

**ASSEMBLY**

The Partnership Advisory Group met for a meeting on Thursday, December 19, 2019, at 5:30 p.m. in the Andre' Mallette Training Rooms at the New Hanover County Government Center, 230 Government Center Drive, Wilmington, North Carolina.

Members present: Co-Chair Barbara Biehner; Co-Chair Spence Broadhurst; Vice Co-Chair Bill Cameron; Vice Co-Chair Dr. Joseph Pino; Members: Dr. Virginia Adams; Evelyn Bryant; Robert Campbell; Chris Coudriet; Cedric Dickerson; Brian Eckel; Jack Fuller; Hannah Gage; John Gizdic; Dr. Sandra Hall; Meade Horton Van Pelt; Dr. Chuck Kays; Tony McGhee; Dr. Michael Papagikos; Dr. Mary Rudyk; and David Williams.

Members absent: Jason Thompson.

Staff present: County Attorney Wanda Copley; Clerk to the Board Kymberleigh G. Crowell; Assistant County Manager Tufanna Bradley-Thomas; Chief Financial Officer Lisa Wurtzbacher; Chief Communications Officer Jessica Loeper; Budget Officer Sheryl Kelly; New Hanover Regional Medical Center (NHRMC) Chief Communications Officer Carolyn Fisher; NHRMC Chief Legal Officer Lynn Gordon; NHRMC Chief Strategy Officer Kristy Hubard; NHRMC Media Relations Coordinator Julian March; NHRMC Executive Vice-President and Chief Financial Officer Ed Ollie; Joseph Kahn, Shareholder with Hall Render and outside counsel for NHRMC; Ryal W. Tayloe, Attorney with Ward and Smith and outside counsel for NHRMC; and David Burik, Navigant Managing Director.

Co-Chair Broadhurst called the meeting to order and thanked everyone for being present.

Co-Chair Biehner thanked everyone for attending and stated there are three key items on the agenda to cover in the time allotted and provided a brief overview of each item.

**APPROVAL OF MINUTES**

PAG Member Eckel MOVED, SECONDED by PAG Member Pino to approve the December 5, 2019 minutes as presented. Upon vote, the MOTION CARRIED UNANIMOUSLY.

**DEVELOPMENT OF GOALS AND OBJECTIVES: REVIEW OF UPDATES TO GOALS 6 THROUGH 10 AND APPROVAL OF ALL GOALS AND OBJECTIVES**

Co-Chair Biehner stated that Goals 1 through 5 were covered at the prior meeting. Goals 6 through 10 will be covered during this meeting, modifications are noted in red in the PowerPoint, and the review proceeded with discussions noted below:

Goal 6: Driving Quality of Care Throughout the Continuum: Discussion was held about changing the word "quartile" to "decile" as NHRMC is already in the top quartile. There was general consensus of the members to make the change. In response to questions, Member Gizdic stated that the current measurement lands in the area of the 75<sup>th</sup> percentile on achieving top quartile performance on quality indicators. The expectation is top decile if not top ten in the country.

Discussion was held about the objective "Engage and empower nurses to be leaders in achieving excellence in quality and patient care" and having a reference to physicians as well. In review of whether or not it is included under another goal, it was determined it is not specifically stated and should be. There was general consensus of the members to include specific language to address other types of providers.

Goal 7: Improving Level and Scope of Care: Discussion was held about the probability of there being some academic institutions in addition to other respondents to the RFP and if that is the case, would it be possible to have those respondents elaborate on the potential to have a medical school, medical school branch, or Physician's Assistant (PA) program here. While it is in Goal 5 in the discussion about partnership, it may also apply to Goal 9. It was noted that these offerings would serve as an economic driver for the region and not just for the development of future healthcare providers, but also for healthcare providers to populate the region as a consequence. Member Gizdic stated that the support team will figure out where to include the language.

Discussion was held about removing the word "burns" from the statement "Ensure improved and coordinated patient access to quaternary services not offered by NHRMC..." Co-Chair Biehner noted that the statement is addressing coordinated access to the services not offered by NHRMC. Member Gizdic provided additional clarification that this is not about drawing the services here, it's the fast pass concept. After additional discussion, members were in general consensus on the statement.

Goal 8: Investing to Ensure Long-Term Financial Security: Member Gizdic stated there is a need to be sensitive to NHRMC staff which is why the words "...including revenue cycle and IT infrastructure" were removed. They were meant as specific examples, but were taken literally during an internal review that he held in the organization and thinks it is better to remove the specific examples. Members were in general consensus with the change.

In response to questions, Member Gizdic stated that the long-range strategic capital plan has been confidential. Respondents will have to sign a non-disclosure agreement to have access to the confidential documents in the virtual (online) data room. He confirmed that once the committee begins discussions about being stand alone, the capital plan will be part of the discussion.

Goal 9: Strategic Positioning: Co-Chair Biehner reviewed the modifications. No discussion was held or comments made on Goal 9 as presented.

