

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES
UNIVERSITY HEALTH CARE COMMITTEE
June 8, 2009

MEMBERS

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

COMMUNITY ADVISORY
MEMBERS

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

ADVISORY MEMBERS

President Lee T. Todd, Jr.
Dr. Michael Karpf
Ms. Caroline Henderson
Ms. Kathleen Kopser
Dr. Richard Lofgren
Dr. Jay Perman
Ms. Ann Smith

GUESTS

Ms. Mira Ball
Mr. Stephen Branscum
Ms. Penny Brown
Mr. Everett McCorvey
Ms. Pamela May
Dr. Kumble Subbaswamy
Ms. JoEtta Wickliffe

A number of other faculty and staff of the University and UK HealthCare were in attendance at this annual meeting of the University Health Care Committee of the Board of Trustees.

I. CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 9 a.m. by Mr. James Hardymon.

II. COLLEGE AND CENTER REPORTS

The morning agenda included presentations by a number of colleges and centers to the committee reviewing their recent achievements in academics, research, recruitment, development, clinical work and finances. They included the College of Medicine by Dr. Jay Perman, the College of Pharmacy by interim Dean Pat McNamara, the College of Nursing by Dr. Jane Kirschling, the College of Dentistry by Dr. Sharon Turner, the College of Health Sciences by Dr. Lori Gonzalez, the Markey Cancer Center by Dr. Mark Evers, and the Cardiovascular Research Center

by Dr. Alan Daugherty. Dr. Markesbery was planning to give a presentation on the Sanders Brown Center on Aging, but was unexpectedly unable to attend the meeting. The committee will hear reports on the Center on Aging as well as the College of Public Health at a future meeting.

The committee appreciated each of these reports and the great work occurring in each of these areas of the medical center.

III. PRACTICE PLAN ADMINISTRATIVE REGULATIONS

Before presentation of the practice plan administrative regulations, a motion was made and the minutes of the previous meeting were approved.

Mr. Dadds reviewed with the committee the revised administrative regulation that governs all practice plans of the medical center. In addition to the unified administrative regulation for all practice plans, each college will have the opportunity to file an addendum to the regulation to establish individual policies for their respective practices that will be reviewed and approved by the Provost and the Executive Vice President for Health Affairs. A motion was made and the committee approved the proposed administrative regulation.

IV. VENDOR POLICY

Dr. Perman reviewed for the committee the work behind the development of a revised policy governing relationships between faculty and staff and industry. This new policy brings UK HealthCare in line with the recommendations promulgated by the AAMC.

V. CREDENTIALS

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.

VI. KMSF ANNUAL AGREEMENT

Mr. Dadds introduced the KMSF annual agreement as approved every year by the committee. He reviewed the relevant points and changes to the agreement. The committee requested that the dates listed in the document be confirmed. A motion was made and the committee approved the agreement.

VII. BUILDING PROJECT UPDATE

Mr. Clark reported to the committee the status of the building project construction progress. He reminded the committee there was only a small part of the project work still being bid and that no problems were expected with those bids outstanding. The schedule remains on track and the topping out of the steel structure will be held September 30.

VIII. STRATEGIC PLANNING

Dr. Karpf presented to the committee a series of sixteen tasks to be accomplished by the organization in support of and as part of the development of a new strategic plan for UK HealthCare. The initial strategic plan developed in 2004 has served UK HealthCare well over the past five years and now we must recalibrate our strategic plan as we look to the next five years. Dr. Karpf and the leadership team will work over the next year to recalibrate the plan to present to the board for approval at the annual meeting next June.

IX. BUDGETS

Before presentation of the budgets, President Lee Todd remarked to the Board his thanks for their service, the service of the community board members, Dr. Karpf and all of his leadership team. He appreciated their collaborative efforts and recognized the dividends of the Provost model. The outreach efforts of UK HealthCare are a point of pride making a real difference in Kentucky. He thanked Mr. Hardymon for his service as chair of the health care committee.

Mr. Melgar presented the close of the fiscal year and the budget for the upcoming year. He noted that FY09 was the first year in five that discharges fell over the previous year; FY10 has a planned increase in discharges of 4%. He reviewed the other assumptions of the upcoming fiscal year's budget and explained that no merit increase in pay will be given this year, the first time in recent years for UK HealthCare. No investment income is expected in FY10. He noted the significant risks for the system are the outcomes of health care reform, the state economy's impact on UK, investment performance and competition. The projected budget anticipates an operating margin of 4.9%.

Dr. Karpf commented that the first five years saw tremendous growth in the organization. This past winter was challenging, and we are feeling better now but we have to keep pushing forward. He also noted two items that are helping us through these challenging times: the new hospital project is on time and under budget, and we have a very strong balance sheet. We are poised for growth thanks to the great work of the faculty and the operations team.

X. OTHER BUSINESS

Seeing no other business Mr. Hardymon adjourned the meeting at 4:10pm.