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BUILDING A REVOLUTION IN KENTUCKY ONCOLOGY

Better treatments with better outcomes

drive a cancer clinic construction boomlet



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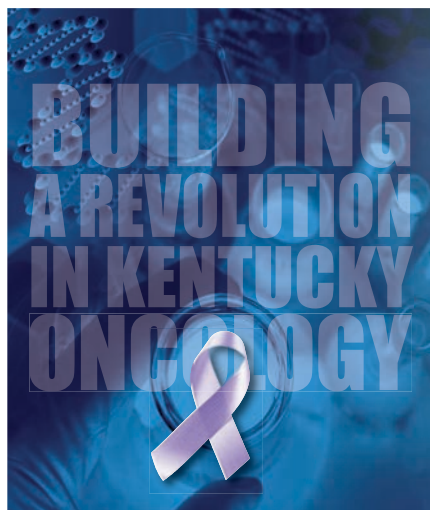
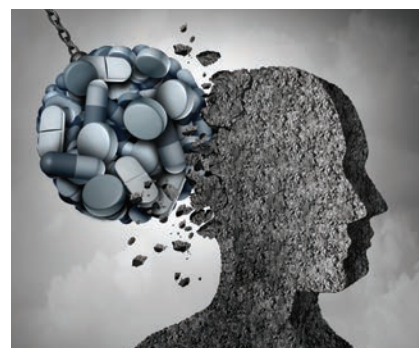
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We may find a cure for cancer—right here in Kentucky

Dr. Ray Takigiku's company, Bexion Pharmaceuticals has developed a way to kill tumor cells in certain types of cancers while leaving healthy cells intact. And he's doing it in Kentucky.

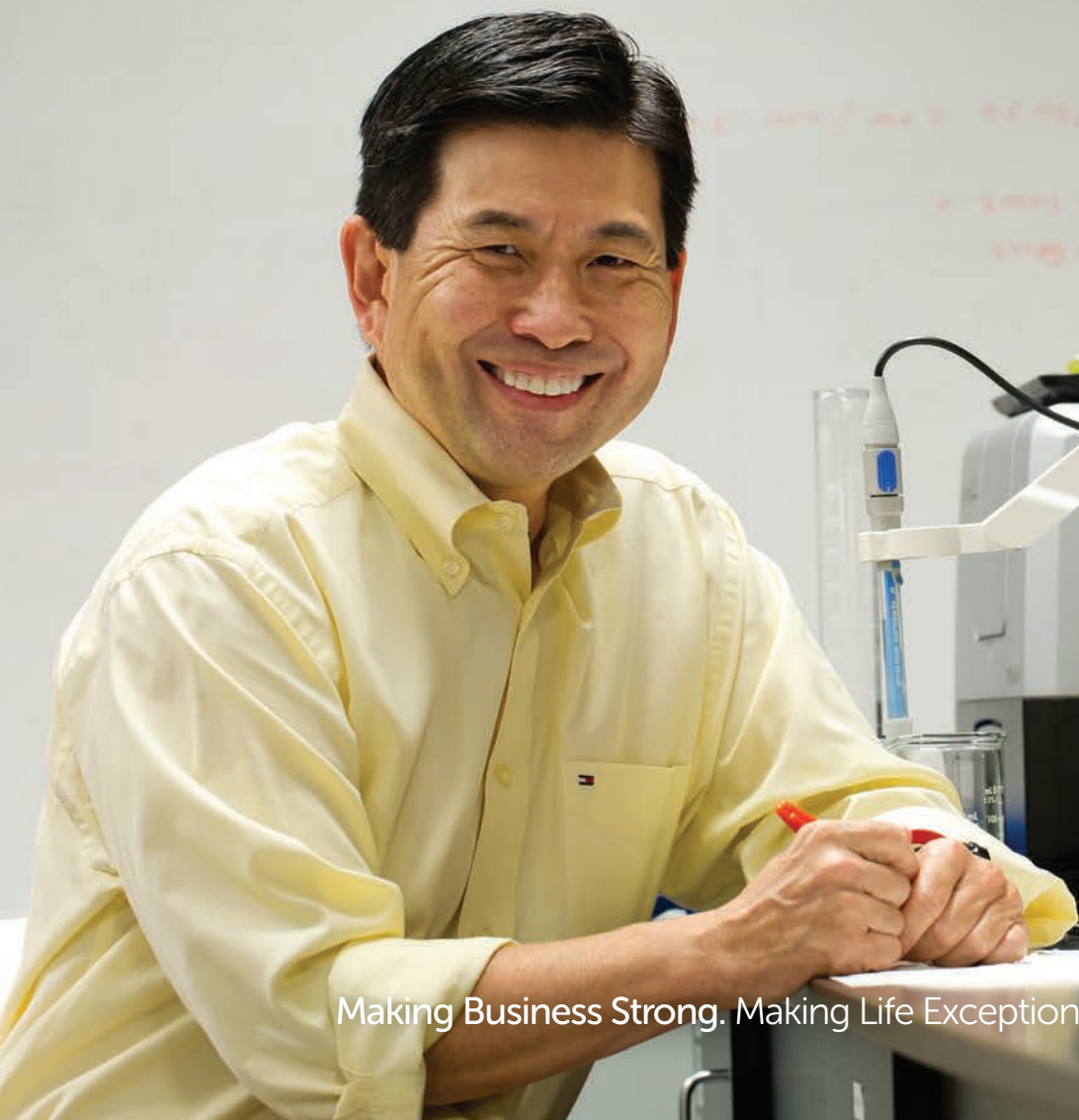
Thanks to Kentucky's strong support, and eight years of research, Bexion now has FDA approval to begin clinical trials. This could someday lead to a cure for cancer.

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PERSPECTIVE

FIXING A BROKEN LEGAL SYSTEM

Why Kentucky needs
medical review panels

BY DAVE ADKISSON

BUSINESS owners and caregivers across Kentucky face a common challenge in today's overly litigious culture. A mistake – whether real or perceived – leads to a lawsuit that could cost you everything you've worked hard to build.

The health care and business communities have long advocated for creation of medical review panels (MRPs) to help address the many frivolous lawsuits clogging our court system. The legislature made great strides in 2017, passing this important measure, which Gov. Matt Bevin quickly signed into law.

However, unsurprisingly, trial attorney interests quickly filed suit to overturn the law in an effort to protect one of their most fertile hunting grounds. Just a year after the law went into effect, the decision of whether the measure is constitutional is now before Kentucky's Supreme Court.

Opponents of the MRP process would have you believe our legal liability system was working wonderfully before the new law was enacted. Perhaps that was true for the personal injury lawyers and TV stations that air their incessant commercials. But nothing could be further from the truth for the rest of us.

To the detriment of businesses, caregivers and ultimately consumers, Kentucky is one of the most litigation-friendly environments in the country. In fact, the U.S. Chamber of Commerce Institute for Legal Reform ranks Kentucky 43 out of 50 states for our legal liability climate. Worse, Kentucky is trending in the wrong direction – in 2015 we ranked 37.

For example, it's so bad that Kentucky considers the normal, human act of a doctor apologizing to a patient who did not receive an outcome they hoped for as an admission of guilt!

Establishing the MRP process in Kentucky was the first step toward bringing our legal climate in line with neighboring states such as Indiana, Tennessee and West Virginia – all of which have pursued reforms to preserve a consistent, level playing field in the justice system. In turn, these

states have a leg up in attracting business investment and the skilled providers needed to care for aging populations.

Here's another fact about our legal climate: Louisville is the seventh biggest U.S. market for lawyer TV ads, even though it is only the nation's 49th largest TV market. Advertisers go where the money is – and in Kentucky it pays to push personal injury cases.

In other states – like Indiana – the lawsuit business is not as lucrative because of common-sense policies like MRPs combined with reasonable caps on punitive damages.

Kentucky's constitution affords everyone the right to present their claim before a jury of their peers. Unfortunately, our tort system is so broken that the guarantee to a jury trial has been warped into a presupposed right to a jackpot.

Kentucky's legislators recognized the outsized influence of Kentucky's bad litigation climate and established the MRP process to level the playing field. If finally given the chance to work – free of confusing and unnecessary legal challenges – MRPs will expose frivolous suits and help meritorious claims by providing an impartial review and acknowledgement of the supposed harm.

A Kentucky circuit court declared MRPs unconstitutional, but the Court of Appeals put that decision on hold. Now it's up to the Kentucky Supreme Court to uphold this carefully crafted process that our elected legislature believed is needed. This process and the accompanying confusion have left many unsure of what will happen.

Removing the incentive to send frivolous cases to juries will improve the legal climate and afford commonwealth businesses, health-care providers and health-care professionals some much-needed certainty and eliminate an advantage other states have when courting investment and caregivers.

Kentucky needs the MRP process along with additional legal reforms to return sanity to the system. When businesses and health-care providers spend less paying out settlements on meritless claims, they have more to invest in growing the commonwealth and providing care.

Fewer frivolous lawsuits mean a better Kentucky for everyone. ■



Dave Adkisson is president and CEO
of the Kentucky Chamber of Commerce

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FAST LANE

A compilation of economic news from across Kentucky

LOUISVILLE: KENTUCKY INTERNATIONAL CONVENTION CENTER REOPENS AFTER 2-YEAR, \$207M REDEVELOPMENT



STATE and local leaders gathered on Aug. 6 to celebrate the reopening of the **Kentucky International Convention Center** following a \$207 million renovation.

Over the course of the two-year project, the western half of the building was redone to pave the way for a glass facade to represent what the architects described as the structure's new extroverted personality. The

project was designed by Kentucky-based architecture firm **EOP** and **HOK's** Chicago practice, in collaboration with convention center specialist Donald Grinberg.

The 960,000-s.f. convention center features a total of 200,125 s.f. of exhibit space, a 40,000-s.f. ballroom, 52 meeting rooms and a 175-seat conference theater. The facility can accommodate up to 4,000 people and the new full-service kitchen can handle 15,000 meals per day.

Other major updates include the addition of new main entrances on Fourth Street and a canopy with a color lighting display. The design features vertical oak wood paneling that divides pre-function gathering spaces from the ballroom, a nod to local distilleries and Kentucky's famous bourbon trade. In addition, a new restaurant, **Oak & Brew**, showcases local fare and Kentucky's famed bourbon to visitors and show attendees.

On opening day, the center had 120 groups already booked, including 84 conventions that will have an economic impact of more than \$246 million, according to figures from Louisville tourism officials.

LEXINGTON: CONSTRUCTION BEGINS ON \$241M RENOVATION AND EXPANSION OF LEXINGTON CONVENTION CENTER

WORK is officially underway on the \$241 million project to replace and expand the **Lexington Convention Center**.

The single largest capital public improvement project in Lexington history, the project is expected to elevate Lexington's convention facilities, which will strengthen the city's standing as a convention and meeting destination.

That, in turn, is good for Lexington: Tourism expenditures in Lexington contribute about \$2.1 billion each year to the local economy.

Designed by **NBBJ Architects** of Los Angeles and **EOP Architects**, which has offices in Lexington and Louisville, the newly expanded convention center is designed to better connect to downtown. Parks and plazas will weave through it to provide new public gathering spots, including the "Cat Walk," an exterior stair and gathering spot outside **Rupp Arena**; a new outdoor space called the "Gorge" that will also provide outdoor exhibit space; interactive water features and more.

The new convention facility is projected to increase the annual economic impact of the center by \$58 million.

Combined with construction of **Town Branch Commons**, a park and trail system that will run through downtown Lexington; the work that is currently going on at the new multi-use **City Centre** project; the continuing reinvention of the **Distillery District**; and work underway on a **downtown movie complex** near Rupp, hundreds of millions of investment in downtown Lexington will be completed over the next three years.



The newly expanded Lexington Convention Center will enable Lexington to compete for 90 percent of the national meeting business.

EOP Architects photo

The convention center and Rupp Arena will remain open throughout the 42-month construction period while the project is carried out in phases. The project is scheduled for completion by November 2021.

Lexington Convention Center Facts and Figures

The newly expanded Lexington Convention Center will feature:

- 100,841 s.f. of exhibition space
- 57,615 s.f. of hospitality space
- 26,756 s.f. of meeting space
- 25,080 s.f. of ballroom space

COVINGTON: ASHLAND TO RELOCATE HEADQUARTERS, CLOSE LEXINGTON OFFICE

ASHLAND Inc. has announced plans to relocate its headquarters from Covington to Delaware and will close its Lexington office as part of a downsizing designed to make the company leaner and more competitive.

The decision comes on the heels of Ashland's May announcement to cut \$120 million in expenses.

The Covington headquarters operation currently has 48 employees, some of whom will be making the move to Delaware while others will be moved to the Ashland facility in Dublin, Ohio. Of the 58 Lexington employees, some will make the move to Delaware or Dublin, while other jobs may be eliminated or transitioned to remote positions. More specific details in terms of the number of positions affected were not released.

Ashland plans to locate its new headquarters in Brandywine Springs, where the company already has a facility with approximately 235 employees. The move is expected to be complete by the beginning of 2020.

The company will continue to operate its manufacturing plant in Calvert City, Ky., where it employs 515 people.

Ashland has been headquartered in Kentucky since being founded in Catlettsburg in 1924 by Paul G. Blazer as the **Ashland Oil Refining Co.** In the late '90s, the company moved its headquarters from Ashland to Covington and in 2005 made the major decision to sell its petroleum division to Marathon Oil to focus on the chemicals business. Last year, Ashland made its **Valvoline** division, which specializes in automotive lubricants and chemicals, a stand-alone entity to further focus its attention on being a global chemicals company.



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BUSINESS BRIEFS

BARDSTOWN

■ Layoffs are scheduled to begin Sept. 7 at the **American Greetings** plant in Bardstown, following an announcement earlier this year that the plant would be closing in early 2019. The closing will be completed in stages throughout the remainder of the year, with the final round of layoffs taking place Feb. 28, 2019. As of March 2018, the plant employed approximately 450 people. The facility has been producing greeting cards since 1984.



BOWLING GREEN

■ **Alpla Inc.** is investing nearly \$7 million to expand its operations in Bowling Green. The expansion will include the addition of 100,000-s.f. of warehouse space as well as new equipment, and will create 24 new jobs. The Austria-based company, which supplies plastic packaging to a wide range of

industries, first located in Bowling Green in 2013 and currently employs a staff of 83. The upcoming expansion – which will be complete in 2019 – will enable the company to better meet consumer demand for its blow-molded plastic bottles and hollow plastic parts and is projected to have an economic impact on south-central Kentucky totaling more than \$52 million over the next 10 years.

■ **US Bank** is closing its home mortgage satellite call center in Bowling Green at the end of September and will move the operations to its facility in Irving, Texas. The decision impacts approximately 100 jobs, but US Bank told WBKO that some employees will be given the opportunity to work from home, others may be able to work through the Owensboro office and some jobs will be relocated to the Irving office. The closing does not impact any US Bank branch locations.

FLORENCE

■ **Wayfair**, which operates a popular online home décor website, plans to open its first brick-and-mortar retail outlet in Florence early next year. The 20,000-s.f. outlet will sell returns and closeout items that are in good condition. The company currently operates a distribution center in nearby Erlanger.



■ **Gateway Community & Technical College's** workforce solutions division has partnered with the **University of Kentucky** and the **Kentucky Transportation Cabinet** to create a new transportation construction certificate program. The 96-hour program focuses on providing opportunity to women, minorities, and historically disadvantaged populations at no cost to the individual.

■ International publishing company **Taylor & Francis Group LLC** has filed notice with the state of its intent to close its Florence facility on Oct 12. The closing will impact 68 of the 71 positions in Florence.

FRANKFORT

■ In an effort to increase its operating efficiency, **Kentucky State University** is eliminating 70 positions. The staffing realignment includes eliminating approximately 65 positions – 40 of which are vacant – and 10 voluntary separations. The cuts do not involve any faculty positions and will potentially generate \$2.3 million in salary and benefit savings.

GARRARD COUNTY

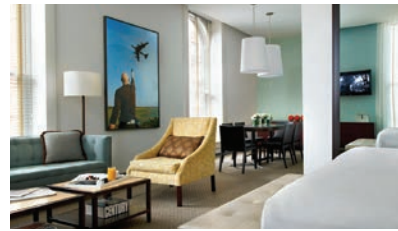
■ The **Rocky Top Log Furniture & Railing** facility in Bryantsville suffered extensive damage to multiple buildings as the result of a devastating fire on July 27. The company is continuing to operate but orders may be somewhat delayed. In addition to its Bryantsville site, the company also has a location in Pigeon Forge, Tenn.



Rocky Top Log Furniture photo

LOUISVILLE: ACCORHOTELS TO ACQUIRE MAJOR STAKE IN 21C MUSEUM HOTELS

AN agreement has been reached for **AccorHotels** to acquire an 85 percent stake in **21c Museum Hotels**, a Louisville-based hotel company whose boutique hotels include contemporary art museums and chef-driven restaurants.



Louisville-based 21c Museum Hotels operates boutique hotels featuring contemporary art in eight cities, with three more in development.

Headquartered in Paris, France, **AccorHotels** is a multinational hospitality company that owns, manages and franchises hotels, resorts and vacation properties. With more than 4,000 hotels and 250,00 employees in 95 countries, it is one of the largest hotel groups in world outside of the United States. 21c Museum Hotels will join **AccorHotels' MGallery** collection of boutique hotels, marking the introduction of the MGallery brand into the North American market.

21c was founded in 2006 in Louisville by philanthropist and contemporary art collectors **Laura Lee Brown** and **Steve Wilson**. Inspired by the idea that art can ignite urban revitalization and catalyze civic connection, Brown and Wilson rehabilitated a series of 19th-century warehouses in Louisville's downtown arts and theater district to open the first 21c Museum Hotel. The company has since opened hotels in Bentonville (Ark.); Cincinnati; Durham (N.C.); Kansas City (Mo.); Lexington; Louisville; Nashville; and Oklahoma City, with three more in development in Des Moines, Miami and Chicago. 21c is North America's only collecting museum dedicated solely to art of the 21st century.

Wilson called **AccorHotels** a "perfect partner and catalyst for 21c's continued growth," adding that the partnership "will be a tremendous boost for 21c's continued development in North America and abroad."

Wilson and Brown will retain a 15 percent stake in the company and will remain involved in providing creative guidance and support. 21c will continue to be headquartered in Louisville and led by President and CEO **Craig Greenberg**.

The purchase price for the 85 percent stake is \$51 million, including a potential earn-out payment. No real estate is included in the acquisition.

MURRAY: AUTO-PARTS SUPPLIER DAE-IL TO HIRE 120 FOR \$50M MURRAY PLANT

A South Korean auto-parts manufacturer has selected a site in Murray for the company's first U.S. plant.

DAE-IL Corp. is investing \$50 million to build a 295,000-s.f. facility in the Murray-West Industrial Park that is expected to open in May 2019. The company plans to hire 120 employees to staff the plant.

Founded in 1976, **DAE-IL Corp.** manufactures and sells powertrain parts for automobiles, heavy equipment and motorcycles. Its products include gears, car transmission and engine parts, heavy equipment products – such as transaxles, drive axles and transmission and excavator products – and motorcycle transmission and engine products. The company's primary export markets include the U.S., China, Europe and Japan, with its primary customers being **General Motors**, **Hyundai**, **Kia**, **Dana** and **Tesla**.

The new Murray plant will produce automotive transmission gears.

LOUISVILLE: 10 STARTUPS WORKING TO CREATE CHANGE IN HEALTH CARE

XLERATEHEALTH, a Louisville-based health-care accelerator, has announced the 10 companies that will be part of this year's cohort. The intensive 12-week training course connects startups with mentors and leading health and wellness companies across the United States.

- **Airis Health** (Louisville) develops artificially intelligent (AI) physician-workflow solutions for hospitals to yield lower overall costs and higher reimbursements.

