

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE HEALTH AFFAIRS COMMITTEE

February 23, 2016
Nashville, Tennessee

The Health Affairs Committee of The University of Tennessee Board of Trustees met at 2:00 p.m. CST on Tuesday, February 23, 2016, in the offices of Bradley Arant Boult Cummings, 1600 Division Street, in Nashville, Tennessee.

I. CALL TO ORDER

Charles C. Anderson, Committee Chair, called the meeting to order.

II. ROLL CALL

The Secretary called the roll, and the following members of the Health Affairs Committee were present:

Charles C. Anderson, Jr., Chair
George E. Cates
Joseph A. DiPietro (non-voting)
Spruell Driver, Jr.
Vicky B. Gregg
Raja J. Jubran
David Millhorn (non-voting)
James L. Murphy, III

III. MINUTES OF THE LAST MEETING

Chair Anderson asked for any corrections to the minutes of the December 7, 2015 meeting of the Committee. Trustee Jubran moved approval of the minutes as presented in the meeting materials, Trustee Gregg seconded, and the motion carried.

IV. CHANCELLOR'S REPORT

Chancellor Schwab presented an update on the clinical practice groups (Exhibit 1). He discussed UTHSC net patient revenue from core affiliated practice plans, noting that they generated approximately \$250 million in calendar year 2015. He added that the upward curve is expected to continue due to incremental growth of all the practice plans and addition of the UT Erlanger practice plan in the following year. He then reported on revenue from the UTHSC family medical practices in Jackson and Knoxville and also reported that rapid growth in Speech and Hearing revenue is expected when operations are moved to new locations.

Chancellor Schwab reported that base mission support payments from the core affiliated practice plans to further UTHSC's academic mission are projected to total \$35 million in 2016. He said as practice plans expand, base mission support payments are expected to continue to grow. He said UTHSC has exceeded its goals for base mission support payments.

Finally, Chancellor Schwab discussed the progress in bringing the UT Erlanger and St. Thomas practice plans to fruition and updated the Committee on legacy faculty practice groups.

V. PROPOSED INITIATIVE: WOMEN AND INFANTS, MEMPHIS

Chancellor Schwab discussed the current status of obstetric care and maternal fetal medicine in metropolitan Memphis. He said a new facility for delivery of babies is needed to replace the very old Regional One facility. He explained the advantages of build a new UTHSC facility on the campus connected to Regional One and Le Bonheur Children's Hospital. He reviewed the general concept of a potential business plan and the potential positives to UTHSC and to the City of Memphis. He also discussed the possibility of a partnership between providers as an alternative to having UTHSC build the facility. A discussion ensued regarding the finances needed, community support, options available to secure financial support and the overall timing. Chancellor Schwab said he would bring the Committee a more complete financial plan at a future meeting.

VI. OTHER BUSINESS

There was no other business to come before the Committee.

VII. ADJOURNMENT

There being no other business to come before the Committee, the meeting was adjourned.

Respectfully Submitted,



Steve J. Schwab, MD
Chancellor, UT Health Science Center