

Approved: March 23, 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 13, 2007, in Room 526-S of the Capitol.

All members were present except Representatives Tafanelli and Kelley, both of whom were excused.

Committee staff present:

Mary Galligan, Kansas Legislative Research
Tatiana Lin, Kansas Legislative Research
Renaee Jefferies, Office of Revisor of Statutes
Gary Deeter, Committee Assistant

Conferees appearing before the committee:

Dr. William Reed, Clinical Professor and Chairman, Department of Cardiovascular Diseases, University of Kansas Hospital Authority
Dr. Gregory Ator, Associate Professor and Chief Medical Information Officer, University of Kansas Hospital Authority
Dr. Louis Wetzel, Professor of Radiology, University of Kansas Hospital Authority
Dr. William Barkman, Associate Professor, Internal Medicine, University of Kansas Hospital Authority

Others attending:

See attached list.

The Chairman welcomed Dr. William Reed, Clinical Professor and Chairman, Department of Cardiovascular Diseases, University of Kansas Hospital Authority (KUH), who introduced the remaining conferees.

Dr. William Barkman, Associate Professor and Chief of Staff, Internal Medicine, University of Kansas Hospital Authority, referenced a letter the KU Hospital physicians wrote to Senator Barnett ([Attachment 1](#)) and then reviewed the concerns of the physicians regarding the imminent affiliation of the University of Kansas Medical Center (KUMC) with St. Luke's Hospital in Missouri ([Attachment 2](#)). He stated that the KUH's ranking among the nation's 130 academic hospitals has improved from 30th to 11th in quality of care, and the Hospital recently achieved the 99th percentile on the Press-Ganey Patient Satisfaction survey. Noting that the Hospital last year provided \$130 million in uncompensated care, 18% of which patients were Missouri residents, he said a survey of KUH physicians showed overwhelming opposition to an affiliation with St. Luke's Hospital.

Dr. Louis Wetzel, Professor of Radiology, University of Kansas Hospital Authority, continued the presentation by reviewing the level of excellence the KUH has achieved in recent years, calling it a "dramatic turnaround" reflected by the enthusiasm of the staff for quality care, research projects, and clinical excellence, achievements which make the Hospital a significant competitor in the Kansas City area. Addressing the importance of titles, he explained that St. Luke's Hospital wants stronger academic credentials and is willing to pay \$105,000 per resident to gain access to KU students, in the process giving St. Luke's faculty access to unmodified academic titles, which may or may not reflect merit or commitment. Answering a question, Dr.

CONTINUATION SHEET

MINUTES OF THE House Government Efficiency and Technology Committee at 3:30 P.M. on March 13, 2007, in Room 526-S of the Capitol.

Wetzel agreed that KUMC seemed to be selling its integrity and neutralizing the KUH brand identity. He added that the KUH physicians have been bypassed in the decision-making process.

Dr. Gregory Ator, Associate Professor and Chief Medical Information Officer, University of Kansas Hospital Authority, continued the presentation, commenting that KUH should be the lead hospital in achieving the National Cancer Institute (NCI) designation and that affiliation with St. Luke's creates a conflict of interest.

The conferees responded to Committee members' questions:

- It doesn't make sense to jeopardize the success of the KUH by aligning with a competitor; we don't have enough residents now, so why send them to another hospital.
- We see the deadline of March 31 as an unreasonable and arbitrary date. Even though we could obtain higher-paying positions at St. Luke's, we want to build excellence at KUH.
- Because all faculty appointments and funding must go through the Dean at KUMC, increasing the faculty and programs at KUH is restricted.
- Even if the affiliation is completed with St. Luke's, 85% of support for the KUMC will come through KUH; to consider all the factors of a ten-year future with a March 31 deadline seems irrational.

