UK HealthCare – Norton Healthcare Quality Collaborative

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October 2011

EXHIBIT A

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UK HealthCare and Norton Healthcare announced in November 2010 a collaboration to aggressively target access to high-quality health care for patients throughout the Commonwealth of Kentucky and beyond the borders.

The leadership teams of UK HealthCare and Norton Healthcare have been holding monthly steering committee meetings to identify strategic opportunities, while physicians from both organizations have begun developing systems of care for complex sub-specialty services, educational opportunities, and shared research interests.

In May 2011, the leadership of both organizations reviewed a proposal from a UK HealthCare / Norton Healthcare team of neurologists, neurosurgeons, and staff regarding creating a state-wide partnership around stroke, stroke awareness, and research. Leadership approved the concept and budget with the following charge: build a new organization which will promote improved quality of care in hospitals across the Commonwealth, improve awareness of complex health issues for consumers, and create a research platform for both organizations to engage stakeholders in all corners of the state. The first program of this new entity is the Kentucky Stroke Collaborative.

The following proposal recommends the creation of a new not for profit entity formed by the University of Kentucky and Norton Healthcare to carry out this mission.

The UK HealthCare – Norton Healthcare Quality Collaborative will form a 50-50 jointly owned and administered 501(c)(3) non-profit entity (the "Entity"), which will encompass all quality initiatives, leading with the "stroke collaborative" and research activity described below. Additional participants will be invited to participate contractually.

This quality collaborative will be governed by a board of directors, accountable for collaborative quality initiatives. UK HealthCare and Norton Healthcare will be the two members of the "Quality Collaborative" and will appoint its Board of Directors.

The Board of Directors will be responsible for the launch of the new Kentucky Stroke Collaborative. The Board will also identify and approve other areas of collaboration for advocacy, quality improvement, and research. Areas which may be considered include but are not limited to cancer, cardiovascular disease, disease prevention

strategies and public health advocacy, and women's health. This organization will also provide a platform for additional community-based, independent research such as but not limited to epidemiological studies supported by both organizations for the purpose of furthering the understanding of our state's unique population.

In order to support the scale of this venture, the board of directors will empanel a steering committee for each program developed by this collaboration.

Current State:

UK Stroke Affiliate Network

1. The UK Comprehensive Stroke Center has contractually collaborated with area hospitals to help develop the first community-based stroke program in the region. The collaboration is designed to provide the highest quality clinical care and educational programs to hospital staff as well as community members.

2. The relationship between the UK Comprehensive Stroke Center and its affiliate hospitals allows patients to receive the best possible care during the early moments of a stroke, when diagnosis and administering rapid treatment are extremely important.

3. Each affiliate hospital has made a strong commitment to providing current and clinically effective stroke care for the community. The UK Comprehensive Stroke Center supports these efforts by providing clinical guidance and oversight, making sure that stroke patients receive the right treatment at the right time.

4. The current Stroke Affiliate Network (as of September 2011):
    - UK HealthCare Chandler Hospital
    - UK HealthCare Good Samaritan Hospital
    - Georgetown Community Hospital
    - Harrison Memorial Hospital
    - Hazard ARH
    - Rockcastle Regional Hospital and Respiratory Care Center
    - St. Claire Regional Medical Center
    - Lake Cumberland Regional Hospital

    UK is also in discussions with several other community hospitals interested in participating in the affiliate network.

Day one of the new entity envisions immediately adding Norton Healthcare's hospitals:

- Norton Hospital
- Norton Audubon Hospital
- Norton Brownsboro Hospital
- Norton Suburban Hospital

5. The scope and variety of services offered to these affiliates is modeled after the stroke systems of care recommendations by the American Heart Association and Kurt Salmon Associates, a national consulting firm. This model expands beyond the traditional, fragmented approach to stroke care that is currently the standard in our country by offering a multifaceted and integrated system that includes:
    - Community outreach: UK works closely with affiliates to implement community health screening events as well as school presentations. These activities highlight the importance of early education and recognition of stroke risk factors, like hypertension. They have been very successful thus far, reaching over 3200 adults and 1300 school children since 2010.
    - Training of Emergency Medical Services: Training of EMS personnel to both recognize and properly assess potential stroke patients, ensuring they are rapidly transported to a center where proper evaluation and treatment are available.
    - Acute stroke treatment: The Stroke Affiliate Network places a large amount of importance on assessing and improving acute stroke care at its affiliate sites. UK works with affiliates to develop a "Stroke Alert" process, which streamlines stroke workup and evaluation, maximizing the opportunity for treatment. UK also offers formal education on stroke assessment and treatment to affiliate physicians and nursing staff, both in the Emergency Department and elsewhere. In addition, the UKMD telephone line can put any physician in the state in touch with a stroke specialist at UK, facilitating proper evaluation of patients and potential transfers for additional treatment, if needed.
    - Subacute stroke treatment and secondary prevention: Even in cases where patients are not eligible for acute treatment, UK works closely with affiliates to ensure that these patients, once recognized, receive appropriate and timely medical therapy to minimize their chance of

