

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Craig Collins, CEO, Beyond Blue Corporation; Senior Vice President and Chief Financial Officer, UK HealthCare



INTEGRATE BLUE

Today's Unique Opportunity to Integrate Blue

“**IF NOT NOW, WHEN?**”

The University of Kentucky is currently undergoing one of the most robust institutional transformations in higher education.

University of Kentucky's Recent Transformation Initiatives

-  Acquisition of **two regional hospitals** — King's Daughters (UKKD) and St. Claire (UKSC) — increasing access to healthcare for the northern part of the state.
-  Launching the **Advancing Kentucky Together Network** to increase the University of Kentucky's reach throughout the state and beyond.
-  Project Blue Connect is helping to put **UKKD and UKSC on centralized systems**, including Workday, UKG, Epic and SailPoint (IAM).
-  Modernization of the **organizational structure of athletics**.

Drivers of Change

The University of Kentucky seeks to...

Accelerate Growth

...Build scalable solutions to optimize future growth.

Maximize Technology

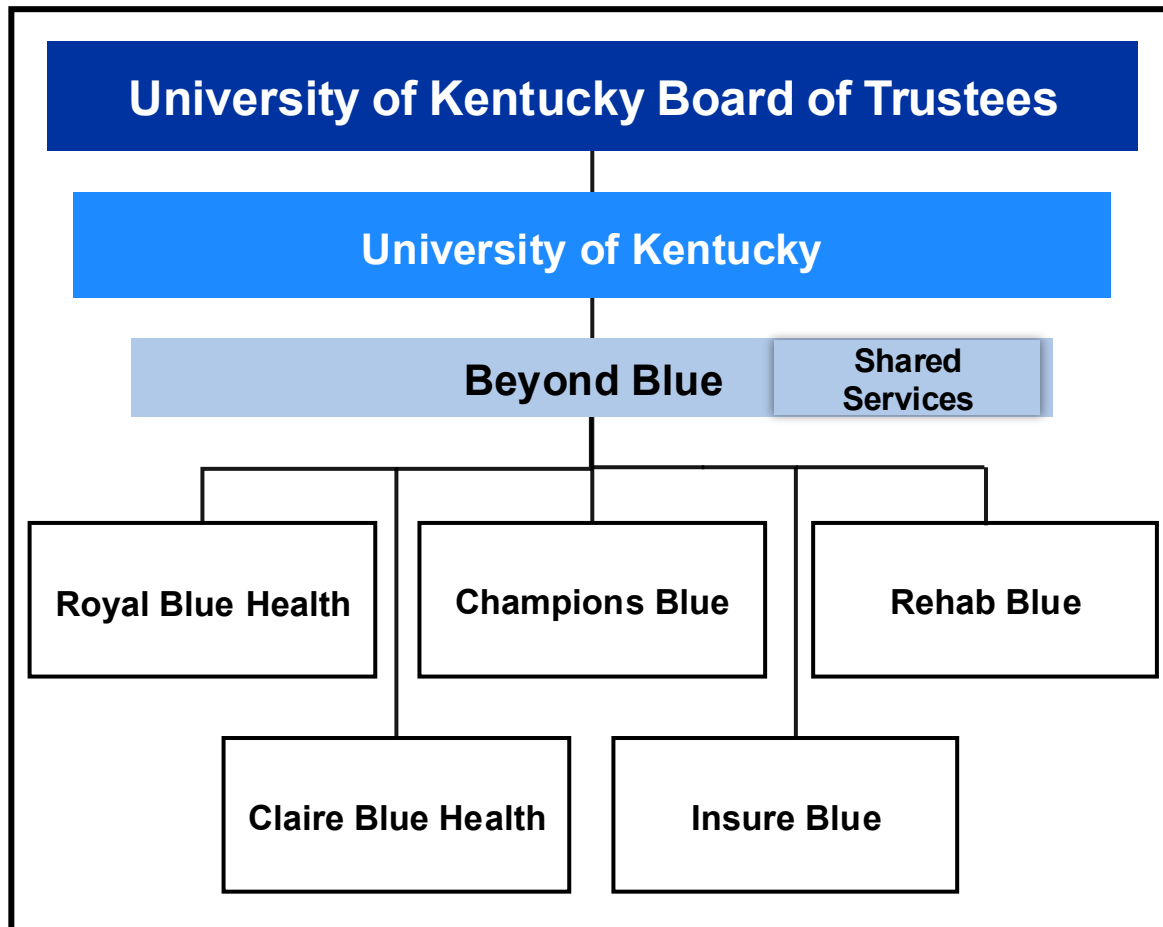
...Maximize the use of AI for enterprise-wide innovation.

