

staying *focused* ▶

An unwavering focus on the fundamentals of quality health care enabled UK HealthCare to move closer to its goal of becoming a world-class academic medical center. Successes of fiscal year 2009 are a testament to the single-minded efforts of caring individuals working together.

While thousands of UK HealthCare physicians and staff closely attend to patient needs, artists from Kentucky and beyond are at work creating art that, thanks to philanthropy, will enhance the healing environment of the new UK Albert B. Chandler Hospital under construction. Four of these artists are featured within these pages.

All of us – faculty, staff and artist – are paying attention to what matters most: the patients and families who put their trust in UK HealthCare.

focus ►



On the cover, Anil Attili, MD,
chief of cardiothoracic radiology,
reads a CT scan of the heart.



Members of UK HealthCare senior leadership particularly focused on improving the continuum of care for patients include, l.-r., Jonathan Curtright, chief operating officer for ambulatory services; Ann Smith, chief administrative officer for UK Chandler Hospital; Paul DePriest, MD, chief medical officer; Richard Lofgren, MD, chief clinical officer and VP for healthcare operations; Michael Karpf, MD, executive VP for health affairs; Colleen Swartz, RN, chief nurse executive; and Frank Beirne, chief administrative officer for UK Good Samaritan Hospital.

Economic Challenges Call for Very Best Thinking

Significant challenges and major successes – these are the words that best describe fiscal year 2009.

We finished the year positive in operations with an excess of \$7 million. We have now been positive in operations every year for the last six years. Even so, our performance was not quite as strong as in previous years.

There are three reasons why this was the case: the downturn in the economy; difficulties caused by last winter's ice storm with people unable to either leave or come to UK HealthCare; and a change in the UK vacation policy, which led to more employees taking their time off at the end of the year, affecting the number of patients we could serve. Had these three factors not affected our patient volume, our financial performance would have been at the same level as in the past. We already see our volumes returning in fiscal year 2010 and are

currently projecting a \$40 million bottom line and a 5 percent operating margin.

Our year has been marked by substantial progress. The new patient care facility project is moving forward. We are on schedule and costs continue to be better than the budget, with about 98 percent of the project already bid out. We are confident this project will be delivered within the established budget. This is a real achievement as most hospitals tend to exceed their construction budgets.

Other achievements included moving to a tobacco-free campus – fulfilling our commitment to support and promote a healthier Kentucky. We also made impressive headway in our efforts to improve patient satisfaction; this will be a centerpiece of our 2010 initiatives. And UK Chandler Hospital was once again ranked among the nation's top hospitals by *U.S. News & World Report* for our gynecology and ear, nose and throat programs.

TOP-TIER FACULTY RECRUITS

Under the leadership of President Lee T. Todd, Jr., the university has focused on tackling some of Kentucky's biggest problems. Toward that end, our foremost success was the recruitment of a national leader as the new director of the UK Lucille P. Markey Cancer Center – Dr. B. Mark Evers. He is the consummate academic triple asset: an outstanding surgeon, respected educator and internationally known researcher. The fact that he brought his entire research team with him from the University of Texas Medical Branch at Galveston says a tremendous amount about him as a leader. It is this leadership quality that will help bring all of the elements of cancer care at UK into a coordinated entity. He brings with him grant funding for research programs totaling about \$14 million over five years at the outset. Having a top-tier director at the helm of Markey will help us achieve our goal of being designated

Kentucky. Under his guidance, we will be one of the nation's premier centers in diabetes patient care, teaching and research.

We have recruited many other individuals as well, too numerous to name. We are very much on target for building a world-class faculty.

INTEGRATION OF CARE

While construction continues on our new patient care facility, we have not neglected other important aspects of UK HealthCare. One exciting endeavor was successfully combining specialists in neurology, neurosurgery and neuroradiology into one practice – the Kentucky Neuroscience Institute. Located on the first floor of Kentucky Clinic, this comprehensive clinic makes it easy for patients to see multiple physicians and receive noninvasive testing, including an MRI, essentially in one location, during one appointment.



Michael Karpf, MD, executive VP for health affairs, makes it a habit to frequently round on patient care floors. Here he rounds with Presha Kinnard, RN, of Chandler Hospital 6 North, on ventricular assist device patient Mohamed Hiat Jr. of West Virginia. Far right, Karpf checks in with 6 North patient services manager Leslie Cumming-Kinney, RN.



by the National Cancer Institute as a comprehensive cancer center.

We were also fortunate to recruit Philip Kern, MD, a highly regarded diabetologist, as the first director of our new donor-supported Barnstable Brown Kentucky Diabetes & Obesity Center. He is the linchpin that will bring together UK's researchers, educators and clinicians who are focused on attacking this major health problem in

Our new \$14 million radiation medicine facility opened in spring 2009, with the entrance now housed in the newly renovated first floor lobby of Markey Cancer Center's Ben F. Roach Building. This is also the new entrance to Kentucky's only Brain & Body Radiosurgery Program. With the purchase of the latest model Perfexion Gamma Knife® – still the only one in the state – and the TomoTherapy® Hi-Art®

system, UK now has radiosurgery capacity second to none in the country. This move highlights the future of the Roach building as the place where all of our outpatient comprehensive cancer services will be housed, making it easy for patients to park and get to their appointments.

The opening of the Gill Imaging Center and the Advanced Cardiovascular Imaging Program further enhanced UK HealthCare's already impressive diagnostic imaging capabilities. Located on the first floor of the Linda and Jack Gill Building, the \$10 million center has the latest generation of dual source 64-slice CT scanners, as well as 1.5 Tesla (T) and 3T MRI units.

