

Overview of DOJ Review of Mission/HCA Transaction

The North Carolina Department of Justice has conducted a thorough review and extensive negotiations with Mission Health and HCA to protect healthcare in western North Carolina. As a result of these negotiations, HCA has strengthened its commitments to provide services, the Dogwood Health Trust agreed to make its board more representative of the communities it will serve, and the parties agreed to enforcement measures that will ensure compliance with this agreement, among other commitments.

Strengthen and extend HCA's commitments to provide services, keep hospitals open, build facilities, and offer community benefit programs, among other forward looking commitments

- *Services and Hospitals*
 - HCA extended its commitment to provide services at local hospitals from five years to 10 years.
 - The list of services that HCA must provide at local hospitals is now much more specific.
 - HCA may not close facilities or cease providing services unless both the Independent Monitor and the Local Advisory Board agree.
 - HCA is much more constrained in its ability to claim a “force majeure” exception to its promises – such a claim would have potentially allowed HCA to cite government actions or economic downturns as a way to default on its promises.
 - Both the existing local hospital foundations and Dogwood Health Trust have the right to bid on hospitals if they are ever sold or closed. HCA cannot sell or close any hospital facility until 2029.
- *Facilities*
 - HCA committed to build a new replacement facility for Angel Medical Center consistent with the Certificate of Need developed before the Mission-HCA transaction was announced.
 - HCA committed to build a 120-bed inpatient behavioral health hospital in Asheville. It may not reduce the scale of those plans.
- *Support for community benefit programs*
 - HCA stated in the contract that it has no current intention to discontinue support for community service programs.
 - HCA committed to spend at least \$14.28 million for community service programs Mission supports: at least \$6.78 million in the year after closing and an additional at least \$7.5 million over ten years.
 - HCA committed to at least one year of full financial support for EMS in Madison, Mitchell, and Yancey Counties. This will minimize disruption as these counties transition EMS services away from being supported by Mission.
- *Other forward-looking commitments*
 - Mission has agreed to lift restrictions that would have limited local foundations' ability to support healthcare programs and pursue their own priorities.
 - HCA will provide graduate medical education for at least 10 years at no less than current levels, so long as present funding remains available.
 - HCA committed to participate in present Medicare and Medicaid programs for at least 10 years. In the managed care transition, Mission shall use commercially reasonable efforts to negotiate a participation agreement with one or more MCOs on mutually acceptable terms.
 - For ten years, HCA must maintain the improved charity care policy Mission negotiated — which provides assistance for patients at up to 400% of the federal poverty line.
 - Terminated employees will receive information on HCA job openings across the country. If they are hired by HCA within one year after closing, they will keep their seniority.

- HCA has committed to make its pilot student loan payment program available to all former Mission employees as quickly as possible. This program provides an unlimited number of years of loan assistance up to \$150 per month.
- Dogwood Health Trust will spend \$25 million over five years to address opioid use disorder, consistent with the DHHS opioid plan.
- *Enforcement*
 - HCA agreed to have an Independent Monitor review whether it complies with its forward-looking promises.
 - HCA agreed that the promises listed in this document can be enforced not only by Mission or Dogwood, but also by the Attorney General.
 - North Carolina law will apply to HCA's key promises in the event of a legal dispute.
 - If there is legal conflict over HCA's key promises, the case will go to North Carolina Business Court instead of arbitration.

Dogwood Health Trust Governance

- *Reflecting the Population of Western North Carolina*
 - With changes over the next year, Dogwood Health Trust board will be fully representative of the people of western NC and it will be accountable to the public.
 - Dogwood will roll off two current board members over the next year and an additional current board member in 2020. Dogwood has committed that by January 1, 2020, its board will include no more than five members from any one county, and by January 1, 2021, its board will include no more than four members from any one county.
 - Dogwood has agreed that its board will fairly reflect the diversity of the population of western NC by 01/01/2020.
 - Dogwood must include at least one member from each of the five regions with a regional hospital and a second member from the McDowell Hospital region by 01/01/2020.
 - Following discussions with our office, the Dogwood board has already improved from no people of color to being 27 percent people of color.
- *Transparency*
 - Dogwood must conduct a national search for a qualified executive director.
 - Dogwood has agreed to hold public meetings across the region to determine how it will interpret its mission to improve social determinants of health.
 - Dogwood will hold an open meeting with the public each year to receive community input, and it will provide an annual report to the people of western North Carolina detailing how it is using its funds.
 - The Attorney General will be able to review Dogwood's operations, and for the next 10 years, Dogwood cannot change its mission without approval of the Attorney General.

Fair Market Value Price for Mission Health System

- HCA will pay the system's fair market value, and the proceeds must continue to be used for a public purpose.
- Our expert's opinion found HCA's purchase price to be fair under each of the three analyses performed.
- Legacy Mission has a contractual duty to transfer funds as soon as prudent to Dogwood.
- Legacy Mission must issue detailed reports on its wind-down and spending to Dogwood and to the AG's Office.