

UNIVERSITY of KENTUCKY
University Health Care Committee
April 21, 2008

MEMBERS

Mr. James Hardymon
Dr. Charles Sachatello
Ms. Myra Tobin

COMMUNITY ADVISORY
MEMBERS

Mr. Luther Deaton
Ms. Pam Miller
Ms. Barbara Young

ADVISORY MEMBERS

Dr. Michael Karpf
Mr. Frank Beirne
Dr. Michael Cibull
Mr. Murray Clark
Ms. Caroline Henderson
Dr. Richard Lofgren
Dr. Jay Perman

GUESTS

Ms. Mira Ball
Mr. Jay Blanton
Ms. Ruth Booher
Mr. Steve Branscum
Mr. Frank Butler
Mr. Joe Claypool
Mr. Harry Dadds
Dr. Jeff Dembo
Ms. Ann Haney
Ms. Courtney Higdon
Ms. Angie Martin
Mr. Marc Matthews
Mr. Sergio Melgar
Ms. Sandi Patterson
Mr. John Steiner
Dr. Kumble Subbaswamy
Mr. Bob Wiseman

I. CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Mr. James Hardymon. Dr. Sachatello reminded the committee of his discussion and distribution of six copies of the Health Grades Best Hospital Report at the last committee meeting. This report rates every hospital and physician. They have established surgical mortality standards. There were no suggested revisions to the minutes. The minutes were reviewed and approved as submitted.

II. FINANCIAL REPORT

Mr. Melgar presented the financials for the month ended February 2008. He noted that the cash assets of the organization are in a positive place; even when we begin to expend cash assets on the building project we will likely never approach our minimum threshold of always maintaining \$200 million in cash on hand. Investments for March will reflect a small loss. Dr. Karpf noted that at the June board retreat a cash flow model for financing the remainder of the building project will be presented.

February exhibited record volumes and revenues, and the days in accounts receivable continue to improve as collections for Good Samaritan Hospital gain momentum. Operating income for February was positive and much improved over prior year results. Employment remains stable, and the next real increase in the number of employees is expected in July when additional clinical services will move to Good Samaritan from Chandler.

Dr. Karpf noted that February and March were both very strong months for UK HealthCare. Our operational bottom line, year to date, is up significantly over last year. This has helped to offset losses on investments.

III. QUALITY UPDATE

Dr. Lofgren reviewed with the committee two important quality scorecards as well as a quality initiative within the organization on hand hygiene. He began with a review of the Centers for Medicare and Medicaid Services (CMS) Core Measures. These are based on the calendar year of activity. The organizational goal is to be within 5 percent of the national mean on all 21 measures. For the fourth quarter of 2007 we were at the goal on 18 of the 21 measures. He noted that this data will be published nationally for all organizations soon, and we will compare favorably with other academic medical centers.

Dr. Lofgren then reviewed the UK Chandler Hospital Quality Measures. He discussed the focus on hospital acquired infections and the efforts related to reducing their occurrence. One of the initiatives within this effort is improving hand hygiene. He reviewed the statistics from the literature about hand hygiene in health care settings as well as compliance within UK HealthCare on this issue.

Mr. Hardymon appreciated Dr. Lofgren's report and noted that although we may compare favorably on the CMS Measures, it is important to note that the percentile we measure against is a moving target. He emphasized that the committee is very serious about quality and requested that the presentation of the related data be very understandable to the board members. Dr. Sachatello added that senior physicians have to be held accountable for this issue. Ms. Tobin also requested that the report include a reference guide for the health care industry jargon. Dr. Lofgren committed to incorporate those enhancements with his next report.

IV. CONSTRUCTION UPDATE

Mr. Wiseman updated the committee on the progress of the College of Pharmacy building construction. He reviewed the site and the renderings of the facility. The project is scheduled to conclude in December of 2009. He noted that costs are currently on track with a reasonable contingency in place. Dr. Karpf commented that it is very important to move forward to fit out the research space in this building as soon as possible.

Mr. Wiseman also presented that the 4th floor project at Good Samaritan came in under budget. The bidding environment seems to be very positive right now. The team is working hard to ensure this carries over into the bidding process for the new hospital project. Karpf noted that the Pharmacy project was a good bell weather for us to form expectations for the bid package getting ready to come in on the new hospital project. Mr. Wiseman concluded with a comment that updates on the parking structure and University Health Services projects will be presented at the full board meeting on April 22, 2008.

Mr. Clark presented the committee with a review of the various projects that had been completed and are underway within the existing UK HealthCare facilities. These projects range from the updates to the emergency room to various moves and updates in the ambulatory practices. Literally dozens of projects have been completed or are underway in our existing facilities. Karpf concluded the review with a comment to the committee that the organization has not overlooked its smaller responsibilities while undertaking the large hospital project. Mr. Hardymon indicated that he was pleased with the establishment of the principles that will guide the facility and operational aspects of the projects in the ambulatory practices.

V. MEDICAL STAFF REPORT

Dr. Cibull presented two information items before reviewing the action on the credentials. First, he called to the committee's attention that all minutes of the Medical Staff Executive Committee reflect a report on quality and safety as well as customer service. Secondly, he informed the committee that he was elected to a two year term as the President of the Medical Staff and will, in June, resign his position. Dr. Cibull then presented the Chandler Hospital credentials for approval. The committee made a motion and approved the UK Chandler Hospital Credentials.

VI. OTHER BUSINESS

Mr. Hardymon noted a recent trip to Lahey Clinic. They relayed to him their concern about their ER. He said they engaged a very helpful consultant to look at their ER situation. He will pass the name of this consultant on to Dr. Lofgren and Mr. Clark.

Mr. Hardymon reminded the committee of the annual committee retreat to be held for the full day on Monday, June 16, 2008 at Keeneland. Details and an agenda will be distributed in advance of the meeting. Dr. Dembo requested the administration consider discussing at the retreat how patient and employee surveys influence how

care is delivered. Dr. Karpf committed that if it does not get covered at the June meeting it will at an upcoming meeting of the committee.

There being no other business, the meeting adjourned at 5:20pm.