

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

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AN EQUAL OPPORTUNITY UNIVERSITY

Agenda

- One Big Beautiful Bill Act of 2025 and implications
 - Finance
 - Eligibility
 - Rural healthcare focus
- University of Kentucky positioning
- UK HealthCare proposed and anticipated actions

Kentucky Medicaid at a glance*

- 1,473,165 covered lives*
 - 884,300 qualified by traditional eligibility
 - 466,155 are part of **Medicaid Expansion**
 - 110,900 K-CHIP

*Includes approximately 600,000 children (more than half of children in Kentucky)

ONE BIG BEAUTIFUL BILL ACT

What Did *Not* Happen

- Medicaid expansion remains intact
- No per-capita caps or block grants
- No changes to Medicaid federal match formula
- ACA reforms and Medicare largely untouched



Rep. Brett Guthrie

@RepGuthrie



“President Trump made it clear that he wanted to make sure that Medicaid protected the most vulnerable, and that is exactly what we did.”

One Big Beautiful Bill Act — Overview

- Signed into law July 4, 2025
- Major restructuring of Medicaid financing some eligibility changes for Medicaid expansion
- Creates \$50B Rural Health Transformation Program
- More responsibility shifted to states

Financing Provisions

- Immediate moratorium on new or increased provider taxes
- Expansion states: provider tax cap phased down from 5.5% (2028) → 3.5% (2032)
- Will constrain Kentucky's state Medicaid budget, affecting health system funding

Medicaid Directed Payments

- Existing programs protected at “Grandfathered” (current) levels until January 1, 2028
- Beginning January 1, 2028: phased down 10% annually until it is equal with Medicare
- Loss of flexibility for Kentucky to expand or modify these programs

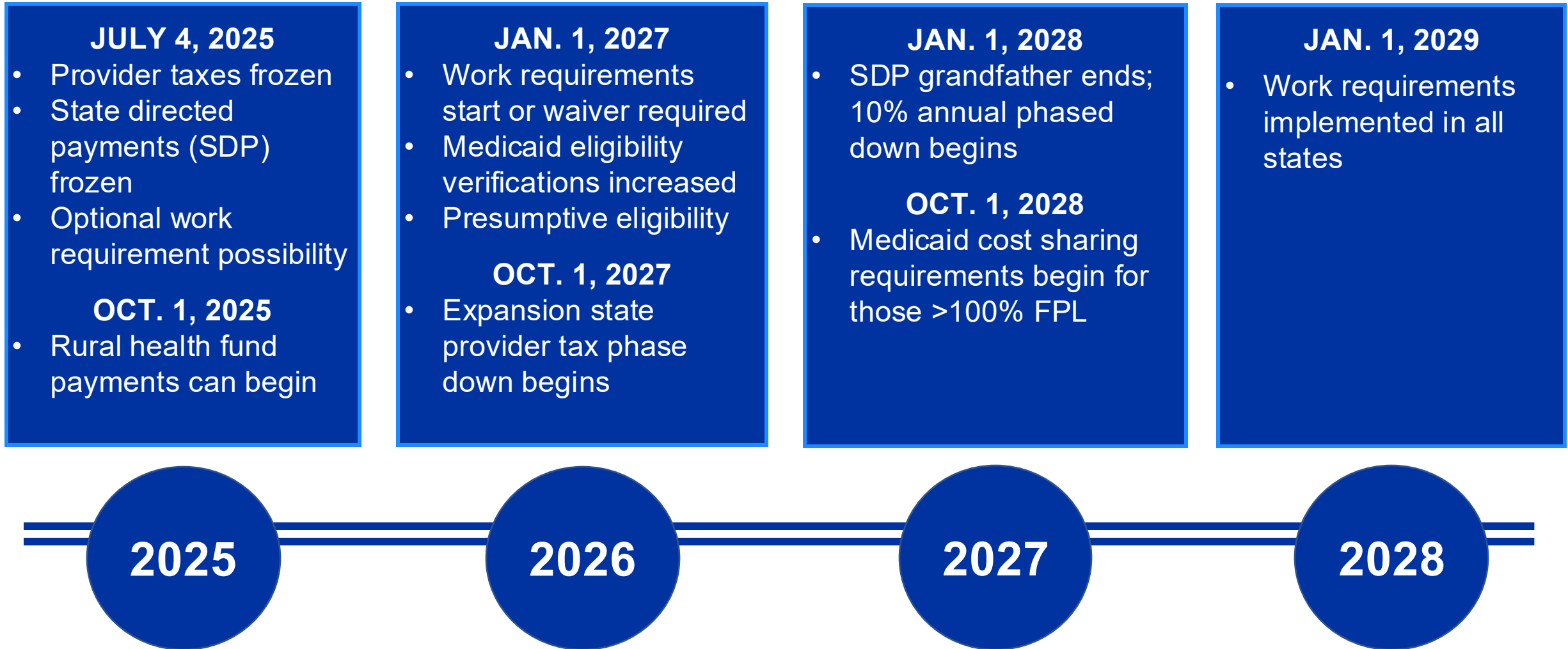
Medicaid eligibility changes for **Medicaid Expansion** population

