The Board of Commissioners of Franklin County, North Carolina, met for a Special Called Meeting at 7:00 P.M. in the Commissioner's Conference Room located in the County Administration Building with the following Commissioners present: Chairman Sidney E. Dunston, Vice-Chairman Cedric K. Jones, Commissioners E. Shane Mitchell, Don Lancaster, Harry L. Foy, Jr. and David T. Bunn. Commissioner John M. May was absent.

The purpose of the meeting was to receive public comment on three proposals received for the lease or sale of all or part of the facility formerly operated as Franklin Medical Center. Copies of all proposals were made available to the public prior to the hearing.

Proposals were received from:

- WakeMed Health & Hospitals
- Franklin County Healthcare Hospital and Practice Accountable Development Group
- Duke Lifepoint Healthcare

Chairman Dunston called the meeting to order and thanked the public for its interest. He noted October 7, 2016 marks the one-year anniversary of Novant's announcement to close Franklin Medical Center.

He then provided each entity 20 minutes to present their proposal.

WakeMed Health & Hospitals
Agenda

1. Introductions
2. About WakeMed
3. Proposal Overview

Introductions

• Denise Warren
  WakeMed Executive Vice President & Chief Operating Officer
• Jim Palombaro, MD
  President, Wake Emergency Physicians, PA
• Rick Shrum
  Behavioral Health Consultant
• Christine Craig
  WakeMed Vice President, Government Affairs

About WakeMed
Mission

WakeMed is committed to improving the health and well-being of our community by providing outstanding and compassionate care to all.

About WakeMed

- 55-year history of serving this region
- Private, not-for-profit health system
  - 3 Acute care hospitals (275 beds)
  - 3 Hospitals with stand-alone emergency departments
  - Outpatient physical rehab and diagnostic facilities
  - 52 Physician office locations
  - Home Health
- Wake County’s largest private employer
  - 8,000 employees
  - 1,200 physicians
  - 1,000 volunteers
- The only health system based in Wake County; locally owned and governed
- Most comprehensive health services available in Wake County
- Investing in keeping our communities well
Locations

Overview of Proposal

Proposal Highlights

- EMS Assistance via RelyMD – On-scene direct communication with Board certified emergency physicians
- Medical Diagnostic and Triage Center
- 60 Adult Inpatient Behavioral Health Beds & Outpatient Services
- Future service development opportunities as the community grows
On-Scene Telemedicine Assistance to EMS via RelyMD

- Innovative approach to providing emergency care
- 24-hour access to emergency physicians for evaluation and treatment of low-acuity patients on scene
- Patient Benefits:
  - Improves patient convenience and satisfaction
  - Reduces unnecessary ED visits for low-acuity patients
  - Cost effective
- EMS Benefits:
  - Complete coordination with Franklin County EHS units
  - Reduces the number of long hospital transports for local EHS and unnecessary ED visits
  - Leaves more EHS trucks available within the County for high-acuity transports

Medical Diagnostic & Triage Center

- Serving primary care and urgent care needs
- Treatment of minor illnesses and injuries
- Staffed by Advanced Practice Providers with WakeMed physician oversight
- Extended hours – 12 hours a day, 7 days a week
- Laboratory services
- Radiology services (X-rays)
- To be located in renovated existing facility
- Convenient, cost-effective, walk-in services
- Over time – based on community demand and growth – could expand to provide additional services

Behavioral Health – Adult Inpatient Services

- 60 adult beds developed in phases
  - Adult Inpatient Psychiatric Services (30 beds)
  - Geriatric Inpatient Psychiatric Services (20 beds)
  - Psychiatric Intensive Care Unit (10 beds)
- Dedicated Behavioral Health staff
- Will include medical services to address dual diagnosis
- Phases based on construction completion, equipment availability, staffing, etc.
Behavioral Health –
Adult Outpatient Services

- Psychiatric Partial Hospitalization Program – Intermediate Care and Group Treatment
- Intensive Outpatient Program – Substance Abuse Disorders and Recovery

Other Terms

Lease Proposal
- Proposed long-term lease arrangement (20 years)
  - Potential for two lease renewal options (10 years each)

Governance Structure
- Advisory Board – Community Members & Providers
- Enterprise Leadership – Administrator & Clinical Provider dyad partnership
- Operations – under WakeMed Raleigh Campus license & Medical Staff

