

**WEXNER MEDICAL CENTER BOARD**

Leslie H. Wexner  
Abigail S. Wexner  
Cheryl L. Krueger  
Hiroyuki Fujita  
John W. Zeiger  
Janet Porter  
Stephen D. Steinour  
Robert H. Schottenstein  
W.G. Jurgensen  
Cindy Hilsheimer  
Michael J. Gasser (ex officio, voting)  
Michael V. Drake (ex officio, voting)  
Bruce A. McPheron (ex officio, voting)  
Michael Papadakis (ex officio, voting)  
K. Craig Kent (ex officio, non-voting)  
L. Arick Forrest (ex officio, non-voting)  
David P. McQuaid (ex officio, non-voting)  
Mark E. Larmore (ex officio, non-voting)  
Andrew M. Thomas (ex officio, non-voting)  
Elizabeth O. Seely (ex officio, non-voting)  
Susan D. Moffatt-Bruce (ex officio, non-voting)  
Mary A. Howard (ex officio, non-voting)  
William B. Farrar (ex officio, non-voting)  
Thomas J. Ryan (ex officio, non-voting)  
Amanda N. Lucas (ex officio, non-voting)

Location: Richard M. Ross Heart Hospital  
Ross Heart Hospital Auditorium

Time: 9:00am-1:00pm

Public Session

1. Approval of November 14, 2018, Wexner Medical Center Board Meeting Minutes 9:00-9:05am
2. Time and Change Strategic Plan Update - Mrs. Wexner, Ms. Marsh 9:05-9:15am
3. Cancer Program Update - Dr. Pollock 9:15-9:25am
4. College of Medicine Report - Dr. Kent 9:25-9:40am
5. Wexner Medical Center Operations Report - Mr. McQuaid 9:40-9:50am
6. Wexner Medical Center Financial Summary - Mr. Larmore 9:50-10:00am
7. Recommend for Approval the Acquisition and Potential Sale of Real Property (Shier Rings Road) - Mr. Kasey 10:00-10:05am
8. Recommend for Approval the Execution of an Economic Development Agreement (Shier Rings Road) - Mr. Kasey 10:05-10:10am
9. Recommend for Approval to Increase Professional Services/Construction Contracts - Mr. Kasey 10:10-10:20am
  - WMC Inpatient Hospital – Central Sterile Supply
  - WMC Inpatient Hospital Garage, Infrastructure and Road Work

Executive Session

10:30am-1:00pm



**SUMMARY OF ACTIONS TAKEN**

November 14, 2018 - Wexner Medical Center Board Meeting

**Voting Members Present:**

Leslie H. Wexner  
Abigail S. Wexner  
Cheryl L. Krueger  
Hiroyuki Fujita  
John W. Zeiger

Janet Porter  
Stephen D. Steinour  
Robert H. Schottenstein  
Cindy Hilsheimer  
Michael V. Drake (ex officio)

Bruce A. McPheron (ex officio)  
Michael Papadakis (ex officio)

**Non-Voting, Ex-Officio Members Present:**

K. Craig Kent  
L. Arick Forrest  
David P. McQuaid  
Mark E. Larmore

Andrew M. Thomas  
Elizabeth O. Seely  
Susan D. Moffatt-Bruce  
Mary A. Howard

William B. Farrar  
Thomas Ryan  
Amanda N. Lucas

**Members Absent:**

Michael J. Gasser (ex officio)  
W.G. "Jerry" Jurgensen

**PUBLIC SESSION**

The Wexner Medical Center Board convened for its 28th meeting on Wednesday, November 14, 2018, in the Ross Auditorium of the Richard M. Ross Heart Hospital. Board Secretary Jeff M.S. Kaplan called the meeting to order at 9:08 a.m.

**EXECUTIVE SESSION**

It was moved by Mrs. Wexner, and seconded by Mr. Steinour, that the board recess into executive session to consider business-sensitive trade secrets required to be kept confidential by federal and state statutes, to discuss quality matters which are required to be kept confidential under Ohio law, to consult with legal counsel regarding pending or imminent litigation, and to discuss the purchase of real property and personnel matters regarding the employment, appointment, compensation, discipline and dismissal of public officials.

A roll call vote was taken and the board unanimously voted to go into executive session, with the following members present and voting: Mr. Wexner, Mrs. Wexner, Ms. Krueger, Dr. Fujita, Mr. Zeiger, Dr. Porter, Mr. Steinour, Mr. Schottenstein, Ms. Hilsheimer, Dr. Drake, Dr. McPheron and Mr. Papadakis. Mr. Gasser and Mr. Jurgensen were absent.

The board entered executive session at 9:09 a.m.

**PUBLIC SESSION**

The Wexner Medical Center Board returned to public session at 11:54 a.m.

***Item for Action***

1. Approval of Minutes: No changes were requested to the August 31, 2018, meeting minutes; therefore, a formal vote was not required and the minutes were considered approved.

***Items for Discussion***

2. Academic Healthcare: Craig Kent, dean of the College of Medicine, discussed our role as an academic medical center. He described two of our priority missions as providing cutting-edge research that will change the lives of our patients and providing differentiated clinical care that is not available in the community for patients with complex medical problems. He then introduced Dr. John Byrd and his hematology colleagues who have developed a revolutionary, multidisciplinary approach to treating Chronic Lymphocytic Leukemia. Their goal is to eradicate the need for chemotherapy in the treatment of leukemia, and their success in this area has saved lives, enhanced quality of life for countless patients and put Ohio State on the map internationally for translational research in blood cancers.