We also continue to improve capabilities at UK Good Samaritan Hospital. We relocated and expanded their critical care unit, which can now provide intensive care services for 15 patients. The UK Gill Heart Institute opened its Cardiac & Pulmonary Rehabilitation Program at Good Samaritan to help cardiac patients return to active lives. Good Samaritan continues to get high marks from patients, staff and faculty as a hospital that offers efficient, personalized service.

ORGANIZING FOR THE FUTURE

In order for us to improve our ability to coordinate care with our community partners and improve our flexibility as patients move between inpatient and outpatient care, we made some organizational changes. Clinical operations in the hospital and in our clinics now fall under Richard Lofgren, MD, our new chief clinical officer. He and his staff will make sure our patients get the best care, in the best place, the first time.

GROWING PHILANTHROPIC SUPPORT

Donor support continues to fuel our building project. We are preparing for a spring 2011 opening of two patient care floors and donor-supported patient amenities to make the new facility comfortable and comforting. Completing additional floors and achieving all that we want and need to accomplish will depend on both a strong financial performance and the generous support of our community.

"We now have been positive in operations every year for the last six years."

Michael Karpf, MD, *Executive VP for Health Affairs*

Our new Chandler Emergency Department (ED), which includes the donor-supported Makenna David Pediatric Emergency Center, is set to open in July 2010. The opening is timed to accommodate the needs of thousands of people coming to Lexington for the Alltech FEI World Equestrian Games. The new ED will be four times the size of our current facility – the length of a football field, including both end zones. The dedicated emergency center for children is the only one of its kind within a radius of about 80 miles.

LOOKING AHEAD

Our five-year strategic plan builds on the successes of the last five years. Like the rest of the nation, we are following closely federal health care reform efforts and consider whatever results an opportunity to make medicine better. We will continue to deliver patient care effectively and efficiently.

As the faculty and staff stood up to the challenges of 2009, I am quite comfortable they will, in fact, meet or exceed our targets for fiscal year 2010. Attention will be on the patient experience as we move to a truly integrated, multidisciplinary model designed with patient needs front and center.

No matter what happens, the one thing that will not change is our unwavering focus on ensuring the people of Kentucky know that UK HealthCare is there when they need us.



Michael Karpf, MD

*Executive Vice President for Health Affairs
UK HealthCare/University of Kentucky*





"This piece, inspired by Kentucky in the spring, is about giving people a relief from the hospital setting, a tranquil moment for contemplation."

John Reyntiens, Artist
Art glass, Myra Leigh Tobin Chapel

John Reyntiens



Stephanie Eldridge (with husband Robert) has been an obstetric patient of the North Fork Valley Community Health Center in Hazard since March. This clinic is the newest of three offered by the UK Center for Excellence in Rural Health. Joe Kingery, DO, assistant professor of family and community medicine, was recruited by center director Baretta Casey, MD, to be part of a growing number of UK health care professionals who provide care in this town 130 miles southeast of Lexington.



Systemwide Changes Lay Groundwork for Integrated Care

In tandem with building the hospital of the future, UK HealthCare is also focused on planning and executing improvements throughout the health system and beyond.

This means changing how services are provided at all UK medical campuses as well as improving relationships with health care providers in small rural communities throughout the Commonwealth.

“Part of our quality, safety and cost initiatives are directed to developing an integrated system, a whole pipeline of care that we need to make sure we have the business and that we support the region’s health care needs,” explained Richard Lofgren, MD, chief clinical officer and vice president for healthcare operations. Integration is a clinical enterprise endeavor

– not site specific. By concentrating on the big picture, UK can better leverage resources, eliminating redundant services to increase efficiencies. For example, an underutilized CT scan at UK Chandler Hospital was moved to UK Good Samaritan where it was more needed. “Whoever builds the better mousetrap to actually improve efficiencies will emerge successful,” Dr. Lofgren predicted.

A closer look at one initiative shows the benefit to patients. A new nephrology network, part of UK HealthCare’s Organ Failure & Transplant Network, now has 14 community-based nephrologists (kidney specialists) working together with UK transplant surgeons to provide comprehensive care for kidney patients. The hometown specialists partner with UK physicians

to reduce travel to UK by providing pre- and post-kidney transplant care. Many patients only come to UK for specialized tests, the surgery to replace a kidney, and some follow-up care. Twice-a-week visits to Lexington for three months after transplant surgery are becoming a thing of the past. The network has enhanced the kidney transplant program, with a 39 percent increase in the number of referrals in fiscal year 2009.

"We must support the backbone of our delivery system – small rural providers," Lofgren noted. "It's good business and good public policy."

Attention is also being paid to improving how ambulatory – outpatient – services are provided. Some of the changes made in 2009 to enhance the outpatient experience include opening the new home of the Kentucky Neuroscience Institute; creating a unified radiation medicine and Brain & Body Radiosurgery Program with easy access through the Markey Cancer Center Roach Building; opening the Gill Imaging Center with its advanced diagnostic CT and MRI scanners; opening the new Cardiac & Pulmonary Rehabilitation program at

"We must support the backbone of our delivery system – small rural providers. It's good business and good public policy."

Richard Lofgren, MD, Chief Clinical Officer

UK Good Samaritan; and moving UK's Sports Medicine clinic to expanded space on Perimeter Drive off of Alumni Road in Lexington.

Clinical quality initiatives are also improving patient care. Two initiatives are helping reduce infections in intensive care units (ICUs) associated with the use of ventilators and central lines needed to deliver patient medication and other therapies. "We have made great strides in creating a safer and higher quality environment at UK," said Lofgren.



ICU Patient Care Manager Theresa Crossley, RN, says the new intensive care unit (ICU) at UK Good Samaritan has been referred to as the "Hyatt" by patients and families who are impressed with the fresh, clean high-tech space. The 14,470 square-foot former acute care area was renovated and redesigned for intensive care in FY09 at a cost of nearly \$3.3 million.

