

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES



Craig C. Collins, Senior Vice President for Health Affairs and Chief Financial Officer

Colleen H. Swartz, Acting Chief Operations Officer and Vice President for Hospital Operations



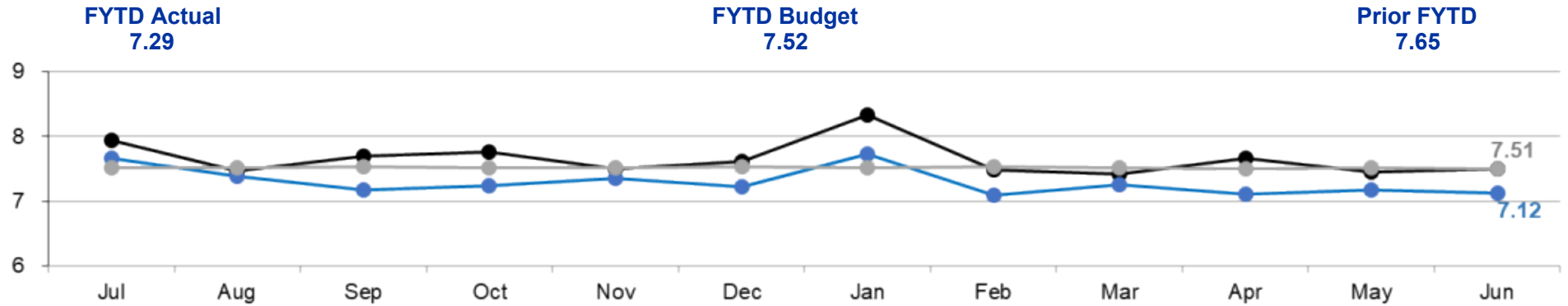
KEY STATISTICS: YEAR ENDING—JUNE 30, 2024

PRELIMINARY/UNAUDITED RESULTS

AVERAGE LENGTH OF STAY (DAYS)



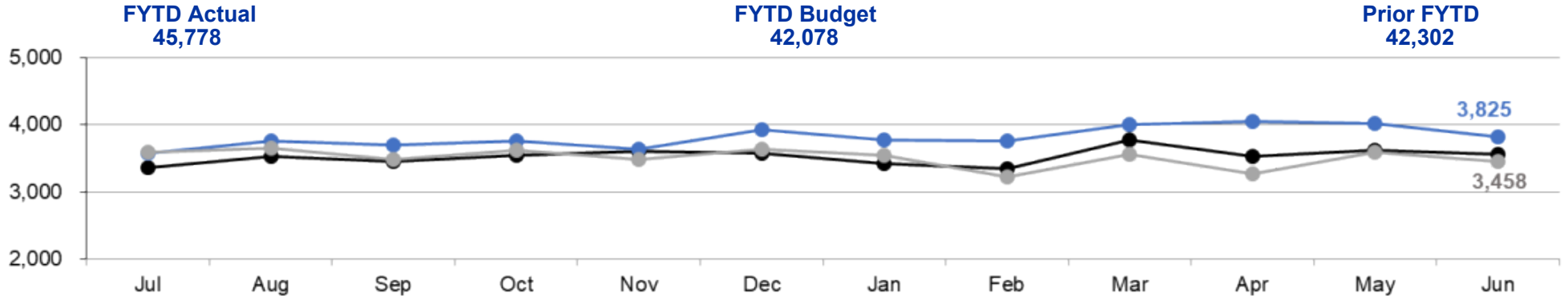
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TOTAL DISCHARGES



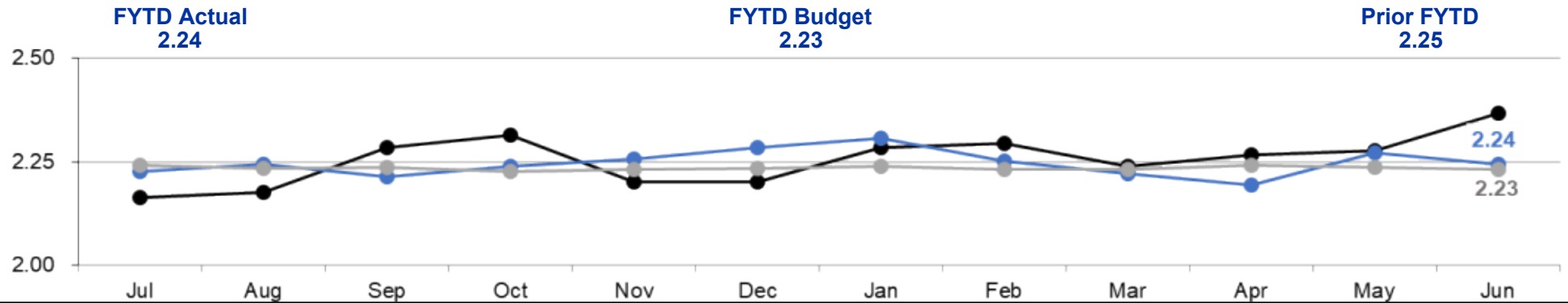
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CASE MIX INDEX



