

Proposal for: OKTIBBEHA COUNTY BOARD OF SUPERVISORS



Professional Services for the Assessment of OCH Regional Medical Center

July 18, 2016

Submitted by



July 18, 2016

Oktibbeha County Board of Supervisors
c/o Emily Garrard
County Administrator
P.O. Box 80825
Starkville, MS 39759

Dear Ms. Garrard:

Stroudwater is pleased to submit this proposal in response to the Oktibbeha County Board of Supervisors' Request for Proposal (RFP) for a strategic assessment of OCH Regional Medical Center. Given the uncertainty and far-reaching industry transformation underway, we understand the importance of these issues and concur that a Strategic Options Assessment is a critical first step in defining a preferred future direction for OCH, whether as an independent, high performing organization or as a strong and successful affiliate of a to-be-determined partner.

Stroudwater has extensive national experience working with community hospitals that decide to remain independent and seek to successfully execute their preferred strategic direction as an independent organization. We also have crafted many innovative partnerships and affiliations among community hospitals and partners of all types when such an affiliation will best achieve our clients' strategic objectives. Our team recognizes the importance of the community hospital as an employer, a critical community asset, and a provider of life-sustaining services to area residents.

In short, these are significant issues that require expertise, judgement and objectivity to reach an informed decision about the future strategic direction for OCH.

We believe that Stroudwater Associates is uniquely qualified to perform a strategic options assessment for OCH based on the following criteria:

- Stroudwater has performed hundreds of hospital and health system strategic assessments. We are familiar with both the challenges and opportunities at OCH through our work in communities just like Starkville and Oktibbeha County.
- Stroudwater brings a multidisciplinary perspective to all its engagements and an understanding of the operational, clinical, financial and strategic parameters of alternative options for OCH.
- We bring objectivity as strategic advisors to this engagement. Our approach is founded on the belief that affiliation is not an objective in itself, but is a means to achieving a larger strategy and preserving your mission in a dynamic healthcare environment. Not all strategic assessments should result in a decision to affiliate.

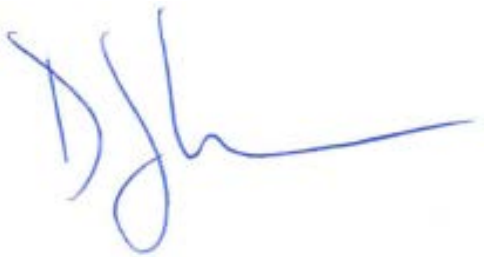
- We are skilled facilitators and educators, crafting and delivering custom strategic planning and strategic options assessment processes that provide decision-makers with a common fact base, opportunities for essential deliberation and board education, and ultimately, a consensus on a shared future direction in challenging and potentially contentious circumstances.
- Stroudwater will bring a seasoned and experienced team to this engagement. We have proposed a senior consulting team and we will deliver exactly that. Our engagement team is highly skilled and knowledgeable of the technical aspects of the full range of affiliation structures and collaboration models.

Stroudwater believes that success for this engagement will be defined by: i) creation and analysis of an objective, common fact base by all stakeholders; ii) insightful and engaging stakeholder education about key organizational, market and industry challenges and opportunities; iii) consensus about the strategic objectives that should be used to evaluate alternative strategic options for OCH; iv) identification of potential areas for operational improvement at OCH, if needed, to create a sustainable independent strategy; v) clear stakeholder understanding of the risks and benefits of alternative strategic options for OCH, and; vi) stakeholder consensus about a preferred, sustainable future direction for OCH.

The attached proposal presents information about Stroudwater's proposed approach, team and fees as well as our expertise and client references.

Thank you for the opportunity to outline our process and submit this proposal. If you have any questions or feedback, please do not hesitate to contact me.

Sincerely,



Douglas M. Johnson
Principal

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OUR UNDERSTANDING OF THE SITUATION

OCH Regional Medical Center (OCH) is a county-owned community hospital. The purpose of this assessment is to achieve the following:

- Ensure the availability of high-quality healthcare services to the residents of the county
- Provide those services as close to the patients' homes as possible
- Create efficiencies to allow for the delivery of high-quality, affordable care
- Preserve and maximize the value of OCH Regional Medical Center for our citizens
- Enable the resulting healthcare delivery structure to continue providing high-value service in a financially self-sustaining manner
- Preserve jobs in the County

Approximately 50,000 people reside in Oktibbeha County. Population demographics indicate a younger population than state and national averages. The County's poverty levels for all age groups are higher than state and national averages. Both of these data points are impacted significantly by the university student population, but both also play a significant role in the health dynamics and needs of the community. County demographic data also suggests that there is a primary care physician shortage in Oktibbeha County.

Stakeholder education, data analysis, developing an objective common fact base, and creating a set of strategic objectives for the organization are essential steps for defining and assessing future strategic options. Periodically assessing strategic options and evaluating performance against organizational strategic objectives can allow an organization's market position to seriously weaken over the course of several years. Your RFP defines a set of critical analyses and work steps for this engagement that will help to ensure that OCH leadership and stakeholders define a set of strategic objectives to guide decision making, understand the risks and benefits of alternative strategic options and can evaluate the performance of OCH against the strategic objectives, regardless of the strategic option selected.

The accelerating pace of change driven by implementation of the Affordable Care Act, emerging payment models, consumerism, and other significant national healthcare trends, augmented by the dynamics of OCH's regional competitive provider/payer markets, has created a significant inflection point where a thorough analysis of the hospital's future is timely.

In accordance with Mississippi Code section 41-13-15 (8) (*Community hospitals and health facilities in counties and municipalities*), the RFP requests that Stroudwater Associates provide the following:

- a) A review of the community's inpatient facility needs based on current workload, historical trends and projections, based on demographic data, of future needs
- b) A review of the competitive market for services including other hospitals that serve the same area, the services provided by competitors, and the market perception of the competitive hospitals
- c) A review of the hospital's strengths relative to the competition and its capacity to compete in light of projected trends regarding competition
- d) An analysis of the hospital's options, including service mix and pricing strategies. If the study concludes that a sale or lease should occur, the study shall include an analysis of which option would be best for the community and how much revenue should be derived from the lease or sale.

