

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
JUNE 9, 2020
ELECTRONIC MEETING VIA BLUEJEANS
VIDEOCONFERENCING PLATFORM
12:00 P.M.**

Meeting held by electronic communication means in accordance with Va. Code § 2.2-3708.2, Chapter 1283 of the 2020 Acts of the Virginia General Assembly, and Governor Northam's Executive Order 51 dated March 12, 2020.

PARTICIPATED VIA BLUEJEANS

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
Sarah M. Bishop
Julie L. Damman, MD
W. Ashton Lewis, Sr.
T. Richard Litton, Jr.
Alan L. Wagner, MD
Mark R. Warden
Mark R. Babashanian (EX OFFICIO)
Kurt E. Stauder, DPH (EX OFFICIO)
Helen S. Heselius (STAFF)
Linda S. Speers, Committee Secretary (STAFF)
Marcus L. Martin, MD (NON-VOTING)

ABSENT

Chester M. Hart, Jr.
Tina L. Mohr, JD

EX OFFICIO/STAFF MEMBERS PRESENT AT EVMS

Brant M. Cox (EX OFFICIO)
Richard V. Homan, MD (EX OFFICIO)
Tammy A. Chrisman (STAFF)
Victoria C. Dean (STAFF)
Camille L. Endres (STAFF)
Brian T. Mansfield (STAFF)
Vincent A. Rhodes, PhD (GUEST)

CALL TO ORDER

Admiral Robert Bianchi, Chair, opened the electronic meeting of the Finance Committee at 12:00 p.m. He announced that the Committee is meeting by electronic means as permitted by a recent change to Virginia law that allows public bodies to hold electronic meetings to transact its business during a declared state of emergency that makes it impracticable and unsafe to assemble a quorum in a single location.

APPROVAL OF MINUTES

The minutes from the May 19, 2020 meeting were approved as distributed by a roll call vote: Bianchi: YES, Bishop: YES, Damman: YES, Lewis: YES, Warden: YES. The motion passed (5-0).

FINANCE REPORT

April 2020

Mrs. Helen Heselius reported a \$17.3 million overall net excess through April 30, 2020. The Core net excess is \$4.3 million mostly due to positive variances in salary savings from vacant positions, offset by a negative variance in tuition and fees due to lower enrollment in various Health Professions programs and additional COVID-19 expenses. She stated that in April, they were just starting to see the financial impact from COVID-19. The biggest impact is in Clinical Enterprises, Research and additional COVID-19 related expenses.

Mrs. Heselius reported that through April, all bond covenants were met and are expected to remain in compliance through year-end.

FY 2021 PROPOSED OPERATING BUDGET

Mrs. Heselius reported that there was only one change made to the Proposed Operating Budget since reviewing the Preliminary FY 2021 EVMS Operating Budget with the Committee in detail at the May 19, 2020 Finance Committee meeting. She explained the adjustment to Interdivisional Eliminations changed both revenues and expenses from a credit of \$3.6 million to a credit of \$4.7 million. There was no economic impact and no bottom line effect due to this change.

Mrs. Heselius reviewed the highlights of the \$262 million budget, noting that it includes suspension of employee merit increases due to the impact from COVID-19, a suspension of all requests for new spending initiatives except those identified as critical and a 2% tuition increase for in-state MD students and no increase for out-of-state MD students. Most Health Professions programs will have tuition increases of 2% and 4% for in-state and out-of-state students respectively.

Admiral Bianchi called for a vote to accept the EVMS FY 2021 Proposed Operating Budget and recommend it to the Board of Visitors for approval. Upon a motion duly made and seconded, a roll call vote was taken: Bianchi: YES, Bishop: YES, Damman: YES, Lewis: YES, Litton: YES, Wagner: YES, Warden: YES. The motion passed (7-0); the Committee recommends the following:

Action: **Upon recommendation of staff, the Finance Committee does hereby recommend to the Board of Visitors of the Eastern Virginia Medical School approval of the EVMS FY 2021 Operating Budget. Further, the Committee respectfully requests the Board of Visitors to consider this matter at their next board meeting on June 9, 2020.**

STATE APPROPRIATION INDIGENT CARE APPORTIONMENT PLAN

Mrs. Heselius presented for approval, the State Appropriation Indigent Care Apportionment Plan for the 2020 – 2022 biennium. This plan is unchanged from the prior biennium plan.

Admiral Bianchi called for a vote to accept the State Appropriation Indigent Care Apportionment Plan for the 2020 – 2022 biennium and recommend it to the Board of Visitors for approval: Upon a motion duly made and seconded, a roll call vote was taken: Bianchi: YES, Bishop: YES, Damman: YES, Lewis: YES, Litton: YES, Wagner: YES, Warden: YES. The motion passed (7-0); the Committee recommends the following:

Action: Upon recommendation of staff, the Finance Committee does hereby recommend that the EVMS Board of Visitors approve the 2020 – 2022 Biennium State Appropriation Indigent Care Apportionment Plan and respectfully requests that the Board of Visitors consider this matter at their next meeting on June 9, 2020.

EVMS MEDICAL GROUP UPDATE

Dr. Kurt Stauder reported that pre-COVID-19, the Medical Group was projecting an \$8 million year-end net excess due to operational changes made during the year. He stated they are now projecting a \$5.3 million net excess at year-end. He explained that when COVID-19 hit, their patient volumes dropped dramatically and they had to re-engineer how they delivered medicine, including implementing telemedicine. Dr. Stauder reported they put together a sustainability plan, focused on volume, and then once restrictions lifted they instituted a volume plus plan with the expectation to get back to the pre-COVID performance levels. Dr. Stauder reported they received funding through the Medicare Cares Act and Health and Human Services grants. They also received a PPP loan and are in the process of determining whether it can be converted into a grant or to what extent it has to be repaid. He also added the PSPP funding, which pays based on our Medicaid volume, was increased because they changed the funding formula due to COVID-19.

ADJOURNMENT

With no further business to discuss, Admiral Bianchi adjourned the meeting at 12:32 p.m.

The next meeting of the Finance Committee will be on **Tuesday, September 15, 2020. The time and location will be determined at a later date.**

Linda S. Speers

Linda Speers
Recording Secretary