

What follows are the statements read by Norton Healthcare CEO, Stephen A. Williams and Steven Hester, MD, MBA, Chief Medical Officer, Norton Healthcare during a media briefing 8/28:

Last week, Kentucky's only two children hospitals – Norton Healthcare's Kosair Children's Hospital and UK HealthCare's Kentucky Children's Hospital – announced our intent to join forces to better meet the very real health care needs of our state's 1.1 million children. We know that by working together we can lean on each other's strengths, be better stewards of our resources, and improve the care offered to children across Kentucky.

Frankly, this is a common sense approach to taking care of our kids during this time when money is tight and the needs are so great. **This is the right thing to do.**

However, since our announcement, we have watched with great disappointment as the University of Louisville has searched for every conceivable roadblock to stop this great partnership and to frustrate plans that will better serve Kentucky's children. **We will not let that happen.**

What we announced last week was the signing of a Letter of Intent. It is our **intent** to create a partnership. It is our **intent** to work together to develop a joint plan that will better serve Kentucky's kids. How it works, what we can accomplish together is to be decided. How can exploring this **intent** be a bad thing? **How can it be something to be afraid of?**

Now, in its latest act, the university **has issued an unfounded threat to try to evict us** from the children's hospital we own. Not only is this threat without merit, it is a great disservice to the caregivers who serve at Kosair Children's Hospital and an irresponsible assault on the critically important subject of providing life-saving care to our state's children. **This will not prevail.**

It appears U of L is trying to evict us from the children's hospital we built and own, then give control to CHI, a Denver, Colorado-based health care system, as they did with their University Hospital last year. In fact, the affiliation agreement signed between the University and CHI last year gives CHI the right to take the entire pediatric care relationship from Norton at a time of their choosing. Based on the immediate and explosive reaction from U of L to the two children's hospitals agreeing only to discuss methods of collaboration, one has to wonder if our announcement interrupted an immediate or long term strategy between U of L and CHI. **We will vigorously defend local control of children's hospital care in Louisville.**

Norton Healthcare has been a trusted steward of children's hospital care in Louisville since 1892. We have invested more than \$500 million in Kosair Children's Hospital in

our years of service there.

We have met every single financial and contractual obligation to the university and we will continue to do so.

To be clear: The relationship between Kosair Children's Hospital and the university is very important and good for Kentucky's kids. The university and its physicians do great things in pediatric care in Louisville and across the region. They are great doctors and we fully expect our relationship with them go forward.

I know this collaboration with Kentucky's Children's Hospital will enhance the impact the university pediatricians have across the state. They should be excited to be part of it. It's good for Kentucky's children and it's good for the university. **It has always been our intent for the university to be part of this important conversation. How could it be otherwise?**

This partnership between the state's children's hospitals is the right thing for Kentucky's children and all the families we serve. We're excited about it, are committed to it, will fight for it, and we will certainly fight to keep the children's hospital that we built and own.

The following is a media statement from Steven Hester, M.D., MBA, chief medical officer delivered during the same media briefing:

It's critically important in today's discussion that we keep our state's 1.1 million children top of mind. They need us to be thinking of them first in every decision we make to collaborate for children.

As Chief Medical Officer, a pediatrician, and graduate of the pediatric training program, Kosair Children's Hospital has a special place in my heart. For over 100 years the care of children in this region has been delivered by a community of providers – a community of individuals in private practice, University of Louisville faculty, and volunteer physicians.

The University of Louisville suggests Kosair Children's Hospital should be only for the benefit of the University of Louisville based on their interpretation of a legal document. Kosair Children's Hospital is operated for the benefit of children. Currently 70% of the medical staff at Kosair Children's Hospital are non-University employed physicians. Collaboration can improve the health of our children. The opportunity at hand is to improve the care of children not only in this region, but across the state with a broader relationship.

Kentucky has one of the highest rates of pediatric obesity in the nation and one of the highest percentages of children who smoke. Our kids suffer from diabetes and asthma at abnormally high rates.

Because Kentucky ranks among the worst in the country in terms of childhood poverty, our children may not be getting access to the health care they need when they need it. **They need us.**

Working with Kentucky Children's Hospital and the University of Louisville, **we can** develop a more comprehensive statewide children's hospital network to make sure every Kentucky family has access to top quality care for their children.

We can recruit more pediatric specialists – and increase the kinds of pediatric specialty services offered -- at each children's hospital.

We can develop a statewide system of care for all medically-complex pediatric patients, including high-cost cases for Kentucky's Medicaid program.

It's exciting to consider what is possible for Kentucky's children when we think about what we can accomplish by working together. **We can do more together than we can apart.**

So, as a physician, it baffles me that the University of Louisville would stand in the way of this partnership, particularly when it has the promise of so many benefits that could eventually aid their own physicians and programs.

I would ask that you not forget the children who are at the heart of this matter. They need all of us. We know this is the right thing to do.

During the August 28 meeting with reporters, Norton Healthcare leaders emphasized five primary points:

- This announcement regarding the state's two children's hospitals agreeing to work together is about improving children's care in Kentucky.
- We have only signed a letter of intent, which means we are at the beginning of a process to have discussions to discover ways of working together. There are no signed agreements or contracts at this point, and we are entering a stage of collaborative discussion with multiple potential participants.
- We have and will continue to meet all of our contractual obligations to the U of L School of Pediatric Medicine, and continue to honor our affiliation agreement currently in place just as we have for decades.
- It appears U of L wants to attempt to have us evicted from the children's hospital

we built and own, then give control to CHI, a Denver, Colorado-based health care system.

- Based on the immediate and explosive reaction from U of L to the two children's hospitals agreeing only to discuss methods of collaboration, one has to wonder if our announcement interrupted an immediate or long term strategy between U of L and CHI.