Additionally, the resulting assessment should also include:

- A quality of care comparison of the hospital's performance with state, regional, and national benchmarks, and
- A report that will provide the Board of Supervisors with actionable recommendations.

Stroudwater is both prepared and expert at analyzing each of the above issues. Through our national strategic advisory practice, we are also experienced at providing stakeholder education and developing objective, evidence based findings and recommendations on each area of investigation described above.

OBJECTIVES

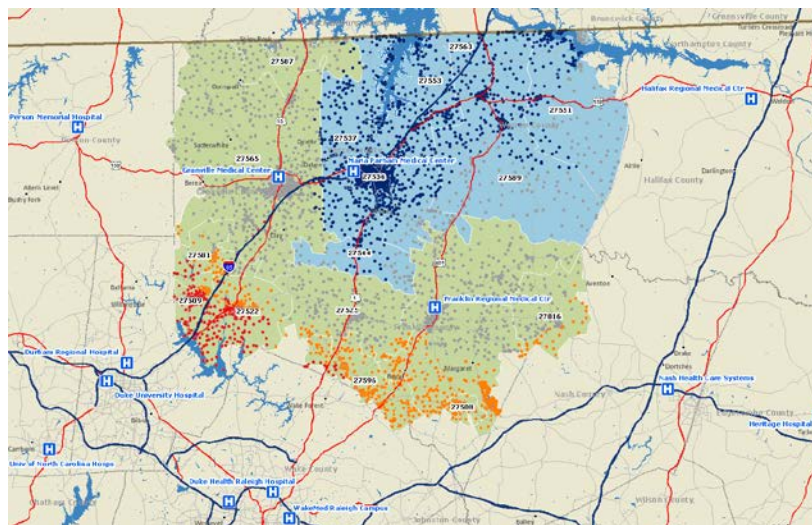
The objective of this engagement is to evaluate OCH's strategic options, to develop a set of strategic objectives by which OCH Regional Hospital can evaluate its options, and to develop consensus regarding a preferred strategic direction. OCH leadership and stakeholders will benefit from the development of a common fact base regarding OCH market, regional, and national trends. Stakeholder education will also be a key objective of this process and each Stroudwater deliverable, meeting and conference call will have stakeholder education as a key objective. The strategic objectives and key criteria identified during this engagement will be used to evaluate future strategic options.

PROPOSED APPROACH

Healthcare providers are developing clinical and operational coordination models to achieve better quality outcomes and to improve performance and efficiency under new payment models. The objective of this engagement will be to assess strategic alternatives available to OCH Regional Medical Center and its community that will allow OCH to continue to provide the convenient and high quality healthcare that the community has come to expect. The process we propose will include the following steps:

1. **Data Request** – To assess OCH’s current financial, operational and strategic state within the local and regional marketplace, Stroudwater will submit a data request for information not already in our possession or available publicly.
2. **Stakeholder Interviews** – The Stroudwater team will meet individually or in small groups to interview, on site, select members of the Hospital’s management team, key physicians leaders, members of the OCH Board of Trustees, members of the Oktibbeha County Board of Supervisors and select community leaders. This interview exercise always yields insights and a more complete understanding of the organizational realities and strategic and operating context that need to be addressed effectively during the engagement process in order to arrive at “the right answers.”
3. **Market Assessment** – Stroudwater will assemble a market assessment to include historical and projected service area demographics; historical market share and patient outmigration by major service lines; and the hospital’s total cost and quality performance scores relative to other acute-care providers in Mississippi. The follow graphic presents an example of service area population density and relative proximity of competing healthcare facilities. For this analysis, only those dots in dark blue are closest to the client hospital, suggesting the extent to which residents of its service area can seek care elsewhere more conveniently.

Figure 1 - Service area population density and competing facilities



The chart (Figure 2) below demonstrates an example of historic market share and patient outmigration patterns to competing healthcare facilities in a contested service area.

