

# **ATTACHMENT 5**

*Confidential & Privileged  
for Review by Legal Counsel*

**KaufmanHall**

 **EXETER HEALTH RESOURCES**  
The Art of Wellness

# Discussion Materials

December 17, 2021 | Exeter, New Hampshire

# Meeting Agenda & Contents

- 1 Meeting Objectives
- 2 Letter of Intent Summary: Side-by-side Comparison
- 3 Overview of Partner Interactions *(to be discussed more thoroughly on January 4<sup>th</sup>)*
  - Partner Presentation / Exeter Site Visit
  - Peer-to-Peer Calls
  - Community Hospital Virtual Meetings
  - Board Reference Calls
  - CEO/Board Chair Calls
- 4 Locke Lord Update
- 5 Next Steps

## **Appendix**

- Illustrative Org Charts
- Strategic Partnership Goals & Objectives

# Meeting Objectives

## Primary Objective

Review and discuss the respective BILH and [REDACTED] Letter of Intent mark-ups, as submitted, identifying areas for enhancement and/or greater clarity

## Secondary Objectives

Provide an overview of the 5 interaction workstreams being conducted with both BILH and [REDACTED]

Update provided by Locke Lord

Preview key next steps for the partner selection process

***The purpose of the meeting is not to choose the best-suited partner or even the terms of a potential partnership***

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# Letter of Intent Summary

# A Successful Partnership Should Achieve Exeter's Goals & Objectives

1



Mission and Culture

2



Strategy &  
Long-term Vision

3



Clinical

4



New Care Models  
and Quality

5



Information  
Technology

6



Physicians  
and Employees

7



Financial  
Sustainability

8



Branding

9



Governance

Each potential partner's LOI proposal should be evaluated in its compatibility with Exeter's mission and culture, and in how it proposes to achieve each of these essential objectives

# Orientation

- The following slides are intended to provide a side-by-side summary extract of the key business terms of the Letters of Intent as submitted by BILH and [REDACTED], respectively
- Exeter management completed a detailed review of the Letters of Intent and, resulting from that review, identified certain areas requiring clarification, consideration and potential enhancement – such areas are identified within the summary using annotated call-out boxes
- The annotated call-outs are intended to capture significant points requiring clarification for review with the Executive Committee and are not to be interpreted as a comprehensive list of all negotiating points and/or minor edits to the Letters of Intent
- The objective of the initial review by Exeter management was to aggregate a list of clarification/discussion items to better inform Exeter's interpretation of the Letter of Intent proposals and, ultimately, better inform the development of an initial negotiating response following the December Board Meeting

 = denotes clarification / consideration / area of enhancement

# Letter of Intent Summary

## Key Term

Beth Israel Lahey Health 

## Affiliation Structure (Sections 2 & 3)

### Form of Transaction (Section 2)

- Membership substitution whereby BILH will become the sole corporate member of Exeter Health Resources
- Exeter Health Resources will become a “first tier” entity of BILH consistent with other first-tier entities – Beth Israel Deaconess Medical Center and Lahey Clinic Foundation
- *See Appendix for illustrative Org Chart*

**Clarification:** comprehensive understanding of the definition and benefits/implications of becoming a “first tier” entity

- Membership substitution whereby [REDACTED] will become the sole corporate member of Exeter Health Resources
- Exeter Health Resources will be a direct subsidiary of [REDACTED] consistent with other entities – [REDACTED]
- *See Appendix for illustrative Org Chart*


### Included Assets, Liabilities and Operations (Section 3)

- All assets, liabilities (both known and unknown) and operations associated with Exeter shall be included

- All assets, liabilities (both known and unknown) and operations associated with Exeter shall be included