A motion was made, seconded, and passed to approve the minutes for March 7 and March 8. (Motion, Representative Sharp; second, Representative Mah)

Representative McLeland expressed concern that medical education and growth through the Wichita hospitals was being ignored. Representative Sharp distributed a letter from Dr. Michael Kennedy, Assistant Professor in Family Medicine, KUMC; the letter emphasizes increased involvement with Wichita and support for affiliation with St. Luke's (Attachment 3). She stated that it seems incomprehensible that KUMC would intentionally jeopardize the future of KUH and referenced a letter from KUMC faculty endorsing the affiliation (Attachment 4). Another member suggested perhaps the KUH physicians might develop more flexibility or be more proactive in offering a proposal to resolve the impasse. Another member commented that the presentation seemed to presume that the affiliation was not viable. Further member comments expressed hope that the Kansas entities involved could work together to arrive at a solution, that KUH would have more input into the process, and that the issues could be resolved without legislative action.

The meeting was adjourned at 5:08 p.m.

THE UNIVERSITY
OF KANSAS HOSPITAL
KUMED

March 5, 2007

Honorable James A. Barnett, Chair
Senator, State of Kansas
Chair – Public Health & Welfare
State Capitol, Room 120-S
300 SW 10th Avenue
Topeka, KS 66612

Honorable Senator Barnett and Kansas Senate Committee Members,

As officers of the Kansas University Hospital medical staff and as Clinical Faculty of the Kansas University School of Medicine, we are writing to express serious concerns regarding the proposed affiliation agreements between KU School of Medicine, KU Hospital Authority and St. Luke's Hospital. The Medical Staff/Clinical Faculty are the physicians who provide patient care at KU Hospital and do the clinical teaching of the School of Medicine. The Clinical Faculty clearly want to strengthen the School of Medicine and "Life Sciences" education and research in Kansas and greater Kansas City. To date, the planning and negotiation process for Affiliation and "Alignment" has not reflected a true partnership with the Clinical Faculty.

1. The KU Hospital Authority, created by the Kansas Legislature, has made dramatic progress in reversing the declining hospital operation and has steadily improved the quality of care to a nationally recognized level of excellence. The KU Hospital is an important asset to the School of Medicine and to the citizens of Kansas. Any effort to strengthen research at the School of Medicine and "life sciences" in Kansas (Kansas City) must not impede the growth and success of this thriving hospital enterprise. Lending or selling "academic credibility" to a major competitor may significantly impact the competitive hospital marketplace.
2. KU Hospital should have a leadership role in the National Cancer Institute designation effort. KU Hospital Authority has already invested heavily in rebuilding and strengthening cancer programs. Ninety-nine percent of medical staff surveyed believed that it was very important for KU Hospital to be the "flagship hospital" in National Cancer Institute designation. It has been reported that the KU School of Medicine has acknowledged KU Hospital will be the "flagship," however, it has not been formalized in the affiliation agreement.
3. The KU School of Medicine administration seeks to attain broader funding support for the School of Medicine through affiliations with other philanthropic, research, and clinical entities. These "corporate" affiliations have far reaching implications for the quality and integrity of the academic community. We are concerned that awarding of academic titles may be done for economic rather than academic merit; tenure track faculty may be replaced with part time "contingent" faculty for teaching; and residency programs may be encouraged to shift positions for economic gain.

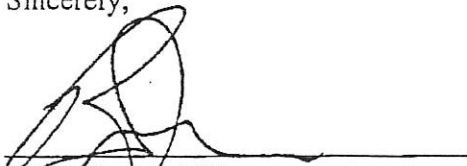
All of these threaten academic integrity, academic freedom, and the principles of shared faculty governance ascribed to by the Kansas Board of Regents. In the "letter of intent", the Dean reserves the right to grant unmodified faculty titles to St. Luke's Hospital medical staff "as appropriate". Typically, such non-geographic appointments would carry a modifier such as "adjunct" or "clinical" professor. In effect, there would be no discernable difference between a "professor" of medicine at KU School of Medicine/KU Hospital and a "professor" of medicine at KU School of Medicine/Saint Luke's Hospital.

Research. Should we fail to align the assets of our region to fully leverage the strengths of Stowers, we will seriously impede our ability to ever become a major life sciences center. If the affiliations KU now seeks are derailed it is likely Stowers will seek to partner with Washington University in St. Louis and their highly regarded school of medicine. To allow this resource to benefit a private, out of state medical school instead of our own KU School of Medicine would be a disaster.

We are proud of all that the KU School of Medicine has achieved for the citizens of Kansas. We are also excited about the opportunity for this medical center to achieve its goal of becoming a top fifty academic medical center. We hope you share our belief that new affiliations designed to enhance health, provide cures and new treatments and improve the education of health care professionals are worthy of your support.

Thank you for your consideration. We appreciate your service to the citizens of Kansas.

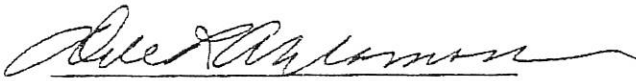
Sincerely,



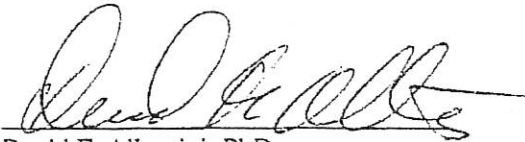
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Director, Kansas Masonic Cancer Research Inst.
William R. Jewell, MD, Distinguished
Kansas Masonic Professor



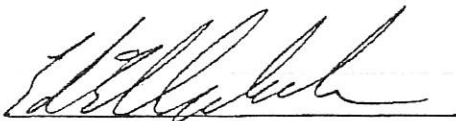
Paul Terranova, PhD
Sr Assoc Dean for Research & Graduate
Education
Office of the Executive Vice Chancellor



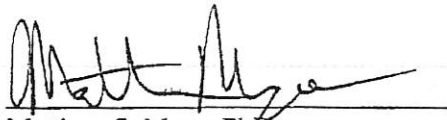
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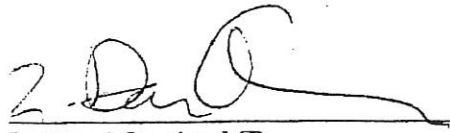
Edward Ellerbeck, MD, MPH
Professor and Chairman
Department of Preventive Medicine



Matthew S. Mayo, PhD
Director
Center for Biostatistics and
Advanced Informatics



Opendra Narayan, DVM PhD
Professor and Chairman
Microbiology, Molecular Genetics & Immunology



L. Darryl Quarles, MD
Professor/Director
The Kidney Institute

Thank You!

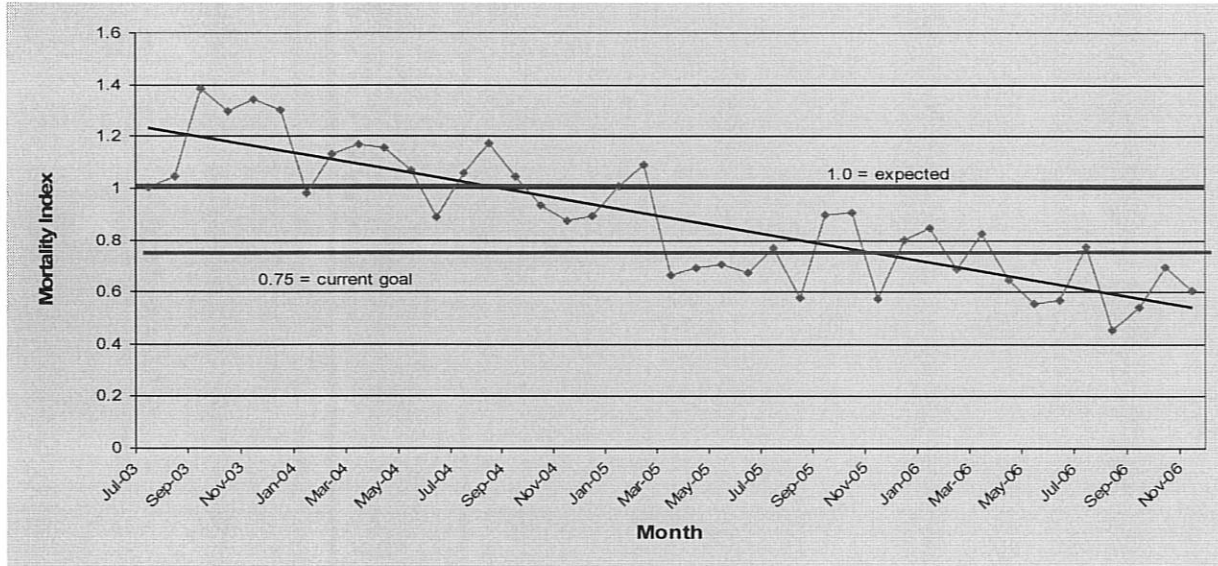
- Medical Staff Officers: William Barkman, M.D., Teresa Long, M.D., Mary Redmon, M.D., Michael Moncure, M.D., Pam Shaw, M.D., Kim Templeton, M.D.
- Ad Hoc Committee: Greg Ator, M.D., Bill Reed, M.D., Bill Jewell, M.D., Charlie Porter, M.D., *Lou Wetzel, M.D.
- The Medical Staff of KUH - The Clinical Faculty of KU School of Medicine

