

Lakewood Hospital
Phase 1 Report to the City of Lakewood
July 10, 2015



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Engagement Overview

Engagement Overview

Scope of Engagement

Huron Consulting Services LLC d/b/a Huron Business Advisory (“Huron”), has been engaged by the city of Lakewood, Ohio (the “City”), to provide due diligence and research in connection with a potential transaction involving Lakewood Hospital (the “Hospital”), which is owned by the City and leased to Lakewood Hospital Association (“LHA”). The Cleveland Clinic Foundation (the “Cleveland Clinic”) manages day-to-day operations at the Hospital. The City, LHA, and the Cleveland Clinic are contemplating a transaction whereby Lakewood Hospital will be closed and replaced with an outpatient family health center to be owned and operated by the Cleveland Clinic (the “Transaction”).

This presentation addresses Step 1 of Huron’s four-part study, which is described below:

- Step 1: Review and presentation of current healthcare trends, especially as they relate to the conversion of acute care hospitals into outpatient centers.
- Step 2: Review and analysis of the report was prepared by Subsidiary Healthcare.
- Step 3: Assessment of Lakewood Hospital Association’s standing under the 1996 Definitive Agreement
- Step 4: Review and analysis of Lakewood Hospital’s current financial position.

Huron was not engaged in an investment banking capacity in connection with the Transaction or any other transaction involving Lakewood Hospital. Further, nothing in this document should be considered as investment advice. The decision as to whether to consummate any transaction lies solely with the City and LHA. Our findings or other work product, whether written or verbal, shall not in any way constitute a recommendation as to whether you should or should not consummate any transaction or the terms upon which a transaction should be consummated. The City Council and the Board of Trustees of LHA shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by Huron, and to determine further courses of action with respect to any matters addressed in this report. Huron has made efforts to verify the accuracy of the information contained in this report, which relies on data obtained from numerous sources. Huron cannot guarantee the accuracy of the information provided or any analysis based thereon.

Engagement Overview

Sources of Information

As part of our engagement, we interviewed representatives from various parties including the city of Lakewood, LHA and Subsidium Healthcare, a healthcare consultant previously engaged by LHA. We reviewed certain information and documents that were provided to us by the above parties or publicly available sources. Below is a list of principle sources that were used in our analysis:

- Financial statements for Lakewood Hospital for the fiscal years ended December 31, 2012 through 2014;
- Key performance metrics for Lakewood Hospital for the fiscal years ended December 31, 2013 and 2014;
- Tripp Umbach's *2013 Community Health Needs Assessment-Lakewood Hospital*, dated February 24, 2012;
- Amended and Restated Lease Agreement by and between the City of Lakewood, Ohio and Lakewood Hospital Association, dated December 23, 1996;
- Letter of Intent by and among The Cleveland Clinic Foundation, Lakewood Hospital Association and Lakewood Hospital Foundation, Inc., dated January 14, 2015;
- Definitive Agreement by and between The Cleveland Clinic Foundation and Lakewood Hospital Association, dated December 19, 1996;
- Subsidium Healthcare's *Lakewood Hospital Data Book* (undated);
- Subsidium Healthcare's *Lakewood Hospital Select Committee Options Analysis Follow-Up Documentation from October 9th Meeting* revised and dated October 11, 2013;
- Subsidium Healthcare's *Lakewood Hospital Association Board of Trustees Strategic Options Evaluation Process* dated January 12, 2015;
- Lakewood Hospital Association Press Release, *Lakewood Hospital Association, Lakewood Hospital Foundation and Cleveland Clinic Announce Partnership to Transform Healthcare in Lakewood* dated January 15, 2015;
- Mayor Michael P. Summers' Letter to Council dated January 14, 2015;
- Community Meeting Presentations: *Subsidium Healthcare Lakewood Community Meeting* dated January 28, 2015, *Subsidium Healthcare Community Meeting Regarding Lakewood Hospital* dated February 11, 2015, and *Future of Healthcare in LKWD* dated March 10, 2015;
- "Lakewood City Council Committees of the Whole Considering the Letter of Intent" document;
- Subsidium Hospital RFP, *Lakewood Hospital Request for Proposal* (undated);

Engagement Overview

Sources of Information

- Subsidium Healthcare's Preliminary Memorandum, *Community Hospital Seeks Community Partner* (undated);
- Lakewood Health Center *Overview of Real Estate Elements in the Letter of Intent* dated March 30, 2015;
- Lakewood Hospital Association Meeting of the Special Committee minutes: 1.13.10 to 2.28.11, 3.6.14 to 1.14.15, 5.20.13 to 2.19.14, and 5.4.11 to 1.28.13;
- Several *Monahan Response and Correspondence* documents (dates ranging from 2010 to 2014);
- Healthy Change for a Healthier Lakewood, *A Proposal Submitted by Cleveland Clinic*, dated April 21, 2014;
- The Advisory Board Company's *The New Performance Standard* (undated);
- Claritas demographics reports;
- The American Hospital Association; and
- Various other news articles and resources such as Modern Healthcare, Definitive Healthcare, Becker's Healthcare, the Medicare Payment Advisory Commission, the National Rural Health Association, the Henry J. Kaiser Family Foundation, Medicare.gov, American College of Physicians website (acponline.org), American Journal of Public Health website (ajph.aphapublications.org), Urgent Care Association of America website (ucaoa.org), American College of Emergency Physicians (acep.org), Centers for Medicare & Medicaid Services website (cms.gov), Cleveland Clinic website (clevelandclinic.org), and the City of Lakewood website (onelakewood.com).

Engagement Overview

Definitions

Definitions for several terms that are utilized within this report are provided below:

Inpatient Care

Medicare.gov defines inpatients as “patients who are formally admitted to a hospital with a doctor’s order.”

Outpatient Care

Medicare.gov defines outpatients as “patients who receive emergency department services, observation services, outpatient surgery, lab tests, X-rays, or any other hospital services, when the doctor hasn’t written an order to admit them to a hospital as an inpatient.”

Patient-Centered Medical Home

The American College of Physicians defines patient-centered medical homes as “a care delivery model whereby patient treatment is coordinated through their primary care physician to ensure they receive the necessary care when and where they need it, in a manner they can understand. The objective is to have a centralized setting that facilitates partnerships between individual patients, and their personal physicians, and when appropriate, the patient’s family. Care is facilitated by registries, information technology, health information exchange and other means to assure that patients get the indicated care when and where they need and want it in a culturally and linguistically appropriate manner.”

Population Health

Population health is defined by the American Journal of Public Health as “the health outcomes of a defined group of people, including the distribution of such outcomes within the group.”

The American Hospital Association further expands this definition by saying, “population health can serve as a strategic platform to improve the health outcomes of a defined group of people, concentrating on three correlated stages: (1) the distribution of specific health statuses and outcomes within a population; (2) factors that cause the present outcomes distribution; and (3) interventions that may modify the factors to improve health outcomes. Population health resides at the intersection of three distinct health care mechanisms. Improving population health requires effective initiatives to (1) increase the prevalence of evidence-based preventive health services and preventive health behaviors, (2) improve care quality and patient safety, and (3) advance care coordination across the health care continuum.”

Engagement Overview

Definitions

Urgent Care Center

According to the Urgent Care Association of America, urgent care centers are defined as healthcare facilities that “treat minor or acutely rising medical conditions that patients feel require immediate medical attention but that are not medical emergencies.”

Freestanding Emergency Department

The American College of Emergency Physicians defines freestanding emergency departments as “a facility that receives individuals for emergency care and is structurally separate and distinct from a hospital.”

Situational Overview

Situational Overview

Introduction

Lakewood Hospital is a short-term, acute-care general hospital located in Lakewood, Ohio that opened in 1907. The real property and buildings comprising Lakewood Hospital are owned by the City of Lakewood. LHA is required to operate the Hospital pursuant to a lease agreement with the City signed in 1996 and the Cleveland Clinic is responsible for day-to-day management of Hospital facilities and operations pursuant to the definitive agreement between LHA and the Cleveland Clinic, which was also signed in 1996. The initial term of lease agreement is scheduled to expire in December 2026.

Due to downward trends in utilization and financial performance, LHA began considering strategic options for the Hospital. In late 2012, LHA engaged Subsidiary Healthcare to review the Hospital's current position within the marketplace and assess the Hospital's strategic options. After going through the evaluation process, LHA elected to pursue a transaction with the Cleveland Clinic.



