

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Thursday, June 12, 2025

The University Health Care Committee of the Board of Trustees of the University of Kentucky (UK) met on June 12, 2025, in the Gatton Student Center, Harris Ballroom.

A. Meeting Opened

Bob Vance, chair of the University Health Care Committee called the meeting to order at 2:45 p.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: Alex Boone, Ray Daniels, Ron Geoghegan, Brenda Baker Gosney and Bob Vance; Community Advisory members Jennifer Barber, Luther Deaton, Bill Farrish, Josh Proffitt and Barbara Young.

C. Approval of Minutes

Chair Vance stated that the minutes of the April 24, 2025 meeting had been distributed and asked for a motion to approve. Trustee Gosney moved approval, and Trustee Boone seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”.)

D. Executive Vice President for Health Affairs (EVPHA) Update

Artificial Intelligence at UK HealthCare

Provost and Co-Executive Vice President for Health Affairs Robert DiPaola emphasized the importance of artificial intelligence (AI) in healthcare. He explained that healthcare decision-making occurs continuously, whether in the emergency department, clinics, or hospitals, and is ideally based on evidence, clinical guidelines and emerging innovations.

Dr. DiPaola highlighted the potential for AI to improve workflow efficiency and reduce the time providers spend searching for relevant evidence. He introduced “Open Evidence,” an AI platform gaining popularity within the UK HealthCare (UKHC) system. Unlike general internet searches, Open Evidence restricts its information sources to reliable, HIPAA-compliant databases, including clinical guidelines and reputable journals such as *The New England Journal of Medicine* and *JAMA*. Contracts with these journals allow providers to access original studies without separate subscriptions, ensuring quick access to high-quality evidence.

Dr. DiPaola demonstrated the platform's use with a clinical scenario involving a 70-year-old male with hormone-sensitive metastatic prostate cancer. By requesting a bullet-point summary and an evidence table, the system provided treatment recommendations, relevant studies and potential side effects. He further refined the query by adding imaging results indicating liver metastases, which prompted the system to recommend triple therapy (dual hormone therapy plus chemotherapy) based on high-volume disease criteria. A recently published review table helped communicate treatment options and associated toxicities to the patient. Dr. DiPaola noted that the platform's accuracy has been validated in studies, but emphasized that context and clinical expertise remain critical to interpreting results. He concluded that AI tools like Open Evidence can save time, improve quality and ensure providers consider all treatment options, but also require users to maintain appropriate knowledge and apply checks and balances.

Executive Chief Medical Officer Chris DiSimone introduced "Docs DAX Copilot," referred to as "ambient listening" or the "virtual scribe." The tool is designed to address physician frustration with electronic health records by streamlining documentation and increasing efficiency in patient care.

Chief Nursing Executive and Interim Dean of the College of Nursing shared further examples of AI use in healthcare documentation and workflow.

Trustee Gosney inquired about the cost associated with the AI products. Dr. DeSimone stated the UKHC enterprise purchased a contract and it was being utilized across all hospitals and clinics.

Community Advisory Member Barbara Young and Trustee Boone inquired about the degrees of security and protections of personal information. Dr. DeSimone reassured the Committee that information security was a high priority throughout the enterprise.

Fiscal Year 2026 UK HealthCare Enterprise Goals and Organization Quality Improvement Plan

Senior Associate Vice President for Chandler Expansion and Performance Improvement Jennifer Rose presented the FY2026 UKHC Enterprise Goals (Goals) and Organizational Quality and Performance Improvement Plan for approval, as required by the Joint Commission and CMS. Goals were developed using external benchmarking (Vizient, CMS Star Ratings, *U.S. News & World Report*, Leapfrog and Medicaid Directed Payment Program) with the aim of achieving top-quartile performance across all measures.

Committee approval was requested to adopt the proposed goals and organizational quality improvement plan aimed to strengthen performance, improve patient outcomes and maintain alignment with long-term quality aspirations.

UHCCR 1 UK HealthCare FY2026 Organization Quality Improvement Plan

The recommendation that the Board of Trustees approve the UK HealthCare FY2026 Organization Quality Improvement Plan.

Trustee Gosney made a motion to recommend approval of UHCCR 1. Trustee Boone seconded the motion. The motion carried without dissent.

E. Financial and Operational Update

Senior Vice President and Chief Financial Officer Craig Collins stated the first ten months finished below budget. Net patient revenue was \$39.1 million less than budget, reflecting changes in payer and patient mix. Other revenue exceeded budget by \$28.3 million, largely due to increased sales and services from specialty and retail pharmacy operations. Total operating expenses were \$13 million above budget; however, personnel expenses were \$40 million under budget, attributed to effective management of contract labor, premium pay and staffing to workload benchmarks. Pharmaceutical expenses exceeded budget but were offset by corresponding revenue gains. Surgical supply costs increased due to payer mix changes.

Royal Blue Health (King's Daughters) ended the first ten months above budget. Total net revenue exceeded budget by \$24 million, while expenses were greater than budget, driven by higher employee health benefit costs, greater contracted physician fees in emergency and radiology departments, and increased medical agency staffing costs. Investment income was \$5.8 million above budget.

ClaireBlue Health closed the first ten months below budget in spite of positive net revenue from a growth in retail pharmacy operations and recognition of directed payment quality metric revenue. Operating expenses exceeded budget, related to pharmacy growth and recruitment of physicians and surgeons. Investment income was favorable year-to-date.

Consolidated healthcare results for the first ten months showed net income of \$18.8 million below budget, with a 6.3% margin.

Collins then presented the Consolidated FY26 Budget for UK HealthCare, Royal Blue Health, ClaireBlue Health and their supporting entities. The budget assumptions included conservative projections for directed payments, a 1.5% merit increase for staff, higher employee health benefit costs and inflationary adjustments for medical supplies and pharmaceuticals.

The five-year forecast, updated from the 2023 strategic refresh, incorporated stronger investment income, adjusted Chandler expansion expenses, planned FY26 bond financing for the expansion and anticipated government payer and directed payment impacts.

Collins requested endorsement of the FY26 healthcare budget. A motion by Trustee Geoghegan, seconded by Trustee Daniels, passed unanimously.

FCR 16 Improve Parking/Transportation Systems – UK HealthCare (Chandler Expansion Parking Structure) Capital Project

The recommendation that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private-Partnership (P3).

This project will increase parking capacity to accommodate increased patient and visitor demands. The parking structure is planned to accommodate approximately 2,400 vehicles with direct access to the new Chandler Expansion Patient Care Facility for patients and visitors. Entrance to the new facility will be off Cooper Drive, with secondary access planned for University Drive.

This project, authorized by the 2024 Kentucky General Assembly is anticipated to cost up to \$140,000,000, well within the authority of \$200,000,000 and will be funded with third-party financing as a P3 pursuant to KRS Chapter 45A.

Trustee Geoghegan made a motion to recommend approval of FCR 9. Trustee Gosney seconded the motion. The motion carried without dissent.

Privileges and Appointments

Executive Chief Medical Officer Christopher DeSimone presented the list of providers from the UKHC Medical Staff for privileges and appointments. Trustee Daniels made a motion to approve the list. Trustee Gosney seconded the motion, and it passed without dissent.

F. Other Business and Adjournment

Chair Vance called for new or other business that needed to be brought before the University Health Care Committee or questions for the presenters. Hearing no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,
Leigh Bays Donald
University Health Care Committee Secretary