

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Rob Edwards, Vice President, Chief Strategy and Growth Officer

Timothy Slocum, Senior Vice President, Chief Operations Officer

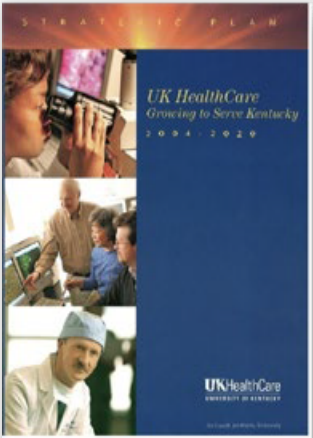


STRATEGY 2030

STRATEGY 2030

Evolve Our Strategy While Leveraging Prior Success

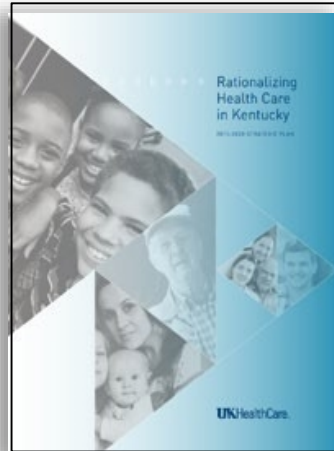
2004
2030



2010



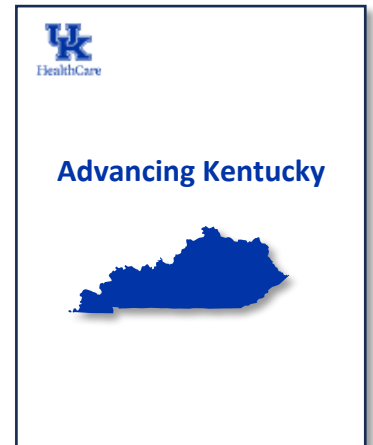
