2007 Annual Report





The Shape of Things to Come

UKHealthCare



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hange has a considerable psychological impact on the human mind.To the fearful it is threatening because it means that things may get worse.To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better.

King Whitney Jr. Wall Street Journal, June 7, 1967

The year 2007 was a period of definition and development for UK HealthCare.

Our institution is reinventing itself,

a process that entails preserving the best of our past while looking forward to a future of limitless possibility.

This report highlights our ambitions, which go beyond merely building new facilities. Our aspirations embrace the advancement of both our community of care and of medicine itself. We are fashioning a system that is groundbreaking, unique and, above all, beneficial to the people of the Commonwealth.

As this report illustrates, the foundations we are setting today reveal the shape of things to come.



The grand central atrium of the new UK Albert B. Chandler Hospital connects the key patient-care facilities of UK HealthCare.



2007 Annual Report

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- 16 Reinvention
- 32 Achievements

Pivotal year of growth positions UK HealthCare for the future

It is especially gratifying to report to our UK HealthCare community that the 12 months just completed represented a groundbreaking year in more ways than one. We can all look back with pride at what we accomplished, even as we look forward with anticipation to what we hope to achieve in the year ahead.

Continued Growth

Patient volumes in our hospitals continued to increase significantly in 2007, a good indicator of how effectively we are serving the people of the Commonwealth. Discharges – one measure of inpatient activity at the hospital – have grown by 43 percent during the last four years. Additionally, some 1,300 jobs have been added at UK Chandler Hospital and the UK College of Medicine, in large part because of the growth of the hospital's patient volumes. This year, in salaries and benefits alone, our local economic impact will exceed \$490 million.

UK HealthCare is becoming *a medical destination* where patients seek the finest in specialty and subspecialty care. At the same time, high occupancy rates put tremendous pressure on us to identify additional resources to accommodate so many referrals from around the state. One response to this situation was our purchase of Samaritan Hospital, an investment that has

already produced multiple dividends. The renamed UK HealthCare Good Samaritan Hospital gives us the flexibility to direct less-acute patients to Good Samaritan while freeing muchneeded bed space at UK Chandler Hospital for severely ill patients requiring tertiary-level care. Our efforts also gave new life to Good Samaritan, a valuable full-service health-care resource that has served Lexington for nearly 120 years. In the process, we also saved the jobs of 500 Samaritan employees.

Committed to Kentucky

Our commitment to the people of Kentucky was further reinforced during the year by establishing more relationships with regional health-care providers. Through this "virtual network," many more patients now benefit from the expertise of UK HealthCare professionals in their own communities, without incurring the expense or inconvenience of traveling to Lexington. Many of our specialists see patients at Rockcastle Hospital, Harrison Memorial Hospital, Ephraim McDowell Regional Medical Center, St. Clair Regional Medical Center and others. In the coming year we will continue to enhance this growing network of UK-affiliated providers.

With demand at an all-time high, we deemed it wise to upgrade UK Chandler Hospital in both capabilities and appearance. We added more beds to accommodate the influx of new patients and expanded the emergency department and both the neonatal and pediatric intensive care units. Family waiting areas were expanded and improved throughout the hospital, and we also upgraded the cafeteria.

Always mindful of the need to take academic medicine to the next level, we enhanced our clinical, research and teaching strengths with key faculty recruitments. Among the prominent physicians, surgeons and investigators now on board is Joseph Zwischenberger, MD, our new chair of surgery who brings with him a wealth of expertise in the treatment of patients suffering severe pulmonary distress, as well as exciting research work on the development of an artificial lung. Marcus E. Randall, MD, who now chairs Radiation Medicine, is a recognized expert in Gamma Knife radiosurgery and also maintains a focused program in clinical research.

The question we must continue to ask ourselves every day is: "How do we get better?"

Michael Karpf, MD Executive Vice President for Health Affairs



We have been fortunate to enjoy a steady increase in National Institutes of Health (NIH) funding for research programs, even as other institutions have seen cutbacks in this important area. Additional growth in our research base is anticipated as our recruitment efforts continue. Eventually, we believe our expanded research efforts will propel us to Top 20 status nationwide.

National Recognition

We are, of course, guite gratified that our progress to date has already been recognized nationally. In 2007, UK Chandler Hospital was named one of the nation's 100 Top Hospitals[™] by Thomson Healthcare. UK is the only academic medical center in Kentucky to receive the ranking, which is based on our continued growth in quality, operational efficiency and financial performance.

seek out for care.



For the second consecutive year, UK was also listed by Thomson for organizationwide performance improvement.

U.S.News & World Report magazine designated UK Chandler Hospital one of "America's Best Hospitals" in three specialty areas – gynecology; cancer care; and ear, nose and throat care. We were one of only six institutions to receive the Rising Star Award from the University HealthSystem Consortium, an organization of 85 academic medical centers and affiliates. And 106 UK physicians – a number that has nearly doubled since 2005 – have been honored on the Best Doctors in America[®] list of practitioners who other doctors would

"We believe our expanded research efforts will propel us to Top 20 status nationwide."

Breaking Ground for the Future

One of the brightest highlights of the year was the May groundbreaking ceremony marking the start of construction of our new patient-care facility. Some 300 people attended the event, and hundreds more celebrated the groundbreaking during the week. Coming 50 years after ground was broken for the original UK Chandler Hospital, the ceremony represented both a forward-looking celebration of the state-of-the-art facility we will occupy upon its completion in 2011 and a renewal of the commitment that this institution has maintained for half a century – to provide the people of Kentucky with the finest medical care available.

Our objectives for the coming year include making further refinements to our strategic plan to ensure that we have the resources necessary to accommodate a constantly growing patient population. We are also working to improve our internal systems to achieve maximum efficiencies, enabling outpatients to see multiple physicians in less time and receive speedier comprehensive

> diagnoses. And we will work closely with the state legislature to help fund our expanded research efforts, with an eye toward developing a top-flight biomedical industry in Lexington and Kentucky.

As demand for our services continued to exceed expectations, we added two floors to the plans for each of the new hospital's two bed towers to accommodate a maximum of 630 beds rather than the 473 our license currently allows. As our reputation for excellence in patient

care spreads throughout Kentucky and surrounding states, we will in all likelihood need to consider an even larger facility. In short, UK HealthCare is



becoming a "medical destination" that is an institution at which both Kentuckians and out-of-state patients will increasingly seek the finest care in specialty and subspecialty medicine.

Nevertheless, the question we must continue to ask ourselves every day is: "How do we get better?" UK HealthCare is now in motion, and we must keep moving forward to maintain the momentum of improvement, transformation and innovation that has propelled us over recent years. Our future is bold and exciting as we pursue the transformation of health care for the people of Kentucky.

Michael Karry

Michael Karpf, MD Executive Vice President for Health Affairs UK HealthCare / University of Kentucky

Above (left-right): Dr. Susanne Arnold and Dr. Timothy W. Mullett work as a team to review patient scans.

Below: At UK HealthCare, the focus is on the patient at every touch: in the clinic, in the classroom and in treatment





Mission Statement

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 a par with the nation's best providers.





Past and Future

ore than 50 years ago, the men and women who worked together to create the Chandler Medical Center at the University of Kentucky possessed foresight in abundance. They saw a need – a full-service hospital for the people of the Commonwealth and an educational system to train health-care providers for the state. Thanks to their determination, the medical center was established and over the years they and their successors nurtured it to maturity.

