

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Friday, June 19, 2020

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on Friday, June 19, 2020, via Zoom Webinar.

A. Meeting Opened

Barbara Young, Chair of the University Health Care Committee, called the meeting to order at 9:00 a.m. Chair Young asked Leigh Bays Donald to announce the members present.

B. Roll Call

The following members of the University Health Care Committee were in attendance: E. Britt Brockman, Cammie DeShields Grant, Robert Grossman, David Melanson, and Barbara Young; and Community Advisory members Robert Clay, Luther Deaton, John McNeill, Nick Nicholson, and Kevin Sowers.

Ms. Donald announced a quorum was present.

The meeting was live-streamed to the UK HealthCare community.

C. Approval of Minutes

Chair Young stated that the minutes of the February 20, 2020 meeting had been distributed and asked for a motion. Trustee Grossman moved approval and Trustee Grant seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Executive Vice President for Health Affairs Report

Executive Vice President for Health Affairs Mark F. Newman, MD, detailed efforts to stabilize the changing health care environment due to the COVID-19 pandemic. Dr. Newman explained that before the COVID-19 crisis, FY2020 began with UK HealthCare above financial and discharge targets. Although COVID-19 still remains an issue, UK HealthCare did not see the surge that was once anticipated. Dr. Newman discussed the path forward and current inpatient and outpatient visit numbers. He reiterated that getting care remains safe. The demand for UK HealthCare's services remain strong, and he reported that 15% or more of all recent UK HealthCare ambulatory visits were done through UK TeleCare. Dr. Newman discussed efforts to align staffing with low-census numbers during the state mandated closure. During the initial phase of the closure, staff members trained and prepared for the pandemic. Once preparation was complete, staffing had to be aligned with discharges. These efforts closed the gap and helped offset potential shortfalls anticipated in the budget.

Dr. Newman previewed the UK HealthCare Strategy 2025 Restart. Although temporarily paused due to the pandemic, planning for the new strategic plan will continue and be presented to the Board in the near future.

E. UK HealthCare FY2020 Engagement Overview

Chief Physician Executive Jay Grider, DO and Chief Experience/Operations Officer Angela Lang were joined by Engagement Advisor Stephanie Weimer from Press Ganey to review the results of the UK HealthCare 2020 Engagement Survey. Although the survey was administered during the height of the COVID-19 closures, results were positive and showed improvement in multiple areas.

- Provider Engagement increased from 18th to 28th percentile
- Provider Alignment increased from 17th to 25th percentile
- Staff Engagement increased from 46th to 47th percentile
- Eastern State Hospital Engagement increased from 33rd to 56th percentile (over the national average)

Trustee Shuffett inquired if the number of respondents had decreased due to COVID-19. Ms. Lang reported that although the number of respondents had declined slightly, the survey did have at least a 50% response rate. Trustee Blonder asked that the advanced practice provider and physician scores be reported separately.

F. Enterprise Goals

FY2020 UK HealthCare Enterprise Goals

Vice President for Hospital Operations Colleen Swartz, DNP, and Dr. Jay Grider reported FY2020 Enterprise Goal results through June 8, 2020. Dr. Swartz reminded the Trustees that in FY2020 the Kentucky Children's Hospital and Eastern State Hospital were given their own goal grids. Dr. Swartz discussed the results for Adult Inpatient and indicated that there are several high performing areas such as Mortality, Patient Safety, Provider Safety, and Length of Stay. She stated that there are numerous positive stories regarding patient safety. Low scoring areas or areas that need improvement included Employee Safety and Readmissions. Dr. Swartz indicated that there's still work to be done in Readmissions and helping patients stay out of the hospital.

Dr. Swartz and Dr. Grider reviewed the results for the Kentucky Children's Hospital and Eastern State Hospital. Dr. Swartz reported positive safety measure outcomes relating to the use of restraints and medication at Eastern State Hospital.

FY2021 UK HealthCare Enterprise Goals

Dr. Swartz and Dr. Grider discussed the FY2021 Enterprise Goals. The proposed FY2021 Enterprise Goals continue with the same goal structure as FY2020. One change includes use of visual cues for externally reported performance impacted by metrics.

