

# UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Craig Collins, Senior Vice President, Chief Financial Officer

Timothy Slocum, Senior Vice President, Chief Operations Officer



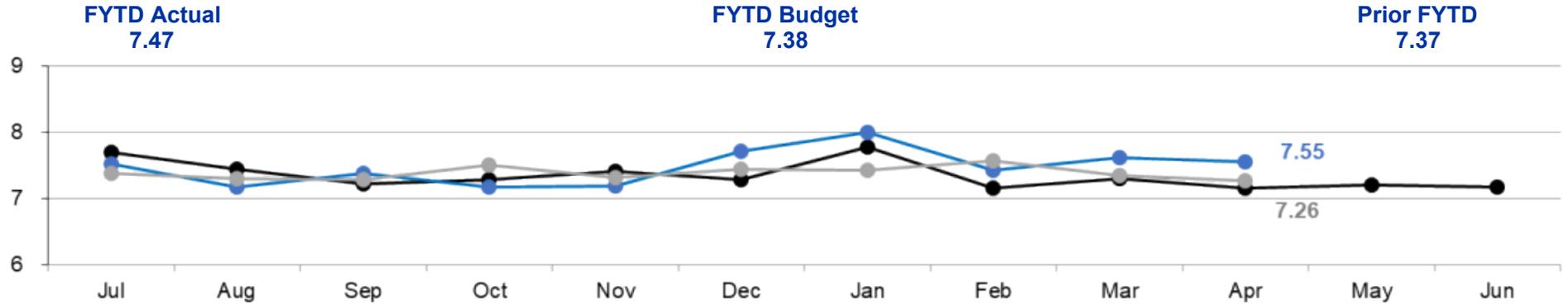
# KEY STATISTICS: FYTD25 APRIL

UK HealthCare

## AVERAGE LENGTH OF STAY (DAYS)



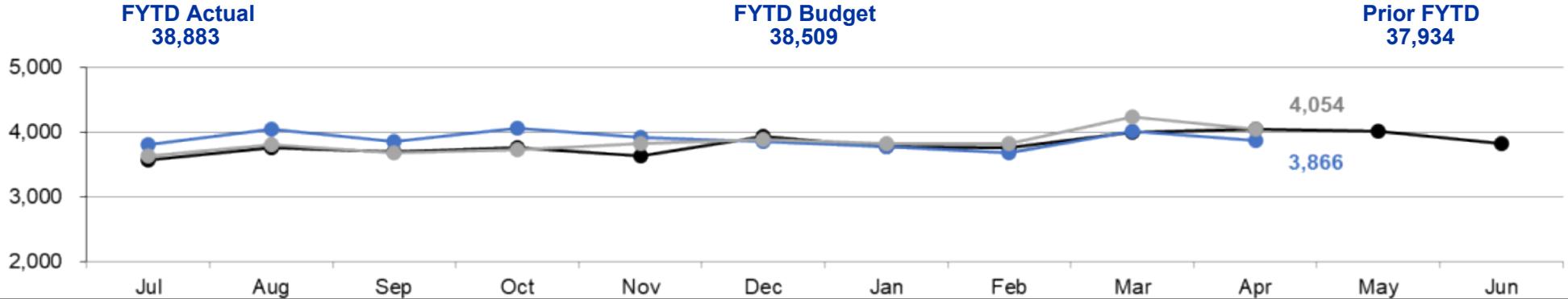
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## TOTAL DISCHARGES



