

Approved: March 13, 2007

Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:30 P.M. on March 8, 2007, in Room 526-S of the Capitol.

All members were present except:

Kasha Kelley- excused

Lee Tafanelli- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research

Tatiana Lin, Kansas Legislative Research

Rena Jefferies, Office of Revisor of Statutes

Gary Deeter, Committee Assistant

Conferees appearing before the committee:

Dr. Barbara Atkinson, Executive Vice Chancellor, University of Kansas Medical Center, and Executive Dean, University of Kansas School of Medicine

Others attending:

See attached list.

Dr. Barbara Atkinson, Executive Vice Chancellor, University of Kansas Medical Center, and Executive Dean, University of Kansas School of Medicine, introduced some of her staff and briefed the Committee on the vision of the University of Kansas Medical Center (KUMC) ([Attachment 1](#) and [Attachment 2](#)). She explained the distinction between the Medical Center (research, curriculum/education, employing most of the physicians) and the University of Kansas Hospital Authority, where most clinical experience is provided. She gave a brief summary of her professional experience and reviewed the accomplishments of the KUMC during the past five years; among them:

- Because of the new interdisciplinary curriculum, KUMC is ranked as one of the top medical schools in the nation related to curriculum;
- KUMC ranks first among all U.S. medical schools in placing graduates in family medicine residencies;
- National Institute of Health funding has increases nearly 22%; and
- Since 2005 52 new faculty positions have been added.

Dr. Atkinson stated that the Center has reached a stage where major transformation is needed, noting two initiatives that serve as harbingers for the future: the State of Kansas has embarked on a quest to transform the economy through investment in the biosciences, and leaders in the Kansas City region have created a vision for prominence in the life sciences, proposing a ten-year \$150-million investment in the life sciences that will return \$1.3 billion to the region in the next ten years. Further, she said, the KUMC is developing plans to create a National Cancer Institute-designated cancer center, plans which include possible affiliation with St. Luke's Hospital in Missouri. Dr. Atkinson listed the advantages of such an

CONTINUATION SHEET

MINUTES OF THE House Government Efficiency and Technology Committee at 3:30 P.M. on March 8, 2007, in Room 526-S of the Capitol.

affiliation:

- Train up to 100 additional doctors;
- Access a broader patient base for research;
- Advance the goal of achieving NCI designation; and
- Generate private and regional donations.

Commenting that KUMC presently has affiliations with 35 Kansas hospitals, including two competing hospitals in Wichita, she stated that wider affiliations will enhance KUMC's research and teaching; she noted that KUMC is merely expanding its present affiliation with St. Luke's for research and education, not for clinical care.

Addressing KU Hospital's concerns, Dr. Atkinson said KUMC affiliation with St. Luke's will:

- not have a detrimental affect on faculty physicians;
- not transfer Kansas tax dollars to Missouri;
- not compromise KUMC's mission;
- not mean pursuing stem cell research.

Dr. Atkinson responded to many questions from Committee members:

- The additional \$15 million each year will go to recruit new physicians and researchers and will free up budgeted funds for other expansion. Dr. Karen Kelley, a nationally recognized expert on lung cancer, has been recruited by KUMC. Dr. Atkinson added that new physicians should within three years generate additional income to replace the original cost of recruiting them.
- In order to receive the NCI designation, KUMC must expand research and initiate more clinical trials.
- Because Wichita offers the best training for community hospitals, most residents interested in family practice do their training at one of the two Wichita hospitals.
- The promised annual funding of \$15 million will come from Kansas City area businesses, foundations, and private donors on both sides of the state line.
- St. Luke's will have the same agreement as Wichita hospitals and Children's Mercy Hospital—residents will be trained there, but faculty cannot practice nor be credentialed through any hospital except KU Hospital unless a faculty member has permission from the CEO of KU Hospital.
- The NCI designation is given to the KUMC, not the Hospital.

Dr. Roy Jensen, Director, Kansas Masonic Cancer Research Institute, KUMC, responding to questions regarding the NCI designation, said that he has worked at the National Cancer Institute, has helped other groups obtain NCI designation, and that the NCI designation and affiliation with St. Luke's was "absolutely critical" in attracting philanthropic support, research grants, and quality staff; he added that

CONTINUATION SHEET

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Kansans will benefit immeasurably from KUMC having the NCI designation.

Dr. Kirk Benson, President, Kansas University Physicians, and Senior Associate Dean for Clinical Affairs, KUMC, replied to a question that the proposed affiliation with St. Luke's has caused physicians to respond with enthusiasm tempered with concern: enthusiasm for the potential for growth, but concern because St. Luke's is a competitor, resulting in minimizing the KU Hospital brand.