Employees
- Approximately 120 new jobs
- Previous FMC employees and WakeMed employees given priority based on skills required

Financial Investment

The capital investment WakeMed is prepared to make breaks down as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Building renovations, uplift and equipment</td>
<td>($WM) $16,900,000</td>
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<tr>
<td>NC State Funds from Dorotha Dix Sale</td>
<td>$6,000,000</td>
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<tr>
<td>Total for Construction</td>
<td>$26,900,000</td>
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<tr>
<td>Ongoing capital equipment replacement ($700K) and funded depreciation ($2M) – years 2-7</td>
<td>($WM) $10,800,000</td>
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<tr>
<td>Estimated additional project construction/capital – years 2-6</td>
<td>($WM) $7,500,000</td>
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<tr>
<td>Investment in RethyMD - estimated to be between $120,000/yr - $250,000/yr for 8 yrs</td>
<td>($WM) $960,000</td>
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</table>

October 6, 2016 Minutes
Franklin County Healthcare Hospital and Practice Accountable Development Group

John M. Lange, Business Development Officer, spoke on behalf of Franklin County Healthcare Hospital and Practice Accountable Development Group. Included in the group is Bo Bobbitt, an attorney with Smith Anderson of Raleigh. Mr. Lange introduced Mr. Bobbitt as the expert for veteran based healthcare with shared savings programs for accountable care organizations which allows the group to formulate a hospital that is value based. He said funding from the group benefits the healthcare system for preventative care for the people of Franklin County. He referenced Jim Raynor, former Chief Executive Officer (CEO) of Tarboro Hospital within the Vidant Health system. Other members of the group include local physicians like Dr. Bob McLaurin and others interested in keeping the administration of the hospital local and controlled by local people and providers.

The group proposes a full service emergency room with “real” doctors and staff, approximately 15 acute care beds and 25 long-term acute care beds within the hospital able to partner with larger systems in the area due to the shortage of beds within the region. The group proposes approximately 20 behavioral health beds and a program that will allow the group to treat every citizen regardless of ability to pay. Mr. Lange said the hospital would operate as a non-profit intended to be funded via several different sources including loans and grant funding from the state and federal government.
Duke Lifepoint Healthcare

Presentation to the Board of Commissioners

Restoring Access to Care and Enhancing Economic Development for the Benefit of Franklin County
October 6, 2016

• Harry Phillips, M.D.
  Chief Medical Officer, Network Services
  Duke University Health System

• David Zaas, M.D.
  President, Duke Raleigh Hospital
  Duke University Health System

• Jeff Seraphine
  President, Eastern Group
  LifePoint Health

• Bert Beard
  Chief Executive Officer
  Maria Parham Medical Center

The Partners:
Duke Health Mission: “Advancing Health Together”

Care Delivery
• Duke University Hospital – “Best Hospitals Honor Roll” by US News & World Report (USNWR) for 27 years; the #1 ranked hospital in NC
• Duke Raleigh Hospital – 186 bed community hospital
• Duke Regional Hospital – 369 bed community hospital
• Duke Primary Care – 200 providers
• The Private Diagnostic Clinic (“PDC”) – Independent faculty physician practice with over 1300 members

Education
• Schools of Medicine & Nursing consistently ranked in top 10 by USNWR
• PA Program ranked #1 in country by USNWR

Research
• Duke cancer research granted “breakthrough” therapy designation from the FDA in 2016
• Time Magazine’s 100 Most Influential People 2016: Shelley Hwang, MD
• Two Nobel Laureates in Chemistry: 2012 & 2015

Community Outreach
• Over 30 years working with hospitals to expand & enhance clinical services locally
• Greater than 100 specialty, quality & organizational affiliations with facilities across the US

October 6, 2016 Minutes
The Partners:
LifePoint Health Mission: “Making Communities Healthier”

- Founded in 1999; has become one of the largest healthcare systems in the country
- More than $6.5 billion in revenues and one of the best balance sheets in the industry
- 72 hospital campuses in 22 states; approximately 47,000 employees; and more than 6,300 physician relationships
- Leading healthcare provider in its communities and committed to keeping healthcare local
- Proven partnership strategies
- Nationally recognized patient engagement and physician engagement models
- Only investor-owned company awarded HEN 1.0 and 2.0 grants; top performer in enhancing patient safety