**Items for Discussion (cont'd)**

3. The James Update: William Farrar, interim CEO of the James Cancer Hospital and Solove Research Institute, shared an update on The James, which has been opening new beds in the past few months. He noted that four out of seven days a week, The James is full, so bringing these additional beds online is critical to the hospital being able to provide great patient care. The James is also launching two important initiatives — first, a wellness program for its physicians that will provide active support for oncologists who suffer from symptoms of potential burnout and depression. Second, the possible establishment of a system that will better assist in the training of our physicians on how to provide the best palliative care for end-of-life patients and their families.
4. College of Medicine Report: Dr. Kent introduced two new recruits — Dr. Rama Mallampalli, chair of the Department of Internal Medicine, and Dr. Nahush Mokadam, division director for Cardiac Surgery. These two physicians shared how they plan to develop one of the top five lung transplant programs in the United States. Ohio State's lung transplant program was originally initiated in 1998, and over the course of 11 years, the team performed just 93 transplants. Due to those modest volumes, the lung transplant program voluntarily shut down. It restarted in 2013, and last week it completed its 46th lung transplant of the year. This is real, meaningful growth in a short time period. To grow the program into a signature center and destination for patients around the country, the medical center wants to recruit nationally recognized experts in different areas of chronic respiratory illness.
5. Wexner Medical Center Operations Report: David McQuaid, COO of the Wexner Medical Center, announced that the medical center and Mercy Health have signed a master affiliation agreement to create the Healthy State Alliance, which will tackle Ohio's most critical health care needs while making health care more affordable and more accessible for all. The Healthy State Alliance has identified 10 objectives, including a focus on the opioid crisis as well as increasing access to cancer treatment and transplant care. The aspiration for this alliance is that it will provide greater access to more than 2,000 clinical trials, an NCI-designated comprehensive cancer center, one of the nation's leading transplant centers, 50,000 team members and more than 600 points of care throughout the state.
6. Wexner Medical Center Financial Summary: Mark Larmore, CFO of the Wexner Medical Center, presented the financial summary for the first quarter of Fiscal Year 2019. Operating revenue, year over year, has grown 9.5 percent and controllable expenses are up 10.3 percent. The bottom line for the medical center is almost \$76 million, an improvement of 13 percent over the prior year.

**Items for Action**

7. Resolution No. 2019-26, Approval for Acquisition of Real Property

Synopsis: Authorization to purchase real property located at 1600 East Long Street, Columbus, Franklin County, Ohio, is proposed.

WHEREAS The Ohio State University seeks to purchase improved real property of +/- 0.74 acres located at 1600 East Long Street, Columbus, Ohio, identified as Franklin County parcels 010-003018 and 010-023596; and

WHEREAS the property is strategic to the Wexner Medical Center initiative for healthy communities and will complement the services provided at Outpatient East and University Hospital East and is currently zoned R-3 (Residential); and

WHEREAS improvements on the property include an 8,933+ square-foot, one-story building, known as the former MLK Columbus Metropolitan Library:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the purchase of said property be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, that the President and/or Senior Vice President for Business and Finance be authorized to take any action required to effect the sale of the property and to negotiate a purchase contract containing terms and conditions deemed to be in the best interest of the university.

(See Attachment X for background information, page XX)

**Action:** Upon the motion of Mr. Zeiger, seconded by Dr. Porter, the board adopted the foregoing motion by unanimous voice vote with the following members present and voting: Mr. Wexner, Mrs. Wexner, Ms. Krueger, Dr. Fujita, Mr. Zeiger, Dr. Porter, Mr. Steinour, Ms. Hilsheimer, Dr. Drake, Dr. McPheron and Mr. Papadakis. Mr. Gasser, Mr. Schottenstein and Mr. Jurgensen were absent.



Items for Action (cont'd)

8. Resolution No. 2019-27, Approval to Enter Into/Increase Professional Services and Construction Contracts

Synopsis: Authorization to enter into/increase professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the university desires to enter into professional services contracts for the following projects; and

	Prof. Serv. Approval Requested	Total Project Cost	
	\$23.0M	TBD	Auxiliary Funds

**Wexner Medical Center West Campus Ambulatory Facilities**

WHEREAS in accordance with the attached materials, the university desires to enter into professional services and construction contracts for the following projects; and

	Prof. Serv. Approval Requested	Construction Approval Requested	Total Project Cost	
<b>Lincoln – 11th and 13th Floor Office Renovations</b>	\$0.6M	\$4.4M	\$5.0M	Auxiliary Funds
<b>Wexner Medical Center Inpatient Hospital Garage (Infrastructure and Road Work)</b>	\$0.5M	\$21.5M	TBD	University Debt Auxiliary Funds

WHEREAS in accordance with the attached materials, the university desires to increase professional services and construction contracts for the following projects; and

	Prof. Serv. Approval Requested	Construction Approval Requested	Total Project Cost	
<b>Health Sciences Faculty Office and Optometry Clinic Building</b>	\$1.3M	\$6.3M	\$35.9M	University Funds Auxiliary Funds

WHEREAS in accordance with the attached materials, the university desires to enter into construction contracts for the following projects; and

	Construction Approval Requested	Total Project Cost	
<b>Interdisciplinary Health Sciences Center (Anatomy Lab)</b>	\$4.4M	TBD	State Funds

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the professional services and construction contracts for the projects listed above be recommended to the University Board of Trustees for approval; and



**Items for Action (cont'd)**

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into and increase professional services and construction contracts for the projects listed above in accordance with established university and State of Ohio procedures, with all actions to be reported to the board at the appropriate time.

(See Attachment X for background information, page XX)

**Action:** Upon the motion of Ms. Krueger, seconded by Ms. Hilsheimer, the board adopted the foregoing motion by majority roll call vote with the following members present and voting: Mr. Wexner, Ms. Krueger, Dr. Fujita, Mr. Zeiger, Dr. Porter, Ms. Hilsheimer, Dr. Drake, Dr. McPheron and Mr. Papadakis. Mr. Gasser, Mr. Steinour, Mr. Schottenstein and Mr. Jurgensen were absent. Mrs. Wexner abstained.

9. Resolution No. 2019-28, Clinical Quality Management, Patient Safety and Service Plan

Synopsis: Approval of the annual review of the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Wexner Medical Center, is proposed.

WHEREAS the mission of the Wexner Medical Center is to improve people's lives through the provision of high-quality patient care; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan outlines assessment and improvement of processes in order to deliver safe, effective, optimal patient care and services in an environment of minimal risk for patients of the hospitals and clinics at The Ohio State University Wexner Medical Center; and

WHEREAS the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Wexner Medical Center was approved by the Leadership Council for Clinical Quality, Safety and Service on August 8, 2018, and the Quality and Professional Affairs Committee on October 30, 2018:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves the Clinical Quality Management, Patient Safety and Service Plan for The Ohio State University Wexner Medical Center.

(See Attachment X for background information, page XX)

**Action:** Upon the motion of Dr. Drake, seconded by Mr. Zeiger, the board adopted the foregoing motion by unanimous roll call vote with the following members present and voting: Mr. Wexner, Mrs. Wexner, Ms. Krueger, Dr. Fujita, Mr. Zeiger, Dr. Porter, Ms. Hilsheimer, Dr. Drake, Dr. McPheron and Mr. Papadakis. Mr. Gasser, Mr. Steinour, Mr. Schottenstein and Mr. Jurgensen were absent.