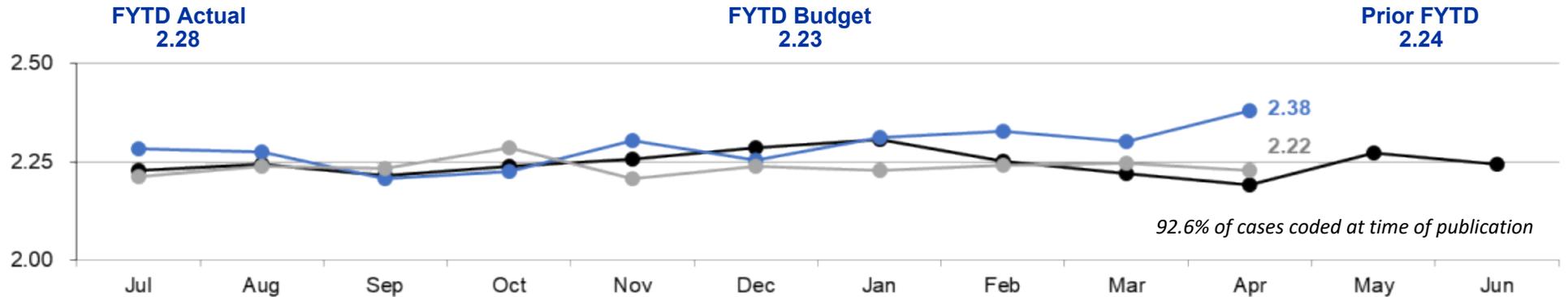
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## CASE MIX INDEX \*PRELIM\*



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

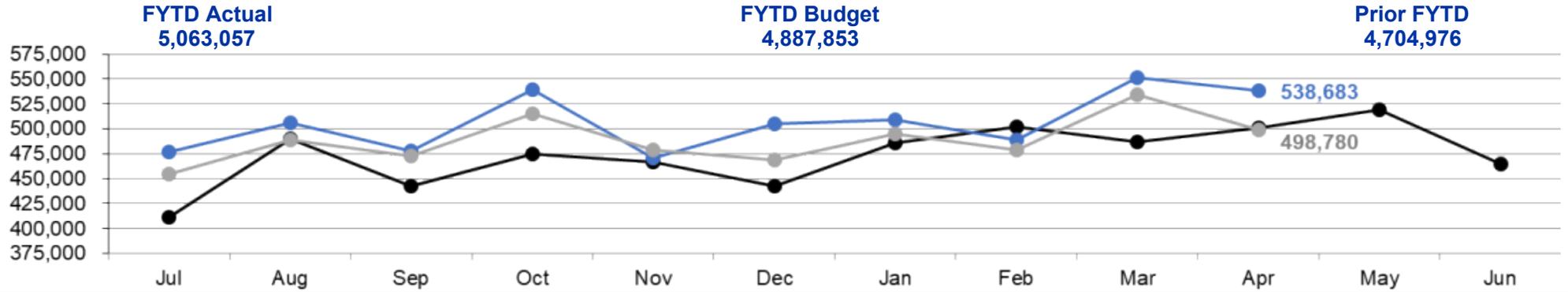
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UK HealthCare

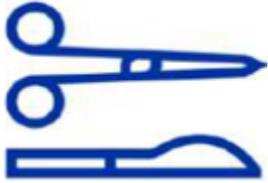
## wRVUs



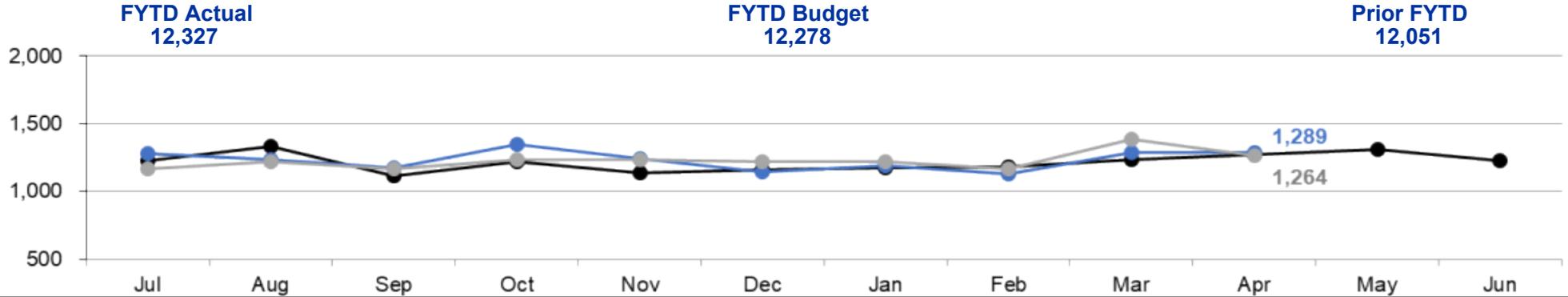
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## INPATIENT OR CASES



