

# FCR 6

Office of the President  
May 4, 2021

Members, Board of Trustees:

APPROVAL OF LEASE  
(PHYSICAL MEDICINE AND REHABILITATION)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky (UK) and Encompass Health Rehabilitation Hospital of Cardinal Hill, Inc., LLC (Cardinal Hill) to be used by UK Physical Medicine and Rehabilitation (PM&R).

Background: At its October 2006 meeting, the Board amended Governing Regulation II.A.6(g) requiring that all leases in excess of \$200,000 annually be approved by the Board of Trustees. The President, or his designated representative, is authorized to enter into leases and easements not exceeding \$200,000 in value.

The university desires to expand and relocate the Good Samaritan outpatient PM&R Clinic and consolidate it with outpatient therapy currently offered at Cardinal Hill. This consolidation will create a seamless care system at Cardinal Hill and expand the footprint to allow increased volume and continued growth. The consolidation of services will also create efficiencies by locating faculty near the therapist for program development and outpatient growth opportunities.

Areas of expertise for PM&R include neuro-rehab, post-concussive, musculoskeletal/orthopedic, and spine therapy. This lease will create a "one-stop shop" for UK patients once they are transferred from UK to Cardinal Hill inpatient. Patients will be able to see their UK doctors for follow-up care and receive their ongoing therapy at Cardinal Hill. The space will be divided into two leases: PM&R Clinic, 13,835 square feet at an annual cost not to exceed \$325,000, and Outpatient Therapy, 19,457 square feet at an annual cost not to exceed \$450,000.

This lease was authorized by the 2020 Kentucky General Assembly pursuant to Kentucky Revised Statute § 48.111 which requires legislative authorization of all leases with an annual cost of \$200,000 or more. Contingent upon approval by the Board, the lease will be reported to the Capital Projects and Bond Oversight Committee.

---

Action taken:     Approved     Disapproved     Other \_\_\_\_\_



Imagery Source: Pictometry (Spring 2020)  
Created by UK ITS Information Services  
Geospatial.Requests@uky.edu  
REV: 20210422



# FCR 6 - APPROVAL OF LEASE PHYSICAL MEDICINE AND REHABILITATION AT CARDINAL HILL HOSPITAL

