QUESTIONS FROM DR. BILL BARKMAN FOR THE FACULTY FORUM ON JUNE 14 AND 15, 2006

A. GENERAL CONCERNS:

1. Why should KU partner with St. Luke's which has not had a successful track record with it's previous affiliations with Research Hospital or Shawnee Mission Medical Center?

As a result of the Blue Ribbon Task Force Report, "Time to Get It Right: A Strategy for Higher Education in Kansas City," the life sciences and community leaders have sought our leadership in exploring academic affiliation options.

There has been no definitive decision to partner with St. Luke's or CMH. We have been invited by Kansas City community leaders to consider an academic affiliation. The previous St. Luke's affiliations referenced here were clinical, not academic.

Additionally, the question ignores the fact that KU has enjoyed extensive success in affiliations similar to what has been proposed here. Its affiliations with St. Francis and St. Joseph's hospitals in the Via Christi system and with HCA in Wichita have enjoyed sustained success and effectiveness.

2. When you became Dean, you attempted to establish an affiliation agreement with Children's Mercy Hospital, but it did not come to fruition. Why and what has changed to allow for a successful partnership now?

Previous discussions were about broader clinical and academic affiliations with CMH. The potential education affiliation was, at that time, secondary to the clinical affiliation and research affiliation was not a major priority. In addition, there is new leadership at both institutions at the Chair level and both are willing to explore new options.

3. What assurance do we have that the School of Medicine can partner successfully with an outside entity when there are problems with the SOM's relationship with KUHA and with KUPI?

Our relationship with KUPI is a vibrant and effective one. With respect to the KUHA, the current relationship was established in 1998 by state law and implemented through affiliation agreements. This is a relatively new relationship, and like any important arrangement involving redistribution of resources formerly held by one party, there have been growing

pains. Notable examples of programs where we have worked collaboratively with the Hospital are the Cancer program and the Cardiology program. Both organizations have supported one another in achieving accreditation: JCAHO and LCME. Finally much collaboration has occurred in chair recruitments.

4. How will this agreement affect the relationship between St. Luke's and Truman? If St. Luke's is a part of KU, will this not encourage a significant portion of the charity care from Truman to come to KU?

Our deliberations will take into consideration any potential detrimental impact on KUHA or other affected parties. It's important that Truman remain a viable organization; there is no reason to believe patients would migrate away from Truman.

5. What safeguards are in place to prevent KUHA from becoming the safety net hospital for St. Luke's?

While we disagree with the premise that indigent patients would cross state lines for care due to this proposed affiliation, we are committed to preserving the financial health of our partner, KUHA.

6. As these affiliations with St. Luke's and Children's are complex and there has been no transparency on the KU Campus about details of the agreement, why the rush to implement by August 15?

There is no agreement at this time. Consultants for the University are gathering data and interviewing individuals affiliated with St. Luke's, Children's and University of Kansas Hospital. August 15 is the target date for completion of data-gathering and completion of the feasibility analysis. Actual negotiation and implementation of an agreement, if any is pursued, will take additional time.

7. What is the opinion of the Medical Staff at St. Luke's and Children's Mercy about this agreement?

Again, there is no agreement; but leaders of both organizations indicate a willingness to discuss a variety of options. Each of the participants bring unique strengths to the table worth recognizing.

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8. Discuss Brand Management. Will all St. Luke's/Children's affiliated sites receive our brand? If so, what advantage is there to being a full time KU Faculty Member?

Brand management is a specific concern that is being investigated in the consulting and data gathering process.

9. If the majority of the clinical faculty is opposed to all or part of this affiliation agreement, will the affiliation proceed?

Such speculation is premature since data gathering and discussion is not yet complete. We are concerned about how additional affiliation agreements will affect all of our faculty, staff, students as well as new potential partners. The purpose of this process is to ensure a win for everyone.

B. RESEARCH CONCERNS:

1. One of the goals of this initiative appears to be increasing clinical research. If patients in Salina, Kansas can be recruited in KU Clinical Trials Programs without a hospital affiliation, and without the need for KU residency program in Salina, why do we need an affiliation with St. Luke's and Children's Mercy Hospital to do the same thing?

