

**CAPITAL PLANNING ADVISORY BOARD**

**2022-2028  
Agency Capital Plan**

**Staff Analysis and Comments**

**INSTITUTION:** University of Kentucky – Hospital

Projects submitted in the University of Kentucky (UK) Hospital plan are financed from restricted funds (hospital revenues) or agency bonds (debt service supported by hospital revenues).

The vision of UK HealthCare is to achieve national recognition as a top 20 public academic health center providing optimal multidisciplinary health care and developing advanced medical therapeutics for the people of Kentucky and surrounding regions. UK HealthCare strives to:

- provide a broad range of advanced subspecialty care so that Kentuckians need not travel outside Kentucky for medical care,
- become a clinical destination serving Kentucky and beyond for select highly specialized services,
- support rural health care, collaborating closely with community providers to enable residents to receive appropriate health care in their local communities,
- mature collaborative relationships into a well-integrated health delivery system that can respond to a changing health care environment and provide high-quality, cost-efficient health care, and
- support the research and teaching missions of the university.

**OVERVIEW**

The plan submitted by the UK Hospital addresses needs related to the new Patient Care Facility, the 473-bed Chandler Hospital, the Gill Heart Institute, the Markey Cancer Center Complex, UK Good Samaritan, Kentucky Clinic, and other facilities/spaces on the UKHC campus and other UKHC locations.

The University of Kentucky is the commonwealth’s only public, land grant, research-extensive university. It is one of only seven universities in the United States that combines schools of Agriculture, Engineering, Medicine, and Pharmacy on a single campus; and includes a hospital enterprise.

UK HealthCare is committed to the pillars of academic health care – research, education, and clinical care. Dedicated to the health of the people of Kentucky, we will provide the most advanced patient care and serve as an information resource. We will strengthen local health care and improve the delivery system by partnering with community hospitals and physicians. We will support the organization’s education and research needs by offering cutting edge services on par with the nation’s best providers.

**PROPOSED PROJECTS – Financial Summary**

<b>Funding by Source</b>	<b><u>2022-2024</u></b>	<b><u>2024-2026</u></b>	<b><u>2026-2028</u></b>	<b><u>Total</u></b>
Restricted Funds	\$2,313,000,000	\$1,662,000,000	\$1,582,000,000	\$5,557,000,000
Agency Bonds	150,000,000	0	0	150,000,000
Other LTF	<u>195,000,000</u>	<u>0</u>	<u>0</u>	<u>195,000,000</u>
Total	\$2,658,000,000	\$1,662,000,000	\$1,582,000,000	\$5,902,000,000
Construction - Other	17	9	7	33
Construction - PIP	14	9	9	32
IT	<u>5</u>	<u>5</u>	<u>5</u>	<u>15</u>
Total	36	23	21	80

LTF - Long Term Funding; PIP - Protect Investment in Plant

**2022-2028 CAPITAL PLAN  
PLAN OVERVIEW  
FORM SYP-P1**

**Branch:**  
**Cabinet/Function:**  
**Agency/Institution:**

Executive Branch  
Cabinet for Postsecondary Education  
University of Kentucky - Hospital

UK HealthCare includes the hospitals and clinics of the University of Kentucky. But it is so much more. It is 9,000 people – physicians, nurses, pharmacists, and other healthcare professionals – all dedicated to providing the most advanced, most effective care available, not just in Kentucky but anywhere.

As an academic research institution, our physicians as well as pharmacists, nurses and other healthcare professionals are continuously pursuing the next generation of cures, treatments, protocols, and policies. Their discoveries have the potential to change what is medically possible within our lifetimes. At the same time, our educators and thought leaders in health policy and delivery are transforming the healthcare landscape in Kentucky to provide the right care in the right place for everyone in the state.

Thanks to over a decade of unprecedented growth, UK HealthCare’s status has vaulted to national recognition among academic medical centers. Since 2004, we have increased patient volume twofold, renovated and built new facilities, doubled our employee count, developed advanced specializations in clinical care, established a robust regional referral network and created new opportunities in research and education. For the past several years, U.S. News & World Report has ranked UK HealthCare the number one hospital in Kentucky. Our Markey Cancer Center is ranked among the nation’s Top 50 providers for cancer care, and we are considered high performing in geriatrics, nephrology and orthopedics, as well as in eight common procedures and conditions.