Figure 2 - Historic market share and patient outmigration

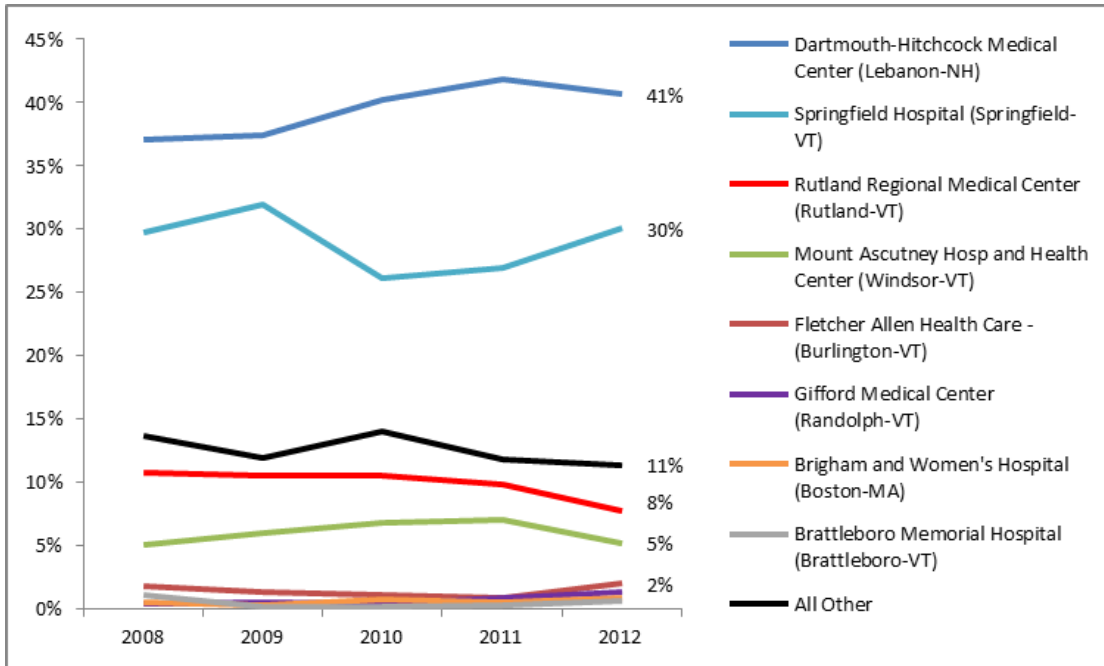
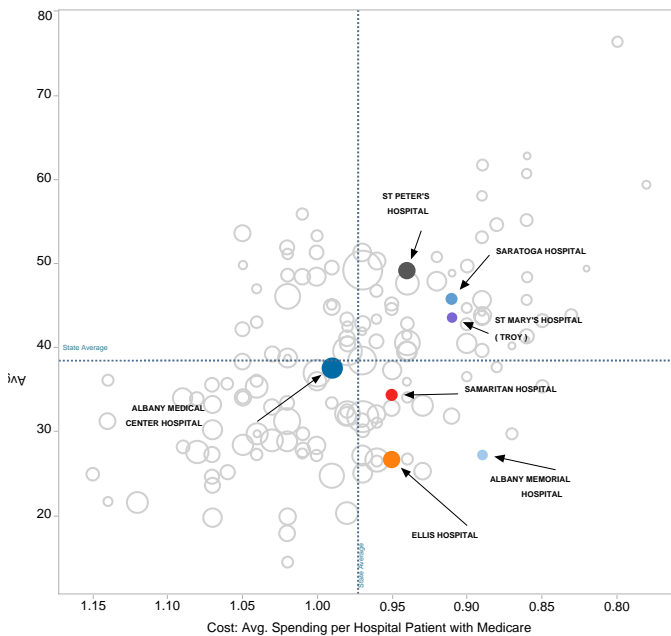


Figure 3 is an example of Efficiency and Quality indicators for hospitals in a particular state. It is used to assess total cost and quality performance of local hospital facilities in a given service area. Hospitals in the top right quadrant demonstrate the highest quality and efficiency as compared to their peers.

Figure 3 - Efficiency and quality indicators



This final graphic (Figure 4) depicts an example of comparable patient satisfaction and quality scores for several hospitals sharing a service area. The scores are compared to state and national averages as well.

Figure 4 – Comparison of patient satisfaction and quality scores

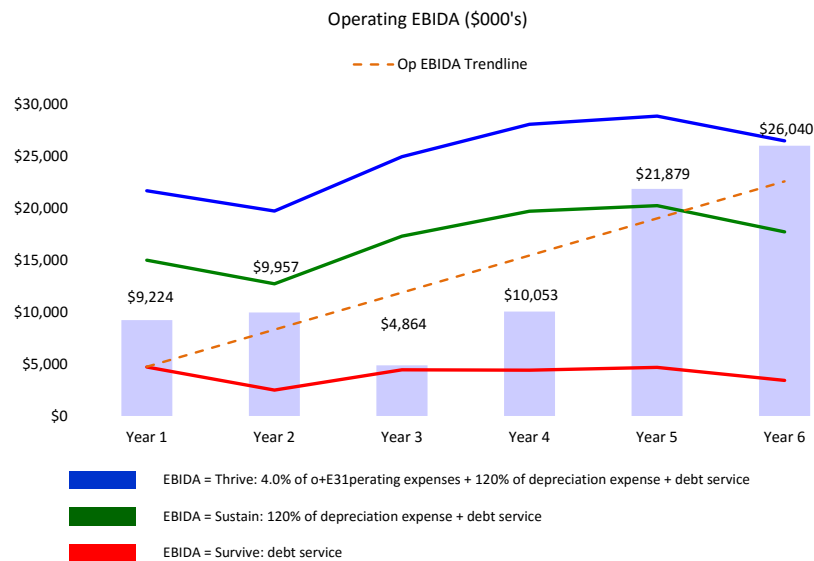
U.S. HHS Hospital Compare Measures	National Avg.	New Mexico Avg.	SOCORRO		LOVELACE	
			GENERAL HOSPITAL	PRESBYTERIAN HOSPITAL	MEDICAL CENTER	UNM HOSPITAL
Patient Survey Summary Star Rating:			NA	3	2	2
Patient Satisfaction (HCAHPS) Average:	71%	68%	74%	67%	64%	66%
Nurses "Always" communicated well:	79%	76%	79%	75%	72%	74%
Doctors "Always" communicated well:	82%	79%	83%	77%	74%	76%
"Always" received help when wanted:	68%	67%	78%	64%	57%	59%
Pain "Always" well controlled:	71%	69%	72%	67%	64%	66%
Staff "Always" explained med's before administering:	65%	64%	61%	62%	59%	62%
Room and bathroom "Always" clean:	74%	72%	79%	65%	63%	67%
Area around room "Always" quiet at night:	62%	62%	67%	54%	55%	48%
YES, given at home recovery information:	86%	83%	92%	84%	84%	86%
"Strongly Agree" they understood care after discharge:	52%	48%	54%	48%	46%	52%
Gave hospital rating of 9 or 10 (0-10 scale):	71%	66%	81%	68%	65%	67%
YES, definitely recommend the hospital:	71%	63%	73%	74%	66%	69%

Source: www.hospitalcompare.hhs.gov
Date: 4/1/2014-3/31/2015

Legend: Highest Score (Dark Green), Above State Avg. (Light Green), Below State Avg. (Light Orange), Lowest Score (Dark Orange)

- Financial and Operations Assessment** – Stroudwater professionals will perform a high-level assessment of OCH, including areas such as revenue cycle, an assessment of medical staff alignment and capabilities, an assessment of the department/service line offerings, and the like to understand current state and future opportunities.