2020



2025

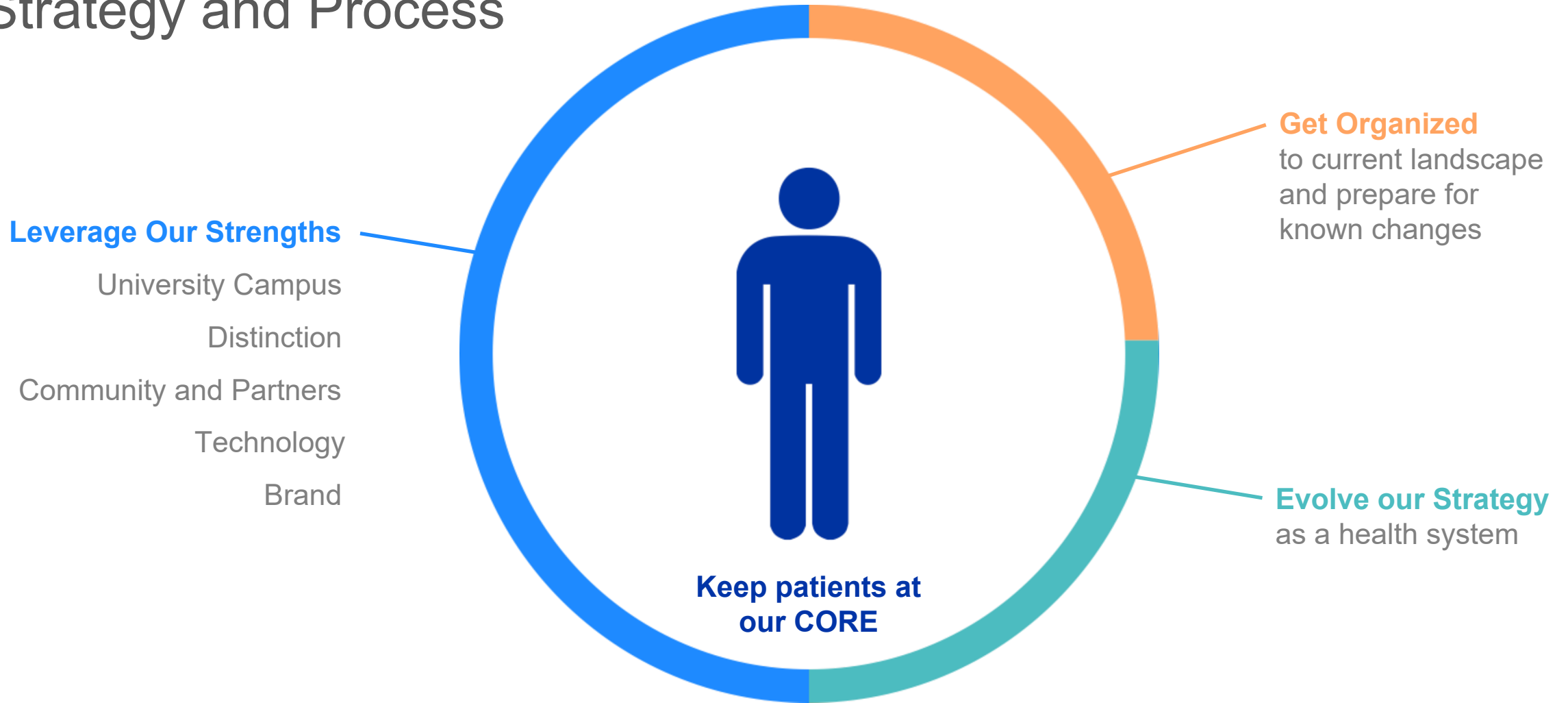


Strategy



We must continue to build on the success of previous strategies to drive our impact on Kentucky.

Strategy and Process

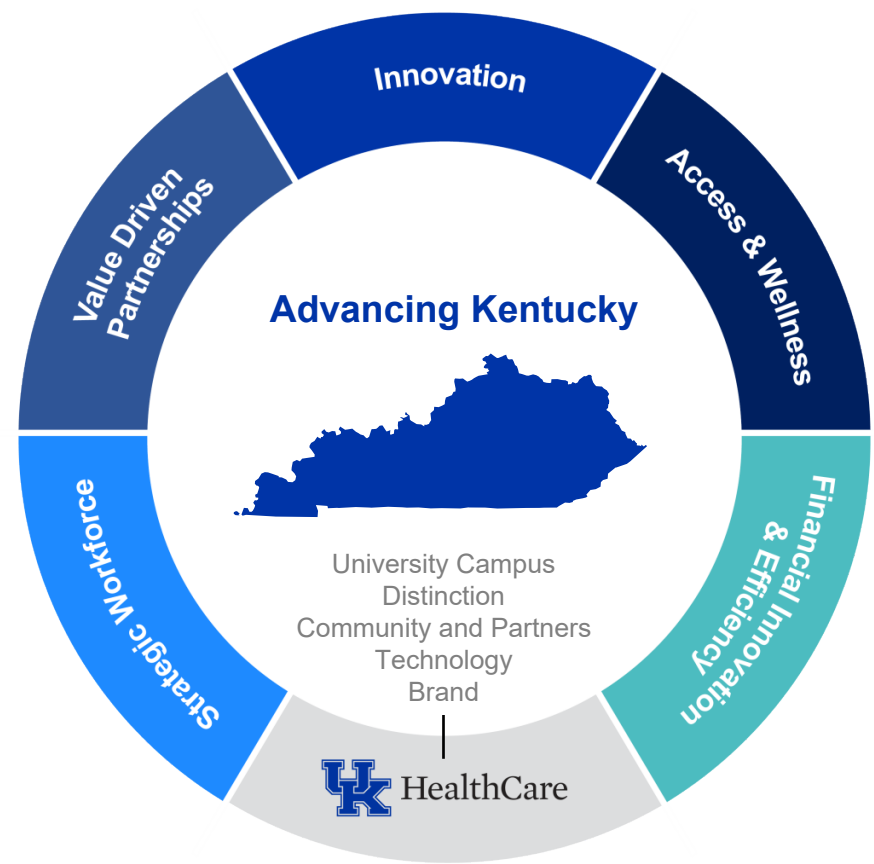


STRATEGY 2030

Strategy 2030 Vision Draft

We must continue to expand upon the existing strategy refresh and define and develop new strategies to continue advancing Kentucky.

