

"Newco" Board Meeting Minutes January 9, 2008

Present: Kevin Cichocki, D.C., David Dunn, M.D., James Evans, M.D., Robert Gioia, Mary Gresham Ph.D., Sharon L. Hanson, James Kaskie, Brenda McDuffie, Judge James McLeod, Sundra Ryce, John Simpson, Ph.D., Irene Snow, M.D., Edward Walsh, Jr., Robert Zak, David Zebro, Michael Young, Robert Wild, Betsy Baumler.

Absent: Evan Evans, M.D., Jody Lomeo

The meeting was called to order at 8:05 AM by the Chair, Robert Gioia.

Minutes

The minutes of the December 19, 2007 Board Meeting and December 18, 2007 Governance Committee meeting were presented for approval. Some small changes were suggested. Upon motion duly made and seconded, the minutes of the December 19, 2007 Board Meeting and December 18, 2007 Governance Committee meeting were unanimously approved with the suggested changes.

Name Change

The Board agreed to change the name of the new organization from "Western New York Health System, Inc." in response to a letter expressing concern over the name's similarity with the "VA Western New York Health System." It was suggested a listing of possible names be presented to the Board in the near future.

Update on Memorandum of Understanding

Mr. Wild updated the Board on the status of the Memorandum of Understanding (MOU) approved at the last Board meeting. He outlined discussions with Anthony Colucci, Counsel for ECMCC, following the last Board meeting in an attempt to agree on an amended MOU prior to the December 31st deadline. Mr. Wild distributed copies of e-mail correspondence between the parties.

Discussions with the Department of Health (DOH)

Messrs. Gioia and Wild highlighted meetings they attended in Albany on Thursday, January 3rd with the Department of Health. Mr. Gioia discussed a binder distributed to all DOH meeting participants to outline for them the current status of our negotiations.

Mr. Gioia stated the directives given by the DOH were to continue with the next steps including submitting a CON for the heart vascular program. He indicated that Commissioner Daines stated that going forward any CON's to be submitted by either ECMCC or Kaleida Health will need to be reviewed by the Newco Board prior to submission to the State. Discussions are to continue with ECMCC in an attempt to resolve their concerns expressed regarding the MOU. Mr. Wild also indicated the DOH is drafting legislation to amend the PBC law to allow Newco to have jurisdiction over ECMCC (comparable to what applies to Kaleida Health) in order to support the Memorandum

of Understanding approved by the Board. The proposed legislation is to enable ECMCC to come under the joint governance requirement mandated by Berger. Discussion followed. It was suggested that the ECMCC and Kaleida Health Boards be invited to a future Newco Board meeting. Mr. Gioia stated he would take this into consideration.

Kaleida Health Applications

Mr. Kaskie highlighted the Board on recent discussions with the DOH regarding Kaleida Health applications. He indicated he felt there would be announcement in the near future granting HEAL funds for the closure of Millard Fillmore Gates Hospital, DeGraff would be staying an acute care facility, and that the HEAL funding already approved for the Deaconess replacement would be accelerated.

Development of Heart Vascular Infrastructure

Mr. Gioia distributed a draft document for discussion outlining the process to guide the decisions about heart vascular infrastructure. A task force consisting of key physicians, chaired by Robert Gioia, was established to begin setting the framework for developing a new infrastructure in which to locate comprehensive heart and vascular services. The task force will have appropriate specialists from UB, Kaleida and ECMCC. Suggested membership of the task force and ad hoc physician advisory group are:

- Robert Gioia, Chair
- Dr. David Dunn
- Dr. Evan Evans
- Dr. James Evans
- Dr. Irene Snow

The ad hoc physician advisory group should consist of at least the following physician leaders:

- Dean, UB School of Medicine
- Chiefs of Cardio-thoracic surgery for ECMCC and Kaleida Health
- Chiefs of Cardiology for ECMCC and Kaleida Health
- Chief of Trauma Surgery of ECMCC and Chief of Surgery for Kaleida Health
- UB Chairman of Neurosurgery given the scope of stroke services
- Two private practice cardiologists from ECMCC and Kaleida Health
- Two vascular specialists from ECMCC and Kaleida Health

The Board discussed developing a plan and proposal to submit to the DOH as soon as possible outlining a comprehensive approach to the provision of heart and vascular services which will include a request for funding through HEAL NY.

Upon motion made and duly seconded, the Board unanimously approved a resolution to begin the RFP process to select an independent third party consultant with expertise in this area to provide an objective assessment of the options and assist in the development of a comprehensive plan.

Article 28 Filing

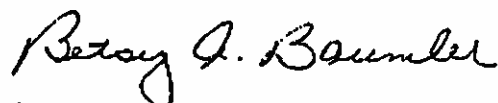
The Board discussed establishing Western New York Health System under Article 28. Upon motion made and duly seconded, the Board unanimously approved a resolution to file with the Department of Health for the establishment of Western New York Health System under Article 28.

Next Meeting

Mr. Gioia stated the next meeting of the Newco Board of Directors would be held on Wednesday, January 23rd at WNED.

The meeting was adjourned at 9:45 AM.

Respectfully submitted,



Betsy A. Baumler