

KEEPING INFORMED

YOU *from Jim Kaskie*



New year brings new opportunities

Greetings and Happy Year. As we move into 2012 and navigate another unpredictable Western New York winter weather season, I want to update you on the significant Kaleida Health momentum and change that is underway.

We all know what a difficult year 2011 was. Continued fiscal pressures and cuts from Albany, Washington, D.C., and our private payers, a very weak economy and a flat healthcare market contributed to a twelve months that we are all glad are now behind us.

What last year taught us, however, is we are in a new reality. In order to meet the community's needs, as an organization of 10,000 strong, we must be able to adapt to the massive amounts of change that is forced upon us.

Kaleida Health, its physicians, its employees and our related services are essential to the community. The challenge is finding the right level of service and care with the proper infrastructure to meet the community's needs. In 2012, we are doing just that.

“It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change.”

– Charles Darwin

I recently came across a quote that is most appropriate for health care and our organization.

Charles Darwin

was a British scientist who laid the foundations of the theory of evolution and transformed the way we think about the natural world. He is most known for his written and controversial work of 1859 “On The Origin of Species.”

About adaption, he once said, “It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change.”

The ones most responsive to change. Those are very powerful words.

If you look at the history of Kaleida Health, from its inception as a consolidated system in 1998, to the turnaround in the 2000's, to today's transformational agenda, we have demonstrated the ability to change and adapt in the way we provide care, take care of patients and do business.

We must continue to do just that moving forward. Every site – from hospitals, to long-term care, to the VNA and labs – is embracing a new

way of delivering care for our patients. Consider just a few of the items that we are currently tackling:

Buffalo General:

Recently renamed the Buffalo General Medical Center to truly reflect the complex services and activities



that take place there everyday. Renovations and employee integration are two major initiatives underway in preparation of the opening of the Gates Vascular Institute (GVI).

DeGraff Memorial: Under the direction of Kenneth Garbarino, M.D., the Geriatric Ambulatory Program is specializing in the care of patients over



the age of 70, with an emphasis on those dealing with complex medical issues and/or memory loss; this is the first of its kind in Western New York.

Gates Vascular Institute:

In about 50 days from now, the GVI will open creating the preeminent and consolidated center for stroke, cardiac



and vascular procedures. Construction is wrapping up and the moving plans are being finalized.

Millard Fillmore Gates Circle:

The wind down of this community



treasure has begun. While extremely difficult, we are working through employee

placement from Millard Gates to the GVI and other locations across Kaleida Health.

Millard Suburban:

Suburban achieved six major quality



designations in 2011; the strategic planning process is now underway to determine the next evolution of the northtown's clinical hub.



Visiting Nurses Association:

The growth of home care

continues as the VNA was recently selected as the provider of choice to purchase the Steuben County home care program.

Kaleida Health Laboratories:

The labs are planning to grow their Outreach Testing Service by adding Patient Service Centers and new key diagnostic tests using advanced molecular methods.



Also, the labs in Buffalo General are

undergoing a lean based redesign to better serve the Buffalo Niagara Medical Campus (BNMC) with broader test availability and enhanced service levels.

Ambulatory Care:

The staff, managers and physicians of the Diabetes-Endocrinology Center of WNY, currently located at Millard Fillmore Gates Circle Hospital, are working together to relocate services in April 2012. The team is committed to ensuring a timely and smooth transition of services to 115 Flint Road, Williamsville.



Women & Children's Hospital of Buffalo:

Progress continues on the physician-led plan to build a new ambulatory care center and new hospital on the BNMC. Architect selection and municipal planning decisions are underway.



In other news across the system:

Vari Announces Retirement; Klass Named Successor

As you may have heard, Connie Vari, DNP, MBA, RN, Kaleida Health's Executive Vice President and Chief Operating Officer, has announced her retirement, effective April 1, 2012. The opening of the Gates Vascular Institute this spring will cap her 35-year career with Kaleida Health.



Cheryl Klass, Senior Vice President of Operations, will lead the next chapter for us at "Engine One," overseeing Buffalo General, the Gates Vascular Institute, HighPointe on Michigan as well as Women and Children's Hospital and its eventual move to the Buffalo Niagara Medical Campus.



Connie has been a tremendous leader at Kaleida Health, and its predecessor, Millard Fillmore Health System over the years. Her track record speaks for itself. She and I will work closely over the next 90 days to ensure a smooth transition and no interruption of our momentum on the campus.

Connie's retirement from Kaleida Health in April does not impact or change the organization's recent restructuring of its management team. Cheryl will oversee Engine One and Don Boyd, the Senior Vice President for Network Development and Operations, will continue to oversee Engine Two which encompasses DeGraff Memorial Hospital, Millard Fillmore Suburban Hospital, the Kaleida Health Laboratories and the Visiting Nursing Association.

Continued Commitment

As I promised last year when we began sending KYI to you, I will maintain my commitment to provide timely and candid updates throughout the year. Thank you for your commitment to serve our community and meeting the needs of those seeking care.