Potential Strategies to Explore



Draft Timeline and Process (adaptable):

April 2025 Board

Strategy 2030 Vision:
Intro and process report-out



May-June

Current State Assessment,
Opportunity Identification, Alignment
across System



July-August

Define strategies and priorities
(12-18 month, 24-36 month)



September Board

Report-out and endorsement

Integrated Planning with a Strong Foundation



OPERATIONS



FINANCE



STRATEGY

Advanced Analytics

Operational Benchmarks

Top Performing Standards

Maximizing Efficiencies

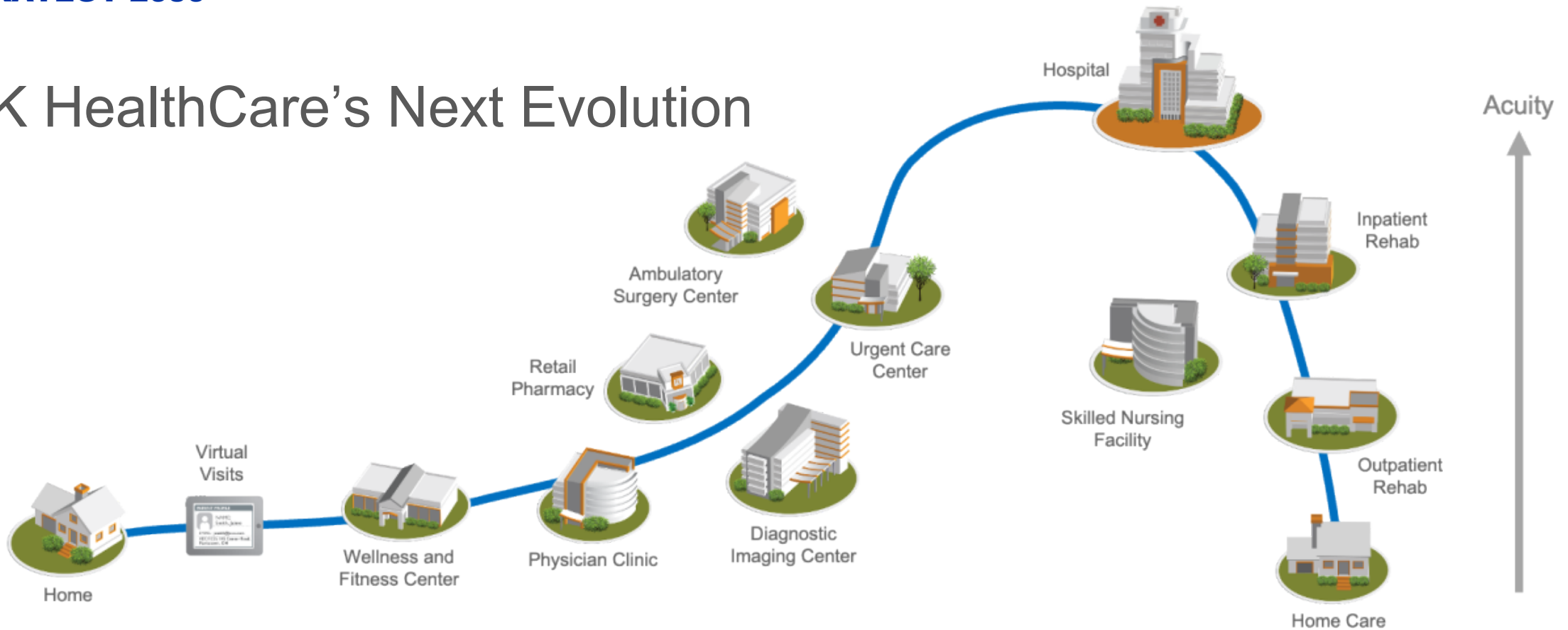
Top Performing Health Systems: Key Traits



<https://intel.sg2.com/resource-types/Sg2-Minute-Takes/2024/Q4/5-Traits-of-Top-Health-Systems/>



UK HealthCare's Next Evolution



How We Advance Kentucky

1. Setting top performance as our standard
2. Maximizing existing assets and efficiencies
3. Implementing new access points
4. Offering any service needed on our academic medical center campus, with expanded access in the market, and by collaborating with partners

QUESTIONS



UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Craig Collins, Senior Vice President, Chief Financial Officer

