

REQUEST FOR PROPOSAL

NEW HANOVER COUNTY

NEW HANOVER REGIONAL MEDICAL CENTER

A. Introduction

New Hanover County (the “County”) and New Hanover Regional Medical Center (“NHRMC”) are distributing this request for proposal (“RFP”) for a Proposed Strategic Partnership (as defined below) with NHRMC, a health system serving New Hanover, Bladen, Brunswick, Columbus, Duplin, Onslow and Pender counties and surrounding communities in southeastern North Carolina (the “Service Area”). The County and NHRMC are exploring options and opportunities with respect to the future of NHRMC and seek responses to this RFP outlining how Proposed Strategic Partnerships could further the mission and vision of NHRMC and the Goals and Objectives described in Exhibit A of this RFP. These Goals and Objectives were developed to advance the NHRMC Strategic Plan approved by the NHRMC Board of Trustees, as well as to support the mission, vision and strategic direction of New Hanover County. This RFP follows industry standards and presents numerous questions tied to the Strategic Plan that have been discussed, refined and further expanded and developed by the Partnership Advisory Group (the “PAG”), a joint subcommittee created by the New Hanover County Board of Commissioners (“County Commissioners”) and the Board of Trustees of New Hanover Regional Medical Center (“NHRMC Board,” and together with the County Commissioners, the “Boards”).

Following the RFP process, the PAG will make its recommendations to the Boards regarding NHRMC’s future direction, including, but not limited to, potentially entering into a strategic partnership(s) with one or more health systems or organizations. Such strategic partnership(s), referred to herein as “Proposed Strategic Partnership,” may involve (i) the sale, lease, transfer or assignment of the facilities and assets associated with the operations of NHRMC, (ii) management of NHRMC operations, (iii) NHRMC’s merger into another health system and/or (iv) some other form of affiliation(s). The PAG Charter, attached as Exhibit B to this RFP, further explains the role of the PAG, this process and the expectations of the Boards in this matter. Information regarding the County’s resolution to approve issuing this RFP, the PAG’s membership and meeting materials to date, and other information and materials are available at www.nhrmcfuture.org. Please note that this public website is updated continually.

Each organization responding to this RFP will be considered a “Respondent” and, for purposes of this RFP, provisions herein referencing a Respondent refer to one or more Respondent(s) who might be selected, as opposed to any particular entity. As described in this RFP, each Respondent submitting a proposal will furnish key operating and financial information about its organization per the outline provided in Exhibit C. This RFP is being distributed in accordance with North Carolina General Statute §131E-13(d) (see Exhibit D) given NHRMC’s status as a public hospital. This document describes the RFP process,

including due dates for proposals, how additional information on NHRMC may be accessed by Respondents and the requirements for proposals from Respondents.

The Boards, the PAG, the County and NHRMC thank you for your organization's interest in a Proposed Strategic Partnership, and we look forward to the receipt of your organization's proposal.

B. Submittal Deadline and Instructions

Proposals from Respondents must be received by March 16th, 2020 no later than 5:00 PM Eastern Time. Please submit an electronic version of your proposal in a Microsoft Word file format to the proposal submittal virtual file transmission site maintained by Hall Render as detailed in Exhibit E.

GIVEN THAT NHRMC IS A PUBLIC HOSPITAL AND MUST FOLLOW THE STATUTORY PROCESS OUTLINED IN EXHIBIT D, ALL PROPOSALS SUBMITTED WILL BE SUBJECT TO PUBLIC RECORDS DISCLOSURE AND WILL BE MADE AVAILABLE TO THE PUBLIC PRIOR TO A PUBLIC HEARING IN THIS MATTER. RESPONDENTS MUST CLEARLY MARK—AND INCLUDE AS A REFERENCED, SEPARATE ADDENDUM TO BE REDACTED FROM PUBLIC DISCLOSURE TO THE EXTENT PERMITTED BY LAWS APPLICABLE TO THE COUNTY AND NHRMC—ANY CONFIDENTIAL, PROPRIETARY, COMPETITIVE OR OTHER PRIVILEGED INFORMATION THAT RESPONDENT BELIEVES IS PROTECTED FROM DISCLOSURE BY LAWS APPLICABLE TO THE COUNTY AND NHRMC. ALL PROPOSALS, IN FINAL FORM, WILL BE PUBLISHED SIMULTANEOUSLY PRIOR TO THE PUBLIC HEARING, EXCLUDING APPROPRIATELY LABELED ADDENDA TO BE REDACTED TO THE EXTENT PERMITTED BY LAW. IN SUBMITTING A PROPOSAL, RESPONDENT WAIVES ANY POTENTIAL RIGHTS OR CLAIMS OF NONDISCLOSURE AND CONFIDENTIALITY THAT RESPONDENT HAS, OR COULD HAVE, AGAINST NHRMC AND THE COUNTY WITH RESPECT TO INFORMATION SUBMITTED AS PART OF RESPONDENT'S RESPONSE TO THIS RFP, INCLUDING UNDER ANY PREVIOUSLY EXISTING AGREEMENT.

All communication and inquiries by Respondents related to the County and NHRMC exploring Proposed Strategic Partnerships, including matters related to this RFP, should be *exclusively addressed to* the PAG's designated representative (the "Permissible Contact") as follows:

Bryan Burgett
Director, Guidehouse
Bryan.burgett@guidehouse.com

Under no circumstance shall any inquiries or other communications regarding this RFP or the RFP process be addressed to any person other than the Permissible Contact, including, without limitation, any County Commissioner, County employee or other County representative, any PAG member, or any NHRMC officer, director, trustee, physician,

employee or other agent of NHRMC—unless and until expressly directed, in writing, from a Permissible Contact to make inquiries of another specified individual contact.

C. NHRMC Data Room

Please contact Joe Kahn, with Hall Render Killian Heath & Lyman, PC, at jkahn@hallrender.com, to obtain a nondisclosure agreement to access NHRMC’s confidential data room (the “Data Room”) for extensive information regarding NHRMC. Data Room registration access instructions will be provided to Respondent upon receipt of a fully executed non-disclosure agreement in this matter. The Data Room maintained by Hall Render contains background information on NHRMC as well as relevant historical financial, operational, strategic, competitive and other information. Part of this information will be considered a public record and will be accessible per records requests.

Commercially reasonable efforts will be made to accommodate all reasonable requests for additional data within ten (10) business days of receipt of such requests. All requests for additional data should be exclusively addressed to the Permissible Contact. Information responsive to any additional data requests will be posted in the Data Room and therefore provided to all organizations participating in the RFP process who have executed a non-disclosure agreement to access the Data Room.

D. PAG Evaluation Process

Following receipt of the proposals, the PAG will review and evaluate proposals received from Respondents and may opt to request additional information and clarifications from all Respondents or just certain Respondents. At all times, the PAG reserves the right to change the RFP process in accordance with its Charter.

The PAG, in consultation with the PAG Support Team, maintains the absolute discretion to deem a Respondent’s proposal incomplete and therefore insufficient to determine if such Respondent’s proposal would be in the best interest of the community, or compliant with the requirements of North Carolina law, or supportive or promotive of the goals and objectives of NHRMC. Based on input from the PAG Support Team (as defined in the PAG Charter), the PAG also reserves the right to reject any and all proposals with or without reason and to cease the RFP process.

The PAG, in consultation with the PAG Support Team, may notify any one or more Respondents that it desires to pursue further discussions regarding a Proposed Strategic Partnership. In the event the PAG identifies one or more potential Proposed Strategic Partnerships following this deliberative and investigative process, it is anticipated that the PAG, the PAG Support Team and selected Respondent(s) may engage in further exploratory activities (such as in-person interviews with the PAG/PAG Support Team, site visits by PAG representatives to Respondent facilities and reference checks, etc.). Should there be a consensus among the PAG, the Boards and the community (as represented by the PAG) to move forward with a Proposed Strategic Partnership or combination of partnerships, the parties would then

take the steps as further outlined in the PAG Charter (engage in further mutual due diligence, etc.), potentially ending with obtaining any regulatory and third-party approvals to implement the Proposed Strategic Partnership(s).

E. Goals and Objectives

The PAG focused on and further developed many goals and objectives as it considered the future of NHRMC. Complete goals and objectives are attached at Exhibit A and may be useful to Respondents in responding to RFP questions.

F. Proposal Requests

First, the Respondent will provide an overview of its organization following the outline listed on Exhibit C with as much detail as possible.