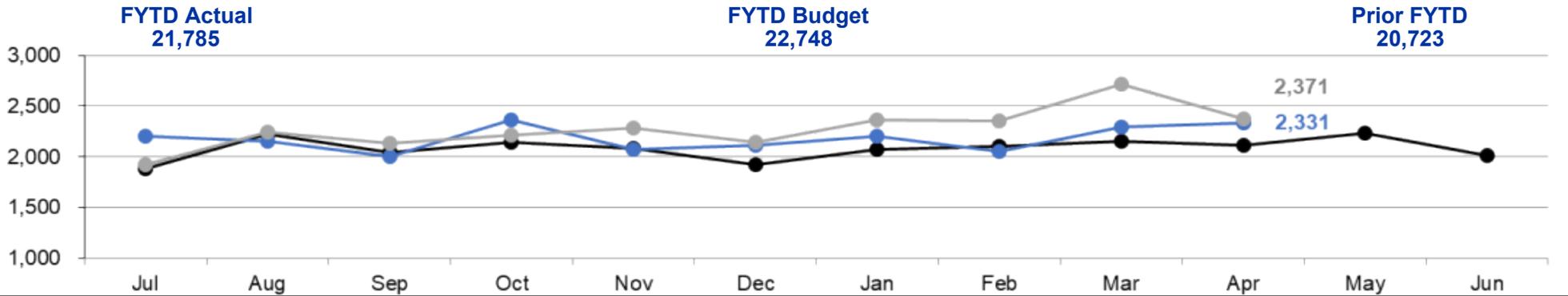
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## OUTPATIENT OR CASES



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● FY2024 ● FY2025 ● FY2025 Budget