Timothy Slocum, Senior Vice President, Chief Operations Officer



FINANCIAL AND OPERATIONAL UPDATE

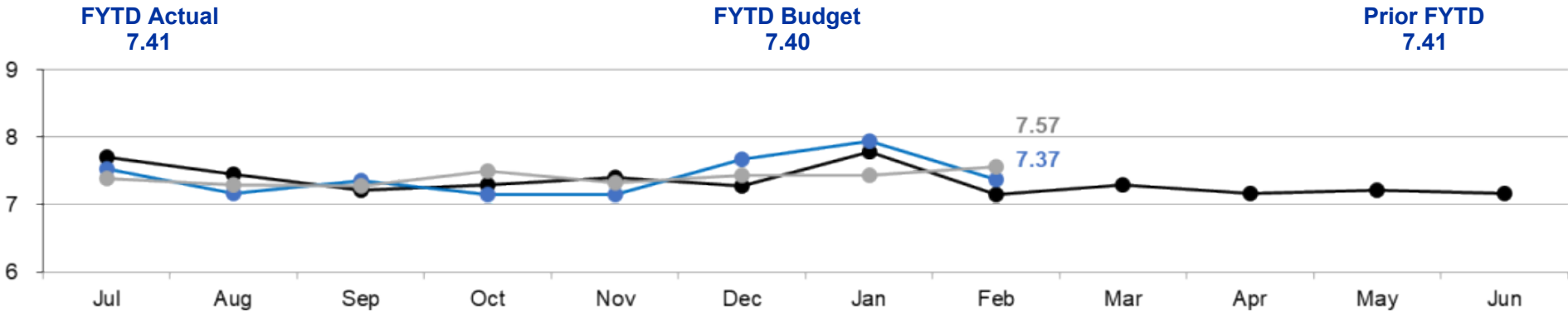
FINANCIAL AND OPERATIONAL UPDATE

Key Statistics: FYTD25 February

AVERAGE LENGTH OF STAY (DAYS)