**Resolutions No. 2019-26 and No. 2019-27 were recommended by the Wexner Medical Center Board and forwarded to the University Board of Trustees for review and approval.**

**EXECUTIVE SESSION**

It was moved by Dr. Porter, and seconded by Mrs. Wexner, that the board recess into executive session to consider business-sensitive trade secrets required to be kept confidential by federal and state statutes, to discuss quality matters which are required to be kept confidential under Ohio law, to consult with legal counsel regarding pending or imminent litigation, and to discuss the purchase of real property and personnel matters regarding the employment, appointment, compensation, discipline and dismissal of public officials.

A roll call vote was taken and the board unanimously voted to go into executive session, with the following members present and voting: Mr. Wexner, Mrs. Wexner, Ms. Krueger, Dr. Fujita, Mr. Zeiger, Dr. Porter, Ms. Hilsheimer, Dr. Drake, Dr. McPheron and Mr. Papadakis. Mr. Gasser, Mr. Steinour, Mr. Schottenstein and Mr. Jurgensen were absent.

The board entered executive session at 1:18 p.m. and the board meeting adjourned at 2:00 p.m.

# OHIO STATE'S STRATEGIC PLAN

## TIME AND CHANGE

Enable, Empower and Inspire

To make the next bold leap in Ohio State's land-grant history of excellence and impact, we aspire to be a leading national flagship public research university.

### WEXNER MEDICAL CENTER

To be a leading academic medical center that drives breakthrough healthcare solutions to improve people's lives

Characteristics of Leading Academic Medical Centers	Impact of the Strategic Plan	Key Actions	Outcomes	Future Actions																								
<p>High-impact basic and translational research</p> <p>Excellence in teaching and learning</p> <p>Highest quality, patient-centered care</p> <p>Significant community impact</p> <p>Highly accessible</p> <p>Distinctive programs</p> <p>Best talent</p> <p>Innovative, inquisitive culture</p> <p>World-class facilities</p> <p>Operational excellence and resource stewardship</p>	<p><b>10</b> Number of ranked specialties by U.S. News &amp; World Report in 2018</p> <p><b>500</b> Heart transplants performed</p> <p><b>300</b> Providers recognized in the top 10 percent of providers in patient satisfaction nationally</p> <p><b>52% and 24%</b> In-coming College of Medicine class are women and under-represented minorities</p> <p><b>\$25M</b> NIH award for Clinical and Translational Science</p> <p><b>\$18M and \$10M</b> Transformative gifts, including the Bob and Corrine Frick Center for Heart Failure and Arrhythmia, and the Belford Family Charitable Fund for spinal cord research</p> <p><b>8 Programmatic focus areas:</b></p> <ul style="list-style-type: none"> <li><b>Digestive Diseases:</b> Darwin Conwell, MD; Benjamin Poulouse, MD</li> <li><b>Neuro:</b> Russell Lonser, MD; Benjamin Segal, MD</li> <li><b>Heart:</b> Tom Ryan, MD</li> <li><b>Musculoskeletal:</b> Andrew Glassman, MD</li> <li><b>Cancer:</b> William Farrar, MD, Raphael Pollock, MD, PhD</li> <li><b>Diabetes:</b> Matthew Ringel, MD</li> <li><b>Critical Care:</b> Steven Steinberg, MD</li> </ul>	<p><b>Talent and Culture</b></p> <ul style="list-style-type: none"> <li>Creation of a new faculty compensation plan</li> <li>Advancing recruitment and retention efforts, including improved hiring process, hiring of key leadership positions and a focus on diversity</li> <li>Development of a comprehensive faculty and staff engagement plan</li> </ul> <p><b>Research and Education</b></p> <ul style="list-style-type: none"> <li>A new research strategic plan centered on interdisciplinary team science</li> <li>Strengthen new areas and create centers</li> <li>Provide new faculty support mechanisms</li> <li>A new inter-disciplinary health science education curriculum</li> </ul> <p><b>Innovative Care Delivery Models</b></p> <ul style="list-style-type: none"> <li>Designated an Accountable Care Organization (ACO)</li> <li>Participated in bundled payments for care improvement</li> <li>Focused on the health of the community through Annual Community Health Days</li> <li>Developed new hospice and durable medical equipment services</li> </ul> <p><b>Access and Quality</b></p> <ul style="list-style-type: none"> <li>Ohio State University East Hospital achieved Level III Trauma Status</li> <li>Expanding virtual health to new regional locations and consumers</li> <li>Expansion of online patient appointment scheduling</li> </ul> <p><b>Scale and Network</b></p> <ul style="list-style-type: none"> <li>Formed the Healthy State Alliance with Bon Secours Mercy Health</li> <li>Referral management and community provider engagement</li> <li>Enhancing the Ohio State Health Network</li> <li>Expanding access to tertiary care</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Design and programming for the future ambulatory care sites, research building, health science center and the inpatient tower</li> <li>Partnership with Nationwide Children's Hospital to open the first Proton Therapy Facility in the region</li> </ul>	<p><b>Total Research Awards</b> in Millions</p> <table border="1"> <tr><th>Fiscal Year</th><th>Total Research Awards (Millions)</th></tr> <tr><td>FY14</td><td>\$202.4</td></tr> <tr><td>FY15</td><td>\$197.1</td></tr> <tr><td>FY16</td><td>\$225.4</td></tr> <tr><td>FY17</td><td>\$232.7</td></tr> <tr><td>FY18</td><td>\$209.2</td></tr> </table> <p><b>Ohio State's Patient Satisfaction HCAHPS Overall</b> Using a number from 0 to 10, what number would you use to rate this hospital?</p> <table border="1"> <tr><th>Fiscal Year</th><th>% Top Box 9 &amp; 10</th></tr> <tr><td>FY14</td><td>74th</td></tr> <tr><td>FY15</td><td>77th</td></tr> <tr><td>FY16</td><td>82nd</td></tr> <tr><td>FY17</td><td>89th</td></tr> <tr><td>FY18</td><td>82th</td></tr> </table>	Fiscal Year	Total Research Awards (Millions)	FY14	\$202.4	FY15	\$197.1	FY16	\$225.4	FY17	\$232.7	FY18	\$209.2	Fiscal Year	% Top Box 9 & 10	FY14	74th	FY15	77th	FY16	82nd	FY17	89th	FY18	82th	<ul style="list-style-type: none"> <li><b>Recruitment and retention</b> of leading scientists, teams, faculty and staff</li> <li><b>Building a sustainable culture</b> that allows our diverse and talented faculty and staff to thrive</li> <li><b>Programming and Construction of:</b> <ul style="list-style-type: none"> <li>Interdisciplinary health science education center and research building</li> <li>Comprehensive ambulatory sites in the next three years</li> <li>Future inpatient tower</li> </ul> </li> <li><b>Continued partnership</b> with Mercy Health to positively impact the health of Ohio and our larger community</li> <li><b>New means to serve</b> the most vulnerable, such as the Mobile Health Unit</li> <li>Continued focus on <b>improving our effectiveness and operations</b></li> <li>Continued development of <b>innovative care delivery models</b></li> <li><b>Launch of the development campaign</b> to advance Ohio State Wexner Medical Center's strategic plan</li> </ul>
Fiscal Year	Total Research Awards (Millions)																											
FY14	\$202.4																											
FY15	\$197.1																											
FY16	\$225.4																											
FY17	\$232.7																											
FY18	\$209.2																											
Fiscal Year	% Top Box 9 & 10																											
FY14	74th																											
FY15	77th																											
FY16	82nd																											
FY17	89th																											
FY18	82th																											