Kentucky Neuroscience Institute

Multidisciplinary Approach Benefits Patients

The opening of a new home for the Kentucky Neuroscience Institute (KNI) in June is one of the most visible signs of UK HealthCare's commitment to bringing multidisciplinary resources together to benefit patients. The institute merges specialists and staff from the neurology and neurosurgery clinics into one newly designed area on the first floor of Kentucky Clinic.

Before, institute patients might come for an appointment with a neurologist on one day, only to be told that they needed to return

several days later to see a neurosurgeon in another clinic or to have a diagnostic MRI at the hospital. "Now, if the neurologist decides a patient needs surgery, the doctor can walk the patient over to another area of the clinic, introduce the patient to the neurosurgeon and talk to them about a plan of treatment," explained Byron Young, MD, neurosurgeon and KNI director. If a brain scan is needed, it's generally done that day with the MRI scanner now located adjacent to the clinic. A neuroradiologist is readily available to promptly provide the results.



A long-held vision of collaboration between traditionally separate specialties was made reality with the opening of a single clinic for the Kentucky Neuroscience Institute. Sharing the dream of this multidisciplinary clinic are (from left) Byron Young, MD, neurosurgeon and director of the Kentucky Neuroscience Institute; Phillip Tibbs, MD, chair of neurosurgery; and Joseph Berger, MD, chair of neurology.





Rickey Bottoms Jr., 15, loves to shoot hoops with his dad, Rickey Bottoms Sr., but debilitating, almost daily seizures since age 12 kept the youth sidelined. UK neurologist Robert Baumann, MD, tried medications. When those failed to stop the seizures, neurosurgeon Thomas Pittman, MD, removed a small cluster of abnormal blood vessels from Rickey's brain. Since surgery in May 2009, Rickey is seizure-free.

"Putting patients into an environment where colleagues are in the same physical space simultaneously facilitates our team approach to patient care," said Phillip Tibbs, MD, chair of neurosurgery. "It's the wave of the future, where we look at the big picture at one time instead of in little parts." He added that the clinic was designed to offer an uplifting experience with soft colors, bright natural light and a courtyard. An art gallery featuring the work of local artists lines a central hallway. "Chronic illness can be so dehumanizing and this reminds people to enjoy life even while they struggle with their illnesses."

Creating a unified environment where specialists and staff from both specialties work closely together makes the institute more efficient and more innovative. The institute was one of the first areas of UK HealthCare to implement advanced computer systems for electronic medical records as well as for physician prescription ordering. Flat screen monitors in patient exam rooms display just-captured MRI images; the neuroradiologist's report is available in real time. This makes it easy for the doctor to discuss with the patient the extent of his or her medical problem without having to wait.

"With the opening of the new unified clinic for Kentucky Neuroscience Institute, we've made an important first step, well ahead of other institutions our size or better," said Joseph Berger, MD, chair of neurology. "I think it's a real plus for people in the Commonwealth of Kentucky."

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Joseph Berger, MD, *Chair of Neurology*

Markey Cancer Center

New Director Focused on Comprehensive Cancer Care

A Tennessee native who spent the past 21 years in Texas as a cancer surgeon, researcher, teacher and administrator considers himself fortunate to be the new director of UK's Lucille P. Markey Cancer Center. "I am caught up in the excitement of UK's plans for being a top-tier university and for making Markey one of the top comprehensive care centers in the nation," said B. Mark Evers, MD.

A gastrointestinal surgeon, Dr. Evers was recruited from the University of Texas Medical Branch in Galveston where he was the director of the comprehensive cancer center. He also serves as professor of

surgery and vice chair for research in UK's Department of Surgery and as physician-in-chief of oncology services, holding the endowed Markey Cancer Foundation Chair.

His decision to bring his family to Lexington sparked similar decisions by 120 members of his research team and family members. About \$14 million in research grant funding came with them. Included was a \$1.5 million National Cancer Institute (NCI) grant for research into gastrointestinal (GI) cancers including tumors of the colon, liver, rectum, esophagus, stomach and pancreas. GI cancers represent the second leading cause of cancer death



Retired teacher Pat Pryor, 67, was diagnosed with Stage III lung cancer in January and treated with chemotherapy and radiation at Markey Cancer Center. Treatment shrunk her lung tumor by half. Then she became the 16th person to enroll in the nation's only clinical trial using stereotactic body radiosurgery to treat inoperable lung cancer. High-dose, precise radiation beams removed the remaining tumor without a surgical incision. "I am so grateful this treatment was here for me," Pryor said. "I'm back doing things I enjoy, like playing golf with my husband David - my number-one supporter."





B. Mark Evers, MD, (left) was recruited in 2009 to serve as the director of the Markey Cancer Center. He works closely with colleagues such as Marcus Randall, MD, chair of radiation medicine, to ensure cancer patients receive coordinated, integrated multidisciplinary care. Behind them is the newly renovated lobby of the Ben F. Roach Building at the Markey Cancer Center, the destination for many Markey patients and the new front door for radiation medicine patients.

nationwide. The University of Kentucky is one of only six institutions nationwide to receive this three-year SPORE (Specialized Program in Research Excellence) grant, placing the UK Markey Cancer Center among some of the best-known cancer centers in the nation.

Markey already participates in more than 175 groundbreaking clinical trials each year, offering innovative therapies with the best hope for effective treatment. Landmark cancer research helps bring the Markey Cancer Center closer to qualifying for designation by the NCI as a comprehensive cancer center.

Last year, more than 63,000 visits were made to Markey by patients coming from throughout the Commonwealth and beyond. Others benefited from Markey expertise but were able to receive their cancer care closer to home at hospitals and locations participating in Markey's network of affiliate hospitals and outreach centers in Morehead, Mt. Vernon, Hazard, Cynthiana, Georgetown and Maysville.

