

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, September 14, 2023

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on September 14, 2023, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

E. Britt Brockman, chair of the University Health Care Committee called the meeting to order at 3:30 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, Luther Deaton, William Farish and Josh Proffitt.

C. Approval of Minutes

Chair Brockman stated that the minutes of the June 15, 2023 meeting had been distributed and asked for a motion. Trustee Geoghegan moved approval, and Trustee Melanson 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 commented on the efforts by the Co-EVPHA Robert DiPaola and Eric Monday to organize and align UK HealthCare to efficiently and effectively provide quality health care to Kentucky.

E. Executive Vice President for Health Affairs (EVPHA) Update

Provost and Co-EVPHA Robert DiPaola detailed a new UKHC leadership committee formed to strengthen and grow programmatic areas. He stated that the new Executive Clinical Effectiveness Leadership (EXCEL) team meets weekly to identify needs and areas of risk that could delay or become detrimental to a program's success. Dr. DiPaola discussed that high priority and high-risk needs are monitored and if possible, resolved before they become a barrier. He stated that the committee intends to prevent situations similar to the recent physician loss in transplant that put a program at risk.

Executive Vice President for Finance and Administration and Co-EVPHA Eric Monday discussed the importance of strategy, talent and infrastructure. Dr. Monday presented a new executive committee structure and stated that just as the EXCEL team was tasked with monitoring and governing programmatic areas, an additional new committee was formed to keep the university's \$2 billion in infrastructure and capital

projects aligned and on time. He advised the new Healthcare Infrastructure Team (HIT) meets weekly and tracks the progress of the many strategic projects under construction and is on target to continue the mission of creating access. Dr. Monday updated the status and target completion of several important infrastructure projects.

- Emergency department expansion – target completion 2024
- Obstetrics renovation and relocation – target completion 2026
- Operating room expansion – target completion 2025
- Advanced endoscopy expansion – target completion 2025
- Cancer and advanced ambulatory – shared updated sketches and programming
- Chandler Expansion – architect selection underway
- Ambulatory expansion – one site will be open in 2024
- Meadowcrest ambulatory site – target completion of land purchase September 2024

Dr. Monday yielded the floor to President Eli Capilouto. President Capilouto discussed his recent visit to the UK King's Daughters medical campus. He conveyed that his visit was inspiring and uplifting. President Capilouto detailed his meetings and the importance of being able to keep patients close to home and in Kentucky.

F. UK HealthCare Quality Update

Chief Physician Executive and Quality Officer Jay S. Grider and Associate Vice President for Performance and Core Clinical Services Jennifer Rose provided an update on quality performance.

Dr. Grider reported that UKHC has exceeded their five-year aspirational targets for *U.S. News and World Report*. He announced UKHC maintained its #1 Hospital in Kentucky ranking for the eighth year and continues to increase the number of nationally ranked specialties.

Ms. Rose listed the FY23 Medicaid Value-Based Care year end performance results. She asserted that UKHC had to meet at least six measures to qualify for the program. Ms. Rose reported that UKHC had met eight in 2023 and would have to continue to drive the quality program to meet the increasing thresholds.

G. Workforce Update

Vice President for Human Resources and Chief Human Resources Officer Melissa Frederick and Chief Diversity Officer Tukea Talbert discussed efforts to increase UKHC's recruitment funnel.

Ms. Frederick stated that with the assistance of a third-party recruitment firm, UKHC has improved and accelerated the hiring window for the recruitment of many key positions.

Dr. Talbert discussed Project Search which was launched on August 16, 2023 with seven interns through a partnership with Fayette County Schools, Kentucky Office of Vocational Rehabilitation, Human Development Institute and UK Human Resources. She advised that the program has a one-year school-to-work transition program designed for young adults with intellectual and developmental disabilities.

H. Financial and Operational Update

Senior Vice President and Chief Operations Officer Pete Gilbert presented FYTD24 July Key Statistics. He reported emergency department visits were below budget but higher than last year. Mr. Gilbert discussed total ambulatory visits were approximately 5,000 greater than budget and over 10,000 greater than last year.

Senior Vice President and Chief Financial Officer Craig Collins detailed UKHC Fiscal Year End 2023. He conveyed UKHC ended FY23 13% over budget. Mr. Collins advised Royal Blue Health closed FY23 at 19.4% over budget.

