

UNIVERSITY of KENTUCKY BOARD OF TRUSTEES  
UNIVERSITY HEALTH CARE COMMITTEE  
March 18, 2013

Members  
Ms. Barbara Young, Chair  
Mr. William Britton  
Mr. William S. Farish, Jr.  
Dr. Keith Gannon  
Dr. Charles R. Sachatello

Community Advisory Members  
Ms. Mira Ball  
Mr. Luther Deaton  
Ms. Pam Miller  
Mr. Nick Nicholson

Ex Officio Members  
President Eli Capilouto  
Dr. Michael Karpf  
Dr. Bernard Boulanger  
Dr. Fred de Beer  
Dr. Colleen Swartz

Guests  
Mr. Stephen Bilas  
Mr. Mark Birdwhistell  
Mr. Jay Blanton  
Mr. Britt Brockman  
Mr. Murray Clark  
Mr. Jonathan Curtright  
Ms. Leigh Donald  
Ms. Kelly Holland  
Ms. Kristi Lopez  
Ms. Pam May  
Dr. Kevin Nelson  
Ms. Shea Luna  
Mr. Brett Short  
Ms. Ann Smith  
Mr. James W. Stuckert  
Mr. Tim Tarnowski  
Mr. Bill Thro  
Dr. Carmel Wallace  
Dr. John F. Wilson  
Ms. Kim Wilson

## I. CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 4:01pm by Ms. Barbara Young. Minutes of the previous meeting were approved unanimously.

## II. FINANCIAL REPORT

Murray Clark, Interim Chief Financial Officer, reviewed the FYTD January 2013 Financials and the FYTD 2013 Preliminary February Statistics. Discharges for January were slightly below budget. However, we are above budget for YTD and just short of being 2,000 discharges above last year. The occupancy rate continues to run very high. During the month of January, Chandler occupancy exceeded 85% on 26 days, 8 of which were over 90%. To support this occupancy, an increasing number of patients are being held in the Emergency Department, the Clinical Decision Unit and other units while they await a patient bed. Numerous strategies are being employed and studied to provide the necessary accommodations for these patients at Chandler and Good Samaritan. Average length of stay and CMI adjusted length of stay are both below budget and prior year. Observation cases and short stay cases remain below budget and last year actual which is positive. Emergency Department cases exceeded budget by 8% in January. Operating room cases were marginally below budget for the month, but remain 1.2% above budget for the year and above the prior year 841 cases. The case mix index is 1% above the YTD budget. Outpatient cases were just below budget for the month. FTEs per adjusted occupied bed for the month were over budget. The payor mix of discharges for the month was not as positive as previous months. Net revenue for January is very positive. Personnel expenses are above budget for the month. This change from what we have been seeing is a result of a reduced budget. Variable expenses for the month are below budget but higher per case than the YTD averages. Fixed expenses remain favorable. Medical Center transfers are under budget for the year. Overall, the increased revenue and lower expenses for the year have produced a much better than anticipated income from operations. Non-operating revenues are strong for the period as a result of much higher than anticipated investment income. Cash and cash equivalents reflect an increase in funds being held in the plant fund for facilities projects and capital equipment. The primary change has been a positive addition to our investments for \$19.3 million this year. Current liabilities are down in total for the period due to the lowering of the cash advance from the University which stands at \$26.2 million for January, reduced payables/accrued expenses and change to the current portion of long term debt and leases. Unearned income is Medicaid DSH funding which is received annually and then allocated to earned income monthly.

## III. REPORT ON QUALITY

Dr. Bernard Boulanger, Chief Medical Officer, reviewed the Report on Quality. FY2013 UK Enterprise Goals show that we moved from three green and two yellow to four green and slipped in safety to red. Patient safety teams have been formed to improve our performance in safety. UKHC received data from UHC last week that showed our national ranking in each of the listed categories is

improving. Dr. Boulanger discussed that our mortality rate shows more patients are surviving at UK HealthCare than expected based upon the severity of their medical needs at the time they arrive. The observed versus expected ratio has been less than one for the last two years. The UHC Clinical Outcomes Report (Risk-Adjusted Mortality) shows that we are at 0.67. UK HealthCare ranks 11th out of 119 hospitals. Our effectiveness and core measures continue to trend higher and higher. We hit our target of 1.007 for the length of stay. This number represents that patients are also staying the amount expected based upon their medical needs. Dr. Boulanger pointed out that the meeting materials include a copy of the Quarterly Report on Quality presented at the recent meeting in February. Over 200 members of Faculty, Staff and Administration attended the meeting. A tab on the UK HealthCare webpage has been added to provide the latest data regarding quality and safety.

#### IV. ENTERPRISE VOLUME UPDATE

Dr. Colleen Swartz, Chief Nursing Executive, presented the Enterprise Volume Update. Colleen discussed recent volumes and the areas that have become symptomatic from the overflow of patients. ICU transfer requests in the month of March could end up being one of the busiest months ever. In 2012 we were unable to accept 729 transfer requests. In 2011 capacity was increased by the opening of Pavilion A but we have already utilized the addition of the new beds created. Transfers are given priority based upon need. Colleen discussed how increased capacity is causing ER diverts, ER boarders, Post Anesthesia Care Unit or PACU boarders and other patients that have been admitted and are waiting on a room in the hospital. Colleen explained that not being able to move ICU patients into the ICU is not the best standard of care. Dr. Karpf added the serious need for opening an additional floor and discussed how we are utilizing both double rooms and maximizing space at Good Samaritan. We will only add 10-12 beds by using double rooms. GBBN, the architects for Pavilion A, is currently working on a proposed floor plan for an additional floor to expedite the process should an additional floor be funded and approved.

#### V. UHCCR-1 BEYOND BLUE

Dr. Michael Karpf, Executive Vice President for Health Affairs, reviewed that by limiting our patient population to the Bluegrass Area it would not allow us to become the best at transplants and elite surgeries. Additional relationships were needed to accomplish this. Recently UK HealthCare signed contracts with PEIA, the insurance providers for the State Employees of West Virginia, and represent a significant amount of new patients. We are also the preferred provider for Alliance Coal. Alliance Coal refers their complex patients from WV to UK HealthCare. It has been requested for UK HealthCare to develop a system that patients would be seen locally for initial visits. As we began to think about how to move forward and in order to minimize our exposure, we set up a corporation called Beyond Blue. Beyond Blue will employ our physicians in West Virginia. UK HealthCare faculty will be compensated by this corporation to limit our liability. A limited local presence will be needed three or four days a week to help patients stay local for initial appointments and will expand our capabilities for referrals. In addition to West Virginia, we anticipate that we could have a

presence in Cincinnati and Eastern Tennessee. Dr. Karpf advised that Bill Thro could answer any additional questions.

Ms. Young presented UHCCR-1 for approval. A motion carried and approved by the committee.

VI. FCR-10

Dr. Michael Karpf discussed the renovation of the Kentucky Children's Hospital by refreshing the space cosmetically. The biggest issue is in the NICU. Dr. Carmel Wallace, Chair of Pediatrics, presented pictures of before and expected after photos and discussed the importance of the renovation.

VII. PRIVILEGES AND CREDENTIALS

Dr. Steven Strup presented for approval the current list of privileges and credentials. The committee made a motion to accept the privileges and credentials brought before them. The motion carried and was approved by the committee.

VIII. NEW BUSINESS

Ms. Young reminded those in attendance of the upcoming Health Care Committee Retreat on June 10, 2013.

Ms. Young, seeing no other business, adjourned the meeting at 5:41pm.