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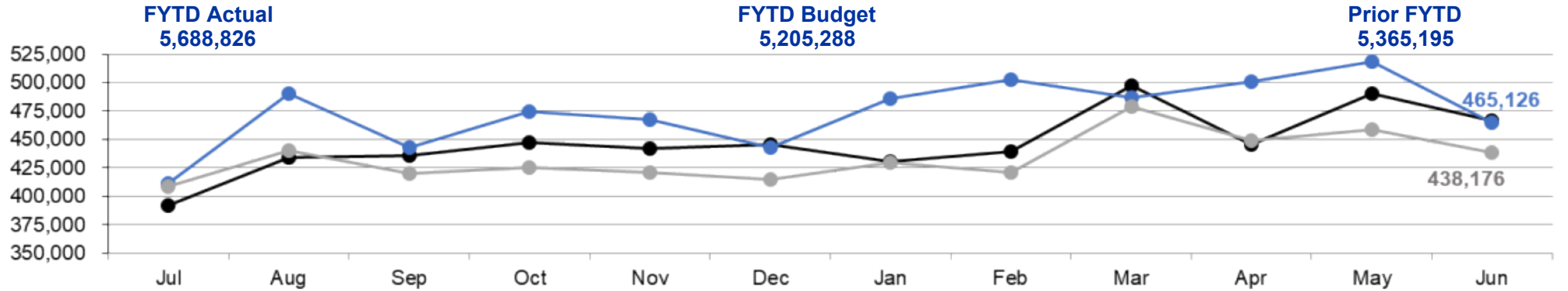
● FY2023 ● FY2024 ● FY2024 Budget

KEY STATISTICS: YEAR ENDING—JUNE 30, 2024

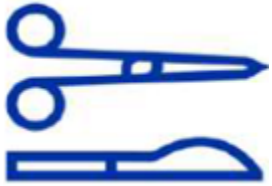
RVUs



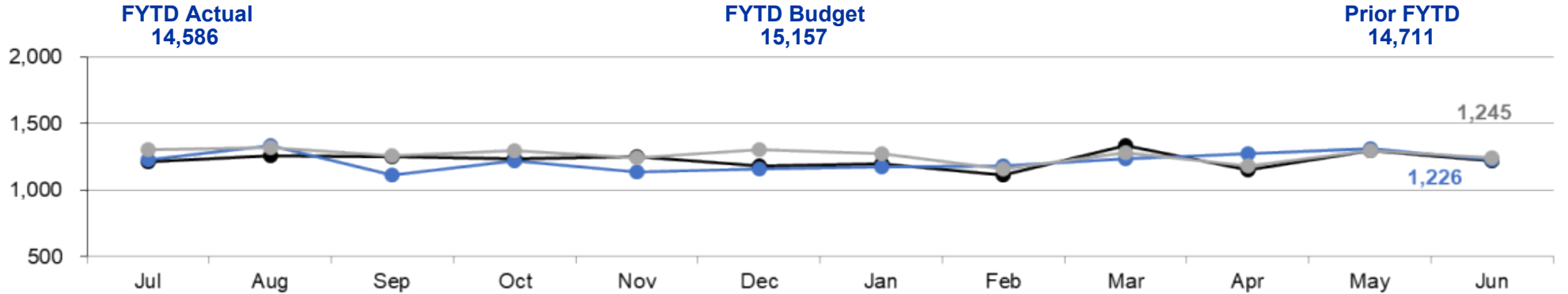
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INPATIENT OR CASES



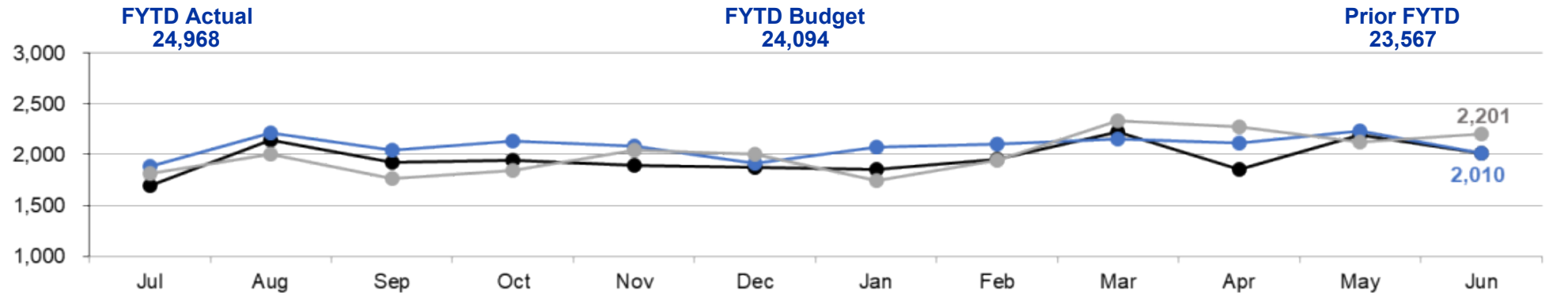
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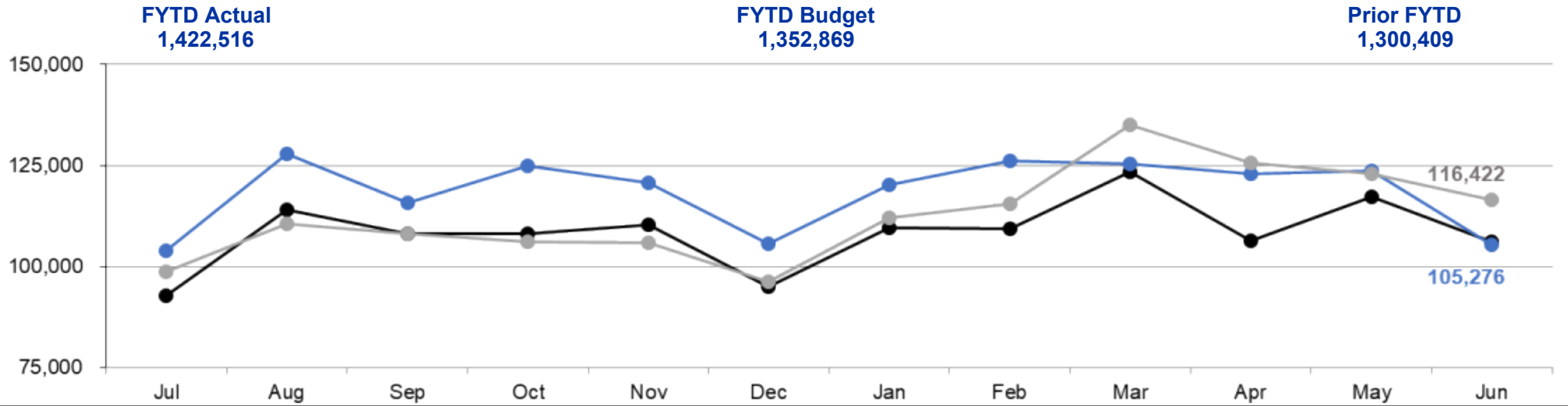
● FY2023 ● FY2024 ● FY2024 Budget

