

From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]

Sent: Tuesday, September 29, 2015 4:31 PM

To: Madigan, Mary; Nowlin, Ryan; Juris, Shawn; Anderson, David; Marx, Cynthia; O'Leary, Sam; Summers, Mike

CC: Butler, Kevin; Siley, Dru; Pae, Jennifer; McEwen, Colin; Gelsomino, Antoinette; Yousefi, Jean; Beno, Joe; Gilman, Scott; Bach, Maureen; Hagan, Mary; Smith, Monique; Strachan, Shannon; Smyers, Robyn Minter(Robyn.Smyers@thompsonhine.com); CathrynGreenwald

Subject: Fw: Clarification on Huron statements in report for Lakewood

Colleagues,

See below (green text) for clarifications from Huron in response to out-of-context and misinterpreted quotes of their report by Save Lakewood Hospital's blog and in Sen. Skindell's campaign material.

This clarifies some points and reaffirms my understanding on others. I'd like to share this with the public somehow but haven't thought through what means would be effective.

In the meantime, I wanted all of you to have this information ASAP.

Tom

Tom Bullock

Lakewood City Council at Large

216-395-7LWD (-7593)

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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>

Sent: Tuesday, September 29, 2015 5:10 PM

To: Bullock, Tom; John Bodine

Cc: Butler, Kevin

Subject: !RE: Clarification on Huron statements in report for Lakewood

Hi Tom,

Please see below for our response (in green).

- "Under these circumstances, there is simply no cause to abandon Lakewood Hospital or do anything else in a hurry. As Huron Consulting affirmed, holding Cleveland Clinic to its obligations while conducting a patient, transparent, genuine search for a new partnership is a perfectly viable option." <http://savelakewoodhospital.org/why-lakewood-hospital-is-not-st-michaels/>
 - The term "perfectly" is inaccurate. While it is our opinion that continuing the partnership search process is an option that can be pursued, it will likely be expensive (due to the need for a replacement facility) and we not sure if it will yield positive results given the lack of independent physicians in the market (more on this below) and the lack of interested suitors.
- <http://savelakewoodhospital.org/huron-consulting-report-other-news/> "Certain of its [Huron's] observations have generated much discussion, among them:
 - The city's purported search for alternative partners was mishandled and abandoned well short of completion
 - Huron does not use the term "mishandled" or the phrase "abandoned well short of completion." Huron had concerns with certain areas of the marketing process, including (a) Subsidiary is not an investment banker, (b) a letter of release from Cleveland Clinic

was not obtained, (c) there were two sets of RFPs, and (d) certain mission/faith-based systems or companies with a history of investing in distressed hospitals were not approached. However, it is incomplete and misleading to note the above without mentioning that it is our belief that the Hospital was marketed to nearly all logical parties and we have no expectation that a different outcome would have resulted if the above concerns were addressed during the sale process.

- "The earlier report by Subsidium consultants ignored important issues in concluding that Lakewood does not need "obsolete" inpatient hospital facilities
 - This is not our quote and is not supported by our analysis. In our report, we note that we believe the criteria Subsidium utilized in determining the viable options for Lakewood is reasonable and comprehensive. We also note that we believe Subsidium considered essentially all relevant potential options. That said, we point out that the City of Lakewood may also consider non-financial factors that we did not investigate including the impact on employment in the community or whether or not the City feels it has a responsibility to ensure that acute care services are provided within Lakewood.
- "Continue operating under the current lease agreement, while also pursuing strategic initiatives and affiliation discussions" is a viable option for Lakewood.
 - Given numerous factors, including the recent downturn in financial performance, we believe that it will be difficult for the Hospital to continue on a status-quo course of action. Accordingly, this is only considered a viable option if the City addresses the facility issues, develops a supportive physician network, and pursues negotiations with potential partners. If this strategy is unsuccessful, the cost to the community in terms of financial losses and lost services could be significant. While the above initiatives and negotiations are taking place, the investment portfolio of LHA will likely be depleted.
- "A population the size of Lakewood has the ability to support an acute care hospital..." Pages 38, 71 (My question: is that statement only true if Fairview Hospital is not drawing away so much patient volume?)
 - The population is large enough to support an acute care hospital, but only if a larger portion of the population utilizes the facility (this would require the redirection of patients that are currently out-migrating to other facilities including Fairview).
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 - It is our opinion that it would likely take several years to build a new facility and possibly longer to develop a physician network (if it is even possible). The time requirement can be shortened if the Hospital renovates the current space (as opposed to a complete rebuild), although refurbished space is seldom of the same standard as a new facility and may not be competitive depending on the extent of the renovations. It will likely cost over \$100 million to build a new facility and develop a physician network, potentially less if the existing space is renovated.
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correct? Would achieving these things take weeks, months, or years? How much money?)

- Our answer to this question is similar to the previous question, especially since we would expect a new or renovated hospital to contain fewer beds than are currently in place. We would expect a new facility to contain between 50 and 100 beds. Construction costs for a hospital typically range from \$700,000 to \$1.4 million per bed.

If you have any further questions, please let me know.

Thank you,

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From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]
Sent: Tuesday, September 29, 2015 4:40 PM
To: Summers, Mike
CC: Tom Gable; Rocheworks@gmail.com; Bill Gorton; Ellen Bryztwa; Becky Patton; Kathleen T.McGorray Ph. D.; Ken Haber; gary.pritts@gmail.com; John Litten; CULLEYC@ccf.org; GalenSchuerlein; cbrosky@lscservice.com; Bekeny James; dave@lesjakplanning.com; FREEMAR@ccf.org; jhuntsberger@mcdonaldhopkins.com; jto@jtonm.net; jfancher@riverpres.org; tabbaateam@northshoregastro.org; Madigan, Mary; tc@pointeblank.net
Subject: Fwd: Clarification on Huron statements in report for Lakewood
Attachment(s): "image001.gif"

Trustees:

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www.huronconsultinggroup.com





From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]
Sent: Tuesday, September 29, 2015 10:46 PM
To: Freeman, Richard
Subject: Re: Clarification on Huron statements in report for Lakewood

Rick, agreed on sharing with the public--will seek to do so somehow

On Sep 29, 2015, at 9:32 PM, Freeman, Richard <FREEMAR@ccf.org> wrote:

Tom,
 Well done! ... and I think it needs to be published, somehow even if in an ad. I know we have a company that does polling, but would you think at this point we need a real PR firm?
 And, is there any consideration for the the Lakewood Council to put forth a competing referendum on the ballot in direct contradistinction to that put forth by "Save Lakewood Hospital"?... Perhaps one more carefully worded?
 Just my thoughts... Thanks for your consideration.
 Rick Freeman

Sent from my mobile device

On Sep 29, 2015, at 5:40 PM, Bullock, Tom <Tom.Bullock@lakewoodoh.net> wrote:

Trustees:

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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>
Sent: Tuesday, September 29, 2015 5:10 PM
To: Bullock, Tom; John Bodine
Cc: Butler, Kevin
Subject: !RE: Clarification on Huron statements in report for Lakewood

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<image001.gif>

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From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]
Sent: Monday, December 07, 2015 12:45 PM
To: Paul Colarusso
CC: John Bodine; Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood
Attachment(s): "Skindell Kucinich 2015 mailer Side B.JPG"

John and Paul:

I'd like to ask an additional clarifying question to ask whether you'd agree with an interpretation quoting Huron's report for the City of Lakewood? In this case it is a quote from your report included in a political campaign mailer (the election is now concluded--having taken place on Nov 3, 2015).

The brief quote from or paraphrase of your report reads, "The Experts Agree: saving Lakewood Hospital is a viable plan. Huron Consulting Group Business Advisory, Report to Lakewood City Council, August 14, 2015." You can see this in the scanned image, attached.

My question: in your view, does this excerpt or paraphrase of Huron's report accurately quote or summarize your report finding? Does it to convey the full and intended meaning, and/or rather is this interpretation incomplete, out of context, or misleading? Does it exclude portions of Huron's report that would cast a different light on the stated interpretation?

Thank you in advance,
 Tom

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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>
Sent: Tuesday, September 29, 2015 5:36 PM
To: Bullock, Tom
Subject: RE: Clarification on Huron statements in report for Lakewood

Certainly. Apologies - please note typo below now fixed (highlighted).

Paul Colarusso
 Associate
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From: Bullock, Tom [mailto:Tom.Bullock@lakewoodoh.net]
Sent: Tuesday, September 29, 2015 4:25 PM
To: Paul Colarusso; John Bodine
Cc: Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

Thank you. These are helpful clarifications, and I'll share them with my colleagues and the public. I appreciate your quick turnaround.

Sincerely,
Tom

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Sent: Tuesday, September 29, 2015 8:28 AM
To: John Bodine
Cc: Paul Colarusso; Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

Thank you

On Sep 28, 2015, at 10:07 PM, John Bodine <jbodine@huronconsultinggroup.com> wrote:

Tom:

We will review and respond shortly.