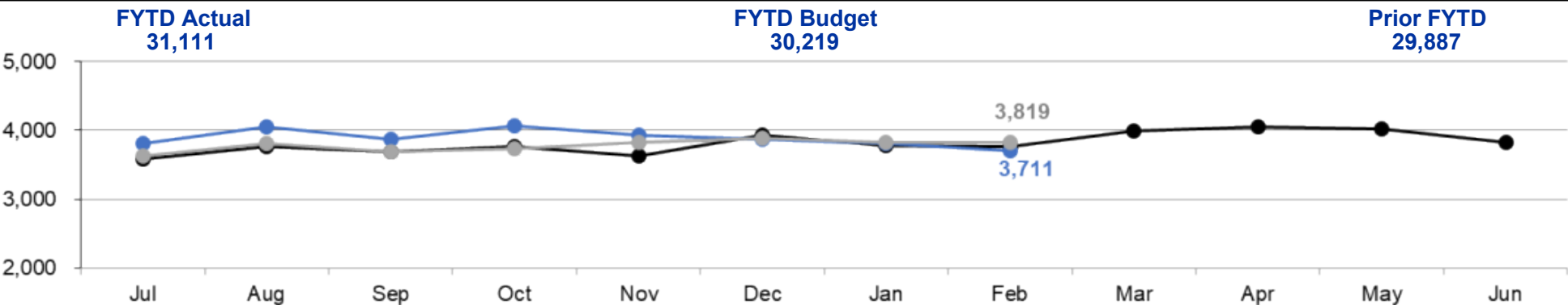
Lower is better



TOTAL DISCHARGES



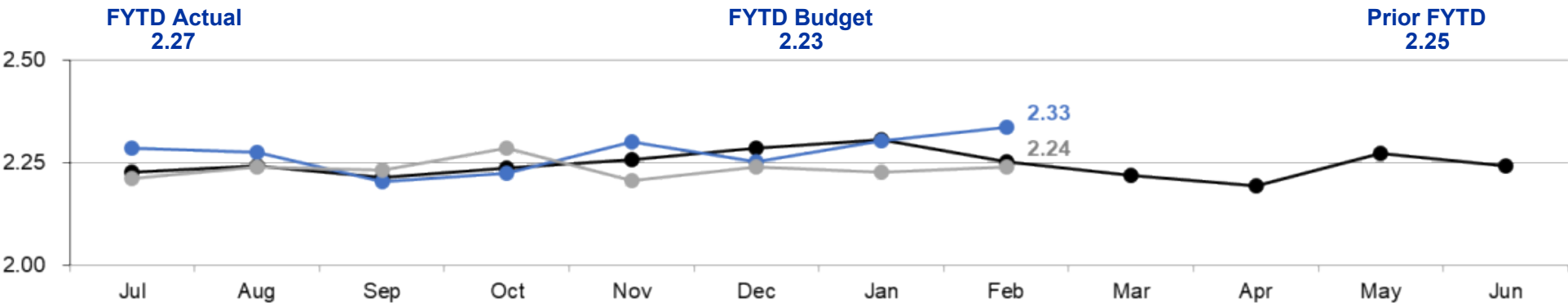
Higher is better



CASE MIX INDEX



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

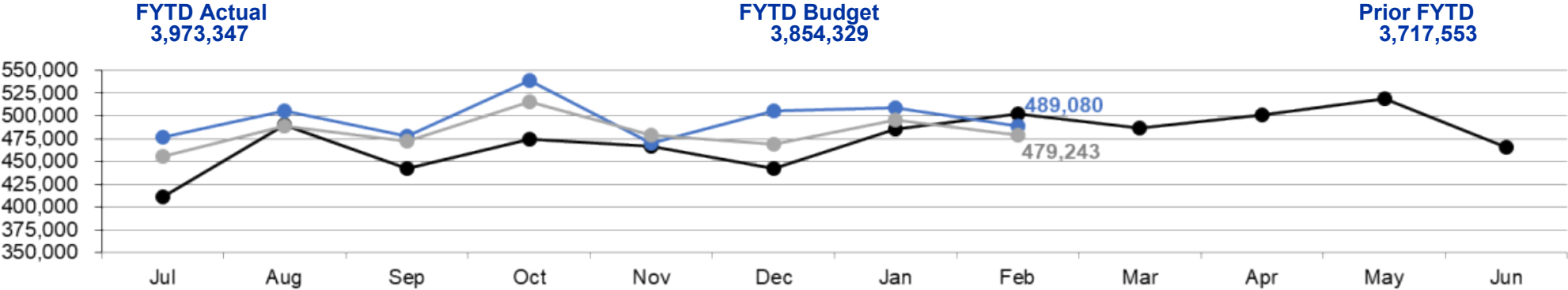
FINANCIAL AND OPERATIONAL UPDATE

Key Statistics: FYTD25 February

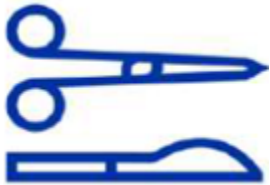
wRVUs



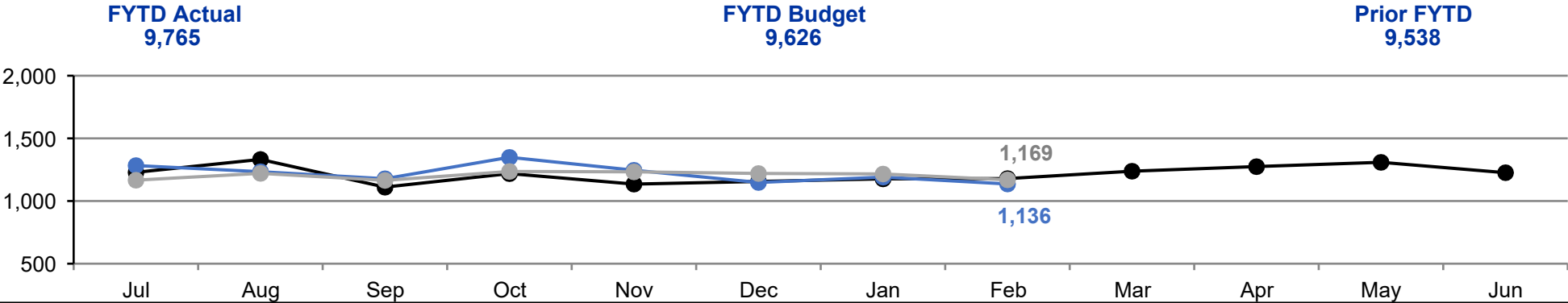
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INPATIENT OR CASES