- **Astarte Medical Partners** (Yardley, Penn.) has created an AI-driven analytics platform that standardizes infant feedings for the neonatal intensive care unit and uses predictive analytics to identify infants at risk for gut inflammation.



Astarte Medical Partners focuses on using data and analytics to improve diagnoses and treatments in hospitals' neonatal intensive care units.

- **CloverLeaf Learning** (Louisville) provides video-based learning content for health-care students, workers and health-care facilities. The company's flagship product, RadTechBootCamp, is becoming an industry standard for radiology-based educational content.

- **Concussion Triage Network** (Louisville) has developed a real-time assessment and referral network for athletic coaches when a player has a suspected head injury on the field.

- **Desicorp** (Louisville) is a biotechnology company focused on developing a new method to extend the shelf-life of blood by drying it to powder for applications in disaster relief situations, battlefield settings, and in remote rural emergency rescue situations where blood for transfusions is in limited supply and/or is difficult to store.

- **EnMed MicroAnalytics** (Charleston, S.C.) has developed a proprietary method for detecting very low concentrations of lead and other heavy metals collected from a single finger or heel stick. The technology will enable routine screening of every pregnant woman and newborn, and selected pediatric patients for exposure to lead and other heavy metals. According to the **Centers for Disease Control**, almost all U.S. children are at risk for lead poisoning.

- **MendUX** (San Francisco) uses biosensors that learn normal patterns of behavior to provide nursing homes and assisted-living facilities with a proactive solution to help solve problems related to cognitively-impaired patients (e.g. Alzheimer's) wandering away from the caregiving facility and potentially becoming lost or injured.

- **nQ Medical** (Boston) uses AI to detect pathological signs of neurodegenerative disease earlier than current tools, precisely track small changes in progression and measure the impact of therapy. It has been clinically validated as a diagnostic tool for Parkinson's and is engaged in Alzheimer's trials with the **Cleveland Clinic**.

- **Telasight** (Louisville) is a telehealth company providing real-time practitioner-to-practitioner consults via phone, videoconference, text and email. When a patient presents with an unfamiliar or uncommon condition, a practitioner can now get a real-time consultation from an up-to-date expert in their field to receive the current standard of care and determine the best treatment and management plan.

- **VB Health** (Dallas) specializes in the delivery of comprehensive disease management and physician services to **Medicare Advantage** plans, **Medicaid Care** organizations and other risk-bearing entities.

BUSINESS BRIEFS

Lexus photo



GEORGETOWN

■ The next-generation 2019 **Lexus ES 350** has rolled off the line at the **Toyota Motor Manufacturing Kentucky** plant in Georgetown, built on the all-new Lexus Global Architecture platform. The new platform produces a car that is longer, lower and wider than

before, with wheels pushed closer to the corners. Lexus began production of the ES in Kentucky in 2015 after investing more than \$360 million in a new production facility on the Toyota Kentucky campus. In addition to the ES 350, the 800-member Lexus team will now also build the all-new, **F SPORT** model, a high-performance division of Lexus vehicles.

HEBRON

■ Hebron-based information technology company **Pomeroy Group Holdings Inc.** has been sold to **Getronics**, an IT services company headquartered in The Netherlands. The merged company will have a combined revenue of approximately \$1.3 billion, making it a global player in the field of managed digital workspace, applications, software solutions, multi-cloud management and unified communications. Pomeroy is one of Northern Kentucky's largest companies, with 2017 revenues of \$860 million and a total employee base of 4,100. Getronics has 9,000 employees in 23 countries around the world.

HENDERSON

■ The **Alles Brothers** furniture store in downtown Henderson will close on Oct. 1 after being in business for 119 years. The store's owner, Herman Alles, passed away in June, leaving his entire estate to **Holy Name Catholic Church**. After consulting with retail industry experts, the church has determined that continuing to operate the store is not feasible and will liquidate the business.

LEWISPORT

■ The **Aleris** aluminum rolling mill in Lewisport is being acquired by **Novelis Inc.** as part of a \$2.6 billion acquisition. Atlanta-based Novelis is a leading producer of flat-rolled aluminum products and the world's largest recycler of aluminum. The 350,000-s.f. Lewisport facility opened in November 2017, representing a \$400 million investment by Aleris to meet the increasing demand from the North American automotive industry. The facility employs around 138 people and already has a significant amount of its capacity under contract, which will allow Novelis to further diversify its global footprint and customer base. Novelis operates an aluminum can recycling plant in Berea as well as a facility in Russellville that produces beverage cans.



LEXINGTON

■ **Lexmark International**, a Lexington-based company that produces printers and copiers, has announced a worldwide restructuring program that will result in the elimination of 1,000 positions. The company has not yet released location-specific numbers regarding the job cuts or any details regarding a timeline.

■ **Harbor Steel and Supply Corp.** is investing \$1.4 million to add 50,000 s.f. to its existing facility in Lexington's Blue Grass Business Park. The family-owned metals distribution and processing company plans to hire more brake-press and burner-laser operators to meet growing customer demand.



LOUISVILLE

■ Louisville-based **Office Resources Inc.** has acquired **DeKalb Office-Nashville**, creating one of the most comprehensive offerings of contract furniture and services in Kentucky and Tennessee.

ORI also has offices in Lexington and Bowling Green.

BUSINESS BRIEFS

LOUISVILLE

■ **Niagara Bottling LLC** is investing \$56 million to build and equip a 469,000-s.f. manufacturing and bottling facility in the **River Ridge Commerce Center** that will create 49 full-time jobs. A family owned and operated company headquartered in Ontario, Canada, Niagara produces a variety of beverages, including bottled water, tea and sports drinks.

■ **Sullivan University** has announced that the merger of three independent school brands that were under the Sullivan umbrella into a single entity has resulted in increased efficiencies within the system that are being passed along in the form of lower tuition costs for students. The reductions vary depending on the program but range from around 19 percent to 55 percent.



■ **Derby City Gaming**, the new **Churchill Downs** historical racing machine venue has hired 200 new employees to staff the facility, which is set to open in September. The positions include a wide range of both hourly and salaried positions in areas that include operations, marketing,

finance, food and beverage, maintenance, information technology, human resources, security and administration. The 85,000-s.f. facility will be located at CDI's former Trackside site and will house 900 historical racing machines as well as a simulcast wagering area.

■ **Glidewell Dental**, a California-based company that is a leader in restorative dentistry, has opened a training and education center in Louisville. The 8,500-s.f. Glidewell International Technology Center provides continuing education for dental professionals and is the companion center to the company's flagship West Coast center in Irvine, Calif. Hands-on courses and in-depth lectures will focus on all aspects of modern implant and restorative dentistry, including surgical dental implant placement, prosthetic rehabilitation, dental sleep medicine and more.

■ Louisville-based **PSST**, a regional integration and software solutions provider for school districts, municipalities and businesses, has been acquired by **PennSpring Capital**, a private equity firm based in Pennsylvania. PSST, which was founded in 1990 and now serves more than 800 clients throughout the United States, will continue to operate independently out of its Louisville headquarters, doing business as PSST. With the acquisition, PSST Chief Operations Officer Carl L. Williams Sr. is now chief executive officer and president.



Ky Center for the Arts photo

■ **The Kentucky Center for the Performing Arts** is scheduled to reopen on Sept. 1 following a fire that broke out on June 13. The Kentucky Center will kick off its 35th anniversary season with musical legends Lyle Lovett and Robert Earl Keen and the **Louisville Orchestra's** presentation of "Harry Potter and the Prisoner of Azkaban." The **Louisville Ballet** will have premieres including

"Romeo and Juliet" and "Mozart" and next June, PNC Broadway in Louisville will present the first-ever Louisville performance of "Hamilton."

■ The **University of Louisville's** Institute for Sustainable Health & Optimal Aging has launched a new program to address the shortage of behavioral-health practitioners in rural areas. This fall the institute is placing 38 students specializing in behavioral health into rural health-care sites in Henry, Shelby, Barren, Hart, Metcalf, Oldham, Bullitt and Trimble counties as well as several practices in Jefferson County that serve older adults. A primary goal of the program is to increase the geriatrics behavioral health workforce in rural communities.

■ **Farm Credit Mid-America**, a Louisville-based lending cooperative that offers financing to farmers and rural residents in Indiana, Ohio, Kentucky and Tennessee, has launched a new brand designed to streamline the process of buying rural property. The new Rural 1st division offers specialized lending options, tailored specifically for rural land, home purchases and construction projects.

LEXINGTON: UK LEADS REGIONAL EFFORT TO LINK MENTORS, STARTUP COMPANIES

THE University of Kentucky is leading a collaboration with 13 other **Southeastern Conference (SEC)** universities and 11 Midwest universities that will match experienced entrepreneurs with university-affiliated startups in need of executive management via a newly created online platform.



"Cities in the Southeast and Midwest have relatively fewer entrepreneurs and investors with specific industry talent and expertise," said Ian McClure, director of UK's Office of Technology Commercialization (OTC). "To fill this need, SEC and Midwest universities are approaching this challenge cooperatively by filling a critical talent gap for early-stage companies that will attract that capital. These universities are building an advantage by acting collaboratively to create a regionally affiliated network of entrepreneurial talent and a platform to match that talent to startup companies who are commercializing the intellectual property developed at these universities."

The Southeast Executives-on-Roster (XOR) and Midwest XOR platforms combine the entrepreneur talent networks of all participating universities, giving startup companies access to a larger talent pool whose members have been vetted by other SEC or Midwest universities. The goal is to improve the likelihood that startups will find fundable executive management and, ultimately, success. Similarly, Southeast XOR and Midwest XOR entrepreneurs looking for their next opportunity will have a larger pipeline of opportunities available in a portal only accessible to those entrepreneurs who are members.

"In Kentucky, more than half of all basic, translational and applied university-led research happens at the University of Kentucky," said UK Provost David Blackwell. "We are pleased to see this project provide opportunities to match university startup companies with talent and connections in key industries."

STATE: NEW KY INITIATIVE DESIGNED TO HELP VETERAN-OWNED BUSINESSES

APPPLICATIONS are now being accepted for Kentucky's "Boots to Business" initiative, a new program designed to help jump-start new businesses that are owned by a military veteran or active service member.



Through the "Boots to Business" initiative, new business entities that are 51 percent owned by a military veteran or active service member (including the **National Guard**)

are eligible for fee waivers for the initial business filing and the annual report filing in the next four years of business.

In 2017, the state identified 8,300 Kentucky businesses that were at least 50 percent veteran owned.

More information is available at sos.ky.gov.

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Andrew L. Sparks | 859.899.8734
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BUSINESS BRIEFS

MAYFIELD

■ **Mayfield Consumer Products**, which designs and manufactures candles and home fragrance products, is investing more than \$8.3 million to expand its facility, an investment that will create 52 full-time jobs. The family-owned company plans to purchase and renovate an existing 80,000-s.f. facility in Mayfield that previously housed firearms manufacturer **Remington Outdoor Co.** and is also expanding its existing Mayfield facility. MCP was founded in Mayfield in 1998 and currently employs 245 people.



MIDWAY

■ **Midway University** is now offering a 15 percent discount on tuition to all residents of the City of Midway for its evening and online undergraduate and graduate programs. The university is also waiving application fees for Midway residents.

MURRAY

■ The **Murray State University Foundation** has received one of its largest single scholarship endowment gifts for the benefit of MSU students from the estate of Bill and Louise Hatley of Providence. The estate gift of nearly \$3 million will establish an endowment for student scholarships in engineering technology and technical education programs. Bill Hatley earned his bachelor's degree in industrial education and an administrator certificate from Murray State and worked in vocational and technical education for his entire career, serving in nine counties over the course of 41 years. The Hatleys also had significant family farming operations in Webster County.

STATE

■ The **Kentucky Transportation Cabinet** has partnered with the **Indiana Department of Transportation** to launch a program designed reduce regulatory burdens businesses that qualify as "disadvantaged business enterprises" (DBE) – defined as for-profit small businesses in which women or minorities own at least a 51 percent interest and control daily business operations. The new DBE Exchange allows such businesses to work on federally funded transportation projects with a single certification across both Indiana and Kentucky. More information is available at dbeexchange.com.

■ The **Kentucky Communications Network Authority** lauded the decision by the **Federal Communications Commission** to implement new regulations that reduce barriers and costs for broadband network deployment. The FCC's order, informally known as "one-touch make ready," will allow entities adding new communications and broadband lines to utility poles to perform all of the "make-ready construction" work on the pole themselves. The KCNA said the action will help the **KentuckyWired** project's effort to make high-speed broadband access available statewide and remove significant future potential delays to the construction schedule.



■ Kentucky's **Division of Apprenticeship** has been moved from the **Kentucky Labor Cabinet** to the **Kentucky Education and Workforce Development Cabinet's** Office of Employment and Training. Kentucky's registered apprenticeship model is a flexible, employer-driven approach that provides high-quality job training and produces skilled employees for Kentucky employers. Currently, there are over 3,000 apprentices in Kentucky in nearly 240 different programs representing 109 different occupations.

■ The **Kentucky Aerospace Industry Consortium** has announced a new initiative to establish Kentucky as an "autonomous vehicle-testing hotbed." As part of the **Elevate Kentucky** initiative, KAIC will work with companies, universities and government entities to open the state's roadways, waterways and airways for the testing of all autonomous vehicle systems.

CRESTWOOD: FDA PUTS APPELLIS' NEW VISION TREATMENT ON FAST TRACK

THE U.S. Food and Drug Administration has granted Crestwood-based **Apellis Pharmaceuticals Inc.** a "fast-track" designation for the company's APL-2 drug, which treats patients with geographic atrophy (GA), an advanced form of age-related macular degeneration.

GA is chronic, progressive condition that leads to blind spots and permanent loss of vision. There are currently no approved treatments for GA, which affects an estimated 1 million people in the United States. The Fast Track program facilitates the development and expedites the review of drugs to treat serious conditions and fill an unmet medical need, allowing important new drugs to reach the patient earlier.

"The severe vision loss associated with GA makes it difficult for patients to recognize faces, read, drive a car and go about their daily lives, limiting quality of life," said Cedric Francois, founder and CEO of Apellis. "We believe that by slowing down the rate of degeneration through broad C3 inhibition, we may be able to improve outcomes for these patients."

Apellis plans to initiate a Phase 3 trial for patients with GA later this year.



There are currently an estimated 1 million Americans suffering from geographic atrophy, an advanced form of age-related macular degeneration that leads to vision loss and for which there is currently no approved treatment.

RICHMOND: ECU PROFESSORS PATENT METHOD TO TARGET SPECIFIC CANCERS



ECU professors Margaret Ndinguri (seated) and Lindsay Calderon have patented their research discovery that targets specific types of cancerous tumors.

TWO Eastern Kentucky University faculty members have received a United States patent for their discovery of a chemical compound that better targets specific types of reproductive cancer tumors.

"Our mission was to develop new methods of combining compounds that are attracted to and target cancer cells for the purpose of detection or the delivering of chemotherapeutic agents," explained Margaret Ndinguri, an associate professor of chemistry at ECU who specializes in synthetic chemistry and has been working on the compound with Lindsay Calderon, ECU associate professor of biological sciences. "Our main goal is to improve the survival rate of cancer patients, while reducing the side effects currently associated with chemotherapy."

The compound selectively targets the cancer cells that have elevated hormone receptor LHRH. That includes breast, prostate and ovarian cancers, as well as cancers such as lung, pancreatic and bladder.

"We took a very utilitarian drug that is given to many people, and made it 'smart.' More of our drug gets into the cell, and that will provide a higher cytotoxicity to the cancer cells while sparing many of the body's normal healthy cells," said Calderon, whose academic specialty is pharmacology.

The professors' discovery has been selected for a **National Institutes of Health** cancer-screening program, where it will be judged against 60 cell lines of cancer.



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kyconvention.org

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ Insurance company **GEICO** has announced plans to hire up to 400 software engineers, IT architects and analysts for its new IT Center of Excellence in Indianapolis. Company officials said the Indianapolis team will play an essential role in helping the company create state-of-the-art cloud software applications.

■ **CareEnroll**, a company that focuses on helping patients enroll in health-care plans, is planning to expand its headquarters in LaPorte, Ind., as well as its office in Fishers, Ind. The expansion will include the addition of 200 new jobs to the existing 80-member workforce.

INDIANA/OHIO

■ **Honda** has invested \$32.5 million to support production of its all-new **Insight** electrified sedan at **Honda Manufacturing of Indiana** (HMIN) in Greensburg, Ind., while another \$29 million has been invested at Honda Transmission Manufacturing of America in Russells Point, Ohio, where the Insight's twin electric motor unit will be produced. HMIN will now manufacture the Insight, **Civic** and **CR-V** models on the same production line.

OHIO

■ **Dollar Tree Inc.** is investing more than \$125 million to build a 1.2 million s.f. distribution center in Bennington Township, Ohio, that will create 400 full-time jobs. The Virginia-based company has become one of the largest and most successful single-price-point retailers in North America, with 14,845 retail stores across 48 states and five Canadian provinces and a network of 22 distribution centers. The new Ohio facility is expected to be operational by summer 2019.

■ Auto parts manufacturer **UGN Inc.** has announced plans to expand its facility in Monroe, Ohio, where it will add 111 new jobs to the existing 280-member workforce there. The company, which opened its 230,000-s.f. Monroe plant in 2015, is adding 154,000 s.f. of space to help meet demand for the carpet and underfloor technologies produced there.



TENNESSEE

■ Tennessee-based **LifePoint Health Inc.** is being sold to private-equity fund **Apollo Global Management** in a deal valued at \$5.6 billion. LifePoint will be merged into **RCCH HealthCare Partners**, which is owned by Apollo, creating a health-care network that will include more than 84 nonurban hospitals in 30 states and more than 12,000 licensed beds; 7,000 physicians; and 60,000 employees, in addition to outpatient centers and post-acute service providers. The combined company will be privately held, operating under the LifePoint Health name and led by current LifePoint Chairman and CEO William F. Carpenter III. LifePoint operates 10 hospitals in Kentucky.



■ The **Dollywood** theme park in Pigeon Forge, Tenn., has announced a \$37 million expansion that it says is the largest capital investment in the park's 32-year history. The park's new Wildwood Grove is slated to open in 2019 and will include six new rides, live entertainment, new indoor and outdoor play areas, a new restaurant and more.

VIRGINIA

■ **Bristol Compressors**, a company that produces compressors for the HVAC and refrigeration markets, is closing its plant in Bristol, Va., at the end of September, resulting in the loss of 470 jobs. The company has been in operation for 43 years but has struggled financially for the last decade or so in a competitive industry. In 2015, the company began looking to sales in the Middle East to offset its reduced market share in North America, but that effort failed to produce enough volume to make the company profitable.

OHIO: KROGER BEGINS ROLLOUT OF NEW DIRECT-TO-CUSTOMER SHIPPING SERVICE

SUPERMARKET giant **Kroger** has launched its new direct-to-customer shipping service in four markets and is prepared to quickly expand the service to additional markets in the months ahead.

Kroger Ship is currently being offered in Cincinnati, Houston, Louisville and Nashville. Customers in those markets can shop from a curated selection of more than 50,000 nonperishable groceries and household essentials.

Delivery is free for orders over \$35, with a shipping charge of \$4.99 for orders under that amount.

"Kroger's ecommerce platform expands our offering beyond the physical store to include even more products," said Yael Cosset, Kroger's chief digital officer. "Along with staples and customer favorites, Kroger Ship will carry bulk and additional sizes, and focus on **Our Brands** (a line of products only available through Kroger), local and international food and flavors, specialty items, and health and wellness products."



Kroger will begin testing the use of Nuro's unmanned vehicles to delivery groceries this fall.

The Cincinnati-based company has also formed a partnership with **Nuro**, the maker of the world's first fully unmanned road vehicle. Through the partnership, Kroger customers will be able to place same-day delivery orders through Kroger's ClickList ordering system and

Nuro's app, with orders delivered by Nuro's fleet of autonomous vehicles. Customers will be able to access their groceries via a code that opens the vehicle. The pilot market is expected to be announced soon, with the service beginning this fall.



