September 4, 2019

VIA EMAIL & FEDEX

The Honorable Lawrence J. Hogan, Jr.
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Annapolis, Maryland 21401
Governor.mail@maryland.gov

The Honorable Delores G. Kelley
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The Honorable Shane E. Pendergrass
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The Honorable Charles J. Otto
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The Honorable Mary Beth Carozza
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The Honorable Craig N. Mathies Sr.
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012888-0002

The Honorable Ralph D. Taylor
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The Honorable Robert R. Neall
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Lori Brewster, MS, APRN/LCADC
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Re: Summary of Public Informational Hearing Regarding Conversion of Edward W. McCready Memorial Hospital to a Freestanding Medical Facility

Dear Governor Hogan, Senators Kelley and Carozza, Delegates Pendergrass and Otto, County Manager Taylor, Councilman Mathies, Mssrs. Shrader and Steffen, and Ms. Brewster:

On behalf of McCready Foundation, Inc. and Peninsula Regional Medical Center, Inc., by and through the undersigned counsel and pursuant to MARYLAND CODE, HEALTH-GENERAL §

19-120(l)(6) and Code of Maryland Regulations § 10.24.17.04(C)(3)(c)(iii), this letter and the accompanying enclosures provide a summary of the public informational hearing held by McCready Foundation, Inc. and Peninsula Regional Medical Center, Inc. in connection with their notice of intent filed with the Maryland Health Care Commission to convert Edward W. McCready Memorial Hospital to a freestanding medical facility.

As background, McCready Foundation Inc. d/b/a Edward W. McCready Memorial Hospital ("McCready") and Peninsula Regional Medical Center, Inc. ("PRMC"), as joint applicants (together, the "Applicants"), filed a notice of intent and a request for an exemption from certificate of need review to convert Edward W. McCready Memorial Hospital to a freestanding medical facility with the Maryland Health Care Commission on July 30, 2019. This filing followed an Affiliation Agreement executed between Peninsual Regional Health System, Inc. ("PRHS") and McCready on June 26, 2019, pursuant to which PRHS will become the sole corporate member of McCready Foundation, and each component of McCready will become participants in PRHS's regional health care delivery system.

MARYLAND CODE, HEALTH-GENERAL § 19-120(l)(2) and Code of Maryland Regulations § 10.24.17.04(C)(3)(c)(ii) require that a hospital, within thirty days of filing a notice of intent to convert to a freestanding medical facility, hold a public informational hearing in the jurisdiction where the hospital is located. The public informational hearing must address: (1) the reasons for the proposed conversion; (2) plans for transitioning acute care services previously provided by the hospital to residents of the the hospital's service area; (3) plans for addressing the health care needs of residents of the hospital's service area; (4) plans of the hospital or the merged asset system that owns or controls the hospital for retraining and placement of displaced employees; (5) plans for the hospital's physical plant and site; and (6) the proposed timeline for the conversion. The Applicants held a public informational on August 20, 2019, beginning at 6:00 p.m., at the McCready Hospital Community Room, Alice B. Tawes Nursing and Rehabilitation Center, located at 201 Hall Highway in Crisfield, Maryland. Within ten working days of holding the public informational hearing, the Applicants are required to provide a summary of the public hearing. At the hearing, the Applicants addressed each of the factors set forth in HEALTH GENERAL § 19-120(l)(2) and COMAR § 10.24.17.04(C)(3)(c)(ii).

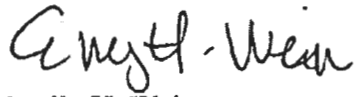
Before holding the public informational hearing, the Applicants exceeded their regulatory obligations to ensure that the hearing was well attended. PRMC published notice of the hearing date and location on McCready's website's homepage and in the print and electronic versions of the The Daily Times, a newspaper of daily circulation, for no fewer than fifteen days prior to the public hearing. PRMC also purchased advertisements in the County News, a Somerset County newspaper, which circulates less than daily, announcing the date and location of the public hearing.

The public informational hearing lasted approximately one hour and fifteen minues and was well attended. Kathleen Harrison, Chief Executive Officer of McCready and Steven E. Leonard, President and Chief Executive Officer of PRHS, hosted the public informational hearing. At the hearing, Ms. Harrison and Mr. Leonard reviewed a slide presentation that addressed each of the issues required by MARYLAND CODE, HEALTH-GENERAL § 19-120(l)(2) and Code of Maryland Regulations § 10.24.17.04(C)(3)(c)(ii). Following the slide presentation, Ms. Harrison and Mr. Leonard answered questions from the audience. A transcript of the hearing is enclosed herewith as **Exhibit A**, and a copy of the slide presentation is enclosed herewith as **Exhibit B**. Notably, during the presentation Mr. Leonard mistakenly indicated in response to a question that, under Maryland Institute for Emergency Medical Services Systems ("MIEMSS") protocols, priority 1 patients would not be brought the freestanding medical facility by EMS providers. In fact, MIEMSS protocols allow EMS providers to transport priorty 1 patients who are *in extremis* to a freestanding medical facility. The day after the hearing, Mr. Leonard followed up directly with the person who asked the question to correct his misstatement.

Please contact me if you have any questions regarding the public informational hearing, the enclosed materials, or the Applicants' intent to convert Edward W. McCready Memorial Hospital to a freestanding medical facility.

Respectfully submitted,

James C. Buck
Gallagher Evelius & Jones, LLP
Counsel to Peninsula Regional Medical Center, Inc.



Emily H. Wein
Foley & Lardner, LLP
Counsel to McCready Foundation, Inc.

Enclosures

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cc via email: **Senate Finance Committee**
The Honorable Brian J. Feldman, Vice Chair,
The Honorable Malcolm Augustine
The Honorable Pamela Beidle
The Honorable Joanne C. Benson
The Honorable Antonio Hayes
The Honorable Stephen S. Hershey, Jr.
The Honorable J. B. Jennings
The Honorable Katherine Klausmeier
The Honorable Benjamin F. Kramer
The Honorable Edward R. Reilly
David A. Smulski, Staff

House Health and Government Operations Committee
The Honorable Joseline A. Pena-Melnyk, Vice Chair
The Honorable Heather Bagnall
The Honorable Erek L. Barron
The Honorable Harry Bhandari
The Honorable Alfred C. Carr, Jr.
The Honorable Nick Charles
The Honorable Brian Chisholm
The Honorable Bonnie Cullison
The Honorable Terri L. Hill
The Honorable Steve Johnson
The Honorable Ariana B. Kelly
The Honorable Ken Kerr
The Honorable Nicholaus R. Kipke
The Honorable Susan W. Krebs
The Honorable Robbyn Lewis
The Honorable Ric Metzgar
The Honorable Matthew Morgan
The Honorable Samuel I. Rosenberg
The Honorable Sid Saab
The Honorable Sheree Sample-Hughes
The Honorable Kathy Szeliga

The Honorable Karen Lewis Young
Erin R. Hopwood, Staff

Somerset County Commission
The Honorable Charles Laird
The Honorable Eldon Willing
The Honorable Rex Simpkins
The Honorable Randy Laird

Theodore Delbridge, M.D., MIEMSS Executive Director
Paul Parker, Director, Center for Health Care Facilities Planning and Development
Kevin McDonald, Chief, Certificate of Need Program
Suellen Wideman, Esq., Assistant Attorney General
Steven E. Leonard, MBA, FACHE, President and Chief Executive Officer
Peninsula Regional Medical Center, Inc.
Kathleen Harrison, FACHE, Chief Executive Officer
McCready Foundation, Inc.
Andrew L. Solberg, A.L.S. Healthcare Consultant Services
Melvin (Chip) Hurley, Berkeley Research Group, LLC

EXHIBIT A

PENINSULA REGIONAL HEALTH SYSTEM

AND

MCCREADY HEALTH

PUBLIC INFORMATION HEARING

A public informational hearing in reference to Peninsula Regional Health System (PRHS) addressing the conversion of McCready Hospital to a freestanding medical facility, held, Tuesday, August 20, 2019, commencing at 6:04 p.m. at McCready Hospital Community Room, Alice B. Tawes Nursing and Rehabilitation Center, 201 Hall Highway, Crisfield, Maryland.

REPORTED BY: Linda Lindsey, CSR

APPEARANCES:

Steve Leonard, Ph.D., MBA, FACHE
President/CEO PRMC

Roger Follebout, Jr.
Director Community Relations PRMC

Christopher C. Hall,
Vice President/Chief Business Officer
Strategy and Business Development

Kathleen Harrison, CEO
McCready Health

P R O C E E D I N G S

* * * * *

MS. HARRISON: Good evening. First of all, I would like to thank all of you this is a wonderful turn out we're very happy to see so many people, that's important.

We're here tonight to welcome you to this public meeting. I'm Kathy Harrison, I'm the CEO of McCready Health. With me tonight is Mr. Steve Leonard, the president and CEO of Peninsula Health System.

Also I want to recognize Mr. Purnell, if you would stand up, please, our Board Chair here at McCready, and Mr. Herb Gary, who is the Board Chair for Peninsula Regional Health System.

We have a wonderful representation of our board of directors. I would ask that you please stand up. Mr. Phoebus, Mr. Crockett, Ms. Heath, Mrs. Kitching, Mr. Blake, Dr. Bell, I'm sorry, Dr. Allen, Leslie Wilson and, um, Lloyd Tyler. Thank you very much for being here and

supporting us tonight.

Also, Dr. Vijay is here and Dr. Mark Atkins is here. Thank you both for being here as well.

Also tonight, we know that the purpose of this meeting is to share with you information about our recently announced affiliation with Peninsula Regional Health System and to share information about you with for transaction to become a freestanding medical facility.

This meeting tonight is a regulatory requirement. It is part of the process that we need to go through to get approval to be -- um, begin this transition. And we're pleased to have the opportunity to share this information in a public forum like this. It's great.

Some of you may have been previous employees. I see right now quite a few current employees. Some of you have been patients here in the past or are currently patients here. Some of you perhaps are even past board members, and

you've worked very hard to maintain McCready Health and support McCready Health, and to keep it as a strong health care facility here in Crisfield. You should be very proud of that.

This is a beautiful building we have here at the nursing home, the hospital itself just celebrated its 96th anniversary, a lot of blood, sweat and tears to maintain health care in Crisfield, we recognize that.

But it's also true that you have witnessed during the years the deterioration of the building, the lack of having enough staff, some of our technology isn't state of the art, and we've had some trouble getting providers.

And it is important that you understand that in order to keep healthcare here in Crisfield, we were given no choice, but we had to partner with another organization. And we're so very, very pleased and excited that that was Peninsula Regional Health Systems, because that will allow us to keep health care right here in

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Crisfield where it needs to be.

So, Mr. Leonard is going to share some information with you tonight, um, and then, um, we're going to share some information with you about our transition plan. And then, we've -- we're going to have a period for some questions and answers.

And so, we would ask that you hold those questions until the end so that we can get through the presentation, because we may be able to answer some of questions as we're doing the presentation.

