

Western New York Health System, Inc.
Board Meeting Minutes
October 15, 2008

Present: Lawrence Bone, M.D.; James Budny, M.D.; Michael Cain, M.D.; Kevin Cichocki, D.C., James T. Evans, M.D., Robert Gioia, Mary Gresham Ph.D., Sharon L. Hanson, James Kaskie, Jody Lomeo, Brenda McDuffie, Judge James McLeod, Sundra Ryce; Irene Snow, M.D.; Edward F. Walsh, Jr.; Robert M. Zak; David Zebro; Robert Wild (via teleconference); Mark Barabas; Anthony Colucci, III; Robert Nolan; Joseph Kessler, Susan McCarthy, Betsy Baumler.

Absent: David Dunn, M.D.

The meeting was called to order at 8:35 AM by the Chair, Robert Gioia. Mr. Gioia welcomed Tony Colucci and Robert Nolan

Open Meeting Litigation

Mr. Wild stated the Appellate Division had granted a partial stay regarding the open meetings litigation (*Reese v. NYS Department of Health, et. al.*). The Stay applies to matters dealing with Kaleida but does not apply to matters which are solely those of the corporation and/or those of ECMC.

Minutes

The minutes of the July 9, 2008 Board of Directors' meeting, the August 18, 2008 Governance Committee meeting, and the August 18, 2008, August 29, 2008 and September 22, 2008 Professional Steering Committee were presented for approval. Upon motion duly made and seconded, the minutes of the of the July 9, 2008 Board of Directors' meeting, the August 18, 2008 Governance Committee meeting, and the August 18, 2008, August 29, 2008 and the September 22, 2008 Professional Steering Committee meetings were unanimously approved as presented.

Branding

Ms. Janet Stanek from Stand Advertising presented research findings of the branding focus groups. Judge McLeod requested a hard copy of the presentation for further review. Ms. Stanek indicated the focus groups rejected the proposed taglines. Ms. Stanek discussed in particular the physician focus groups and expressed importance of communication with the physicians on the ongoing planning.

Ms. Stanek outlined the roll-out of the Great Lakes Health of Western New York name starting on Friday, October 17 to all employees by Messrs. Kaskie and Lomeo together via simulcast. Mr. Lomeo stressed the need to make the ECMC feel comfortable that this is a coming together not a takeover.

Upon motion made and duly seconded, the Board unanimously agreed to change the name from Western New York Health System, Inc. to Great Lakes Health of Western New York, Inc. to be commonly known as Great Lakes Health effective immediately.

Chair Report

Mr. Gioia commended everyone for the collaborative effort being put forth.

Mr. Gioia then addressed a letter received by Dr. Wesley Hicks, Local President of National Medical Association referring to the appointment of physicians to the Professional Steering Committee, which was also copied to Mr. Kaskie and Judge McLeod, expressing their interest in participating in the process of these appointments. Judge McLeod stressed the need for diversity on the Committee as outlined in the Binding Agreement.

Mr. Gioia agreed to convene a sub-committee of the Board to respond to Dr. Hicks' correspondence. The sub-committee will consist of Messrs. Gioia, Kaskie, Lomeo, Judge McLeod, Mrs. McDuffie and Drs. Irene Snow and Lawrence Bone, Chair of the Professional Steering Committee.

The Board requested that a membership list of the National Medical Association be obtained.

Dr. Budny joined the meeting indicating he had just left the Medical Executive Committee of Kaleida Health where Kaleida's final slate of members for the Professional Steering Committee were approved. The physicians appointed include:

1. George Matthews
2. James Corasanti
3. Kathleen Grimm
4. Kevin Gibbons
5. Merrill Dayton

CEO Report

Mr. Kaskie highlighted the formation of the County transaction panel that has been set up to strategize a deal to get Erie County out of the hospital. The panel is being formed to only make recommendations, not decisions.

Mr. Lomeo stressed the importance of this issue in our consolidation and the need for the strategy to be done in conjunction with the labor strategy. Mr. Lomeo also outlined positive meetings Dr. Cichocki and Ms. Hanson have recently had with labor.

