



Board of Regents

SPECIAL CALLED MEETING

July 3, 2014 ~ 10:00 a.m. (CDT)

***Mass Media & Technology Hall
Cornelius A. Martin Regents Room***



Board of Regents – Special Called Meeting

Thursday, July 3, 2014 ~ 10:00 a.m. (CDT)
Cornelius A. Martin Regents Room (MMTH)

AGENDA

- Call to Order (*Mr. J. David Porter, Chair*)
 - Roll Call
-

Action Item:

- 1.1 Approval of Agreement between WKU and Graves-Gilbert Clinic for the Privatization of Health Services **[p 1 and attached Contract]**
-

- Adjourn

**APPROVAL OF AGREEMENT BETWEEN WKU AND
GRAVES-GILBERT CLINIC FOR THE PRIVATIZATION OF
HEALTH SERVICES**

REQUEST:

Approval and authorization for the University to enter into an agreement with Graves-Gilbert Clinic for the purpose of privatization of Health Services.

FACTS:

Western Kentucky University solicited bids on April 15, 2014 seeking a medical care provider who would operate the WKU Health Services with the expectation of the continued provision of quality care for students and employees as its primary priority. Additionally, the University planned to remove the institutional subsidy of \$1,098,000 as part of the budget necessary to balance the 2014-15 operating budget.

The Administration is requesting approval and authorization to enter into an agreement with Graves Gilbert Clinic (GGC) upon award of contract and continuing through December 31, 2018. By no later of January 1, 2018, both parties will initiate negotiation for a one five-year renewal to commence January 1, 2019.

A key component of the agreement is a profit sharing agreement whereby the first \$200,000 of profit will accrue to GGC; the next \$100,000 will accrue to WKU.

A health services advisory council will be established to assist in providing WKU Administration and GG feedback on the quality of care and how well GGC is meeting the campus' expectations of an onsite health services clinic.

It is anticipated that GGC will utilize approximately 5,300 square feet for patient care delivery. This is approximately 47 percent of the facility excluding common areas. WKU will continue to utilize the remainder of the facility.

BUDGETARY IMPLICATIONS:

The privatization of WKU Health Services permits the redirection of \$1,098,000 toward the budget reduction and balancing the 2014-15 Operating Budget.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of the agreement between WKU and Graves-Gilbert Clinic for the privatization of Health Services.

MOTION:

That the Board approve the agreement between WKU and Graves-Gilbert Clinic for the privatization of Health Services.

**HEALTH SERVICES CLINIC
PREMISES USE AGREEMENT**

This Health Services Clinic Premises Use Agreement ("Agreement") is made and entered into as of the _____ day of _____, 2014, by and between **Western Kentucky University** ("WKU") and Gilbert, Barbee, Moore & McIlvoy PSC, doing business as **Graves Gilbert Clinic** ("GGC"), a Kentucky Professional Services Corporation, having its principal place of business at 201 Park St, Bowling Green, Kentucky.

R E C I T A L S

WHEREAS, WKU is a public body corporate in the Commonwealth of Kentucky that, among other things, desires to provide access to primary care and walk-in (non-urgent) health services to students and employees of WKU; and

WHEREAS, WKU desires a professional health services entity to operate such a facility on an exclusive basis to replace the existing in-house operations; and

Whereas, WKU issued Privatization of WKU Health Services Request for Proposal RFP#2014-044 on April 15, 2014, Addendum 1 to the RFP on May 1, 2014, Addendum 2 to the RFP on May 7, 2014 and "follow-up questions" to GGC on May 30, 2014; and,

Whereas, GGC submitted a response to the request for proposal dated May 22, 2014, and "responses" to WKU's "follow-up questions," dated June 11, 2014; and,

WHEREAS, GGC is a professional medical service corporation; and

WHEREAS, WKU desires to enter into a contract with GGC to operate such health services clinic in a facility on campus and provide services as its first priority to students, faculty, staff and spouses and eligible dependents of students, faculty and staff; and GGC desires to operate a health services clinic on WKU's campus.

