

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, September 9, 2021

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on September 9, 2021, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

E. Britt Brockman, chair of the University Health Care Committee (Committee), called the meeting to order at 8:30 a.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: E. Britt Brockman, Ray Daniels, Ron Geoghegan, David Melanson and Hollie Swanson; Community Advisory members Luther Deaton and Nick Nicholson; Community Advisory member Kevin Sowers attended the meeting via Zoom.

The meeting was live-streamed to the UKHC community.

C. Approval of Minutes

Chair Brockman stated that the minutes of the June 17, 2021 meeting had been distributed and asked for a motion. Trustee Geoghegan moved approval, and Trustee Daniels seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Chairman's Report

Chair Brockman thanked everyone for their attendance and hard work in preparation for the meeting.

E. UKHC 2025 Strategic Approach

Executive Vice President for Health Affairs Mark F. Newman, MD, thanked the Board for their support during the COVID-19 pandemic. Dr. Newman reported that UK HealthCare (UKHC) currently had a record number of 130 positive COVID-19 patients with a high percentage of those patients being unvaccinated and pediatric cases. Trustee Swanson asked Dr. Newman to discuss the characteristics of COVID-19 positive vaccinated individuals currently hospitalized. Dr. Newman reported that these patients are typically elderly and individuals with other comorbidities. He also stated that although vaccinated individuals can still transmit the Delta variant of the COVID-19 virus, most are less likely to have severe illness. He advised that the vaccine is a great way to combat COVID-19. Dr. Newman presented the current COVID-19 projected hospital resource use data and stated, "this is our peak now and higher than any peak that we have had at this

point.” He continued “I want to thank all the people on the UKHC team that have been tirelessly working and giving of themselves”. Trustee Swanson asked about the news coverage regarding St. Claire Hospital in Morehead, Kentucky and their capacity issues with COVID-19 patients. Dr. Newman stated that workforce is one of the biggest challenges that UKHC and the state of Kentucky currently face. Dr. Newman credited the ability to meet demands to UKHC’s operational and nursing teams.

Dr. Newman introduced the 2025 Strategic Plan (Plan) discussion. He stated that the initial discussion for the Plan began in October of 2019 but was delayed due to COVID-19. Dr. Newman review the agenda for the meeting and encouraged the Board to ask questions. He stated that “you do not make this kind of progress over a short period of time without great leaders and great Trustees”. Dr. Newman recognized the University Health Care Committee’s outgoing chair, Barbara S. Young. He stated that for more than 20 years she and her husband Bill have been huge advocates for the health of Kentucky and UKHC. Dr. Newman also recognized outgoing University Health Care Committee Community Advisory Members Robert Clay and Nick Nicholson for their service over a combined 20 years. Mr. Nicholson thanked Dr. Newman and stated “I am in awe of what you and your team are able to do”. Dr. Newman thanked the group for their leadership and strong support throughout the years.

Dr. Newman highlighted plans to celebrate Albert B. Chandler Hospital’s 60th Anniversary in 2022. The recognition will include events from the past and plans for the next 60 years. Dr. Newman recognized the co-chair for the 60th Anniversary Advisory Committee and former U.S. Representative for Kentucky’s 6th congressional district, Albert B. “Ben” Chandler III and remarked that “it is so great to have the grandson of Happy Chandler helping to lead our team for this anniversary celebration”.

As one of the top transfer centers in the country, Dr. Newman reported that more than half of UKHC’s admissions at the Albert B. Chandler hospital come from transfers from other hospitals. He also noted that UKHC has more than doubled at a million outpatient visits as well. “

Dr. Newman stated that Kentucky continues to rank high in America’s health disparities. He remarked that through the College of Medicine expansion, partnerships and affiliate networks, UKHC is working to create a healthier Kentucky. Dr. Newman discussed that the greatest challenge continues to be access and capacity restraints. He identified key goals and priorities in Kentucky’s geographical areas as part of the 2025 Strategic Plan.

Trustee Blonder inquired about the reason for staffing shortages such as burnout, vaccine mandates and competition from travel nursing opportunities for higher compensation. Dr. Newman responded that UKHC’s goal is to be the employer of choice through increased compensation and benefits. He continued that environment, opportunity and culture are also important to retention. Dr. Newman stated that UKHC is working with the health care deans to create pipelines but that staff eventually get tired and can only be stretched so far. He stated that unfortunately, the state does not have

a full workforce and this will continue to be a challenge. Vice President for Hospital Operations Colleen Swartz, DNP discussed arrangements with the health colleges to create pipelines in all high-demand clinical areas. She stated programs such as the partnership with Bluegrass Community and Technical College for some of the technician-based roles include UKHC funding additional faculty to create double the number of graduates. Trustee Shuffett remarked that compensation and scholarships are key to recruitment and retention. Community Advisory Member Mr. Sowers confirmed that recruitment and retention continues to be a challenge across the country.