Today, a new generation exercises foresight of its own in the conception and creation of an expanded, more capable, more effective medical center. It is an enormous undertaking that is reshaping UK HealthCare and will forever change the state of medicine in Kentucky. Today, the goal is to develop a system of patient care, education and medical research that will be greater than the sum of its parts – a health-care resource that ensures the people of Kentucky will have access to care rivaling the nation's best throughout this century.





Foundations

"Medicine is as concerned with health and its preservation as with disease and its diagnosis and treatment."

> "A Philosophy of Medical Education" UK Medical Center Staff, 1956

Interprofessional Teams Deliver Results

UK HealthCare is more than just a hospital and a physician practice. As a major health resource for the region and the state, it is an organization dedicated to providing the most advanced and comprehensive patient care underpinned by cutting-edge medical research and the education and training of tomorrow's health professionals.

The Players

Taken together, the UK Albert B. Chandler Hospital, Kentucky Children's Hospital, Markey Cancer Center, Gill Heart Institute, Kentucky Neuroscience Institute and the Kentucky Clinic comprise the leading multifaceted healing environment in the Commonwealth. Combined with the resources of UK's six health-related colleges – medicine, nursing, health sciences, dentistry, pharmacy and public health – the clinical, research and educational components of the medical center place it among the country's most capable and effective health-care providers.



Left:

It takes a team of professionals to manage diabetes. Geoffrey Blair *(left)*, a UK HealthCare employee and Type I diabetes patient, has benefitted from the coordinated and comprehensive care provided by *(left-right)* Nurse Practitioner Rebecca Cole; Certified Diabetes Educator Sheri Setser-Legg, RD; and diabetes specialist Dennis Karounos, MD, director of the UK Diabetes Program.

Above Right:

Patients benefit from multidisciplinary expertise found at an academic medical center. UK is fortunate to have six health science colleges. Here, UK College of Pharmacy students Laurence Chai and Nicole Vance learn compounding.



This critical mass of assets has positioned UK HealthCare for even greater growth in the future. Academic Medicine is a virtuous circle, a replenishing cycle that reinvests revenues from patient care in the recruitment of talented clinicians, researchers and educators, the adoption of new technological advances and the construction of new and more capable facilities. These investments improve the whole and move the circle forward on the path to optimal patient care.

Seamless Care

At UK HealthCare, multispecialty teams and hospital staff provide a seamlessly integrated continuum of care to patients, many of whom suffer from diseases that community hospitals are often not equipped to treat. The collaborative nature of the work means that each patient benefits from the expertise and experience of a variety of specialists, resulting in a higher level of care. In fact, 23 studies conducted between 1989 and 2004 concluded that the quality of care for both highly specialized and routine cases was markedly better in teaching centers like those of UK HealthCare.

First and Foremost

The size, stature and quality of an academic medical center means patients can expect access to the latest technological and procedural innovations. UK Chandler Hospital, for example, introduced to the region and the state:

The first kidney transplant in 1964

The first liver transplant in 1969

The first heart transplant in central Kentucky in 1991

The first lung transplant in 1991

Kentucky's first and only Gamma Knife in 1991



Kentucky's first endoscopic ultrasound in 1992

The region's first comprehensive breast cancer center in 1994

Kentucky's first JACHO-certified stroke center in 2005

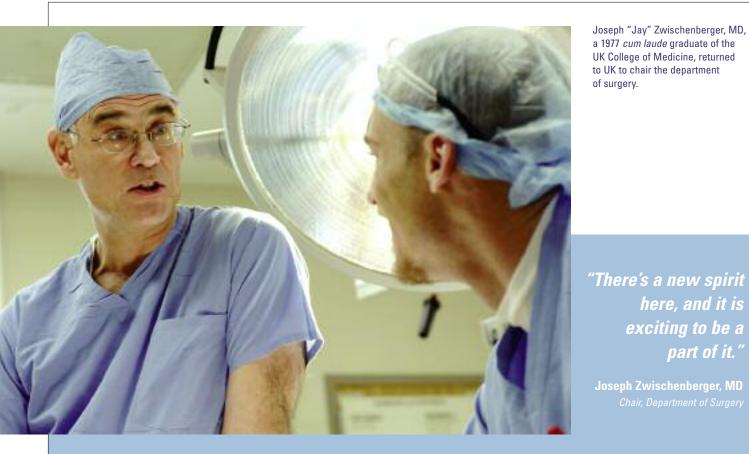
The first Birmingham hip replacement in 2006

The region's first Level IV Epilepsy Center in 2006

The nation's first baby delivered from a commercial frozen donor egg bank in 2006







Man with a Plan

Zwischenberger leads surgery department

Among the greatest strengths of an academic medical center is its ability to attract top physicians who can elevate the level of patient care and expand the horizons of research.

One such physician is Joseph B. Zwischenberger, MD, who returned to his native Kentucky in May as the new chair of the Department of Surgery. Dr. Zwischenberger immediately set an ambitious goal: to help make UK HealthCare an internationally recognized center in the care of diseased and damaged lungs. To that end, he is facilitating the creation of interdisciplinary teams that will pursue new treatments, therapies and devices to benefit patients with various forms of respiratory distress.

"More often than not, no individual physician or investigator has sufficiently broad expertise to develop advanced therapies," says Dr. Zwischenberger. "That's why the team approach of combining the talents of many people from different disciplines is so advantageous."

At UK, Dr. Zwischenberger also continues his work on the development of an artificial lung, which could be used to keep desperately ill patients alive for weeks as they wait for lung transplants. He hopes to employ one with a patient within three years.

A native of Louisville, Dr. Zwischenberger earned his undergraduate and medical degrees cum laude at UK. Most recently he was Professor of Surgery, Medicine and Radiology and Clinical Professor of Respiratory Care at the University of Texas

Medical Branch in Galveston. He has authored or co-authored more than 250 peer-reviewed publications, 65 book chapters and four books. He is editor of the American Society for Artificial Internal Organs Journal and an editorial consultant for JAMA, the Journal of the American Medical Association. Married with three children, he is also a passionate harmonica player who somehow finds the time in his free hours to perform with a local Lexington rock band.

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part of it."

exciting to be a

Throughout his career, Dr. Zwischenberger always harbored a desire to return to his home state and his alma *mater*. "I interviewed at UK five times in the past two decades in hopes of coming back," he recalls. "This time, everything fell into place. There's a new spirit here, and it is exciting to be a part of it."

In addition, medical center clinical teams generally see more patients every year than their counterparts in other hospitals. UK HealthCare, for example, records some 400,000 outpatient visits and 45,000 emergency visits annually. In just the past four years alone, the number of total discharges, a benchmark of success for teaching hospitals, has risen to some 27,000, placing UK HealthCare among the top 25 percent nationwide.

Synergy

As an academic medical center, UK HealthCare is a magnet for the most accomplished physicians, surgeons, researchers and other health professionals. Available to patients 24 hours a day, these practitioners of specialties and subspecialties offer expertise in the

Education Research

This diagram illustrates the synergistic relationship between the pillars of an academic medical center: patient care, research and education. The advancement of one pillar advances the whole and moves the circle forward on the path to optimal care.

widest array of potentially devastating diseases and conditions, bringing peace of mind to patients and their families during what may be the most stressful time in their lives.

UK HealthCare is now moving into a new era of service with the construction of state-of-the-art facilities for its clinical and academic components. And as the new UK Chandler Hospital and the academic medical campus of the future become operational in the years ahead, individuals and families from around the region and the state will discover even more reasons why Kentucky's premier academic medical center is more than just a hospital.



