



Medical Affairs Advisory Committee (MAAC)

Minutes of April 21, 2021

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Present: Lisa Low (Chair), Marschall Runge, Jill Cherry-Bukowiec, Soumya Rangarajan, Jawad Al-Khafaji, Chandan Kumar-Sinha, Cormac Maher, Ivo Dinov, Rachel Yu, and Elizabeth Devlin

Absent: Ajjai Alva, John Tranfaglia, Terri Voepel-Lewis, Krupa Patel, and Benjamin Moy

Guests: Robert Hewlett, Controller, Michigan Medicine; Carl St. Amour, Director of Revenue, Reporting, and Payment Strategies, Michigan Medicine

7:33 am: Chair Low called the meeting to order.

1. Welcome and Introductions

- Professor Low welcomed the speakers and had the committee members introduce themselves.

2. Presentation: The impact of COVID-19 on the next five years of health system Finances

Robert Hewlett, Controller, Michigan Medicine; Carl St. Amour, Director of Revenue, Reporting, and Payment Strategies, Michigan Medicine

For Michigan Medicine and what it means going forward, the focus will be on UMHS and that portion of Michigan Medicine which was impacted the most as the health delivery portion of the organization.

- Overview of overall finance goals pre-COVID:
 - The finance strategic plan was to ensure that there would be sufficient cash flow to meet overall investment plans in the workforce, in facilities and in the organization.
 - Pre-Covid finance was on track to meet these goals and was looking towards FY21 to increase the operating margin goal to align with the strategic plan.
- COVID financial impacts:
 - Revenue decreased after the first wave of the COVID-19 and the shutdown of operations in mid-March to comply with the Governor's COVID safety protocols.
 - Revenue loss continued from March-May.
 - Revenue has not meet pre-pandemic projections as operations are still not at full capacity and are currently running at 90%.
 - March, April, and May negative margins were reported due to COVID.
 - The CARES act relief was able to offset some of the revenue loss in May.
- Lessons learned from Covid-19 :
 - Expansion of virtual visits.
 - Greater utilization of existing ambulatory capacity.



- Extended surgical hours, especially at ambulatory surgery center.
- Hospital at home program initiation and expansion.
- Remote work
 - Reduction in real estate needs, parking and alternative transportation.
- Familiarization with various assistance programs.
- Faculty and staff resiliency.

- Long-term financial outlook:
 - Finances are stabilizing and recovering from FY2020 and on track to meet with projected financial goals pre-pandemic.
 - Long term focus on routine capital investment, strategic investment, tripartite mission investment and saving for the future.
 - Achieving an operating margin of 5% will allow for growth in investments and ensure savings for future unforeseen events, like COVID-19.

- Committee discussion
 - Committee member suggested putting together an interaction matrix to contextualize the numbers.
 - Dr. Runge indicated that there is a group called Affirm, made up of faculty, staff, and administrative members that are involved in the process to understand the funds flow and where the investments are.
 - Committee member requested information about COVID care and what affect it has had on the revenue.
 - The payer mix has not shifted materially and there has not been a decrease in the payer mix. There are no specific indicators in the data that immediately flag patients as being COVID positive. Carl St. Amour will investigate providing the data to the committee.
 - Chair Low asked what the ongoing strategies for next phases are moving forward.
 - Robert Hewlett indicated that while there is no current defined strategy in place, there are steps being taken to achieve the desired changes. Dr. Runge is creating a committee to really look at the future of work, not just remote work, but all types of work. All cannot work remotely. There must be equity and inclusion among those who can work offsite and those who cannot.
 - Reviewing leases for administrative spaces - what does it mean when the leases expire.
 - Engaging department chairs to discuss the ambulatory portfolio and create a formal ask to put together an ambulatory strategy, due to large numbers of staff working remotely/offsite and incentives to increase virtual visits.

Guest speakers will provide the presentation to committee members

- University of Michigan Health System Financial Performance and Long-Range Planning.

Adjournment at 8:30 am

Respectfully Submitted,
Elizabeth Devlin
Faculty Senate Office