Goal 10: Governance: Co-Chair Biehner stated there will be a presentation on this goal during the second meeting in January. In response to questions, Member Gizdic stated the idea for the objective “Maintain local control/decision making on hospital-based provider contracts, joint ventures and other physician contracts and agreements” is to learn about a respondent’s specific physician relationships. Those are areas that are specific to the different types of relationships NHRMC has with different physicians/providers and the desire to make sure the decision making remains local.

After a brief discussion was held about taking a vote on the approval of all the Goals and Objectives as amended and presented, Co-Chair Biehner asked for direction from the PAG.

**Motion:** PAG Member Williams MOVED, SECONDED by PAG Vice Co-Chair Pino to approve the ten Goals and associated Objectives as amended. Upon vote, the MOTION CARRIED UNANIMOUSLY.

### **DISCUSSION ON ALL DRAFT RFP QUESTIONS**

Co-Chair Biehner stated that the draft RFP Proposal Request document contains all of the comments in red that were provided prior to today’s meeting. A brief discussion was held about how to work through the document and the general consensus of the members was to work through each section and related subsections to review the referenced questions and comments.

A brief discussion was held about how to handle grammatical items in an effort to not take up time during the meetings. The general consensus of the members was to send in grammatical (non-substantive) items to the appropriate support staff for review and correction. Review of the sections took place with discussions noted below:

Section 1: Improving Access to Care and Wellness Programs: In review of subsections 1.1 – 1.5, Member Gizdic stated for subsection 1.5 there may be a need to flesh out a few more specialties in addition to what is included in the section. There will be a need to figure out how to best word them as they are not mutually exclusive, nor is there a comprehensive list of everything that the PAG would want the responders to answer. There are several other specialties that NHRMC is interested in hearing about from the respondents. Discussion was held as to whether or not a general question could be included about other specialties a respondent could bring that NHRMC does not currently have. Member Rudyk noted one specialty that is lacking in the region is psychiatry and it would be good to know how a respondent would address continuous psychiatric care across the region. Member Hall stated if there is a specialty that is known to be in an area where help is needed, such as maternal fetal health, then it should be included in the RFP. Member Papagikos agreed that there are other specialties, services, etc. that should be included and could be summarized into the RFP by using the needs assessment document if it is available. Co-Chair Biehner felt that could be done. Member Gizdic stated the section is centered around service lines, access, and growth and in looking at it from that perspective, it is a provider, staff, facilities, and equipment. The subsection can be expanded further to have specific general questions on specific service lines.

Further discussion was held about listing questions on very specific service lines and then do a catchall for any other service lines that are not asked about in the RFP. It was noted what is being asked for is the respondent’s experience in the service lines and how they will help NHRMC address its needs. Member Gizdic suggested including in this section the phrase “provide quantifiable evidence” as included in other sections of the RFP to learn how respondents have done it in other relationships.

Subsection 1.7: As to the commentary about “... continued transition to value-based care...” and if there is a separate section about a respondent’s experience on it, Member Gizdic stated he thought it was addressed in Section 2 of the document. Co-Chair Biehner asked to be sure it is not forgotten about.

Subsection 1.9: As to the commentary about “... their experience with Predictive Analytics ...” Vice Co-Chair Pino stated he knows it was included in Goal 7 or 8 and as the members approved all the Goals and Objectives earlier, his question has been addressed.

Subsection 1.10: As to the commentary about if the verbiage for this subsection belongs in subsection 1.1.1, Member Gizdic stated he would err on the side of specifically addressing rural health care. It is a known crisis in North Carolina and it is known that southeastern North Carolina is extremely rural once outside the Wilmington city limits. As such, all of NHRMC’s regional facilities and partners are very rural so it is well worth asking the question, even if it is duplicative.

Section 2: Advancing the Value of Care: Discussion was held on the commentary "... establishing and further developing partnerships with our community service groups ..." and that community partners had been identified in another section of the RFP. Member Gizdic stated he thought it was mentioned in Section 6, but he would also like to include it in this section to receive answers from a value perspective. Members were in general consensus to have it added into this section. Member Coudriet asked when referencing the Department of Health and Aging if it was something within the hospital or the County. Member Rudyk stated it was referencing the County. Member Coudriet stated they do not exist in that context, but rather as the Department of Public Health and the Senior Resource Center. Member Rudyk requested that be corrected. Vice Co-Chair Pino stated for the Medicaid verbiage in the commentary should read "Community Care of the Lower Cape Fear."

Section 3: Achieving Health Equity: Co-Chair Biehner reviewed the modifications and there was no additional discussion or commentary.

