UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

President Eli Capilouto



AN EQUAL OPPORTUNITY UNIVERSITY

UK HEALTHCARE AND KING'S DAUGHTERS HEALTH SYSTEM COMING TOGETHER TO IMPROVE ACCESS TO HEALTH CARE



THE WHY: STRATEGIC RATIONALE AND BACKGROUND

Our Vision

For the University of Kentucky to advance the Commonwealth of Kentucky

For the University of Kentucky to *improve the healthcare of the* Commonwealth of Kentucky

University of Kentucky

Together, UK and KD can *bring the power* of advanced medicine to numerous Kentucky communities



University of Kentucky Healthcare is focused on providing advanced medicine

KINGS DAUGHTERS

King's Daughters Health System (KDHS) is rooted in serving its local community

Ensuring that any Kentuckian, no matter who they are or where they live, can get the best of care as close to home as possible



UK-KDHS INITIAL PARTNERSHIP GUIDING PRINCIPLES

UK and KDHS established the following guiding principles to assist with negotiations

University of Kentucky

Guiding Principles for UK

Promote Community Partnerships: Promote UKHC's strategic "5th pillar" initiative around improving health throughout the Commonwealth through community partnerships and a solidified relationship with KDHS

Limit Financial Exposure:

Structure the partnership to be within the financial and risk objectives of UK



Guiding Principles for the Commonwealth

Maintain Access and Employment in Ashland:

Promote a future state solution that maintains both the current level of access to clinical services and the level of employment in the Ashland community

Generate Sustained Financial Performance:

Encourage a partnership that gives financial stability to KDHS

King's Daughters

Guiding Principles for KDHS

Maintain Services and Control Locally:

Structure the partnership to maintain the level of clinical services in Ashland and elements of governance

Secure Local Investments:

Promote partnership terms that encourages investment into KDHS facilities in Ashland



UKHC AND KDHS ACCOMPLISHMENTS

UK and KD have enhanced the patient and employee experience via investments in clinical services, the workforce, facilities, and technology, including immediate workforce and facility improvements



Enhancing Clinical Services



Investing in the Workforce

Modernizing Facilities



Identifying Cost Savings



Leveraging Technology

Investing in the Workforce

- ✓ KDMC maintained and stabilized a local source of care in Ashland; increase in total employees from 3,640 (FY20) to 4,730 (FY22)
- Increased KDHS employee wages, retirement account contributions and incentive awards equal to a \$30M investment in one year
- ✓ UKHC helped provide KDHS with Residents for an OB focused ED rotation
- ✓ UKHC provided KDHS access to Grand Rounds and CE Central for clinician continued education
- ✓ UKHC extending education and training for patient safety and
 COVID-19 related events

Modernizing Facilities

- First major construction project occurring at KDHS in 10+ years
 - ✓ The Annual Capital budget of \$71.3M was approved in the 10/28/21 RBH Board Meeting, including:
 - ✓ 6th Floor Buildout
 - ✓ ED Relocation
 - ✓ Central Sterile
- KDHS acquired and renovated Bellefonte Pavilion to create additional clinical capacity through relocation of administrative spaces

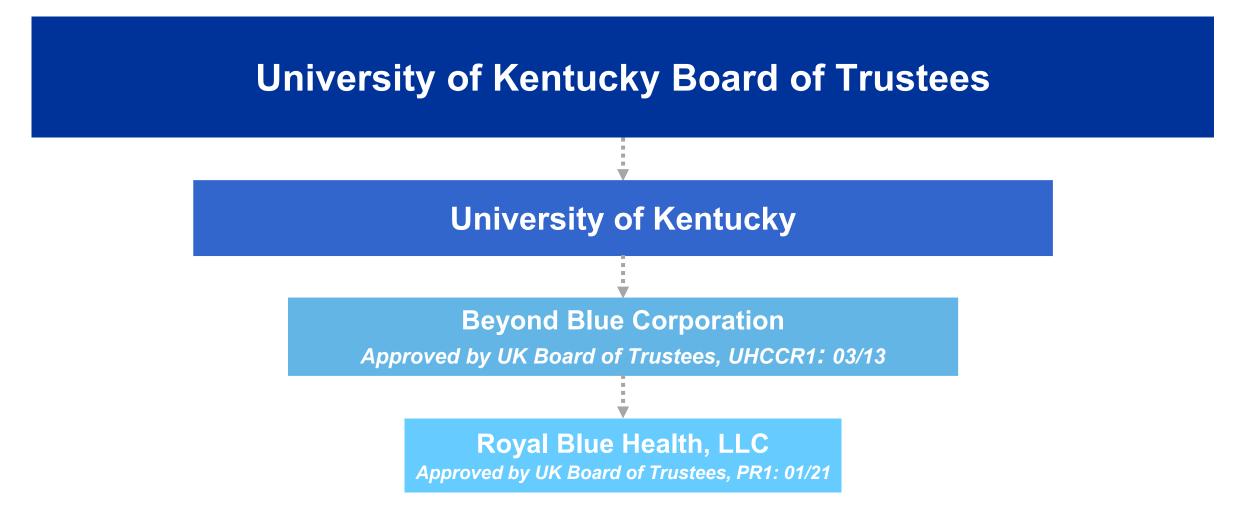


BECOMING PART OF THE UNIVERSITY OF KENTUCKY FAMILY



GOVERNANCE AND THE UK BOARD

Post-close, the UK Board of Trustees will have oversight of the entities below:





PRESIDENT RECOMMENDATION 1



QUESTIONS



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