The chart below puts organization operating results in a strategic context so long range trends in performance can be understood and analyzed.



- Develop a set of Strategic Objectives for OCH Regional Medical Center** – Stroudwater will use the common fact base developed above and key themes from stakeholder interviews to craft a set of strategic objectives for OCH Regional Medical Center. These objectives are meant to serve as criteria for evaluating strategic options and for evaluating future performance when

executing its preferred strategic option. The Strategic Objectives enable stakeholders to compare the risks and benefits of alternative options and assess future performance relative to its strategic goals.

6. **Develop a Strategic Options Assessment specific to OCH Regional Medical Center** – Using the information learned through steps 1 – 5, Stroudwater will assemble a comprehensive Strategic Options Assessment. The assessment will identify a full range of operation, strategic and financial alternatives that fall within the context of the Hospital’s mission and future objectives.
7. **Present Report of Findings and Recommendations** – The Stroudwater team will present to the Oktibbeha County Board of Supervisors and to the OCH Regional Medical Center Board of Trustees its findings and recommendations based on the steps described previously. More specifically, the end product will clearly articulate OCH’s strategic objectives, the probability of successfully accomplishing its objectives independently, and strategic options and partnerships available in the market to increase the likelihood of success.

The typical time frame for an engagement of this scope is approximately 60 to 90 days. There will be some variability in timing depending on the availability of requested data, the availability of key OCH personnel, and the deliberation style of the Hospital’s Board of Trustees and the Oktibbeha County Board of Supervisors.

Additionally, Stroudwater stands ready to assist the Oktibbeha County Board of Supervisors and OCH Board of Trustees with implementation of its preferred strategic option, whether that is independence, limited tactical partnerships, or a formal affiliation or partnership opportunity at the conclusion of the engagement. Regardless of the strategic direction selected by OCH, Stroudwater is prepared to assist OCH as needed with its implementation.

ABOUT STROUDWATER

Stroudwater designs solutions for healthcare leaders' most pressing challenges. We employ thought leadership and focused analytics in a collaborative process that engages our clients and empowers their transformation. Our practice areas are highly focused on the mission-critical strategic, operational, and financial areas where our perspective offers the highest value. Our solutions are client-driven and client-focused. Instead of selling a product or offering a prepackaged solution, we are your trusted advisors on the journey of discovering the unique solution for each client need.

Stroudwater professionals have deep domain expertise. The Stroudwater team is made up of clinicians, managers, corporate officers, investment bankers, financial analysts, and other leaders. Stroudwater is recognized nationally in markets from rural to community hospitals, healthcare systems, and large physician groups. We believe this type of broad understanding and experience with all the elements of the delivery system is critically important for serving clients in an increasingly interconnected and interdependent environment. In this context, our practice areas are focused on:

- Affiliations and partnerships
- Strategic planning and operational improvement
- Population health
- Strategic master facility planning
- Physician-hospital alignment
- Capital planning and access
- Revenue cycle

Founded in 1985, Stroudwater's mission is to improve healthcare provider performance with the highest value advisory services customized to each client's unique needs. Considering the complexity of these problems, we firmly believe that client engagements require leadership by deeply experienced advisors. Our consultants author industry-leading studies on facility investments and regularly publish both white papers and articles on topical healthcare issues, such as the "Affiliations Value Curve" and "Beyond Medicare ACOs: Preparing for Value-Based Payments". As leaders, we recognize the importance of first seeking to understand, then to be understood. We develop bold, independent points of view based upon diverse perspectives and experience. We are passionate about what we do, and we recognize how precious healthcare resources are to the fabric of the communities served by our clients. We approach each assignment with focus, energy, and a drive to get it right.

In summary, Stroudwater offers:

- A commitment of senior principals to each engagement
- The ability to plan facilities in the context of the strategic, financial, clinical and operational objectives of the organization
- A model for engaging the client and its major stakeholders, with the goal of timely and pragmatic implementation
- A devotion to creating customized solutions on time and on budget
- A national practice that applies relevant experience from a wide variety of environments and clients to the unique requirements of individual clients

PROJECT TEAM

JEFFREY B. SOMMER, MPP Director

Jeffrey Sommer is the leader of Stroudwater's Affiliations & Partnerships and Capital Planning & Access service lines. For over 20 years, Jeff's work has focused on assisting clients with strategic planning, assessing strategic options, and the successful execution of business development opportunities. Jeff regularly advises clients on strategic initiatives including greenfield hospitals, comprehensive ambulatory facilities, affiliations, partnerships and capital planning engagements. Jeff and his team have supported numerous hospital and health system clients through successful transactions that enhance local community hospitals and health systems and ensure that quality healthcare services are available locally.



Representative Accomplishments

Jeff's recent work for clients includes the following:

- Affiliation planning assistance for dozens of regional referral centers, community hospitals, and critical access hospitals ranging from full acquisitions, joint ventures, member substitutions and clinical or service-line-specific collaborations
- Strategic planning and capital planning services in support of 14 "greenfield" and replacement hospitals, new bed towers, and ambulatory centers in ten states, with total project costs in excess of \$1.3 billion
- Strategic planning assistance for a health system post-inception and post-merger; areas addressed by the plan included service reconfiguration, new services/product line development, asset and service rationalization and physician partnering
- Ambulatory service planning for health systems and community hospitals, including development of "ambulatory destination centers"
- Expert testimony in a Maryland Certificate of Need hearing and authoring of white papers assessing Certificate of Need programs in two states regarding overall regulatory oversight of acute care and outpatient services and oversight of interventional cardiology services
- Master facility planning assistance, including demand projections, scenario modeling, site selection analysis, project phasing, and financial strategy development for bed towers, new hospitals, cardiac surgery programs and major ambulatory projects
- Planning assistance for cardiology, oncology, and orthopedics service lines
- Authorship of the 2009 Community Hospital Replacement Study, a comprehensive study of market, facility, operational and financial metrics for 72 community hospitals replaced since 2000 (www.replacement-hospital.org)

Jeff has presented at regional and national meetings of healthcare professional societies, including the Congress of the American College of Healthcare Executives and the Estes Park Institute. He has written articles for the Healthcare Financial Management Association and the American Health Lawyers Association.

