

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE
QUALITY AND CHARITY CARE TRUST, INC.

July 11, 1996

The Regular Meeting of the Board of Directors of the Quality and Charity Care Trust, Inc. was held on Thursday, July 11, 1996, at 12:15 p.m. at the University Club and Alumni Center, University of Louisville, Belknap Campus, with the members present and absent as follows:

Present: Mr. Larry L. Owsley, Chairman, Presiding
Dr. William B. Dryden, Jr.
Mr. Gene P. Gardner
Mr. Andrew "Skipper" Martin
Ms. Marinelle Moses
Mr. Steven Rowland

Absent: Mr. D. Harry Jones, Vice Chairman-Elect
Mr. W. Patrick Mulloy II, Secretary/Treasurer
Mr. J. Chester Porter

From the
University: Dr. John W. Shumaker, President
Dr. Al L. Thompson, Acting Vice President for Health Affairs
Dr. Robert L. Slaton, Associate Vice President for
Health Affairs
Mr. W. Clarke Johnson, Assistant Vice President for Health
Affairs
Ms. Angela D. Koshewa, University Counsel
Mr. Larry L. Zink, Controller

Also Present: Mrs. Karen R. Howe, Assistant Secretary, Board
of Directors

It having been determined that a quorum was present, the meeting was called to order by Mr. Owsley, the Chairman.

WELCOME TO NEW DIRECTORS

Chairman Owsley welcomed new directors: Bill Dryden, representing the Board of Health; Harry Jones, representing the University (and unable to attend); and Skipper Martin, representing the Commonwealth.

Mr. Gardner noted that he will be abstaining from all votes at today's meeting since he is Chairman of the University Medical Center, Inc. Board of Directors. Legal Counsel will opine on whether it is appropriate for him to serve on this Board, and until then, he will abstain from voting.

APPROVAL OF MINUTES

A motion was made by Ms. Moses, seconded, and passed with Mr. Gardner abstaining, to approve the Minutes of the previous meeting held December 15, 1995.

ELECTION OF VICE CHAIRMAN

Ms. Moses moved the election of D. Harry Jones as Vice Chairman of the Board of Directors of the Quality and Charity Care Trust, Inc. replacing George E. Fischer who is no longer a member of the Board of Directors. There being no further nominations, the Chairman called for a vote and Mr. Jones was elected with Mr. Gardner abstaining.

SELECTION OF AUDITORS

A motion was made by Mr. Martin, seconded by Dr. Dryden, and passed with Mr. Gardner abstaining, to approve the President's recommendation that the Board of Directors authorize the renewal of the contract with Arthur Andersen LLP for the conduct of an audit of the books of account for the Quality and Charity Care Trust, Inc. for the fiscal year ending June 30, 1996.

BANKING RESOLUTION

A motion was made by Dr. Dryden, seconded by Ms. Moses, and passed with Mr. Gardner abstaining, to approve the Vice President for Administration's recommendation that the Board of Directors adopt the following Resolution relating to a bank account at Republic Bank and Trust Company, Louisville, Kentucky:

(Copy of resolution.)

FUNDING ESTIMATE FOR 1996-97

Chairman Owsley explained the funding estimate for 1996-97 as follows:

The 1996-97 governmental funding for the Quality and Charity Care Trust, Inc. will be as follows:

City and County	\$ 7,204,528
State	<u>19,989,284</u>
	\$27,193,812

The Trust Agreement requires annual increases in governmental funding in amounts that are the lesser of the percentage increase in the CPI-Urban Consumers or the general fund tax revenues for each of the governments, as applied to the previous year's funding by each governmental entity. Of the State governmental funding, \$5,000,000 is exempted from the percentage increase. Details of the determinations are shown on the attachment. These amounts have been verified and agreed upon by each of the governmental agencies.

Subsequent to the Trust Agreement, the City and County have entered into a "compact" agreement under which they have agreed to share in the total funding of the Trust Agreement.

