

University of North Carolina Health Care System



Strategic Performance Improvement Plan

Presented by:
Navigant Consulting, Inc.

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Section I

Introduction

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Objectives

- NCI developed a strategic performance improvement plan for UNC HCS with the following objectives:
 - Increase the organization’s financial margins by improving operational performance and cost competitiveness while maintaining quality of care, customer satisfaction and commitment to the academic mission. Based on discussions, a consensus indicated that a 3% operating margin was a required target.
 - Increase net revenue and cash flow through improved revenue cycle management for both the hospitals and faculty practice plans.
 - Identify opportunities to enhance existing clinical services and add or “sunset” programs as appropriate.
 - Improve the financial and clinical performance of the practice plan.
 - Align the goals, objectives, operations and organizational structures of the clinical departments, the practice plan and the hospitals with each other and the strategic mission of the organization.
 - Ensure that the Information Technology strategy supports UNC HCS’ strategic and operational plans.
- All components of UNC HCS were included based on a mutually-agreed upon phased approach. The overall improvement plan includes recommendations necessary to ensure UNC HCS achieves its operating performance targets. NCI worked with the leadership team to prioritize implementation and recommended addressing those areas with a high return on investment and low resistance factor first.

Objectives

- In developing the strategic performance improvement plan, NCI:
 - Provided an objective analysis of the operational, financial and organizational systems, structures, processes and performance;
 - Reviewed the organizational structure for its ability to respond appropriately in a competitive environment;
 - Identified major improvement opportunities;
 - Developed achievable improvement targets and a realistic pace of implementation for each initiative;
 - Identified risks associated with your mission, objectives and competitive pressures;
 - Determined and agreed upon a realistic operating margin to generate enough cash to retain talent, maintain state-of-the-art technology and facilities and preserve mission, quality and competitive position; and
 - Created an action plan to implement the performance improvement plan.

Scope and Approach

- The scope of the engagement included the four UNC Hospitals (North Carolina Memorial Hospital, North Carolina Women's Hospital, North Carolina Children's Hospital and North Carolina Neuroscience's Hospital), the UNC owned and operated clinics, the UNC Home Health Agency and the UNC School of Medicine Faculty Practice Plan. The scope also included the School of Medicine as it relates to funds flow analysis. Rex Hospital and its affiliates were not included in this project.
- NCI followed a rigorous, comprehensive process in developing the strategic performance improvement plan for UNC HCS as outlined below:
 - Strategic/Growth
 - Revenue Cycle Operations
 - UNC Hospitals' Revenue Cycle Operations
 - UNC Owned and Operated Clinics, School of Medicine Faculty Practice Plan Revenue Cycle Operations
 - Operational Productivity/Patient Care
 - Supply Chain Management
 - Care Management/Clinical Resource Management
 - Funds Flow and Graduate Medical Education
 - Faculty Practice and Clinic Operations
 - Information Technology

Scope and Approach

- A three-phased approach was used for each part of the project that included:
 - Phase One: Assessment
 - Phase Two: Implementation Planning
 - Phase Three: Implementation (not included in the scope of this proposal)
- Project Organization and Management
 - NCI believes that establishing the appropriate infrastructure and accountability system for the engagement is critical. We believe that the infrastructure consists of four major aspects as detailed in the engagement letter and summarized below:
 - Establish Project Organization Structure
 - Implement On-Going Communication Plan
 - Develop Financial Baseline
 - Develop Human Resource Strategy

Scope and Approach

- Phase I of the Assessment addressed the following:
 - Strategic/Growth
 - Revenue Cycle Operations
 - UNC Owned and Operated Clinics, School of Medicine Faculty Practice Plan Revenue Cycle Operations
 - Operational Productivity/Patient Care
 - Supply Chain Management
 - Care Management/Clinical Resource Management
 - Funds Flow and Graduate Medical Education
 - Faculty Practice & Clinic Operations
 - Information Systems

