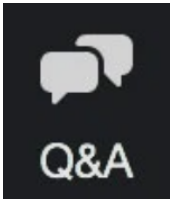


# INDEPENDENT MONITOR

— MISSION HEALTH SYSTEM —

- ▶ Public Webinar presented by GIBBINS ADVISORS
- ▶ April 7, 2021 @ 5:30pm Eastern Time

How to submit a question during the live Webinar:



- Use the **Q&A button** at bottom of Zoom screen to submit **written question** (please note that no questions can be submitted verbally during the Webinar)
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# Meet the Team: Gibbins Advisors

- ▶ The Independent Monitor is made up of a team of senior experienced healthcare professionals from [GIBBINS ADVISORS](https://www.gibbinsadvisors.com)

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[IndependentMonitorMHS.com](https://IndependentMonitorMHS.com)



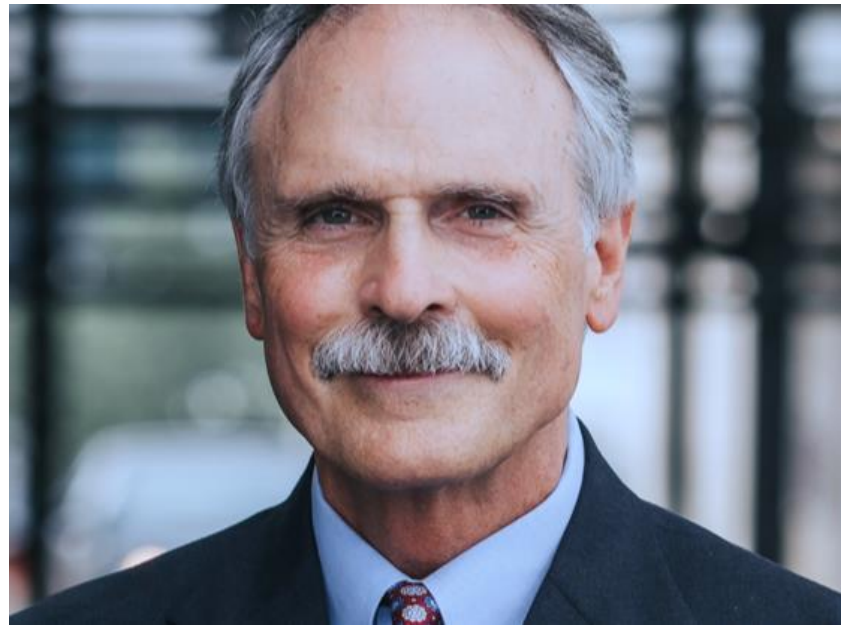
[gibbinsadvisors.com](https://gibbinsadvisors.com)

## IM team: Presenting Today



**RONALD WINTERS**

Healthcare expert and fiduciary



**THOMAS URBAN, FACHE**

Former Hospital CEO



**CLARE MOYLAN, CFA**

Healthcare consulting expert



## IM team

### GINGER SMITH, CPA

Healthcare consultant and accountant



### BRADLEY WILLIAMS

Healthcare consultant and accountant



# Today's Agenda

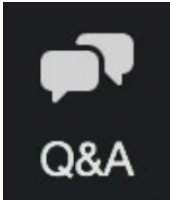
## ▶ PART 1: Independent Monitor Update

- ▶ Our role and How we work
- ▶ HCA's Commitments
- ▶ Highlights of 2020 & Plan for 2021
- ▶ Contact Information

## ▶ PART 2: Community Q&A

- ▶ We want to hear feedback from you
- ▶ Share information and feedback
- ▶ We will answer questions related to our scope

## How to submit a question during the live Webinar:



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# Part One: Independent Monitor Update

## Our Role

# Independent Monitor Role:



The purchase agreement holds HCA to certain commitments that ensure the residents of Western North Carolina continue to have access to high quality healthcare.

**MONITOR &  
EVALUATE**

As Independent Monitor, we evaluate - on an ongoing basis - if HCA is upholding its commitments.

**ADVISE**

We advise Dogwood Health Trust and the six advisory boards on HCA's compliance. In certain limited circumstances, we can evaluate requests to modify HCA's commitments.



