

FCR 8

Office of the President
December 14, 2004

Members, Board of Trustees:

UK HEALTHCARE PATIENT CARE FACILITY AND OTHER PROJECT APPROVALS

Recommendation: that the Board of Trustees support and approve the pursuit of legislative and bonding authority from the Commonwealth of Kentucky and implementation of early phases of the following capital project:

Construct Patient Care Facility	\$375,000,000	Agency Bonds/Agency Funds
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And, that the Board of Trustees approve the initiation of the following projects upon receipt of authority from the Kentucky General Assembly:

Expand Ambulatory Care Facilities	\$20,000,000	Agency Funds
Upgrade Surgical Services	\$4,500,000	Agency Funds
Upgrade Critical Care Center HVAC	\$7,649,000	Agency Funds
Expand Cancer Infusion Suites	\$1,964,200	Agency Funds
Expand Ophthalmology Clinic	\$3,100,000	Agency Funds
Install Perioperative Info. Mgmt. Sys.	\$1,200,000	Agency Funds
Upgrade Picture Archive Communication System	\$2,000,000	Agency Funds
Replace Radiology Info. Sys. (QuadRIS)	\$2,000,000	Agency Funds

Background: UK HealthCare has undertaken extensive planning processes involving strategy, facilities and finances. The plans are bold and aggressive but fiscally responsible and implementable. We are committed to reevaluating and recalibrating all of our plans on an ongoing basis to make sure that we achieve our goals and make any necessary adjustments expeditiously. These projects begin the implementation of Phase 1A of the UK HealthCare master plan and also include several critical investments in the operating room, cancer suites, the ophthalmology clinic and information technology systems, which will increase efficiencies and customer satisfaction, and enhance the services of UK HealthCare. A number of other renovations and enhancements of inpatient and outpatient facilities and investments in information technology systems are under consideration and it is anticipated that some of these may be brought before the Board of Trustees in the near-term for approval.

The leadership of UK HealthCare recognizes that it has responsibility for all clinical programs initiated and all clinical building projects commenced. Financial models demonstrate that UK HealthCare can financially undertake the first phase of rebuilding project. Approval to issue revenue bonds will be necessary in order to fulfill the patient care project. Given the magnitude of these projects, UK HealthCare recognizes its responsibility to keep all parties informed of progress and will seek final approval from the Board of Trustees at the time when it is ready to issue bonds as it relates to these projects.

Action taken: Approved Disapproved Other _____