## TIME AND CHANGE

*Enable, Empower and Inspire*

### THE OHIO STATE UNIVERSITY STRATEGIC GOALS

Ohio State is building upon our recognition as a leading flagship public research university. The university's strategic plan, "Time and Change: Enable, Empower and Inspire," has five areas of focus.

- I Teaching and Learning**  
Ohio State will be an exemplar of the best teaching, demonstrating leadership by adopting innovative, at-scale approaches to teaching and learning to improve student outcomes.
- II Access, Affordability and Excellence**  
Ohio State will further our position as a leading public university offering an excellent, affordable education and promoting economic diversity.
- III Research and Creative Expression**  
Ohio State will enhance our position among the top national and international public universities in research and creative expression, both across the institution and in targeted fields — driving significant advances for critical societal challenges.
- IV Academic Health Care**  
The Ohio State University Wexner Medical Center will continue our ascent as a leading academic medical center, pioneering breakthrough healthcare solutions and improving people's lives.
- V Operational Excellence and Resource Stewardship**  
Ohio State will be an exemplar of best practices in resource stewardship, operational effectiveness, and efficiency and innovation.

OHIO STATE'S STRATEGIC PLAN

## TIME AND CHANGE

*Enable, Empower and Inspire*

### WEXNER MEDICAL CENTER

2018-19 Update



THE OHIO STATE UNIVERSITY



# **Wexner Medical Center Board Financial Summary Public Session**

*February 20, 2019*



# The Ohio State University Health System

## Financial Highlights

For the YTD ended: December 31, 2018

Admissions	
Budget	-2.6%
Prior Yr	0.0%
Actual	32,038
Budget	32,889
Prior Yr	32,051

Surgeries	
Budget	1.4%
Prior Yr	3.8%
Actual	23,083
Budget	22,766
Prior Yr	22,228

O/P Visits	
Budget	-0.6%
Prior Yr	5.2%
Actual	934,881
Budget	940,539
Prior Yr	888,968

Worked Hrs / Adjusted Admit	
Budget	-3.4%
Prior Yr	-1.5%
Actual	205
Budget	198
Prior Yr	202

# The Ohio State University Health System

## Financial Highlights

For the YTD ended: December 31, 2018

Operating Revenue	
<b>Budget</b>	<b>1.4%</b>
<b>Prior Yr</b>	<b>8.9%</b>
<b>Actual</b>	<b>\$1,588,694</b>
<b>Budget</b>	<b>\$1,566,739</b>
<b>Prior Yr</b>	<b>\$1,458,246</b>

Controllable Costs	
<b>Budget</b>	<b>-1.1%</b>
<b>Prior Yr</b>	<b>-10.1%</b>
<b>Actual</b>	<b>\$1,243,994</b>
<b>Budget</b>	<b>\$1,230,238</b>
<b>Prior Yr</b>	<b>\$1,130,273</b>

Excess Revenue over Expense	
<b>Budget</b>	<b>10.0%</b>
<b>Prior Yr</b>	<b>9.7%</b>
<b>Actual</b>	<b>\$120,615</b>
<b>Budget</b>	<b>\$109,602</b>
<b>Prior Yr</b>	<b>\$109,971</b>

Days Cash on Hand		
<b>Jun FY18</b>	<b>7.3%</b>	
<b>PY MTD</b>	<b>15.7%</b>	
<b>Actual</b>	<b>156.5</b>	<b>\$1.15B</b>
<b>Jun FY18</b>	<b>145.9</b>	<b>\$1.02B</b>
<b>PY MTD</b>	<b>135.2</b>	<b>\$0.91B</b>

# The Ohio State University Health System

Consolidated Statement of Operations  
For the YTD ended: December 31, 2018  
(in thousands)

<b>OSUHS</b>						
	Actual	Budget	Act-Bud Variance	Budget % Var	Prior Year	PY % Var
<b>OPERATING STATEMENT</b>						
Total Operating Revenue	\$ 1,588,694	\$ 1,566,739	\$ 21,955	1.4%	\$ 1,458,246	8.9%
Operating Expenses						
Salaries and Benefits	691,755	682,764	(8,991)	-1.3%	643,408	-7.5%
Resident/Purchased Physician Services	56,387	58,177	1,790	3.1%	54,326	-3.8%
Supplies	173,740	170,223	(3,517)	-2.1%	156,023	-11.4%
Drugs and Pharmaceuticals	189,482	182,343	(7,139)	-3.9%	148,269	-27.8%
Services	156,837	161,937	5,100	3.1%	152,843	-2.6%
Depreciation	83,697	83,769	72	0.1%	77,645	-7.8%
Interest	18,066	18,194	128	0.7%	19,199	5.9%
Shared/University Overhead	30,370	30,370	-	0.0%	26,720	-13.7%
Total Expense	1,400,334	1,387,777	(12,557)	-0.9%	1,278,433	-9.5%
Gain (Loss) from Operations (pre MCI)	188,360	178,963	9,397	5.3%	179,814	4.8%
Medical Center Investments	(74,991)	(74,991)	-	0.0%	(75,696)	0.9%
Income from Investments	7,447	5,630	1,817	32.3%	5,606	32.8%
Other Gains (Losses)	(201)	-	(201)	---	248	---
Excess of Revenue over Expense	\$ 120,615	\$ 109,602	\$ 11,013	10.0%	\$ 109,971	9.7%

