



University of Connecticut

Commission on Enhancing Agency Outcomes

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Testimony

By

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Co-Chairs, Ranking Members and Members of the Commission, thank you for allowing me to provide written testimony on the *Areas of Focus* document that the Commission has circulated.

Please know that the University of Connecticut shares the Commission's goal of reducing costs, achieving efficiencies and improving the delivery of services to the public. The University has stepped up our activities in this area as we have struggled to absorb \$12 million in reductions to our FY 09 state appropriation for the Storrs and Regional campus and FY 10 allotment reductions of \$3.5 million to our Storrs and Health Center budgets.

We are pleased to have the opportunity to share with the Commission some successes we have had in the area of enhancing information technology systems, increasing our purchasing power and addressing energy costs to achieve savings and provide better services to our students, patients, faculty and staff.

University of Connecticut Health Center (UCHC) Implementation of Electronic Health Records (EHR) Technology

The UCHC has invested in state-of-the-art inpatient and outpatient EHR technology. It is expected that our University Medical Group Internal Medicine practices will begin using this new outpatient technology, NextGen, in the first quarter of 2010. Implementation of NextGen will generate increased revenue through more effective charge capture, expense reduction through elimination of paper records and transcription costs, and clinician efficiencies through customized specialty templates, electronic prescribing and online orders and results. Moreover, the implementation of EHR will support the University Medical Group's eligibility for ARRA incentives which could result in additional federal funding.

Interoperability with other state hospitals and physician practices will be achieved through the Health Center's participation in eHealthConnecticut, a statewide Health Information Exchange (HIE). eHealthConnecticut will link participating hospitals and physician practices through their EHRs, allowing clinicians to share patient data across organizations. A pilot of the eHealthConnecticut data interchange is planned for the first quarter of 2010. Once fully deployed, the HIE will support enhanced patient care as well as reduced healthcare costs, through elimination of unnecessary duplicate tests and procedures.

Addressing Energy Costs

The University has participated in two reverse electricity auctions organized by the Office of Policy and Management. Given the size of the physical plant maintained by the University at its Storrs, Farmington and five regional campuses (~15 million square feet), energy is a substantial expense. Through the 20-month period ending in June 2009, the University reduced its energy costs significantly, essentially buying its electricity at known prices through a competitive auction process rather than taking the standard offer. In the fall of 2008, the University again participated in the OPM sponsored reverse electricity auction and locked in its electricity costs through FY12. The process provided cost predictability, budget accuracy and the opportunity to take higher percentages of electricity generated from "green" sources. In light of these results, the General Assembly might consider a more expansive use of reverse auction authority for state agencies and the higher education constituent units.

Additional energy savings were achieved at the Health Center after it completed an electric heat conversion project in 2008. The project has resulted in savings for the UCHC due to a reduction in electricity use and an increase in natural gas use.

Benefits of Retaining Higher Education Purchasing Authority

As the Commission continues its work in the coming weeks and months, the University asks that you retain the higher education purchasing authority that was enacted in the early 1990s. This authority was granted in recognition of the fact that Connecticut's public colleges, universities, and the Health Center vie for students, patients, faculty and sponsored research in a highly competitive environment. Our "customers" pay for these goods and services and have legitimate expectations for the quality and timeliness of products and services that the University's purchases on their behalf. The University manages six campuses, the Law School and the Health Center that are twenty-four hour per day, seven-day per week operations. The Health Center, for example, routinely serves medical emergencies, a rapidly growing outpatient population, and a diverse inpatient population, including pediatric patients, geriatric patients and all ages in between. Like our counterparts in the state public higher education system, the University exists in a market environment, which distinguishes us from other state agencies. All of our "customers" choose UConn and pay with dollars borrowed from long-term loans, personal savings, and retirement accounts, and other means for their education, clinical services or as a place to teach and conduct research. To continue to compete effectively, it is essential that we have the ability to serve our "customers" by having the authority to procure the products and services they need at a competitive price.

Another important reason that public higher education purchasing authority has been maintained is that state colleges and universities must rely upon customer-generated market-competitive revenues for significant portions of their support. Currently, non-state fund sources comprise 67.2% of the Storrs-based budget and 77.4% of the Health Center budget. The state's share of support is now 32.8% at Storrs and 22.6% at the Health Center.

As the state's only public research institution, we must procure for our faculty and students the basic tools – software, equipment, journals, databases and services – available at all other major research universities in the nation. Without these tools, it will be difficult for our faculty to publish