- Oct 1, 2028 – Increased cost sharing begins for those >100% FPL
- Jan 1, 2029 – Work requirements implemented in all states
- More stringent eligibility verification and limits on presumptive eligibility

Rural Health Transformation Program (RHTP)

- \$10B annually (2026–2030; 50% divided equally) to states, 50% to HHS to be distributed based on need
- Focus on workforce, clinical infrastructure, and technology
- State plans due Dec 31, 2025; must meet federal goals
- Cannot be used to fund the non-federal share of Medicaid

Medicaid Changes Implementation Timeline Summary



IMPACTS ON KENTUCKY

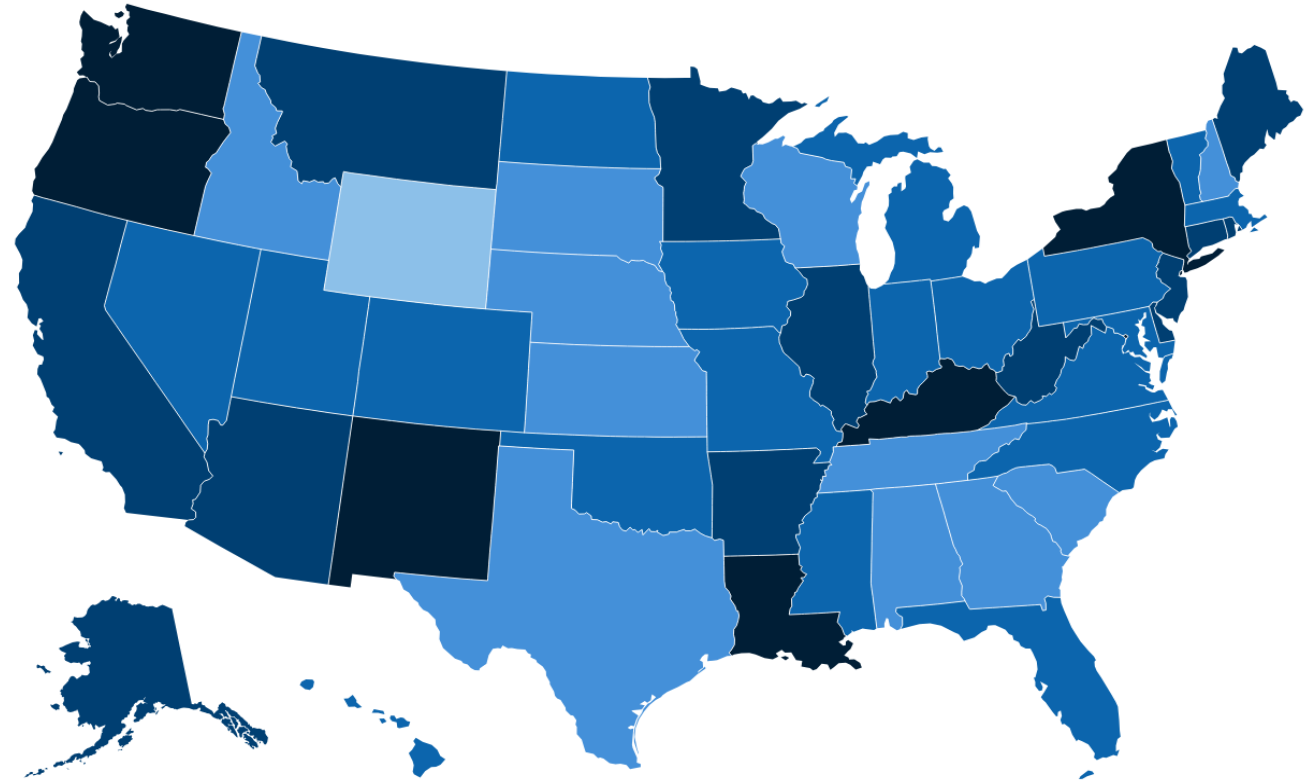
Projected Impact on Kentucky

- The Kaiser Family Foundation estimates that Kentucky's **uninsured rate could go up by as much as 4%.**
- Also estimate that the number of uninsured could **increase by 140,000 – 230,000 people.**

An Additional 8.6M People Nationwide Could be Uninsured if the Energy & Commerce (E&C) Reconciliation Bill is Passed

Percentage Point Increase in the Uninsured Population if the E&C Reconciliation Bill is Finalized Based on Partial CBO Numbers, by State, 2024