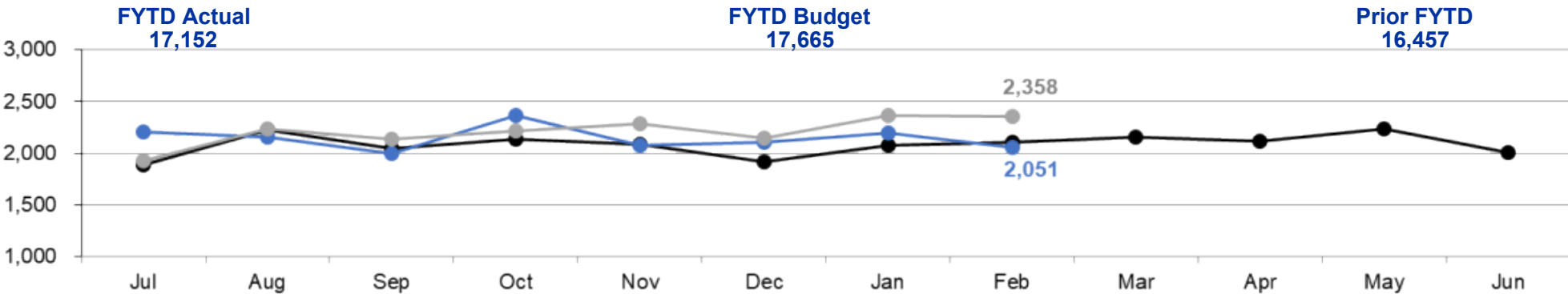
Higher is better



OUTPATIENT OR CASES



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

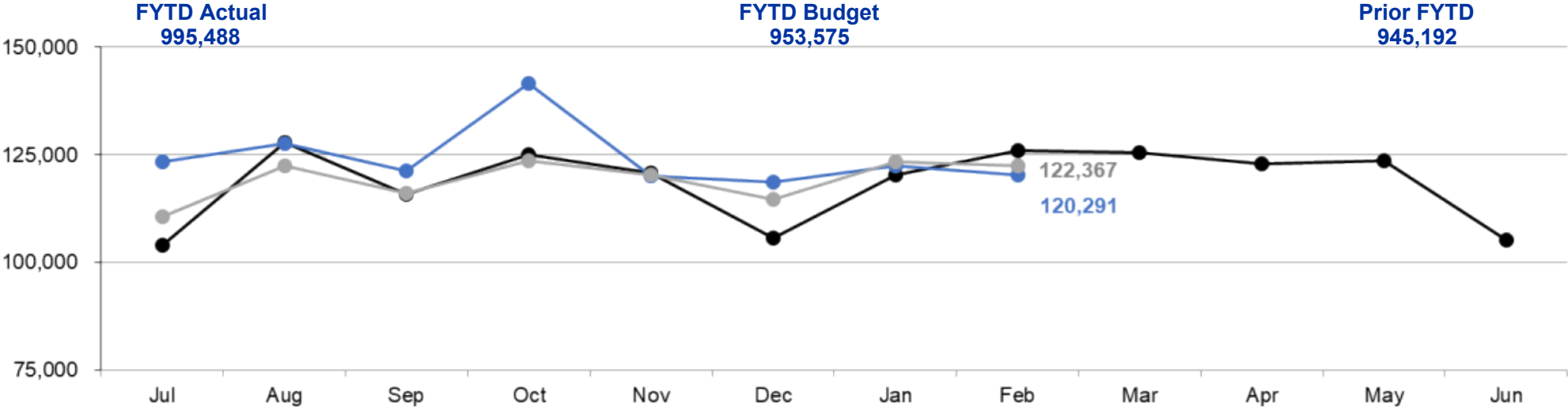
FINANCIAL AND OPERATIONAL UPDATE

Key Statistics: FYTD25 February

UKHC MEDICAL PRACTICE
GROUP TOTAL SERVICE
VOLUME
(TOTAL AMBULATORY
VOLUME)