The Kroger Ship delivery service will be offered free of charge for orders over \$35.

TENNESSEE: NEW SAZERAC DISTILLERY WILL FOCUS ON TENNESSEE WHISKEY

SAZERAC has announced plans to build a new distillery on 55 acres in Murfreesboro, Tenn., that is expected to become a significant tourism destination in Middle Tennessee.

Initial plans for the project call for the construction of two barrel warehouses, each of which will hold approximately 20,000 barrels. A visitor center overlooking the property's five-acre lake is expected to open in 2020 that is projected to draw some 50,000 visitors within five to 10 years of opening.

The company is currently distilling Tennessee whiskey at a location in Newport, Tenn., until the Murfreesboro facility is complete. Names for the distillery and its whiskey product have not yet been determined. In the meantime, Master Distiller John Lunn and Distiller Allisa Henley have been making the charcoal that is essential to the process of making Tennessee whiskey. To be classified as a Tennessee whiskey, the whiskey must be filtered through maple charcoal, which distinguishes it from bourbon whiskey.

Louisiana-based Sazerac is one of the oldest family-owned distillers in the country, with operations in 10 states – including three distilleries in Kentucky – as well as the United Kingdom, Ireland, France, India, Australia and Canada.

KENTUCKY INTELLIGENCER®

A sampling of business and economic data

STOCK MARKET WORRIES?

A decade after stockholders lost trillions of dollars in the crash of 2008, younger Americans are still leery of investing their money in stocks. Though the stock market has climbed far above pre-crash levels, the combined percentage of adults younger than 35 with money in the stock market in 2017 and 2018 stands at 37 percent, down from 52 percent for people in that age range in the two years (2006-07) leading up to the crash.

Percentage of Americans 18 to 34 years old who own stocks, either personally or jointly with a spouse

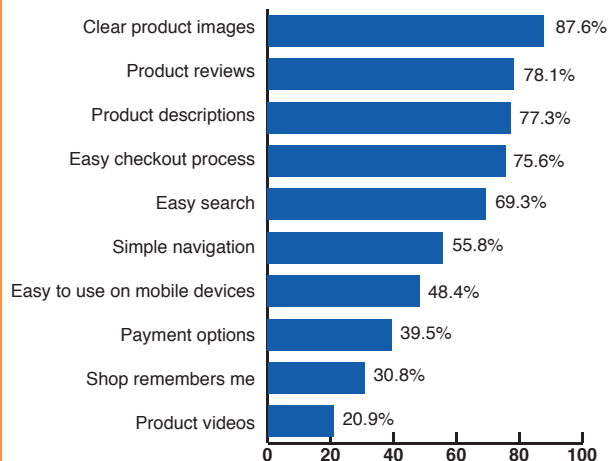
	2001-2007	2008-2018	% Change
All Americans	52%	38%	-14
Annual Household Income			
Less than \$30,000	25%	28%	-7
\$30,000 – \$74,000	62%	41%	-21
\$75,000 and above	78%	66%	-12
Gender			
Male	55%	41%	-14
Female	49%	36%	-13
Education			
No college	36%	22%	-14
Some college	52%	37%	-15
College graduate	74%	64%	-10
Postgraduate work	80%	69%	-11

Source: Gallup

CREATING A STRONG ONLINE PRESENCE

No matter what your field or industry, having an online presence is no longer an option for companies these days. And if your company sells products online, it's all the more important to have a well-designed, efficient website that is easy to navigate. A recent survey asked U.S. consumers what they found most important when shopping for products online.

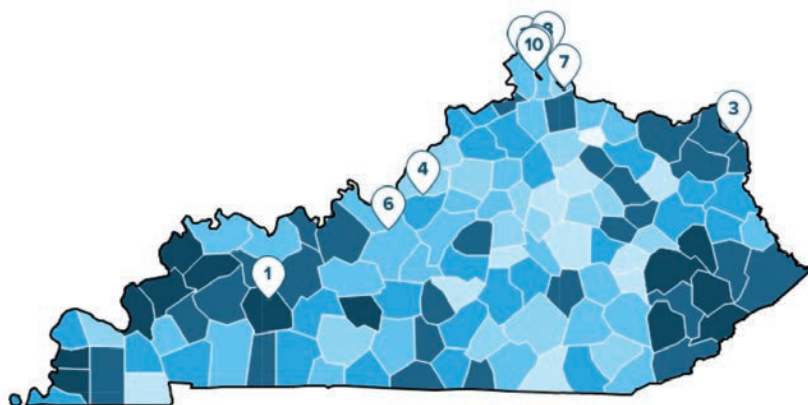
Percentage of online shoppers saying the following features make a great shopping experience



Source: Statista

THE MOST AFFORDABLE PLACES TO LIVE IN KENTUCKY

When it comes to assessing the affordability of living in a given place, there are a number of factors to consider, including property taxes, homeowners' insurance fees and mortgage payments relative to income, to name a few. A recent study from SmartAsset looked at these factors and more to determine the most affordable places to live in The Bluegrass State.



Rank	City	Avg. Closing Costs	Annual Property Tax	Annual Homeowner's Insurance	Avg. Annual Mortgage Payment	Median Income	Affordability Index
1	Central City, KY	\$2,051	\$520	\$597	\$3,197	\$37,393	56.35
2	Hebron, KY	\$2,244	\$1,457	\$1,282	\$6,861	\$78,417	55.51
3	Flatwoods, KY	\$2,257	\$897	\$779	\$4,169	\$46,723	52.61
4	Hillview, KY	\$2,074	\$1,227	\$958	\$5,131	\$54,050	49.35
5	Elsmere, KY	\$1,944	\$1,399	\$912	\$4,881	\$52,969	49.33
6	Vine Grove, KY	\$2,134	\$1,086	\$1,072	\$5,742	\$56,162	47.49
7	Alexandria, KY	\$2,282	\$2,022	\$1,356	\$7,259	\$74,409	47.20
8	Bellevue, KY	\$2,102	\$1,329	\$1,010	\$5,409	\$54,554	46.99
9	Erlanger, KY	\$2,115	\$1,445	\$1,035	\$5,543	\$55,982	46.61
10	Independence, KY	\$2,298	\$1,914	\$1,386	\$7,421	\$73,038	45.88
	KY	\$2,153	\$831	\$882	\$4,724	\$44,811	

Source: Statista/Namagoo

CORPORATE MOVES

New leadership for Kentucky businesses

ADVERTISING

■ **Allison Pitman** has been named partner at the Louisville advertising agency of Bandy Carroll Hellige, joining owners **Susan Bandy**, **Mark Carroll**, **Tim Hellige**, **Gary Sloboda** and **Matt Kamer**. **Brian Garr** has rejoined the agency as creative director.



Allison
Pitman



Brian
Garr

BANKING/ FINANCE

■ **Jimmy Evans** has been named head of commercial banking and senior lending officer for Owensboro-based Independence Bank. **Jack Sweeney** has been named chief deposit officer.



Jimmy
Evans



Jack
Sweeney

■ **Laura Boison** has been named market president for B B & T's Lexington market. **Matthias Ward** has been named market president for Louisville and Southern Indiana.



Laura
Boison



Matthias
Ward

■ Community Trust Bank has announced the following promotions: **Charles "Buddy" Bishop** – vice president, commercial loan officer, Middlesboro market; **Rebecca Hensley** – main branch manager, Middlesboro; and **Ethel Sparks** – branch manager, Pineville.



Buddy
Bishop

■ **Zhejing (Sali) Sun** has been named operations manager for Bluegrass International Fund.

■ **Steve Zagar** has been appointed chief financial officer of Louisville-based Farm Credit Mid-America.

CONSTRUCTION

■ **Thomas Heintz** has been named chief financial officer of Newport-based EGC Construction.



Thomas
Heintz

ECONOMIC DEVELOPMENT

■ **Kimberly Rossetti** has been promoted to vice president of economic development for Commerce Lexington. **Hannah Crumrine** has been promoted to senior project manager of economic

development. **Ryan Kaffenberger** has joined the organization's economic development division as research director.

EDUCATION

■ **Christopher Leskiw** has been promoted to vice president of academic affairs at the University of the Cumberlands. **Trey Jarboe** has been named associate vice president of online enrollment for the university.



Christopher
Leskiw



Trey
Jarboe



Sonya
Hardin

■ **Sonya Hardin** has been named dean of the University of Louisville School of Nursing.

■ **Heather M. Bush** has been named chair of the Department of Biostatistics at the University of Kentucky.

■ **Roberto Cardarelli** has been named chair of the Department of Family and Community Medicine at the University of Kentucky.

GOVERNMENT

■ **Dwayne F. Depp** has been named commissioner of the Kentucky Labor Cabinet's Department of Workplace Standards.

■ **Erica Galyon** has been named assistant secretary of state and chief of staff. She succeeds **Lindsay Hughes Thurston**, who has been named senior adviser to the secretary of state and general counsel.

■ **David Horseman** has been appointed associate commissioner in the Kentucky Office of Career and Technical Education in the Kentucky Department of Education. Horseman succeeds **Laura Arnold**, who has left to accept the position of director of workforce development for Nelson County Public Schools.

■ **Josh Benton** has been appointed deputy secretary of the Kentucky Education and Workforce Development Cabinet.

■ **Chris and Alicia Johnson** have been named special advisers in the Kentucky Office of Faith and Community Based Initiatives. The Johnsons will help advance statewide foster care and adoption reform.

■ **Charlie Riggs** has been appointed director of the Kentucky Depository Institutions Division.

HEALTH CARE

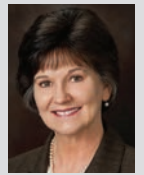
■ **Patrick Falvey** has been named chief operating officer of Louisville-based Baptist Health. Falvey comes to the position from Advocate Aurora Health in Wisconsin, one of the nation's largest not-for-profit, integrated health-care systems.



Patrick
Falvey

DEPARTURES

■ **Augusta Julian** has announced that she will retire as president of Bluegrass Community and Technical College effective Dec. 31, 2018.



Augusta
Julian

■ **Bob Davies** has resigned as president of Murray State University to accept the presidency at Central Michigan University. **Robert Jackson**, who is president of the MSU Foundation, has been named interim president.

■ **Greg Gerard** has been named president of Baptist Health Richmond.

■ **Robert Barnes** has joined Louisville-based ResCare Inc. as executive vice president and president of the company's intellectual and developmental disability services business segment.

RESEARCH

■ **Jamie Meisenholder** has been promoted to senior corporate counsel for CTI Clinical Trial and Consulting Services, a full-service contract research organization headquartered in Covington. **Peter Ackerman** has joined the company as corporate counsel.



Jamie
Meisenholder



Peter
Ackerman

TECHNOLOGY

■ Internet service provider MetroNet has announced the following appointments to their Lexington team: **Darrick Zucco** – general manager; **Jeff Moore** – field operations manager; **Paul Burkley** – field operations supervisor; **Craig Cooke** – retail supervisor; and **Dan Swenson** – business sales manager.

■ Lexington-based information technologies services provider NetGain Technologies has promoted **Megan Reed** to director of marketing. **Andrea Skov** has joined the company as chief marketing officer.

OTHER

■ **Nick Ruffin** has been named president and chief executive officer of AMR Management Services, a Lexington-based company that provides professional services to trade associations, professional societies and foundations. He succeeds **John Ruffin**, who retired as CEO in June. In conjunction with John Ruffin's retirement, ownership of AMR has been transferred to Nick Ruffin and **Tracy Tucker**, who has been promoted to executive vice president. **Delaine Bender** has joined Ruffin and Tucker on the executive team, assuming the role of vice president of client services.

ON THE BOARDS

Kentuckians named to organizational leadership roles

KENTUCKY AGRICULTURAL DEVELOPMENT BOARD

■ **Mark Barker** has been appointed as a member of the Kentucky Agricultural Development Board. Barker, of Crestwood, is the senior vice president of agricultural lending in Kentucky for Farm Credit Mid-America.

KENTUCKY AUTHORITY FOR EDUCATIONAL TELEVISION

■ **Jeffrey Scott Jobe** and **Melissa Chastain** have been appointed as members of the Kentucky Authority for Educational Television. Jobe, of Glasgow, is a newspaper owner. Chastain, of Anchorage, is an associate dean at Spalding University.

KENTUCKY BOARD OF DENTISTRY

■ **Christopher Mattingly**, **M. Susanne Fallahzadeh**, **Geoffrey Ball** and **Donna Ruley** have been appointed as members of the Kentucky Board of Dentistry. Mattingly, of Louisville, is an orthodontist. Fallahzadeh, of Lexington, is a dentist. Ball, of Elizabethtown, is a dentist. Ruley, of Louisville, is a dental hygienist.

KENTUCKY BOARD OF HAIRDRESSERS AND COSMETOLOGISTS

■ Lexington cosmetologist **Zachary Allen Casa** has been appointed as a member of the Kentucky Board of Hairdressers and Cosmetologists.

KENTUCKY BOARD OF NURSING

■ **Audria Gail Denker**, **Ollie Faye Bowling**, **Jessica Lynn Wilson** and **James T. Isenberg** have been appointed as members of the Kentucky Board of Nursing. Denker, of Louisville, is a registered nurse. Bowling, of Louisville, is a licensed practical nurse. Wilson, of Nicholasville, is a nurse practitioner. Isenberg, of Glasgow, is a nursing educator.

KENTUCKY BOARD OF SOCIAL WORK

■ **Lisa Johnson**, **Megan Hanser**, **Margaret Hazlette** and **Justin "Jay" Miller** have been appointed as members of the Kentucky Board of Social Work. Johnson, of Lexington, is an attorney. Hanser, of Lexington, is a social worker and behavioral therapist. Hazlette, of Nicholasville, is a licensed clinical social worker. Miller, of Louisville, is a professor of social work.

KENTUCKY BOARD OF VETERINARY EXAMINERS

■ **Judith Piazza** has been appointed to the Kentucky Board of Veterinary Examiners. Piazza, of Lexington, is the executive director of intergovernmental affairs for the Kentucky Finance and Administration Cabinet.

KENTUCKY BOXING AND WRESTLING COMMISSION

■ Louisville attorney **Jason Paul Smith** has been appointed as a member of the Kentucky Boxing and Wrestling Commission.

KENTUCKY CHILD CARE ADVISORY COUNCIL

■ **Kimberley Anne Gipson**, **Brenda Bowman** and **Sandra Lynn Woodall** have been appointed as members of the Kentucky Child Care Advisory Council. Gipson, of Lexington, is an early childhood manager with Family Care. Bowman, of Louisville, is the chief operating officer for Southside Christian Child Care and Preschool. Lynn, of Independence, is an early childhood education specialist and currently serves as the team lead for 4C for Children.

KENTUCKY COMMISSION ON THE DEAF AND HARD OF HEARING

■ **Joy Kiser** and **Geraldine Gordon-Brown** have been appointed as members of the Commission on the Deaf and Hard of Hearing. Kiser, of Frankfort, is assistant director of business operations for the Legislative Research Commission. Gordon-Brown, of Louisville, is retired from the Kentucky Client Assistance Program.

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

■ **Brian T. Evans Jr.** has been appointed as a member of the board of directors of the Employers' Mutual Insurance Authority. Evans, of Lexington, is the owner and president of BT Investment Inc.

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LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Dr. Mark Lyons

Mark Lyons became president/CEO of Alltech this year after growing up in the business his father, Dr. Pearse Lyons, founded. Over the course of his career, he has managed a Kentucky biorefinery, established a plant in Serbia, created Alltech's flagship yeast production facility in Brazil, and spent nearly four years rebuilding a solid state fermentation plant in Mexico. In 2012, Lyons relocated to China as part of Alltech's focus on the Asia-Pacific region. He has published papers and patents in areas ranging from enzyme production to global economics and is interested in the assurance of food safety and quality throughout the food chain. He has a bachelor's in political science and environmental science from the University of Chicago and earned a master's in brewing and distilling, followed by a Ph.D. in solid state fermentation, at Heriot-Watt University in Edinburgh. Lyons is fluent in Spanish, Portuguese, French and German, and has a working knowledge of Mandarin.

ALLTECH WILL CONTINUE TO GROW BY IMPROVING THE FOOD CHAIN

Alltech CEO Mark Lyons will continue strategies his father used to make yeast science a multibillion-dollar global business

BY MARK GREEN

Mark Green: You took over Alltech last spring after the passing of your father, Dr. Pearse Lyons, who founded it in 1980 and built it into a multibillion-dollar company. What should the Kentucky business community know about Mark Lyons?

Mark Lyons: My father and I are very similar in many regards. We loved working together and want to make sure people feel Alltech is very much a Kentucky citizen. There are great opportunities to collaborate and create more for everyone.

My father became well known, particularly after the Alltech FEI World Equestrian Games in 2010. Moving to Kentucky as a child, going to school and growing up here, I do know a lot of people here.

I very much represent continuity, but also a little something different in the personality I have and the expertise and different exposure I've had. Dad traveled the world and gave me the opportunity to live around the world. That international experience, seeing the world without boundaries and borders is something I bring. And connections: When I was in China, when Kentucky companies came in they came to Alltech. We are very close to the U.S. embassy. We were the Kentucky office in China as much as anything else was; we have our Kentucky Ale bar in our office and always welcomed people.

What Dad and I share, and I may be more inclined to, is collaboration. He was so good at making connections; when he heard you were going to go do something he'd say, 'Let me put you in touch with this person.' We both want to tell the community that as you go out and look around the world, let us know because we may know people who may be able to help you. Being a private company affords you that ability, but it's also very much part of who we are.

MG: Your father had many friendships, including with other well-known Kentucky entrepreneurs such as Jim Host and John Y. Brown Jr. But you say you not only take his "make a friend, make a sale" advice to heart, you "create deeper relationships" and are "more collaborative" in business. How so?

ML: The 'building deeper relationships' thing is actually something he said about me. A lot of times he would want me to go talk to people where we needed to forge a relationship.

My father was always (Alltech's) president and the leader. Having lived in different places, having been in the company as a teammate of many people, I have had to be more collaborative with colleagues. We can look back in 10 years and see if I'm still like that! But that's part

of my personality, and I don't think that will change.

We need to create another group of leaders now who can come through from Kentucky. We just co-chaired a leadership roundtable with Commerce Lexington CEO Bob Quick and brought together people from different businesses, trying to initiate dialogue around what do we want this place to be, what are some of the challenges, and how do we come together as business leaders?

MG: Alltech provides products for dairy, beef cattle, poultry, pigs, aquaculture, equine, pets and crops that variously increase feed efficiency, reduce mycotoxin risk, improve gut health, optimize mineral nutrition and deliver quality protein. What are today's major business lines?

ML: Alltech's business is primarily agricultural. The animal nutrition business that breaks into feed supplements and additives is where Alltech began. We produce these products ourselves; we invented most of those categories – things like organic minerals that are in the form you would find in plants and are more bioavailable. We make nutritional Technologies for the animal's digestive system so it can be efficient in converting the feed it's consuming into meat, milk, eggs and reduce the requirements for things like antibiotics. A lot of people want antibiotic-free today; if you have a healthy intestinal system, maybe you don't need antibiotics.

A lot of our acquisitions have been getting into feed production, what's called premix, adding other elements with those products that we sell into a form that's more accessible or able to be sold to a farmer directly. That's driving us toward the end user.

On the crop science side, how do we remove the requirement for pesticides and fertilizers or improve the productivity of crops, fruits and vegetables in a natural way? A lot of it is improving the plant's own systems. How does the plant's immune system function? How is the biodiversity in soil? These are called biostimulants. It's a really hot area right now; a lot of big companies are looking at this. Alltech's been working in it for over 20 years.

MG: What proportion of the business is the beverage side?

ML: Dad liked to joke that beverages are 1 percent of the revenue and 99 percent of the passion, but it is becoming quite a nice business. We now have a brewery and distillery in Pikeville, the new Dueling Barrels, and a brewery and distillery here in Lexington, with Town Branch being the only distillery on the Bourbon Trail that's

in a city. Now we've got a brewery in Dundalk, Ireland, where my father grew up, and the distillery in Dublin right next to Guinness.

With their visitor centers, that's going to be more than \$50-60 million in revenue, a significant business when you put them together. When you think of Alltech selling over \$2 billion in total revenue it's pretty small, but the potential is exciting, particularly on the spirits side. We've come up with three gins in the last year, two in Ireland and one here, Town Branch Gin. Our push for beverages is to get to \$100 million and beyond in the next three years.

MG: Which Alltech products does Kentucky agriculture use most?

ML: Among people with cow/calf operations, many of them know the (digestive supplement) brand Bio-Mos better than they know Alltech. Bio-Mos was put into supplements or feed blocks and branded as good for the cow and for the calf and the development of its intestinal system. Bio-Mos is still the most-used Alltech product in Kentucky.

Minerals are big because of the acquisitions we've made; some of those have facilities here. Kentucky's unique

because we have our crop science production, our feed additive production, the feed and block production, and the breweries and distilleries. There's a lot happening (for us) in Kentucky. It represents our biggest head count compared to overseas offices.

MG: What are Alltech's current initiatives and business goals?

ML: We have been assessing where we are as a company, looking at areas where we want to invest more, areas that we want to focus on less, and get the message across that Alltech is a growth company. We don't want to be operating in commodity (product) areas; we want to always be focused on value added (products). That's where our creativity and innovation and our value within the company comes from.

The North American business now is extremely significant; we're the second-biggest feed producer in Canada, so that's a big part of our business. Back in the old days of Alltech, North America, Europe, Latin America and Asia almost represented equal parts. Now the North American business dwarfs the others. How North America does is going to determine a lot of the success and failure of the

company. American agriculture is changing; there's a lot of consolidation. So, where does Alltech play a role, and how do we make sure we can bring those innovations from our R&D center here in Nicholasville to the markets?

My father loved having audacious growth targets. So he put out this goal of becoming a \$10 billion company. What that says to me and the leaders of the company is that we are going to grow. It's not the type of growth where we say, come hell or high water we're going to make that goal by a certain date, but it keeps reminding us that growth is what we're about.

What I bring to this is a little more focus on the purpose and mission of Alltech. We have the ACE principle: Animal, Consumer, Environment. We've got to care for the wellness and the health of animals; we have to think about the demands and requirements for consumers and their safety; and we need to protect the environment. We balance those three elements, and most products or projects Alltech is involved in have some element of all three.

We're down here in the food chain creating things that go into feed that animals eat, and then we're talking

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about consumers that are at the end. We're trying to link the entire food chain. We started talking about this in 1989. This is a concept a lot of people might be thinking about now: traceability, and what consumer demands are. We've been thinking this way for a long time.

MG: Alltech has more than 600 employees in Kentucky. Is Alltech able to find the talent it needs in Kentucky?

ML: Yes. On the communications side Asbury University has been great, as are several programs with the University of Kentucky, and we've done innovation competitions that involved all of the state's universities. We see students who have the capabilities. What we're looking for is, do they have that hunger? That excitement? Do they want to travel? It's a responsibility of the company to create programs that help those students become the types of people and get the exposure to the types of things that will make them good future colleagues.

We're talking about creating an ag tech hub (in Lexington) that could be pretty exciting. People could start their career and have a project right out of university; they could get some business exposure, and we can help mentor them.

Part of our responsibility is to bring people in so they make connections and have that Kentucky experience, but also to develop people in Kentucky. Companies that sit back and say the graduates aren't up to specifications for my company... well, whose fault is that? If you're not engaging with the educational institutions, then you're not helping that process. If you do engage and you still don't get anywhere, that's a different topic.

MG: Tell us about the \$21 million, 73,000-s.f. headquarters expansion in Nicholasville. What is being added, and why?

ML: This is going to be a doubling of square footage to fully form that area. We'll have the two main buildings connected by an enclosed atrium that can function as a lunch area or event space. Behind that we have our research center, our nutrigenomics center. We have our farm up the road where we do research. You've got these three elements coming together, and it finishes out the campus nicely.

It's a needed expansion with the acquisitions that we've had. Alltech is now a major purchaser of a lot of raw materials. Before, virtually everything Alltech sold, we made. Now, as we get into these feed activities, there are things like vitamins and amino acids that Alltech doesn't make that we need to buy. Our

supply chain team is growing. The most important role that area will function as is an innovation space. We have experts in our head office, and we want our global teams to come in, get out of their markets and get them to think differently, debate ideas and strategies, expose them to some things they should be thinking about, make their strategies and then go back to their markets. I believe a headquarters shouldn't be a command and control center; it needs to be a support center.

MG: Alltech has 6,000 employees in 130 countries. More than 600 employees work in eight Kentucky operations. What operations take place in Kentucky?

ML: There's this site (the One-on-One interview took place at the Alltech beverage division in Lexington where Kentucky Ale and Town Branch bourbon are made); the consumer-facing Dueling Barrels (brewery and distillery in Pikeville); and Connemara Golf Course across the road from our headquarters in Nicholasville is a public course, and we use a lot of our crop science there.

The Flemingsburg facility is feed and blocks in which you put minerals and nutrients. We've got a (yeast production and ethanol) facility in Springfield that is involved in our product called Optigen, a slow-release nitrogen source for cattle and our bioplexes, our minerals. We have McCauley's horse feed, in Versailles, and the Nicholasville main office.

MG: You have said the Alltech Life Sciences division is a fledgling area but that in 15-20 years it could dwarf the animal science division. Would it mean more operations and employees in Kentucky?

ML: A lot of what we've done in life science has been a collaboration. We've worked with UK Sanders-Brown Center on Aging; my father was good friends with the late Bill Markesbery there, and they did some work together around anti-aging and nutraceuticals and some specific components we were able to isolate and synthetically produce.

We've done more work, and a lot has to do with mitochondrial function, dysfunction or decay. Any disease that is linked to mitochondrial function we may be able to impact. Right now we're assessing our strategy. What is the game we're in? How are we going to win? How do we go forward?"

My father had looked at life science a number of times and considered whether Alltech would take outside investment or actually divest or focus on it in a different manner. I'm looking at it now.

One of the ONE18 start-up pitches, which had gone through our Pearse Lyons

Accelerator and launched there, was for something called Truly, a personalized nutrition program. You would get nutritional supplements based on your lifestyle, what you want to do, age, health status, etc. I've been interested in the concept for awhile. We're looking at that as an avenue different than this pharmaceutical route, more of a nutraceutical route. Equally, we're looking at a product we're going to be launching focused around digestive health and brain health. That is a different route than we were doing before that could help us to progress faster.

MG: You've said there is an opportunity for Kentucky to create the first ag tech hub in America. Is pursuing this one of Alltech's goals?

ML: There isn't yet an ag tech hub of America. In Silicon Valley people are talking about agriculture, but Silicon Valley is not really in agriculture. In Kentucky we have 300,000 farmers. A lot of them are small. These smaller producers need to innovate, think differently, produce products that are differentiated. They seem like people who might be more accepting of these (new) concepts and want to use them. There's an opportunity. There's been a lot of interest across the board, from the government, from the ag commissioner, from universities.

Alltech's traditional way is to do things ourselves, but what we're trying to think about is do we build this and allow other people to come in? These ag tech companies can spend part of their time with the Pearse Lyons Accelerator here in Kentucky. If we had a physical space, we could bring people in full-time. I don't think that has a place in our headquarters, because these people need to be in that startup mode. The physical space is the piece that's missing. It's something we would like to do. It's healthy and important for our business to always have a few of these missions, and this is a worthwhile one and a great opportunity for Kentucky.

MG: After having grown organically for 30 years, Alltech made around 20 acquisitions in the past five years that doubled the size of the company and moved it "closer to the end user." Is this a strategy that will continue?

ML: It will absolutely continue. The scale of some of the acquisitions we made was substantial. We will always be looking. We turn down a lot more deals than we move ahead. We've picked up a lot of knowledge. Alltech is definitely a player now within the animal feed

industry and agriculture in general, and we needed to get that scale and separate ourselves from any traditional competitors we ever had and put ourselves on the map.

We've started to create internal innovation. We have the ability now to create products we use ourselves that previously we didn't.

MG: You have been traveling around the world to Alltech locations, conducting Innovation Days events to hear the ideas of your employees. What trends are you hearing?

ML: This is essentially to allow people to share their ideas, collaborate on those ideas. The first phase is just people throwing out ideas, and you only have three minutes. People are writing on Post-it notes, and then the group leaders summarize them, and the next stage is to put the ideas together and see what overlaps and start to create a more fully formed thought. Finally the groups have to pick one idea and come up with a presentation on it. This all happens within three hours.

You get a sense of what people are thinking, especially as you overlay those across these markets. There's a lot around career development, around

how we can be more effective in the way we utilize our teams. There's a lot around new markets we should be getting into. Quite a bit of it is talking about technology and can we create new apps that connect consumers with agriculture? Can we create apps that allow our customers to see the benefits of our products? But the biggest, the most important thing is that you engender this power within the team.

The next phase of this is the kickoff of our Pearse Lyons incubator. We have two phases of this thing. The first is the internal incubator; the second is the accelerator, where we're taking a few of those internal concepts and some outside concepts and forming businesses. Having done this now in different geographies and different cultures, such as a production facility in China, you're showing that innovation culture isn't for the scientists only; it's for all of us. Innovation should be taking place in every part of our company; innovation is at the core of our DNA.

MG: Alltech has a goal of \$10 billion in annual revenue. Where is it now at 38 years old, and how long will it take to reach \$10 billion? Is this going to mean

major new lines of business and initiatives and products?

ML: We're a little over \$2 billion today. My father liked to say the only constant in life is change. We're always trying to push our teams to anticipate and be part of creating change. Absolutely it will require new businesses and different ways of working. Certainly acquisitions will be part of this; in many of our markets, we know the business we have today will take us so far, and we have to think what comes after that. We talk about Engine 1 and Engine 2. Engine 1 is what got you to the point you are; at what stage do you start building Engine 2 to bring you into further growth? How do you think differently? What are new growth models, new ways to adapt to markets? Our colleague Aidan Connolly likes to say that when you say you want to grow by 10 percent, there's lots of things you could do to grow by 10 percent. If you want to double, or maybe you want to grow 10 times, there are not that many things you can do, but they have to be big. ■



Mark Green is executive editor of The Lane Report. He can be reached at mark@lanereport.com.

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The \$19.1 million Ray & Kay Eckstein Cancer Care Center opened in July 2017. The 56,000-s.f. center consolidated the cancer care services of Baptist Health Paducah.

Building a Revolution in Kentucky Oncology

Better treatments with better outcomes drive a cancer clinic construction boom

BY JOSH SHEPHERD

Editor's note: This is the first in a two-part look at efforts to change Kentucky's worst-in-the-nation cancer mortality rate.

KENTUCKY cancer statistics are bleak – literally the worst – but there is growing excitement that new treatment advances and a coordinated effort among the state's leading care providers is about to change this dramatically. A burst of cancer clinic construction is underway.

Providers across the state are putting more than \$500 million into new stand-alone facilities that pull all the elements of care and its coordination under one roof. Confidence is rising that within a decade, close collaboration among teams using better tools is about to turn many cancers into diseases that are controlled and managed – perhaps not cured but far less likely to result in death.

Kentucky leads the nation in overall cancer incidence and mortality, according to a 2014 study published by the *Journal of the American Medical Association*. Rates are high statewide but

worst in the Appalachian region, with mortality rates for lung cancer and other respiratory-system tumors especially high in Eastern Kentucky.

Moreover, the commonwealth has held this dismal worst-in-the-nation position more than 30 years, said Dr. Eric Durbin, director of the Kentucky Cancer Registry (KCR) and of Cancer Informatics at the University of Kentucky. Despite continuing advances in research, treatment and technology as well as imaging systems with greater sensitivity and reliability for tumor screens, the commonwealth still has the lead in a category where it would prefer to be last.

For now.

"We have made remarkable gains in screening, but it's still challenging. Cancer incidence and mortality correlates with poverty, smoking habits, challenged access to health care, radon levels and other environmental factors," Durbin said. "We



Eric Durbin,
Director,
Kentucky
Cancer
Registry

are also building data on the genetic factors that contribute to higher rates of incidence and mortality. The whole gamut is working against our population."

The cancer statistics are bleak, but there is more good news than bad, Durbin said. Kentucky's hospitals and health-care systems are working cooperatively with each other and with KCR researchers, volunteers and public health officials to attack the commonwealth's cancer issues.

On the treatment front, there is great progress and further promise in immunology therapy as well as the use of genetic sequencing of individual cancer tumors to identify how to kill them. In October, *The Lane Report* will present an in-depth look at how Kentucky's health-care providers are making use of these treatments.

Dr. Mark Evers, director of the UK Markey Cancer Institute since 2009, describes the past 10 years as nothing short of a revolution in the field of oncology. Three-plus decades of advanced genetics research has revealed that cancer tumors are as unique and individual as a patient's fingerprint.

"We have gone beyond the days when Mr. X who has colon cancer gets the same therapy as Mrs. Y," said Evers, a nationally recognized oncology researcher who brought a team with him when recruited from Texas. "Now



Dr. Mark Evers,
Director,
UK Markey
Cancer
Institute

we're looking at a patient's specific mutational profile because everybody is different, and tumors are different as well. We can no longer treat every cancer the same when we know they are all of a unique genetic makeup."

Consolidating cancer care services

This critical insight has given rise to new cancer treatment methods and it is leading providers to reorganize how they perform their care. Kentucky health systems are investing hundreds of millions of dollars into new construction and renovation projects for dedicated cancer centers. Beyond the better clinical treatment rooms and advanced technology, this re-organization is a shift to a quality-driven, multidisciplinary approach focused on the needs of the individual patient rather than treating types of cancers as if they were all the same.

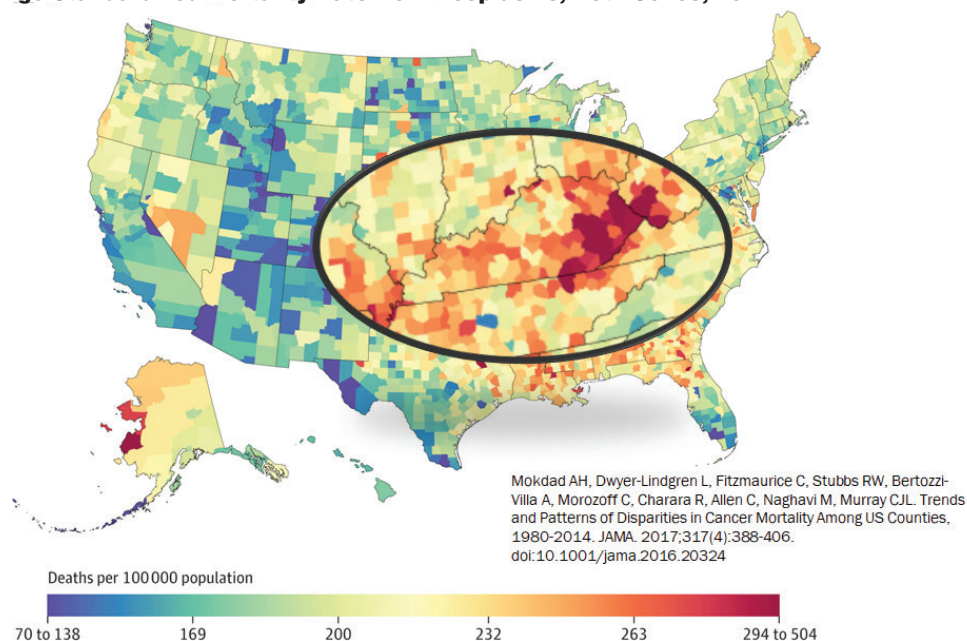
While Kentucky continues to face challenges, this patient-centered approach demonstrates a concerted effort on the part of state health systems to aim for the forefront of cancer care nationally.

On Aug. 9, St. Elizabeth Healthcare broke ground on a \$130 million advanced cancer treatment center on its medical campus in Edgewood. When complete, the facility will be the largest of its kind serving Greater Cincinnati's more than 2 million residents.

Dr. Douglas Flora, executive medical director of St. Elizabeth's Cancer Program, oversees the project and describes the new facility as an ongoing effort "challenging the traditional paradigms of cancer care." It will incorporate the full range of oncology and patient care services under one roof. It also will be a support hub for the health system's network of Northern Kentucky hospitals, all of which provide the basics in cancer screening, radiation and infusion therapies.

The St. Elizabeth project "is much more than just bricks and mortar. Our CEO (Garren Colvin) and board of trustees charged us to build a place where

Age-Standardized Mortality Rate from Neoplasms, Both Sexes, 2014



we would want to send our own families for treatment," Flora said.

That meant more than meeting the standard for oncological care. St. Elizabeth needed to offer critical support services for cancer patients and their families – services that typically don't contribute to the bottom line "but have proven themselves therapeutically valuable."

The first floor of the Cancer Center will be dedicated largely to what Flora describes as the "softer side of cancer care." Among its community resources will be: teaching kitchens to demonstrate healthy cooking of foods known for their cancer prevention qualities; art therapy and yoga studios; education and symposia rooms to disseminate information on cancer care; family support networks; and financial consultants to help ease those burdens.

"The whole floor is designed to engage with the community about screening and cancer prevention, coping with the disease, and helping patients continue to lead full and rewarding lives during and after treatment," Flora said.



Dr. Douglas Flora,
Executive Medical Director,
St. Elizabeth Healthcare Cancer Program

This graphic from the Journal of the American Medical Association depicts cancer mortality rates by county, showing that the worst cancer concentration in the United States occurs in Eastern Kentucky.

will be the first to offer a complete range of oncology and related services under one roof, said Dr. Joseph Flynn, executive director and physician-in-chief of the Norton Cancer Institute.

In addition, Flynn said, its support services will be extended to all patients. He is particularly proud of a music therapy program popular among children and teen cancer patients.

"Cancer Beats is a music therapy program funded in part by a grant from Teen Cancer America, a foundation founded by The Who's Pete Townshend and Roger Daltrey. It is very important to address the psycho-social needs of our patients, particularly our young people who are diagnosed with cancer," Flynn said.

In Lexington, UK Markey Cancer Center is undergoing its own metamorphosis, opening its Precision Care Clinic for individualized treatment in February. Markey relocated its inpatient beds to the 11th floor of UK Chandler Hospital Pavilion A so that it could begin a major expansion and renovation of its Ben Roach Cancer Care facility.

"In 2009 when I came to UK, we saw about 60,000 patients in our various Markey clinics," Evers said. "Since



Dr. Joseph Flynn,
Executive Director,
Norton Cancer Institute



The University of Kentucky Markey Cancer Center is undergoing an expansion and renovation to improve its facilities and services. Markey's affiliate network of hospitals in Kentucky has grown from eight to 20 hospitals recently.

COVER STORY

The \$38 million Norton Cancer Institute Brownsboro in eastern Louisville is designed to centralize radiation, surgical and urgent care for oncology patients when it opens in October 2018.

earning our NCI (National Cancer Institute) designation in 2013 (NCI's Cancer Centers Program is an anchor of the nation's cancer research effort), demand has almost doubled. We need to expand our clinic space to meet the growing demand."

The renovation includes space for a new linear accelerator (LINEAC) for radiation treatment. Upper floors are being converted into lung, head and neck cancer clinics. The third floor will be a women's outpatient clinic. There will be a section dedicated to family hospice services, Evers said.

Last year, the Baptist Health system, also based in Louisville, opened the Ray and Kay Eckstein Regional Cancer Care Center at its hospital in Paducah. In 2014, Baptist completed the Charles and Mimi Osborn Comprehensive Cancer Center in Louisville.

Each of Baptist's affiliated hospitals has invested in dedicated local and regional cancer centers, said Amanda Henson, vice president of oncology care at Baptist Health Lexington. Advanced services are located strategically at regional facilities in Paducah, Louisville, Lexington and Corbin. Most basic services, including the radiation and chemotherapy-infusion therapies once only found in metropolitan hospitals, are now common among all locations, she said.

"We don't replicate everything. Our Cyberknife technology in Lexington, for example, is a highly specialized outpatient treatment," Henson said. "But patients should not have to travel far from home to get a high-quality standard of cancer care. Patients have access to infusion therapy, cancer screening, counseling and other support services at every Baptist location."

KentuckyOne Health Breast Care at Saint Joseph East in Lexington completed a \$1 million expansion and renovation project in October 2014, growing its service area to 5,900 s.f. and becoming the first Kentucky hospital to offer Affirm 3D-guided stereotactic breast biopsy technology. Last year, KentuckyOne invested \$3 million at St. Joseph Hospital for radiation oncology technology to shorten treatment time, improve patient comfort, and reduce side effects.

The consolidation of cancer services



is occurring at larger individual hospitals also.

Since 2014, the University of Louisville James Graham Brown Cancer Center has seen a number of upgrades to its equipment and technology, totaling nearly \$9 million. This includes the purchase of a linear accelerator used in radiation treatment, and the replacement of its mammography van. Minor updates to patient waiting areas and a renovation to the bone marrow transplant clinic allows the UofL Brown Cancer Center to accommodate more comprehensive cancer care patients. Major upgrades to medical-records software have been part of the capital budget as well.

Owensboro Health has an inpatient unit in its still-new medical center and has also expanded and converted its former hospital on Parrish Avenue into the Mitchell Memorial Cancer Center. A member of the Markey Cancer Center Affiliate network, the facility provides outpatient screening, chemotherapy, radiation and other treatments in addition to management consultations and education. OH also has partnerships with UofL's James Graham Brown Cancer Center, the Kentucky Clinical Trials Network and the Vanderbilt-Ingram Cancer Center Affiliation Network.

Better patient experience matters

To appreciate why the process of reorganizing cancer services into a quality-driven, patient-centered model is so important, St. Elizabeth's Dr. Flora said it is instructive to recall what health care used to ask patients to do.

As recently as the 1990s, if a patient's biopsy was positive, that person could be referred to medical and surgical oncologists at hospitals an hour or more from their home. They'd visit four different buildings, have different tests done on different days and be asked to schedule new imaging scans each time.

"The process could take weeks before the first treatment was ordered," Flora said. "The travel was especially hard on patients suffering from late-stage tumors and extreme metastasis."

Combining it all into one location with an electronic medical record and internet-based communication has made a huge difference, he said. It is possible now for teams of oncologists to confer in real time and streamline care to best serve patients' needs.

"One of the things we have really embraced is a uniformity across all campuses in implementing a multidisciplinary approach," said Norton's Dr. Flynn. "I'm a big believer in 'no wait' medical care."

When a patient has a cancer center appointment, they can pre-register by email or via a smartphone app. This allows them to go straight to treatment or testing when they arrive; then in the early afternoon, the patient can confer with their doctor and the multidisciplinary team: medical oncologist, surgeon, radiation oncologist, behavioral oncologist, pharmacist and the other adjunct specialists.

"We respect our patient's time," Flynn said.

Every hospital has its own specialized cancer tumor board of physicians – or access to one – who meet regularly on difficult cases and suggest best treatment options for individual patients. A central location enables those teams to confer with each other and discuss individual cases as the need presents itself.

"I spend some mornings every week with a team of about 15 physicians talking in real time about individual cases," Flora said. "Whether in the meeting room or communicating through tele-health, all of us are reviewing the case data and discussing the pros and cons of treatment modalities for specific patients. A process that used to take weeks now happens in just a few hours."

Most times, the recommendation is to continue traditional treatments. Other times, patients qualify for clinical research trials. Most of Kentucky's hospital systems now participate in clinical trials of new chemotherapeutic agents.

"We (Baptist Health) formed a research network of cancer services so that we can give our patients access to new cancer drugs. That way, people who



Amanda Henson, Vice President of Oncology Care, Baptist Health Lexington

want to participate in a trial don't have to travel to Lexington or Louisville to get it," said Henson.

UK's Evers echoed those sentiments. Similar to the way in which health systems provide support for their member hospitals, Markey Cancer Center acts as a hub for information and provides collaboration between Markey's staff oncologists and cancer treatment departments at the 20 hospitals in its affiliate network.

"We really want to make it possible for patients to receive the best possible cancer treatment closer to home," Evers said.

It's of vital importance that patients in Kentucky, with its high incidence of cancer, have an NCI-designated facility available to them, he said.

"That designation means a lot for our research and treatment initiatives, but it also gives our sickest patients – those who meet specific criteria – access to investigational drugs and therapies not generally available at most hospitals," Evers said.

Screening still vital

NCI noted in its annual Report to the Nation that from 1999 to 2015, overall cancer death rates in the United States

declined for men, women and children. And those national-level gains are reflected in Kentucky in many ways, Durbin said. However, perhaps the most important takeaway from the data is that routine cancer screening is still the most effective defense against mortality. No advance in cancer care has replaced that single fact, he said.

As an illustration of how much of a difference cancer screening makes, consider the success the commonwealth has had in colorectal cancer.

In 2002, Kentucky was 49th in the United States for colorectal cancer screening. There was no good reason for it, Evers said. People simply were not getting properly screened. Recognizing this, the Kentucky Cancer Registry, under the direction of Dr. Tom Tucker, partnered with all of Kentucky's hospitals and health-care systems to improve the rate of cancer screening.

As a result, Kentucky went from being among the worst for colorectal cancer screening to being among the top 20. It's one of the most successful efforts to improve cancer care in Kentucky.

"Statistics show that colorectal cancer is being detected earlier, treatments are more successful, and the rate of

survivorship for this form of cancer is increasing in Kentucky. Working with the cooperation of Kentucky's health-care systems – particularly the physicians, oncology specialists and staff at the various cancer-treatment facilities across Kentucky – we have shown that circumstances in Kentucky can improve," Durbin said.

"For some patients, our treatments may be enough to reduce their disease from a terminal to a chronic condition. Considering where the science was 50 years ago, that's a major step forward," Evers said.

Kentucky's health systems, working cooperatively, have made significant progress toward relieving the population of its cancer burden. When physicians and patients are involved in the process, when system administrators make patient outcomes the driving force behind their decisions, good things happen, said Flora.

No one wins when health-care systems operate in silos. Cooperation between organizations, with the patient at the center of our efforts, is a victory for us all. ■

Josh Shepherd is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.

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Cyber Insurance: Now a Necessity?

Risk management to protect business data
has become a multibillion-dollar sector

BY DEBRA GIBSON ISAACS

IN 2018, incidences of ransomware use – cyber pirates stealing or making unavailable proprietary information from a computer and demanding money to return it – will double from 2017.

Data breaches are on the rise, too, according to the Insurance Information Institute (III), a nonprofit dedicated to improving public understanding of insurance. III's Identity Theft Resource Center reports that breaches hit a new record in 2017 – again – with 1,579 breaches tracked, up 44.7 percent from 1,091 in 2016. The number of records exposed rose

to about 179 million, compared with 37 million in 2016.

In 2017, the largest U.S. credit bureau, Equifax, suffered a headline-making breach that exposed the personal data of 145 million people, including Social Security numbers.

Two major United States health insurers were breached in 2015, exposing the data of 90 million customers. The U.S. government also has been the target of hackers, including the Federal Deposit Insurance Corp., the Internal Revenue Service, the Office of Personnel Management and the Department of the Interior.

The average data breach cost globally is \$3.86 million in 2018, up 6.4 percent from \$3.62 million in 2017, according to a study from IBM and the Ponemon Institute. And these figures do not include the many attacks that go unreported and undetected.

This begs a question: Do business owners need a form of risk management called cyber insurance to lessen the impact of cybercrimes and get their business back in business?

The majority of reported 2017 data breaches affected the business sector, according to the III, with 870 breaches or 55 percent of the total. Medical/health-care organizations were affected by 374 breaches (23.7 percent of the total). The banking/credit/financial sector ranked third as it sustained 134 breaches (8.5 percent of all breaches).

"Pirates plant a Trojan horse (malware) inside your computer system," explains Joe Maupin, of Joe Maupin Insurance Agency Inc. in Louisville. "You don't know it. They will then observe your business for up to a year. They can look at all your communications and files and get a good idea of your day-to-day business and its value. They also have the ability to shut down your computer system."

"At some point you will get a telephone call from the pirates: 'Hello. We've shut your computers down. If you wire money into this account we will remove the Trojan from your computer and won't touch it again.' You now have a big decision to make. It's like the Mafia. They went shop-to-shop to collect protection money. This is a new form of that crime."



*Joe Maupin,
Owner, Joe
Maupin
Insurance
Agency*

IoT adds to the exposure

Cyber vulnerability is increasing exponentially as the Internet of Things (IoT) expands. Already there are more equipment sensors and devices connected to the internet than cell phones, and it is estimated that there will be more than six connected devices per person worldwide by 2020.

Cyber insurance evolved as a product in the mid- to late-1990s as U.S. insurers expanded coverage for a new risk that was rapidly shifting in scope and nature. More than 60 carriers now offer stand-alone policies. In 2015, the market encompassed \$2.75 billion in gross written premiums, growing to an estimated \$3.25 billion by mid-2016.

"Few companies have an IT team of around five people prepared to find what is wrong with your computer

system and fix it within 24 hours,” Maupin said of cyber insurance. “That is true even for companies with a good cyber plan.

“Without protection, you have to call an IT company and then an attorney. They can’t always come right when you need them. In the meanwhile, you face a lot of liability. For example, if you run a restaurant, the criminals may have access to all your credit card records. Considering that you can pay for two years of a cyber policy just to have an IT company come one time, it doesn’t pay to go without it.”

Even for savvy business people, however, it is not as simple as calling an agent and ordering cyber insurance. Policies are still new enough that many insurance agents know little about them and some do not offer them. As with all insurance, there are myriad terms and provisions to learn and understand.

While insurance agents can and should help, Maupin said business owners need to understand these provisions as well.

“Insurance companies are just catching up in the last two or three years,” he said. “I go to three top-level seminars on cyber issues every year. I have to. This is easy money for these hackers. It is so hard to track. We don’t catch many of them.”

Terms to understand

Maupin discussed the most important points to consider if you decide to consider a policy:

Prior Acts Coverage – This is protection for issues that may have happened in the past. Clients can typically go back as far as desired. This coverage should be an additional 10 percent of the overall premium.

Reputation Damage Expense – If it becomes public a company has had a breach, it can take a lot of advertising to defend or restore a good reputation. The insurance company provides money to buy this advertising in an amount based on the company’s current advertisement budget.

Forensic Specialist Expenses – It is important to have the right fit when hiring a forensic specialist, and one who is ready to pounce within seconds, according to Maupin. These specialists go into the computer in the aftermath of a breach to find what has been hidden to answer questions such as: How did this happen? How can we keep this from happening again?

Both Paper and Electronic Data – When companies are hit with a big data loss, they may need 10-15 people to put data back into their computer system.

The insurance company will provide any required temporary employees to do data input.

Liability Coverage – It is not required to buy cyber insurance from the agency that provides your liability insurance but doing so means that in the event of a loss, one company has all the information to get started.

Loss Control and Mitigation Services – This includes a loss claims specialist and a forensics specialist. Under this provision, your insurance company can call clients for you while you focus on keeping the business going. You and your insurance company become a management team working together. “This is huge,” Maupin said. “We can make life better after some person sitting behind a computer destroys your business just because they get a kick out of it.”

Business Interruption – This covers lost income for up to 12 months and can pay the difference in revenue you had before a cyberattack versus after.

Personal Cyber Insurance – PCI is important with affluent business owners because “hackers know CEOs often have assets they can liquidate quickly” if they hack a CEO’s personal laptop, Maupin said.

Dark web and deep web?

In addition to keeping up with new insurance terminology, business people need to stay current with all the new terminology such as the difference in the deep web and the dark web. Cybersecurity expert Milton Bartley, co-founder, president and CEO of ImageQuest in Louisville offered definitions of two of the most important terms.

The deep web is a portion of the internet that is hidden from search engines. Code for these web sites and pages is written so as not to be indexed by Google, Bing, Yahoo, etc. You can browse to the content, but only if you know the exact URL address. It is estimated as much as 90 percent of the internet is deep web.

The dark web is part of the deep web. Special software and sometimes even hardware is needed to access it. Most of the illegal and illicit activity on the internet takes place on the dark web – including cryptocurrency manipulation, sex and human trafficking, black market transactions, narcotics trading, arms trading, etc.

The TOR browser, which you can download and install on your computer, is the most common method to access dark web sites – assuming you know where to find them and have or can get credentials.

Tips for staying safe

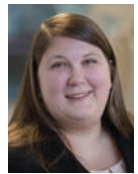
Experts agree that a strong firewall is the most important step in keeping your computer safe. Cybersecurity expert Milton Bartley, co-founder and CEO of ImageQuest in Louisville, offers more safety suggestions for business people.

- Use two-factor authentication (2FA) on every online account/service you have that offers it. Employing 2FA on your email, social media and financial accounts will make you as close to impervious to the standard attacks as you can be. To check if a service you use offers 2FA – and to find out how to enable it – go to <https://twofactorauth.org>.

- More than 94 percent of all malware is delivered via email. The “simple” rule is, if you receive an email with a link or an attachment and you do not recognize a) the sender and b) the content, DELETE IT! If it was important, the sender will either send it again or they will call you.

Countering threats cooperatively

While each businessperson must consider the needs of his/her company regarding cyber insurance and other issues, Angela Gleason believes it is critical that business leaders join with the government to collectively address this increasing threat. Gleason is senior counsel for the American Insurance Association and considered one of the pre-eminent experts on cybersecurity.



Angela Gleason, Senior Counsel, American Insurance Association

Data security currently is governed largely on a state-by-state basis, Gleason said, but many businesses, including insurance companies, are multistate and do not approach their security at the individual state level. Rather, most apply holistic, systemwide information-security programs that are not differentiated by state jurisdictions. She believes state and federal governments need to pledge more consistency in design and implementation.

“Cyberattacks are a constantly evolving threat,” Gleason said, “and bad actors are very good at adapting to new technology and defenses. Businesses and governments must be allowed to deploy flexible, risk-based approaches to their unique cybersecurity needs.

“Flexibility and a proactive, alert population are essential, but a uniform, consistent regulatory framework is also required. If state governments and the federal government developed this type of approach, it would maximize efficiency and resource utilization as well as enhance consumer protections.” ■

Debra Gibson Isaacs is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



Click and Work

EZgig app links employers with short-term staffing needs to prequalified workers looking for on-demand jobs

BY MARK GREEN

TO better meet the recurring temporary employee needs of several longtime clients, a Lexington human resources consultant recently launched EZgig, a gig-economy staffing app that lets employers offer jobs and workers accept the work with their smartphones.

EZgig facilitates the process by vetting and activating employers and employees alike for specific jobs that require an understanding of and ability to perform specific tasks and skills. EZgig pays workers, who formally become its employees, and also handles taxes and workers' comp insurance, all while providing compliance with laws and regulations.

Some 1,300 candidate employees came into the EZgig portal in the first 12 weeks.

The initial users have been in food service and the related hospitality sector, but EZgig's principals see potential in the model – which they obtained from Shiftgig in Chicago – to expand across many sectors and become an economic growth enabler.

EZgig President Lyle Hanna and Managing Director Greg Lyles – who are also founder/president and senior partner, respectively, of Hanna Resource Group – say their aim is to become the largest employer in the state.



*Lyle Hanna,
President,
EZgig*

EZgig held a ribbon cutting in May to celebrate its staffing app that connects employers and prequalified employees. From left are Bob Quick, president, Commerce Lexington; Mark Meikle, owner, EZgig; Kari Collier, owner, EZgig; Lyle Hanna, president/CEO/owner, EZgig and Hanna Resource Group; Elodie Dickinson, Lexington workforce development manager, Office of the Mayor; Makensie Jackson, workforce manager, EZgig; and Greg Lyles, managing director, EZgig.

Meeting such a lofty goal would be years in the making, but EZgig sees a path by which it could happen, especially if today's economic, technological and social trends continue to reshape the work experience.

Gig-economy temp work today is on the blue-collar end of the spectrum: Uber and Lyft's taxi driving is the best known, but hospitality, retail, warehouse/distribution and other sectors in large urban markets are using spot shift workers, too. Light manufacturing and even creative work such as graphic design are among the categories where staffing needs are seasonal or variable because it attaches to individual events or projects.

Staffing Industry Analysts counts more than a quarter of the U.S. workforce among all forms of temporary workers.

Lining up specialty staffing who know the work and can be paid only when there is a job to do is a best practice, but as traditionally

implemented it can be a labor-intensive headache for a business.

"It's a lot of work," Hanna said.

Managers must grow lists of the people needed for its various contingent activities, call and email to confirm everyone, tell them what to wear, what time and where they need to be, handle last-minute cancellations and no-shows, and ensure that there is enough staff to fulfill your commitment to clients. For every job.

Hanna Resource Group in Lexington has worked for years with several clients who have to staff events or regular but very temporary jobs such as Bluegrass Caterers, Idle Hour Country Club and Keeneland Association for its sales and racing sessions.

A eureka moment emerged last year when HRG convened a meeting of these clients to discuss their employee and staffing needs.

"They all need quality people who can meet the public," Hanna said. "We had them all at the table, and they said why not share?"

It turns out that this was already happening elsewhere. There are several gig-economy staffing platforms up and running in the United States. HRG zeroed in on Shiftgig, which was expanding its staffing-app operations to other major U.S. cities such as Atlanta, Chicago, Dallas, Houston, Memphis, Miami, Milwaukee, Nashville, New Orleans, New York City, Philadelphia, Phoenix and Tampa.

"Shiftgig uses technology to connect businesses like yours with thousands of pre-qualified, ready-to-work professionals who we call Specialists," its website states. "Founded on the simple premise that many people want flexible work opportunities that fit into the rest of their lives, we build technology that is focused on one thing: connecting people who want on-demand work with businesses who need them, and handling all the messy bits in between."

However, when Hanna contacted Shiftgig officials last winter, he was told it could easily be a decade before its expansions might arrive in Lexington.

"I said, 'Why don't you let me do it here?'" Hanna said. "This can be a test model and a good way for them to grow their business."

Lexington "was pretty far down our list," said Shiftgig CEO Rick Bowman. The Chicago company had handled all of its expansions itself by setting up its own sales teams, offices, administrative operations, etc., but it liked what it heard from Hanna.

"He already understood what we were trying to do," Bowman said. "Lyle was anxious to use technology to create opportunity."

Shiftgig already had been considering whether it might want to allow others to use its technology, Bowman said. Hanna convinced them that his team and Central Kentucky was the right opportunity.

EZgig became Shiftgig's first "charter customer" to license and others are now piloting and demonstrating the technology to their clients, working toward the goal of also licensing the platform in their communities and regions.

Since getting its worker app launched in mid-2015, Shiftgig has onboarded more than 2,800 client businesses in the 13 locations it operates, Bowman said. More than 50,000 workers have successfully completed its process of virtual interviews, testing and other assessments to be "activated," and they have filled more than 650,000 shifts.

After activation, client business managers and workers alike use their smartphones to place an order for workers and to claim a shift that will occur in as little as one day but more typically a week or two from when it is posted.

The software, with a proprietary matching algorithm that Shiftgig continues to augment and improve, runs in the cloud, Bowman said. The platform compiles reviews and reassessments of clients and workers with every shift completed, and it can prompt further training when that is deemed appropriate.

"We call it 'upskilling,'" Bowman said.

Shiftgig evolved from what essentially was a jobs board for Chicago-area restaurants, which began giving feedback that the deeper value of the process comes from being able to fill shifts quickly from vetted workers they can rely on.

Data from the feedback process is incorporated to improve the matching process of the algorithm.

The concept caught the attention of Lexington-Fayette Urban County Government as well as Commerce Lexington Inc., the community's chamber of commerce and economic development promoter.

"It was an impressive new program that can help a lot of our businesses in Lexington," said Kevin Adkins, chief development officer for LFUCG. "I refer to it as 'the Uber of jobs.' We were impressed with where the technology is going."

It led to a \$30,000 grant from the Lexington Economic Development



*Rick Bowman,
CEO, Shiftgig*

Investment Board to EZgig to help develop the local operation. With the Fayette County unemployment rate at around 3 percent, existing employers and new businesses alike sometimes have difficulty finding the workers they need.

Adkins said city government considers the staffing app platform a good support tool for the tech start-up sector that all communities are working to recruit and build. Additionally, the expectation is that more areas of the economy will adopt the flexible shift-work model.

Commerce Lexington also views the EZgig staffing-app platform as a desirable element for the regional economy, said President and CEO Bob Quick. It presents Lexington as having a strong, inviting and tech-forward business climate, he said.

For now, the primary clients are hospitality entities such as Bluegrass Catering, which has five event venues on Manchester Street in the popular Distillery District just west of downtown Lexington and became a client almost immediately when EZgig pitched its product.

Greg Lyles "called at the right time," just as Shannon Guerrant, an event planner for Bluegrass Catering, was about to begin the process of placing an ad, handling responses, doing background checks and training a new group of employees.

An event planner, she can spend up to a year working with a customer, handling initial intake to identify their goals and working out how to achieve them, then making it all happen, including getting all the right people in place when it is time to execute.

"He came in and showed us how to use it and we were sold," said Guerrant. "I just kind of put in an order (for employees) and they take care of it from there."

After 12 weeks of operation, EZ gig has 12 client employers, Hanna said. There are 130 activated employees and more going through the one- to two-week screening process.

"We don't want to make it too easy" to qualify, Hanna said. "We want to make sure they are serious and will stay with it." ■



*Keith Adkins,
Chief
Development
Officer,
Lexington-
Fayette Urban
County
Government*



*Shannon
Guerrant,
Event Planner,
Bluegrass
Catering*

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TOURISM

Authenticity Strikes a Chord with Travelers

Kentucky music tourism sector grows stronger as promoters up their game

BY MATT WICKSTROM



Tens of thousands attended for each of the three days of Forecastle Festival 2018 at Waterfront Park in downtown Louisville.

WHILE popular new artists such as Chris Stapleton, Sturgill Simpson and Tyler Childers are attracting fans and interest, Kentucky music has been a reliable tourism niche for years, supporting venues throughout the commonwealth. Music events and festivals draw not only Kentuckians but thousands of patrons from out-of-state and around the world, complementing the state's equine, bourbon and other tourism sectors.

According to Department of Tourism Commissioner Kristen Branscum, a common factor in the musical crescendo is Kentucky's authenticity. Tourists are constantly in search of honest, real and intimate experiences, and music fanatics are no exception.



Kristen Branscum, Commissioner, Department of Tourism

Lexington-born Stapleton returned to Kentucky in July to perform at Louisville's Forecastle Festival, founded by Louisville's JK McKnight in 2002. Since 2012 the festival has been run by event producer AC Entertainment, founder of Bonnaroo, America's largest camping festival. AC's influence has tightened up Forecastle's structure, focusing on bigger stage production and bigger name acts.

"The way we approach a festival, there has to be a festival soul. There has to be an authenticity that drives it, and that was something we found with Forecastle," said Jeff Cuellar, AC's vice president of strategic partnerships. "There's something about the quirkiness of having a nautical-themed festival in a landlocked state." (A forecastle is a sailing ship's forward upper deck with sailors' living quarters.)



Jeff Cuellar, Vice President of Strategic Partnerships, AC Entertainment

Over 70,000 attended the three-day Forecastle Festival 2018 in July, generating more than \$20 million in economic impact for the city. Attendees came from all 50 states and 10 countries, with 54 percent being nonlocal tourists.

Local flavor has allure

AC's Forecastle promotion plays up the region's uniqueness with nonmusic elements that include an ever-expanding bourbon lodge; a Forecastle Derby in which festival-goers bounce-race on inflatable horses; and late-night parties on the Belle of Louisville.

Shuttles bringing patrons to and from the Waterfront Park festival site provide easy access to downtown attractions that AC also actively promotes: local restaurants, Kentucky Bourbon Trail venues, new distilleries and hotels, and Fourth Street Live.

"In the '80s and '90s, a lot of focus was on material objects, and now you're seeing – primarily driven by millennials – that they don't want stuff anymore," said Cuellar. "People would much rather have an

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experience, which is what we've worked on: providing that over-the-top experience that people can't find anywhere else."

In addition to Forecastle, festivals such as Bourbon and Beyond, Louder than Life, the Kentucky State Fair's concert series and the Kentucky Derby Festival's Waterfront Jam Concert Series have made Louisville a music hotspot. The KFC Yum! Center also provided an economic boom to the tune of \$581 million between 2010 and 2014, with annual numbers in the years since projected even higher.

In October, Stapleton will return to Lexington for an already sold-out show at Rupp Arena. The arena and connected Lexington Convention Center, which just broke ground on \$241 million in renovations in late July, have an economic impact on the city of over \$42 million annually, according to Sheila Kenny, Lexington Center's director of marketing and communications.

That number is expected to grow from a three-year agreement reached in February with Oak View Group Facilities to manage event programming (with the exception of University of Kentucky athletic events). The Los Angeles-based company's booking strategy is focusing on attracting more diverse national tours like Stapleton and Justin Timberlake, and creating unique fan opportunities.

Festival attendees bring business

Since 1974, bluegrass music fans have been flocking to Central Kentucky in early June for the Festival of the Bluegrass. Founded by Bob and Jean Cornett, the festival is now spearheaded by their grandson, Roy, and his wife, AnnaMarie.

Roy and AnnaMarie have added modern, progressive bands to the event's traditional bluegrass. That has brought a

younger crowd, which remains steady at roughly 7,000 attendees annually. Attendees come from throughout the United States as well as international locations.

Another music festival with international appeal is Somerset's Master Musicians Festival, which celebrated its 25th anniversary in July with legendary songsmith John Prine, Saskatchewan's The Dead South, Amanda Shires and others on the campus of Somerset Community College. Festival President Tiffany Bourne says the event prides itself on eclectic band selection and discovering artists before their stock explodes. Past acts the festival has nailed down prior to them becoming sensations include The Avett Brothers and Old Crow Medicine Show.

Area hotels are typically at capacity during festival weekend and restaurants are often packed. With hotels full, many of the festival's 6,000 attendees from as far away as Texas, California and even Canada look to camping and other lodging at nearby Lake Cumberland.

Local business sponsorships make up 40 percent of the festival's budget, Bourne said, and include vendor opportunities, festival naming rights, and company logos on cups and festival wristbands. Overall, the Master Musicians provides an economic impact of \$3 million to Somerset, according to the Kentucky Department of Tourism.



AnnaMarie Cornett, Event Producer, Festival of the Bluegrass



Tiffany Bourne, President, Master Musicians Festival

A couple hours east of Somerset is Prestonsburg, home of the Mountain Arts Center since 1966. The MAC hosts music events including Billy Jean Osborne's Kentucky Opry and has space for recording as well as being a venue for business conferences and private events.

Thus far in 2018, the MAC has sold over 25,000 tickets to paying events, with the center accumulating an annual economic impact of \$1.1 million, which has been trending up in recent years.

Owensboro taps bluegrass roots

In Western Kentucky, a museum honoring the late Bill Monroe, one of the founders of bluegrass, opened in Rosine in late April. A reopening will be held in Owensboro Oct. 18-20 for the Bluegrass Music Hall of Fame and Museum, now wrapping up \$15 million in renovations. The new 50,000-s.f. museum, concert venue and event space will feature a 447-seat indoor theater and 1,500-seat outdoor amphitheater along with exhibits presenting a comprehensive look at the history and roots of bluegrass music.

Aiding the museum's expansion in downtown Owensboro is the ROMP Festival, an annual fundraiser for the venue that celebrated its 15-year anniversary in June. Visit Owensboro reports the ROMP Festival generates an economic impact of \$2.8 million for the Owensboro region, with numbers expected to rise after the re-opening.

With attendance numbers at Kentucky music festivals continuing to grow, there's little doubt that music will continue to play an instrumental role in the commonwealth's tourism industry. ■

Matt Wickstrom is a digital reporter for The Lane Report. He can be reached at matt@lanereport.com.



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The Pain of Losing Employees

Business community cautiously works to keep options available for employees dealing with addiction

BY CLARY ESTES

Editor's note: This is the third in a three-part series examining behavioral health issues impacting business in Kentucky.

BEYOND the tragedy for thousands of Kentucky families, opioid abuse and overdose deaths are a problem for state businesses working to find and keep good personnel in a tight labor market.

The commonwealth ranks 10th in opioid-related deaths in the United States, with Kentuckians of prime working age at the highest risk. Economic impact figures specific to Kentucky are not available but the

estimated cost to the U.S. economy in 2016 was \$504 billion, according to the U.S. Department of Health and Human Services.

In 2016, 42,249 Americans died overdosing on opioids. The 1,404 Kentuckians among them represented “a rate of 23.6 deaths per 100,000 persons and nearly double the national rate,” according to the National Institute on Drug Abuse.

That was a 7.4 percent increase from Kentucky’s 2015 level, and opioid deaths increased another 11.5 percent to 1,565 in 2017, according to the latest Overdose Fatality Report, which the state’s 2012 opioid law now requires annually.

On a more positive note, however, the CDC’s monthly Vital Signs report showed Kentucky’s overdose-related emergency room visits dropped 15 percent from June 2016 to September 2017 – the most significant decrease in the nation. Other states were getting worse in that same period: Wisconsin increased 109 percent in overdose-related ER visits, Delaware saw a 105 percent, and Pennsylvania and Illinois ODs were up 81 percent and 66 percent, respectively.

“It’s sneaky,” Andres Illes, a Kentucky commercial real estate investor, said of the opioid impact. “I had problems with my last contractor. When he first started working for me, he didn’t show signs of heavy abuse. He later had a problem with his knee, and I could tell he was abusing pain medication.

“This guy was not what anyone would picture as a stereotypical user. He was in his mid-50s, comes from a good family, lives in a nice area, had references and started out working hard and doing a great job. And then it just went south; it went south within three months. I didn’t find out until after I had fired him that he was using on the job, that he was transacting in my building – on the job with his friends and coworkers.”

Kentucky businesses face myriad problems with employee retention and workforce development in the wake of the opioid epidemic. Businesses are losing workers to addiction, Kentuckians are unable to apply for and maintain a job due to active addiction, and recovered addicts cannot find gainful employment due to their addiction history.

The stigma and criminalization of addiction serves to further perpetuate drug abuse for addicts, as well as inhibit effective recovery and movement back into the workplace.

But the factors of opioid addiction, as many Kentuckians are figuring out, are complex and affect different parts of the state very differently.

On one end of the spectrum there is pain medication abuse, with 11.5 million people reported to have misused prescription opioids and 17,087 overdose deaths attributed to commonly prescribed drugs in 2016.

To the business community’s consternation, many prescription pain pill addictions start as treatment for workplace injury. While opioids can effectively alleviate the pain of recovery for many patients and workers, their increasingly liberal distribution and inadequate oversight of usage helped create the epidemic the U.S. is reeling from today.

In January 2018, Kentucky Attorney General Andy Beshear filed a lawsuit against the McKesson Corp., charging

that the drug wholesaler inundated Kentucky counties with millions of prescription painkillers – as many as 477 pain pills per person, children included, in Floyd County between January 2010 and the end of 2016.

On the other end of the spectrum are intravenous drug users. Many of them are shifting their addiction from prescription pain medication to heroin due to its lower cost and easier access. In 2016 the U.S. had:

- 948,000 people using heroin
- 170,000 people trying heroin for the first time
- 15,469 deaths attributed to overdosing on heroin

Since the introduction into the market of the painkiller fentanyl, which is 30 to 50 times more powerful than heroin and far more deadly, drug-associated deaths in Kentucky have hit an all-time high.

The Northern Kentucky, Louisville and Lexington metro areas are being hit the hardest by intravenous drug use. According to data from the Kentucky Medical Examiner and coroner reports, the top five counties for heroin-related overdose deaths in 2017 were:

- 1) Jefferson County – 122 deaths
- 2) Fayette County – 48 deaths
- 3) Kenton County – 20 deaths
- 4) Campbell County – 17 deaths
- 5) Boone County – 12 deaths

The secondary consequences of intravenous drug use are equally chilling. More than 2,200 HIV cases diagnosed in 2016 in the United States were attributed to injection drug use, according to the U.S. Centers for Disease Control. In 2015, Kentucky reported four cases of chronic Hepatitis C and 121 cases of acute Hepatitis C (2.7 cases per 100,000 persons as reported by the CDC), one of the highest rates in the U.S.

The Lexington-Fayette Public Health Department began one of the state's first needle-exchange programs after the General Assembly passed Senate Bill 192 in March 2015. From September 2015 to July 16, 2018, in Fayette County there were:

- 14,957 total visits to the exchange
 - 2,757 unique clients
 - 490,690 needles brought in
 - 588,055 needles given out
 - 1,552 Naloxone kits given out
 - 132 new referrals to the program
- There now are 42 needle-exchange

programs statewide with two more approved to start in Northern Kentucky. Louisville has five needle exchanges. Most are located in Central and Eastern Kentucky. In some cases, providers are present at these exchanges to offer information to those suffering from addiction and provide entry points for treatment. Bluegrass.org, which provides behavioral health services at 48 Central Kentucky locations, is frequently present at the Lexington-Fayette Health Department's needle-exchange program.

Addressing the epidemic

So, how can Kentucky businesses cope with and even help solve the problem? When it comes to combating substance-use disorder in Kentucky, education is everything.

"The people we see look like everyone else. They are fathers, mothers, sisters, brothers and friends. The perception of the junkie under the bridge is not reflective of the people who come in here for help," said Jill Keys, a nurse at the Lexington-Fayette County Health Department. "Many of the people who come to our needle exchange are coming in during their (work) lunch breaks every Friday."

With the majority of Kentuckians involved in this epidemic being of working age and often early in their career years, businesses are being advised to be proactive with workplace

education. A variety of statewide and national resources provide guidance on the dangers and risks of addiction.

The Substance Abuse and Mental Health Services Administration (SAMHSA) has a wealth of resources for businesses and communities and presents National Prevention Week, an annual health observance to increase public awareness and action around mental health and/or substance-use disorders. Its goals are to:

- Involve communities in raising awareness about behavioral health issues and implementing prevention strategies.
- Foster partnerships and collaboration with federal agencies and national organizations dedicated to behavioral and public health.
- Promote and disseminate quality behavioral health resources and publications.

SAMHSA provides a tool kit with ideas and resources that businesses and organizations can use to raise awareness about substance-use disorder and to educate workers on the dangers of opioid addiction as well as the importance of positive mental health in the business community.

The Kentucky Psychological Association also offers workshops on opioid addiction and best practices for those interested.

One of the biggest hurdles in addressing the epidemic is tackling the

Clary Estes photo



Kentucky's first needle exchange program, begun in Fayette County in 2015, took in nearly 500,000 needles in three years. Needle exchange programs are to prevent reuse of needles, which leads to the spread of serious blood-borne diseases such as Hepatitis C and HIV.

Where to Go for Help

SUN Behavioral Health's new \$40 million, 197-bed Erlanger facility was built in direct response to the opioid epidemic. St. Elizabeth Healthcare's 2015 Community Health Needs Assessment found that community members and St. Elizabeth physicians alike prioritized drug-addiction treatment as the highest need for development and expansion.

The key components of SUN's treatment, as outlined on its website, focus on engaging those suffering from addiction both socially and therapeutically. This includes: one-on-one work with psychiatrists; around-the-clock nursing care; detoxification facilities; cognitive behavioral therapy; 'motivational interviewing'; mindfulness; use of support groups, including 12-step groups; relapse prevention; problem solving; stress management and life-skills development; leisure skills training; collaboration with outpatient providers; and aftercare planning for continued recovery.

"For us, it is important our patients stay engaged in the SUN community," said Chris Lockey, CEO of SUN Behavioral Health Kentucky. "We know that when people stay engaged socially they do better in their recovery. People who are isolated and unengaged have a tendency to drop out and not succeed in their recovery, so we keep our program very busy. People are in groups doing something from the time they get up to the time they go to bed. We don't want people isolating. We don't want people in their rooms. We want them being involved in things like recreational therapy, art therapy and with each other. We have our patients working with a trained therapist as well as participating in multiple support group sessions a day."

Transitions is another Northern Kentucky-based addiction recovery organization whose base is in Covington. It offers: seven- to 10-day non-medical detoxification; 90-day residential chemical dependency treatment program for women in Covington and for men in Dayton; men's residential recovery program in Erlanger; six-month intensive outpatient program in Covington; and child care for parents who are seeking treatment.

Pikeville Medical Center in Eastern Kentucky offers detoxification and buprenorphine (an opioid, sold under the brand name Subutex, used to treat opioid addiction) services to the public for outpatients and hospital inpatient care. It has groups and programs for adolescents, pregnant and postpartum women, and criminal justice groups.

A range of behavioral health centers across the state provide addiction recovery services, including:

- **Our Lady of Peace**, which is part of KentuckyOne Health, operating primarily in Louisville
- **The Stoner Creek Behavioral Health Center** in Paris at Bourbon Community Hospital.
- **The Medical Center at Bowling Green**
- **Owensboro Health**
- **Lifepoint Health**, which operates in 10 Kentucky locations across Central and Western Kentucky
- **Baptist Health**, at its hospitals in Corbin, Louisville, Madisonville and Richmond.
- **UK Healthcare**

stigma at the root of society's perception of addiction and substance-use disorders. The American Society of Addiction Medicine defines addiction as:

"... a primary, chronic disease of brain reward, motivation, memory and related circuitry. Dysfunction in these circuits leads to characteristic biological, psychological, social and spiritual manifestations. This is reflected in an individual pathologically pursuing reward and/or relief by substance use and other behaviors.

Addiction is characterized by the inability to consistently abstain, impairment in behavioral control, cravings, diminished recognition of significant problems with one's behaviors and interpersonal relationships, and a dysfunctional emotional response. Like other chronic diseases, addiction often involves cycles of relapse and remission. Without treatment or engagement in recovery activities, addiction is progressive and can result in disability or premature death."

Many new programs dealing with the opioid epidemic focus on harm reduction

or minimization. Newer public health policies are designed to lessen the negative social and/or physical consequences associated with certain human behaviors, both legal and illegal.

Public health departments across the state offer free workshops on naloxone, commonly known by the brand name Narcan, a medication that blocks the body's opioid receptors and prevents or reverses the respiratory failure effect of an overdose and saves hundreds of Kentucky lives a year. Many classes provide free kits to participants.

Only the addict can choose sobriety

The point of harm-reduction strategies like needle exchanges and naloxone treatment is to be able to meet addicts where they are and provide resources to keep communities safe and save lives. Those who work in addiction recovery say they learn that the addict must be the one to choose sobriety, and even then the path to sobriety is sometimes long and problematic. Until sobriety happens, a best practice for communities is to keep those suffering substance-use disorders

safe and have resources ready for recovery when an addict decides to seek treatment.

Communities and businesses often need resources to understand addiction and its hold on users, according to the treatment community.

Addiction, especially opioid addiction, is a neurological disorder that, if left untreated, can become impossible to reverse and leaves addicts without a semblance of free will, driven to avoid impending 'dope sickness.'

Sam Quinones explains it well in his best-selling 2015 book, "Dreamland: the True Tale of America's Opiate Epidemic":

"What gave the morphine molecule its immense power ... was that it evolved somehow to fit, key in lock, into the receptors that all mammals, especially humans, have in their brains and spines. The so-called mu-opioid receptors – designed to create pleasure sensations when they receive endorphins the body naturally produces – were especially welcoming to the morphine molecule..."

Most drugs are easily reduced to water-soluble glucose in the human body, which then expels them. Alone in nature, the morphine molecule rebelled. It resisted being turned into glucose and it stayed in the body.

'We still can't explain why this happens. It just doesn't follow the rules...' (Andy) Coop (a chemist studying the addictive properties of morphine) says. 'It really is like someone designed it that way – diabolically so.'"

As the epidemic has grown, a number of health-care facilities and government agencies are working to help businesses and communities cope and addicts recover.

No one should be turned away

Treatment often is covered under both Medicaid and employer-offered insurance plans and includes not just detox and recovery services but follow-up to ensure recovering addicts move on from addiction and thus stay sober. And if someone suffering opioid addiction is not covered, providers work with them to find and maintain coverage within the patient's means. The consensus among providers is that no one who wants treatment should be turned away; everyone gets help.

Yet, coverage remains an issue for many Kentuckians. While workers covered under an employer health plan usually can get addiction treatment, others are unable. The latest Kentucky Health Issues Poll conducted for the Foundation for a Healthy Kentucky reported that the percentage of Northern Kentucky adults ages 18-64 without health insurance more than doubled from 11 percent to 26 percent from 2016 to 2017, an increase of 236 percent. The opioid epidemic hit

The needle exchange program in Fayette County provides education about the harm associated with drug use and gives out Naloxone kits to counteract the effects of drug overdose in addition to providing clean new sterile syringes and properly disposing of used syringes.

Northern Kentucky first and hardest in the commonwealth.

Meanwhile, the well-known negative effects of substance-use disorder limit employment and professional-development options for recovering addicts. It's often up to a business owner to take a leap of faith when hiring a recovering addict, many of whom have spotty work histories and criminal records. But government and community-action groups are working one-on-one with Kentucky businesses and recovering addicts to expand the state's workforce and get individuals in recovery back into the workplace.

The Kentucky Office of Vocational Rehabilitation (OVR), a state and federally funded agency operating in every county, is known for its work helping state residents with disabilities find employment; the office often works with people with criminal backgrounds as well.

"We work with a lot of people who have criminal backgrounds," said Megan Collins, an OVR vocational rehabilitation officer. "That sometimes goes hand-in-hand with things like substance abuse or mental health issues where people just can't adjust or have poor impulse control."

Re-entering the job market

OVR helps people trying to re-enter the job market and provides short- and long-term incentives to businesses. Federal contracts require businesses to have an employee population that includes at least 8 percent with a

disability, which includes behavioral disability and addiction disorders. OVR helps businesses find qualifying employees, provides appropriate job training, pays \$7.25 per hour of the employee's salary for three months, and enables a business to qualify for a tax break of up to \$8,000 a year.

"That gives companies a break," Collins said. "They don't have to worry about additional costs, and it provides them with a safety net."

Businesses interested in working with the OVR can contact their local OVR job-placement specialist.

One Lexington company has built its brand on hiring second-chance workers and become a popular restaurant in the process. DV8 Kitchen was developed specifically to operate as a second-chance employment opportunity for people who are trying to redirect their lives, according to its mission statement. Owner Rob Perez and his wife, Diane, said they knew they had to do something after having lost 13 workers to overdose fatalities at their three Saul Good restaurants.

"We need to change the way we think about hiring people; everybody deserves a

second chance," Rob Perez said. "We can't keep on punitively making people pay for their past. It's just too much."

Businesses experienced at helping those who have substance-use disorder move back into the workplace say a key to recovery is that community is everything. Those most successful at it don't just provide employment; they ensure their workers have an active, strong support system both in and out of the workplace, through support groups, access to health care and incorporating cognitive behavioral communication techniques in their daily operations.

"One of the other things we have to do is not lower our standards just because we are working with someone in recovery," Rob Perez said. "We hold our people to a high standard. The folks can do it. They want to feel good about what they do and they perform." ■



*Rob Perez,
Owner,
DV8 Kitchen*



Clary Estes photo

Clary Estes is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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EMERGING LANE

Kentucky's young professionals and creatives



Preston Lacy, second from left, leading a partnership hike between Kentucky Natural Lands Trust and Explore Kentucky Initiative on Blanton West, the trailhead for Blanton Forest State Nature Preserve. The preserve is now 3,510 acres on land purchased by KNLT.

spare time, Lacy enjoys hiking, backpacking, kayaking, snowboarding and recreational biking.

"I'm not extremely competitive so I enjoy these activities at my own pace," he said, "and truly experiencing the journey is the biggest part of the accomplishment for me."

He shares his love of the outdoors through KNLT's quarterly meetings of the Wildlands Social Club at places like West Sixth Brewing in Lexington and 21c Museum Hotel in Louisville and Cincinnati. Kentucky Natural Lands Trust also partners with Explore Kentucky Initiative for weekend hikes and is working toward establishing bike trails, hiking trails and outdoor experiences.

Pine Mountain is going to be part of the Great Eastern Trail, an 1,800-mile hiking path in the works from Alabama to New York. Lacy is quick to recommend outdoor adventures for everyone, from novice hikers to experienced backpackers. There are cabins for overnight stays and hiking trails at Pine Mountain State Park in Bell County. A 40-minute drive up the road in Harlan County, there are more hiking trails at KNLT's first protected property, Blanton Forest, the largest old-growth forest in Kentucky.

Worried about ticks? "Bug spray is never a bad idea," Lacy said, but "ticks are not nearly as prevalent (in mountain woodlands) as they are in Central Kentucky." That's thanks to a healthy and naturally functioning ecosystem, because bats and other animals eat insects.

"It's really quite pleasant and always cool around the mountain, with the forest cover," Lacy said. "Being out in nature is a rejuvenating experience."

Kathie Stamps



Taking Care of the Land

Preston Lacy is passionate about preserving Ky's biodiversity

PRESTON Lacy is the first in nine generations of his family not born in Eastern Kentucky. He's from Scott County, but appreciation of nature and the culture of "the mountains" are in his blood.

"It's an area I feel strongly about," he said. Lacy is the stewardship director of Kentucky Natural Lands Trust. Established in 1995, KNLT is a nonprofit organization funded primarily through private donations. It preserves the rich biodiversity in Kentucky's natural places.

The Pine Mountain wildlands corridor, for example, is the largest landscape-level project undertaken in the state. Another KNLT project is a corridor south of Louisville connecting Bernheim and the Fort Knox military base.

"The main thing I'm doing as stewardship director is maintaining relationships with neighbors," Lacy said. KNLT has bought over 13,000 acres of land, some of which has been transferred to state agencies with an interest in protecting natural areas. When KNLT purchases land, Lacy watches over the properties.

"I'm in charge of making sure that the land is stewarded forever, for the protection for wildlife and diversifying the regional economy for trail systems," he said.

There are plants, fungi and mammals on these lands that just aren't seen in other places. Clear-cutting of forest trees is a threat on Pine Mountain, as is gravel mining. KNLT protects the watersheds on land it owns, from the pristine water quality at the top of the mountain to the streams that support rare fish species and provide a groundwater supply for residents with wells, all the way down to the water going into the Cumberland River.

"Through partnerships with government agencies, nonprofits, corporations and private individuals we have protected thousands of acres of wildlands," Lacy said.

His undergrad major at UK was natural resource conservation and management, and he earned a master's from UofL in urban planning with a focus on environmental planning. After grad school he worked for five years at land trust organizations in Illinois and Missouri before joining Kentucky Natural Lands Trust in 2013.

"It's a very specific job," he said. "I never believed I would find something so specific."

He is one of six full-time employees of KNLT. The office is in Berea, but Lacy most often works from his home office in Paris or out in the field (literally) in Eastern Kentucky. In his

Matt Hersh Photography photo

IT Protection for Small Business

Frankfort start-up shares its experience at fending off hackers

AFTER noticing far too many small businesses struggling to adapt to new technology and the risks associated with them, Craig Willard and Nick Landers teamed up to help launch Frankfort-based SimplifIT in January.

The duo and their partners bring over 40 years of experience in health care, cybersecurity, banking, regulations, marketing and sales to their work, including over 15 years from Willard as director of IT at Frankfort Regional Medical Center, a subsidiary of Hospital Corporation of America, one of the country's largest health-care providers. Willard, who left the medical center in March, is excited to bring his prior knowledge and experience to SimplifIT as its chief operating officer.



Craig Willard, left, and Nick Landers are two of the leaders behind Frankfort-based SimplifIT, a company specializing in managed cybersecurity and IT services.

"I went back into the technology field because I felt that there was a gap in helping local businesses be more secure and as safe as we were able to be at Frankfort Regional Medical Center," said Willard. "To be able to apply that level of knowledge and experience to a local business and provide that same level of awareness, dedication and offerings is crucial."

SimplifIT offers managed service solutions including centralized management of antivirus patching, vCIO planning and strategizing for the future, dark web security, PIN testing, network infrastructure design and more. Willard warns that as technology continues to grow, the risks associated with it and the sophistication of hackers will grow as well. Businesses, particularly small businesses, are at high risk for attack, often with little financial room to spare for such an expense. According to Willard, 60 percent of small businesses will be attacked this year, and of those 50 percent will go out of business due to the

inability to pay costly fines associated with the breaches.

Willard attributes small businesses' slowness to adapt to the growing sophistication of and risk from hackers is due to a lack of knowledge on the subject plus a lack of room in their budgets for technology. Most small businesses' budgets get tied up in marketing and having product on hand. To help owners to better understand these risks and how they can counteract them, SimplifIT offers free strategic planning sessions.

In total, 80 percent of breaches come from compromised user IDs and passwords, according to Willard, who stresses that businesses now need to act proactively to detect and block hacking efforts rather than reactively to active hacking.

SimplifIT proactively monitors all clients' logs and files, looking for any red flags and breach attempts, even those that were unsuccessful, to prevent them in the future. The company reports observing 500 to 600 breach attempts per minute on its clients, which SimplifIT can track down to the port level and IP address. Through its monitoring, SimplifIT found \$2 million in risk for its clients in the last quarter alone.

This risk includes protected info such as Social Security and credit card numbers, dates of birth, names and other personal information that are deemed available to hackers in the event of a breach, which are then aligned with a corresponding fine amount from the U.S. Securities and Exchange Commission to come to a final number. Willard stresses going the extra mile for security and peace of mind, particularly with the financial constraints and hit to a business's reputation that can come with a breach.

"You know how to run your house, but the anxiety associated with this risk can be overwhelming," said Willard. "That's where we come in as a partner and say 'You do what you do well – run your business, run your house – and we'll keep you as safe as we can so that you can do what you do best.'"

SimplifIT currently provides cyber security and IT services to a handful of clients in the Frankfort area including the Associated General Contractors of Kentucky and the Mechanical Contractors Association of Kentucky. For more information on SimplifIT and its services, visit wesimplifit.com.

—Matt Wickstrom



Giving Back by Enabling Others to Give Back

CENTRE College alumna John DeGonda ('08), Bryce Cotton ('08), Samantha (Gilbert) Cotton ('08) and Chris Herrick ('09) have come together to develop and build a school for adults with developmental and intellectual disabilities.

Located in Louisville, The degondABA School Inc. is a 501(c)3 organization and recognized Office of Vocational Rehabilitation Vendor designed to teach daily living and job skills to adults who have been diagnosed with autism, Down syndrome and other developmental disabilities. These goals will be accomplished by implementing an intensive learning program, utilizing individual and group curricula and employing the low student/participants-to-teacher ratio with an educated, qualified staff to teach the curricula.

DeGonda said the idea for the school came about after working in the Louisville area for the past three years as a behavior specialist, where he provided direct services for adults and children diagnosed with developmental and intellectual disabilities.

"Our goal is to educate and empower our students so that they will be able to live independently and retain meaningful jobs upon graduation from the program," DeGonda said.

Incorporated in January 2015, the school became an official 501(c)3 in February 2016.

"I have seen firsthand what day-treatment programs are available for adults with these types of diagnoses and feel that a new, more proactive and more targeted program is a vital need for this population," he added. "I am very passionate about improving the lives of these individuals and getting each of my students, participants and clients to a point where they are able to be independent and to give back to their community."

For more information visit degondaba.com.

THE LANE LIST

MAJOR MUSIC FESTIVALS IN KENTUCKY

Kentucky communities host major music festivals from May to October that create tens of millions of dollars in economic impact. Here is the 2018 list of festivals.

MAY

Lower Town Arts & Music Festival, Paducah

May 18-19
lowertownamf.com
The Lower Town Arts & Music Festival in Paducah features regional music, art, theater, food.

Kentucky Reggae Festival, Louisville

May 25-27
kentuckyreggaefestival.com
Reggae celebration.

The Great American Brass Band Festival, Danville

May 31-June 3
gabbf.com
A one-of-a-kind event committed to preserving brass band music through performance and education.

JUNE

W.C. Handy Blues and Barbeque Festival, Henderson

June 13-16
handyblues.org
A weeklong event that features blues and Zydeco bands from across the United States and mounds of barbeque, red beans and rice from local vendors.

Festival of the Bluegrass, Kentucky Horse Park, Lexington

June 7-10
festivalofthebluegrass.com
Music and laughter flow as freely as the bourbon and new friends are made around campfires over banquet-size meals while hootin' and hollering at the artists on stage.

ROMP, Owensboro

June 27-30
rompfest.com
Four-day festival celebrating the roots and branches of bluegrass music. A full line-up of artist-led instrument workshops takes place throughout the day. Also features, organic and farm-to-table food vendors, craft vendors, art installations and professionally led children's activities.

Summer Motion, Ashland

June 30-July 4
summermotion.com
A free, family-friendly four days of great food, music and entertainment.

JULY

Master Musicians Festival, Somerset

July 13-14
mastermusiciansfestival.org
Master Musicians Festival is dedicated to bringing musical excellence to rural Kentucky.

Forecastle, Waterfront Park, Louisville

July 13-15
forecastlefest.com
In addition to featuring a who's who of national music acts, Forecastle has consistently promoted local artists as well as focusing on environmental activism and outdoor recreation.

Blues, Brews & BBQ, Louisville

July 20-21
louisvillebluesandbbqfestival.com
Local barbeque and the music of New Orleans and Memphis at the Water Tower.

AUGUST

Hot August Blues Festival, Kenlake State Resort Park, Aurora

Aug. 23-25
kenlakeblues.com
This event has been a tradition for almost 30 years, bringing the best in blues to the Land Between The Lakes the weekend before Labor Day weekend.

Hoptown Summer Salute, Hopkinsville

Aug. 24-25
hoptownsummersalute.com
Annual festival features over 150 vendors and live music. Food and merchant vendors, live entertainment, rides and attractions.

Red, White & Boom, Lexington

Aug. 31-Sept. 2
wbuliheart.com/featured/red-white-boom/
The nation's best country musicians live and a long list of others celebrating the end of summer.

SEPTEMBER

Rock the Water Tower, Louisville

Sept. 1-2
rockthewatertower.com
The hottest bands, bourbon-tasting lounge and mouth-watering barbeque.

Jerusalem Ridge Bluegrass Celebration, Rosinne

Sept. 13-16
jerusalemridgefestival.com
Bluegrass music will once again ring out at the Bill Monroe Homeplace in the hills of Jerusalem Ridge in Rosine for four days.

National Jug Band Jubilee, Louisville

Sept. 15
jugbandjubilee.com
Dedicated to preserving jug band music in the city that started it all, giving some of the world's best music a Louisville pedigree.

Vine Grove Bluegrass Festival, Vine Grove

Sept. 20-22
vinegrovebluegrass.com
Referred to as the Best Little Bluegrass Festival in the State, the festival that began in 2000 as a one-day event has extended into three.

Bourbon & Beyond, Louisville

Sept. 22-23
bourbonandbeyond.com
Outstanding musicians, the best bourbons, master distillers, national and local chefs, bartenders and many other artisans.

Louder Than Life, Louisville

Sept. 28-30
louderthanlife festival.com
Top bands, food trucks, local breweries and bourbon distilleries will all be on hand to deliver the ultimate whiskey, food and rock and roll experience.

OCTOBER

Garvin Gate Blues Festival, Louisville

Oct. 12-13
garvingatebluesfestival.com
Largest free neighborhood street music festival in Louisville.

Source: Kentucky Department of Tourism



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SPOTLIGHT ON THE ARTS



Artists Thrive Summit attendees enjoyed lively discussion with fellow participants from across the country.

How Does Art Impact a Community?

Kentucky hosts second annual Artists Thrive Summit

BY CHRIS CATHERS

FOR the second consecutive year, Kentucky served as host for the Artists Thrive Summit, a three-day conference in Berea bringing together artists, arts administrators, funders and other arts stakeholders for conversations about the place of art and artists in communities.

Berea will host the summit again in 2019.

Representatives from 26 states, even as far away as Alaska, participated in the event, bringing their own ideas, questions and experiences to the larger conversation about creating communities where art flourishes. On the second day of the conference, participants took a day-long learning journey, starting in the host town of Berea, proceeding into Appalachia to visit Harlan and then rounding out the trip in Corbin.

In Berea, summit attendees learned about the town's century-old commitment to supporting local art of many disciplines. They heard a panel of Berea government officials, local entrepreneurs and artists talk about the challenges and changes Berea is making to adapt to the needs of 21st-century

artists, residents and tourists.

Then it was on to Harlan where past and present cast members of the Higher Ground community arts project welcomed the Artists Thrive group to Appalachia with tales of how it has used theater to help the Harlan County community celebrate its joys and strengths and respond to its challenges. Artists Thrive attendees learned how a theater project addressing the impact of drug addiction on the region has turned into six more plays and a community network that is now involved in public health advocacy, community development, downtown renovation, public art and a variety of cultural and educational projects that celebrate diversity as a part of sustainable community development.

The presentation included Higher Ground's participatory story-gathering exercises and a workshop in participatory public art design presented by GoodSpace Murals and Forecast Public Art. The design workshop was part of the Great Mountain Mural Mega Fest, a

professional development and community-building event for artists and arts-engaged community development types taking place at the same time as the visit from Artists Thrive.

Corbin, where Kentucky Fried Chicken founder Harland "Colonel" Sanders began serving his finger-lickin' good trademark dish, is known for one of the fastest-growing downtowns in southeastern Kentucky. Summit attendees used Corbin as a case study for better understanding the work of artists and grassroots organizers in the community. That discussion led to a larger conversation about cultural equity and the role of art and artists in movements for cultural equity. Participants explored the definition of cultural equity, the strategic use of art and culture and artists' practices, and how work can be allied with movements for cultural equity.

Those three Kentucky communities put their best foot forward, and showed summit attendees how art and artists are integral to the success of those towns. It was a proud moment for Kentucky to have so many out-of-town visitors marvel at the collaborations and good things happening in the arts here in the Bluegrass State. ■



Chris Catthers is interim executive director of the Kentucky Arts Council.



The Artists Thrive Summit will return to Berea for a third year in 2019.



The St. James Court Art Show, held every fall in Louisville, is consistently ranked as one of the nation's best fine art shows.

Get Your Artsy Fix

Arsenic and Old Lace, Russell Springs
(270) 866-7827
startheater.org

Book of Job, Pineville
(606) 337-3066
parks.ky.gov/parks/resortparks/
pine-mountain/events.aspx

Halloween Murder Mystery, Corbin
(606) 528-4121
parks.ky.gov/parks/resortparks/
cumberland-falls/

St. James Court Arts Show, Louisville
(502) 635-1842
stjamescourtsrtshow.com

Train Robbery, New Haven
(800) 272-0152
kyrail.org

Young Frankenstein the Musical, Berea
(859) 756-0011
spotlightplayhouse.com

Kentucky's Artsy Autumn

Fall arrives with a colorful array of entertainment options

BY KATHERINE TANDY BROWN

THE arts can encompass an amazing assortment of diverse creative endeavors and around the commonwealth, autumn ushers in everything from traditional art and craft to on-stage performances or audience participation events. Whatever your artful heart desires this season, you'll find it in a corner of Kentucky.