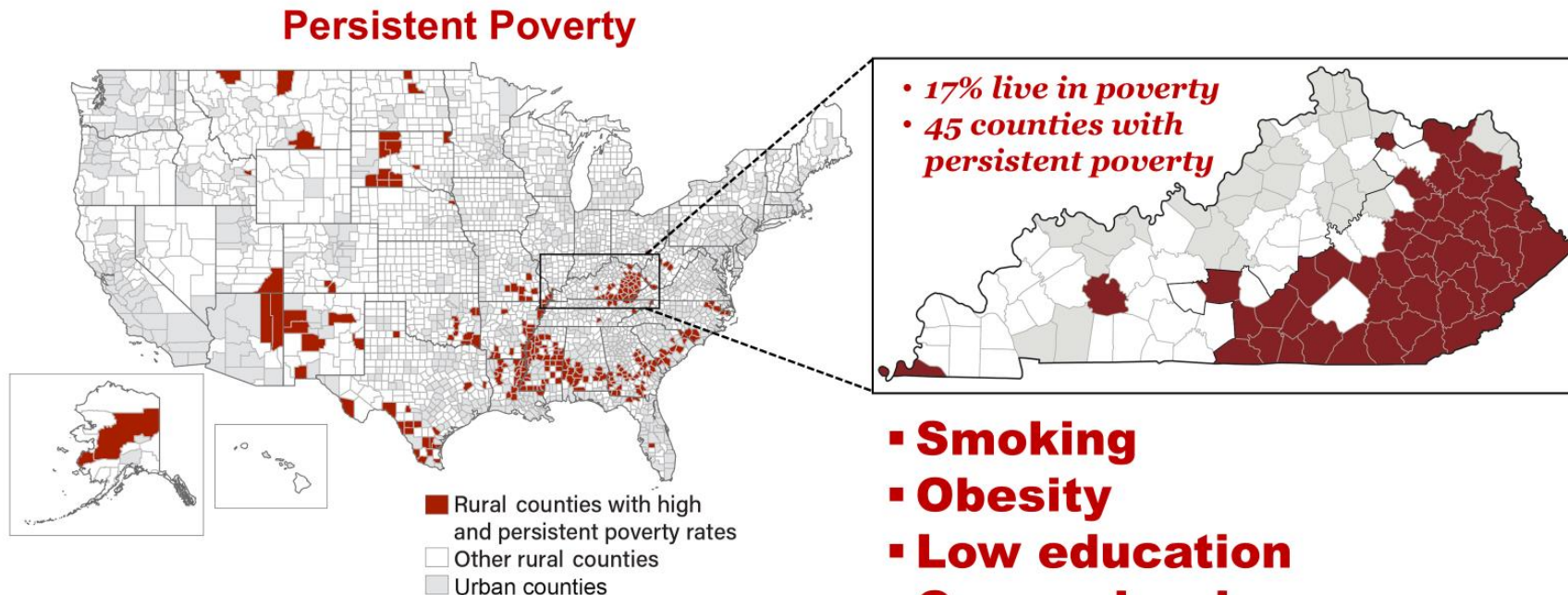
Percentage Point Increase



UK HEALTHCARE AND KENTUCKY HEALTH LANDSCAPE

Kentucky's Health Challenges

- High burden of smoking, obesity, and cancer
- Significant disparities in rural and Appalachian regions
- Vulnerability Index highlights systemic risk factors

