

Conversion Evaluation Overview

Since its founding in 1916, Lee Health has remained steadfast in its community-focused mission, which includes offering compassionate, high-quality care to Lee County residents regardless of their ability to pay for the care they receive.

Navigating an Increasingly Challenging Landscape

Over the past few decades, our community has grown dramatically, and we've worked hard to stay ahead of growth and to create an opportunity-filled work environment for team members and clinicians — expanding and transforming from one hospital into a fully integrated health system and national leader in healthcare.

Our many successes, however, don't make us immune to the pressures we are facing, including dramatic and lasting increases in our supply and labor costs brought on by the pandemic and a **surge of new competition in our community** from large, for-profit health systems and private equity companies.

We have a responsibility to explore opportunities that could strengthen our ability to fulfill our mission and compete on a more level playing field in the future.

IMPORTANT:

At this point in the process, we are not recommending or advocating for a specific business structure as we currently lack the level of information we need to make such an important decision.

Evaluating Business Structures with Mission in Mind

Recognizing the growing pressure that public health systems face, the Florida Legislature set forth a clear process and timeline for Lee Health to evaluate business structures and determine the potential benefits to the residents of Lee County of returning to a private nonprofit community-centered health system structure from our current public nonprofit health system structure.

To help us assess the merits of each structure, we have engaged Kaufman Hall, a highly respected healthcare advisory firm with experience in such evaluations to provide us with an unbiased, third-party perspective. We will receive their Evaluation Findings Report by no later than February 27 and will make it available for our community to review at www.LeeHealth.org/LookingAhead.

TIMELINE AND REQUIREMENTS BY PHASE AND GATE

(As of Nov. 2023)

EVALUATION		DISCERNMENT & DECISIONS			NEGOTIATION & APPROVALS	
Evaluation Gate	Evaluation Phase	Report Gate	Discernment Phase	Decision Gate	Negotiation Phase	Approvals Gate
On Aug. 31, 2023, Lee Health's Board of Directors (LHBOD) voted to evaluate our business structure as outlined in the Enabling Act	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	LHBOD receives final Evaluation Report from Kaufman Hall	LHBOD thoroughly reviews evaluation data, findings and community feedback in order to discern if conversion is in the best interest of Lee County residents	A majority of our LHBOD must vote to move forward with conversion before any negotiations can begin	Lee Memorial Health System to negotiate proposed terms for an agreement with the Lee County Board of County Commissioners (BOCC)	LHBOD must approve the agreement by a majority vote plus one in a public meeting As a final step, the BOCC must approve the agreement in a public meeting
WITHIN 180 DAYS OF AUG. 31 VOTE At the Latest: Feb. 27, 2024 Deadline for Evaluation Report to be Finalized		WITHIN 120 DAYS OF REPORT RECEIVED At the Latest: June 26, 2024 Deadline for LHBOD Vote to Pursue Conversion			WITHIN 120 DAYS OF LHBOD VOTE At the Latest: Oct. 24, 2024 Deadline for Approval of Agreement by BOCC	



Each 'gate' includes requirements that must be fulfilled before moving to the next phase. Gates ensure that each phase is completed efficiently and with careful consideration. Gates also offer clear points where the process can end.



Timeline dates are based on the maximum amount of time the Florida Legislature has allotted to complete each of the three phases. **If gate requirements are met before a phase's final deadline, future deadlines will change and the whole process will take less time.**

For the latest timing and updates, please visit LeeHealth.org/LookingAhead

What Happens Next?

Phase 2: Discernment & Decisions

- This phase will begin upon receipt of the Evaluation Findings Report.
- It provides up to 120 days for Lee Health's Board of Directors and community members to review findings, clarify details and discern the best path forward.
- If the LHBOD does not vote to pursue conversion within the 120-day period, the process will end based on gate criteria not being met within the established timeframe.

Phase 3: Negotiations & Approvals

- A decision to move forward to Phase 3 will be based on what is learned from the Evaluation Phase, up to four months of discernment and a vote by the LHBOD based on their belief that conversion is in our community's best interest.

If the process continues according to the timeline, **Lee Health would reach the final gate in the process in October of 2024.**



Stay Informed


We are committed to transparency and to making thoughtful and informed decisions about our shared future. For more details, regular updates and a growing list of answers to questions from our community, please visit:


LeeHealth.org/LookingAhead





Conversion-Focused Community Town Halls


In addition to the Public Hearing scheduled on Thursday, Jan. 25, 2024, **Lee Health is planning a series of six town halls for community members** to ask questions and learn more about the evaluation process, the business structures being evaluated and the reasons we are exploring conversion.


 **District 1: Tuesday, Jan. 9 - 6pm**
Cape Christian Church - Student Center
2110 Chiquita Blvd. S, Cape Coral 33991

 **District 1: Thursday Jan. 11 - 6pm**
St. Michael & All Angels Episcopal Church
2304 Periwinkle Way, Sanibel 33957

 **District 2: Wednesday, Jan. 10 - 6pm**
Fort Myers Downtown Library
2450 First Street, Fort Myers 33901

 **District 3: Monday, Jan. 8 - 6pm**
Lakes Regional Library
15290 Bass Road, Fort Myers 33919

 **District 4: Thursday, Jan. 4 - 6pm**
Lehigh Acres Municipal Services Improvement District
601 E. County Lane
Lehigh Acres 33936

 **District 5: Friday, Jan. 5 - 6pm**
Quality Life Center
3210 Dr. Martin Luther King Jr. Blvd., Fort Myers 33916

Frequently Asked Questions

- 1. Why is Lee Health's Board of Directors evaluating its business structure?** A lot has changed in how healthcare is delivered since Lee Health became a public entity in 1968. As the healthcare landscape continues to evolve and grow increasingly complex and competitive, Lee Health has a responsibility to evaluate if a change in our business structure would be in the best interest of Lee County residents and our health system.
- 2. Why is Lee Health undertaking this process now?** In 2023, the Florida Legislature made changes to the Lee Memorial Health System Enabling Act, which established a process for our Board of Directors to evaluate Lee Health's business structure and determine if a change in structure would be in the best interest of Lee County residents.
- 3. How would a change in business structure impact patient care at Lee Health?** A change in our business structure will in no way impact the quality of care and experience patients receive from Lee Health. However, a change in our structure could open the door to growth beyond our current geographic region, making it easier for patients in areas surrounding Lee Health to access the care they need closer to home.
- 4. Is the conversion evaluation process part of a plan to sell Lee Health?** No. We have no plans to sell Lee Health and haven't received any offers or inquiries about selling Lee Health. Our commitment is to remain an independent, community-centered health system, guided by local leadership and decision-making.
- 5. Would conversion eliminate or diminish local leadership and decision-making at Lee Health?** No. We believe local leadership and decision-making have been and will continue to be critical to our success in the future. Day-to-day leadership and operations would continue to be based in Lee County.