Section 4: Engaging Staff: Discussion was held about asking in subsection 4.1.1 for nursing retention rates and other retention rates as a benchmark to see how other organizations have done. Vice-Co-Chair Pino stated it is not just about recruitment, but the objective value that could be used through this process is the retention rate. Member Gizdic suggested going even broader to work in the concept of quantifiable evidence including things such as turnover rates, retention rates, employee engagement scores, etc. to have data that would demonstrate the evidence of what has worked and what has changed. Member Fuller stated throughout the RFP, quantifiable evidence needs to be stressed as he would like to see the actual information to compare to industry standards, NHRMC standards, etc. Member Gizdic stated he also likes the duration comment as a theme and suggested both be incorporated where it is appropriate. Further discussion was held about subsection 4.1.6 potentially covering these items. Members agreed what they are looking for are the rates and quantifiable results, and were in general consensus to include quantifiable results and duration throughout the document where appropriate.

Subsections 4.2 and 4.3: Discussion was held about concerns some members had with the verbiage "... how long each such commitment and/or program was or will be in effect..." While realizing things do change, there is an expectation for some things to continue without a duration. The concern about the effect on NHRMC employees, compensation and benefits, etc. are concerns that have been voiced by many in the community, in public forums, and by NHRMC staff. Respondents should share examples of how it handled recent acquisitions as there have been a lot of stories of these type of acquisitions taking place and having significant issues with job turnover and job loss. Members were in general consensus on asking about the duration of any relevant commitment and to use the verbiage as the standard comment.

Subsections 4.3.3 and 4.3.5: Discussion was held about the subsections being similar, redundant, or independent. Members were in general consensus to keep the verbiage as is.

Subsections 4.4 and 4.5: Co-Chair Biehner noted the sections have the same relevant commitment language as the prior two subsections.

Subsection 4.5.4: Co-Chair Biehner noted that in this section there is an ask to "... provide quantifiable data on programs introduced by respondent that supports enhanced efforts." Member Gizdic noted it will probably be seen in several other places.

Subsection 4.7: In response to questions about the commentary "Is this question answered by the response of the respondent's tax status?" Vice Co-Chair Pino stated for example if he is a physician who has a student loan and is looking for some forgiveness or payback, and is working at a 501(c)(3) not-for-profit, he can apply for loan forgiveness with the government. If the tax status changes to a private, for-profit institution and the loan forgiveness to the government goes away, then he would have to find a different employer. He does understand the rationale of including it. Ms. Gordon stated there are some options that for-profits can have collaboration or affiliation agreements with a federally qualified health center facility that transitions. There should not be an assumption this is what will happen and she would suggest leaving the question open to hear the responses. Member Gizdic noted that there may be other programs that NHRMC may not qualify for currently or does not participate in that another medical center or some other type of organization might bring to the table that may result in more NHRMC employees being eligible for a form of loan forgiveness. He suggested the section not only be left in but expanded to include "...and what other kinds of programs can be brought in by the respondent in addition to ..." Members were in general consensus to include this verbiage in this section.

Section 5: Partnering with Providers: It was noted that subsection 5.2.5 was removed due to repetitiveness.

Subsection 5.4.3: In response to questions, Member Gizdic stated the question does take into account stipends, hospitalists, other physician contracts, and agreements.

Subsection 5.4.4: In response to questions if there are other clauses that should be thought about in addition to the use of non-compete and cost share provisions, Member Gizdic stated that cost sharing is another form of non-compete. The question is about an organization's philosophy and how they work with providers.

Subsection 5.4.5: In response to questions about including the same timeline wording, Member Gizdic responded this is important as one of the Goals and Objectives is about maintaining and strengthening relationships with independent practices in the community and recognizing their importance. He thinks having examples and quantifiable evidence of how a respondent works with independent physician practices in their other relationships would be important. In response to questions about the verbiage "... non-hospital affiliated physicians...", Member Gizdic stated that he believes the intent is for it to mean physicians not employed by NHRMC. It may be better to use "independent physician practices" as this is more common language, which is consistent with the verbiage in the Goals and Objectives. Members were in general consensus to change the verbiage to "independent physician practices". In response to questions about the verbiage "... expect for their patients and practices ...", Member Hall stated it is along the lines of if they still have same access to the hospital, if a respondent is still working with those physicians in a relationship that has been built, or they say they will bring in their own people not allow those physicians the same access. Member Eckel stated this would be a good area to include the ask of quantifiable evidence and members were in general consensus with the inclusion of the language.

Section 6: Driving Quality of Care and Patient Safety Throughout Continuum: In response to questions, Member Gizdic stated there are countless ways to report on quality of care. Every specialty has a place it reports to. He would not limit it to one type of reporting system, but rather leave the question open ended. As to reporting credentialing information, Ms. Gordon stated that will be listed by the respondent in the description of themselves. Member Gizdic stated it is also who is used, what the expectations would be for NHRMC, and a request to provide the report from the last visit so it can be seen what the deficiencies are and other comments. It may not be a public document but it can be requested. He is not sure where it goes in the RFP, not necessarily under continuum, but it is an important set of questions around a respondent's accrediting body.