"Interprofessional health care education fosters team care."

> Jay Perman, MD VP for Clinical Affairs Dean, College of Medicine

The Virtuous Circle of Academic Medicine



Team Learning Develops Better Providers

Preventable medical errors can arise as a result of poor communication among health-care professionals from different disciplines, compounded by misunderstandings about each other's responsibilities and capabilities. Yet many such errors can be significantly reduced if the idea of teamwork is emphasized to students from the very start of their professional education.

The concept is called interprofessional education. And because UK is one of only a handful of public universities with six health-related colleges on the same campus - medicine, dentistry, pharmacy, nursing, health sciences and public health – it is uniquely positioned to lead in the adoption of this advanced approach to teaching future health care professionals.

Team Work

By bringing students from disparate disciplines together in common classes and settings, interprofessional education promotes teamwork across departments and disciplines to further both patient care and research. Students learn with and from each other, and they gain new respect for the contributions of each discipline to the total healing process.

The concept is one of many strategies employed at UK to move beyond the old paradigm of provider-centered medicine to the more efficient and productive approach of patient-centered care. Its effectiveness will be enhanced by UK's vision of an integrated academic medical campus.

Interprofessional learning requires close cooperation among the deans of all six health-related colleges and the interprofessional Education Committee, comprised of faculty, staff, residents and students from the six schools. Committee members identify areas in which students from different colleges can interact in common classes to discover the most efficient ways to treat patients.



Left to Right:

A pharmacy technician assists

in preparing medications at the

Kentucky Clinic, nurses Regina

Dundon and Raj Detroja review a

patient's progress, and physician

Andrew C. Bernard leads a

discussion about next steps.

Interprofessional teams work

together to deliver superior

specialty care.







Team Play

UK has also pioneered medical simulators that offer scenarios much like those encountered at the real bedside. In some simulations, for example, discrete pieces of information are given to students from different disciplines, leaving each of the health-care deliverers in the dark about certain aspects of the case. Only by sharing their knowledge and working together as a team can the students effectively treat their simulated patient.

Key to interprofessional education are community outreach programs in which students from different health colleges work together. They might "adopt" pupils in a local school to provide guidance in areas such as obesity prevention or asthma education. Students can also mentor minority pupils who might otherwise never be encouraged to pursue health-related careers.

teamwork."

Jay A. Perman, MD, dean of the UK College of Medicine and UK vice president for clinical affairs, is leading the effort to promote interprofessional education. Concerned with both the learning environment and the application of education in the clinical setting, Dr. Perman promotes team education because it enhances an integrated and collaborative approach to patient care.

The lung team meets monthly to review the progress of patients with lung cancer and to create and adjust treatment plans. The insight of multiple professionals from many different disciplines is powerful.

"Simply put," says Dr. Perman, "we strive for better health through

> Multispecialty teams provide a seamlessly integrated continuum of care to patients.

New Neurosurgery Department

July 1, 2007, was the occasion for a coming-out party of sorts, as the division of neurosurgery became a full-fledged department within the UK College of Medicine.

The new designation is more than a name change. Since its beginning, neurosurgery at UK had always been a division within the department of surgery. But the evolving nature of medicine and health-care delivery, as well as the 2006 re-establishment of UK HealthCare's Kentucky Neuroscience Institute (KNI), meant the division needed the influence and authority that departmental status would provide.

Competing for Better Care

"About 85 percent of neurosurgery programs in the United States are departments," explains Byron Young, MD, chair of neurosurgery. "Now that we are, too, we can compete more effectively for

top-flight faculty and residents. And that translates into better care for our patients."

In addition to his role in the department, Dr. Young is also director of the KNI. Within the institute, neurologists, neurosurgeons and researchers pursue an integrated, multidisciplinary approach that ensures each patient receives the most effective comprehensive care for his or her condition.

The Kentucky Neuroscience Institute melds the expertise of a wide variety of specialists and researchers to provide clinical care to patients with neurological disorders and to pursue investigations into the causes of and potential cures for these often debilitating diseases. Out of this collaboration has come a number of highly effective programs.

Stroke

The multidisciplinary stroke team employs the latest technology and clotbusting drugs to treat strokes before they cause permanent brain damage. Stroke patients have access to the region's top specialists and such leading-

A Young Pioneer

In 1964, Byron Young, MD, was one of 32 graduates of the first class enrolled in the new UK College of Medicine.

"It was a very exciting time, because UK had one of the first new medical schools in the country after World War II and the Korean conflict," says Dr. Young. "The college recruited an enthusiastic group of young department chairs who were interested in creating something new and better." Dr. Young notes that many of those early departmental chairs would years later be

recruited themselves to take on leadership positions at premier medical centers in New York, Chicago, St. Louis and Washington.

Classes in the early years were of necessity small, which resulted in close student-faculty interaction. Because the UK Albert B. Chandler Hospital did not open until 1962 – and even then maintained patient beds on only the 7th and 8th floors – medical students in Dr. Young's class received their earliest clinical experience in various local community hospitals, as well as at the Leestown Road Veterans Health Administration facility.

Today, Dr. Young is one of nearly 3,500 graduates of the college – men and women who practice medicine throughout Kentucky and in every state of the union. Although the differences between then and now in medical education, research and clinical practice are enormous, he notes that some things are much the same.

"The feel of the campus now is similar to those early days," he says. "There are new buildings, new faculty members and a genuine sense of possibility."



edge tools as the Merci[®] Retrieval System, which is used to remove potentially lethal blood clots. The stroke program has also inaugurated a regional stroke symposium.

Parkinson's disease

At least 1 million people in the United States are estimated to suffer from Parkinson's disease, a progressive and ultimately debilitating disorder that produces tremors, stiffness and slowness of movement. KNI's Movement Disorders Clinic provides evaluation, treatment and enrollment in clinical trials of new approaches. KNI also provides the most advanced surgical treatment alternatives, such as deep brain stimulation, which uses an electric pulse to counteract the brain activity that triggers abnormal movements. In addition, UK HealthCare has partnered with the American Parkinson's Disease Association (APDA) to create the Kentucky Parkinson's Disease Information and Referral Center. The Center provides physician and service referrals and educational programs, and develops and maintains support groups across the state.

Epilepsv

nationally.

Gamma Knife

For more than two decades, UK HealthCare has been the only provider of specialized epilepsy care to children, adolescents and adults in central and eastern Kentucky. Services include advanced forms of seizure therapy, epilepsy clinics and an epilepsy surgery program. In addition, patients gain access to ongoing clinical trials of new

treatments and antiepileptic medications. An active research program collaborates with investigators in other prominent epilepsy centers regionally and

Since 1991, KNI's noninvasive Gamma Knife

radiosurgery program has treated some 1,500 patients for neurological disorders and diseases. The Gamma Knife requires no anesthesia or incisions, avoids the risks of traditional surgery, reduces the length of hospital stays to as little as 24 hours, and allows patients to resume

normal life as quickly as possible.

Neurosurgery chair Byron Young, MD, (center) meets with colleagues John Slevin, MD, professor of neurology, molecular and biomedical pharmacology (right) and Joseph Berger, MD, (left) chair of neurology, in the Gamma Knife suite. Collaboration is the key to KNI's effectiveness.

Aid and Comfort

The new department of neurosurgery is supported by more than \$1,650,000 in gifts, pledges and matching funds. The Virginia T. Barrow Chair in Brain Disease Research honors Virginia T. Barrow.