Attribute	Indication
Address	14519 Detroit Rd., Lakewood, OH
Beds	263
Inpatient Admissions (2014)	8,495
Outpatient Volume (2014)	142,212
Total Revenue (2014)	\$124 million
EBITDA Margin (2014)	7.2% (Operating EBITDA = 4.8%)
^[1] Debt to EBITDA (2014)	1.4x
Total Cash & LT Investments (2014)	\$54.5 million
Cash & LT Investments to ^[1] Debt (2014)	434.9%
^[1] Debt includes current portion of long-term debt, notes payable, and capital leases.	

Situational Overview

Proposed Transaction

On January 14, 2015, a non-binding Letter of Intent was entered into by and among the Cleveland Clinic, LHA and Lakewood Hospital Foundation, Inc. The Letter of Intent proposes the closing of Lakewood Hospital, the opening of an outpatient family health center with a standalone emergency room, and the formation of a \$32 million community wellness foundation. Other details and key components outlined in the Letter of Intent are listed below.

- The lease agreement between LHA and the City of Lakewood will be terminated and LHA's hospital operations will dissolve. LHA will operate Lakewood Hospital's emergency department during the wind-down of the Hospital's inpatient operations and, if reasonably possible, until the emergency department of the new family health center is operational and open.
- Cleveland Clinic will construct, staff, own, operate and manage a new family health center, which will operate from a 62,100 square foot facility located on or near the existing Lakewood Hospital site. Cleveland Clinic will commit capital of approximately \$34 million for the design, construction and equipping of the health center plus "whatever capital is required to maintain the safety and appearance of the [health center] in a manner consistent with other Cleveland Clinic Foundation family health centers."
- Cleveland Clinic, assuming certain conditions are met, will make payments totaling \$24.4 million to a non-profit tax-exempt entity designated by LHA. Cleveland Clinic will also make 16 annual payments that total, in aggregate, \$8 million starting on the effective date of the new definitive agreement or upon the formation date of the new tax-exempt entity. The purpose of this new tax-exempt entity will be to support community health and wellness activities in the City of Lakewood.
- Cleveland Clinic will pay \$8.2 million in cash to LHA (which will be paid to the City upon execution of the new definitive agreement) for the 850 Columbia Road property currently owned by LHA.

Situational Overview

Demographics^[1]

Lakewood Hospital's service area, as defined by the four surrounding zip codes, contains approximately 153,752 people. The population of this area has decreased 0.48% annually over the past five years and is expected to decrease 0.32% per year over the next five years. In comparison, the U.S. population increased 0.68% annually over the past five years and is forecast to increase 0.69% per year over the next five years. In addition to a declining population, the area has a comparatively low household median income (\$38,282 locally vs. \$53,706 nationally) and a high percentage of population living below the poverty line (19.9% locally vs. 9.1% nationally). Note that a majority of the low income households come from zip code 44102 and the opposite can be said for households in zip code 44116.

Population Statistics					
Population Overview	Lakewood PSA	United States	Estimated Population by Age	Lakewood PSA	United States
2020 Projection	151,336	330,689,365	Age 16 and over	79.87%	79.56%
2015 Estimate	153,752	319,459,991	Age 18 and over	77.36%	76.85%
2010 Census	157,526	308,745,538	Age 21 and over	73.98%	72.53%
2000 Census	173,069	281,421,942	Age 65 and over	13.14%	14.67%
Growth 2015-2020	-1.57%	3.52%	Estimated Household Information		
Growth 2010-2015	-2.40%	3.47%	Median Household Income	\$ 38,282	\$ 53,706
Growth 2000-2010	-8.98%	9.71%	% of Families Below Poverty	19.9%	9.1%
			[1] Estimated Unemployment Rate	5.3%	5.1%
CAGR 2015 - 2020	-0.32%	0.69%	Estimated Population by Gender		
CAGR 2010 - 2015	-0.48%	0.68%	Male	75,222	157,270,864
CAGR 2000 - 2010	-0.94%	0.93%	Female	78,530	162,189,127
Estimated Median Age	37.60	37.90	Male-to-Female Ratio	0.96	0.97
Estimated Average Age	38.50	38.70			
Footnote:					
[1] Unemployment rate for the Cleveland-Elyria, OH MSA and the United States as of April 2015, per U.S. Bureau of Labor Statistics.					
Source: Claritas 2015 Population Report					

[1] Per Claritas (The Nielsen Company) for zip codes 44102, 44107, 44111, and 44116.

Situational Overview

Competitive Landscape

As will be described in the following pages, Lakewood Hospital operates in a competitive marketplace with competitors including Fairview Hospital, MetroHealth, Lutheran Hospital and St. John Medical Center. All of these hospitals are located within approximately ten miles of Lakewood Hospital. Another hospital, Avon Hospital, is under construction and is expected to open in nearby Avon in 2016. Fairview Hospital and MetroHealth are the most comprehensive systems in the market area. MetroHealth has the highest number of affiliated physicians; however, Fairview Hospital is backed by Cleveland Clinic, which has a large presence in the market. While MetroHealth has a greater number of beds, Fairview Hospital has a newer facility.

Lutheran Hospital recently remodeled its emergency room, which has impacted Lakewood's emergency department and associated admissions. Lutheran Hospital and St. John Medical Center are the smallest of the competitors but have the newest facilities (until Avon Hospital opens in 2016).

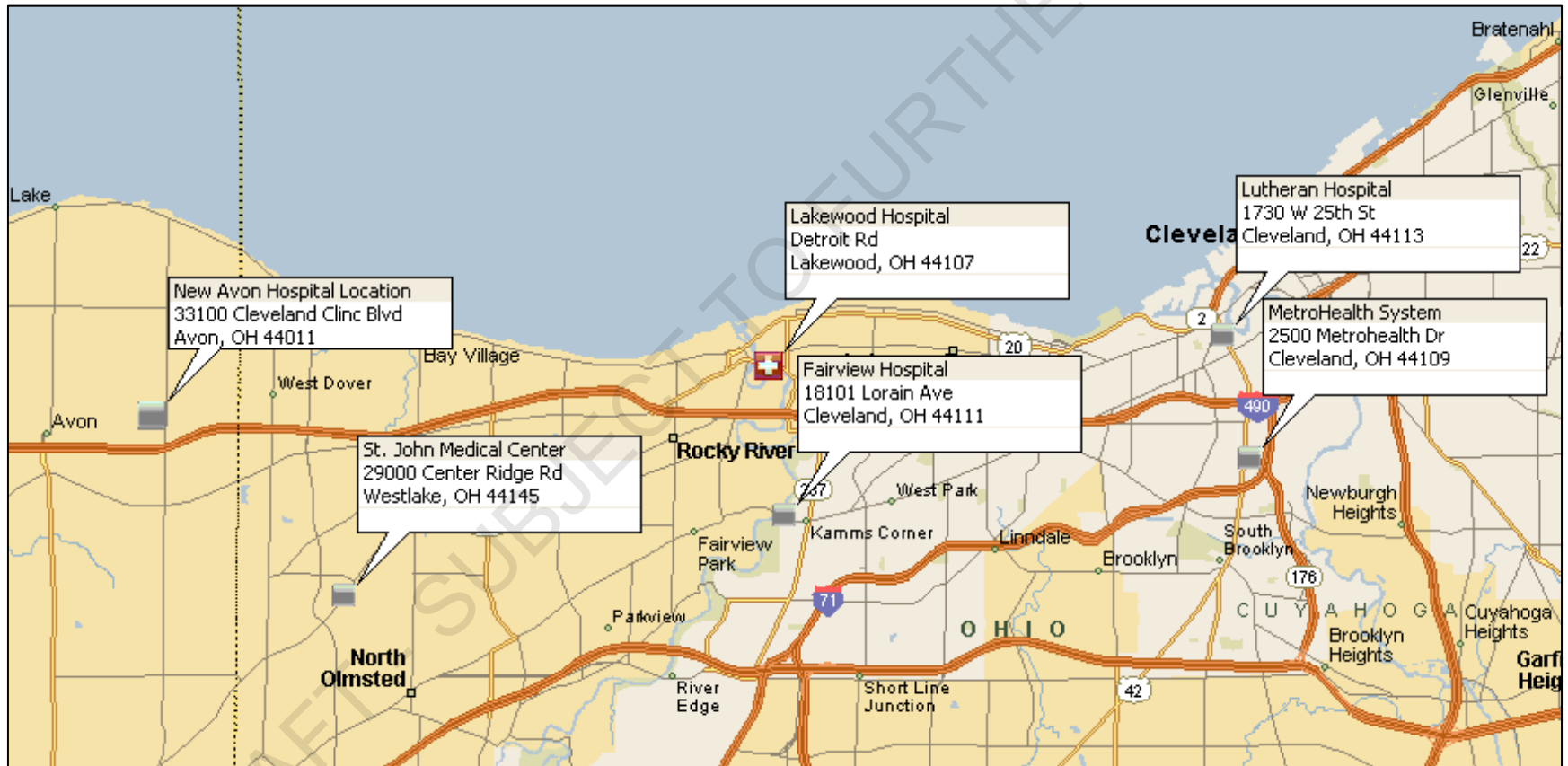
Cleveland Clinic has broken ground on the new 126-room hospital in nearby Avon, Ohio. This facility will likely have a significant impact on volume at Lakewood Hospital due to the high number of referrals received from Cleveland Clinic physicians.

