

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, June 15, 2023

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on June 15, 2023, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

E. Britt Brockman, chair of the University Health Care Committee called the meeting to order at 2:45 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, Luther Deaton, William Farish, Josh Proffitt and Barbara Young.

C. Approval of Minutes

Chair Brockman stated that the minutes of the April 27, 2023 meeting had been distributed and asked for a motion. Trustee Melanson moved approval, and Trustee Geoghegan seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Chair's Report

Chair Brockman welcomed attendees and thanked those responsible for the success of the April University Health Care Committee Retreat. He stated results of the meeting included approval of \$2.4 billion in health care capital investments across FY23-FY28 to advance the health of Kentucky within the context of a growing academic campus. Chair Brockman yielded the floor to Provost and Acting Co-EVPHA Robert DiPaola, MD.

E. Executive Vice President for Health Affairs (EVPHA) Report

Provost and acting Co-EVPHA Robert DiPaola discussed his framework to review signature areas and compared the structure to these areas to the Markey Cancer Center. He referenced Markey Cancer Center's ability to consolidate clinical care, clinical trials and research education to provide cutting edge coordinated care for Kentucky. Dr. DiPaola stated bringing together evidence-based practices provides opportunities to the community for education and special therapies that no other institution can provide. He intends to create an opportunity for areas and units to meet to collaborate and discuss plans to drive research for more clinical trials and recruitment. Dr. DiPaola intends to remove barriers to care and research by creating signature areas.

Executive Vice President for Finance and Administration and acting Co-EVPHA Eric N. Monday announced that UK HealthCare will cease operations at UK Good Samaritan Hospital in 2029 due to investments and construction of updated and modern facilities such as a new bed tower at the UK Chandler campus. He reassured the Committee that there would be no job loss due to the closure. Dr. Monday stated that inpatient services and programs will move to other sites. He elaborated that UK HealthCare has a significant need for talent for the coming years and plans to hire approximately 5,000 additional employees.

Senior Vice President and Chief Administrative Officer Mark D. Birdwhistell joined the meeting remotely after accepting the Gauge Award from America's Essential Hospitals. President and Chief Executive Officer Bruce Siegel presented the award to UK HealthCare for an impressive and comprehensive approach to improving health and healthcare. He commended UK HealthCare's use of Medicaid Direct Payments as a catalyst and foundation to drive culture change across a very complex system. Mr. Birdwhistell reiterated that the use of supplemental payments has enabled access to care for the vulnerable Medicaid population.

F. 2023 UK HealthCare Engagement Survey

Office of Patient Experience Enterprise Director Amberlee Fay presented results of the 2023 UK HealthCare Engagement Survey administered in April 2023. Ms. Fay presented both employee and provider engagement trends. She stated compared to national averages, both physician and employee rankings continue to improve. Ms. Fay reported the 2023 employee engagement average in the 63rd percentile and provider alignment 41st percentile of 255 national academic healthcare institutions.

G. FY23 Enterprise Goals Results and Proposed FY24 Enterprise Goals

Chief Physician Jay S. Grider and Associate Vice President for Performance Services and Core Clinical Services Jennifer Rose discussed UK HealthCare's required goal setting process and quality plan. Ms. Rose explained due to mixed results and a reassessment in 2020, UK HealthCare has a slightly higher mortality score than targeted. She suggested that star ratings and hospital rankings will be released in the coming months and will be presented at the September meeting. Ms. Rose stated that a focus on documentation and coordination of care will increase ratings and demonstrate UK HealthCare's focus on quality care. She suggested that performance initiatives regarding readmissions and length of stay are embedded into ongoing and daily work.

UHCCR 1 UK HealthCare FY2024 Quality Assurance and Safety Performance Improvement Plan

The recommendation seeks approval of the UK HealthCare FY2024 Quality Assurance and Safety Performance Improvement Plan (Plan). The full Plan was provided for the Committee's review. Chair Brockman asked for a motion to recommend approval of UHCCR 1. Trustee Melanson moved approval and Trustee Geoghegan seconded the motion. The motion carried without dissent.

FYTD April Financial and Operational Report

Senior Vice President and Chief Operations Officer Pete Gilbert presented a new dashboard to simplify operational metrics. Mr. Gilbert presented six key factors evaluated and selected to review access and length of stay. He stated UK HealthCare has decreased length of stay from 8.0 to 7.8 days from last year. Mr. Gilbert continued that discharges were above budget and severity of illness or case mix index was 2.25 for this year. He reported higher than budget operating room cases and over \$1.1 million ambulatory visits. Mr. Gilbert believes UK HealthCare is on track to set records in volumes. He stated UK HealthCare continues to grow access and provide care for Kentuckians that need their services.

Chief Financial Officer Craig Collins presented the FYTD April Financials. Mr. Collins discussed that UK HealthCare's higher than projected volumes have created a positive variance in total operating revenues. He continued that \$2.4 billion in operating expenses exceeded budget by \$47.7 million with personnel expenses contributing to the negative variance. Mr. Collins associated a positive variance to budget to retail and specialty pharmacy and positive investment income as major contributors.

Mr. Collins presented the FY24 Royal Blue Health Budget. He projected continued growth and increased volumes with net income of \$64 million or 6.7% margin.

Mr. Collins reviewed assumptions for UK HealthCare's FY24 Budget. He stated that the UK HealthCare and Royal Blue Health Consolidated FY24 Budget projected \$459 million in net income.

UHCCR 2 UK HealthCare Medical Staff Bylaws

The recommendation that the Board of Trustees approve the UK HealthCare Medical Staff Bylaws, provided as Exhibit 1, as the amended and restated bylaws of the UK HealthCare Medical Staff.

Trustee Melanson made a motion to recommend approval of UHCCR 2. Trustee Swanson seconded the motion. The motion carried without dissent.

H. Privileges and Appointments

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

I. 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 4:30 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary