



## **RESOLUTION**

### **Concerning the Proposed Sale of Mission Health System, Inc. to Hospital Corporation of America, Inc.**

**WHEREAS** the Board of Directors of the Yancey County Economic Development Commission (hereinafter "Board") are interested in the health and well-being of the citizens and residents of Yancey County, realizing the impact that a healthy workforce has on the overall economy of any county or municipality; and

**WHEREAS** the Board is cognizant of the impact that the ready availability of and access to healthcare plays in the recruitment and retention of business and industry to Yancey County and the Town of Burnsville; and

**WHEREAS** the Board is aware of the proposed transaction by which Hospital Corporation of America (hereinafter "HCA") intends to purchase Mission Health System, Inc., and its affiliates (hereinafter "Mission"); and

**WHEREAS** the Board does not object in concept to a possible sale of Mission's assets to HCA, and understands that there are likely to be advantages to the patient population in Mission's service through the efficiencies and experience that HCA will bring to the operations of Mission's medical facilities, further considering that the sale as proposed would provide a charitable endowment of over \$1 billion which will be contributed to The Dogwood Health Trust Foundation (hereinafter "Foundation") with the intention of expending such funds to promote the health of the patient population served by Mission; and

**WHEREAS** Mission has conditionally further proposed to give the sum of \$15 million to the Blue Ridge Regional Hospital Foundation; and

**WHEREAS** the Board has reviewed the terms of the proposed asset purchase agreement between Mission and HCA (hereinafter "APA") dated 30 August 2018; and

**WHEREAS** upon its review of the APA the Board has observed several concerns which it wishes to make known to the North Carolina Attorney General as he conducts the statutory review of the proposed sale which is it his responsibility and authority to do; and

**WHEREAS** there are specific and unique considerations regarding services currently provided by Mission in Yancey County (such as ambulance service and the

continued operation of the Blue Ridge Fitness and Rehab Center) which have yet to be fully resolved prior to the transaction moving forward between Mission and HCA.

**NOW THEREFORE**, in order to express the concerns which it has regarding the terms of the APA presently proposed between Mission and HCA, the Board of Directors of the Yancey County Economic Development Commission, do hereby RESOLVE as follows:

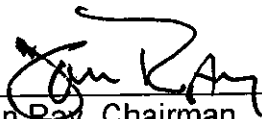
- 1) That the Board respectfully requests the Attorney General to obtain clarification of the full scope of services which are to be provided by HCA at all rural hospital facilities in the Mission system so that there is as clear an understanding as to what services HCA will commit to continue to provide at those rural hospitals as there is a definition of what those services are to be at the main campus of Mission Hospital.
- 2) That HCA make the protected period for rural hospitals 10 years, equal to that for Mission Hospital, and that during the protected period no individual or body should have power to abrogate the protection (a power conferred by the agreement on "Local Advisory Boards" created for that sole purpose). Finally, the definition of Force Majeure should conform to North Carolina law.
- 3) That with respect to the Foundation that the Attorney General impose conditions on his approval that would ensure that a substantial majority of the members of the governing board of the Foundation are independent of any association with Mission or HCA and that the Foundation's governing board be established such that it is composed of members who are fairly representative of the eighteen-county area that the foundation is designed to serve.
- 4) That with respect to the proposal of Mission to transfer the sum of \$15 million to the Blue Ridge Hospital Foundation that the Attorney General impose guidelines on the terms set out by Mission to ensure that they are reasonable and will be fairly interpreted and enforced.
- 5) That the Attorney General retain continued oversight of the activities of the Foundation and the proposed transfer of the sum of \$15 million to the Blue Ridge Hospital Foundation.
- 6) That the Attorney General make public all information submitted to him by Mission or HCA, subject only to such redactions as he shall deem appropriate and necessary.
- 7) That HCA clarify at the earliest opportunity whether or not it intends to continue the operation of ambulance service in Yancey County under the

present Mission arrangement or some similar arrangement with local government or whether it intends to withdraw from such an arrangement, giving time to contract for alternative arrangements for the provision of ambulance service in Yancey County.

- 8) That Mission and HCA disclose the purchase price allocation assigned by them to the Blue Ridge Fitness Center as a part of their agreement so that the Winter Star Company (a development corporation affiliated with Yancey EDC) may receive formal notice of its right to exercise its right of first refusal for the sale of said asset and thereafter determine whether or not it wishes to exercise that right.

Adopted this the 13<sup>th</sup> day of November 2018.

Yancey Planning & Economic  
Development Commission

  
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Jon Ray, Chairman