Second, answers from Respondent should be succinct and to the point, providing meaningful information and verifiable content so that the PAG can discern the Respondent's qualifications, plans, intentions and commitments relative to NHRMC. Again, we emphasize that we are not asking for general summaries or explanations; rather, the PAG is looking for specific, customized responses. Respondent will provide responses to all of the topics set forth below in the numbering regime provided in this RFP based upon the following instructions (i) should the question address change in performance, operations, or any other potential impact to NHRMC's strategic, operational or financial positioning—following the implementation of Respondent's capabilities, strategies or improvement efforts or following the execution of a partnership and/or affiliation with Respondent—please provide time period(s) associated with, and/or any quantifiable evidence supporting, such claims, (ii) should a response reference a Respondent commitment or example of commitment following a strategic partnership or affiliation with such Respondent, provide the proposed duration(s) of any such commitments or actions, (iii) if any question is not applicable based upon the Respondent's Proposed Strategic Partnership, indicate such question does not apply to the Respondent's proposal, and (iv) to the extent that Respondent believes that any one or more response(s) also address other questions, it is acceptable to cross reference rather than create duplicative responses. Additionally, if the Proposed Strategic Partnership described in Question 11.1 would alter an answer to any other aspect of Respondent's proposal, please make note of that in responses to those specific RFP questions.

Finally, given that NHRMC is a public hospital and must follow the statutory process outlined in Exhibit D, Respondent must clearly mark – and include as a referenced addendum to be redacted to the extent permitted by laws applicable to the County and NHRMC – any confidential proprietary or competitive information that Respondent believes is legally protected from disclosure. All proposals, in final form, will be publicly posted simultaneously prior to a public hearing excluding appropriately redacted language.

1. Improving Access to Care and Wellness Programs

- 1.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to further develop ambulatory and other outpatient and wellness program access points in the communities it serves. Also address how and whether Respondent's Proposed Strategic Partnership will facilitate capitalization and growth of care and wellness sites across the Service Area, including beyond New Hanover County, understanding the current debt limitations for NHRMC that preclude this regional health care system from borrowing to build outside of the County.
 - 1.1.1. Discuss Respondent's position on NHRMC's current plans to expand ambulatory and other outpatient and wellness program access points in the Service Area.
 - 1.1.2. Describe the scope and timing of Respondent's commitment to adding ambulatory and other outpatient access points in the Service Area.
 - 1.1.3. Describe how Respondent and/or any of Respondent's strategic partners used the same or similar strategic partnership to improve ambulatory and other access points in the communities served by Respondent and its affiliate or partner hospitals.
- 1.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on improving access to primary care services in NHRMC's Service Area.
 - 1.2.1. Discuss your organization's approach to staffing primary care clinics, including leveraging providers with team-based care.
 - 1.2.2. Describe how Respondent would identify and resolve any gaps in primary care coverage in the Service Area.
 - 1.2.3. Provide examples of how Respondent improved both primary care access and operational efficacy (improved quality, improved patient safety, improved patient satisfaction, lower cost) in communities served by Respondent and its affiliate or partner hospitals.
- 1.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to further develop and enhance NHRMC's home care services within the Service Area.
- 1.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC providing care for the elderly in both urban and rural settings in the Service Area. Describe any programs that could be introduced at NHRMC (e.g., adult day care, geriatric urgent care services).
- 1.5. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on further developing access to service lines at NHRMC, existing or new, including but not limited to:
 - 1.5.1. Pediatric specialties and sub-specialties

- 1.5.2. Adult specialties and sub-specialties (e.g. cardiovascular, neurosciences, geriatrics, orthopedics, oncology, etc.)
- 1.5.3. Women's specialties and sub-specialties
- 1.5.4. Psychiatric specialties and sub-specialties
- 1.6. NHRMC's most recent provider needs assessment has been provided to Respondent in the Data Room. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on further developing access by addressing key provider needs (e.g., geriatricians, psychiatrists) as indicated in the assessment.
- 1.7. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC aligning with employers in the Service Area to provide wellness and healthcare services to local employees (e.g., occupational health programs; walk-in occ-health services at urgent care center; health clinics located on-site at employers).
 - 1.7.1. Discuss Respondent's position on developing NHRMC's programs to align with local employers.
 - 1.7.2. Describe the scope and timing of Respondent's commitment to expanding and improving upon NHRMC's programs with local employers.
 - 1.7.3. Provide examples of the successful implementation of occupational health or other employer-based programs with employers in communities served by Respondent and its affiliate or partner hospitals.
- 1.8. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to add patient-friendly, consumer-facing programs that provide added convenience (e.g., call centers, online scheduling, other digital offerings) and that anticipate a continued transition to value-based care and population health management along with increased patient engagement in understanding the financial costs of healthcare (e.g., pricing transparency).
 - 1.8.1. Discuss how Respondent supports and engages patients to make informed healthcare decisions (e.g., using cost transparency tools, providing patient education, etc.).
 - 1.8.2. Describe the scope and timing of implementing any of Respondent's initiatives at NHRMC and/or within the Service Area.
 - 1.8.3. Provide examples of the successful implementation of such initiatives in communities served by Respondent.
- 1.9. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to further enhance telehealth programs (e-visits and consults; remote specialty monitoring such as eICU) and similar digital health platforms and capabilities.
 - 1.9.1. Discuss Respondent's strategy to receive a reasonable reimbursement for these services.

- 1.9.2. Describe the scope and timing of implementing any of Respondent's initiatives (for both urban and rural populations) at NHRMC and/or within the Service Area.
- 1.10. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to establish a Command Center to monitor data from the health system and use it to improve efficiency, quality and safety and to manage inpatient referrals for advanced care.
 - 1.10.1. Briefly discuss Respondent's experience fostering collaborative relationships that establish regional and national systems.
 - 1.10.2. Describe the scope and timing of implementing a Command Center at NHRMC.
- 1.11. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to facilitate care delivery and wellness services in rural areas.
- 1.12. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to prepare for, respond to and recover from natural disasters with specific detail on hurricane, tropical storm and storm surge preparedness, response and recovery.

2. Advancing the Value of Care

- 2.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to maintain and improve high-quality care while controlling the cost of healthcare delivery.
 - 2.1.1. Describe Respondent's innovative strategies to help control out-of-pocket costs, including those for patients with high-deductibles and copays as well as self-pay patients.
 - 2.1.2. Describe any health plan owned or joint ventured by Respondent. Discuss the rationale for this "vertical" strategy and how it furthers the goals and objectives of Respondent's organization.
 - 2.1.2.1. Comment on Respondent's position on continuing NHRMC's efforts to establish, own and operate a Medicare Advantage health plan.
 - 2.1.2.2. Describe how any health plan affiliated or partnered with Respondent could enhance NHRMC's efforts to lower cost and improve access in the Service Area.
 - 2.1.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to establish and further participate in value-based provider networks (e.g., ACO and CIN) and/or value-based care initiatives.

- 2.1.3.1. Discuss Respondent's approach to NHRMC's existing value-based networks, including any opportunities to expand or improve upon these networks.
 - 2.1.3.2. Describe any operational or strategic synergies that may be captured by combining Respondent's value-based networks with NHRMC affiliated or partnered networks.
 - 2.1.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's capabilities in value-based care contracting models (e.g., bundles, shared savings, capitation, etc.) with commercial insurers, employers and governmental health programs.
 - 2.1.4.1. Discuss Respondent's outlook on the timing and materiality of future value-based arrangements.
 - 2.1.4.2. Discuss how Respondent could help NHRMC enhance value-based care contracting efforts. Describe specific programs and plans that Respondent would implement at NHRMC.
 - 2.1.5. Provide detail on how cost and quality and patient safety were impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent. Please rely on the examples provided in response to section 6. Driving Quality of Care Throughout the Continuum and 8. Ensuring Long-Term Financial Security.
- 2.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have in developing and/or enhancing NHRMC's patient satisfaction programs, including monitoring and using feedback to make improvements in the patient experience.
 - 2.2.1. Discuss how Respondent could help NHRMC enhance patient satisfaction. Describe specific programs and plans that Respondent would implement at NHRMC.
 - 2.2.2. Provide detail on patient satisfaction for hospitals and health systems that have recently affiliated or partnered with the Respondent.
- 2.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have in developing and/or enhancing how NHRMC coordinates patients within the continuum of care, both within the system (e.g., using patient care coordinators) and outside the system.
 - 2.3.1. Describe any current or planned initiatives by the Respondent that would improve patient care coordination in the communities it serves.
 - 2.3.2. Describe any enhancements to patient care coordination that Respondent can introduce to NHRMC.
 - 2.3.3. Discuss how Respondent could help NHRMC establish or further develop partnerships with public and private social service organizations in the Service Area to drive value (e.g., Department of Health).

- 2.3.4. Discuss how the Respondent would help NHRMC establish or further develop partnerships with community providers to coordinate care (e.g., independent physicians, post-acute care providers, etc.).