NOW, THEREFORE, in consideration of the promises, agreements and covenants contained herein, and intending to be legally bound hereby, the WKU and GGC hereby agree as follows:

Article I

Premises Use / Health Services Clinic

GGC, on an exclusive basis, will utilize the premises for the purpose of operating a health services clinic and the provision of all services generally offered by a health services clinic. Without limiting the generality of the foregoing:

1. GGC will operate a health services clinic that is fully compliant with all applicable state and federal laws, and provide services associated with said clinic as described in the response to RFP 2014-044 submitted by Graves Gilbert Clinic, Inc., on May 22, 2014, and which is incorporated herein by reference.
2. GGC will operate a health services clinic which supports WKU's mission of education, service and research, including:
 - a) Demonstrated efforts to enhance the level of services previously provided by WKU Health

- Services and increase the number of students and employees served by the clinic;
- b) Sound fiscal management of the clinic; and
 - c) Demonstrated expertise in patient-centered care with the goals of improving patients' clinical outcomes and satisfaction rates through the delivery of high quality care in an environment that fosters a healthy patient-provider relationship.
3. No later than July 1, 2015, GGC will provide on-site psychiatric services, with the ability to directly admit patients to an appropriate in-patient facility.
 4. GGC shall be financially responsible for obtaining all permits, insurance, licenses, and bonding requirements to comply with all applicable city, county, state, and federal laws and regulations and assumes liability for all applicable taxes.
 5. GGC agrees to honor the terms and provisions of a negotiated contractual agreement between WKU and Academic Health Plans for a Student Health Insurance Program ("SHIP") for plan year August 1, 2014 - July 31, 2015. SHIP covered-students will be permitted to obtain office visits at the health services clinic without payment of any co-payment. The network utilized by Academic Health Plans for WKU's SHIP is United Healthcare, of which GGC is an in-network provider.
 6. In order to fulfill its responsibilities to students and WKU employees, WKU will establish a health services advisory council, with broad campus representation and to provide feedback regarding the satisfaction with health services provided on campus. The health services clinic medical director will engage in regular communication with said council, including but not limited to semi-annual reporting on significant health care utilization and trends and general quality of care. Within 90 days of start of operations, GGC will identify appropriate GGC employees who will meet semi-annually with the health services advisory council.
 7. GGC's onsite medical director shall work with the Senior Vice President of Finance and Administration, who shall also serve as the contract administrator for this Agreement, to develop agreed upon performance metrics outcomes and goals.
 8. GGC shall report any significant contagious disease or other health risks to the general population of the WKU campus to Senior Vice President of Finance and Administration, who shall also serve as the contract administrator for this Agreement.

Article II

Term and Termination

1. The effective date of the Agreement will be upon award of a contract, or August 1, 2014, whichever date is first, and shall continue through December 31, 2018.
2. Subject to the terms hereof, this Agreement may be renewed upon mutual agreement of both parties for one additional successive term of five (5) years ("Renewal Terms," and collectively "Term" with the Initial Term"). The parties will initiate negotiation for renewal of the Agreement no later than January 1 of the year the contract terminates.
3. Termination: If at any time during the term of this Agreement either party considers terminating the Agreement, such party shall give the other party written notice that it is considering such action, which notice shall set forth with sufficient specificity such party's reasons for contemplating termination. During the following thirty (30) day period, both parties shall discuss, in good faith, the

party's reasons for considering termination in an effort to avoid the need for such action. Following the thirty (30) day discussion period, the party considering termination, if not fully satisfied, may elect to terminate the Agreement by giving the other party ninety (90) days' written notice of its intention to terminate; provided, however, neither party may give notice of its intention to terminate during the first one hundred and eighty (180) days of operation under this Agreement.

4. Upon the expiration, termination or cancellation of this Agreement:
 - a. GGC shall be obligated to remove its signage and other trade materials within 14 days of the date of termination.
 - b. All marketing and promotional literature and material used by GGC on WKU's premises in connection with this Agreement shall remain the property of GGC.
 - c. Both parties' use of the other party's trademarks, service marks, and/or logos shall be discontinued, and GGC shall immediately return to WKU any signage and all marketing and promotional literature or materials that bear any trademarks, service marks or logos of WKU.