Attachment 2
GET 3-13-07

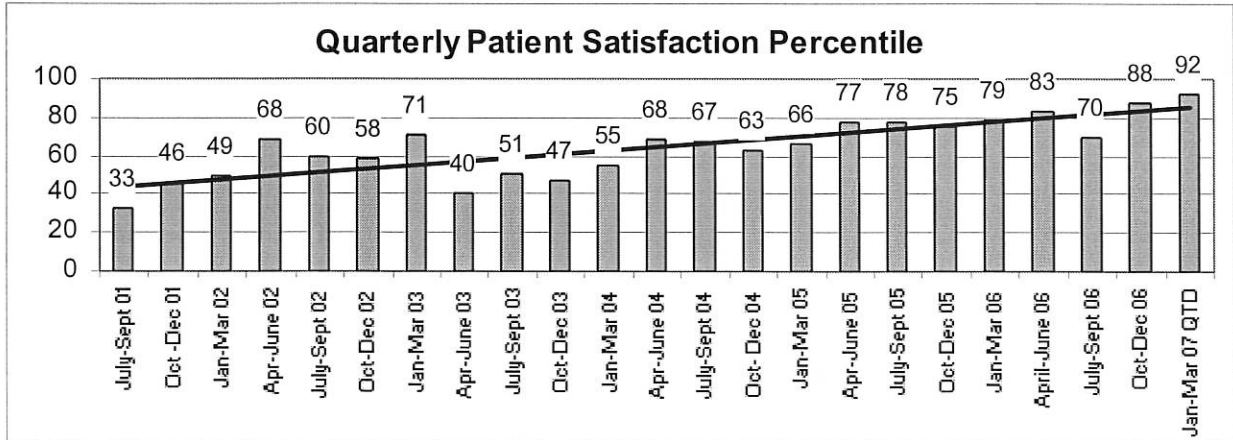
Performance at KU Hospital

- University Healthcare Consortium
(all academic hospitals in the nation)
- 11th - 2006 Quality and Accountability Scorecard
(surpassing UCLA, Stanford, and Johns Hopkins)
- 99th percentile Press-Ganey Patient Satisfaction locally

KUH Mortality Index



Press Gainey - Patient Satisfaction



Summary - Medical Staff Survey January 2007

118 ballots returned or 41% of the eligible members.

Question 1, Focus on original vision of research, inclusively:

87% Yes, 11% No, 2% undecided

Question 2, Graduate education affiliation discussion should be tabled:

81% Yes; 17% No, 2% undecided

Question 3, KUHA should be the primary hospital in the NCI designation:

99% Yes; 1% No

Question 4, KUHA should remain the primary teaching hospital for GME:

99% Yes; 1% No

Question 5, Our brand should not be extended :

91% Yes, 9% No

Question 6, Endorse the \$400 million dollar KUH proposal:

80% Yes, 20% No

Academic Medicine

- Clinical Service
- Teaching
- Research

1. The KU Hospital Authority has been a dramatic success!

- Reversed a declining hospital operation and steadily improved quality of care.
- Innovative partnership teams of physicians, nurses and administrators to improve care.
- Nationally recognized level of excellence

KU Hospital a Success

- An asset to the School of Medicine and to the State of Kansas (people of Kansas)
- An excellent Hospital provides an excellent “Classroom” for teaching medicine
- The hospital and it’s partner physicians provides the infrastructure for clinical research

KU Hospital a Success

- KU Hospital has become an excellent clinical, teaching, and research hospital
- Any affiliation should not impede the growth and success of this thriving hospital/clinical enterprise.