On Sep 28, 2015, at 2:33 PM, Bullock, Tom <Tom.Bullock@lakewoodoh.net> wrote:

John and Paul:

Several findings of Huron's report for Lakewood have been quoted in the community in what I understand to be an out-of-context or misinterpreted manner. I'd like to ask you to clarify whether the excerpts of Huron's report quoted below have been accurately quoted such as to convey the full and intended meaning, and/or whether these points have been interpreted accurately and with the full context? Finally, do some of these quotes exclude portions of Huron's report that would cast a different light on the stated interpretation?

The impression I get is that these are quotes cherry-picked by citizens who feel intensely that Lakewood Hospital ought to continue as an inpatient facility and that their reading of Huron's report is skewed accordingly. However, I wanted to check with you.

These quotes are:

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Thank you,
Tom

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THE EXPERTS AGREE: SAVING LAKEWOOD HOSPITAL IS A VIABLE PLAN

Huron Consulting Group Business Advisory
Report to Lakewood City Council August 14, 2015.

Mayor

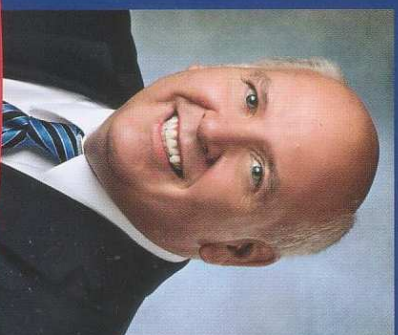
Mike Summers: **CLOSE Lakewood Hospital**

- ☒ Lose Hospital and Critical Care Services within Lakewood
- ☒ Lose Lakewood's Largest Employer
- ☒ Overcrowding at Other Hospitals
- ☒ Longer Emergency Response Times and Higher Costs
- ☒ Lose Hospital Employee Taxes –
Raise your Taxes to Pay for basic City Services

Senator

Michael J. Skindell: **SAVE Lakewood Hospital**

- ☒ Keep Hospital & ER
- ☒ Keep Lakewood's Largest Employer
- ☒ Keep Senior Access to Hospital and Doctors
- ☒ No Increased Taxes to Support Hospital



VOTE

Tuesday, November 3, 2015

From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]
Sent: Tuesday, September 29, 2015 4:25 PM
To: Paul Colarusso; John Bodine
CC: Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

Thank you. These are helpful clarifications, and I'll share them with my colleagues and the public. I appreciate your quick turnaround.

Sincerely,
 Tom

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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>
Sent: Tuesday, September 29, 2015 5:10 PM
To: Bullock, Tom; John Bodine
Cc: Butler, Kevin
Subject: !RE: Clarification on Huron statements in report for Lakewood

Hi Tom,

Please see below for our response (in green).

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 - The term "perfectly" is inaccurate. While it is our opinion that continuing the partnership search process is an option that can be pursued, it will likely be expensive (due to the need for a replacement facility) and we not sure if it will yield positive results given the lack of independent physicians in the market (more on this below) and the lack of interested suitors.
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- This is not our quote and is not supported by our analysis. In our report, we note that we believe the criteria Subsidium utilized in determining the viable options for Lakewood is reasonable and comprehensive. We also note that we believe Subsidium considered essentially all relevant potential options. That said, we point out that the City of Lakewood may also consider non-financial factors that we did not investigate including the impact on employment in the community or whether or not the City feels it has a responsibility to ensure that acute care services are provided within Lakewood.
- "Continue operating under the current lease agreement, while also pursuing strategic initiatives and affiliation discussions" is a viable option for Lakewood.
 - Given numerous factors, including the recent downturn in financial performance, we believe that it will be difficult for the Hospital to continue on a status-quo course of action. Accordingly, this is only considered a viable option if the City addresses the facility issues, develops a supportive physician network, and pursues negotiations with potential partners. If this strategy is unsuccessful, the cost to the community in terms of financial losses and lost services could be significant. While the above initiatives and negotiations are taking place, the investment portfolio of LHA will likely be depleted.
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If you have any further questions, please let me know.

Thank you,

Paul Colarusso
Associate
550 W. Van Buren Street
Chicago, Illinois 60607
Office 312-880-5617 | Mobile 312-288-5024
pcolarusso@huronconsultinggroup.com
www.huronconsultinggroup.com



From: Bullock, Tom [mailto:Tom.Bullock@lakewoodoh.net]
Sent: Tuesday, September 29, 2015 8:28 AM
To: John Bodine
Cc: Paul Colarusso; Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

Thank you

On Sep 28, 2015, at 10:07 PM, John Bodine <jbodine@huronconsultinggroup.com> wrote:

Tom:

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From: Bullock, Tom [Tom.Bullock@lakewoodoh.net]
Sent: Monday, December 07, 2015 1:19 PM
To: John Bodine; Paul Colarusso
CC: Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

John, thank you for your quick response.

