

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Monday, December 4, 2023

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on December 4, 2023, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

Bob Vance, chair of the University Health Care Committee called the meeting to order at 3:30 p.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: Alex Boone, Ray Daniels, Ron Geoghegan, Brenda Baker Gosney and Bob Vance; Community Advisory members Jennifer Barber, Luther Deaton, William Farish and Barbara Young.

C. Approval of Minutes

Chair Vance stated that the minutes of the September 14, 2023 meeting had been distributed and asked for a motion. Trustee Boone moved approval, and Trustee Daniels seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Chairman's Report

Chair Vance welcomed Trustees Brenda Baker Gosney and Alex Boone to the University Health Care Committee.

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

Provost and Co-EVPHA Robert DiPaola detailed the meeting agenda was framed around the strategic refresh endorsed by the Committee at its April retreat. Dr. DiPaola discussed the value of being an academic health system and leveraging educational programs for a valuable healthcare workforce.

Dr. DiPaola highlighted advanced endoscopy as a sub-specialty service required by many people to avoid surgery and facilitate recovery from several diseases. He discussed the importance of the future advanced endoscopy expansion in Pavilion A and the benefits for UK HealthCare (UKHC) patients. Dr. DiPaola stated that UKHC serves more patients with advanced endoscopy overall than any hospital in the state. He advised the expansion will increase capacity and create opportunities to help additional patients.

UK College of Medicine Senior Associate Dean for Graduate Medical Education Katherine McKinney provided the Committee with the Graduate Medical Education 2022-

23 Annual Report. She reported 66 programs with substantial compliance, seven programs with citations and 11 programs with areas for improvement as of June 30, 2023. Dr. McKinney advised that 45% of residents and fellows going into practice stayed in Kentucky. She reported that graduate medical education has continued to grow and currently has 840 residents and fellows in the program. Dr. McKinney stated this number was up from 598 in 2013 and the UK College of Medicine continues to grow the number of programs offered.

Vice President and Chief Strategy and Growth Officer Rob Edwards provided an update on UKHC's plans to expand access as part of UKHC's recent strategic refresh. Dr. Edwards stated the guiding principles to enhance access, increase capacity and support UKHC's outreach mission were considered in planning the new locations. He detailed the location of the four new outpatient sites and target go-live dates. Dr. Edwards stated the Hamburg seed site would go live in May 2024 and others in Richmond, and Frankfort would follow in the summer and fall of 2024. He informed the new Fayette site for underserved populations has issued a request for proposal in October 2023 and is receiving submissions.

F. Compliance Update

Chief Compliance Officer R. Brett Short provided the Committee with an annual compliance update. Mr. Short discussed guidelines established to ensure UKHC follows guidance set forth by the U.S. Department of Justice and other governing bodies. He reviewed a recent risk assessment and high-level compliance program heat map.

Assistant Chief Compliance Officer Noelle True stated that an effective line of communication between the Office of Compliance and UKHC employees often comes in the form of reports received on the comply line. She noted that UKHC maintains the comply line to provide employees with direct communication and privacy.

Chief Privacy Officer Richard Chapman reported UKHC investigated approximately 500 incidents last year. He stated only six to eight percent were found to be reportable and a notice was sent to the patient and governmental agencies. Mr. Chapman conveyed that most of the reported events involved one patient.

Mr. Chapman included details on a national incident involving a third-party vendor used by UKHC. He advised the incident involved more than 4,000 UKHC patients. Mr. Chapman reported UKHC worked with the vendor and met all requirements for notification to the patients.

Mr. Short concluded the report by discussing notable new U.S. Department of Justice policies that required changes to UKHC procedures.

G. Financial and Operational Update

Acting Chief Operating Officer Colleen Swartz presented FYTD 24 October Key Operating Statistics. Dr. Swartz discussed recent strategies for length of stay has resulted

in a decrease and positively reflected a lower than budget FYTD. She continued that discharges were higher than budget and the case mix index was .02 lower than the desired 2.23 FYTD budgeted amount. Dr. Swartz reported ambulatory visits were approximately 50,000 higher than budget and emergency department visits were on target.

Senior Vice President and Chief Financial Officer Craig Collins advised UKHC finished FY24 October .05% greater than budget. Mr. Collins continued that specialty pharmacy continues to contribute to the positive bottom line but personnel expenses were over budget by \$11 million. He stated investment income was off budget by approximately \$17 million. Mr. Collins concluded that combined UKHC and Royal Blue Health finished FY24 October .2% lower than budget.

Finance Committee Resolutions

FCR 13 Approval to Acquire 817,819 and 823 Press Avenue

The recommendation that the Board of Trustees authorize the Executive Vice President for Finance and Administration to enter into a purchase agreement to acquire three residential parcels located at 817,819, and 823 Press Avenue in Lexington, Kentucky.

The recommended \$1,800,000 acquisition, authorized by the 2022 Kentucky General Assembly, is well within the total legislative authorization of \$50,000,000 and will be funded with agency funds.

Trustee Gosney made a motion to recommend approval of FCR 13. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 20 Patient Care Facility (Fit-up Pavilion A Basement and Other Improvements – Phase I-J) Capital Project

The recommendation that the Board of Trustees approve a scope increase for the Patient Care Facility (Fit-up Pavilion A Basement and Other Improvements – Phase I-J) capital project.

In 2022, a scope of work increase was approved by the President pursuant to Administrative Regulation 8:2. Due to market conditions, an additional increase in scope of work of \$1,500,000 is needed to meet Joint Commission requirements.

The revised total scope for the project to \$31,400,000 is within the total legislative authorization.

Trustee Boone made a motion to recommend approval of FCR 20. Trustee Geoghegan seconded the motion. The motion carried without dissent.

H. Regulatory Conditions of Participation

Acting Chief Operating Officer Colleen Swartz provided three attachments for the Committee's review. Dr. Swartz stated that as UKHC's governing body the Committee is required by the Joint Commission and The Centers for Medicare and Medicaid Services to approve regulatory conditions of participation documents for UKHC hospitals.

UHCCR 1 UK HealthCare Scope of Services

The recommendation that the Board of Trustees approve the UKHC Scope of Services.

UKHC offers a wide range of services all dedicated to providing the most advanced, effective care. Patient centered care and services are provided within UKHC hospitals, clinics and outreach locations across the Commonwealth and beyond. UHCCR 1 lists UKHC's Scope of Services, which includes primary and specialty services offered.

Trustee Gosney made a motion to recommend approval of UHCCR 1. Trustee Geoghegan seconded the motion. The motion carried without dissent.

I. Privileges and Appointments

Acting Executive Chief Medical Officer Chris DeSimone presented the list of providers provided by the UKHC Medical Staff for privileges and appointments. Trustee Daniels made a motion to approve the list. Trustee Geoghegan seconded the motion, and it passed without dissent.

J. Other Business and Adjournment

Chair Vance 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 4:41 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary