

## Summary of Buncombe Q & A

This document is a condensed summary of questions raised during the public meeting and the Independent Monitor's ("IM") responses<sup>1</sup>. Where the community member made a statement rather than posing a question, such comments are included in a separate document (please refer to the [Community Transcript](#)).

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### **BUNCOMBE COUNTY MEETING THURSDAY, OCTOBER 19, 2023, 5:30pm Eastern TRANSCRIPT OF QUESTIONS AND ANSWERS**

Q1: Point number nine [of the 15 commitments], provides for \$25 million over five years for innovation investment fund. What does it actually mean, and have they funded anything yet? Who manages the fund? It's actually an investment in something as opposed to a donation or a gift or anything else, right?

**IM response:** The investment fund that has been established is called The Pisgah Fund which is managed by Hatteras Venture Partners. Details are available on its website: <https://pisgahfund.com/>. You are correct that it is an investment fund.

Q2: Who participates in the site visits and how reliable is the veracity of those assessments?

**IM response:** Typically, we have three members of the Independent Monitor team along with two representatives from the Dogwood Health Trust participate in the site visits. The President/CEO of each hospital is usually present along with staff members from the operations and facilities departments. During these visits we are not conducting a clinical assessment, but rather we are

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<sup>1</sup> Note that some responses do not reflect the verbatim language used by the Independent Monitor representative during the meeting, with changes made as appropriate to provide a more fulsome response in this document.

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sighting services, equipment and facilities, and making observations that help inform our evaluation of HCA's compliance with the 15 commitments.

Q3: Could you help us to create a 16th commitment that would address quality of care. Healthcare is all about metrics. They need them badly in Asheville. Can you help them convey this message to HCA? How can you help us as an added value to what you do?

**IM response:** We are independent from HCA and were not part of negotiating the transaction terms. We are not in a position to effectively engage with HCA on matters outside the scope of what was agreed in the Asset Purchase Agreement.

Q3: Why are patients having to wait hours in the Emergency Room before being seen? With that situation, how can HCA justify building another facility in Candler when they can't staff the one they have now.

**IM response:** We are currently investigating the concerns regarding the emergency services at Mission Hospital.

Q4: What does the commitment to maintain "material facilities" mean in the 15 Commitments?

**IM response:** The "material facilities" that must be kept open for at least 10 years include: Mission Hospital (Memorial Campus), Angel Medical Center, Blue Ridge Regional Hospital, Highlands-Cashiers Hospital, Mission Hospital McDowell, Transylvania Regional Hospital, CarePartners Rehabilitation Hospital and the Mission Children's Hospital Reuter Outpatient Center.

Q5: Under #2 of the commitments, it mentions continuing specified services, how granular is that? Would inpatient leukemia fall within that?

**IM Response:** The detailed listing of services as described in the Asset Purchase Agreement is available [here](#). With respect to Mission Hospital and cancer services, it does not specifically list inpatient leukemia but rather states: "Oncology services – inpatient and outpatient cancer services, radiation therapy, surgery, chemotherapy, and infusion services".

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Q6: In reference to your 15 items, is it industry standard for an organization like yourself, to not note quality of care as one of the monitoring issues. Is it something that you and Dogwood came up with?

**IM Response:** Our firm had no involvement with the sale transaction, it was all negotiated and agreed well before we were involved. However, I can tell you that not many transactions like this occur countrywide, so an 'industry standard' is not a concept that is currently applicable.

Q7: What authority does the Attorney General have in enforcing the commitments made in the agreement?

**IM Response:** While Dogwood Health Trust ("Dogwood") is responsible for enforcing compliance, the Asset Purchase Agreement provides for the NC Attorney General ("NCAG") to step in to enforce compliance on specified commitments of HCA under certain conditions. If the NCAG decides to take such action, it must give Dogwood 40 days' notice before taking action to enforce the commitment(s). This is described in section 13.13(b) of the Asset Purchase Agreement.

Q8: Question regarding the commitments. Any mention or commitment to the quality of care. What are we going to do once the commitments expire? How often do you all make visits? Can we nurses participate in these visits?

**IM response:** We have scheduled visits once a year and we plan to visit more frequently when we learn of issues that warrant investigation. It is important to bear in mind that we are not clinical experts evaluating clinical quality, safety or compliance in that respect. Our role is to evaluate whether HCA is continuing to comply with the 15 commitments agreed in the Asset Purchase Agreement. We primarily gather information to inform our evaluation from data and hearing from the community. The site visits do also inform our work, not just in what we observe during those visits, but our presence in the community helps to remind people we are here in case they have information to share.

Q9: If HCA loses its Medicare/Medicaid enrolment, are they in violation of Commitment #14?

**IM response:** Yes.

Q10: Do you do surprise visits to inspect the hospital?

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**IM response:** It's not appropriate to do surprise visit to a hospital. Even the Joint Commission will let you know in advance, with short notice. We do an annual visit, and we plan to visit more frequently when we learn of issues that warrant investigation.

Q11: You mentioned earlier that to modify the commitments it needs to be 5 years?

**IM response:** After 5 years (i.e., from February 2024), with respect to the Local Hospitals, under limited circumstances HCA may discontinue certain services however the respective Local Advisory Board and the Independent Monitor would have the opportunity to dispute such a proposal prior to it being confirmed.

Q12: What happens if HCA violates the agreement?

**IM response:** If the Independent Monitor were to find evidence of potential non-compliance with HCA's 15 Commitments under the Asset Purchase Agreement ("APA"), we would advise the "Seller Representative" (Dogwood Health Trust ("Dogwood")), which is the party holding responsibility for enforcing the Buyer's (i.e., HCA) compliance with the APA.

While the APA prescribes the required process in great detail, a simplified summary is as follows:

1. Seller Representative would notify the Buyer of the potential non-compliance;
2. Buyer and Seller Representative would have an opportunity to resolve the dispute by agreement, and if that fails, invoke the dispute resolution process:
  - If the Seller Representative raised an objection related to the Cap Ex Report, the dispute would be resolved by an independent Accounting Firm;
  - The dispute resolution process for other matters involves the North Carolina Business Court or an arbitration process administered by the American Arbitration Association.

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Q13: As far as the services being cut, are there alternative funding streams through Dogwood that could provide assistance?

**IM response:** You would need to ask Dogwood.

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Q14: Is there any transparency around public reporting for items #9 and #10. Innovation investments and community contributions?

**IM response:** The investment fund that has been established regarding #9 is called The Pisgah Fund which is managed by Hatteras Venture Partners. Details are available on its website: <https://pisgahfund.com/>.

With respect to #10, Community Contributions, we obtain certain information from HCA that is confidential. We can ask HCA if they would release that information for the public.

Q15: How is Mission Health and HCA going to stand behind their commitment on oncology?

**IM Response:** We are currently investigating this issue.

Q16: Would you consider more visits? Is there any way you can come by as a surprise visit so they can't stage their performance?

**IM response:** We can come on fairly short notice. We are happy to come as often as necessary. We need to be effective, but we aren't clinical people, and we aren't evaluating clinical quality, safety or compliance in that respect. We are not like your clinical auditors. Medicare, The Joint Commission or the Department of Health visiting will see things we don't see. But we may hear things, and that could cause us to request more data, and help to inform our evaluation around compliance.

Your comments around "staging" visits are troubling and we will look into that.