

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

President Eli Capilouto



**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*



HealthCare

University of Kentucky Healthcare is focused on *providing advanced medicine*



King's Daughters Health System (KDHS) is rooted in *servicing 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



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

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:

University of Kentucky Board of Trustees

University of Kentucky

Beyond Blue Corporation

Approved by UK Board of Trustees, UHCCR1: 03/13

Royal Blue Health, LLC

Approved by UK Board of Trustees, PR1: 01/21

PRESIDENT RECOMMENDATION 1

QUESTIONS