having a stroke in the future. Community screening events also help to recognize and advise patients with a history of stroke, making sure these people receive appropriate care as well.

- Rehabilitation: Currently, three affiliates in the Stroke Affiliate Network employ rehabilitation facilities to streamline their patients' care in the post-acute period, maximizing their potential for long-term functional recovery.
- Continuous quality improvement: On-site visits with affiliates are scheduled on a yearly basis to assess their effectiveness in implementing improvements to their stroke care.

Future State:

1. The vision for the expansion of the UK HealthCare – Norton Healthcare Stroke Collaborative includes both geographic expansion to additional facilities across the state, a new research platform, and an increasing scope of services that are offered. Once fully implemented, the Stroke Collaborative could dramatically increase the quality of care offered to stroke patients across the state.

2. The plan for expansion includes recruiting affiliates with an emphasis on diversity not only in geographic location, but size and resources as well. Affiliates will be broken down into three major tiers:

    - Critical Access Centers – will be able to perform the initial workup and stabilization of acute stroke patients, as well as perform rapid and efficient transfer to other facilities for definitive treatment
    - Primary Centers – will be able to safely and effectively treat most acute stroke patients, while transferring particularly complicated patients and intervention candidates
    - Comprehensive Centers – will provide the full spectrum of acute stroke care, including management of medically complex cases as well as performing interventions

3. Developing a tiered approach to affiliate roles ensures that each facility will be able to make valuable contributions to the network, regardless of volume. The current expansion plan allots for the inclusion of ten additional affiliates across the state. Their inclusion could potentially double the network's current volume of acute stroke cases per year (3400 at present to nearly 6000).

4. The current model for the stroke systems of care will be retained and expanded upon, providing additional services and making significant steps towards improving the vascular health of the state at large.

    - Community outreach: The ability to educate and screen individuals across the state will rapidly improve as more affiliates are included in the network. Affiliates will be trained to carry out their own community outreach events, and the scale of currently implemented outreach initiatives will increase given additional resources. Public health implications of risk factor screening go beyond stroke care, educating and identifying individuals who are at risk for heart disease and other vascular problems.
    - Training of Emergency Medical Services: Emergency personnel training will expand across the state. EMS services will be fully integrated into the continuum of stroke care, able to quickly evaluate and identify suspected stroke patients and expedite their transport to a facility that is properly equipped to handle stroke patients.
    - Acute stroke treatment: In addition to the measures implemented in the current network, a fully functioning, tiered network of affiliates will ensure a streamlined, effective process for the evaluation and treatment of stroke patients across the state. Development of additional primary treatment centers will increase the amount of patients who are able to receive treatment in a timely manner, improving the availability of quality stroke care to traditionally underserved areas of the state.
    - Subacute stroke treatment and secondary prevention: Even out of the acute setting, expansion of the stroke network will continue to improve the quality of care provided to individuals who have suffered a stroke. Protocols to identify and treat stroke patients who are not candidates for acute treatment will be implemented at affiliate facilities. This ensures such patients will receive maximal medical therapy, reducing their chances of subsequent stroke. Furthermore, these patients and their risk factors will be tracked in the statewide stroke registry, providing vital data on how to better control and identify risk factors for stroke in the population.
    - Rehabilitation: The recruitment of rehabilitation and other post-acute facilities across the state will ensure every stroke patient has access to rehabilitation resources during the vital post-acute recovery period, which will make significant strides in reducing the significant burden of disability in patients that have suffered a stroke.

- Continuous quality improvement: The implementation of a statewide stroke registry will enable affiliates to comprehensively track and monitor quality and safety outcomes. Using this data, plans for quality improvement can be individualized for each affiliate and their respective needs.

