

Appropriations Committee Testimony  
Dr. Bruce Liang  
Interim CEO and Executive Vice President for Health Affairs of UConn Health,  
Dean UConn School of Medicine

February 22, 2022

I am Dr. Bruce Liang, the Interim Chief Executive Officer and Executive Vice President for Health Affairs of UConn Health, and Dean of the UConn School of Medicine. Joining me today is Jeff Geoghegan, our Chief Financial Officer.

I would like to start by thanking each of you for your leadership, dedication and support during these unprecedented times. I would also like to thank the Governor, Secretary McCaw and others in the administration who continue to work closely with UConn Health.

Attached to my testimony is a packet of information about UConn Health for your review – it will provide you information on who we are and our budget requests. At your convenience, I also encourage you to take a few minutes to view a video showcasing UConn Health – [Celebrating 50 Years: UConn Schools of Medicine and Dental Medicine - YouTube](#)

I would like to take the time to provide you with an overview of UConn Health, the state’s only public academic medical center: I would like to emphasize that UConn Health is a vibrant, high-performing public asset for the state of Connecticut. Thanks in large part to your leadership and investment, UConn Health generates \$2.2 billion in overall economic benefit to the state. In addition to this economic impact in dollars, UConn Health contributes over 10,000 jobs to the state economy and is the single largest provider of physicians and dentists in the state.

**Education:** UConn Health ensures access to top-quality health care services for CT citizens by training the state’s future physicians, dentists, and scientists. UConn Schools of Medicine and Dental Medicine are affordable top rated options for the sons and daughters of Connecticut. At 644 students, we have maintained the 30% increase in class sizes delivering on the promise of the *Bioscience Connecticut Initiative* - our programs and our students are thriving.

The School of Medicine is a state leader in building and developing a healthcare provider pipeline for Connecticut through the Department of Health Career Opportunity Programs, and the Aetna Health Professions Partnership Initiative. The School of Medicine ranks 26 among all US medical schools (181) for diversity and the School of Dental Medicine has been recognized by the American Dental Education Association for achievements in the recruitment and matriculation of underrepresented minority students.

We have 789 Residents – these are medical and dental students who have graduated and are now in specialty training - providing patient care in local hospitals and 28 communities across the state. These programs also bring in over \$137 million in federal funds to the state (and area hospitals) to support their salaries and training.

We also have over 354 PhD and Masters students in our Graduate school - individuals who graduate and contribute to research, science, and the Connecticut economy.

**Research, Innovation and Small Start-Ups:** The state, through *Bioscience Connecticut*, made strategic investments in UConn Health and the region to generate long-term, sustainable economic growth based on bioscience research, innovation, entrepreneurship and commercialization. As a result, UConn Health research awards are growing and its technology incubation space for small biotech start-up companies is at capacity. Research revenues have grown each year for the past 4 years and are at record levels of over \$170 million.

UConn Health faculty and researchers are constantly making us proud. Most recently, we are excited to report that Jeffrey Hoch, Ph.D., professor in the Department of Molecular Biology and Biophysics at UConn School of Medicine, received the largest-ever grant award in University of Connecticut's history. The \$40 million research grant from the National Science Foundation supports Hoch and his research team's creation of a national Network for Advanced NMR, a powerful method for analyzing molecules. It will further advance molecular research nationally for chemistry, materials science, and bioscience, and advance biological sciences research nationwide into disease biomarkers as a way to improve diagnostics, drug discovery, treatments, and potential cures. Hoch's Network is a collaboration with co-principal investigators at the University of Georgia and the University of Wisconsin.

Our Center on Aging recently received a \$7 million National Institute on Aging (NIA) Claude D. Pepper Older Americans Independence Center award solidifying our standing in the field as now being part of a nationwide network of just 15 Pepper Centers in the country to help older Americans maintain or restore their independence. The Center also received a \$1.4 million award to serve as a lead institution to establish an NIA Geoscience Education and Training Network as a complementary "sister" network to the NIA Translational Geroscience Network.

Further, our collaboration with Jackson Laboratory is strong with joint grant submissions that have resulted in \$66.1 million in awards with another \$122.3 million pending. Our biotechnology startup incubator in Farmington is at capacity with 36 companies that have raised \$63 million in debt and equity and other funding in the last year, and have paid \$3.2 million in taxes.

**State-of-the-Art Clinical Care:** I urge anyone who has not seen and experienced care at UConn Health to visit us. Our clinical services are gaining national recognition for providing care with new approaches and technologies that other hospital facilities are not able to provide in the state or region. This is what academic medical centers do.

Some examples include, in Pulmonary care, we were the first in New England to do robotic bronchoscopy, which diagnoses lung cancer at its infancy and allows us to move patients quickly onto surgical and other treatment plans. In Neurosurgery, patients from major centers from across the state (and beyond) are being flown here for our expertise in dealing with complex lesions; and we are one of two centers in CT listed by the American Brain Tumor Association that provides state-of-the-art care for brain tumors. Our award-winning Stroke team is developing novel stroke treatment methods using, among other things, our incredible biplane hybrid operating room that allows us to offer next-generation care for patients. We are

also collaborating with medical giants like the Preston Tisch Brain Tumor Center at Duke, who for the first time in its history, is collaborating with another institution.

Clinical revenue at UConn Health has had **unprecedented growth** for more than a decade with steady annual increases in patient volumes (except in FY2020 due to COVID's impact). This means, since the state's investment in Bioscience CT in **2010 to this current fiscal year, UConn Health's clinical revenue is expected to double from \$326 million to \$681 million.**

**Public Mission:** As the state's only public academic medical center, part of UConn Health's responsibility and mission is to leverage our workforce, research, and clinical knowledge to be a key resource to the state when needed.

UConn Health offers the highest quality care to all our citizens including the indigent, underinsured, and uninsured. Regardless of a person's financial situation they get the same beautiful facilities, wonderful patient experience, and high-quality care that more affluent patients receive. As a result, we have patients from every city and town in the state. Of these patients, one in four are Medicaid recipients. We are the single largest provider of dental care to the uninsured and underinsured in the state, and we provide much needed mental health care and other specialty services for both inpatient and outpatient at levels not supported by most other private entities.

**Strong Fiscal Stewardship:** With extensive cost reductions, revenue enhancements and strategic growth initiatives, unlike other state agencies who receive 100% of their funding from the state, UConn Health receives only 24% of its revenues from the state (block grant 10% and fringe support 14%) to support its public mission of education, research, and caring for the citizens of Connecticut, particularly the underserved.

#### **State Budget Request:**

*Where does UConn Health's funding come from?* UConn Health receives 24% of its \$1.4 billion annual budget from the state; 48% from patient care revenues; 8% from research revenues and the remainder from other sources including tuition.

We are heartened the Governor's proposed budget recognizes the value of UConn Health to the state.

*Block Grant:* UConn Health requests block grant funding be maintained at \$133.8 million in FY 23. We are grateful the Governor's budget includes this level of funding.

*State Unfunded Legacy Costs:* While the state covers 100% of the salary and fringe costs for most other state agencies' employees, UConn Health is required to fully fund the salaries and fringe costs for the majority of their employees through tuition and fees, and clinical and federal research grant revenue (non-state funds). Primarily due to the state's legacy unfunded pension and healthcare liabilities, these costs have been increasing at alarming and unsustainable rates.

In fact, the state's fringe benefit rates are over 70% versus an average of approximately 26% compared to other area hospitals, with the majority of the difference being attributable to these

unfunded legacy costs. These are costs we can no longer cover for the state. UConn Health is requesting legacy cost support for the remaining amount \$30.5M. The Governor's proposed budget adjustments include this funding.

It is estimated that UConn Health will be charged \$60 million by the state in FY 23 to cover the unfunded costs of the state employee retirement system as a whole, unrelated to the normal cost of fringe benefits for current UConn Health employees. These costs impact our student and families through tuition and fees and affect our research and clinical competitiveness.

*27<sup>th</sup> Payroll:* We are requesting to be treated like all other state agencies whereby the state will cover the full impact of the one- time 27th payroll (approx. \$9.8M in salary and fringe). The Governor's proposed budget adjustments includes \$5.1M.

*Connecticut Poison Control Center:* We are requesting two new positions for the Connecticut Poison Control Center to support increased call volumes and reporting requirements due to the passage of the legalization of recreational cannabis \$200k. The Governor's proposed adjustments has this funding covered through the social equity and innovation account.

*Medical Malpractice Trust Fund Sweep Replenishment:* In FY10 & FY11, the state swept \$20M from UConn Health's Medical Malpractice Trust Fund. These were non-state general funds dollars, dollars we earned through patient care revenues and set aside for any malpractice claims. In light of recent cases and possible upcoming claims we are asking the state to replenish the fund with the full \$20M. These funds would not be used for operating expenses but for malpractice claims against the health system. Any health system is required to be covered and prepared for unfortunate and catastrophic events. The Governor's proposed budget adjustments includes this funding through carry forward funds.

*Collective Bargaining Increases:* We are asking our block grant be increased sufficiently in FY22 & FY23 to fund the collective bargaining increases negotiated by SEBAC. The impact of every % point increase in permanent salary plus fringe for UConn Health is \$6.3M. The Governor's proposed adjustments includes \$20.0 to support the non -block grant employee wage increases. That covers only a portion of the expected costs. We are requesting **an additional \$25M** (salary and fringe) be added to the Block grant to cover the entire amount.

With this relief and the preservation of current levels of state support, UConn Health can continue to be a vibrant and high-performing public asset for the state of Connecticut.

Switching to the topic of capital: While we understand this is not the committee of cognizance for bonding, we did want to let you know that in order to address these legacy costs over the past few years and balance our budget, we have had to utilize funding from our capital funds for critical deferred maintenance and capital purchases – severely limiting our ability to ensure we adequately maintain our assets – the very ones that the state has invested so much in. After not receiving any state bond funds for deferred maintenance since 2018, last year the bond package approved \$25M in State bond funds for critical deferred maintenance at UConn Health – we are asking for \$55.1M in FY23.