# The Ohio State University Health System

## Consolidated Activity Summary

For the YTD ended: December 31, 2018

<b>OSUHS</b>						
	Actual	Budget	Act-Bud Variance	Budget % Var	Prior Year	PY % Var
<b>CONSOLIDATED ACTIVITY SUMMARY</b>						
<b>Activity</b>						
Admissions	32,038	32,889	(851)	-2.6%	32,051	0.0%
Surgeries	23,083	22,766	317	1.4%	22,228	3.8%
Outpatient Visits	934,881	940,539	(5,658)	-0.6%	888,968	5.2%
Average Length of Stay	6.53	6.21	(0.32)	-5.2%	6.31	-3.5%
Case Mix Index (CMI)	1.87	1.85	0.02	1.2%	1.84	1.8%
<b>Adjusted Admissions</b>	<b>62,965</b>	<b>63,941</b>	<b>(976)</b>	<b>-1.5%</b>	<b>60,205</b>	<b>4.6%</b>
Operating Revenue per AA	\$ 25,231	\$ 24,503	728	3.0%	\$ 24,221	4.2%
Operating Expense per AA	\$ 22,240	\$ 21,704	(536)	-2.5%	\$ 21,235	-4.7%

# OSU Wexner Medical Center

*Combined Statement of Operations  
For the YTD ended: December 31, 2018  
(in thousands)*

	ACTUAL	BUDGET	ACT-BUD VARIANCE	BUDGET % VAR	PRIOR YEAR	PY % Var
<b>Health System</b>						
Revenues	\$ 1,588,694	\$ 1,566,739	\$ 21,955	1.4%	\$ 1,458,246	8.9%
Expenses	<u>1,468,079</u>	<u>1,457,138</u>	<u>(10,941)</u>	<u>-0.8%</u>	<u>1,348,275</u>	<u>-8.9%</u>
Net	120,615	109,602	11,013	10.0%	109,971	9.7%
<b>OSUP</b>						
Revenues	\$ 232,522	\$ 228,213	\$ 4,308	1.9%	\$ 212,555	9.4%
Expenses	<u>224,108</u>	<u>226,596</u>	<u>2,488</u>	<u>1.1%</u>	<u>207,347</u>	<u>-8.1%</u>
Net	8,414	1,617	6,796	420.3%	5,207	61.6%
<b>COM/OHS</b>						
Revenues	\$ 129,952	\$ 127,111	\$ 2,841	2.2%	\$ 118,319	9.8%
Expenses	<u>122,609</u>	<u>120,544</u>	<u>(2,065)</u>	<u>-1.7%</u>	<u>103,744</u>	<u>-18.2%</u>
Net	7,344	6,567	777	11.8%	14,575	-49.6%
<b>Total Medical Center</b>						
Revenues	\$ 1,951,168	\$ 1,922,064	\$ 29,104	1.5%	\$ 1,789,121	9.1%
Expenses	<u>1,814,796</u>	<u>1,804,278</u>	<u>(10,518)</u>	<u>-0.6%</u>	<u>1,659,366</u>	<u>-9.4%</u>
Net	136,373	117,786	18,587	15.8%	129,753	5.1%
<b>This statement does not conform to Generally Accepted Accounting Principles. Different accounting methods are used in each of these entities and no eliminating entries are included.</b>						

# OSU Wexner Medical Center

*Combined Balance Sheet  
As of: December 31, 2018  
(in thousands)*

	December 2018	June 2018	Change
Cash	\$ 1,087,084	\$ 938,920	\$ 148,164
Net Patient Receivables	433,285	443,206	(9,921)
Other Current Assets	453,448	461,459	(8,011)
Assets Limited as to Use	412,074	411,545	529
Property, Plant & Equipment - Net	1,551,117	1,544,692	6,425
Other Assets	472,204	462,759	9,445
<b>Total Assets</b>	<b>\$ 4,409,213</b>	<b>\$ 4,262,581</b>	<b>\$ 146,632</b>
Current Liabilities	\$ 418,917	\$ 378,803	\$ 40,114
Other Liabilities	116,495	104,599	11,896
Long-Term Debt	759,222	793,311	(34,089)
Net Assets - Unrestricted	2,493,574	2,360,121	133,453
Net Assets - Restricted	621,004	625,747	(4,743)
<b>Liabilities and Net Assets</b>	<b>\$ 4,409,213</b>	<b>\$ 4,262,581</b>	<b>\$ 146,632</b>

This Balance sheet is not intended to conform to Generally Accepted Accounting Principles. Different accounting methods are used in each of these entities and no eliminating entries are included.

**Thank You**

[Wexnermedical.osu.edu](http://Wexnermedical.osu.edu)

**RECOMMEND FOR APPROVAL THE ACQUISITION  
AND POTENTIAL SALE OF REAL PROPERTY**

SHIER RINGS ROAD  
DUBLIN, FRANKLIN COUNTY, OHIO

Synopsis: Authorization to purchase real property located along U.S. 33 at Shier Rings Road in Dublin, Franklin County, Ohio, and authorization to sell real property located along U.S. 33 at Shier Rings Road in Dublin, Franklin County, Ohio, is proposed.

WHEREAS The Ohio State University seeks to purchase approximately 34 +/- acres of unimproved real property located along U.S. 33 and Shier Rings Road in Dublin, Ohio; and

WHEREAS the property is strategically important in supporting the objectives of the Wexner Medical Center ambulatory care strategy; and

WHEREAS the city of Dublin will be responsible for the installation and construction of public infrastructure improvements identified in a separate Economic Development Agreement; and

WHEREAS as partial consideration for the city of Dublin's agreement to transfer and convey ownership of the property to the university, Dublin and The Ohio State University have agreed that under certain limited circumstances following the closing of the sale and conveyance of the property from Dublin to the university, Dublin may elect to have the university reconvey the property to Dublin after payment of the original purchase price by Dublin to the university, all upon such terms and conditions as outlined in the Property Reconveyance Escrow Agreement (PREA) to be signed simultaneously with the Economic Development Agreement (EDA) and the Real Estate Purchase and Sale Agreement; and

WHEREAS the PREA will require the university to obtain state of Ohio legislative approval for a potential sale with the resulting Governor's Deed to be held in escrow and released only in accordance with the terms and conditions of the PREA; and

WHEREAS the Wexner Medical Center will provide funding for the acquisition and subsequent development of the property:

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the purchase and potential sale of said property be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to take any action required to effect the purchase of the referenced property in the name of the state of Ohio for the use and benefit of The Ohio State University upon terms and conditions deemed to be in the best interest of the university and at a purchase price determined to be fair market value for the property; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to take any action required to effect the sale of the referenced property upon terms and conditions deemed to be in the best interest of the university and pursuant to the terms of the PREA.



