

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES
UNIVERSITY HEALTH CARE COMMITTEE
March 9, 2009

MEMBERS

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

COMMUNITY ADVISORY
MEMBERS

Mr. Luther Deaton
Ms. Myra Tobin

ADVISORY MEMBERS

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

GUESTS

Ms. Mira Ball
Ms. Ruth Booher
Mr. Joe Claypool
Mr. Murray Clark
Ms. Jo Hern Curriss
Mr. Harry Dadds
Dr. Paul DePriest
Ms. Courtney Higdon
Ms. Barbara Jones
Mr. Marc Mathews
Mr. Sergio Melgar
Ms. Amanda Nelson
Dr. Kevin Nelson
Mr. Erwin Roberts
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.

He asked for a motion to approve the minutes, and the minutes were approved as submitted. Dr. Karpf introduced to the committee Mr. Tim Tarnowski, the new Chief Information Officer for UK HealthCare and recognized the good work and dedication of his predecessor Mr. Zed Day. Mr. Hardymon distributed a document to the members of the committee related to committee service and conflict of interest for the members' information.

II. FINANCIAL REPORT

Mr. Melgar presented the January financial report. He noted that the length of stay was up and discharges were down for the month. The acuity of patients is lower and not in alignment with the increase in the length of stay. He also reported that surgeries for the month were down. Although the results of the month may be attributable entirely to the ice storm and related weather issues, the management team is cautious not to be quick to draw that conclusion overlooking the potential that this could be resulting from the economic downturn currently experienced nationally and worldwide.

Dr. Karpf noted that health care market is more resistant to these economic forces, but not immune. The next two months activity and financial results must be watched closely and understood well so that we know what steps must be taken next.

Mr. Melgar reviewed the statistics for February. Dr. Karpf noted that year to date we are profitable on operations. Mr. Hardyman appreciated that and commented that January is of concern. Dr. Sachatello distributed to the committee members a recent Wall Street Journal article discussing the economic impact felt at other large medical providers in the country.

III. QUALITY UPDATE – PALLIATIVE CARE

Dr. Lofgren reviewed the updates to the quality scorecard and the core measures. He also reviewed initiatives and progress in improving infection rates for central lines and ventilator acquired pneumonia. Mr. Hardyman commented on how something as simple as hand washing has such an impact on this issue. Dr. Nelson and Dr. DePriest reminded the committee of efforts to ensure compliance with hand washing guidelines for all providers that come into contact with patients. Dr. Karpf noted that all of our quality initiatives are not pursued for the purpose of making our scores look good and compare well, but are for the purpose of providing correct care to the patients.

IV. FACILITIES PROJECT UPDATE

Mr. Clark reported that 95% of the project is currently under contract. There is about \$24 million still outstanding with about \$19 million of that to be bid in the upcoming weeks. The project contingency fund remains at a comfortable level.

V. LEASE PURCHASE FINANCING OF SAMARITAN PROPERTIES

Mr. Melgar reviewed the lease purchase financing of the Samaritan properties and clarified the correction to the action stating that the interest rate is 4.39% rather than 4.05% as listed in the board action. The committee made a motion and the lease purchase was approved.

VI. CENTER ON AGING FOUNDATION BOARD APPOINTMENTS

Mr. Dadds reviewed the proposed appointments to the foundation board. The committee made a motion and the nominations were approved.

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.

VIII. OTHER BUSINESS

There was a question about the Children's Hospital and how that fits in to all that the committee sees with respect to the financials and other issues. It was noted that the Children's Hospital is within the Chandler Hospital financials and that it is a hospital within a hospital. Dr. Sachatello requested that the committee receive a report from Dr. Bricker at some point related to the Children's Hospital.

Seeing no other business Mr. Hardymon adjourned the meeting to closed session for the discussion of litigation.

IX. RECONVENE FROM CLOSED SESSION

The committee reconvened from closed session.

X. ADJOURNMENT

Mr. Hardymon adjourned the meeting at 6pm.