# Letter of Intent Summary *(continued)*

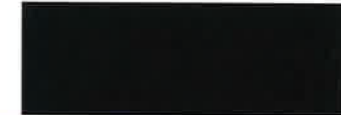
Key Term	Beth Israel Lahey Health 	
<b>Financial Commitments (Sections 4 &amp; 5)</b>		
<p><b>Liabilities and Long-Term Debt</b> <i>(Section 4)</i></p>	<ul style="list-style-type: none"> <li>• Exeter to join BILH Obligated Group as soon as practicable after closing</li> <li>• BILH to ensure Exeter meets all obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Exeter to join [REDACTED] as soon as practicable after closing</li> <li>• [REDACTED] to ensure Exeter meets all obligations</li> </ul>
<p><b>Capital Commitment</b> <i>(Section 5)</i></p>	<ul style="list-style-type: none"> <li>• Minimum of \$375M over 10 years comprised of:               <ul style="list-style-type: none"> <li>– First 5 years following Closing:                   <ul style="list-style-type: none"> <li>– Up to \$165M for Exeter’s inpatient bed recapitalization project</li> <li>– Up to \$35M for IT &amp; EMR</li> <li>– Minimum of \$50M for routine/strategic</li> </ul> </li> <li>– Years 6-10 following Closing:                   <ul style="list-style-type: none"> <li>– \$125M in aggregate</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• \$290M over 10 years comprised of:               <ul style="list-style-type: none"> <li>– First 5 years following Closing:                   <ul style="list-style-type: none"> <li>– \$160M for Exeter’s inpatient bed recapitalization project</li> <li>– \$50M for IT &amp; EMR</li> <li>– \$80M for routine/strategic</li> </ul> </li> <li>– Years 6-10 following Closing:                   <ul style="list-style-type: none"> <li>– Up to \$25M annually</li> </ul> </li> </ul> </li> </ul>
<p><b>Beth Israel Lahey Health</b></p> <p><b>Enhancement:</b> proposed strategic/routine capex through year 5 is \$40M lower than capital needs estimate</p> <p><b>Clarification:</b> expectation regarding level of specificity for categories already contemplated</p>	<ul style="list-style-type: none"> <li>• 5 year capital plan specifying overall categories to be included in Affiliation Agreement</li> <li>• Investments not contemplated in the 5 year capital plan will be funded separate from capital commitment</li> <li>• IT &amp; EMR costs in excess of \$35M specified in capital plan to be funded solely by BILH</li> </ul>	<ul style="list-style-type: none"> <li>• 5 year capital plan to be included in Affiliation Agreement</li> <li>• Physician recruitment, service line developments, and material ambulatory expansion not included in 5 year capital plan funded sperate from capital commitment</li> <li>• IT &amp; EMR costs in excess of \$50M specified in capital plan to be funded solely by [REDACTED]</li> <li>• All investments are subject to review and approval by the Integration Committee</li> </ul>
<p><b>Enhancement:</b> (1) reinsert “minimum” before \$290M (2) “up to” language renders year 6-10 capital proposal effectively equal to zero</p> <p><b>Consideration:</b> as proposed, insertion of “subject to review” language can be interpreted that entire capital commitment is subject to change post-closing</p>		

 = denotes clarification / consideration / area of enhancement

# Letter of Intent Summary *(continued)*

Key Term

Beth Israel Lahey Health 



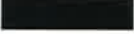

## Financial Commitments (Sections 6 & 20)

### Information Technology *(Section 6)*

**Clarification:** confirm feasibility of Exeter-specific timeline within ongoing system-wide Epic implementation

**Enhancement:** potentially specify certain key software/systems

### Community Programs and Initiatives *(Section 20)*

- Commitment to install clinical and financial Epic EMR system across all Exeter sites within 24 months following closing
- BILH to transition Exeter to other enterprise resource planning software and systems utilized across BILH
- Commitment to install clinical and financial EpicEdge EMR system across all Exeter sites within 12 months following closing
-  to transition Exeter to other enterprise resource planning software and systems utilized across 
- Exeter Board and Exeter Executive Leadership Team shall be responsible for identifying needs, developing plans, and determining the use of \$2M annually to be used specifically in support of community benefit programs advancing Exeter's mission in the communities served
- \$2M to be adjusted annually according to inflation escalator
- Exeter Board shall be responsible for identifying needs, developing plans, and determining the use of \$2M annually to be used specifically in support of community benefit programs advancing Exeter's mission in the communities served
- \$2M to be adjusted annually according to inflation escalator

= denotes clarification / consideration / area of enhancement

# Letter of Intent Summary *(continued)*

Key Term

Beth Israel Lahey Health 

## Financial Commitments (Section 21)

### Philanthropy, Donor Funds, and Board Designated/ Unrestricted Funds *(Section 21)*

#### Beth Israel Lahey Health

**Clarification:** intended meaning of “central role”?

**Clarification:** need to understand the intent behind this approach. Appears to contradict language included elsewhere within this section and within the LOI more broadly

- All funds raised in NH will remain and will be used only in NH
- All philanthropic funds raised in the State of NH, both restricted and unrestricted, will remain subject to oversight of the Exeter Board and shall be deployed in a manner consistent with the direction of donors and in support of Exeter’s charitable mission
- Legal title to Board Designated funds will not change as a result of the Affiliation and shall only be spent to advance the charitable purposes of Exeter
- The Exeter Board and Exeter Executive Leadership Team, in coordination with the BILH system, will have a central role in determining the use of all existing Board Designated and unrestricted funds for the Exeter charitable mission in NH
- All funds raised in NH will remain and will be used only in NH
- All philanthropic funds raised in the State of NH; both restricted and unrestricted, will remain subject to oversight of the Exeter Board and shall be deployed in a manner consistent with the direction of donors and in support of Exeter’s charitable mission
- Legal title to Board Designated funds will not change as a result of the Affiliation and shall only be spent to advance the charitable purposes of Exeter
- All philanthropic monies raised on behalf of or by Exeter will remain the exclusive domain of the Exeter Board
- As a result of joining [REDACTED] requirement for all Exeter’s assets (excluding donor restricted) to be under [REDACTED] control
- [REDACTED] to give consideration to Exeter Board recommendations regarding use of Exeter Board designated funds through collaborative process

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 

## Governance (Section 7)

### Exeter Board *(Section 7)*

#### Beth Israel Lahey Health

**Enhancement:** capture process for filling vacancies during the initial commitment period

**Consideration:** proposal contemplated change from 5 consecutive 2-year terms to 3 consecutive 3-year terms

**Clarification:** what diligence is needed to affirm existing trustees?

**Enhancement:** capture process for filling vacancies during the initial commitment period

**Consideration:** proposal contemplated change from 5 consecutive 2-year terms to 3 consecutive 3-year terms

- Post-closing, Exeter Board comprised of up to 15 trustees
  - Exeter Health Resources and Exeter Hospital continue to have “mirror” boards
  - Initial post-closing Board to be comprised of all trustees serving at closing plus one ex-officio BILH representative
  - Initial Exeter trustees continue for remainder of current term and eligible for at least one full 3-year renewal term *(term limits subject to diligence)*
  - A governance and nominating committee of the Exeter Board shall be responsible for nominating Exeter trustees for BILH approval following the initial period
  - Post-closing, Exeter trustee eligible to serve three consecutive 3-year terms
  - Exeter Board will retain local standing committees consistent with “first tier” entities
  - Exeter Board shall be composed of persons who are members of communities served by Exeter
- Post-closing, Exeter Board comprised of up to 15 trustees
  - Exeter Health Resources and Exeter Hospital continue to have “mirror” boards
  - Subject to diligence, initial post-closing Board to be comprised of all trustees serving at closing
  - Initial Exeter trustees continue for remainder of current term and eligible for at least one full 3-year renewal term
  - A governance and nominating committee of the Exeter Board shall be responsible for nominating Exeter trustees for [REDACTED] approval following the initial period
  - Post-closing, Exeter trustee eligible to serve three consecutive 3-year terms
  - Exeter Board will retain local standing committees consistent with NH law and other [REDACTED] entities
  - Exeter Board shall be composed of persons who are members of communities served by Exeter

= denotes clarification / consideration / area of enhancement

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 



## Governance (Section 7)

### Exeter Board *(continued)* *(Section 7)*

#### Beth Israel Lahey Health

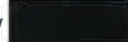
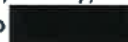
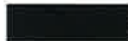

**Consideration:** as proposed, BILH has unilateral ability to amend Exeter bylaws after closing without Exeter approval

**Enhancement:** determine language providing Exeter with appropriate assurances on post-closing rights and authority



**Clarification:** if quality standards are not met, does Exeter Board lose oversight authority?

- The amended and restated bylaws of Exeter shall delegate the following rights and authority to the Exeter Board:
  - Reviewing Exeter strategic plans and operating/capital budgets and recommending approval by BILH Board
  - Consultation, via Exeter’s Board Chair, regarding hiring/removal of Exeter President
  - Reviewing and recommending approval by BILH Board of amendments to the articles of agreement and bylaws of Exeter
  - Oversight of philanthropy
  - Oversight of quality, safety, and risk management programs
  - Oversight of licensure credentialing and medical staff matters (bylaws, membership)
  - Recommending appointment of Exeter trustees for BILH approval
  - Recommending and nominating Exeter Representative to BILH Board
  - Oversight of \$2M local community benefit funds