Subsection 6.1.5: In response to questions about the amount of information that may be provided, Member Gizdic stated it can be either left open ended to see what is provided generally related to quality and patient safety or it would have to be very specific with each item being listed. A lot of the systems are larger and have hospitals where each has its own independent report so there will be variability between facilities.

Regarding including questions about the most recent acquisitions, Member Gizdic agreed this is important information. Discussion was held on the need to request information on facilities that are comparable to NHRMC, what impact did they have on their most recent acquisition, and to look at it over a five and ten-year perspective.

Further discussion was held on the questions asked in the community about quality decreasing when there is a change in ownership. Vice Co-Chair Pino stated having the data from over a period of time would help to address that concern. Member Gizdic stated it ties back into the earlier question about how quartile is not good enough, it is decile that is the expectation of NHRMC and should be the expectation of the community. The question becomes how is any partner going to help NHRMC get there and can they demonstrate they have done that anywhere else. In response to questions, Member Gizdic stated with the refinements that were just discussed, this subsection will be more detailed than what is currently shown.

As to whether there is any warranty structure or default remedy if a respondent presents this information and a diminution of care is seen five or ten years later and having the ability to reevaluate at a later time, Ms. Gordon stated there would be an entire section on reps and warranties on what they are doing. The reps and warranties can also be tied to what is being asked for. It is all negotiable in terms of how far they go and what the penalties would be or the unwinds, etc. It would not be included in the RFP but in later documents and will depend on the model.

Section 7: Improving the Level and Scope of Care: As to the commentary if subsections 7.1.3 and 7.1.4 are in conflict with each other, Member Gizdic stated the questions cover two separate things. The intent of subsection 7.1.3 is to not take anything out of this market and move it somewhere else as there will not be a downsize of any services here. The intent of subsection 7.1.4 is referring to southeastern North Carolina and what is a respondent's philosophy on centralization versus decentralization. For example, should all services be on one campus or do they believe primary level services should be close to home within one to three miles driving distance, and secondary services should be geographically distributed within a seven to ten-mile radius. Members were in general consensus for the verbiage to be clarified in subsection 7.1.4 to reflect what has been discussed.

Section 8: Ensuring Long-Term Financial Security: Discussion was held about subsection 8.1.1. Member Coudriet stated there is a limitation under the current structure for borrowing outside the County. Even if that

is fixed, he does not think it deals with the bigger problem which is access to capital as there is very limited access. Discussion was held that subsection 8.1.9 may address it. Member Gizdic stated this subsection is about a respondent's access to capital and how they would provide it to NHRMC. Member Coudriet stated it is important for proposers to understand there are two problems: 1) borrowing outside and 2) on its own NHRMC does not have access to the necessary levels of capital. Further discussion was held about revising the subsections. Member Gizdic stated he thinks as currently written, subsection 8.1.1 gets at the first issue and potentially subsections 8.1.6 and 8.1.9 get to the second issue about debt capacity, access to capital, and capital markets.

Subsection 8.1.4: In response to questions about if the words "obligated group" can be explained further, Member Gizdic stated the language can be cleaned up. It is a technical term related to the audit and the entities that are obligated. Mr. Burik stated for example, if the successful partner is a system in Nebraska and if NHRMC is part of the obligated group and there is a cash flow in Nebraska, it is NHRMC's cash flow, so it is obligated.

Subsection 8.1.8: As to the commentary about the data room and access to the information, Member Papagikos stated based on Member Gizdic's earlier explanation, he understands what is being discussed. Member Gizdic stated that the data room will be the virtual place where respondents can look up information on NHRMC. The PAG will also get a lot of important information such as the long term capital plan, financial projections, etc. The PAG will be reviewing this information while the RFP is out.

Subsection 8.1.9: Co-Chair Biehner stated this wording was discussed earlier about the addition of the verbiage regarding access to capital structures.

Subsection 8.2.1: Discussion was held on the commentary about judging the responses based on who will and will not allow current cash reserves to be released to the County. As to what is trying to be accomplished, Member Gizdic stated it is based on the respondent's proposed partnership structure and what impact would that have on NHRMC's existing cash and investments. Currently, the investments and cash in terms of use and what happens with them are directed by the NHRMC Board of Trustees. If it is not an acquisition and something short of that, then there is a need to know the respondent's commitment that the NHRMC Board of Trustees continues to direct the cash and investments locally, not out of the area.

Subsection 8.3: In response to questions, Member Gizdic confirmed this is the same concept as in subsection 8.2. In response to additional questions, Co-Chair Biehner confirmed that this section is distinct and separate from the governance section.

Section 9: Strategic Positioning: Discussion was held about the commentary for subsection 9.2.1 and why Pender Memorial Hospital (PMH) is being suggested versus the seven county area. Member Gizdic stated the question is specifically addressing the lease with PMH and asking if the respondent will commit to maintaining and honoring the existing relationship with PMH. NHRMC does not want a respondent to cut the relationship with Pender, which has been in existence for 21 years. The desire is that a proposer will say they will do PMH plus five others.