# **APPROVAL FOR PURCHASE AND POTENTIAL SALE OF UNIMPROVED REAL PROPERTY**

## **SHIER RINGS ROAD DUBLIN, FRANKLIN COUNTY, OHIO**

### **Background**

The Ohio State University's Wexner Medical Center (WMC) seeks to acquire vacant land for development of an additional ambulatory care facility in Franklin County, Ohio. Acquisition of this land supports the WMC's ambulatory care strategy, which is in turn a key component of the WMC Strategic Plan and its mission to improve health in Ohio and across the world through innovation in research, education and patient care.

As partial consideration for the city of Dublin's (Dublin) agreement to transfer and convey ownership of the property to the university pursuant to the Real Estate Purchase and Sale Agreement, Dublin and the university have agreed that under certain limited circumstances following the closing of the sale and conveyance of the property from Dublin to the university, Dublin may elect to have the university reconvey the property to Dublin after payment of the original purchase price by Dublin to OSU. This agreement will be memorialized in a Property Reconveyance Escrow Agreement (PREA) to be signed simultaneously with the Economic Development Agreement (EDA) and the Real Estate Purchase and Sale Agreement.

### **Location and Description**

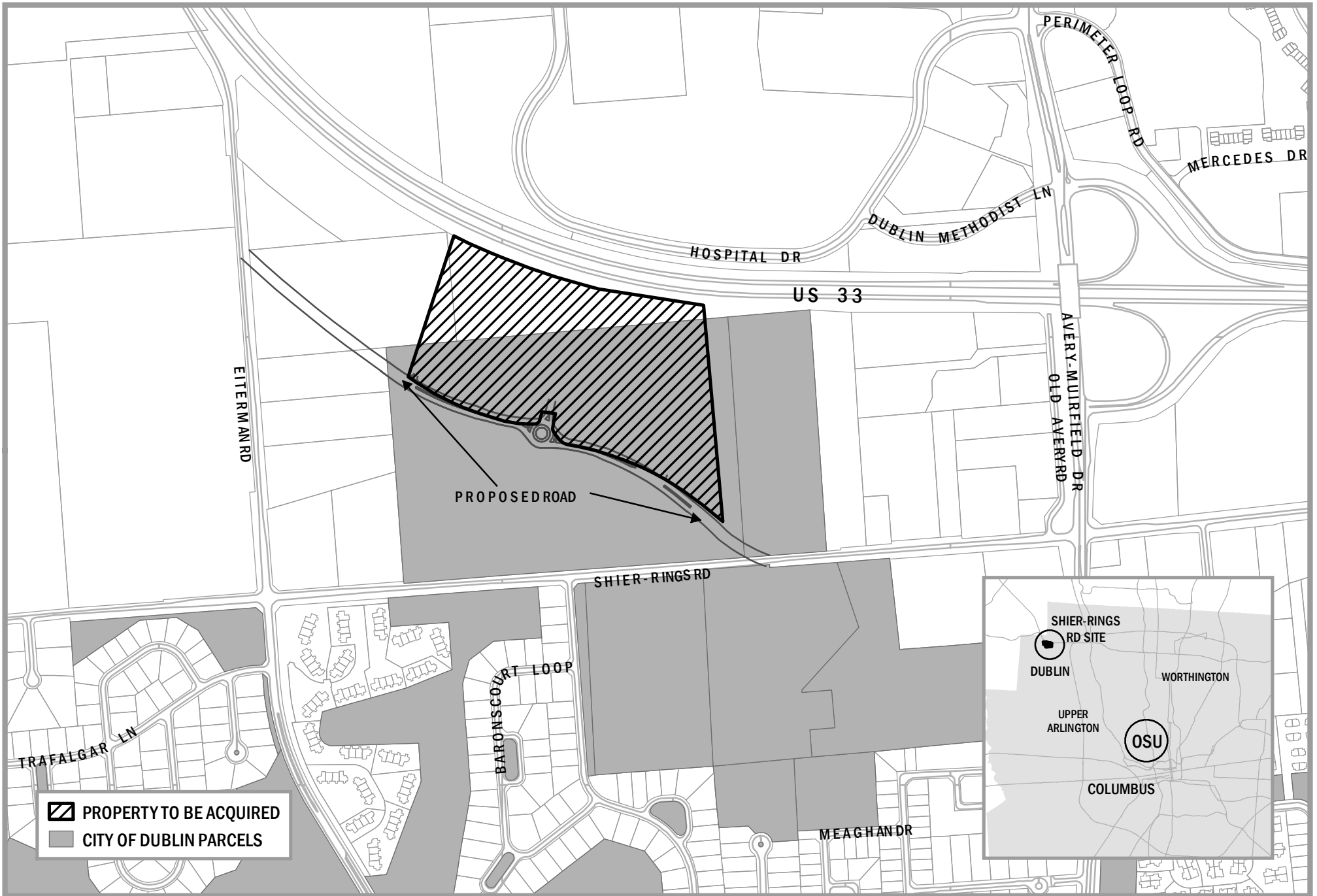
The property is located along U.S. 33 and Shier Rings Road in Dublin, Ohio. The site consists of approximately 34 +/- acres located within the city of Dublin (Dublin). Dublin will be responsible for installation and construction of public infrastructure improvements identified in the Economic Development Agreement, which is the subject of an additional board resolution request.

### **Property History**

The 34 +/- acre undeveloped site is comprised of three parcel numbers owned by Dublin. Upon acquisition by The Ohio State University, the property will be titled to the state of Ohio and will require state legislative approval for sale. After the execution and delivery of the Real Estate Purchase and Sale Agreement and the EDA, the university will seek state legislative approval for the sale, will obtain an executed Governor's Deed, and the Governor's Deed will be held in escrow pursuant to the terms of the PREA.

### **Purchase of Property and Potential Sale**

WMC recommends that the 34 +/- acres of unimproved real property described above be acquired on terms and conditions that are in the best interest of the university and at a price determined to be fair market value for the property. The source of funding for the acquisition and subsequent development of the property will be the Wexner Medical Center. WMC further recommends authorization to sell the land under terms and conditions outlined in the PREA.



**PURCHASE OF REAL PROPERTY  
SHIER-RINGS ROAD  
DUBLIN, FRANKLIN COUNTY, OHIO 43016**

**RECOMMEND FOR APPROVAL THE EXECUTION OF AN  
ECONOMIC DEVELOPMENT AGREEMENT**

SHIER RINGS ROAD  
DUBLIN, FRANKLIN COUNTY, OHIO

Synopsis: Authorization to enter into an Economic Development Agreement related to property located along U.S. 33 at Shier Rings Road in Dublin, Franklin County, Ohio, is proposed.