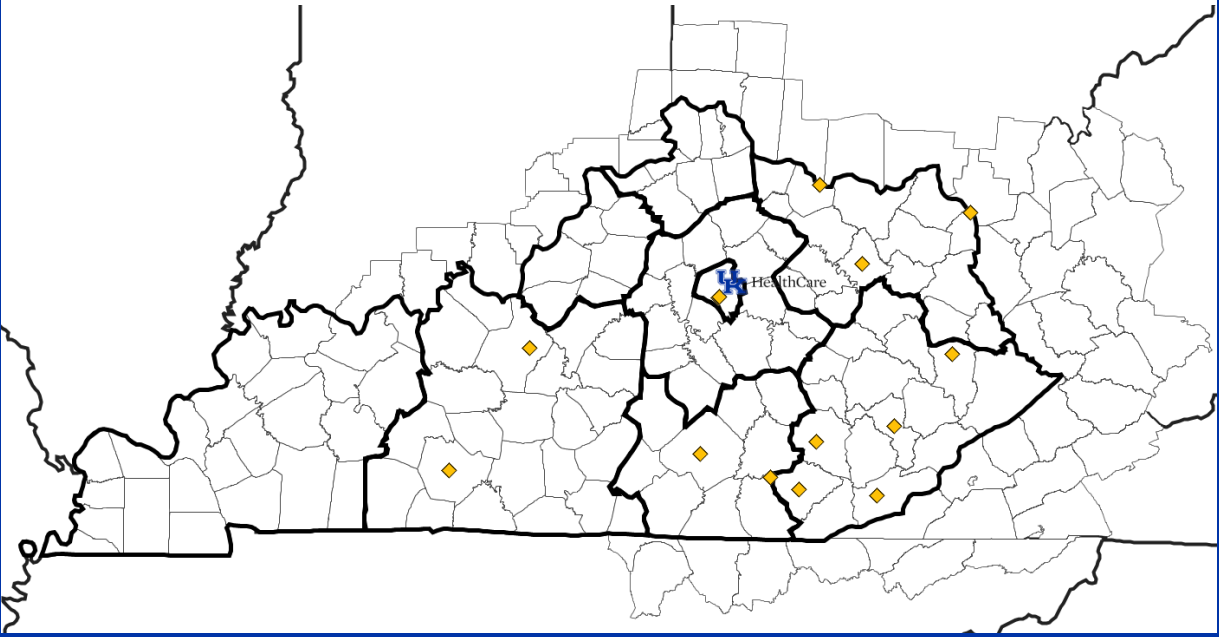


UK HEALTHCARE REACH AND IMPACT

Our Land-grant Mission in Action

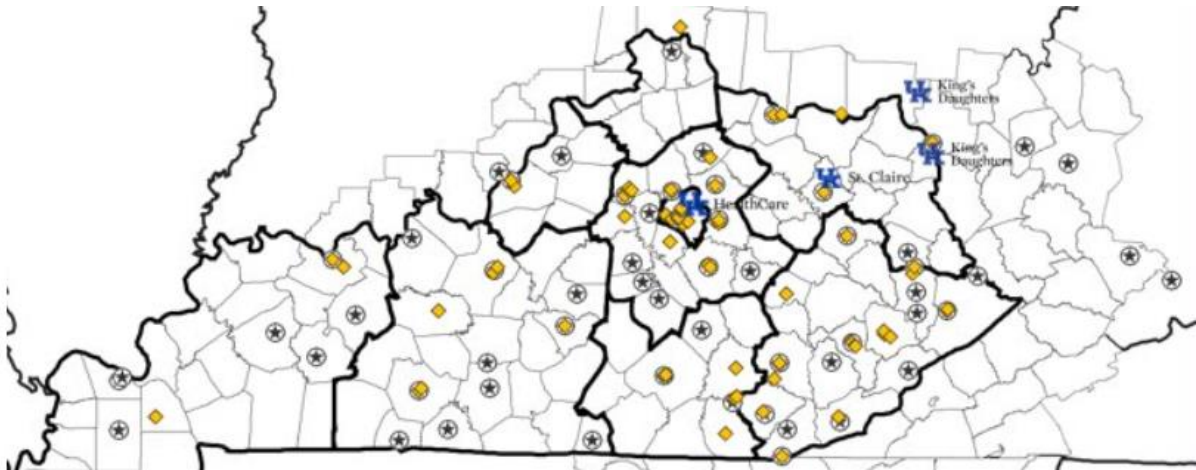
2004

- Affiliation Agreements: 0
- Specialties Performing Outreach: 9
- Outreach Activities: 39
- Partner Locations: 15



2025

- Affiliation Agreements: 6
- Specialties Performing Outreach: 44
- Outreach Activities: 569
- Partner Locations: 271