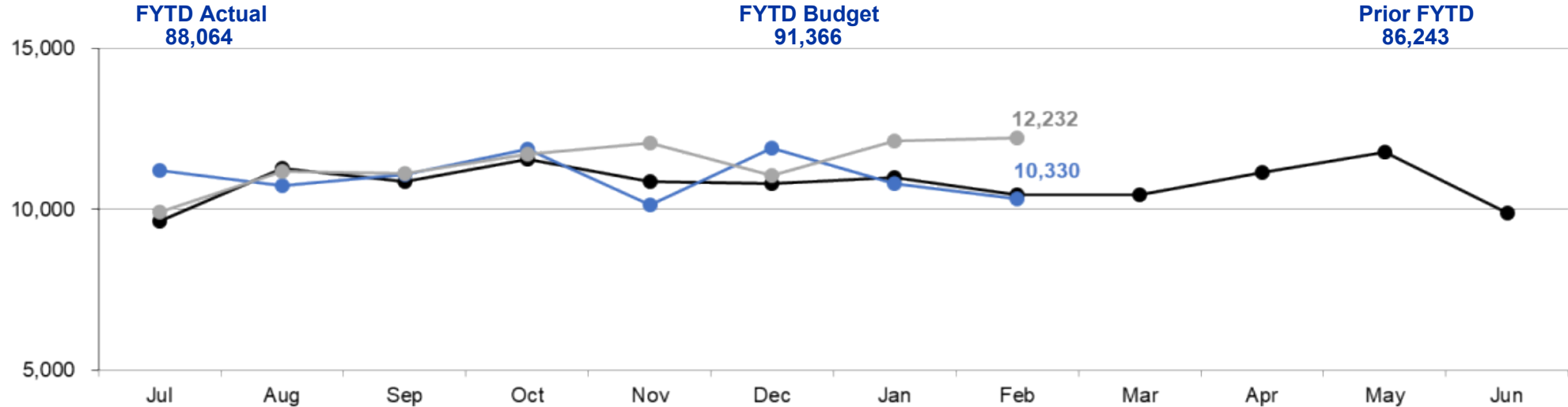
Higher is better



EMERGENCY
DEPARTMENT CASES



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

FINANCIAL AND OPERATIONAL UPDATE

Consolidated statement year-to-date — February 2025

UK HealthCare, Royal Blue Health and Claire Blue Health (values in thousands)

	UK HealthCare			Royal Blue Health			Claire Blue Health			Total HealthCare		
	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year
Net Patient Revenue	2,441,022	(20,784)	2,359,198	642,791	16,406	653,116	165,186	(6,566)	154,411	3,248,999	(10,944)	3,166,725
Other Operating Revenue	107,992	16,324	74,905	58,326	(4,293)	55,516	22,094	5,925	15,813	188,411	17,956	146,233
Total Operating Revenue	<u>2,549,014</u>	<u>(4,459)</u>	<u>2,434,103</u>	<u>701,117</u>	<u>12,113</u>	<u>708,632</u>	<u>187,280</u>	<u>(641)</u>	<u>170,223</u>	<u>3,437,411</u>	<u>7,012</u>	<u>3,312,958</u>
Total Operating Expenses	<u>2,407,156</u>	<u>(1,976)</u>	<u>2,185,448</u>	<u>671,807</u>	<u>9,388</u>	<u>624,088</u>	<u>184,322</u>	<u>4,357</u>	<u>166,751</u>	<u>3,263,285</u>	<u>11,768</u>	<u>2,976,287</u>
Excess of Revenue Over Expenses From Operations	141,857	(2,483)	248,655	29,310	2,725	84,544	2,958	(4,998)	3,473	174,126	(4,756)	336,672
Operating Margin	5.57%		10.22%	4.18%		11.93%	1.58%		2.04%	5.07%		10.16%
Non-Operating Revenue (Expense)												
Investment income (loss)/other	75,549	11,567	77,775	26,051	15,884	24,027	993	993	4,458	102,593	28,444	106,260
Enabling Transfers	<u>(61,505)</u>	<u>(3,477)</u>	<u>(17,026)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,505)</u>	<u>(3,477)</u>	<u>(17,026)</u>
Net Income	155,902	5,607	309,404	55,361	18,609	108,570	3,951	(4,005)	7,931	215,213	20,210	425,905
Net Margin	6.1%		12.7%	7.9%		15.3%	2.1%		4.7%	6.3%		12.9%

FINANCE COMMITTEE RECOMMENDATIONS (FCR)

FINANCE COMMITTEE RECOMMENDATIONS (FCR)

FCR 10 Acquire/Partnership Medical System 1 (Radiation Oncology Medical Practice)

FCR 10

Office of the President
April 25, 2025

Members, Board of Trustees:

ACQUIRE/PARTNERSHIP MEDICAL SYSTEM 1 (RADIATION ONCOLOGY MEDICAL PRACTICE)