3. Achieving Health Equity

- 3.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to maintain and enhance charity care and financial assistance in the communities it serves and to expand coverage for uninsured and underinsured individuals.
 - 3.1.1. Describe the Respondent's philosophy and approach to charity care, financial assistance, debt collection and debt forgiveness policies. Provide examples of approach used in various communities.
 - 3.1.2. Explain the process of how Respondent would maintain or modify NHRMC's charity care, financial assistance, debt collection practices and debt forgiveness policies.
 - 3.1.3. Provide detail on how charity care, financial assistance, debt collection practices and debt forgiveness policies were impacted at hospitals and health systems that recently affiliated or partnered with the Respondent. Describe any changes to policies as well as any changes to the dollar amounts of care/assistance provided.
- 3.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to maintain and enhance community outreach programs, including health education, free health screenings, wellness programs and other community health programs, as well as general engagement in a community as a contributing "corporate citizen" in the Service Area.
 - 3.2.1. Specifically, discuss how Respondent works with local departments of health, public schools, indigent care clinics, federally qualified health care centers and other agencies and providers in addressing the health needs of communities. Detail any current or future population health initiatives done in conjunction with municipalities, counties or any other units of local government, or with other agencies or providers aimed at addressing health issues and improving access to necessary health services, including:
 - 3.2.1.1. Any approach to and previous success with impacting social determinants of health;
 - 3.2.1.2. Treatment and prevention strategies in addressing drug and alcohol addiction or abuse, including tackling the opioid epidemic; and
 - 3.2.1.3. Inpatient and outpatient behavioral health services.
 - 3.2.2. Is the Respondent committed to expanding NHRMC's programs and financial outlays for community outreach and engagement?

- 3.2.3. Discuss any enhancements to NHRMC's levels of community outreach and engagement in the Service Area (e.g., new programs; leveraging programs proven successful in other markets) that the Respondent could introduce.
 - 3.2.4. Discuss the process for how the Respondent would make changes to NHRMC community outreach and engagement programs. How would such decisions be made?
- 3.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to equip employees with the knowledge and training needed to support health equity (e.g., diversity training).

4. Engaging Staff

- 4.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's capabilities in building and maintaining a high-performing employee team, specifically those programs related to (i) employee recruitment (including addressing critical shortage areas such as nursing), (ii) retention (e.g., engagement programs; structuring incentive compensation and employee benefits), (iii) career development (management and clinician training), (iv) health and wellness programs and (v) leadership training.
 - 4.1.1. Discuss how Respondent would enhance NHRMC's efforts relative to employee recruitment, retention, career development and leadership training.
 - 4.1.2. Discuss any community and educational institution engagement or training programs supported or maintained by the Respondent, including partnerships or other collaborations with others that could assist NHRMC's recruiting for healthcare-related jobs.
 - 4.1.3. Discuss how Respondent would support or improve current staffing models at NHRMC.
 - 4.1.4. Discuss how Respondent would support or improve current health and wellness programs for NHRMC staff, including NHRMC's fitness center.
 - 4.1.5. Provide detail on how employee recruitment, retention, leadership training and career development was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent.
- 4.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on the retention of existing NHRMC employees.
 - 4.2.1. Will the Respondent make a commitment not to make any material changes to NHRMC's employee base and staffing commitments without the approval of the NHRMC Board?
 - 4.2.2. How would Respondent plan to minimize the potential for employee disruption and turnover in any transition resulting from the Proposed Strategic Partnership?

- 4.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on the compensation and benefits, including current pension plan, currently provided to NHRMC employees.
 - 4.3.1. Describe the Respondent's plans related to maintaining or enhancing current salaries and discuss how Respondent's employee compensation is set and how it would impact compensation for NHRMC staff.
 - 4.3.2. Discuss how Respondent's benefits, including pension plan and other retirement benefits, compare to those offered by NHRMC, particularly with regard to contribution rates and how those might be impacted under the Proposed Strategic Partnership.
 - 4.3.3. Please describe the Respondent's plans related to addressing accrued benefits for length of service and pension plan matters for the employees of NHRMC.
 - 4.3.4. Discuss what type of retirement (pension or 403b/401k) package Respondent offers and how the Proposed Strategic Partnership would impact retirement plans for NHRMC staff and retirees.
- 4.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on employment (adding or detracting) in the communities in which NHRMC operates.
 - 4.4.1. Would the Respondent make a commitment to base certain corporate services for its entire system in the Service Area?
 - 4.4.2. Provide detail on how local employment was impacted at hospitals and health systems that have affiliated or partnered with the Respondent.
- 4.5. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on furthering and preserving the mission, vision, values and culture of NHRMC.
 - 4.5.1. Discuss similarities that the Respondent sees between the Respondent's organization and NHRMC's mission, vision, values and culture.
 - 4.5.2. Provide detail on how organizational mission, vision, values and culture were preserved at hospitals and health systems that have recently affiliated or partnered with the Respondent.
 - 4.5.3. Discuss impact, if any, Respondent's Proposed Strategic Partnership and Respondent's tax status (exempt or taxable) would have on furthering and preserving NHRMC's charitable mission and the County's commitment to public interest.
- 4.6. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's commitment to being an inclusive organization, supporting anti-discrimination efforts and building and maintaining a diverse workforce.
 - 4.6.1. Is the Respondent committed to continuing NHRMC's inclusion, anti-discrimination and diversity programs?

- 4.6.2. Describe any enhancements to NHRMC's inclusion, anti-discrimination and diversity programs that could be introduced by the Respondent based on its experience in running similar programs for its affiliated or partnered hospitals and health systems.
- 4.7. Discuss how the Proposed Strategic Partnership would impact access to student loan forgiveness programs for any or all NHRMC employees and describe any impact Respondent's Proposed Strategic Partnership could or would have on the ability of certain NHRMC employees to achieve student loan forgiveness by virtue of their work for NHRMC as a nonprofit organization.

5. Partnering with Providers

- 5.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's capabilities in recruiting providers into the Service Area.
 - 5.1.1. Specifically, discuss how the Respondent would work with NHRMC's existing provider recruitment staff.
 - 5.1.2. What enhancements and improvements to physician recruiting would Respondent commit to making for NHRMC?
 - 5.1.3. What enhancements and improvements to advanced practice provider recruiting would Respondent commit to making for NHRMC?
 - 5.1.4. Provide detail on how provider recruitment was improved at hospitals and health systems that have affiliated or partnered with the Respondent.
 - 5.1.5. Discuss how an affiliation or partnership with the Respondent would enhance recruitment and retention of or access to specialists and sub-specialists not currently, or adequately, available in the region.
- 5.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on developing and/or enhancing NHRMC's medical education, residency and fellowship programs, as well as nursing education and other provider training programs.
 - 5.2.1. Discuss how an affiliation or partnership with the Respondent would impact existing medical education programs at NHRMC, including the affiliation with UNC. Does the Respondent commit to maintaining and enhancing all of these programs unless otherwise decided by the NHRMC Board?
 - 5.2.2. Will the Respondent commit to developing and enhancing NHRMC's existing medical residency programs in Internal Medicine, General Surgery, Family Medicine and Obstetrics and Gynecology?
 - 5.2.3. How would Respondent develop future residency and fellowship training programs?
 - 5.2.4. Discuss how an affiliation or partnership with the Respondent would support new programs or the implementation of Respondent's current programs in the following education and training programs at NHRMC,

- 5.2.4.1. Graduate Medical Education;
 - 5.2.4.2. Nursing Education; and
 - 5.2.4.3. Allied Health Education.
- 5.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to effectively deploy advanced practice providers in healthcare delivery teams.
- 5.3.1. Discuss the Respondent's approach and experience in the use of advanced practice providers.
- 5.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's approach to working with community physicians.
- 5.4.1. Describe any programs offered by the Respondent that could be rolled-out at NHRMC in order to more closely align with and support independent physicians and medical groups (e.g., management services organization and providing EMR access to small practices and other clinical points of care).
 - 5.4.2. What is the Respondent's approach to partnering with independent physicians and medical groups in joint ventures and clinically-integrated programs?
 - 5.4.3. Discuss how an affiliation or partnership with the Respondent would impact existing (and developing) hospital-based provider contracts, joint ventures and other physician contracts and agreements. Does the Respondent commit to maintaining all of these relationships unless otherwise decided by the NHRMC Board?
 - 5.4.4. Describe the Respondent's approach to the use of non-compete and cost share provision clauses in physician contracting.
 - 5.4.5. What is the Respondent's approach to working with independent physicians who have built practices in the community? Describe what impact, if any, the Proposed Strategic Partnership would have on NHRMC's approach to and relationships with independent physicians.
- 5.5. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's approach towards medical group practice operations for its employed physician base.
- 5.5.1. How does the respondent view the NHRMC medical group relationship with Atrium and would that be continued? If not, what is the alternative and how does it compare to the current state?
 - 5.5.2. What enhancements to medical group operations could Respondent offer to NHRMC?
- 5.6. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on local medical staff governance at NHRMC. Address any material shifts or

changes in policy and procedure regarding privileging, credentialing, quality and safety that the medical staff may anticipate as a result of such partnership.

