



**Lakewood Hospital
Request for Proposal**

The following criteria reflect the minimum elements that the Hospital considers essential to this Transaction. The Hospital will use the minimum criteria to identify and evaluate Proposals.

1. Operational Plan and Strategic Vision: Proposal must set forth the Respondent's operational plan and strategic vision for Lakewood following the completion of the Transaction, including the Respondent's overall plan to meet community needs. The overall plan should specifically identify the strategic plans for upgrading, enhancing, and expanding the facility and services, as well as specifying plans to modify or change existing services. Particular consideration should be given to addressing how the Respondent will continue to support the overall health needs of the local community, based on those needs identified in the Community Health Needs Assessment.

In addition, Proposal should include an explanation to describe the primary rationale for any change or reduction in the current scope of services, given the Respondent's announced intention to add inpatient services of roughly equivalent size (in terms of beds) at other nearby facilities.

2. Assurance of Orderly Transition and Continuity and Quality of Care for Hospital Patients: Proposal must specify what measures the Respondent will take to assure an orderly transition from existing services to the Respondent's proposed scope of services and to assure continuity and quality of care.
3. Employment of Hospital Employees: Proposal must (i) address whether and the extent to which the Respondent will commit itself to the continued employment of persons who are Hospital employees as of the date of the completion of the Transaction, (ii) set forth the plan and methodology by which the Respondent would intend to accomplish such a transition, and (iii) affirmatively state the Respondent's commitment to comply with all applicable federal and state labor laws. Specifically, Proposal must also include a summary of expected changes to staffing levels, if any, by major category (physicians, nurses, other clinical staff, non-clinical support staff, administrative staff).
4. Preservation and Expansion of Medical Staff: Proposal must specify the extent to which Respondent is committed to the preservation of the Hospital's existing independent medical staff, and to the recruitment and availability of primary care and specialist physicians.
5. Capabilities of Respondent's Organization: Proposal must generally describe: (i) the business or businesses in which the Respondent and/or the Respondent's affiliates are

currently engaged; (ii) the legal entity that will enter into a definitive agreement for the Transaction (the "Definitive Agreement"); and (iii) the legal entity or entities that will own, operate and hold any required licenses for the delivery of healthcare services, as applicable. In responding, please provide the following information:

- a. A description of the Respondent's experience in developing community based programs such as the Family Health Center and their experience and ability to smoothly transition from inpatient care to an outpatient based campus.
 - b. A description of the Respondent's commitment to maintaining and enhancing employee satisfaction within the healthcare facility or facilities that it operates, and the mechanisms by which such commitment is implemented and assessed.
 - c. A description of the Respondent's existing charity care and community benefits programs and plans for an outpatient based campus.
 - d. A description of the basis on which the Respondent believes that it (or the successor healthcare organization) has sufficient current and future financial resources to carry out the intent of the Transaction (including payment of the Purchase Price and funding of capital improvements and service additions, as applicable), in the manner described in the Proposal.
 - e. The identity of the individuals who will be responsible for any final negotiations and who will be the key contact person.
 - f. A summary of Respondent's typical approval process and anticipated timeline to complete the Transaction.
6. Governance; Local Representation on Successor Healthcare Organization Governing Body. Proposal must contain a description of the legal structure of the affiliation (e.g., a full affiliation, addition of a sole member, full merger or joint venture), or in the case of a purchase, the extent to which Respondent plans to retain or include representation on the governing body of the Hospital or successor healthcare organization, as applicable, of residents of the Hospital's service area, Hospital representatives/City Officials and medical staff. If Respondent plans to include an Advisory Board, the construct of that board and the typical members of such a board should also be described.
7. Purchase Price/Financial Terms: As applicable, the Proposal must state the purchase price that the Respondent is willing to pay for any of the Hospital Assets (the "Purchase Price"), the manner in which the Purchase Price will be paid, and how the Respondent intends to finance the Purchase Price. The Proposal must also state all other financial terms such as who bears the cost of operating losses during transition, who bears the

costs of demolition (if any), site work, design, construction, any commitments regarding compensations for early termination of the existing lease agreement, etc.

8. Capital Commitment: Proposal must specify the nature and extent of its capital commitment to the envisioned campus, including the type of improvements (renovations/additions) and equipment upgrades/acquisitions that it anticipates based on existing and Respondent's proposed new service lines, if any, the amount of capital expenditures to which it will commit and the period of time over which the commitment will be made.
9. Description of Contingencies and Other Requirements in Definitive Agreement: The information conveyed in this RFP and in the Hospital Information are designed to provide Respondents with sufficient information, or the opportunity independently to obtain sufficient information, fairly to evaluate the risks and benefits of completing the envisioned affiliation. Therefore, Respondent should detail any contingencies or other terms and conditions that it would require in the Definitive Agreement, if any.
10. Regulatory Approvals: Proposal should state Respondent's understanding of and experience relative to obtaining approvals for corporate affiliations or any other regulatory approval of any federal, state and/or local agency ("Required Regulatory Approvals") by the date of the completion of the Transaction. At a minimum, the Respondent must (i) describe in detail how it intends to obtain any Required Regulatory Approvals, (ii) state the time frame in which the Respondent anticipates the Required Regulatory Approvals will be obtained, (iii) identify the individuals in the office of each federal, state and/or local agency with which the Respondent will discuss the process of obtaining a Required Regulatory Approval, and (iv) state what collaboration or assistance will be required from the Hospital in obtaining the Required Regulatory Approvals.

The following non-mandatory criteria reflects those features of a Proposal that the Hospital prefers to be included in this Transaction. These criteria are not mandatory, however. The Hospital will use the responses to the non-mandatory criteria in its evaluation of the Proposals.

1. Assumption of AR and AP; Collection of Accounts Receivable: Respondent may include a proposal for the purchase of the Hospital's accounts receivable and the assumption of its accounts payable. For Respondents who do not wish to purchase the receivables, Proposal should state whether the purchaser, as the successor healthcare organization, has the capability and is willing to direct its financial and accounting staff, on behalf of and for the benefit of the Hospital and using billing and patient records acquired as part of the Hospital Assets, to diligently collect and pay to the Hospital the accounts receivable owed to the Hospital in connection with its provision of hospital services prior to completion of the Transaction.
2. Staff Training: Respondents may include proposals as to a plan or program of staff training and educational opportunities and benefits for Hospital employees.