Deliverables

- The outcomes of our work is a strategic improvement plan for UNC HCS and a presentation to the Steering Committee. The improvement plan includes the following:
 - Current performance and opportunities for revenue growth and cash flow improvements in all areas outlined above.
 - Alternative growth strategies.
 - Current performance and realistic opportunities for expense reductions in all areas outlined above.
 - Major points of vulnerability and major opportunities.
 - Desirable and achievable short- and long-term performance goals.
 - Performance benchmarks.
 - Practical recommendations for improving performance and achieving the desired objectives.
 - Prioritization of the recommendations.
 - High-level implementation plans for the prioritized recommendations.
 - Overall implementation accountabilities and timeframes.
 - Definition of a performance improvement management process.
 - Quantification of the financial impact of performance improvement interventions, presented with pro forma cash flow, profit and loss, and balance sheets assuming implementation over the next three years.

NCI Team

- William Kerr
 - Ed McCarthy
 - Alex Bacchetti, Rita Morris
 - Trish Birch
 - Mary Jane Edwards, Len Firestone, MD
 - Rob Gamble and Team
 - Anita Groves
 - Linda Kenwood, RN
 - Charles Linton
 - John Mallia, Alex Neshuashvilli
 - Kip Perlstein
 - Barbara Stickler, Roger Weems
 - Richard Vernick, MD
 - John Walko and Team
 - Dean Kinsey MD
 - MarieAnn North, Anita Sink, Deanna Turner
- Oversight
Project Director and Managed Care
Programs and Strategy
Information Systems
Operating Room and Anesthesia Services
Revenue Cycle
Pharmacy – Outpatient /Retail
Patient Care
Operations/Productivity
Data Support
Finance
Capacity Management
Clinical Resource Management, CARTS
Supply Chain
UNC P&A
UNC P&A

Interviews – Summary

- During this engagement, NCI interviewed the following number of individuals:

Interviewed	Number
Medical Staff	60
Management	163
TOTAL	223

Interviews – Medical Staff

- Kevin Behrns, MD, Division Chief, GI Surgery
- Robert Berger, MD, Associate Chief of Staff
- Lee Berkowitz, MD, Medicine, Hematology/Oncology
- Jeffrey Berman, MD, Anesthesiology
- Estrada Bernard, MD, Neurosurgery
- John Boggess, MD, OB/GYN, Director W/C OR
- Philip Boysen, MD, Chair, Anesthesiology
- Jan Busby-Whitehead, MD, Medicine, Geriatric Program and Unit
- John Buse, MD, Medicine
- Benjamin Calvo, MD, Chief, Surgical Oncology
- Timothy Carey, MD, General Medicine
- Michelle Cassara, MD, General Medicine
- Robert Cefalo, MD, PhD, OB/GYN Surgeon
- Clark Denniston, MD, Family Medicine
- Luis Diaz, MD, Chair, Dermatology
- Douglas Dirschl, MD, Chair, Orthopedics
- Matthew Ewend, MD, Chief, Neurosurgery
- Jeffrey Fair, MD, Surgery
- Mark Fritz, MD, IVF, Obstetrics/Gynecology
- Richard Goldberg, MD, Medical Oncology
- Robert Golden, MD, Clinical Service Chief, Psychiatry, Vice-Dean
- Adam Goldstein, MD, Family Medicine
- Brian Goldstein, MD, Executive Associate Dean for Clinical Affairs, Chief of Staff

