

# Lee Health Board of Directors Meeting



1:00 p.m. Thursday, October 26, 2023



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# Presidents Report

*(Larry Antonucci, MD., President & CEO)*

**KaufmanHall**



# Conversion Evaluation Charter Overview

Board of Directors Update – October 2023

**Presented by:**

**Larry Antonucci, M.D., MBA, President & CEO**

October 2023

# Honoring Our Commitment to Transparency & Communication

## Team Member Townhalls

Webex Townhalls have been scheduled for team members. They will be hosted by myself, Mike Wukitsch, Michael Nachev and Mary McGillicuddy.

- An email with a registration link was posted to VirtuaLee and distributed by email

### Townhall dates include:

- Nov. 2, 6 p.m. & Nov. 10, 1 p.m. & Nov. 14, 8 a.m.

## Equipping Our Leaders

We've included a **Field Guide for Conversion Communication in OnBoard (Resources Tab)**. This resource was shared with all of our leaders at Leadership Update to ensure they feel comfortable discussing the evaluation process. We hope it is helpful.

## Community Education Townhalls

Community Townhalls will be held in each of the five health system board member districts.

- **Dates:** We are targeting the weeks of:
  - January 8, 2024
  - January 15, 2024
- **Locations:** Locations will be finalized soon and will be easy to access.





## Lee Health Website Updates

LeeHealth.org/LookingAhead is our one source of truth for Conversion communication.

- Additional FAQs have been added based on questions we've received
- Our timeline will be added this week

**Additional Questions?** Please email: [LookingAhead@LeeHealth.org](mailto:LookingAhead@LeeHealth.org)

# Conversion Evaluation Timeline Overview

PHASE 1: EVALUATION		PHASE 2: DISCERNMENT & DECISIONS			PHASE 3: NEGOTIATION & APPROVALS	
<b>EVALUATION GATE</b>  On Aug. 31, 2023, Lee Health’s Board of Directors (LHBOD) voted to evaluate our business structure as outlined in Enabling Act	<b>EVALUATION PHASE</b> Kaufman Hall conducts third-party evaluation & captures findings in Evaluation Report  LHBOD conducts a public hearing	<b>REPORT GATE</b>  LHBOD receive final Evaluation Report from Kaufman Hall	<b>DISCERNMENT PHASE</b> LHBOD thoroughly reviews evaluation data, findings and community feed-back in order to discern if conversion is in the best interest of Lee County residents	<b>DECISION GATE</b>  A majority of our LHBOD must vote to move forward with conversion before any negotiations can begin	<b>NEGOTIATION PHASE</b> LHBOD to negotiate proposed terms for an agreement with the Lee County Board of Commissioners	<b>APPROVALS GATE</b>  LHBOD must approve the agreement by a majority vote plus one in a public meeting  As a final step, the Lee County Board of Commissioners must approve the agreement in a public meeting
WITHIN 180 DAYS OF AUGUST 31 VOTE		WITHIN 120 DAYS OF REPORT RECEIVED			WITHIN 120 DAYS OF LHBOD VOTE	

**Required Public Hearing**  
to be scheduled in the latter half of January

**At the Latest: February 27, 2024**  
**Deadline for Evaluation Report to be Finalized**



Please note, each “gate” represents a decision point, important action or formal 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 should it become clear that conversion is not in the best interest of Lee County residents.

# Conversion Evaluation Project Structure & Workstream Committees

## Status Update

- ✓ **Workstream committees** have been convened as of this week
- ✓ **Systemwide interviews** are under way by Kaufman Hall
- ✓ **Stakeholder input is being gathered** to identify and answer all questions

## Project Committee Role & Update

The Project Committee has been active over the last three weeks in support of establishing the conversion evaluation process.

## Each Workstream Will...



Report weekly to the Project Committee regarding progress updates, issues and concerns



Have an executive lead or leads, project manager, and project support with prioritized activities and key deadlines

## Workstream Committees

Project Committee

Communications

Governance & Structure

Finance

Legal

Human Resources

Operations

Business & Community Strategy

## PROJECT COMMITTEE CHARTER



Responsible for day-to-day project leadership and overall completion of the conversion evaluation. This includes work-stream oversight, project coordination, resource management, and identifying and solving any issues and concerns.

### Meeting Frequency

**Weekly Meetings:** 60 Minutes  
**Ad Hoc Meetings:** As Necessary

Provides updates to senior leadership and the Board at relevant meetings

### Priority Items

- Establish workstream teams, membership and responsibilities
- Support solving for any issues and concerns
- Overall project coordination

### Additional Activities

- Interview coordination

## COMMUNICATIONS CHARTER



Responsible for developing a comprehensive stakeholder engagement strategy to inform patients, staff, and the broader community during the evaluation of a potential conversion.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff
- **Ad Hoc Meetings:** As Necessary

### Priority Items

- Provide key messaging for internal/external purposes as the evaluation unfolds
- Engage the community through FAQs and other resources to support questions and concerns

### Additional Activities

- Buildout of timeline/workplan to inform communication milestones and key engagement activities
- Monitor feedback from community stakeholders and respond as needed

## GOVERNANCE & STRUCTURE CHARTER

Responsible for evaluating conversion structures and governance models, as well as providing guidance on how conversion, if pursued, would impact other workstreams.

This group will identify the implications of the optimal structure and governance model, as appropriate.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff

- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Assess conversion structures available within the enabling legislation**
- **Determine recommended future governance model and identify implications thereof**

### Additional Activities

- Assess governance structure to determine potential impacts and alternatives

## FINANCE CHARTER



Responsible for identifying and quantifying any potential financial impacts of conversion by addressing key financial questions early in the process and incorporating workstream feedback through pro forma impact analysis.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff

- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Pro forma financial impact analysis incorporating components from all workstreams**
- **Quantify impacts of immediate priority items (340(b), FQHC, LIP, IGT, sovereign immunity, etc.)**

### Additional Activities

- Pro forma financial impact of new growth strategies, as appropriate
- Assess synergies, dyssynergies, and one-time costs associated with a potential conversion



## LEGAL CHARTER



Responsible for reviewing key due diligence areas (e.g., joint ventures, material contracts, sovereign immunity) and identifying legal issues, mitigants or solutions to guide other workstream activities.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff
- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Inventory and review of contracts**
- **Identify required assignment/ consent / notification provisions**
- **Review current partnerships and affiliations**

### Additional Activities

- Review regulatory compliance implications
- Identify any implications to other key areas, such as, employee, labor, transactions, governance, finance, operations, etc.

## HUMAN RESOURCES CHARTER



Responsible for evaluating the impact conversion, if pursued, would have on HR-related issues, including employee benefits, recruitment and retention, and other personnel related issues and questions.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff
- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Impact of possible employer entity transition**
- **Benefit plan eligibility/impact, transition and regulatory approvals**

### Additional Activities

- Review regulatory implications associated with potential conversion.

## OPERATIONS CHARTER



Responsible for identifying key operational benefits and challenges of **district model** and determining the impact conversion, if pursued, could have.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff
- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Identification of key operational benefits and challenges of district model**
- **NOTE: To be further explored following interviews**

### Additional Activities

- Reviewing operational models that best support right care, in the right place, at the right time

## BUSINESS & COMMUNITY STRATEGY CHARTER

Responsible for exploring how conversion, if pursued, would impact **strategic planning activities** and support translation into broader pro forma analyses.

### Meeting Frequency

- Bi-weekly meetings during initial month from kickoff
- **Ad Hoc Meetings:**  
As Necessary

### Priority Items

- **Impact analysis to future strategic planning activities**
- **NOTE: To be further explored following interviews**

### Additional Activities

- Assessing care delivery models that best make Lee Health a destination of choice and an entity that continues to serve everyone in our community

# Appendix

# Illustrative Workstream Report to Project Committee

<p><b>Activities Completed To Date &amp; Key Conclusions</b> <i>(With Dates)</i></p>	
<p><b>Immediate Priority Items</b></p>	
<p><b>Additional Activities to be Completed</b></p>	
<p><b>Identified Issues &amp; Concerns</b> <i>(With Further Description, As Necessary)</i></p>	

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