

Western New York Health System, Inc.
Board Meeting Minutes
September 3, 2008

Present: Michael Cain, M.D., Kevin Cichocki, D.C., David Dunn, M.D., Evan Evans, M.D., James T. Evans, M.D., Robert Gioia, Mary Gresham, Sharon L. Hanson, James Kaskie, Jody Lomeo, Brenda McDuffie (via teleconference), Judge James McLeod, Sundra Ryce, John Simpson, Ph.D., Irene Snow, M.D., Edward F. Walsh, Jr., Robert M. Zak, Lawrence Bone, M.D., Robert Wild, Mark Barabas, Betsy Baumler.

Absent: James Budny, MD, David Zebro

The meeting was called to order at 8:35 AM by the Chair, Robert Gioia. Mr. Gioia began the meeting by welcoming Drs. Michael Cain and Lawrence Bone to the meeting. Mr. Gioia indicated that Dr. James Budny would now be representing Kaleida Health as the President of their Medical/Dental Staff. He indicated Dr. Budny would be joining us at the next meeting.

Minutes

The minutes of the July 23, 2008 Board of Directors' meeting were presented for approval. Upon motion duly made and seconded, the minutes of the July 23, 2008 Board of Directors' meeting were unanimously approved as presented.

Branding

Ms. Janet Stanek from Stand Advertising updated the Board on the focus groups created for input on the proposed "Great Lakes Health" branding, the schedule for the employee kickoff and the status of the webpage (www.greatlakeshealth.org). The Board requested further information as to the make-up of the focus groups. Ms. Stanek stated the focus groups are selected randomly but agreed to add an additional focus group to insure areas of the community are properly represented. Mr. Wild highlighted the trademark search conducted and stated the full name of the entity would be Great Lakes Health of Western New York to avoid confusion with another firm in the Midwest. Formal approval was tabled to the next meeting after completion of the focus groups.

President and CEO Report

Mr. Kaskie stated that he and Mr. Lomeo have established open dialogue and are meeting regularly with Mr. Barabas and the Chief Financial Officer's of each organization. Messrs. Kaskie and Lomeo outlined several meetings dealing with the County, debt, University at Buffalo, legislation, etc. Mr. Lomeo outlined recent discussions with the County and outlined issues with Labor. The Board indicated it is imperative that we take a coordinated approach. The Board discussed how they could assist in any of the discussions and requested a one page executive summary framing the key principles. The Board also requested that legal counsel for both Kaleida Health and ECMC be present for all future Board meetings.

Committee Updates

Due Diligence

Mr. Gioia indicated the due diligence committee has been changed to the Finance Committee and are currently scheduled to hold their next meeting on September 8th at ECMC.

Governance

Mr. Walsh updated the Board on the discussions at the August 13th Governance Committee meeting. He indicated the Committee was working with Robert Wild's office to amend the By-laws to include the applicable provisions of the Binding Agreement and an outline of the CEO job responsibilities. He stated the Committee had reviewed the conflict of interest policies for both Kaleida and ECMC and decided to use ECMC's which was very similar to Kaleida's policy except for language regarding a conflict with payor Boards. The final version of the policy will be submitted to the Governance Committee at their next meeting for final approval.

Mr. Walsh also stated the Governance Committee felt it was important that all members of the WNYHS Board attend an educational session on November 6th. He indicated the retreat would be held locally from 12 Noon through 5:30, followed by a reception.

Mr. Walsh then discussed with the Board how often they felt the Board should meet, the venue, and time of day. Mr. Gioia requested Mrs. Baumler poll the Board for their preferences.

Mr. Gioia reminded the Board that all Board members are invited to attend all Committee meetings.

Strategic and Community Health Planning

Dr. Cichocki discussed with the Board the role of the Strategic and Community Health Planning Committee in relation to the Professional Steering Committee and indicated a formal process would be outlined at the next Committee meeting on September 8th.

Professional Steering Committee

Dr. Bone outlined the first two meetings of the Professional Steering Committee on August 18th and August 29th and indicated that ECMC had voted in their five members of the Committee. He stated that Kaleida Health had postponed their election until the end of October keeping their original members until that time. Dr. Bone then indicated that an ad hoc committee had been set up for four key areas – pulmonary/critical care, transplant, psychology and orthopedics. Dr. Dunn suggested having PricewaterhouseCoopers come back to perform a clinical activity survey.

The Board expressed a concern regarding the physicians appointed by the medical staff of ECMC stating they lacked diversity and did not have the proper balance of private vs. university physicians. Mr. Wild reminded the Board that once Kaleida Health appoints their physicians, the Board must approve the entire Committee before it becomes final.

Open Meetings Litigation

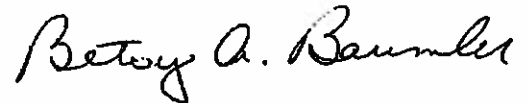
Mr. Wild updated the Board on the status of the open meetings litigation but indicated the Judge's decision was not yet in.

Next Meeting

Mr. Gioia stated the next meeting of the WNYHS Board of Directors would be held on Wednesday, October 1, 2008 at WNED.

The meeting was adjourned at 10:40 AM.

Respectfully submitted,



Betsy A. Baumler