Interviews – Medical Staff

- Andrew Greganti, MD, Vice Chair, Medicine
- Eldad Hadar, MD, Neurosurgeon
- Charles Jeannette, MD, Pathology
- Mary Jane Kagarise, RN, Associate Chair, Surgery
- Mark Koruda, MD, General Surgeon
- Paul Lachiewicz, MD, Orthopedics
- Susan Lakatos, RN, Ambulatory Surgery
- Joseph Lee, MD, Chair, Radiology
- Michael Lee, MD, Chair, Physical Medicine & Rehab
- Melvin Levine, MD, Pediatrics, Center for Learning & Development
- Anthony Lindsey, MD, Vice Chair, Clinical Affairs, Psychiatry
- James Loehr, MD, Pediatric Cardiology
- Frank Longo, MD, Chair, Neurology
- Daniel Macklin, MD, Pediatrics
- Elizabeth Mann, MD, Anesthesiology
- Cheruvattath Menon, MD, Medicine, Endocrinology
- Venugopal Menon, MD, Medicine, Cardiology
- Travis Meredith, MD, Chair, Ophthalmology
- Anthony Meyer, MD, Chair, Surgery
- Michael Mill, MD, Cardiothoracic Surgery
- Warren Newton, MD, Chair, Family Medicine,
- Magnus Ohman, MD, Division Chief, Cardiology
- Valerie Parisi, MD, Chair, OB/GYN
- Anthony Passannante, MD, Vice Chair, Education
- Harold Pillsbury, MD, Chair, Otolaryngology
- Peter Rock, MD, Anesthesiology, Vice Chair, Clinical Operations
- Edmund Rutherford, MD, General Surgery
- George Sheldon, MD, General Surgery
- Donald Spencer, MD, Family Medicine
- Alan Stiles, MD, Chair, Pediatrics
- George Stouffer, MD, Cardiology
- Carla Sueta, MD, Medicine, Cardiology
- Joel Tepper, MD, Chair, Radiation Oncology
- Judith Tintinalli, MD, Chair, Emergency Medicine
- Eileen Tyler, MD, Anesthesiologist
- Daniel von Allmen, MD, Pediatric Surgery, Division Chief
- Mitchell Wilson, MD, General Medicine
- James Yankaskas, MD, Medicine, Pulmonary Disease

Interviews – Management

- Rose Ackerman, Manager, Patient Account Services
- Amy Alexander, Nurse Manager, 5 East and 5 West
- Charles Ayscue, SR VP and CFO
- John Babba, IT Director, Operations and Infrastructure Services
- Angeline Baker, Nurse Manager, 4 Anderson North
- Patricia Baldwin-Washington, Manager, CPD
- Wanda Bandy, Nurse Manager, Dialysis
- Tori Barnard, CADA, Neurology
- Peter Barnes, SR VP Human Resources, Co-Director, Compliance
- Mary Beck, SR VP and Program Development
- JoAnn Belanger, RN, Manager, Radiology
- Carol Benge, Director, Nursing Performance Improvement
- Vicki Block, Director, Cardiac Services
- Sheryl Booth, Manager, Invasive Cardiology
- Shivani Borch, Social Work
- Dianne Bowers, Manager, Admitting, Insurance Verification/Authorizations
- Jason Brice, Orthopedics
- David Brooks, IT Director, Training and Development

Interviews – Management

- Vicki Brooks, Director, Cardiology
- Bette Brotherton, VP, Quality Assurance
- Steve Bryant, Director, Plant Operations
- Larry Campbell, Director, Environmental Services, Patient Transport
- Scarlett Cardwell, Director, Social Work
- Diane Carper, Manager, 3 West
- Nancy Cartledge, Nurse Manager, 6 Women's
- Matthew Castellano, Director, Patient Financial Services, Systems Support and Training
- Jeanne Chamberlin, Finance, UNC P&A
- Edgar Cheek, Director, Materials Management, Rex Healthcare
- Lori Chrisco, RN, Manager, PACU/PCS Main & W/C
- Hazel Cochran, Nurse Manager, 6 Bed Tower
- Kim Cogsdell, Supervisor, Radiology
- Karen Coley, Director, Nurse Recruitment
- Jill Cooper, Manager, Admitting
- Sharon Coulter-James, SVP, Professional & Support Services
- Anne Crabtree, Manager, Accounts Payable
- Al Daugird, MD, Medical Director and VP of Ambulatory Care

