

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, February 17, 2022

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on February 17, 2022, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

E. Britt Brockman, chair of the University Health Care Committee (Committee), called the meeting to order at 4:00 p.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: E. Britt Brockman, Ray Daniels, Ron Geoghegan, David Melanson and Hollie Swanson; Community Advisory members Jennifer Barber and Luther Deaton; Community Advisory member Josh Proffitt attended the meeting via Zoom.

C. Approval of Minutes

Chair Brockman stated that the minutes of the December 13, 2021 meeting had been distributed and asked for a motion. Trustee Geoghegan moved approval, and Trustee Melanson seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Executive Vice President for Health Affairs Report

Executive Vice President for Health Affairs Mark F. Newman, MD, reviewed the agenda for the meeting and presented data on hospital bed utilization in Kentucky from the Institute for Health Metrics and Evaluation retrieved on February 4, 2022. Dr. Newman stated that the number of hospital beds is projected to decrease and normalize. He stated that Kentucky experienced two large COVID-19 surges in 2021 after UK HealthCare's (UKHC) budget was been created and these surges were not incorporated into or anticipated in the budget. Dr. Newman stated that UKHC peaked at 198 COVID-19 patients in January and continues to be the largest number of patients seen at UKHC to date. He reported that UKHC currently had 165 COVID-19 patients and the number was continuing to decrease daily. Dr. Newman thanked the UKHC staff and stated that UKHC had as many as 400 employees absent daily for COVID-19 related illness in January. Dr. Newman presented a slide from Kaufmann Hall discussing that approximately 25 percent of hospitals across the country going into the pandemic were observing a negative margin, creating concern for smaller hospitals. He continued that approximately 35-50 percent would likely show a negative margin for 2021. Dr. Newman stated that although UKHC will not have a negative margin, the pandemic has impacted UKHC's ability to invest and create needed programs for the population as the state hopefully comes out of the pandemic.

Dr. Newman informed the committee that events scheduled for the UK Albert B. Chandler 60th Anniversary celebration were being moved to the fall of 2022 due to the current COVID-19 surge.

Dr. Newman announced a gift of \$10 million from Central Bank for UKHC's new outpatient cancer treatment center and advanced ambulatory complex to be located on Limestone across from Pavilion A. He stated that the gift was the largest in UKHC's history and will most certainly pave the way for additional gifts toward the critical effort. President and CEO of Central Bank and University Health Care Committee Community Advisory Member Luther Deaton, Jr., received a standing ovation for his efforts to lead this critical fundraising effort. Dr. Newman thanked the vice chairman of the board for Central Bancshares, Inc., the multi-bank holding company for Central Bank and Trust Co., Ms. Joan Kincaid and Mr. Deaton for their historic gift. Mr. Deaton remarked that the gift is part of Central Bank's mission to serve the communities that they serve in all walks of life. He thanked the University for allowing Central Bank to contribute to the fight against cancer and challenged everyone present to donate. Mr. Deaton thanked Ms. Kincaid for allowing him to be part of the Central Bank organization. University of Kentucky (UK) President Eli Capilouto provided brief remarks and thanked Mr. Deaton and the entire Central Bank team for the tremendous gift.

E. Access and Growth Update

Chief Operating Officer Peter Gilbert provided the Committee with an update on UKHC's efforts to expand access and increase growth as another way to meet the needs of an increased demand for services.

King's Daughters Healthcare System (KDHS) Chief Operating Officer Sarah Marks discussed the positive impact of KDHS' partnership with UKHC. Ms. Marks reported that since executing the joint venture, KDHS had been able to begin its first major construction project in the last 10 years and make investments in clinical services, workforce, technology and facility improvements. She presented KDHS' positive financial report and increase in demand for services in 2021. Ms. Marks was asked about the involvement of UKHC physicians at KDHS. Ms. Marks reported that in addition to the current neonatal intensive care unit relationship in which UKHC physicians provide consultative services, KDHS has received training and education from UKHC educational programs. She continued that UKHC provides a pediatric cardiology program in Ashland to help patients receive care closer to home. Dr. Newman commented that the partnership has been extremely successful.

Vice President for Hospital Operations Colleen H. Swartz, DNP provided an update on the progress of the completion of Pavilion A 5th and 12th floor. Dr. Swartz stated that the 5th floor will open in July 2022 with a focus on neuroscience patients. She reported that patients from the current neuroscience floor located on Pavilion A 6th floor will be moved to the newly opened 5th floor. Dr. Swartz commented that the vacated 6th floor will receive a quick cleaning and refresh before becoming the location for surgical specialties. She reported that the final shell floor of Pavilion A, the 12th floor, is currently scheduled to

open with 64 beds in early 2024 and will be focused on critical care. Dr. Swartz commented all openings are contingent on UKHC's ability to hire and train much needed nurses and staff.

Associate Vice President for Human Resources Melissa Frederick presented strategies to meet UKHC's workforce needs. She reported an incremental need of 4,806 full-time equivalents needed over the next 10 years to meet UKHC's strategic goals. Ms. Frederick discussed programs with partnering pipeline organizations to recruit and grow UKHC's workforce. She continued that planned pathways will be key to UKHC's growth and expansion by recruiting students and expanding clinical opportunities for exposure.

F. FYTD22 December Operational and Financial Update

Chief Financial Officer Craig Collins presented the financial update for FY22 December. Mr. Collins reported a total operative revenue of \$32.6 million greater than budget. He added that UKHC's total operating expenses were \$69 million greater than budget driven by personnel expenses being \$74.3 million over budget due to an increase in the hourly rate. He reported non-operating revenue and expenses were \$16 million greater than budget. Mr. Collins contributed \$22 million of the personnel expense variance to surge and premium pay and \$4 million in overtime to care for patients.

G. FCR 10 Approval of Improvements to Leased Space (UK HealthCare Central Patient Monitoring)

The recommendation seeks approval for \$475,000 for improvements to leased space for the University of Kentucky HealthCare central patient monitoring department to be located at 2347 Sterlington Road Lexington, KY. The existing location in Pavilion H does not allow for a needed expansion to accommodate additional required stations and staff. Chair Brockman asked for a motion to recommend approval of FCR 10. Trustee Melanson moved approval and Trustee Daniels seconded the motion. The motion carried without dissent.

H. FCR 11 Approval of Improvements to Leased Space (UK HealthCare Beyond Birth)

The recommendation seeks approval of \$540,000 for improvements to leased space for the University of Kentucky HealthCare Beyond Blue Birth to be located at 245 Fountain Court Lexington, KY. The project will relocate Beyond Birth from the Eastern State Hospital campus to Fountain Court. The Beyond Birth Program requires suburban space off campus to accommodate high patient volumes, provide access and additional needs. Chair Brockman asked for a motion to recommend approval of FCR 11. Trustee Geoghegan moved approval and Trustee Swanson seconded the motion. The motion carried without dissent.

I. Privileges and Appointments

Chief Physician Executive Jay Grider, DO, presented the list of credentials for approval presented by the UKHC Medical Staff. Chair Brockman called for a motion to approve the list of providers. Trustee Melanson moved to approve the list. Trustee Daniels seconded the motion, and it passed without dissent.

J. Other Business and Adjournment

Chair Brockman called for new or other business that needed to be brought before the University Health Care Committee or questions for the presenters. Hearing no further business, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary