

UNIVERSITY of KENTUCKY
HOSPITAL COMMITTEE RETREAT
September 10, 2007

MEMBERS

Ms. Mira Ball
Ms. Myra Tobin
Judge Phillip Patton

COMMUNITY ADVISORY
MEMBERS

Ms. Pam Miller

ADVISORY MEMBERS

Dr. Michael Cibull
Mr. Murray Clark
Dr. Michael Karpf
Dr. Richard Lofgren
Dr. Lee T. Todd, Jr.
Dr. Jay Perman
Dr. Karen Stefaniak

GUESTS

Mr. Frank Beirne
Mr. Jay Blanton
Mr. Stephen Branscum
Ms. Ruth Booher
Mr. Frank Butler
Mr. Harry Dadds
Dr. Jeff Dembo
Ms. Ann Haney
Mr. James Hardymon
Mr. Tom Harris
Ms. Caroline Henderson
Ms. Courtney Higdon
Ms. Barbara Jones
Mr. Marc Matthews
Mr. Sergio Melgar
Mr. Amanda Nelson
Dr. Kevin Nelson
Mr. Nick Phelps
Dr. Charles Sachetello
Ms. Karla Ward
Mr. Bob Wiseman
Ms. Barbara Young

I. CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Judge Phillip Patton. The minutes were reviewed and approved.

II. FINANCIAL REPORT

Sergio Melgar presented the Hospital Financial Report for the close of fiscal year 2007 noting that we have met all of our financial targets for the year. He also mentioned that a significant portion of the net income was a result of the positive returns from investment income. The organization will probably continue to move additional cash into the endowment pool.

Mr. Melgar introduced the July financial reports package describing its new structure due to the acquisition of Good Samaritan. Although there will be separate income statements available, the organization will be judged by a single income statement reflecting the operations of the system. There will, however, be only one balance sheet for the system. Mr. Melgar noted that the financial performance of Good Samaritan was very positive for the month of July and Chandler's performance had improved notably in July over the previous six month period. He expects Chandler's performance in August to be even better and that at this point the targets established for FY 2008 remain achievable.

Judge Patton took a moment at the end of the financial report to introduce two new members of the Board of Trustees, Dr. Charles Sachatello and Mr. Nick Phelps.

III. GOOD SAMARITAN HOSPITAL REPORT

Dr. Lofgren reviewed the volumes and transfer activity for Good Samaritan (GSH) by month and well as the mix of inpatient and outpatient payors. Currently the demand for services at Chandler is outpacing our projections and thus we have not been able to decompress Chandler as much as hoped. Transfers from Chandler to GSH are increasing steadily. The hospitalist service is working well. The GSH staff and physicians have been open and responsive during this transition period. The physician consult services are operational and UK surgeons are beginning to perform cases at GSH. Dr. Lofgren then spent time reviewing the extensive space assessment and outlined the potential opportunities as well as options for increasing patient bed capacity.

IV. OPERATIONS AND CONSTRUCTION

Dr. Karpf reminded the committee that he had committed to them that he would bring to them a recommendation at the last responsible moment on whether to build two additional floors on the new hospital. He described the beginning of this process. Several years ago we were a small academic medical center but with all of our growth we have now become a median sized academic medical center. Our growth continues and we are challenged greatly at Chandler hospital with increasing and very high occupancy rates that create inefficiencies and operational challenges. He then introduced the video animation presentation of the new facility to the committee.

Following the video presentation, a motion was made and approved to move forward with the addition of the two floors on the new patient care facility.

Mr. Clark provided a brief update on the status of the project. It is moving ahead on schedule and budget. Fifty percent estimates were just completed and were on target. Mr. Clark reviewed the project schedule and informed the committee that the parking garage is on schedule as well.

V. HOSPITAL COMMITTEE OPERATING RULES

Mr. Dadds reviewed the proposed changes to the committee operating rules. These changes reflect a change in the scope of the committee's responsibilities as well as the addition of Good Samaritan Hospital to the organization. A motion was made and approved to adopt the revised operating rules.

VI. MEDICAL STAFF REPORT

Ms. Booher introduced the revised Good Samaritan Hospital Medical Staff Bylaws for approval. These revisions reflect the change in ownership of the facility and governance changes and make appropriate provisions as it relates to the potential for residents at Good Samaritan Hospital.

Dr. Michael Cibull presented the Chandler Hospital Medical Staff report. The committee made a motion and approved his report. Dr. Gibbs presented the Good Samaritan Hospital Medical Staff report. The committee made a motion and approved his report.

VII. OTHER BUSINESS

Dr. Karpf introduced and welcomed Mr. Frank Beirne and Ms. Caroline Henderson from Good Samaritan Hospital.

There being no other business, the meeting adjourned at 6pm. The next meeting is scheduled for Monday, October 15, 2007.