



October 26, 2022

Dear Interim Joint Committee on Appropriations and Revenue,

In compliance with HB99 Section 4, UofL Health is pleased to provide this annual report to the Interim Joint Committee on Appropriations and Revenue "detailing the status of the KEDFA loan for as long as the loan is in effect."

We are happy to report that fiscal year 2023 continues to show progress as the health system matures to serve the health needs of the Commonwealth and the Louisville Region. The annual audit has been approved by our Board of Directors, and we are reporting positive financial results for our third year of operation. UofL Health also continues to live up to the promises made when the legislature supported this loan. As spelled out in the loan document, we continue to exceed agreed-upon employment and wage levels. As certified in calendar year 2021, UofL Health has employed 6,603 Kentucky residents (exceeding the 5,880 requirement), and the average wage is \$65.82 (exceeding the \$35.00 per hour requirement).

In addition, UofL Health is on track to pay back the obligated portion (\$17.5 million) of the \$35 million KEDFA loan ahead of schedule. In fiscal year 2022, UofL Health paid the Commonwealth \$4,375,000. We plan to make annual payments and anticipate complete repayment of the obligated portion of the loan by 2025 before the first payment is due.

The acquisition of the KentuckyOne assets saved 5,500 Kentucky jobs with a payroll of more than \$300 million while generating an economic impact of approximately \$482 million, and we continue to grow. UofL Health is developing access to medical care in underserved areas in both urban and rural areas across the state. The health system has developed primary care and specialty practices in South and West Louisville; is in the process of building inpatient beds in Bullitt County; has entered into an affiliation agreement with Carroll County Hospital in Carrollton, Kentucky (a 25-bed critical access hospital); and continues to reach out to other rural hospitals to help them be successful. All of this activity demonstrates our continued commitment to increase access to health services for all Kentuckians.

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The first three years of UofL Health have proved challenging with a global pandemic and now severe industry-wide staffing constraints. Even under those conditions, UofL Health financially managed efficiently and continued to expand services to provide high quality health care to medically underserved communities in Kentucky. We also continued our mission of accepting all patients in need and our mission as a "safety net" hospital focused on teaching and research.

In addition to expanding access to underserved areas of the Commonwealth, there have been several other exciting developments at UofL Health this past year. We have begun significant partnerships with Jefferson County schools that begin to introduce students to careers in the health care field early in their education. In addition, we have started providing free tuition to UofL Health employees and their families who wish to pursue a higher education degree.

All of these efforts are designed not only to address the health needs of today, but also to prepare for what tomorrow might bring. We are continually thankful for the support of the legislature in securing these needed funds. With your support, UofL Health will continue to thrive and serve the health care needs across the Commonwealth.

Tom Miller



Chief Executive Officer
UofL Health