Mitigate Risk

...Design operations that reduce risk to the institution and safeguard the community.

Beyond Blue is the UK affiliate organization established to facilitate the expansion of UK's healthcare services throughout Kentucky and into neighboring states.

Beyond Blue Holding Company Structure

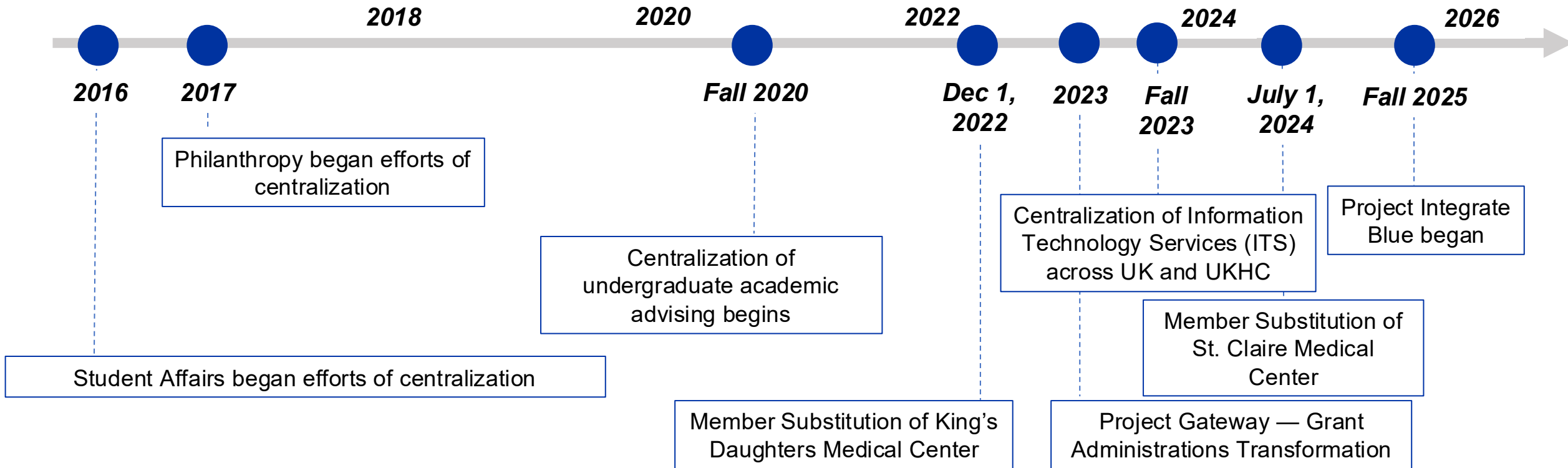


Beyond Blue

- Beyond Blue was created as an affiliated corporation to support the university's mission and expand its healthcare footprint.
- It currently serves as a holding company, enabling compliance with public entity rules and UK Board oversight.