Dr. Newman continued that despite huge growth on both the inpatient and outpatient sides, demand for UKHC's services far exceeds supply. He remarked that even with completion nearing on both the 5th and 12th floor of Pavilion A, UKHC will continue to have capacity restraints. Dr. Newman reported that UKHC transfers 60-70 patients a day but he is very concerned for the sometimes 10-20 patients daily that are unable to receive the transfer they need. Trustee Shuffett inquired about issues with organ procurement and the status of the changes to the regions for procurement. Dr. Newman responded that although some organs are being sent to the northeast versus staying in Kentucky, UKHC is part of a lawsuit to try to reduce that number. General Counsel Bill Thro commented on the status of the litigation and advised that the university is involved in two pieces of litigation regarding liver and kidney allocation policies to keep needed organs close to home.

Trustee Geoghegan inquired about efforts in Appalachia to decrease morbid obesity and other wellness programs. Dr. Newman stated that the fifth pillar of the 2025 Strategic Plan includes creating a healthier Commonwealth. He noted that together with UKHC's partnerships, collaborative members and public health, programs are being developed regarding not only treatment but intervention. Dr. Newman gave the example of the lung cancer screening program developed through the Kentucky Health Collaborative to increase screening for lung cancer. He stated that the group is working together with primary and specialty care to increase screenings in the state, especially in areas with high smoking rates. Dr. Newman stated that it is these types of programs that make a difference across the state.

Dr. Newman reviewed the five key pillars of the Plan. He remarked that the Plan would continue to evolve through constant evaluation to make sure important metrics are being met. Trustee Swanson asked Dr. Newman if work is being done to increase transparency with faculty and staff since it has often been a dissatisfier. Dr. Newman remarked that the current meeting is being live-streamed to the entire UKHC community. He also discussed new system operation meetings currently held bi-weekly and live-streamed to the entire healthcare enterprise. Dr. Newman stated that these meetings allow staff and faculty to submit questions and concerns in advance to be addressed by senior leadership and subject matter experts. He remarked that developing trust is key to engagement.

Dr. Newman elaborated on the strategic approach for each market. He commented that the overall strategy for the local market is growth, eastern Kentucky's strategy is the stability and the quaternary care market's strategy is sustainability. Dr. Newman detailed the strategic approach for eastern Kentucky. He stated that UKHC wants to become the

partner of choice and ensure no Kentuckian has to leave the state for care. Dr. Newman thanked all of the affiliates and partners joining the meeting remotely. The Committee viewed a brief video on the importance of a UKHC partnership from the perspective of both the partners and the UKHC providers that work closely with other providers outside the UKHC network.

After a brief break, Dr. Newman discussed details regarding the local market strategy. He stated that becoming the provider of choice to improve inpatient and outpatient access, building patient access throughout the market and being patient-centric with expectations and demands for convenient access points and integrated services. Dr. Newman discussed the importance of ambulatory access to drive the ability to grow inpatient volume in the local market. He reported that eastern Kentucky is projected to decrease, emphasizing the need to create stability with partners but the local market is projected to grow slightly. Dr. Newman remarked that in order to become the provider of choice with a focus on patient access and growth, UKHC must develop new access points and services to serve their patients and communities. He stated that UKHC must continue to expand its ambulatory footprint in the community for key entry points into the system and across a variety of access points and services. Dr. Newman commented that patients continue to travel to Lexington for ambulatory and inpatient care but UKHC must create distributed access to services to accommodate patients where they need help. Trustee Melanson remarked that the off-campus type ambulatory facilities are probably more attractive to employees.

Chief Financial Officer Craig Collins presented UKHC's FY21 financial report. He remarked that UKHC will finish the year at approximately \$2.8 billion dollars in revenue. He stated that investment income was a major contributor to the bottom line. Mr. Collins reported that UKHC has invested more than \$1.6 million dollars in capital from FY04 through FY20. He discussed UKHC's cash position. Mr. Collins remarked that the FY21 preliminary reports indicate that UKHC will have 255.4 days of cash on hand at the end of the year. He discussed cash flow modeling observations and the impacts of investments to the bottom line.

Senior Vice President and Chief Operations Officer Pete Gilbert presented strategies for workforce planning and discussed UKHC's master facility planning process. Mr. Gilbert reported that UKHC's master facility planning project's scope includes the development of a focused master plan for on-campus and off-campus facilities. He remarked that the master facility plan will address the current and future space demands of the 2025 UKHC Strategic Plan.

Chair Brockman thanked Dr. Newman and all of his staff involved in this presentation and requested annual reports and dashboards on the progress of the Plan.

UK President Eli Capilouto remarked, "It would be a disservice to Dr. Newman, his team and our partners if I did not express gratitude on behalf of our entire university, not only for the heroic service during COVID-19 but what they did in the middle of the pandemic". He thanked the team for the smooth transition to Epic and thanked Dr. Newman and his team for an excellent presentation.

F. Privileges and Appointments

Chief Physician Executive Jay Grider, DO, presented the list of credentials for approval presented by the UKHC Medical Staff. Chair Brockman called for a motion to approve the list of providers. Trustee Melanson moved to approve the list. Trustee Geoghegan seconded the motion, and it passed without dissent.

G. Other Business and Adjournment

Chair Brockman called for new or other business that needed to be brought before the University Health Care Committee or questions for the presenters. Hearing no further business, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary