

KaufmanHall

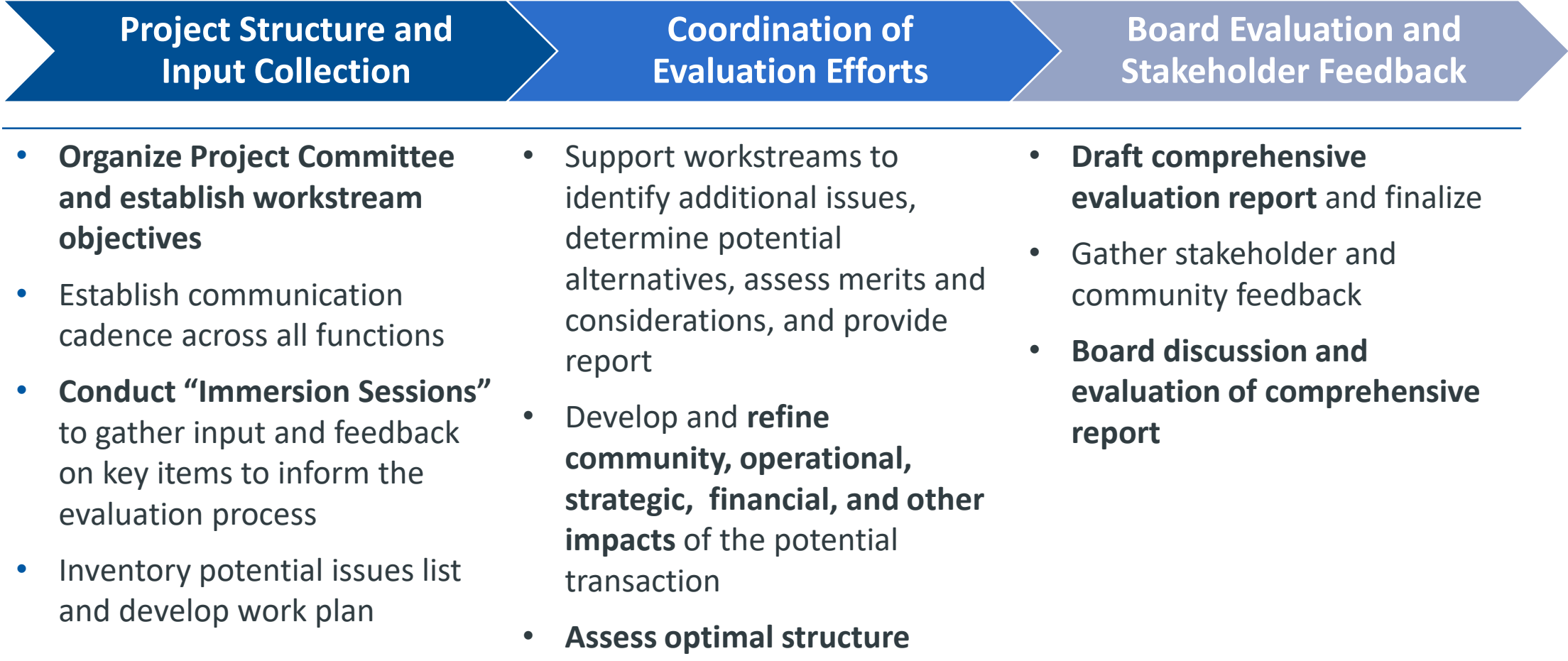


Lee Memorial Health System

Project Update

Fort Myers, Florida | September 28, 2023

Overview of Kaufman Hall’s Engagement Scope

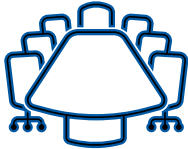


Preliminary Project Structure

Board of Directors	Decision-making authority for the conversion evaluation; input and feedback will be addressed through the evaluation process
Project Committee	Day-to-day project leadership ; coordinate activities and multi-disciplinary analyses across various workstreams to ensure timelines are adhered and evaluation is comprehensive
Workstream: Governance and Structure	Evaluate conversion structures and governance models , providing guidance on what impacts the structure and model may have on additional workstreams
Workstream: Finance	Quantify impacts of conversion by addressing key financial questions early in process and incorporating workstream feedback through pro forma impact analysis
Workstream: Legal	Review key due diligence areas (e.g., joint ventures, material contracts, sovereign immunity) and identify the legal issues, mitigants, or solutions to guide other workstream activities
Workstream: Human Resources	Evaluate the impact on provider and employee benefits, recruitment and retention , and other personnel related issues and questions
Workstream: Operations	Identify key operational benefits and challenges of district model and determine the impact a conversion may have
Workstream: Strategy	Address how a conversion may impact strategic planning activities and support translation into broader pro forma analyses

Issues Identified for Early Evaluation

Lee Health’s Legal, Finance, and Government Relations teams have identified select issues for immediate evaluation



**Future State
Governance Alternatives**



**Safety Net
Programs**



**Capital Markets and
Outstanding Bonds**



**Intergovernmental Transfer
Funding**



**Sovereign
Immunity**



**Clinical and Medical Staff,
and All Employee Impacts**

Key Questions to Address in the Final Report

The comprehensive evaluation report will address key issues, strategic alternatives, and the following questions



**Why Now,
if At All?**



**How Would Our
Community be Impacted?**



What Are the Benefits?



**What Are the
Trade-Offs?**



**How Would this Impact
our Mission?**



**How Would a
Conversion Occur?**



**Should Lee Health
Proceed?**

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