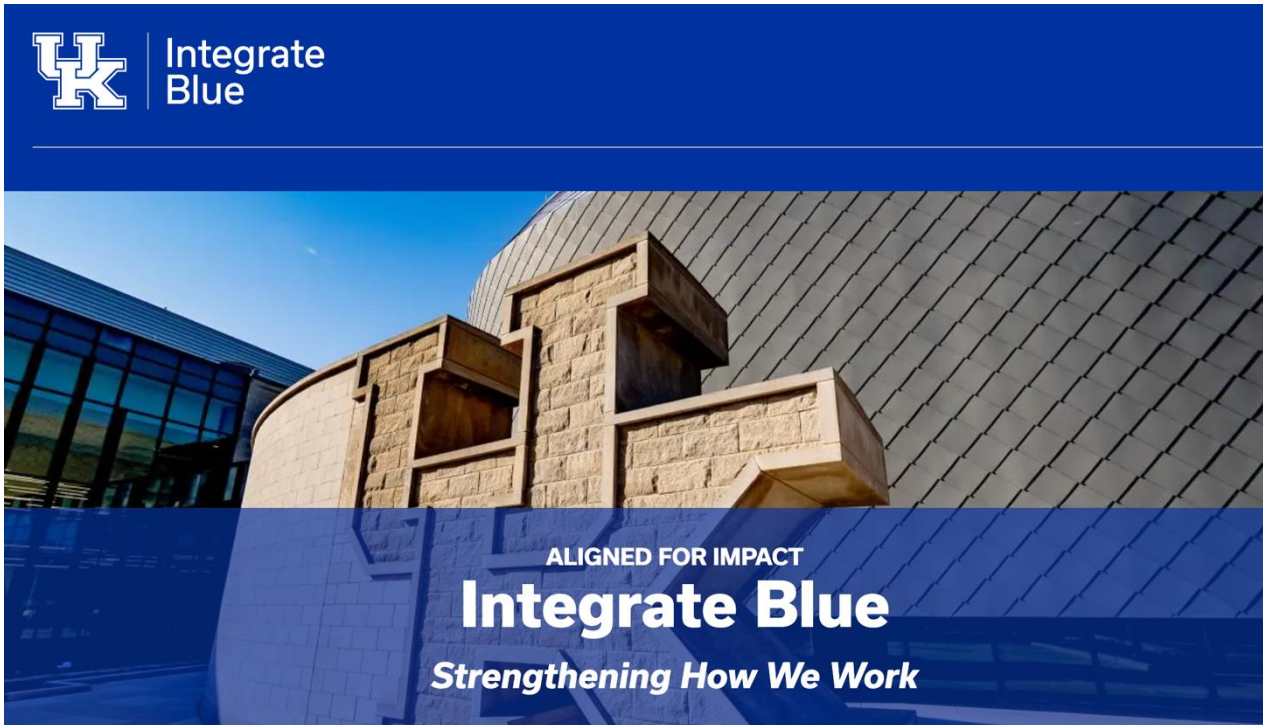
Sustained Progress Toward Centralization

Efforts to centralize across the University have been underway for nearly a decade, advancing significantly since 2020 through hundreds of meetings, robust employee engagement and transparent, accessible communications.



Integrate Blue Efforts

Building on this progress, Integrate Blue focuses on centralizing and streamlining functional services to improve efficiency and strengthen service quality.



Website launched in September 2025 to increase transparency and provide answers to FAQs and other helpful resources

100+

University leaders engaged including deans and unit leaders

15

Emails sent to individuals with information regarding upcoming changes

500+

Employees attending townhalls

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Integrate Blue Commitments

Leadership has committed to transforming the way UK does its work across all university functions to continue serving the Commonwealth.



Growth is the Goal

Integrate Blue is designed to provide the university with the **capacity to continue to serve the Commonwealth** and grow with the state.



No Reduction in Force Efforts

Integrate Blue is **not designed to reduce staff**. All existing employees will have a place in the new Shared Services organizations.



No Cost Savings Focus

Integrate Blue is **not attempting to reach a prescribed budget savings** but is focused on creating an ecosystem of high quality and efficiency.



Increased Career Opportunities

Integrate Blue creates more opportunities for UK staff and administrators by **clearly defining career advancement pathways**.



A Message from University of Kentucky

PRESIDENT ELI CAPILOUTO



Campus Community,

In recent years, every part of our campus has grown. It's not growth for the sake of growth or points about which to brag. Growth — managed thoughtfully and planned carefully — is how we advance Kentucky.

- We are educating and graduating more students.
- We are treating and healing more patients.
- We are conducting more research — much of it focused squarely on this state's challenges.
- And we are seeking more partners, in more communities, throughout Kentucky who we can work with to improve the health and the economy of all those we serve.

Strategically growing enables and empowers our efforts and our success.

A critical issue is how do we continue our momentum in advancing Kentucky, even as there are more questions about **what we do** and more scrutiny through federal and state laws and directives about **how we do** our work?

These commitments were shared with the university community by President Capilouto on Sept. 5, 2025.