KEY STATISTICS: YEAR ENDING—JUNE 30, 2024

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



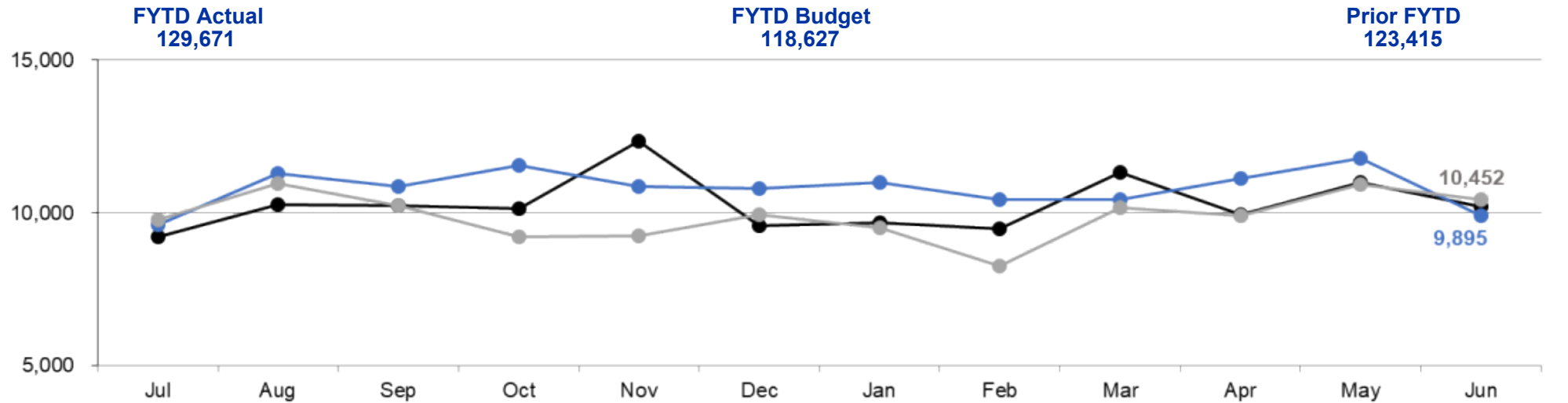
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EMERGENCY DEPARTMENT CASES



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● FY2023 ● FY2024 ● FY2024 Budget

CONSOLIDATED STATEMENT | YEAR ENDING—JUNE 30, 2024

UK HealthCare and Royal Blue Health (values in thousands)

