1. Approval of Minutes – July 13, 2004

2. Health Sciences Division Issues – Dr. Michael Lewis
   - Introduction of Ms. Donna McLees, Associate Vice Chancellor for Development, Health Sciences Division, and President, Medical Foundation
     - General Updates

3. Medical School Report

4. ECCVI Update

5. PCMH/UHS – Mr. David McRae
Mr. Hill, Chairman of the Committee, called the meeting to order at 8:05 a.m.

Approval of Minutes
Mr. Hill asked if there were any changes or additions to the minutes of May 7, 2004. Mr. Hill made the motion to accept the minutes and Mr. Greczyn seconded the motion. There being no changes, the minutes were approved as distributed.

Health Sciences Division Issues
Dr. Lewis reported that within the Health Sciences Division 33 faculty were proposed for reappointment with tenure. All but one were approved.

The Department of Communications and Sciences Disorders within the School of Allied Health has established a Masters degree, on line, with the University of Alaska, in speech pathology. The Department of Rehabilitation Counseling has been ranked 15th in the nation.

Dr. Lewis extended thanks to Dr. Cynda Johnson and Dr. Peter Kragel for their work on the recent LCME accreditation, which was approved for eight (8) years. Dr. Johnson was congratulated on her election to Vice President of the American Board of Medical Specialists. Dr. Steve Willis was appointed to the Step II Committee of the USMLE. Dr. Lewis extended gratitude to Dr. Tanenberg, Dr. Lehman, and Ms. Workman for their work in securing the Duke Endowment Award. $1.2 million is to be received over a three-year period establishing a one-year primary care fellowship focusing on diabetes.
Dr. Lewis stated that Dr. Spencer continued to move forward with the Country Doctor Museum in Bailey.

Dr. Lewis reported that Pitt County Memorial Hospital had recently been granted magnet status for nursing, which is one of the highest honors to be received by a hospital. Thanks were extended to Dr. Horns, Mr. McRae, and their staff.

**Brody School of Medicine Update**

Dr. Cynda Johnson provided a general and financial overview for the Brody School of Medicine. The traditional missions of education, research, and medical service are provided by the BSOM. The NC General Assembly has charged the BSOM to provide education of the primary care physician, provide opportunities to students from minority and disadvantaged populations, and increase access to medical services to residents in eastern NC. The medical student enrollment is capped at 72 students per class with approximately 300 medical students enrolled. Additionally 60 Ph.D. Biomedical Sciences students are enrolled. Seventy-six (76%) of physicians who graduated from the BSOM and the residency program are practicing in North Carolina. Minority and underrepresented students admitted to BSOM increased 37% last year.

The Brody School of Medicine has complied with $13.7 million cuts from 1999 – 2004. Personnel costs have increased 81.9%. Malpractice insurance has increased 161%, $3.5 million with less coverage. There has been significant rate reductions received from NC Medicaid, Medicare and the NC State Health Employee Plan, which results in our physicians seeing an increased number of patients with less compensation. Total write-offs for uncompensated care have risen to $30.9 million. Expenses have exceeded revenues.

Ongoing initiatives are continuing to increase effectiveness and productivity of clinical enterprises, to increase research and external funding of research; to increase philanthropy; to increase recovery of funds from state through changed philosophy and statistics; and to increase reverse funds flow from ECU to Brody.

Mr. Hill noted that the increase in personnel expenses was not due to raises. It was due to increased demand for new staff to accommodate the increase in patient load.

**ECCVI Update**

Dr. Lewis reported that negotiations are still ongoing in the General Assembly with optimism remaining high. He also stated that Dr. Chitwood had received the American Heart Mended Hearts National Award.
According to Brian Floyd, work is continuing on the ECCVI. A design firm has been selected for the development of the building. A Steering Committee, Dr. Chitwood, Dr. Cascio, Mr. Hill, Mr. Floyd, and Mr. Jones, has been designated to work jointly between ECU and PCMH to ensure that mutual agreement is maintained. A very strong network cardiology program is being developed by Dr. Cascio, which should result in increased grant funds and major networking of the region. Progress is being made on a master service agreement between ECU and UHS.

**PCMH/UHS**

Mr. McRae mentioned the awarding of the magnet status in nursing and complimented Dr. Horns and the School of Nursing for their assistance. He indicated that US News and World Reports did not rank the hospital this year. All hospitals within the University Health Systems have produced a positive cash flow.

