

The HealthCare Retreat began with a presentation by Ken Abrams, MD, Josh Lee and Jeff Christoff of Monitor Deloitte. Their report reviewed the growth and success of UKHealthCare over the past ten years, highlighting the dramatic rise in inpatient discharges, clinical collaboration, physicians hired, operating revenue and margin, total assets, fulltime employees, NIH research grants, quality of care and delivery and most notably the new Patient Care Facility with its successful CON application for an additional 120 beds. In response to this remarkable growth and success, UK HealthCare leadership has spent much of FY15 developing a new strategic plan to guide the university health system through 2020. This plan, built on patient-centered care and the culture aligned to provide it, has been developed. UK HealthCare will continue its emphasis on caring for the most complex, critically ill patients of Kentucky and beyond with a focus on nine service lines. To facilitate their continued growth, a new service line management model will heighten attention on high quality care delivered in an efficient and coordinated manner. Strategies will also target appropriate and timely access to both primary and specialty care in its ambulatory settings. In working toward seamless delivery of care across the continuum, acute care and post-acute care partnerships will continue to be critical. Following the markets movement toward value-based care, UK HealthCare will be focusing investments and efforts to improve the predictability of outcomes and cost. The plan also calls for enhanced efforts in marketing and brand awareness and gaining the infrastructure (information technology, clinical technology, facilities, etc.) necessary to meet the needs of UK patients.

Dr. Frederick de Beer presented an update on the College of Medicine. He reported the UK's COM has demonstrated an increase in national interest with applications rising from 1000 total applications in 2005 to nearly 3000 in 2015. At the same time total enrollment in the UK MD program has risen nearly 17% from 465 in 2011-2012 to a projected total of 554 in 2016-17. This increase has occurred without sacrificing quality as the MCAT for matriculating students has risen since 2011. Evidence of the college's growing reputation is found in more out-of-state medical students remaining at UK for residency training, as well as increased numbers of residents and fellows in graduate medical education at UK. All of the medical training programs at UK are in good standing with their accrediting bodies. Increased attention is being paid in the recruitment of students into Medical education, and particular attention is being given to increasing the diversity of the student body and to the training of those showing an interest in practicing medicine in rural and underserved areas of the state. Research is a significant driver in the COM where health care colleges are responsible for over 53% of sponsored research awards in the University. Within the next five years, the goal is to improve UK's NIH funding and ranking by growing the faculty and focusing on intercollege and integrative grants and to align research with clinical practice in Neuroscience, Cardiovascular, Diabetes and Drug and Alcohol Addiction.

With Dr. Michel Karpf, Terry Allen, Colleen Swartz and Kim Wilson leading the discussion, the Office of Institutional Equity and Equal Opportunity at UK reported on diversity of employment within UK HealthCare. The report highlighted the dearth of minorities within the managerial and professional workforce of UK HealthCare. Responding to this clear need for improvement, several initiatives are underway that focus on diversity. First, 2 professionals, one from the College of Medicine and one in Hospital Administration, have recently been added to lead initiatives to develop a more diverse healthcare work environment. Second, a recruiter has been engaged to find talented individuals with appropriate skill sets. Currently, four doctors have recently been recruited, as well as three high profile scientists and clinicians retained. In addition, unconscious bias training will be required for all involved in hiring and all Colleges/departments will report gender, racial and ethnic diversity of all hiring committees. The presentation concluded with Dr. Karpf stating that UKHC will ...”work collaboratively to create a healthcare environment where **all** patients providers and staff live or work in open and accepting spaces, and in which people of all backgrounds, identities and perspectives can feel secure and welcome.”

Murray Clark, and HGA Architects Michael Kennedy and Rebecca Sanders presented the 2016 Facilities Master Plan study. The presentation included an update on projects underway in Pavilion A (Phases 1 F and 1 G) which include floors 9, 10, 11, Radiology, Hyperbaric, ORs, Kitchen/Cafeteria and NICU. Additionally, the report outlined the remaining requirements to complete the redevelopment of the Chandler Hospital. As part of the ongoing master planning efforts for UKHC, the architects have recommended the repurposing of Pavilion H (the original hospital building). Repurposing this structure would provide access to 180,000 – 200,000 SF of clinical, academic and administrative support space and preclude the necessity to build a separate Lab and office building. The report also proposed a future new facility on the Chandler campus (Pavilion B) that would serve as a replacement facility for the Good Samaritan Hospital and Clinics. This new facility would connect to the existing facilities and provide additional space for inpatient beds, clinic space and potentially other clinical and clinical support space. The master plan update also included a preliminary report on ambulatory facilities, highlighting areas for further study. Additionally, there was a brief review of the current ambulatory facilities projects underway.

The Committee reviewed and approved the FY 2016 Hospital Operating Budget and Routine Capital Plan. The FY 2016 Budget Plan anticipates continued growth in these services: inpatient discharges will increase 1% to 37,232; outpatient visits will increase 6% to 495,942 and Emergency Department cases will increase 6% to 101,913. The growth is across most medical services and payers. The FY 2016 Budget takes into consideration the multitude of economic dynamics in the healthcare environment and establishes a balance between the demands of ongoing operational and strategic investments. Key investments are being made in faculty

support to expand services in Anesthesia, Pediatrics, Surgery, Internal Medicine as well as several other departments. Key operational emphasis will be placed on the opening of the 9<sup>th</sup> and 10<sup>th</sup> floors of PAV A, reducing the length of stay and post-acute care management. Decisions will be made during the year on the priority, timing and funding of additional operational and strategic initiatives. The Hospital anticipates a strong financial performance in FY 2016.

Total Revenues	\$1.3 Billion
Excess of Revenue over Expense	\$133 Million

The Routine Capital expenditure plan of \$61.5 million includes funds for facilities infrastructure, Hospital and Ambulatory equipment and information technology.

Jason Sussman, a managing Director with Kaufman Hall, presented an update of their review of the Financial Position of UK HealthCare. The report emphasized the need for UK HealthCare to maintain a strong financial position to be able to have funds to invest in operations and strategic initiatives, as well as to ensure continuing access to the Capita markets for future borrowing. The current and future financial projections included in the report indicate very strong ongoing performance at UK HealthCare that would compare favorably to the credit rating agency bench marks (Moody's A2 and Standard and Poor's A). The report also contained a discussion of various market and operational changes that could occur and qualified them into potential future financial impacts. The report concluded with a discussion of how UK HealthCare can mitigate against the changing market environment by careful and deliberate implementation of the key strategies in the Strategic Plan.

The Committee reviewed FCR 12 which recommended that the Board of Trustees approve the initiation of the Construct/Expand/Renovate Ambulatory Care Facility in the Warren Wright Medical Plaza. FCR 12 was approved by the HealthCare Committee and sent to the finance Committee and the Board of Trustees for approval.

Dr. Bernard Boulanger presented the FY 2016 Enterprise goals in Mortality, Patient Safety, Care Continuum, Patient Experience and Engagement. The Committee voted to accept the Enterprise goals.

Dr. Keven Nelson presented for approval the current list of privileges and credentials for Good Samaritan and Chandler Medical Staff. The committee made a motion to accept the privileges and credentials brought before the. The motion carried and was approved by the committee.