The significant number of hospitals within a relatively small area has resulted in a high number of inpatient beds per 1,000 people, indicating an oversupply of hospital beds. Further, it does not appear that Lakewood Hospital offers any services that cannot be obtained at one or more of the nearby competitors.

Situational Overview

Proximity of Competitors

There are four competing hospitals within a 10 mile radius of Lakewood Hospital. An additional competitor, Cleveland Clinic's Avon Hospital, is expected to enter the market in 2016. University Hospitals (not shown below) also has a presence in the community with its UH Westlake Health Center, which is 5.7 miles and a 10 minute drive from the Hospital.



Situational Overview

Comparison of Competitors

Hospital	Staffed Beds	Affiliated Physicians	Net Revenue (2013)	Distance from Lakewood Hospital	Average Age of Facility	Accreditations
Lakewood Hospital	263	87	\$130 million (\$124 million in 2014)	-	n/a	Level II Trauma Center, Association of American Medical Colleges Member, Council of Teaching Hospitals and Health Systems Member, Palliative Care Program
Fairview Hospital	399	217	\$486 million	3.4 miles (12 min. drive)	13 Years	Integrated Network Cancer Program, American Nurses Credentialing Center Magnet Facility, Level II Trauma Center, Academic Medical Center, Association of American Medical Colleges Member, Council of Teaching Hospitals and Health Systems Member, Palliative Care Program
MetroHealth System	523	616	\$854 million	7.2 miles (15 min. drive)	20 Years	The Joint Commission for Accreditation of Health Care Organizations, National Committee for Quality Assurance, Commission Accreditation of Rehabilitation Facilities, Commission on Cancer, American College of Surgeons' National Accreditation Program for Breast Centers
St. John Medical Center	170	165	\$146 million	10.4 miles (18 min. drive)	10 Years	Community Cancer Program, Level III Trauma Center
Lutheran Hospital	126	61	\$98 million	5.7 miles (12 min. drive)	10 Years	Association of American Medical Colleges Member, Council of Teaching Hospitals and Health Systems Member, Palliative Care Program
Avon Hospital	126 (estimate)	n/a	n/a	12.4 miles (20 min. drive)	Opens 2016	n/a

Situational Overview

Excess Capacity/Beds in Market

According to the most recent data published by the American Hospital Association, the nationwide average for staffed community hospital beds per 1,000 people is 2.6, which is lower than the average ratio of 2.9 for the state of Ohio. Note that community hospitals are defined by the American Hospital Association as all nonfederal, short-term general and specialty hospitals whose facilities and services are available to the public. In the area defined by zip codes 44102, 44107, 44111 and 44116, which includes Fairview Hospital and Lakewood Hospital, there are 4.3 staffed hospital beds per 1,000 people. If Lakewood Hospital were to close, the number of beds per 1,000 people in the Lakewood market would be equivalent to the national average of 2.6 (note that this excludes accessibility to several other nearby hospitals). If the market is expanded to include all five competing hospitals identified earlier, the number of staffed beds per 1,000 people in this area is 5.5 (5.0 if Lakewood Hospital is closed and Avon Hospital is opened). Shown below are comparative bed figures for the local market and various other markets. Based on a review of this data, the local market appears to be over-bedded and will remain so even if Lakewood Hospital is closed.

^[1]Beds per 1,000 People

Lakewood PSA ^[2] 4.3	Lakewood PSA less Lakewood Hospital Beds ^[2] 2.6	Fairview and Avon in Lakewood PSA ^[3] 3.4	Eight Zip Codes ^[4] 5.5	Eight Zip Codes ^[4] Less Lakewood Hospital Beds 4.5	Eight Zip Codes ^[4] Less Lakewood Hospital Beds Plus Avon Beds 5.0
Ohio 2.9	Pennsylvania 3.1	Michigan 2.5	Oregon (national low) 1.7	Washington D.C. (national high) 5.7	United States 2.6

[1] Per American Hospital Association, 2014 report based on 2012 information. Population reports per Claritas.

[2] Lakewood's primary service area includes Fairview Hospital (399 beds) and Lakewood Hospital (263 beds – which is per the community needs assessment). Population count includes zip codes 44102, 44107, 44111, and 44116.

[3] Assumes Avon has 126 hospital beds. Population count includes zip codes 44102, 44107, 44111, and 44116.

[4] Eight zip code statistics, unless otherwise noted, include Lakewood, Fairview, MetroHealth, St. John, and Lutheran Hospital beds and the total population of the following zip codes: 44011, 44107, 44111, 44116, 44102, 44109, 44113, and 44145.

Situational Overview

Services Offered at Lakewood Hospital/Proposed at Family Health Clinic

The table below summarizes the major service lines currently offered at Lakewood Hospital and those proposed to be offered at the family health center (per terms of the Letter of Intent). The services listed in the Letter of Intent exclude specialties that may be offered by private practitioners in the Lakewood Professional Building. As is evident, the City will retain many of the service lines and specialties currently offered at Lakewood Hospital and add others not currently offered such as chronic disease, musculoskeletal and pulmonology. However, Lakewood will lose all inpatient services as well as certain service lines such as the cancer center, teen health center and surgeries.

Service Line	Currently Offered at LH	Proposed at FHC	Service Line	Currently Offered at LH	Proposed at FHC
Behavioral Health Services	√	√	Pain Management Center	√	
Cancer Program	√		Pharmacy		√
Chronic Disease Clinics		√	Primary Care/Pediatrics	√	√
Diabetes & Endocrine Center	√	√	Pulmonology Services		√
Digestive Health Center	√	√	Radiology & Lab Services		√
Emergency Department	√	√	Rehab/Physician & Occupational Therapy Services	√	√
Heart Center	√	√	Senior Care/Geriatrics Services	√	√
Home Care		√	Surgical Services	√	
Musculoskeletal Care		√	Teen Health Center	√	
Neurological Services	√	√	Vein & Vascular Center	√	
Ophthalmology	√	√	Women's Health	√	√
Orthopedic Services	√				

Situational Overview

Area Physicians

According to Definitive Healthcare, there are 5,375 physicians within the market defined by the cities of Lakewood, Cleveland, Parma, Westlake, Avon, Rocky River and Brooklyn. Of these, 4,364 (81.2%) are part of a network and 1,011 (18.8%) are independent. Premier Physicians (combination of Northeast Ohio Group Practice and Premier Physicians Center) is the largest independent group in the market, with 159 physicians and over 25 specialties. While Premier is within Lakewood Hospital's immediate market, the group has already declined to propose on a purchase of the Hospital. There appear to be relatively few other independent physicians within the Lakewood area.

Group Name	Main Specialty	# of Physicians	% of Total	Network
Cleveland Clinic	Internal Medicine	2,662	49.5%	Cleveland Clinic Health System
University Hospitals Medical Group	Pediatric Medicine	758	14.1%	University Hospitals Health System
MetroHealth Professional Group	Internal Medicine	565	10.5%	The MetroHealth System
Healthspan Physicians	Internal Medicine	165	3.1%	Mercy Health
Community Hospitalist	Internal Medicine	139	2.6%	None
Clinic Physician Services Co.	Anesthesiology	100	1.9%	None
Northeast Ohio Group Practice	Internal Medicine	89	1.7%	None
Ohio Permanente Medical Group	Multiple	77	1.4%	Mercy Health
Clinic Regional Physicians	Internal Medicine	72	1.3%	None
Premier Physicians Centers	Internal Medicine	70	1.3%	None
Cuyahoga Physician Network	Internal Medicine	46	0.9%	None
Westshore Primary Care	Family Practice	46	0.9%	Sisters Of Charity Health System
St Vincent Charity Medical Group	Multiple	40	0.7%	Sisters Of Charity Health System
North Ohio Heart	Cardiology	40	0.7%	None
Lakewood Hospital Association	Internal Medicine	22	0.4%	Cleveland Clinic Health System
Community Express Care of Parma Hosp.	General Surgery	20	0.4%	University Hospitals Health System
Drs. Hill & Thomas Co.	Radiology	17	0.3%	None
Orthopaedic Associations	Orthopedic Surgery	14	0.3%	None

Situational Overview

Lakewood Hospital Facility

Built in 1916, Lakewood Hospital's facility contains approximately 499,000 square feet and staffs 263 beds. Below is an overview of significant milestones at the Hospital.

