

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES
UNIVERSITY HEALTH CARE COMMITTEE RETREAT
October 13, 2008

MEMBERS

Mr. James Hardymon
Ms. Ann Haney
Ms. Sandi Patterson
Judge Phillip Patton
Dr. Charles Sachatello

COMMUNITY ADVISORY
MEMBERS

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

ADVISORY MEMBERS

Dr. Michael Karpf
Dr. Richard Lofgren
Dr. Jay Perman
Mr. Frank Beirne
Ms. Caroline Henderson
Ms. Ann Smith
Ms. Kathleen Kopser
Mr. Frank Butler

GUESTS

Ms. Mira Ball
Ms. Ruth Booher
Dr. Britt Brockman
Mr. Joe Claypool
Mr. Murray Clark
Mr. Dall Clark
Mr. Shawn Crouch
Ms. Jo Hern Curris
Dr. Kristi Deep
Mr. Ed Erway
Ms. Courtney Higdon
Mr. Ronda Beck
Mr. Sergio Melgar
Ms. Amanda Nelson
Dr. Kevin Nelson
Mr. John Steiner
Dr. Kumble Subbaswamy

I. CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 4:05 p.m. by Mr. James Hardymon.

Mr. Hardymon noted that a number of committee members toured the new hospital patient mock up rooms before the meeting. He welcomed the new members of the committee, Ann Haney and Sandi Patterson. He asked for a motion to approve the minutes, and the minutes were approved as submitted.

Dr. Karpf reported to the committee that Murray Clark has agreed to dedicate 100 percent of his time to the new building project as it begins a phase of transition planning. Dr. Karpf introduced Ann Smith who will take over as the interim chief administrative officer for Chandler Hospital.

II. FINANCIAL REPORT

Mr. Melgar presented the August financial report. He reviewed the cash position and noted that we will be well into next year before we use up the cash from the bond proceeds on the project and need to begin using cash from operations. There may be a good case, given the market performance of late, to issue additional bonds and preserve cash from operations. He noted that although volumes have not grown as fast as previous years, the revenues are very strong and that has been our key to success. The balance sheet is still fundamentally very strong and the bottom line margin percentage is very strong as well.

Dr. Karpf noted that although by many measures we are performing well, the economic crisis in the country is forcing organizations to reassess performance goals and that new benchmarks will be established as things tighten up.

Mr. Erway reported to the committee on the uninsured financial policy. This new policy has helped better classify bad debt and improved our efficiency in collecting revenue. The policy is organization-wide covering both the hospital system and the physician practice.

III. QUALITY UPDATE – PALLIATIVE CARE

Dr. Lofgren defined palliative care and the goals of the program. He reviewed the continuum of palliative care, discussed where the gaps often exist and talked about how we are working to fill those gaps. He noted there is an educational component of the program and rounds are also being made within the organization about this effort.

Dr. Karpf commented that this program is not just about cancer patients. There are many patients that need this type of care and we are working to enhance our efforts in this arena. This program is about taking care of people – not diseases.

IV. BEHAVIORAL STANDARDS

Dr. Lofgren reported that the action before the committee is needed to update the 1997 document originally approved by the Board of Trustees. This amended document includes a number of commitments to service that are an outgrowth of our desire to focus on service. A motion was made, and the revised standards were approved.

V. ANNUAL COMPLIANCE REPORT

Mr. Steiner presented the annual compliance report to the committee. He reviewed the goals of the compliance program and its responsibilities. He discussed the compliance indicators and reviewed program projects and accomplishments of the past year.

VI. FACILITIES PROJECT UPDATE

Mr. Clark reported the project is on schedule. He reviewed the status of bids against the project budget. Currently the project is about \$6 million under budget with an appropriate project contingency pool still in place available to address issues that may still arise as the project progresses. Dr. Karpf noted that we will review the cash flows with the committee soon so they have a clear understanding of this issue.

VII. PRIVILEGES AND APPOINTMENTS

Dr. Nelson presented for approval the privileges for Chandler and Good Samaritan Hospitals. He noted that these have been appropriately reviewed by the medical staff. The committee made a motion and approved all of the privileges. The committee also made a motion and approved the revision to the medical staff bylaws as outlined by Dr. Nelson. *(To clarify the minutes, this action was duplicative of the action taken by the committee at its September meeting and was introduced in error for a second time to the committee at this meeting.)*

VIII. RESOLUTIONS

Mr. Melgar reviewed a capital project resolution for an elevator upgrade in the Kentucky Clinic that will be brought to the Board of Trustees from the finance committee. The University Health Care Committee takes action on these medical center related items as a sign of support. The committee made a motion and approved the resolution.

IX. OTHER BUSINESS

There being no further business, the meeting adjourned at 5:37 pm.