- The amended and restated bylaws of Exeter shall delegate the following rights and authority to the Exeter Board:
  - Reviewing Exeter strategic plans and operating/capital budgets and recommending approval by  Board
  - Consultation regarding hiring/removal of Exeter President
  - Approval of amendments to the articles of agreement and bylaws of Exeter for 5 years following closing
  - Oversight of philanthropy
  - Oversight of quality, safety, and risk management programs subject to  standards
  - Oversight of licensure credentialing and medical staff matters (bylaws, membership)
  - Recommending appointment of Exeter trustees for  approval
  - Recommending Exeter Representative to  Board
  - Oversight of \$2M local community benefit funds

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 



## Governance (Section 8)

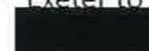


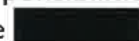

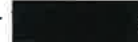

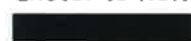
### Exeter Representation on Parent Board (Section 8)

#### Beth Israel Lahey Health







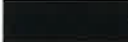
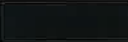
**Enhancement:** period of time should be defined in the LOI

**Clarification:** clarify the second Exeter representative is in fact also serving as an Exeter Board Member. Current language is unclear

- Exeter to appoint one representative to BILH Board for a defined period of time following closing
- Exeter representative will have same rights and responsibilities as all other trustees serving on the BILH Board
- Trustees of Exeter Board will have opportunity to participate on BILH Board committees in a manner similar to other “first tier” entities


- Exeter to appoint two representatives to  Board
  - Chairperson of Exeter Board to serve ex-officio on the  Board
  - Exeter and  to collaborate to nominate another Exeter representative
- Exeter representatives will have same rights and responsibilities as all other trustees serving on the  Board
- Exeter representees will have opportunity to participate on  Board committees in a manner similar to all other  trustees
- Exeter representatives will be reduced from 2 to 1 in 2024 consistent with the number of representatives provided to all  member hospitals
- Exeter to nominate participating physicians to the  Board

# Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health 	
<b>Integration and Operations (Sections 9, 10 &amp; 11)</b>		
<b>Integration Committee</b> <i>(Section 9)</i>	<p><b>Enhancement:</b> potentially tie to certain milestones</p> <ul style="list-style-type: none"><li>Integration Committee consisting of an equal number of representatives from each party for a period of at least 12 months following closing or until integration is substantially complete</li></ul>	<ul style="list-style-type: none"><li>Integration Committee consisting of an equal number of representatives from each party for a period of at least 12 months following closing or until integration is substantially complete</li></ul>
<b>Operating Commitments</b> <i>(Section 10)</i>	<ul style="list-style-type: none"><li>Exeter to have access to all BILH operating and clinical resources, expertise and innovations on par with other BILH entities</li><li>Integration Committee to determine extension of resources to Exeter</li><li>Methodology by which Exeter will be charged for system services to be set forth</li></ul>	<ul style="list-style-type: none"><li>Exeter to have access to all  operating and clinical resources, expertise and innovations on par with other  entities</li><li>Integration Committee to determine extension of resources to Exeter</li><li>Methodology by which Exeter will be charged for system services to be set forth</li></ul>
<b>Quality and Safety</b> <i>(Section 11)</i>	<ul style="list-style-type: none"><li>Exeter to have access to all BILH quality resources, data collection and financial tools/systems to enhance care quality</li><li>BILH will share its scientific evidence-based best practices with Exeter to enhance quality</li></ul>	<ul style="list-style-type: none"><li>Exeter to be a full member of  Patient Safety Organization </li><li>Exeter to have access to all  patient safety data, analytics, system forums, quality resources, data collection and financial tools/systems to enhance care quality</li><li> will share its scientific evidence-based best practices with Exeter to enhance quality</li><li> to learn from Exeter's lean system</li></ul>