Mr. McRae extended thanks to our Board members for their service on the Liaison Committee. Solutions to the most difficult issues between ECU and UHS are discussed and resolved by this group.

Mr. Talton indicated that ECU was proud to be a partner with Mr. McRae and his associates. Mr. Talton reported that Chancellor Ballard had attended his first meeting of the Liaison Group and that he was quickly learning the importance of that meeting. Some of the issues discussed dealt with location of buildings, roadways, access, parking, etc. Progress is being made on these issues.

The meeting adjourned at 8:35 a.m.

Respectfully submitted,

Ellen L. Finch
Executive Assistant II to the
Vice Chancellor for Health Sciences
The School of Nursing is an academic unit of the Health Sciences Division of ECU. It serves as a center of excellence for leadership in Nursing, professional nursing education, research, service, and faculty practice within a multicultural, underserved and rural region. It offers baccalaureate and master's degree programs which have special program options for registered nurse and post-masters students.

**MISSION**

The School of Nursing is dedicated to educational excellence in the preparation of professional nursing leaders who provide expert clinical practice and management in dynamic, challenging and interdisciplinary health care environments. The school values diversity and community partnerships, supports academic freedom and shared governance, fosters creativity and technological innovation and provides an environment for advancement and dissemination of research.

**VISION**

The School of Nursing embraces East Carolina University's motto "Servire" meaning “to serve”. It reflects service through the following three interrelated components of the school:

**To Serve through Education**

The educational mission of the school of nursing is to provide nursing students with rich, distinctive undergraduate and graduate educational experiences.

- is committed to enhancing each learner's ability to discover, evaluate, and communicate knowledge; to make informed decisions; and to recognize a decision's ethical dimensions.

- is committed to imparting a sense of citizenship and personal responsibility, fostering lifelong learning, cultivating a commitment to service, and nurturing an understanding of the interdependencies of people and their environments.

- meets the educational needs of nurses in the region through: exemplary teaching, research, and service, progressive on-campus and off-campus programs, clinical partnerships with service agencies, distance learning, and technological integration in teaching and research.

**To Serve through Research and Creative Activity**

The research mission of the School of Nursing is to advance the art and science of Nursing, to contribute to the solution of significant human health problems and to provide a foundation for professional practice and nursing leadership through the support of basic and applied research.

- is committed to integrating research and creative activities in the educational experiences of nursing students.

- is committed to enriching the knowledge base of culturally sensitive health care and being a leader in innovative research applications in the health care arena.

**To serve through Leadership, Practice, and Partnership**

The service mission of the School of Nursing is to provide leadership for exemplary nursing practice and to engage in partnerships supporting health care and human services, professional nursing, and community services.
STRATEGIC PLAN
2000-2005 GOALS

- Expand graduate programming to include the PhD in Nursing and MSN concentrations in identified areas of need.
- Increase intra/interdisciplinary collaboration which supports, encourages, and promotes excellence in teaching, research, service, and practice.
- Create an organizational infrastructure to support the development of a community of scholars within which research and scholarship will increase by 50%.
- Acquire the space, equipment, human resources, and infrastructure necessary for a state of the art information system that supports instruction, research and administration.
- Refine and implement the School's plan for systematic program evaluation and assessment of effectiveness and educational outcomes.

ENROLLMENT

<table>
<thead>
<tr>
<th>Program</th>
<th>Fall 2004 data</th>
<th>407 clinical students/ 833 Pre-clinical students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor of Science:</td>
<td>Fall 2004 data</td>
<td>407 clinical students/ 833 Pre-clinical students</td>
</tr>
<tr>
<td>Master of Science:</td>
<td>Spring 2004 data</td>
<td>293 students</td>
</tr>
<tr>
<td>RN-BSN Studies:</td>
<td>Spring 2004 data</td>
<td>115 students</td>
</tr>
<tr>
<td>PhD:</td>
<td>Spring 2004 data</td>
<td>16 students</td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td>1664 students</td>
</tr>
</tbody>
</table>
PROGRAMS
Bachelor of Science in Nursing (BSN)
RN-BSN Studies
Master of Science in Nursing (MSN)
  • Family Nurse Practitioner
  • Neonatal Nurse Practitioner
  • Nurse Midwifery
  • Community Health Nursing
  • Clinical Services Administration
  • Adult Health Nursing
  • Nurse Anesthesia
  • Nursing Education
Alternate Entry MSN
RN-MSN Studies
Doctorate of Philosophy in Nursing (PhD)

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FACTS AND DISTINCTIONS
• The School of Nursing was established at ECU in 1959. The first students were admitted in 1960. The SON is ECU’s oldest professional school.