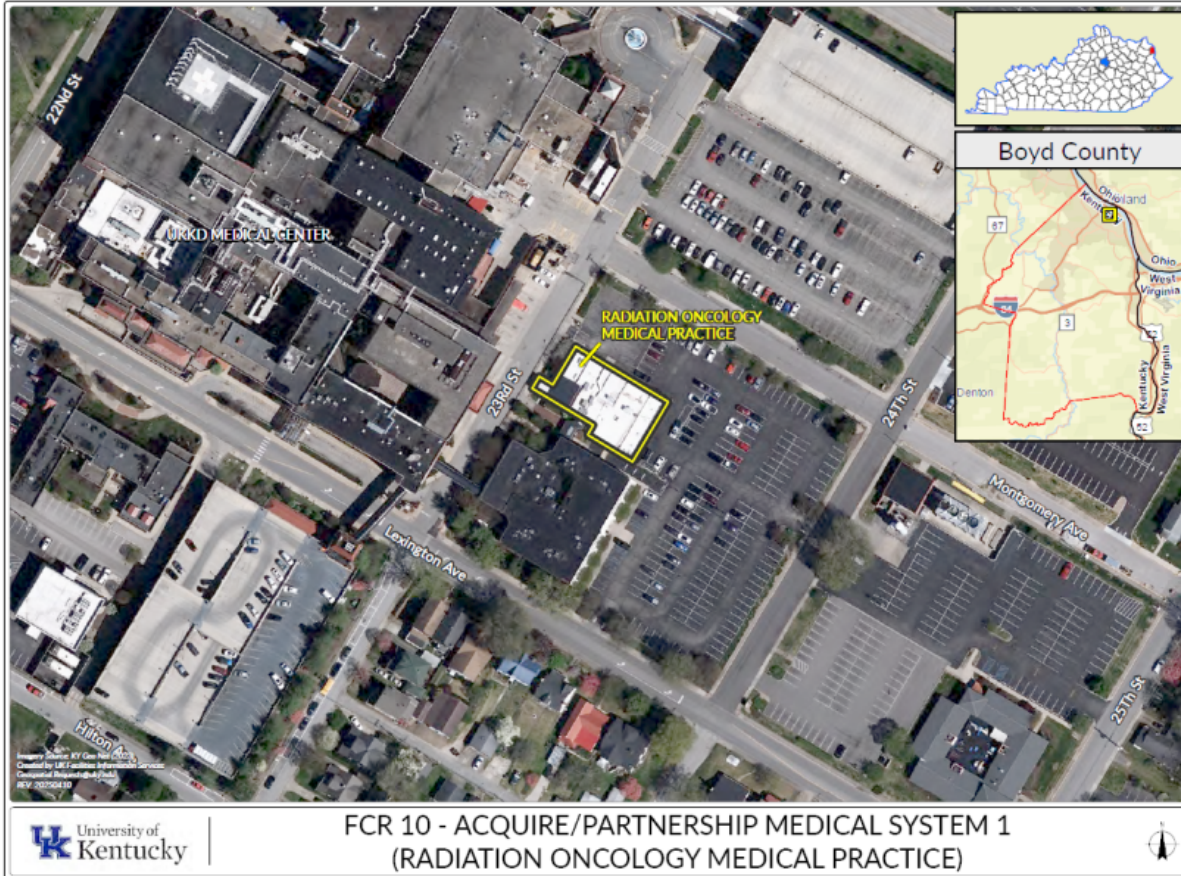
Recommendation: that the Board of Trustees authorize the CEO of UK King's Daughters to enter into a purchase agreement to acquire a radiation oncology medical practice located at 706 23rd Street, Ashland, Boyd County, Kentucky.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

This radiation oncology medical practice is located directly across from the main UK King's Daughters (UKKD) Medical Center. UKKD will acquire the radiation oncology medical practice, and its land, building and equipment located at 706 23rd Street, Ashland, Boyd County, Kentucky. The 8,224 square foot building was constructed in 1986 and contains two lead lined vaults for radiation therapy. The practice has served the patients of UKKD and the tri-state community for decades. The primary physician within the practice is nearing retirement and will remain on staff to assist with the transition to UKKD. It is in the best interest of the community and the University to own these assets to ensure continued service and care for the patients and their families.

Total consideration is not to exceed \$13,700,000.00 plus the costs for customary due diligence, appraisals, land surveys, closing fees and other capitalized costs of acquisition. The acquisition has been authorized by the 2024 Kentucky General Assembly and will be funded with agency funds.

Kentucky Revised Statute §164A.575 states that upon the approval of the secretary of the Finance and Administration Cabinet, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. Pending Board and Cabinet approval, the University will finalize negotiations and enter into all agreements necessary to complete acquisition.



FINANCE COMMITTEE RECOMMENDATIONS (FCR)

FCR 11 Improve UK Good Samaritan Hospital Facilities (Cafeteria Renovation) Capital Project

FCR 11

Office of the President
April 25, 2025

Members, Board of Trustees:

IMPROVE UK GOOD SAMARITAN HOSPITAL FACILITIES (CAFETERIA RENOVATION) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Improve UK Good Samaritan Hospital Facilities (Cafeteria Renovation) capital project

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

This project will improve and renovate the cafeteria on the first floor of UK Good Samaritan Hospital. This project will replace old equipment which has exceeded its useful life and no longer meets the needs of the patients, patients' families and staff. In addition to the installation of new equipment, the project includes necessary infrastructure and system upgrades.

This \$1,500,000 project, authorized by the 2024 Kentucky General Assembly, is well within the total legislative authorization of \$30,000,000 and will be funded with agency funds.



QUESTIONS

