

# UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Craig C. Collins, Vice President and Chief Financial Officer

Peter N. Gilbert, Senior Vice President and Chief Operations Officer

Jay S. Grider, Chief Physician Executive



AN EQUAL OPPORTUNITY UNIVERSITY

# **FY22 SEPTEMBER KEY PERFORMANCE INDICATORS**

## KEY PERFORMANCE INDICATORS

UK HealthCare Hospital System						
FY2022 September	Monthly Stat	vs. Budget	vs. Prior Year	YTD Stat	vs. Budget	vs. Prior Year
Total Discharges	3,276	(214)	194	10,032	(616)	636
Adult Discharges	2,583	(438)	(76)	8,272	(1,001)	83
Peds Discharges	693	224	270	1,760	385	553
Average Discharges per Day	109.20	(7.15)	6.47	109.04	(6.69)	6.91
Average Daily Census	829.30	37.24	31.50	833.30	35.25	46.91
Average Length of Stay	7.59	0.79	(0.17)	7.64	0.75	(0.06)
*Case Mix Index (CMI)	2.2824	0.07	0.15	2.2083	(0.02)	(0.00)
CMI Adjusted Length of Stay	3.36	0.29	(0.28)	3.49	0.39	0.00
CMI Adjusted Patient Days	101,705	3,774	7,845	303,684	3,684	15,810
Patient Days	24,879	1,117	945	76,664	3,243	4,316
Observation Cases	490	(259)	(128)	1,599	(515)	(335)
Emergency Department Cases	9,550	2,381	1,562	29,467	7,507	4,260
Operating Room Cases	2,493	(470)	(518)	8,096	(855)	(758)
Lexington Surgery Center Operating Room Cases	228	40	84	666	226	255

## AMBULATORY KEY PERFORMANCE INDICATORS

	July	August	September	Year-to-Date	Budget/Goal	Versus Budget/Goal
UKHC Work Relative Value Units (wRVUs)	340,597	393,166	397,457	1,131,220	1,111,961	19,259
UKHC Medical Group Visits	83,348	94,620	95,953	273,921	TBD	
Schedule Utilization	85.6%	80.9%	79.6%		90%	
30-Day All Cause Readmission Rate				11.68	12.41	0.73

\*New patient visits = patients scheduled on a new patient scheduling block

**FY22 SEPTEMBER  
OPERATIONAL  
FINANCIAL UPDATE**

## FINANCIAL UPDATE

Financial Update	Year-To-Date September <i>Actual</i>	Year-To-Date September <i>Budget</i>
(A) Total Net Revenue	\$741.0M <span style="color: green;">■</span>	\$727.2M
(B) Total Operating Expenses	\$626.5M <span style="color: red;">■</span>	\$606.7M
Operating Income From Continuing Operations	\$114.5M <span style="color: red;">■</span>	\$120.6M
Operating Margin %	15.4% <span style="color: red;">■</span>	16.6%
(C) Net Non-Operating Revenue (Expenses)	\$15.7M <span style="color: red;">■</span>	\$13.3M
Net Income	\$98.8M <span style="color: red;">■</span>	\$107.3
Margin	13.3% <span style="color: red;">■</span>	14.8%

■ Met/Exceeded Budget   ■ Did Not Meet Budget

## Summary

- A. Total Net Operating Revenue:** \$13.8 million greater than budget
- Net Inpatient Service Revenue was impacted by COVID due to 616 less discharges than budget and 855 less Surgical Cases resulting in a \$7.6 million negative variance to budget
  - Net Outpatient Service Revenue is \$16.2 million greater than budget.
    - Retail and Specialty Pharmacy \$4.5 million greater than budget
  - \$4.2 million prior year adjustment was posted due to 3 closed audits
- B. Total Operating Expenses:** \$19.8 million greater than budget
- Personnel expenses are \$22 million over budget with the main contributor an increase in the average hourly rate
- C. Net Non-Operating Revenue/Expense:** \$2.4 million over budget
- Investment income is primary variance at \$3.0 million