KU Hospital a Success

- Run like a business – answers to Board
- Makes money – providing ability to reinvest in infrastructure, improve, and grow

Problems: -Now a competitive player
-School of Medicine needs money for research goals

KU Hospital a Success

- Primary clinical competitor is Saint Luke's Hospital Main Campus
- Saint Luke's Hospital would like stronger academic credentials/better residents
- Teaching affiliation with SLH gives them better credentials and KU Academic Titles

2. Community Affiliations and Academic Integrity

- Academic credibility should not be sold
- Granting of unmodified KU Academic Titles to affiliated “faculty” without a record of service to the institution should not occur
- Corporate “deals” undermine the concept of “shared faculty governance” espoused by the Board of Regents

3. Affiliation planning and negotiation Process has not had adequate partnership with Medical Staff/Faculty

- Medical staff recognized as central to clinical and teaching operations
- Only Department Chairs and KUPI president involved in talks with SOM/KUH
- Faculty Council meetings cancelled
- “Open Forums” not a partnership
- Imposed deadline too short

4. KU Hospital should have leadership role in National Cancer Institute Designation Effort

- Vast majority of medical staff agree (99%)
- KU Hospital has strong cancer programs
- NCI designation will benefit multiple community hospital partnerships (Kansas Cancer Alliance)
- Saint Luke's Hospital has only minor clinical cancer operation

5. Methods to Track Affiliation Success/Failure

- No benchmarks for impact on clinical operation
- Must be legal means to quickly terminate agreement if detrimental before irreparable damage
- Saint Luke's has poor track record of partnerships in community

6. Conflicts of Interest

- Leaders of community “philanthropic” and business entities have longstanding vested interests in Saint Luke’s Hospital
- Corporate and Foundation Board “Crossover”
 - Stowers
 - St. Luke’s Hospital Board
 - Cerner
 - Midwest Research Institute
 - Hall Family Foundation
 - Kansas City Life Sciences Initiative
 - Greater Kansas City Community Foundation

7. KU Hospital has limited “margin” for downturn

- Still a relatively “new” business venture
- Legacy of “deferred maintenance”
 - Basic infrastructure still rebuilding - \$90 million since 1999
 - Power plant - \$17 million
 - HVAC - \$60 million
 - Land acquisition, etc.
- Many demands for revenue
- Provision of increasing non-reimbursed indigent care (\$95 Million FY06)

Summary

- KU Hospital and KUMC are valuable assets of Kansas, and we want both to be excellent
- We believe an outstanding clinical enterprise should be the “classroom” for strong medical education and provide the infrastructure for excellent clinical research

Summary

- We must maintain an excellent teaching hospital for the citizens of Kansas, and through diverse funding sources increase NIH funded research at KUMC and attain National Cancer Institute Designation

State of Kansas
House of Representatives

REPRESENTATIVE, 17TH DISTRICT
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STATE CAPITOL
ROOM 110-S
TOPEKA, KANSAS 66612
(785) 296-7654
(800) 432-3924
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E-mail: vote@stephaniesharp.com



TOPEKA

STEPHANIE SHARP

COMMITTEE ASSIGNMENTS
VICE-CHAIR: GOVERNMENT EFFICIENCY
AND TECHNOLOGY
MEMBER: COMMERCE AND LABOR
TRANSPORTATION
SERVING LENEXA AND SHAWNEE

From: Michael Kennedy <MKENNEDY@kumc.edu>
Date: Thu, 08 Mar 2007 12:10:14 -0600
To: Stephanie Sharp <vote@stephaniesharp.com>
Subject: Re: KU Med affiliation

Rep Sharp:

Thanks for asking about this.