There is a KU residency program in Salina – the Smokey Hill Family Medicine program, but there is no need for a residency program in order to conduct clinical research.

The proposed affiliation is projected to be significantly more wide-ranging than simply clinical trials. The assets, research opportunities, and academic capabilities that are represented by CMH and St. Luke's dictate that, if an affiliation is to be made, an appropriate and detailed set of documents would be necessary to establish the research and academic opportunities for all of the parties.

2. Regarding the NCI proposal, which hospital would be the primary patient care site?

The plan for cancer program development envisions a more distributed model of cancer care than is in place right now. Clinical care would likely be provided at the site of the patient's oncologist's practice with research being coordinated by the Cancer Institute.

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C. EDUCATIONAL CONCERNS:

1. If we acquire the St. Luke's residents, we will need RRC approval, including site visits. Can this be accomplished by your proposed implementation date?

It would be premature to speculate about the structure of the education affiliation at this time.

2. What will happen to the training programs at UMKC if this occurs? If KU has the oversight of the residency programs, and we decide to take fewer UMKC residents, will this not generate negative opinion in the community?

The answer to the first question is currently unknown, and data is being gathered to address it. One condition of any GME affiliation is that the numbers of residents in all programs, with a few exceptions based on educational considerations, would not decrease. The School is bound by its affiliation agreement with KUH to maintain the numbers of residents available for training in KUH is unchanged unless changes are agreed to by the Hospital and the School. Again, the community leadership has sought our leadership in exploring academic affiliation options.

3. How will St. Luke's and Children's faculty be incorporated into our faculty? Will they be allowed the same tenure opportunities as our full time faculty?

Currently to achieve tenure or tenure track status, the faculty would necessarily be KU employees. They will be qualified for either unqualified or qualified titles of appropriate rank.

4. Will the additional residents be fully funded? Currently, the clinical departments are funding many of the educational expenses and amenities for the residents. Several of the clinical departments are barely able to afford the current expenses. How can we take more?

One of the conditions of any potential affiliation is that the facilities housing a particular resident position pay the fully-loaded annual cost of the position – estimated to be approximately $104,000 including all direct (stipend/benefits) costs and the indirect cost of faculty time and facilities use. Currently the SOM funds more than $13M in housestaff expenses to cover the shortfall in funding from KUHA.

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D. FISCAL CONCERNS:

1. Financially, what is the advantage of this partnership to the KU SOM?

The terms of any "partnership" remain to be worked out if the outcome of the consultation and evaluation process is to recommend that we pursue this affiliation. The advantage is to demonstrate our leadership in the life sciences to the community and to align four organizations that each have an outstanding record of achievement in this community.

2. What is the amount and source of the money? Please give examples of philanthropy consistently crossing the state line. Do most Missouri philanthropic dollars stay in Missouri? Once the money reaches our campus, what percentage will go to clinical departments and basic science departments?

We currently receive funding from the Hall Foundation and the Greater Kansas City Community Foundation. It would be expected that, in consideration of KU's affiliation for research and academic purposes, there would be a flow of funds from the hospitals to KU in support of the joint enterprise. So long as support from the KU Hospital remains in the bottom ten to twenty percent among academic medical centers, affiliations of this nature are imperative if KU wishes to remain a first class medical center and achieve the goal of becoming a top twenty-five research university. Moreover, the Blue Ribbon Task Force Report suggested new models for philanthropy in the Kansas City area.

3. If the loss of brand identity results in KU Hospital losing market share of its privately insured patients because of the perceived convenience of the outlying St. Luke's facilities, and perceived more attractive facilities, how will this loss of patients and revenue be addressed by the external group? How will the loss of revenue be addressed by KU Hospital and KU School of Medicine?

It would be premature to speculate about these questions.

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4. Will we receive state support from Missouri in the same proportion as we do from Kansas? Will physicians working on the Missouri side be compensated at the same rate as the physicians working on the Kansas side?

We do not anticipate funding from the State of Missouri nor do we have the ability, at this time, to speculate about change to Medicaid reimbursement.