Article III

Premises and Financial Obligations

1. The health services clinic will be located in a facility at **1681 Normal Drive**, Bowling Green, KY 42101-1041 (the "Building"), and GGC shall operate the health services clinic in the areas of the building as shown on **Exhibit A**, and hereinafter referred to as the "Premises" (i.e., the area within the Building to be occupied by GGC).
2. GGC hereby leases the Premises from WKU for \$1.00 (one dollar) per year pursuant to the terms contained in this Agreement.
3. The parties agree that the Premises constitutes a suitable facility, including access to heat and air conditioning and utilities services as may be reasonably required for the efficient and successful performance of this Agreement.
4. The Premises include an allocation of parking for patients. With regard to parking for GGC employees:
 - a) GGC employees and/or contractors utilizing any other WKU parking area will purchase the appropriate parking permit. WKU agrees GGC employees and/or contractors will be eligible to purchase WKU parking permits on the same basis as WKU employees, with the exception of payroll deduction. WKU will use its best efforts to provide parking in reasonable proximity to the health services facility.
 - b) WKU will provide parking enforcement (i.e. lot permit and patient parking enforcement) at no cost to GGC.
5. WKU will bear the cost of fair wear and tear maintenance of facility. This does not include maintenance due to neglect/negligence or misuse. Repair and maintenance procedures will be consistent with procedures applied to all campus facilities.
6. WKU will maintain the landscape, grounds and parking area associated with the Premises at no cost to GGC.
7. In the event that a building modification (construction) is required, GGC is to submit a "Service

Request" to WKU Planning, Design, and Construction Department at <http://www.wku.edu/facilities/#>. All Service Request will the financial responsibility of GGC. "Construction" means the process of building, altering, repairing, improving, or demolishing any public structures or buildings, or other public improvements of any kind to any WKU owned or controlled public real property. This shall include but not be limited to installing an electrical outlet, painting walls, installing carpeting, adding a room or constructing a new building. All construction shall go through the Planning, Design and Construction (PDC) Department who will consult with the Department of Purchasing and the best decision will be made as to how to proceed given any budget and legal restraints.

8. GGC may sublease a portion of the Premises for purposes of enhancing the provision of services being provided under this Agreement only upon the written consent of WKU, which shall not be unreasonably withheld. GGC shall submit such request in writing to WKU. GGC shall, however, remain fully liable and responsible for any and all actions of the sub-lessee and shall assure sub-lessee complies with all requirements of the Agreement.
9. Technology
 - a) Telephone service provided by WKU shall be billed to and paid by GGC separately, on an annual basis, at \$288/line/per year, this includes sufficient number of phones for the Premise which may increase over time. Long distance charges and any other usage based charges will be billed monthly and separately as accrued.
 - b) Payment for all such services will be due and payable on September 1 of each year of the Agreement.
 - c) Not included herein are any other services to be provided or coordinated by WKU Information Technology (IT) related to ISP services for external network connection, technology set-up or on-going maintenance of the GGC technology environment (such as cabling, equipment installation or configuration, etc.) If provided, these services, and the costs thereof, will be negotiated between WKU and GGC separate and distinct from this Agreement.
10. Covenant Against Liens: If, because of any act or omission of GGC, any mechanic's lien or other lien, charge, or order for the payment of money shall be filed against any portion of the premises, WKU's land or property, or WKU, GGC shall, at its own cost and expense, cause the same to be discharged of record or bonded within ninety (90) days after GGC receives written notice from WKU of the filing thereof; and GGC shall indemnify and save harmless WKU from and against all costs, liabilities, suits, penalties, claims and demands, including reasonable counsel fees, resulting therefrom.

Article IV

Consideration for Use and Occupancy of Premises

1. Throughout the term of this agreement, GGC, for and in consideration of the use and occupancy of the Premises, agrees:
 - a) Within 90 days of close of each fiscal year (i.e., December 31), GGC shall provide WKU with an annual income statement that will reflect the direct revenue and direct expenses of the health services clinic.
 - b) All Accounting will be based on the calendar month and a fiscal year of January 1 through December 31 of each year. The parties agree that the year in which this Agreement is executed will be considered a "stub" year period from August 1 to December 31 2014.
 - c) It is agreed and understood that indirect central operating costs incurred by GGC related to

the health services clinic will not be allocated to the annual income statement.

- d) In any year of the Agreement term where the annual income statement of the health services clinic reflects a profit in excess of \$200,000, GGC will pay WKU the next \$100,000 of the profit earned in excess of \$200,000. The payment will be remitted to WKU no later than March 1 of the following calendar year.
2. In the event operating expenses exceed revenue, GGC shall be responsible for covering operating costs with no expectation of additional funds from WKU.
3. GGC agrees that WKU shall have the right to review accounting records associated with the health services clinic. GGC agrees that all financial records and accounts shall be maintained for three (3) years after the end of the term year to which they relate.