In conclusion, UConn Health supports the Governor, OPM, and the legislature's efforts to address the daunting financial challenges of the state as we recover from the pandemic. As a state agency, we have spent the past two years focused on addressing our COVID losses, and this fiscal year are on track to achieve over \$23 million in savings through a rigorous financial improvement project, driven largely by our efficient and safe return to regular services. We are working hard to do our part to be good stewards of taxpayer funds, while satisfying our public mission to the state and the state's desire to drive economic development.

Thank you very much for your consideration of my testimony today and your leadership on these important issues. I am happy to answer any questions you may have.

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# UConn Health

Who We Are  
February 2022

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Service to the Community

Research – Innovation – Commercialization

Budget

UConn Health’s Capital Program & Bioscience CT

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# UConn Health Overview

## Who We Are



# Connecticut's Public Academic Health Center

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## Education →

School of Medicine  
School of Dental Medicine  
Graduate School

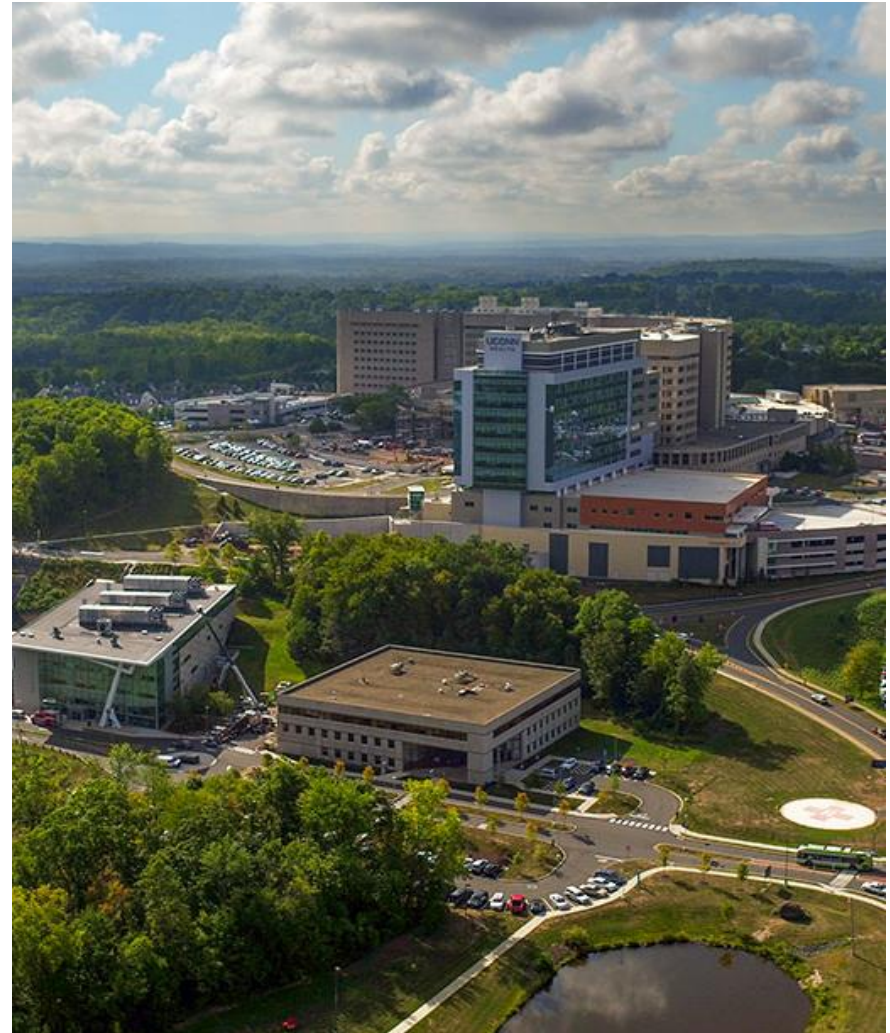
## Patient Care →

John Dempsey Hospital  
UConn Medical Group  
University Dentists

## Biomedical Sciences and Research →

## Residency Training →

Graduate Medical Education  
Graduate Dental Education



# UConn Health – A Snapshot

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**UConn Health is Connecticut’s only public academic medical center and is a vibrant, high-performing public asset for the state of Connecticut.**

- **Integrated 3-Part Mission:** Education, Research, Patient Care
- **UConn Health Includes:** The UConn School of Medicine; UConn School of Dental Medicine; the Graduate School (Biomedical Sciences, Public Health, Clinical & Translational Research, Dental Sciences); John Dempsey Hospital; UConn Medical Group (outpatient services); UConn Dental Clinics; Research Laboratories; and technology incubation facilities for start-up companies. It is a major supplier of health care professionals and biomedical science professionals for the state.
- **Budget:** Annual Operating Budget of > \$1.3 Billion
- **Employees:** Employing over 4,600 full- and part-time individuals working as doctors, dentists, mental health professionals, nurses, residents, research assistants, technicians, and many other positions.
- **Serving the Underserved:** **Single largest provider** in the State of dental services to Medicaid recipients and the under- and un-insured; and nearly  $\frac{1}{4}$  of **inpatient hospital and nearly  $\frac{1}{4}$  of outpatient visits** are from those enrolled in Medicaid.
- **Medical & Dental Residencies:** In addition to our Medical and Dental students, UConn Health sponsors a Medical and Dental Residency Programs that place 789 medical and dental school graduates in residency programs throughout Central Connecticut hospitals, **addressing a critical workforce need** and bringing in **\$136.89 million annually in federal funds to CT hospitals** to support these jobs.

# Education

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## School of Medicine

- 445 Students
- 684 Residents

## School of Dental Medicine

- 199 Students
- 105 Residents

## Highlights

- Shared biomedical sciences curriculum in Years 1-2
- Early Clinical Exposure
- Curriculum Reform
- Team-Based Learning
- Outstanding National Boards Performance
- Outstanding Residency Placement
- Leadership in Undergraduate & Graduate Medical & Dental Education
- Continuing Medical Education – Accreditation with Commendation
- Statewide Community Partnerships & Community Outreach Programs

# Education

## The Graduate School

- 182 PhD Students
- 148 Masters Students
- 24 Graduate Certificate Students

### Programs



#### Public Health (PhD, MPH)

**Clinical & Translational  
Research (MS-CTR)**

**Dental Science (MS)**

#### Biomedical Science (PhD)

- Cell Biology
- Genetics & Developmental Biology
- Immunology
- Molecular Biology & Chemistry
- Neuroscience
- Skeletal Biology & Regeneration
- Systems Biology

#### Combined Degree Programs

##### **MD**

- MD/PhD
- MD/MPH
- MD/MS-CTR
- MD/MBA

##### **DMD**

- DMD/PhD
- DMD/MPH
- DMD/MBA
- DMD/MS-CTR

##### **PhD**

- PhD/MBA

# Residency Training/Graduate Medical Education

## A Partner and Resource to Other Hospitals & the State

- UConn Health has 789 residents (684 medical and 105 dental) who train and provide patient care in local hospitals and dozens of community settings in more than 28 communities across the state
- UConn Residency Programs are critical to **ensuring the future medical and dental workforce in our State**, contribute to the **quality of healthcare service** in the participating hospitals, and bring in **additional Medicare reimbursement revenues** to Connecticut.

Hospitals FY 20	Graduate Medical Education & Indirect Medical Education Reimbursement
CT Children's	\$3.1 million
Hartford Hospital	\$59.66 million
Hospital of Central Connecticut	\$8.96 million
UConn John Dempsey Hospital	\$33.67 million
St. Francis Hospital	\$31.5 million
<b>TOTAL</b>	<b>\$136.89 million</b>

**UConn residents provide care in:** Hartford, Bridgeport, New Britain, Middletown, East Hartford, Manchester, Waterbury, Norwich, New Haven, Derby, Willimantic, Putnam, Torrington, Farmington, West Hartford, Meriden, Suffield, Cheshire, Bloomfield, Danbury, Enfield, Glastonbury, Hamden, Newtown, Plainville, Storrs, Uncasville and Newington

# UConn Health - One of Connecticut's Successes

## Critical Source of the State's Health Care Professionals – Educating the Next Generation

- UConn School of Medicine is the largest medical school in the state
- UConn School of Dental Medicine is the only dental school in the state
- **35%** of UConn School of Medicine (SOM) graduates practice in the State, the largest single provider of medical professionals in the state
- **35%** of SOM graduates stay in CT for residency and fellowship receiving training while providing service; thus over **70%** SOM graduates give back in service for the 4 years of medical education they receive
- **31%** of SOM-sponsored residents and fellows including non-SOM graduates stay and serve CT
- **50%** of UConn School of Dental Medicine (SODM) graduates practice in the State, the largest single provider of dental professionals in the state. 60% of SODM residency graduates, including non-SODM graduates, practice in the State.
- **80%** of the SOM and **61%** of the SODM first year students this year are Connecticut residents
- **32%** of the SOM and **25%** of the SODM's 2021/22 first-year class are under-represented/minority students
- UConn School of Medicine recently ranked 13 in Diversity among all US public medical schools (71) by US News and World Report for its Health Career Opportunity Program and diversity of its student body with African American students comprising 11.8%, well above the national average of 6%. The school's population of underrepresented students has grown steadily in recent years.
- SODM has been recognized by the American Dental Education Association for achievements in the recruitment and matriculation of URM students (October 2020)

## Economic Driver for the Region and the State

- Catalyst for new biomedical and biotech jobs, e.g. Stem cell, genomics and personalized medicine
- Generates **\$2.2 Billion** in overall economic impact to the State
- State-of-the-art incubator space for small startup businesses
- Robust clinical enterprise

## Major Employer in the State

- Over 4,600 employees from 144 different Connecticut towns

# Patient Care/Clinical Services

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## Key Service Statistics (FY21)

- 8,913 inpatient discharges and 4,208 observations
- 1,353,474 outpatient visits\*
- 70,186 dental clinic visits at UConn Health sites\*\*

All UConn Health clinical care venues serve as sites for teaching and learning and are essential for attracting talented faculty who teach, do research and provide patient care.