Education

Jeff earned his B.A. in Political Economy from Williams College. He received a Master's degree in Public Policy with a focus on health policy and management from Harvard University's Kennedy School of Government.

DOUGLAS M. JOHNSON Principal

An accomplished healthcare professional, Doug joined Stroudwater in 2014 and brings to the firm over 20 years of transaction, business development, and financial accounting experience, specifically in the general acute care hospital, rehabilitation hospital, and ambulatory surgery center space. Throughout his career, Doug has consistently demonstrated his ability to direct non-routine, sensitive, and complex transactions and to prepare clear, accurate, and management-focused deliverables. He is particularly effective at building relationships of trust with prospective clients and disseminating their real needs and concerns, as well as identifying leaders and decision-makers within targeted organizations.



Doug comes to Stroudwater from Capella Healthcare, where he served as Vice President, Acquisitions & Development. In this role, he was responsible for all activities pertaining to the development, structure and completion of general acute care hospital transactions (acquisitions and dispositions of acute care assets) including market identification, proposal, presentation and negotiation of terms and conditions. He has also held executive positions at Quorum Health Resources, Centerre Healthcare, and Community Health Systems. At Stroudwater, Doug brings his expertise to the Affiliations and Partnerships practice.

Recent Engagements

- Performed Strategic Option Assessments for several independent community hospitals. These engagements set out to determine the best strategy to preserve a community hospital's vision and mission in a rapidly changing operating environment. We assess the execution risks of remaining independent against the partering risks associated with affiliation and how to mitigate the risks of each.
- Conducted a series of strategic planning retreats for a system of three community hospitals recently reorganized under a new ownership and governance structure.
- Currently faciliating the solicitation and partner selection process for multiple community hospitals contemplating alignment and affiliation strategies.

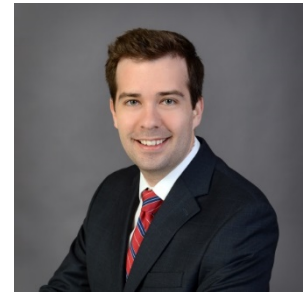
Education

Doug earned a B.S. cum laude in Business Administration, with a concentration in Accounting and a minor in Economics, from the University of Massachusetts, Boston.

C. RYAN SPRINKLE, JD Consultant

Ryan joined Stroudwater Associates in 2014, and works with hospitals, health systems, and other healthcare clients to identify strategic options that position them to compete in a changing reimbursement environment.

Before joining Stroudwater, Ryan practiced bankruptcy law. At Stroudwater, he uses that experience to work with distressed hospitals and their legal advisors as they consider and implement turnaround strategies. Additionally, Ryan works with hospitals and health systems across the country in both buy and sell-side engagements. For minority parties to a transaction, Ryan provides post-closing agreement monitoring services to ensure that key business terms are honored. Outside of affiliation projects, Ryan collaborates with healthcare executives to develop alternative models for delivering primary care, including concierge medical practices and retail medicine.



As a licensed attorney, Ryan relies on his legal training to identify opportunities for clients to create and retain value under new and modified regulatory regimes. While not in the active practice of law, Ryan is a member of the American Health Lawyers Association (AHLA), the AHLA's Young Professionals Council, and the Alabama State Bar.

Ryan lives in suburban Atlanta with his wife, Lauren, a baker and budding entrepreneur. They enjoy 80s rock and Alabama Crimson Tide football.

Representative Accomplishments

- *Hospital Bankruptcy and State Regulatory Review* – Prepared economic report, community benefit analysis, and liquidation analysis on an expedited timeline for an urban, safety-net hospital in a Chapter 11 bankruptcy case. Project required extensive coordination and collaboration between client's legal and strategic advisors in an effort to successfully avoid hospital closure.
- *System Unwind and Transition Planning* – Co-led affiliation process for a regional referral-center, community hospital as its parent system prepared to unwind its relationship with the facility.
- *Buy-Side Acquisition Target Screening* – Screened hospitals across a Southeastern state as part of an acquisition target identification process for a client skilled nursing facility owner/operator.
- *Strategic Options Analyses* – Led critical access hospital boards through strategic options analyses in Western and Midwestern states. Analyses included assessments of clients' strategic value, operational strengths and weaknesses, and financial position relative to market competitors.
- *Retail Clinics* – Provided project management services as part of efforts led by the National Director of Clinical Operations for a major national retail company that managed 17 multistate retail clinics.

Education

Ryan earned his Juris Doctor from The University of Alabama School of Law, focusing his legal studies on healthcare law and completing graduate coursework in healthcare management. He graduated with a B.S. from The University of Alabama, majoring in economics and specializing in finance.

KEITH M. BUBBLO Senior Analyst

Keith joined Stroudwater Associates in 2001, and has helped develop Stroudwater's data-driven approach to client engagements. He has expertise in the management, analysis, and presentation of healthcare data to assist in strategic planning, and uses state-of-the-art Geographic Information System (GIS) and data visualization software to interpret and analyze the geographic components and distribution of patient records, utilization estimates and projections, market share, and demographic data, adding insight to a hospital's market position and highlighting areas of risk and opportunity. He has developed innovative approaches to studying a healthcare organization's standing, including patient distribution by clinical service line and drive-time analysis. In conjunction with Stroudwater's strategic planning and rural teams, Keith uses multiple public and private data sources to define and develop hospital markets. A major focus of his work is helping decision-makers see meaning in their operational data by using emerging information visualization tools and techniques.