Interviews – Management

- Lula Daniel, Nursing Supervisor and Patient Flow Coordinator
- Elizabeth Davis, Materials Management Information Analyst
- Mike DeGennaro, Administrative Director, Radiology
- Anna Donegan, CADA, Orthopedics
- Gail Duncan, Nurse Manager, PICU
- Kathy Dyda, Director, Administration, UNC P&A
- Beverly Edmonds, Nurse Manager, Oncology Services
- Melanie Edwards, Nurse Manager, 6 Children's and 7 Children's
- Carla Epperson, Nurse Manager, 8 Bed Tower
- Jackie Feaster, Manager, Linen Room & Laundry
- Barbara Fried, Bed Assignment
- Rose Gao, Insurance Collector
- Angela Gattis, Nurse Manager, Maternity Care Center
- Nancy Gleason, RN, Manager, PreCare
- Raj Gopalan, IT Director, Ancillary Systems
- George Gragg, ISD Director, Info Services/Admin
- Keith Gran, COO/CFO, UNC P&A
- Gerald Greene, Supervisor, ED Registration

Interviews – Management

- Ginny Griffin, Nurse Manager, 3 Anderson
- Kathy Guyette, VP and Associate CNO
- Nina Hackney, Director, Psychiatric & Rehab Services
- Michael Haithcock, Manager, Patient Accounting, Services Data Control
- Jacqueline Harden, Nurse Manager, CCU
- Jerry Harrington, Unit Administrator, Medicine Services
- Carolyn Hayes, Burn Unit
- Julio Huerta, Director, Biomedical Engineering
- Ken Hunt, RN, Manager, OR Main and W/C
- Melvin Hurston, SR VP, Professional & Support Services
- Seema Hussain, RN, PSM I, OR Main and PCS
- Nancy Jenkins, Director of Nursing/Staffing
- Anna Carol Jones, CADA, Pediatrics
- Carla Jones, Nurse Manager
- Mary Jane Kagarise, Associate Chair, Surgery
- Kyle Kalkowski, Sleep Clinic
- Spero Karas, MD, Orthopedics
- Kim Keller, Nurse Manager

Interviews – Management

- Joyce Kern, Interim Nurse Manager, 6 Neurosciences and STPU
- J.P. Kichak, Chief Information Officer
- Kathy King, Nurse Manager
- Norm Klase, Human Resource Services
- Joe Kramer, RN, Eating Disorder Unit
- Susan Lakatos, RN, Manager, ACC Day Op
- Chad Lefteris, Administrative Director
- Dan Lehman, Administrative Director
- John Lewis, Vice President & CFO, Rex Healthcare
- Kay Lytle, Lead Clinical Systems Analyst
- Lisa Mace, Case Manager
- Kathy MacGregor, Nurse Manager, SICU/NSICU
- Cathy Madigan, Director, Heart Center Services
- Larry Mandelkehr, Director CQI
- Kelly Manix, CQI
- Martha Mann, Private Pay Collector
- Alison Manzi, Physical Therapist
- Roberta Marks, Administrative Director, Oncology Services

Interviews – Management

- Barbara Martinkosky, Director, Physical Therapy/Occupational Therapy
- Chuck Mauro, Director, Materials Management
- Karen McCall, VP, Public Affairs and Marketing
- Jim McCallister, Director, Pharmacy
- Meghan Hill McCane, Nurse Manager, CTICU
- Tom McCotter, Director, Telecommunications
- Lee McLean, PhD, Chair, Allied Health Services
- Priscilla Merryman, RN, Medical Services
- Rhonda Miller, Director, Patient Financial Revenue Services
- Judy Moore, Nurse Manager, MICU
- Karla Moore, CRNA, Chief CRNA
- Patricia Moore-Boyette, VP, Audit, Security and Reimbursement
- Bill Moxley, Food and Nutrition
- Diane Murphy, Director, Pre-Admission Screening
- Melissa Myers, Observation Care Coordinator
- Stella Nelson, RN, Surgical Services
- Kim Nicoll, Program Administrator
- Kathleen Ojala, Nurse Manager, Adult Psych/ECT