5.7. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on physician retention at NHRMC by discussing:

5.7.1. Medical education and training programs for physicians;

5.7.2. Programs to enhance physician satisfaction and to prevent physician burnout;

5.7.3. Programs to train physician executives and further physician leadership; and

5.7.4. Finally, discuss Respondent's experience with physician retention at hospitals and health systems that have affiliated or partnered with the Respondent.

6. Driving Quality of Care and Patient Safety Throughout Continuum

6.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to improve and measure quality of care and patient safety.

6.1.1. Are there programs offered by Respondent that could enhance NHRMC's outcomes?

6.1.2. Describe how the Respondent's quality and patient safety assurance efforts would be integrated with NHRMC's existing quality and patient safety assurance infrastructure.

6.1.3. Describe how the Respondent's care management and coordination efforts would be integrated with NHRMC's existing programs.

6.1.4. Provide detail on how quality of care and patient safety was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent.

6.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on adherence to preventive care guidelines, evidenced-based protocols, quality of care and patient safety initiatives within the organization and in partnership with community providers.

6.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to engage and empower nurses to be leaders in achieving excellence in quality and patient safety (e.g., Magnet Recognition Program).

6.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on enhancing or developing performance excellence programs at NHRMC (e.g., Baldrige, Lean, Six Sigma, High-Reliability, Just Culture, etc.).

6.5. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's access to emerging technologies that have been successful in addressing patient safety and enhancing the provision of high-quality care (e.g.,

analytics to identify quality and safety gaps, artificial intelligence/machine learning to support medical decision-making, patient engagement platforms, etc.).

6.5.1. Provide detail on how access to these emerging technologies was impacted at hospitals and health systems that have recently affiliated or partnered with the Respondent, including detail on the time and disruption associated with implementation.

7. Improving the Level and Scope of Care

7.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on growing NHRMC clinical service lines based upon Respondent's experience at other affiliated or partnered hospitals.

7.1.1. How would Respondent approach service-line planning for NHRMC?

7.1.2. What commitments would Respondent make to enhancing NHRMC's service lines?

7.1.3. Will the Respondent make a commitment not to downsize or discontinue any existing NHRMC service line unless otherwise decided by the NHRMC Board? If so, for how long?

7.1.4. How would Respondent approach the distribution and location of services in the Service Area? Describe the Respondent's philosophy around what services should be available throughout the Service Area vs. what services should be centralized.

7.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to improve the timing in securing patient transfers for quaternary services not offered by NHRMC.

7.2.1. Provide detail on how referrals and transfers for quaternary services are coordinated with hospitals and health systems that have recently affiliated or partnered with the Respondent.

7.3. Describe what impact, if any, the Respondent's Proposed Strategic Partnership would have on NHRMC EMS and critical care transport services.

7.4. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on developing innovative care solutions and technology that further supports service line growth at NHRMC.

7.4.1. Discuss any new medical technologies that could be rolled-out at NHRMC.

7.4.2. Discuss any genomic medicine programs offered by the Respondent and how such programs could be introduced at NHRMC to advance NHRMC's current efforts to expand this service area.

7.4.3. Discuss what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's Innovation Center.

- 7.5. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to further clinical research or participate in grant funding.
 - 7.5.1. Discuss any clinical trials or other research programs that could be introduced at NHRMC.
 - 7.5.2. Provide detail on how clinical research and/or access to grants was impacted and the type, scope and depth of current research programs/grant participation at hospitals and health systems that have recently affiliated or partnered with the Respondent.

8. Ensuring Long-Term Financial Security

- 8.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on ensuring future access to capital for growth at NHRMC. Also address how and whether Respondent's Proposed Strategic Partnership will facilitate capitalization and growth of facilities and other sites of service across the Service Area, including beyond New Hanover County, understanding the current debt limitations for NHRMC that preclude this regional health care system from borrowing to build outside of the County.
 - 8.1.1. Describe Respondent's current capital capacity and its ability to access capital.
 - 8.1.2. Describe the Respondent's budgeting, capital budgeting and capital allocation processes.
 - 8.1.3. Discuss how capital is advanced to Respondent-affiliated or partnered hospitals and health systems.
 - 8.1.4. Describe Respondent's obligated group. Would NHRMC be made a part of the obligated group of Respondent?
 - 8.1.5. Discuss how Respondent's existing financial policies and practices would impact NHRMC in the short-term (1-5 years post-affiliation or partnership) and the long-term.
 - 8.1.6. Does the Respondent anticipate any issues with obtaining capital necessary to fulfill any financial obligations connected to the Proposed Strategic Partnership?
 - 8.1.7. Will the Respondent guarantee or otherwise backstop all of the existing long-term debt of NHRMC?
 - 8.1.8. NHRMC's capital budgets and other estimates of long-term strategic capital have been provided to Respondent in the Data Room. Will the Respondent commit to fulfilling these capital investments by ensuring NHRMC's future access to capital?
 - 8.1.9. Discuss the Respondent's avenues of access to financial and capital structures, and how they might apply and help structure NHRMC capital needs.

- 8.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on any existing cash and investments held by NHRMC at the time of affiliation or partnership.
 - 8.2.1. Does the Respondent commit to allowing existing cash and investments to be utilized by NHRMC as directed by the NHRMC Board for capital and strategic investment in the Service Area and/or allowing the distribution of existing cash to New Hanover County given its ownership of the healthcare system operated by NHRMC?
- 8.3. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on continuing and enhancing the NHRMC Foundation (the "Foundation").
 - 8.3.1. Does the Respondent offer corporate development and other services that could enhance the Foundation's operations and fund-raising efforts?
 - 8.3.2. Describe the Respondent's commitment for the Foundation to remain a sole supporting organization of NHRMC and for any existing Foundation funds, whether donor restricted or not, to remain allocated for the benefit of NHRMC.
- 8.4. Will the Respondent make a commitment to maintain NHRMC's material payer contracts and agreements without disruption?
- 8.5. Describe what synergies, if any, NHRMC may have in accessing Respondent's corporate services and programs based upon the Proposed Strategic Partnership.
 - 8.5.1. Discuss Respondent's approach for integrating administrative and corporate or other shared service programs at NHRMC.
 - 8.5.2. How does Respondent allocate corporate overhead to its affiliated or partnered hospitals and health systems?
 - 8.5.3. Discuss how Respondent proposes to introduce corporate overhead charges to NHRMC.
- 8.6. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on NHRMC's ability to access grant-funding.
 - 8.6.1. Describe what impact, if any, the Respondent's Proposed Strategic Partnership would have on existing grant-funded programs and services and other funding sources tied to NHRMC's tax-exempt status that rely on NHRMC remaining a non-profit organization.
 - 8.6.2. Should the Proposed Strategic Partnership alter NHRMC's ability to access funding tied to NHRMC's tax-exempt status, provide detail on alternate forms of funding that would be available to replace current funding.

9. Strategic Positioning

- 9.1. Describe what strategic priorities, if any, for southeastern North Carolina the Respondent maintains and how a strategic relationship with NHRMC fits into the Respondent's overarching strategy based upon the Proposed Strategic Partnership.
- 9.2. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on maintaining or revising NHRMC's strategic plans and how consistent (or inconsistent) NHRMC's strategic planning documents are with the Respondent's overarching strategy.
 - 9.2.1. Will the Respondent make a commitment to maintain the existing Management Services Agreement and Clinical Affiliation with Pender Memorial Hospital?
 - 9.2.2. Discuss the Respondent's position on continuing any other contractual relationships NHRMC has with hospitals in the Service Area.
- 9.3. Describe which of Respondent's system-wide strategic initiatives, if any, would be introduced at NHRMC as part of Respondent's Proposed Strategic Partnership.

10. Governance

- 10.1. Describe what impact, if any, Respondent's Proposed Strategic Partnership would have on current NHRMC governing structures, including:
 - 10.1.1. The authority of the NHRMC Board post-affiliation or partnership (and the authority of Respondent's board vis-a-vis NHRMC);
 - 10.1.2. The composition of the NHRMC Board post-affiliation or partnership including any new directors appointed by the Respondent on that board;
 - 10.1.3. The process by which NHRMC Board members will be nominated and appointed; and
 - 10.1.4. The extent and duration of any reserve powers held by legacy NHRMC Board and/or any decisions of the NHRMC Board that would be subject to further approval by the County.
- 10.2. If applicable to the Respondent's Proposed Strategic Partnership, discuss any proposed representation from NHRMC (or residents of the Service Area) on Respondent's parent or system board of directors or any of such board's committees.
- 10.3. Will the Respondent make a commitment to allow local control and decision-making on hospital-based provider contracts, joint ventures and other physician contracts and agreements?