- 1916 – 4-story brick building called the “Detroit Building” is completed
- 1940 – Hospital adds the B wing
- 1951 – Hospital is expanded to include the C and F wings
- 1968 – Hospital is expanded to include the “Marlowe Wing” now called the D and E wings
- 1971 – B and C wings are renovated and the fourth floor of the Marlowe Wing is finished
- 1985 – Hospital expands inward and encloses its courtyard
- 1990 – New birthing center opens
- 2002 – The Hospital's opens its newly expanded and renovated emergency department
- 2007 – Newly renovated Coronary Care Unit opens



Mr. Frank Aucremanne, the Hospital's Executive Director of Buildings and Properties, prepared a summary of the facility's deficiencies that will be needed in order to extend the life of the Hospital beyond the immediate future.

- The Hospital has many structural issues and deferred maintenance including: the foundation and walls throughout the Lakewood campus, parking garage repairs (\$2 million to \$4 million), 75% of windows exceeding their useful lives, roof replacements (\$1 million), plumbing and sewage main replacements.
- The Hospital has many system issues requiring updates including: emergency switchgear exceeding its useful life, Air Enterprise AHUs nearing or exceeding their useful lives, fire tube boiler nearing the end of its useful life, main normal power switchgear relocation, and updates to the facilities' in-room heating/cooling systems.

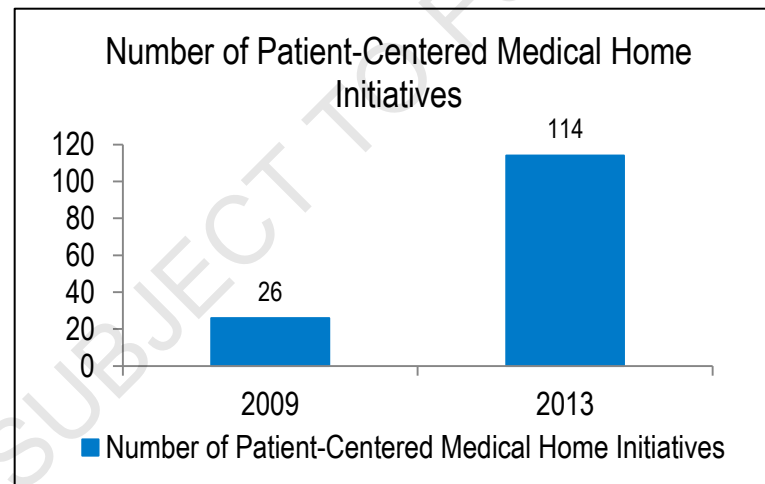
The total renovation costs for the facility have been estimated at \$91.5 million. While the lease includes customary tenant covenants requiring LHA to maintain the Hospital in good repair and operating condition during the term of the lease, these covenants should not be interpreted as requiring LHA to make material capital investments in the Hospital, to maximize Hospital revenues or to operate the Hospital as a state of the art facility. Consequently, the financial burden of the facility replacement or renovation would fall to the City if LHA declines to renew the lease at expiration.

Industry Trends

Industry Trends

Population Health Management Overview

A significant trend in healthcare relates to mitigating the costs of care by keeping patients healthy and out of hospitals through the use of population health management. The population health management model includes measures to prevent conditions before they result in costly medical procedures (i.e. educating patients about the risks of tobacco use) by advising patients to go to wellness centers or patient-centered medical homes. With these wellness centers and patient-centered medical homes, the population health management model also focuses on reducing the amount of high-cost procedures by identifying conditions before they become more serious – conditions that result in the need for procedures that are typically performed in a hospital setting or result in a hospital visit. Hospital-based procedures carry a higher expense structure which results in the need to charge a higher rate (these costs are passed along to both payors and patients). Conversely, ambulatory procedures, or procedures carried out in an outpatient facility, are typically less expensive, hence the growth in outpatient service centers.



Source: The Commonwealth Fund

Industry Trends

Population Health Management Overview

The population health model attempts to move away from the current fee-for-service model to a capitation-payment model. In a capitation model, lump sum payments are made to cover all of a patient's medical expenses. Capitation payments incentivize providers by allowing them to profit when that sum is greater than the expense incurred to care for the patient and forcing them to take the loss if it isn't. This creates a scenario where providers are better compensated when they (1) avoid the need to perform costly procedures by keeping their patients healthy, (2) utilize the best practices of providing care when their patients are sick, and (3) utilize lower cost facilities to provide care. This has resulted in an increase in wellness centers and patient-centered medical homes.

Further motivation to move toward the population health model derives from incentives and penalties introduced by the Affordable Care Act. These incentives include, but are not limited to, the programs listed below, per the Centers for Medicare and Medicaid Services ("CMS"):

- **Hospital Readmissions Reduction Program:** This program allows CMS to reduce payments to inpatient hospitals with excess readmissions. This program has presented additional risk to hospitals that hope to continue to operate in this space.
- **Quality Rating System:** This system rates quality health plans based on relative quality and price. Quality rating scores are published on the Health Insurance Marketplaces where individuals and small businesses shop for, select, and enroll in private health plans. Hospitals and health systems must remain attractive through high quality and patient satisfaction scores in an environment of growing competition such as Lakewood.
- **Quality Improvement Strategy:** This program reinforces national healthcare quality as a priority by setting a payment structure that provides increased reimbursement or other incentives to improve health outcomes, reduce hospital readmissions, improve patient safety and reduce medical errors, implement wellness and health promotion activities, and reduce health and health care disparities.

Industry Trends

Population Health Management Pros and Cons

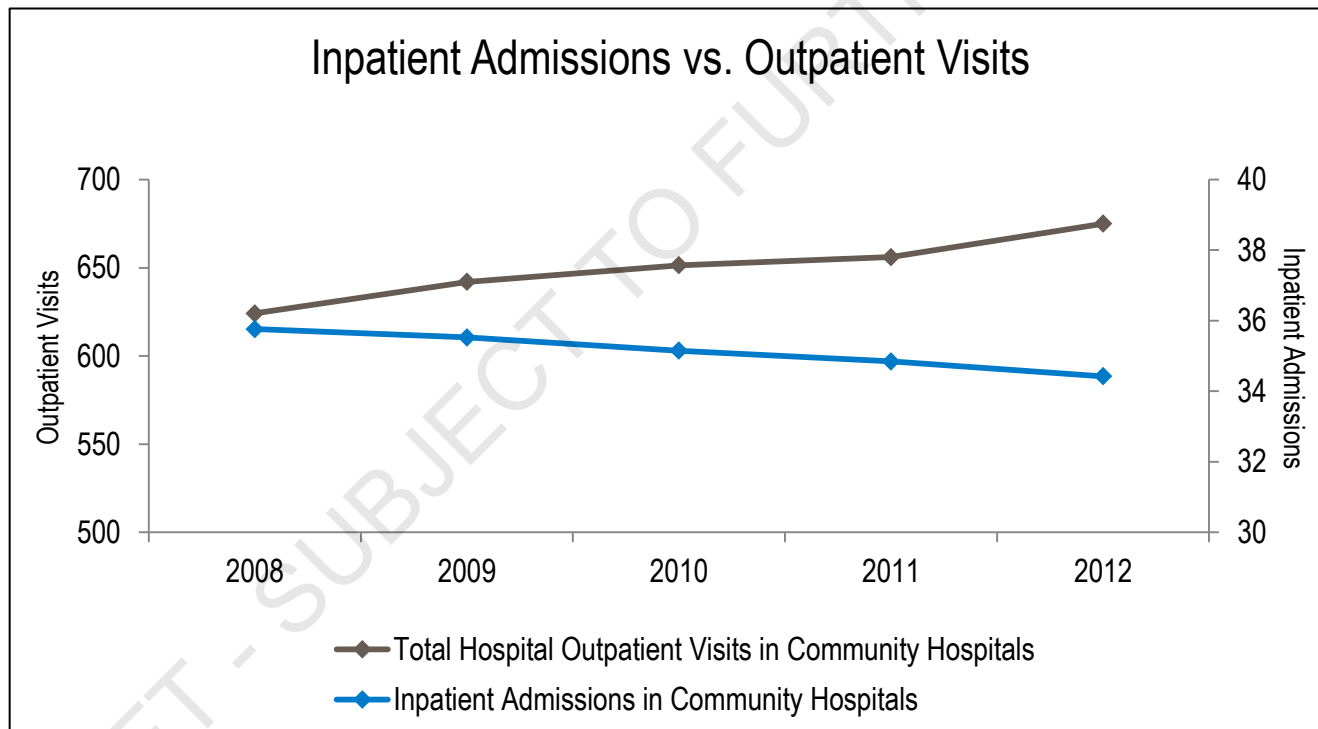
When considering a change to a population health model, systems will consider the following:

Pros	Cons
Forward thinking and commonly referred to as the future of healthcare	Uncharted and unproven territory (risk)
Projected increases in reimbursement (or avoidance of cuts to reimbursement)	Population becomes concerned when local hospitals close and replacement clinics are unable to provide same scope of care
Ultimately results in a healthier population	Difficulty moving away from established fee-for-service model
New Medicare policies make it possible for all parties to save money	Physician reluctance and the belief that it will adversely impact their compensation
Demand is higher for outpatient services as it relates to lower co-pays	Providers often do not understand their total cost of care
Family health centers/care clinics are typically leaner and significantly cheaper	Access to primary care and subspecialty services continues to be a significant challenge
Trends suggest a large scale movement to outpatient facilities is already underway	Information technology necessary to support secure access to patient electronic health records continue to lag in adoption

Industry Trends

Inpatient vs. Outpatient Volumes

National trends indicate that outpatient visits are increasing while inpatient visits are decreasing. According to the American Hospital Association, and as illustrated below, total inpatient admissions at community hospitals fell from 35.8 million in 2008 to 34.4 million in 2012, equivalent to a 0.9% decrease per year. Meanwhile, total outpatient visits rose from 624.1 million to 675.0 million over the same period, an increase of 2.0% per year. Over the long-term, this trend has resulted in many older hospital facilities becoming functionally obsolete, as most hospitals built before 2000 were designed to support a much larger inpatient population and have little room for outpatient services.

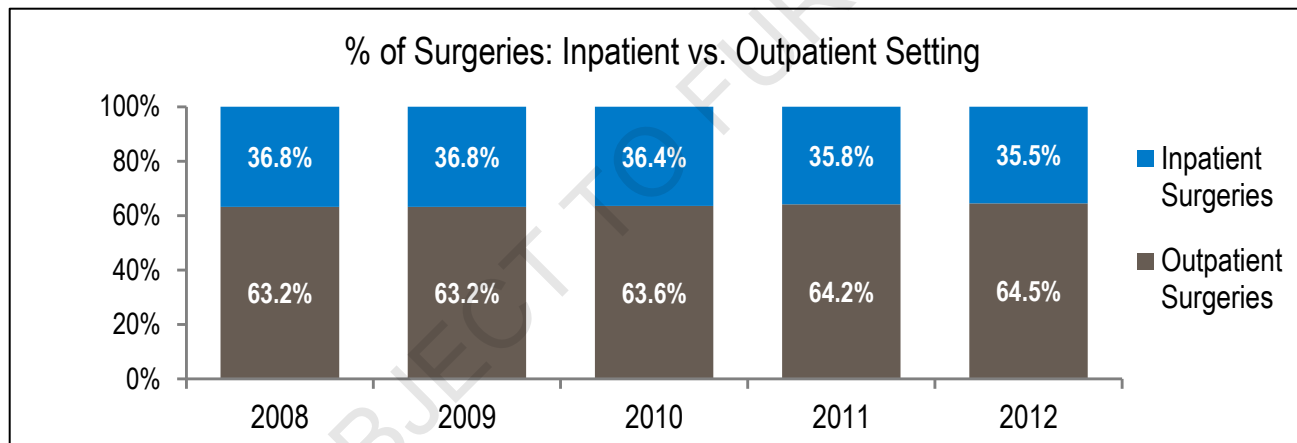


Source: American Hospital Association Annual Survey data, 2014, for community hospitals.

Industry Trends

Inpatient vs. Outpatient Volumes

Outpatient services are growing for a number of reasons. First, new technology has allowed for a greater number of tests and procedures to be performed in a less costly outpatient setting. Surgeries performed in an outpatient setting, in particular, have grown significantly. Huron has witnessed this through hundreds of transactions where we helped health systems acquire ambulatory surgery centers. As mentioned, outpatient facilities typically have lower overhead costs. With a lower cost structure, procedures can be offered at lower rates – cost savings that are captured by the health systems and passed along to patients and their insurance carriers. Health systems also anticipate a future impact on reimbursement related to growth in capitation payment models.

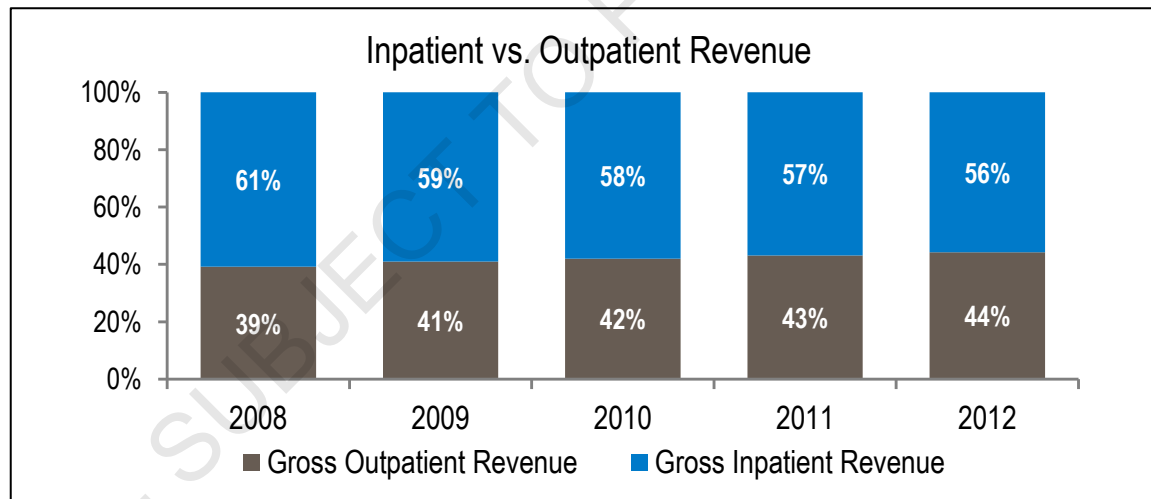


Source: American Hospital Association Annual Survey data, 2014, for community hospitals.

Industry Trends

Inpatient vs. Outpatient Volumes

Another reason for the growth in outpatient services is the demands of patients, who can dictate the setting in which tests and procedures are performed. Accordingly to a recent Becker's Healthcare article^[1], over 20% of the insured population now has a high-deductible policy compared to less than 5% roughly ten years ago. With the growing number of patients who hold such plans, more and more patients are price conscience when selecting their place of care. Huron has, again, experienced transactional-based evidence in our work assisting health systems' acquisitions of urgent care centers. Urgent care centers have significantly lower costs (co-pays) than emergency rooms. Further, while not necessarily a new phenomenon, convenience is desirable – and not just in terms of accessibility. Patients are beginning to realize the advantages of a continuum of care. This has become possible with the advent and implementation of electronic health records systems, patient-centered medical homes, vertically integrated health systems, and wellness centers that utilize case managers. Lastly, the growth in chronic disease is outpacing the population growth. Chronic disease cases are typically treated in an outpatient setting, thus an increase in outpatient service offerings.



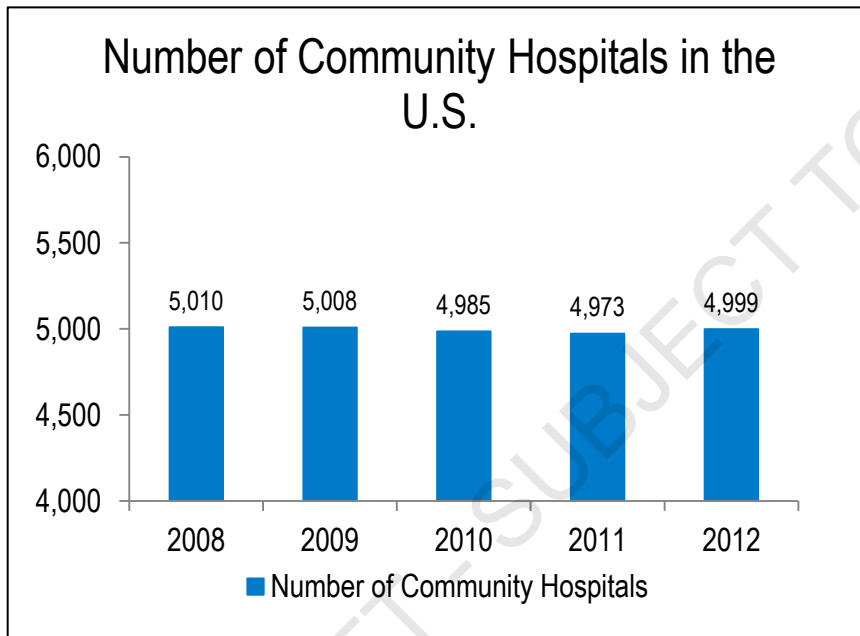
Source: American Hospital Association Annual Survey data, 2014, for community hospitals.