- **John Dempsey Hospital (JDH):** an acute care university teaching hospital licensed for 234 beds
- **UConn Medical Group (UMG):** one of the region's largest multi-specialty faculty clinical group practices
- **University Dentists and UConn Dental Clinics:** faculty and resident dental care practices

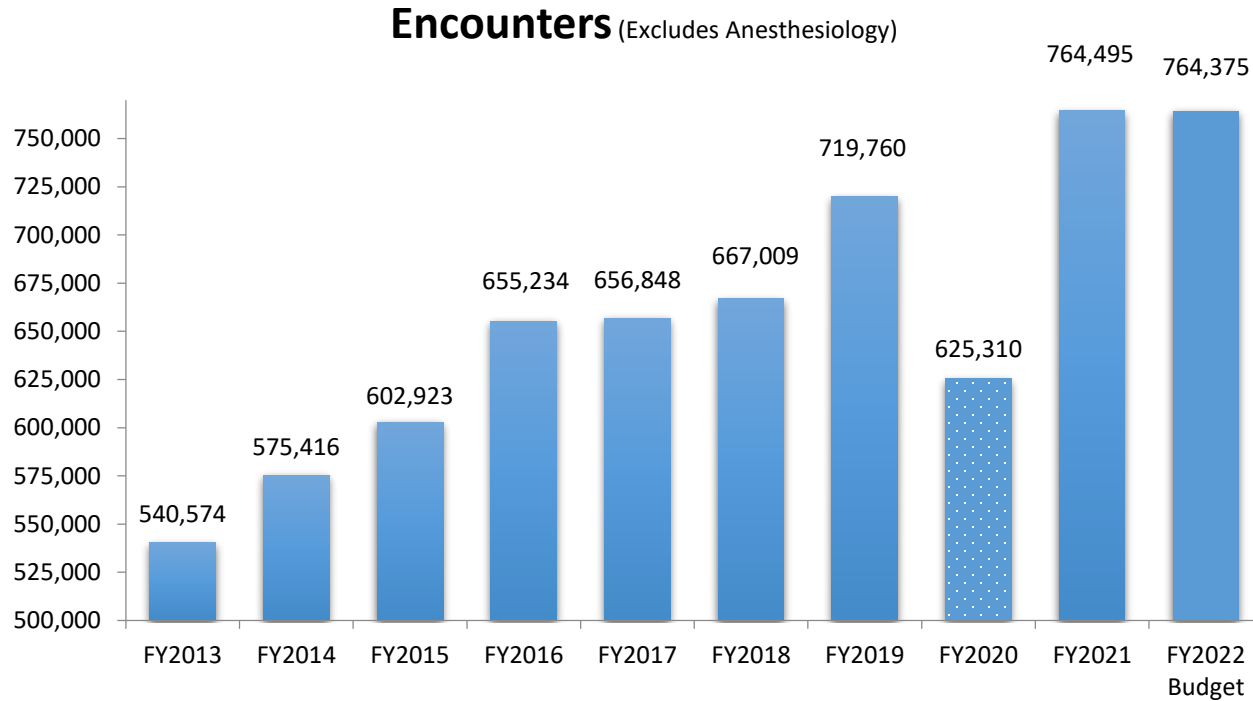
## Locations

- In addition to the main campus in Farmington (upper campus and lower campus), UConn Health provides outpatient services in Avon, Canton, East Hartford, Farmington (21 & 11 South Road, Talcott Notch), Putnam, Simsbury, Southington, Storrs Center, West Hartford, and Willimantic. Two Urgent Cares: Canton & Storrs Center
- UConn Dental Clinics are located in Farmington, West Hartford and Storrs; and our residents and faculty also provide services at 12 other sites across the state.

\*Some outpatient visits will generate multiple patient services in a given day

# UConn Medical Group

## ENCOUNTERS BY FISCAL YEAR

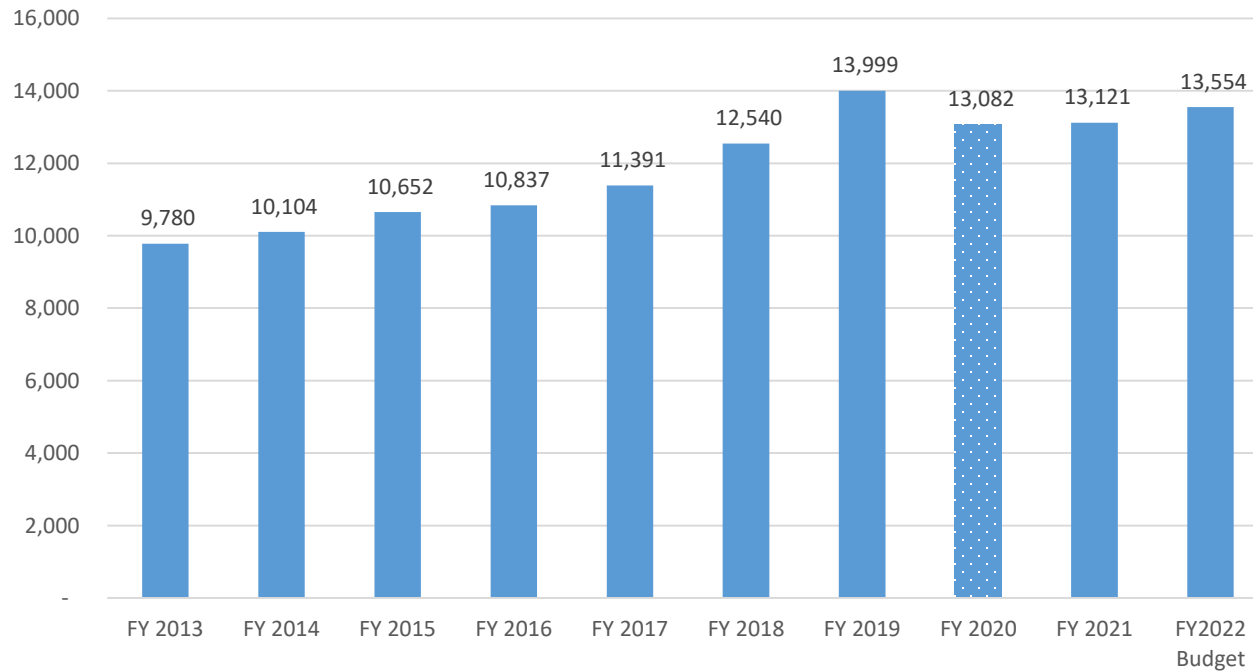


FY2020 Actual reflects the encounters with COVID-19 impact



# John Dempsey Hospital

## DISCHARGES\* BY FISCAL YEAR



FY2020 Actual reflects the discharges with COVID-19 impact.

\*Discharges include inpatient and observations

# Clinical Excellence and Growth

## Examples

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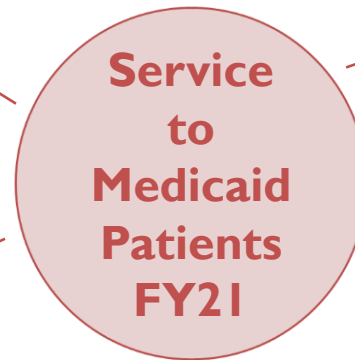
- **First in New England to possess the ability to do robotic bronchoscopy** allowing Dr. Ibrahim to diagnose early lung cancer for surgical resection
  - Requests by regional hospitals for urgent bronchoscopies
- **One of two centers in CT listed by the American Brain Tumor Association** providing state-of-the-art care for brain tumors.
  - Hired Kevin P. Becker, M.D., Ph.D. Director, Medical Neuro-Oncology from Yale New Haven Health System
- **Neurosurgery Residency Program**
  - Sept 2020 launched a seven-year residency in neurological surgery - fewer than 2% of U.S. hospitals have such a program.
  - Hired Dr. Ian McNeill Harvard Trained Neurosurgeon
- **Psoriasis Center opened Dec 2020**
- **Clinical partnerships with other hospitals such as:**
  - HHC (Cardiothoracic)
  - Middlesex (GYN)
  - Bristol (Urology)
  - Waterbury (Perfusion)

# An Essential Healthcare Provider to Connecticut's Underserved Citizens

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## UConn John Dempsey Hospital

- Medicaid inpatient days as a percentage of total inpatient days = 21.8%



## UConn Medical Group

- 23.8% of visits were Medicaid patients

## UConn Dental Clinics

- Single largest provider of dental services to Medicaid recipients and the under- and uninsured
- 50.1% of patient visits to the UConn Health Dental Clinics are Medicaid clients (locations in Farmington, West Hartford and Storrs)

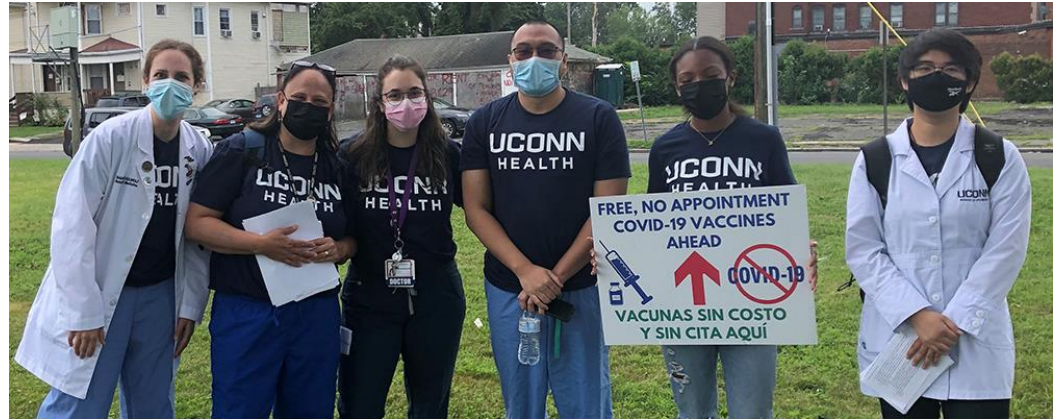
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# Service to the Community

# A Resource to the Community and the State

## COVID-19 Pandemic – Partnerships and Outreach to Vulnerable Communities

- Partnered with State of CT DPH for **PSAs** regarding safety of COVID-19 vaccine for pregnant women
- Developed **PSAs** on vaccine hesitancy in English and Spanish – aired on NBC30/Telemundo
- **Latino Medical Student Association-** developed educational on vaccine efficacy and dispelling myths



