

Minutes of the Meeting of the University of Kentucky
University Health Care Committee
Thursday, September 12, 2019

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on Thursday, September 12, 2019, in the Gatton Student Center on the University of Kentucky campus.

A. Meeting Opened

Robert Vance, Chair of the University Health Care Committee, called the meeting to order at 4:00 p.m.

B. Roll Call

Chair Vance introduced the Committee's newest Community Advisory Member, Mr. Kevin Sowers. Chair Vance welcomed Mr. Sowers and read his biography.

The following members of the University Health Care Committee answered the call of the roll: Robert Vance, Cammie DeShields Grant, Robert Grossman, and Barbara Young; Community Advisory members Robert Clay, Missy Jarvis, John McNeill, Nick Nicholson, and Kevin Sowers. Chair Vance stated that a quorum was present.

Chair Vance announced that Community Advisory Member Mira Ball has resigned from the University Health Committee to focus on her position as Co-Chair of the Capital Campaign.

The UK HealthCare and University administration was represented by President Eli Capilouto, Executive Vice President for Health Affairs (EVPHA) Mark F. Newman, Executive Vice President for Finance and Administration Eric N. Monday, Vice President and College of Medicine Dean Robert DiPaola, Vice President and Chief Financial Officer Craig Collins, and Vice President for Hospital Operations Colleen Swartz.

Guests and members of the news media also were in attendance.

C. Approval of Minutes

Chair Vance asked for a motion for approval of the minutes from the June 20, 2019 meeting. Trustee Grant moved approval of the minutes. Trustee Young seconded the motion and the minutes passed without dissent. (See minutes on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

D. Executive Vice President for Health Affairs Update

Dr. Newman reviewed the agenda and thanked those that attended the University Health Care Committee June 2019 Retreat. UK HealthCare will continue to serve the health care needs of Kentucky by securing technology, increasing access, and ensuring financial sustainability to allow them to invest in their research and education mission.

Dr. Newman was excited to announce that Epic had been awarded the contract for UK HealthCare's new Electronic Health Record earlier that day. UK HealthCare's Chief Information Officer Cecilia Page, DNP, briefly spoke about the recent execution of the contract and the hard work that had led up to the announcement.

Dr. Newman stated that he was excited to announce that UK Chandler Hospital was once again named the Number 1 Hospital in Kentucky by *US News and World Report*. UK Chandler Hospital received the honor for the fourth year in a row.

The team at UK HealthCare continues to work on areas involving patient access. Dr. Newman reported that outpatient visits are growing at a tremendous rate. Annual discharges continue to grow but have plateaued due to issues surrounding capacity. "UK HealthCare is challenged daily to get patients that need to be there seen in the hospitals due to constraints."

The UK HealthCare Heart Failure and Transplant Program added 25 patients from a recently closed hospital in Louisville. Dr. Newman noted the program's outstanding five-year survival rate of 93.5 percent.

Chief Medical Officer for Hospitals Phillip Chang, MD, discussed UK HealthCare's recent Gage Award for Quality from Vizient. UK HealthCare received the award for their innovative collaboration to reduce opioid prescriptions in the state of Kentucky. Large numbers of opioids are no longer prescribed thanks to changes around prevention. Collaborations with other Kentucky hospitals through public reporting and transparency formed Kentucky Opioid Stewardship. Trustee Shuffett asked if Nurse Practitioners also were being educated and studied. Dr. Chang stated that the program was all inclusive.

Dr. Newman thanked the Board for their participation in the recent Lexington Surgery Center Open House.

The Markey Cancer at the Lexington Clinic had a successful launch and Dr. Newman stated that he's excited with the growth.

College of Medicine Dean Robert S. DiPaola, MD presented pictures and statistics from the recent White Coat Ceremony at the new College of Medicine campus in Northern Kentucky. A Ceremony was simultaneously held at the Bowling

Green and Lexington campuses with 90 percent from Kentucky.

Dr. Newman thanked Vice President for Hospital Administration and Chief of Staff Mark D. Birdwhistell for his work with state and federal agencies to receive additional payments and funding to support the College of Medicine Graduate Medical Education program.

Vice President for Hospital Operations Colleen H. Swartz, DNP and Chief Quality and Transformation officer Mark Williams, MD, thanked Chair Vance and Trustee Young for attending a conference with the UK HealthCare team in Chicago, Illinois. The conference was concerning quality and safety training, focused on hospital boards and their role to oversee these areas. Chair Vance and Trustee Young thanked the team for their invitation and briefly spoke about the valuable training they received. This training for the University Health Care Committee met requirements of participation required by the Children's Hospitals' Solutions for Patient Safety (SPS) program.

E. Using Values to Drive Culture

Chief Information Officer Cecilia Page, DNP, and Interim Chief Administrative Officer Angela Lang discussed the UK HealthCare Living DIReCT Program created to use values to change culture throughout the organization. A set of values were created by a diverse team of 24 staff and faculty members to align with the UK HealthCare mission. The key values identified were diversity, innovation, respect, compassion, and teamwork. Web-based training, hiring, and inclusion of the values in performance evaluations have been included as part of the program.

F. Fiscal Year 2019 (FY19) UK HealthCare Enterprise Goal Performance

Vice President for Hospital Operations Colleen H. Swartz, DNP continued the conversation regarding SPS and that UK HealthCare will extend the program in the Ambulatory setting.

Dr. Swartz reviewed UK HealthCare's performance on the FY 2019 Enterprise Goals. Overall UK HealthCare performed very well. Goals that met the maximum targets were mortality and 30-day bump rate. Patient safety, length of stay, ambulatory patient experience scores, employee and provider engagement, and diversity and inclusion hit their target scores in FY 2019. Areas that only hit the threshold were no show rates and 14 day new appointment access in the ambulatory access category. UK HealthCare fell below their threshold target in readmissions and inpatient patient experience scores. Dr. Swartz stated that the goals are evaluated annually and created to challenge the team by making them harder to achieve each year. Ambulatory and Eastern State Hospital received their own set of goals in FY

2020 and join the FY 2019 goal grids for Inpatient and the Kentucky Children's Hospital.

G. Fiscal Year 2019 June Operating Results

Vice President and Chief Financial Officer Craig Collins reviewed UK HealthCare's financial performance for FY 2019. Total Enterprise results that included investment income and losses and financial support to the College of Medicine resulted in a positive increase in net assets of 0.8 percent. Mr. Collins advised the Committee of FY 2019 revenue impacts that included an increase in graduate medical education payments and one-time positive adjustments made for prior years related to disproportionate share and Medicare cost report adjustments for 2015, 2016, and 2017.

Vice President for Hospital Operations Colleen H. Swartz, DNP discussed key performance indicators for FY 2019 June and FY 2020 July. Mr. Collins finished the presentation by updating the Committee on the FY 2020 July Enterprise Income Statement. FY 2020 July realized a decrease in net assets of -1.5 percent. Factors that contributed to the decrease included the cost of medical supplies and pharmaceuticals due to Lexington Clinic inventory, new innovative treatments that are awaiting payment, and patient mix. Income investment represented a net loss of \$244,000 which was an unfavorable variance to the budget of \$2.5 million.

FCR 4 Authorization of Lease for UK HealthCare Bluegrass Care Clinic

The recommendation authorizes the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky and a lessor selected at an appropriate location in Lexington, KY to be used by UK Bluegrass Care Clinic. A need has been identified to provide space to support UK HealthCare's Infectious Disease Clinic, also known as the Bluegrass Care Clinic, to meet demands for growth and to provide a convenient location for patients. The lease will not exceed 29,000 square feet of administrative and outpatient space and will be at an annual cost not to exceed \$936,000. Trustee Young made a motion to recommend approval. Trustee Grant seconded the motion. The motion carried without dissent.

FCR 5 Repair, Upgrade, or Improve Building Systems-UK HealthCare Capital Project (Pavilion H Air Handling Unit)

The recommendation seeks approval to initiate the Repair, Upgrade, or Improve Building Systems-UK HealthCare Capital Project. This project will replace one air handling unit (AHU) in the Chandler Hospital Pavilion H. AHU 1 services the ground, first, and second floors of Pavilion H. This AHU, which is original to the building and

was installed in 1959, is in poor mechanical condition with failing fans and coils, and currently does not meet the cooling load for the service area. Trustee Grant made a motion to recommend approval. Trustee Young seconded the motion. The motion carried without dissent.

FCR 7 A Resolution Providing Additional Authority for the Executive Vice President for Finance and Administration or Treasurer to Enter Into Agreements to Issue Standby Letters of Credit for the University of Kentucky on behalf of Itself or Its Affiliates

The recommendation approves a Resolution authorizing the Executive Vice President for Finance and Administration and Treasurer to enter into letters of credit, up to a total amount \$2,500,000 on behalf of the University or University affiliates, for the purpose of acquiring or maintaining insurance coverage for the University or its affiliates or for other University business purposes. Trustee Young made a motion to recommend approval. Trustee Grant seconded the motion and it passed without dissent.

H. Privileges and Appointments

President of the UK HealthCare Medical Staff Fred Zachman, MD, presented the list of credentials and appointments for approval. Chair Vance called for a motion to approve the list of providers. Trustee Young moved to approve the list. Trustee Grant seconded the motion and it passed without dissent.

I. Meeting Adjourned

Chair Vance called for new or other business that needed to be brought before the University Health Care Committee. Hearing no further business, the meeting was adjourned at 5:29 p.m.

Respectfully submitted,



Robert Vance

Chair, University Health Care Committee