PRELIMINARY/UNAUDITED RESULTS

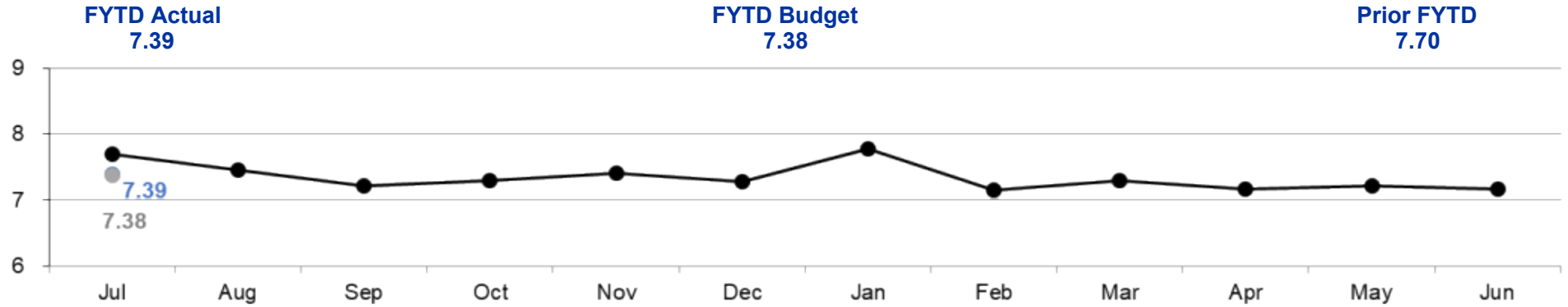
	UK HealthCare			Royal Blue Health			Total HealthCare		
	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year
Net Patient Revenue	3,551,431	216,186	3,423,924	969,038	74,358	1,004,708	4,520,469	290,544	4,428,632
Other Operating Revenue	128,136	6,085	97,615	84,472	16,182	78,781	212,609	22,267	176,396
Total Operating Revenue	<u>3,679,567</u>	<u>222,271</u>	<u>3,521,539</u>	<u>1,053,510</u>	<u>90,541</u>	<u>1,083,489</u>	<u>4,733,078</u>	<u>312,811</u>	<u>4,605,028</u>
Total Operating Expenses	<u>3,365,716</u>	<u>218,866</u>	<u>3,122,575</u>	<u>944,523</u>	<u>37,013</u>	<u>884,102</u>	<u>4,310,238</u>	<u>255,879</u>	<u>4,006,677</u>
Excess of Revenue Over Expenses From Operations	313,852	3,404	398,965	108,988	53,528	199,387	422,839	56,932	598,351
Operating Margin	8.53%		11.33%	10.35%		18.40%	8.93%		12.99%
Non-Operating Revenue (Expense)									
Investment income (loss)/other transfer	116,803	32,011	72,832	40,421	31,495	21,174	157,223	63,506	94,006
Enabling Transfers	<u>(30,233)</u>	<u>(30,233)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,233)</u>	<u>(30,233)</u>	<u>(10,000)</u>
Net Income	<u>400,422</u>	<u>5,182</u>	<u>461,797</u>	<u>149,408</u>	<u>85,023</u>	<u>220,561</u>	<u>549,830</u>	<u>90,205</u>	<u>682,357</u>
Net Margin	10.9%		13.1%	14.2%		20.4%	11.6%		14.8%

KEY STATISTICS: MONTH ENDING—JULY 2024

AVERAGE LENGTH OF STAY (DAYS)



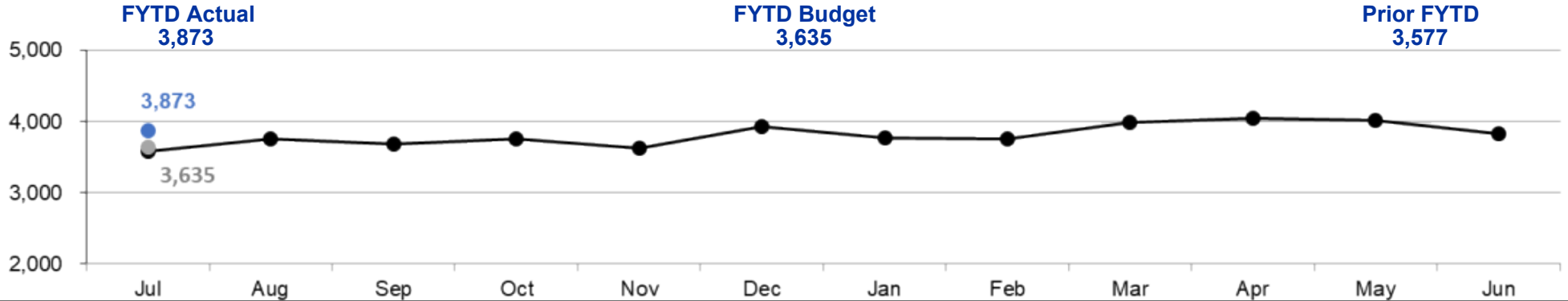
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TOTAL DISCHARGES



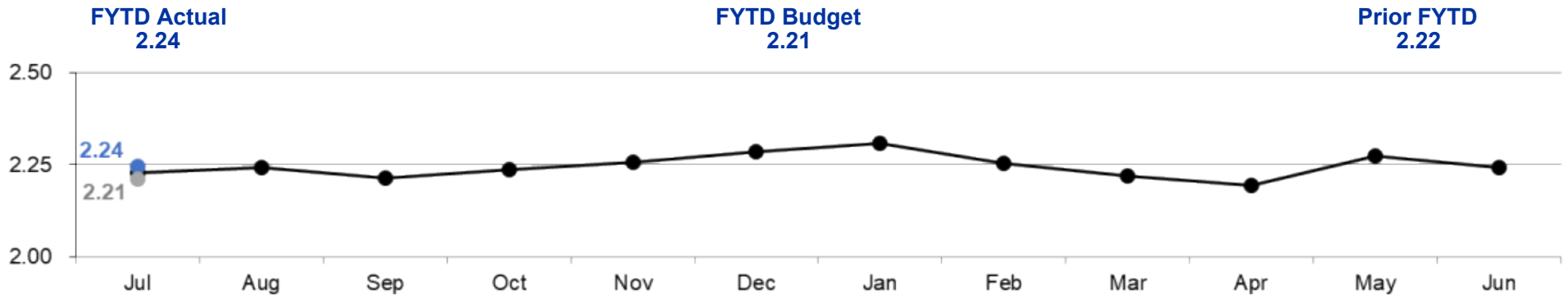
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CASE MIX INDEX