Mr. Kaskie highlighted current negotiations between Kaleida and 1199 SEIU indicating :

Section 3.0 of Binding Agreement

Mr. Kaskie discussed Section 3.0 of the Binding Agreement which outlines specific dates for materials to be presented to the Western New York Health System, Inc. Board of Directors for approval. Messrs. Kaskie and Zebro indicated they will need more time to prepare such documents given the amount of work behind the preparation of the reports. The extension has been discussed with Messrs. Wild, Colucci and Nolan and all parties have agreed to this extension. Mr. Wild indicated he had spoken with Judge Curran and he also agreed to the extension as long as both

parties were in agreement. Mr. Kaskie stated they will work out a more realistic calendar and present the revised calendar to the Board for approval. **Upon motion made and duly seconded, the Board unanimously approved the extension of the timeline dates outlined under Section 3.0 of the Binding Agreement.**

Finance Committee Report

Mr. Zebro updated the Board on recent Finance Committee discussions and stated he had invited the Chief Financial Officers of both Kaleida Health and ECMC to attend the Board meeting to outline the financial background of each organization. Ms. McCarthy outlined the financial background of ECMC and Mr. Kessler outlined the financial background of Kaleida Health.

Professional Steering Committee Report

Dr. Bone highlighted recent meetings of the Professional Steering Committee indicating the committee meets biweekly and are working to establish subcommittees to look at key clinical service lines. He also indicated Mr. Quatroche from ECMC had drafted a process outline currently being reviewed by the Committee in order to establish consistency between the sub-committees.

Governance Committee

Mr. Walsh outlined the responses to the Board questionnaire regarding meeting frequency and location indicating the Board will meet according to the following schedule:

Board meetings – every other month on the second Wednesday of the month from 7:30 – 10:00 a.m. (except for the next meeting). It was agreed the next meeting will be held at December 10, 2008 at WNEC from 8:30 – 11:30 a.m. After January 1st - all Board meetings will be held at a Kaleida Health facility (still to be determined). All Committee meetings will be held at ECMC.

Mr. Walsh then stated the Committee had finalized the Conflict of Interest Statement and Questionnaire for Great Lakes Health. The statement is the same statement currently being used by ECMC. A copy of the statement and questionnaire will be sent to all Board members and Mr. Walsh urged all Board members to return the questionnaire in a timely basis.

The Committee reviewed a draft “Outline of Duties for the President and CEO of Newco” and agreed to present the document to the Board for approval. **Upon motion duly made and seconded, the Board unanimously approved the “Outline of Duties for the President and CEO of Newco” as presented.**

Strategic and Community Planning Committee

Dr. Cichocki reviewed topics discussed at the recent Strategic and Community Planning Committee meeting, the first meeting since the signing of the Binding Agreement. The Committee reviewed the two documents which were included in the Board packet: CON Review and Prioritization Process and the Process Guidelines for the Professional Steering Committee. **Upon motion duly made and seconded, the Board approved both documents submitted for approval by the Committee.**

Dr. Cichocki then outlined eleven Certificate of Need applications (CONs) submitted to the Committee for consideration. The Committee recommended approval of all CONs submitted. Discussion followed.

Upon motion made and duly seconded, the Board unanimously approved the following CONs:

Kalcida Health

- 1.
- 2.
- 3.
- 4.

ECMC

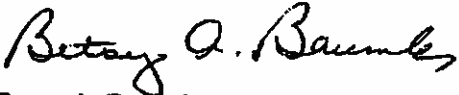
1. **Emergency Room and Operating Room Expansion**
2. **Elevator Modernization at The Erie County Home (component of ECMCC)**
3. **Renal Dialysis**
4. **Installation of a point of use acid and bicarb loop system in Hemodialysis**
5. **Renovation of 4 zone 4 – Adolescent Psychology Unit**
6. **Renovation of 12 zone 3 medical – Surgical In-patient Unit**
7. **Stroke Center Designation**

Next Meeting

Mr. Gioia stated the next meeting of the Newco Board of Directors would be held on Wednesday, December 10, 2008 at WNED.

The meeting was adjourned at 10:50AM.

Respectfully submitted,


Betsy A. Baumler