

Conversion Evaluation

Timeline Overview & Community Town Halls Proposed Event Plan

Mary Briggs, APR, CPRC
System Director/Strategic Communications

November 17, 2023

Evaluation Process Phases & Gates

In 2023, the Florida Legislature established this multi-phase, time-bound (420-day max) process as part of changes they made to Lee Health’s Enabling Act

Gate Checkmarks:
A decision point or major step that must be taken before the process can move forward – each of which are natural opportunities to end the process

EVALUATION		DISCERNMENT & DECISIONS			NEGOTIATION & APPROVALS	
 Evaluation Gate	Evaluation Phase Kaufman Hall conducts third-party evaluation & captures findings in Evaluation Report LHBOD conducts Public Hearing Jan. 25 @ 3 P.M. Gulf Coast Medical Center Community Room	 Report Gate	Discernment Phase LHBOD thoroughly reviews evaluation data, findings and community feedback in order to discern if conversion is in the best interest of Lee County residents	 Decision Gate	Negotiation Phase Lee Memorial Health System to negotiate proposed terms for an agreement with the Lee County Board of County Commissioners (BOCC)	 Approvals Gate
WITHIN 180 DAYS OF AUG. 31 VOTE		WITHIN 120 DAYS OF REPORT RECEIVED			WITHIN 120 DAYS OF LHBOD VOTE	
At the Latest: Feb. 27, 2024 Deadline for Evaluation Report to be Finalized		At the Latest: June 26, 2024 Deadline for LHBOD Vote to Pursue Conversion			At the Latest: Oct. 24, 2024 Deadline for Approval of Agreement by BOCC	
Each “gate” represents an important decision point or action step in the process that must be taken before the process can advance to the next phase as well as natural opportunities for the process to end. <i>*All dates calculated as of 11/16/23</i>						

Community Meetings Schedule



District 1: Tuesday, Jan. 9

Cape Christian Church - Student Center
2110 Chiquita Blv. S, Cape Coral 33991



District 4: Thursday, Jan. 4

Lehigh Acres Municipal Services Improvement District
601 E. County Lane, Lehigh Acres 33936



District 2: Wednesday, Jan. 10

Fort Myers Downtown Library
2450 Fist Street, Fort Myers 33901



District 5: Friday, Jan. 5

Quality of Life Center of Southwest Florida
3210 Dr. Martin Luther King Jr. Blvd.
Fort Myers 33916



District 3: Monday, Jan. 8

Lakes Regional Library
15290 Bass Road, Fort Myers 33919



Public Hearing: Thursday, Jan. 25

Gulf Coast Medical Center Community Room
13681 Doctors Way, Fort Myers 33912

All Community Meetings Start at 6 p.m.

Public Hearing begins at 3 p.m.

Town Hall Promotion



PUBLIC NOTICE

- Fort Myers News-Press
- Cape Coral Breeze

PRINT & DIGITAL ADS

- Fort Myers News-Press
- Florida Weekly

PLACED ARTICLES

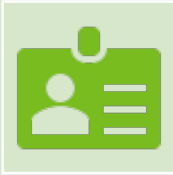
- Cape Coral Breeze
- Florida Weekly
- Bonita Banner

ADDITIONAL AWARENESS & PUBLICITY

- **Posts on Lee Health's Social Media Channels** – Facebook, Instagram & Twitter
- **Banner on Home Page** of www.LeeHealth.org
- **Press Release** – Inclusive of All Town Halls
- **Media Advisories** for Each Event



Proposed Town Hall Format



Welcome & Introductions | Dr. Larry Antonucci



Opening Remarks | Board Members



Conversion Evaluation Overview | Dr. Larry Antonucci



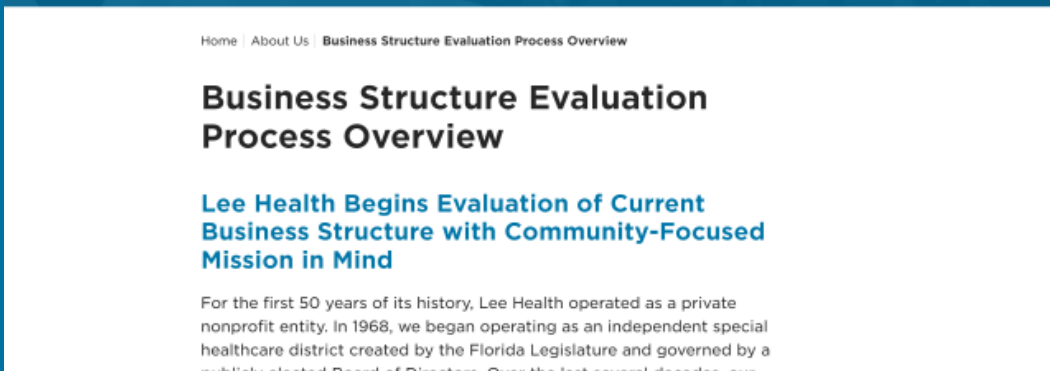
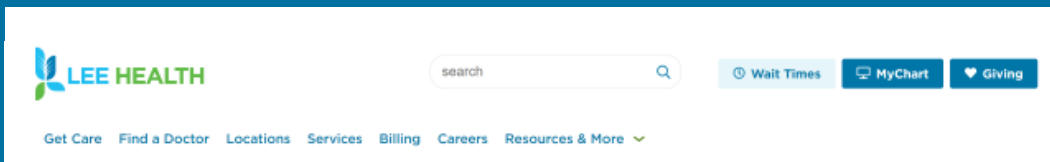
Audience Q&A | Board Members & Members of Lee Health Leadership

Elevating One Source of Truth (SPOT)



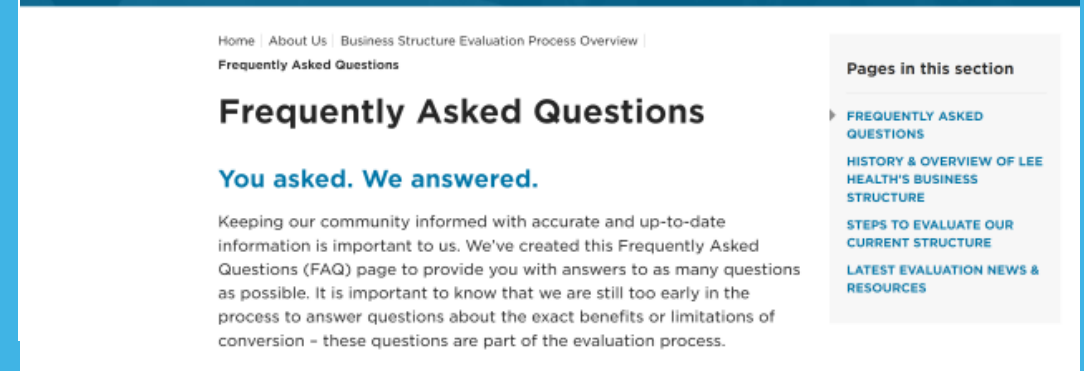
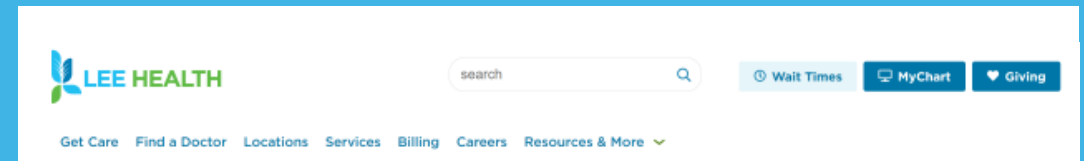
WANT MORE DETAIL?

www.LeeHealth.org/LookingAhead



HAVE QUESTIONS?

LookingAhead@LeeHealth.org



Post-Workshop Governance Conversion Considerations

Mary McGillicuddy, Chief Legal Officer/General Counsel

George Knott, Board Counsel

D. Ty Jackson, Partner and Jesse C. Neil, Partner - Holland & Knight

November 17, 2023

Governance Workshops



Governance Workshop Goals

Board Member Fiduciary Duties

Inform Kaufman Hall

Inform Public

Governance Considerations

Mission, Vision and Values for new entity

Composition of initial Board of Directors

Compensation for initial Board of Directors



BOARD OF DIRECTORS
RECOMMENDED FOR BOARD ACTION

(Action includes Acceptance, Approval, Adoption, etc.)

Keep form to **one** page, **EMAIL to: boardofdirectors@leehealth.org** by Noon
Eight (8) days PRIOR to presenting.

DATE: November 17, 2023

LEGAL SERVICE REVIEW? YES NO

SUBJECT: Mission, Vision and Values for successor entity

REQUESTOR & TITLE: Mary McGillicuddy, Chief Legal Officer/General Counsel & George Knott, Board Counsel

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)

(justification and/or background for recommendations – internal groups which support the recommendation)

At its meeting on August 31, 2023, the Lee Memorial Health System Board of Directors authorized an evaluation of the benefits to the residents of Lee County of converting Lee Health to a Florida not-for-profit corporation, in accordance with section 18(2) of the Enabling Legislation.

SPECIFIC PROPOSED MOTION:

Motion to approve Lee Memorial Health System’s current Mission, Vision and Values, as described in Board Policy 10.01G, as the initial Mission, Vision and Values for the successor nonprofit entity to Lee Memorial Health System, if a conversion to a nonprofit entity occurs as authorized by the Enabling Act, subject to later revision at the Board’s discretion.

FINANCIAL IMPLICATIONS Budgeted Account ____ Non-Budgeted
(Annual Project Budget and Total Project Budget)

STAFFING & OPERATIONAL IMPLICATIONS

(including FTEs, facility needs, etc.)
None.

PURPOSE/REASON FOR RECOMMENDATION

To help inform Kaufman Hall’s independent conversion evaluation and to inform the public of the Board’s current thinking regarding conversion structures and governance models. This motion is not an endorsement by the Board of conversion. The Board of Directors, at this point in the conversion process, takes no position as to conversion and will diligently review the evaluation report to be issued by Kaufman Hall and related materials during the Board evaluation period contemplated under Section 18(4) of the Enabling Legislation.

SUMMARY

The proposed Motion approves using Lee Memorial Health System’s current Mission, Vision and Values, most recently approved by the Board of Directors on June 29, 2023, as the initial Mission, Vision and Values for the successor nonprofit entity to Lee Memorial Health System if conversion to a nonprofit entity occurs as authorized by the Enabling Act. Board Policy 10.01G: Mission, Vision and Values, is attached for reference.

The Board of Directors will continue to meet with experts to determine the best governance structure in the event Lee Memorial Health System converts to a private nonprofit entity, including consideration of additional mission-driven purpose statements. The intent of the proposed Motion is to recognize the benefits of initially maintaining Lee Memorial Health System’s current Mission, Vision and Values given the continued community-centered nature of any successor nonprofit entity.



BOARD OF DIRECTORS
RECOMMENDED FOR BOARD ACTION

(Action includes Acceptance, Approval, Adoption, etc.)

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Eight (8) days PRIOR to presenting.

DATE: November 17, 2023

LEGAL SERVICE REVIEW? YES NO

SUBJECT: Board membership of potential successor non-profit entity board

REQUESTOR & TITLE: Mary McGillicuddy, Chief Legal Officer/General Counsel & George Knott, Board Counsel

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)

(justification and/or background for recommendations – internal groups which support the recommendation)

At its meeting on August 31, 2023, the Lee Memorial Health System Board of Directors authorized an evaluation of the benefits to the residents of Lee County of converting Lee Health to a Florida not-for-profit corporation, in accordance with section 18(2) of the Enabling Legislation.

SPECIFIC PROPOSED MOTION:

Motion to approve that the Board of Directors of the Lee Memorial Health System, in place as of the Board's final vote on conversion, will constitute the initial Board of Directors for the nonprofit successor entity to Lee Memorial Health System, if conversion to a nonprofit entity occurs as authorized by Chapter 2000-439, Laws of Florida, as amended by Chapter 2023-326, Laws of Florida, subject to each Board member's preference and later revision at the Board's discretion.

FINANCIAL IMPLICATIONS Budgeted Account _____ Non-Budgeted _____
(Annual Project Budget and Total Project Budget)

STAFFING & OPERATIONAL IMPLICATIONS

(including FTEs, facility needs, etc.)

None.

PURPOSE/REASON FOR RECOMMENDATION

To help inform Kaufman Hall's independent conversion evaluation and to inform the public of the Board's current thinking regarding conversion structures and governance models. This motion is not an endorsement by the Board of conversion. The Board of Directors, at this point in the conversion process, takes no position as to conversion and will diligently review the evaluation report to be issued by Kaufman Hall and related materials during the Board evaluation period contemplated under Section 18(4) of the Enabling Legislation.

SUMMARY

The Enabling Act expressly provides that, in the event of a conversion, members of the current Board of Directors may serve on the Board of Directors of the successor nonprofit entity. The proposed Motion authorizes each Board member, serving at the time of the Board's final vote on conversion, to serve on the Board of the successor nonprofit entity, as contemplated by the Enabling Act; however, individual continued service would be at the discretion of each Board member.

The Board of Directors will continue to meet with experts to determine the best governance structure in the event Lee Memorial Health System converts to a private nonprofit entity. At this time, the current proposed Motion recognizes the concept that the continued leadership and experience of the Board of Directors during the period immediately following conversion to a nonprofit entity, would best serve the interests of the health system and the community, if conversion to a nonprofit entity occurs as authorized by the Enabling Act.



BOARD OF DIRECTORS
RECOMMENDED FOR BOARD ACTION

(Action includes Acceptance, Approval, Adoption, etc.)

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Eight (8) days PRIOR to presenting.

DATE: November 17, 2023

LEGAL SERVICE REVIEW? YES NO

SUBJECT: Compensation for Board membership of potential successor non-profit entity board

REQUESTOR & TITLE: Mary McGillicuddy, Chief Legal Officer/General Counsel & George Knott, Board Counsel

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)

(justification and/or background for recommendations – internal groups which support the recommendation)

At its meeting on August 31, 2023, the Lee Memorial Health System Board of Directors authorized an evaluation of the benefits to the residents of Lee County of converting Lee Health to a Florida not-for-profit corporation, in accordance with section 18(2) of the Enabling Legislation.

SPECIFIC PROPOSED MOTION:

Motion to approve that members of the initial Board of Directors for the nonprofit successor entity to Lee Memorial Health System be eligible to receive compensation in the same manner provided by the Enabling Act, if conversion to a nonprofit entity occurs as authorized by Chapter 2000-439, Laws of Florida, as amended by Chapter 2023-326, Laws of Florida, subject to each Board member's preference and later revision at the Board's discretion.

FINANCIAL IMPLICATIONS Budgeted Account _____ Non-Budgeted _____
(Annual Project Budget and Total Project Budget)

STAFFING & OPERATIONAL IMPLICATIONS

(including FTEs, facility needs, etc.)

None.

PURPOSE/REASON FOR RECOMMENDATION

To help inform Kaufman Hall's independent conversion evaluation and to inform the public of the Board's current thinking regarding conversion structures and governance models. This motion is not an endorsement by the Board of conversion. The Board of Directors, at this point in the conversion process, takes no position as to conversion and will diligently review the evaluation report to be issued by Kaufman Hall and related materials during the Board evaluation period contemplated under Section 18(4) of the Enabling Legislation.

SUMMARY

Under the Enabling Act, Board members are entitled to receive an annual compensation of up to \$10,000 for services as members of the Board. At the beginning of each fiscal year, the compensation limit increases by an amount equal to the increase in the Consumer Price Index during the prior fiscal year. Board members currently receive the compensation contemplated by the Enabling Act.

The Board of Directors will continue to meet with experts to determine the best governance structure in the event Lee Memorial Health System converts to a private nonprofit entity. At this time, the proposed Motion recognizes the continuity of practice in permitting members of the initial Board of Directors of the nonprofit successor entity to receive compensation in the same manner currently provided by the Enabling Act if conversion to a nonprofit entity occurs as authorized by the Enabling Act; however, individual receipt of compensation would be at the discretion of each Board member.