Centralized Services Assessment Overview

Key Context

- The University of Kentucky conducted an assessment across five in-scope entities:
 - The university (UK)
 - UK HealthCare (UKHC)
 - UK King's Daughters (UKKD)
 - UK St. Claire Hospital (UKSC)
 - Champions Blue (Athletics)
- **Criteria** were assessed using an assessment matrix and each functional area was given an initial recommendation: **Don't Centralize** or **Centralize**.
- Functional areas that were recommended for centralization were then assessed for a **move to Beyond Blue**.
- The assessment considered **potential legal/regulatory issues**, as well as the **impact compared to the effort required**.

Centralization Criteria

-  Reduction of Service Duplication
-  Size of Functional Area
-  Opportunity to Enhance Customer Experience
-  Minimal Legal/Regulatory Issues
-  Potential for Improved Accountability
-  Mitigation of Existing Risk
-  Impact
-  Centralization Level of Effort
-  Cost Savings

Move to Beyond Blue Criteria

-  Culture Transformation
-  Differentiated Employee Compensation
-  Structured Leadership
-  Commercialization Opportunity

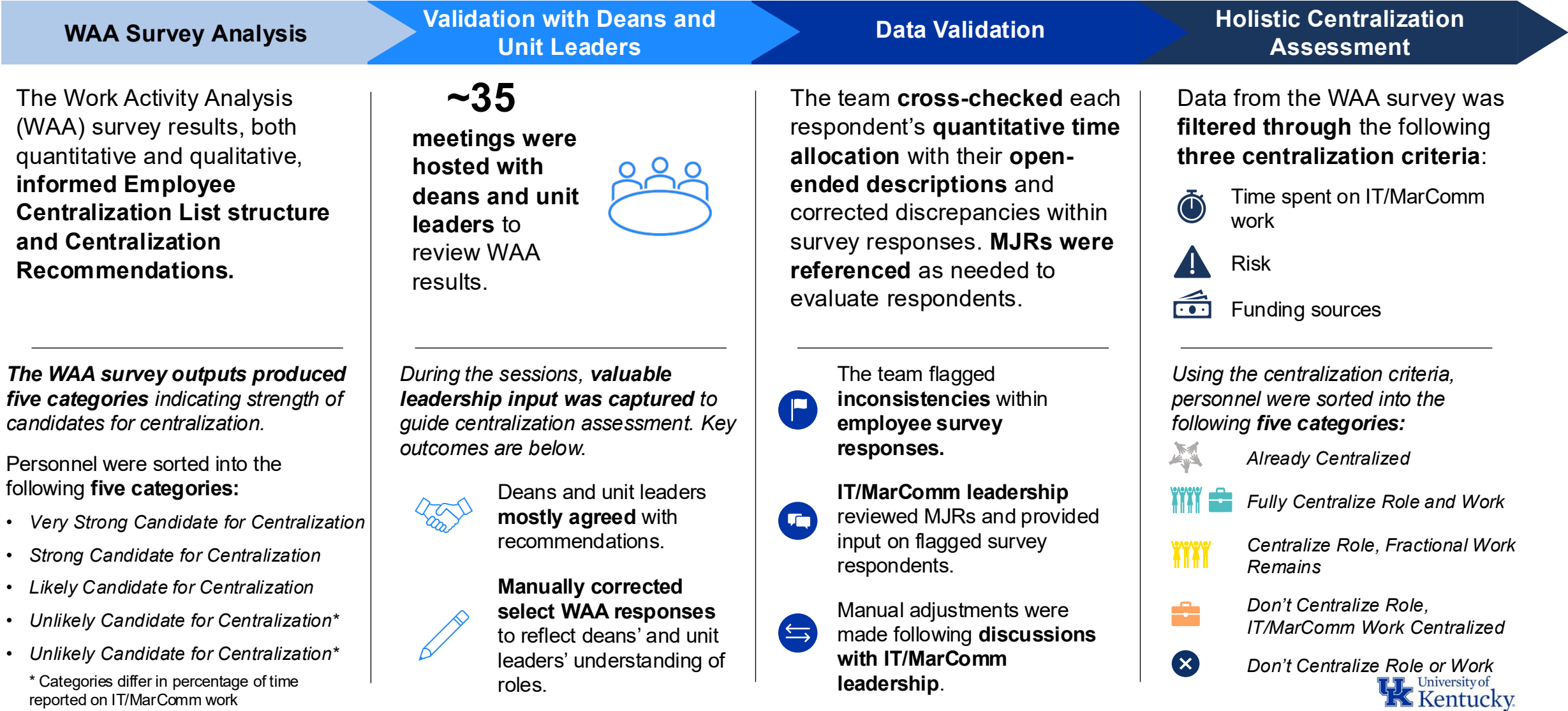
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Approach to identify candidates for centralization from WAA survey