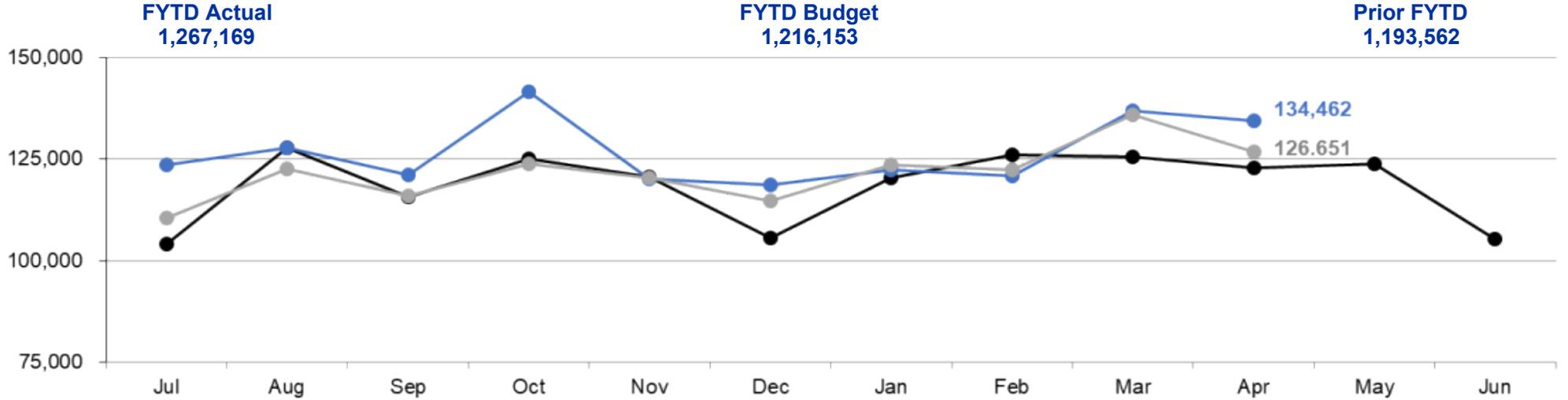
# KEY STATISTICS: FYTD25 APRIL

UK HealthCare

## UKHC MEDICAL PRACTICE GROUP TOTAL SERVICE VOLUME (TOTAL AMBULATORY VOLUME)



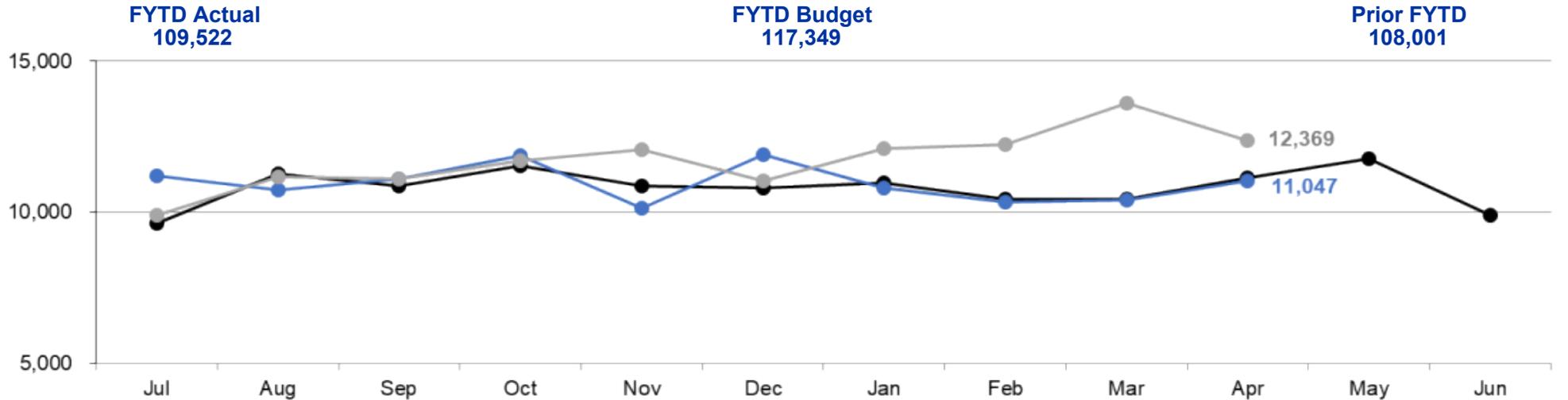
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## EMERGENCY DEPARTMENT CASES



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

# YEAR-TO-DATE: APRIL 2025

Values in Thousands

	UK HealthCare			Royal Blue Health			Claire Blue Health			Total HealthCare			
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Prior Year
<b>Net Patient Revenue</b>	3,094,922	3,134,061	(39,139)	817,858	789,172	28,687	218,301	222,028	(3,727)	4,131,081	4,145,261	(14,180)	3,975,662
<b>Other Operating Revenue</b>	143,248	114,924	28,324	73,627	78,272	(4,645)	28,342	21,215	7,127	245,217	214,411	30,806	188,040
<b>Total Operating Revenue</b>	3,238,170	3,248,985	(10,815)	891,485	867,444	24,042	246,642	243,242	3,400	4,376,298	4,359,672	16,626	4,163,702
<b>Total Operating Expenses</b>	3,039,710	3,026,669	13,041	848,729	831,279	17,450	237,427	227,607	9,820	4,125,866	4,085,554	40,311	3,752,920
<b>Net Income From Continuing Operations</b>	198,460	222,317	(23,857)	42,756	36,165	6,592	9,216	15,636	(6,420)	250,432	274,117	(23,685)	410,782
<b>Operating Margin</b>	6.13%	6.84%	-0.71%	4.80%	4.17%	0.63%	3.74%	6.43%	-2.69%	5.72%	6.29%	-0.57%	9.87%
<b>Non-Operating Revenue (Expense)</b>													
<b>Investment income (loss)/other</b>	82,740	79,987	2,753	18,469	12,709	5,760	1,024	-	1,024	102,233	92,696	9,537	117,293
<b>Enabling Transfers</b>	(77,213)	(72,542)	(4,671)	-	-	-	-	-	-	(77,213)	(72,542)	(4,671)	(16,931)
<b>Net Income</b>	203,987	229,761	(25,775)	61,226	48,874	12,352	10,240	15,636	(5,396)	275,452	294,271	(18,819)	511,144
<b>Net Margin</b>	6.30%	7.07%	-0.77%	6.87%	5.63%	1.23%	4.15%	6.43%	-2.28%	6.29%	6.75%	-0.46%	12.28%