Dr. Atkinson continued responding to questions:

- Obtaining the NCI designation by affiliation with St. Luke's will elevate both KUMC and the KU Hospital.
- Negotiations between KUMC and the KU Hospital are ongoing. The most difficult issues—aligning faculty with the Hospital, giving the Hospital authority over the clinical practice, aligning program planning with the Hospital, identifying the flow of funds—have already been settled. The pending issues deal with branding and identity, whether or not the KU Hospital will be defined as “the primary academic, clinical, teaching, and research hospital for KUMC.”
- KUMC has not ignored the Wichita programs, but expanding in Wichita awaits community support and funding; the Kansas City community is ready to make a significant investment for expansion, allowing KUMC to widen its programs in Kansas City. (Dr. Jensen offered specific details regarding KUMC programs in Wichita.)
- The anticipated 100 new residents will not reduce Wichita's residency contingent, but will draw from outside the state.
- Many residents are reluctant to move to Wichita if they can get rotations in the Kansas City area. However, the quality of primary care training in Wichita attracts residents who plan to go into family practice.
- KUMC has about 1000 agreements with various hospitals, 700 for the nursing school and 300 for physician residents, 50 of the 300 in Wichita.
- Regarding the annual \$15 million, the KUMC will control the funds and allocate them in relation to program needs. To a further question, she acknowledged that donors will be able to designate funds to certain programs.

Dr. Jensen replied to a question that he planned to apply for the NCI designation in 2009.

The meeting was adjourned at 5:18 p.m. The next meeting is scheduled for Monday, March 12, 2007.

HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

GUEST LIST

DATE: MARCH 8 2007

NAME	REPRESENTING
Denise Moore	CITO - Executive
Malcolm Colquhoun	KUMC
Terence Ford	Calence
Scott Shoemaker	Calence
John Casebeer	Calence
Hal Gardner	KBOR / Kan-ed
Jan Muddard	K-state / OETC
Dick Carter	Results Technologies Inc.
Ray Jensen	KUMC
William Gabriel	KUMC
Glendon G. Cox	KUSOM
Kirk Benson	KUMC
Dorothea Hughes	KUMC
LetAnn Bell	Rep. Don Hill
Chet Johnson	KUSOM
Doug Gind	KUMC
Cindy Shuman	K-state / OETC
DAVID ADKINS	KUMC
TON CARTER	GBBA

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kan-ed
contract
consultants

HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

Page Two

GUEST LIST

DATE: 3 / 8 / 07

NAME	REPRESENTING
Jesse Romo	KDOT
Josh Harlow	Speaker Newfeld
Conor Partee	ESU graduate
Bruce Vieweg	ESU CIO / KanREN Board Chair
JERRY MITT	KAN-ED
DOUG HEACOCK	KanREN
Mike Stuebel	KFFI NEWS
Bill Brady	Capitol Strategist
Allison Peterson	Kansas Medical Society
Irene Cumming	KU Hospital
Dennis McCulloch	KU Hospital
William W Sneed	UK HA
Amy Jordan Wooden	KUMC
Lindsey Douglas	Hein Law Firm