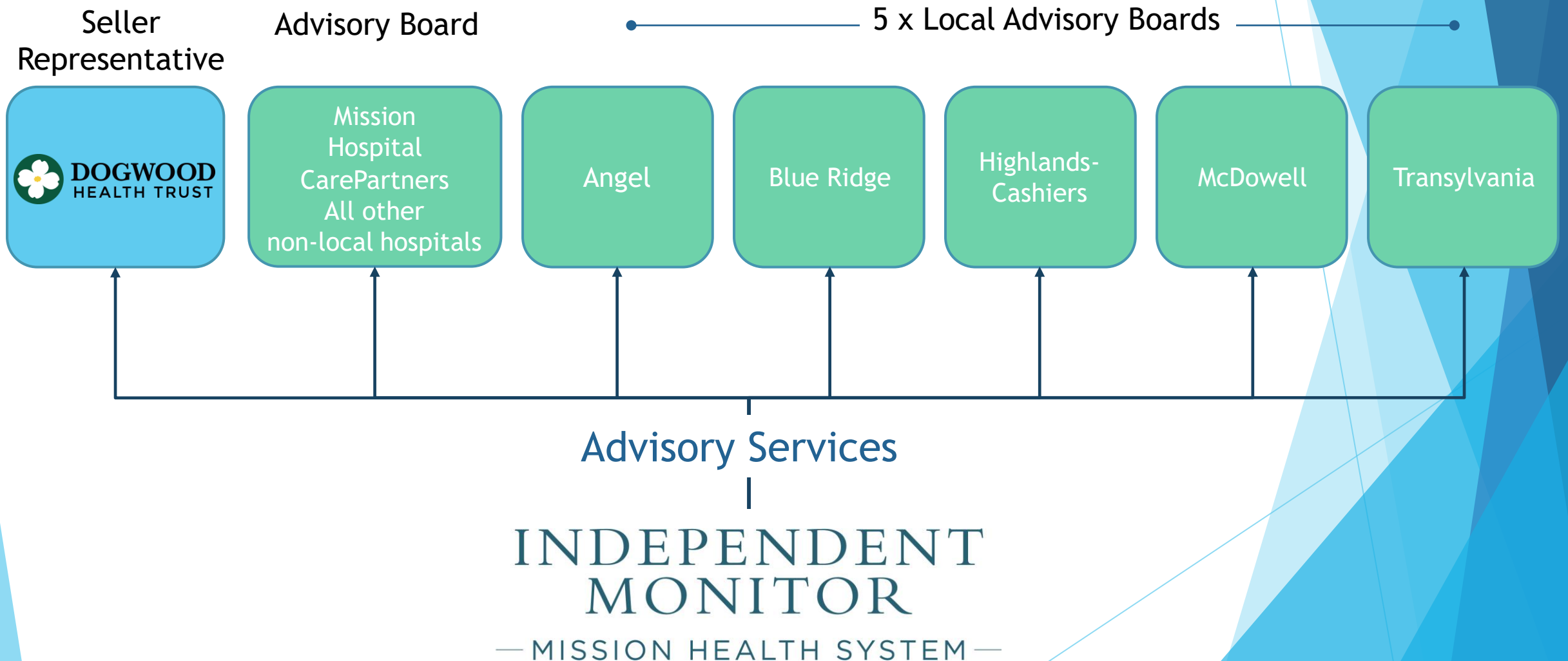
# Our Independence:

WE ARE INDEPENDENT OF MISSION / HCA:

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*We are **NOT** engaged by or paid by Mission / HCA*

# The role of advisory boards and other parties in relation to HCA's commitments



# The role of advisory boards and other parties in relation to HCA's commitments

Seller Representative



Primary role:

- Monitoring and enforcing compliance with HCA's commitments

Six Advisory Boards

Primary role:

- Approving or contesting modifications to HCA's commitments
- Receiving and evaluating HCA's reports
- Resolving certain disputes

INDEPENDENT  
MONITOR

— MISSION HEALTH SYSTEM —

Primary role:

- Advising Dogwood Health Trust and the six advisory boards
- Providing consent or approval in limited circumstances

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# Part One: Independent Monitor Update

