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

### In Open Session

Members of the Quality and Charity Care Trust, Inc., Board of Directors met on December 5, 2007, at 11:00 a.m., in the Jefferson Room of Grawemeyer Hall, with members present and absent as follows:

Present: Dr. Larry Cook, Chairman

Ms. Jane Driskell Mr. Mike Curtin Mr. Larry Owsley

Mr. Joe B. Jones, Board of Health

Ms. Sandy Metts Snowden

Absent: Ms. Marie Abrams

Ms. Mary Gwen Wheeler

From University

Hospital: Ms. Rosie Lysinger

Mr. Bob Barbier

From the

University: Mr. Glenn Bossmeyer, Associate University Counsel

Mr. Rex Davidson, CPA, Controller's Office Mrs. Debbie Dougherty, Board Liaison

Others

Attending: Ms. Mary McKinley, BKD, LLP

#### I. Call to Order

Having determined a quorum present, Chair Cook called the meeting to order at 11:10 a.m.

## II. Action Item: Approval of Minutes, January 22, 2007

Mr. Owsley made a motion, which Mr. Curtin seconded, to approve the minutes of January 22, 2007. The motion passed unanimously.

#### III. Report of the Ombudsperson

Mr. Barbier reported the ombudsperson received a total of 26 calls, 24 about billing questions during the period January through November, 2007; one about

the Ambulatory Care Building, which is not in the jurisdiction of the hospital ombudsperson, the other call was a complaint about a hospital staff person, which the ombudsperson referred appropriately. Until recently, two persons shared the ombudsperson role. One of those two now resides in a nursing home. The other remains on staff at the hospital. The QCCT stipulates one ombudsperson to be contracted by the City. Ms. Driskell will research to determine if it is necessary to hire a replacement for the City's vacancy.

In response to Mr. Jones' inquiry regarding advertising the availability of the ombudsperson's services, Ms. Lysinger reported the hospital posts signage at every registration area and distributes documents to patients along with the HIPAA materials. Printed materials contain contact information for the ombudsperson.

#### IV. Report of the Nominating Committee

Mr. Owsley reported the Nominating Committee met on December 5 and presented the nomination for officers for 2008. Ms. Metts made a motion, which Mr. Jones seconded, to approve the following slate of officers for 2008.

Dr. Larry Cook, Chairman Marie Abrams, Vice Chair Mike Curtin, Secretary-Treasurer

The motion passed.

## V. Action Item: Approval of FY 2007 Audited Financial Statements

Mr. Curtin reported that BKD, LLP issued a clean, unqualified opinion for the FY 2007 financial statements. Mr. Curtin introduced the University's external auditor, Ms. Mary McKinley of BKD.

For fiscal year ended June 30, 2007, the Trust's total assets were \$235 thousand compared to \$112 thousand for the year ended June 30, 2006, and to \$43 thousand for the year ended June 3, 2005.

Ms. McKinley stated combined receipts from the Commonwealth of Kentucky and the Louisville Metro governments were \$ 32.6 million, \$.8 million more than the \$31.8 million reported for the year ended June 30, 2006, and \$1.4 million more than the \$31.2 million reported for the year ended June 30, 2005.

Interest received from cash invested over the past fiscal year was increased by higher interest rates paid during the year. Interest reported for the year ended June 30, 2007 amounted to \$142 thousand compared to \$87 thousand earned in the preceding year, and to \$53 thousand earned in the year ended June 30, 2005.

For the fiscal year ended June 30, 2007, the Trust remitted \$32.6 million to the UMC as compared to \$31.8 million for the year ended June 30, 2006, and to \$31.4 million for the year ended June 30, 2005. The higher amount in the fiscal year ended June 30, 2007 was a result of a \$800 thousand increase in funding provided to the Trust as determined annually by the formula set forth in the Agreement.

Ms. McKinley referred to the Supplemental Schedule of Indigent Patient Charges Funded by the Trust. This schedule identifies the total hospital charges billed for indigent and/or medically needy patients, the amount of charges eligible for reimbursement through the trust and the amounts actually reimbursed with funding from the Trust. For the year ended June 30, 2007, the total hospital charges for indigent patients at 100% of billing rates established by UMC for hospital care was \$220.8 million, compared to last year's total of \$222.3 million, and an increase of 14.9% over the total of \$193.5 million for the fiscal year ended June 30, 2005. According to the Trust Agreement, only 58%, or \$128.1 million of these billed charges are eligible for reimbursement. Funding from the Trust amounted to \$32.6 million for the year, leaving \$95.5 million in eligible patient billings went unreimbursed.

In response to Mr. Jones' inquiry about the indigent charges, Mr. Barbier explained this was not a reflection in a decrease in activity; it was an indication that when patients come to the facility, staff attempt to identify other mechanisms for payment which resulted in slightly more successful identification of coverage. Ms. Metts made a motion, which Mr. Owsley seconded, to approve the

Chair's recommendation that the Board of Directors accept the audit report for the Quality and Charity Care Trust, Inc. for the year ended June 30, 2007 as prepared by BKD.

The motion passed. Vice President Curtin introduced Mr. Rex Davidson, CPA, accounting manager in the Controller's Office, who works with cost escalators and budget calculations, and Ms. Susan Magness, Assistant Controller, both of whom helped BKD with the audit.

#### VI. Other Business

Vice President Curtin discussed issues related to funding projections for the current year. He explained staff review information from investment bankers and other agencies that project future costs and try to factor in projected increases. Once engaged in the biennium, Mr. Davidson calculates the real increase in cost. Mr. Curtin explained that based on the QCCT contract, there will be a \$403,006 shortfall. The University requested supplemental appropriation through the Council on Postsecondary Education. Mr. Curtin will continue to monitor.

#### VII. Adjournment

The meeting adjourned at 11:40 a.m.

BOARD ACTION:	
PassedX	_
Did not pass	
Other	_
Asst. Secretary_ Athlum	M. Smith