[1] <http://www.beckershospitalreview.com/finance/how-hospitals-can-offset-the-effects-of-high-deductible-health-plans.html>

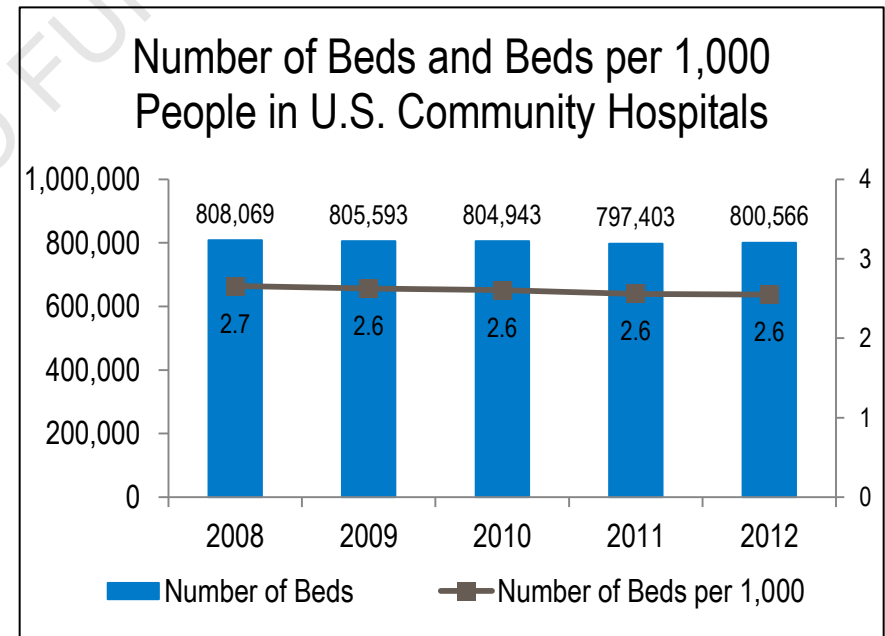
Industry Trends

Hospitals Closing

According to the Medicare Payment Advisory Commission, 17 hospitals closed in 2012, five of which converted to outpatient care facilities. This was followed by 25 acute care hospitals closing in 2013 (15 hospitals opened) and 27 hospitals closing in 2014. This accelerating trend is not expected to abate anytime soon, as evidenced by the National Rural Health Association's estimate that 283 rural hospitals are currently in danger of closing (no forecasts for urban hospitals at risk were identified). The main reasons for the closures include, among others: (1) low occupancy, which results in poor financial performance, (2) low quality scores, (3) aging and functionally obsolete facilities, (4) lack of physician support, (5) technology needs, and (6) competitive factors. Note that these closures are occurring despite the national trends of population growth and the aging population. Please see the Appendix of this report for additional information on certain relevant hospitals that transitioned from acute care facilities to outpatient centers.



Source: American Hospital Association Annual Survey data, 2014, for community hospitals.



Source: American Hospital Association Annual Survey data, 2014, for community hospitals.

Appendix

Appendix

Doctors Hospital Nelsonville – Nelsonville, Ohio – 2014

Overview:

- "With only 20% of people in Nelsonville coming to Doctors Hospital Nelsonville for inpatient care, and with an average inpatient census of about four patients per day, it became obvious that keeping the hospital open was not a viable option," LaMar Wyse, COO of Doctors Hospital Nelsonville, said in a press release. "In fact, what the community is saying it needs — both in their words and actions — is more robust, convenient outpatient care."
- Average daily inpatient census was 4 when closing was announced.
- Inpatient services represented 10% of revenue but 20% of expenses.
- The hospital was still profitable at time of closing announcement.
- Designated critical-access hospital - located in rural area with a population of 5,400.



Result:

- Emergency care and outpatient clinic built to replace the hospital.
- Services at the outpatient center will include urgent care, imaging, laboratory and physician offices.
- The ER and other outpatient services will remain open at the hospital until the outpatient clinic is opened.
- Concerns from Athens County EMS Chief that ambulance times may rise dramatically (45 to 90 minutes) because of distance needed to travel to other hospitals.
- As of April 2015, a location for the outpatient clinic has been selected. The new facility is not anticipated to open until 2017.
- Some concerns from residents that the new facility will not be open 24 hours.

Comparison to Lakewood Hospital:

- Similarities: Closing mainly a result of a drop in occupancy rates.
- Differences: Less competition in the market (closest hospitals are 14 and 16 miles away); rural setting; and small size (15 beds).

Appendix

Confidential Metropolitan Hospital - 2015

Overview:

- This municipal owned medical center has a poor payor mix, low occupancy and a history of operating losses. The hospital operates in an underserved area; however, a thin physician network and an aging facility resulted in low volumes throughout the hospital. Huron's healthcare team improved operations but advised that the hospital explore strategic options as the net losses and capital needs were deemed to be unsustainable.
- The hospital conducted a broad search for potential partners but received only two expressions of interest, one of which was a management agreement. The only acquisition offer was received from a joint venture formed between a private equity-backed firm and an academic medical center. The latter proposal was accepted and the deal is currently under LOI.

Result:

- The municipality and the joint venture are discussing the potential shuttering of the hospital and the academic medical center and the construction of a single replacement facility with far fewer beds than those contained in the existing facilities. The deal would include significant investments in outpatient services, including the potential use of one of the campuses as an outpatient facility.

Comparison to Lakewood Hospital

- Similarities: Closing mainly a result of a drop in occupancy rates and poor payor mix; thin physician network; operates on the outskirts of a major metropolitan area; and operates in an aging facility that needs to be replaced in the near term.
- Differences: Operates in an underserved marketplace.

Appendix

Huron Hospital – East Cleveland, Ohio – 2011

Situation:

- Owned by Cleveland Clinic and had been operating for 137 years.
- The hospital had been losing about \$4 million per year for much of the preceding decade.
- Surrounding area saw a 20% reduction in population during the preceding decade.
- Recession hit the area surrounding Huron particularly hard. The number of uninsured and on Medicare and Medicaid increased for an already lower income area.
- Closest hospital is University Hospital, which is 1.7 miles away.
- University Hospital increased its number of beds and grew its emergency department.



Result:

- Outpatient care has transferred to Cleveland Clinic Stephanie Tubbs Jones Health Center
 - \$25 million outpatient clinic next door
- Hospital's outpatient services remained open until outpatient clinic was completed.

Comparison to Lakewood Hospital:

- Similarities: Owned/operated by Cleveland Clinic; declining population (though it was much greater than in Lakewood); low occupancy; experienced public backlash; located on the outskirts of Cleveland (northeast side); and aging facility with high maintenance costs.
- Differences: Slightly less competition in the market; Cleveland Clinic owned hospital in its entirety - not just operations; had a trauma center (which was also shut down); and emergency room was shut down entirely.

Appendix

UPMC South Side Hospital – Pittsburgh, Pennsylvania – 2009

Situation:

- University of Pittsburgh Medical Center (“UPMC”) purchased South Side Hospital in 2006.
- South Side Hospital had an aging facility and was one of the weakest performing hospitals in western Pennsylvania.
- In 2008, UPMC announced that it would close South Side Hospital and consolidate operations with UPMC Mercy. The site would remain open as an outpatient clinic treating minor illnesses and offering other outpatient services.
 - UPMC Mercy increased its staff to help serve old South Side patients.
- Public backlash included staged demonstrations to protest the decision. Most citizens and public officials were concerned with the time it would take to reach UPMC Mercy, which is approximately 2 miles away.



Result:

- UPMC Mercy South Side Outpatient Center opened, creating a “new concept” that focuses on convenient, localized health care to the community.
- Services include diagnostic testing & imaging, surgical procedures, specialized foot, ankle, and podiatric services, and primary care & physician services.