Charting the Course

n 1997, the Kentucky General Assembly mandated a far-reaching goal for the University of Kentucky: become one of the nation's Top 20 public research universities by the year 2020.

How the university's medical center would contribute to this goal was hard to imagine at the time. A difficult health-care environment in the late 1990s produced declines in clinical activity, which in turn forestalled faculty expansion and program growth in research and education.

Yet today, a strategic plan to reach the objective set by the legislature is in place, and remarkable progress toward its fulfillment has already been achieved.

One of the first steps was taken by UK President Lee T. Todd, Jr., who named Michael Karpf, MD, to serve as UK's first executive vice president for health affairs. This change reflected a fundamental understanding of the symbiosis between clinical growth and the growth of academic programs.

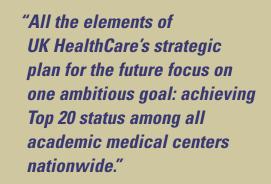
Dr. Karpf inaugurated planning processes to address four fundamental issues: facilities, finances, academics and overall strategy. He established the UK HealthCare Advisory Board to bring together the deans of all six health colleges as well as senior clinical faculty, researchers and administrators.

Within a short time, UK HealthCare was seeing an increase in clinical activity and improved financial performance. Senior leadership was being enhanced with new recruits and substantial new research funding. A master plan for construction of a new UK Chandler Hospital and a new academic campus was developed, and work began on the largest building project outside the private sector in Kentucky's history.

The most profound impact of UK HealthCare's strategic plan will be felt by generations of Kentuckians, who will not have to leave their home state to receive the most advanced clinical care in a world-class academic medical center that ranks among the Top 20 in the nation.



Reinvention



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Dr. Lee T. Todd, Jr. President, University of Kentucky

The New UK Albert B. Chandler **Hospital Breaks Ground**







Above: Dean Willard, Gov. Chandler, UK Pres. Dickey and former Pres. Donovan (top) at the 1957 groundbreaking for the Chandler Medical Center (center). Medical Center construction, 1958 (bottom).

Right: James Hardymon, Barbara Young, Mayor Jim Newberry, Goy, Ernie Fletcher, Michael Karpf, MD, UK Pres. Lee T. Todd, Jr. and UK Pres. Frank Dickey at the 2007 ceremony.



Fifty years ago in December 1957, a new era in Kentucky health care began with the groundbreaking ceremony that marked the start of construction of the original UK Albert B. Chandler Hospital. Presiding over the festivities, then-UK President Frank Dickey noted the significance of the event by calling it a "neverto-be-forgotten day" for the people of the Commonwealth.

Fifty years later in May 2007, a second groundbreaking ceremony brought the community of central Kentucky together once again to inaugurate another era – one centered on a new, larger and more capable UK Albert B. Chandler Hospital. Dr. Michael Karpf, UK executive vice president for health affairs, noted the significance of the event by saying it represented "a reaffirmation of the University of Kentucky's commitment to the people of Kentucky."

Separated by half a century, both speakers were right.

The original UK Chandler Hospital has profoundly affected the lives of millions of Kentuckians over the years, providing advanced health care to those in need and serving as the clinical training ground for generations of young physicians, many of whom chose to practice within the Commonwealth.

The new UK Chandler Hospital is both a reaffirmation of UK's commitment to the state and a bold new phase in the continuum of care that UK HealthCare has maintained in Lexington for 50 years. The new hospital has been designed as the centerpiece of a substantial expansion of the academic medical center that will help propel it

into the ranks of the Top 20 health care institutions in the country.

The 2007 groundbreaking for the new hospital combined a tribute to past successes with a celebration of future achievements. The ceremony took place under a brilliant blue sky that reflected the hope and optimism represented by the project itself. Some 300 people attended, including Kentucky Governor Ernie Fletcher, Lexington Mayor Jim Newberry, UK President Lee Todd, state legislators and city council members, the UK Board of Trustees, UK College of Medicine faculty and a diverse group of community leaders from throughout central Kentucky. Members of the family of former Governor Albert B. Chandler were also there, as were a number of the physicians and surgeons who had helped to establish the medical center in its earliest years. And, fittingly, so too was former UK President Frank Dickey, who participated in the first groundbreaking 50 years earlier.

The groundbreaking ceremony on Wednesday kicked off a week of celebratory activities that engaged everyone within the institution. Friday saw lunch and dinner cookouts for more than 4,000 employees of the hospital and UK's six health colleges, all of whom will have a stake in the new facility and the other additions planned for the academic medical campus. On Saturday, a black-tie gala at Donamire Farm raised \$325,000 for the purchase of art for the new hospital, an integral component of its healing environment.

The new pavilion at UK Albert B. Chandler Hospital will provide 1.2 million square feet of floor space and two eight-story towers of private rooms for advanced patient care.



If you would like to learn more about the new pavilion at UK Albert B. Chandler Hospital, request an informational DVD from UKHC Marketing at 859-323-5480

Streamlined Process Improves Care

UK HealthCare is on the leading edge of improvements in the patient experience through the application of some unlikely techniques.

The same principles of "lean" manufacturing that have eliminated errors and streamlined the production process of automobiles are now being used within UK Chandler Hospital. "Lean" techniques, it turns out, can be applied to processes within the hospital to minimize mistakes, save time, reduce costs and, above all, improve the overall patient experience.

Lean Processes

Refining the discharge process are

(forearound, left to right): Jeff

Norton, Elizabeth Adkins, Audrey

Yates, Jamie Strawser (standing),

Penelope Greenwell. (background):

"Our job is to identify areas that need refinement, study those areas systematically from top to bottom and then implement small-scale tests of refined

approaches," says Jeff Norton, co-director of UK HealthCare's Center for Enterprise Quality and Safety (CEQS). "These efforts are always patientcentered, caregiver-led across a number of disciplines, as well as evidence-based."

Under the leadership of director Joseph Conigliaro, MD, professor of medicine and associate professor of health services management, CEQS is the operational arm of an organizationwide quality initiative. Its academic arm is the Program for Quality, Safety and Patient Rights. The entire effort has a champion in Chief Medical Officer Richard Lofgren, MD. The lean concept focuses on the needs of the customer, in this case the patient, and eliminates anything that does not add value to the customer's experience. The CEQS team works with



"Our approach to applying lean principles is evolutionary, not revolutionary, which is one reason why it works so well."

Jeff Norton Co-Director, Center for Enterprise Quality and Safety

representatives from other areas of the hospital – clinical to administrative – to identify and remove roadblocks that cause delays, raise costs and heighten the possibility of errors.

"UK is unique among the handful of medical centers leading the way in process improvement because we bring together so many different elements under one roof," says Norton. "The academic medical center has access to the expertise of the UK College of Engineering where these industrialprocess improvements are most thoroughly understood."

Just two examples of the broad range of quality-improvement initiatives now underway show how much can be accomplished by a concerted effort.

Reducing Specimen Errors

The process of labeling specimens for testing is challenging. Errors can be a waste of time and resources, and might affect the timely and effective care of patients.

After thorough review by a multidisciplinary team, a new system was introduced that employs color-coded containers and a new direct transport and check-in procedure at the lab. As a result, errors have been virtually eliminated, and both the speed and accuracy of laboratory service have improved dramatically.

Speeding Up Discharges Older methods of patient discharge often required an individual to spend an inordinate amount of time dealing with paperwork and a burdensome bureaucratic process before he or she was released from the hospital. Now physicians, nurses and administrators work together in advance to make reliable release schedules that patients can depend on. While the new system eliminates confusion, redundant efforts and timewasting delays, it also frees staff to focus on their primary responsibility – providing care and assistance to patients.