Creation of the Kentucky Stroke Registry:

One of the key outcomes from the Stroke Collaborative will be the formation of a statewide stroke registry. This registry will collect both quality outcomes and measures as well as clinical data on any patient treated within the collaborative. This scope of data gathering would be unique to the region and would represent a model for other disease processes under the Quality Collaborative.

The ability to collect quality outcomes data is integral to quality improvement. This data will also serve to facilitate benchmarking performance on a regional and national level. Tracking and improving quality measures is also essential in the process of accreditation by the Joint Commission as well as competing for national recognition and awards based on the quality of stroke care.

Clinical data collected via the registry will serve as a launching pad for research. The sheer amount of potential data and research opportunities stemming from a statewide stroke registry would serve as a powerful attractant for prominent researchers, both for the College of Medicine and the College of Public Health. Having comprehensive epidemiological data on a traditionally under-studied region and patient population could form the framework for groundbreaking studies. Over time, this research could lead to a better understanding of stroke risk factors and outcome determinants both specific to our patient population. Furthermore, collecting data on underserved areas in Kentucky would provide a unique opportunity to study and narrow the disparity of the quality of care offered across the state.

Given the overlap between stroke risk factors and that for other disease processes (heart disease, cancer), the implications of establishing a registry would go beyond improving care specifically for stroke. The registry and collaborative would serve as a model for improving the care for other disease processes in the state and also distinguish Kentucky on a national level for its commitment and contribution towards improving the quality of health of its citizens.

Governance of the Stroke Program:

- UK HealthCare and Norton Healthcare will be the two lead members of the stroke program and steering committee.

- Other hospital or health care organizations that choose to join would be considered as members of the steering committee. The Board will designate voting rights and governance structure of the stroke program steering committee.

- Other hospitals or health care entities choosing to become members could:
    - Appoint an advisory member to the collaborative, but would not have voting rights
    - Receive distribution of grant funds awarded to the Entity

- Existing UK HealthCare Stroke Network member institutions would be offered the opportunity to become members by assigning their current stroke network agreements to the Entity with no new fees until their current contract is up for renewal.

Operations:

- The Stroke Collaborative will have a Steering Committee (Committee) consisting of 7-9 members – including the Stroke Collaborative Director and the Stroke Collaborative Administrator – and 2-3 other Directors from UK HealthCare and Norton Healthcare.
    - The Committee must approve all operating and capital budgets of the Entity.
    - The Committee will guide decisions around collaborative strategy and operations.
    - Daily operations and management decisions not explicitly under the control of the Committee (e.g. membership fees, program offerings, etc.) would be delegated to the Director.

- The Stroke Collaborative Director shall be a physician and appointed, by a majority vote of the Committee, for a period of three (3) to four (4) years and without limit on reappointment.

- The Stroke Collaborative Administrator shall be hired upon the recommendation of the Stroke Collaborative Director and with approval of the Board and Committee.
- All other personnel decisions shall be made jointly by the Stroke Collaborative Director and the Stroke Collaborative Administrator.

Key Staff:

Stroke Collaborative Director:

Responsibilities:

1. Oversight of the stroke collaborative operations
2. Oversight of the education curriculum
3. Oversight of the quality initiatives

Stroke Collaborative Administrator:

Responsibilities:

1. Maintains contracts and financial responsibility of the collaborative affiliates
2. Prepare budgets of the entity
3. Be a liaison for affiliate executives
4. Coordinate marketing efforts
5. Coordinate IT needs of the entity
6. Be a liaison for entities research activities
7. Maintain registry with the collaborative affiliates

QI Educator:

Responsibilities:

1. Design the education curriculum
2. Monitor official education curriculum delivered by the collaborative affiliates
3. Develop quality initiatives with affiliates

IT Specialist:

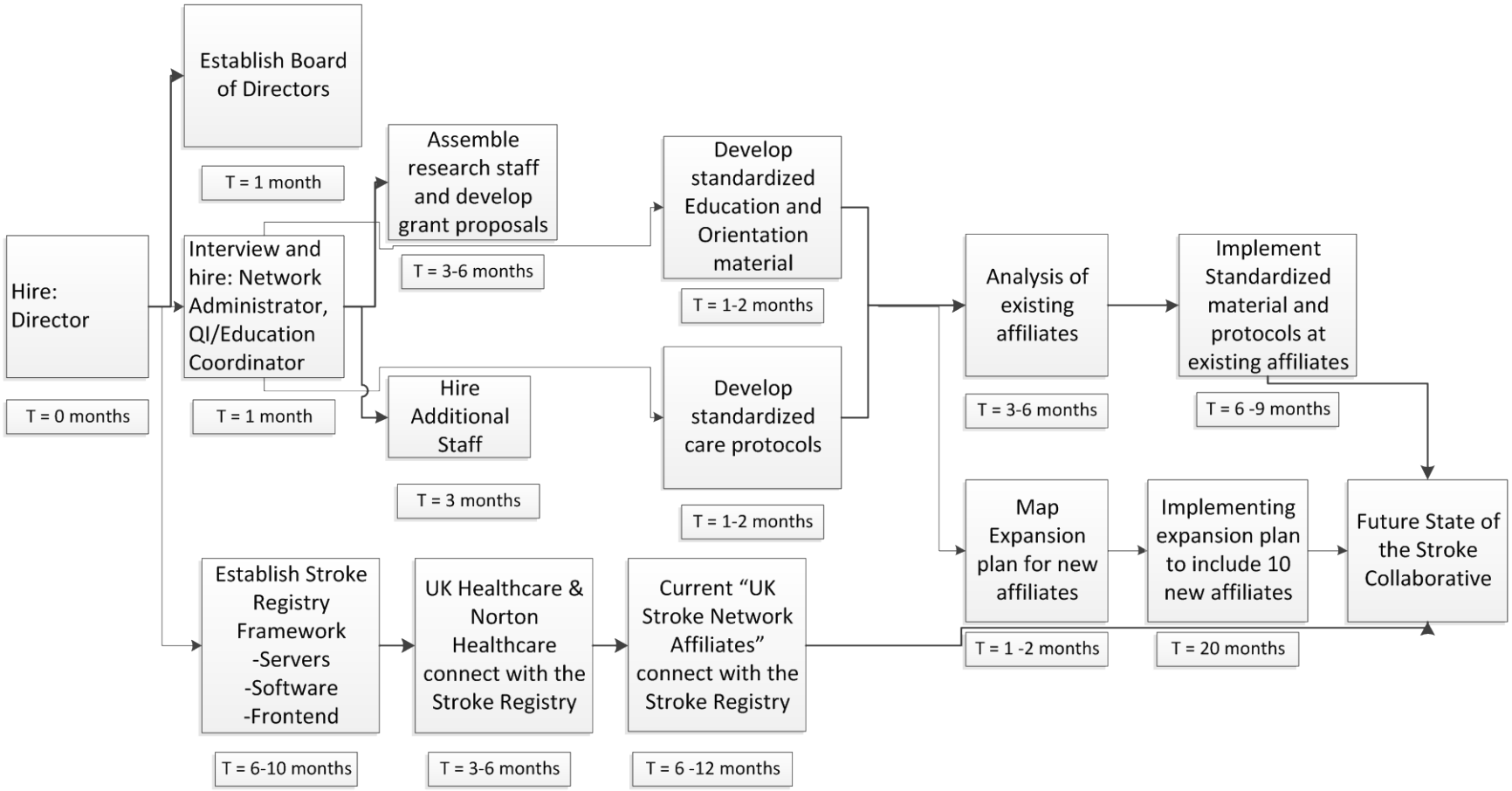
Will be responsible for:

1. Establishing the registry
2. Maintaining the registry
3. Help affiliates connect to the registry and provide ongoing support

Stroke Collaborative Implementation Plan:

See the critical path diagram on next page.

UK HealthCare – Norton Healthcare Stroke Collaborative



Capitalizing the Statewide Stroke Program:

1. Revenues that will flow to the Entity will include:
    - Affiliate member fees*
    - Grant funding for initiatives originating from stroke collaborative activities
    - Transfer payments from the parent entities
    - Any other non-clinical revenues generated via Entity activity

2. Costs to be borne by the Entity will include:
    - Reimbursement for the Stroke Collaborative Director services
    - Stroke Collaborative Administrator
    - Costs associated with IT/systems and personnel to support the registry and other research activities
    - Costs associated with nurses to support education and chart abstraction/research
    - Any other capital or operating costs approved by the Board

3. Revenues, expenses, and assets associated with delivering stroke care at each institution are not part of the Entity.

* Affiliate member fees: The proposed fee structure for the affiliates will be based on the size of the hospital. The Committee will set the fees annually based on the fair market value of the services offered to the members/participants.