Article V

GGC Personnel

1. GGC shall provide all necessary employees for the efficient management and operation of the health services clinic. It is understood that GGC intends to allow appropriate physician interns to practice in the health services clinic, and WKU is agreeable to such partnership. All employees of GGC will be subject to the rules and regulations of WKU while on WKU's premises.
2. During the Term, GGC will encourage the Director and other appropriate representatives of the WKU Health Clinic to participate in national and regional meetings of, and continuing education programs offered by, the American College Health Association or similar regional associations.
3. GGC shall ensure that professionals retained to provide Medical Services at the health services clinic maintain professional and general liability coverage which (i) is issued by an insurance company having an A.M Best's or comparable rating of B+ or greater, (ii) provides coverage meeting or exceeding \$1,000,000 per incident and \$3,000,000 in the aggregate and (iii) contains an endorsement which requires 60-day advance notification to GGC prior to termination.

Article VI

Inventory / Outstanding Purchase Orders

1. GGC agrees to review purchase orders issued by WKU's on-site clinic for supplies and/or merchandise but not yet delivered to date. GGC will take appropriate action to identify those purchase orders which should be cancelled and identify and issue payment for any purchase orders GGC determines it will accept for delivery.
2. GGC agrees to purchase the inventory of WKU's on-site clinic, and pay for the supply, drug and medication inventory an amount equal to fair market value for such inventory. GGC shall purchase the equipment located at the Premise for net book value. A complete inventory will be completed by GGC and WKU to ensure all purchases and purchase prices no later than 14 days after execution of this Agreement. Such payment shall be made no later than September 1, 2014.
3. WKU and GGC shall provide joint notice to all appropriate vendors regarding the change in operation upon execution of the Agreement.

Article VII

Insurance / Indemnities

1. WKU's Insurance: At all times during the Term, WKU will carry and maintain fire and extended coverage insurance covering the Building and the Premises.
2. GGC's Insurance: At all times during the Term, GGC will carry and maintain, at GGC's expense, the following insurance, in the amounts specified below or such other amounts as WKU may from time to time reasonably request, with insurance companies and on forms reasonably satisfactory to WKU:
 - a) Comprehensive general liability insurance in the amount of \$3,000,000.
 - b) Fire and extended coverage insurance covering all leasehold improvements in the Premises and all of GGC's merchandise, equipment, trade fixtures, appliances, furniture, furnishings, and personal property from time to time in, on, or upon the Premises, in an amount not less than the full replacement cost without deduction for depreciation from time to time during the term of this Lease, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended peril (all risk), boiler, flood, glass breakage, and sprinkler leakage. All policy proceeds will be used for the repair or replacement of the property damaged or destroyed; however, if this Agreement terminates, GGC will be entitled to any proceeds resulting from damage to GGC's merchandise, equipment, trade fixtures, appliances, furniture, and personal property, and WKU will be entitled to all other proceeds.
 - c) Workers' compensation insurance insuring against and satisfying GGC's obligations and liabilities under the workers' compensation laws of the Commonwealth of Kentucky.
 - d) Such other insurance in such amounts as WKU may reasonably require of GGC upon thirty (30) days' prior written notice.
3. Forms of Policies. All policies of liability insurance which GGC is obligated to maintain according to this Agreement (other than any policy of workers' compensation insurance) will name WKU as additional insured. All general property and casualty policies and umbrella policies tied to those policies maintained by GGC will include WKU as a named insured.
4. To the extent that the waiver contained in this paragraph does not void either WKU's or GGC's rights to either the proceeds of, or rights to a defense provided under a contract of insurance, each party waives all right to recover against the other or against the officers, directors, shareholders, partners, joint ventures employees, agents, customers, invitees, or business visitors of such other party for any loss or damage to such waiving party arising from any cause covered by any insurance required to be carried by such party pursuant to this Article or any other insurance actually carried by such party.
5. In the event that any claim, demand, suit, or other action is made or brought by any person, firm, corporation, or other entity against the GGC, GGC shall give written notice thereof to WKU within three (3) working days after being notified of such claim, demand, suit, or action. Such notice shall state the date and hour of notification of any such claim, demand, suit, or other action; the name and address of the person, firm corporation, or other entity making such claim or instituting or threatening to institute any type of action or proceeding; the basis of such claim, action, or notification of ant such claim, demand, suit, or other action; the name and address of the person, firm, corporation, or other entity making such claim or instituting or threatening to institute any type of action or proceeding; the basis of such claim, action, or proceedings; and the name of any person against whom such claim is being made or threatened. Such written notice shall be delivered as defined and to the WKU representatives identified in Article IX, item 4.
6. GGC shall indemnify and hold harmless WKU, its board members, officers, employees and agents, from any and all liability (statutory or otherwise), claim, suit, demand, damage, judgment, cost,