Impact in Appalachia Over 12 Months: Pediatric Care

970

**ADVANCED
SUBSPECIALTY
PROCEDURES**

4,250

**SURGICAL INPATIENT
CASES**

137k

**VISITS, INCLUDING
NEONATAL CARE**

59%

OF 7,200 TOTAL CASES

62%

OF 1561 TOTAL CASES

40,500

SUBSPECIALTY VISITS



Impact in Appalachia Over 12 Months: Adult Care

26k

HOSPITAL STAYS

17,530

SURGICAL CASES

14k

**ADVANCED
SUBSPECIALTY
OUTPATIENT
PROCEDURES**

54%

OF 47K TOTAL CASES

42%

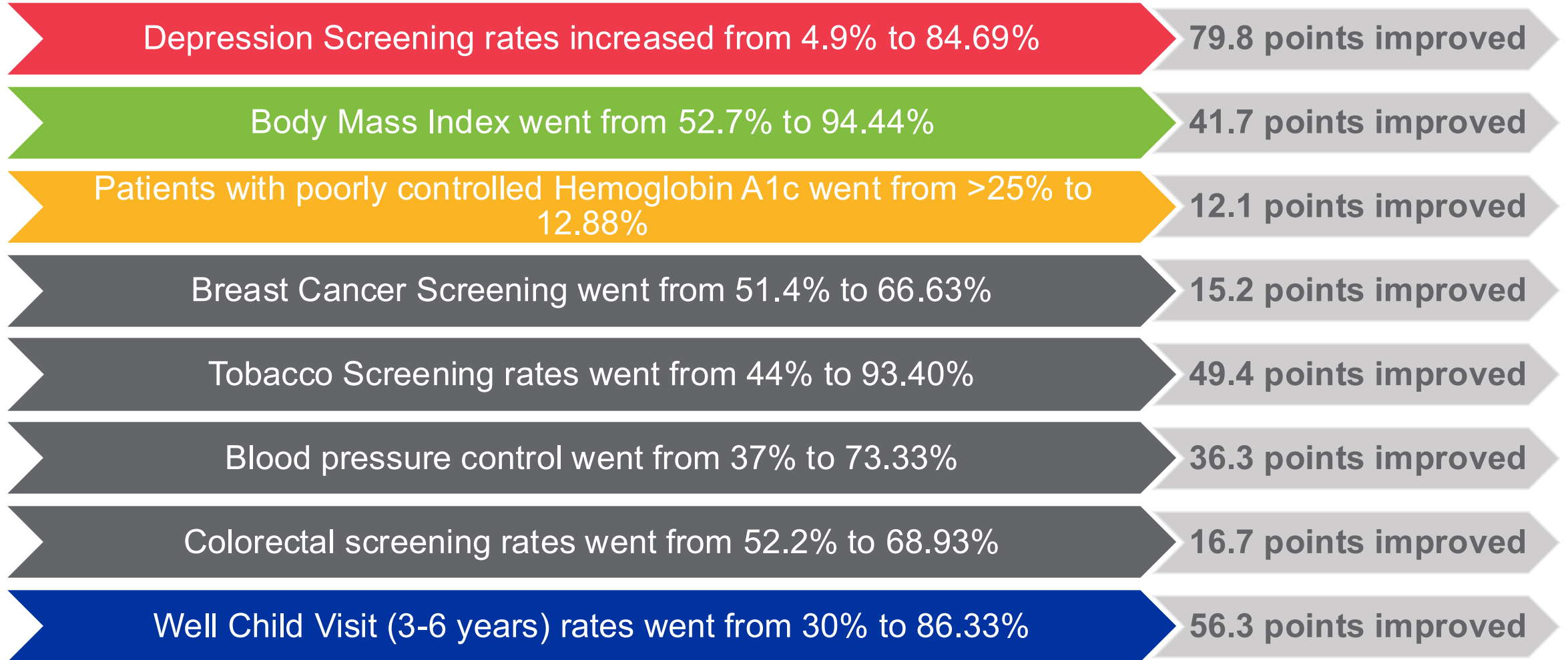
**OF 42K TOTAL CASES
PERFORMED AT UKHC**