WHEREAS The Ohio State University seeks to enter into an Economic Development Agreement (EDA) for development of approximately 34 +/- acres of real property located along U.S. 33 at Shier Rings Road in Dublin, Ohio; and

WHEREAS the property is strategically important in meeting the objectives of the Wexner Medical Center ambulatory care strategy; and

WHEREAS the EDA will memorialize, among other items, agreements regarding certain public infrastructure work to be performed by the city of Dublin and municipal income tax incentives to be paid to the university;

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the execution of said Economic Development Agreement be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to take any action required to enter into the Economic Development Agreement upon terms and conditions deemed to be in the best interest of the university.

## **APPROVAL FOR EXECUTION OF ECONOMIC DEVELOPMENT AGREEMENT**

### **SHIER RINGS ROAD DUBLIN, FRANKLIN COUNTY, OHIO**

#### **Background**

The Ohio State University's Wexner Medical Center (WMC) seeks to acquire vacant land for development of an additional ambulatory care facility in Franklin County, Ohio. Acquisition of this land supports the WMC's ambulatory care strategy, which is in turn a key component of the WMC Strategic Plan and its mission to improve health in Ohio and across the world through innovation in research, education and patient care. Simultaneous with the execution of the Real Estate Purchase and Sale Contract for the acquisition of the land, the parties will execute an Economic Development Agreement (EDA), which memorializes, among other items, agreements regarding certain public infrastructure work to be performed by the city of Dublin (Dublin) and municipal income tax incentives to be paid to The Ohio State University (OSU).

#### **Location and Description**

The property is located along U.S. 33 and Shier Rings Road in Dublin, Ohio. The site consists of approximately 34 +/- acres located within Dublin.

The EDA contains provisions pertaining to project development, public improvements and municipal income tax incentives:

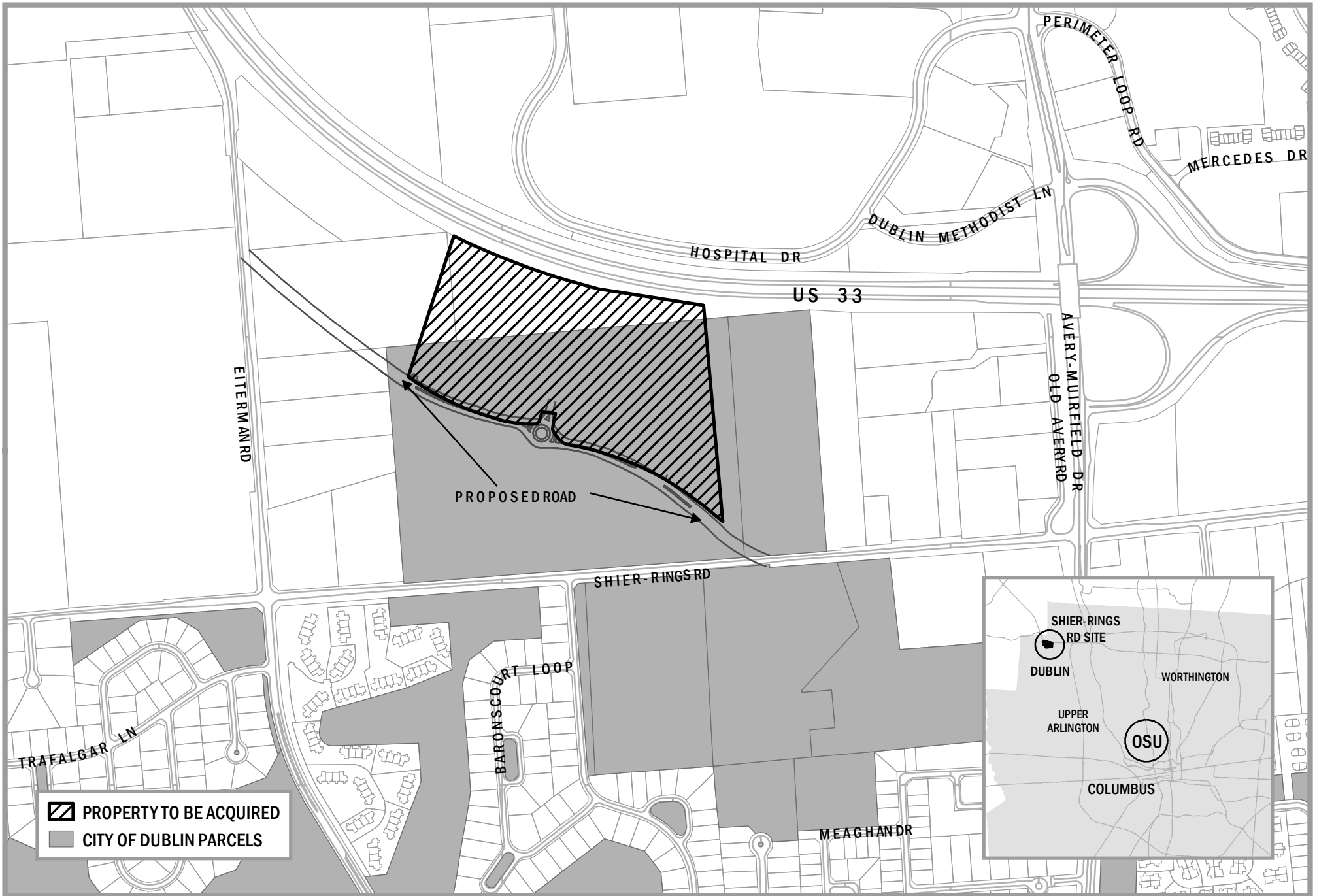
- Infrastructure – OSU is responsible for paying the cost of and constructing on-site improvements and will contribute a proportionate share to additional public improvements in the immediate vicinity, which will provide support to OSU's development, as specifically outlined in the EDA.
- Municipal Income – OSU is entitled to certain economic development incentives as outlined in the EDA.
- Adjacent Properties being retained by city of Dublin – OSU imposes certain use restrictions as outlined in the EDA.

#### **Property History**

The 34 +/- acre undeveloped site is comprised of three parcel numbers owned by the city of Dublin.

#### **Execution of Agreement**

The Wexner Medical Center Board and university leadership recommend that the Board of Trustees authorize the university to enter into the Economic Development Agreement upon the terms set forth above and as otherwise deemed to be in the best interest of the university. The source of funding for the acquisition and subsequent development of the property will be the Wexner Medical Center.