So with -- with no other further ado, I will let Mr. Leonard start.

MR. LEONARD: Thank you, Kathy. And as Kathy said, we do appreciate everyone being here this evening. This is an important step. Yes, it is required from a regulatory perspective, but for me personally, and I think for the members of our team here, it's really also an important step to start better knowing and getting to know the

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folks and community down here in this county like we do up in Salisbury. And, um, we are looking forward to going through that process.

I have a little bit of background about PRMC and what's going on in the health system.

One thing that I want to convey is that McCready is not alone in going through this process. This is very much a process that's going on in healthcare in general.

Hospitals are coming together. It's a difficult environment, and we're navigating as -- as multiple hospitals, coming together. New systems are forming. And in many ways McCready is becoming part of a new system.

We're going through a very similar process with Nanticoke Health System up in Seaford. We actually have two mergers going on at the same time. And I think that's reflective of the environment.

And I think that's one important take away that I want folks here in Crisfield to

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understand, is that healthcare is really asking organizations to come together because it is difficult in many ways to keep up with what's required to run a hospital.

So I'm going to talk a little bit about the health system to let you know what's going on. I think most folks probably familiar with.

We're going to talk about the transition plan, how do we plan on going through this process, and then we'll get to the questions and answers.

One thing that's important is that when McCready went to identify potential partners, much like Nanticoke did. I think it's important you really for the things that make these things work are culture. And I think like our organization, McCready sought to keep health care local, and to identify a potential partner here on the Delmarva Peninsula, and we're proud to have been chosen.

We share very similar values. Our

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missions are very much the same. Yes, I always tell people, we are becoming more and more experts, obviously, to take care of people when they're sick or injured, but just as importantly in the future, how do we take care of people and keep them healthy and well. And this is really why we're looking forward to working with the McCready organization in the new system to help folks here.

This is a picture of the system today. Many folks, even if you're on the peninsula you might not realize, um, in many ways Peninsula has been servicing six counties. And I think that's another factor that I think that the McCready Board looked it up and said, who do we already have a natural relationship with.

So up in Salisbury, as a tertiary care organization, we get referrals of patients from all the other hospitals on the peninsula. So, we look at this county and this county is important to us. Much like Wicomico and Worcesterset

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(sic), Somerset is in our primary service area, and we're looking forward to continuing to serve the health and wellness of this community.

That process started, anybody know this gentlemen right here? Anybody know him? Dr. Todd, right. That process started for us when Dr. Todd started doing open heart surgery back in '74. Some people may have had surgery by Dr. Todd or Buchness or Julian, or somebody they trained.

And, um, this actually changed us when we started to do that many, many years ago, and thus, in some ways that the organization we -- we ultimately became.

So our health -- our system at this point in time, McCready is joining PRMC, and we're actually the eighth largest hospital at this point in time. Really the full scope of services, which many of you may have experienced, if McCready couldn't take care of a patient for some reason, often we a -- patients would come up

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to Salisbury, and that process will continue.

Lots of good things going on. I will tell you, I brag about our team quite often up there, and I'm happy to incorporate McCready into that team.

There's not a lot of health care systems in the state of Maryland that can have all four of these recognitions for our team on one slide. There's actually only four hospitals in the State of Maryland.

So, I always tell people, we're not perfect, there's things we can do better. But I can tell you, we have a great team that, ultimately, McCready is becoming a part of and will contribute to.

The system in the future is looking radically different in many ways. As I mentioned, this is a diagram of what McCready is joining.

We, obviously, have this stuff here in Salisbury, but all of this area is Nanticoke. We

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expect Nanticoke to come into our health system January 1st. We're going through that same process now.

Here's, obviously, McCready. And then here are all of the other associated businesses and sites that ultimately the new system is forming.

That new system, McCready will come in, Nanticoke will come in, and next year we're actually going to rename that system. It will not longer be called Peninsula Regional Health System, it's going to be called something else.

They'll still have Nanticoke Memorial Hospital, Peninsula Regional Medical Center, McCready Health Pavilion, but they will be part of a new system, and that's really exciting.

This is the type of activity that's needed to survive in the future of healthcare. As I mentioned, McCready is not alone, there's three or four hospital mergers going on within the State of Maryland right now very similar to

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this. So we're excited by this, because this allows all of us to make sure healthcare stays local, that it is governed by a group of folks local, as opposed to perhaps somewhere across the bridge, or perhaps even nationally.

So I know this is very unnerving to go through something like this, but I can tell you we have a lot of confidence in what we're creating here. And I think, ultimately, McCready Health Pavilion is becoming part of a larger team that's really going to be well-positioned to service the entire Delmarva peninsula many generations into the future.

So that's a little bit about us. I'm going to talk about the transition plan at this point in time, because I think that's what everybody really wants to hear.

So, reasons for the conversion, I'm actually going to tag team a little bit with Kathy, because this is some of the stuff that, um, Kathy and the Board have been working

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through, um, as far as the -- as far as the facility.

I think Kathy, do you want to talk a little bit about this?

MS. HARRISON: Sure. Sure. As I mentioned in the beginning, you probably noticed that some of our building is -- is deteriorating in the hospital.

You may walk through when it's a rainy day and we have some buckets sitting different places because the roof leaking or the windows are leaking.

And the infrastructure itself is very aged, our air conditioning system, our heating system, um, and so, it's becoming more and more difficult and more and more expensive to try to maintain that.

We know that to do a large renovation at this point is extremely costly. Um, we've looked at -- at some of that and -- and it's -- it's very, very costly, more than McCready could

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possibly do on its own.

Um, and our physicians, patients, families, team members and our community, you expect more of a facility. You expect to come in and have better technology. You expect to come in and have enough of a nursing staff to take care of you, or physicians that are here to be able to see you. So it's -- it's your expectations are not being met by our hospital.

Our average census is right now at two. Today we have one patient up in the medical/surgical department.

We have three licensed beds, that's the smallest hospital in the State of Maryland for licensed beds. And we're required to have an average census of at least two, and we're struggling to meet that. And so that is a requirement of the -- the government, the federal government that we maintain that.

And so, we're at risk if we can't do that, because that would mean that we're not

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meeting that particular standard and could lead to the federal government saying that we could no longer be a hospital. We don't want to be in that position and we do not want to wait until that happens.

And so the -- the Board understands that, and that's why they decided that we need to move forward to -- to become something else.

The Maryland Health Care Commission allows for us to either be a hospital or something called a freestanding medical facility.

We're very, very fortunate, I will tell you I had a career in health care in Pennsylvania. Pennsylvania has nothing like the health care system of Maryland.

For Maryland to allow us to become a freestanding medical facility is the perfect thing for Crisfield, because it allows us to still serve you. And we're going to talk about what services we're going to be able to offer you in a few minutes, but we can still service you,

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we can take care of your health care needs, and even do better than we're doing.

But in order to be a freestanding health care facility we must be a part of a larger health care system.

So you can see that one step led to another to get us here. So we're very fortunate that we are going to be able to -- to do that, and become a freestanding medical facility.

And sometimes you'll hear us say FMA, and that stands for the freestanding medical facility, and as -- as you know, in health care we have alphabet soup. Everything has initials and we just get used to talking like that. So if tonight if we say that, that's what we mean FMA, freestanding facility.

And it's as Mr. Leonard alluded to, today, in today's world there's a need for innovation in healthcare. It's no longer okay to just be a mediocre or just meets standards, you have to be the best. You have to win the

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accolades that Peninsula has been able to do to prove you're the best. To offer the best health care possible with the best physicians possible, um, and the best staff. The -- the IT system and the electronic medical records system, imaging, all the different technologies that are out there. The laboratory work, it's all important to keep up-to-date every single year, and it changes every single year.

In my lifetime, my background was radiology. We never did MRI, CT, ultrasounds or nuclear medicine through -- procedures when I first started out. And that technology has grown and grown and grown, so that today we can look at intricate parts of the brain with MRIs and those types of things. That is what we need to be able to have a healthier population.

And the State of Maryland, um, requires, as every state does, but the State of Maryland with all this other efficiency requires that you do it very efficient and very cost effective.

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And in order to do that, it's an -- it's a -- it's economy, the more you do, the less it costs.

So when we're taking care of two patients, I have to have the same nursing staff here, the same physician staff here, the same laboratory, all of that, as if I had ten patients. But if I'm not even having two patients, you can see that it causes us some issues.

And we have been experiencing financial losses over the years. It is not easy to run this organization. We have this beautiful nursing home, right now we're almost filled with residents. Our assisted living on the fourth floor. We maintain this building and we still maintain the hospital, and it is a struggle. It is a struggle to be able to do that and keep up with that. It's like, as I just explained, the infrastructure, the structure of the hospital, and so forth. So that is -- that is why we're -- we're here where we are today.

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MR. LEONARD: Thank you, Kathy.

As we talk about this FMA concept, the next closest example is actually also here on Delmarva, it's in Cambridge, Dorchester General Hospital is actually going through this same process with Easton, where, ultimately, Dorchester General will become a freestanding medical facility. And in many ways, as I mentioned before, with many of the same -- for many of the same reasons.

So, our plan for transition into acute care services. Um, so we're, as -- as -- as -- as in many things in health care we are dependent upon this regulatory stuff to happen. It's probably fair to say our Boards, I don't want to put Chairs on the spot, we came to an agreement in principle on this path probably a year ago.

But like -- like many things we had to go through certain processes and certain filings. And we worked through that process and, which was all very positive. The State wants to support

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this. And they allowed in ways a continued funding, as if -- as we are currently getting here at McCready to support the new freestanding medical facility. It's a little different, but their support of that allows us to go ahead with this idea of the freestanding medical facility. That process took awhile.

The next step in this process is we have filed an exemption request with the MHCC, on July 30th, and that is another approval process. So, in the State of Maryland you need MHCC, Maryland Healthcare Commission to approve certain expansions, as well as approve certain conversions, which are often very similar to expansions.

So this in a sense, converting from a hospital to a freestanding medical facility, it has to be reviewed and approved by MHCC, and they've been very good to work with.

MEMS, the Maryland Emergency Medical System has to review our application, they have

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45 days to review that. We plan on having a full-service emergency department as a part of this, that was an important piece that the Board here at McCready advocated for, and we were glad to support a full-service emergency department.

While there are some patients, if we are not going to have inpatient services here because of the low census, they're going to be transferred up to Salisbury. Maryland Emergency Medical System has to opine, say it's okay. We don't anticipate any issues, but that's part of the process.

We expect at some point MHCC will give us a request for additional data points or questions. And then, hopefully, sometime before the end of the year this process is approved so that we can go ahead with the transition.

So this is important to note because the -- this is the difference. A freestanding medical facility does not have inpatient care, and in this case does not have surgery. So what

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happens, patients who present to the FMF who need inpatient medical, surgical or critical care will be transferred up PRMC, okay, that's -- that's an important piece of this.

All patients are stabilized at the freestanding facility by the emergency physician and clinical staff before being transferred. So, I will tell you, that's, um, we'll have that full functioning ER here.

It will be the same physicians in the ER at Salisbury, Atlantic General and McCready. Same doctors. The nursing teams will be completely integrated. So in many ways we're excited that it's going to look and feel very much like a PRMC ER.

Same medical record. But if you need to be transferred we would arrange for transfer up if you need to be admitted, okay.

And obviously though, patients will have a choice. So let's say a patient, if it's a nonemergency situation, and that might be, we're

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a heart center, let's say it was not a heart center and they requested to go to Atlantic General, that could be honored as well, okay. If they chose -- if the patient chose to.

But that's the plan, again, transitioning to an FMF is the acute care services and the OR are the major differences between the two.

So there are two phases to this plan. Ultimately, I'm going to talk about building a new building for this freestanding medical facility, but that takes time, as you might imagine.

So in Phase One we plan to change this process in place, in other words, we will do this here on campus, okay, while we work through building a new building which takes time.

So a couple of things to point out. An emergency department will have up to six patients, okay, including airborne infection, isolation room, resuscitation room, a

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decontamination room, okay, if you're exposed to some sort of hazardous waste.

It'll have two observation beds to the emergency department, that's important, too, because sometimes you come to the ER and you don't know if you're going to be admitted.

So in this emergency department we'll have observation status. So perhaps the doctor might keep you there for several hours, and ultimately make a decision don't have to be admitted, okay. So we'll observation status here.

We'll have an outpatient behavioral health facility with a group room, three consultation rooms, and three private offices.

Diagnostic imaging. We will continue to have x-rays. We'll consider (sic) to have CT, all the things an emergency department needs, ultrasound impact readings. We'll have a laboratory here, specimen collection, blood, urine as well as specimen collection analyzers.

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We'll continue to have outpatient rehab, physical therapy with gym space. And then, a regulated clinic for physician partners to work in. And then, we'll have room for up to four providers, administrative staff and support services.

That will all take place in largely the existing infrastructure we have here in the building, really not a lot of change. Just some little facility things, but nothing significant, some computers, some IT.

The second floor which presently is the inpatient unit and pharmacy, those will be closed because we won't be providing inpatient services here. So that is -- that is Phase One of the -- of the project.

Phase Two, we have specced out, and you might have seen a pictorial, it's not the final document. It happens to be one architect's illustration of a potential solution. Somebody told me it looks like the library, there's just different things. But that is, we're going to be

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building a 20,000 -- 20, almost a 24,000 square foot building here, okay.

The FMF, COMAR requirements require that it is within five miles, we have a piece of property identified with an option to purchase, we're going through that, about three and a half miles away. It's about a 25 million dollar investment, okay.

That's one thing I want to point out is, our goal is to continue to providing good quality services here in this community, that's why we're looking to make that investment.

My personal goal is to build the building and set of infrastructure so the next few generations, much like the last few in this building, really have state of the art high quality healthcare here in -- here in Crisfield.

So, it'll continue to maintain all the rate -- regulated outpatient services, emergency, observation, ancillary, imaging, labs, family medicine, behavorial health. It'll have speech

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and physical therapy, infusion, lab blood draw services, all will be provided at the FMF.

McCready Health Pavilion will be fully functional full-service ER, opened 24/7. Again, all the capabilities with the same doctors, same -- same -- the nurses will be cross-trained. And this EMS priority levels are two through four, okay. Two through four.

I'm getting technical, my apologies, priority one's will go straight to PRMC. Priority one is typically someone who's not breathing and does not have a pulse, and likely would require more intervention, so. Um, they'll go right to PRMC via the EMS, but priority two through four will come here, okay, to the new ER.

The facility has the following features, I got a little bit of detail for you but, ER, triage room, all of these meet the regulatory requirements from a size perspective. All of the regulatory codes, the buildings codes, a related staff, ambulance entrance, decontamination, two

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observation bed, things that I -- I already talked -- I already talked about.

Phase Two continued. Um, as I mentioned before, part of the challenge is we were asked a lot of hard questions by the folks at the state PRMC, why don't you renovate the existing building instead of building a new one.

So, as part of that process we had contractors do a full facility assessment of the existing building. And while the nursing home is beautiful and state of the art, these services are not provided in the nursing home, they're provided in 1980 -- 82 building or the 55 building.

Renovating that building would have been just about as much as the new building -- building a new building. So it was felt it was better long-term investment to build something new. So, we, obviously, maintenance cost and all of those kinds of things.

So all of those according to the new

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guidelines, and that's important, because the renovation cost with new guidelines are quite -- quite significant.

And as I mentioned, it's about 25 million dollars is the anticipated expense. We'll fund that through our capital and likely through a bond issue which -- which is fine, and we can do that.

It's going to take approximately 33 months following Commission approval to build this. If you're like me that just feels too long, but the reality is, a building is complicated, building a health care facility is complicated, and this area Somerset County does have geographic considerations, low, wet, lots of dirt, all those kinds of things. It just takes longer to do site work and all that, so about 33 months following approval.

So our transition plan, our plans for addressing the health care needs of the residents of the area. I'm reading that because these are

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regulatory requirements. We touched on each one of these.

So, again, our goal is to create viable and cost effective care, okay. There are a number of folks who come up to Salisbury for care. I'm exited being that we're going to be able to build something where folks can stay closer to home.

When we ran analysis on this, people come to the ER, guess what, in the future environment I'm excited because folks can stay closer to home.

And, um, we want to improve access to health care services to residents of Somerset County. Remember our mission, improve the health of the communities we serve. We've got two great doctors here, and if you need it add more, so that folks can get preventative care. So they might not need the ER, right. And they might be able to live healthier and -- and well, so we're looking forward to that.

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We're going to be collaborating. And in the future we do a community needs assessment for our services areas. So if you remember that county, those outlines of the all of the counties -- Chris, every three years?

MR. HALL: Every three years.

MR. LEONARD: Every three years we do a full community health needs assessment, where we do an intake of all of the different related needs and services that communities -- would benefit the communities.

We'll be incorporating Somerset County, Crisfield, lower Somerset County into that process more significantly than we had in the past. And look forward to evolving what we're offering to meet those needs.

As I mentioned, there'll be clinic, behavioral health, rehab services. Um, acute inpatient and surgery will be transitioned to PRMC or other facilities as appropriate. I say other facilities because some people have

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colonoscopies, people have gotten colonoscopies here, they might not go to the hospital. They have a few freestanding places that do colonoscopies, so by all means they may go to other -- other facilities, that's the patient's choice.

And then, from a population health perspective, this is where the state is really and the hospitals really as an industry working more towards, is, again, how to keep people healthy and well, and that's something we have made significant investments in, and we're looking forward to working more down in this area as well.

The next section of the transition plan is plan for job retraining and placement of McCready Hospital employees, this I can tell you is a very important topic, and everyone here would agree, it's something we had talked very early on with the Board of the McCready Foundation about what this means to jobs here

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in -- in Crisfield.

So, it's going to be staffed according to requirements, obviously. If there's no inpatient services and surgery, as examples, those are some of the ones that we know now, we're absolutely looking for places where folks can either learn new skills, the ER is going to have more staff, so perhaps people transition to the ER. Or folks will have access to the jobs in Salisbury at PRMC or one of our partner sites.

So any current employee's position that are eliminated at McCre -- upon conversion or otherwise will be -- and who are otherwise qualified, absolutely are going to be considered for positions at PRMC and prioritize.

This is the first time we've gone through this, although it's one of the larger efforts we've had. But our -- our people department is pretty good at lining people up so that we can find other opportunities for them.

I think the challenge is some of those

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might not be in Crisfield and I think that's recognized. But there's a lot of folks who work up at Salisbury who live in Crisfield and vice versa, so, um, but more importantly that they land on their feet is definitely a priority. And, as I mentioned, they will be given priority.

I mentioned the priority. Hiring of displaced employees based upon time service with McCready and each employee's performance evaluations. This is important for folks who have longstanding careers with McCready that history and tenure transfer over to PRMC. This happens any time we do something like this.

We've had doctors offices come on board, and the case with McCready, if I have 25 years of great service to McCready, you're going to come over with the equivalent for vacation time and maintaining equity with our -- with our folks, so that's -- that's -- that's important.

Any displaced employees who are rehired, so let's say we have someone who we couldn't find

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a position for, as long as they're rehired within 12 months they will maintain that equity as if they were rehired on day one, because sometimes it doesn't happen on day one, but it may happen within a year.

And finally, if there isn't an opportunity that we can line up, we are going to be offering severance pay depending upon length of service with -- with McCready.

Again, the job opportunities, when Nanticoke comes in and McCready come in, our system is going to have about 5000 employees at that point in time between Nanticoke, Peninsula, McCready, and that doesn't include extras, our joint venture partners, that's just pure hospital. That is the people who work for the system. So it's pretty optimistic that we can find opportunities.

Our transition plan, as I mentioned we have options on a piece of property about three and a half miles away, some people might know

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about it, trees had been knocked down, and that's where we're looking to develop the new facility.

I gave -- we've gotten questions about what are we going to do with the existing hospital building here on campus, that has yet to be determined, quite frankly.

Obviously, the nursing home, we fully -- we plan fully on running that as is. We actually have another nursing home in the health center already, Genesis Nursing Home in Salisbury. We plan on keeping this nursing home. It's a beautiful facility -- I can't say off the record because she's documenting everything.

(Laughing).

But if I had to come to a nursing home, I would come here, it's absolutely gorgeous.

But, again, the existing hospital, I think we have to ultimately make that determination. It is aged in places. It is possible we could find an alternative use. But, again, renovation costs, we'll have to evaluate

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it. It is possible that parts of it may get torn down as well. I think it's something we have to work -- work through.

Our proposed timeline, as I mentioned before, we're keeping our fingers crossed by the end of the year to have that completed.

Phase One would occur at that point in time, and then Phase Two is anywhere between 22 and 36 months, as I mentioned earlier, it was 33 months, but I believe it's somewhere -- somewhere in that range.

There is a conceptual drawing. I can guarantee that it might not look like that, but that is conceptual drawing.

VOICE OF MAN: No ambulance.

MR. LEONARD: What's that?

VOICE OF MAN: There's no ambulance.

MR. LEONARD: They like have ambulances separate from visitors. But, um, I think what I look forward to is doing the right thing for sustainable care in this community. We're big

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fans of doing it right so we don't have to come back and do something different. And if we have to make a 25 million dollar investment we want to make the right investment for the community so we can keep people healthy and well and close to home. And that's something we do in Ocean Pines, it's something we do in Sussex County, that's really what our mission is all about these days, and as I mentioned before we were proud to be chosen by McCready when they did explore these options.

We are very grateful to the State to support the ongoing great regulation to allows us to do this. And I think it does end up being something that given today's health care environment works well for everyone.

So with that, we will do questions and answers. And we have -- we have Roger here with -- we have a microphone that we will look to give out to folks to help the process.