interest and expense, including, but not limited to, attorneys' fees and charges, which WKU may incur or pay out, by reason of, or resulting from the performance by GGC of its obligations under this Agreement or by any negligent act or omission of GGC, its officers, employees and/or agents in connection with this Agreement and without waiver of any governmental immunities accruing to WKU, other than as may result from the gross negligence or willful misconduct of WKU.

7. WKU, without waiver of any governmental immunities to which it is entitled, shall indemnify and hold harmless GGC, its directors, officers, employees and agents, from any and all liability (statutory or otherwise), claim, suit, demand, damage, judgment, cost, interest and expense, including, but not limited to, attorneys' fee and charges, which GGC may incur or pay out, by reason of, or resulting from the performance by WKU of its obligations under this Agreement or by any negligent act or omission of WKU, its board members, officers, employees and/or agents in connection with this Agreement, other than as may result from the gross negligence or willful misconduct of GGC.
8. In no event shall any trustee, director, officer, employee or agent of WKU or GGC be held personally liable for any covenant or agreement contained herein.

Article VIII

Entire Agreement; Amendments

1. This Agreement, Privatization of WKU Health Services Request for Proposal RFP#2014-044, Addendum 1, Addendum 2, WKU's "follow-up questions" dated May 30, 2014, the response proposal submitted by GGC on May 22, 2014, and GGC's responses to WKU's follow-up questions, submitted June 11, 2014, represent the entire understanding and the agreement between the parties. These documents are collectively referred to as the "Contract Documents," all of which are incorporated herein by reference. All prior negotiations have been merged into this Agreement (including Contract Documents), and there are no understandings, representations, or agreements, oral or written, express or implied other than those set forth herein. In the event of an inconsistency among the Contract Documents, the individual documents shall control in the following order:
 - This Agreement;
 - The RFP and Addendums thereto;
 - GGC's Response to the RFP and responses to follow up questions.
2. Obligations of the parties set forth in this Agreement arising out of events occurring during the term of this Agreement shall survive the termination of this Agreement. The terms of this Agreement may not be changed, modified or amended except by a writing signed by both parties.
3. The parties agree that each has been given the opportunity to review and discuss this Agreement with legal counsel and each agree that any inconsistency in the terms and provisions of the Agreement will not be construed in favor of or against either party.

Article IX
Miscellaneous

1. WKU acknowledges that GGC would be irreparably damaged if confidential Information relating to the manner in which GGC conducts its business was disclosed to or utilized on behalf of others in competition in any respect with GGC. Accordingly, WKU shall not directly or indirectly use or disclose any Confidential Information to any person, firm, corporation, association or other entity, nor shall WKU make use of any such Confidential Information for its own purposes or for the benefit of any person, firm, corporation or other entity except GGC or in connection with the operation of the health services clinic during the Term. Nothing contained herein shall preclude WKU from complying with any provision of the Kentucky Revised Statutes or federal law, or any lawfully issued subpoena or judicial order.
2. During the Term and following any termination thereof, GGC shall not use WKU's name, marks or logos in any materials prepared by GGC or its affiliates without obtaining WKU's prior written consent.
3. Notices required to be provided under this Agreement shall be in writing and shall be deemed to have been duly given if mailed first class as follows:

To: GGC

Graves Gilbert Clinic
P.O. Box 9007
201 Park Street
Bowling Green, Kentucky 42102-9007
Telephone: (270)
Fax: (270)
Attention:

With copies to:

To WKU:

Senior Vice President for Finance and Administration
Western Kentucky University
Wetherby Administration Bldg., G13
1906 College Heights Blvd., #11002
Bowling Green, KY 42101-1002
Telephone: (270) 745-2434
Fax: (270) 745-5010

With copies to:

Director of Purchasing
Western Kentucky University
Supply Services 104
1906 College Heights Blvd #11099
Bowling Green KY 52101-1099
Telephone: (270) 745-3056
Fax: (270)

4. **Benefits of Agreement.** This Agreement shall bind and inure to the benefit of any successors to or assigns of GGC and WKU; provided, however, that no right or obligation under this Agreement may be assigned by either party hereto without the prior written consent of the non-assigning party.
5. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Kentucky (without giving effect to principles of conflicts of law). State or Federal laws and regulations enacted during a contract period and deemed by WKU as necessitating a change in any term or condition of this Agreement will be incorporated as an amendment.
6. **Counterparts.** This Agreement may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.
7. **Severability.** The provisions of this Agreement shall be severable and the invalidity of any provision, or portion thereof, under the jurisdiction of the governing law specified herein shall not affect the enforceability of the remaining provisions.
8. **Waivers.** Any party to this Agreement may, by written notice to the other party, waive any provision of this Agreement. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.
9. **Nondiscrimination.** During the Term, no party hereto shall discriminate against any person on the grounds of age, color, disability, marital status, national origin, race, religion, gender or sexual orientation, or as otherwise prohibited by the laws of the United States or the laws of the Commonwealth of Kentucky.
10. **No Joint Venture.** Nothing contained herein shall be construed to place the parties hereto in the relationship of partners, joint ventures, or agents and the parties hereto shall have no power to bind each other in any manner whatsoever.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

WESTERN KENTUCKY WKU
("WKU")

GILBERT, BARBEE, MOORE & MCLLOY PSC,
DOING BUSINESS AS GRAVES GILBERT CLINIC
("GGC")

By: _____

By: _____

K. Ann Mead
Senior Vice President
Finance and Administration

Mike Zacheck
MD President of Graves-Gilbert Clinic

WKU have seen:

By: _____
Ken Baushke, Director of Purchasing

By: _____
Deborah T. Wilkins, General Counsel

**MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY**

July 3, 2014

• **CALL TO ORDER**

Required statutory notice having been given, the special called meeting of the Board of Regents of Western Kentucky University was held in the *Cornelius A. Martin Regents Room* of the Mass Media and Technology Hall on the Western Kentucky University campus. The meeting was called to order by Chair J. David Porter at approximately 10:20 a.m., (CDT).

• **ROLL CALL**

A quorum of the Board was present. The following Regents were in attendance for the meeting either in-person at the Cornelius A. Martin Regents Room or via IVS conferencing:

Mr. J. David Porter, Chair - **IVS**

Mr. Frederick A. Higdon, Vice Chair - **IVS**

Dr. Phillip W. Bale - **IVS**

Ms. Keyana Boka

Mr. Gillard B. Johnson III - **IVS**

Mr. James Kennedy, Staff Regent

Dr. Patricia H. Minter, Faculty Regent

Mr. John W. Ridley

In attendance but could not vote due to IVS network connection failure:

Mr. Laurence J. Zielke - **IVS**

Absent from the meeting:

Dr. Melissa B. Dennison

Ms. Cynthia Harris

Others in attendance included the following:

Dr. Gary A. Ransdell, President

Dr. Randy Capps, Parliamentarian

Dr. A. Gordon Emslie, Provost and Vice President for Academic Affairs

Ms. Julia McDonald, Assistant to the President for Board & Executive Relations

Ms. K. Ann Mead, Senior Vice President for Finance and Administration

Ms. Robbin Taylor, Vice President for Public Affairs

Ms. Deborah T. Wilkins, General Counsel

In keeping with the policy of the Board, the agenda for the meeting and information and materials pertinent to items thereon had been mailed in advance of the meeting to members of the Board.

1.1 Approval of Agreement between WKU and Graves-Gilbert Clinic for the Privatization of Health Services

REQUEST:

Approval and authorization for the University to enter into an agreement with Graves-Gilbert Clinic for the purpose of privatization of Health Services.

FACTS:

Western Kentucky University solicited bids on April 15, 2014 seeking a medical care provider who would operate the WKU Health Services with the expectation of the continued provision of quality care for students and employees as its primary priority. Additionally, the University planned to remove the institutional subsidy of \$1,098,000 as part of the budget necessary to balance the 2014-15 operating budget.

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A key component of the agreement is a profit sharing agreement whereby the first \$200,000 of profit will accrue to GGC; the next \$100,000 will accrue to WKU.