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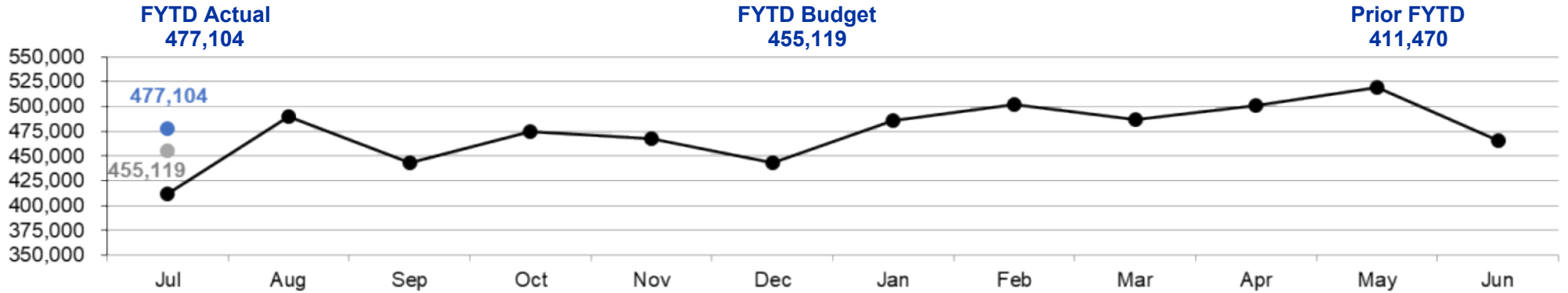
● FY2024 ● FY2025 ● FY2025 Budget

KEY STATISTICS: MONTH ENDING—JULY 2024

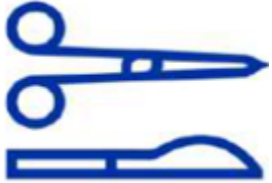
RVUs



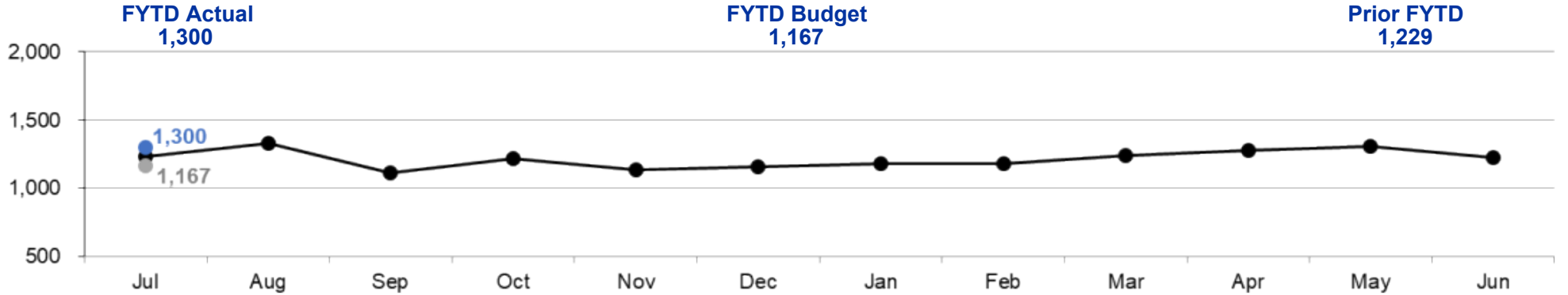
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INPATIENT OR CASES



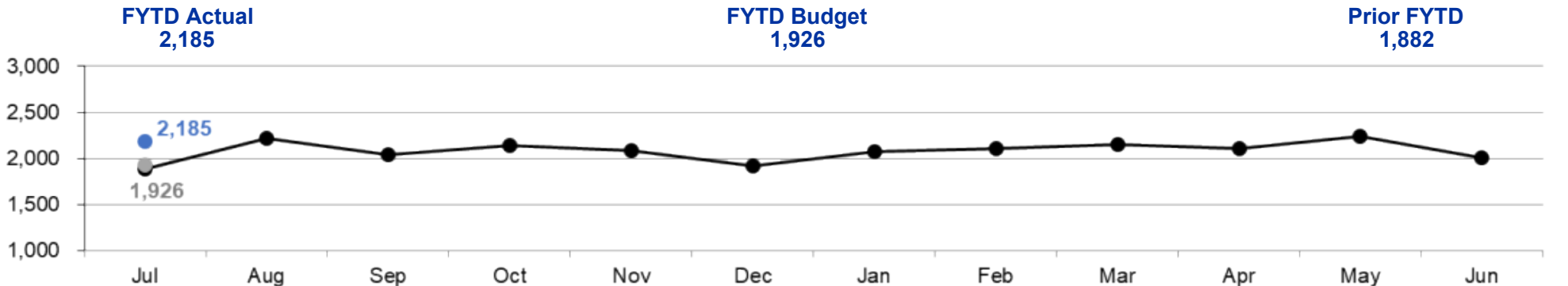
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OUTPATIENT OR CASES