## How we work

# How we work

## PART ONE: Our Annual Compliance Evaluation Process



### RECEIVE AND REVIEW HCA REPORTS

*HCA issues Annual Report and Cap Ex Report (“HCA Reports”)*



### ANALYSIS OF SUPPORTING DOCUMENTATION & EVIDENCE

- *Mission/HCA information; and*
- *Publicly available sources of information*



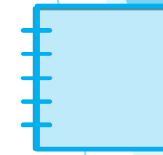
### SEEK INPUT FROM KEY STAKEHOLDERS

- Including, but not limited to:*
- *Public Webinar*
  - *Submissions from the public via IM website*
  - *Physicians*
  - *State Senators, Local Mayors, County Representatives*
  - *Chambers of Commerce*
  - *Community groups (e.g. SEARCH, WCMS)*
  - *Advisory Board & Local Advisory Boards*
  - *Dogwood Health Trust*



### COMPLETE COMPLIANCE CHECKLIST

*Created by Gibbins Advisors*



### DELIVER COMPLIANCE EVALUATION REPORT

*Provided by Independent Monitor to Dogwood Health Trust*

# How we work

## PART TWO: Our Ongoing Compliance Monitoring and Evaluation Process



### ONGOING INPUT FROM KEY STAKEHOLDERS

*Including, but not limited to:*

- Submissions from the public via IM website
- Physicians
- State Senators, Local Mayors, County Representatives
- Chambers of Commerce
- Community groups (e.g. SEARCH, WCMS)
- Advisory Board & Local Advisory Boards
- Dogwood Health Trust
- Office of the Attorney General, North Carolina



### DIALOGUE WITH MISSION/HCA

- We follow up areas of potential concern in real time
- Check in on HCA's plans/intentions with respect to its commitments
- Provide a copy of the communication log of submissions we receive from the public<sup>1</sup>



### INFORM THE PUBLIC

- Keep our website updated (recently refreshed in 2021)
- Provide statements to the media
- Participate in journalist interviews and Q&A



### SITE VISITS

*(As practical)*

- Hospitals
- Other material facilities
- Communities served by Mission Health



### MEDIA MONITORING

- Monitor relevant mainstream media (and some social media)

*Note 1 - Communication log is redacted for identifiable information, unless permission given to share details*



# What we do with information we receive from the public



# What happens if we find potential non-compliance?

While the asset purchase agreement prescribes the required process in detail, a simplified summary is as follows:

## IM advises DHT

IM advises Dogwood Health Trust of potential non-compliance



## DHT notifies HCA

Dogwood Health Trust notifies HCA of potential non-compliance



## Attempt to resolve by agreement

HCA and Dogwood Health Trust have an opportunity to resolve the dispute by agreement



## Formal dispute resolution

If the parties fail to reach an agreement, the dispute is resolved in business court or by arbitration\*

A different process and set of standards applies if HCA seeks relief from, or modifications to its obligations. In such circumstance, depending on the subject matter, approval may be required from the relevant Advisory Board or Local Advisory Board and potentially the Independent Monitor.

\* Except if the objection relates to the Cap Ex Report, in which case the dispute would be resolved by an Independent Accounting Firm.

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# Part One: Independent Monitor Update

## HCA's commitments under our scope

# HCA's commitments under our scope:

RETAIN SERVICES  
AND HOSPITALS

INVEST IN  
COMMUNITY HEALTH  
AND WELLBEING

INVEST IN  
FACILITIES

OTHER  
COMMITMENTS

# HCA's commitments: Retain Services and Hospitals

RETAIN SERVICES AND HOSPITALS	1	Keeping material facilities open for at least 10 years (until 2029)
	2	Continuing specified services for at least 10 years (until 2029), with relief available under limited circumstances after 5 years for the five Local Hospitals
	3	Local hospital advisory boards and Dogwood Health Trust have first right to bid if hospitals are closed or sold
	4	Continue Long Term Acute Care services at St. Joseph campus for 2 years (Note this commitment expired on Jan 31, 2021)

# HCA's commitments:

## Commitment #2: *Summary of protected services*

MISSION HOSPITAL, CAREPARTNERS AND MISSION CHILDREN'S HOSPITAL

### Mission Hospital

#### **Inpatient and outpatient services (summary)**

- *Behavioral Health*
- *Cardiac Services*
- *Emergency and Trauma services*
- *General Medicine Services*
- *Imaging and Diagnostic Services*
- *Neuro Trauma Services*
- *Obstetrical services*
- *Oncology Services*
- *Pediatric Services*
- *Surgical Services*

**Graduate Medical Education**

**Program for All Inclusive Care for the Elderly (PACE)**

### CarePartners & Mission Children's Hospital

#### **CarePartners:**

- *Inpatient Rehabilitation*
- *Outpatient Rehabilitation*
- *Orthotics & Prosthetics*

