

UHCR 1

Office of the President
June 13, 2006

Members, Board of Trustees:

AGREEMENT BETWEEN UNIVERSITY OF KENTUCKY
AND KENTUCKY MEDICAL SERVICES FOUNDATION

Recommendation: that the Board of Trustees approve the revised agreement between the Board of Trustees of the University of Kentucky and Kentucky Medical Services Foundation, Inc. which was negotiated pursuant to the “Board of Trustees Resolution Regarding Medical Practice Plan” adopted on June 20, 1978 and later amended; and that the Board of Trustees authorize the President to negotiate and execute renewals of this agreement in future years unless the terms of the agreement are significantly modified in such a manner that the President or KMSF determine that Board of Trustees approval is necessary.

Background: The Board action on June 20, 1978 provided that:

The President is authorized to negotiate and execute a contract subject to approval of the Board of Trustees, with an appropriately qualified organizational entity for carrying out necessary functions and assuming the responsibilities involved in the administration of income for professional services under the plan.

Kentucky Medical Services Foundation, Inc. meets the “criteria” specified under Section 3A for the appropriately qualified organization. The revised agreement conforms to the provisions of the June 20, 1978 Board resolution and specifically satisfies the “conditions” set forth in Section 3B.

The revised agreement contains the following modifications to the 2006-07 agreement:

- Revision of Section 6D to establish new reimbursement rates for Pathology and Laboratory Medicine services under the agreement.
- Revision of Section 5E to clarify the university making the SAP accounting system and on-going support available to KMSF for a one-time fee of \$300,000.
- The deletion of paragraph 9C detailing maintenance and distribution of Intergovernmental Transfers. Funds now go directly to departments.
- Updates for organizational changes and other matters.
- Other changes for clarification purposes.

The full document and revised contract are available upon request.

Action taken: Approved Disapproved Other _____