

**Minutes of the University of Kentucky Board of Trustees  
University Health Care Committee  
January 27, 2016**

**I. Call to Order**

The University of Kentucky Board of Trustees University Health Care Committee met on January 27, 2016 in Thoroughbred Rooms 1-3 of the Lexington Convention Center. The meeting was called to order by Robert Vance, Chair of the University Health Care Committee ("Committee"), at 1:10 p.m.

**II. Roll Call**

Committee members present included Chair Vance, Barbara Young, Cammie Grant and William Farish.

Committee Community Advisory members present included Robert Clay, Luther Deaton, Missy Scanlon, and Jean West. Ms. Scanlon was introduced as the newest committee community advisory member.

University Health Care ex officio members present included President Eli Capiluto, Michael Karpf, MD, Fred de Beer, MD, Robert (Bo) Cofield, DrPH, and Colleen Swartz, DNO, MSN, RN.

Trustees C.B. Akins, Sr., Claude "Skip" Berry, III, William Britton, Britt Brockman, David Hawpe, Kelly Holland, Robert Grossman, John Wilson, Sheila Brothers, and Austin Mullen were also present.

**III. Approval of Minutes**

Minutes from the Committee's December 14, 2015, meeting were presented for approval by Chair Vance. Motion was made by Mr. Farish to accept the minutes and seconded by Ms. Young. With no further discussion, the motion carried unanimously.

**IV. Welcome**

Dr. Michael Karpf gave an introduction and brief overview of the retreat agenda.

**V. Enterprise Goals: Mid-Year Review**

Bernard Boulanger, Chief Medical Officer of UK HealthCare, provided the Committee with an update on the enterprise goals mid-year performance. Dr. Boulanger reported the enterprise goals are represented by five domains (mortality, patient safety, care continuum, patient experience and engagement). There are a total of 10 measures and data was presented for eight of the ten measures. Two of the measures, (physician engagement and employee engagement) will be available once the surveys are completed in March. Out of the eight measures, six measures have either met the threshold or exceeded the max goal.

*Mortality:*

Data received from University Health Center (UHC), the expected mortality rates across the country among university health systems ranked UK Chandler Hospital as the second highest expected mortality in the nation. UK Chandler Hospital is third in the nation for the highest observed and expected mortality for transfers from another hospital. An improved mortality review process is in place to review all cases and be seen by the Clinical Quality Specialist team.

### *Patient Safety:*

UK Health Care scored a PSI-90 (Patient Safety Indicators), this is a composite score of eight complications. For the rolling year (October 2014-September 2015) UK HealthCare has a value of 0.47, which far exceeded its goal. This score puts UK HealthCare in the top five to 10 university health systems across the country.

In regards to patient safety hospital acquired infections (HAIs), UK HealthCare is meeting the threshold level of activity and meeting three of the targets. Abdominal Hysterectomy Surgical Site Infections have moved into green because the gynecologists have been working with the infectious control specialist.

### *Care Continuum:*

UK HealthCare is not meeting the threshold level of performance when it comes to new patient visit lag time. This indicator measures clinical access for new patients. UK HealthCare measures access for new patients at 76 clinical locations. For fiscal year to date 2016, only 21 clinical locations have met that measure. UK HealthCare reached their goal in length of stay which is a significant improvement. The readmission rate goals were also reached.

### *Patient Experience:*

Colleen Swartz, Chief Nurse Executive, UK HealthCare, reported that UK HealthCare has reached four of the nine domains, which is currently under the threshold. Dr. Swartz reported great progress during record acuity and volumes. Two domains (pain management and patient discharge) are very close to achieving target goal. In the ambulatory experience (CG-CAHPS), it was reported that four of the six domains have achieved their goal.

### *Engagement:*

Bo Cofield, Vice President and Chief Clinical Operations Officer, UK HealthCare, provided the Committee with an update on employee and physician surveys, which are scheduled to occur every year in the spring. One of the key strategies is furthering diversity and inclusiveness in our environment. UK Healthcare is tied for first in the provision of equitable care within the UHC.

## **V. Introduction: Incoming Dean, College of Medicine**

Dr. Boulanger and Dr. Fred de Beer were both recognized by the board for their service. Dr. Boulanger will take on a new role of Executive Vice President and Chief Clinical Officer for The MetroHealth System in Cleveland. Dr. de Beer is stepping down from his position as the dean of the College of Medicine this spring and will return to research areas. Provost Tim Tracy, PhD, introduced the incoming dean of the College of Medicine, Robert DiPaola, MD. Dr. DiPaola thanked the Board for the invitation and noted the importance of the recent curriculum change. He spoke on the importance of interdisciplinary and community engagement and is excited about the College's academic mission to continue adding value to the service lines offered at UK HealthCare.