Member Gizdic shared with the members for their consideration a question to be included in Section 9 about the system or potential partners' resources, capabilities, and commitment to NHRMC as it relates to disaster preparedness, recovery, and support. During Hurricane Florence and when the County became an island, the physicians, County, and his staff did a phenomenal job. However, if there had not been access to a mobile hospital there would not have been healthcare services in Pender County. If there had not been relationships with other healthcare facilities in place, there would not have been staff flown in to relieve NHRMC staff. When talking about being independent which has its own pros and cons, this was a situation/scenario where NHRMC could take all the help it could get. When looking to other relationships, the question is what can the respondent do for NHRMC given the geography and given the fact this area faces natural disasters disproportionately to most others. Discussion was held that it needs to be about preparation, recovery, and support.

A brief discussion took place about the NHRMC Hurricane Florence after action report and what was determined to be the needs for the future. Member Gizdic stated some of the determined needs were access to alternative care facilities such as a mobile hospital, other assets and resources an organization could bring into the community if a facility was damaged or unable to reopen, access to staff that could relieve the NHRMC staff, and supplies. Member Gizdic confirmed that during that time, NHRMC staff returned by organizations that volunteered their helicopters and private aircraft as well as their own staff to assist. Those organizations also diverted their own resources to provide supplies to NHRMC. The relationship with reserve military units was support with supplies and in getting staff via high water vehicles from here to Pender. However, they do not fly staff in from Charlotte or Raleigh, which is where NHRMC had staff stuck who could not get back. It was also noted that when NHRMC requested help for shelters that were opened, the state took almost a week to supply that type of emergency support. From that perspective and as much as it would be ideal to have the

National Guard come in on short notice to provide that support, it did not play out that way. Members were in general consensus to add this question to the RFP.

Brief discussion was held about the earlier question of asking about the expansion of a medical school program, PA program, etc. While it is in Section 5 under graduate medical education, Member Gizdic stated he likes Member Gage's idea and would like the question to be more direct. There are a lot of needs with health shortages and a desire to know what the respondent could do to help bring programs here. Members were in general consensus to add it under either Section 5 or 9.

Section 10: Governance: Discussion was held about the addition of subsection 10.3. Member Gizdic stated he would like for it to be expanded to the language used in the Goals and Objectives and well as under Section 5 around not only hospital-based contracts, but other joint ventures and other contractual relationships with physicians. As to whether the question is different from subsection 5.4.3, Vice Co-Chair Pino stated he did not see it when putting it together, so he placed it under Governance. Member Hall stated it does not address local control. Member Gizdic agreed stating he thinks subsection 5.4.3 is more of learning the respondent's philosophy and what kind of impact there has been, whereas subsection 10.3 is a respondent's commitment to keeping all the decisions local.

Discussion was held about cleaning up the document, if there are going to be questions about "if so, for how long" on some things, and the need to thoroughly review everything again. For example, in subsection 9.1.2 for the question about PMH, there is a need to know the "if so, for how long." Discussion was also held about the commitment and quantifiable evidence questions being included consistently throughout the RFP. A suggestion was made to make these questions a blanket statement for the entire RFP as an expectation of responders.

Discussion was held about the possibility of the RFP being tightened based upon NHRMC's financial posture and scores. Members expressed concerns that while there is the ability to ask for anything, there may be a refusal by the responder to answer because it is thought the asks are too much and no responses may be received. Member Gizdic stated it is the role of the support team (legal, financial, strategic, etc.) to tell the PAG what it is able to ask for, if it is too much, or not enough. Co-Chair Biehner stated she would expect the financial advisor to give a lot of information around the strategy. There is also a need to prioritize what the PAG expectations are before the responses are received and to make sure the priorities are known when reviewing the documents. There are critical points that need to be addressed during the reviews. Ms. Gordon stated that the support team is responsible for this, has gone through the questions in great detail, and is continually reviewing everything as comments are received. It is being done live and so far the PAG has not overreached in the RFP. If the support team sees an overreach that would have the effect of not getting a response, the PAG will be made aware. In response to questions, Ms. Gordon does not believe the PAG has under reached.

Further discussion was held about the RFP questions and how there will and will not be good things seen from some responders. There may come a point in the second or third rounds during the culling of the responses where it may be the PAG is thought to be asking for too much. Member Dickerson noted that no matter what is asked for, what the responder is willing to give and receive is when the rubber meets the road. They may be willing to give a lot, but want a certain level of control and that may be a deal breaker. At some point after receiving the responses, a happy medium will be found to accomplish the goals and part of it is the governance piece. He has heard a lot in the community about not relinquishing local control and feels if a proposer can give what is needed and NHRMC maintains the control, then there is an opportunity to negotiate to find a solution. Member Gizdic stated that since the beginning of this process, the discussion has been the position of strength NHRMC is in as an organization by just about every measure and every score as well as the attractiveness of this market and good demographics. Mr. Kahn stated he thinks the way the RFP is setup it is saying this is what we are interested in and what can the responder give to us. It is more of a solicitation to make an offer as it is a request list that we want for x, y, and z and then the questions become are we justified in asking for it, are they offering enough, too much, etc.