**Clarification:** clarify benefits and implications of becoming a member of the patient safety organization

# Letter of Intent Summary *(continued)*

Key Term	Beth Israel Lahey Health 	
<b>Clinical Commitments (Section 12 &amp; 13)</b>		
<p><b>Commitment to Maintain Facilities, Services, and Programs</b> <i>(Section 12)</i></p>	<ul style="list-style-type: none"> <li>For a period of time to be determined, BILH to continue operating substantially all existing Exeter facilities, services and programs in a manner consistent with Exeter’s mission and operations immediately preceding closing</li> <li>Any changes to be made under oversight of Exeter Board and BILH Board according to a process to be determined</li> </ul> <p style="border: 1px solid yellow; padding: 2px;"><b>Enhancement:</b> time period and process should be defined</p>	<ul style="list-style-type: none"> <li>For 10 years following closing, <span style="background-color: black; color: black;">[REDACTED]</span> to continue operating substantially all existing Exeter facilities, services and programs in a manner consistent with Exeter’s mission and operations immediately preceding closing</li> <li>Any changes to be made under oversight of Exeter Board and authority of the <span style="background-color: black; color: black;">[REDACTED]</span> Board</li> </ul> <p style="border: 1px solid yellow; padding: 2px;"><b>Clarification:</b> rationale for deleted language “Exeter assets to remain dedicated to promoting health of community”</p>
<p><b>Clinical Growth Initiatives</b> <i>(Section 13)</i></p> <p style="border: 1px solid yellow; padding: 2px;"><b>Enhancement:</b> capture role of the Integration Committee in develop of Clinical Services Growth Plan</p>	<ul style="list-style-type: none"> <li>BILH and Exeter to develop Clinical Services Growth Plan to expand breadth and depth of services provided locally in Exeter’s service areas including access to tertiary &amp; quaternary services</li> <li>Such services will include, at minimum, primary care, cardiology, vascular surgery, general surgery, gastroenterology, oncology, women’s health, orthopedics, pediatrics, behavioral health, urgent care, ambulatory site development, extension of clinical trials, and extension of medical education programs</li> </ul>	<ul style="list-style-type: none"> <li><span style="background-color: black; color: black;">[REDACTED]</span> and Exeter to develop Clinical Services Growth Plan to expand breadth and depth of services provided locally in Exeter’s service areas including access to tertiary &amp; quaternary services</li> <li>LOI specifies detailed goals for : oncology, general surgery, orthopedic surgery, maternal and fetal medicine, pediatrics, thoracic services, and heat and vascular care</li> <li>Clinical Services Growth Plan will also include primary care, intensivist care, behavioral health, gastroenterology, urgent care, ambulatory sites, clinical trails, &amp; Tufts teaching hospital programs</li> </ul>



# Letter of Intent Summary *(continued)*

Key Term

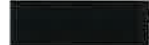

Beth Israel Lahey Health 



## Clinical Commitments (Section 14)

### Exeter's Existing Clinical Affiliations *(Section 14)*

- Principle to minimize any disruption to the care Exeter provides and the community receives
- Principle to ensure that the access to and the quality of the services provided are maintained
- BILH to develop a Clinical Affiliation Plan to maintain, enhance or replace existing clinical affiliations
- To the extent certain clinical affiliations are replaced by BILH, the Clinical Affiliation plan shall ensure the replacement programs are equivalent to such programs currently provided and disruptions to physicians, employees and patient care are minimized

- Principle to minimize any disruption to the care Exeter provides and the community receives
- Principle to ensure that the access to and the quality of the services provided are maintained
-  to develop a Clinical Affiliation Plan to maintain, enhance or replace existing clinical affiliations
- To the extent certain clinical affiliations are replaced by , the Clinical Affiliation plan shall ensure the replacement programs are equivalent to such programs currently provided and disruptions to physicians, employees and patient care are minimized

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 



## Medical Staff (Section 15)

### Medical Staff *(Section 15)*


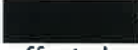

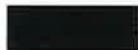


#### Beth Israel Lahey Health

**Enhancement:** modify language to state “will support Exeter’s maintenance of”



**Clarification:** need to better understand both the intent and implications (e.g., financial operational, leadership) behind approach to integrate Core after year 3

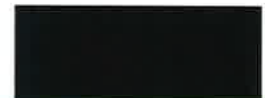
**Enhancement:** modify language to state “will support Exeter’s maintenance of”