Enhancing the facilities and technology of UK HealthCare has been a driving force throughout this process. UK HealthCare continues to undergo an impressive physical transformation of the Lexington Campus and beyond. We have further progressed with the fit out of the Patient Care Facility, with numerous projects – such as an additional patient floor, replacement of the NICU, relocation of the blood bank, explosion and relocation of radiology, and fit out of the new operating rooms - nearing completion. Improvements to the Good Samaritan Emergency Department include space dedicated to patient care such as private patient rooms, expanded service capabilities and improved staff support space. In April 2019, UK HealthCare began the process to replace the current electronic health records system with a fully integrated patient centric electronic single enterprise platform that will modernize UK HealthCare’s digital infrastructure.

With new Patient Care Facilities opening to the public, a domino effect ensues with the previously occupied space vacated and available for systematic replacement and renovation. The 2022-28 Capital Plan asks for \$150 million in agency bonds in 2022-24, the first biennium, to continue facility renewal efforts on Chandler Campus, and expand the delivery of healthcare services necessary to better serve our patients and improve the health and lives of the citizens of the commonwealth and to ensure the highest level of service and efficiency.

Our main focus has been and will continue to be on our patients and how we can exceed their expectations. Over the past decade, our focus on advanced subspecialty care and collaborating with providers across the commonwealth has been a tremendous success. Our 2022-28 Capital Plan will help us continue building on that success as the health care industry continues to rapidly evolve and change. We are one community ...committed...to creating a healthier Kentucky. One community, a unified health system that works together to deliver on every aspect of our mission: clinical care, education, and research.

**UNIVERSITY OF KENTUCKY – HOSPITAL  
Proposed Project Involving Agency Bonds**

**2022-2024**

- 1 Improve UKHC Facilities UK Chandler Hospital** **\$310,000,000**  
This project will improve/renovate/upgrade/expand spaces on the UK HealthCare A.B. Chandler medical campus. This project may include, beds, surgery, diagnostic, clinical, treatment, and support space. This pool of projects may finance projects that cost \$1,000,000 or more. Funding sources include \$50 million AB and \$260 million RF. (C-PI)
- 2 Acquire and/or Enter Partnership with Medical System or Enterprise** **\$300,000,000**  
This project will acquire and/or enter a partnership with another medical system/enterprise which shall become part of the UKHC enterprise in furtherance of the university's and UKHC's mission to better serve the commonwealth and its citizens. The university is exploring different financing options for this project and may opt to use other third-party financing pursuant to KRS 45.763, restricted funds or private funds. (C-O)
- 3 Acquire/Improve Medical/Administration Facility 1 UKHC** **\$150,000,000**  
This project will acquire, renovate, upgrade, improve, and expand a medical and/or administrative facility pursuant to the university and UK HealthCare's mission and strategic and physical development plans. Funding sources include \$50 million AB, RF, and long-term financing. (C-PI)

**UNIVERSITY OF KENTUCKY – HOSPITAL**  
**Proposed Projects Involving Restricted Funds and Other Funds**  
(Projects listed in alphabetical order)

**2022-2024**

Acquire Data Center Hardware UKHC	\$15,000,000	RF
Acquire Medical Facility 1 UKHC	50,000,000	RF
Acquire Medical Facility 2 UKHC	50,000,000	RF
Acquire Telemedicine/Virtual ICU	10,000,000	RF
Acquire/Improve Elevator Systems UKHC	15,000,000	RF
Acquire/Improve Medical/Administration Facility 2 UKHC	75,000,000	RF
Acquire/Improve Medical/Administration Facility 3 UKHC	100,000,000	RF
Acquire/Upgrade IT System UKHC	10,000,000	RF
Construct Ambulatory Facility UKHC	400,000,000	RF/OT-LTF
Construct Data Center UKHC	45,000,000	RF
Construct Hospice Facility UKHC	5,000,000	RF
Construct Medical Facility 3	100,000,000	RF
Construct Medical/Administration Facility 3 UKHC	100,000,000	RF
Construct State Street Medical Facilities	100,000,000	RF
Construct/Expand/Renovate Ambulatory Care UKHC	20,000,000	RF
Construct/Improve Medical/Administration Facility 1 UKHC	50,000,000	RF
Construct/Improve Medical/Administration Facility 2 UKHC	30,000,000	RF
Implement Energy Performance Contracting	1,000,000	RF
Implement Land Use Plan UKHC	100,000,000	RF
Implement Patient Communication System UKHC	10,000,000	RF
Improve Building Systems UKHC	50,000,000	RF
Improve Clinical/Ambulatory Services Facilities	50,000,000	RF
Improve Good Samaritan Hospital Facilities	25,000,000	RF
Improve Markey Cancer Center	20,000,000	RF
Improve Medical Facility 1 UKHC	25,000,000	RF
Improve Medical Facility 2 UKHC	25,000,000	RF
Improve Parking/Transportation Systems 1 UKHC	75,000,000	RF
Improve Parking/Transportation Systems 2 UKHC	75,000,000	RF/OT-LTF
Improve Site/Civil Infrastructure UKHC	10,000,000	RF
Improve State Street Medical Facilities	100,000,000	RF
Improve Utilities Infrastructure	80,000,000	RF
Renovate/Improve Nursing Units UKHC	7,000,000	RF
Replace UKHC IT Systems 1	320,000,000	RF