# FISCAL YEAR 2026 BUDGET



## Beyond Blue—Royal Blue Health

- King's Daughters Medical Center
- King's Daughters Medical Center Ohio
- King's Daughters Medical Specialties
- Kingsbrook Lifecare Center
- King's Daughters Medical Transport
- Kentucky Heart Foundation
- Child Development Center



## UK HealthCare

- Chandler
- Good Samaritan
- Kentucky Children's Hospital
- Ambulatory
- Pharmacy
- Eastern State Hospital (*Management Agreement*)
- Surgery Blue
- University Health Service (*Clinic*)
- Beyond Blue (*Insure Blue*)



## Beyond Blue—Claire Blue Health

- St. Claire Medical Center
- St. Claire Real Properties, Inc.

## FISCAL YEAR 2026 BUDGET ASSUMPTIONS



- Budget and forecast begin with volume projections
- Revenue assumptions and bad debt assume historical payer/patient mix
- Directed payments—reduced by 15% from FY25 actuals
- Merit increase at 1.5% consistent across the University of Kentucky and market pools
- Escalated costs of employee health benefits
- Inflation factors for supplies/pharmaceuticals are based on available external sources (e.g. Vizient and projected tariff impacts)
- Depreciation increase due to growth and Governmental Accounting Standards Board requirements
- Performance improvement initiatives

## FY26 BUDGET—KEY STATISTICS

Entity	Statistic	FY25 <i>Projected</i>	FY26 Budget	Percent Change
UK HealthCare	Total Discharges	46,918	48,554	3.5%
	Total Inpatient/Outpatient Surgical Cases	40,768	43,752	7.3%
	Emergency Room Visits	131,661	143,762	9.2%
	work Relative Value Units	6,049,120	6,458,085	6.8%
	Average Length of Stay	7.44	7.68	3.2%
	Case Mix Index	2.27	2.27	0.0%
Royal Blue Health	Total Discharges	19,429	19,626	1.0%
	Total Inpatient/Outpatient Surgical Cases	34,889	36,982	6.0%
	Emergency Room Visits	78,161	82,564	5.6%
	work Relative Value Units	2,795,891	3,064,124	9.6%
	Average Length of Stay	3.99	4.00	0.3%
	Case Mix Index	1.73	1.73	0.0%
Claire Blue Health	Total Discharges	6,184	6,341	2.5%
	Total Inpatient/Outpatient Surgical Cases	5,102	5,336	4.6%
	Emergency Room Visits	29,125	29,880	2.6%
	work Relative Value Units	662,421	689,254	4.1%
	Average Length of Stay	4.60	4.60	0.0%
	Case Mix Index	1.59	1.60	0.6%
Total HealthCare	Total Discharges	72,531	74,361	2.5%
	Total Inpatient/Outpatient Surgical Cases	80,759	86,070	6.6%
	Emergency Room Visits	238,947	256,206	7.2%
	work Relative Value Units	9,507,432	10,211,458	7.4%