OMBUDSMAN REPORT

The Quality and Charity Care Trust Agreement requires the appointment of an Ombudsman to handle any problems or concerns of indigent patients at University of Louisville Hospital. This position is administered by the City of Louisville through the Department of Public Health and Safety, Office of Health and the Environment. The Ombudsman's duties are currently handled by two individuals, Prudence Todd Moffett and Cheryl Lutz, who alternate months as on-call or back-up. When on-call, the ombudsman is responsible for handling the calls on a 24-hour basis, seven days a week. When working as back-up, the ombudsman takes calls when notified by the on-call ombudsman that she is unable to do so.

Ms. Moses distributed a report on the 1995 calls received from January 1 through December 31, 1995 and from January 1 - May 1, 1996, noting the following:

- 1995 total calls: 52
To date 1996: 20
(no apparent increase)
- decrease from 1994 when 90 calls were handled
- most calls concern eligibility/billing rather than services
- a few problems have been experienced due to management transition, mostly having to do with Columbia trying to collect from patients who did not get processed through QCCT until after services rendered/billed

In response to a question of Chairman Owsley, Ms. Moses stated that coordination and cooperation with University Medical Center (new management) is going well.

FINANCIAL STATEMENTS - MARCH 31, 1996

Chairman Owsley briefly reviewed the financial statements for the period ended March 31. There were no questions about the report.

REPORT ON THE UMC ARRANGEMENT

Dr. Thompson reported on the transition from Columbia to UMC as follows:

- Transition occurred at 12:01 a.m. February 7
- hospital personnel were prepared and first days went very smoothly
- one major problem: computer records (Columbia took or discarded existing equipment/records)
- manual system was put in place immediately

- computer personnel got everyone on line as rapidly as possible (within 24 hours)
- new system not yet complete--but workable
- Pat Davis is the Acting CEO
- Board of Directors has held five meetings
 - 6 University reps, 3 Alliant reps, and 3 Jewish reps
 - Gene Gardner is Chair
 - Dr. Shumaker is on Board
 - Advisory members in place consisting of faculty and reps from other units, including: clinical faculty, chief of staff, medical staff, Brown Cancer Center, medical staff at Jewish and Alliant, dean from one of the schools other than medicine
- Jim Taylor from the University of Vermont has been named CEO--starts August 12
- Emergency Room expansion--construction commencement held yesterday
- QCCT Revised Agreement (distributed) is signed and is made part of the UMC agreement
- an upgrade of the Cancer Center is underway

In response to a question of Chairman Owsley, Dr. Thompson stated that plans for the development of a strategic plan are on hold until Mr. Taylor comes on Board. There is a strategic planning subcommittee in place so development can begin immediately upon Mr. Taylor's arrival.

In response to another question of Chairman Owsley, Dr. Thompson stated that there are no outstanding issues or problems with the Trust and the UMC arrangement.

OTHER BUSINESS

Disproportionate Share Hospital (DSH) Payments

Chairman Owsley reported that the third amendment to the Quality and Charity Trust Agreement allowed the Commonwealth to get additional monies from the federal government. In addition, a fourth amendment to cover the time period October 1, 1995 to February 6, 1996 is being worked on as well as an Amendment #1 to the Revised Agreement covering the period February 7, 1996 to June 30, 1996.

Mr. Johnson ran through how the negotiations for the DSH payments have gone noting that Columbia will get some monies from the fourth amendment and it has been difficult to get them to agree since everyone is out of town now. There was also some concerns expressed by the city and county on their shares of the payments; this has been settled with the help of the Governor and his staff.

Mr. Rowland mentioned that he is concerned that the hospital can get reimbursed but not doctors. This is a particularly important issue when it comes to hospital services for prisoners. Mr. Slaton noted that there is a new statute which takes effect July 15 which will help in that regard. Medicaid does not cover all the doctors' charges. Dr. Thompson noted that this issue is not really

a matter for the Trust and discussions on this will be handled among the University, hospital staff, city, and county.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:00 p.m.

A/W3207K

Approved by:

Katalin M. Smith

Asst. Secretary