



Dear Colleagues:

With this letter I am forwarding to you my responses to the questions raised at the most recent medical staff meeting. I appreciate your interest in the ongoing affiliation discussions and please know your questions are helpful to me in gauging your areas of concern. I shared these responses during last week's faculty forum and I appreciated seeing many of you at that session.

We continue to make progress in our discussions with our partner, the University of Kansas Hospital. Last week's negotiations focused on addressing the hospital's concerns about physician alignment. With progress on that issue we took up a discussion of financial issues during the productive session we concluded yesterday. Our team members are now drilling down on those issues and I anticipate we will continue to make headway.

While we have many concerns about the details and certainly want to make sure that the interests of KUPI and our faculty are protected, I am optimistic that a positive resolution of the issues being discussed is possible. I certainly look forward to the day when this is all behind us and we are focused as one academic medical center on implementing our aggressive agenda for moving the clinical, research and educational enterprises forward.

I don't believe that it serves any useful purpose to attempt to respond to the characterization of these discussions by others involved. Let me just assure you that I am committed to achieving an agreement that provides the foundation for growth and excellence for the entire academic medical center. If the parties involved are willing to ask the question, "what's good for us as an academic medical center?" and not just "what's good for me?" I believe we can craft a shared vision and a strategy for all of us to succeed together. I want to work with a trusted partner and be a trusted partner who shares a common bond and a commitment to advance the interests of our campus as a whole.

As faculty members you have been asked to absorb a great deal of information and consider how these complicated affiliation issues will impact your practice. I have learned a great deal from my conversations with you and your concerns are reflected in my insistence that the faculty be represented at the negotiation table. The inclusion of the faculty voice has improved the quality of our discussions and I believe will contribute greatly to the quality of the outcome.

In our ongoing effort to solicit feedback and input from our constituencies, I will be meeting this week with important components of our campus' shared governance system including the Medical Student Association today at 5 pm and the Faculty Council tomorrow at 7 am. This will provide me with another opportunity to share information and answer questions.

We will continue to share updates on the discussions with you but please contact me at any time by phone or email if I can be of assistance. I appreciate your interest in these important discussions and thank you for your continued service as a member of our faculty.

Sincerely,

Barbara Atkinson, MD

**RESPONSE TO QUESTIONS FROM GENERAL MEDICAL STAFF MEETING OF
February 12, 2007**

1. How can you assure the faculty from each clinical department that they have adequate representation and input as the negotiations proceed?

As you know, I engage in regularly scheduled meetings with the chairs of the clinical departments every two weeks. Additionally, I am always available to address their concerns or respond to their questions. We maintain a very open leadership culture and I update them on the details of our discussions on a regular basis. I have been hosting a series of faculty/medical staff forums to invite further dialogue and have encouraged faculty to visit with me during brown bag lunches and open door days. I have also posted a large body of information regarding the affiliations on our website—a link is available on our KUMC homepage. As a faculty member myself, I always enjoy learning first hand from my colleagues their concerns and I benefit from their advice.

- 2. a. What portion of the funds needed for NCI designation as well as funds for increased numbers of residents at KUMC will be the responsibility of the physicians and KU Hospital?**
b. Will the NCI designation cost \$779 or 330 million, please clarify?

The funds needed for NCI designation will come from a variety of diverse sources. It is far too early to speculate on what portion will come from physicians and the KU Hospital. Given the integrated cancer center model we prefer, it would be reasonable to expect significant support from the KU Hospital and for the KU Hospital to receive significant benefits from the designation. The KU Hospital's support of our cancer center has made much of our progress possible. We value their support and partnership in this endeavor. The ten-year business plan for the cancer center details the best information we have now about the cost of achieving NCI designation. I would refer those interested in knowing more to that document.

3. How much of the funding for the above programs will come from St. Luke's?

The amount has yet to be determined.

- 4. Given the current strain on KUMC clinical faculty time, who is responsible for assessing manpower needs? Will there be adequate resources committed to meet these needs?**

The leadership of our clinical departments, in consultation and collaboration with the Dean's office, will assess workforce needs—as is the case now. Budget priorities are determined annually as a part of our ongoing resource allocation process. We are committed to funding clinical faculty time and will continue to work in cooperation with our clinical departments to find the additional resources necessary to accomplish that goal.

5. What are the outcome measures of success for the affiliation agreement (philanthropy, research, education)? Who will be held accountable for each outcome? What is the out clause if the outcomes are not met?