Estimate year one fee:

Small Hospitals (0-50 operating beds): $ 7,500 annually
Medium Sized Hospitals (51 – 150 operating beds): $ 11,000 annually
Large Hospitals (150+ operating beds): $ 15,000 annually
Hospital Systems: Negotiated on a case-by-case basis

The current network scales fees as follows:

Hospitals with <100 beds: $ 7,500 annually
Hospitals with >100 beds: $ 12,500 annually

See the funding proposal details on the next page.

Note: The following budget reflects the Entity's first program, the statewide stroke network. Costs of supporting the initial Board meetings are included as part of this budget. This budget does not reflect future growth, or new programmatic or research opportunities.

Statewide Stroke Network Funding Proposal	Operating	Capital
Year One - Starting Jan 1, 2012		
Pre-Operations Phase (0-6 months)		
1. Resource Needs		
a. Personnel	$ 100,000	
i. Hire Network Administrator (1 FTE)		
ii. Hire QI Education/Coordinator (1 FTE)		
b. IT Infrastructure		$ 250,000
i. Hardware/Software to Support Stroke Registry		
ii. Hosting capabilities		
iii. Get with the Guidelines Software (for Affiliates)		
c. Other Expenses		
i. Lease & Office expense	$ 18,000	
ii. Travel Expense	$ 2,400	
d. Communications	$ 25,000	
i. Branding		
ii. Educational Materials		
Pre-Operations Subtotal	*$ 145,400*	*$ 250,000*
Phase One Operations (6-12 months)		
1. Resource Needs		
a. Personnel	**$ 200,000**	
i. Director (0.3 FTE equivalent)	$ 37,500	
ii. Network Administrator (1 FTE)	$ 62,500	
iii. IT Specialist (Contract/Hire - 1 FTE)	$ 37,500	
iv. Research Assistant (Hire)	$ 25,000	
v. QI /Education Coordinator (1 FTE)	$ 37,500	
b. IT Infrastructure/Hosting (on-going)	**$ 12,500**	
c. Other Expenses	**$ 20,400**	
i. Lease & Office expense	$ 18,000	
ii. Travel Expense	$ 2,400	
2. Revenues		
a. Current UK Affiliate Dues	$30,000	
b. New Affiliate Development (*Per the new structure)	TBD	
c. Grant Opportunities	TBD	
Phase One Subtotal	*$ 202,900*	*$ -*
Pre-Operations and Phase One Total Funding Proposal	**$348,300**	**$250,000**

Year 2 Operations		
1. Resource Needs		
a. Personnel	**$**	**400,000**
i. Director (0.3 FTE equivalent)		75,000
ii. Network Administrator (on-going) (1 FTE)		125,000
iii. IT Specialist (1 FTE)		75,000
iv. Research Assistant (1 FTE)		50,000
v. QI /Education Coordinator (1 FTE)		75,000
b. IT Infrastructure/Hosting (on-going)	**$**	**25,000**
c. Other Expenses	**$**	**40,800**
i. Lease & Office expense	$	36,000
ii. Travel Expense	$	4,800
2. Revenues		
a. Current UK Affiliate Dues		$60,000
b. New Affiliate Development (*Per the new structure)		TBD
c. Grant Opportunities		TBD
Year 2 Operations Total Funding Proposal		**$405,800**

Year 3 Operations		
1. Resource Needs		
a. Personnel	**$**	**475,000**
i. Director (0.3 FTE equivalent)		75,000
ii. Network Administrator (on-going) (1 FTE)		125,000
iii. IT Specialist (1 FTE)		75,000
iv. Research Assistant (on-going)		50,000
v. QI /Education Coordinator (2 FTEs)		150,000
b. IT Infrastructure/Hosting (on-going)	**$**	**25,000**
c. Other Expenses	**$**	**40,800**
i. Lease & Office expense	$	36,000
ii. Travel Expense	$	4,800
2. Revenues		
a. Current UK Affiliate Dues		$60,000
b. New Affiliate Development (*Per the new structure)		TBD
c. Grant Opportunities		TBD
Year 3 Operations Total Funding Proposal		**$480,800**