A new \$14 million radiation medicine facility opened in the spring. Patients now enter through the recently renovated first floor of Markey's Ben F. Roach Building. Housed in the same area is UK's Brain & Body Radiosurgery Program, home to the latest generation of and Kentucky's only Gamma Knife® as well as the region's only Tomo Therapy Hi-Art® system. Both offer highly precise, more effective treatments for many cancers. Research into the use of noninvasive stereotactic body radiation

therapy by pioneer Ronald McGarry, MD, PhD, is showing promise for the treatment of early-stage, inoperable lung cancers and cancers that have spread to other parts of the body. "UK's investment in this program is tangible evidence of our commitment to being in the very top tier of oncology programs anywhere," said Marcus Randall, MD, chair of radiation medicine.

"I am caught up in the excitement of UK's plans for being a top-tier university and for making Markey one of the top comprehensive care centers in the nation."

B. Mark Evers, MD, Director, Markey Cancer Center

"Patients are attracted to our highly acclaimed services because of our reputation for outstanding care and our multidisciplinary approach to fighting and researching one of Kentucky's most deadly diseases," Dr. Evers said. "It is truly an exciting time to be at UK and Markey Cancer Center."





"I look to nature, recurring patterns, the landscape, and cycles of life for inspiration. One thrill comes in the moment when what I've created is installed, knowing that the piece will resonate with the spirit of the place where it will be displayed and with the people in that place."

Erika Strecker, *Sculptor/Metal Artist*
Sconces, Auditorium Vestibules

Erika Strecker



Catherine Garrison delivered three-week-old son Ezekiel Stevens with the assistance of recently recruited UK obstetrician/gynecologist Gordon Crozier, DO, and nurse midwife Mary Dowling, RN, CNM, of UK Morehead Women's Health Care. Crozier, Dowling and colleague Stephen Mitchell, MD, provide much-needed specialty care to the women of Morehead, Ky.



Community Partnerships

Keeping a Promise to the Commonwealth

A partnership spanning nearly 50 years between St. Claire Regional Medical Center and UK HealthCare has brought an increasing number of specialized services to residents of Morehead and beyond. The most recent example is the establishment in January of the UK Morehead Women's Health Care practice.

"We worked out an arrangement with UK to establish the community practice," explained Mark J. Neff, president and CEO of St. Claire Regional Medical Center in Morehead, Ky. "We bought the building, renovated it and leased it to UK HealthCare. They assumed responsibility for the two OB/GYNs and a midwife who are employed by UK. It's stabilized things and it's working out really well."

UK HealthCare's strategy of developing collaborative relationships with community hospitals in central and eastern Kentucky helps support their economic viability

while providing much-needed health care resources. Patients get the bulk of their care close to home. Rural practice becomes more attractive to practitioners because they can also be part of an academic center such as UK. And when needed, UK HealthCare is in a position to handle complex cases requiring a higher level of care. St. Claire Regional, in turn, is a stronger resource for smaller rural hospitals in surrounding counties.

The long-time relationship with UK started in 1963 when St. Claire Regional first opened. "Initially, the partnership was more about education and training of residents," said Neff. "Now we've evolved into clinical affiliations." Among the physicians provided by UK are two pathologists, otolaryngologists, a radiation oncologist and physicist, a neurosurgeon and pediatric subspecialists who staff an outpatient clinic twice a month.

Education is still a key aspect of the relationship. UK's College of Medicine is partnering with St. Claire Regional and Morehead State University to offer a new Rural Physician Leadership Track Program. Third- and fourth-year medical students with significant interests in rural-based practice will receive clinical education in this Morehead-based partnership.

St. Claire Regional is a part of the Markey Cancer Center Affiliate Network that also includes Harrison Memorial Hospital in Cynthiana, Rockcastle Regional Hospital in Mt. Vernon, and ARH Cancer Center in Hazard. "By having radiation medicine, a radiation oncologist and access to a variety of cancer treatment protocols from Markey, most folks don't have to travel to Lexington to get what they need."

About 30 patients a month are transferred to the UK HealthCare campus from Morehead for subspecialty care including cardiology. Neff hopes that the recent addition of St. Claire Regional interventional cardiology services and a formal affiliation in the coming year with UK Gill Heart Institute will reduce the number of

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Mark J. Neff, *President/CEO, St. Claire Regional Medical Center*

cardiology patients transferred to UK to only those with the most complicated cardiovascular problems.

UK physicians work closely with the community-based doctors. Gone is the fear that doctors at UK will steal away a Morehead physician's patients. "Our doctors have learned to trust that their patients will stay here and not be lost to those at UK in Lexington," Neff said.



St. Claire President/CEO Mark J. Neff passes a new sign located at the facility's front door that displays the hospital's collaborations with UK HealthCare services.

Top-Notch Care Starts With Excellent Communication

A nephrologist in Paducah wants to see how his patient is doing after a kidney transplant at UK HealthCare. A physician in Jackson wants to make sure he knows all the medications prescribed for his patient by a UK specialist. A pediatrician needs to know the results of specialized tests done for a young patient sent to Kentucky Children's Hospital.

