

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, February 16, 2023

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on February 16, 2023, 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 4:02 p.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 Jennifer Barber and Luther Deaton.

C. Approval of Minutes

Chair Brockman stated that the minutes of the December 13, 2022 meeting had been distributed and asked for a motion. Trustee Melanson moved approval, and Trustee Geoghegan 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 (EVPHA) Report

Acting Co-EVPHA and Executive Vice President for Finance and Administration Eric Monday reported that he and acting Co-EVPHA and Provost Robert DiPaola have been holding a series of listening and learning sessions with UK HealthCare clinical and administrative leadership to begin a strategic refresh feedback cycle. Dr. Monday discussed plans to bring details of a UK HealthCare 2025 Strategic Plan refresh to the April 27th committee meeting.

Dr. DiPaola described the importance of the University of Kentucky's transdisciplinary approach for the Commonwealth. He gave examples of how academic medicine leverages research, clinical trials, training, education and clinical care to drive cutting edge medicine.

E. Bringing Together Many People; One Community

UK HealthCare's Chief Diversity Officer Tukea Talbert, DNP presented a comprehensive study of regional health equity needs. She discussed a study identifying gaps for vulnerable populations. Dr. Talbert stated that within Fayette County, residents have an 11-year difference in life expectancy depending on the zip code they reside.

She described efforts to provide support and opportunities for employees through UK HealthCare's Lunch, Learn and Listen Employee Affinity Group Services.

Dr. Talbert identified recruitment pathways for young adults with intellectual and developmental disabilities. She discussed that through a partnership with a local high school, a diversity in healthcare program has been established to reach students and help guide and support those interested in healthcare careers.

Dr. Talbert detailed external facing initiatives that promote health equity and demonstrate UK HealthCare's commitment to the Commonwealth to create a healthier Kentucky.

F. UK HealthCare Quality Journey

UK HealthCare's Chief Physician Executive Jay Grider, DO and Chief Nursing Officer Gwen Moreland, DNP presented UK HealthCare's focus on quality and safety measures resulting in positive changes to Vizient, Leapfrog and Centers for Medicare and Medicare Services Star ratings. They reported that through improved performance measures, planning, and ongoing work in key areas such as falls, central line-associated bloodstream infections and methicillin-resistant staph aureus (MRSA), UKHC has furthered its strategic focus on quality.

Dr. Grider reported a decrease in UKHC's adult mortality index. He stated that the mortality index has performed better than the target for the past five months.

Dr. Grider announced that UKHC is currently meeting eight of 14 performance targets for the Medicaid Directed Payments Program. As discussed by Dr. Grider, 11 measures improved and were significantly higher than the prior year.

G. Operational and Financial Update

Senior Vice President and Chief Operating Officer Pete Gilbert discussed UKHC's FY23 December key performance indicators. Mr. Gilbert reported higher than budget discharges, observation and operating room cases. He remarked that Lexington Surgery Center operating cases continue to grow and were over budget.

Senior Vice President and Chief Financial Officer Craig Collins detailed UKHC and King's Daughters financial performance for FYTD 23 December.

H. Finance Committee Recommendations (FCRs)

FCR 8 Approval to Enter Into Swap Agreements

The recommendation seeks authorization for the university or one or more of its affiliated corporations listed below to take all appropriate measures necessary to manage risks associated with variable rate bonds or other debt obligations held by the university's affiliated corporations Royal Blue Health LLC and its subsidiaries, including Ashland Hospital Corporation dba King's Daughters Medical Center as part of the member

substitution transaction approved by the Board on October 27, 2022 and effective December 1, 2022.

Trustee Melanson made a motion to recommend approval of FCR 8. Trustee Daniels seconded the motion. The motion carried without dissent.

FCR 9 Approval to Acquire Property Through Eminent Domain

The recommendation seeks authorization for the Board of Trustees, acting pursuant to its statutory authority under Kentucky Revised Statutes (KRS) Sections 164.260 and 164.410 and the Eminent Domain Act of Kentucky, (i) authorize and direct the acquisition through condemnation proceedings of properties located at 136, 138 and 144 State Street, and 122, 134, 136, 138 and 141 University Avenue in Lexington Kentucky and authorize the university's Executive Vice President for Finance and Administration to approve and execute all documents needed to acquire these Properties before or after filing condemnation proceedings. These Properties are essential to the university's purpose and mission in providing healthcare through a new Cancer Treatment Center/Ambulatory Surgery Center Capital Project, for which the Board approved design work on May 4, 2021 and construction on December 13, 2022.