VOICE OF MAN: Thank you. My name is

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Robert Schreiber. The watermen are a very important resource here, and my understanding currently there is a heliport -- okay. My understanding there's a heliport here, I didn't see any mention of heliport in the new facility.

I would assume an expanded emergency room facility and a heliport to support --

MR. LEONARD: Absolutely true. It's not on the picture but on the property there -- it's a licensed emergency department, so it will have a helipad. It's a little further inland so we have to arrange transportation from the dock to the ER for patients who might come by boat, but that's something we're working through.

VOICE OF MAN: I'd like to thank you for candor and sharing the information. I liked most what I heard, but I have a question.

The Class 2 to Class 4 patients that you'll accept, and Class 1's go to Peninsula, is that regulatory or policy?

MR. LEONARD: So COMAR in the definition

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FMF require -- that's actually COMAR and MEMS guided policy. So priority ones will -- are known to need inpatient stay. So I think their thought process is to get them some place like the hospital in Salisbury.

But that is actually, we're following COMAR guidelines with MEMS as to what patients go to an FMF and what patients go to a full-service hospital.

VOICE OF MAN: I will followup on that privately.

MS. HARRISON: I will add that the majority of time right now we do not take priority one patients here at McCready.

VOICE OF MAN: I understand that, but this would be closer, so there's a possibility of a class one patient driving past a medical facility which concerns me.

MR. LEONARD: Yeah, I think that -- I -- I know I understand, especially because you could have a walk-in turn into a Class 1 patient.

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MS. HARRISON: Right.
VOICE OF MAN: Exactly.
MR. LEONARD: I think there's what the rules say that are probably followed the vast majority of time. But there have been times where we've gotten patients -- even we've gotten patients that probably should have gone to Shock Trauma first, but somebody makes a determination and you kind of do the best you can in those situations. And actually we can talk offline and we'll be happy to followup with the MEMS criteria, as far as that -- what that guidance looks like.
VOICE OF MAN: Okay. Thank you.
MR. LEONARD: Thank you.
VOICE OF MAN: (Inaudible) Somerset County Commissioner. First of all, I want to thank you for setting some peoples mind at ease, the clinic will still be open, even if the new facility, as well as the old one.
The other thing was when you said

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observation beds for several hours that doesn't seem like enough time to me, of course, I'm not a health care expert, but I would think that should be 24, 48 hours.
MR. LEONARD: It -- there's actually very strict criteria for observation. So when I said several, actually for Medicare it is up to 24, and perhaps even a little longer than that. So, the doctors will have time to evaluate, more than just several hours, but up to 24 hours.
Sometimes it is a little bit longer to evaluate whether or not somebody needs inpatient care.
VOICE OF MAN: My other concern is, we have a wonderful ambulance squad here, I'm afraid this is going to taxi, if we have a lot more runs to Salisbury.
MS. HARRISON: Certainly.
VOICE OF MAN: I mean it's voluntary. We pay two or three paramedic to be on-call. The county is pretty much tapped out as far as hiring

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people. So, do you have any estimate on the runs.
MS. HARRISON: I will tell you that our board members, that's a very, very important part of this, and we've talked about that in very early meetings with Peninsula Regional, that transportation is critical because we know even today we have some delays. EMS can bring the patient here, but then there's a delay getting it to -- from the commercial service up the road to Salisbury. And we have had meetings already. And we've been working with LifeStar Ambulance to try to improve the transportation from the new FMF to Salisbury, so that we're not having our local ambulance called off duty from here to transport a patient up there when there isn't an ambulance left to handle the patients here.
So we met with the local EMS. We've met with LifeStar, we're working through that right now to have that transportation issue resolved.
VOICE OF MAN: Thank you very much.

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VOICE OF MAN: (Inaudible) Crisfield. A couple of my questions have already been answered. I have a couple, if for instance under the new system I go to the emergency room here, will my general doctor be able to treat me under this new system?
MR. LEONARD: So --
VOICE OF MAN: At the present time, for instance, at the present time I come here, nine out of ten times my general practitioner will be here to take over and do what needs to be done. So would that be able to happen under the new system or will we be under the care --
MR. LEONARD: Likely different in some ways. And I will say this, so ER physicians, I think it's probably fair when you come into the ER you're seen by an ER physician, that will -- part of those physicians will transition over to Emergency Services Associates, which are the same ER doctors that staff Peninsula, as well as AGH, they will staff here.

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They will be primarily responsible for your care in the ER. It doesn't preclude a volunteer medical staff member to come into the ER to -- to talk with them. But likely though, if you're transferred as an inpatient you're going to go to Salisbury, you know, to being first taken care of on an inpatient basis.

VOICE OF MAN: Okay. That brings me to my next question. At the present time my general practitioner has privileges in PRMC. So if I go up there in a new situation, would he be able to treat me up there?

MR. LEONARD: They have privileges?

VOICE OF MAN: Yes, sir.

MR. LEONARD: Sure. Actually, point of clarification. In this new FMF, the health pavilion actually becomes part of PRMC. We're going to be calling it McCready Health Pavilion, but for regulatory purposes it's legally part of PRMC, so the medical staff, we're actually working with Dr. Vijay and Atkins, they're

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actually going to be credentialed medical staff members of PRMC, and actually vis-versa.

So there's a level of integration there that actually may simplify things in some ways.

VOICE OF MAN: Well, that leads me to my third question, I think you just answered, I want to get there.

So the two doctors, the general practitioners that we have here now will be in contracts under the --

MR. LEONARD: That's what we're planning.

VOICE OF MAN: When will that be finalized, I'm going to ask, because I know as of one right now he hasn't been offered a contract.

MR. LEONARD: I don't have that answer for you at this point in time. Those things we are going through from a process prospective.

We currently have about 140 providers in our physician enterprise, and we're happy that the providers here are looking to join the team,

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but as far as when that process concludes, is actually premature for me to say, I don't know.

VOICE OF MAN: Thank you. I'm Phil Rigson, I have actually a couple of questions.

I heard nothing during the presentation about outpatient surgery. I'm assuming that will not be done at the new freestanding medical facility.

MR. LEONARD: That's correct.

VOICE OF MAN: Okay. Now you also, in one of your earlier slides you showed, I thought, several pavilions around the shore, is that or did I not see that correctly?

MR. LEONARD: We do as a system have multiple pavilions.

VOICE OF MAN: I mean, we could go visit one them just to see what they look like, so one's in Ocean Pines.

MR. LEONARD: Ocean Pines, we have multiple buildings. The Ocean Pines Health Pavilion is a -- there's multiple buildings

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there. It's a larger campus. But I would imagine it would be similar in many ways to something like that.

VOICE OF MAN: Okay.

MR. LEONARD: It's a little bit larger than one of those buildings, 25,000 square feet, those are 20,000 square foot.

VOICE OF MAN: Okay. And, finally, I -- I, for one, am really excited by -- by what you all have put together. I know that this idea has been bounced around a number of years, at least, as Tom said. And thank you for putting it together. I'm looking forward to -- to the health care quality actually improving here in Crisfield.

MR. LEONARD: I would thank your Board and our Board coming together I think in doing really good things, so I would thank them.

VOICE OF MAN: Well, I know of a number of those, I used to be to on the board and we all discussed those together over the years. Thank

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you.
VOICE OF WOMAN: Hi, my name is Jeanette. I want to find out about -- a little bit more about the observation bed. I know you said you will be there, if need be -- oh, be there for a few hours, but if for some reason P -- PR --
MR. LEONARD: PRMC.
VOICE OF WOMAN: Yes. Go on yellow alert what happens?
MR. LEONARD: We never go on yellow alert.
VOICE OF WOMAN: Never?
MR. LEONARD: I -- I will tell as compared to every other state, every hospital in the state of Maryland, we -- we, um, I'm trying to think if we've ever diverted in the last year or two, I can't think of a time we have diverted.
VOICE OF WOMAN: I don't have to worry about that.
MR. LEONARD: I -- I -- we're it --

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we're for the shore, quite frankly, and we take that seriously. And I always tell people in that chart there's about 500,000 people in our service area, so that's how many people in all those colored counties.
And in the summertime guess who joins us, 300,000 people from the western shore. And what do they do? They have babies, strokes, heart attacks, and who takes care of them, we do. So we don't -- we don't divert.
MS. HARRISON: I will also mention that this is going to make things more efficient when you need to be transferred, because your medical records is going to be the medical records that Peninsula uses, it's all going to be the same.
And they'll be able to do all that paperwork and all of those documentations will be done electronic. And the system will already have you admitted because you came into a Peninsula Regional System. So, it should expedite --

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VOICE OF WOMAN: So the same computer.
MR. LEONARD: Same system.
MS. HARRISON: Same computer.
MR. LEONARD: Same computer system.
VOICE OF WOMAN: Which is what?
MR. LEONARD: Epic.
Can I clarify one thing, sir, I just want to clarify a question this gentleman had. Could you go see one of the pavilions, we actually don't have a freestanding emergency department in our portfolio. So I just want to clarify that.
All of our other centers are outpatient centers, but they don't have the freestanding ER portion to them, so I just want to clarify that.
VOICE OF MAN: One other quick question. Probably more than one of us uses PRMC, I'm certainly one of them. It occurs to me that, if I have an emergency situation I show up here at -- at the, quote, facility. They could get the reverse availability, which is they can pull

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all of my data down from PRMC, okay, that is something right now McCready doesn't do.
Do you have this, do you have that, forget all that. They would immediately have everything there is to know about me.
MS. HARRISON: That is a good point, thank you.
VOICE OF WOMAN: My name is Renee, of course, I work here, bit I also volunteer with the ambulance, and I asked this at the employee meeting, but I have a feeling like I need clarification.
MR. LEONARD: Sure.
VOICE OF WOMAN: Our protocol right now state that we have a priority one, unstable patient, nonbreathing, no heart rate, we take them to the closest facility, stabilize them and the we transfer them to PRMC. How does that change when it comes to being a freestanding facility, are we going to be taking people who are in cardiac arrest to Salisbury and bypassing

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doctors at the facility on the way?
MR. LEONARD: So as -- as I mentioned, we'll go back and clarify this. We actually had quite a bit of conversation about this, because everyone is interested in this question.
As a hospital that rule applies, based upon our understanding, it doesn't matter which hospital in the state you go to the closest hospital. But the FMF, once you become an FMF our understanding is that is different.
So, that's what I do want to clarify and we'll make sure we get that information.
VOICE OF MAN: I guess the underlying question here is, can someone survive 35 or 40 minute trip to -- to PRMC --
MR. LEONARD: Yeah.
VOICE OF MAN: -- when you could have a five minute trip.
MR. LEONARD: Yeah, and I think -- I think the thing is, I think, again, for the record, I'm not a doctor, but there are certain

