

CONVERSION STRUCTURE EVALUATION







Public Hearing

Thursday, January 25, 2024



Today's Discussion



-  **Welcome & Why We're Here** | Donna Clarke, Chair, Board of Directors
-  **Lee Health History & Overview** | Dr. Larry Antonucci, President & CEO
-  **What We Know About Each Nonprofit Structure** | Dr. Larry Antonucci, President & CEO
-  **Conversion Process & Timeline** | Michael Nacheff, VP Government Relations
-  **Public Testimony** | George Knott, General Counsel, Board of Directors
-  **Closing Remarks** | Donna Clarke, Chair, Board of Directors

Why We're Here



1 Provide background on what we're evaluating and why we feel it's important to take this step.

3 Provide an open forum for community members to testify and express their perspectives.

2 Update you on where we are in the process and what Lee County residents can expect moving forward.

4 Ensure you know where to access the latest information and ask questions in the future.



History & Overview

Dr. Antonucci



**Local Mission.
Regional Impact.**



**Among the Largest Public Health
Systems in U.S. & FL**



Locally Led & Governed



Top Employer in Lee County



A Critical Safety Net



Most Trusted Provider



Widest Array of Care



Major Economic Engine

Why Evaluate Our Structure

1916

Lee Health opens as a community-focused nonprofit

1968

Began operating as an independent special healthcare district created by the Florida Legislature and governed by an elected Board of Directors

1970- Today

Decades of rapid growth in our communities

2019

Repeal of the CON program

2020-2022

65 new hospitals announced being built in Florida

2023

Recognizing the uphill climb of systems like ours, the Florida Legislature established a process and timeline to evaluate our structure



Our commitment to our safety-net mission, as well as continued local leadership and independence is unwavering. This commitment is also the driving factor in our decision to evaluate our structure.



What We Know Today

Nonprofit Structure Comparison

Dr. Antonucci

Structure Comparison

Key Similarities



Special District/Govt. Health System (Current) and Community-Focused Nonprofit Health System Similarities

Safety-Net Mission	<p>Organization maintains strong focus on and commitment to its longstanding mission of caring for every Lee County resident</p>
Quality & Safety	<p>Leadership & staff maintain strong commitment to provide every patient the best care and experience possible</p>
Fiduciary Responsibility	<p>The Board has a duty of care to ensure the organization’s community-focused mission is being met and to act in the best interest of the organization and its stakeholders – patients, the community, physicians and team members.</p>
Operating Margin	<p>Margins continue to be reinvested back into the system and community to improve care for patients and the overall health of the community</p>
Charity Care	<p>Organization maintains strong focus on and commitment to its mission of caring for Lee County residents; Patients in need of care receive it regardless of ability to pay</p>
No Taxing Authority	<p>Lee Health does not have taxing authority today and has never depended on local tax support to cover the cost of day-to-day operations. This would not change if Lee Health converts to a community-focused nonprofit health system.</p>

Structure Comparison

Key Differences



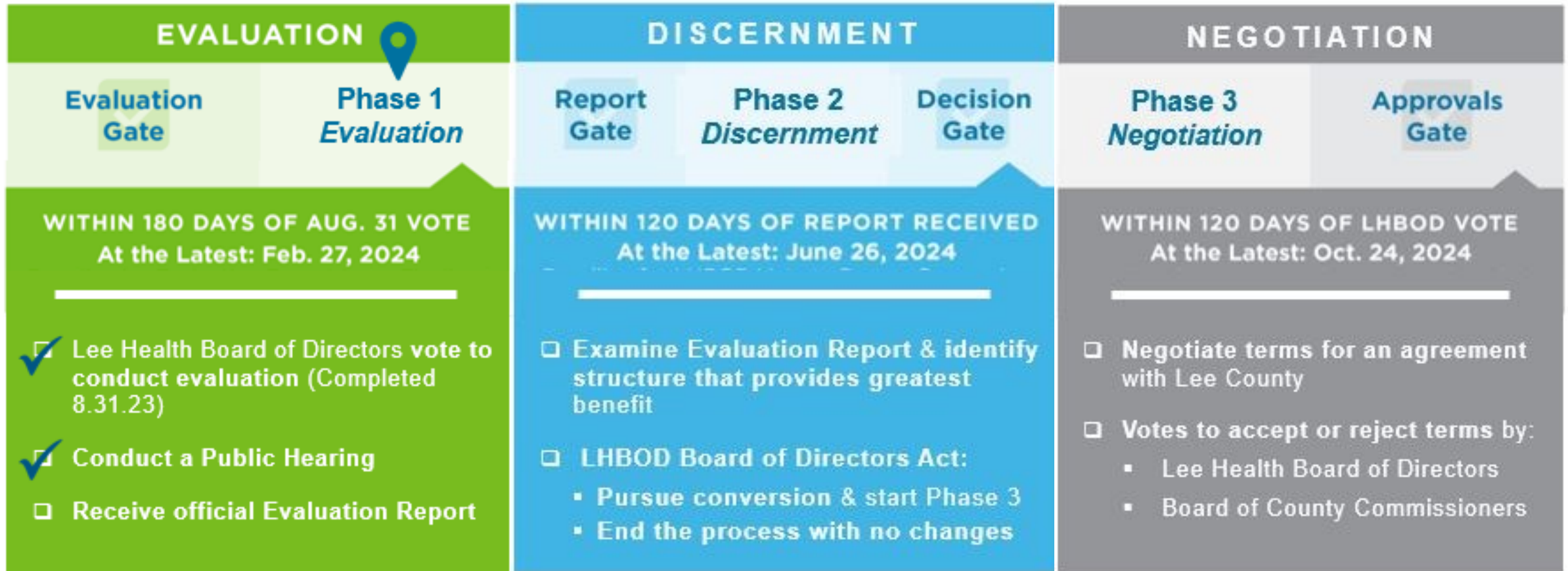
	Special District/Govt. Health System (Current)	Community-Focused Nonprofit Health System
Board Leadership	Board leadership continues; board members are publicly elected	Board leadership continues; board members no longer publicly elected
Business Practice Governance	Governed by the Lee Health's Enabling Act and Florida law applicable to public entities	Governed by Florida law applicable to not-for-profit corporations
Growth & Expansion	Future organizational growth confined to Lee County, restricting potential regional impact, revenue and economies of scale; patients continue long commutes for care	Organization has option to grow beyond Lee County to meet needs of region, reduce burden on patients, achieve greater economies of scale and diversify revenue
Sovereign Immunity	Sovereign immunity limits negligence lawsuits to the government agency only and caps damages awards. It exists to protect public funds that help cover the cost of providing services	Sovereign immunity ends and all limits are lifted. Current insurance program enhanced and expanded to provide organization and staff protection from financial liability