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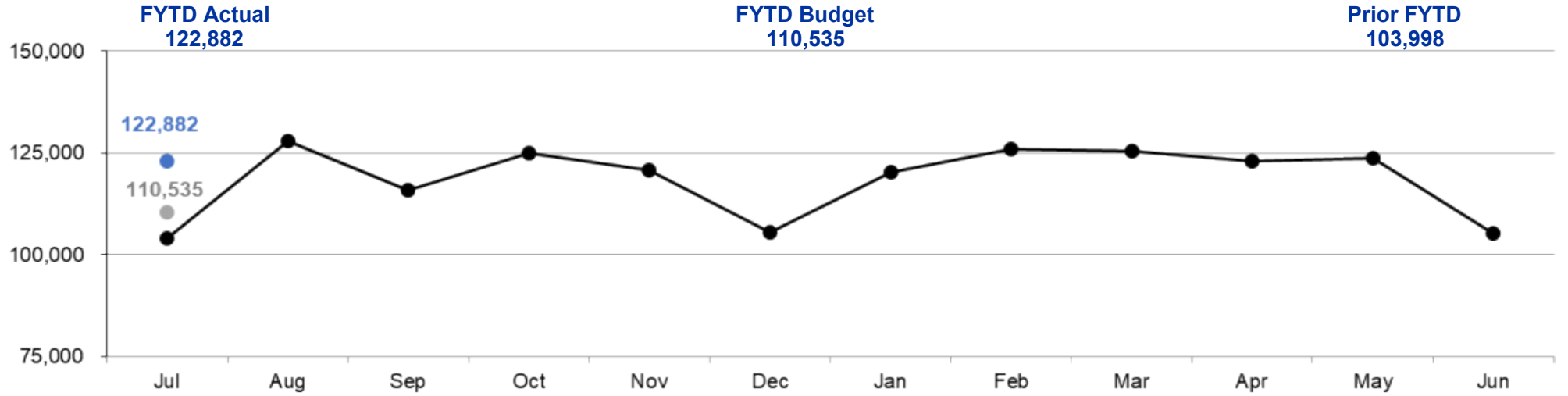
● FY2024 ● FY2025 ● FY2025 Budget

KEY STATISTICS: MONTH ENDING—JULY 2024

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



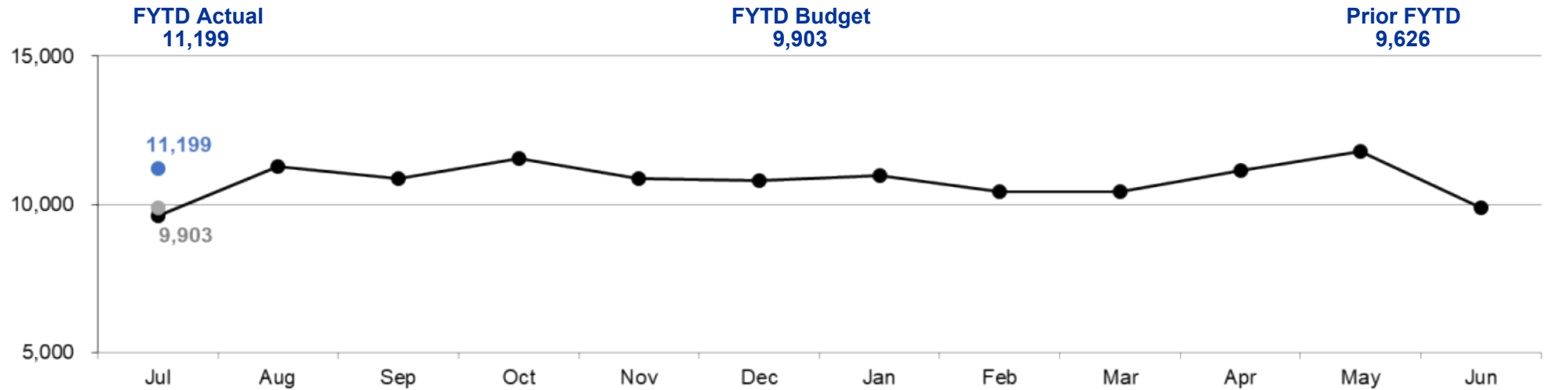
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EMERGENCY DEPARTMENT CASES



Higher is better



● FY2024 ● FY2025 ● FY2025 Budget

CONSOLIDATED STATEMENT | MONTH ENDING—JULY 2024

UK HealthCare, Royal Blue Health and Claire Blue Health (values in thousands)

