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Chairman, Board of Trustees
October 23, 2026

Members Board of Trustees:

ADVANCING KENTUCKY: LEVERAGING EXPERTISE AND PARTNERSHIPS,
STRENGTHENING RELIABILITY AND SAFETY, MAXIMIZING FINANCIAL
DISCIPLINE AND PERFORMANCE

Recommendation: This Board of Trustees has continually and consistently directed the President and campus community to focus its efforts — and accelerate them — on our collective mission to advance Kentucky in all that we do. No aspect of that mission — that north star — is more essential than improving and sustaining the health of our state.

To that end, UK HealthCare — in partnership with the broader UK community as well as providers and hospitals throughout the state — has significantly grown as an enterprise over the last two decades to meet its singular mission: to be Kentucky's center for excellence in advanced, subspecialty care and create and expand access to those services so that more Kentuckians can receive the best of care, closer to home.

The numbers — and the stories of countless patients and families impacted by these efforts — are compelling: six hospitals, more than 73,000 discharges last year alone, nearly 3 million ambulatory visits, 1,700 licensed beds, the state's only nationally designated comprehensive cancer center and the highest levels of complex care for children and those who suffer from trauma, along with a growing network of affiliations and partnerships that are bringing complex, life-saving treatments to more Kentuckians than ever before.

But there is more to do. Our mission and this moment call for us to do and be more to ensure a healthier Kentucky.

The delivery of complex, specialty care must be more coordinated, integrated and accessible to more Kentuckians. The state still confronts a shortage of physicians, particularly in rural areas, to provide primary care and access to more complex care. A focus on continued efficiency and effective operations has enabled UK HealthCare to treat and heal more patients, yet the need to do even more grows in a state that is still challenged by high levels of chronic and acute disease and illness.

At the same time, the federal funding model — Medicaid directed payments — that pays for much of the care UK HealthCare provides faces significant reductions, beginning in 2028. Yet, a growing number of patients require more expertise, staffing and infrastructure to extend healing and hope further for more Kentuckians.

Meeting this moment requires thoughtful planning and a renewed dedication to safety and reliability, coordinated and integrated health delivery strategies, responsible fiscal management. At the same time, it requires a commitment to build more partnerships — with partners who share our values and standards of excellence — and through the continued collaborative growth of the Advancing Kentucky Together Network and business opportunities when they advance our mission, deliver on quality and make financial sense.

To address still tremendous challenges and seize the opportunities to advance Kentucky's health with partners, this Board directs the President, campus community and the UK HealthCare enterprise to engage in collaborative, strategic initiatives to:

- **Leverage the full breadth of the University of Kentucky's expertise and capacity — its education, research and service missions and units — in partnership with UK HealthCare** — to expand access to advanced care and services, strengthen efforts to keep care closer to home for more Kentuckians and respond to the health needs of the state in ways that are coordinated and sustainable. Partnerships, such as those exemplified in the Advancing Kentucky Together Network, will be crucial to this effort.
- **Build on current momentum by strengthening UK HealthCare's work as a High Reliability Organization** in ways that will continue to expand and improve access and capacity, maintain disciplined financial performance and establish and maintain appropriate safeguards to ensure initiatives are achievable, coordinated and responsive to changing market conditions.
- **Evaluate mission-aligned partnerships and emerging business models, and maximize the growth and focus of the Advancing Kentucky Together Network** to assess and take advantage of opportunities, increase impact for Kentucky and its people and support responsible program and system growth to serve communities across the Commonwealth.
- **Continue to advance the health of Kentucky** through dynamic planning, strategy and measurable action, while managing operational and financial risk in ways that grow revenues and maintain healthy cash reserves.

Tremendous growth over two decades — and a growing commitment to partnerships such as the Advancing Kentucky Together Network — has undeniably resulted in more advanced treatments being delivered to more Kentuckians, who now do not have to leave home to receive the best of care in the worst of moments. It is the promise of more healing and hope for Kentucky.

But financial headwinds and fiscal pressures are not an excuse to back away from this mission now. Indeed, it is a call to do more and be more for the state we serve. Through thoughtful planning and execution and a renewed commitment to enhance and extend access to care that only we provide, we can and will meet this moment, too.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____