



NEWS RELEASE

BUFFALO, N.Y. (Monday, June 23, 2008) – ECMCC, the University of Buffalo, Kaleida Health and the Western New York Healthcare System (“NewCo”) today announced a settlement over the recent litigation regarding the implementation of the “Commission on Health Care Facilities in the 21st Century,” also known as the Berger Commission.

The parties appeared in front of New York State Supreme Court Judge John M. Curran. Details of the settlement, which needs to be approved by the New York State Department of Health, include:

- ECMCC has agreed to sign an amended memorandum of understanding (MOU) and statement of principles. The MOU and the statement of principles are a binding commitment by the parties to create unified governance as outlined by the Berger Commission.
- A physician steering committee for clinical service line planning will become an integral part of the Western New York Healthcare System process. This will include both university and private practice physicians who will be involved in the decisions surrounding development or transfer of clinical services as well as facility planning and the certificate of need process.
- ECMCC and the County of Erie will drop the litigation and injunction against the New York State Department of Health, Western New York Healthcare System board as well as Kaleida Health. The results of these actions will mean that all of the Berger reform and consolidation efforts will now continue, including the \$65 million HEAL-NY grant to integrate Buffalo General and Millard Fillmore Gates Circle Hospitals as well as plans to create a global vascular facility on the Buffalo Niagara Medical Campus.

In recent days, over a dozen physicians affiliated with both health systems intervened and assisted in mediation with Judge Curran.

The physicians worked throughout the weekend to ensure an agreement could be reached among the parties. They include Drs. Yogesh Bakhai, Larry Bone, Merrill Dayton, Steve Dubovsky, Evan Evans, James Evans, Kevin J Gibbons, Katie Grimm, James Reidy, Alan Saltzman and Stanley Schwartz.

Unified governance (the Western New York Healthcare System board) will focus a process that will create a truly integrated health system with a vibrant ECMCC campus along with the Kaleida Health campuses. Just as important, it will optimize and integrate physician training as well as advance clinical research.

While not a full-asset merger, it is the beginning steps of a commitment to get Erie County taxpayers out of the health care business. State legislation is still necessary to accomplish County Executive Chris Collins' goal of "protecting county taxpayers." This would include modifying the public benefit corporation law to allow ECMC to be subordinate to the Western New York Healthcare System.

As these necessary steps are undertaken, Kaleida Health and ECMCC will continue to operate as separate organizations with no immediate changes relative to their respective employees, services or programs.

The immediate priority of ECMCC and Kaleida Health is to ensure that each organization's fiscal integrity remains intact as the due diligence and planning is undertaken.

Media Contacts:

Tom Quatroche (ECMC) 898-5503

John DellaContrada (UB), 645-5000, ext 1409

Michael P. Hughes (Kaleida Health), 859-3795