**Home Health and Private Duty Nursing**

**Hospice**

**Mission Children's Hospital Reuter Outpatient Service**

- *Pediatric specialty outpatient clinics*



# HCA's commitments:

## Commitment #2: *Summary of protected services*

### FIVE LOCAL HOSPITALS:

#### Angel Medical Center

- *Emergency Services*
- *Surgical Services*
- *Acute Medicine Services*

#### Blue Ridge Regional Hospital

- *Emergency Services*
- *Surgical Services*
- *Acute Medicine Services*

#### Highlands-Cashiers Hospital

- *Emergency Services*
- *Surgical Services*
- *Acute Medicine Services*
- *Eckerd Living Center (Skilled Nursing Facility)*

#### Mission Hospital McDowell

- *Emergency Services*
- *Surgical Services*
- *Acute Medicine Services*
- *OB/GYN Services*

#### Transylvania Regional Hospital

- *Emergency Services*
- *Surgical Services*
- *Acute Medicine Services*
- *Transitional Care Unit (Skilled Nursing Facility)*

# HCA's commitments: Invest in Facilities

INVEST IN FACILITIES	5	Complete the new Mission Hospital North Tower <i>(Opened in late 2019)</i>
	6	Build a new 120-bed behavioral health hospital in Asheville within 5 years of obtaining the necessary permits
	7	Build a replacement hospital for Angel Medical Center within 5 years of obtaining the necessary permits
	8	Spend \$232 million in general capital expenditure within five years

# HCA's commitments: Invest in Community Health / Wellbeing

INVEST IN COMMUNITY HEALTH AND WELLBEING	9	Provide \$25 million over five years for an innovation / investment fund
	10	Spend \$750,000 per year in Community Contributions in years 2 through 10 ( <i>Note this commitment applies from Jan 31, 2020</i> )
	11	Continue certain community activities, services and programs for at least 12 months ( <i>Note this commitment expired Jan 31, 2020</i> )
	12	For 10 years ( <i>until 2029</i> ), maintain the agreed Uninsured and Charity Care policy and thereafter, maintain policies for the treatment of indigent patients

## HCA's commitments: Other

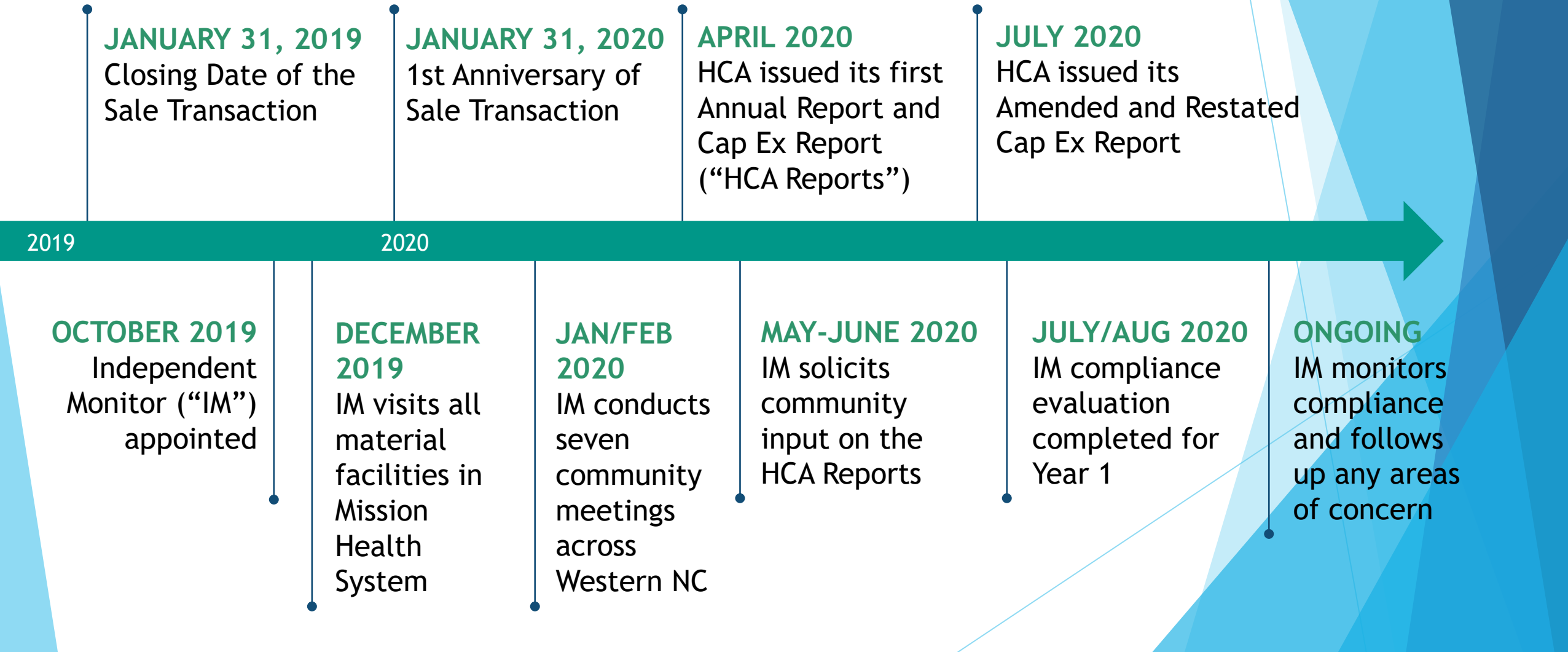
OTHER COMMITMENTS	13	Provide graduate medical education (“GME”) for 10 years at no less than the current [2018/19] levels, subject to the availability of similar GME funding
	14	Participate in Medicare and Medicaid programs for at least ten years
	15	Each year, provide an Annual Report and Cap Ex Report that summarize compliance with certain terms of the agreement