Mr. Collins reported the UKHC financials for YTD July FY24. He announced that UKHC finished the month of July at 12.5% over budget driven by outpatient revenue coming in \$19,000 ahead of budget.

Finance Committee Resolutions

FCR 10 Approval of Improvements to Leased Space (UK HealthCare Psychiatric and Behavioral Health Care Clinic)

The recommendation that the Board of Trustees approve the payment of up to \$550,000 for improvements to leased space for the University of Kentucky HealthCare Psychiatric and Behavioral Health Care Clinic located at 245 Fountain Court, Lexington, Kentucky.

Funded by agency funds, the improvements to this space will create two rooms on the third floor to accommodate the installation of two new transcranial magnetic stimulation machines.

Trustee Geoghegan made a motion to recommend approval of FCR 10. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 11 Approval of Improvements to Leased Space (UK HealthCare Nephrology, Bone and Mineral Metabolism Clinic)

The recommendation that the Board of Trustees approve the payment of up to \$250,000 for improvements to leased space for the University of Kentucky HealthCare Nephrology, Bone and Mineral Metabolism Clinic located in the Professional Arts Center building at 135 Maxwell Street, Lexington, Kentucky.

Funded by agency funds, this project will include the renovation of two rooms on the third floor of the Professional Arts Center building to accommodate two new DEXA bone scan machines.

Trustee Swanson made a motion to recommend approval of FCR 11. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 12 Approval to Acquire (14395 State Route 93, Jackson, Jackson County, Ohio)

The recommendation that the Board of Trustees authorize the Chief Executive Officer of UK King's Daughters to enter into a purchase agreement and acquire a building located at 14395 State Route 93, Jackson, Ohio.

UK King's Daughters leased the property in February 2009 and now it is in the best interest of the university to own this building that is currently appraised at \$2.1 million and will be acquired using agency funds.

Trustee Daniels made a motion to recommend approval of FCR 12. Trustee Swanson seconded the motion. The motion carried without dissent.

FCR 13 Construct Retail/Parking Facilities 1 and 2 (Cancer/Ambulatory Facility Parking – UK HealthCare) Capital Project

The recommendation that the Board of Trustees approve the initiation of the Construct Retail/Parking Facilities 1 and 2 (Cancer/Ambulatory Facility Parking – UK HealthCare) Capital Project and authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private-Partnership (P-3).

At the December 2022 meeting, the Board approved the initiation of the construction phase of the new Cancer Treatment/Ambulatory Outpatient Center. The original scope included a parking structure to serve the facility. An opportunity has arisen to revise the project scope and repackage this parking structure separately into a P-3 construction delivery method as such would be in the best interest of the university.

This project will be funded with third-party financing as a P3 pursuant to KRS Chapter 45A. Pending Board approval, the university will report the combination of the two legislative authorizations to the Capital Project and Bond Oversight Committee.

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

FCR 14 Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion H Infusion Center Relocation) Capital Project

The recommendation that the Board of Trustees approve the initiation of the Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion H Infusion Center Relocation) capital project.

This project will relocate an outpatient infusion center from the Gill Heart and Vascular Institute (Pavilion G) to the first floor of the Chandler Medical Center and Hospital (Pavilion H) to create additional capacity for non-oncology infusion services.

This \$2.8 million project will be funded with agency funds and authorized by the 2022 Kentucky General Assembly.

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

FCR 15 Improve Markey Cancer Center Facilities (Ben F. Roach Cancer Care Facility – UK HealthCare) Capital Project

The recommendation that the Board of Trustees approve the initiation of the Improve Markey Cancer Center Facilities (Ben F. Roach Cancer Care Facility – UK HealthCare) Capital Project.

This \$8.7 million project will fit up space on the ground floor of the Ben F. Roach Cancer Care Facility to accommodate a new Varian Linear Accelerator to replace the aging unit which is at the end of its service life.

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

I. Privileges and Appointments

Chief Physician Executive Jay Grider provided the Committee with the FY24 UKHC Infection Prevention and Control Leadership Appointments as required by The Joint Commission.

Dr. Grider presented the list of providers provided by the UK HealthCare Medical Staff for privileges and appointments. Trustee Swanson made a motion to approve the list. Trustee Geoghegan 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 5:00 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary