Office of the President  
January 23, 2007  

Members, Board of Trustees:  

UK CHANDLER HOSPITAL CERTIFICATE OF NEED  

Recommendation: that the Board of Trustees approve the submission of an application for a certificate of need (CON) for up to 192 additional beds for the UK Chandler Hospital to the Cabinet for Health and Family Services Division of Certificate of Need.  

Background: The granting of additional hospital beds is governed by the Commonwealth of Kentucky’s CON application process. The UK Chandler Hospital is currently licensed for 473 beds, which does not include the recent CON approval for an additional 16 neonatal intensive care beds. The UK Chandler Hospital has experienced substantial growth over the last three years with discharges at record levels up 30 percent from 2003 through 2006. Additionally, the hospital is expected to exceed the current FY 2007 target of 26,200 discharges. With the substantial growth in discharges, occupancy levels have continued to rise and are currently greater than 84 percent. Growth is projected to continue to increase with significant planned investments in faculty recruitment, strategic initiatives and capital. Of the 192 beds, it is currently contemplated that approximately one-third will be intensive care beds and the remainder will be general medical/surgical beds. A portion of this increased capacity may be designated for pediatric care.  

Initially, a combination of the original UK Chandler Hospital and the new hospital project, currently under way as authorized by the Kentucky General Assembly, will accommodate the additional beds that will be requested. In the long term, the addition of two patient bed floors to the top of the new facility will allow the total number of licensed beds, including the additional beds requested, to be housed in the new facility and the Critical Care Tower. This will allow for the original hospital to be razed and make way for the next phase of the master facilities plan.  

Legislative authority for additional fit up of the new facility will be sought as part of the university’s capital request to the 2008 Kentucky General Assembly. An analysis to estimate the authority needed to complete additional fit up of the facility is under way. From the initiation of the project, the university has anticipated and advised the Board, state officials, and the legislature that additional authority would be required in 2008 to allow for further completion of the shelled space in a Phase 1 B.  

Action taken: ☑ Approved  ☐ Disapproved  ☐ Other ___________________