Co-Chair Biehner stated the ten sections just discussed follow NHRMC's strategic goals. The next two sections to be reviewed are the Proposed Strategic Partnership Structure and Deal Process and Transaction Timing. Review of the sections took place with discussions noted below:

Section 11: Proposed Strategic Partnership Structure(s): Co-Chair Biehner reviewed Section 11 noting the commentary on subsection 11.2.4 and the new subsection 11.2.5. As to the commentary on subsection 11.2.4, Co-Chair Biehner asked for report cards on each respondent as it would be important to have the record of each respondent's performance, whether in the form of a report card, summary, or some other form of document. There is also an opportunity for the PAG to perform its due diligence by going into a community to see what a respondent has done.

In response to questions, Co-Chair Biehner and Member Gizdic confirmed that the financial advisor would help the PAG assess a lot of this information and is one of their key jobs. Co-Chair Biehner stated she would look to Navigant as well for assistance.

Section 12: Deal Process and Transaction Timing: As to the commentary on subsection 12.1, Co-Chair Biehner stated she agrees that the question needs to go beyond for-profit and be asked of all the respondents. For the rest of the section, particularly subsection 12.3.3, the information is standard statutory information.

Other General Commentary Section: A review was held and no additional comments were made.

Comments to be addressed through Exhibit B Section: Discussion was held about asking respondents to provide their top ten diagnostic related grouping (DRG) codes to be able to compare those costs to NHRMC's costs and show examples. Members were in general consensus to include this question. In response to questions, Member Gizdic stated that the question on the social determinants of health is primarily covered in Section 3.

General discussion was held on the information reviewed. Co-Chair Biehner stated she thinks all agree there is a need to include requests for metrics on quality, patient satisfaction, reducing clinical variations, employee satisfaction, and all the other pieces discussed that will be included in the RFP. Member Gizdic stated the document will be revised and cleaned up to add the quantifiable evidence, relooking at commitment, duration, etc. and it will be brought back at the next meeting for another review, much like what was done with the Goals and Objectives. Co-Chair Broadhurst would like for the revised document to be sent to the members in advance of the January 9<sup>th</sup> meeting so the members can be ready to vote during that meeting. Co-Chair Biehner stated she would ask that members say everything has been done, the points made tonight are accepted, and the new comments that were made are what should be addressed. This way, members are not trying to re-red line the document and go back over and question all the work that was just done. Member Cameron suggested that the support team take the document with the accepted changes, clean it up to remove the footnotes, etc. and then send to the PAG the revised draft with a redline that is comparable to the draft reviewed tonight as it has been accepted. Co-Chair Broadhurst confirmed this is what will be done.

Member Gizdic stated the revised draft will be sent back out to the members as soon as possible and noted that what was discussed tonight is the core of the RFP. There are other sections of the RFP that are more boilerplate which can also be provided to the members. Co-Chair Broadhurst stated if progress is made through the rest of the agenda and there is time, he is going to ask the support team to disburse the hard copies of the boilerplate information so the group will be able to review it in advance of the next meeting. It will also be emailed. Co-Chair Biehner stated at the next meeting the process will be to endorse what was done tonight and look at the RFP as a template.

In response to questions on when the PAG will discuss stratifying and determine what are the most important responses through this, Member Gizdic stated once the RFP is sent out discussion will be held about the priorities in a gap analysis format in setting the priorities. It will be one of the very next steps. Co-Chair Biehner stated based on how future meetings proceed she would expect this topic and governance to be discussed in January.

In response to questions, Co-Chair Biehner confirmed at the next meeting there will be a vote on the final RFP. Member Papagikos asked if that will be the first time the perfected document will become available to the public at the same time as respondents or is there an opportunity for additional crowdsourcing (making it public) of the document one more time before it gets finalized. Co-Chair Broadhurst stated everything that has been done is public and everything from tonight will be put on the website for the public. Member Papagikos asked if there was going to be a solicitation for public comments before the final draft is sent out and if members think there would be any value in having a request for comment period. Member Coudriet stated that is not called for in the PAG charter and other members stated the PAG is the one representing the public and voting on the document. Member Eckel said the website is setup, the emails are coming in, and everything is being posted publically so he thinks it is being done as the PAG moves forward. Co-Chairs Biehner and Broadhurst agreed. In response to questions, Member Papagikos stated he supposes it is a little late for a great idea to come in that says the PAG missed a really important question. For example, could the PAG have almost missed the question about disaster preparedness. Member Gizdic stated what will be seen in the boilerplate language and what has been discussed, the PAG reserves the right to ask any and all questions at any time throughout the entire process.

