

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES
UNIVERSITY HEALTH CARE COMMITTEE
April 20, 2009

MEMBERS

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

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Ms. Pam Miller
Ms. Myra Tobin
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Ms. Caroline Henderson
Ms. Kathleen Kopser
Dr. Richard Lofgren
Dr. Jay Perman
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Ms. Ruth Booher
Mr. Joe Claypool
Mr. Murray Clark
Mr. Harry Dadds
Dr. Paul DePriest
Ms. Courtney Higdon
Ms. Barbara Jones
Ms. Angie Martin
Mr. Sergio Melgar
Ms. Amanda Nelson
Dr. Kevin Nelson
Mr. John Steiner
Dr. Kumble Subbaswamy
Ms. Colleen Swartz
Ms. JoEtta Wickliffe
Mr. Bob Wiseman

I. CALL TO ORDER AND APPROVAL OF MINUTES

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

He asked for a motion to approve the minutes, and the minutes were approved as submitted.

Dr. Karpf introduced to the committee Mr. Jonathan Curtright, the new Chief Operating Officer for Ambulatory Services for UK HealthCare. Dr. Karpf also brought to the attention of the members the recently distributed document highlighting the new hospital and the art and music and landscape incorporated in the project that will make it uniquely Kentucky.

II. FINANCIAL REPORT

Dr. Karpf reviewed the past several years of performance at UK's medical center noting the first five years experienced rapid growth – about 73% in discharges. This growth exemplified the importance of the University to the health care of Kentucky. Modest growth was planned for FY09 as greater competitive forces were expected to be felt. The first six months of FY09 were profitable although slightly behind in volume because of the movement of Psychiatry and Family Medicine to Good Samaritan. January and February were difficult due to the weather, calendar work days in each month and the change in the University's vacation policy. March volume improved but didn't reach normal levels. Volumes have continued to rebound in April. He and his team and the faculty leadership are committed to finding substantial additional revenue through increasing volumes and payments. Significant effort to reduce costs is also underway. There is no commitment that mass layoffs will never occur, but it is more likely that any reduction in work force will take place through targeted job actions.

Mr. Melgar presented statistics from the Council on Teaching Hospitals to give the members context as to the performance of academic medical centers nationally. In summary, most performance metrics are trending in a negative direction clearly representing a softening of the health care market at the national level. Mr. Melgar noted that in March we were very busy—our census was at a good place—but our discharges continued to be down. The Case Mix Index was up, the length of stay was up, and the Operating Room activity was up. Revenue per case was up, but we did not have the total volumes we would have hoped for.

Mr. Hardymon noted that although we are still profitable for the year that is not all we are trying to accomplish. We are building a hospital and trying to build an organization that can get through these financial ups and downs with greater and greater ease.

III. EFFICIENCY INITIATIVES

Dr. Lofgren reviewed for the members the various efforts underway to improve revenue and reduce costs. He enumerated the various initiatives relative to the supply chain, people and programs aimed at creating cost savings. Opportunities to increase revenues also are being pursued pertaining to the Palliative Care Consult service, the infusion center, the Rockcastle Access Center, and enhancing ICU throughput.

Dr. Karpf reiterated that we are committed to increasing revenues and cutting costs to continue to achieve our financial goals and move UK HealthCare forward.

IV. 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. Dr. Nelson also noted that there are 646 physicians credentials at Chandler Hospital and 659 at Good Samaritan Hospital about half being UK faculty.

V. OTHER BUSINESS

Seeing no other business Mr. Hardyman adjourned the meeting at 5:40pm.