

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, February 22, 2023

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on February 22, 2023, in the Harris Ballroom of the Gatton Student Center.

A. Meeting Opened

Bob Vance, chair of the University Health Care Committee called the meeting to order at 3:45 p.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: Alex Boone, Ray Daniels, Ron Geoghegan, Brenda Baker Gosney and Bob Vance; Community Advisory members Jennifer Barber, Luther Deaton, Josh Proffitt and Barbara Young.

C. Approval of Minutes

Chair Vance stated that the minutes of the December 10, 2023 meeting had been distributed and asked for a motion. Trustee Boone 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. Executive Vice President for Health Affairs (EVPHA) Update

Executive Vice President for Finance and Administration and Co-EVPHA Eric Monday previewed the new UK HealthCare Cancer and Advanced Ambulatory Building. Dr. Monday detailed the specifics of the new facility and was then joined by Markey Cancer Center Director, Mark Evers and acting Chief Medical Officer Chris DeSimone to discuss complex cancer and ambulatory programming of the ambulatory building. Dr. Evers and Dr. DeSimone provided examples of how co-located services in the patient-centered facility enhance services and complex care to UKHC patients and facilitates a collaborative environment for UKHC faculty and staff.

Provost and Co-EVPHA Robert DiPaola provided an example of utilizing a transdisciplinary approach to allow multiple experts to work together to provide the best option for patients. Dr. DiPaola introduced faculty from the UKHC Department of Orthopaedics, Physical Medicine and Rehabilitation, Neurosurgery and Anesthesiology. He provided an example of a comprehensive approach to treating spinal care patients as a team. Dr. DiPaola discussed services provided to limited mobility spinal care patients can be treated by care teams and prevent multiple visits to four or more locations once the new UKHC Cancer and Advanced Ambulatory Building opens.

E. Financial and Operational Update

Acting Chief Operating Officer Colleen Swartz presented FYTD 24 December Key Operating Statistics. Dr. Swartz stated that UKHC continues to make strides in lowering the length of stay. She reported that discharges were higher than budget and the 2.24 case mix index was higher than the budgeted 2.23. Dr. Swartz reported ambulatory visits and outpatient operations continue to be significantly higher than budget. She reported all metrics exceeded expectations with the exception of inpatient operating room cases, which were slightly below budget the prior year.

Senior Vice President and Chief Financial Officer Craig Collins advised that UKHC finished FY24 December 2.5% more than budget. Mr. Collins continued that specialty pharmacy continues to contribute to the positive bottom line but personnel expenses were over budget by \$11.7 million, similar to the last few months. He stated investment income was off budget by approximately \$17 million. Mr. Collins concluded that combined UKHC and Royal Blue Health finished FY24 December 3.5% higher than budget.

Finance Committee Resolutions

FCR 13 Approval of Improvements to Leased Space (UK HealthCare Primary and Specialty Care Services)

The recommendation that the Board of Trustees approve the payment of up to \$995,000 for improvements to leased space for the UK HealthCare Primary Care and Specialty Care Clinic located at 2091 Lantern Ridge Drive, Suite 100A, Richmond, KY.

The leasehold improvements will create a space for the Primary and Specialty Care Clinic for UKHC. The scope of work will include building exam rooms, treatment rooms, minor testing spaces, support spaces and associated office space to support clinical operations. The improvements will be funded with agency funds.

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

FCR 14 Approval of Improvements to Leased Space (UK HealthCare Imaging Services)

The recommendation that the Board of Trustees approve the payment of up to \$975,000 for improvements to leased space for the UK HealthCare Imaging Services located at 2091 Lantern Ridge Drive, Suite 100B, Richmond, Kentucky.

The leasehold improvements will create a space for an imaging suite. The services planned for this space include screening mammography, general X-ray, low dose screening and computed tomography scans (CT). The improvements will be funded with agency funds.

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

FCR 15 Approval of Improvements to Leased Space (UK HealthCare Retail Pharmacy)

The recommendation that the Board of Trustees approve the payment of up to \$800,000 for improvements to leased space for the UK HealthCare Retail Pharmacy located at 2091 Lantern Ridge Drive, Suite 100D, Richmond, Kentucky.

The leasehold improvements will create a space for a new UKHC retail pharmacy within the same facility as a new UKHC primary and specialty care and physical therapy clinics. The pharmacy will serve patients of these clinics as well as other UKHC patients and employees who live in the region. The improvements will be funded with agency funds.

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

FCR 16 Approval of Improvements to Leased Space (UK HealthCare Physical Therapy Services)

The recommendation that the Board of Trustees approve the payment of up to \$725,000 for improvements to leased space for the UK HealthCare Physical Therapy Services located at 2091 Lantern Ridge Drive, Suite 100C, Richmond, Kentucky.

The leasehold improvements will create a space for a new UKHC Physical Therapy Clinic within the same facility as the new UK HealthCare Primary and Specialty Care Clinic, Imaging Suite and Pharmacy. The space will include a large therapy gym, private therapy spaces, workspace for therapists and areas for support operations. The improvements will be funded with agency funds.