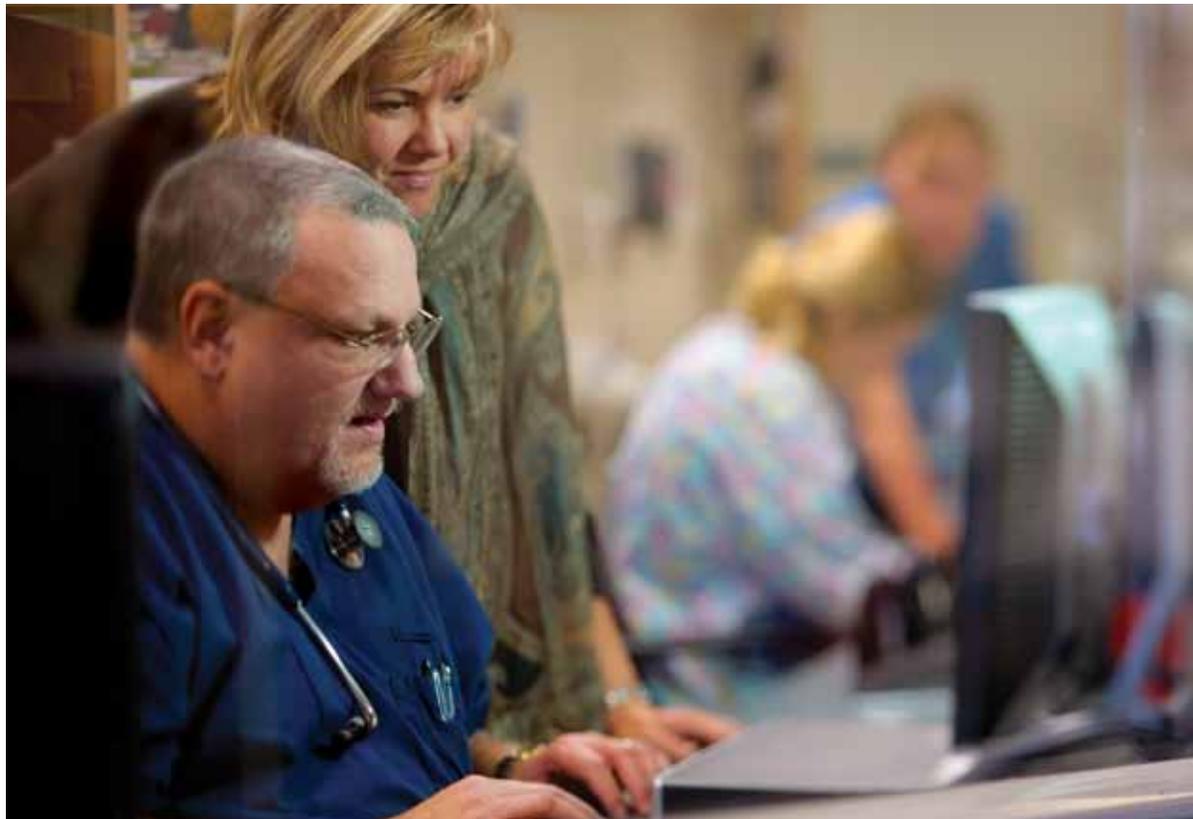
These are just a few examples of how a highly secured physician Web portal is helping UK specialists keep community-based doctors informed about their patients' care. UK's portal puts a patient's records, including latest test results, on the referring physician's computer screen for easy access 24/7.

UK is investing heavily in information technology to improve communication with referring doctors, as well as among UK's medical faculty. This is part of an overall strategy to implement an easily accessible electronic medical record system that will streamline and expedite quality patient care. "You don't implement technology for technology's sake," said Carol Steltenkamp, MD, chief medical information officer. "You implement technology to make things better.

"We are building an electronic medical record system that is patient centric so that no matter where you are, you'll have one patient chart," explained Dr. Steltenkamp. For the patient, that means eventually not having to repeat personal information



Emergency physician Greg Lee, MD, at Kentucky River Medical Center in Jackson, Ky., can check the status of patients referred to UK by using a secure physician portal. Physician liaison Susan Farley shows community-based physicians like Dr. Lee how easy it is to access their patients' medical records and test results.





Hard copy medical records may soon be a thing of the past as patient records become electronic. Guiding the move to integration of information systems throughout UK HealthCare are Tim Tarnowski, associate vice president and chief information officer, and Carol Steltenkamp, MD, chief medical information officer.

when registering at any UK HealthCare site. Instead, once the information is in the record, it is easily retrieved and updated, no matter where the patient goes for care within UK HealthCare. Kentucky Neuroscience Institute and the Chandler Emergency Department are among the first areas to implement the new electronic medical record system. UK Good Samaritan, which had its own electronic medical record system when it joined the UK HealthCare family, will be among those clinics and patient areas to implement the UK system in 2010.

"Health care grew up as a very departmentalized industry – clinic by clinic, physician by physician, department by department, not health system by health system," explained Tim Tarnowski, associate vice president and chief information officer. This has made it difficult to consolidate the data collected from so many areas into one electronic patient record. "With a paper record, one person has it; with electronic records, multiple clinicians can look at the

"We are staying focused on the fundamentals and on the vision of us becoming a more integrated health system, where we all have access to the same records so that we can better collaborate with each other."

Tim Tarnowski, Associate VP and Chief Information Officer

same record at the same time to talk about what's best for the patient."

Providing a structure for the seamless flow of clinical information requires a unified communication strategy that makes the most effective use of technology. "We are staying focused on the fundamentals and on the vision of us becoming a more integrated health system," Tarnowski said, "where we all have access to the same records so that we can better collaborate with each other."



UK patient service coordinator Amanda Godsey (left) greets Rockcastle-referred patient Vicky Adams and escorts her to her Kentucky Clinic appointment.



We're Open for Business

Historically, UK HealthCare has been focused on offering top-notch inpatient care. "But that's not the way patients think about health care," said Jonathan Curtright, chief operating officer for ambulatory services. Rather, patients are concerned about outpatient appointments, diagnostic testing, and, perhaps, a hospital stay. "They think about the whole enchilada, viewing us as an integrated health care system, though that's not what they call it. We need to assure the front door of the practice is willing and able to provide them access to the overall continuum of health care – that we are open for business."