Tom Bullock
 Lakewood City Council at Large
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From: John Bodine <jbodine@huronconsultinggroup.com>
Sent: Monday, December 7, 2015 1:00 PM
To: Bullock, Tom; Paul Colarusso
Cc: Butler, Kevin
Subject: RE: Clarification on Huron statements in report for Lakewood

Tom:

The reference in the campaign mailer is incomplete and misleading. The section of the report that is quoted in the mailer summarizes the situation faced by the hospital and the issues that would have to be addressed in order to continue as an acute care hospital.

John Bodine
 Managing Director
 550 W. Van Buren Street
 Chicago, Illinois 60607
 Office 312-880-3411 | Mobile 630-301-8445
jbodine@huronconsultinggroup.com
www.huronconsultinggroup.com



From: Bullock, Tom [<mailto:Tom.Bullock@lakewoodoh.net>]
Sent: Monday, December 07, 2015 11:45 AM
To: Paul Colarusso
Cc: John Bodine; Butler, Kevin
Subject: Re: Clarification on Huron statements in report for Lakewood

John and Paul:

I'd like to ask an additional clarifying question to ask whether you'd agree with an interpretation quoting Huron's report for the City of Lakewood? In this case it is a quote from your report included in a political campaign mailer (the election is now concluded--having taken place on Nov 3, 2015).

The brief quote from or paraphrase of your report reads, "The Experts Agree: saving Lakewood Hospital is a viable plan. Huron Consulting Group Business Advisory, Report to Lakewood City Council, August 14, 2015." You can see this in the scanned image, attached.

My question: in your view, does this excerpt or paraphrase of Huron's report accurately quote or summarize your report finding? Does it to convey the full and intended meaning, and/or rather is this interpretation incomplete, out of context, or misleading? Does it exclude portions of

Huron's report that would cast a different light on the stated interpretation?

Thank you in advance,
Tom

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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>
Sent: Tuesday, September 29, 2015 5:36 PM
To: Bullock, Tom
Subject: RE: Clarification on Huron statements in report for Lakewood

Certainly. Apologies – please note typo below now fixed (highlighted).

Paul Colarusso
Associate
550 W. Van Buren Street
Chicago, Illinois 60607
Office 312-880-5617 | Mobile 312-288-5024
pcolarusso@huronconsultinggroup.com
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Cc: Butler, Kevin
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From: Paul Colarusso <pcolarusso@huronconsultinggroup.com>
Sent: Tuesday, September 29, 2015 5:10 PM
To: Bullock, Tom; John Bodine
Cc: Butler, Kevin
Subject: !RE: Clarification on Huron statements in report for Lakewood

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Cc: Paul Colarusso; Butler, Kevin
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- "Under these circumstances, there is simply no cause to abandon Lakewood Hospital or do anything else in a hurry. **As Huron Consulting affirmed**, holding Cleveland Clinic to its obligations while conducting a patient, transparent, genuine search for a new partnership is a perfectly viable option." <http://savelakewoodhospital.org/why-lakewood-hospital-is-not-st-michaels/>
- - <http://savelakewoodhospital.org/huron-consulting-report-other-news/>
 "Certain of its [Huron's] observations have generated much discussion, among them:
 - The city's purported search for alternative partners was mishandled and abandoned well short of completion

- "The earlier report by Subsidium consultants ignored important issues in concluding that Lakewood does not need "obsolete" inpatient hospital facilities
 - "Continue operating under the current lease agreement, while also pursuing strategic initiatives and affiliation discussions" is a viable option for Lakewood.
- The following three points from this page: <http://www.skindell4lakewood.com/about-the-hospital.html>
 - "A population the size of Lakewood has the ability to support an acute care hospital..." Pages 38, 71 (My question: is that statement only true if Fairview Hospital is not drawing away so much patient volume?)
 - "Huron believes status quo 'may be a viable option if LHA and the City prefer to delay a decision on the Hospital, during which time the City would continue to receive payments under the lease.' Use additional time 'to develop a strategy to address facility issues, develop a supportive physician network; and pursue negotiations with potential partners.'" Pages 40, 71 (My question -- wouldn't achieving these things take longer periods of time and are very costly, correct? Would achieving these things take weeks, months, or years? How much money?)
 - "Right Size Hospital - Reduction of Beds - Huron believes this is 'a viable option if there is sufficient capital for facility renovations and an ability to expand the physician network and capture additional community support for the Hospital.'" Page 40 (My question -- wouldn't achieving these things take longer periods of time and are very costly, correct? Would achieving these things take weeks, months, or years? How much money?)

Thank you,

Tom

Tom Bullock
 Lakewood City Council at Large
 216-395-7LWD (-7593)
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