	UK HealthCare			Royal Blue Health			Claire Blue Health			Total HealthCare		
	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year	Actual	Budget Variance	Prior Year*	Actual	Budget Variance	Prior Year
Net Patient Revenue	298,289	1,766	276,426	74,817	(1,259)	74,531	20,475	(220)	17,425	393,581	287	368,382
Other Operating Revenue	13,358	4,601	9,515	7,102	(556)	7,309	2,377	421	1,855	22,837	4,466	18,679
Total Operating Revenue	<u>311,647</u>	<u>6,367</u>	<u>285,941</u>	<u>81,919</u>	<u>(1,815)</u>	<u>81,840</u>	<u>22,852</u>	<u>201</u>	<u>19,280</u>	<u>416,418</u>	<u>4,752</u>	<u>387,061</u>
Total Operating Expenses	<u>289,501</u>	<u>(6,159)</u>	<u>255,456</u>	<u>81,867</u>	<u>840</u>	<u>72,940</u>	<u>22,570</u>	<u>198</u>	<u>18,813</u>	<u>393,939</u>	<u>(5,121)</u>	<u>347,209</u>
Excess of Revenue Over Expenses From Operations	22,146	12,526	30,485	51	(2,655)	8,900	282	3	467	22,479	9,874	39,852
Operating Margin	7.11%		10.66%	0.06%		10.88%	1.23%		2.42%	5.40%		10.30%
Non-Operating Revenue (Expense)												
Investment income (loss)/other	12,579	4,227	7,967	6,549	5,278	6,549	227	227	741	19,355	9,732	15,258
Enabling Transfers	<u>(7,135)</u>	<u>224</u>	<u>(2,926)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,135)</u>	<u>224</u>	<u>(2,926)</u>
Net Income	<u>27,590</u>	<u>16,977</u>	<u>35,526</u>	<u>6,601</u>	<u>2,623</u>	<u>15,449</u>	<u>509</u>	<u>230</u>	<u>1,208</u>	<u>34,699</u>	<u>19,830</u>	<u>52,184</u>
Net Margin	8.9%		12.4%	8.1%		18.9%	2.2%		6.3%	8.3%		13.5%

*Claire Blue Health Prior Year Included as Reference Only

QUESTIONS



FINANCE COMMITTEE RECOMMENDATIONS (FCRs)

FCR 7

Office of the President
September 13, 2024

Members, Board of Trustees:

APPROVAL OF LEASE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease with the Kentucky Medical Services Foundation (KMSF) for space located at 138 Leader Avenue, Lexington, Kentucky for UK HealthCare (UKHC).

Background: The Finance Committee review and recommends to the Board of Trustees on all leases exceeding \$200,000 annually pursuant to Governing Regulation II.G.3. The President or his designated representative is authorized to execute leases and easements not exceeding \$200,000 in value.

The 138 Leader Avenue building will provide office and conference space for UK HealthCare administrative staff and faculty in close proximity to the Albert B. Chandler Hospital. The leased space will include 26,681 square feet with an annual rent not to exceed \$888,477 per year and will be funded with agency funds.

Kentucky Revised Statute § 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2024-2026 Executive Budget of the Commonwealth. Contingent upon approval from the Board of Trustees, the lease will be reported to the Kentucky Capital Projects and Bond Oversight Committee.



FCR 12

Office of the President
September 13, 2024

Members, Board of Trustees:

IMPROVE UK HEALTHCARE FACILITIES – UK CHANDLER HOSPITAL
(PAVILION H INFUSION CENTER RELOCATION) CAPITAL PROJECT

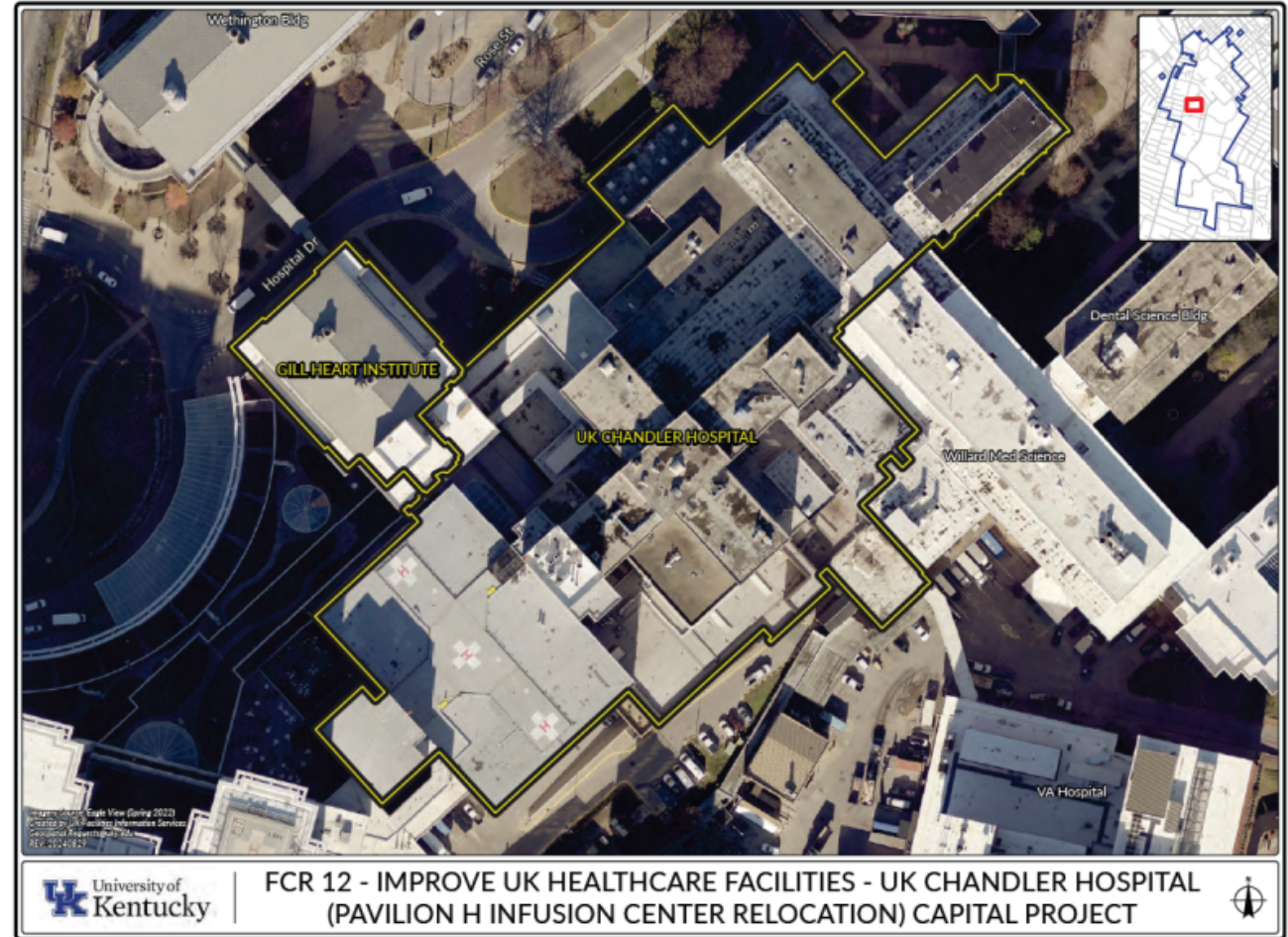
Recommendation: that the Board of Trustees approve a scope increase for the Improve UK HealthCare Facilities – UK Chandler Hospital (Pavilion H Infusion Center Relocation) capital project.