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# Part One: Independent Monitor Update Highlights of 2020

# Highlights of 2020

## CALENDAR OF KEY ACTIVITIES: RECAP OF 2019/2020





# Highlights of 2020

## COMMUNITY INPUT DURING 2020/2021

**600+**

Attendees at the seven  
community meetings  
we hosted in January  
and February 2020

**200+**

Registrations for  
April 7<sup>th</sup>  
Webinar

**263**

Submissions from  
the community  
direct to the IM\*  
(as at Feb 28, 2021)

\*Excludes submissions from live community  
meetings and other encounters with  
community representatives

# Community Input during 2020/2021

*Key themes we heard from the community:*  
(in no particular order)

Quality

Patient billing

Mission communication

Service changes

Physician retention

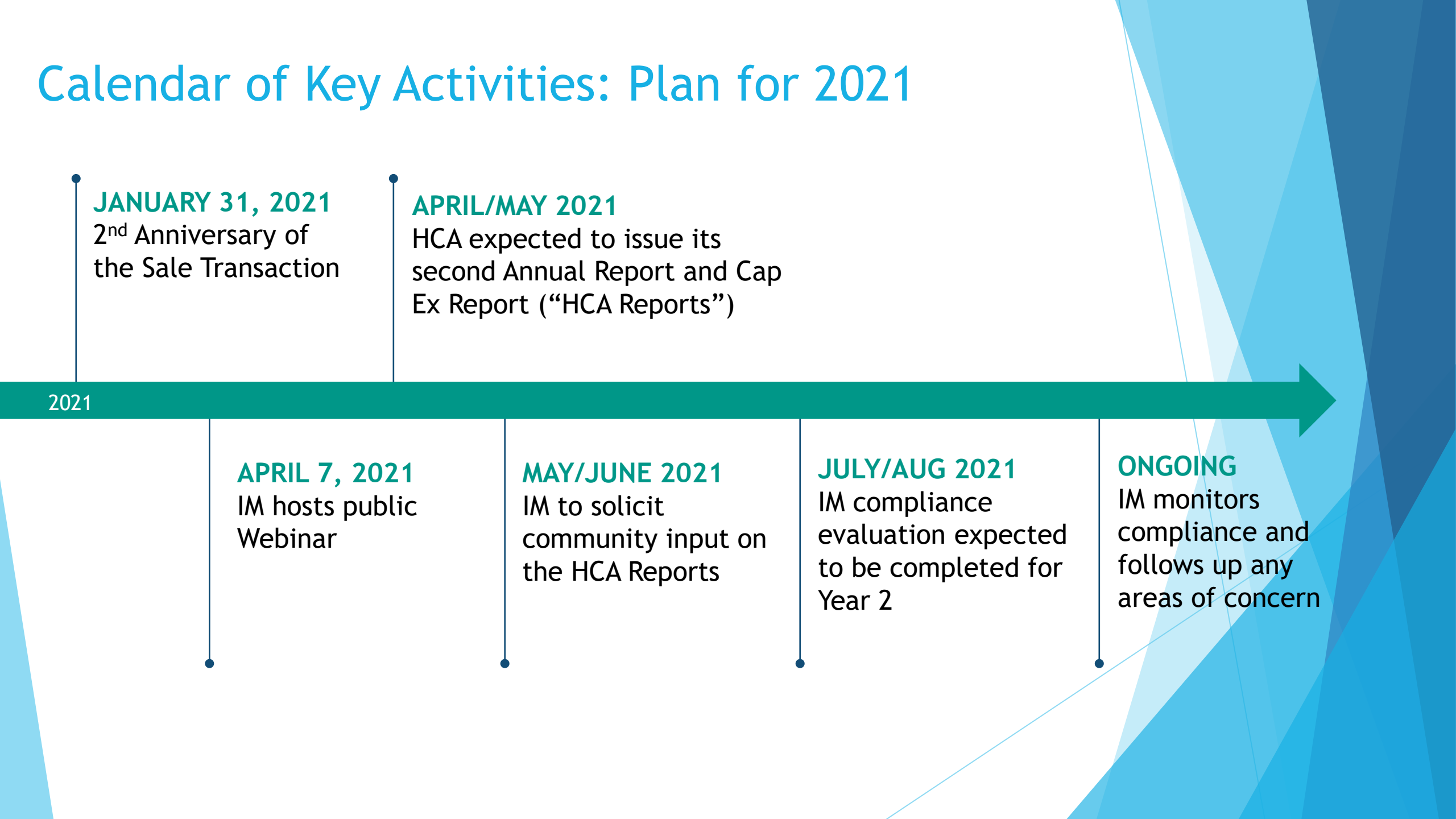
Practice location

Queries regarding the  
IM monitoring process

Uninsured & Charity Care

Staffing / Staff Satisfaction

# Calendar of Key Activities: Plan for 2021



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# Part One: Independent Monitor Update

## Contact information

How to reach us + stay up to date:

**IndependentMonitorMHS.com**

► *Email:* [IndependentMonitor@gibbinsadvisors.com](mailto:IndependentMonitor@gibbinsadvisors.com)

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**Independent Monitor for Mission Health System**  
Hospital & Health Care  
Independent Monitor of Mission Health System to determine on an ongoing basis if HCA is executing its commitments.  
[Follow](#)

**Affiliated pages**  
 **Gibbins Advisors, LLC**  
Financial Services  
Nashville, Tennessee

**About us**

As part of HCA's acquisition of Mission Health System in January 2019, the contract required HCA to make certain commitments to ensure the people of Western North Carolina continued to have access to high quality health care.