**Days Cash on Hand** is at 240.55 days, 10.53 days greater than last September

## YEAR-TO-DATE—SEPTEMBER 30, 2021

	FY2021 September YTD Actual	FY2021 September YTD Budget	Variance	FY2020 September YTD Actual
<b>OPERATING REVENUES</b>				
Net Inpatient service revenues	\$ 336,678	\$ 344,253	\$ (7,575)	\$ 332,292
Net Outpatient service revenues	364,336	348,182	16,155	320,930
Prior year adjustments	4,226	-	4,226	5,485
Sales, services and other revenue	35,725	34,806	919	31,368
Total operating revenues	<u>740,966</u>	<u>727,241</u>	<u>13,725</u>	<u>690,075</u>
<b>OPERATING EXPENSES</b>				
Personnel expense	367,174	345,127	22,047	289,661
Variable expenses	154,530	156,430	(1,900)	147,172
Fixed expenses	78,549	77,616	933	75,518
Depreciation and other	26,243	27,507	(1,265)	18,013
Total operating expenses	<u>626,496</u>	<u>606,680</u>	<u>19,816</u>	<u>530,364</u>
Net income from continuing operations	<u>114,470</u>	<u>120,561</u>	<u>(6,091)</u>	<u>159,711</u>
	<b>15.4%</b>	<b>16.6%</b>	<b>-1.1%</b>	<b>23.1%</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gifts and non-exchange grants	1,474	623	851	619
Investment income (loss)	2,457	5,505	(3,048)	13,800
Interest expense	(5,338)	(5,581)	243	(5,581)
Other	(8,076)	(11,834)	3,758	(287)
Net nonoperating revenues (expenses)	<u>(9,483)</u>	<u>(11,287)</u>	<u>1,804</u>	<u>8,551</u>
Net income before other revenues, expenses, gains or losses	<u>104,986</u>	<u>109,274</u>	<u>(4,287)</u>	<u>168,262</u>
Transfers (to) the University of Kentucky for noncapital purposes	(6,225)	(1,932)	(4,293)	(5,661)
Transfers (to) from the University of Kentucky for capital purposes	-	-	-	-
Total other revenues (expenses)	<u>(6,225)</u>	<u>(1,932)</u>	<u>(4,293)</u>	<u>(5,661)</u>
<b>Net Income</b>	<b>\$ 98,761</b>	<b>\$ 107,341</b>	<b>\$ (8,580)</b>	<b>\$ 162,601</b>
	<b>13.3%</b>	<b>14.8%</b>	<b>-1.4%</b>	<b>23.6%</b>

## **OPERATIONAL AND FINANCIAL PERFORMANCE—MANAGEMENT ACTIONS**

### **Length of Stay (LOS)**

- Long LOS COVID case reduction end of October and beginning of November
- Return to planned operating room (OR) volumes end of October and beginning of November
- Reducing outlier LOS services
- Improving discharge cycle:
  - Eliminating barriers: imaging before discharge, consult, outpatient appointment
  - Opened Turfland Discharge Clinic November 1
  - Increasing consults within 24-hour performance

### **Expenses**

- Adjusted pay model to reduce need for agency and premium pay
- Workforce recruiting
- Benchmark and manage all clinical area performance against industry standards, particularly inpatient throughput, outpatient access, physician productivity and staffing models with respect to outcomes, efficiency and cost
- Benchmark and manager all support services performance against industry standards with respect to outcomes, efficiency and cost