The front door he describes is through outpatient – ambulatory – appointments with UK physicians and services. "That's our real growth opportunity," said Curtright,

who joined UK in 2009 to help lay the groundwork for integrating Kentucky's largest multispecialty physician group practice. For patients, integration means prompt and easy access to a UK physician or service. Under this model any needed subspecialty physician visits, imaging, lab testing or procedures should be scheduled the same day or within a very short timeframe. This coordination of services will especially help those who drive long distances for care. The model of care also depends on referring physicians being kept in the loop, such as their ability to access records of their patients through UK's secure physician portal.

This past year, groundwork was laid for the creation of a call center to help handle the high volume of calls from patients and referring physician offices attempting to

schedule appointments and provide information necessary for a patient visit. Earlier in 2009 UK piloted a dedicated access service for patients and physicians at Rockcastle Regional Hospital & Respiratory Care Center in Mt. Vernon, Ky. The new call center model builds upon the success of that pilot.

“Rockcastle doctors and office staff had to contact a variety of specialty services at UK, and these contacts were not consistent in what they required for a patient appointment, resulting in a lot of staff time and effort,” explained Sara Roberts, UK department administrator for ambulatory services. The Rockcastle Access Center was opened after nearly three months of talking to all involved to better understand the flawed system and the improvements needed.

Two people were assigned responsibility for streamlining the appointment and follow-up process – Karen Parrish, RN, regional coordinator based at Rockcastle, and Amanda Godsey, patient service coordinator, based at UK. Now it takes only one phone call for the referring physician to

“We need to assure the front door of the practice is willing and able to provide access to the overall continuum of health care....”

Jonathan Curtright, *Chief Operating Officer, Ambulatory Services*

schedule an appointment. The patient is contacted in advance to complete pre-registration. Patients with special needs are greeted upon arrival at Kentucky Clinic.

“The proof of the call center concept is in the pudding,” said Curtright. “Our physician referrals from the Mt. Vernon area are up more than 40 percent, the Rockcastle physicians are happy and it’s great customer service.”



UK Regional Coordinator Karen Parrish, RN, (right) helps Rockcastle physicians, such as internist/pediatrician Karen B. Saylor, MD, to obtain appointments for patients being referred to UK HealthCare specialists.



"Working with recycled man-made materials is like a research project, translating contemporary expressions from a traditional craft. This must be like medical researchers pushing the envelope to find better, more effective ways of treating patients."

Arturo Sandoval, *Fiber Artist*
Mixed media, Surgical Waiting Area



General



Momentum Fueled by Donors

A focus on cultivating philanthropic support has helped propel UK HealthCare forward in its quest to gain national recognition as a leading academic medical center. Two prime examples of gifts illustrate how such support helps UK address Kentucky's health needs.

The new Barnstable Brown Kentucky Diabetes and Obesity Center was established with a commitment to make UK the exclusive beneficiary of the annual star-studded Barnstable Brown Gala on Derby Eve in Louisville. Patricia Barnstable Brown and her family started the gala 21 years ago to improve diabetes research and care

in Kentucky. The gala's proceeds are now targeted toward a new large-scale center that brings together UK's researchers, educators and clinicians to tackle a widespread problem in the Commonwealth. The gala has already established endowed chairs and research funds for adult and pediatric diabetes research and helped UK successfully recruit renowned diabetes specialist Philip Kern, MD, as the center's first director.

The Darley Bone Marrow Transplant Unit is the new name of Markey Cancer Center's blood and marrow transplant wing. The 15-bed inpatient unit, which will eventually



Jimmy Bell, president of Darley America (second from left), gives a tour of Jonabell Farm to Markey representatives Kevin McDonagh, MD, (left) chief of hematology, Diana Howard, MD, director of the Darley Bone Marrow Transplant Unit, and Randy Rowland, MD, president of the Markey Cancer Foundation.

"No academic medical center has ever achieved greatness without philanthropy and the support of the community."

Michael Karpf, MD, Executive VP for Health Affairs

relocate to the Markey Cancer Center floor of the new Albert B. Chandler Hospital, was renamed in recognition of a generous gift through the Markey Cancer Foundation from Darley Stud Management, LLC. Darley is the global Thoroughbred-breeding operation of Sheikh Mohammed bin Rashid Al Maktoum, vice president and prime minister of the United Arab Emirates and ruler of Dubai.

"These gifts help catapult UK into national prominence and at the same time help address the health needs of Kentuckians,"

said Michael Karpf, MD, executive vice president for health affairs.

Philanthropic support has also helped fuel the completion of many of the patient amenities that will be a part of the new hospital when the first patient care areas open in 2011. "No academic medical center has ever achieved greatness without philanthropy and the support of the community," said Dr. Karpf. "We will continue to rely on that spirit of giving and generosity as we move forward."



Derby eve gala hosts Tricia Barnstable-Brown (seated right) and her mother Willie Barnstable are pictured in Tricia's Louisville home with (left to right, standing) son Chris Barnstable-Brown, Philip Kern, MD, director of the Barnstable Brown Kentucky Diabetes and Obesity Center, and nephew/grandson Kevin Edelman (son of Barbara Barnstable Edelman). The annual gala raises money for diabetes research and treatment.

Clear Vision

Attention to Detail Brings Success

After five years of unprecedented growth at UK HealthCare, a slower-than-expected fiscal year 2009 was hard for some to swallow. "It was a tough year because of the impact the downturn in the economy had on UK," said outgoing UK Trustee James Hardymon, 2009 chair of the board's University Health Care Committee. "The board had to realize that we weren't doing anything wrong; it was the bad economy that caused some people to put off some of their health care needs."