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

FCR 17 Approval of Improvements to Leased Space (UK HealthCare Retail Pharmacy)

The recommendation that the Board of Trustees approve the payment of up to \$780,000 for improvements to leased space for the UK HealthCare Retail Pharmacy located at 279 Kings Daughters Drive, Frankfort, Kentucky.

The leasehold improvements will create a space for a new UKHC retail pharmacy within the same facility as a new UK HealthCare primary and specialty care clinic providing a more seamless service to patients. The pharmacy will serve patients of this clinic as well as other UKHC patients and employees who live in the region. This project reinforces a strong partnership with Frankfort Regional Medical Center and enables an enhanced level of care coordination, allowing patients in the Frankfort community to stay closer to home for care and have access to UK HealthCare services when needed. The improvements will be funded with agency funds.

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

FCR 18 Improve Building Systems – UK HealthCare Capital Projects

The recommendation that the Board of Trustees approve the initiation and revision of Improve Building Systems – UK HealthCare capital projects.

The recommendation contains three UK HealthCare capital projects:

1. Initiate the replacement of the existing air handling unit and the associated return air fan at the Kentucky Clinic.
2. Initiate the replacement of the existing windows on the 8th floor of Pavilion H which were installed in 1972.
3. In December 2022, the Board of Trustees approved the initiation of the Improve Building Systems – UK HealthCare (Replace AHU 3 at Pavilion WH capital project.) This recommended revision will relocate the new AHU to the roof penthouse to ensure minimal disruption to operations and patient care.

These projects, with a total estimated scope of \$5,000,000 and authorized by the 2022 Kentucky General Assembly, are within the total legislative authorization of \$50,000,000 and will be funded with agency funds.

Trustee Boone made a motion to recommend approval of FCR 18. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 19 Acquire/Improve Elevator Systems – UK HealthCare (Replace Four Elevators at Pavilion H) Capital Project

The recommendation that the Board of Trustees approve the Acquire/Improve Elevator Systems – UK HealthCare (Replace Four Elevators at Pavilion H) capital project.

This project will replace four existing elevators within Pavilion H, which have exceeded their useful life and need to be replaced.

This \$3,000,000 project, authorized by the 2022 Kentucky General Assembly, is well within the total legislative authorization of \$15,000,000 and will be funded with agency funds.

Trustee Gosney made a motion to recommend approval of FCR 19. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 20 Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion A Helipad Fire Suppression Upgrades) Capital Project

The recommendation that the Board of Trustees approve the initiation of the Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion A Helipad Fire Suppression Upgrade) capital project.

This project will increase the safety of emergency patient transfers to the hospital complex by upgrading the complete fire suppression system for the helipads on the roof of Pavilion A. An enclosure will also be built to accommodate the new equipment. The helipads were first operational in 2010 in conjunction with the Chandler Emergency Department opening and have had normal maintenance and repair. From July through December 2023, the hospital received approximately 2,400 flights.

This \$1,900,000 project, authorized by the 2022 Kentucky General Assembly, is well within the total legislative authorization of \$310,000,000 and will be funded with agency funds.

Trustee Boone made a motion to recommend approval of FCR 20. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 21 Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion A Emergency Department Entrance Reconfiguration) Capital Project

The recommendation that the Board of Trustees approve the initiation of the Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion A Emergency Department Entrance Reconfiguration) capital project.

This project will reconfigure the entrances to the Adult and Pediatric Emergency Departments in Pavilion A. This project will enhance current security measures by providing space for an additional security presence and facilitating new security screening procedures. The project will include reconfiguration of the exterior access to the emergency departments and access to the central part of the hospital.

This \$5,000,000 project, authorized by the 2022 Kentucky General Assembly, is well within the total legislative authorization of \$310,000,000 and will be funded with agency funds.

Trustee Gosney made a motion to recommend approval of FCR 21. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 25 Construct/Improve Medical/Administrative Facility 1 UK HealthCare (Medical Office Building) Capital Project

The recommendation that the Board of Trustees support and approve the pursuit of legislative authority from the Commonwealth of Kentucky for the Construct/Improve Medical/Administrative Facility 1 UKHC capital project and authorize the President, or his

designee, to negotiate and execute all documents necessary to create a viable Public-Private Partnership (P3)

The scope of work for this project will include the construction of a 200,000 square feet or greater medical office building and necessary infrastructure improvements. This capital project will be the first phase of a potential multi-phased development at the new Hamburg campus.

Trustee Boone made a motion to recommend approval of FCR 25. Trustee Gosney seconded the motion. The motion carried without dissent.

F. Privileges and Appointments

Acting Executive Chief Medical Officer Chris DeSimone presented the list of providers provided by the UKHC Medical Staff for privileges and appointments. Trustee Gosney made a motion to approve the list. Trustee Boone seconded the motion, and it passed without dissent.

G. Other Business and Adjournment

Chair Vance 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 4:56 p.m.

Respectfully submitted,

Leigh Bays Donald
University Health Care Committee Secretary