Testimony Before the House Committee on Government Efficiency and Technology

By Barbara Atkinson, MD
University of Kansas Medical Center
March 8, 2007

1

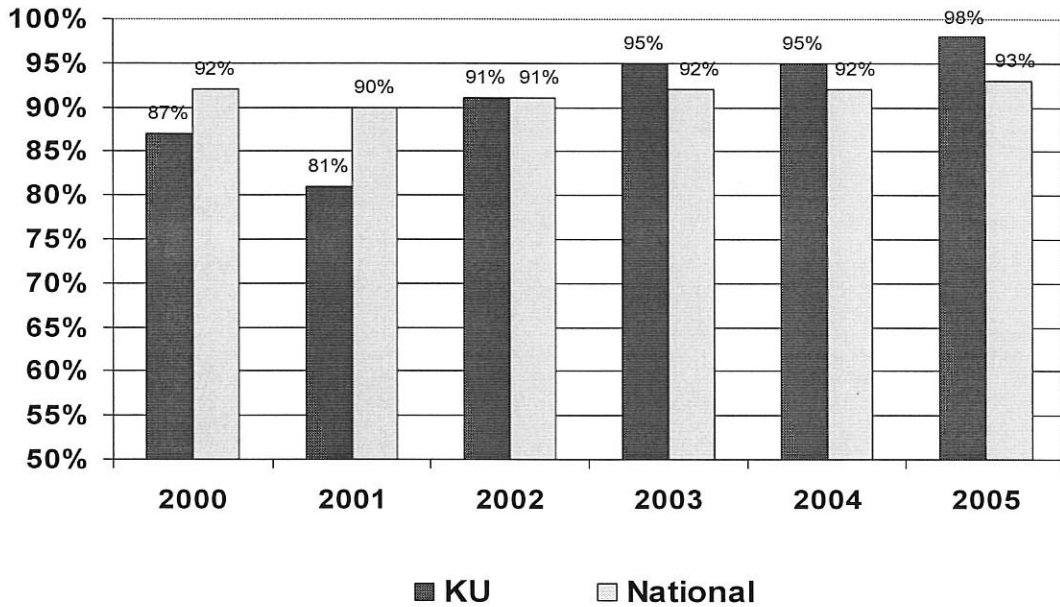
*Attachment 1
GET 3-8-07*

New Curriculum



Five first-year medical students from Buhler, Kansas

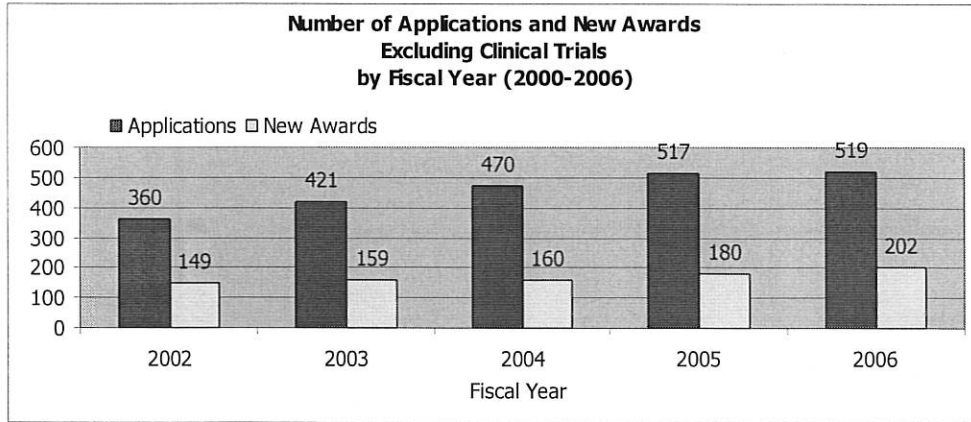
Percent Passing "Step One" on First Attempt: KU vs. National



**The KU School of
Medicine ranks
first among all
U.S. medical
schools in placing
graduates in
family medicine
residencies.**