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.

At its September 15, 2023, meeting, the Board approved the \$2,800,000 capital project to relocate an outpatient infusion center from the Gill Heart and Vascular Institute (Pavilion G) to the first floor of the Chandler Medical Center and Hospital (Pavilion H). The original project would create additional capacity for non-oncology infusion services including 11 private and open bay infusion spaces as well as associated staff support areas.

An additional 1,735 square feet of space has been added to the project during the programming phase to provide 12 private infusion rooms and updates to the Pavilion H lobby area to create a distinct waiting space for infusion patients to better serve this patient population. The revised scope of work will increase the cost of the project by \$1,500,000.

This \$4,300,000 project, authorized by the 2024 Kentucky General Assembly, is well within the total legislative authorization of \$150,000,000 and will be funded with agency funds.



FCR 13

Office of the President
September 13, 2024

Members, Board of Trustees:

IMPROVE UK HEALTHCARE FACILITIES – UK CHANDLER HOSPITAL
(PAVILION G CATH LAB 2) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Improve UK HealthCare Facilities – Chandler Hospital (Pavilion G Cath Lab #2) capital project.

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.

This project will renovate the existing Cath Lab #2 located in the Gill Heart Institute (Pavilion G). The project scope includes replacing the existing bi-plane system with a new Siemens Cath Lab system, adding wall-mounted medical gas outlets, updating finishes and casework as required to support the new system and updating the control room.

This \$3,100,000 project, authorized by the 2024 Kentucky General Assembly, is well within the total legislative authorization of \$150,000,000 and will be funded with agency funds.



FCR 16 IMPROVE AND CONSTRUCT UTILITIES CAPITAL PROJECT

FCR 16

Office of the President
September 13, 2024

Members, Board of Trustees:

IMPROVE CENTRAL PLANTS AND CONSTRUCT/IMPROVE UTILITIES
INFRASTRUCTURE UK HEALTHCARE (UNIVERSITY UTILITIES EXPANSION AND
UPGRADES) CAPITAL PROJECT

Recommendation: that the Board of Trustees support and approve the initiation of the Improve Central Plants and Construct/Improve Utilities Infrastructure UK HealthCare (University Utilities Expansion and Upgrades) 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 cost of \$1,000,000 or more must be approved by the Board prior to initiation.

To better serve the Commonwealth and fulfill the university's commitment to its citizens' wellbeing, the university plans, over the next several years, to expand and build new facilities to address Kentucky's rising healthcare needs, including the expansion of the Chandler Patient Care Facility and a new Cancer Treatment and Ambulatory Care Facility. In tandem, the university is building the Rankin Health Education Building to train current and future generations of Kentucky healthcare providers. This growth also includes the new Martin-Gatton College of Food and the Environment Agriculture Research Facility 1 and other major capital projects to improve and modernize campus facilities to serve our students and patients better. Additionally, the university must address the technological improvements and mechanical upgrades needed to existing utility plants and distribution systems to better serve current and future needs. Consequently, the university is exploring an opportunity for a holistic approach to utility infrastructure upgrades that will significantly improve our infrastructure systems' efficiencies and sustainability and support needed growth.

The recommended P3 strategy is not only appropriate but also a testament to the university's commitment to the Commonwealth and its financial prudence. This strategy allows us to retain financial flexibility while funding capital projects focused on caring for our students and patients.

Using two legislative authorizations, this project is not expected to exceed \$400,000,000 and would be well within the total legislative authorization of \$800,000,000. It will be funded with third-party financing under KRS Chapter 45A and agency funds. Pending Board approval, the university will report the combination of the two legislative authorizations to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____

QUESTIONS



UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Christopher P. DeSimone, Acting Executive Chief Medical Officer



AN EQUAL OPPORTUNITY UNIVERSITY

PRIVILEGES AND APPOINTMENTS

QUESTIONS