**PURCHASE OF REAL PROPERTY  
SHIER-RINGS ROAD  
DUBLIN, FRANKLIN COUNTY, OHIO 43016**

**RECOMMEND FOR APPROVAL TO INCREASE PROFESSIONAL SERVICES  
AND INCREASE CONSTRUCTION CONTRACTS**

**APPROVAL TO INCREASE PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTS**  
Wexner Medical Center Inpatient Hospital – Central Sterile Supply  
Wexner Medical Center Inpatient Hospital – Garage (Infrastructure and Road Work)

Synopsis: Authorization to increase professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the university desires to increase professional services and construction contracts for the following projects:

	Prof.Serv. Approval Requested	Construction Approval Requested	Total Requested	
<b>Wexner Medical Center Inpatient Hospital – Central Sterile Supply</b>	\$11.8M	\$33.9M	\$45.7M	Auxiliary Funds
<b>Wexner Medical Center Inpatient Hospital – Garage (Infrastructure and Road Work)</b>	\$19.7M	\$54.3M	\$74.0M	Auxiliary Funds

NOW THEREFORE

BE IT RESOLVED, That the Wexner Medical Center Board hereby approves and proposes that the professional services and construction contracts for the projects listed above be recommended to the University Board of Trustees for approval; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into professional services and construction contracts for the project listed above in accordance with established university and state of Ohio procedures, with all actions to be reported to the board at the appropriate time.

# Project Data Sheet for Board of Trustees Approval

## Wexner Medical Center Inpatient Hospital – Central Sterile Supply

OSU-180391-2 (CNI# 18000176)

Project Location: Kenny Road and Ackerman Road

- **approval requested and amount**

professional services	\$11.8M
construction w/contingency	\$33.9M
<b>total amount requested</b>	<b>\$45.7M</b>

- **project budget**

professional services	\$14.3M
construction w/contingency	\$33.9M
<b>total project budget</b>	<b>\$48.2M</b>

- **project funding**

- university debt
- fundraising
- university funds
- auxiliary funds (health system)
- state funds

- **project schedule**

BoT professional services (through DD)	02/18
BoT professional services (remainder)	02/19
BoT construction approval	02/19
design	06/18 – 03/19
construction	06/19 – 09/20
facility opening	01/21

- **project delivery method**

- general contracting
- design/build
- construction manager at risk

- **planning framework**

- \$2.5M of professional services for the design of Central Sterile Supply was included in the February 2018 approval for the Wexner Medical Center Inpatient Hospital project
- the FY 2019 Capital Investment Plan included \$33.0M for the Central Sterile Supply project; the Capital Investment Plan will be amended to include an additional \$15.2M
- total project budget includes site acquisition cost

- **project scope**

- the project will construct a central sterile supply building to serve the Wexner Medical Center hospitals and ambulatory care locations

- **approval requested**

- approval is requested to amend the FY 2019 Capital Investment Plan
- approval is requested to increase professional services and construction contracts




---

- **project team**

University project manager: Doug Murray  
 AE/design architect: Henningson Durham & Richardson  
 CM at Risk: Walsh-Turner (joint venture)

# Project Data Sheet for Board of Trustees Approval

## WMC Inpatient Hospital Garage, Infrastructure & Road Work

OSU-180391-1 (CNI# 18000171)

Project Location: Wexner Medical Center

- **approval requested and amount**

professional services	\$19.7M
construction w/contingency	\$54.3M
total amount requested	\$74.0M

- **project budget**

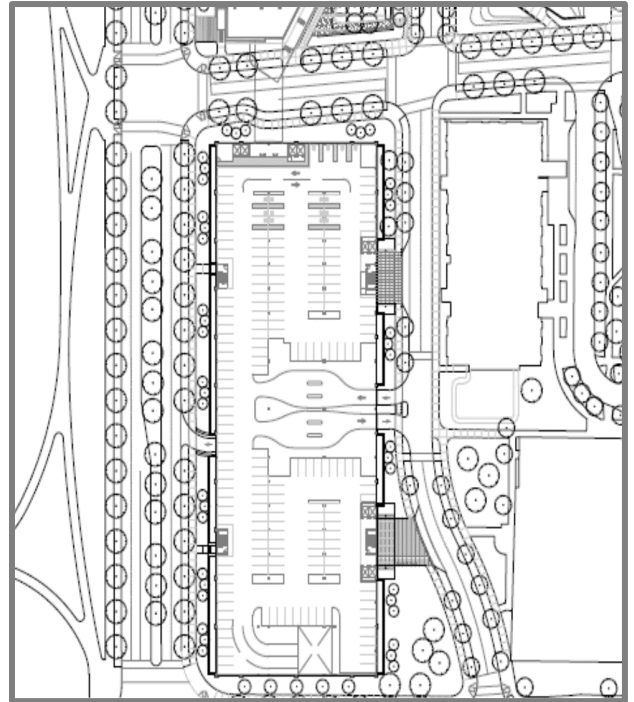
professional services	\$25.8M
construction w/contingency	\$76.3M
total project budget	\$102.1M

- **project funding**

- university debt
- fundraising
- university funds
- auxiliary funds (health system)
- state funds

- **project schedule**

BoT professional services approval	02/18
design	06/18 – 12/18
BoT construction approval (partial)	11/18
construction	05/19 – 05/21
facility opening	10/20 and 05/21



- **project delivery method**

- general contracting
- design/build
- construction manager at risk

- **planning framework**

- consistent with the strategic plan of the Wexner Medical Center to provide adjacent patient parking
- \$6.1M of professional services for the design of the garage, infrastructure and road work, was included in the February 2018 approval for the Wexner Medical Center Inpatient Hospital project
- \$22M of professional services and construction for site, civil, street connection and foundations was approved in November 2018
- the FY 2019 Capital Investment Plan includes \$70.0M for the project; the Capital Investment Plan will be amended to include an additional \$32.1M

- **project scope**

- the project will construct a 1,870-space parking garage west of McCampbell Hall; garage construction will be phased with a portion opening 10/2020 and the remainder of the garage open by 05/2021
- road work scope includes street, curb and sidewalks on both sides of street A, and street lighting
- infrastructure work includes water, sewer and communications line connections

- **approval requested**

- approval is requested to amend the FY 2019 Capital Investment Plan
- approval is requested to increase professional services and construction contracts

---

- **project team**

University project manager: Doug Murray  
AE/design architect: Henningson, Durham & Richardson  
CM at Risk: Walsh-Turner (joint venture)