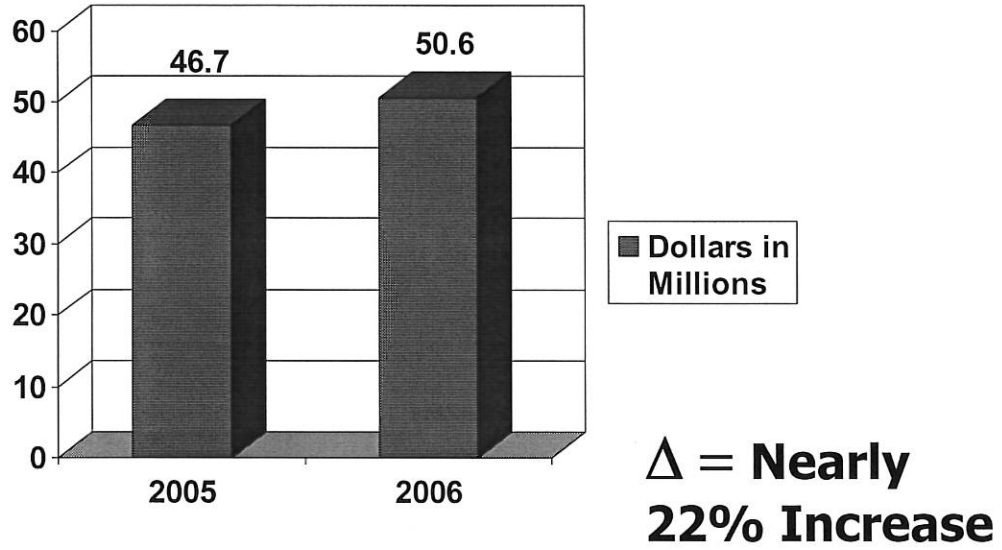


Excellence in Research



1-5

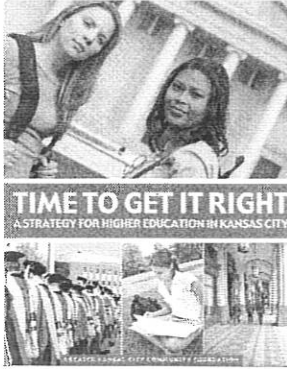
Growth in NIH Funding



KUSOM: New Positions Recruited In Last Five Years

	Basic <u>Science</u>	<i>Clinical Departments</i>		
		<u>Research</u>	<u>Clinical</u>	<u>Total</u>
FY 03	10	11	19	40
FY 04	15	3	17	35
FY 05	8	6	15	29
FY 06	12	6	15	33
<u>FY 07</u> <small>(2/7/07)</small>	<u>2</u>	<u>1</u>	<u>9</u>	<u>12</u>
Total	47	27	75	149

Vision: To Fully Realize Potential



By 2015...

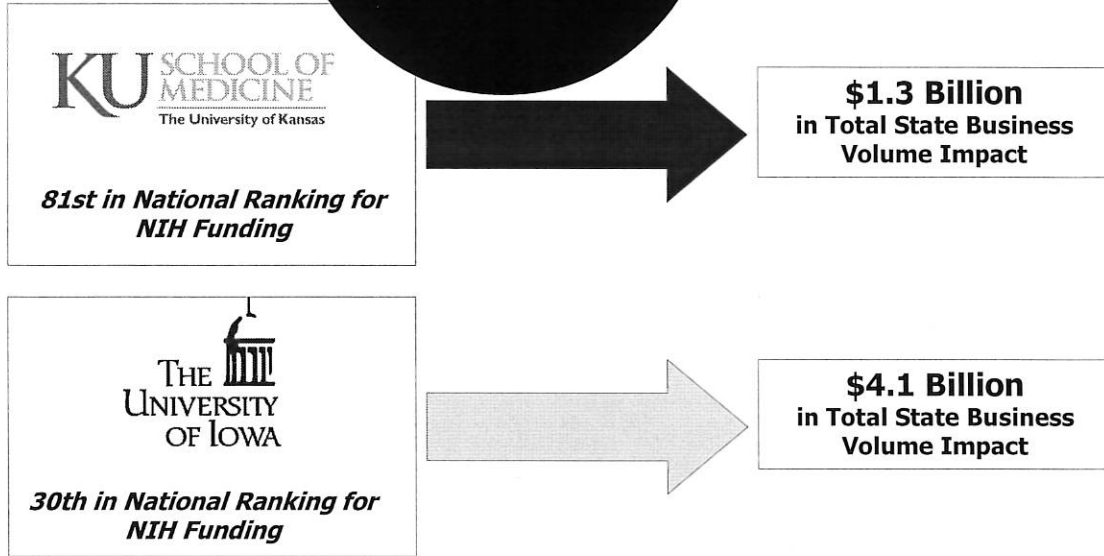
- **Kansas City will be a top-20 life science center in U.S.**
- **KU School of Medicine move into:**
 - **Top 25 in basic life sciences**
 - **Top 50 in R&D generally**

Expansion of Existing Clinical Programs

Since 2005, KUMC's clinical programs have added 52 new faculty positions, including:

- Family Medicine ~ 2 positions
- Internal Medicine ~ 17 positions
- Neurosurgery ~ 2 positions
- Neurology ~ 5 positions
- Surgery ~ 4 positions