Duke LifePoint Healthcare Mission:
“Together, Making Communities Healthier”

Duke Health
- Depth of clinical resources
- Clinical branding and reputation
- Ability to attract specialists
- Development of clinical programs
- Expertise in Clinical Quality and Patient Safety

LifePoint Health
- Commitment to quality and service excellence
- Physician recruitment and retention
- Commitment to local governance
- Ability to expand services
- Support local economy
- Cultural fit

We want to create places where people choose to come for healthcare, physicians want to practice & employees want to work.
Shared Approach to Proposed Services in Franklin County

Duke Connected Care

- Accountable Care Organization (ACO) striving to improve population health through focused efforts on:
  - Excellence in care delivery
  - Coordination
  - Analytics

- Growing number of participants across the region supporting population health

- Integrating Duke Health & regional partners to enhance the accessibility and coordination of value-based health care
  - Primary care
  - Ambulatory facilities
  - Specialty services
  - Acute care facilities
Shared Approach to Proposed Services
Primary Care & Ambulatory Surgery Center

**Duke Primary Care**
- Establish primary care practice in Louisburg with one of the state’s largest networks
  - 31 primary care practices with > 200 providers including
    - Henderson
    - Butner Creedmoor
    - Oxford
    - Wake Forest
- Primary care, preventative medicine & chronic care management services
- Top-ranked nationally in diabetes, hypertension control & preventative care
- The Joint Commission accredited & Level III patient-centered medical homes

**Duke Raleigh Hospital**
- Proposed development of Ambulatory Surgery Center (ASC) in Youngsville
  - Two operating rooms/One procedure room
  - Local access to specialty surgical services
  - Community benefit of employee opportunities for clinical & clerical staff

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Shared Approach to Proposed Services
Restore Essential Services at Franklin Regional

**DLP-MPMC**
- Reopen existing Emergency Department with onsite emergency medicine physicians and 24/7 operations
- 13-bed geriatric behavioral health unit with future expansion up to a total of 60 beds
- Diagnostic imaging services to include CT, radiography & ultrasound onsite
- Expected 55 full-time employees
- Through ownership of facilities & related parcels, abate & extensively renovate facilities
- Provide ongoing community input through the Franklin Advisory Board & representation on the MPMC Board of Trustees
## Duke LifePoint’s Commitment to Meet the Needs & Interests of Franklin County

<table>
<thead>
<tr>
<th>Factors to Consider</th>
<th>Duke LifePoint</th>
<th>Duke LifePoint’s Commitment</th>
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<tbody>
<tr>
<td>1. Quality of Care</td>
<td>✓</td>
<td>Provide Quality and Patient Safety oversight through the Duke LifePoint Quality Program</td>
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<td>2. Indigent Care</td>
<td>✓</td>
<td>Implement Duke LifePoint’s Standard Financial Assistance Policy, which complies with IRS 501(r) regulations for tax exempt hospitals</td>
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<td>3. Employees</td>
<td>✓</td>
<td>Recruit the best qualified employees and provide opportunities that will enrich, develop and retain talented individuals</td>
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<td>4. Physician Engagement</td>
<td>✓</td>
<td>Afford a role in governance and employ initiatives that include physician participation in efforts to improve clinical quality and patient safety</td>
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<td>5. Capital Expenditures</td>
<td>✓</td>
<td>Enhance access to capital resources</td>
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<td>6. Tax Payer</td>
<td>✓</td>
<td>Pay local sales and property taxes, providing an additional financial benefit</td>
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<td>7. Local Community Input</td>
<td>✓</td>
<td>Solicit strategic input from local community members, physicians from the active medical staff and County Commissioners</td>
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## Duke LifePoint Development & Renovation Experience

### Before and After

- **Nurse Stations & Facility Corridors**
- **Behavioral Health Patient Rooms**
- **Emergency Department Trauma Rooms**

![Before and After Images]
Timeline for Emergency Department & Behavioral Health Services at Franklin Regional

<table>
<thead>
<tr>
<th>Months</th>
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Moderate Expectation:
- Design
- Agency Review/Approval
- Construction
- Occupancy

