



A Message from University of Kentucky

**PRESIDENT ELI CAPILOUTO**



Dear Campus,

Early this morning, the Executive Committee of our Board of Trustees endorsed a significant partnership designed to strengthen our commitment to expanded health care to more of those we serve across Kentucky.

As the communication below to UK HealthCare colleagues from Dr. Mark Newman explains, we are embarking on a joint venture with King's Daughters Hospital, a strong regional provider based in Ashland, Ky.

Working with our new partners, this strategic initiative is another example of how we are doing more and being more for the Commonwealth we were created to serve more than 155 years ago.

In service to that mission, it is an exciting day for our institution. Many people with UK HealthCare – starting with Dr. Newman and his senior team -- have worked long and hard to make today possible. We will be communicating more in the coming months about this initiative, but I hope you share with me a sense of excitement for what we are doing to help create a healthier Kentucky.

Eli Capilouto  
President



**Mark F. Newman, MD**  
Executive VP for Health Affairs

## **Announcing a significant partnership with King's Daughters Health System in Ashland**

Colleagues:

Earlier today, the executive committee of the UK Board of Trustees approved a resolution of support for our health system to enter into a significant joint venture with King's Daughters Health System (KDHS) in Ashland.

For UK HealthCare, this is our most significant hospital partnership since the acquisition of Good Samaritan Hospital in 2007. Our partnership with KDHS will create new opportunities to serve patients from the greater Ashland/Tri-State community that reaches across northeastern Kentucky, southern Ohio and West Virginia.

Watch Video Here:

[https://vimeo.com/505240815/3fcfe4eb3a?j=310389&sfmc\\_sub=111296794&l=21\\_HTML&u=9510888&mid=10966798&jb=6](https://vimeo.com/505240815/3fcfe4eb3a?j=310389&sfmc_sub=111296794&l=21_HTML&u=9510888&mid=10966798&jb=6)

In addition to our joint venture partnership, UK HealthCare has entered into a management agreement, similar to our agreement to manage Eastern State Hospital, to operate King's Daughters Health System.

King's Daughters Health System (KDHS) is comprised of two acute-care facilities – 465 licensed beds in Ashland and an additional 10 licensed beds at King's Daughters Medical Center – Ohio, located in Portsmouth.

It also includes long- and short-term care facilities, six urgent care centers and more than 50 physician practices serving the Tri-state area in Ashland, Huntington, W.Va. and southeast Ohio.

First partnership of its kind for UK HealthCare

This type of relationship is a new one for UK HealthCare. We have many affiliations along service lines, this will be the first full alliance with an entire health system.

As we have been meeting to discuss the step we are taking today, we discovered many points of connection. Our parent, the University of Kentucky, has served the people of Kentucky for 150 years.

Our new partner, King's Daughters Health System, has served the community of Ashland and northeastern Kentucky for 100 years.

We both enjoy the trust and confidence of those we serve. We both come to this partnership from a position of strength.

Both of us expect to thrive and grow stronger through the synergies this partnership will provide.

Already, we have productive ties forged through the Markey Cancer Center Affiliate Network. By increasing our connection and alignment, we will continue to invest and grow King's Daughters as we look for even more ways to partner in the future.

For our part, we bring the strength of an academic health system built upon the state's largest integrated medical group of primary care and specialty physicians, as well as missions of research and education.

King's Daughters' strength includes a substantial physical footprint across portions of three states, as well as strong operating achievements and more than a 300-member medical staff comprised of more than 150 physicians and another 150 advanced practice providers.

Working more closely together, we can expand access to specialty and subspecialty care within that very large service area, enabling the region's people to stay closer to home for most treatments.

This relationship will provide the people of the region even greater access to our advanced specialty programs such as e-ICU, solid organ transplantation, bone marrow transplantation and clinical trials.

Additional operating details will be finalized between now and April 1. I will continue to share details of this partnership as they unfold.

Please join me in offering a warm welcome to our new colleagues at King's Daughters Health System as we begin this exciting new collaboration.

Mark F. Newman, MD  
Executive Vice President for Health Affairs

## For more information:

- [Resolution of the Executive Committee of the UK Board of Trustees, Jan. 29](#)
- [King's Daughters Health System](#)

## Anticipated Benefits of Partnership

- Enhanced local care delivery
- Service line growth
- Larger, stronger physician network
- Supports 2025 Strategy
- Enhanced medical education programs

## Anticipated questions and answers

**1) Will this partnership have an impact on UK HealthCare staff?** The partnership does not affect employment benefits, compensation or job duties for either group of employees.

**2) Is there a reason this happened now?** COVID-19's impact on all providers has been significant. Post-COVID-19, financial challenges to rural hospitals are expected to increase. That said, this is partnership between two strong organizations. We are moving forward at this time in anticipation of the need for greater collaboration in the face of what lies ahead. It is important that we play a leadership role in stabilizing health care in Kentucky and continue to improve and expand access to care.

**3) Have we ever done anything like this before?** Yes.

- In 2007, purchased Good Samaritan Hospital and immediately improved our ability to accept referrals while securing jobs and acute care beds for our community
- In 2012, entered into an agreement with the state for management of Eastern State Hospital
- In 2018, entered into an agreement with Optum/SCA for Lexington Surgical Center to support local and regional care

**4) What experience do we have with King's Daughters?** In 2018, King's Daughters joined the UK Markey Cancer Center Affiliate Network, which expanded access to specialty and subspecialty cancer care for patients in Eastern Kentucky, southern Ohio, and West Virginia. This experience has been very beneficial for patients in the KDHS coverage area.