Potential Impact: Comparing Kansas and Iowa Schools of Medicine



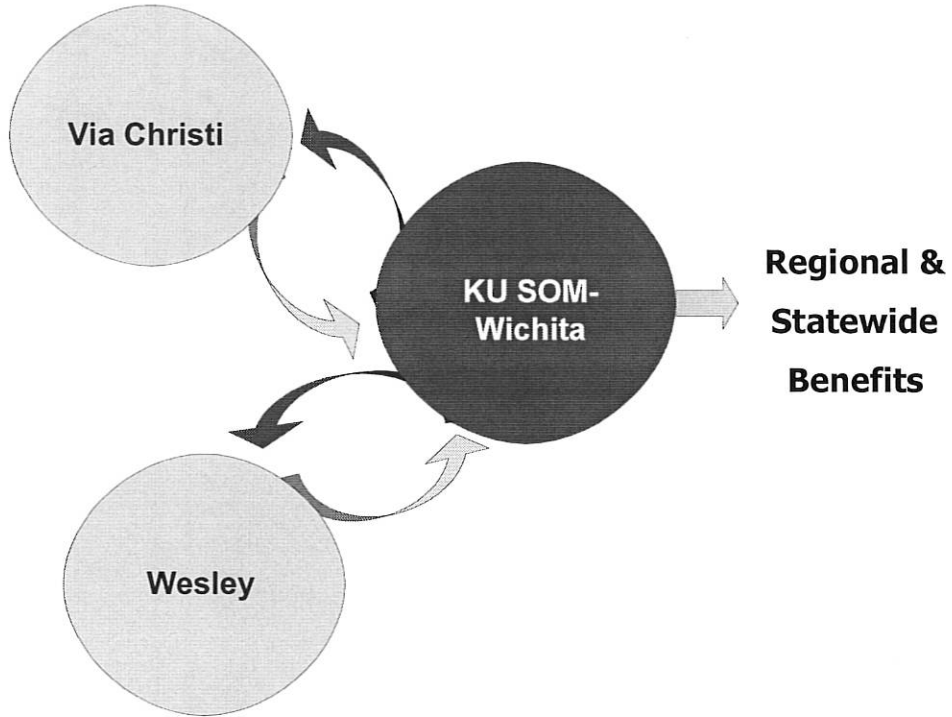
Source: AAMC: *The Economic Impact of AAMC - Member Medical Schools and Teaching Hospitals*, Jan. 2007

Why broader hospital affiliations?

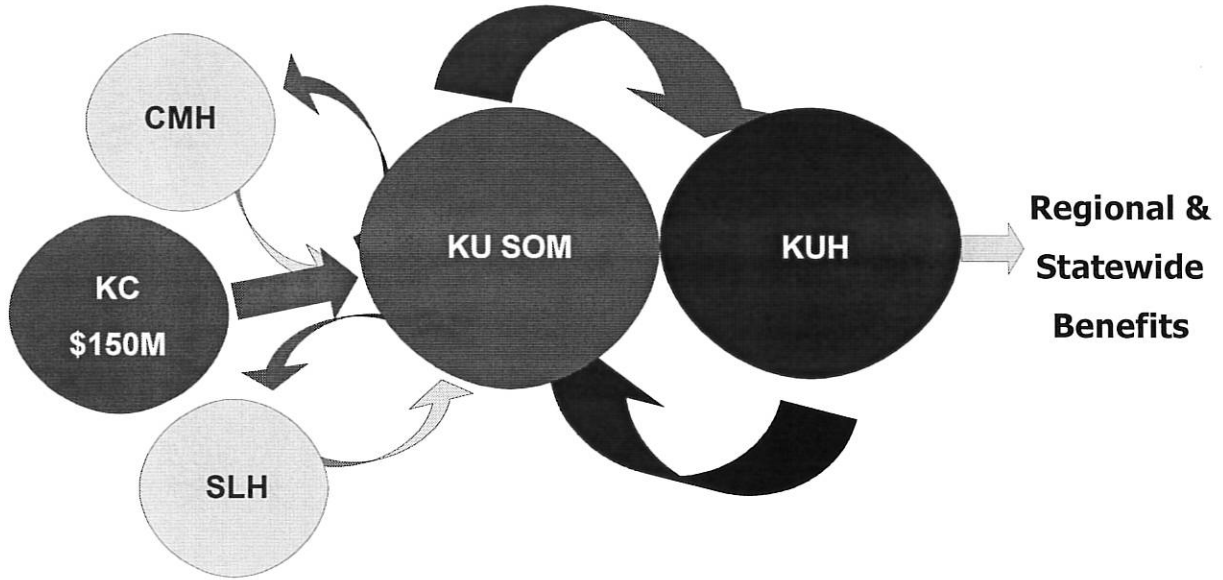
What an Affiliation Means

- **More Doctors**
- **Enhanced Training for Doctors**
- **More Cures**
- **NCI Designation**
- **Community Support**

Multiple Hospital Affiliations at the KU School of Medicine-Wichita



Proposed Broader Multiple Hospital Affiliations in Kansas City



What an Affiliation is Not

- **Detrimental to the faculty physicians**
- **Transfer of Kansas tax dollars to Missouri**
- **Reduction in residents**
- **Compromising our mission to educate doctors and serve indigent Kansans**
- **For the purpose of pursuing stem cell research**



**Testimony before the House Committee on Government Efficiency and Technology
Thursday, March 8, 2007**

**Legislative Briefing on Enhancing Medical Education and Life Sciences Research at
the University of Kansas Medical Center**