- **Door to Door Vaccination** – Hartford <https://www.nbcconnecticut.com/news/local/fema-mobile-trailer-set-to-help-with-vaccination-efforts-in-april/2450331> In collaboration with faculty, students and residents from the Schools of Medicine, Nursing & Pharmacy, joined the City of Hartford team to go door-to-door in zones identified as having the lowest vaccination rates
- **FEMA Vaccine Events** (East Hartford, Windham, Killingly, Willimantic and Norwich)
- **Public School COVID-19 Vaccine Clinics- May 2021/ June 2021**
  - Hartford - Coventry - Tolland
- **Nurse Researchers Study** How to Increase COVID-19 Testing, Vaccination Among Underserved Hispanic Families <https://today.uconn.edu/2021/02/nurse-researchers-covid-testing-hispanic-families>

# A Resource to the Community and the State

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## COVID-19 Pandemic – Partnerships and Outreach to Vulnerable Communities

- **In-Language Series – COVID Education:** January 18, 2021  
<https://today.uconn.edu/2021/01/pharmacy-students-create-covid-19-information-series-in-5-languages> (English, Spanish, Mandarin, Cantonese and Polish)
- Provide 12 hours focused training COVID-19 prevention and care to health professions students
- Recruiting and training medical students to provide health and basic needs tele-surveillance of 250+ COVID-19 patients
- Provide health and basic needs tele-surveillance to 130 Hartford seniors over 6 weeks
- Support “Friendly Visitor” calls by health professions students to older adults in Torrington and Waterbury
- Assist in Federally Qualified Community Health Center and Department of Public Health COVID-19 testing centers (East Hartford, Willimantic, Rocky Hill, Putnam and Norwich) by enlisting and supporting health professions student volunteers
- Distributed 500+ “COVID Care Bags” with CDC education and recommendations, masks, hand sanitizer, thermometers, and at-home fitness “toolkits” to vulnerable community members in urban communities
- Coordinate health professions student representation from multiple schools and disciplines to support faith-based outreach programs including the MOVE Initiative with the UrbanAlliance

# Clinical Excellence and Growth

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## Community Outreach Beyond COVID-19

- **UConn Health Center on Aging** - Dr. Patrick Coll, Medical Director for Senior Health, serves as a member of the State's Nursing Home & Assisted Living Oversight Working Group (NHALOWG).
- **Establishment of 340B Prescription Drug Price Control Program** - Allows qualifying providers, serving uninsured and low-income patients, to purchase outpatient drugs at discounted prices
- **Boys and Men of Color Summit, June 8 – 10, 2021** - Sponsored “The State of Health Equity among Boys and Men of Color” Summit and Ideas Lab <https://health.uconn.edu/health-disparities/bmoc-summit/>
- **Partnership with Boys & Girls Club** - provide health education, healthcare screening, vaccinations and mentorship programs to youth in the Greater Hartford area
- **SNAP4CT** – program providing health and nutrition information for CT residents who receive SNAP
- **Screening for Social Determinants of Health (SDOH)** - Committed to improving health outcomes for our patients which includes addressing social-economic, environmental and behavioral factors that contribute to patients' overall health.
- **Medicaid Obstetrics Quality Outcomes** - program aimed at improving maternal and fetal health outcomes. Achieved increases in our post-partum visit rate within 21 days of delivery from 32% to 70%. Our FY21 performance was ranked top five within the state.
- **UConn Health Infectious Disease - Ryan White HIV/AIDS Program Provider** - Provide a comprehensive system of HIV primary medical care, essential support services, and medications for low-income people living with HIV.

# A Resource to the Community and the State

## Community Service

UConn physicians, dentists, residents, medical and dental students provide **thousands of hours** of free healthcare to Connecticut's most medically vulnerable citizens, for example:

- Migrant Farm Worker Clinic (statewide, AHEC)
- South Park Inn Medical/Dental Clinic (Hartford)
- Camp Courant Dental Screening Program
- Covenant Soup Kitchen Clinic (Willimantic, AHEC)
- CT AHEC Urban Service Track/AHEC Scholars Program – provides 70+ community-based programs annually (throughout CT), including Smalley Academy collaboration and Pathways/Senderos Teen Pregnancy Prevention Program (New Britain)
- CT Mission of Mercy
- CT Innerscity Mission of Mercy (Hartford)
- Special Olympics Healthy Athletes/Special Smiles
- New London Homeless Hospitality Center Clinic (AHEC)
- St. Vincent DePaul Soup Kitchen Clinic (Norwich, AHEC)
- SHA/SHIP – Students/faculty assisted CT DPH with community input survey; UConn Storrs assisted DPH with section on climate change and health in CT

## AHEC





# A Resource to the Community and the State

## Building & Developing the Healthcare Provider Pipeline for Connecticut

Initiatives to prepare the next generation of health care providers, grow the number of under-represented minorities enrolled in healthcare education, and increase the number of healthcare professionals practicing in urban settings and other areas across the state:

**CT Area Health Education Center (AHEC) Network:** based in Farmington with four regional centers providing services throughout CT (Hartford, Norwich, Shelton and Waterbury)

- CT AHEC Network Pipeline Programs: Youth Health Service Corps, Collegiate Health Service Corps, AmeriCorps & STEM programs for high school students including sponsorship of the annual CT Junior Science & Humanities Symposium at UConn Health in Farmington
- Urban Service Track/AHEC Scholars Program: promoting primary care and public health for health professions students with a passion for vulnerable underserved communities (urban and rural)
- Mental Health First Aid (MHFA) training and Applied Suicide Intervention Skills Training (ASIST), including student veteran trainees (AHEC)
- SBIRT training: substance abuse Screening, Brief Intervention and Referral to Treatment (AHEC)
- Safety in opioid prescribing training (AHEC)
- Provide support to CT Departments of Public Health, Labor and Agriculture, local Health Departments on public health issues, including COVID-19 response activities including training.

**COVID-19 training and community outreach** provided to partners and vulnerable communities:

- Provide 12 hours focused training COVID-19 prevention and care to health professions students
- Support UConn Health by recruiting and training medical students to provide health and basic needs tele-surveillance of 250+ COVID-19 patients
- Provide health and basic needs tele-surveillance to 130 Hartford seniors over 6 weeks
- Support “Friendly Visitor” calls by health professions students to older adults in Torrington and Waterbury
- Assist in Federally Qualified Community Health Center and Department of Public Health COVID-19 testing centers (East Hartford, Willimantic, Rocky Hill, Putnam and Norwich) by enlisting and supporting health professions student volunteers
- Distribute 500+ “COVID Care Bags” with CDC education and recommendations, masks, hand sanitizer, thermometers and at-home fitness “toolkit” to vulnerable community members in urban communities
- Coordinate health professions student representation from multiple schools and disciplines to support faith-based outreach programs including the MOVE Initiative with the Urban Alliance

# A Resource to the Community and the State

## Building & Developing the Healthcare Provider Pipeline for Connecticut

### Department of Health Career Opportunity Programs Aetna Health Professions Partnership Initiative

Comprehensive program of educational enrichment and support activities for underrepresented and first generation students applying to medical and dental schools, graduate programs in biomedical sciences, nursing, pharmacy, and allied health programs



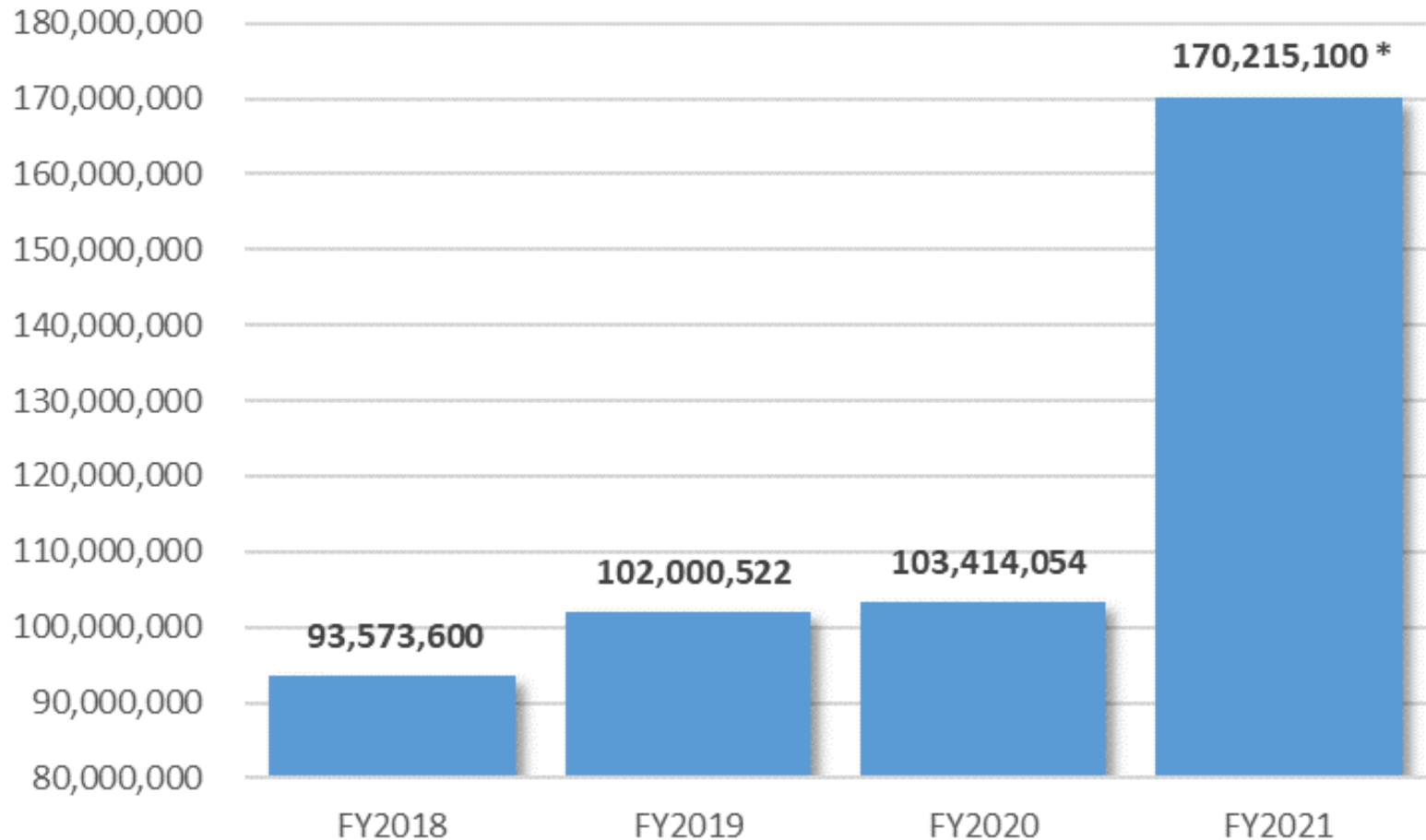
- Stem Education for Middle School Students - Great Explorations Middle School Program
- Doctors Academy College Prep Program for URBAN High School Students
- Statewide High School Student Research Apprenticeship Program
- Statewide Mini Medical/Dental High School Program
- Statewide Bridge To The Future Science Mentorship Program -Middle School, High School and College Students
- Statewide Pre-College Enrichment Programs for entering freshmen
- Statewide Health Disparities Summer Research Fellowship Program
- Statewide Medical and Dental School MCAT/DAT Preparatory Program
- Statewide Summer Research Fellowship Program