Hardymon credits the successes of the past year – despite the recession – to clear

vision and attention to detail on the part of UK HealthCare's administration. "The tremendous growth over the past few years was fueled in part by acquiring Samaritan Hospital (now UK Good Samaritan), by recruiting outstanding staff, and by discussing what we could do better and then doing that."

A long-term strategy of working with physicians and hospitals outside greater Lexington to keep patients at home for most of their care, using UK only for specialized services, was the "right thing to do." The strong referral relationships



James Hardymon, chair of the University Health Care Committee of the UK Board of Trustees for 2009, stands on the sixth floor of the new patient care facility under construction at 1000 S. Limestone. Board members have been integrally involved in this project that is radically changing the face of medicine at the University of Kentucky.



"It was a good time to build our new hospital. We've had some of the best people working on this job, and as a result we are beating our construction budgets and staying on schedule."

James Hardymon, 2009 Chair of the University Health Care Committee

contributed to a positive bottom line for the sixth year in a row. By the end of the fiscal year, patient volume was beginning to increase, a sign that things are on the upswing, an optimistic Hardymon observed.

One positive aspect of the economic downturn has been the ability of project managers to attract good construction partners and good prices for the construction of the new patient care facility at UK Chandler Hospital. "It was a good time to build our new hospital," Hardymon said. "We've had some of the best people working on this job, and as a result we are beating our construction budgets and staying on schedule." The \$532 million project has also provided good-paying jobs to a lot of people who come from the Lexington area and beyond.

As his term ended, Hardymon reflected on the "watchdog" role of the advisory committee. "We paid attention to cash flow, making sure we have enough cash on hand generated by the hospital." While much is being done to improve the efficiency of services provided by UK HealthCare, Hardymon believes the focus also needs to remain on taking the steps evidence shows improves the quality of patient care. "Some of these steps are as simple as making sure a patient with chest pain gets an aspirin or that everyone washes their hands."

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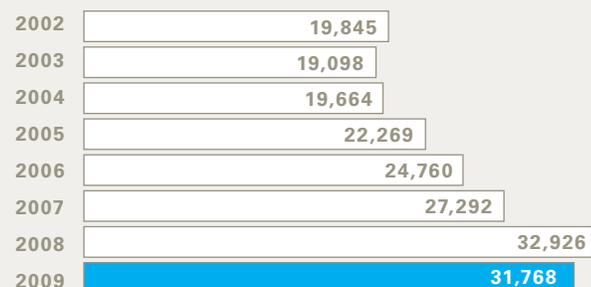
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Statistics *Operating statistics for years ending June 30*

	2009	2008	2007
DISCHARGES			
Medicare	9,370	9,718	7,093
Medicaid	9,032	8,995	7,828
Commercial/Blue Cross	9,868	10,546	9,074
Patient/Charity	3,498	3,667	3,297
Total Discharges	31,768	32,926	27,292
Number of Beds	791	775	473
Average Daily Census	495	487	406
Average Length of Stay	5.69	5.41	5.43
Case Mix Index	1.72	1.65	1.67
SURGERY			
Operative Cases	24,638	24,228	20,669
OUTPATIENT VISITS			
Hospital Clinic Visits	312,208	301,427	290,910
Emergency Visits	68,299	66,045	45,655
Total Outpatient Visits	380,507	367,472	336,565
OTHER SERVICE RELATIONSHIPS			
Referring Physicians	4,316	4,020	3,070
UK•MDs Physician Calls	152,381	131,049	115,099
Health Connection Consumer Calls	139,700	116,145	109,751
Web Site Users (Avg/Mo)	72,995	69,069	60,339

Trends

Discharges



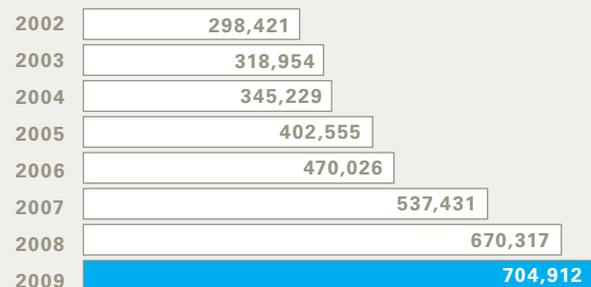
Grants and Contracts Awarded

(\$ in millions)



Operating Revenue*

(\$ in thousands)



* Historical revenue is net of bad debt expense.

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Financial Statements *Financial statements for years ending June 30*

Condensed Statements of Operating Revenues, Expenses and Changes in Net Assets (\$ in thousands)*

	2009	2008	2007
Net Patient Service Revenues	\$ 686,604	\$ 653,092	\$ 530,128
Sales and Services	18,308	17,225	7,303
Total Operating Revenues	\$ 704,912	\$ 670,317	\$ 537,431
Operating Expenses	698,179	621,840	520,324
Operating Income	\$ 6,733	\$ 48,477	\$ 17,107
Nonoperating Revenue (Expenses)	(36,556)	(9,303)	39,413
Income Before Transfers to UK	(29,823)	39,174	56,520
Transfers to UK/Other	(17,907)	(19,811)	(9,319)
Net Income (Loss) from Discontinued Operations	(17)	(20)	5
Total Increase in Net Assets	\$ (47,747)	\$ 19,343	\$ 47,206
Operating Margin	0.96%	7.23%	3.18%
Total Margin	(6.77%)	2.89%	8.78%

Net Patient Revenue by Funding Source (\$ in thousands)*

PAYOR

	2009	2008	2007
Medicare	\$ 199,207	\$ 195,494	\$ 147,569
Medicaid	162,711	145,983	125,607
Commercial/Blue Cross	325,585	310,130	247,456
Patient/Charity	49,858	47,629	54,269
Total	737,361	699,236	574,901
Bad Debt	(50,757)	(46,144)	(44,773)
Total Net Patient Revenue (including Bad Debt)	\$ 686,604	\$ 653,092	\$ 530,128

* Note: The method for reporting operating revenues and expenses changed in fiscal year 2008 to comply with recent GASB statements; in the audited statements operating revenue is net of bad debt, which was previously reported as an operating expense.



