

Minimum Qualifications, Background and Core Criteria to Evaluate Potential Lease or Sale

**Prepared for:
Highlands County
Hospital District**

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Agenda

- I. Minimum Qualifications of the Applicant
- II. Background to be Completed by the Applicant
- III. Core Criteria to Evaluate Potential Lease or Sale

MINIMUM QUALIFICATIONS OF THE APPLICANT

I. Minimum Qualifications of the Applicant

Minimum Qualifications to be demonstrated with the proposal:

- Organization currently operates an acute care hospital in Florida
- Organization has a presence in Florida for over 10 years
- Hospital(s) are licensed by Agency for Health Care Administration
- Hospital(s) are Medicare certified and enrolled with Medicaid
- Hospital(s) are accredited by The Joint Commission on the Accreditation of Healthcare Organizations
- Organization is capable of establishing and maintaining transfer agreements with Level I and/or II trauma center(s)

I. Minimum Qualifications of the Applicant (continuation)

- Proven financial stability with documented capital to successfully operate and invest in a hospital on a long-term basis
- Experience with rural hospital(s)

BACKGROUND TO BE COMPLETED BY THE APPLICANT

II. Background to be Completed by the Applicant

1. Current Organization Overview of the Applicant
2. Interest & Benefit in Proposed Transaction
3. Current Operational Overview of the Applicant.

1. Current Organization Overview of the Applicant

- Overview of organization, including its history, current and future plans
- Location of organization and facilities with a focus on Florida and proximity to HCH
- Depth/breadth of services, including number of acute, post-acute and other providers. For hospitals, include the type of hospital, number of beds, location
- Focus on rural providers, historic and future initiatives
- Top 5 recent Initiatives of organization
- Culture & Mission of organization

2. Interest & Benefit in Proposed Transaction

- Reason for Lease or Purchase of HCH, including benefits to future organization
- Proposed transaction, including Lease or Purchase, and proposed term of Lease
- Proposed integration of HCH into current organization
- Similar transactions for the organization, including type of arrangement, year, services added or eliminated, any access improvements, and success of integration
- Benefits to HCH by transaction proposed above, including enhancement and addition of services and access

3. Current Operational Overview of the Applicant

- Operational metrics, such as Total Net Revenue, Net Patient Revenue, EBIDTA, Operating Income
- Debt rating
- Quality metrics, including CMS and AHCA
- National and regional rankings of organization, including organization and service line
- Community involvement, including community programs

CORE CRITERIA TO EVALUATE POTENTIAL LEASE OR SALE

III. Core Criteria to Evaluate Potential Lease or Sale

1. Quality
2. Governance, Compliance and Integrity
3. Services
4. Care Delivery
5. Commitment to Community
6. Employees, Physicians & Community Partners
7. Investment

1. Quality

- History of quality initiatives for the organization (including results)
- Future quality initiatives for HCH (and any data analysis to determine need)
- Enhance the clinical quality of current services and programs
- Data scores for the organization, including CMS metrics (CMS star ratings, core measure, and HCAHPS scores) and AHCA scores
- Current priorities and accomplishments, including measurement
- Current infrastructure and resources in organization to support quality
- Commitment of infrastructure and resources to Highlands County Hospital

1. Quality (continuation)

- Commitment to specific quality targets and timeframe for commitment
- Collaborative efforts to improve quality in rural settings
- Findings of recent surveys, settlements, state survey results, accreditation survey findings and subsequent resolution of any corrective action plans at rural settings
- Malpractice history
- Settlements (not involving malpractice) for amounts to exceed \$50,000 individually and collectively

2. Governance, Compliance and Integrity

- Current governance structure and process
- Proposed governance structure and process in HCH
- Compliance program for the organization, including inception date and quality as an element
- Ethics program for the organization, including inception date
- Privacy and IT Security Program for the organization, including inception date
- Violation of law determined by government entity, AHCA, CMS (materiality)

