Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Monday, June 29, 2026

The University Health Care Committee of the Board of Trustees of the University of Kentucky (UK) met on June 29, 2026, in the Longship Club, Kroger Field.

A. Meeting Opened

Bob Vance, chair of the University Health Care Committee called the meeting to order at 3:00 p.m.

B. Roll Call

The following members of the University Health Care Committee were in attendance: Alex Boone, Ron Geoghegan, Brenda Baker Gosney and Bob Vance; Community Advisory members: Jennifer Barber, Luther Deaton, Bill Farish and Josh Proffitt.

C. Approval of Minutes

Chair Vance stated that the minutes of the April 24, 2026 meeting had been distributed and asked for a motion to approve. Trustee Gosney moved approval and Trustee Boone seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. EVPHA Report

2030 Strategic Plan

Provost and Co-EVPHA, Robert DiPaola introduced the UK HealthCare's 2030 Strategic Plan discussion. Dr. DiPaola introduced Rob Edwards, vice president and chief strategy and government affairs officer and Dorian Herceg, associate vice president for enterprise strategy and organizational performance to present the details of the plan.

In April 2023, details of a strategic refresh established three foundational pillars: advanced subspecialty care; taking care of people and partners; and distinction as an academic health system. The current strategy continues to focus on UK's purpose of advancing Kentucky, with particular emphasis on talent, infrastructure, purpose, promise and the path forward.

Rob Edwards, vice president and chief strategy and government affairs officer, explained that the strategic plan serves as a communication document that articulates UK HealthCare's aspirations and establishes how capital and other limited resources will be prioritized to achieve those goals. The organization's aspirations remain focused on doing more and being more for Kentucky and ensuring that Kentuckians do not have to leave the Commonwealth to receive the most complex clinical care. He noted that there has been significant consistency in the messaging and priorities reflected in UK HealthCare's strategic plans over the past several years.

Culture of Excellence and Workforce Strategy

Tim Slocum, senior vice president and chief operating officer, discussed the organization's approach to executing a culture of excellence. He identified six pillars: safety, with an emphasis on reducing and eliminating harm; quality, through clinical effectiveness and evidence-based care.

Gwen Moreland, executive chief nursing officer, discussed workforce initiatives designed to support the organization's people and talent. Dr. Moreland noted that UK HealthCare cannot achieve its mission without retaining and developing its workforce. The Office of Recruitment has also been strengthened with resources dedicated to high-demand and difficult-to-fill positions.

Workforce results included the hiring of 748 registered nurses since July 1, including 381 nurses recruited through the spring hiring event. Workforce development teams have interacted with more than 8,600 students during the calendar year. Since March 2025, UK HealthCare has reduced its reliance on agency personnel by 45 percent.

Christopher DeSimone, executive chief medical officer, discussed the physician workforce strategy. UK HealthCare is working collaboratively with Human Resources, the College of Medicine and clinical leadership to centralize and standardize physician recruitment.

People, Partners and Care Closer to Home

Casey Brackett, senior director of strategy, described efforts to support partners throughout Kentucky as the healthcare environment continues to change. Through the strength of the University of Kentucky, UK HealthCare is able to support advanced clinical care, innovative care models, program and workforce development, education, research and discovery.

Distinction, Innovation and Artificial Intelligence

Pooja Talauliker, senior director of strategy, discussed how UK HealthCare's distinction as an academic health system creates opportunities to integrate innovation, research, education, clinical care and strategic partnerships. Artificial intelligence was highlighted as an important area of distinction, with UK HealthCare leveraging University resources, partnerships such as Microsoft and the CATS AI collaboration and clinical expertise.

Quality and Safety Goals

Jennifer Rose, senior associate vice president for Chandler Expansion and Performance Improvement presented UK HealthCare's quality and safety goals for 2027, as required for submission by The Joint Commission. Chair Vance noted that the quality and safety goals had been included in the Board materials

Trustee Gosney made a motion to recommend approval of the UK HealthCare 2027 Quality and Safety Goals. Trustee Geoghegan seconded the motion. The motion carried without dissent.

EmPATH Update

Mark Birdwhistell, senior vice president for health policy, introduced Mark Woods, chief nursing officer of Eastern State Hospital, to present an update on the University of Kentucky's Emergency Psychiatric Assessment, Treatment and Healing (EmPATH) program. Mr. Birdwhistell explained that the concept was initially presented to UK Healthcare leadership by Woods in 2019 and, after approximately five years of development, became a reality. He noted that the program represents an innovative approach to behavioral health crisis care and is an example of how the University is advancing care for the Commonwealth.

Dr. Woods explained that individuals experiencing behavioral health crises traditionally enter the health care system through emergency departments, which are not specifically designed to provide behavioral health treatment. He noted that approximately one in five individuals nationally experience mental illness, that Kentucky's rate is slightly higher and that suicide is the second leading cause of death among Kentuckians ages 10 to 34. He also noted that approximately one in seven emergency department visits nationally involve behavioral health concerns and that individuals experiencing behavioral health crises can sometimes remain in emergency departments for extended periods before receiving appropriate treatment.