# **CLINICAL CONTRACTS**

## CLINICAL SERVICE CONTRACTS

Contract Name	Clinical Interaction	Chandler	Good Samaritan	Service	Expiration
Marshall Emergency Services/TeamHealth	Y		G	Hospitalist and Nocturnist Services	1/9/2022
Commonwealth Anesthesia	Y		G	Anesthesia Services	1/31/2022
Cardinal Hill Rehabilitation (HealthSouth)	Y			Patient Placement Agreement	Auto Renewal
StepWorks	Y			Patient Placement Agreement	Auto Renewal
Kentucky Appalachian Transitional Services	Y	C	G	Transitions of Care Program	Auto Renewal
Sign Language Network of Kentucky	Y	C	G	Translation Services	1/31/2023
Perfusion Concepts Inc.	Y	C		Perfusion and Extracorporeal Membrane Oxygenation	12/31/2021
Crothall	Y	C	G	Patient Transport	6/30/2022
Pure Language Services	Y	C	G	Medical Translation Services	1/30/2023
Alliance Imaging	Y	C	G	PET Scan Imaging	6/30/2023
PHI Air Medical	Y	C		Air Medical Neonatal and Pediatric Transport	4/30/2028
Vizient (Workforce Management )	Y	C	G	Nursing and Patient Companions	12/31/2022
Central Kentucky Blood Center	Y	C	G	Provision of Blood Products	4/30/2023
Cyacom	Y	C	G	Medical Translation Services	8/31/2023
Cincinnati Children's Hospital	Y	C	G	Pediatric Heart Program	Auto Renewal
Cincinnati Children's Hospital	Y			Pediatric Surgery	1/17/2024
Cincinnati Children's Hospital	Y			Pediatric Gastrointestinal	6/30/2022
Cincinnati Children's Hospital	Y	C		Pediatric Cardiac Anesthesia	Auto Renewal
Cincinnati Children's Hospital	Y	C		Pediatric Cardiothoracic Surgeon	Auto Renewal
Cincinnati Children's Hospital	Y	C		Pediatric Perfusion	Auto Renewal
GROUP/RICU	Y			Physician Services TeleICU	12/31/2022

Facility Codes: C – Chandler, G – Good Samaritan and A – Ambulatory

## CLINICAL SERVICE CONTRACTS - CONTINUED

Contract Name	Clinical Interaction	Chandler	Good Samaritan	Service	Expiration
COMPASS/Morrisons	Y	C	G	Food Services	8/31/2025
Lexington Clinic	Y			Oncology Services	6/24/2024
SpecialtyCare / Synapse	Y	C	G	SEEP and NIM Spinal Cord Monitoring	12/31/2021
HealthLinx	Y			Transitional Leader	Auto Renewal
HealthLinx	Y			Transitional Leader	Auto Renewal
Alliance Imaging	Y	C	G	Mobile PET Scan Imaging	1/3/2025
Stryker	Y	C	G	Endoscopy Services	12/31/2023
Crothall	Y	C	G	Clinical Engineering	8/30/2025
Compass/Crothall	Y	C	G	Environmental Services	6/30/2022
Vision Professional Services, LLC	Y	C	G, A	Teleradiology Professional Services	12/21/2024
Cincinnati Children's Hospital	Y		A	Cardiothoracic Surgery Pre-surgery and Telehealth Consults	Autorenewal
Cincinnati Children's Hospital	Y		A	Heart Failure Telehealth Clinic	Autorenewal
Cincinnati Children's Hospital	Y		A	General Cardiology Services	Autorenewal
Staff Care	Y	C	G,A	Radiology Locums Tenens Coverage	Autorenewal
BCN-Hospice	Y			Hospice Services	Autorenewal
Nephrology Associates of Kentuckiana	Y			Transplant Nephrology at Transplant Louisville Clinic	Autorenewal
Compass One (Crothall)	Y			Patient Observation Services	6/5/2024
Voices of Hope	Y		G	Peer Support Specialist	6/30/2022
AMR Rural Metro	Y			Transportation Services	12/31/2022

Facility Codes: C – Chandler, G – Good Samaritan and A – Ambulatory

# **FCR 12 APPROVAL TO ACQUIRE CHESNEY PROPERTIES**

# QUESTIONS