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interventions that 35 minute of CPR, I want to go the -- I want to go to the cath lab, because I can maintain profusion to some degree, and I'm not going to have a definitive solution in a freestanding ER. My definitive solution is in a cath lab.
So, I want to clarify, because again, you know, I think that this is an important question. But that could have something to do with it. If I'm a stroke, we have a neuro endovascular lab.
There are quite a few things that, you know, in a freestanding lab, yes, you can do well, but the definitive solution involves much more complex services ultimately, so we'll find that out.
VOICE OF MAN: -- got to get stabilized first.
MR. LEONARD: You can maintain, but the ultimate stabilization is actually addressed in the root cause, and I think that's perhaps some

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of the thought processes.
VOICE OF WOMAN: McCready never had those things either and they had to bring patients --
MR. LEONARD: And then they had to be transferred up.
VOICE OF WOMAN: Yeah, and it was a big time delay.
MS. HARRISON: Right. Right. Exactly. And that's what we're trying to eliminate that waiting for a couple of hours sometimes for an ambulance when it's a critical patient. It's not been a good situation, and it's part of our not being able to deliver the health care to the area that --
VOICE OF WOMAN: Are we going to be getting additional services at our new freestanding medical facility?
MR. LEONARD: Our focus is, at this stage, has really been about attempting to see what existing services we can maintain in the new

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center. I think that's really where the focus has been.
I think as we go through the community needs assessment and gather more information, I think then there's the opportunity to say what additional services may benefit folks to keep them healthy and well.
But in our process to this point has been really what are the existing ones and how can we maintain those.
VOICE OF WOMAN: Because we do -- I feel like we do need some additional services to get more patients and, I guess bring in more revenue some kind of way.
MR. LEONARD: And -- and the revenue -- the revenue is one aspect of but may be less important in some ways. But those are things we're going to be open to feedback for and want to understand.
I think it may be fair to say, not to put Kathy on the spot, some new services require

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capital investment, some things that may have been good ideas and we want to do this but perhaps we couldn't do previously, that we'll want to explore going forward.

But I think through feed back and community health needs assessment process, we're going to look for those ways to do this.

I'm going to look for ways to have people who currently come to Salisbury stay here. Again, we actually can -- on the numbers we get, we --

VOICE OF WOMAN: We'll need some lights on 413, too. To get people to drive down here, we'll need -- we'll definitely need some lights.

MS. HARRISON: So, Ashia (phonetic), I think, you know, this is a huge undertaking for us to transition to this FMF.

And so, I think, you know, doing it through our phases, our Phase One to be able to do in place. And then to build the new building, when we get through that, you know, then -- then

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we'll really begin to look what other services we can offer and what should we offer, which gives us some time to understand this system and to figure out what we really need.

So, I don't think that was ever off the table, but to bring anything like that new in while we're trying to go through this transition --

VOICE WOMAN: I understand.

MS. HARRISON: -- just doesn't make good sense for all of us.

VOICE OF WOMAN: I understand.

MS. HARRISON: Okay.

VOICE OF WOMAN: I'm Stephanie Howard, I'm a local nurse, a nurse practitioner, I still work in the ER here.

It kind of feeds off Ashia's request for services and speciality services. Right now Dr. Frye was coming once a week. At one point we had ortho coming, it would be a great asset to get even one day a week, a couple days a month, you

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know, is there going to be room in the facility to have offices --

MR. LEONARD: I think -- I think those are things we want to see continue to happen. I think this document said up to four providers can work in the clinic at one point in time.

So I know we have some providers who are coming down, we want to see them continue. Um, but again, we haven't gone through, you know, you know, which forms and, you know, which ones may benefit from more -- more of a presence.

Um, I will tell you we're also looking at how do we do some of this through telemedicine. Especially if you've had a procedure that's gone routinely well, I might not need to see a provider in person, I might perhaps see them, you know, on TV. Those things we're looking to kind of extend some of the capabilities down here, but that -- that is a thought process is what other stuff beside what is to be down here.

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VOICE OF WOMAN: Along those lines, cardiac rehab will that continue?

MR. LEONARD: So cardia rehab, we understand there has been a program here. When we went through the process to see what could stand as far as enough volume, that is one that we could not substantiate going forward in the new model.

VOICE OF WOMAN: I think some of our patients would be in disagreement because it helps a lot.

MR. LEONARD: I -- I --

VOICE OF WOMAN: No --

MR. LEONARD: -- I think we have -- no surprise there, I think we have cardiac rehab in two different areas. I think the challenge is having enough volume. I think that was part of the -- part of the assessment was, is there enough, because when you go through this process with the state, you know, the state, as Kathy mentioned, is looking, as they should, you know,

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how are we -- how are we spending money, and are we able to -- because we're reg -- regulated on this building.

And, um, it exists because it's regulated. If the State didn't support this there would be no services. So when they go through this process it's service by service to say what can be supported.

Another example is the nursing home will continue to have occupational therapy because that's inherent to a nursing home, but that was one of the ambulatory environment that there wasn't enough volume to support and they used the data and the history to go through that process.

I'm sorry. The microphone still there.

VOICE OF WOMAN: Okay.

MR. LEONARD: But we'll get it up here.

VOICE OF WOMAN: Hi, my name is Tracey (inaudible) I have a couple of questions. Um, um, going back to, again, to the question of additional services. There was a mental health

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provider here, um, I know that there is, um, they have counseling services here, an actual mental health provider. There was a nurse practitioner here, briefly, providing services, and then, um, my understanding was when the announcement was made that PRMC was joining with McCready that person left. And, um, now there's not an actual provider that can prescribe and diagnose.

So, are you guys actively looking for a provider, um, either as a psychiatrist or psychiatric nurse practitioner? Because there is a need for those services. But, um, you know --

MS. HARRISON: So, yes, to answer your question, actually we're actively working right now with Peninsula Regional to have that service provided again for us with a -- with a provider.

And that's -- we're actively working on that. Um, you know, this is a time of year that some of my colleagues are on vacation and so forth, we haven't tied that up yet, but we are actively working on that.

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And the provider that was here, the reason that he left was his own personal reasons, it wasn't anything that was, you know, had to do with the announcement about the affiliation.

VOICE OF WOMAN: Okay.

MS. HARRISON: Timing might have been coincidental.

VOICE OF WOMAN: Okay. Very sudden. He was here briefly, and then he was gone.

MS. HARRISON: So, yes, so we are aware of that.

VOICE OF THE WOMAN: Okay. Okay. And then, the information that was presented on those slides, is that available on-line, because some of it was very, very quick. Um, you know, for you to be able to provide that on-line?

MR. LEONARD: We'll get something out in the website.

VOICE OF WOMAN: McCready or PRMC?

MR. LEONARD: We'll -- we'll get it out in both.

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VOICE OF MAN: Two questions, and three questions.

My question is, is the pricing for services the same at every pavilion and hospital within your system? Is the x-ray the same price at PRMC as it's going to be at McCready Health Pavilion?

MR. LEONARD: So that is a complicated question.

VOICE OF WOMAN: I need an answer.

MR. LEONARD: Actually, the pricing at McCready Health Pavilion will be the same pricing as at PRMC main campus. They are both regulated services.

They won't be the same as other pavilions. We have other pavilions that have different pricing. It is my understanding that that will be less than what your current pricing is.

VOICE OF WOMAN: Oh, it will be, I know that.

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MR. LEONARD: Probably significantly less. Because you're basically blending your ER rates into our 90,000 ER rates, and I think that will come to a pleasant surprise to many people.

VOICE OF WOMAN: Great.

VOICE OF MAN: George Friedly. You said that you were going to do away with the pharmacy, are you going to have one in the new freestanding, a pharmacy?

MR. LEONARD: It'll be -- in a -- in a building like that there's automated dispensing cabinets to -- to give the emergency department all the medications they need.

VOICE OF MAN: My second question, I guess, for you guys. You're trying to figure out what you're going to do with part of the old building. One of the biggest problems in Somerset County is drugs, and I think a drug rehab facility or something for that line would be a great purpose for this hospital.

MR. LEONARD: That actually has been

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talked about --

MS. HARRISON: Research.

MR. LEONARD: -- in as one item or an option, so I think we'll look for those types of solution.

VOICE OF MAN: Tom Hunter, is there any chance of expanding the nursing home?

MR. LEONARD: We have not looked really at the nursing home, other than saying we want to continue operating it.

And quite honestly, 98 percent of our effort in this process has been focused on the hospital portion of the process.

So we looked at the nursing home and we said there is an important part of the community and we want to continue operating, but we actually have not done any type of, what I would call, strategic analysis on the nursing home, other than to say we want to make sure it does what it's doing.

VOICE OF A WOMAN: I'm part of the

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radiology department here at McCready and I saw on the slide that we plan to transition with x-rays, CT and ultrasound, are you going to have mammography?

MR. LEONARD: No.

MS. HARRISON: No, we are not.

VOICE OF WOMAN: Okay.

MS. HARRISON: We are not. Again, with the, um, Peninsula Regional has a beautiful breast center that does not just do mammographies, but they can also do, you know, breast ultrasound, you know, followups that we are unable to do here.

And that was one of the things that we looked at and evaluated and, no, we're not going to.

VOICE OF WOMAN: That will be something that will end as December 2019?

MS. HARRISON: When we transition to FMF, up until they will.

VOICE OF WOMAN: And my other questions

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is when we do transition would we as employees benefit, such as being able to use their daycare facility?

MR. LEONARD: Yes.

VOICE OF MAN: My name is Stacey Milburn (phonetic). Um, the first question I have is my father is a patient of Dr. Vijay, and at this point given his status that he cannot walk we use a Hoyer Lift to be transferred from bed to a chair. Dr. Vijay comes in regularly to make house calls and I was wondering if something like that system can be continued? Because as I joke when Mr. Obama was president the only difference between moving my father and Mr. Obama was we didn't need guns. We didn't need the secret service. We didn't need guns. So that's my first question.

And my second question was, um, you may have answered this but, um, when will we see the actual of this breaking ground at the new facility. I think there's a lot of Crisfield

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residence are going to say, we're not going to believe this until we actually see them digging ground.

And the third question is and this may be totally irrelevant to what we're talking about here, I hear a lot things about computerized records, computerized records, computerized records. This may seem like the totally most stupid question in the world, sometimes when a computer goes down, as a CPA I often deal -- I deal with everyday with the Internal Revenue Service and the State of Maryland, computers go down and records get lost, that's why I keep paper files still.

I know a lot of accountants say they don't, and then when they have to a find piece of paper (inaudible) to them.

MR. LEONARD: Can I answer those three before you get to four?

(Laughing).

My memory is only so good. I think

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our -- we -- we understand that we want to learn as to how health care is provided locally and in this community.

So I know we're still undergoing discussions with Dr. Vijay and Atkins, and they're -- they're doing a lot of great things we want to see continue.

So I -- I couldn't answer specifically will they still do house calls, but I tell you they're kind of coming back. We actually, we have people doing lots of different things because sometimes if you do things well in the home, they don't have to come to hospital. So it's a --

VOICE OF MAN: Correct. You're exactly right.