- Principle that physician disruption be minimized under the Affiliation
  - Medical staff members in good standing shall maintain privileges at Exeter facilities
  - Unless mutually agreed upon, Core shall remain a subsidiary of Exeter Health Resources for at least 3 years following closing
  - BILH to support and integrate Core over time as determined by the Integration Committee and Clinical Services Growth Plan
  - BILH to support medical staff development efforts by providing Exeter with recruitment assistance
  - Exeter employed physicians to access same resources as BILH employed physicians
  - BILH to maintain existing employment contracts for Exeter employed physicians through current term of such agreements
  - BILH to provide independent physicians access to programs and services consistent with BILH independent physicians
- Principle that physician disruption be minimized under the Affiliation
  - Medical staff members in good standing shall maintain privileges at Exeter facilities
  - Unless mutually agreed upon, Core shall remain a subsidiary of Exeter Health Resources for at least 3 years following closing
  - Intent to integrate Core into  employed physician group with shared leadership
  -  to support medical staff development efforts by providing Exeter with recruitment assistance
  - Exeter employed physicians to access same resources as  employed physicians
  -  to maintain existing employment contracts for Exeter employed physicians through current term of such agreements
  -  to provide independent physicians access to programs and services consistent with  independent physicians

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 



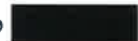
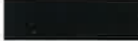
### Employees and Management (Sections 16 & 17)

#### Employees *(Section 16)*

##### Beth Israel Lahey Health

**Clarification:** intent and scope of "other diligence"

- Retain all employees on consistent terms for 24 months following closing, subject to customary employment screenings and other diligence
- Materially comparable benefit offerings should employees transition to BILH benefit plans
- BILH to honor prior service credit for benefit eligibility and accrued vacation

- Retain all employees on consistent terms for 24 months following closing
- Materially comparable benefit offerings should employees transition to  benefit plans
-  to honor prior service credit for benefit eligibility and accrued vacation

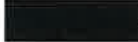

#### Management *(Section 17)*

##### Beth Israel Lahey Health

**Clarification:** intent behind deletion of "with equivalent responsibilities" language

**Enhancement:** add language describing approach to management reporting relationships

- Exeter leadership team to continue post-closing in current roles
- BILH to honor any employment, retention or severance agreements, subject to diligence
- Opportunities to participate in broader system leadership roles
- Active role in developing strategic plans and operating/capital budgets
- Anticipate certain Exeter leaders to transition to BILH employment over time consistent with other "first tier" entities

- Exeter leadership team to continue post-closing in current roles with equivalent responsibilities
-  to honor any employment, retention or severance agreements
- Opportunities to participate in broader system leadership roles
- Exeter leaders will have dual reporting structure to Exeter President and system counterpart
- Active role in developing strategic plans and operating/capital budgets
- Exeter President to serve on  Executive Leadership Council

 = denotes clarification / consideration / area of enhancement

# Letter of Intent Summary *(continued)*

## Key Term

Beth Israel Lahey Health 



## Other (Sections 18, 19 & 23)

### Branding *(Section 18)*

- Exeter will be co-branded post closing
- Approach to be determined in Affiliation Agreement

- Exeter will be co-branded post closing
- Approach to be determined in Affiliation Agreement

### Care to Vulnerable Populations *(Section 19)*

- Abide by policies that are no less generous than existing Exeter policies
- Any change to policies must comply with applicable state law

- Abide by policies that are no less generous than existing Exeter policies
- Any change to policies subject to Exeter Board approval and must comply with applicable state law

**Clarification:** rationale for deletion of language stating changes would be subject to approval by the Exeter Board

### Post-Closing Enforcement *(Section 23)*

- Affiliation Agreement to set forth applicable provisions for an appropriate period of time post-closing regarding the monitoring and enforcement of all commitments contained in the Affiliation Agreement

- Affiliation Agreement to set forth applicable provisions for an appropriate period of time post-closing regarding the monitoring and enforcement of all commitments contained in the Affiliation Agreement

