

Great Lakes Health System of Western New York Board Meeting Minutes February 12, 2009

A regular meeting of the Board of Directors of Great Lakes Health System of Western New York was held at Women and Children's Hospital of Buffalo, 219 Bryant Street, Buffalo, New York on Thursday, February 12, 2009.

Present: Yogesh Bakhai, M.D.; Lawrence Bone, M.D.; James Budny, M.D.; Michael Cain, M.D.; Robert Gioia; Mary Gresham Ph.D.; Sharon L. Hanson; James Kaskie; Brenda McDuffie; Judge James McLeod; Sundra Ryce; Irene Snow, M.D.; Edward F. Walsh, Jr.; Robert M. Zak; Robert Wild (via teleconference); Anthony Colucci, III (via teleconference); Mark Barabas; Anthony Colucci, III; Robert Nolan; Betsy Baumler

Absent: Kevin Cichocki, D.C.; David Dunn, M.D.; Jody Lomeo; David Zebro

The meeting was called to order at 7:45 AM by the Chair, Robert Gioia. Mr. Gioia welcomed Dr. Yogesh Bakhai, a new member of the Board ex-officio in his recently appointed role as President of the ECMC Medical Staff. Mr. Gioia also congratulated Sharon Hanson on her recent appointment as Chair of the ECMCC Board of Directors.

Minutes

The minutes of the following meetings were approved as presented:

- Board of Directors' meeting – October 15, 2008
- Board of Directors' meeting – December 10, 2008

Upon motion duly made and seconded, the minutes of the meetings listed were unanimously approved as presented.

Committee Updates

Finance

In Mr. Zebro's absence, Mr. Zak presented an update on a recent Finance Committee and work underway by the finance teams of ECMC and Kaleida Health to merge their reporting methods. Mr. Zak indicated he would provide a more detailed preliminary year end financial report (unaudited) on both organizations during executive session as the results have not yet been made public.

Governance

Mr. Walsh updated the Board on the status of the draft by-law revisions indicating the Board had provided their feedback on the most recent version. With these changes incorporated, the current draft has been forwarded to Messrs. Colucci and Nolan for their review and approval. Mr. Walsh indicated a draft will be presented to the Board at the April meeting.

Professional Steering Committee

Dr. Bone indicated the Committee has met two times since the December Board meeting and finalized the engagement of PricewaterhouseCoopers to assist the subcommittees in service line planning. Dr. Bone also indicated that Dr. Pamela Reed was appointed by ECMC's medical staff leadership to replace Dr. Bakhai upon his appointment of President. Dr. Bone indicated there are now over 70 physicians from both academic and private practice backgrounds working with the subcommittees to evaluate identified service lines.

Strategic and Community Health Planning Committee

In Dr. Cichocki's absence, Judge McLeod provided an outline of discussions at their recent meeting indicating the Committee heard a report from Dr. Bone on the status of service line planning and Ms. Ryce on recent initiatives on community outreach. The Board requested they be notified of the community event schedule so they can attend based on availability.

State and Federal Budget Cuts

Mr. Kaskie outlined the possible effect of proposed State and Federal budget cuts indicating ECMC would lose approximately \$19 million and Kaleida Health \$21 million in funding with long term care taking the brunt of the impact. Dr. Cain also highlighted how the cuts would impact the medical school at the University at Buffalo. Mr. Gioia suggested a meeting with the Western New York delegation to voice the Board's concerns over the impact of these cuts on Great Lakes Health and the community. Mrs. McDuffie outlined recent discussions with the delegation in Albany.

Mr. Kaskie also discussed a recent meeting with the Department of Health and local leaders from ECMC, Kaleida Health and the Catholic Health System.

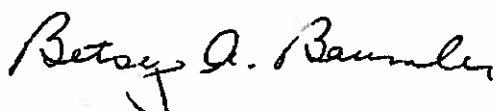
Adjournment of Open Session

There being no further business to discuss in open session, upon motion made and duly seconded, Mr. Gioia adjourned the regular meeting of the Board and called the Board into Executive Session.

Return to Open Session and Adjourn

The Board voted to conclude Executive Session. During Executive Session, no official action was taken by the Board. During Executive Session, discussion of the Board included the topics of strategic planning in light of the state of the economy, the status of ECMCC negotiation with the County of Erie and potential collaborative business opportunities.

Respectfully submitted,



Betsy A. Baumler