**By Barbara Atkinson, MD
Executive Vice Chancellor, University of Kansas Medical Center
Executive Dean, University of Kansas School of Medicine**

Slide 1

Chairman Morrison and Members of the Committee:

Thank you for this opportunity to appear before you today and share with you what I hope you will agree is a promising vision to move our state forward. This vision includes a goal I hope you share to enhance educational opportunities for the future doctors of Kansas, increase the number of doctors in Kansas and significantly expand our capacity to conduct lifesaving medical research which we know contributes to better health and a healthier economy. I am pleased to have with me today several members of our faculty including Dr. Roy Jensen, the director of the KU Cancer Center; Dr. Glen Cox, Vice Dean, School of Medicine and Senior Associate Dean for Educational and Academic Affairs; Dr. Kirk Benson, president of the Kansas University Physicians, Inc. (KUPI), and Senior Associate Dean for Clinical Affairs, and professor, Department of Anesthesiology; Dr. Doug Girod, treasurer of KUPI and Chairman of the Department of Otolaryngology; Dr. Chet Johnson, Chairman of the Department of Pediatrics; and Dr. William Gabrielli, Chairman of the Department of Psychiatry.

Since I became Dean in 2002, the University of Kansas School of Medicine has enjoyed tremendous growth and success as a result of a dedicated and passionate faculty, energetic and committed students, and the continued and emerging support of the legislature, community leaders, and private donors.

In the last several years, the State of Kansas has embarked on a quest to transform our economy through investment in the biosciences. Additionally, leaders in the Kansas City region have developed a shared vision for achieving competitiveness by investing in growing the life sciences. The convergence of all of these factors provide an unprecedented opportunity — an opportunity that I believe we must pursue vigorously.

I want to take just a few moments to let you know of the success the KU School of Medicine has achieved over the last several years.

Slide 2

In education, we continue to find ways to enhance opportunity for our students. We recognize that our students are the future physicians of Kansas, and we want to make sure they are prepared to work in the rapidly changing world of modern medicine. This year

*Attachment 2
GE+T 3-8-07*

we instituted a remarkable new curriculum in which students learn in teams, and the focus is on interactive learning environments — with much less emphasis on lectures. We have incorporated technology so each of our incoming students receives a tablet computer with their textbooks already loaded. This technology becomes the platform for new and better ways to learn medicine. This new curriculum represents many years of planning and required significant investment, but the early returns from our students tell us it was the right thing to do.

Slide 3

Our students continue to perform above national averages — for example, in 2005, the last year for which statistics are available, KU students passed the “Step One” examination on the first attempt 98% of the time, compared to a national average pass rate of 93%. When I became Dean, the pass rate for KU students was 91%.

Slide 4

We are also proud of a recent report that indicated the KU School of Medicine was ranked first among all U.S. medical schools in placing graduates in family medicine residencies. Because this area of practice is so critical to providing primary care to Kansans, we know that our number-one ranking makes a difference.

This photo is of Dr. Philip Stevens, who has been practicing family medicine in Tonganoxie since graduating from the KU School of Medicine in 1954.

Slide 5

Since becoming Dean, I also have emphasized the importance of growing the research enterprise, and I am pleased that our faculty are submitting more grant applications and better grant applications.

Slide 6

In fact, during my service as Dean, we have doubled the amount of funding our school receives from the National Institutes of Health, the gold standard in life sciences research. With an impressive growth of nearly 22% last year alone, we are on pace to double our NIH funding again over a five-year period. This increase was achieved even as overall NIH funding levels remained flat at the federal level. We achieved this success because we devoted considerable resources to recruiting research faculty. This job was made easier by the legislature’s decision to support building more world-class research facilities, including the new Kansas Life Sciences Innovation Center at the Medical Center.

Slide 7

We have also had tremendous returns on our efforts to grow the faculty. Last year, KUMC recruited 12 basic science researchers, six clinical researchers and 15 clinical practitioners. This year, we’ve already recruited 12 new clinical and research faculty members. Our recent growth has included some very well regarded individuals from places like Emory, Tufts and Duke. They came to Kansas because they recognized we

were poised to achieve great things.

In September of 2005, Elias Zerhouni, the director of the National Institutes of Health, came to the Medical Center. He said then that he came because there was a “buzz” about Kansas, and he wanted to check it out for himself. That buzz was created in part because of legislative action to establish the Kansas Bioscience Authority and thereby pump hundred of millions of dollars into expanding the biosciences in our state. It was also created by the tremendous progress of our school of medicine.