Dr. Woods reported that the program had served more than 10,000 individuals since opening.

Malpractice Insurance

Bill Thro, University of Kentucky general counsel, provided an update on medical malpractice and medical malpractice insurance at UK Healthcare. Mr. Thro noted that UK Healthcare discharges approximately 75,000 patients annually and that, while the overwhelming majority of patients have positive outcomes, medical malpractice claims occasionally arise. He explained that the University of Kentucky cannot be sued unless the General Assembly waives the University's sovereign immunity and the General Assembly has not waived that immunity for medical malpractice claims. Individual physicians and nurses, however, may be sued, creating the need for medical malpractice coverage.

Thro explained that UK operates a self-insurance fund established by the General Assembly for its health care providers. The fund covers the cost of defense, including attorneys' fees and expert expenses, as well as settlements or damages when appropriate. A multidisciplinary committee consisting of physicians, nurses, finance personnel and attorneys reviews every claim or potential claim and determines the appropriate strategy. The committee is co-chaired by Mr. Thro and Margaret Pisacano, deputy general counsel for medical risk.

FYTD26 April Operational and Financial Report

Timothy Slocum, senior vice president and chief operating officer, reported UK HealthCare's fiscal year-to-date operational performance through April. Mr. Slocum reported continued improvement in length of stay, which was trending downward year over year, while case mix index, reflecting patient acuity, was trending upward. Total discharges were slightly below plan and generally flat compared with the prior year. Worked relative value units totaled just under 5.3 million compared with a budget of approximately 5.38 million, remaining below plan but above the prior year.

Inpatient operating room cases were slightly below budget than the prior year, while outpatient operating room cases were more than 1,000 cases above the prior year but approximately 1,000 below plan. Medical practice volume reached approximately 1.347 million visits compared with 1.267 million during the same period of the prior fiscal year, representing approximately 80,000 additional ambulatory visits. Emergency department volume totaled nearly 116,000 visits, approximately 6,000 above the prior year but slightly below plan.

Craig Collins, senior vice president and chief financial officer, presented consolidated financial results through April 30. UK HealthCare reported consolidated results above plan. Collins reported that revenue across the organization was supported by patient volumes, directed payments and continued specialty pharmacy growth across the health system.

Mr. Collins stated that the organization continues to take steps to prepare for reductions in governmental payments while investing in projects intended to improve efficiency and financial performance. Following the presentation, the Chair commended the health system's performance and specifically recognized growth in Ashland, Morehead and Lexington.

Trustee Gosney made a motion to recommend approval of FCR 2. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 9 Approval of Disposal and Demolition of UK Buildings #4472 and 4473, Frenchburg, Kentucky

FCR recommends approval to declare the block buildings identified as UK Buildings #4472 and #4473, located at 816 Kentucky Highway 36 in Frenchburg, Kentucky, surplus to the needs of the University and approve their disposal and demolition. The buildings, which were gifted to UK St. Claire Healthcare more than 30 years ago, have not historically been used by UK St. Claire Healthcare.

The Menifee County school system previously used the buildings for storage and adult education classes but discontinued their use due to their deteriorating condition. Given the buildings' age, deteriorated condition and the cost-prohibitive nature of repair or repurposing, demolition was determined to be the most economical solution. Pursuant to KRS §164A.575(8), the governing board may dispose of institutional property that is no longer needed or has become unsuitable for public use. Because the property is not needed by the University and has exceeded its useful life, the proposed demolition was determined to be in the best interest of the University and the Commonwealth.

Trustee Boone made a motion to recommend approval of FCR 9. Trustee Gosney seconded the motion. The motion carried without dissent.

<u>FCR 11 Approval to Acquire – 8750 Ohio River Road, Wheelersburg, Ohio</u>

The recommendation authorizes the CEO of UK King's Daughters to enter into a purchase agreement and acquire the building located at 8750 Ohio River Road in Wheelersburg, Ohio. The approximately 12,000-square-foot building was constructed in 2009 to King's Daughters' specifications and has housed a Family Care Center since its completion. The property appraised for $2.4 million and the acquisition price will not exceed $2.2 million, plus customary due diligence and other capitalized acquisition costs.

Trustee Gosney made a motion to recommend approval of FCR 11. Trustee Geoghegan seconded the motion. The motion carried without dissent.

<u>FCR 12 Approval to Acquire 716 West Main Street, Morehead, Kentucky/Conflict of Interest</u>

The recommendation seeks to approve an exception to Kentucky Revised Statutes (KRS) §164.131(7), pursuant to KRS §164.367 and authorize the Executive Vice President for Finance and Administration to acquire the real property and improvements located at 716 West Main Street in Morehead, Kentucky, for the use and benefit of UK St. Claire Healthcare (UKSC). The property includes approximately 3,740 square feet of clinical space on 0.721 acres and is located approximately one-half mile from the UKSC Regional Medical Center. The property provides clinical space for pediatric services and no alternative parcels in the immediate vicinity were identified that could serve the same purpose without requiring a greater investment. The property was appraised at $820,000 and the total acquisition cost will not exceed that amount, plus customary due diligence and other capitalized acquisition costs.