• The School of Nursing was first approved by the North Carolina Board of Nurse Registration and Nursing Education in March 1961 and received initial accreditation from the National League of Nursing in the fall of 1964. Accreditation has been maintained since that time.

• East Carolina University was authorized to offer a Master of Science degree in Nursing in 1977. In 1982, the National League for Nursing accredited the master’s program.

• The School of Nursing in 1991 received DHHS grant funds to establish a nurse-midwifery program. It is the only one in North Carolina.

• In May 2001, the school was granted permission by the University of North Carolina Board of Governors to establish a doctorate of philosophy in nursing degree.

• In January 2004, the school was granted permission by the North Carolina Board of Nursing to offer an Alternate Entry MSN option. This option is the only one in North Carolina. The first class will begin in Fall 2004.

• The SON holds active membership in the National League for Nursing Accrediting Commission, the American Association of Colleges of Nursing, and the Council on Collegiate Education in Nursing (CCEN).

• The SON has 72 faculty (67 full-time and 5 part-time) and 22 staff members.

• The SON has grown beyond initial expectations and boasts more than 4500 alumni worldwide.

• The School is known for innovative outreach efforts designed to increase access to nursing education for place-bound nurses in rural areas. For over 20 years, the School has offered both the RN-BSN and the MSN program in off-campus sites. The programs now offer courses on-line.
Greetings from the Laupus Library
As the new academic year begins, we would like to update you on the programs and activities provided by the Information Services department.

Liaison Program to Health Sciences Division Schools
Information Services librarians provide instruction to faculty, students, medical residents, and staff in the use of health related databases and knowledge bases for patient care, research and education. Evidence Based Health Care and using technology which brings medical information to the point of care continue to be emphasized in our instruction.

The liaison librarians also offer classes to instruct clients in use and interpretation of selected library resources. Scheduling for these classes can be within the time frame of an instructor’s regularly scheduled class or at other specially arranged times.

New Electronic Resources
Two recent additions to the library’s electronic resources include Up-To-Date and RefWorks. The library introduced Up-to-Date in 2004. This is a clinical knowledge base used to support patient care decision making. Up-to-Date is a resource jointly supported by Laupus Library and PCMH that is licensed by the hospital. RefWorks is a utility offered by Laupus Library for students and researchers to manage references and bibliographies for research papers.

Virtual Reference
Laupus Library is collaborating with Joyner Library to explore options for offering Virtual Reference. Virtual Reference holds special potential to help Distance Education students learn about the libraries at ECU and how to use available research tools.

Electronic Reserves & Video Server
The library continues to see increased use of electronic reserves and the new video server by faculty of both traditional and distance education classes who need to make materials available to students 24x7 at their desktops. Summer of 2004 saw 110 e-reserve resources loaded for student use. This is double the number of resources loaded for use in 2003.

Nursing and allied health instructors currently have 15 instructional videos loaded on the library’s video server. One instructor was even able to arrange this service for her students via e-mail while she was out of the country.

Gate Count versus Electronic Access
The number of people using the library, both electronically and in-person, has steadily grown. The number of users coming to the Laupus Library in 2003-04 was 189,000. Use of the library’s electronic resources (e-books, e-journals, databases) numbered 187,000 in 2003-04 and demonstrates that the library is not only used as a virtual location but continues to be used as a physical place for research and access to information.
MFPP Key Performance Indicators
Fiscal Year-to-Date (June 2004)

- **Patient Visits/ Business Day**  \(\uparrow 1.7\%\)
- **Productivity** is Up
  - # Faculty  \(\downarrow 2.0\%\)
  - Relative Work Value Units (RVUs)  \(\uparrow 7.1\%\)
- **Charges**  \(\uparrow 11.0\%\)
- **Collections**  \(\uparrow 11.5\%\)
- **Expenses**  \(\uparrow 10.5\%\)

Note: Results compared to prior year-to-date (June 2003)
Note: Collections & Expense results reported on cash accounting basis


ECU Physicians MFPP  
FY 2003/2004 Actual Results  
For the Period July 1, 2003 through June 30, 2004  
(Cash Accounting Basis)

