

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES  
UNIVERSITY HEALTH CARE COMMITTEE  
November 30, 2009

MEMBERS

Mr. Stephen Branscum  
Ms. Ann Haney  
Ms. Sandy Patterson  
Dr. Charles Sachatello  
Ms. Barbara Young

COMMUNITY ADVISORY  
MEMBERS

Mr. Luther Deaton  
Mr. James Hardymon  
Ms. Myra Tobin

ADVISORY MEMBERS

Dr. Michael Karpf  
Dr. Richard Lofgren  
Dr. Jay Perman

GUESTS

Ms. Mira Ball  
Mr. Mark Birdwhistell  
Mr. Frank Butler  
Mr. Murray Clark  
Mr. Joseph Claypool  
Mr. Shawn Crouch  
Mr. Harry Dadds  
Mr. Ed Erway  
Ms. Tilly Finley  
Mr. Carol Martin "Bill" Gatton  
Ms. Barbara Jones  
Ms. Angie Martin  
Ms. Pam May  
Mr. Sergio Melgar  
Mr. Billy Joe Miles  
Ms. Amanda Nelson  
Ms. Robynn Pease  
Mr. Jay Sial  
Mr. Jim Stuckert  
Mr. Tim Tarnowski  
Mr. Bob Wiseman

I. CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 3p.m. by Ms. Barbara Young. A motion was made and the minutes of the previous meeting were approved.

II. FINANCIAL REPORT

Mr. Melgar reviewed the financial report showing a consistency in the volume (average discharges per day) which is helping our outcomes. Revenue is very strong for the year. Patient days are up from last year at 15,778. Operating room cases continue to be a big driver of total revenue. Improvements in insurer

contracting have also helped total revenue. The market has been improving, which has helped investment income. In November \$100M in bonds was secured for the building project. A favorable rate and terms was secured in large part because of the organization's positive financial position. Days in accounts receivable are in fairly good shape. Investments are doing well and if the market improves we will likely collect at a good rate considering the rate in which our revenue is increasing. Total assets have grown to over \$1B despite the investment lost last year in the endowment funds. With proposed health care reform we don't yet know how much the volume will change or what the overall change in reimbursement will be.

More surgeries are being done at Good Samaritan Hospital (GSH). We would be out of capacity at Chandler if we didn't have GSH.

### III. CONTRACTING REPORT

Mr. Melgar and Mr. Erway, Chief Revenue Officer, presented the contracting report. Discharges for all payers have increased over the last six years. An external consultant analyzed how we were doing on contracted rates since we were not doing well in comparison to other academic medical centers in the past. UK HealthCare has experienced contract improvements in specialty service address through separate reimbursement terms. These areas include neonatal care, trauma care, transplants, orthopedic services, oncology services, neurology services, complicated medical and surgical cases, and mental health care. Within 2 years we hope to be at the median for reimbursement.

### IV. QUALITY PERFORMANCE UPDATE

Dr. Lofgren presented the quality performance update. The Chandler Hospital Quality Dashboard data was presented for the most recent quarter. Overall compliance for the core indicators is trending upward. Central line infections are at a minimum and ventilator infection indicators are also positive. Dr. Lofgren reviewed new core measures introduced by CMS that the facilities will be tracking. He also noted there would be additional new core measures introduced in the coming year.

UK Healthcare is working on a number of programs to further improve the quality of services provided. Cardiology is piloting a new program where EMS can call to activate the cath lab, bypassing the Emergency Department. There is also work being done to implement an additional stroke rapid response program.

The Joint Commission survey of Good Samaritan Hospital was completed and the results were very good. Under the new scoring system used by the Joint Commission the outcome of the survey was generally seen as "excellent". Dr. Lofgren also gave a brief update on the status of customer service improvements. He reported that the Emergency Department has made significant improvements. The Children's Hospital is an area of concern and the management staff has been challenged to develop solutions to improve the areas oscillating scores.

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V. PRIVILEGES AND APPOINTMENTS

Dr. Lofgren presented for approval the privileges and appointments 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. OTHER BUSINESS

Members of the board asked for a brief update on the influenza cases at the hospitals. Dr. Lofgren reported that cases peaked during the last two weeks of October and the hospital was prepared for the cases. Employees were being immunized to protect patients and the workforce. The hospitals and clinic are also preparing in case of a third peak in cases.

Mr. Clark gave a brief update on the construction of the new patient care facility. Additional bids were currently being finalized and the project is still on schedule.

Seeing no other business Ms. Young adjourned the meeting at 4:36 PM.