Although the consideration is below the threshold normally requiring Board approval, Travis Bailey, a UKSC administrator, currently owns a 50 percent interest in the property, creating a potential conflict of interest under KRS §164.131(7) and applicable

University policies. Mr. Bailey did not participate in negotiations or internal discussions concerning the property. The employee's interest was fully disclosed and the proposed transaction and conflict were reviewed by the Claire Blue Health Executive Committee, which recommended approval of the conflict waiver and acquisition. The University's General Counsel and Chief Accountability Officer and Audit Executive also reviewed the transaction and recommended approval.

Trustee Boone made a motion to recommend approval of FCR 12. Trustee Geoghegan seconded the motion. The motion carried without dissent.

<u>FCR 14 Approval of Premises Lease</u>

The recommendation authorizes the Executive Vice President for Finance and Administration to negotiate and execute a premises lease between St. Claire Medical Center, Inc as lessor and Life Learning Center Morehead Real Estate LLC, as lessee.

The leased premises consist of a building located at 135 North Hargis in Morehead, Kentucky and an adjacent vacant lot located at 209 West Second Street. Life Learning Center is a teaching center that assists individuals in overcoming life challenges, obtaining and maintaining stable employment UK St. Claire owns the properties and proposes leasing them to Life Learning Center.

Trustee Gosney made a motion to recommend approval of FCR 14. Trustee Boone seconded the motion. The motion carried without dissent.

<u>FCR 16 Construct/Improve Medical/Administrative Facility 3 Phase 2 (Expand Patient Care Facility –Construction Phase 2) Capital Project</u>

The recommendation approves the initiation of the Construct/Improve Medical/Administrative Facility 3 Phase 2 (Expand Patient Care Facility – Construction Phase 2) capital project. Since the first three patient care floors in Pavilion A of Albert B. Chandler Hospital opened in 2011, UK HealthCare has experienced consistent growth in inpatient admissions. The final shelled patient floor was completed in 2023 and is fully utilized, prompting continued planning for expansion of the Chandler campus to provide additional inpatient beds and clinical support services to meet the future needs of the Commonwealth. The Board previously approved a $180 million design phase in April 2023 and a $200 million first phase of construction in September 2025.

The second construction phase will include construction of new utilities, initiation of the diagnostic and treatment podium, portions of the core-and-shell tower and associated mechanical, electrical and plumbing equipment. The $1.2 billion phase will be funded with agency funds and agency bonds and will bring the total approved project scope to $1.58 billion. The project remains within the $4 billion authorization approved by the 2024 and 2026 sessions of the Kentucky General Assembly. The recommendation also includes a Declaration of Official Intent to allow reimbursement of eligible capital expenditures from future tax-exempt debt proceeds. The University's Debt Management

Committee reviewed the financing plan and supports the recommendation.

Trustee Gosney made a motion to recommend approval of FCR 16. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 19 Improve Medical Facility 4 (UK King's Daughters Medical Center EmPATH Unit) Capital Project

The recommendation approves the initiation of the Improve Medical Facility 4 capital project to create an Emergency Psychiatric Assessment, Treatment and Healing (EmPATH) unit at UK King's Daughters Medical Center. The project will renovate existing UK King's Daughters space in Ashland to provide rapid stabilization and treatment for patients experiencing behavioral health emergencies, with the goals of reducing prolonged Emergency Department stays and improving patient outcomes. The unit will be located adjacent to the main campus and will provide separate onsite parking to facilitate convenient patient access while remaining in close proximity to the Medical Center. The $5.5 million project was authorized by the 2026 Kentucky General Assembly, is within the total legislative authorization of $30 million and will be funded with agency funds.

Trustee Boone made a motion to recommend approval of FCR 19. Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 20 Improve State Street Medical Facilities (Exterior Improvements to Waller Healthcare Annex #1) Capital Project

The recommendation approves the initiation of the Improve State Street Medical Facilities (Exterior Improvements to Waller Healthcare Annex #1) capital project. The project will provide exterior improvements to Waller Healthcare Annex #1, which was originally constructed in 1998 as a three-story, approximately 44,000-square-foot hotel and is currently used to house various UK HealthCare administrative units. The improvements are intended to extend the useful life of the building's exterior envelope and provide greater aesthetic alignment with the adjacent new Cancer/Ambulatory Building. The $10 million project was authorized by the 2026 Kentucky General Assembly, is within the total legislative authorization of $100 million and will be funded with agency funds.

Trustee Geoghegan made a motion to recommend approval of FCR 20. Trustee Boone seconded the motion. The motion carried without dissent.

E. Privileges and Appointments

Executive Chief Medical Officer Christopher DeSimone presented the list of providers from the UKHC Medical Staff for privileges and appointments. Trustee Boone made a motion to approve the list. Trustee Gosney seconded the motion and it passed without dissent.

F. Other Business and Adjournment

Chair Vance called for new or other business that needed to be brought before the University Health Care Committee or questions for the presenters. Hearing no further business, the meeting was adjourned at 5:04 p.m.

Respectfully submitted,
Leigh Bays Donald
University Health Care Committee Secretary