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MICHAEL SUMMERS  
MAYOR

March 5, 2013

Subsidium Healthcare  
Richard D'Amato, Managing Partner  
3060 Peachtree Road, Suite 850  
Atlanta, GA 30327

Dear Mr. D'Amato:

The City of Lakewood and the Board of Trustees of Lakewood Hospital Association have formed a "Select Committee", with the encouragement of The Cleveland Clinic, to evaluate and recommend a set of strategies to fulfill our mission to provide for the healthcare needs of our community. We are now engaged in a process to identify professional advisory firms with the capability and interest in assisting the committee in the identification and evaluation of a broad range of strategies from both macro and micro healthcare contexts.

It is important for you to understand the strategic focus not only addresses the community needs and financial viability but will have to contend with the following framework:

- The assets, both real and financial, of Lakewood Hospital are owned by the City of Lakewood.
- The City of Lakewood has leased these assets to Lakewood Hospital Association, an Ohio nonprofit Corporation for a term of 30 years ending in 2026 with options to renew.
- Lakewood Hospital Association, The City of Lakewood and The Cleveland Clinic have entered into a "Definitive Agreement" that runs for the same period as the lease. Such agreement gives broad powers to the Clinic to manage the hospital and consolidate financial results, subject to a Board of Trustees with representatives of the City, the Clinic and the Association.
- Lakewood Hospital is the largest employer in the City of Lakewood.
- Fairview Hospital, a larger and dominant player in this market is owned by the Clinic and is 4 miles from Lakewood Hospital.
- Lakewood Hospital, a 200+ bed facility built over 80 years ago, will require significant capital investment to maintain service integrity in the future, and has high energy costs
- Lakewood Hospital has a long tradition of strong civic support from area businesses, political leadership, not-for-profit organizations and Lakewood citizens.
- Lakewood Hospital is staffed by a physician base that is composed of 50% independent physicians, and 50% Cleveland Clinic physicians
- Although Lakewood Hospital has been financially challenged over the past 6 years, improvements have been achieved with investments in quality outcomes, patient care, employee engagement, and productivity and cost reductions.



For your reference, attached to this RFI are the Audited Financial Statements for the years ended December 31, 2011 and 2010.

The following is a brief summary of the scope of the engagement that we are seeking the firm to help the Select Committee with:

- Review of the current work done to date by the Lakewood Hospital management team;
- Apply critical thinking to the strategic options currently identified in the context of Community Needs v. Financial Viability; and
- Identify other strategies to consider for planning the future of the City's healthcare mission.

In response to this RFI, please address at least the following:

- Describe firm's approach and process used in this engagement
- Describe firm's experience
- Provide biographies of all consultants
- Identify references
- Specify the expected deliverables
- List the items you would like to obtain from Lakewood Hospital/Cleveland Clinic
- Fee proposal including estimated hours and rates (out-of-pocket expense)
- Estimated resources needed from Lakewood Hospital/Cleveland Clinic staff

The requested due date for the RFI is by the end of the day (5:00 PM EST) April, 5, 2013. Hard copies are not required – electronic copies (e.g., PDF) are preferred.


All responses to this RFI can be sent to Mayor Summers. Again, electronic responses are requested and preferred.

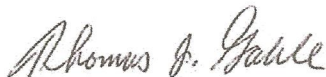
Formal RFP will be issued to the finalist by April 30, 2013 with the following process:

- Telephone or in-person interviews of finalist(s)
- Permission to contact at least two references of your firm
- Question and Answer session with the Select Committee
- Obtain and approve an engagement letter with agreed-upon fee arrangements

We anticipate engaging a firm by June 3, 2013. Thank you for your interest in responding to this RFI. We look forward to receiving your response. If you have any questions please contact one of the undersigned by email.

Sincerely,

  
 Michael P. Summers  
 Chair – Select Committee  
 Lakewood Hospital Association  
 Board of Trustees  
 Mayor, city of Lakewood  
 mike.summers@lakewoodoh.net

  
 Thomas J. Gable  
 Chair  
 Lakewood Hospital Association  
 Board of Trustees  
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