## **VI. UK HealthCare Strategy Update**

Dr. Karpf presented to the board an update on UK HealthCare's strategic plan. He stated UK HealthCare 2004 strategic plan focused on advanced subspecialty care, working with regional providers, and efficiency, quality and patient safety. In 2010, the focus was to continue to refine approach to subspecialty care, continue to mature relationships with regional providers, and to reemphasize efficiency, quality and safety, and patient satisfaction. In order to fulfill UK HealthCare's mission to be a successful referral/research intensive Academic Medical Center, it must excel in both clinical and academic programs.

*College of Medicine update:*

Dr. de Beer provided the Committee with an update of the increasing number of applicants. Applicant numbers are increasing among both in-state and out-of-state students, particularly out-of-state. Graduation rates for all medical students remain at 95 percent. Graduation rates for all demographics (gender, race, in-state status, etc.) are equivalent. Out-of-state students staying for residency training at UK has grown significantly over the last five years, which is an important indicator of where they decide to practice after completing residency. He presented numbers of NIH funding for the 2015FFY and noted that funding continues to be the top issue facing the College of Medicine in years ahead. Increasingly, clinical, educational and research activities of the college are co-dependent and yielding great benefit for the Commonwealth.

*Patient-Centered Care:*

Dr. Cofield presented the Committee with the 2020 UK HealthCare Strategy. Patient-Centered Care focuses on two things: patient experience and strategic cultural alignment. For strategic cultural alignment, the enterprise is focused on sharing the strategic plan broadly, staff and physicians engagement, and outlining diversity and inclusivity process measures. UK HealthCare earned Healthcare Equity Index (HEI) designation. Discussion on how to shape the patient experience, new patient and family partner programs were introduced.

*Growth in Complex Care:*

UK HealthCare continues to see a growth in patient volumes as a result of the focus on subspecialty care. It is projected UK HealthCare will exceed 18,000 patient transfers into UK this year, representing half of its discharges this fiscal year. UK HealthCare leadership has identified nine service lines as priorities for growth over the next five years, supported by growth accelerators. The three main focus areas include Gill Heart Institute, end-stage organ failure and transplantation and OB/MFM/NICU. The FY 2016 Forecast is projected to have 54% higher ambulatory volume compare to FY 2010. UK HealthCare will exceed 1.4 million ambulatory visits this fiscal year. Growth in ambulatory specialty care will continue to be a key component for the future of UK HealthCare.

**Meeting recessed at 2:30.**

**Meeting resumed at 2:45.**

Bo Cofield shared a video recently developed for New Employee Orientation that highlighted the meaning and importance of diversity in UK HealthCare's culture. He introduced Rob Edwards, Chief External Affairs Officer, UK HealthCare, to speak on the importance of partnership networks to UK HealthCare's mission.

*Strengthen Partnership Networks:*

Dr. Edwards introduced to the board the Founding Members of the Kentucky Health Collaborative. Founding Member leadership in attendance included representatives from Appalachian Regional Healthcare, Baptist Health, LifePoint, Norton Healthcare, Owensboro Health and St. Claire Regional Medical Center. Dr. Edwards discussed the evolution of UK HealthCare's outreach and partnerships in acute care. Changes in the national market and within the Commonwealth have created a major inflection point in healthcare delivery in Kentucky. National trends in healthcare will shift Kentucky's focus from isolated illness and injury care to coordinate, comprehensive care and improved outcomes. Kentucky needs a statewide health network or collaborative to shape the future. Leading healthcare organizations are responding by forming collaborations. The purpose of the Kentucky Health Collaboration is to be a statewide collaborative of leading health care providers and systems that serves as a model for quality, safety, access, coordination, effectiveness and efficiency of care and the advancement of benchmark clinical services, education and research through innovative collaborative initiatives. UK HealthCare is one of 10 founding members.

Dr. Boulanger spoke to the benefits of the new agreement with the Cincinnati Children's Hospital Medical Center for a joint Pediatric Heart Care Program. In partnering with Cincinnati Children's, UK HealthCare will be collaborating with one of the top three children's hospitals in the country and top 10 pediatric heart programs. Dr. Boulanger recognized Matthew Sanger, UK HealthCare's Director, Administration & Corporate Affairs as the key driver in the development of the partnership and for the execution of the agreements for the one-program, two sites relationship.

Dr. Swartz reported on progress in the strategic development of an integrated post-acute care network via partnerships with local and regional facilities. Some key points include improve care delivery and virtually expand acute care capacity by moving patients to more appropriate settings as quickly as health status warrants. These programs cover rehabilitation, addiction treatment services, a preferred provider network of 25 skilled nursing facilities and more. Cardinal Hill Rehab facility/HealthSouth rehabilitation hospital is just one of the facilities UK HealthCare has partnered with. UK HealthCare continues to enjoy productive partnerships with Stepworks Recovery Center, Appalachian Regional Healthcare and LifePoint Health Swing Bed Program, and Kentucky Appalachian Transitions Services Program, among others.