Interviews – Management

- Eliana Owens, Director, Admitting
- Mindy Owens, Interim Manager
- Sandra Pabers, Nurse Manager, Emergency Room
- Tracy Parham, Patient & Clinical Management Systems
- Gary Park, President, UNC Hospitals
- Nita Parker, Nurse Manager
- Deborah Pearce, Supervisor, Coding and Research, Medical Information Management
- Jennifer Pegg, Nurse Manager, Rehabilitation Unit
- Judy Peitsch-Racine, Nurse Manager, Labor & Delivery
- David Perry, Executive Associate Dean for Administration
- Joni Perry, Director, Medical Records
- Anthony Passannante, MD, Resident Director, Anesthesiology
- Douglas Peterson, Business Office Manager, Surgical Support Services
- Todd Peterson, Executive VP & COO
- Michelle Phillips, Assistant Dean & CFO
- Susan Phillips, VP, Surgical Services
- Carol Pillsbury, Director, Audiology
- Mary Anne Poole, RN, Manager, Urological Services & GI Procedures

Interviews – Management

- Fred Price, Nurse Manager, Burn Unit
- Melissa Rajappan, Associate Director, Medical Information Management
- Sandra Ratliff, Director, McLendon Clinical Labs
- Bill Rutala, Ph.D., Hospital Epidemiology, Occupational Health & Safety
- Marlene Rifkin, SR VP, Operations
- Peter Rock, Clinical Director
- Betty Rogers, ED Registrar
- Marschall Runge, MD, Chair, Medicine, President UNC P&A
- Dennis Schmidt, CIO, School of Medicine
- Kim Schneider, CADA, OB/GYN
- Rosie Schroeder, RN, Director, OR Main and W/C
- Kathleen Short, Respiratory Therapy
- Elaine Smith, Director, Nursing Practice, Education and Research
- Tom Smith, Director, Hospital Police
- Luis Soto, Manager, Distribution & Logistics
- Larry Stanley, Administrative Director, Radiation/Oncology
- Tami Stanton, Director, Home Health and Hospice
- Al Stewart, CFO, UNC Health Care System

Interviews – Management

- Cheryl Stewart, Nurse Manager, 5 Bed Tower
- Diane Stimson, SR VP, Managed Care and Payer Contracting
- Jeff Strickler, Director, Emergency Department Services; Interim Director, Surgery Services
- John Storment, Director, General Accounting, AP and Travel
- Pat Sturdivant, Anesthesia Support
- Doris Sugg, Nurse Manager, Child, Adolescent Services/Eating Disorders
- Cherie Sumner, Supervisor, Outpatient Coding, Medical Information Management
- Janice Summers, Medicaid Eligibility Supervisor
- Mary Tonges, PhD, CNO and SVP
- Carolyn Viall, Director, Children's & Women's Services
- Annette Williams, RN, W/C PACU/PCS
- Craig Wade, Director, Patient Account Services
- Suzanne Wakeham, RN, ED Admission Coordinator
- Beverly Wallace, Insurance Collector
- Jim Walsh, IT Director, Administrative and Financial
- Ray West, Recreation Therapy
- Mauri Williams, Nurse Manager, NCCC
- Jeffrey Yardley, Manager, Purchasing
- Pat Yee, Nurse Manager, 5 Children's and CICC