A health services advisory council will be established to assist in providing WKU Administration and GGC feedback on the quality of care and how well GGC is meeting the campus' expectations of an onsite health services clinic.

It is anticipated that GGC will utilize approximately 5,300 square feet for patient care delivery. This is approximately 47 percent of the facility excluding common areas. WKU will continue to utilize the remainder of the facility.

BUDGETARY IMPLICATIONS:

The privatization of WKU Health Services permits the redirection of \$1,098,000 toward the budget reduction and balancing the 2014-15 Operating Budget.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of the agreement between WKU and Graves-Gilbert Clinic for the privatization of Health Services.

ABSTENTION STATEMENT:

Regent Phillip Bale stated that he will abstain from voting due to his employment with Graves-Gilbert Clinic.

MOTION:

No motion was brought forth for approval.

With no motion on the floor, it was recommended by Dr. Randy Capps (Parliamentarian) that the Board goes into a session of the Committee as a whole for further discussion.

Chair David Porter: I will entertain a motion to go into a session of the Committee as a whole.

Regent Gil Johnson: I move to go into a session of the Committee as a whole.

Regent Freddie Higdon: Second.

ACTION:

Motion to go into a session of the Committee as a whole for further discussion was unanimously approved.

DISCUSSION:

Regent John Ridley: I recommend that it might be helpful if Chair Porter appointed a sub-committee to dig down further into the contract and seek what additional information might be beneficial for us to make a more informed decision as a Board.

Regent Gil Johnson: I agree that it would be helpful to have additional documentation and financial information on why privatization of the WKU Health Services is necessary. What is our timeframe to have this decision made?

Ms. Ann Mead: Graves-Gilbert has proposed that within ten (10) days of the execution of the agreement, they would finalize the hiring / firing decisions of current Health Services personnel and we are trying to facilitate moving forward with staffing without delays in order to be operating by August 1.

Chair David Porter: I hereby appoint the following Regents to serve on a sub-committee to field any additional questions and necessary follow-up with Senior Vice President Mead: David Porter, Freddie Higdon, Gil Johnson, and John Ridley. I recommend that Regents submit any questions or concerns regarding the WKU-GGC Agreement to Julia McDonald no later than Monday, July 7 at Noon (CDT) and that we reconvene next Thursday, July 10 at 9:00 a.m. (CDT). Julia will work with Senior Vice President Mead to obtain answers to these questions and circulate the compiled list of questions and corresponding answers to the full Board for review.

Regent Freddie Higdon: I think it would also be helpful if we could see the original RFP and the netbook value numbers including the equipment inventory.

Regent Patti Minter: I agree. My questions and concerns are related to the content and I think it would be extremely beneficial to see the RFP.

Regent James Kennedy: Mr. Chair, I would like to request that all supporting materials for the contract and the submitted questions and answers reviewed by the sub-committee be shared with the full Board.

Chair David Porter: Yes. Julia, can you send the RFP and equipment inventory list to the Regents as a follow-up to this meeting and circulate the compiled list of questions and answers to the full Board?

Ms. Julia McDonald: Yes.

Chair David Porter: Thanks to everyone for your participation today. If there is no further business, I will entertain a motion to reconvene this special called meeting next week.

MOTION:

Regent Patti Minter: I move to continue today's business at another special called meeting next Thursday, July 10, pending the findings of the supporting documents.

Regent James Kennedy: Second.

ACTION / VOTE:

The vote for approval of the Agreement between WKU and Graves-Gilbert Clinic for the Privatization of Health Services was tabled / deferred until the second special called meeting on July 10 at 9:00 a.m. (CDT). Motion was unanimously approved.

ADJOURNMENT

With no further business, Chair Porter adjourned the meeting at approximately 11:10 a.m. (CDT).

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Board of Regents of Western Kentucky University in the special called meeting held July 3, 2014, in the Cornelius A. Martin Regents Room in the Mass Media and Technology Hall on the Western campus, and further certify that the meeting was held in compliance with KRS 61.810, 61.815, 61.820, and 61.825 (enacted as Sections 2, 3, 4 and 5 of House Bill 100, 1974 Regular Session, General Assembly).



Mr. J. David Porter, Chair
WKU Board of Regents
Approved on October 31, 2014



Dr. Melissa B. Dennison, Secretary
WKU Board of Regents
Approved on October 31, 2014