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Research  
Innovation  
Commercialization

# UConn Health Research Awards

Hit a Record High



- *FY2021 awards includes NSF Mid-Scale for \$40M*
- *School of Medicine( \$155M), School of Dental Medicine (\$13M), other (\$2M)*

# UConn Research & Innovation: Commercialization & Company Creation

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## FY21 Technology Commercialization Activity:

- **91** invention disclosures received
- **102** U.S. patent applications filed
- **28** patents issued
- **10** licenses & options executed
- **\$1.2M** licensing revenue
- **5** startups formed by faculty, **2** student startups supported by UConn Research

## Recent Success and Rankings:

- TIP was the 2021 winner International Business Innovation Association (InBIA) Randall M. Whaley Award
- 141 companies have participated since 2003 with \$956M raised



Research & Innovation success leads to technology commercialization, creates new companies, new jobs, and positions Connecticut for economic growth

# UConn Research & Innovation: Technology Incubation Program (TIP)

## Moving technology from the lab to the market at UConn and UConn Health

	TIP UConn and UConn Health Total FY21	TIP UConn Health Total FY21	TIP Stamford Total FY21	TIP Storrs Total FY21
Raised in debt & equity funding	\$57M	\$53M	\$3M	\$227k
Raised in revenue from sales and grants	\$14M	\$10M	\$2M	\$2M
Companies located at the incubator	58	36	11	11
Full-time (FT) and part-time (PT) Jobs	204 (FT) 80 (PT)	172 (FT) 49 (PT)	14 (FT) 7 (PT)	18 (FT) 24 (PT)
Incubator space occupied	94%	93%	NA	97%
Taxes paid	\$3,384,920	\$3,179,893	\$29,657	\$175,370

# UConn Collaborations with The Jackson Laboratory

Joint Grant Submissions	Value
Awarded	\$66.1 million
Pending	\$122.3 million
Total	\$188.4 million

UConn/JAX Collaborative Grants FY14-Present

## COVID-19 Testing

- Partnered to provide coronavirus testing to Connecticut residents.
- Pursuing research collaborations related to COVID-19.

## Joint Hires

- 4 Joint UConn/JAX hires and a 5<sup>th</sup> co-hire is in process

## UConn Center on Aging Partners with JAX on NIH Awards

- Awarded \$7 million grant to establish the Claude D. Pepper Older Americans Independence Center at UConn Health.
- UConn Health and JAX assume key roles in the \$13.5 million U54 SenNet Tissue Mapping Grant with top medical centers.

## Joint Single Cell Genomics Center

- Continued investment in equipment-based research core with cutting edge, state-of-the-art research equipment
- Grants awarded to UConn/UConn Health faculty using the Center total nearly \$33M

## Mighty Mice in Space

- Genetically engineered “mighty mice” sent to the International Space Station led by Drs. Se-Jin Lee (UCH/JAX joint hire) and Emily Germain-Lee (UCH/CCMC)

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# Budget



# FY2022 Budget – Balanced Budget

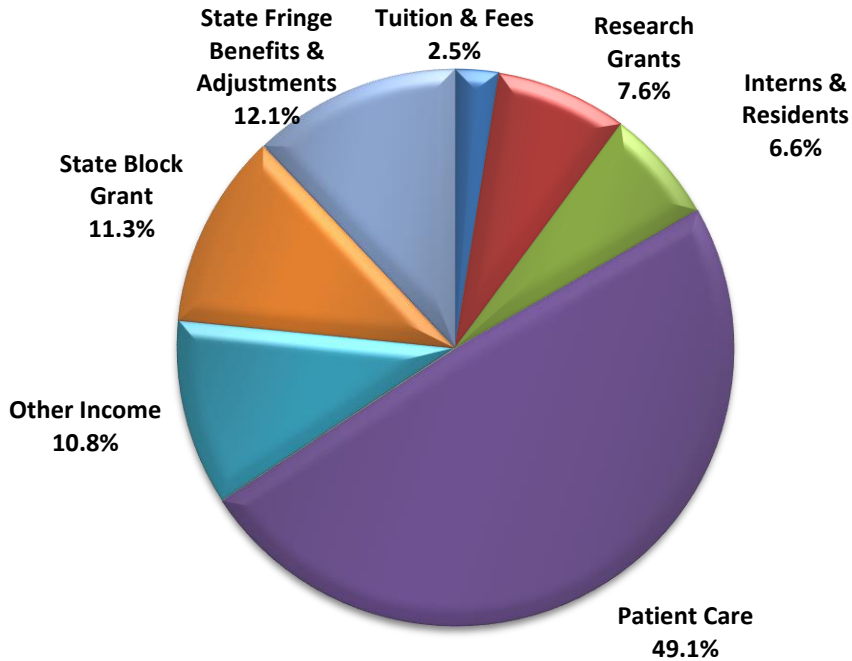
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Due in large part to the State’s One-Time Financial Support (addressing COVID clinical revenue losses and the state’s legacy costs) and internal financial improvement planning, UConn Health is on target to end FY 22 in balance.

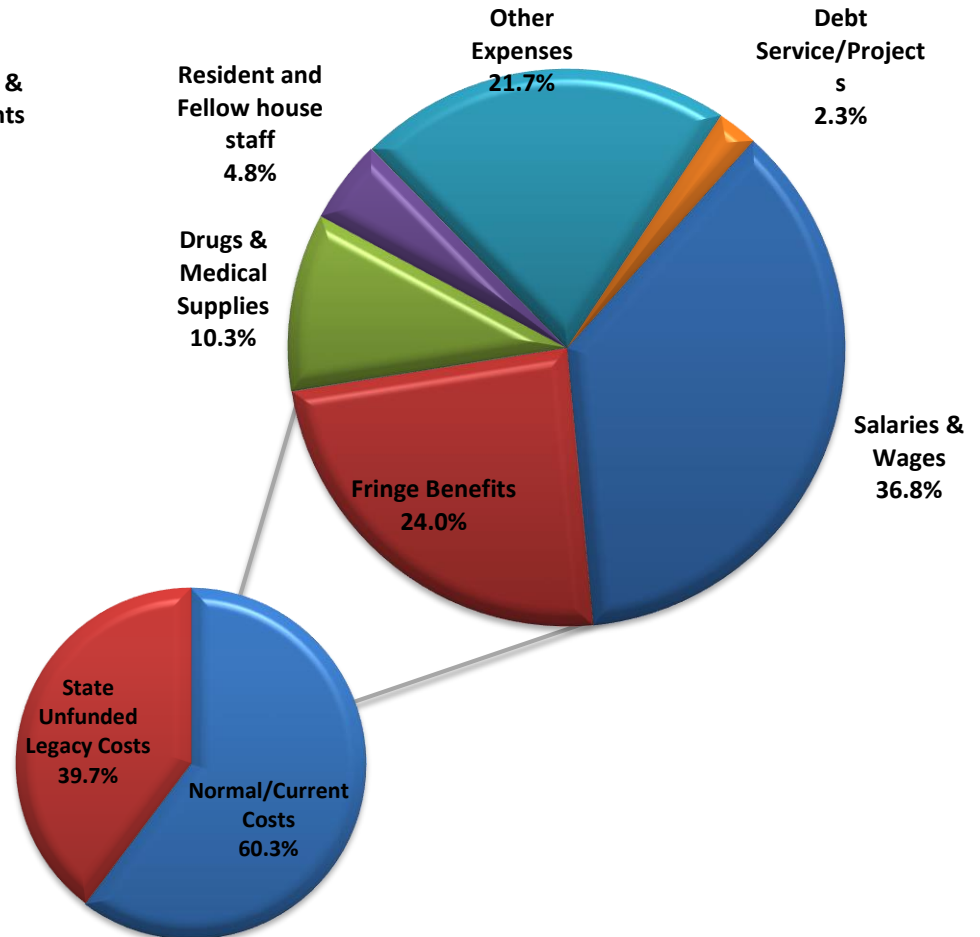
	Total UCH
<b>Total Revenue</b>	\$ 1,056.3
<b>State Support</b>	339.2
<b>Total Expenses</b>	1,400.7
<b>Loss</b>	(5.2)
<b>Lapses (FIP and Capital Reduction)</b>	(5.3)
<b>FY22 Budget</b>	<u>\$ 0.1</u>

# UConn Health FY21 Original Budget

## Revenue Budget \$1,175.9M



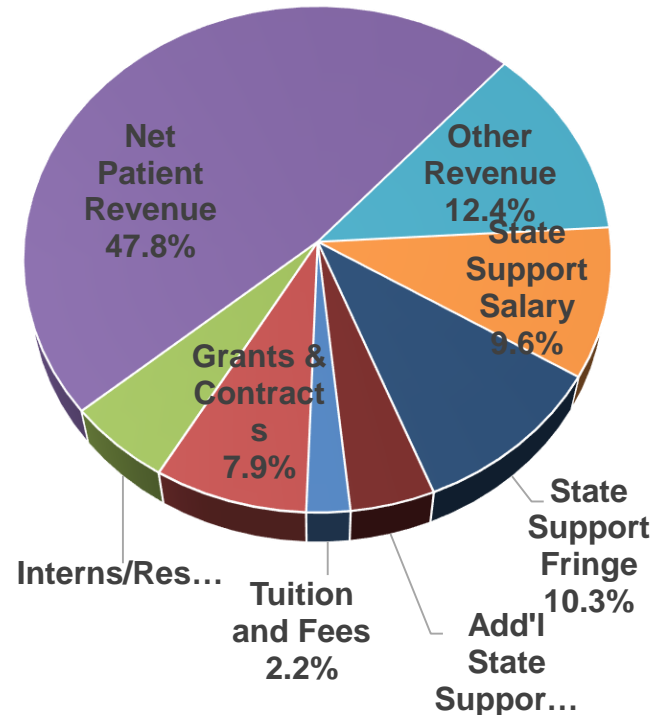
## Expenditure Budget \$1,290.8M



Due to COVID-19, a preliminary FY21 budget was presented to the Board of Trustees with a \$114.9M Loss. See slide 39 for current mitigation plan and status.