Process & Timeline

Michael Nachef

Process & Timeline - Charts



Honoring Our Commitment to Transparency & Communication



Team Member Town Halls

Webex Town Halls were held for team members.

Town Hall dates included:

- Medical Staff Town Hall: 9/14
- Lee Physician Group Town Halls: 9/1 and 9/6
- Leadership Update: 10/30
- Outreach Team: 10/31
- Staff Town Halls: 11/2, 11/10 and 11/14
- Lee Health Leadership Alumni Meeting 11/14
- VP Town Hall: 12/21

Community Education Townhalls

Community Town Halls were held in each of the five health system board member districts.

Town Hall dates included:

- District 4: 1/04
- District 5: 1/05
- District 3: 1/08
- District 1: 1/09
- District 2: 1/10
- District 1: 1/11

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

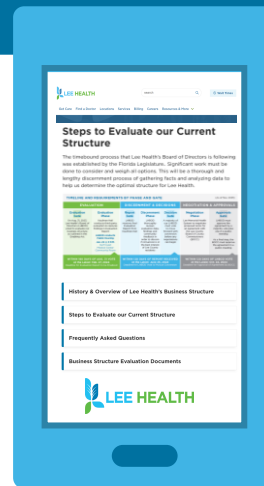
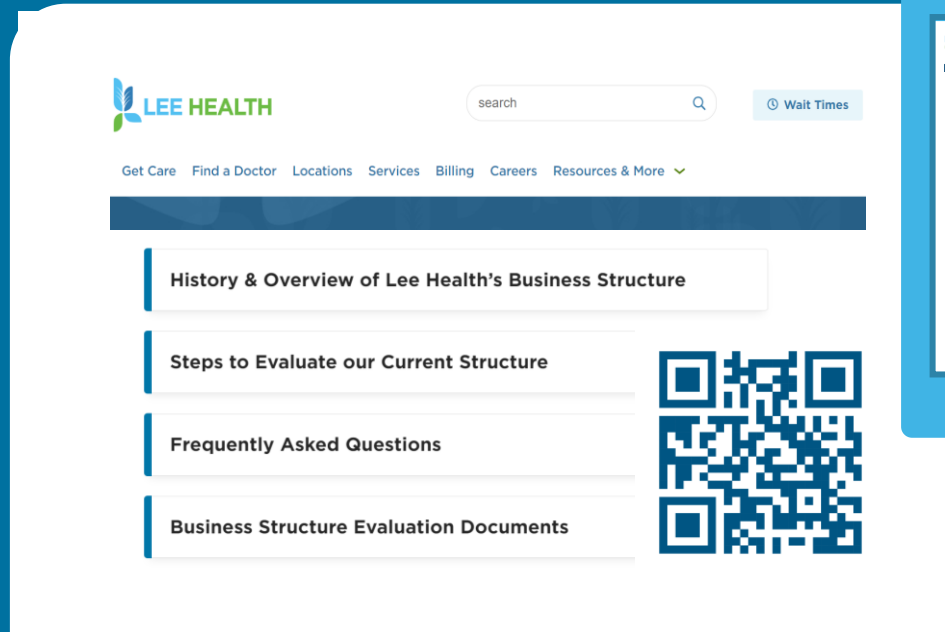
Additional Questions? Please email:

LookingAhead@LeeHealth.org

PUBLIC TESTIMONY

Our Single Point Of Truth

LeeHealth.org/LookingAhead



Access by
Phone, Tablet or
Computer

Frequently Updated
Official Resources
(Including Board Updates)

Detailed Timeline with
Phases & Gates

Link to Submit Additional
Questions

You can also email us at
LookingAhead@LeeHealth.org

Thank you.

We're honored to have you on this journey with us.