<table>
<thead>
<tr>
<th>Jul-Jun Actual</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>101,887,321</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>82,677,963</td>
</tr>
<tr>
<td>Operating/non operating expenses</td>
<td>23,253,578</td>
</tr>
<tr>
<td>Capital</td>
<td>1,864,470</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>107,796,011</td>
</tr>
<tr>
<td>Operating deficit before transfers</td>
<td>(5,908,690)</td>
</tr>
<tr>
<td>Net transfers out</td>
<td>(4,281,510)</td>
</tr>
<tr>
<td>Net deficit</td>
<td>(10,190,200)</td>
</tr>
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</table>

1Includes $2.6 Million of SOM research incentive funds and start-up funds for new faculty transferred to another SOM controlled fund. Without this transfer, the net deficit would have been (7.8 Million)

The MFPP Deficit: Contributing Factors

- Revenues and Write-Offs
- Expenses
- State Budget Cuts
- Unique State Constraints
MFPP Revenue Trends:
Revenues are Up!

Results reported on cash accounting basis

Unfortunately, so are adjustments to revenues!
MFPP Revenue Adjustments
FY 2003/2004

Total Charges: $186.3 Million

Deductions:

- Contractual Allowances/Write-Offs:
  - Medicare - $44.3 Million
  - Medicaid - $26.4 Million
  - SEHP/BCBS - $16.2 Million
  - Commercial - $13.6 Million
  - Other - $0.6 Million
- Total Contractual Deductions: $101.2 Million

Additional Deductions:

- Bad Debt - $4.6 Million
- ECU Care - $3.7 Million

(ECU Care is uncompensated care provided to “self-pay” (i.e., indigent) patients who cannot qualify for any public assistance programs. These are often referred to as the “working poor.”)
Revenue Recap:

- **Total Charges:** $186.3 Million
- **Contractual Deductions:** - $101.2 Million
- **Bad Debt:** - $4.6 Million
- **ECU Care:** - $3.7 Million
- **Total Deductions:** - $109.5 Million

- **Net Patient Revenues**\(^1\): $76.8 Million

\(^1\)Net Patient Revenues reported on accrual accounting basis. Will not match results for FY 2004/2005 reported on cash accounting basis.

**MFPP Charges vs. Collections by Payer Class**

**Medicare Represents 36% of Charges...**

**...Yet Only 24% of Collections**
MFPP Revenue Adjustment Trends

MFPP Revenue & Expense Trends

1Results reported on cash accounting basis
As Brody’s State Budget Decreases, MFPP Expenses Increase\(^1\)

<table>
<thead>
<tr>
<th>State Budget Cuts (One Time &amp; Permanent)</th>
<th>MFPP Expenditure Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>99/00: $3.3 Million</td>
<td>99/00: $7.1 Million</td>
</tr>
<tr>
<td>00/01: $1.6 Million</td>
<td>00/01: $3.2 Million</td>
</tr>
<tr>
<td>01/02: $3.5 Million</td>
<td>01/02: $9.9 Million</td>
</tr>
<tr>
<td>02/03: $2.9 Million</td>
<td>02/03: $4.9 Million</td>
</tr>
<tr>
<td>03/04: $2.4 Million</td>
<td>03/04: $9.9 Million</td>
</tr>
</tbody>
</table>

\(^1\)Results reported on cash accounting basis
MFPP Unique State Constraints

Medicare Resident Education Funds
- **State Law** requires Brody return $1 Million (or more) of these funds to State each year
- **State Law** restricts the use of up to another $2.5 Million of these funds per year
- This state law applies only to ECU
- **Total annual impact:** $3.5 Million

Clinical Facility Rent Costs
- Brody MFPP must pay “Rent” to State of NC for use of Outpatient Facilities built with State Appropriated Funds
- Required by State Auditor starting in 1980s
- **State Law** enacted in 1990s to require Radiation Oncology portion of Cancer Center to pay rent
- This practice and law applies only to ECU
- **Total annual cost:** $0.6 Million
# MFPP Unique State Constraints

- Combined Impact to MFPP:
  - Medicare Resident Education Funds: $3.5 Million
  - Clinical Facility Rent Costs: $0.6 Million
  - **Total annual impact to MFPP:** $4.1 Million

# MFPP Budget Challenges

- Payor Mix and Contractual Adjustments compress revenues
- Clinical expenses continue to increase (e.g. Malpractice Insurance)
- Consecutive State Budget Cuts place greater pressure on MFPP to support education functions
- State Constraints either remove revenues or impose expenses on ECU
- Final analysis: MFPP under pressure from external and internal forces