

UNIVERSITY MEDICAL CENTER, INC.

Minutes of Meeting

Name of Group: Ad Hoc Operations Review Committee of the Board of Directors

Date, Time, Place: March 12, 2012; 3:30 p.m.; University of Louisville Hospital (ULH)

Present: **Committee members:** chair Rounsavall; director Coleman; advisory director Boden; Hayes and Heslen
Others: Jerry Miller for committee member King; CEO Taylor; counsel Elliott; staff Keadle, McArthur, and Racine
Guests: Craig Anderson, Danny Brywczyński, and Jim Yanci of Dixon Hughes Goodman
Public: Peter Hasselbacher, Phil Lynch, and Kenneth Zegart

Absent: Committee members Anderson, Dunn, Johnson, and King

I. **Minutes of 2/21/12 Meeting** - The minutes were approved.

II. **KaufmanHall Work**

Mr. Taylor elaborated on his e-mail to the committee last week that as KaufmanHall is updating their 2008 report of UMC's financial future and ability to access capital, they have also begun working for the Baptist System as Baptist contemplates responding to a joint UofL/UMC request for proposal. Mr. Taylor noted that UMC's concerns for this apparent conflict had been expressed. KaufmanHall, however, believes no conflict exists and intends to continue working with the Baptist System. Mr. Taylor also noted that KaufmanHall has said no charge for KaufmanHall work done to date would be made if UMC ends their engagement.

Mr. Taylor relayed the perspectives of absent committee members Anderson and Dunn, and Mr. Anderson of Dixon Hughes Goodman (DHG) summarized "the industry norm" in such a situation. After discussion of potential options as well as possible public perception of the process and outcome of the UofL/UMC RFP, the committee ***VOTED*** unanimously to discontinue the engagement with KaufmanHall and to add the financial study to the DHG engagement.

III. **Dixon Hughes Goodman (DHG)**

Craig Anderson, Danny Brywczyński, and Jim Yanci of DHG reviewed an operational assessment approach, hypotheses regarding their engagement with UMC, and a draft work plan summary. Committee feedback on the documents was provided, and key stakeholders to be interviewed by DHG were identified. It was noted that the last week of the proposed time table meets the committee's requested time frame, but because it is Kentucky Derby week, that time frame will slip by one week.

DHG will provide Mr. Taylor two letters of intent, one for the operations review and one for the financial review, within the next ten days.

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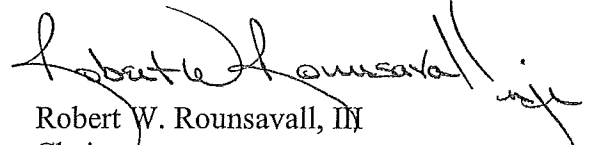
- IV. **Going Forward** - The committee agreed to meet again in three weeks for an update from DHG.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Norma Racine
Secretary

Approved by:


Robert W. Rounsavall, III
Chair