11. Proposed Strategic Partnership Structure(s)

In this section, provide an overview of Respondent's Proposed Strategic Partnership transaction structure(s). Respondents may provide more than one proposed transaction structure but should clearly indicate its preferred transaction structure. For each transaction structure, provide sufficient detail addressing:

11.1. Transaction structure and type of legal arrangement.

11.2. The key business and legal terms of that transaction structure, including:

11.2.1. Financial terms, as applicable, including any (a) purchase price based upon of fair market value of operating assets, (b) financial contributions to the County or an independent, local foundation whose general charter would be to benefit the local community, (c) lease payments, (d) funds to support ongoing or planned capital projects (i.e., capital commitments), (e) funds committed to strategic growth and expansion, (f) any other financial commitments.

11.2.2. Discuss with specificity any assets or liabilities that would be excluded from the proposed transaction.

11.2.3. Note and estimate the value of any other specific financial commitment to the County, such as payment of property taxes, sales taxes or commitment to directly fund a community health need.

11.2.4. Post-closing commitments of the parties as outlined by the Respondent in its proposal.

12. Deal Process and Transaction Timing

12.1. If Respondent's Proposed Strategic Partnership is ultimately selected by the PAG and the Boards, describe the scope and timing for the following:

12.1.1. Confirmatory due diligence review of NHRMC;

12.1.2. Obtaining financing for any financial commitments related to the Proposed Strategic Partnership;

12.1.3. Obtaining Respondent's corporate approvals (e.g., approval by its board of directors); and

12.1.4. Other contingencies or approvals identified by Respondent.

12.2. In any definitive agreement entered into by Respondent to orchestrate the Proposed Strategic Partnership, discuss Respondent's position to the following terms:

12.2.1. All NHRMC and County representation and warranties will expire at the closing, a representation and warranty policy will be obtained by Respondent and will be Respondent's sole recourse under the agreement, and there will be no claw-back or recovery provisions for any financial consideration provided by Respondent to NHRMC and the County;

- 12.2.2. Remedy for any material breach of Respondent's post-closing commitments will include a repatriation of NHRMC and/or transfer of certain or all assets to NHRMC and/or the County, as applicable per model; and
- 12.2.3. For any Respondent, including any for-profit corporation (or other taxable legal entity), the Respondent will agree to all of the following North Carolina statutory requirements:
 - 12.2.3.1. The Respondent shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
 - 12.2.3.2. The Respondent shall ensure that indigent care is available to the population of the Service Area served by NHRMC at levels related to need, as previously demonstrated and determined mutually by NHRMC and the Respondent.
 - 12.2.3.3. The Respondent shall not enact financial admission policies, or engage in debt collection practices, that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
 - 12.2.3.4. The Respondent shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
 - 12.2.3.5. The Respondent shall prepare an annual report that shows compliance with the requirements of the lease, sale or conveyance related to the Proposed Strategic Partnership.
 - 12.2.3.6. The Respondent shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility on 17th Street in Wilmington, North Carolina as a hospital open to the general public and free of discrimination based on race, creed, color, sex or national origin unless relieved of this responsibility by operation of law, or if the Respondent dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the County; provided that any building, land or equipment

associated with the hospital facility that the Respondent has constructed or acquired since the sale may revert only upon payment to the Respondent of a sum equal to the cost less depreciation of the building, land or equipment.

EXHIBIT A

GOALS AND OBJECTIVES

The ordering of the following Goals and Objectives are not listed in priority order.

1. Improving Access to Care and Wellness

- Increase sites of care throughout southeast North Carolina to expand access to NHRMC services throughout the continuum of care including home care
- Offer consumer-centric care capable of addressing patient needs and preferences
 - Develop retail and employer offerings
 - Increase the region's access to timely and convenient healthcare by incorporating digital and virtual platforms
 - Promote cost transparency by improving patient education and access to cost estimation tools
- Develop capabilities in emerging methods of providing care (e.g., telemedicine) including how such services will be reimbursed
- Meet the needs of a growing and aging population by expanding NHRMC's primary care and specialty provider base
- Improve access for service lines in need of further development, including women's, geriatric, neonatal, and pediatric services
- Ensure the presence of a short-term acute care facility and emergency services that can meet the health needs of the region

2. Advancing the Value of Care

- Continued provision of cost-effective, high-quality care
- Develop enterprise infrastructure and partnerships across the continuum of care (e.g., post-acute and enterprise wide networks)
- Identify internal efficiencies to reduce the cost to deliver care while maintaining and improving quality performance
- Expand depth and breadth of care management and coordination capabilities to reduce clinical variation
- Develop a value-based care strategy with increased participation in risk-based contracting and closer partnerships with payers to limit premium and out of pocket increases in the region

3. Achieving Health Equity

- Eliminate demographic disparities in healthcare outcomes throughout the region

- Continue current levels of charity care, ensure care is provided to those in need regardless of financial ability to pay, and maintain current financial assistance and debt forgiveness policies
- Identify demographic disparities within the region and develop targeted initiatives to close gaps such as increased primary care access for minorities and seniors
- Continue to expand upon community outreach programs and community partnerships to advance health equity
- Address the opioid crisis
- Increase access to behavioral health services in our region
- Expand reach and number of community healthcare workers to improve health in underserved communities
- Leverage innovative ideas to increase patient engagement through community presence and partnerships
- Continue to engage employees in the organization's efforts to achieve health equity through education and training

4. Engaging Staff

- Foster NHRMC's mission to lead the community to outstanding health
- Demonstrate comparable or complimentary values to NHRMC including culture, job security, staff tenure, health & wellness, and low employee benefit contributions
- Support NHRMC employee engagement by,
 - Enhancing corporate recruiting, retention, career development programs and reducing turnover
 - Maintaining terms of existing employment relationships, including current wages and benefits honoring years of service
- Continue growth of NHRMC workforce and provide opportunities for employment growth in the region (e.g. Medical Education, Corporate Services, etc.)
- Continue to engage with the community and local educational institutions to develop careers in healthcare for local residents via training and talent pipeline
- Develop plan specific to nurse recruitment and other key shortage professionals (i.e., nurse assistants, techs, and therapists)

5. Partnering with Providers

- Enhance medical education and resident / fellow mentorship programs including the possible development of a Graduate Medical Education institution or program

- Continue recruitment of providers needed to meet the health needs of the region (e.g., geriatricians), and increase prevalence of advanced practice providers (APPs) in our healthcare delivery teams
- Expand specialized services not currently available in provider base
- Further develop employed and affiliated provider engagement,
 - Foster a collaborative learning environment (e.g., provider councils)
 - Address root causes of burnout
 - Support provider leadership development offerings
 - Support independent provider groups through various alignment models (e.g., CIN, ACO, and leadership councils)
 - Provide participation opportunities in access, value, and health equity initiatives
- Maintain strong relationships with independent physicians, medical groups, and other providers, including seeking ways to align with those providers in order to improve the delivery of healthcare services in the community

6. Driving Quality of Care Throughout Continuum

- Expand the depth and breadth of care management and coordination
- Provide access to technologies enhancing provision of high-quality care,
 - Analytics and Artificial intelligence (AI), including the expertise and tools to accurately generate and effectively manage data to support medical decision-making and population health management
 - Knowledge sharing and innovation
 - Patient engagement platforms
 - Performance tracking
 - Physician alignment tools
 - Population health management
- Support adherence to preventative care guidelines and evidenced-based protocols and partner with regional providers across the continuum to improve patient safety, reduce variation in outcomes, and achieve top decile performance on quality indicators
- Develop programs and initiatives that further NHRMC's progress towards becoming a High-Reliability Organization

- Engage and empower nurses to be leaders in achieving excellence in quality and patient care

7. Improving Level and Scope of Care

- Strengthen and maintain NHRMC clinical capabilities to ensure advanced services are available within Southeastern North Carolina
- Ensure improved and coordinated patient access to quaternary services not offered by NHRMC (e.g., transplants, burns)
- Develop market-based and clinical specialty plans to extend NHRMC geographic reach within and beyond Southeastern North Carolina
- Support developing research efforts at NHRMC to provide regional access to clinical trials, new medical technologies, and emerging treatment methods
- Support investment in the NHRMC Innovation Center and work with innovative partners to advance solutions in access, value, and health equity

8. Investing to Ensure Long-Term Financial Security

- Execute long-range strategic capital plan to bolster operational sustainability of NHRMC
- Improve access to capital for strategic and operational investments
- Create access to credit to ensure NHRMC's existing long-term liabilities are addressed
- Maintain material payer contracts and agreements without disruption
- Provide access to broader and more robust corporate services

9. Strategic Positioning

- Develop new strategies to improve the operational and strategic positioning of NHRMC
- Identify opportunities to expand scope and breadth of NHRMC's reach within and beyond current geographic footprint and service offerings
- Maintain NHRMC's position within the region and do not materially alter certain existing partnerships with other healthcare providers in Southeastern North Carolina (i.e., Pender Memorial Hospital management agreement & clinical affiliations with Doshier Hospital and Columbus Regional)
- Enhance economic development by growing local employment base and diversified industry growth

10. Governance

- Maintain local governance of NHRMC including continued local representation on the Board of Trustees
- Ensure local representation on any governing body that would be involved in making decisions that impact the strategic direction of NHRMC and its operations
- Maintain local control/decision making on hospital-based provider contracts, joint ventures and other physician contracts and agreements

EXHIBIT B

CHARTER OF THE PARTNERSHIP ADVISORY GROUP A JOINT SUBCOMMITTEE OF THE NEW HANOVER COUNTY BOARD OF COMMISSIONERS AND THE BOARD OF TRUSTEES OF NEW HANOVER REGIONAL MEDICAL CENTER

I. Name

This Charter establishes the Partnership Advisory Group, a joint subcommittee approved by the New Hanover County Board of Commissioners (“**County Commissioners**”) and the Board of Trustees of New Hanover Regional Medical Center (“**NHRMC Board**,” and together with the County Commissioners, the “**Boards**”). Such committee will be referred to herein as the “**PAG**.”

II. Purpose & Responsibilities

The purpose of the PAG shall be to advise the Boards with respect to New Hanover County (the “**County**”) and New Hanover Regional Medical Center (“**NHRMC**”) potentially entering into a strategic partnership with another health system or organization. Such a partnership may involve (i) the sale, lease, transfer, or assignment of the facilities and assets associated with the operations of NHRMC, (ii) management of NHRMC operations, (iii) NHRMC’s merger into another health system, and/or (iv) some other form of affiliation(s) (“**Proposed Strategic Partnership**”). The PAG’s meeting agendas and corresponding reports to the Boards, as applicable, shall focus on the following sequential tasks and responsibilities. Each task may take one or several meetings to accomplish:

1. Orientation to the process, general timeline, NHRMC, the County and the healthcare industry. *These meetings will not call for any voting or deliverables to the Boards.*
2. Identifying the key goals and objectives and corresponding information request components that the PAG recommend be included in the County’s request for proposals (“**RFP**”) to be issued by the County in accordance with North Carolina General Statute §131E-13(d). The PAG will carefully review and discuss such goals, objectives and RFP drafts, recommending changes and clarifications based on the PAG’s consideration of the best interests of (i) the citizens and healthcare providers of New Hanover County and the surrounding communities, and (ii) NHRMC in fulfilling its mission and meeting its charitable purposes now and into the future. *The PAG will vote on the recommended RFP for County issuance, highlighting the key goals and objectives for the Boards; such recommendation, RFP and goals and objectives will be the PAG’s first deliverable to the Boards.*
3. Identifying a *minimum* list of five (5) health systems/organizations that the PAG recommend be sent an RFP in accordance with North Carolina General Statute §131E-13(d), based on the PAG’s review of summary information on potentially interested or qualifying parties—understanding that other health systems/organizations can and likely will submit proposals as well and that these will be vetted in the same manner as the identified initial group. *The PAG will vote on this recommended list and such list will be the PAG’s second deliverable to the Boards.*

4. While third parties are preparing responses to the RFP, reviewing and discussing NHRMC/County options of continuing status quo or completing an internal corporate restructuring and remaining a stand-alone County-owned public hospital (i.e., not moving forward with a third party). *These meetings **will not** call for any voting or deliverables to the Boards.*
5. Evaluating the RFP responses/responding parties, including a summary of the pros and cons associated with each proposed model, which shall also include a similar pros and cons evaluation of NHRMC continuing status quo/internally restructuring, based on the PAG's review of the RFP responses and other relevant information (the "**Evaluation**"). *These meetings **will not** call for any voting or deliverables to the Boards.*
6. Preparing for, attending the Public Hearing on RFP responses which will be made public at least ten (10) days before such hearing, and then identifying the two or three responding health system(s)/organization(s) most closely meeting the key goals and objectives per their respective responses to the RFP—as further supported by the Evaluation and the Public Hearing process—that the PAG recommends for further information gathering, including site visits, interviews, and other preliminary due diligence related to a Proposed Strategic Partnership with such system(s). *The PAG **will vote** on this recommended list of two to three responding parties to further research and such list will be the **PAG's third deliverable** to the Boards.*
7. Summarizing the results of such further information gathering, with additional review and analysis, and recommending either (i) not moving forward with a Proposed Strategic Partnership with any party/parties at this time and focusing instead on an internal restructuring or status quo, or (ii) negotiating a letter of intent ("**LOI**") with the PAG's first choice of a partner (or combination of partnerships), as identified in the summary, and moving into standard due diligence towards a final definitive agreement with such party/parties (the "**Proposed Strategic Partner**"). If recommending an LOI negotiation, also identify the core considerations to address in such LOI. *The PAG **will vote** on this next step, recommending either (i) or (ii) above; if recommending (ii), then the PAG also **will vote** on and recommend its list of LOI core considerations. Such recommendation, and corresponding LOI core considerations list as applicable, will be the **PAG's fourth deliverable** to the Boards.*
8. If discussions move forward with the Proposed Strategic Partner(s) and an LOI is executed, providing recommendations on the (i) key terms and conditions of the proposed final definitive agreement(s) effectuating the Proposed Strategic Partnership, and (ii) any final due diligence in this regard. This will be over several meetings working through drafts of such key terms and conditions, and parallel related final due diligence. *At the end of this process and series of meetings, the PAG **will vote** on the list of key terms and conditions of the definitive agreement(s) and deliver that list to the Boards. This will be the **PAG's fifth deliverable** to the Boards.*
9. Continuing to review and provide input on drafts of the key terms and conditions listed in the fifth deliverable; preparing for and attending the Public Hearing on any negotiated final draft definitive agreement which will be made public at least ten (10) days before such hearing; and, making a final recommendation to the Boards based on the PAG's work to date as to (i) whether or not it would, overall, be in the best interest of the citizens of New Hanover County and the surrounding communities for the parties to execute and implement such final definitive agreement(s), and (ii) whether or not,

overall, executing and implementing such agreement(s) would be in the best interests of NHRMC in fulfilling its mission and meeting its charitable purposes now and into the future. *At the end of this process and series of meetings, the PAG will vote either in support of, or not in support of the final definitive agreement(s), and will deliver that written recommendation to the Boards. This will be the PAG's sixth and final deliverable to the Boards.*

Together, the specific deliverables to the Boards referenced in 2, 3, and 6-9 above are hereinafter referred to as the “**PAG Deliverables.**”

III. Organization & Membership

The PAG serves in an advisory function to the Boards, both separately and collectively, and shall be considered a public body under North Carolina law. The PAG shall exist as approved by the Boards, and the PAG shall remain in existence unless and until the Boards discontinue the PAG. The PAG shall not have the authority to bind or otherwise obligate either Board.

As authorized by the Boards, the Chief Executive Officer of NHRMC (“**CEO**”) and the County Manager (“**CM**”) shall oversee appointment of the initial members of the PAG. The PAG is a volunteer committee; no members will be compensated by any party for their time as such.

To ensure adequate and diverse representation of various key interests in this matter, the PAG shall consist of the CEO and CM (the “**CEO and CM Members**”) and nineteen (19) other members, including: (i) five (5) members of the NHRMC Board of Trustees as selected by the NHRMC Board Chair and Vice Chair, with input from the entire NHRMC Board (such PAG members, the “**Trustee Members**”), (ii) five (5) physicians as selected by the Physician Advisory Committee (“**PAC**”), a special committee of NHRMC Medical Staff, and agreed to by the Medical Executive Committee (“**MEC**”) of NHRMC’s Medical Staff (such PAG members, the “**Physician Members**”), and (iii) nine (9) other individuals mutually selected and appointed by the CEO and CM as community representation reflective of the community’s diversity of individuals and interests (such PAG members, the “**Community Members**”). At its first meeting, the PAG will elect, from its twenty-one (21) person membership, two co-chairs for the PAG (“**Co-Chairs**”) as well as two vice co-chairs to serve as alternates as needed, as further described in a separate ballot process overview to be provided to the PAG before such meeting.

PAG Removal and Replacement:

- Upon majority approval of the NHRMC Board of Trustees, such Board may remove and replace any appointed Trustee Member(s) with or without cause at any time.
- Upon majority approval of the PAC, and agreed upon by the MEC, such committee may remove and replace any appointed Physician Member(s) with or without cause at any time.
- Upon majority approval of the Community Members, together with the CEO and CM Members, any Community Member may be removed from the PAG, with or without cause at any time; the CEO and CM Members will appoint a replacement with input from the Community Members.

- PAG members shall hold their offices until their successors are appointed and qualified, or until their earlier resignation or removal. Any vacancies in the PAG shall be filled by their respective appointing parties.

IV. PAG Meetings & Voting

The PAG will meet as needed based upon the volume of business requiring the attention of the PAG, with meetings likely every other week for periods at a time but never less than monthly. Additionally, either Board may call a meeting of the PAG on at least 72 hours' notice to members of the PAG, which notices may be given in the form of email.

- Each meeting agenda will align with Article II. *Purpose and Responsibilities* and be finalized prior to the meeting by the Co-Chairs, with input from the PAG Support Team (as defined below).
- All PAG Members are expected to attend all PAG meetings in person, with reasonable limited exceptions for illness, vacation or emergency situations precluding attendance. A call-in number will be provided to facilitate attendance, but cannot be used routinely by individuals in lieu of in-person attendance.
- A majority of the members of the PAG shall constitute a quorum for the transaction of business. The PAG shall act only upon approval of a majority of its members present (in-person or via teleconference) at any given meeting. The PAG may also act in writing but only by the unanimous consent of all PAG Members.
- While less than a quorum may meet and work through agenda items—to the extent all are invited per a schedule to be posted by the County with appropriate notices as provided for herein—no voting can occur and no PAG Deliverables can result from any meeting without a quorum.
- No proxy voting or delegation of a member's voting rights will be permitted. Each member will have one vote (other than with respect to the PAG Co-Chair, Co Vice-Chair appointment process outlined separately for the first meeting).
- Voting will be open (other than with respect to the PAG Co-Chair, Co Vice-Chair appointment process) and the resulting resolution will indicate the applicable vote of each PAG Member in attendance and the corresponding percentage of approval.
- Any voting and its outcome, in connection with the PAG Deliverables, will be recorded in the PAG's meeting minutes in accordance with the Open Meetings Law and Public Records Law.
- The Co-Chairs may adopt further standard policy and procedure governing PAG meetings, including a more-defined attendance policy, as needed.
- Public comments will not be taken at PAG meetings. Discussion and comments will be limited to PAG Members and PAG Support Team Members in attendance per each meeting agenda.

- Except as otherwise specifically addressed in the Charter, *Robert's Rules of Order Newly Revised, 11th Edition*, will apply to meetings of the PAG.

V. Conflicts of Interest

Regarding any actual or possible conflicts of interest, a PAG member must disclose in writing to the PAG Co-Chairs any substantial interest in a business, firm or corporation responding to the RFP. For the purposes of this Charter, a substantial interest means the PAG member, or his or her immediate family member, either (1) owns more than five percent of such entity, or (2) is an officer, director or employee of such entity. In the event any matter is brought before the PAG for a vote, it is the duty of such PAG member to disclose the conflict and neither participate in the applicable deliberations nor vote on such proposal.

VI. Required Transparency

As a public body, the PAG shall be subject to and comply with Chapter 143, Article 33C of the General Statutes of North Carolina (the “**Open Meetings Law**”) and Chapter 132 of the General Statutes of North Carolina (the “**Public Records Law**”). As a public hospital, NHRMC’s records and County records related to NHRMC, including those generated or developed in connection with the Proposed Strategic Partnership, are governed by both the Public Records Law and Article 4, Part 7, Confidential Information, of Chapter 131E of the North Carolina General Statutes (the “**Confidentiality Protection Law**”). The PAG, with the assistance of the PAG Support Team described below, shall keep minutes and records of its proceedings and actions in accordance with the Open Meetings Law, Public Records Law and the Confidentiality Protection Law.

Open session minutes and other nonconfidential information and documents that the PAG will review, discuss and/or develop will be public and labeled and shared accordingly, following each meeting. PAG Deliverables will be public when communicated to the Boards. Other information and documents that the PAG will review, discuss and/or develop and which are confidential will be protected from disclosure as a matter of law. However, ultimately much of this protected information also will become part of the public record, including all or portions of closed session minutes. Final RFP proposals/responses (subject to limited redacted proprietary information as applicable) and any proposed final definitive agreement(s) will be public and no longer subject to confidentiality protections when posted and made available in connection with public hearings and County Commissioner voting, in accordance with Chapter 131E(d) of the North Carolina General Statutes 131E-13(d).

VII. Legally Protected Disclosures and Individual Confidentiality Commitments

The purpose of the following commitments is to (i) ensure that the PAG, NHRMC and the County comply with applicable legal obligations, and (ii) prevent competitive information disclosure that could place NHRMC and/or the County at a negotiating disadvantage in this matter, which in turn could adversely impact the ultimate community benefits and health care delivery protections that otherwise may be achieved through this process.

The PAG shall enter into closed sessions as permitted under North Carolina law and each meeting agenda which includes a closed-session component will clearly state the relevant statutory basis for moving into closed session. All documents, records and other information shared with the PAG that are to remain confidential will clearly state the relevant North Carolina law dictating or otherwise providing for confidentiality.

The PAG, and each of its members, shall protect and keep confidential any legally protected competitive health care information and trade secrets disclosed to the PAG and its members, as well as any information protected by the attorney-client privilege, the Confidentiality Protection Law, or other applicable exceptions to the Public Meetings Law and/or Open Records Laws (all such information, the “**Confidential Information**”). PAG Support Team members will be responsible for identifying and labeling all Confidential Information and meeting agenda discussions so that there is no confusion in this regard.

Each PAG Member acknowledges and agrees not to share or discuss any Confidential Information outside of the PAG membership or to use such information for any purpose other than as described in this Charter (it being acknowledged that any other use or disclosure shall be deemed detrimental to NHRMC, the County and/or the communities they collectively serve). Each PAG Member shall take such action as may be reasonably necessary to prevent any unauthorized use or disclosure of Confidential Information. Each PAG Member understands and agrees that money damages would not be a sufficient remedy for any breach of this Charter commitment by such member, and that such a breach could cause irreparable harm. Each PAG member further agrees that, in the event of any breach or threatened breach of this Charter commitment by such Member, NHRMC and the County shall, subject to applicable law, be entitled to specific performance and/or injunctive relief as a remedy without the requirement of posting any bond or other security or of proving the inadequacy of monetary damages. Such remedies shall not be the exclusive remedies for any breach of this Charter commitment, but shall be in addition to all other remedies available to NHRMC and the County at law or in equity.

VIII. Indemnification of PAG Members

Pursuant to a resolution of the Board of Trustees of NHRMC, and in accordance State law, each member of the PAG not otherwise covered by County indemnification shall be entitled to indemnification by NHRMC to the fullest extent permitted by the law of North Carolina for all reasonable expenses, including attorney’s fees, and for any liabilities which he/she may incur by reason of being a party, or being threatened to be made a party, to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, arising out of the fact that he/she is or was serving as a member of the PAG, and also related to inactions or actions taken in such capacity (each a “**Proceeding**”). In accordance with State law, NHRMC will fully indemnify and advance expenses of any Proceeding to such indemnified party, as long as the liabilities and expenses the person may incur are *not* based on activities known or believed by such person at the time to be clearly in conflict with the best interests of NHRMC (or, with respect to the Community Members, the best interests of the County), and such person does *not* receive an improper personal benefit violating State law related to such activities.

IX. PAG Support Team

To support the work of the PAG, its Co-Chairs together with the CEO and CM will oversee a small group of internal and external experts in these matters, collectively experienced in governmental and health care strategic, financial, transactional, regulatory, compliance, and legal matters (the “**PAG Support Team**”). This will include County and NHRMC in-house legal counsel, financial and other key staff members, as well as their respective outside legal counsel and health care consulting advisors.

The PAG Support Team will (i) provide general advice to the PAG related to the PAG Deliverables, (ii) report relevant findings, analyses and advice to the PAG, (iii) manage communications with health systems and other third parties, (iv) oversee due diligence disclosure of certain NHRMC information to health systems/organizations, and, if applicable, to the Proposed Strategic Partner in confirmatory due diligence, (v) conduct due diligence of health systems/organizations, (vi) facilitate any specific fact-finding directed by the PAG (for example, reference calls and site visits with recently acquired hospitals), (vii) interface with other NHRMC and/or County ad hoc committees formed to explore the Proposed Strategic Partnership, (viii) provide input on any proposals (or specific aspects of proposals) received in response to the RFP, (ix) identify other outside expertise as needed, (x) negotiate the terms of the letter(s) of intent and definitive agreement(s) (if applicable) under PAG oversight, (xi) obtain any applicable regulatory, governmental and third party filings and/or approvals called for in the definitive agreement(s), and (xii) oversee public and internal communications related to the Proposed Strategic Partnership, maintaining the transparency of this process in accordance with North Carolina General Statute §131E-13(d) and all other applicable rules and regulations.