# FY2022 Revenue by Category

The UConn Health's primary source of revenue is from patient care. State support for salaries on the block grant is 9.6% of total revenues, and when combined with the State fringe reimbursement and State unfunded legacy cost, only accounts for 24.3% from the State.



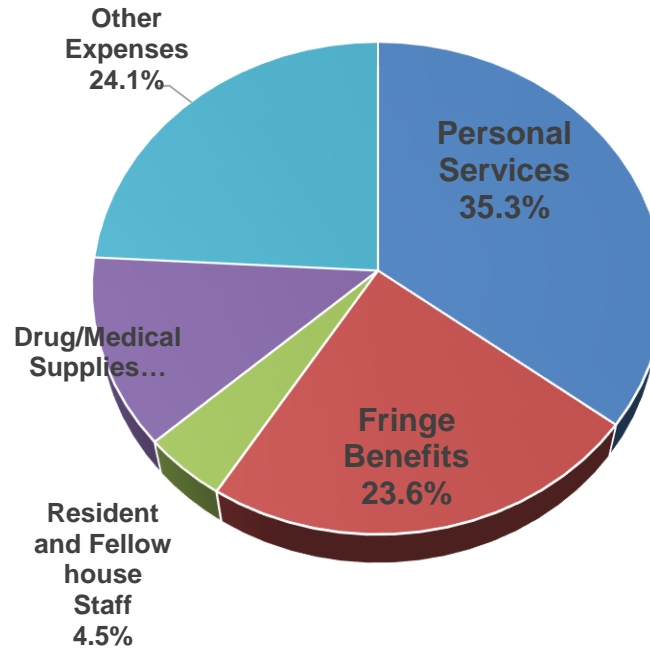
Revenue (\$M)	
State Support Salary	133.7
State Support Fringe	144.5
Additional Support	61.0
<b>Total State Support</b>	<b>\$ 339.2</b>
Tuition and Fees	31.4
Grants & Contracts	110.6
Interns/Residents	76.0
Net Patient Revenue	668.1
Other Revenue	173.5
<b>Total Revenue</b>	<b>\$ 1,398.8</b>

\* Other Income includes auxiliary services, gifts/endowments, external contract revenue and internal income (offset by internal expense)

# FY2022 Expense by Category

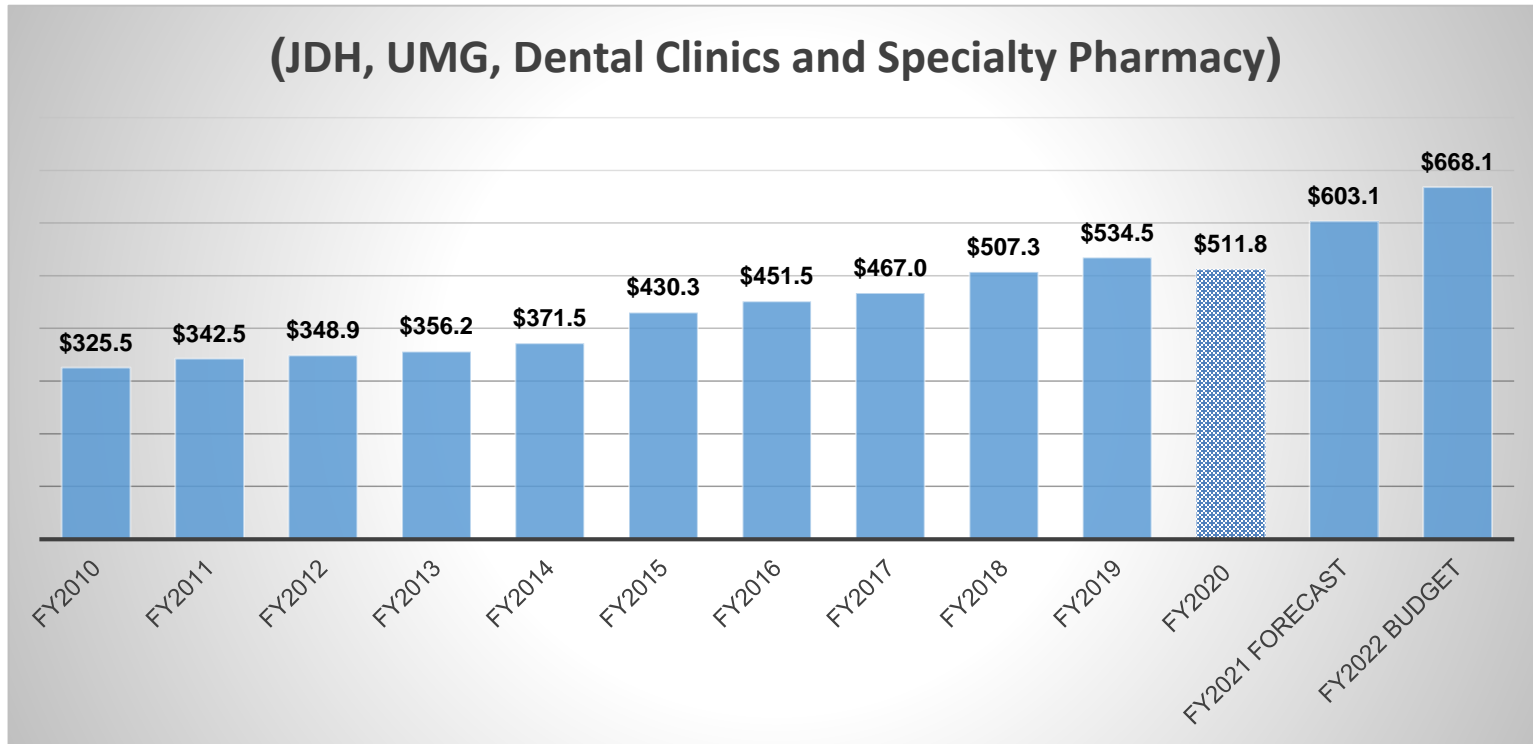
Salary and fringe benefit costs account for over 59% of the UConn Health's operating budget.

Expense (\$M)	
Personal Services	485.4
Fringe Benefits	324.8
Drugs/Medical Supplies	171.6
Resident and Fellow house staff	61.4
Other Expenses	331.8
Debt Service	8.5
Capital Projects	15.1
<b>Total Expenses</b>	<b>\$ 1,398.7</b>



\*Other Expenses includes items such as Medical/Dental House Staff, Medical Contractual Support, Utilities, Insurance and Repairs/Maintenance

# UCH Net Patient Revenue



FY2020 includes COVID19 Impact

# State Budget FY23

UConn Health is grateful for the significant support provided in the Governor’s budget proposal. We will continue to request funding for FY23 of \$29.7M for salary increases and fringe costs.

UConn Health				
	State Budget FY23	Request FY23	Governor's Budget FY23	Remaining Request
Operating Expenses	\$133,354,285	\$133,354,285	\$133,354,285	\$0
CBI non-block grant employees*		\$45,004,423	\$20,000,000	\$25,004,423
AHEC	375,832	375,832	375,832	\$0
<b>SUBTOTAL</b>	<b>\$133,730,117</b>	<b>\$178,734,540</b>	<b>\$153,730,117</b>	<b>\$25,004,423</b>
Carryforward - 27th Payroll (one-time)		9,843,466	5,143,466	\$4,700,000
Carryforward - Temporary Operating Support/Legacy Costs	30,200,000	60,700,000	60,700,000	\$0
<b>TOTAL STATE SUPPORT</b>	<b>\$163,930,117</b>	<b>\$249,278,006</b>	<b>\$219,573,583</b>	<b>\$29,704,423</b>
<b>Other items:</b>				
Deferred Maintenance		\$55,100,000	\$0	\$55,100,000
Carryforward - Replenish Medical Malpractice Trust Fund		\$20,000,000	\$20,000,000	\$0
Poison Control		\$200,000	\$200,000	\$0