52%

**OF 26,600 TOTAL
CASES**

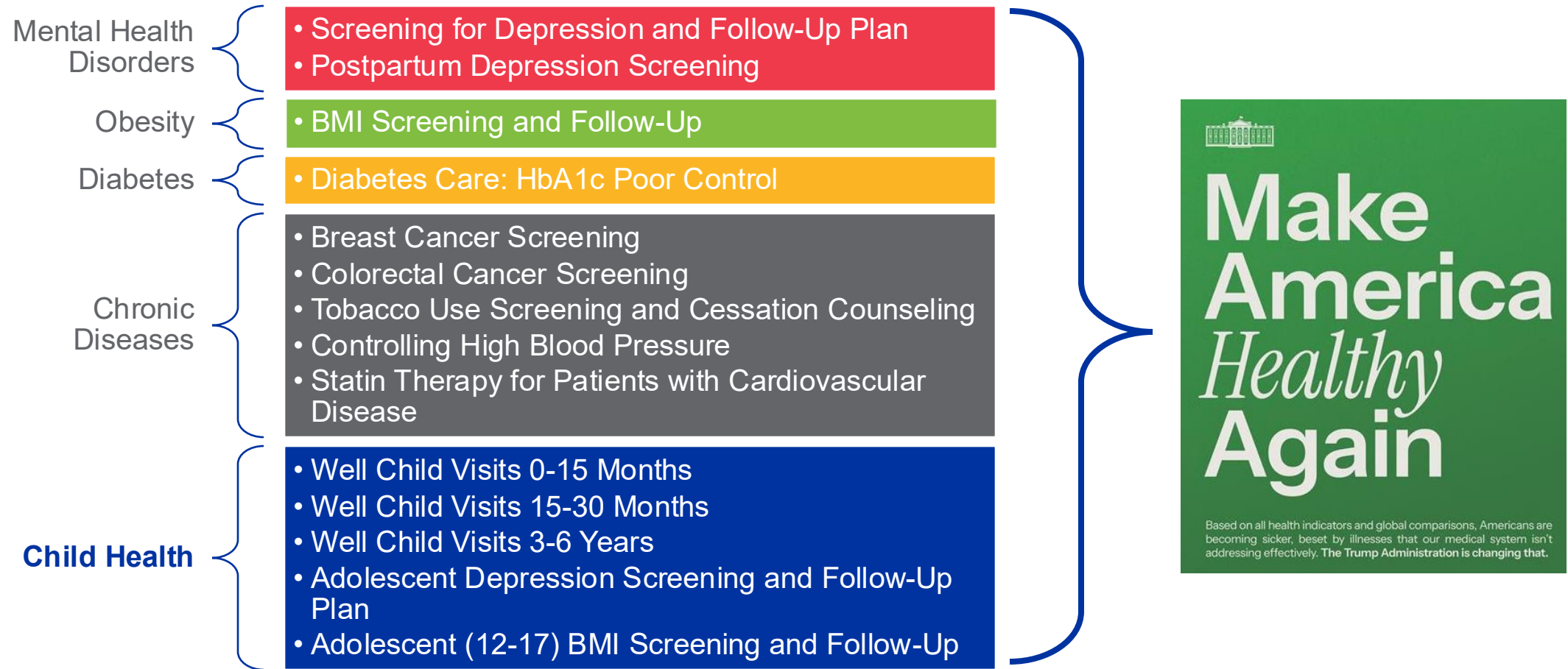


UK HEALTHCARE IMPROVEMENTS FROM 2019 TO 2025 UNDER THE UNIVERSITY MEDICAID DIRECTED PAYMENT PROGRAM



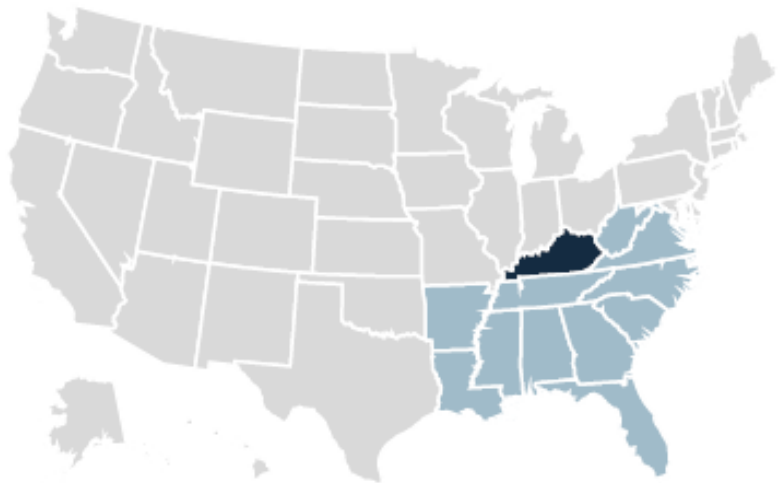
PROPOSED AND ANTICIPATED ACTIONS

The University of Kentucky's alignment with Make America Healthy Again priorities



Health is improving in Kentucky

Kentucky ranks #37 in the nation
and #3 in the Southeast Region



Note: Southeast region includes AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV.

National Health Rankings		
2014	2024	2025
47 th	41 st	37 th

Key Improvement Areas

Blood tests for Adults with Diabetes | Adults with Substance Use disorder | Children’s mental healthcare

Source: Commonwealth Fund 2025 Scorecard on State Health System Performance

Implications for the University

- Greater financial risk tied to performance measures
- More pressure to innovate in access and quality programs
- Need to strengthen partnerships with state officials and provider networks

Alignment with National Priorities

- Supports White House 'Make America Healthy Again' Commission
- Emphasis on access, affordability, workforce and rural health
- UK is uniquely positioned as a model for integrating academic medicine and community need

- Where do we go from here?

QUESTIONS