Trustee Geoghegan made a motion to recommend approval of FCR 9. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 13 Approval of Improvements to Leased Space (UK HealthCare Bluegrass Care Clinic)

The recommendation seeks approval for the payment of \$995,000 for improvements to leased space for the UK HealthCare Bluegrass Care Clinic located at 3101 Beaumont Centre Circle, Lexington, KY.

The Bluegrass Care Clinic specializes in the diagnosis and treatment of a wide range of infectious diseases with a special expertise in the treatment of immunocompromised patients, including AIDS and transplant patients. The clinic has experienced substantial growth and now requires additional space.

Trustee Swanson made a motion to recommend approval of FCR 13. Trustee Daniels seconded the motion. The motion carried without dissent.

FCR 14 Approval of Improvements to Leased Space (UK HealthCare Retail Pharmacy – Beaumont)

The recommendation seeks approval for the payment of \$995,000 for improvements to space to be leased for University of Kentucky HealthCare located at 3101 Beaumont Centre Circle, Lexington, KY.

UK HealthCare retail pharmacy is expanding to better serve the needs of its patients and needs space to accommodate this expansion. The relocation of the Bluegrass Care Clinic from space on the first floor of the building located at 3101

Beaumont Centre Circle vacates space which suits the needs of UKHC retail pharmacy. This location will allow UKHC retail pharmacy to provide services for both the Blue Care Clinic patients as well as other patients living and working in the vicinity. The scope of work includes design and construction for an expansion of the retail pharmacy at this location.

Trustee Melanson made a motion to recommend approval of FCR 14. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 15 Approval of Lease

The recommendation seeks authorization for the Executive Vice President for Finance and Administration to execute a building lease for the University of Kentucky at 2195 Harrodsburg Road, Lexington, KY from the Kentucky Medical Services Foundation.

The university has identified a need for space to support the UK HealthCare Plastic and Reconstructive Surgery outpatient program. The leased space will include clinical space, exam rooms, minor procedure spaces and associated administrative and support space for staff and providers. The leased space will comprise of 8,900 rentable square feet with an annual rent of \$282,219.

Trustee Geoghegan made a motion to recommend approval of FCR 15. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 16 Approval of Lease

The recommendation seeks authorization for the Executive Vice President for Finance and Administration to execute a building lease for the University of Kentucky at 202 Bevins Lane, Georgetown, KY from the Kentucky Medical Services Foundation.

A need was identified to provide space to support UK HealthCare's offsite clinical activities in order to continue to provide general primary care services in the Bluegrass area in more convenient locations for patients. UK Family and Community Medicine offers primary care, preventative services and continuity of care for the entire family. This location includes clinical space, exam room and associated administrative and support space for staff and providers. The leased space will comprise of 9,000 rentable square feet with an annual rent of \$252,054.

Trustee Daniels made a motion to recommend approval of FCR 16. Trustee Swanson seconded the motion. The motion carried without dissent.

FCR 17 Approval of Acquire - Meadowcrest

The recommendation seeks authorization for the Executive Vice President for Finance and Administration to enter into a revised purchase agreement and acquire land located at 2550 Winchester Road, Lexington, KY.

UK HealthCare identified a location to expand its ambulatory and hospital facilities. An initial location totaling 26.74 acres for purchase was approved at the June 2022 Board of Trustees meeting. Upon due diligence review, additional acreage in the amount of approximately 14.43 acres is necessary for the university's needs. This brings the total land purchase to approximately 41.17 net acres. An amendment to the initial purchase agreement is under contract contingent on approvals by the UK Board of Trustees, and the secretary of Finance for the Commonwealth of Kentucky.

The total consideration including the additional acreage is not to exceed \$39,000,000 plus customary due diligence and closing costs and has been authorized by the 2022 Session of the Kentucky General Assembly as part of the Implement Land Use Plan – UKHC (Land Acquisition Pool). Pending Board approval, the university will finalize negotiations and enter into a purchase agreement and acquire the land. The property will be purchased at a fair market value with agency funds.

Trustee Melanson made a motion to recommend approval of FCR 17. Trustee Swanson seconded the motion. The motion carried without dissent.

I. Privileges and Appointments

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

J. 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 5:27 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary