

"Newco" Board Meeting Minutes **October 31, 2007**

Present: David Dunn, M.D., Evan Evans, M.D., James Evans, M.D., Robert Gioia, Mary Gresham, Sharon Hanson, James Kaskie, Jody Lomeo, Brenda McDuffie, Judge James McLeod, Sundra Ryce, Irene Snow, M.D., Edward Walsh, Jr., Robert Zak, David Zebro, Michael Young, Betsy Baumler.

Absent: John Simpson, Kevin Cichocki, D.C.

The meeting was called to order at 8:42 AM by the Chair, Robert Gioia.

Minutes

The minutes of the October 24, 2007 Board of Directors' meeting were presented for approval. Dr. Snow noted that the date indicated under Paragraph 4 was incorrect. The Board agreed the correct date should be noted as "the deadline to have a plan in place to close Millard Fillmore Gates Hospital is June 30, 2008" - not December 31, 2007 as indicated in the draft minutes. Dr. James Evans noted that Tom Quatroche's name was misspelled. Upon motion duly made and seconded, the minutes of the October 24, 2007 Board of Directors' meeting were unanimously approved with noted changes.

Letter of Intent

The Board discussed the draft Letter of Intent distributed with the meeting package. Messrs. Kaskie and Young indicated that both the ECMCC and the Kaleida Health Boards had unanimously approved the Letter of Intent as presented at their recent meetings. Upon motion duly made and seconded, the Letter of Intent was unanimously approved as presented.

Committees

Mr. Gioia highlighted the proposed Committee assignments distributed with the meeting materials. Concern was expressed over the balance of the Committees, the need to be aware and careful of pressure on each Board member from their constituencies, and the importance of a unified message. Given this open discussion, the Committees were finalized as follows:

Due Diligence

David L. Dunn, M.D., Ph.D.
James T. Evans, M.D.
Sharon Hanson
Robert M. Zak
David Zebro*

Governance Best Practices

Evan Evans, M.D.
Jody Lomeo
Brenda McDuffie
John B. Simpson, Ph.D.
Edward F. Walsh, Jr.*

Strategic and Community Health Plan

Kevin E. Cichocki, D.C.*
Mary H. Gresham, Ph.D.
Brenda McDuffie
James A. W. McLeod
Sundra L. Ryce
Irene Snow, M.D.

* Committee Chair

Mr. Kaskie offered to all Committee chairs that his office would assist in coordinating all Committee calendars and meeting schedules.

Department of Health

1. Mr. Gioia highlighted a recent telephone discussion with Mr. Kaskie and Dr. Richard Daines, NYS Commissioner of Health regarding funding from New York State. Mr. Gioia commended Mr. Kaskie on pushing for funding for ECMC as well as Kaleida Health. He indicated the Commissioner was very supportive of the continued progress of the Newco Board.
2. Mr. Kaskie outlined an upcoming meeting scheduled with the Department of Health to be attended by Mr. Gioia, Dr. Cichocki, Mr. Young, Mr. Walsh, and Mr. Kaskie along with Mr. James Clyne from the Department of Health to discuss the status of applications for funding including:
 - Question of funding of "new infrastructure in which to locate comprehensive heart and vascular services" Where? When?
 - Need to move on the funding for Gates
 - Need to address labor situation facing ECMC
 - Need to address ECMC applications
 - Need to address Degraff and long term care studies and Newco due diligence

It was requested that the Board receive a copy of the applications filed by both ECMCC and Kaleida Health and also a listing of the \$320 million of the HEAL funds already committed to by the State.

3. Mr. Kaskie outlined the concept of a "four major campus structure":

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- ECMC - Grider Street Campus
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It was agreed the Strategic and Community Health Plan Committee should frame "the end in mind" of what a pre-eminent health care delivery system is.

4. The Board further discussed the legislative process to address the public benefit corporation. Dr. James Evans stressed the need for the State Legislature to change the "home rule" regarding a unanimous vote at the County Legislature level. Mr. Young highlighted other options should the public benefit corporation not be dissolved.
5. Dr. James Evans and Dr. Dunn stressed the need to communicate to physicians that we will have a fine facility in the end - an inclusive model for all physicians complimentary to the Catholic Health System. Dr. Evans indicated that the majority of physicians are credentialed at all facilities (the Catholic Health System, ECMC, and Kaleida Health).

Communication Strategy

Messrs. Kaskie and Young stressed the need for confidentiality when addressing any requests from the media. Mr. Young expressed concern over the loss of administrative employees as the process continues due to uncertainty. It was asked that all requests from the media be coordinated through Tom Quatroche at ECMC or Michael Hughes at Kaleida Health who are working closely together to convene joint messages.

Status of Incorporation

Mr. Gioia informed the Board that the Certificate of Incorporation was filed by the Secretary of State under the name Western New York Health System. He indicated this was a temporary name and the Board will continue to operate under "Newco". Mr. Gioia also stated Robert Wild was in the process of obtaining a tax ID number.

Sharing of Expenses

Mr. Gioia indicated that the issue of sharing expenses has been discussed between Messrs. Kaskie and Young and has been agreed that all expenses will be paid 60% by Kaleida Health and 40% by ECMCC.

Board Meeting Format

Mr. Gioia highlighted the suggested Board meeting format for future meetings to be as follows:

- Address business matters that come before the board
- Committee progress reports and discussion of key issues
- Educational session on topics like the market, PBC, HUD, etc. to accelerate Board development
- Other business

The Board agreed to the suggested format.

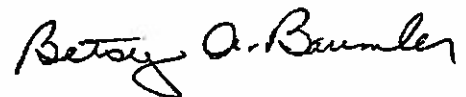
Calendar Issues

Mr. Gioia suggested we schedule a retreat for the Newco Board during the first week in December as a full day educational session. He indicated Betsy Baumler would be contacting all Board members in the next few days in an attempt to finalize the date. Messrs. Kaskie and Young are to meet regarding resources, etc. Dr. Dunn requested that he be included in the planning process.

Mr. Gioia requested that the start time for next week's meeting be moved to 7:30 a.m. The Board agreed.

The meeting was adjourned at 10:17 AM.

Respectfully submitted,



Betsy A. Baumler