The team proposed centralization recommendations based on the four-step process below. IT and MarComm leadership worked to finalize centralization decisions.

Step Description

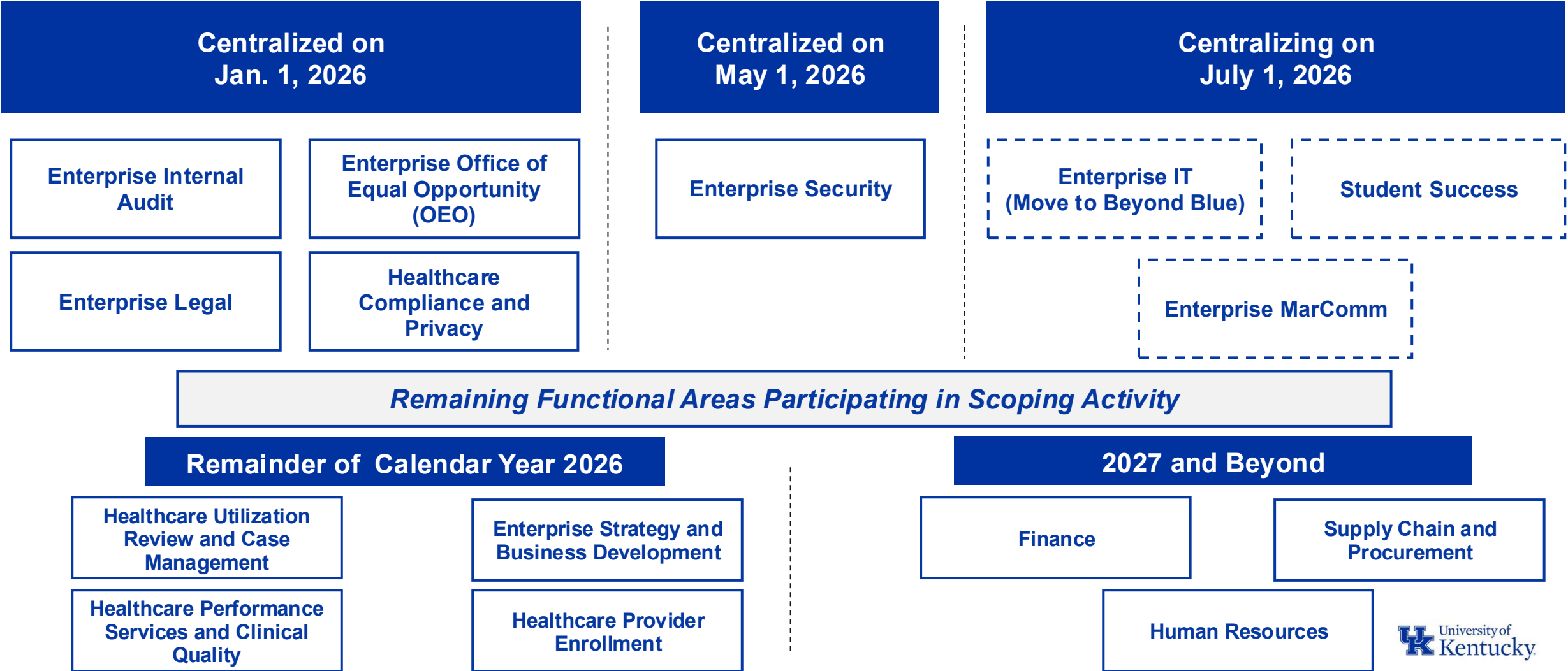
Step Outcome



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Timeline Update

Current status of functional areas identified for integration.
Nature of integration varies across functional areas in terms of reporting relationships, relocation and entity.



QUESTIONS