Comparison to Lakewood Hospital:

- Similarities: Aging facility; weak performer; experienced public backlash; nearby affiliated hospital (2 miles away); urban/suburban location; and several other competing and/or affiliated hospitals in the surrounding areas.
- Differences: UPMC also moved the emergency room to a new location.

Appendix

Union Hospital – Lynn, Massachusetts – 2015

Situation:

- Partners HealthCare will close its community hospital in Lynn as part of a \$200 million plan to consolidate medical services over the next three years.
- The plan calls for adding 58 beds at Salem Hospital while shuttering the 126-bed Union Hospital in Lynn. Salem Hospital is less than 6 miles away.
- The emergency room in Lynn will stay open for at least three years, and a 16-doctor medical practice will remain open and add physicians.
- Service area includes many low-income individuals and families as well as an older population.
- The hospital has struggled for years to attract patients and recruit physicians.
- Roughly 100 jobs will be cut.



Result:

- Grass-roots groups have formed to try to save the hospital, however, Partners HealthCare has responded that they have made enough concessions with promising to keep the emergency room open for at least three more years. It is likely the emergency room will also shut down after the three year term.

Comparison to Lakewood Hospital:

- Similarities: Weak performer related to poor payor mix; hospital – which is the owner, not operator or affiliate - owns another facility nearby (6 miles away); and experienced public backlash.
- Differences: The hospital will leave behind the emergency center (until it likely closes) and a physician medical group, which it plans on expanding; however, it is not building a new facility nor is it currently planning to open a patient-centered medical home.

Appendix

Novant Health – Franklin Medical Center – Louisburg, North Carolina - 2014

Situation:

- Novant purchased Franklin Medical Center then later reduced the number of inpatient beds from 70 to two. The facility was on pace to lose \$6.1 million in 2014.
- "Hospitals in North Carolina and across the nation feel the effects of declining demand for inpatient care combined with reduced payer reimbursement. With the changes occurring in health care, a realignment of our services is necessary to preserve our ability to provide care for our community," Patrick Easterling, Novant's senior vice president for consumer operations, said in a statement.
- Novant shut down the operating room at the hospital and opened an outpatient facility nearby.
- 59 employees (29% of workforce) were laid off.



Result:

- Novant wanted to expand its footprint and open a new hospital nearby but the state granted the license to a competing hospital system. In May of 2015, Novant announced that it now wants to sell Franklin Medical Center.

Comparison to Lakewood Hospital:

- Similarities: Strategic move from inpatient to outpatient service lines; new entrant into the market; and poor payor mix and area demographics.
- Differences: Hospital was located on the opposite side of town as Novant's primary hospitals in a rural area.

Appendix

CHS – Haywood Park Community Hospital – Brownsville, Tennessee - 2014

Situation:

- Community Health Systems discontinued both inpatient and emergency services at Haywood Park Community Hospital in July 2014, with plans to open an outpatient urgent care center in its place. The hospital previously operated with 62 beds.
- In its official statement, Community Health Systems said, “Recent years have seen many changes and challenges for hospitals across the U.S., as fewer patients require inpatient acute care and reimbursement is less for the care provided.”
- The hospital’s chief executive officer noted that “maintaining a full-service hospital for the current inpatient demand from acute and emergency patients is not sustainable. Changes in admission guidelines have caused a steady decline in patients admitted [and] emergency room visits.”
- The company said it would work to retain as many employees as possible and those that lost their jobs would be provided with outplacement services and severance packages.



Result:

- Major inpatient services were moved to Jackson, Tennessee, which is also the closest emergency room (25 miles away).
- The new clinic/urgent care center opened on August 1, 2014 and offers physicals, immunizations and outpatient services such as X-rays.

Comparison to Lakewood Hospital:

- Similarities: Financially distressed prior to close as a result of low volume.
- Differences: Hospital was located in a rural area with the closest hospital 25 miles away; hospital management attributed the closure to the state of Tennessee’s failure to expand its Medicaid program; and the emergency department was also shut down

Appendix

Commonwealth Health – Mid-Valley Hospital – Pecksville, Pennsylvania - 2014

Situation:

- As a result of a sharp decline in hospital admissions and emergency department visits, Mid-Valley Hospital elected to stop offering inpatient and emergency department services and relaunch as a walk-in clinic.
- The hospital had been operational for over 100 years.
- A release from the hospital's chief executive officer stated that “these are challenging times for all hospitals and we must evolve and adjust to new realities. Urgent care and outpatient services are the most used at our facility and our investment will support this community need.”
- Closest hospital is 6.3 miles away.



Result:

- Commonwealth Health invested \$2 million-plus to convert the 25-bed critical access hospital into an urgent care and outpatient services center, now named Commonwealth Health Mid Valley Outpatient Center.
- Services offered include a walk-in clinic, lab and imaging services.

Comparison to Lakewood Hospital:

- Similarities: Long-standing presence in the community, and low volume resulted in poor financial performance.
- Differences: Rural area, and the hospital was renovated to house outpatient services (not demolished).

Appendix

Mercy Health – Mount Airy & Western Hills Hospitals – Cincinnati, Ohio - 2013

Situation:

- Mercy Hospital in Cincinnati, Ohio had two aging, over-sized hospitals on the same side of town, neither of which were full-service. Meanwhile, several competitors were entering the market (two built new outpatient centers and one acquired an urgent care center).
- Mercy decided to close the two hospitals in favor of a 250-bed state-of-the-art facility that cost \$240 million to build.
- Mount Airy, which opened in 1971 and had about 270 beds, closed in November, 2013 but the two physician office buildings there remained.
- On the Western Hills campus, Mercy kept the 24-hour emergency department open, as well as its HealthPlex, imaging center, labs, and sleep center. The 287-bed hospital, which opened in 1982, closed.



Result:

- The change decreased the number of beds in the market by 55%.
- Mount Airy Hospital's land and property was donated to Hamilton County.
- In addition to the above, the Mercy Health – Western Hills Medical Center will also offer an anticoagulant clinic and outpatient physical therapy.

Comparison to Lakewood Hospital:

- Similarities: Aging facilities within an over-bedded, urban/suburban market; and both were operating in an increasingly competitive market.
- Differences: Two hospitals closed in favor of opening another hospital plus expansion of services on an outpatient basis at one location.

Appendix

Corcoran District Hospital – Corcoran, California - 2013

Situation:

- Corcoran District Hospital opened in 1949 and had been operating with 32 beds plus an emergency room.
- In 2013, the hospital was in dire straits financially and, after the loss of surgery revenue from a state prison, had to shut down inpatient and emergency department operations.
- The public hospital soon vied for state approval to reopen its emergency department as an urgent care center plus outpatient surgery, radiology and laboratory services.
- The efforts to remain open were ill-fated as the hospital eventually closed completely with the exception of its rural health clinic.



Result:

- In September 2013, the Board of Directors voted to sell the operations of the hospital's rural health clinic to Adventist Health. A majority of the staff was laid off.

Comparison to Lakewood Hospital:

- Similarities: Municipal-owned hospital that would eventually lease operations to a separate hospital-operator.
- Differences: Corcoran is in a rural area (with a clinic that has a rural health designation); the closest hospital was 20 miles away; and the hospital attempted to keep their outpatient center open as a last ditch effort.

BIOGRAPHIES

DRAFT - SUBJECT TO FURTHER REVISION

John Bodine

Managing Director

John has more than 20 years of experience providing corporate finance and advisory services to the healthcare industry. He has advised clients on mergers and acquisitions, recapitalizations, leveraged buyouts, joint ventures, restructurings and corporate planning matters. He is an officer and principal of Huron Transaction Advisory LLC, the firm's broker-dealer. John has worked on over 200 transactions in the healthcare segment, including engagements with hospitals, ASCs, physician practices, dialysis centers, diagnostic imaging centers, HCIT firms, pharmaceutical companies, medical device manufacturers, managed care organizations and others. He is a frequent speaker and author on transactional and valuation topics.

Professional experience

Prior to joining Huron Healthcare, John was a Senior Vice President at the investment bank Houlihan Lokey Howard & Zukin, where he was registered with FINRA as a General Securities Representative (Series 7 and 63). John provided transaction advisory services as a member of the firm's Financial Advisory Services group and also served on the firm's Technical Standards Committee.

Prior to joining Houlihan Lokey Howard & Zukin, John served as managing director of the Chicago office of Valuation Counselors/CBIZ Valuation Group. He was previously employed as a senior financial consultant at American Appraisal Associates.

