

Minutes of the Meeting of the Board of Trustees
University of Kentucky
University Health Care Committee
Thursday, February 22, 2018

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on Thursday, February 22, 2018, in conference room 127 of the Charles T. Wethington, Jr. Building.

A. Meeting Opened

Robert Vance, chair of the University Health Care Committee, called the meeting to order at 4:01 p.m. and called the roll.

B. Roll Call

The following members of the University Health Care Committee answered the call of the roll: James H. Booth, Cammie DeShields Grant, Robert Grossman, Robert Vance, and Barbara Young. Community Advisory Members present: Robert Clay and Missy Scanlon.

Chair Vance announced that a quorum was present.

The following additional Board of Trustees members were present: Lee X. Blonder, Kelly Sullivan Holland, Elizabeth McCoy, Derrick K. Ramsey, and Sandra R. Shuffet.

The UK HealthCare and University administration was represented by President Eli Capilouto, Executive Vice President for Health Affairs Mark F. Newman, Vice President and College of Medicine Dean Robert DiPaola, Vice President and Chief Clinical Operations Officer Robert “Bo” Cofield, Vice President for Administration and External Affairs Mark D. Birdwhistell, Vice President and Chief Financial Officer Craig Collins, Chief Administrative and Nursing Officer Colleen Swartz, and Chief Medical Officer Phillip Chang.

Guests and members of the news media were also in attendance.

C. Approval of Minutes

Chair Vance asked for a motion for approval of the minutes from the December 11, 2017 meeting. Trustee Grant moved approval of the minutes. Trustee Booth seconded the motion and the minutes passed without dissent. (See minutes on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

D. Executive Vice President for Health Affairs (EVPHA) Update

Dr. Newman introduced Julie Balog, Director of UK HealthCare’s (UKHC) Digital and Brand Strategy, and Dr. Larry Goldstein, Chair of the Department of Neurology. Ms. Balog stated that it was a privilege to be able to tell the UK HealthCare story and our concept of

advanced medicine. Because of the unique things happening at UKHC, it is important to take those stories to the web. The audience viewed a recent UKHC commercial that aired locally during the Super Bowl. After the commercial for the Kentucky Neurological Institute, Dr. Goldstein stated that we are now attracting incredibly talented people due to our reputation and leveraging our basic translational science that is unique to UKHC. All of this is part of a large effort in collaboration with Dr. Phillip Tibbs and Dr. Newman.

Dr. Newman discussed the handouts distributed at the meeting. The handouts included a letter to the editor at the Lexington Herald-Leader praising their care at UKHC and a document showing our recent move from ranking 55th for National Institute of Health Base in 2016, to 51st in 2017. He also discussed the fiscal impacts to UKHC that will reduce the amount of revenue in FY 2018 and years to come. Reductions in FY 2018 are expected to be around \$27,000,000 for the hospital and physicians and could possibly total much higher by FY 2029. Dr. Newman discussed that UKHC had expected these cuts and implemented the Building Efficiencies through Strategic Transformation (BEST) project to offset the reductions.

Dr. Bo Cofield presented a summary of the demands on throughput and capacity at UKHC. He reiterated the need for additional capacity to help with the demand, as many people that need to be at UKHC cannot be transferred due to a lack of available beds. This can sometimes result in people not being able to receive the care they need.

Dr. Newman stated that UK Good Samaritan currently has 221 beds and UK Chandler has 724 beds, totaling 945 beds for the UKHC enterprise. UKHC has submitted a Certificate of Need application to the State of Kentucky for an additional 141 beds at UK Chandler. The total combined beds for both hospitals, if approved, will be 1086. A decision on the application is expected in June 2018.

E. Financial Update

Craig Collins, Chief Financial Officer, reported the Fiscal Year 2018 year to date (YTD) operating results. Income from operations YTD was \$52.6 million. This was below the budget of \$60.9 million and below the YTD of \$77.2 million during the same period last year. Income from the month of December was \$3.6 million compared to a budget of \$13.0 million. However, volumes are at or exceeding budget and previous year to date. The total operating revenue is positive to budget by \$5.2 million but has declined in the months of November and December due to large Medicaid and Medicare cases that reimburse at lower rates. Total operating expenses are \$13.8 million greater than budget, with positive variances in personnel of \$6.8 million and patient care supplies of \$7.5 million. Budget over-runs are in fixed expense and Enterprise Investment Requests (EIR). Project BEST and College of Medicine revenue cycle initiatives will assist going forward.

Trustee Blonder asked Mr. Collins to further discuss the BEST project and initiatives that have been implemented. Examples provided by Mr. Collins included efforts to reduce the number of no-shows in our ambulatory clinics and agency nurses or high priced labor. Trustee Grossman asked about efforts to hire nurses. Dr. Colleen Swartz explained that we are on a good path to reduce the number of agency nurses. Recent shortages were partly due to opening two new floors. Dr. Swartz stated that UKHC was holding a nurse recruitment event in Pavilion A that afternoon and Board of Trustee members were welcome to stop by.

K. Privileges and Appointments

Dr. Cofield proposed the current list of privileges and credentials. Chair Vance called for a motion to approve the list of providers. Trustee Grossman moved to approve the list. Trustee Young seconded the motion and it passed without dissent.

L. Faculty Update

Dr. DiPaola welcomed and introduced three new College of Medicine faculty members. Dr. Seth Himelhoch, the new Chair for the Department of Psychiatry; Dr. Renee Scales, the Associate Dean for Diversity and Inclusion; and Dr. Todd Cheever, Associate Dean for the new College of Medicine campus located in Bowling Green. Dr. DiPaola stated that the Bowling Green campus has accepted a full class of 30.

L. Meeting Adjourned

Chair Vance called for new or other business that needed to be brought before the University Health Care Committee. Hearing no further business, the meeting was adjourned at 5:09 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Robert D. Vance".

Robert Vance
Chair, University Health Care Committee