



October 26, 2023

Dear Members of the Interim Joint Committee on Appropriations and Revenue,

In compliance with HB99 Section 4, passed by the Kentucky General Assembly in March of 2020, UofL Health is pleased to provide its 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."

Once again, we are happy to report that fiscal year 2023 shows several examples of positive forward momentum, and the health system continues to meet the growing health needs of the Commonwealth and the Louisville Region. The annual audit has been completed and approved by our Board of Directors, and we are reporting positive financial results for our fourth consecutive year of operation. Our audited EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization) for fiscal year 2023 is \$108,549,575. In addition, UofL Health 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 the calendar year 2023, UofL Health has employed 6,716 Kentucky residents (exceeding the 5,880 requirement), and the average wage is \$57.19 per hour (exceeding the \$35.00 per hour requirement).

In some cases, we are exceeding expectations. **In April of 2024, UofL Health is planning to make another payment for the obligated portion (\$17.5 million) of the \$35 million KEDFA loan. We are still on track to fully paying off the obligated portion of the loan a year before the first payment was due.** This final payment will complete the health system's obligations of the KEDFA loan. We believe the \$17.5 million investment by the legislature continues to pay multiples of dividends. The 2019 acquisition of Kentucky One assets saved 5,500 Kentucky jobs with a payroll of more than \$300 million while generating an economic impact of approximately \$482 million.

Our mission of continuing to provide improved access to health care across the Commonwealth continues. UofL Health is developing access to medical care in underserved areas in both urban and rural settings across the state. Since 2020, we have:

- Recruited 334 providers (physicians and advanced practice providers) into medically underserved areas of the state.
- Developing primary care and specialty practices in South and West Louisville.
- Expanded critical health screening in West Louisville, including \$250,000 in support of over 5,600 pap smears and mammography screening provided by the Family Health Centers.
- In March of 2024, we will open 40 new inpatient beds in Bullitt County.
- Developed and opening in 2024 a new urgent care location in Spencer County.
- The affiliation with Carroll County Hospital in Carroll County Kentucky (a 25-bed critical access hospital) is over a year old. UofL Health physicians and services have been brought to the community to better serve health needs close to home.

- We provided interim leadership to Taylor Regional Medical Center in Campbellsville, and we continue to reach out to other rural hospitals to help them be successful.
- We have begun significant partnerships with Jefferson County Public Schools and other school systems that begin to introduce students to careers in the health care field early in their education.
- In 2022, UofL Health introduced free tuition to all UofL Health employees and their families who wish to pursue a higher education degree to encourage our workforce and their families to continue improvement through education.
- Opening med/psych program at Mary & Elizabeth in April 2024.
- Beginning construction for obstetrical services at Mary & Elizabeth Hospital to serve South and West Jefferson County.
- Beginning to construct adolescent behavioral health beds scheduled to open in 2024.
- Expanding University Hospital to increase capacity with opening expected in late fall 2024-summer 2025.
- UofL Health cared for over two million people last year and had admissions from every county in the Commonwealth.

This is just a sample of the activity that demonstrates our continued commitment to increase access to health services for all Kentuckians regardless of where they live.

The first four years of UofL Health have had its challenges with a global pandemic and severe industry-wide staffing constraints, but we have continued to move forward. UofL Health has consistently shown positive financial management and continues to expand services to provide high quality health care to medically underserved communities in Kentucky. At the same time, we continue our mission of accepting all patients in need and our mission as a “safety net” health system focused on teaching and research remains central to our daily work.

All of these efforts are designed not only to address the health needs of today but also 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.

Sincerely,



Tom Miller  
CEO  
UofL Health