Longest Expectation:
- Design
- Agency Review/Approval
- Construction
- Occupancy

Maria Parham Serving the Community

Maria Parham Medical Center has been serving residents of Vance, Warren, Franklin and Granville counties since 1925

- **2015 community benefits:**
  - Capital improvements: $4,689,838
  - Total taxes paid: $1,813,368
  - Annual payroll: $45,572,090
  - Average number of employees: 707
  - Helping those in need: $7,624,556

- **Patient and Family Advisory Board (PFAB) Participation**
  - Local community member impacting care decisions at a national level
  - Embracing the Patient & Family voice to make communities healthier
Following the presentations, Chairman Dunston opened the public hearing at approximately 8:09 P.M.

Dennis Tabron, 17 Triple Crown Run, Louisburg

- Mr. Tabron said he studied the financial components of each proposal prior to the hearing and is concerned WakeMed wants a long-term lease requiring the county to do a substantial amount of backing during the renovation process. He is concerned with the liability insurance that must be maintained to cover WakeMed.
Mr. Tabron noted the Duke LifePoint proposal included a short-term lease where some of the same qualifications were presented. He said Duke's proposal offered possible acquisition which would benefit the county through tax revenue.

Duke's proposal was a short term lease where some of same qualifications were presented, but talked about acquisition and the benefit of tax dollars for county. He said a standing facility seems important.

Patricia Chastain, 102 South Main Street, Louisburg
Ms. Chastain serves as Clerk of Court. She asked the Board to consider the impact its decision will have on the court system. She noted a facility for behavioral health is needed.

Cynthia Anderson, 298 E.F. Cottrell Road, Youngsville
Ms. Anderson commented she was in favor of components of all three proposals offered.

Donna Crudup Perry, 75 Crestwood, Youngsville
Ms. Perry stated she is a current employee of Duke LifePoint and former employee of Franklin Medical Center. She commented on the need for a behavioral health facility in the county and also stated she was in favor of the culture of Duke LifePoint and its administration.

Chris Neal, 222 Kenmore Avenue, Louisburg
Mr. Neal reminded the Board to consider Franklin is a rural county and asked to Board to consider that when selecting the type of healthcare needed in the area.

Emma Ruth Stewart, 105 Carol Circle, Louisburg
Mrs. Stewart felt all three proposals have good points, but noted her concern is having an emergency room in the county. She also commented on the need to address behavioral health in the area and feels the facility would lend itself well to that.

Elaine Hinder, 121 Patterson Drive, Youngsville
Ms. Hinder said healthcare is essential and feels the county must have a hospital. She said people have died because the county has not had a hospital in the last year. She feels a sustainable option is desperately needed.

Brenda Bailey, 405 Tanglewood Drive, Louisburg
Ms. Bailey noted she worked for Franklin Regional Medical Center for many years. She said many people have survived their crisis because they were stabilized at a local emergency room before being transferred to another facility. She commented on her concern about the CON (Certificate of Need) for acute care beds if the hospital is transitioned to a behavioral health center.

Megan Coker, 172 Brewer Road, Louisburg
Mrs. Coker is a former employee of Franklin Medical Center who has worked for WakeMed since the hospital closing. She is disappointed WakeMed's proposal did not include an emergency room. She said she was not in favor of the proposal presented by Franklin County Healthcare Hospital and Practice Accountable Development Group. She asked the Board to consider behavioral health concerns in the county and how law enforcement officers, like her husband, are taken off patrol in order to sit with sometimes dangerous patients until such time a bed frees up within a behavioral health facility.

Steven Gupton, NC Highway 58, Louisburg
Mr. Gupton stated he was not against any of the three proposal presented. He calls Franklin County home and said his concern is for his family and that he wants a hospital available for them when and if needed. He stated he would like further clarification
regarding RelyMD as proposed by WakeMed and would like to better understand how on-scene times would compare to transport times.

With no further comments, Chairman Dunston closed the public hearing.

Further discussion on the hospital is expected at the Board's regular meeting on October 24, 2016.

At approximately 8:44 P.M., Commissioner Mitchell made a motion to adjourn, seconded by Commissioner Jones. The motion duly carried approval with all present voting “AYE.”

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board