Dr. Cofield reiterated that the primary care partnerships will be critical to UK HealthCare having the appropriate sized primary care network, either through partnering with existing providers or growing its existing practices. UK HealthCare will begin to execute a planning process for the primary care partnership discussion, promising to update the board at the June retreat on the approach the enterprise will be pursuing. On telehealth/community care, Dr. Cofield reported that telehealth has expanded in recent years, and in 2015 served more than 4,700 patients in over 23 medical specialty services.

#### *Value-based Care and Payments:*

Dr. Cofield explained changes in the national market and within the Commonwealth have created a major inflection point in health care delivery in Kentucky. Focus is shifting to improving health outcomes and rationalizing care. UK HealthCare is preparing to respond to the eventual entrance of value-based payments into the Kentucky market.

Dr. Boulanger introduced UK OptimalCare as a UK focused approach to reduce or eliminate unnecessary variation in care. To date, three protocols have been successfully established within the UK OptimalCare approach: infant bronchiolitis, pulmonary embolism and concussion.

#### *Strategic Enablers:*

Mark D. Birdwhistell, Vice President for Administration and External Affairs, UK HealthCare, explained the Enterprise Strategy Office had been created to oversee strategy implementation. Communications has been deployed to inform and engage all team members of UK HealthCare regarding the strategic plan and their role in the implementation. The strategic plan has been communicated to over 3,500 employees. UK HealthCare's Marketing has a significant role in the support of the strategies and engagement of all parties. Marketing will launch a new brand campaign that underscores UK HealthCare differentiators as a provider of advanced medicine in the upcoming months.

Dr. Cofield provided the Committee with the three specific initiatives around technology via the electronic health record (implemented in all clinics), enterprise analytics and data warehouse (recently approved for funding), and enterprise integration and interoperability are fundamental to the kind of care UK HealthCare needs to provide. Strategic opportunities for improvement in UK HealthCare existing electronic health record will be completed and developed by June 30, 2016.

Murray Clark, Senior Vice President for Health Affairs and Chief Financial Officer, UK HealthCare, shared construction spending and progress. Facilities development will continue into the foreseeable future as UK HealthCare both renew and expand to meet the demand of services. Facilities have and will continue to be developed in a phased approach. Chandler Hospital has completed over one million square feet over various phases and over \$875 million in facilities that are in development or in construction now.

Ann Smith, Chief Administrative Officer, UK HealthCare, discussed UK HealthCare's key points regarding patient bed capacity, which included UK HealthCare inpatient capacity is at maximum level. There is no end in sight to the demand for high quality, specialized services and UK HealthCare must consider additional expansion of clinical capacity to support planned service line growth. More than 75 percent of the 128 new beds opening in Pavilion A this spring will be consumed upon opening in summer 2016. New clinical capacity must be addressed as UK HealthCare moves forward. Ms. Smith mentioned UK HealthCare's recommendations for future facilities include \$37 million to complete fit up of Floor 5 in Chandler Hospital Pavilion A (to be submitted for approval at February board meeting), initiate a \$1.5 million project to provide Radiology services to Spine/Joint program and other service in MOB (to be submitted for approval at February board meeting), and she recommended \$5 million to upgrade/renovate facilities in the College of Medicine to faculty office and support space (to be submitted for approval at February board meeting). UK HealthCare leadership will propose additional facility investments in May/June.

#### *Financial Forecast & the Strategic Plan*

Mr. Clark introduced Craig Collins, Associate Vice President of Finance, UK HealthCare. Mr. Collins noted approved projects, infrastructure and capital expenditures are estimated to be \$628 million for FY2016 through FY2020. The strategic reserve continues to grow year over year and the debt capacity will continue growing going forward. The potential need for \$600 million to \$725 million of additional capital expenditure for facilities, equipment and information technology is forecasted over the next five to seven years. UK HealthCare will continue to focus on providing high quality care to patients.

Mr. Clark explained testing the impact of changes to key consumptions on UK HealthCare's capital capacity is a vital management tool. UK HealthCare baseline financial plan projects that the organization will be well positioned to make additional investments in operations, strategy and capital. Based on the baseline projections, UK HealthCare will regenerate necessary capital capacity available to support future initiatives and investments.

#### **VIII. Recap and February Committee Meeting**

Dr. Karpf shared with the UK Board of Trustees that UK HealthCare's next milestone will be to establish the Kentucky Health Collaborative to solidify relationships for the future, continue with the next phase of the facility plan to accommodate growth, and focus on appropriate care in the appropriate setting-community first, ambulatory second, hospital third. UK HealthCare will work together to understand how to improve the care of Kentucky and how to do it more efficiently. UK HealthCare will become a major economic driver for the Bluegrass and beyond and will give an update on our progress in May/June.

#### **IX. Adjournment**

Seeing no other business, and hearing no questions, Chair Vance adjourned the meeting at 4:10 p.m.