Slide 8

Much like the KU Hospital’s patient growth, we have also been able to achieve significant growth in the clinical practice of the school of medicine. While the KU Hospital is the place where patients who need inpatient care are treated, a great number of patients seen by a KU doctor are seen in our outpatient clinics in practices administered under the auspices of the university. Since I became Dean, revenue from this clinical practice has grown from \$77 million to over \$103 million. These resources have allowed us to expand and improve our clinical practice and enhance patient care.

I decided that the KU School of Medicine can and should be much more for the citizens of Kansas. We set in motion plans to create a National Cancer Institute-designated comprehensive cancer center for our state. I recruited Roy Jensen, who many of you know and who is here today, from Vanderbilt to lead that effort, and the Chancellor has declared this quest to be our university’s top priority. With the legislature’s help, we are now well on our way to achieving that goal.

Slide 9

When a blue ribbon task force of higher education leaders from around the country was asked to evaluate higher education in the Kansas City region on behalf of the Kauffman Foundation and the Greater Kansas City Community Foundation, it concluded that investment in the life sciences would achieve the best results and investment in the University of Kansas Medical Center was the best place to start.

The work of the blue ribbon task force, lead by former Yale University President Benno Schmidt, along with the Kansas City Area Life Sciences Institute and the Stowers Institute for Medical Research, helped shape the vision of creating a world-class academic medical center for our state and region at the University of Kansas Medical Center.

Slide 10

Currently, although we have enjoyed tremendous growth in external research funding, the KU School of Medicine ranks 81st out of 125 U.S. medical schools in NIH funding. I consider that ranking unacceptable. Our goal, and one supported by the blue ribbon task force, is to achieve top-50 status. This is an lofty goal — but one that, based on recent performance, is achievable.

The benefits would be immense. Not only would we achieve the humanitarian benefits of creating new knowledge, cures and treatments, but the economic vitality of our state would be enhanced as well. It is currently estimated that the economic impact of our state's academic medical center is about \$1.3 billion. That is an impressive number. Compare that, though, to the \$4.1 billion impact the University of Iowa's academic medical center, now ranked 30th nationally in NIH funding, produces for its state.

Slide 11

While much of what has been written about the affiliations involves competition among hospitals, I think such a focus misses the point. As an academic medical center we do not compete with other area hospitals; we compete with other academic medical centers in the U.S. We must do all that we can locally to position ourselves to be successful in this larger arena — where the benefits of success are far greater than those to be had by focusing on purely local health care markets.

Progress has been made, our state is well positioned, a vision has been articulated and the stage is now set to allow us to pursue our goal of becoming a top-50 academic medical center. It is with that in mind that we decided to reach out to Saint Luke's Hospital. We knew that their partnership would be extremely helpful to our quest to achieve NCI designation, we knew that their commitment to research could help propel our own efforts forward, and we knew that their community hospital would provide us with the opportunity to train more students with new opportunities to learn more.

Much has been written and said about the discussion currently underway between the University of Kansas Medical Center, the University of Kansas Hospital and Saint Luke's Hospital. I will acknowledge these discussions involve some very complicated issues, and it is easy to understand why some confusion exists. I hope that by my appearance here today and in responding to your questions we can put some of the rumors to bed and provide you with a basis to conclude that the reasons to support these partnerships are sound and in the best interests of Kansans.

So let me drill down on why we are pursuing a broader affiliation with Saint Luke's.

At its essence, our interest in pursuing a broader affiliation with Saint Luke's Hospital is really quite simple. First, let me address what the affiliation is, then let me address what the affiliation is not.

Slide 12

- This opportunity will allow KU to train up to 100 new doctors (with their education fully paid for by Saint Luke's) and provide us with the opportunity to train those doctors in more diverse clinical settings, thereby expanding their skills and knowledge. Since over half of all the doctors in Kansas were educated and/or trained at KU, we believe that by expanding the pool of KU-trained doctors we will also expand the number of doctors in Kansas.