Success for the affiliation agreements has many desired outcomes. Clearly we hope to enhance the educational experience of our students and we want to grow our research enterprise. By exposing students to educational opportunities in excellent clinical settings in which they are taught by excellent clinicians we hope to improve their preparation to serve as the health care professionals of tomorrow. We also want to significantly grow our research base. We are currently ranked 81st in NIH funding. We want to be in the top 50. The Blue Ribbon task force laid out benchmarks for our growth that are ambitious but achievable. We have articulated a ten year business plan for our cancer center and we are finalizing a ten-year vision and strategy for our research initiatives. These set forth additional benchmarks by which we will pace progress. The KU Hospital is proud of its record of achievement in patient satisfaction and financial performance. We believe similar top-tier results in education and research should be achieved by this academic medical center. We will engage in affiliations in furtherance of our efforts to achieve these goals. When affiliations do not advance our mission we will terminate them.

6. Can we be assured that program directors will remain in control of their respective programs without undo political influence?

Yes.

7. What measures are in place to protect the health of our clinical enterprise, physician and hospital, including payor mix effects?

These matters are still under negotiation with KU Hospital and KUPI.

8. What process is in place to facilitate KUHA, KU, & KUPI cooperation toward a shared common vision?

A shared vision requires all of the parties to commit to a process by which a shared vision can be crafted. I can only speak for the University, but I am fully committed to working toward a shared vision for our campus with any partner willing to constructively engage in that process. To move this campus forward we must work together—all constituencies—and we must exercise the necessary leadership to achieve results. Our success as an academic medical center is dependent on a collaborative model in which the KU Hospital, KUPI and the university work together with a high level of integration and joint planning around shared priorities. That's the future I am committed to creating.

9. How do you propose getting faculty counsel input and involvement in this process?

I have engaged in a rigorous series of events and opportunities to share and receive information from faculty members. That commitment for open communication and interest in receiving valued advice is ongoing. I am always just a phone call away.

10. Why does Stowers care if there is a residency affiliation between St. Luke's and KU?

They are interested in more coordinated research partnership among numerous partners. We want to leverage the strengths of Stowers in basic research by building a more robust climate for clinical research. We believe an affiliation with Saint Luke's gives us a better opportunity to do just that.

11. How was the March 31, 2007 completion date determined? Why such a short time frame? Will the March deadline be suspended as the physicians were just added to the negotiation team, and the clinical faculty have significant questions?

Those who want to derail these affiliations often point to the deadlines and seek to have them postponed for whatever reason. Let me just say this—deadlines are helpful in moving issues to resolution and we have been engaged in these discussions for over a year. It's time to resolve these issues. That said, I don't intend to enter into any agreement without fully understanding and embracing the terms and conditions of the agreement. The Chancellor has committed to civic leaders that he will use his best efforts to resolve the issues outlined in the letters of intent by the end of March.

12. Why is Stowers mandating a St. Luke's educational affiliation for participation with KUMC in research?

They are not.

13. St. Luke's issues:

a. Given St. Luke's lack of apparent success with other KC hospital affiliations, what safeguards are in place to protect our clinical enterprise?

We are negotiating an agreement to address those issues. We are not blind to the past, but we are also not living in the past.

b. Why might the St. Luke's physicians require unmodified letters? Is this similar to the relationship with the VAMC physicians?

While this is the subject of ongoing negotiations, I do not anticipate Saint Luke's physicians with a faculty appointment will be treated any differently than our colleagues at the VAMC.

Physicians who have a substantial role in education and research will be eligible for faculty appointments no matter the site of their activities.

c. How is payment of the Dean’s Tax, or freedom from it, determined in this situation?

The dean's tax is paid by physicians who see patients at KU Medical Center in lieu of paying for such items as rent for office space, malpractice, etc. These physicians are university employees and pay a percentage of their revenue generated from seeing and treating patients at the Medical Center to the Dean of the School of Medicine. Physicians at other affiliated hospitals will not practice at the KU Medical Center (their practice would remain at their respective hospital) and therefore would not pay the “dean’s tax.” This Dean’s tax is invested back in the physicians and clinical enterprise at KU Medical Center.

d. Has there been a review of St. Luke’s record on indigent care, and how they handle this in relation to current or past partners?

We are focused on a partnership for education and research—not clinical care.