Glossary of Acronyms

Acronym	Definition	Acronym	Definition
AA	Administrative Associate	CMO	Chief Medical Officer
AAMC	Association of American Medical Colleges	CMS	Center for Medicare and Medicaid Services
ACC	Ambulatory Care Center	CNA	Certified Nurse Assistant
ACGME	Accreditation Council for Graduate Medical Education	CNE	Chief Nurse Executive
Adj. Disch.	Adjusted Discharge	CNO	Chief Nursing Officer
ADE	Adverse Drug Events	COB	Coordination of Benefits
AFDC	Aid to Families with Dependent Children	COO	Chief Operating Officer
AHC	At-Home Care	COTH	Council of Teaching Hospitals
ALOS	Average Length of Stay	CPD	Central Processing and Distribution
AOB	Adjusted Occupied Bed	CPOE	Computerized Physician Order Entry
AMA	Against Medical Advice	CPM	Clinical Practice Model
AMC	Academic Medical Center	CPT	Current Procedural Terminology
AP	Accounts Payable	CPU	Centralized Processing Unit
APC	Ambulatory Payment Classifications	CRM	Clinical Resource Management
AR	Accounts Receivable	CRNA	Certified Registered Nurse Anesthetists
ASC	Ambulatory Surgery Center	CSC	Commonwealth Service Corporation
B/AR	Billing/Accounts Receivable	CST	Certified Surgical Technicians
BC/BS	Blue Cross/Blue Shield	DME	Durable Medical Equipment
BP	Better Performing/Better Practice	DNFB	Discharged, Not Final Billed
CA	Compliance Advisor	DRG	Diagnostic Related Group
CBO	Central Business Office	DSH	Disproportionate Share Hospital
CD	Central Distribution	DSS	Decision Support System
CDH	Consumer Directed Health	ED/ER	Emergency Department/Emergency Room
CEO	Chief Executive Officer	EDI	Electronic Data Interchange
CFO	Chief Financial Officer	EEG	Electroencephalogram
CFTE	Clinical Full Time Equivalent	E & M	Evaluation and Management
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services	ENT	Otolaryngologists (Ear, Nose and Throat)
CIO	Chief Information Officer	EIS	Executive Information System
CIS	Central Information System	EKG	Electrocardiogram
CM	Care or Case Management	EMG	Electromyography or Electromyogram
CMI	Case Mix Index	EMR	Electronic Medical Record

Glossary of Acronyms

Acronym	Definition	Acronym	Definition
EMTALA	Emergency Medical Treatment and Active Labor Act	LBE	Leave Before Evaluation
EOB	Explanation of Benefits	L&D	Labor and Delivery
EOQ	Economic Order Quantity	LDRPN	Labor/Delivery/Recovery/Post-partum /Nursery
EPO	Employer Provider Organization	LOS	Length of Stay
EVP	Executive Vice President	LPN	Licensed Practical Nurse
FQHC	Federally Qualified Health Center	LTAC	Long-term Acute Care
FTE	Full-time Equivalent	LUM	Low Unit of Measure
FY	Fiscal Year	LVN	Licensed Vocational Nurse
GI	Gastroenterology	M	In Millions
GL	General Ledger	MAC	Monitored Anesthesia Care
GME	Graduate Medical Education	MAMSI	Mid Atlantic Medical Services
GPCI	Geographic Practice Cost Indices	MAR	Medical Administration Record
GPO	Group Purchasing Organization	MGMA	Medical Group Management Association
HH	Home Health	MDC	Medical Diagnostic Classification
HIM or HIS	Health Information Management or System	MLP	Mid-Level Provider
HIPAA	Health Insurance Portability and Accountability Act of 1996	MLT	Medical Laboratory Technologist
HMO	Health Maintenance Organization	MM	Materials Management
H&P	History and Physical	M&O	Maintenance and Operations
HR	Human Resources	MSA	Metropolitan Statistical Area
HSCRC	Health Services Cost Review Commission	MUE	Material Use Evaluation
ICU	Intensive Care Unit	NA	Nursing Assistant
IDN	Integrated Delivery Network	NCI	Navigant Consulting
IMO	Inpatient Medical Office	NHPPD	Nursing Hours Per Patient Day
I/P	Inpatient	NIH	National Institutes of Health
IP	Internet Protocol	NICU	Neonatal Intensive Care Unit
ISD	Information Systems Department	NP	Nurse Practitioner
IS / IT	Information Systems/Information Technology	NPV	Net Present Value
JAMA	The Journal of American Medical Association	OB/GYN	Obstetrics and Gynecology
JCAHO	Joint Commission on the Accreditation of Healthcare Organizations	OCIS	Oncology Clinical Information Systems
JIT	Just In Time	OE	Order Entry
K	In thousands	O&M	Owens & Minor