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# Partner Interactions

*(additional detail provided in Appendix)*

# Overview of Partner Interaction Workstreams

Interaction	Key Objectives
<b>#1</b> <b>Partner Presentation &amp; Exeter Site Visit</b>	In-person meetings allowing Exeter’s senior leadership and Board Executive Committee to increase familiarity with each organization – culturally, operationally, and strategically – via presentations detailing organizational overview, partnership vision, and ability to address Exeter’s objectives
<b>#2</b> <b>Peer-to-Peer Leadership Calls</b>	Calls among Exeter’s and respective partner organization’s subject matter leaders across 7 focus areas to develop a deeper perspective on how the partner organization operates
<b>#3</b> <b>Community Hospital Virtual Meetings</b>	Virtual meetings allowing Exeter leadership to engage with management teams from community hospitals within the BILH and [REDACTED] systems with the goal of providing visibility into “life as a community hospital” within the broader system
<b>#4</b> <b>Board Reference Calls</b>	Calls connecting Exeter’s Executive Committee and CEO to board member counterparts at hospitals that previously joined BILH or [REDACTED] to better understand that hospital’s rationale for partnership and experiences pre- and post-partnership with BILH or [REDACTED]
<b>#5</b> <b>CEO / Board Chair Virtual Meetings</b>	Small group setting affording Exeter Board Chair and CEO the opportunity to engage with their peers at BILH and [REDACTED] respectively, with a particular emphasis on governance, leadership, and community commitment

# WORKSTREAM #1: Partner Presentation & Exeter Site Visit

Beth Israel Lahey Health 

**Date:** November 8<sup>th</sup>

**Location:** Exeter Hospital

**BILH Attendees:**

- Ann-Ellen Hornidge, JD | Board of Trustees, Chair
- Kevin Tabb, MD | President & CEO
- Michael Rowan | EVP Hospital/Ambulatory Services
- John Kerndl | EVP and CFO
- Peter Shorett | Chief Strategy & Integration Officer
- Jamie Katz | Chief General Counsel
- Dick Nesto, MD | Chief Medical Officer

**Exeter Attendees:**

- Board Executive Committee
- ET Team + Physician Leadership

**Meeting Highlights:**

- Organizational capabilities, resources, and expertise
- Partnership vision, particularly Exeter/NH strategy
- Cultural compatibility

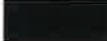
**Date:** November 9<sup>th</sup>

**Location:** Exeter Hospital

**Exeter Attendees:**

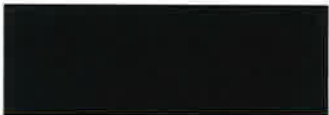
- Board Executive Committee
- ET Team + Physician Leadership

**Meeting Highlights:**

- Approach to relationship with 
- Value-based care and population health efforts
- Distributed academic medicine

# WORKSTREAM #2: Peer-to-Peer Leadership Calls

Beth Israel Lahey Health 



<u>Date</u>	<u>Focus Area</u>
11/15:	<b>Finance</b> <i>Exeter Lead: Allison Casassa</i>
11/15:	<b>Provider Organization</b> <i>Exeter Lead: Melanie Lanier</i>
11/16:	<b>Operations</b> <i>Exeter Lead: Deb Cresta</i>
11/16:	<b>Strategy</b> <i>Exeter Lead: Mark Whitney</i>
11/17:	<b>Hospital Physician/Provider</b> <i>Exeter Lead: Neil Meehan</i>
11/17:	<b>Human Resources</b> <i>Exeter Lead: Chris Callahan</i>
11/22:	<b>IT, Compliance &amp; Security</b> <i>Exeter Lead: David Briden/ David Speilman</i>

<u>Date</u>	<u>Focus Area</u>
11/29:	<b>Finance</b> <i>Exeter Lead: Allison Casassa</i>
11/30:	<b>Operations</b> <i>Exeter Lead: Deb Cresta</i>
12/1:	<b>Strategy</b> <i>Exeter Lead: Mark Whitney</i>
12/2:	<b>Provider Organization</b> <i>Exeter Lead: Melanie Lanier</i>
12/7:	<b>Hospital Physician/Provider</b> <i>Exeter Lead: Neil Meehan</i>
12/8:	<b>Human Resources</b> <i>Exeter Lead: Chris Callahan</i>
12/14:	<b>IT, Compliance &amp; Security</b> <i>Exeter Lead: David Briden/ David Speilman</i>