- By entering into a research affiliation with Saint Luke's, we will have access to a broader base of patient cases. This will allow us to grow our clinical trials and translational research programs more quickly. This data will help speed the discovery of new treatments and cures.
- This affiliation will advance our goal of achieving NCI designation for our cancer center. To do this, we will need access to a multitude of doctors and patients to facilitate clinical trials. Community collaboration is a key component in every successful application to the NCI. Partnerships between the Medical Center and every research hospital in the region will help us reach this goal.
- This affiliation will generate significant private support for our medical school. To encourage regional cooperation, community leaders have secured pledges from leading area corporations and foundations to support our expanded research vision with \$150 million of support over the next ten years. This will help leverage limited state funds and help us achieve our goal of becoming a top-50 academic medical center. These funds will be used to build programs and recruit faculty — faculty that will successfully compete for grants and whose work will lead to new cures and treatments. This investment nicely complements the provisions of the Kansas Economic Growth Act which identified the recruiting of scientific talent to be among the keys to successfully growing the bioscience infrastructure of our state.
- In a nutshell, the affiliation means more doctors for Kansas, enhanced training for those doctors, and more research, which means more cures and new treatments and significant economic benefit for our state.

Now that you know why we would pursue this broader affiliation let me talk about how it would actually work.

Affiliations with numerous hospitals are nothing new to KU or to any major academic medical center. We have affiliation agreements with more than 35 respected Kansas hospitals, including our major relationships with the Veterans Administration hospitals in Kansas and Western Missouri.

Slide 13

In fact, we currently have broad affiliations with the two major competing Wichita hospitals, Via Christi and Wesley. It is more the rule than the exception that a major academic medical center will have more than one hospital affiliated with it for purposes of teaching and research.

Slide 14

And for years we have had an affiliation with Saint Luke's Hospital, and we currently maintain three residency programs with Saint Luke's. The current discussions only seek to expand this longstanding relationship.

Refer to and explain chart

And let me be clear, this affiliation is only for educational and research initiatives. There will be no affiliation for clinical care. The University of Kansas Medical Center and the KU Hospital will remain exclusively linked in the area of patient care.

We share a century of history, a campus, a faculty, a mission and a vision with the KU Hospital. Their success is our success. Our faculty are their doctors. To hurt them is to hurt us — and I won't allow that to happen.

Our hospital has enjoyed great success over the last decade. As a member of the hospital's board, I know firsthand the challenges we have faced and the work that has gone into improving the hospital's performance.

Today the KU Hospital's financial strength is impressive. With an approximately \$70 million bottom line, the hospital has been able to invest in major initiatives such as the acquisition of the old Sprint headquarters for use as the new cancer treatment center and new electronic medical record systems to improve patient outcomes and staff productivity. We believe that the KU Hospital is also now well positioned to enhance its investment in the education and research activities of the KU Medical Center.

The KU Hospital has built its brand on being part of an academic medical center — where teaching and research make the difference. We believe the time has come to enhance the authenticity of that brand by making it a reality.

We understand the KU Hospital's concern that if the KU School of Medicine and Saint Luke's Hospital were to enter into a broader affiliation it might dilute the KU brand. This fear I believe is unfounded. By agreement the KU Hospital is the only entity that can use the name of the University of Kansas in providing clinical care to hospital patients. The KU Hospital is the beneficiary of an agreement that gave them rights to the KU brand — an agreement they were not required to pay for — which will continue to run for another 24 years. No other hospital may use the KU name for clinical purposes, period. That includes Saint Luke's.

Slide 15

With that in mind let me be clear about a few things:

- We will not support any partnerships or affiliations detrimental to the future of the KU faculty physicians or the patients these men and women treat.
- We will not support affiliations that transfer Kansas taxpayer dollars to directly benefit Missouri-based institutions.
- We will not support any affiliations that reduce the number of resident physicians from KU serving in the KU Hospital.

- In fact, we expect to grow the number of residents at the KU Hospital with an agreement to add at least 25 residents.
- We will not decrease the residency slots in Wichita or Salina as a result of any affiliation with Saint Luke's.
- We will not support any affiliation that would compromise our commitment to train doctors for Kansas or serve indigent Kansans.
- These affiliations are not being pursued to provide KU-based researchers with access to Missouri-based locations for the purpose of conducting stem cell research.

Slide 16

We will keep the Kansas Board of Regents and the Kansas Legislature fully briefed on these affiliation discussions as we move forward — and at all times will welcome your feedback and look forward to addressing your concerns.

I am pleased to report that since you heard from Irene Cumming on Monday we have come a long way in our negotiations with the KU Hospital. While some details have yet to be worked out, I was pleased with the significant progress made on the major issues.

Let me stop now so that we have plenty of time for your questions. I appreciate your interest in these issues, and I understand their importance to our state. You should know that I am fully committed to achieving the KU Medical Center's mission of providing excellent educational opportunities, world-class research, exceptional patient care and outreach to benefit the citizens we both serve. Thank you for your partnership in our effort to achieve these goals. Your continued support and leadership make great things possible for all of us.