Stroudwater's data-driven approach is scalable to all types and sizes of projects. Keith has assisted clients ranging from large tertiary centers in dense, urban areas to small rural and community hospitals; from new "greenfield" hospitals under development to ambulatory surgery centers; and from physician groups to employer-sponsored health plans.

Representative Accomplishments

Keith's recent work includes the following:

- Cost/Quality comparisons of hospitals and systems;
- "hotspotting" areas of high cost and high utilization using claims data;
- Identifying variations in use rates among service areas and comparing them to expected long-term trends;
- Identifying operational trends within EMR data, cross-referenced by patient type, department, physician, and service line;
- Comprehensive market analysis, including service area, demographics, competitor analysis, and patient origin by travel time;
- Bed-need studies;
- Area health-data assessments and inpatient/outpatient estimate reports;
- Hospital relocation/new construction/closing analysis using GIS to monitor the impact on existing or potential patients; and
- Ambulatory market potential studies using historical market share, business data, daytime/nighttime population trends, and traffic counts.

Education

Keith holds a Certificate in Geographic Information Systems from the Department of Geography-Anthropology at the University of Southern Maine. He attended Arizona State University in Tempe, Arizona, and has a BA in English and Political Science from Wilkes University in Wilkes-Barre, Pennsylvania.

PROJECT TIMING AND SUMMARY OF DELIVERABLES

As discussed previously, the typical time frame for an engagement of this scope is approximately 60 to 90 days. There will be some variability in timing depending on the availability of requested data, the availability of key OCH personnel, and the deliberation style of the Hospital's Board of Trustees and the Oktibbeha County Board of Supervisors.

At the conclusion of the proposed approach to this engagement, Stroudwater Associates will prepare a written report to address, at a minimum, the following points:

- a) A review of the community's inpatient facility needs based on current workload, historical trends and projections, based on demographic data, of future needs
- b) A review of the competitive market for services including other hospitals that serve the same area, the services provided by competitors, and the market perception of the competing hospitals
- c) A review of the hospital's strengths relative to the competition and its capacity to compete in light of projected trends regarding competition
- d) An analysis of the hospital's options, including service mix and pricing strategies. If the study concludes that a sale or lease should occur, the study shall include an analysis of which option would be best for the community and how much revenue should be derived from the lease or sale.

The final written report will also include:

- A quality-of-care comparison of the hospital's performance with state, regional, and national benchmarks, and
- A report that will provide the Board of Supervisors with actionable recommendations.

COSTS


The proposed scope of work can be completed for professional fees of approximately **\$45,000 - \$50,000** with a commitment not to exceed \$50,000. This fee estimate presumes efficient scheduling of stakeholder interviews and timely provision of data. Stroudwater fees incurred will be billed monthly up to the stated fee ceiling. We will communicate often regarding billed time and will work on your behalf as efficiently as possible. At any time, if you are not completely satisfied with our work or value, you may terminate the engagement immediately and owe only fees and expenses incurred to date.

Upon authorization to proceed, an initial payment of \$11,250 will be due and will be applied to the final invoice. You may terminate our engagement at any time and will only be liable for fees and expenses incurred to date. Expenses will be billed as incurred. Stroudwater does not mark up expenses or charge for normal overhead items, including communications, printing and the like.

Professional fees and expenses are invoiced monthly, and will be due upon receipt. Invoices outstanding beyond 30 days are subject to interest charges of 1% per month.

We appreciate the opportunity to support you in this important chapter in OCH Regional Medical Center’s and Oktibbeha County’s history. If you agree to the engagement described in this proposal, please sign below and return one copy with a check for the initial payment, care of:

*Puja Periwal, Administrator
 Stroudwater Associates
 50 Sewall Street, Suite 102
 Portland, ME 04102
 pperiwal@stroudwater.com*

AGREED TO FOR STROUDWATER ASSOCIATES	AGREED TO FOR OKTIBBEHA COUNTY BOARD OF SUPERVISORS
	
Name: Douglas Johnson Title: Principal	Name: Title: Date:

Upon conclusion of the engagement, should OCH Regional Medical Center wish to proceed with an affiliation and partnership process, Stroudwater would welcome the opportunity to leverage our nationally recognized expertise and extend our work together in finding the right partner for OCH and the communities it serves. Detailed fees would be available upon request.

REFERENCES

Onslow Memorial Hospital

Onslow Memorial Hospital is a County-owned hospital located in Jacksonville, N.C. Stroudwater is developing a strategic plan and using this concurrently to inform the merit of affiliating with a larger hospital in an adjacent county versus remaining independent. The project is currently nearing completion.

Penney Burlingame Deal, President and CEO
910-577-2605 X4727
Penney.burlingame@onslow.org

Wills Memorial Hospital

Wills Memorial Hospital is a County-owned hospital located in Washington, GA. Stroudwater has assisted Wills Memorial with a Strategic Options Assessment, facilitated the engagement of a management services firm on an interim basis, and is in the process of assessing an affiliation opportunity.

WL Burton, Board Chair
706-401-0326
Wlburton2@gmail.com

Mississippi Hospital Association

Timothy H. Moore, President / CEO
601-368-3209
tmoore@mhanet.org

Mendal Kemp, Director of the Center for Rural Health
601-368-3384
mkemp@mhanet.org

Rutland Regional Medical Center

RRMC is located in Rutland, Vermont. Stroudwater was retained to perform a strategic options assessment/strategic planning engagement for this nearly \$250 million in annual operating revenue regional referral center, the second largest hospital in Vermont. As part of the strategic options assessment, Stroudwater assessed various affiliation options alongside an independent strategy.