A Star Rises

quality of care."

should expect?"



Similar efforts are underway in other venues in the hospital. And the benefits of the new approach are already being recognized: In October 2007, UK was honored as a "Rising Star" by the University Health System Consortium for "significant improvements in the

"Our approach to applying lean principles is evolutionary, not revolutionary, which is one reason why it works so well," says Norton. "Ultimately, we are building higher reliability into health care. And isn't that what every patient

Mechanic-in-Chief

Jeff Norton earned undergraduate and graduate degrees in engineering at the University of Illinois. He was a plant manager for a manufacturer of bearings when he first began to see how lean manufacturing principles might prove beneficial if applied in the health-care setting. After 6 years lending his expertise to Catholic Health Initiatives, he came to UK HealthCare

Norton notes that the knowledge accumulated in the quality-improvement initiatives at UK HealthCare will be shared with other institutions. "We are committed to being a leader in the field and to disseminating these techniques throughout Kentucky and across the country," he says. "It is just another way UK is contributing to the improvement of health care nationwide."

Patient-Centered Care Drives Design of New Facility

Designing the new UK Chandler Hospital from the ground up represented both a challenge and an opportunity.

The Challenge

Integrate an enormous modern facility into the newly configured clinical and academic campuses taking shape on both sides of South Limestone.

The Opportunity

Create a state-of-the-art facility with the size, efficiency and flexibility to place it in the forefront of innovative health-care delivery for decades to come.

The challenge is being met and the opportunity embraced. But it didn't happen overnight.

Planning a Hospital

In developing the master plan for the new hospital, UK's design development team first solicited input from every constituency in the medical center - the people who would actually work and teach in the new building every day. Team members sought to learn how best to design spaces in which physicians, surgeons, nurses, pharmacists, medical students and support staff could meet the needs of their patients most efficiently and effectively. At the same time, an equally important consideration was how best to ensure the physical and emotional well-being of patients during the stressful time of their hospitalization.

In addition, each area of the hospital had to be designed with flexibility in mind to allow for the changing requirements of medicine's evolving capabilities. Ultimately, the goal of the design process was to create a "100-year building." A hospital that would be not only architecturally striking, but that could accommodate operational growth and change for decades.



Guiding Principles

One of the core project elements was the establishment of guiding principles that provided a reference point for all decisions in the facility plan development.

Patient Access and Care

• Enhance convenience for patients and their families • Clarify and simplify navigation between areas of the facility • Maximize the quality of patient care and clinical efficiency

Academic Mission

- Establish principles of patient-centered care on which academic and research programs are based
- patients, faculty, students and staff

Integration of Clinical Services

- Enhance delivery of multidisciplinary care and services
- Integrate inpatient and outpatient services Seamlessly integrate new and existing
- facilities

Efficiency

- Focus on functions essential to clinical operations
- Eliminate duplication of staff, equipment, space and functions
- Design operational efficiency into the building

Flexibility

- Design for technological flexibility to accommodate growth and change
- Create flexible spaces to accommodate growth and change

• Design a 100-year building

Design Development team members (left to right) Kathleen Kopser, RN, patient care manager; Sandra Chambers, MPH, associate hospital director: Dan Miesle, facilities planning development director; Murray Clark, associate VP for medical center operations; and Tonya Sutton, RN, patient care manager, discuss finish details for the new hospital.

22 Reinvention

• Be academic medical center of choice for

As a result, each medical department prepared an "operational narrative" – in essence, a description of the tasks its staff members perform.

The design team commandeered UK's Nutter Field House to lay out preliminary floor plans for the new Emergency Department using construction cones and different colored tape to delineate hallways, rooms, spaces for equipment and other specific areas. Working first on the ED and then the standard inpatient unit, the team asked end-users of the facilities to suggest changes and improvements that would accommodate the unmet requirements they discovered by walking through the floor plans and, in effect, "trying them on."

A partner in the Center for Health Design's "Pebble Project," a national collaborative of innovative health care organizations that shares new ideas to enhance the quality of patient care through design improvements in healing environments, UK also learned from and drew upon the expertise of other "Pebble" participants.

Of course, at every stage of the process the foremost consideration of everyone involved in designing the new hospital was always the patient's welfare. The operating guideline was: "If you make the right decision for the patient, you make the right design decision," recalls Murray Clark.

Groundbreaking Design

The result of this enormous effort is a groundbreaking design for a hospital that will launch a new era in health care quality for Kentucky.

• Each patient room in the new UK Chandler Hospital will be private. With 285 square feet of floor space, each will be large enough to accommodate patient families, a wide array of equipment and



the entire medical team attending to the individual. Each room even has space for a family member to spend the night.

- Rooms are sufficiently flexible to be converted to individual intensive care. Each is designed to maximize safety for both patients and medical staff by eliminating obstacles and enhancing the proximity of such necessities as bathrooms and sitting areas.
- Inpatient unit floors are service-based, placing all of the resources of, for example, neurology and neurosurgery on a single level, for the most efficient care of patients and education of medical students.
- Old-fashioned and inefficient centrally located nurses' stations have been replaced with new "patient team stations." Each is located closer to patient rooms to reduce walking time, facilitate face-to-face interaction among the medical staff attending to individual patients and provide sufficient space for training and teaching.
- Every patient room and work space throughout the new hospital will be

identical, allowing any patient to be accommodated in any room on the appropriate floor at any time. Identical room layouts also facilitate care by situating beds, equipment and so on in a familiar pattern, so medical staff do not need to "learn" different rooms as they see different patients throughout the day.

• Amenity spaces such as lobbies, hallways, dining and outdoor-seating areas feature artwork and landscaping in an environment intended to soothe and inspire.

An unstated but no less important function of the new UK Chandler Hospital lies in the ability of the building to communicate an impression to all patients they have come to a truly first-class facility where they will receive a level of care comparable to the finest available anywhere in the world.

And that, too, proved to be both a challenge met and an opportunity embraced.

"If you make the right decision for the patient, you make the right design decision."

> **Murray Clark**, Associate Vice President for Medical Center Operations



Patient mockup rooms are used to make real-time decisions regarding furniture specifications and space usage.

Good Samaritan Joins the UK HealthCare Team

While significantly rising patient volumes throughout the year represented continuing proof of the importance of UK Chandler Hospital's clinical programs, high occupancy rates at the medical center also constituted a problem. With so much demand for the high-quality care we provide to patients from around the state. how could we accommodate all of the individuals – including those with lower-acuity cases - who come to us for diagnosis and treatment?

That issue was addressed at midyear, when UK HealthCare purchased the assets of Samaritan Hospital, protecting a Lexington landmark and preserving an important health care resource for the community.

The newly renamed UK HealthCare Good Samaritan Hospital relieves the pressure of Chandler's high occupancy rates by allowing for the care of lower-acuity patients at the downtown hospital. In addition,



UK HealthCare specialists will now work with the more than 400 members of Good Samaritan's independent medical staff and the hospital's 550 employees to enhance patient care at the facility. Good Samaritan will also benefit from access to UK HealthCare's purchasing networks and recruitment resources.