MR. LEONARD: -- we do.

As far as breaking ground goes, I don't have a date. A lot of this is -- is site specific. And I think what we're learning, is again, because we're building in -- in

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essentially low lying land, it's going to take a lot longer, so we just don't have a date on that.

I get the whole thing "we'll believe it when we see it thing", I totally understand that. But, please know, I don't like to do things twice. So we're going to do it, we going to do it right. And, you know, when we do it'll -- it'll get going. But it does take longer to get going it would seem here.

Number two, by the way, we can't get going too far until we have approvals. So, that's -- that's part of our challenge.

Number three, what happens when the record goes down. Thankfully there's people taking care of people, you know. And we have smart nurses, smart doctors, and you know what, don't let the computer get in the way of doing, you know, what you need to do.

So we do actually practice these thing, believe it or not. You know, we shut the system off and we practice and all that kind of stuff.

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VOICE OF MAN: That's more than what the State and IRS do.

MR. LEONARD: But that --

VOICE OF MAN: That's more than the state and the IRS do. Frequently, they do not have records, and when you have a --

MR. LEONARD: Yeah.

VOICE OF MAN: -- a paper record it helps.

MR. LEONARD: I won't get, you know, into a lot of the detail, but every single unit has a downtime computer, so as long as you have electricity it's constantly -- it's updated every day with a load of people's charts.

So, um, we're -- it's not perfect, don't get me wrong, but at the end of the day if you have a life threatening situation, I have complete confidence in the nurses and doctors being able to take care of patients if something should happen.

VOICE OF MAN: Plus you've got an

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emergency power system.
MR. LEONARD: We've lots of that. And this place will have that, too. You know, lots of generators, all that kind of stuff to keep on running.
VOICE OF WOMAN: How many employees are you planning to have at this new freestanding medical facility? Or how many employees are you planning on employing?
MR. LEONARD: So, 80, 90 something like that.
MS. HARRISON: Close to 90.
MR. LEONARD: Close to 90.
VOICE OF WOMAN: Okay.
MR. LEONARD: Again, that's not including the nursing home contingencies here.
VOICE OF WOMAN: How many employees does McCready have, not including the nursing home?
MS. HARRISON: So the number we have now is a little hard to define only because we share employees between the facilities. So, I don't

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want to misquote and give a number that may not be accurate, and we're working through all that right now with the Human Resource Department here and at -- at Peninsula.
But we do know from the application, we do know that there are some employees that will have opportunities, um, you know at Peninsula, but that number has not been just 100 percent defined because some are part-time employees, some are PRM employees, there's all kinds, you know, so --
VOICE OF WOMAN: Right.
MS. HARRISON: -- when we talk FTE numbers it may not be an accurate people number, understand? And I don't want to give incorrect information.
VOICE OF WOMAN: Yes.
VOICE OF WOMAN: Two questions. I thick I'm okay.
Just a thought, you probably haven't addressed this but services to the island, if we

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could get them more services because it's hard for them to come over.
MR. LEONARD: So we -- we've had some programs to do, like telemedicine based services those are always things we're interested in exploring but haven't expounded upon those, you know, in the context of this effort, but we'll definitely keep that -- keep that in mind.
VOICE OF MAN: Um, my name is (inaudible), I have been a security guard here for five years, um, I'm also a special police officer at PRMC, I've been there for a year.
I was wondering if we would be able to use special police commission at the new facility once it is finished?
MR. LEONARD: So there's going to be security at the new, um, emergency department. We have not made that decision whether there'll be -- we have special police officers on campus in Salisbury, thank you for being there, um, and that allows us to carry firearms, have arrest

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capabilities, those type of things.
We have not made the decision as to what level of service will be on the new FMF property.
MS. HARRISON: However -- however, we have made the decision that there will be 24 by seven security at both the nursing home and the FMF, which is something that we haven't been able, so we will be expanding the security team.
VOICE OF MAN: Um, the other question I have is about the old hospital. It is a historical landmark, it was built in 1923. It has a lot of memories for a lot of people, stuff like that, what's going to happen to that building once this new building's built?
MR. LEONARD: So we haven't made that decision yet, but know that that point is not lost on us. I -- I tend to be -- like history and there's lots of perceived value in that -- in that type of history.
So, but we haven't -- we haven't made the decision as of yet, but we do recognize that.

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I think that will be a broader discussion, ultimately, after the transition, the new building is done.

VOICE OF MAN: Another concern that had been brought up one time, I heard about it, is that the people getting Narcan, when they come in here, they're really mad because you took them off their high. They're mad as a hornet. The local police normally come in, drop them off, and they're gone.

And the nurses in our ER and stuff have to deal with these people, not really a whole lot of security to protect -- to protect your nurses, and this is a serious issue that could really one day escalate, and now is the time to look into it before it's too late.

MR. LEONARD: So that is something that I can tell you that I think about consistently, the safety of my team up in Salisbury is one of the utmost concerns to me. And as a -- as an old paramedic, I have been in those difficult

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situations in New York City. And, um, it's not good, it's not easy for the staff.

So we're constantly looking, it's one of the reason there'll probably be special police officers and security officers who can help with that, and we will have security here.

We're a little unfamiliar with some of the nuances with the local police, that's something we'll have to kind of understand. But I will let you know, it sounds a little bit like what happens in Salisbury as well, with people getting dropped off and then leaving it to our team to kind of manage.

VOICE OF MAN: Yeah, because it would be the sheriff because you're outside the city limit.

MS. HARRISON: So -- so --

VOICE OF MAN: But they drop them off --

MS. HARRISON: Right.

VOICE OF MAN: -- and they leave them, and then it's up to your facility.

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MS. HARRISON: Right.

VOICE OF MAN: And -- and, really it's the nurses or whoever is there who's there to control this person.

MS. HARRISON: So as indicated, we're planning to increase the security that we have now so that at both the nursing home and the FMF, and the FMF that focus is going to be at the emergency room during the night because we won't be seeing outpatients during the middle of the night.

So they will be stationed in the emergency room. They'll be security that we haven't been able to do now on a 24 by seven basis. Because, yes, we worry very much about our nurses safety and that type of situation. It's just not the Narcan patients that we have some issues with sometimes.

MR. LEONARD: One of the first questions I got from Nanticoke as well, same themes, it's kind of health care in general it seems.

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VOICE OF MAN: I'm still confused about the ambulance situation. At the present time I think we have a great ambulance squad, and I think most of it is volunteer.

Under this new thing, if I'm understanding correctly, um, let's say I'm at home, have a heart attack, call for an ambulance, let's say the ambulance here is out. If I understood correctly, you're going to have agreements with another service that is out of town, takes 15 or 20 minutes to get here.

And then if I heard you correctly, if I'm either not breathing or having difficulties, you're not going to being to able stop at the new facility you're going to have to go directly to Salisbury. And you can die quite a few times between here and Salisbury, so that concerns me that they wouldn't be able to stop just to get you somewhat under control before they take off to go to Salisbury. That is a concern that I have at the present time.

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MR. LEONARD: So, that's one of the, you know, we're -- we're taking an official record so we can make sure we get all questions answered.

So what we've quoted is what we believe to be the COMAR requirement. So what we're going to do is we're going to validate those requirements, okay, and make sure we publish them on -- on the website, the questions that were -- especially this question, 'cause my sense of you've had lots of good questions, but this is a residual that we want to make sure we -- we get further understood. And perhaps more importantly explain this, the rationale.

So that's to one of our homework items, we hear you as far as the concern, and we'll make we sure get not only what the requirements are but we'll make sure we engage MEMS to help them -- have them help us, you know, to understand it more.

Is that a fair way to manage this? Okay.

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VOICE OF MAN: Student of the ex-cardiac rehab person, how about people in town that use the equipment --

MR. LEONARD: I didn't -- I'm sorry?

VOICE OF WOMAN: Is there going to be any equipment at all for the employees, if I don't have equipment?

MR. LEONARD: At this point it's not at the new FMF, and there wouldn't be at this point, not planned to.

VOICE OF MAN: My name is Rick Pollitt, I don't think I need a mic, but very -- I'm the City Manager here in Crisfield, and Mayor Barry Dize wanted to be here tonight but he couldn't, he was unavoidably detained elsewhere, but he asked me to come and welcome you to Crisfield for one thing.

I would like to recognize Councilman Jimmy Ford from our City Council is also here, and I'm not sure if anyone else came here from the City Council.

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But if the Mayor was here, I know the first thing he would say to everyone associated with McCready Health and with everyone with Peninsula Regional, thank you.

Thank you for making this partnership work. We're anticipating favorable responses to all your applications, all the approvals that you're going to need. But to contemplate Crisfield without a medical facility is beyond anything that we could entertain.

And so we're delighted that we are still going to have a medical facility in Crisfield to do as much as we can for the people who need that service and that can be here.

Kathy has been great keeping City Hall in the loop as things develop. I know one time over the winter we had to go to the Governor's office with Mayor Purnell and Kathy to get us over a couple of humps. Those things worked out well.

We're working with you now on those

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infrastructure issues to see how to get water and sewer to your -- to your property, so City Hall is going to be involved.

So, again, we thank you for getting us this far, and looking forward to having groundbreaking and the ribbon cutting. So thank you very much.

MR. LEONARD: Thank you.

(Clapping).

MS. HARRISON: Anymore questions?

All right. So we thank you again very much for coming. As Steve said, we will get some things posted on the website. We'll search for answers so we have definites, because we certainly want to make sure you have the right information. And have a lovely rest of the evening. Thank you.

(Public Hearing concluded at 7:18 p.m.)

STATE OF MARYLAND
COUNTY OF BALTIMORE:

I, Linda Lindsey, CSR, a Notary Public in and for the State of Maryland, Baltimore County, do hereby certify that the foregoing is a true and accurate transcript of the above-mentioned public hearing.

I further certify that I am not of counsel to any of the parties nor in any way interested in the outcome of the proceedings.

As witness, my hand and notarial seal this 28th day of August, 2019.