I have had multiple discussions with the executive branch at the medical school. It is very clear from those conversations that the last thing we want from this affiliation is any reduction in either the number or quality of medical students going to Wichita. In fact, the ultimate goal is to eventually increase the number of slots available for students and residents for training in Wichita. One of the goals of this affiliation is to provide the kind of support needed to allow an increase in the total number of slots for both campuses. This would be phased in over the next 10 years.

Barbara Atkinson has assured me that she intends to provide incentives to attract more students to Primary Care, Family Medicine and Rural Medicine. She has told me that this would likely include strengthened salaries for residents choosing these training programs. Financial support from the affiliation will provide the resources that could, in part, support these new incentives. Increasing the number of students in medical school will require an increased investment from the state, as well. The recently completed but not yet published Kansas Physician Workforce Report (should be out in the next week or so) helps to define the future projections for physician supply for the state. In that report is a recommendation that we will need to increase both Graduate and Undergraduate Medical Education in Kansas.

There is a recent re-enforcement in the commitment to train primary care physicians for Kansas. The Dean of the Medical School in Wichita and the Dean/EVC have formed the Deans' Kansas Primary Care Education Enhancement Task Force with representation from both campuses to make recommendations on ways to enhance primary care education at the medical school. The report from this task force is due August of 2007.

KUH has proposed increased GME funding and increased resident slots. With this affiliation the plan is to grow 200 new residency training positions over the next 10 years. Multiple studies looking at where doctors practice in relationship to where they did residency show that most doctors are in a practice similar to the geographic location in which they did residency. Increasing the number by this amount in the area will increase the number of doctors practicing in Kansas. Increasing the number of resident positions in Wichita will increase the number of doctors practicing in that geographic area. A survey of the residency graduates from the last 10 years shows that of the primary care residents that remained in the state to enter practice, 32% from KC and 46% from Wichita entered a rural practice.

Attachment 3
GET 3-13-07

Bottom line...affiliations that allow increased monetary support to grow the educational and research missions of KUMC will allow the increased support needed for renewed emphasis in Primary Care Education. Primary Care doctors trained in the state tend to remain in the state. Both Wichita and Kansas City will benefit in the number of doctors trained in these regions. Rural areas of the state will benefit. I have personal assurance from Dr. Atkinson that the Primary Care Mission of KUMC (both campuses) will be fulfilled and further that in the near future it will be enhanced.

As the Assistant Dean for Rural Health Education, I am very encouraged by the potential presented through this affiliation with St. Luke's.

Sorry, that was more than a paragraph. Please feel free to share this E-mail with anyone you like.

Again, thanks for asking for my input. I hope this answer helps and if you have any questions please feel free to ask. I can meet with you anytime to talk about this more if you wish.

Mike

Michael L Kennedy, MD
McCann Professor in Rural Health
Assistant Dean of Rural Health Education
Assistant Professor in Family Medicine
Univ of Kansas School of Medicine
Department of Family Medicine
3901 Rainbow Blvd
Kansas City, Kansas 66160
(913) 588-1900

Dear Kansas Legislator:

We eagerly embrace the opportunity to forge a vibrant future for our state and region through the expansion of the life sciences. The State of Kansas has articulated an aggressive agenda to transform our economy by investing in and growing our state's capacity to conduct leading edge scientific research. The humanitarian and economic benefits of this targeted strategy are immense. This promising agenda requires that all of us think in new ways about how we can advance the expansion of research opportunities in Kansas. We believe that to fully leverage the opportunities before us we must be willing to partner with collaborators who share our passion for discovering new knowledge and who have the capacity and willingness to invest in the work necessary to achieve scientific breakthroughs.

We believe that the efforts currently underway to broaden the KU Medical Center's affiliations with area hospitals will accelerate our state's efforts to become a leader in the life sciences. We endorse these efforts and we support the leadership of the Medical Center for pursuing these alliances.