Lower-acuity patients will gain access to the expertise of UK specialists while remaining in

in 1888. A full-service community hospital, Good Samaritan has always been a compact and personalized healing environment in proximity to residents who live and work in north Lexington and downtown. In its current configuration the hospital itself, along with a free-standing diagnostic center and medical office building, is a 340,000-squarefoot facility with 302 inpatient beds. With historic strengths in family medicine, orthopaedics,

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the community-hospital setting in which they feel most comfortable. At the same time, beds in the tertiary-care facilities of UK Chandler Hospital can be used for high acuity cases. In addition to keeping Good Samaritan in operation, this change allows for a more efficient and cost-effective use of available space and resources within Chandler.

The second oldest hospital in Lexington, Good Samaritan opened on South Limestone

diagnostic imaging and psychiatric care, Good Samaritan has in recent years recorded some 5,000 surgeries, 19,000 emergency room visits and 28,000 outpatient visits annually.

UK HealthCare is now providing the stability and support needed to keep Good Samaritan Hospital functioning as a valuable community health resource for years to come. In addition, the acquisition of Good Samaritan extends the University of Kentucky's downtown footprint to include Good Samaritan's 13-acre property, which adjoins existing UK dormitories at the northwest corner of the main campus

College of Pharmacy Expands

The new College of Pharmacy is a fivestory structure in which one of the most pressing needs of modern medicine will be addressed.

Response to a Pharmacist Shortage

A long-standing shortage of qualified pharmacists in Kentucky will only grow more acute as enormous numbers of baby boomers enter their 60s and 70s in the years ahead. In fact, the demand for more well-trained pharmacists in communities, hospitals, nursing homes, the pharmaceutical industry, academia and government is reaching crisis level.

The new UK College of Pharmacy now under construction has been designed to respond to this crucial need. The new building will be classroom, training ground and laboratory for generations of students and researchers, all of whom will ultimately help raise the level of

patient care and expand the boundaries of pharmaceutical innovation worldwide.

Scheduled to open in 2010, the new 286,000-square-foot home of the college will be one of the largest college of pharmacy buildings in the country. It will house state-of-the-art academic and research facilities for future pharmacists and pharmaceutical scientists, as well as ample laboratory space for faculty researchers. Two 235-seat auditoriums will also serve as venues for lectures, demonstrations and symposia.

Currently, the College of Pharmacy enrolls approximately 130 students per year in its four-year doctor of pharmacy program and 66 students in the pharmaceutical sciences doctoral program. The new facility will accommodate classes of up to 200 students per year and will help the college in the recruitment of top-



A New Parking Facility Emerges

Time-lapse photography showing the new parking garage under construction.

Tangible evidence of UK HealthCare's plans for the future became evident across South Limestone this year as the new 1,600-space parking garage took shape. Opened partially in November 2007 and scheduled for completion in March 2008, the medical center's new parking facility provides convenient and highly visible access for patients entering from Limestone. The structure will serve patients and their families during and long after completion of the

phased construction of the new UK Chandler Hospital.

The garage opened with 24hour shuttle service to and from the existing hospital and to the Kentucky Clinic on weekdays, with onsite "ambassadors" helping to direct visitors to the shuttle fleet. More transport options and a heated elevated pedestrian walkway will be available when the new hospital opens in 2011.

Like all elements of the new

medical center, the garage is designed to welcome patients and their families and to minimize the stress they encounter during times of deepest concern for themselves and their loved ones. It is also intended as an entry portal to something much larger, a doorway to an advanced medical center where the most modern developments in medical science and patient-centered care are made available to Kentuckians every day.



flight faculty and staff. In addition, the curriculum will be expanded to address pharmaceutical policy issues and pharmaeconomics, two increasingly important areas that affect both the public and private sectors.

National Ranking

The UK College of Pharmacy is already ranked eighth in the country among its peers. It is respected internationally for the quality of its training in clinical care and its research efforts in drug analysis, development and delivery. The college has created innovative interprofessional programs in patient-centered care that foster collaboration among physicians, nurses and pharmacists, giving patients helpful new insights into the relationship between their illness, the medications prescribed for it and their own choices in diet, exercise and mental attitude. Graduates of the college now work in cardiology, neurology, pediatrics and other areas of UK HealthCare, while others have taken their expertise to underserved regions of the Commonwealth.

Research Highlights

Current laboratory investigations include an NIH-funded \$2.5 million study of a drug that may safely remove radiation from the human body after a

industries.

"dirty-bomb" attack. Another study is an attempt to reformulate a cancertherapy drug to work transdermally. much as current nicotine patches function. In all, UK faculty members are credited with more than 100 patents, and they have founded 18 start-up companies in pharmaceutical-related

UK has been a leader in the field of clinical pharmacy since the 1960s. The new home of the College of Pharmacy builds on that legacy, ensuring that the college's leadership is maintained and that the programs it develops will continue to be seen as models for the rest of the nation.

Scheduled to open in 2010, the new 286.000-square-foot home of the College of Pharmacy will be the largest academic building in Kentucky and one of the largest in the country. It will house state-ofthe-art academic and research facilities for future pharmacists and pharmaceutical scientists, as well as ample laboratory space for faculty researchers.

UK pharmaceutical graduate students Stan Banks, Paul Kiptoo and Caroline Strasinger consult on a project as Patrick McNamara, PhD, professor and chair of pharmaceutical sciences, looks on.





Reaching Out

UK HealthCare partners with regional cancer center

An important aspect of radiation medicine's approach to serving the citizens of Kentucky, no matter what their geographic location, is an outreach program that extends far beyond the city limits of Lexington.

Outreach includes the new affiliate partnership between UK Markey Cancer Center and the St. Claire Regional Medical Center, which provides advanced treatment options to patients in rural Morehead and its surrounding communities.

UK Radiation Oncologist Eduard Dvorak, MD, administers advanced cancer treatments onsite at St. Clare Regional Medical Center, collaborating with local physicians and employing more than \$4 million in new equipment that includes:

- A Siemens Sensation Open CT Simulator, ensuring accurate treatment planning for image-guided radiation therapy
- A linear accelerator with intensity-modulated radiation therapy (IMRT) capability, delivering targeted radiation to tumors while sparing healthy tissues

Similar affiliate partnerships exist with Harrison Memorial Hospital in Cynthiana, Rockcastle Hospital and Respiratory Care Center in Mt. Vernon and the ARH Cancer Center in Hazard. Outreach clinics are maintained in Winchester and Georgetown, with radiation outpatient treatment centers in Berea. Georgetown, Maysville and Morehead. At each location, UK physicians and staff share their clinical expertise to bring advanced treatment options directly to rural areas, ensuring patients receive the finest care available close to their own homes.

Marcus E. Randall, MD, the new chair of Radiation Medicine, leads a department that is utilizing better treatments for cancer.

New Specialists and Technologies Fight Cancer

Change has been an ongoing theme in radiation medicine since the arrival one year ago of new chair, Marcus E. Randall, MD. Dr. Randall, whose career includes more than a decade leading radiation oncology departments at Indiana University and East Carolina University, has pursued the recruitment of top-flight new faculty and the acquisition of cutting-edge technology, even as he places renewed emphasis on service and responsiveness to patient needs.

"To all of us in the department," he says, "merely doing an average job is definitely not okay."

Focused Specialists

One of the ways Dr. Randall has tried to elevate patient care is by focusing specialists on their particular areas of expertise, rather than on general radiation oncology. In addition, the department is competing forcefully for the best residents and researchers, and it is making investments in existing facilities to provide the latest technological advances to patients.

New Technology

Reconfiguration and new construction within the existing hospital is bringing cutting-edge technology to the care of patients in the Commonwealth. A new Gamma Knife, for example, will extend the treatment range of this noninvasive radiosurgery technique beyond the head to the cervical spine. And stereotactic body radiation therapy (below) is already in use to deliver high doses of tumorkilling radiation to all areas of the body with pinpoint accuracy.

