medical Center would be appropriate.

II. As pertains to the discussion on the resolutions from the Main Campus Executive Committee which were forwarded to Fr. Leo O'Donovan on November 13, 1998, the members of the Medical Center Caucus discussed each resolution in detail.

Resolution 1: The Medical Center Caucus endorsed resolution one by a vote of 11:1. However, we feel that the resolution is appropriate only in the context of the members of the Committee that are involved in the Medical Center as outlined in the section above be included in the process.

Resolution 3: The Medical Center Caucus endorsed the resolution as stated by a vote of 9:3. While all members believed that the grievance process is valuable and viable, the minority opinion expressed concern of over-limiting the power of the Board of Directors to step in at a time where urgent intervention may be required.

Resolution 4: The Medical Center Caucus endorses this resolution unanimously.

Resolution 2: It was not possible to reach an agreement as to whether resolution two should be endorsed by the Medical Center Caucus. While all members believed strongly in academic freedom, the members have very diverse opinions as to the specifics and prefer to have further discussion before making comments on endorsement.

The Medical Center Caucus will reconvene to discuss these issues further within the next 7-10 days.

The meeting was adjourned at 7 PM.

ADDENDUM

11/27/98: Following a meeting of the steering committee of the Faculty Senate, it was agreed that the representatives from the medical center should be four.

Representation from the areas of basic science teaching, basic science research, clinical and clinical research were recommended