Larry Blackburn, Turner Construction project manager, stands in front of the almost complete steel structure for the new patient care pavilion being built at UK Albert B. Chandler Hospital. The project is on time and under budget.

Condensed Statements of Net Assets

(\$ in thousands)

	2009	2008	2007
ASSETS			
Current Assets	\$ 286,800	\$ 272,386	\$ 238,677
Capital Assets, Net of Depreciation	488,596	350,241	252,440
Other Noncurrent Assets	222,790	406,604	311,146
Total Assets	\$ 998,186	\$ 1,029,231	\$ 802,263
LIABILITIES			
Current Liabilities	89,091	74,665	51,032
Noncurrent Liabilities	364,709	362,433	178,441
Total Liabilities	\$ 453,800	\$ 437,098	\$ 229,473
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	124,643	135,130	128,207
Nonexpendable Other	115	14	14
Restricted Expendable	25,801	17,118	8,412
Unrestricted	393,827	439,871	436,157
Total Net Assets	\$ 544,386	\$ 592,133	\$ 572,790

Statement of net assets and related statements of revenues, expenses and changes in net assets for the year ended June 30, 2009, were audited by BKD, LLP, of Louisville, Ky.

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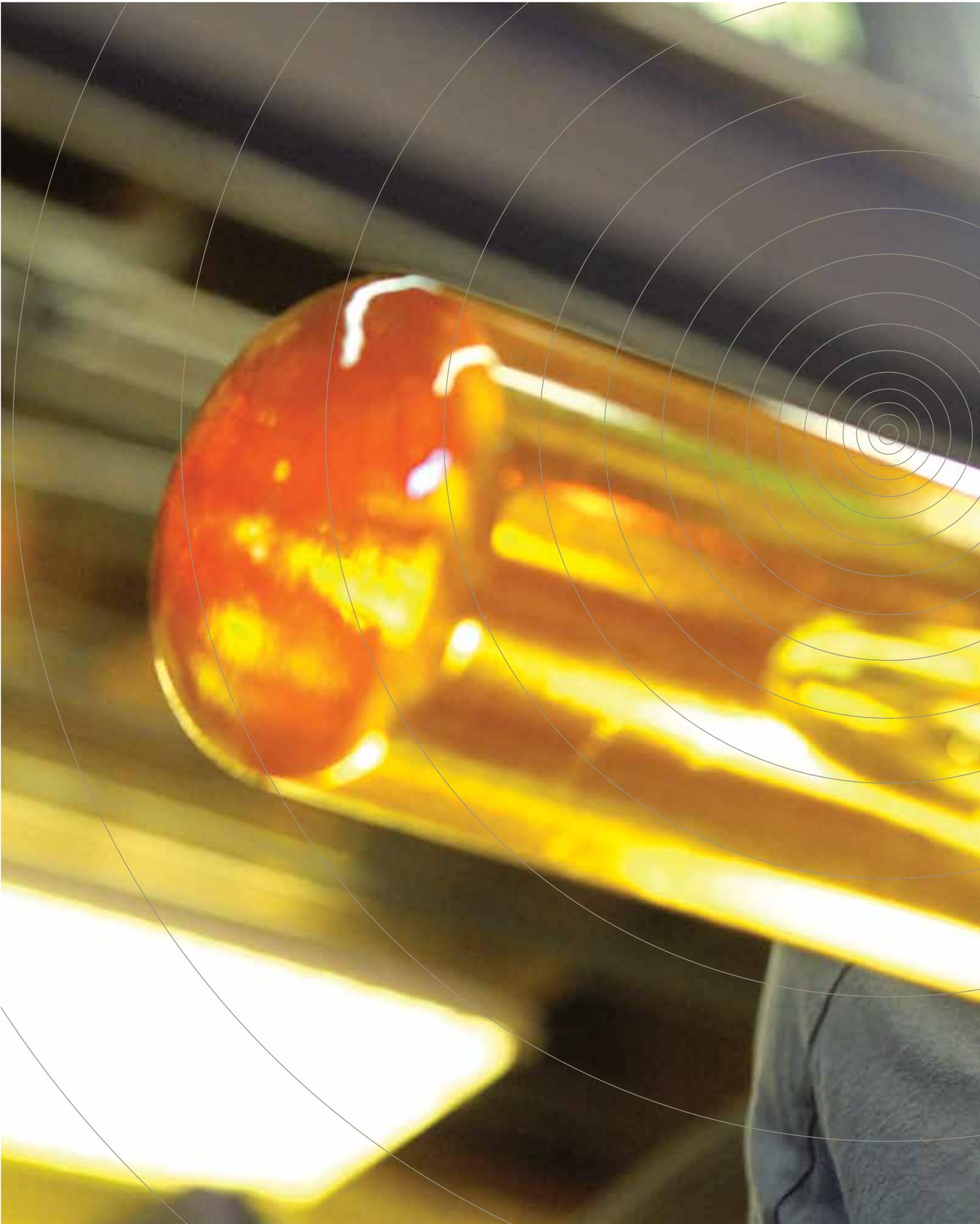
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"With hot glass, I enjoy the complete lack of control as something beautiful comes from the unknown. Some of my best ideas come from accidents. Patients also feel out of control, and I hope my glass work helps calm them."

Stephen Powell, *Glass Artist*
Works in glass, Surgical Waiting Area

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