

From: Mans,Gary J

Sent: Friday, January 24, 2014 3:45 PM

Subject: statement from David L. Dunn, MD, PhD, executive vice president for health affairs at the University of Louisville

On Wednesday, the University of Louisville suggested to Norton Healthcare that both organizations meet face-to-face with the Governor and Attorney General to hammer out a fair agreement that's in the best interests of Norton, the University of Louisville and, most importantly, the children who are served by Kosair Children's Hospital.

Norton has rejected this offer. UofL's invitation came after Norton on Tuesday walked away from the negotiating table for the second time in less than a week.

In addition to seeking an impartial voice in negotiations, it is imperative to include state officials in the discussions because the property on which Kosair Children's Hospital sits is owned by the taxpayers of Kentucky.

Last Friday, we made major strides toward a new agreement for the future operation of Kosair Children's Hospital and had scheduled a face-to-face meeting with Norton on Tuesday morning to work out a definitive agreement. This progress led us to believe that an agreement was imminent which is why we were shocked to learn again that Norton was walking away from the negotiating table with the University of Louisville.

While nearly all of the primary business issues have been agreed to by both parties, Norton continues to press UofL for amendments to the taxpayer owned state land lease for Kosair Children's Hospital—absent input from the Commonwealth of Kentucky—that could put our Pediatric Department in extreme jeopardy. This is and will remain unacceptable to UofL.

Further, we discussed with Norton last Friday the need to build in mutual protections related to the proposed land lease amendment. It was patent that in the case of Norton's requested sequential litigation concerning potential breaches of the land lease, that UofL would need financial protections, as we had previously discussed and agreed upon. And, UofL made it very clear to Norton the need to involve the Commonwealth in any and all discussions relating to amending the land lease. This is taxpayer owned property and the taxpayer should be represented in any such decisions.

It is clear that Norton is significantly deviating from what was agreed upon, clearly attempting to obtain a land lease amendment absent protections for the UofL.

By declining our offer and their recent communications, Norton is clearly indicating they are once again refusing to negotiate in good faith, in fact being unwilling to negotiate at all. Unfortunately, Norton's actions are forcing a resumption of the legal process, which will include a counterclaim that formalizes Norton's breach of contract with UofL.

The consequences of Norton's actions run far deeper than pediatrics, threatening the very existence of all of UofL's educational and training programs at the Health Sciences Center.

For nearly 30 years, the City of Louisville has had a tradition of providing excellent care to children in a centrally-located, downtown facility. Walking away from these talks leaves us to wonder if Norton is attempting to move the safety-net services provided to the community's poorest, sickest children away from Kosair Children's Hospital to a far less convenient, but more profitable area.

To be clear, UofL remains committed to forging a long-term agreement with Norton for providing care at Kosair Children's Hospital. We are extremely disappointed with the actions of Norton officials because our sole purpose throughout this long negotiation process has been continuing to provide the best possible care to children today and into the future.

Gary Mans, Director
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