Approval of FY2021 UK HealthCare Enterprise Goals

Chair Young asked for a motion to approve the FY2021 UK HealthCare Enterprise Goals. Trustee Brockman moved approval, and Trustee Melanson seconded the motion. The motion carried without dissent.

G. FY2021 Quality, Safety, and Patient Experience Plan

Chief Quality and Transformation Officer Mark V. Williams, MD stated that time was dedicated to updating and expanding the Plan for the upcoming year. Focus was spent on structure and alignment of all quality and safety efforts. Dyad and affinity groups collaborated and targeted specific areas through engagement with front-line clinicians on how to achieve target goals. Dr. Williams detailed an example regarding a recent reduction in pressure ulcers and better patient outcomes. These efforts have an estimated cost-savings of \$2.4 million. Dr. Williams discussed the new daily check-ins and the impact to the organization.

UHCCR 1 UK HealthCare FY2021 Quality, Safety, and Patient Experience Plan

Chair Young asked for a motion to approve UHCCR 1. Trustee Melanson moved approval, and Trustee Grossman seconded the motion. The motion carried without dissent.

H. Financial Update

UK HealthCare FY2020 April and May Preliminary Results

Vice President for Hospital Operations Colleen Swartz, DNP discussed the operational results for FY2020 April. Preliminary results are a result of the onset of the COVID-19 pandemic and closures. Discharges were down and the case-mix index went up due to the complex illnesses being seen. Observation, short-stays, and emergency department numbers were almost half of prior numbers. Elective surgeries were paused and operating rooms were only open to emergencies. Due to closures, ambulatory numbers were down and below budget. Dr. Swartz indicated that things have begun to rebound.

Chief Financial Officer Craig Collins reported that for the month of April, UK HealthCare's clinical operations had a net income loss of \$10.8 million and \$36.6 million less than budget. The total operating revenue for the month of April was \$69.7 million less than budget and \$58.8 million less than year-to-date. Diminished patient volumes due to COVID-19 were the overriding reason for the negative variances. The operating revenue for April includes approximately \$10 million of federal funding.

UK HealthCare FY2021 Budget Review

Mr. Collins reviewed the proposed UK HealthCare budget for FY2021 and reported the FY2021 budget assumptions. These assumptions include an increase in volumes to pre-COVID-19 levels by 2020. Personnel expenses are budgeted based on volumes and staffing benchmarks, including projections for physician and provider results. Incremental operational expenses were added for COVID-19 personal and protective equipment. A reduction in the University pension was included. Medicaid Directed Payments do not include pending considerations that could impact reimbursement if approved by the Centers for Medicare and Medicaid Services. Trustee Grossman asked when the furloughed employees will be brought back. Mr. Collins stated that UK HealthCare is focused on bringing employees back to work, and the expectation is that the majority will return by the end of July 2020. Trustee Blonder inquired about a revised budget once the surge is over. Dr. Newman stated that the plan is to present the reforecast once the health care environment is more predictable and accurate.

UK HealthCare FY2021 Budget Approval

Chair Young asked for a motion to approve the UK HealthCare FY2021 Budget. Trustee Grossman moved approval, and Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 10 Funding Revision to Renovate/Upgrade UK HealthCare Facilities (Fit-Up 5th and/or 12th Floor) Capital Projects (Phase 1-H and 1-I)

The recommendation seeks approval to combine two legislative authorizations and use both agency bonds and agency funds to fund the 5th Floor Fit-Up project (Phase 1-H approved in February 2016) and/or the 12th Floor Fit-Up project (Phase I-I approved in June 2016). These two authorizations over several years provide for an investment not to exceed \$1.18 billion. The remaining debt proceeds from the three projects are not expected to exceed \$10 million. Chair Young asked for a motion to recommend approval of FCR 10. Trustee Brockman moved approval and Trustee Grant seconded the motion. The motion carried without dissent.

I. Privileges and Appointments

Chief Physician Executive Jay Grider, DO, presented the list of credentials and appointments for approval. Chair Young called for a motion to approve the list of providers. Trustee Melanson moved to approve the list. Trustee Grossman seconded the motion, and it passed without dissent.

J. Other Business and Adjournment

Chair Young 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 10:47 a.m.

Respectfully submitted,

Barbara S. Young

Chair, University Health Care Committee

(FCR 10 and UHCCR 1 are official parts of the Minutes of the meeting)