**\*Note about CBI funding proposal:**

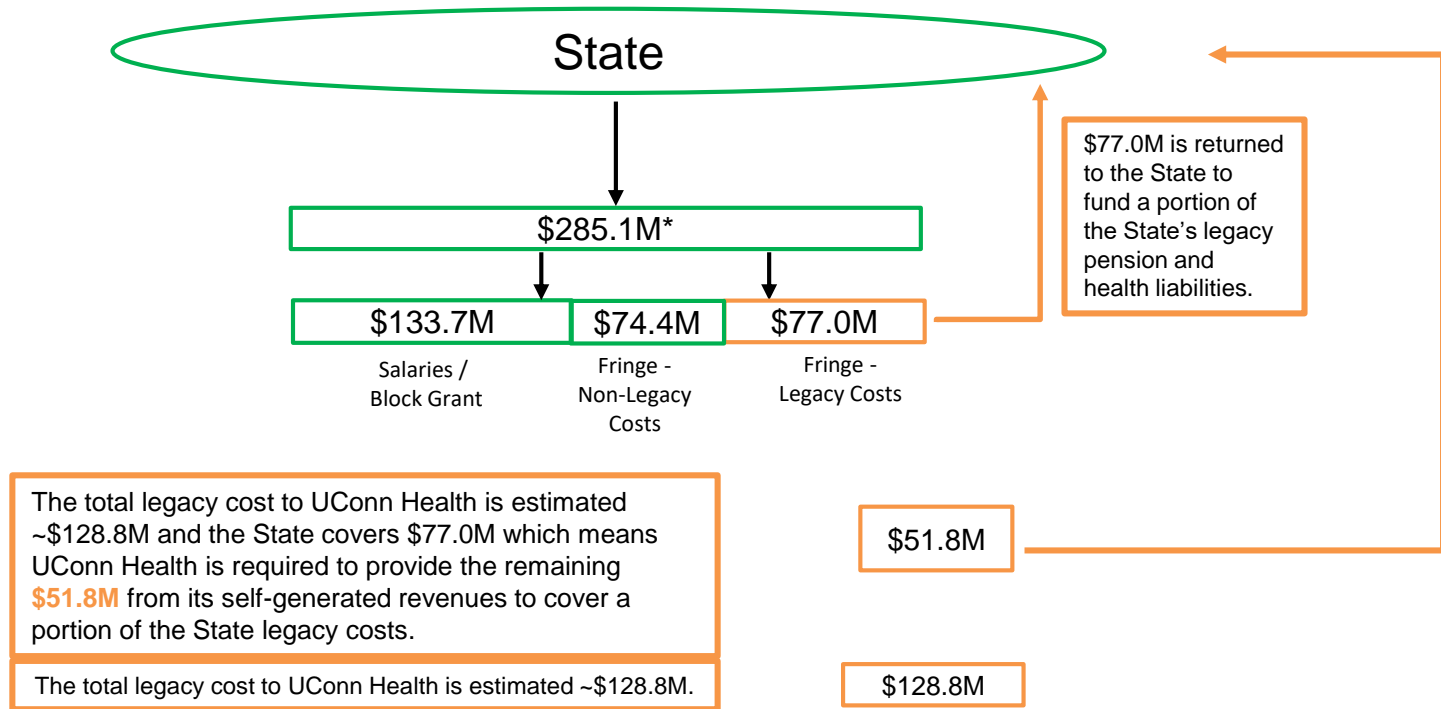
**FY22: Non-block grant** - \$28.9M is being allocated one-time through a deficiency bill, fully covering non-block grant CBI's (salary & fringe).

**Block grant** - CBI's will be fully funded through the RSA allocation.

**FY23: Non-block grant** - Due to the one-time funding in FY22 not carrying forward, the non-block grant CBI funding of \$20M is short by \$25.0M (salary & fringe).

**Block grant** - CBI's will be fully funded through the RSA allocation in the Governor's budget.

# State Funds Flow and Legacy Costs



Note: \*Numbers represent FY22 budget excluding ARPA funds

# FY22 Operating Budget Risks

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## COVID

- Patient reaction towards clinical care.

## Patient Revenue

- Payer mix and volume uncontrollable
- Medicare proposed payment reduction and overall shift of services to outpatient
- Consolidation of other systems reducing outside referrals
- DSS Supplement/Enhanced payments Federal match

## Expenses

- Resolution of current collective bargaining negotiations



# Extensive Cost Savings and Strategic Growth Initiatives

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## Extensive Cost Savings Efforts:

<b>FY 14-16</b>	<b>Total Savings \$13.7m:</b> Financial Improvement Project 1.0 (Berkley Research Group)
<b>FY 17</b>	<b>Total Savings \$11.1m:</b> Financial Improvement Project 2.0
<b>FY 18</b>	<b>Total Savings \$12.3m:</b> Financial Improvement Project 3.0
<b>FY 19</b>	<b>Total Savings \$25.1m:</b> Financial Improvement Project 4.0
<b>FY 20*</b>	<b>Total Targeted Savings \$7.0m:</b> Financial Improvement Project 5.0
<b>FY 21</b>	<b>Total Savings \$48.8m: Financial Improvement Project 6.0</b>

## Current Cost Savings Efforts:

- FY 22 Total Estimated Savings \$5.3m:** Financial Improvement Project 7.0
- ✓ **Clinical Initiatives** – Contract pharmacy, Radiology expanded services, provider productivity, Incentive based compensation
  - ✓ **Workforce Initiatives** - Restricted hiring to only vital positions
  - ✓ **Non-Labor** – Extensive contract improvements yielding savings on medical devices, pharmaceuticals, lab supplies, Surgery, Radiology
  - ✓ **Workers' Compensation** – Incident Review

## Strategic Growth Initiatives:

- Increase clinical volume through strategic faculty-clinician hiring
- Identified new patient revenue streams (Enhanced payments for physician services)
- Other new revenue generating initiatives (340B retail pharmacy contracts)

\*Prior to the pandemic, UConn Health had successfully undertaken its FY 20 Financial Improvement Plan and was projected to end the year with a positive bottom line. Due to the impact of COVID-19 on expenses and clinical revenues, UConn Health ended FY 20 with an \$18.9 million deficiency.

# State Legacy Costs - Key Issues

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**High fringe benefit costs impact UConn and UConn Health's budgets, students and their families, and competitiveness. The largest portion of the State's retirement rate is attributable to the State legacy costs, which are passed on to higher education.**

- **Budget Impact** – UConn and UConn Health must pay ~\$105.5M of its non-state funds to cover the State's legacy costs in FY23. Without these costs, UConn and UConn Health would not have deficit budgets.
- **Students and Their Families** - The State legacy costs cause an undue burden, especially on our students and their families. We have to fund some of these costs with tuition and fee dollars which ends up not going to their education, but to a prior retiree liability. This translates into \$1,050 per student.
- **Research Competitiveness** – The State's fringe rate causes UConn and UConn Health research fringe rates to be outliers, ~30% higher than peers. This results in less research grant dollars, innovation, commercialization and federal dollars to the State's economy.
- **Clinical Competitiveness** – The State's fringe rate for UCH's clinical operations is ~40% higher than other hospitals and providers across the state; resulting in over \$112M in more costs for UConn Health to provide clinical care.

# FY23 State Legacy Costs

The portion of the fringe costs associated with the State's legacy pension liabilities and retiree health are significant for a combined estimated total \$105.5M in FY23. While the State reimburses UConn/UCh for some of these costs, UConn's other non-State funds still pay a large share of that liability.

UConn - Storrs & Regionals			
	FY23		
Fund Type	Pension	Retiree Health	Total
Tuition/Fees/Other	\$24.5	\$10.8	\$35.3
Research	\$6.6	\$2.9	\$9.4
<b>Non-State Funds/Liability</b>	<b>\$31.1</b>	<b>\$13.7</b>	<b>\$44.8</b>
Additional State support for legacy costs	\$6.1		\$6.1
<b>Requested Non-State Funds/Liability</b>	<b>\$25.0</b>	<b>\$13.7</b>	<b>\$38.7</b>
UConn Health			
	FY23		
Fund Type	Pension	Retiree Health	Total
Clinical	\$21.4	\$12.6	\$34.0
SOM/SODM Academic Units	\$10.8	\$6.4	\$17.2
Research Fund	\$6.0	\$3.5	\$9.5
<b>Non-State Funds/Liability</b>	<b>\$38.2</b>	<b>\$22.5</b>	<b>\$60.7</b>
Additional State support for legacy costs	\$30.2		\$30.2
<b>Requested Non-State Funds/Liability</b>	<b>\$8.0</b>	<b>\$22.5</b>	<b>\$30.5</b>
<b>Non-State Funds/Liability combined UConn/UCh</b>	<b>\$69.3</b>	<b>\$36.2</b>	<b>\$105.5</b>

- We are **requesting** the state cover legacy costs like it does for all other state agencies.
- These are costs we can no longer cover.
- The mid-term budget adjustment **request** for UConn in FY23 is \$38.7M and for UConn Health is \$30.5M to cover these costs.

The legacy costs are UConn's best estimate at this time.

# Fringe Benefit Rate Components - SERS

The State Comptroller develops the fringe benefit rates and the University is charged those rates for each employee. The State covers these legacy costs for all other State agencies.

Below is an example showing the components of the fringe rate for an employee who is a member of the State Employees Retirement System (SERS)\*\* with an annual salary of \$100K.

## FY22 State Fringe Benefit Rate Components

<b>State Retirement (SERS) **</b>	<b>65.90%</b>
<b>FICA SS</b>	<b>6.20%</b>
<b>FICA Medicare</b>	<b>1.45%</b>
<b>Unemployment Compensation</b>	<b>0.05%</b>
<b>Group Life Insurance*</b>	<b>~0.4%</b>
<b>Health Insurance*</b>	<b>~34.00%</b>
	<b>108.0%</b>