2. Governance, Compliance and Integrity (continuation)

- Self-disclosures to the government in past 5 years
- Agreements the organization entered into with the government in past 5 years, including Corporate Integrity Agreement(s)
- Awards or accolades associated with compliance, ethics and integrity

3. Services

Baseline Services to be Provided at HCH

<u>Services</u>	<u>Description</u>
General med/surg	Inpatient Care
Critical Care Medicine	ICU Unit
Radiology	Biopsy Breast Imaging CT Scan Echocardiogram Fluoroscopy Interventional Radiology MRI Nuclear Medicine PET/CT Scan Ultrasound X-Ray

3. Services (continuation)

Baseline Services to be Provided at HCH

<u>Services</u>	<u>Description</u>
GI Service	
Emergency Dept.	
Cardiology	Routine Cardiology Cardiac Catheterization
Laboratory Services	All to be provided
Nephrology	
Neurology	Stroke Care
Orthopedic Services	
Pharmacy	

3. Services (continuation)

Baseline Services to be Provided at HCH

<u>Services</u>	<u>Description</u>
Primary Care	Family Practice Internal Medicine
Pulmonology	
Rehabilitative Services	Occupational Therapy Outpatient Services Physical Therapy Speech Therapy
Respiratory Care	
Surgical Services	General Vascular ENT Orthopedic Ophthalmology

3. Services (continuation)

- Proposed services to be provided on-site and/or remote. Specify services that would be provided remotely.
- Proposed services to be provide full-time, part-time, including call coverage
- Commitment to current services and commitment to current access to care
- Potential challenges to address the needs of this service area and plans to address
- Commitment to future growth of services and access to care
- Community Awareness of Hospital and Services for HCH

4. Care Delivery

- Care delivery model, e.g. hub and spoke model
- Proposed telehealth services to be provided to HCH
- Experience with transfers of patients between hospitals in rural markets, include quality outcomes
- Current network in area receiving transfers
- Number of anticipated transfers from HCH
- Relationship with other clinical providers in area, including receiving hospitals in area

4. Care Delivery (continuation)

- Quality of receiving hospitals from HCH, including data scores from Quality Section above
- Experience integrating rural hospitals
- Improvement of delivery of care to HCH by organization
- Emergency Preparedness
- Care coordination among various levels of care

5. Commitment to Community

- History of community involvement in areas where hospital(s) is currently located, including any data analysis to determine a need
- History of community involvement in any rural settings, including any data analysis to determine a need
- Future plans for community involvement to Highlands County Hospital and Highlands County from a long-term commitment perspective and how was it determined
- Commitment to care of indigent patients and charity care in Highlands County; what is the current amount of care that is provided to indigent patients and charity care by the organization; This would include providing a policy for the organization currently and one that would apply to HCH.

5. Commitment to Community (continuation)

- Specialized programs that would be provided to the residents of Highlands County that improve the overall community; what are any specialized programs provided by the organization at this time
- History, including grants or contributions that would be made by the organization to the community; what are any grants or contributions that are currently provided by the organization at this time
- Programs that would provide preventative care to Highlands County; what are any programs currently provided by the organization
- History of community efforts and partnerships to target health outcomes

6. Employees, Physicians & Community Partners

- Commitment to current employees, including position and benefits
- Recruitment and retention of employees
- Development, education and training of employees
- Potential staff and provider shortage in area and steps to address (Commitment to address)
- Employee satisfaction scores
- Physician satisfaction scores
- Employment, retention and recruitment of high quality physicians
- Arrangements with Community Partners (including improvement of care in the community)
- Trends for recruitment and retention in rural markets

7. Investment

- Investment in routine and strategic capital
- Total Capital commitment: Years 1-5, Years 6-10, and Years 10 plus; this would include facilities, equipment, fixtures, IT-related software and hardware
- History of investment in technology, EMR and care coordination
- Proposed investment in technology, EMR and care coordination
- Detailed financial position of organization to support investments above