Representative examples of John's engagement experience include:

- Provided buy-side advisory services in connection with the acquisition of a regional hospital system by a Catholic health system.
- Provided transaction advisory services in connection with the sale of a physician-owned hospital to a publicly traded health system.
- Issued a fairness opinion to the special committee of a publicly traded company, associated with its acquisition of an HCIT company.
- Valued the businesses and assets associated with a regional health system for use in a redemption of the membership interest held by a national health system.

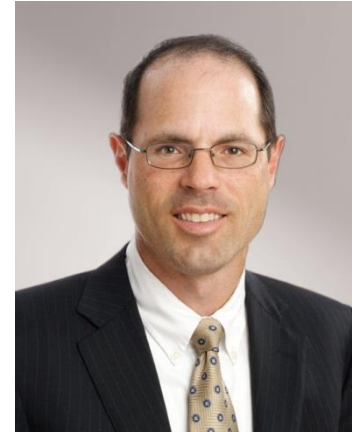
- Assisted a publicly traded health system in the syndication of membership units of its portfolio hospitals to physician investors.
- Valued the intellectual property of a portfolio of early stage pharmaceutical and medical device products. The analysis supported transactions among the limited partners of the private equity firm that owned the portfolio.
- Provided buy-side advisory services to a Medicare health plan in connection with the repurchase of a minority ownership interest.

Education and certification

- Master of Business Administration, Carlson School of Management, University of Minnesota, Minneapolis/St. Paul, MN
- Bachelor of Science, Business Administration, North Dakota State University, Fargo, ND
- Accredited Senior Appraiser, American Society of Appraisers
- FINRA registrations include Series 63 (Uniform Securities Agent State Law Examination), Series 24 (General Securities Principal), and Series 79 (Investment Banking Representative)

Professional associations

- Member, Business Valuation Association
- Member, Healthcare Financial Management Association



P 312-880-3411

jbodine@huronconsultinggroup.com

HuronBusinessAdvisory

John A. Lutz

Managing Director

John has over 30 years of executive leadership, strategy and consulting experience within all segments of the health care industry. His primary areas of responsibility include strategic development and operational improvement for academic medical centers (AMCs), health systems (including public and children's hospitals), physician organizations and clinically integrated networks (CIN). He has been responsible for multiple physician and hospital alignment transactions, strategy assessments, and tactical implementations; hospital and health system integrations; clinically integrated network (CIN) and accountable care strategy (ACO) development and implementations; physician compensation modeling and incentive development methodologies; academic medical center (including children's hospitals) strategic planning, clinical service line assessment, network development and management; physician practice assessment; management services organization (MSO) development; and strategic pricing.

Professional experience

Prior to joining Huron Healthcare, John served as a Director & Team Leader with Navigant's Healthcare Strategy practice. Prior to being acquired by Navigant, he formed his own consulting practice after spending 18 years as the CEO of Prime Care Physicians, a large, multi-specialty, private practice. John previously served as Director of program development for Ellis Hospital, and the Executive Director of the seven-hospital, Regional Health Systems Consortium of Northeastern New York. His responsibilities included strategic planning, operational leadership, mergers and acquisitions, financial performance improvement, turnaround activity, service line development, and joint ventures with physicians and strategic business partners.

Representative examples of John's engagement experience include:

- Redesign of a county health system's organizational structure, strategic plan and academic affiliation agreements.
- Designed, developed, and implemented a Clinically Integrated Network (CIN) strategy for an academic medical center, several hospitals, and a 3,500-physician CIN, initially covering over 75,000 lives.
- Created accountable care compensation methodology for over 300 physicians for a three-hospital system.

- Conducted CIN readiness assessments for physician-hospital organizations (PHO).
- Conducted cardiovascular, hospitalist and primary care compensation redesign for health systems.
- Directed multiple integrations of physician-hospital and health systems.
- Developed strategic, operational and clinical integration plans for children's hospitals and physician employees.
- Designed leadership/governance strategy for several large integrated healthcare systems.

Education and certification

- Administrative Fellow, Massachusetts General Hospital
- Masters of Public Health, Hospital Administration, Yale University
- Bachelor of Science, Chemistry, State University of New York
- Collective Negotiations Course, Harvard University

Professional associations

- Fellow, American College of Healthcare Executives – Young Regent's Award 1996
- Fellow, American College of Medical Practice Executives



P 518-491-4267

jlutz@huronconsultinggroup.com

HuronBusinessAdvisory

Casey Webb

Manager

Casey has four years of valuation and transaction advisory experience within the healthcare industry. She has been involved with over 100 healthcare transactions, including acquisitions and divestitures of healthcare businesses, hospital/physician syndications, joint ventures and various intangible assets.

Professional experience

Prior to joining Huron Healthcare, Casey was a Wealth Management Intern at Merrill Lynch with a team of financial advisors that provided wealth management services to high net worth individuals. She developed weekly stock and mutual fund recommendation lists for a team of financial advisors, as well as streamlined and automated processes in almost every aspect of their business.

Representative examples of Casey's valuation and transaction advisory engagement experience include:

- A small health system acquiring a local critical access hospital.
- A specialty hospital looking to be acquired by a larger system.
- A community hospital seeking an affiliation with a larger system sharing similar values.
- An electronic medical record system within a health system seeking to spin out and become independent.
- Strategic forecasting analyses for numerous health systems.
- Investment analyses, including a pro forma revenue analysis, an internal rate of return analysis, and a payback period calculation for the potential acquisition of a large health system.
- Valuation of a regional health system with 10+ hospitals.

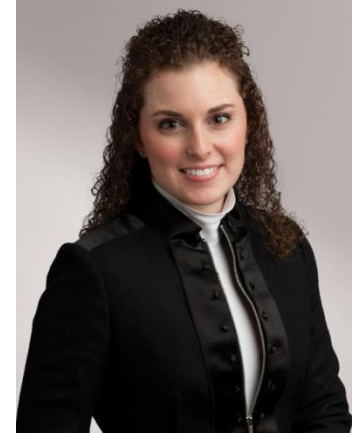
- Transaction advisory services to three platform physician practices, including a management company.
- Valuation of two sleep centers to be consolidated into a joint venture to be owned by a local health system.
- Valuation of non-compete provisions, management services agreements, certificates of need, trade names and customer relationships.

Education and certification

- DePaul University, Chicago, IL
 - Major: Finance (Honors Program)
 - Minors: Accounting and Economics
- American Society of Appraisers designation (in progress)
- FINRA registrations include Series 63 (Uniform Securities Agent State Law Examination) and Series 79 (Investment Banking Representative)

Professional associations

- Member, American College of Healthcare Executives / Chicago Health Executives Forum
- Member, American Society of Appraisers



P 312-880-3115

cwebb@huronconsultinggroup.com

HuronBusinessAdvisory

Paul S. Colarusso

Associate

Paul joined Huron Consulting Group in January, 2011. At Huron, Paul has gained experience with valuation modeling, reporting and financial analysis within the healthcare industry. He has been involved with numerous healthcare engagements including hospital/physician syndications, joint ventures, acquisitions, and transaction advisory services of healthcare facilities.

Professional experience

Prior to joining Huron, Paul provided financial services in the insurance and private equity industries. His responsibilities included due diligence, deal analysis and investment advisory.

Representative examples of Paul's engagement experience include:

- Provided valuation and transaction advisory services to various health systems including the acquisition of local physician practices, hospitals, and various outpatient ancillary services.
- Developed a pro forma analysis utilizing a variety of volume scenarios to provide a range of value for large physician practices and multi-specialty centers.
- Analyzed the Centers for Medicare and Medicaid Services ("CMS") rulings on reimbursement and impact to various entities.
- Provided valuation and consulting services for the acquisition of a 17 member physician practice with over 100 full-time equivalent employees.
- Provided valuation and consulting services for the acquisition of a 16 physician oncology group with over 140 full-time equivalent employees and over \$70 million in annual net revenue.

- Provided valuation and consulting services for the acquisition of a 16 physician cardiology center with over 95 full-time equivalent employees, including 11 mid-level providers, and over \$23 million in annual net revenue.
- Provided valuation and consulting services for the acquisition of a distressed 115-licensed bed acute-care hospital.
- Assisted in the determination of reorganization value and allocation of value in connection with fresh-start financial reporting principals required under Accounting Standard Codification 852 – Reorganization (SOP 90-7) and ASC 805 – Accounting for Business Combinations for a home medical equipment provider with approximately \$530.0 million in annual net revenue.

Education and certification

- Bachelor of Science – Finance, Michigan State University, East Lansing, MI

Civic involvement

- Volunteer – Fox Valley United Way
- Member – Ready When the Time Comes – American Red Cross Society of Greater Chicago



P 312-880-5617

Pcolarusso@huronconsultinggroup.com

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