Co-Chair Biehner asked Member Eckel to report on the review by the NHRMC Board of Trustees (BOT) of the Goals and Objectives. Member Eckel reported that the BOT has been trying to find its place in this process and not step on the toes of the PAG. The BOT has been following the progress of the PAG and voted during its December 18<sup>th</sup> meeting to take a position to support the Goals and Objectives, one through ten, and also the RFP knowing there would be more changes based on the available information. Co-Chair Biehner stated the BOT is now meeting monthly and Member Williams noted that the extra meetings are solely about the PAG and its work. Member Eckel stated the BOT has been discussing what if the PAG does not make a recommendation or the County Commissioners kill it, as the hospital still has to operate, there are goals and objectives, and the BOT has to move forward.

In response to questions, Member Coudriet stated that the County Commissioners are being kept informed through County staff and also the Board Chair sits on the BOT and has maintained regular communication. However, none of this is going before the Board of Commissioners for approval, the RFP or the Goals and Objectives. A status update to the Board of Commissioners will be provided during an upcoming January meeting.

In response to questions about what happens if the BOT does not approve something done by the PAG and how will it impact the PAG or negate its work, Member Eckel stated the Goals and Objectives were easy because they are aligned with the strategic plan and the RFP followed those Goals and Objectives. There was not a lot of opportunity for disagreement. The BOT is trying to be very careful and not overstep. It is understood the PAG is doing the work, not the BOT. The BOT is closely following what the PAG is doing, is in full support, and thinks it is important for the citizens to know that it is engaged and following the work of the PAG. As to the earlier question of the worst case scenario of the BOT not being in support, Member Eckel stated he thinks the worst case scenario for all of it is when the PAG makes a recommendation but the ultimate decision is with the County Commissioners.

Further discussion was held about crowdsourcing. Member Campbell stated he thinks the PAG has done a phenomenal job of being transparent. He also thinks it would be worth whatever delay it would be after the RFP is written, even if it is put on the regular post, and state that the PAG is soliciting any comments. Then when those comments come in, the RFP does not have to be rewritten, they can glean through them to see what is worth considering between now and the January 9<sup>th</sup> meeting. He thinks it is another step in being transparent in soliciting input and shows that the PAG has been very intentional about being transparent. He would ask the soliciting of public input be reconsidered. Member Eckel stated everything is being posted, the PAG is already saying it is being transparent and asking for comments, and there is a whole PR team pushing that forward. He would be concerned if the PAG says on January 9<sup>th</sup> that now it will take comments, then the question is how long does the PAG want comments for because if it is for two weeks, that would not be enough time. Co-Chair Biehner stated what she heard Member Campbell say is the PAG can move forward in the process because the RFP does not have to be rewritten, if it has comments those will be brought together, and while moving through the RFP process some comments may be added because something else was thought of. Member Campbell agreed with Co-Chair Biehner's comments. Co-Chair Broadhurst stated the work done up to this meeting is already public and the information from this meeting will be available to the public on the website very soon. All members should encourage the community, through the website and conversations, to give the PAG feedback and questions. The PAG members have access, if it goes through the email system, to all the comments that come in and the PAG members can make their comments through the system between now and January 9<sup>th</sup>, so the support team will have a chance to incorporate all of that for review on January 9<sup>th</sup>. It was noted that some of the citizen emails are good comments and most are dealing with what will be discussed in January and February.

Additional discussion was held about how asking for a specific public comment period would not necessarily slow the process down and looking into what mechanism could be used to advertise it. Member Coudriet stated he is not certain the charter allows for that, which is why the PAG does not open and invite public comments at the meetings. There has been a system setup for people to read, hopefully it is influencing the members as they have their debate, but he does not believe the charter allows for the PAG to put the final document out there for that and is going to be looked at in the opinion of is this good or not. The PAG is not asking for permission from anyone to release an RFP. This group has been charged with it, there have been meetings, and everyone has been bringing their ideas forward. To put it out for public comment in the traditional sense that is being framed is not in keeping with what the members signed onto. Member Gage stated she thinks what is being discussed is not a public hearing, but rather making sure people realize the PAG is interested in their thoughts. The communications team is working on promoting the PAG members and it seems there is a way a message can be sent out to local tv and radio, etc. to say if people have comments send them in through the email process. Member Coudriet stated that is very different from what is being described. Co-Chair Broadhurst stated he thinks everyone is saying the same thing because what the PAG wants is all the input it can get from anywhere it can be received from, that is productive towards getting the RFP right. The PAG is charged with the final vote and decision to do that, so any mechanism within the charter that can be utilized for this needs to be done. He also thinks the support team has done a remarkable job of promoting this as well as the media.