Let's begin with an event that's been a mainstay in Derby City for 61 years. The 62nd annual **St. James Court Art Show**, scheduled for Oct. 5-7, peppers this historic Louisville neighborhood – rain or shine – with booths chock full of blind-juried, handmade art and crafts by some 700-plus artisans from across the

country. Set as a fascinating background are houses dating back to the 1800s. The combination of very old and very contemporary is one reason that crowds number around 160,000 annually.

"The setting in a landmark district definitely separates it from other art shows in fields and parking lots," says Howard Rosenberg, the event's executive director. "Our show also offers a wide variety of different types of high-quality art by some of the finest artists in the U.S., and the selected artists are engaging with people."

In 2017, it ranked No. 10 on *Sunset Artist* magazine's Top 100 Fine Art Shows in the U.S.

In addition, the St. James Court show awards \$52,000 in college scholarships to metro Louisville high school seniors every year.

Another can't-miss is a Mel Brooks classic movie that morphed into a lively Broadway show that will be presented Sept. 28-30 at the Spotlight Theater in Berea by **The Bluegrass Players**. "Young Frankenstein the Musical" is a production "guaranteed to keep you laughing," says director Matt Manning.

Grandson of the infamous Victor Frankenstein, Frederick Frankenstein (pronounced "Fronk-en-steen"...you may remember Gene Wilder in the movie role) inherits his family's estate in Transylvania. With the help of a hunchbacked sidekick, Igor (pronounced "eye-gor") and a leggy lab assistant, Inga, Frederick finds himself in the mad scientist shoes of his ancestors. "It's alive!" he exclaims, as he

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Be careful – the Kentucky Rail Museum's train excursions might just encounter a Wild West shoot-out.

brings to life a creature to rival his grandfather's. Eventually, of course, the monster escapes, and hilarity abounds!

There's more chaotic fun to be found at the **Kentucky Railway Museum** on the weekends of Sept. 15-16 and Oct. 27-28. As you board the train for a two-hour chug through the Rolling Fork Valley, you'll be warned to be on the lookout for a gang of train robbers – Clayton's Wild Bunch – rumored to be in the New Haven area. Fortunately, the strong arm of the law will protect the passengers, who can choose to surrender their loot to the Crusade for Children.

Be sure to bring your camera.

You'll definitely want to take photos at Pine Mountain State Resort Park, where *The Book of Job* returns to its roots in Pineville for the weekend of Sept 28-30. Bell County natives Olin and Irene Corey have led the **Everyman Players** in stage performances of this long-running outdoor drama for more than 30 years. The talented couple have served as playwrights, directors and costume designers – including exquisite stained-glass-look attire – for the production that has become famous and brought notoriety to the park. This fall, the Middlesboro Little Theatre stars in the production.

Consider hanging out at Kentucky's first state park for the weekend. A variety of accommodations are available, including the 30-room Herndon J. Evans Lodge, 11 two-room cottages or nine log cabins with stone fireplaces and private decks. All rooms have mountain and/or forest views.

If you have a large group, the park's C.V. Whitney Convention Center can accommodate 10 to 300 people. There is also the Wasioto Winds Golf Course, miniature golf and 15 miles of hiking trails.



In Corbin, Cumberland Falls State Report Park requires audience participation in two plays during its **Halloween Murder Mystery Weekend**, Oct. 27-28. Your choice of a Friday or Saturday package includes one night's lodging, dinner, a mystery show and breakfast.

Friday's feature is "The Ghost of Windsor Manor." The plot involves an eccentric spinster aunt who has brought together her family to break the news that her young nephew was discovered that morning hanging from the balcony railing, dead. A note pinned to his body warned that everyone should leave the manor at once. It's up to you, the audience, to follow clues to discover whodunit.

On Saturday evening a murderous ghost haunts an inn in the play "InnSpectre." Eight people are invited to confirm the presence of a spectre, with, of course, a murderous outcome.

While there, visit the world-famous falls, gaze at water tumbling 60 feet into a gorge with mist rising in the sunlight. If the moon's full, you just might witness a moonbow. The park's historic 51-room lodge overlooks the Cumberland River and its 125-foot-

wide falls, nicknamed "the Niagara of the South." One- and two-bedroom cottages offer cozy accommodations, while activities include team building, hiking trails, seasonal rafting and horseback riding.

The last, but not remotely least in autumn's artsy offerings, is a stage presentation of perennial favorite "Arsenic and Old Lace" at **The Star Theatre** in Russell Springs. The historic 1950 venue has served at various times as a movie theater, furniture store, restaurant and a disco before finally re-opening in 1994 as a performing arts stage. Scheduled for Oct. 19-21 and 26-28, the show is sure to keep its audiences in stitches as theater-goers meet two charming and innocent little-old-lady sisters who stash the remains of socially and religiously acceptable roomers in their basement, with the help of one brother who believes he's Teddy Roosevelt, and to the horror of another brother. Rolling in the aisles is guaranteed!

Whatever you do, hit the road and enjoy Kentucky's amazing array of artsy offerings this season. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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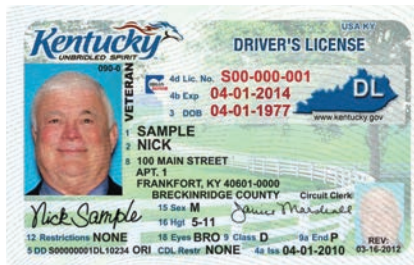
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Upcoming Changes to Driver's Licenses Will Meet Travel Standards

THE Kentucky Transportation Cabinet has announced upcoming changes to Kentucky driver's licenses that include a voluntary travel credential to meet federal standards required for boarding airline flights. The changes will also improve the overall security of the Kentucky license.

Following the events of 9/11, the REAL ID Act of 2005 set new requirements nationwide for identification that federal agencies could accept for domestic air travel and entrance to certain federal facilities. Effective Oct. 1, 2020, Kentucky's standard licenses will no longer be accepted to board U.S. flights or enter military bases. Kentucky's new voluntary travel ID will be a state-maintained, federally compliant license accepted at airport security checkpoints and military bases.

Through a phased rollout of the new credentials that will begin in January 2019 and extend statewide by the spring, all Kentucky driver's licenses, permits and personal IDs will have new security features. Applicants will have the choice as to whether they want a standard credential or a voluntary travel ID.



This standard Kentucky driver's license is being phased out, beginning in January 2019.

Standard driver's licenses and permits will remain acceptable to drive, vote, access federal and social benefit services (such as VA hospitals, Social Security offices and federal courthouses) and for general identification purposes (such as signing a lease or purchasing age-restricted goods). A voluntary travel ID credential offers the benefits of a standard credential and is federally accepted to board U.S. flights and access restricted federal facilities. Air travelers under the age of 18 do not need a voluntary travel ID if they are

accompanied by an adult with acceptable documentation.

"We're expanding choice even further by offering applicants over the age of 21 the option between a four-year credential or an eight-year credential during the first four years of this new system," said Kentucky Department of Vehicle Regulation Commissioner Matt Henderson. "Starting Jan. 1, 2023, all licenses and IDs will be valid for eight years. Starting with the 2019 rollout, all CDL credentials will be valid for eight years to maximize convenience for Kentucky's 136,000 commercial drivers whose livelihoods depend on driving credentials and have work schedules that may conflict with traditional office hours."

New pricing will also be implemented to account for the doubled lifespan and additional safety features. A new eight-year standard driver's license will be \$43; a new eight-year voluntary travel ID will be \$48. Four-year credentials are half the cost. (More complete pricing, including information for motorcyclists and CDL holders, is available at drive.ky.gov/confidentky.)

Better Business Bureau Warns of Latest Scam Targeting Executives

PISHING scams have been around for years and malicious emails haven't changed a lot, but the end target has. As surfers and skiers say, "go big or go home," and that's exactly what scammers are doing.

By targeting lower-level employees, scammers are able to gain general access to a business's inner workings. But by targeting high-level executives – the "big fish" – scammers can gain complete top-down access to all of a business's operations.

These attacks on management are sometimes called whaling, in reference to the "big fish" targets. The goal is to steal sensitive information such as financial data or personal details about employees. Whaling attacks specifically target

senior management who have complete access to sensitive data.

A related scam is the CEO impersonation scam, where the con artist reaches out to high-level employees who can pay a

large bill or provide wide-sweeping information. The scammer pretends to be the CEO or CFO to give the request legitimacy and urgency. The request will often be for a large money transfer via wire, which is nonrecoverable. Scammers can often make their requests more plausible by using details gotten by researching the company or hacking emails.

The Better Business Bureau offers the following tips to prevent and prepare for potential whaling attacks:

Be wary of short, generic messages. Scammers won't write a long email; they'll try to pass off something short and generic as harmless, hoping you'll click quickly without thinking.

- Double check before clicking or downloading. A mouse click is all it takes to inadvertently grant access to your computer, accounts and information, or unleash malware on your systems.

- Think about how you share. Never send sensitive, personal, or proprietary information via email regardless of who's asking you for it.

- Watch out for emails to groups. Sending an email "from the CEO" to a staff or employee email list is the fastest way for a scammer to attack and affect an entire business.

- Set up processes. Make sure your company has a procedure for all requests involving sensitive information or payments, and make sure that procedure is followed. For particularly wide-reaching requests or large payments, require employees to check with their manager first.

If you get a call from a scammer, report it to the BBB Scam Tracker (bbb.org/scamtracker). This free resource provides a place to research and submit scam-related information so the BBB can investigate further and educate consumers.



Keeneland to Host Breeders' Cup in 2020



Jockey Victor Espinoza took Triple Crown Winner American Pharoah across the finish line at the 2015 Breeders Cup Classic race.

THE Breeders' Cup has announced that the annual horse racing world championship event will return to Lexington's Keeneland racecourse in 2020.

Keeneland hosted the event for the first time in 2015, when crowds witnessed 2015 Triple Crown winner American Pharoah win the Breeders' Cup Classic, making him the first horse in history to complete the Grand Slam of Thoroughbred racing.

This year's event is scheduled to take place at Churchill Downs Nov. 2-3. It will be held at Santa Anita (Calif.) in 2019 before returning to Kentucky and Keeneland in 2020.

Kentucky Native Chris Stapleton Voices New Kentucky TV Spots

THE Kentucky Department of Tourism has lined up a heavy-hitter – and one of its own native sons – to be featured in its latest tourism advertising campaign.

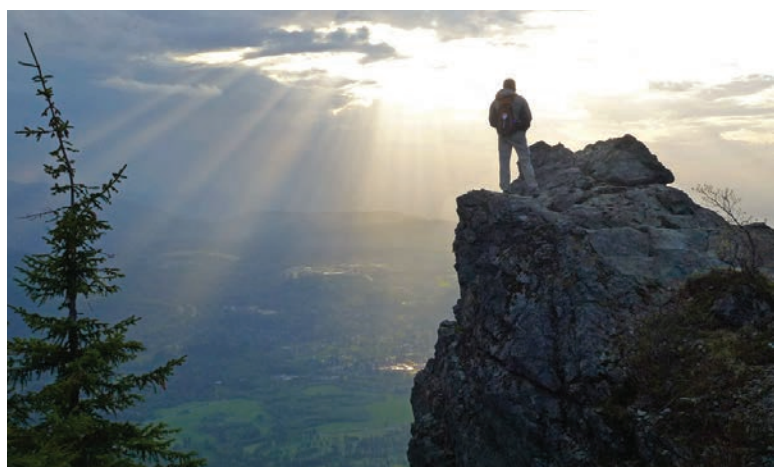
Award-winning country superstar Chris Stapleton's distinctive voice can be heard in a series of new TV spots showcasing the Bluegrass State, capturing some of the "Kentucky Moments" that shape the state's culinary tourism scene and other unique experiences that make Kentucky a great destination spot.

"The flavors of Kentucky are deeply rooted in history and traditions that are still preserved on tables across the state," Kentucky Department Tourism Commissioner Kristen Branscum said. "But today, a crop of incredibly talented chefs and food producers are putting their own modern spin on the classics. The results are delicious and they're creating a diverse food scene that has really put Kentucky on the culinary map."

The ultimate goal is to draw new visitors to Kentucky who may not know what the state offers beyond bourbon and horses. The new campaign is designed to highlight that in an immersive, emotional way – and Branscum said Chris Stapleton was just the person to do it, noting that not only is he a respected artist who was born and raised in the Bluegrass State, but is also very proud of his home state and his upbringing in the mountains of Eastern Kentucky.

Stapleton was born in Lexington and grew up in the small town of Staffordsville before moving to Nashville to pursue a music career. He has won numerous GRAMMY, CMA, CMT, ACM and Billboard Music Award honors, including 2018 GRAMMY Awards for Best Country Album, Best Country Song and Best Country Solo Performance.

"The passion, sincerity and tone that Chris conveys through his music are a perfect match for the stories we want to tell," Branscum said. "We are proud to be working with a world-renowned Kentucky artist as the voice of this campaign that will invite people from across the world to his home state."



Bright Spots in Appalachian Kentucky

NINE Appalachian Kentucky counties have been labeled "bright spots" in health because they scored much better than expected across an array of health measures given the economic, resource and other challenges they face. The Kentucky counties comprise a third of the 27 rural bright spot Appalachian counties identified by research released in July by the Foundation for a Healthy Kentucky, the Appalachian Regional Commission and the Robert Wood Johnson Foundation.

"Identifying Bright Spots in Appalachian Health: A Statistical Analysis" examined the region's 420 counties in terms of 29 different "health driver" measures to predict how those counties would fare in the 19 health outcomes measures. The drivers included environmental factors, health behaviors, health-care systems, certain screening measures and social determinants measures.

The counties that were labeled as bright spots in the project significantly exceeded researchers' predictions on 19 health outcome measures, which include mortality rates, mental health issues, child health, chronic disease and substance abuse.

The nine Kentucky counties that exceeded predictions were: Pulaski, Green, Russell, Lincoln, Adair, Lewis, Wayne, McCreary and Morgan.

While each bright spot county developed its own approach to local health challenges, researchers identified several common threads, including cross-sector collaboration, community leader engagement in health initiatives, and resource sharing. Active faith communities also made a difference, as did local health-care providers who are committed to improving the health of the entire community. Another key takeaway from the research was that programs to reduce teen births, cut smoking rates, increase physical activity and prevent and treat substance abuse have the greatest impact on improving overall community health.

"The Bright Spots project offers hope and a path forward to a healthier Appalachian Kentucky," said Ben Chandler, president and CEO of the Foundation for a Healthy Kentucky. "It details strategies and interventions that are working to improve health across a broad array of measures in counties that face significant economic and resource challenges. Congratulations to the hardworking leaders in the nine Kentucky counties that have formed strong, cross-sector coalitions to address pressing health issues in their communities."

KENTUCKY PEOPLE

LOUISVILLE: REPUBLIC BANK MARKS 20TH ANNIVERSARY OF GOING PUBLIC BY RINGING NASDAQ CLOSING BELL



Louisville business leaders joined Republic Bancorp Chairman and CEO Steve Trager and other Republic executives in New York City on July 23 to ring the NASDAQ closing bell, in honor of Republic's 20th anniversary since becoming a public company. Pictured here (left to right) are Heather Howell, director of emerging brands, Brown-Forman; Pat Malloy, of counsel, Wyatt Tarrant & Combs; Kent Oyler, president and CEO, Greater Louisville Inc.; Kevin Sipes, executive vice president and chief financial officer, Republic Bank; Craig Greenburg, president and CEO, 21c Museum Hotels; Steve Trager, chairman and CEO, Republic Bank, and wife, Amy; Mike Rust, president, Kentucky Hospital Association; Andy Powell, chief lending officer, Republic Bank; John Rippy, chief risk officer, Republic Bank; Jan Hyland, vice president, executive assistant to the chairman, Republic Bank; Ron Barnes, investment advisor representative, MWM Advisory Services; Andrew Trager-Kusman, executive director of corporate strategies, Republic Bank; and Laura Douglas, retired, LG&E and KY Energy.

PIKEVILLE: DEIRDRE LYONS NAMED SOUTHEAST KENTUCKY CHAMBER OF COMMERCE BUSINESSPERSON OF YEAR



The Southeast Kentucky Chamber of Commerce presented its 2018 Business Person of the Year award to Deirdre Lyons, co-founder of global animal nutrition and health company Alltech, at its annual awards night on Aug. 9. The award is given to an individual who has demonstrated support for the advancement and development of business in Eastern Kentucky. Lyons and her late husband, Pearse, initiated the development of the Dueling Barrels Brewery & Distillery in Pikeville with the goal of promoting tourism for the region and creating jobs. The combination beer, bourbon and moonshine operation opened in late June. Pictured here with Lyons are former Gov. Paul Patton, left, and Lyons' son, Mark, who is president of Alltech.

LOUISVILLE: CHEF SPACE HOSTS SBA'S LINDA McMAHON FOR TOUR OF CITY'S FIRST KITCHEN INCUBATOR

Small Business Administration Administrator Linda McMahon made a stop at Louisville's first kitchen incubator on July 26 as part of a nationwide tour focused on listening to business owners. During her visit, McMahon met with Chef Space members and staff to learn about Chef Space's focus on being an aggregator of integrated programs to drive food entrepreneurship and retail traffic to the surrounding neighborhoods. Pictured here with McMahon (right) is Lucretia Thompson, of Lucretia's Kitchen at Chef Space, which is a Community Ventures project.



RICHMOND: EKU GRAD A FINALIST IN NATIONAL ENTREPRENEUR PITCH



Rose Pidgorodetska, a recent graduate of Eastern Kentucky University, was one of only 21 finalists in the Women's Business Enterprise National Council Student Entrepreneurship Program Pitch competition, held this summer in Detroit. The Women's Business Enterprise National Council is the largest certifier of women-owned businesses in the U.S. and a leading advocate for women business owners and entrepreneurs. Its annual conference is the largest conference for businesswomen in the nation. Pidgorodetska, of Mount Sterling, pitched her candle company, Simply Rose and Co., which features products made with all-natural soy and essential oils. The products are sold via her website as well as some retail boutiques in Kentucky, Tennessee and North Carolina.

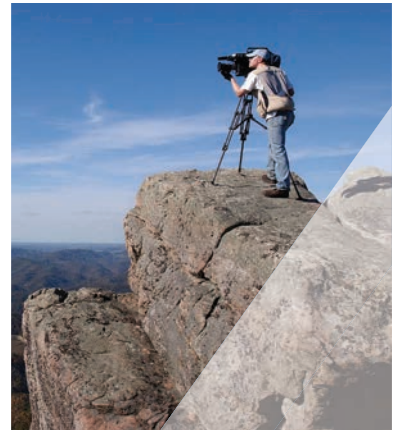
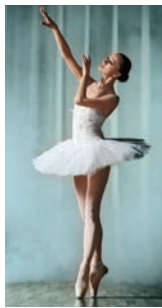
LOUISVILLE: DOE-ANDERSON AND RED CROSS HOST BLOOD DRIVE CONTEST



Doe-Anderson worked with the Red Cross this summer to host a friendly blood-drive competition that pitted the 6th, 7th and 8th blocks of Main Street in Louisville against each other to encourage donations. Charlotte Reed, vice president and management supervisor at Doe-Anderson, was among the many who showed up for a good cause.



PROUDLY SERVING THE COMMONWEALTH FOR 50 YEARS



THE KET STORY

Explore KET's 50 years of service as Kentucky's only statewide educational broadcasting network. In the 1950s and 60s, KET founder O. Leonard Press (right) saw the potential of television to provide equitable access to high-quality instruction in schools throughout the Commonwealth. Learn about KET's history and its commitment to education and Kentucky programming throughout its five decades of public service.

KET Monday, Sept. 24 • 9/8 pm
KET2 Tuesday, Sept. 25 • 10/9 pm



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