_____

Linda Lindsey

My commission expires: December 21, 2019

WORD INDEX

EXHIBIT B

PENINSULA
REGIONAL HEALTH SYSTEM

PENINSULA REGIONAL MEDICAL CENTER

Public Information Hearing

Peninsula Regional Health System Integration with McCready Health

August 20, 2019

Tonight's Agenda and Objective

1. **Welcome and Introductions**
2. Peninsula Regional Health System – Background and Information
3. Our Transition Plan
4. Questions and Answers

Tonight's Agenda and Objective

1. Welcome and Introductions
2. **Peninsula Regional Health System – Background and Information**
3. Our Transition Plan
4. Questions and Answers

Peninsula Regional Health System

Mission

Improve the health of the communities we serve

Vision

To achieve comprehensive world-class health and wellness across the continuum of care

Values

Respect | Service | Honesty | Safety | Accountability | Compassion

Peninsula Regional Health System

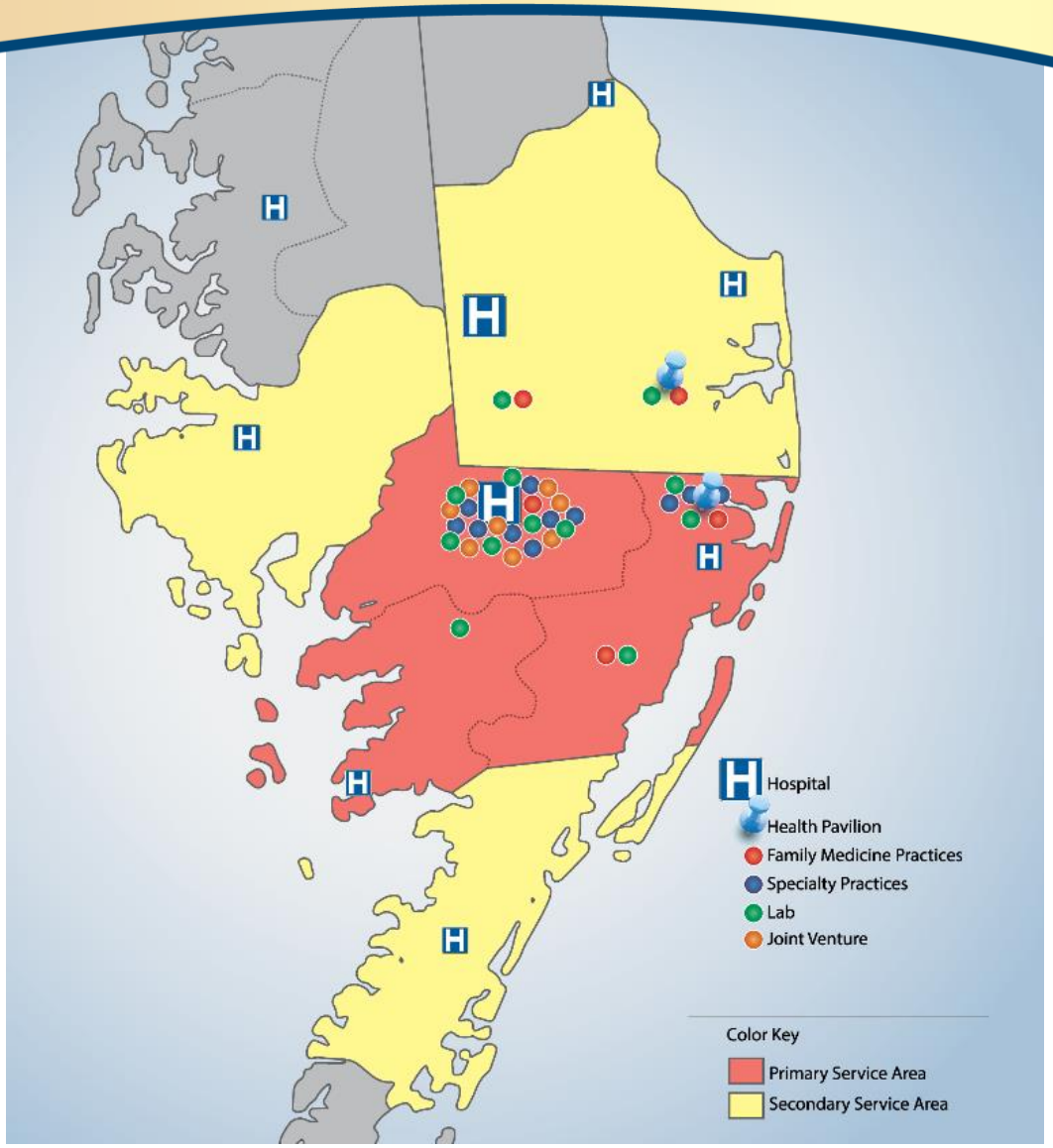
Family Medicine Practices (5 Locations)
- Peninsula Regional Family Medicine Laurel*
- Peninsula Regional Family Medicine Millsboro*
  (Delmarva Health Pavilion Millsboro)
- Peninsula Regional Family Medicine Ocean Pines*
  (Delmarva Health Pavilion Ocean Pines)
- Peninsula Regional Family Medicine Salisbury*
- Peninsula Regional Family Medicine Snow Hill*

Specialty Practices
- Peninsula Regional CV Surgical
- Peninsula Regional Endocrinology Salisbury*
- Peninsula Regional Endocrinology Berlin*
- Peninsula Regional Gastroenterology Medicine
- Peninsula Regional Neurosurgery*
- Peninsula Regional Neurology*
- Peninsula Regional Pain Management
- Peninsula Regional Pulmonary & Critical Care
- Peninsula Regional Gastroenterology Berlin*
- Peninsula Regional Oncology Salisbury
- Peninsula Regional Oncology Ocean Pines

- Peninsula Surgery Center
- Peninsula Breast Center

**Lab services available*

Health Pavilions
- Ocean Pines
- Millsboro



Population

Red
Primary Service Area =186,806

Yellow
Secondary Service Area =297,301

Total Service Area =484,107

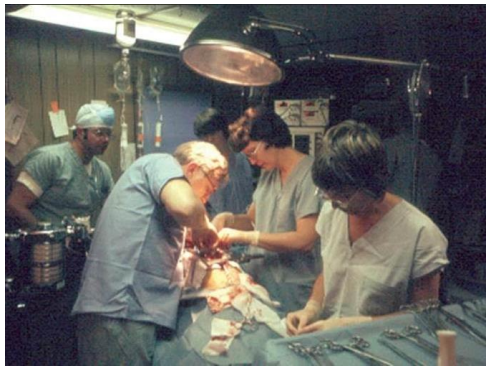
Five Year CAGR = 1%

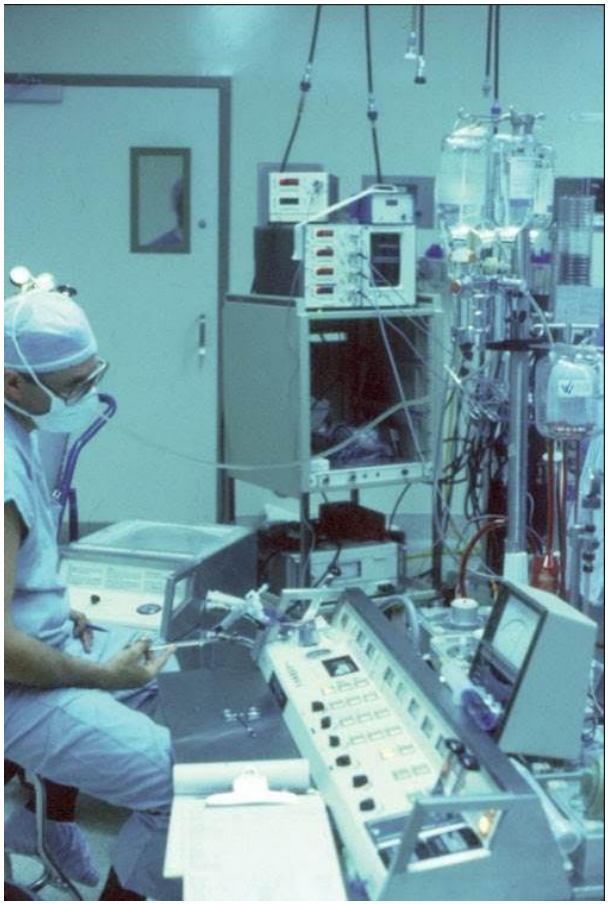
Joint Ventures
- American HomePatient
- Delmarva Surgery Center LLC
- Peninsula Home Care
- Peninsula Home Care - Nanticoke
- Peninsula Imaging, LLC
- Your Doc's In
- Salisbury Rehabilitation and Nursing Center
- CoreLife

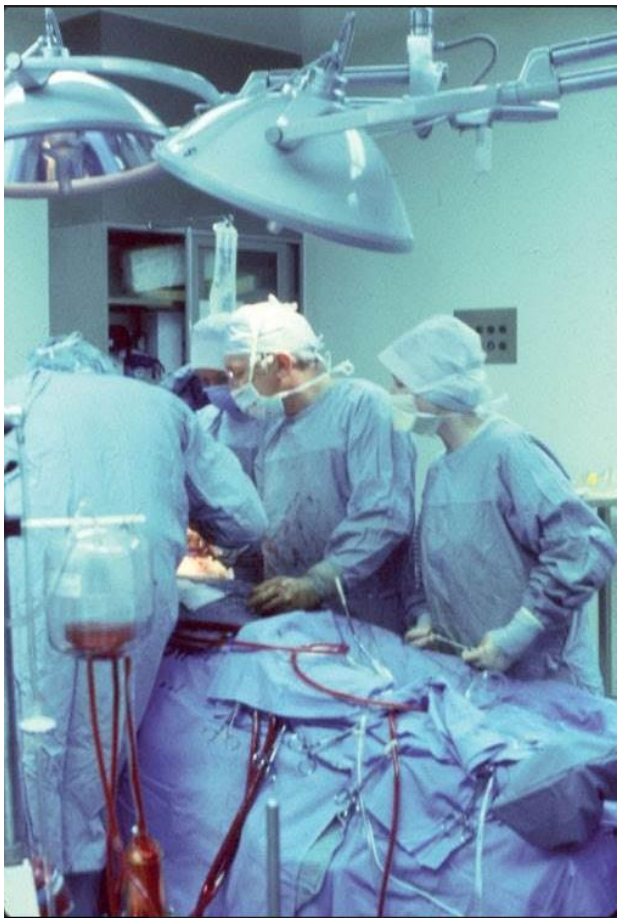
PENINSULA
REGIONAL HEALTH SYSTEM

Clinical Pioneers – A Path to Tertiary Care

PENINSULA REGIONAL
MEDICAL CENTER







Peninsula Regional Health System

The health system comprises:

- PRMC – 8th largest hospital in Maryland by bed count; focused on tertiary level services (Trauma, Open and Structure Heart, Cancer Care, Neurosurgery, Behavioral Health and Women's / Children Services)
- Women's Center and Freestanding Surgery Center
- Health Pavilions: Salisbury, Millsboro and Ocean Pines
- Population health focused
- Seven joint ventures with other providers across the continuum of care
- Collaborations with providers across Maryland and one with a provider in Delaware