Glossary of Acronyms

Acronym		Definition		Acronym		Definition	
O/P	Outpatient	QIC	Quality Improvement Council	RBRVU	Resource Based Relative Value Unit		
OR	Operating Room	RFI	Request For Information	RFP	Request For Proposal		
P & L	Profit and Loss	RFQ	Request for Quotation	RN	Registered Nurse		
P & T	Pharmacy and Therapeutics	ROI	Return on Investment	RRC	Residency Review Committee		
PA	Physician Assistant	RT	Respiratory Therapist	RVU	Relative Value Unit		
PAC	Patient Access Council	SHP	State Health Plan	SKU	Stock Keeping Units		
PACU	Post Anesthesia Care Unit	SOM	School of Medicine	SPD	Supplies, Processing & Distribution		
PAP	Pharmacy Assistance Program	SSA	Secondary Service Area	SR VP	Senior Vice President		
PB	Pitney Bowes Mailing System	SVP	Senior Vice President	TAR	Treatment Authorization Request		
PBM	Pharmacy Benefit Manager	TOT	Turnover Time	TPA	Third Party Administrator		
PCOI	Pharmaceutical Care Outcomes Initiatives	TPA	Third Party Administrator	TSA	Tertiary Service Area		
PCP	Primary Care Physician	UHC	University Health Consortium	UNCH	<i>University of North Carolina Health Care (Hospital Only)</i>		
PCR	Payment to Charge Ratio	UNC HCS	<i>University of North Carolina Health Care System</i>	UNC P&A	<i>Physicians and Associates</i>		
PDA	Personal Digit Assistants	UOS	Units of Service	UR	Utilization Review		
PDS	Private Duty Services	VPMA	Vice President Medical Affairs	W&C	Women's & Children's		
PERS	Public Employee Retirement System	wRVU	work Relative Value Unit	YTD	Year-to-Date		
PFS	Patient Financial Services						
PHS	Public Health Services						
PICU	Pediatric Intensive Care Unit						
PIP	Performance Improvement Plan						
PMB	Pharmacy Benefit Provider						
PMPM	Per Member Per Month						
POM	Physician Order Management						
POS	Point-of-Service						
PPI	Physician Preference Items						
PPO	Preferred Provider Organization						
PRO	Professional Review Organization						
PSA	Primary Service Area						
PT	Physical Therapy						
PTO	Paid Time Off						
QA	Quality Assurance						

Glossary of Financial Terms

Financial Term	Definition
Adjusted Discharges	Total patient discharges (excluding newborns) times Outpatient Adjustment Factor. Discharge and admission numbers are interchangeable based on which reports are available from UNC HCS.
AOB (Adjusted Occupied Beds)	{Total patient days (excluding newborns) divided by days in period} times the Outpatient Adjustment Factor.
Adjusted Occupied Beds, CMI Weighted	Adjusted occupied beds divided by case mix index.
Baseline Financial Projections	Information using historical 3 year data and current trends with management and NCI assumptions.
CMI (Case Mix Index)	Measurement of patient acuity (inpatient statistic only).
Case Mix Adjustment	Standardization of revenue and expenses based upon acuity of patient care.
FTEs/AOB (Full-Time Equivalent Employees per Adjusted Occupied Bed)	Full-time paid employees plus contracted employees plus allocation of corporate employees, minus housestaff, divided by adjusted occupied beds.
FTEs/AOB, CMI Weighted	FTEs/AOB divided by case mix index – normalizes staffing comparisons based on acuity of patient load.
Outpatient Adjustment Factor	Standardization of inpatient charges allowing upward adjustment of inpatient statistics for the relative value of outpatient activity.
Paid Hours	Assumes an equivalent FTE is paid annually for 2,080 hours.