**Proposed Projects Involving Restricted Funds and Other Funds – cont'd**

(Projects listed in alphabetical order)

**2024-2026**

Acquire Data Center Hardware UKHC	\$15,000,000	RF
Acquire Partnership Medical System	300,000,000	RF
Acquire Telemedicine/Virtual ICU	10,000,000	RF
Acquire/Improve Medical/Administration Facility 4 UKHC	100,000,000	RF
Acquire/Upgrade IT System UKHC	10,000,000	RF
Construct Ambulatory Facility UKHC	50,000,000	RF
Construct Data Center UKHC	45,000,000	RF
Construct Hospice Facility UKHC	5,000,000	RF
Construct Medical/Administration Facilities 2 UKHC	30,000,000	RF
Construct Medical/Administration Facility 1 UKHC	50,000,000	RF
Construct Medical/Administration Facility 4 UKHC	100,000,000	RF
Construct/Expand/Renovate Ambulatory Care UKHC	20,000,000	OT-LTF
Construct/Improve Medical/Administration Facilities UKHC	15,000,000	RF
Implement Land Use Plan UKHC	20,000,000	RF
Implement Patient Communication System UKHC	10,000,000	RF
Improve Building Systems UKHC	50,000,000	RF
Improve Clinical/Ambulatory Services Facilities	50,000,000	RF
Improve Good Samaritan Hospital Facilities	25,000,000	RF
Improve Markey Cancer Center	20,000,000	RF
Improve UKHC Facilities UK Chandler Hospital	310,000,000	RF
Renovate/Improve Nursing Units UKHC	7,000,000	RF
Renovate/Upgrade HealthCare Facilities	100,000,000	RF
Replace UKHC IT Systems 1	320,000,000	RF

**2026-2028**

Acquire Data Center Hardware UKHC	\$15,000,000	RF
Acquire Partnership Medical System	300,000,000	RF
Acquire Telemedicine/Virtual ICU	10,000,000	RF
Acquire/Improve Medical/Administration Facility 4 UKHC	100,000,000	RF
Acquire/Upgrade IT System UKHC	10,000,000	RF
Construct Ambulatory Facility UKHC	50,000,000	RF
Construct Data Center UKHC	45,000,000	RF
Construct Hospice Facility UKHC	5,000,000	RF
Construct Medical/Administration Facility 4 UKHC	100,000,000	RF
Construct/Expand/Renovate Ambulatory Care UKHC	20,000,000	RF
Construct/Improve Medical/Administration Facilities UKHC	15,000,000	RF
Implement Land Use Plan UKHC	20,000,000	RF
Implement Patient Communication System UKHC	10,000,000	RF
Improve Building Systems UKHC	50,000,000	RF
Improve Clinical/Ambulatory Services Facilities	50,000,000	RF
Improve Good Samaritan Hospital Facilities	25,000,000	RF
Improve Markey Cancer Center	20,000,000	RF
Improve UKHC Facilities UK Chandler Hospital	310,000,000	RF
Renovate/Improve Nursing Units UKHC	7,000,000	RF
Renovate/Upgrade HealthCare Facilities	100,000,000	RF
Replace UKHC IT Systems 1	320,000,000	RF