X. PAG Member Agreement

By his or her signature below, each PAG member hereby confirms his/her understanding of this Charter and agrees to the commitments set forth in Articles V and VII of the Charter.

Print Name: _____
Date: _____

EXHIBIT C

BACKGROUND INFORMATION ON RESPONDENT

Please provide a brief overview of your organization, including:

1. Address of Headquarters
2. Designated contact for communications from NHRMC
3. System Profile
 - a. Background and history
 - b. Mission, vision and values
 - c. Description of facilities
 - d. Map of facilities/service areas
 - e. Number of Employees / breakout of employees by type
 - f. Number of Providers on hospital medical staffs
 - g. Number of Employed Providers
 - h. Description of any health plans
 - i. Description of ACOs/CINs
4. Organization and Leadership
 - a. Legal organization chart
 - b. Management organization chart
 - c. Biographies of the leadership of your organization and those that would be directly involved in and responsible for the ongoing relationship with NHRMC
 - d. Role of physicians in governance and strategic leadership
5. Corporate Citizenship and Community Partnership
 - a. Information on charges, services, debt collection protocols and indigent care at facilities owned or operated by the Respondent
 - b. Three-year history of community benefit programs
 - c. Approach to and processes for engaging with community partners, including governmental and non-governmental social service organizations
6. Operating Information
 - a. Operational trends / key performance indicators:
 - i. System-wide
 - ii. Breakout by each major facility
 - iii. Highlight history for recently-affiliated hospitals/health systems

- iv. Operational trends / key performance indicators should include but are not limited to:
 - 1. Staff retention, turnover, and satisfaction rates by type
 - 2. Inpatient discharges, outpatient visits, visits by type (i.e. emergency, observation, PAC, etc)
 - 3. Average length of stay, average daily census, number of beds, bed occupancy rate, and case mix index
 - 4. Operating Cost per Case for NHRMC's top five APR DRGs as provided in the Data Room
- b. Patient satisfaction survey indicators:
 - i. Breakout by each major facility
 - ii. Highlight history for recently-affiliated hospitals/health systems
- c. Quality improvement processes, approach and scores:
 - i. Breakout by each major facility
 - ii. Highlight history for recently-affiliated hospitals/health systems
 - iii. Include the following measures as available:
 - 1. CMS Hospital Readmission Reduction Program (HRRP), Hospital Acquired Condition (HAC), and Value-Based Purchasing (VBP) performance
 - 2. Mortality Rates (Composite, Heart-Attack 30-Day, Heart Failure 30-Day, Pneumonia 30-Day, Chronic Obstructive Pulmonary Disease 30-Day, Acute Ischemic Stroke 30-Day, Maternal Mortality Ratio)
 - 3. Leapfrog Hospital Grade
 - 4. CMS Star Rating
- d. Past hospital and health system acquisitions:
 - i. Executive summary of all acquisitions in the past 10 years discussing transaction type and the operational and financial commitments made by Respondent to the acquired organization
 - ii. Operating trends / key performance indicator history for each acquired organization
- e. Corporate affiliations, joint ventures and other relationships
 - i. Executive summary of all corporate affiliations, joint ventures and other relationships with hospitals or health systems in the past 10 years discussing strategic partnership type and the operational and financial commitments made by Respondent to the partner organization
 - ii. Operating trends / key performance indicator history for each corporate affiliation, joint venture or other relationship with a hospital or health system

- iii. Summary of any corporate affiliations, joint ventures and other relationships excluding those with hospitals or health systems provided in e.i.
 - f. Hospital Accreditation agency and most recent report for each major facility
7. Corporate Services
- a. Major information technology platforms and capabilities
 - i. EMR(s)
 - ii. Integrated business applications covering core processes (financial management, operations data, supply chain)
 - b. Please provide a summary of your organization's shared corporate service resources that NHRMC could access:
 - i. Purchasing/supply chain
 - ii. Revenue cycle management
 - iii. Strategic planning
 - iv. Business development
 - v. Accounting
 - vi. Treasury functions (e.g. cash and investment management, debt issuance and management, accounting)
 - vii. Employee benefit administration and programs
 - viii. Risk management programs (purchase of liability and other insurance)
 - ix. Legal and compliance services
 - x. Any additional shared or corporate services that may benefit NHRMC
8. Financial
- a. Financial performance including audited financial statements for the last three (3) completed fiscal years and year-to-date financial statements
 - b. Recent Appendix A from bond offering
 - c. Most recent rating agency reports

Please note: for all above requests that indicate information should be provided by major facility, the Respondent should include each hospital within the Respondent's system that is larger than or like NHRMC in size and scope.

EXHIBIT D

NORTH CAROLINA GENERAL STATUTE §131E-13

§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

- (1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
- (2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.
- (3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- (4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
- (5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

(b) In the case of a sale or conveyance, if either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the corporation shall agree to the following:

By the effective date of sale or conveyance, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility if the facility has been sold or conveyed to a corporation, foreign or domestic, authorized to do business in North Carolina.

(c) In the case of a lease, the municipality or hospital authority shall determine the length of the lease. No lease executed under this section shall be deemed to convey a freehold interest. Any sublease or assignment of the lease shall be subject to the conditions prescribed by this section. If the term of the lease is more than 10 years, and either general obligation bonds or revenue bonds issued for the benefit of the hospital to be leased are outstanding at the time of the lease, then the corporation shall agree to the following:

By the effective date of the lease, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part thereof:

- (1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.
- (2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.
- (3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.
- (4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.
- (5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.
- (6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.
- (7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low-income persons, racial and ethnic minorities, and handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.

- (8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(e) Notwithstanding the provisions of subsections (c) and (d) of this section or G.S. 131E-23, a hospital authority as defined in G.S. 131E-16(14) or a municipality may lease or sublease hospital land to a corporation or other business entity, whether for profit or not for profit, and may participate as an owner, joint venturer, or other equity participant with a corporation or other business entity for the development, construction, and operation of medical office buildings and other health care or hospital facilities, so long as the municipality, hospital authority, or other entity continues to maintain its primary community general hospital facilities as required by subsection (a) of this section.

(f) A municipality or hospital authority may permit or consent to the pledge of hospital land or leasehold estates in hospital land to facilitate the development, construction, and operation of medical office buildings and other health care or hospital facilities. A municipality or hospital authority also may, as lessee, enter into master leases or agreements to fund for temporary vacancies relating to hospital land or hospital facilities for use in the provision of health care.

(g) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to leases, subleases, sales, or conveyances under this Chapter.

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

- (1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.
- (2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.
- (3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.
- (4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital

authority shall make copies of the proposed contract available to the public. (1983 (Reg. Sess., 1984), c. 1066, s. 1; 1997-233, s. 2; 1997-443, s. 11A.118(a); 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2015-288, s. 3.)

EXHIBIT E

HALL RENDER RFP UPLOAD INSTRUCTIONS

To upload a Respondent RFP:

1. Utilize the following link (<https://hallrender.sharefile.com/r-rfd07fc0e16f4576a>)
2. Enter your Name, Company and Email Address
3. Drag and drop the file or files you wish to upload
4. Click the “Upload” button

Please note – it may take a few minutes for larger documents to upload.

ADDENDUM TO REQUEST FOR PROPOSAL

NEW HANOVER COUNTY

NEW HANOVER REGIONAL MEDICAL CENTER

A. Introduction

The following addendum provides definitions and other clarifications to further elaborate and offer additional clarity to potential Respondents in response to questions received regarding the request for proposal (“RFP”) for a Proposed Strategic Partnership as distributed by New Hanover County (the “County”) and New Hanover Regional Medical Center (“NHRMC”) on January 13th, 2020.

B. Definitions and Clarifications

Question 1.10.2. A Command Center is a centralized repository of real-time data that allows an organization to continuously monitor the operations of the hospital or health system to improve efficiency and patient safety and deliver optimal patient care.

(Update provided 01/27/2020)

Exhibit C.5.a. Request refers to policies and protocols towards discounting charity care where referencing charges.

(Update provided 03/09/2020)

Exhibit C.6.iv. Operating cost per case was requested to understand costs for common procedures across Respondents. Respondents are able to provide additional context for the PAG’s consideration in presenting this data.

(Update provided 03/09/2020)