

FCR 32

Office of the President
May 10, 2005

Members, Board of Trustees:

ESTABLISHMENT OF UNIVERSITY HOSPITAL STANDING COMMITTEE

Recommendation: that the Board of Trustees rescind the December 9, 1986, FCR 8 in which the Board authorized the creation of the University Hospital Affiliated Corporation with an effective operational date of July 1, 1987 and rescind the April 7, 1987, FCR 7 which approved the 1987 bylaws of the University Hospital Corporation and the Memorandum of Agreement between the University of Kentucky and the University Hospital. Further, it is recommended that the Board of Trustees establish a University Hospital Standing Committee, adopt the proposed amendments to the Governing Regulations as provided by the PART XIV of the Governing Regulations, and accept the attached resolution.

Background: The Board of Trustees authorized the creation of the University Hospital Affiliated Corporation in 1986 in order to establish a governing body for the University Hospital, as required by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and for the possibility of separating hospital operations into a separate 501(c)(3) corporation. The corporation never acquired assets, conducted operations, or obtained a determination letter that it qualified as a 501(c)(3) corporation from the Internal Revenue Service. However, its board has served as the governing body of the University Hospital, functioning as a de facto committee of the Board of Trustees. Moreover, the corporation has filed annual reports with the Kentucky Secretary of State and continues in good standing.

The need for the corporation no longer exists because there are no plans to operate the University Hospital as a separate entity. In addition, the need for the corporation to serve as a governing body of the University Hospital for JCAHO purposes can be met by establishing a Standing Committee of the Board of Trustees to be called the University Hospital Committee with all the powers required of a governing body by JCAHO, utilizing committee operational rules.

Therefore, it is recommended that the University Hospital Affiliated Corporation be abolished, that the above referenced FCR 8 and FCR 7 be rescinded, that the Governing Regulations be amended, as proposed, and that a University Hospital Committee be established as a Standing Committee of the Board of Trustees.

Action taken: Approved Disapproved Other _____

PROPOSED GOVERNING REGULATION AMENDMENT PART II
5. STANDING COMMITTEES

i. UNIVERSITY HOSPITAL

Shall serve as a governing body to operate the University Hospital in accordance with the Joint Commission on Accreditation of Health Care Organizations (JCAHO). This responsibility includes: management oversight for the development of policies, rules, and regulations for the governance of the University Hospital. Policies of the Committee are implemented by the Executive Vice President for Health Affairs in carrying out the day-to-day operations of the University Hospital.

The membership of the Committee shall include five members from the Board of Trustees. Each member shall be appointed by the Chair of the Board of Trustees acting upon recommendation of the President of the University. The initial Board of Trustee member appointments to the University Hospital Committee shall be for staggered terms in the following manner: two members for three years, two members for four years and one member for five years. Any Board member appointed thereafter shall serve for three years and may be reappointed for an additional three years. Any vacancy occurring before the expiration of the term of the appointment shall be filled for the unexpired term. A quorum of the Committee members must be present in order to conduct business.

The University Hospital Committee may create sub-committees and shall create committee rules to guide their governance consistent with the Joint Commission on Accreditation of Health Care Organizations (JCAHO).

The University Hospital Committee Chair shall report regularly to the Board.

**RESOLUTION OF THE UNIVERSITY HOSPITAL BOARD
ESTABLISHING A STANDING COMMITTEE OF THE BOARD OF TRUSTEES
TO BE CALLED UNIVERSITY HOSPITAL COMMITTEE
May 9, 2005**

WHEREAS, the University Hospital Board has served as the governing body for the University Hospital as a de facto committee of the Board of Trustees for a number of years; and

WHEREAS, the University Clinical Enterprise, now commonly referred to as UK HealthCare, wishes to implement a long-range strategic plan; and

WHEREAS, the University Hospital Board recognizes that it would be of great assistance in accomplishing this strategic plan if the University Hospital Board was recognized formally as a Standing Committee of the University Board of Trustees;

NOW THEREFORE, BE IT RESOLVED that the University Hospital Board recommends to the University Board of Trustees that a new Standing Committee be established and be called the University Hospital Committee; and

BE IT FURTHER RESOLVED that the University Hospital Board recommends that the University Hospital Committee should include the current Board of Trustee members to begin serving staggered terms in the following manner: two members shall serve for three years, two members shall serve for four years, and one member shall serve for five years. Any Board of Trustee member appointed thereafter shall serve for three years and may be reappointed for an additional three years. Any vacancy occurring before the expiration of the term of the appointment shall be filled for the unexpired term; and

BE IT FURTHER RESOLVED that the University Hospital Board recommends that the Board of Trustees adopt the proposed amendment to the University Governing Regulations to accomplish the above recommendations; and

BE IT FURTHER RESOLVED that the University Hospital Board authorizes the Executive Vice President for Health Affairs of the University to take such actions as are necessary and appropriate to accomplish these recommendations.

Barbara Young, Chair
University Hospital Board