Complementing the improvements in radiation medicine, the UK Markey Cancer Center's chemotherapy program is also seeing changes. Renovation of chemotherapy infusion suites includes new furniture and flat-screen televisions, new lighting and comforting wall colors chosen with patient input. Service hours

Ronald D. McGarry, MD, uses SBRT to treat localized tumors on an outpatient basis with few if any side effects.



Targeting Tumors

A noninvasive therapy to fight cancer

Stereotactic Body Radiation Therapy (SBRT) is a noninvasive therapy for early-stage inoperable lung cancers and metastatic cancers from other areas of the body. SBRT delivers extremely high doses of radiation that minimize the risk of recurrence and, in the best outcomes, eliminate the need for chemotherapy, traditional

have also been extended to seven days a week for the convenience of patients.

And UK Markey Cancer Center's Blood and Marrow Transplant Program received a three-year accreditation from the Foundation for the Accreditation of Cellular Therapy (FACT). The peerreviewed designation signifies the highest quality care and laboratory services for adult cell transplantation, bone marrow and blood cell collection and cellular

therapy.

"To all of us in the department, merely doing an average job is definitely not okay."

> Marcus Randall, MD Radiation Medicine

radiation therapy or standard surgeries. And it does so with such precision that intervening and surrounding healthy tissues are less affected.

"I call it 'lung-sparing' treatment," says Ronald D. McGarry, MD, vice chair of radiation medicine since his recruitment in December 2006.

Dr. McGarry was a pioneer in the use of SBRT, having devised the first study in the United States in 1999 with colleagues at Indiana University. Of the 70 patients in the Phase 2 trial they conducted at the time, only three showed recurrences of their disease after three years.

SBRT requires a stereotactic body frame device to immobilize patients for diagnostic scanning, which provides a clear picture of the precise location of tumors. The same device is used during the radiation treatments themselves, to maximize effective targeting and ensure that healthy tissues are unaffected. Just one to five treatments are usually required to eliminate tumors, as opposed to the 20 to 40 treatments often needed in traditional radiation therapy. SBRT treatments are delivered on an outpatient basis, patients experience little or no acute toxicity from their therapy, require no recovery time and go home the same day.

While SBRT is not applicable for widespread cancers, it is being used at UK Markey Cancer Center on localized lung tumors in otherwise inoperable patients, patients with early-stage liver cancer, patients with localized kidney cancers, patients who are far advanced in years and even patients with more than one cancer.

An Academic Master Plan



Health Sciences Learning Center

The new facility will provide state-of-the-art simulation labs and assessment facilities, an integrated library, classrooms and auditoriums for all colleges to share as students learn together to deliver multidisciplinary patient care.

In addition to developing the new UK Albert B. Chandler Hospital, UK HealthCare has composed an academic master plan to enhance education and research.

The need for research is paramount. Medical research programs can only grow when the right kind of laboratory space exists to attract outstanding scientists and their research teams. The university's quest for Top 20 status will require a significant research commitment from the academic colleges at the medical center.

UK is one of the few universities to have six health-related colleges on one campus. It is well-positioned to pursue interprofessional health care and collaborative research. By creating a Health Sciences Learning Center to be shared by all of the colleges, students and faculty can learn together in shared facilties.

Biomedical/Biological Sciences Research Building II

The second Biomedical/Biological Sciences Research Building II will be a five-story, *255,000 square-foot building connected to* the first Biomedical/Biological Sciences Research Building via a basement level vivarium. The building will include open design wet labs for physical and health sciences research, as well as a BSL-3 lab – a high security laboratory for the study of potentially dangerous pathogens. The BBSRB II will complete a quadrangle of academic and research space that will solidify the University of Kentucky as an organization committed to research.





Achievements



Barbara Young with Dr. Michael Karpf

The year 2007 was a period of challenge, achievement and promise for UK HealthCare.

As our hospitals filled to capacity and the expansion of the medical center moved into high gear, we achieved the goals that we had set at the beginning of the year.

Proof of our success came in many forms:

- Thomson Healthcare named UK Chandler Hospital one of the nation's 100 Top Hospitals[™] – the only academic medical center in Kentucky to be so ranked and one of only 15 in the nation.
- For the second consecutive year, Thomson Healthcare also named us one of 15 academic medical centers in the nation noted for rapid and consistent organizationwide performance improvement.
- We earned recognition in U.S.News & World Report's rankings as one of the nation's best hospitals in three specialty areas: cancer care; ear, nose and throat diagnosis and treatment; and gynecology.

UNIVERSITY HOSPITAL COMMITTEE

Sational Benchmarks for Sur

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Message from the University Hospital Committee of the Board of Trustees

These accolades are a tribute to our focus on the continuous improvement of patient-centered care. Our studied decision to acquire Lexington's Samaritan Hospital further enhanced our abilities by allowing us to focus Chandler resources and talents on the treatment of complex medical problems while still supporting the increasing demand for lower acuity services and Samaritan's 120-year role as a much-needed community hospital.

The Hospital Committee and its parent, the UK Board of Trustees, were dealing will all of these important issues at the same time that UK HealthCare was launching its most ambitious project to date: the May groundbreaking for the new UK Albert B. Chandler Hospital. The hospital is the cornerstone of what will one day be an academic medical campus of the future housing the latest in cutting-edge health care, research and medical-education facilities.

The theme of this annual report is "The Shape of Things to Come." What does this mean to Kentuckians? It means a new state-of-the-art academic medical center in which top-flight physicians, surgeons, nurses and researchers work tirelessly to bring the very latest in medical advances to the people of Kentucky.

This is our vision. We are proud to share it with you.

Barbara S. Young

Barbara Smith Young Chair, University Hospital Committee University of Kentucky Board of Trustees

Gifts Support Advanced Research

No gift is more appreciated than one that helps the recipient achieve a noble goal. Two such goals are among many being pursued at UK HealthCare with the generous support of individual and foundation philanthropy.

Diabetes Research

Diabetes is the fifth-leading killer of Americans, causing some 73,000 deaths per year. In Kentucky, half of all adults are at risk for the disease due to obesity and inactivity. Of particular alarm is the increasing incidence of Type II adultonset diabetes in the state's children, a rapid rise that approaches epidemic proportions. But basic research conducted at UK is dedicated to slowing and even stopping this growing major public-health crisis.

Barnstable Brown Dedication

This year saw the dedication of the Barnstable Brown Pediatric Diabetes Laboratories in which investigators now pursue basic research into the mechanisms of diabetes, how it makes the body susceptible to other diseases and how it can be treated more effectively. The lab was made possible by a \$500,000 gift from the Barnstable Brown family, which was matched by an equal gift from the Commonwealth of Kentucky Research Challenge Trust Fund.

Eric J. Smart, PhD, director of the Kentucky Pediatric Research Institute, holds the Barnstable Brown Endowed Chair in Diabetes Research, another gift of the family. Dr. Smart notes that UK is able to leverage the Barnstable Brown endowment to win National Institutes of Health funding for a range of important basic-research projects exploring the causes, complications of, and ultimately, potential cures for diabetes.

