

**Memorandum**

**DATE:** October 16, 2007

**TO:** Members of the Kansas Board of Regents

**FROM:** Robert E. Hemenway, Chancellor

**SUBJECT:** Research and Education Agreement between the University of Kansas and Saint Luke's Hospital of Kansas City

I submit for your consideration an agreement between the University of Kansas Medical Center and Saint Luke's Hospital of Kansas City, which was finalized today. I am also attaching an executive summary of the agreement.

This agreement is the result of months of negotiation focused on how to best to elevate the life sciences in our state and region, and thereby realize the clear benefits to the citizens of Kansas to be achieved from enhanced education and research affiliations among leading health science institutions in our region.

This agreement provides a framework to assist the university in three critical areas:

- Our pursuit of National Cancer Institute designation and advanced cancer research;
- Advanced medical research opportunities for our faculty that will further efforts in breakthrough drug development and other medical discoveries; and
- Enhanced venues for teaching more medical residents and educating more doctors for Kansas and the region.

I ask that the Board consider and approve the agreement. Additionally, I request that the Board direct the university to continue to work toward the goal of achieving the next step in this process, a new affiliation agreement with the University of Kansas Hospital.

With your approval of the attached agreement we will have concluded the first phase of an anticipated three-phase process.

The first phase is represented by this agreement with Saint Luke's Hospital, an agreement limited to expanded research and education affiliations.

The second phase of this process is a new affiliation agreement with our primary teaching hospital partner, the University of Kansas Hospital. Currently, negotiators for the university, hospital and the physician practice plan (Kansas University Physicians, Inc.) are actively engaged in crafting such an accord. While these negotiators have identified more than 100 issues to resolve, progress is being made and the leadership of both institutions is committed to reaching an agreement soon.

Phase three of this process involves resolving issues related to how Saint Luke's Hospital and the University of Kansas Hospital will participate in the University of Kansas Cancer Center. As we work toward NCI designation, the university hopes to benefit from the support and participation of a robust network of health care institutions and providers. To accommodate that participation we have created the Midwest Cancer Alliance and are now actively seeking to recruit such a network.

Clearly, the participation of major research hospitals such as those in Kansas City and Wichita will form the foundation upon which clinical research opportunities in cancer can be pursued. While the agreements in phase one and two of this process have not addressed cancer center-related issues, we anticipate addressing these issues in an agreement with the University of Kansas Hospital and Saint Luke's Hospital of Kansas City. There is the possibility that this agreement would be a three-party agreement involving KU and both hospitals. I anticipate it will be several months before these issues will be ripe for resolution but I can assure you the leadership team of our cancer center and the hospitals are actively engaged on these issues.

As you consider this process I hope you will be reassured by why we have chosen this path. Our state needs more doctors, and that need will only grow over the next several decades. By providing a framework to expand graduate medical education we create the opportunity to produce more KU-trained physicians. We know that the place where young doctors complete their residency is a good indicator of where they will eventually choose to practice medicine. This is good for Kansas.

We also know new opportunities are emerging in translational and clinical research. This research is designed to speed the delivery of new discoveries in the laboratory to the patient. KU is well-positioned to leverage the basic science discoveries of the Stowers Institute for Medical Research and we are creating a leading center for drug discovery and development. Collaborations with other institutions will add even greater momentum to this effort and enhance the possibilities for even greater gains for patients. This too is good for Kansans.

We stand at the edge of a new frontier in medicine. The opportunities are tremendous and Kansans should look to our medical center to forge the relationships necessary to

take full advantage of these opportunities. This agreement is an important first step toward that goal.

While the agreement with Saint Luke's Hospital does provide a commitment for unrestricted financial support from the Hospital to KU, the agreement is essentially a framework to allow, not mandate, additional collaborations. The collaborations among scientists will occur when the researchers involved see potential opportunities and choose to work together and the creation of new residencies will occur when educational priorities can be achieved by expanding the number of residents in a particular department.

We are also proud of the hundreds of affiliation agreements we have with hospitals all across our state. KU has never pursued its mission solely within the four walls of the university. Indeed, as a result of outreach and service priorities we have links to nearly every county in Kansas. We value our relationships with Kansas hospitals and clinics, because they provide enhanced opportunities for our students to learn and they provide important portals for the deliver of advanced care and outreach. While the Saint Luke's affiliation discussions have been the subject of greater public attention, I would not want you to overlook the many collaborators that contribute to our success.

A preliminary version of the attached agreement was shared with the members of the University of Kansas Hospital Authority Board of Directors at their last meeting. A copy of this final agreement will be shared with them as well.

I look forward to discussing this agreement with you during the Board's meeting later this week.

Copy: Reggie Robinson, President and CEO, Kansas Board of Regents

Attachments: Executive Summary of Agreement  
Copy of Proposed Agreement between the University of Kansas and Saint Luke's Hospital of Kansas City