Tom Heubner, Chief Executive Officer
802-747-1600
theubner@rrmc.org

MedWest Health System

Stroudwater was retained by the board of this three-hospital health system in western North Carolina to assess strategic options. Due to challenging market conditions, legacy balance sheet weakness, and an impasse on the future strategic direction for the system between its two members, MedWest faced significant hurdles. Stroudwater was asked to vet alternative strategic options, including: continue as is, find a partner as a system, allow each member to find a partner on its own, and variations thereon. At the conclusion of the process, both members of MedWest elected to partner, separately, with Duke LifePoint Healthcare.

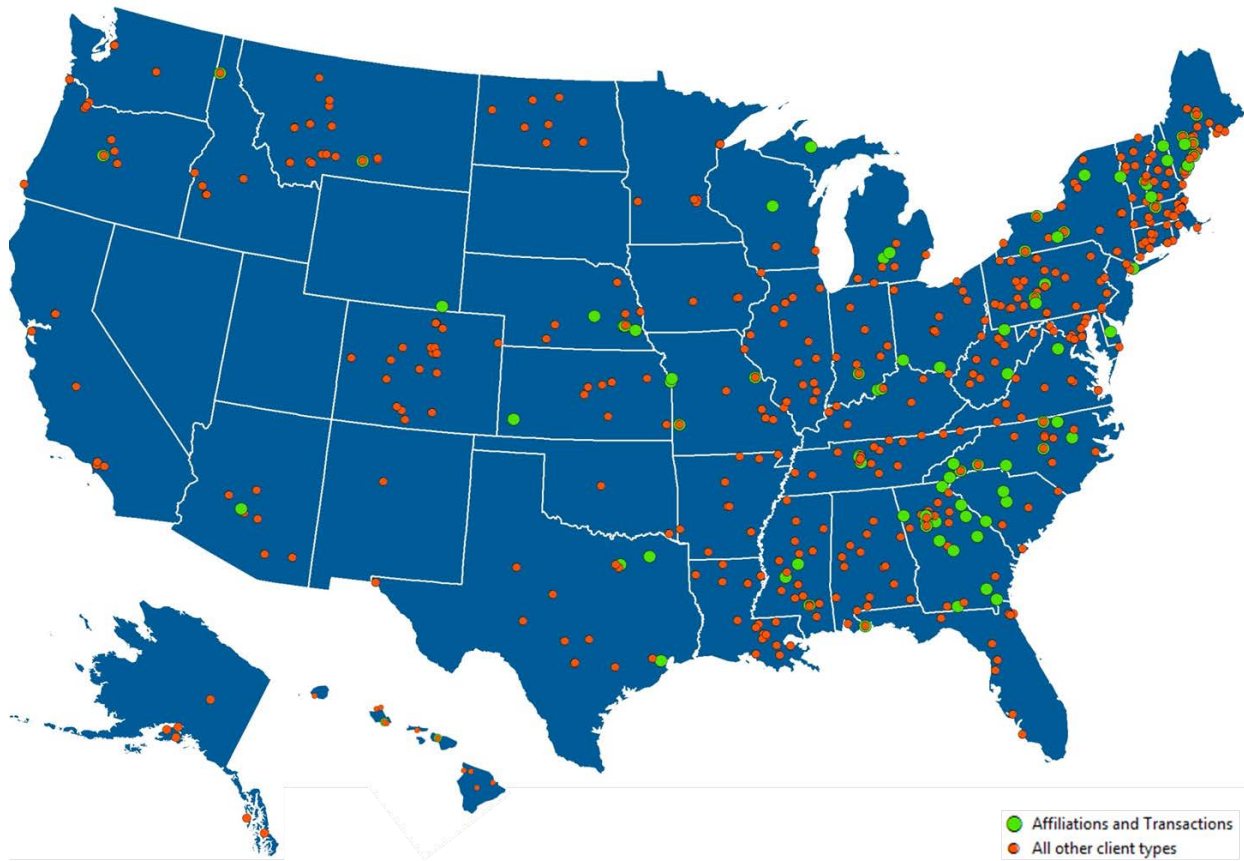
Mark Clasby, Chairman of the Board
828-456-3737
mclasby@haywoodnc.net

Memorial Hospital of York

Stroudwater was retained by the board of this \$95-million-annual-revenue, independent community hospital in York, Pennsylvania to assess its strategic options. During the strategic planning process, an opportunity to reduce the payment differential between Memorial of York and the dominant health system while preserving competition in the local market was identified. This strategy had the potential to provide the cash flow needed to finance construction of a replacement facility and physician alignment strategy for Memorial of York. Stroudwater and senior leadership of the hospital made presentations to commercial payers; the payers were receptive, and the hospital generated significantly greater operating cash flow as a result. Unfortunately, within two years the Great Recession eroded these hard-fought gains, requiring the hospital to seek a partner.

Richard Imbimbo, Chief Financial Officer
Hahnemann University Hospital
215-762-3680
richard.imbimbo@tenethealth.com

APPENDIX A: STROUDWATER AFFILIATION PRACTICE NATIONAL FOOTPRINT



APPENDIX A: STROUDWATER AFFILIATION PRACTICE NATIONAL FOOTPRINT

California

- Rideout Health

Colorado

- Melissa Memorial Hospital

Georgia

- Jefferson Hospital
- Mercer University
- Polk Medical Center/Cedartown Hospital Authority (CAH)
- Satilla Regional Medical Center
- University Health Care System
- Rockdale Medical Center
- Southern Regional Medical Center
- Wills Memorial Hospital
- Monroe County Hospital
- Elbert Memorial Hospital
- Charlton Memorial Hospital
- Floyd Medical Center

Idaho

- Kootenai Medical Center
- Portneuf Medical Center
- Magic Valley Regional Medical Center

Indiana

- Dunn Memorial Medical Center (CAH)

Illinois

- Memorial Hospital (Carthage)

Kansas

- Coffeyville
- Bob Wilson Memorial Grant County
- Heartland Specialty Surgical Hospital
- Hutchinson Regional Medical Center
- Menninger
- Mercy - Independence
- Salina Regional Health Center
- Lindsborg Hospital

Kentucky

- Jewish Hospital

Maine

- Maine General Healthcare

Michigan

- Chelsea Community Hospital
- Hayes Green Beach Memorial

Minnesota

- Worthington Regional Hospital / Sanford Health System

Mississippi

- Hattiesburg Clinic

Montana

- Great Falls Clinic

Nebraska

- BryanLGH Health System
- Lexington Regional Health Center (CAH)

New Mexico

- Memorial Medical Center of Las Cruces
- St. Vincent Regional Medical Center

New Hampshire

- Cheshire Medical Center
- Androscoggin Valley Hospital
- Huggins Hospital
- Littleton Hospital
- Upper Connecticut Valley Hospital
- Memorial Hospital
- Weeks Memorial Hospital

New York

- Auburn Community Hospital
- Upper Allegheny Health (Bradford, PA & Olean, NY)
- Carthage Area Hospital
- Cayuga Medical Center
- Cerulean Partners
- Clifton Fine Hospital
- Saratoga Hospital
- Schuyler Hospital

North Carolina

- Maria Parham Medical Center
- Transylvania Regional Health System (CAH)
- Person Memorial Hospital
- Rutherford Regional Health System
- Wilson Medical Center
- MedWest Health System

Ohio

- Southern Ohio Medical Center

Pennsylvania

- Memorial Hospital of York
- Altoona Regional Medical Center
- Nason Hospital
- Tyrone Hospital (CAH)
- Bucktail Medical Center
- Excelsa Health

South Dakota

- Canton – Inwood Memorial Hospital (CAH)

Tennessee

- St. Thomas Health System

Texas

- St. Joseph Hospital
- Borger Medical Center (CAH)
- Henderson Memorial Hospital
- Memorial Hospital & Clinic (Hopkins County)

Vermont

- Southwest Vermont Health Care
- Porter Medical Center

Virginia


- Twin County Healthcare
- Shore Health
- Fauquier Health


Stroudwater acted as advisor to Maria Parham Medical Center. The transaction is a pioneering joint venture between not-for-profit Duke University Health System, for-profit LifePoint Hospitals and Maria Parham.

Duke LIFEPOINT HEALTHCARE

has formed a joint-venture with

MARIA PARHAM MEDICAL CENTER



 **STROUDWATER**

Stroudwater acted as advisor to Southern Regional Medical Center. To operate more efficiently and focus effort on core business lines, Southern Regional divested its RiverWoods Psychiatric Hospital to a local, Atlanta-based, for-profit behavioral health company. Programs and services will expand as a result of the transaction.


ACADIA
PIONEER BEHAVIORAL HEALTH


has acquired

RiverWoods Psychiatric Hospital

from

Southern Regional MEDICAL CENTER



 **STROUDWATER**

Stroudwater acted as Advisor to Twin County Regional Healthcare. This joint venture is the first one for DLP Healthcare, LLC in Virginia and will result in significant new capital investment and resources for Twin County Regional Healthcare.

DLP Healthcare, LLC

has formed a joint venture with

TWIN COUNTY
Regional Healthcare
Where People Care




 **STROUDWATER**


Stroudwater acted as advisor to Fauquier Health in its search for a partner. The transaction resulted in the formation of a new health system owned jointly by Fauquier and LifePoint. Our client holds a minority equity position while receiving shared, balanced governance.

FAUQUIER HEALTH

has formed a joint venture with

LIFEPOINT HOSPITALS®



 **STROUDWATER**

Stroudwater acted as advisor to Bannock County. This transaction resulted in a commitment to construct a new regional medical center for the citizens of Bannock County and Southwest Idaho.

 **Legacy**
Hospital Partners, Inc.

has formed a joint venture with

 **Portneuf**
MEDICAL CENTER
Where Care and Compassion Reside

 **STROUDWATER**

Highlands – Cashiers Hospital, a Critical Access Hospital located in the mountains of Western North Carolina, sought a partner to enhance clinical services in the community and operating efficiencies. Mission Health System was chosen as the most appropriate partner and completed the affiliation January 31, 2014. Stroudwater Associates acted as Advisor to Highlands – Cashiers Hospital.

 **Highlands-Cashiers**
HOSPITAL


is now a partner of


 **MISSION**
HEALTH SYSTEM

 **STROUDWATER**

Stroudwater acted as advisor to the Hospital Authority of Rockdale County. This transaction resulted in sizable funding for the Authority to serve the healthcare needs of Rockdale County through grants and other charitable activities.


has acquired


 **Rockdale**
Medical Center

 **STROUDWATER**


Stroudwater acted as advisor to Cedartown-Polk County Hospital Authority. The transaction is an Authority-to-Authority affiliation that will result in a replacement hospital commitment.

has committed to lease


 **Polk Medical Center**
You've Got Our Attention


 **STROUDWATER**


Stroudwater acted as advisor to Satilla Regional Medical Center. The transaction represented the first acute care affiliation for Mayo Clinic - Jacksonville.

 **Satilla Regional Medical Center**


has integrated with

 **MAYO CLINIC**





 **STROUDWATER**

Stroudwater acted as Advisor to Great Falls Clinic. The partnership will focus on physician recruitment, technology and growth opportunities to continue the 94-year tradition of quality care by the Great Falls Clinic.

 **SYMBION HEALTHCARE**


has agreed to manage and own certain entities of the

 **GREAT FALLS CLINIC**





 **STROUDWATER**


Stroudwater acted as Advisor to University Health Care System. As the buyer representative, Stroudwater worked alongside University to identify the opportunity at McDuffie Regional – ultimately leading to a replacement hospital which will enhance and secure healthcare for future generations in McDuffie County.

 **UNIVERSITY HEALTH CARE SYSTEM**

has acquired

 **McDuffie Regional Medical Center**



 **STROUDWATER**

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