\*Rates vary according to coverage selected

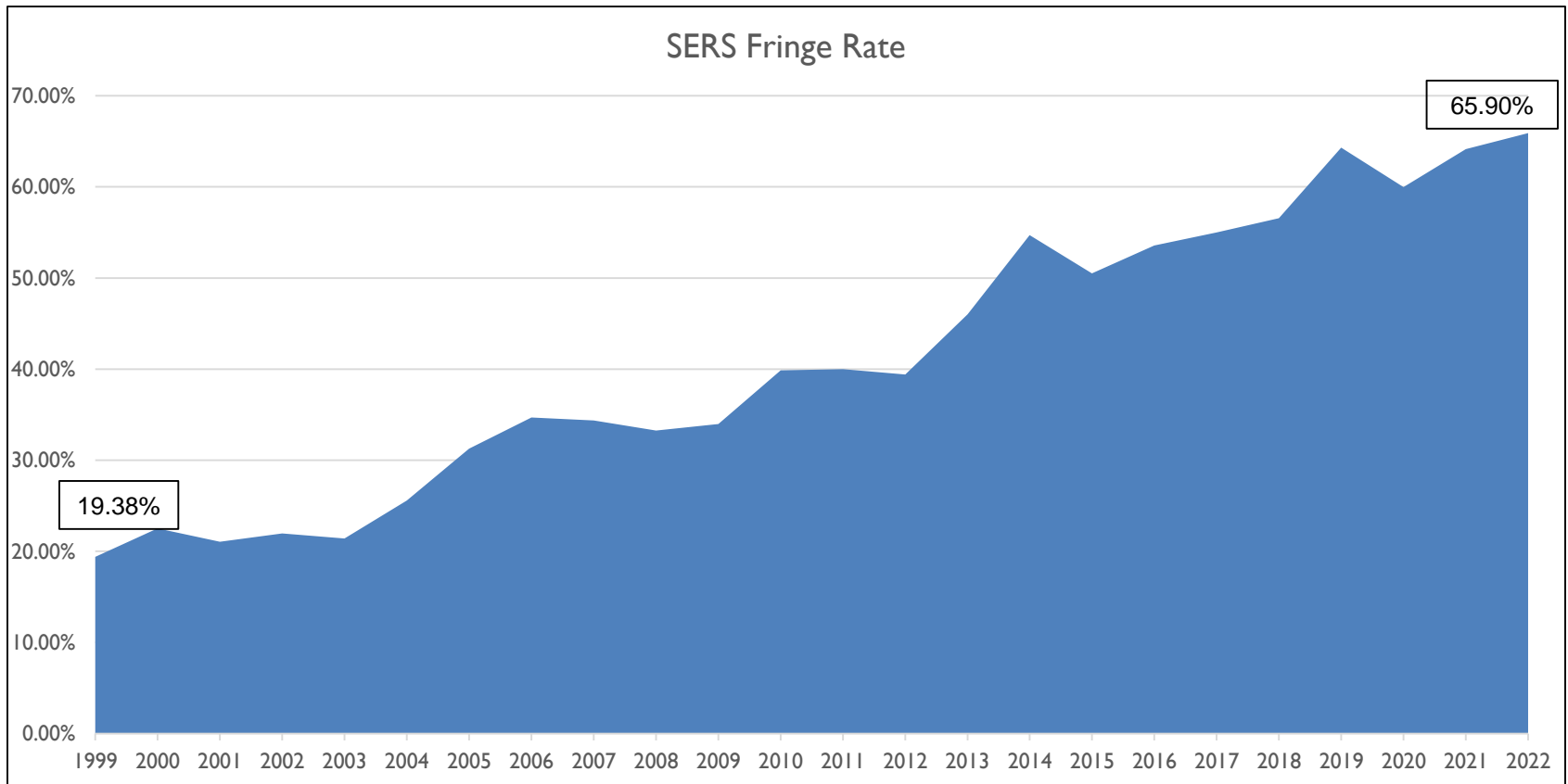
<b>Legacy Cost for Non-Current Employees:</b>	
Unfunded Pension Liability	41.44%
Retiree Health	18.26%
Roll-forward/Adjustments	-0.88%
	<b>58.83%</b>
<b>Current Employee Costs:</b>	
Normal/Current Retiree Costs	4.31%
Other Post Employment Benefit Costs (OPEB)	2.39%
Administrative Costs	0.38%
	<b>7.08%</b>
	<b>65.90%</b>

\*\*Other retirement options are available for non-classified employees (Alternate Retirement Plan (ARP) Rate at 14.96%). About 35% of our current employees are on the ARP and 65% are on the SERS State plan.

# Fringe Benefit Rate Components - SERS

The SERS fringe rate has risen dramatically over the last 22 years primarily due to the state's unfunded legacy costs.

The State's annual unfunded pension cost has increased 273% since FY11.



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# UConn Health's Capital Program

# UConn Health Facilities Summary

## UConn Health – Farmington

- 210 Acres on 3 sites
- 26 Buildings
- 3 Parking Garages
- 3.7 Million SF
- Parking spaces:
  - Garages: 2,300
  - Surface lots: 2,940
- Replacement Value: \$1.6 Billion



# Bioscience Connecticut

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2011 – 2019



# Bioscience Connecticut (P.A. 11-75)

## *Making Connecticut a Leader in Bioscience*



### **New Hospital Tower**

169 private patient rooms  
New & expanded ED  
New Operating suite  
400 car Staff & Patient garages  
Cost: ~ \$324M.  
Opened: May 2016



### **Clinical Renovations**

Renovation and expansion of the Pat and Jim Calhoun Cardiology Center  
Renovation of multi-specialty clinics  
Completed: May 2019



### **Outpatient Pavilion**

306,000 sf state-of-the-art clinical building.  
1,400 car parking garage.  
Private financing: TIAA \$203M  
Clinic Opened: Jan 2015  
Garage Opened: Nov 2013



### **Incubator Lab Addition**

28,000 sf laboratory addition to Cell & Genome Sciences Building to foster new bioscience and biotech business start-ups.  
Cost: ~\$19M  
Completed: Jan 2016



### **Education Construction**

Addition/renovations to Academic bldg. Allowed for 30% enrollment growth in Medical and Dental schools.  
Cost: \$36M.  
Completed: May 2017



### **Dental Care Center**

Renovation/expansion of clinical facilities for the School of Dental Medicine  
174 treatment rooms  
Completed: May 2019



### **Research Space Renovation**

Renovated 205,000 sf of 280,000 sf of existing UCH laboratories / research facilities.  
Cost: ~ \$116M  
Completed: May 2017



### **Jackson Laboratory**

New research facility dedicated to personalized medicine, collaborating with regional universities and hospitals.  
Opened: Oct. 2014

# UConn Health has \$295 M in Deferred Maintenance Needs

**UCH 2018 Facilities Condition Assessment (FCA) Identified \$295 Million in Deferred Maintenance needs across the following categories\*:**

**1. Recurring Deferred Renewal:**

Items that have not been replaced during the normal course of maintenance that have reached or exceeded their expected life: \$119 Million (e.g., original 1970 era HVAC systems)

**2. Recurring Projected Renewal:**

Items that during the 2018 - 2028 time period will “age out” and need to be replaced: \$159 Million (e.g., roofs that are 25 years old now but will reach their 30 year life expectancy in the next 5 years and need to be replaced)

**3. Nonrecurring:**

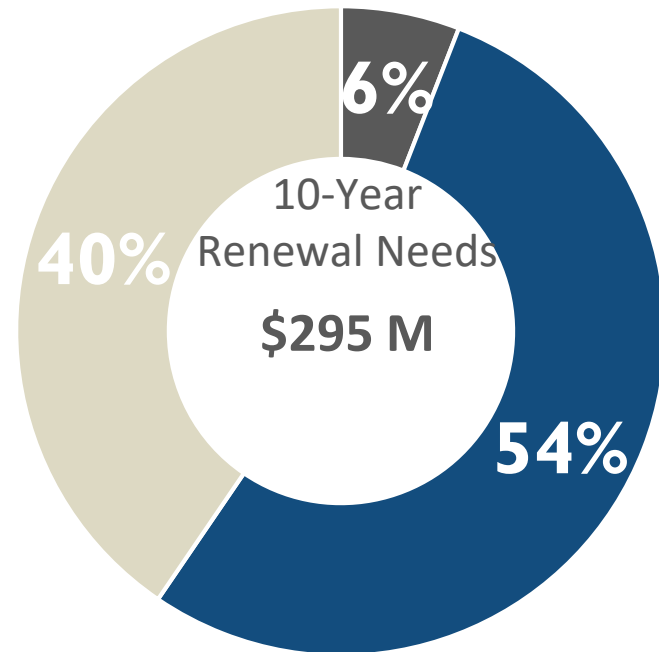
Items that require replacement on a one time basis: \$17 Million (e.g., stair railings that are not code compliant and need to be replaced, but are not expected to be replaced again)

*\*Based on independent third-party FCA report*

# Deferred Maintenance Needs

## Summary of \$295 Million of Deferred Maintenance Needs

*Based on independent third-party FCA report*



# FY 22 State Bonding Deferred Maintenance

***THANK YOU!***

- For the first time since 2018, in FY 22, \$25 Million was added to the UCONN 2000 Program (10a-109b) for UConn Health deferred maintenance needs.

## **Summary of Spending Plan:**

- **Protect Physical Assets: \$3,000,000**
- **Address Safety and Building/Fire Code Issues: \$4,000,000**
- **Replace aged building system components to extend the life of the systems: \$8,000,000**
- **Enable full utilization of existing space by upgrading infrastructure: \$10,000,000**

# UConn Health's Guiding Principles for Prioritization

- **Protect Physical Assets** (roofs, exterior envelopes, etc.)
- **Address Safety and Building/Fire Code Issues** (items related to staff and patient safety, paving, sidewalks, critical infrastructure items, and ADA/accessibility, etc.)
- **Replace aged building system components to extend the life of the systems**
- **Enable full utilization of existing space by upgrading infrastructure** (CT Tower electrical and IT distribution systems)
- **Utilize funds for larger projects** (smaller projects can be done with UCH Operating Capital)
- **ROI/long term cost savings**

# FY23 Deferred Maintenance Capital Request

- ***\$55.1 Million be added to the UCONN 2000 Program Phase III for deferred maintenance.***

# Clinical Excellence and Growth

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## Community Support Groups, Classes and Events Open to All

UConn Health is committed to providing a place for individuals to share common concerns, emotional support, as well as to exchange information. UConn Health offers a multitude of community programs and support groups

### Community Programs

- Diabetes Self-Management Education Program
- Kidney Disease Education
- Mother-To-Baby CT
- Parenting Program
- Planning for Pregnancy Classes
- Powerful Aging

### Support Groups and Classes

- Baby Steps Bereavement Support Group
- Bladder Cancer Support Group
- Brain Aneurysm Support Group.
- Breast Cancer Support Group
- Cardiac Support Group
- Hernia Screening Event
- Hepatitis C Support Group
- Huntington's Disease Caregiver Support Group
- Lung Cancer Screening – African American Men
- Lupus Support Group
- Multiple Myeloma Support Group
- MS Education Series
- Near Death and Related Experiences Support Group
- NICU Parent Support Group
- Parkinson's Disease Support Group
- Ready to Lose Weight Management Program
- Resolve Infertility Peer Support Group.
- Sjögren's Syndrome Support Group
- Spasmodic Dysphonia Support Group
- Stroke Survivor Group
- 3rd Annual Stroke Survivors Symposium