# FY26 BUDGET

Values in Millions

	UK HealthCare		Royal Blue Health		Claire Blue Health		Total HealthCare	
	FY25 Projection	FY26 Budget	FY25 Projection	FY26 Budget	FY25 Projection	FY26 Budget	FY25 Projection	FY26 Budget
<b>Net Patient Revenue</b>								
Net In and Out Patient Revenue	\$ 2,997	\$ 3,280	\$ 788	\$ 824	\$ 217	\$ 219	\$ 4,002	\$ 4,323
Supplemental Revenue	688	619	189	175	59	82	936	876
Other Operating Revenue	195	168	85	93	32	32	312	293
<b>Total Operating Revenue</b>	<b>\$ 3,881</b>	<b>\$ 4,067</b>	<b>\$ 1,062</b>	<b>\$ 1,092</b>	<b>\$ 308</b>	<b>\$ 333</b>	<b>\$ 5,251</b>	<b>\$ 5,492</b>
<b>Operating Expenses</b>								
Personnel	\$ 1,375	\$ 1,456	\$ 569	\$ 595	\$ 178	\$ 187	\$ 2,122	\$ 2,238
Medical Supplies	340	356	96	101	26	28	462	485
Drugs & Pharmaceuticals	712	761	114	123	33	36	859	920
Funds Flow/Professional Services	596	626	28	27	12	14	636	667
All Other Operating Expenses	607	625	207	219	50	59	864	903
<b>Total Operating Expenses</b>	<b>\$ 3,630</b>	<b>\$ 3,825</b>	<b>\$ 1,014</b>	<b>\$ 1,065</b>	<b>\$ 299</b>	<b>\$ 324</b>	<b>\$ 4,943</b>	<b>\$ 5,214</b>
<b>Income for Continuing Operations</b>	<b>\$ 250</b>	<b>\$ 242</b>	<b>\$ 48</b>	<b>\$ 27</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 307</b>	<b>\$ 278</b>
Operating Margin	6.50%	6.00%	4.50%	2.50%	2.90%	2.70%	5.90%	5.10%
<b>Net Non-Operating Revenue (Expense)</b>								
Investment Income	\$ 100	\$ 84	\$ 19	\$ 17	-	-	\$ 119	\$ 101
Other	(14)	(35)	-	-	-	-	(14)	(35)
Enabling Transfers	(93)	(47)	-	-	-	-	(93)	(47)
<b>Net Income</b>	<b>\$ 244</b>	<b>\$ 245</b>	<b>\$ 67</b>	<b>\$ 44</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 320</b>	<b>\$ 298</b>
Total Margin	6.30%	6.00%	6.30%	4.00%	2.90%	2.70%	6.10%	5.40%

# FINANCIAL FORECAST

Values in Millions

## UKHC Standalone Comparison to Spring 2023 (\$ millions)

UKHC Standalone [Spring 2023 Forecast]	2025	2026	Projected 2027	2028	2029
Excess Revenue Over Expenses	\$ 376.7	\$ 335.8	\$ 286.2	\$ 292.3	\$ 292.3
Unrestricted Cash	\$ 1,504.1	\$ 1,654.5	\$ 1,892.8	\$ 2,171.0	\$ 2,449.0
Capital Expenditures	\$ 501.0	\$ 298.6	\$ 179.3	\$ 153.5	\$ 153.5

UKHC Standalone [Spring 2025 Forecast]	2025	2026	Projected 2027	2028	2029
Excess Revenue Over Expenses before Enablers	\$ 336.8	\$ 291.9	\$ 279.2	\$ 282.5	\$ 245.3
Unrestricted Cash	\$ 2,158.6	\$ 1,873.0	\$ 1,876.0	\$ 1,954.3	\$ 1,952.5
Capital Expenditures	\$ 501.0	\$ 298.6	\$ 179.3	\$ 153.5	\$ 153.5

Change in Unrestricted Cash	\$ 654.5	\$ 218.5	\$ (16.8)	\$ (216.7)	\$ (496.5)
Days Cash on Hand	217	179	171	167	159

### Key Updates:

- Outperformance on Cash and Investment Income for FY25
- Chandler Expansion Project Components with more after FY29
- Bond fund assumptions for Chandler Expansion Project
- Supporting projects and infrastructure projects for facilities (Enablers)
- Governmental payor headwinds influence future margins
- UKHC Standalone assumes margins are maintained in future years based on initiatives and improvements

# QUESTIONS



# **FINANCE COMMITTEE RECOMMENDATIONS (FCR)**

# FCR 16

Office of the President  
June 13, 2025

Members, Board of Trustees:

## IMPROVE PARKING/TRANSPORTATION SYSTEMS – UK HEALTHCARE (CHANDLER EXPANSION PARKING STRUCTURE) CAPITAL PROJECT

**Recommendation:** that the Board of Trustees approve the initiation of the Improve Parking /Transportation Systems – UK HealthCare (Chandler Expansion Parking Structure) capital project and authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private-Partnership (P3).

**Background:** Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

With the Chandler Expansion there is a significant need to increase parking capacity to accommodate increased patient and visitor demands. This 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. The new structure will be designed to complement the design of the Chandler Expansion facility and provide ample graphics and ticketing automation for ease of use by our patients and visitors.

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 Public-Private Partnership pursuant to KRS Chapter 45A.



# QUESTIONS