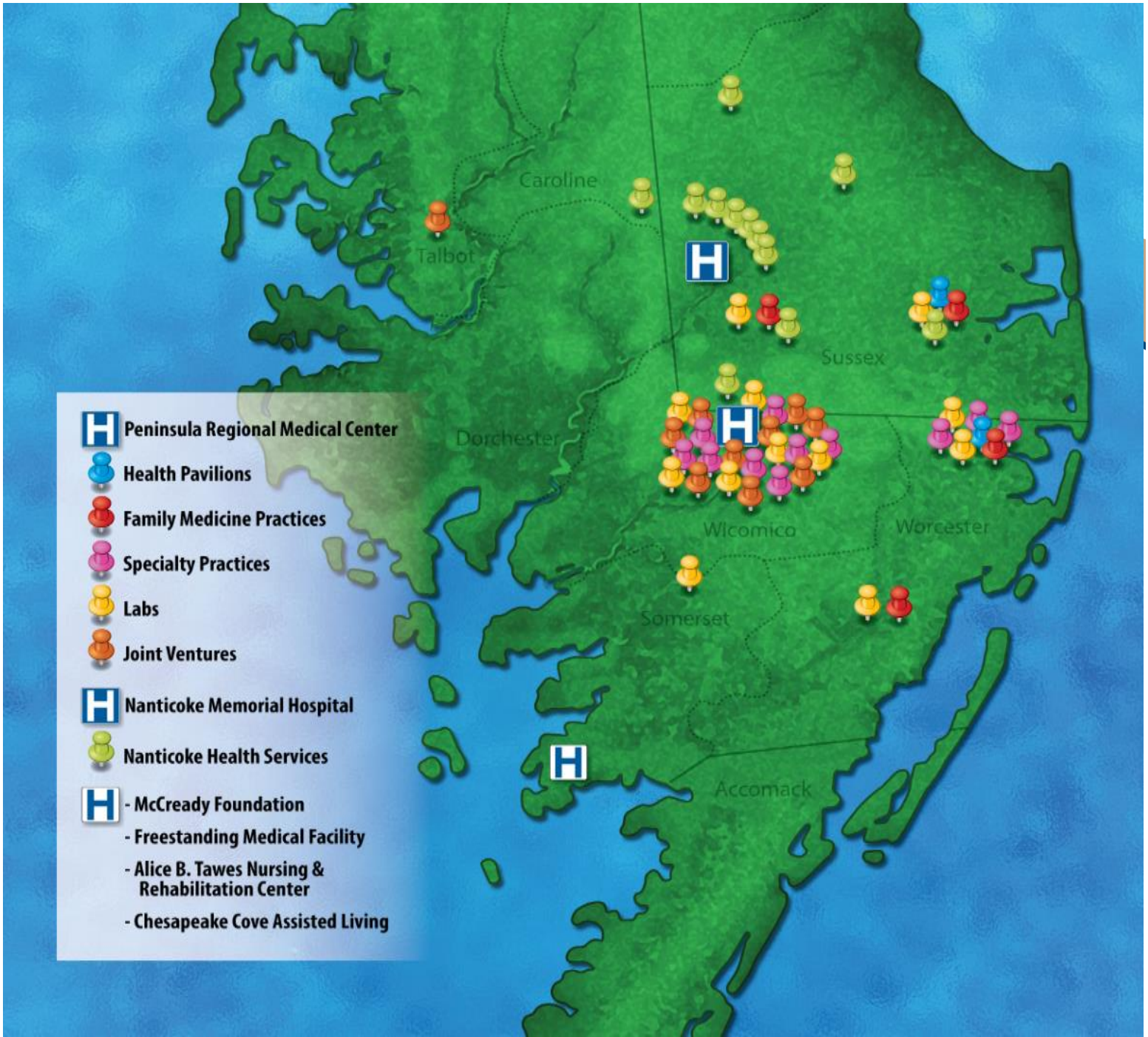
PRHS Awards and Recognitions

PENINSULA
REGIONAL HEALTH SYSTEM

NANTICOKE
HEALTH SERVICES
Always Caring. Always Here.

McCready
HEALTH

A Combined Health System



Tonight's Agenda and Objective

1. Welcome and Introductions
2. Peninsula Regional Health System – Background and Information
3. **Our Transition Plan**
4. Questions and Answers

Our Transition Plan

Reasons for the Conversions

- Building is well beyond its useful life with numerous infrastructure issues
- Building renovation would be more costly
- Physicians, patients, families, team members and our community expect more modern facilities
- Average Daily Census below 2 (A CMS requirement to maintain Hospital status)
- Maryland Health Care Commission allows for either a Hospital or Free Standing Medical Center
- There is a need for innovative forward thinking healthcare
- The State of Maryland requires the industry to deliver more efficient and less expensive healthcare
- McCready has been experiencing financial losses and we must preserve health care services for the region.

Our Transition Plan

Plans for Transition Acute Care Services

- The projected timeline for the transitioning of acute care services currently provided at McCready Hospital will depend on the timing of regulatory approvals from Maryland Health Care Commission (MHCC).
  - PRHS filed an exemption request with the MHCC on July 30, 2019.
  - MIEMMS has 45 days to review
  - MHCC will review request for completeness
  - Anticipated approvals: December 2019
- Patients who present at the freestanding medical facility who need inpatient medical, surgical or critical care will, subject to the patient's individual medical needs and stated preference, be transferred to Peninsula Regional Medical Center or other area hospitals.
- All patients will be stabilized at the freestanding medical facility by the emergency physician and clinical staff before being transferred.
- All patients have a choice on where they will receive other non-emergent services.

Phase I – In Place

In sum, in **Phase One**, McCready Health Pavilion (In Place) will consist of:

1. An emergency department for up to six patients, including an airborne infection isolation room, resuscitation room, and a human decontamination room (staffed by board certified emergency physicians);
2. Two observation beds adjacent to the emergency department;
3. An outpatient behavioral health facility with a group room, three consultation rooms, and three private offices;
4. A diagnostic imaging suite with Radiography, computed tomography or CT, ultrasound, and a PACS reading room;
5. A laboratory with specimen collection areas for blood and urine as well as space for selected analyzers;
6. Outpatient Rehabilitation Medicine with gym space and two exam/private treatment rooms;
7. A regulated clinic with exam rooms and support spaces to accommodate up to four providers simultaneously; and
8. Administration, staff, and support spaces.

The second floor, which presently comprises McCready Hospital's inpatient unit and pharmacy, will be closed. Services currently provided at McCready Hospital that would not be available at McCready Health Pavilion include inpatient services, surgical services, electrocardiography, occupational therapy, and magnetic resonance imaging.

Phase II - New

Phase Two (New) McCready Health Pavilion,

- Approximately 23,990 gross square feet and 20,997 departmental gross square feet.
- It will continue to maintain an array of rate regulated outpatient services, including emergency and observation services, associated ancillary services including imaging and laboratory services, a family medicine primary care clinic, and a behavioral health clinic. Speech and physical therapy, infusion, and laboratory blood draw services will also be provided at the FMF.
- McCready Health Pavilion will be a fully functional, full service emergency department, open 24/7 with the capability of caring for patients categorized in EMS priority levels 2 through 4.

The facility will include the following features:

- An emergency department with one triage room at 140 square feet, three treatment rooms, each at 140 square feet, one resuscitation room at 250 square feet, two secure holding rooms, each being 80 square feet,
- Related staff and support spaces; including an ambulance entrance and decontamination facilities;
- A two bed observation unit with each patient room being approximately 120 square feet each;
- A regulated clinic with eight exam rooms at 120 square feet each, and related staff and support spaces;
- A diagnostic imaging suite with x-ray, CT, and related staff and support spaces;
- Space for outpatient behavioral health services with two consultation rooms at 100 square feet each, one group therapy room at 200 square feet, and related staff and support spaces;

Phase II - New (continued)

- A rehabilitation space for physical therapy with an open gym at 1,418 square feet, two private therapy rooms at 110 square feet each, and related staff and support spaces;
- A laboratory and automated medication dispensing system; and
- Administration and staff support spaces.

McCready Health Pavilion will be designed in accordance with the Facilities Guidelines Institute, Guidelines for Design and Construction of Hospitals 2018 Edition ("FGI Guidelines"), the 2015 National Fire and Protection Association 101 Life Safety Code, and the 2018 International Building Code. More specifically, McCready Health Pavilion will be designed considering the FGI Guidelines Part 2 – Hospitals, Section 2.2-3 Diagnostic and Treatment Facilities, and Section 2.3 – Specific Requirements for Freestanding Care Facilities.

The total project budget for Phase Two of McCready Health Pavilion is $25,419,583. The proposed project will be funded through a bond issuance by PRHS.

PRMC intends to complete the construction of McCready Health Pavilion within approximately 33 months following Commission approval of this request for exemption from CON review.

Our Transition Plan

Plans for addressing the health care needs of residents of the area

- McCready's and PRHS's goal is to create a viable and cost efficient integrated delivery system to maintain and improve access to healthcare services for residents of Somerset County and the Eastern Shore of Maryland for the future.
- We'll collaborate further on Community Health Needs Assessment and the implementation plan covering Wicomico, Worcester and Somerset residents.
- The freestanding medical facility will also offer a clinic, outpatient behavioral health services, rehabilitation services, and diagnostic imaging. Acute inpatient and surgical services will transitioned to Peninsula Regional Medical Center or other facilities as appropriate to each patient's medical needs.
- PRHS's experience with population health will be extended to the area.

Our Transition Plan

Plan for Job Retraining and Placement of McCready Hospital Employees

- The freestanding medical facility will be staffed according to federal and state requirements. McCready and PRHS are continuing to develop a staffing plan for operation of the freestanding medical facility.
- Any current McCready employees whose positions are eliminated upon conversion of McCready hospital to a freestanding medical facility and who are otherwise qualified will be considered for open positions within PRHS, even if the available position is not identical to the position that was eliminated so long as the displaced employee could qualify for the available position with a reasonably limited amount of occupational training.
- PRHS has further committed to affording priority to McCready employees whose positions may be eliminated when considering placements in open positions within PRHS.

Our Transition Plan

Plan for Job Retraining and Placement of McCready Hospital Employees

- PRHS has further committed to affording priority to McCready employees whose positions may be eliminated when considering placements in open positions within PRHS.
- PRHS hiring of displaced McCready employees will be based on time of service with McCready and each employee's performance evaluations.
- Any displaced employees who are rehired by PRHS will be reinstated with their original date of hire and will be immediately eligible for benefits if rehired within twelve months of the effective date of their separation.
- Finally, severance pay will be offered to displaced McCready employees in varying amounts based on length of service. Part-time employees will be offered severance based on length of service on a pro-rated basis.

Commitment and Support for Our Team Members

Our Transition Plan

Plan for Existing McCready Hospital's Physical Plant

- Regulations require the new site to be within 5 miles of the existing Hospital
- PRHS has secured options on 4791 Crisfield Highway, approximately 3.5 miles East
- Looking to develop a new medical facility
- Existing hospital use will be evaluated.
- The Alice B. Tawes Nursing Home and Chesapeake Cove Assisted Living will continue to operate and are not impacted by the proposed planned to convert McCready Hospital to a freestanding medical facility

Our Transition Plan

Proposed timeline for the conversion

- Final approvals from MHCC – December 2019
- Phase I = conversion of current hospital to Free Standing Medical Facility
- Phase II = 24 – 36 months to build new facility – Between January 2022 and January 2023

PENINSULA
REGIONAL HEALTH SYSTEM

Concept Drawing

PENINSULA REGIONAL
MEDICAL CENTER

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