We are humbled by the role this academic medical center and its faculty have been asked to play as our state and region looks to us for leadership in moving the life sciences initiative forward. As leaders we have an obligation to pursue those strategies necessary to ensure our success. We firmly believe that the task of transforming our state's economy will not be a success in the absence of broader affiliations and collaborations with other valued life science institutions and hospitals.

The affiliations currently being finalized include the commitment from corporate and private donors for a significant influx of philanthropic support to further our educational and research mission. This philanthropic support is essential if we are to achieve our stated aspiration to become a top fifty school of medicine. These funds and others generated from our hospital partners will fuel our success in recruiting world-class faculty researchers and clinicians. This in turn will allow us to significantly expand our basic, translational and clinical research programs. More cures, better treatments and healthier patients will result. The health of the economy will also improve.

For our state's vibrant life sciences aspirations to be achieved we believe that the KU Medical Center must seek out new partners and strong education and research affiliations. We urge the support of the Kansas Legislature as the leadership of the medical center engages in this important initiative.

While we believe there are significant benefits to be achieved through broader affiliations, we also believe there is much to be lost if we choose not to pursue them. We are competing on a global stage--and many communities, states and regions are engaged in the quest to compete in the new knowledge economy. If we choose to stand still they will pass us by. Kansas is fortunate to have an academic medical center that is closely aligned with one of the most generously endowed private medical research institutes in the world, the Stowers Institute for Medical

Attachment 4
GE+T 3-13-07

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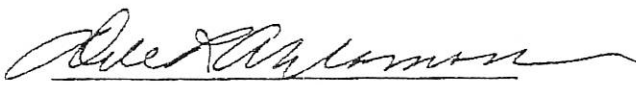
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Roy A. Jensen, MD
Director, Kansas Masonic Cancer Research Inst.
William R. Jewell, MD, Distinguished
Kansas Masonic Professor



Paul Terranova, PhD
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Office of the Executive Vice Chancellor




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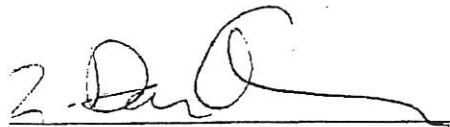
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Professor and Chairman
Department of Preventive Medicine



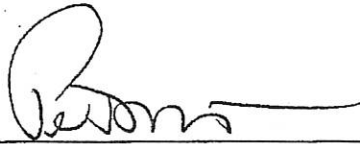
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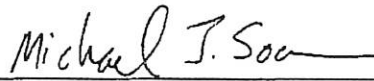
Opendra Narayan, DVM PhD
Professor and Chairman
Microbiology, Molecular Genetics & Immunology



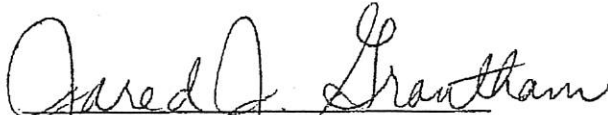
L. Darryl Quarles, MD
Professor/Director
The Kidney Institute



Peter G. Smith, Ph.D.
Director, R.L. Smith Mental Retardation &
Developmental Disabilities Research Center
Professor, Molecular & Integrative Physiology



Michael J. Soares, Ph.D.
University Distinguished Professor &
Director, Inst. of Maternal-Fetal Biology
Div. of Cancer & Develop. Biology
Professor of Pathology & Laboratory Medicine



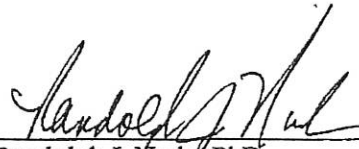
Jared J. Grantham, MD
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William (Bill) Brooks, PhD
Director
Hoglund Brain Imaging Center



Chris Crenner, MD PhD
Department Chair, Professor
History and Philosophy of Medicine



Randolph J. Nudo, PhD
Director, Center on Aging
Aging, Center on (Landon Center on Aging)



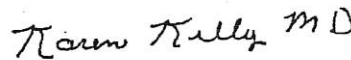
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Karen Kelly, MD
Deputy Director
Kansas Masonic Cancer Research Institute