Our role as Independent Monitor is to help determine on an ongoing basis if HCA, as required in its agreement, executes its commitments which include, but are not limited to: keeping major Mission Health facilities open, continuing to provide certain key services, continuing policies for uninsured and charity care, and making significant capital investment in promised projects and programs.

As Independent Monitor, we will review HCA's annual reports and evaluate HCA's compliance with its ongoing commitments under the purchase agreement by various forms of monitoring including site visits, discussions with HCA managers and receiving comments and input from the public. We will advise Dogwood Health Trust and six advisory boards on HCA's compliance, and will share responsibility with local advisory boards to evaluate requests to modify HCA's commitments to local hospitals in certain limited circumstances.

Website	<a href="https://www.independentmonitormhs.com/">https://www.independentmonitormhs.com/</a> ↗
Industries	Hospital & Health Care
Company size	1-10 employees



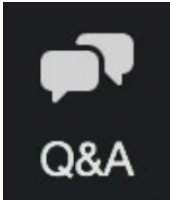
# How to contact Mission / HCA directly: [contactmission@hcahealthcare.com](mailto:contactmission@hcahealthcare.com)

- ▶ You may have a concern that falls outside the purview of the Independent Monitor. If you would like to contact HCA / Mission Health directly, they have provided us with this email address to share with you



## Part Two: Community Q & A ...

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# INDEPENDENT MONITOR

— MISSION HEALTH SYSTEM —

Thank you for joining us.

See our website for a copy of this presentation  
& more information

*[IndependentMonitorMHS.com](http://IndependentMonitorMHS.com)*