Barnstable Brown Gift Gets Smart

Dr. Smart came to UK in 1996 after a three-year National Institute of General Medical Sciences Fellowship. In 1997, he received the American Heart Association's Excellence in Research Award, and he is a two-time winner of the UK College of Medicine's Wethington Award for exemplary efforts in research. One of his primary goals is to bring together basic and clinical researchers in collaborations that will strengthen translational research. "A great advantage at UK is the dual commitment to research and patient care," he says. "Our pediatrics faculty is devoted to treating sick kids today and doing research to prevent sickness in the future."

Urology Research

"It's rare to find a group of committed individuals who can help build an endowment so rapidly and enable us to recruit such star performers," says Randall G. Rowland, MD, PhD., professor of surgery and former chief of the division of urology. "But that's what we did."

In 2000, Dr. Rowland created the UK Committee for Urologic Progress (UK CUP), a 12-member body of grateful patients and community leaders chaired by UK Board of Trustees member, and former chairman James F. Hardymon. The committee served as a centralized fundraising organization for urological research and educational programs at UK, with a goal of raising \$10 million in the coming six or seven years to move the division to the next level of excellence in basic and clinical research.

At the time it seemed an impossible task. Yet by 2007 the committee had raised \$9.3 million in private commitments and matching funds from Kentucky's Research Challenge Trust Fund, also known as "Bucks for Brains," and had brought to UK a group of internationally respected clinicians, investigators and teachers.

Some of UK Committee for Urologic Progress' successes:

- The James F. Hardymon Chair of Urological Research is now held by Natasha Kyprianou, PhD, who pursues work in apoptosis, or programmed cell death, to control the growth of prostate cancer cells.
- The William Stamps Farish Fund Chair of Urologic Surgical Research supports the work of division chief Stephen E. Strup, MD, whose mastery of minimally invasive urological surgery technique is invaluable in the training of students, residents and graduate fellows.



Eric Smart, MD, vice chair of pediatric research, works with lab assistants Danielle Goulding and Teresa Guerin in the Barnstable Brown Pediatric Diabetes Laboratories.

Eric Smart, PhD, is professor of pediatrics and physiology in the UK College of Medicine, vice chair of pediatric research and director of the Kentucky Pediatric Research Institute. With his team of scientists, research associates and technicians he conducts studies on the mechanisms that control three interrelated cardiovascular diseases: diabetes, atherosclerosis and hypertension.



• The James F. Glenn Chair of Urology supports the research, academic and teaching programs of the chief of urology, including state-of-the-art, minimally invasive approaches to urologic cancers.

• An endowment for neurologic research supports the work of Deborah Erickson, MD, a national expert in female urology and bladder dysfunction

• The Randall G. Rowland Endowment for Urologic Research – an April 2007 gift of \$1 million from the William Stamps Farish Fund, which brought the endowment to over \$2.5 million – supports the division's investigational programs.

By July 2007, with a solid base of support in place, Dr. Rowland took his fundraising expertise to the Markey Cancer Foundation, where he now serves as president and CEO. Donor James Hardymon chats with Randall G. Rowland, MD, PhD, about fundraising for urologic research and improved treatments.

If you would like to lend your support to UK HealthCare, contact: Victoria Myers UK HealthCare Office of Development 343 Waller Ave., Suite 301 Lexington, KY 40504 859-322-6306

"It's rare to find a group of committed individuals who can help build an endowment so rapidly and enable us to recruit such star performers."

> Randall Rowland, MD, PhD Urology

Statistics

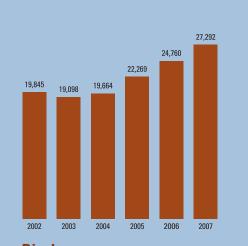
	2006	2007
Discharges		
Medicare	6,225	7,093
Medicaid	7,005	7,828
Commercial/Blue Cross	8,827	9,074
Patient/Charity	2,703	3,297
Total Discharges	24,760	27,292
Number of Beds	473	473
Average Daily Census	369	406
Average Length of Stay	5.43	5.43
Patient Days		
Medicare	37,998	42,536
Medicaid	41,012	43,222
Commercial/Blue Cross	41,710	45,705
Patient/Charity	13,800	16,826
Total Patient Days	134,520	148,289
Surgery		
Operative Cases	20,075	20,669
Outpatient		
Outpatient Visits	320,254	336,565
Other Service Relationships		
Referring Physicians	1,715	2,852
UK•MDs Physician Calls	99,334	115,099
Health Connection Consumer Calls	62,168	109,751
Web Site Users (average/mo.)	25,772	60,339

ondens	ed Statement of Revenues and E	xpenses (\$ in t	11003011037
		2006	2007
	Operating Revenue	\$521,664	\$580,839
	Operating Expenses	491,090	563,732
	Operating Income	30,574	17,107
	Nonoperating Revenue (Expenses)	49,532	39,413
	Income Before Transfers to UK	80,106	56,520
	Transfers to UK/Other	(11,199)	(9,313)
	Total Increase in Net Assets	\$68,907	\$47,207
	Operating Margin	5.9%	2.9%
	Total Margin	13.4%	8.1%
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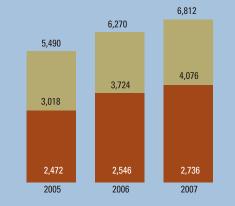
Financial Statements

Statistics

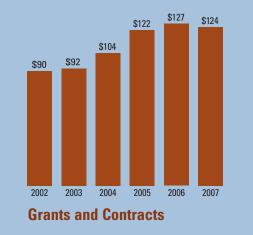
UK HealthCare's increasing patient volume reflects the increasing demand for our unique and advanced specialty services. This demand, in turn, creates the need for more nurses, physicians and other medical providers. The professionals we bring on board help us grow and improve clinically, which spurs the advancement of medical knowledge. When a medical center improves clinically, it improves academically. The total grants and contracts for the College of Medicine continue to reflect this improvement and move UK closer to its goal of becoming a Top 20 public research university by 2020.



Discharges



UKHC Job Growth



Oversight

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"Is it any wonder that we are all excited about the future of UK HealthCare?"



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UK Chandler Hospital Employee of the Year

Shayne Stratton, RN, BSN *Manager, Office of Nurse Recruitment*

Shayne Stratton has been manager of nurse recruitment for UK Chandler Hospital and Kentucky Children's Hospital since 1998. A former practicing registered nurse, Stratton has hired or placed nearly 2,000 nurses during her 10-year career, 250 of them in 2007 alone. Her Employee of the Year Award recognizes the quality and efficiency of her team's work in bringing topnotch nursing talent to UK and helping to guide nurses to careers in clinical units where their expertise and interests mesh seamlessly with the needs of patients and medical staff.

Stratton helped design an online application process that became operational last year and immediately streamlined the hiring process. She and her team make their decisions based on applicants' histories and their mix of skills, as well as the level of confidence they display in interviews. "The face-to-face contact is important in evaluating candidates and matching their skills with the needs of specific units," she says. "We want nurses to work in areas where they can do their best and where they can advance their careers."

Stratton's job was made a bit easier in 2001 when the American Nurses Credentialing Center awarded UK Chandler Hospital and Kentucky Children's Hospital their coveted Magnet™ status, which recognizes quality patient care and high patient satisfaction, nursing excellence and innovations in professional nursing practice. Fewer than 5 percent of U.S. hospitals have earned Magnet recognition, and the UK nursing service was the first in Lexington and the 38th in the country to win the honor.

She thinks her job will become easier still as elements of the new UK Chandler Hospital come into service in the years ahead.

"Nursing candidates will definitely want to work in a facility that offers ample space in patient rooms and access to cutting-edge technology," she explains. "Is it any wonder that we are all excited about the future of UK HealthCare?"

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