

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES
UNIVERSITY HEALTH CARE COMMITTEE
February 22, 2011

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I. CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 8:00AM by Ms. Barbara Young. Minutes of the previous meeting were approved unanimously.

II. ECONOMIC IMPACT

Dr. Michael Karpf presented an economic impact presentation that illustrated the impact that UK HealthCare has on the region and state. Since 2004, UK HealthCare has seen a significant increase in College of Medicine Faculty and hospital full time employees. This has increased salary and benefits for the hospitals and College of Medicine over \$300 million. In addition to employees, UK HealthCare has seen an increase of approximately \$500 million in hospital operating revenue and over \$160 million in the College of Medicine operating revenue. The strategic plan moving forward is to be a regional provider that attracts patients from beyond the borders of Kentucky, continue to mature the research infrastructure and continue to be a major economic catalyst.

III. BUILDING PROJECT UPDATE

Murray Clark presented a building project update, which included a historical timeline for the new patient care facility and the May 2011 opening of Pavilion A. The components of Phase 1A, 1B and 1C are on schedule and under budget. This includes, but is not limited to the infrastructure central utilities, building care and shell, first phase of surgery and the computer server room.

IV. FCR: DATA CENTER- HOSPITAL

Murray Clark discussed Phase 1C- the computer server room and presented the FCR to approve the initiation of the Data Center and Related Support space in the new Patient Care Facility and the to approve the increase of the existing \$570 million scope of the total project to \$575.6 million. A motion was made and approved for initial approval and for the FCR to be presented to the full Board of Trustees.

V. FINANCIAL REPORT

Sergio Melgar presented the FCR to approve the initiation of the “Ambulatory Electronic Health Record Equipment/System” project and to make a Declaration of Official Intent to use a future tax-exempt lease-purchase agreement to reimburse some of the capital expenditures. A motion was made for initial approval and for the FCR to be presented to the full Board of Trustees.

Mr. Melgar then presented the December 2010 Financials. Comparing the Balance Sheet at December FY 2011 and FY 2010, cash decreased \$107.6 million due to the use of cash reserves for the remainder of Phase 1A of the PCF project. Accounts Receivable increased by \$13.0 million compared to last year and Net

Patient Service Revenue increased \$20.8 million. The value of Board Designated Investments now totals \$201.9 million which is a \$19.0 million increase from December last year. Net capital assets increased \$146.9 million due to the planning for the patient care towers, the ground work on the new site and the construction of the PCF. Accounts payable increased by \$5.3 million. Net assets increased to \$614.5 million from December FY 2010 and total assets are at \$1.2 billion.

VI. PRIVILEGES AND APPOINTMENTS

Dr. Kevin Nelson gave an in depth presentation regarding the process for appointments and privileges of medical staff members and other licensed providers. The medical staff office verifies a provider's credentials, the credentials committee reviews the application and recommends the appointment and clinical privileges to the medical staff executive committee. The medical staff executive committee then forwards the materials to the UK Board of Trustees for consideration. Every two years all providers must reapply, which at this point their credentials and privileges are reexamined.

After discussing the process in more detail, Dr. Nelson presented for approval the current list of provider privileges and credentials for Chandler and Good Samaritan Hospitals. The committee made a motion and all privileges and credentials were approved.

VII. NEW BUSINESS

Dr. Richard Lofgren introduced Dr. Willem J.S. De Villiers, President of the Medical Staff and now Ex-Officio Advisory Member of the University Health Care Committee.

Seeing no other business Ms. Young adjourned the meeting at 9:53AM.