In response to questions concerning the message not getting out for people to provide comments through the website, Member Papagikos responded that he was not concerned until he received requests for marketing material, being asked to sit for videos, and make rounds at the hospital. It appears there is a desire to accurately portray the transparent and high quality work of the PAG. If the idea is to market that the PAG is doing a good job and the process is going well, this seems to be very much in keeping with what the marketing team is trying to get members to do. Co-Chair Biehner stated she thinks the description he used was a much more formal process, but thinks everyone is on the same page. It is going to be promoted, it is going to be on the website, and comments are welcomed and will get integrated throughout the process. Member Coudriet stated this is what has been happening along the way, but for bureaucrats like him when someone says open it up for public comment, that is an altogether different process than what was agreed on for this work.

**UPDATE ON RFP FOR FINANCIAL ADVISOR**

Ms. Wurtzbacher reported that the recommendation is for Ponder & Company to be the financial advisor. Three responses to the RFP were received and all respondents were qualified. Ponder & Company is a niche firm in that it focuses on not-for-profit healthcare systems and hospitals and their proposal was more geared specifically to what was asked for in the RFP. They have been doing mergers and acquisitions practice for twenty years, but have been in business since 1974 providing advice and are based in Tennessee. They do have experience with North Carolina healthcare systems and are absolutely qualified. The hourly rate provided was a competitive rate, references for all the firms were checked, and all came back good. The references received for Ponder & Company echoed their response in that they are as experienced as the bigger firms, but provide a more personalized approach to their services. Member Gizdic stated that NHRMC has not worked with any of the three respondents.

Hearing no further discussion, Co-Chair Broadhurst asked for direction from the members on the recommendation.

**Motion:** PAG Member Eckel MOVED, SECONDED by PAG Member Pino to accept the recommendation of Ponder & Company as the Financial Advisor. Upon vote the MOTION CARRIED UNANIMOUSLY.

**CLOSING REMARKS**

Co-Chair Biehner stated the RFP template is being handed out for members to review prior to January 9<sup>th</sup> and it will be emailed as well. It is a standard RFP template. Member Gizdic stated this is a very standard approach which has been tailored to this specific situation so the respondents know upfront the expectations, how the PAG is going to move forward, and are being encouraged to provide multiple options.

Ms. Gordon stated that document is still marked as confidential as the support staff was not sure the PAG would have time to get to the document tonight. As with every PAG document to date, that will be removed and it will be posted tomorrow for the public.

Discussion was held about the email members received about outreach efforts for the community and asking members to do videos, rounding at the hospital, etc. Member Hall stated she feels this should be more about the process, not the PAG members. She would prefer time and energy be put into public forums and answering the public's questions. Co-Chair Broadhurst stated his understanding was that the community wants to know who the members are in addition to the bios that have been sent out. Member Gizdic stated he holds meetings/CEO forums throughout the organization and one of those was done by video. The video received about ten times more activity than any CEO forum he has ever done. What has been found internally is that it is much easier for people to access a video anywhere, anytime, on any device, and they seem to like to getting information that way. It is also about being able to get the message out to more people, reaching a larger audience, and again, it has been seen to work better internally. As such, the thought was it might translate to getting the word out much more across the community. Ms. Fisher stated each member brings a unique experience, background, and perspective that it is helpful for people to hear directly from members to provide a better understanding of what is being brought to the discussion and the perspective that will influence what is being recommended. She and the team want members to be comfortable and making a video is optional. The team is working on putting out information on the process, putting out articles after every meeting, and finding ways to create graphics and shorter presentations on each of the Goals and Objectives so people can really understand them.

As to rounding at the hospital and some of the other pieces, Member Gizdic stated the goal is the same as with the video. This matter is being discussed a lot amongst staff internally as is the PAG and its work. Hearing about it from him is one thing, but the thought was that it would be helpful and beneficial for staff to be able to meet some of the PAG members and get their perspectives. From the staff's perspective, this is the group that holds their futures and they want to meet the members and understand where the members are coming from. He also thinks it would help reduce anxiety and provide additional information. Member Eckel said it is probably more important to go to the forums to reach more staff than rounding. Member Papagikos stated he knows that a public forum is not part of the PAG charter, but there are public forums mandated in the resolution and asked when the next public forum would be held. Member Gizdic stated the next public hearing will be after all of the RFP responses are back and that the County Commissioners have to post the responses ten days prior to a public hearing being held on all of the responses.

Further discussion was held about members attending the employee public forums. Member Eckel stated it might be good to have five or six members attend the forums together. Some members stated they are unable to make the forums held during the day. Members were in general consensus to respond to staff with their availability. Ms. Fisher will be relied upon to allocate the correct number for each forum.

Member Gage stated she thinks staff is doing a remarkable job and commended their efforts to get information out to the public. She believes it does help the process.

**ADJOURNMENT**

There being no further business, Co-Chair Biehner adjourned the meeting at 7:33 p.m.

Respectfully submitted,

/final-approved

Kymerleigh G. Crowell  
Clerk to the Board

*Please note that the above minutes are not a verbatim record of the Partnership Advisory Group meeting.  
The handouts and PowerPoint materials associated with the December 19<sup>th</sup> meeting are included as  
attachments to these minutes for reference.*