# WORKSTREAM #3: Community Hospital Virtual Meetings

Beth Israel Lahey Health 

Beth Israel Lahey Health   
Beth Israel Deaconess Milton

**Date:** December 7<sup>th</sup>

**BILH Attendees:**

- Richard Fernandez | President
- Angela Fenton | VP Ambulatory
- Peter Shorett | System CSO
- Sheila Barnett, MD | CMO
- Lynn Cronin | CNO
- Sheilah Rangaviz | CFO

**Meeting Highlights:**

- [TO BE COMPLETED]

Beth Israel Lahey Health   
Beverly Hospital

**Date:** December 8<sup>th</sup>

**BILH Attendees:**

- Tom Sands | President
- Connie Woodworth | CFO
- Craig Williams | COO
- Kim Perryman | CNO
- Hugh Taylor | Med Staff President
- Steve Salvo | Interim, VP HR
- Peter Shorett | System CSO

**Meeting Highlights:**

- [TO BE COMPLETED]

**Note:** Exeter attendees for each meeting included the ET Team + Physician Leadership

# WORKSTREAM #4: Board Reference Calls

Beth Israel Lahey Health 

Beth Israel Lahey Health   
Beth Israel Deaconess Needham

**Date:** November 30<sup>th</sup>

**BILH Attendees:**

- Stephen Vanourny | Board Member
- Peter Shorett | System Chief Strategy Officer

**Meeting Highlights:**

- [TO BE COMPLETED]

Beth Israel Lahey Health   
Winchester Hospital

**Date:** December 6<sup>th</sup>

**BILH Attendees:**

- Jane Walsh | Board Member
- Peter Shorett | System Chief Strategy Officer

**Meeting Highlights:**

- [TO BE COMPLETED]

**Note:** Exeter attendees for each meeting included the Executive Committee (as available) and CEO

# WORKSTREAM #5: CEO / Board Chair Virtual Meetings

Beth Israel Lahey Health 

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**Date:** December 6<sup>th</sup>

**BILH Attendees:**

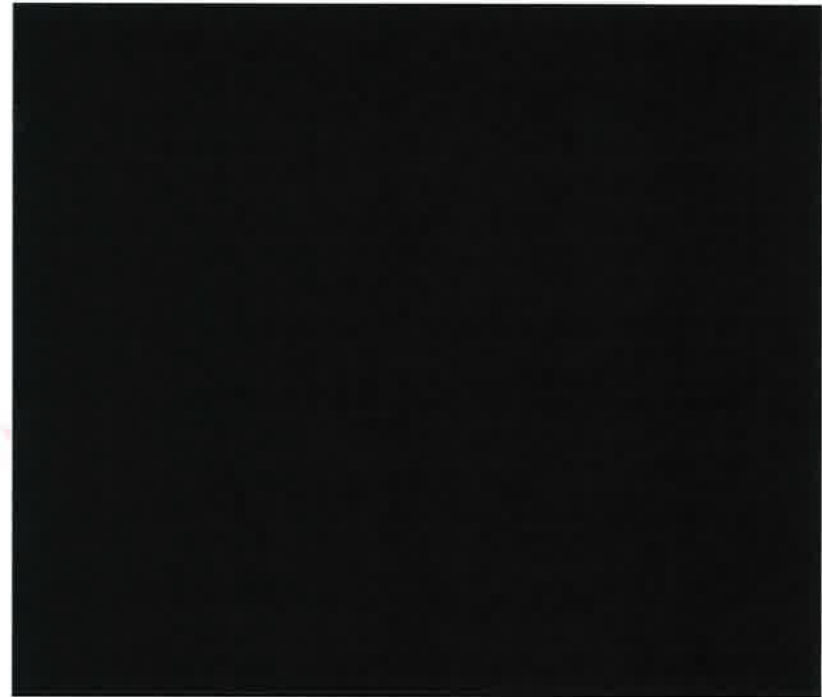
- Ann-Ellen Hornidge, JD | Board of Trustees, Chair
- Kevin Tabb, MD | President & CEO

**Exeter Attendees:**

- Rob Eberle | Board of Trustees, Chair
- Kevin Callahan | President & CEO

**Meeting Highlights:**

- [TO BE COMPLETED]



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# Locke Lord Update

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# Next Steps

# Preliminary Timeline of Near-Term Next Steps

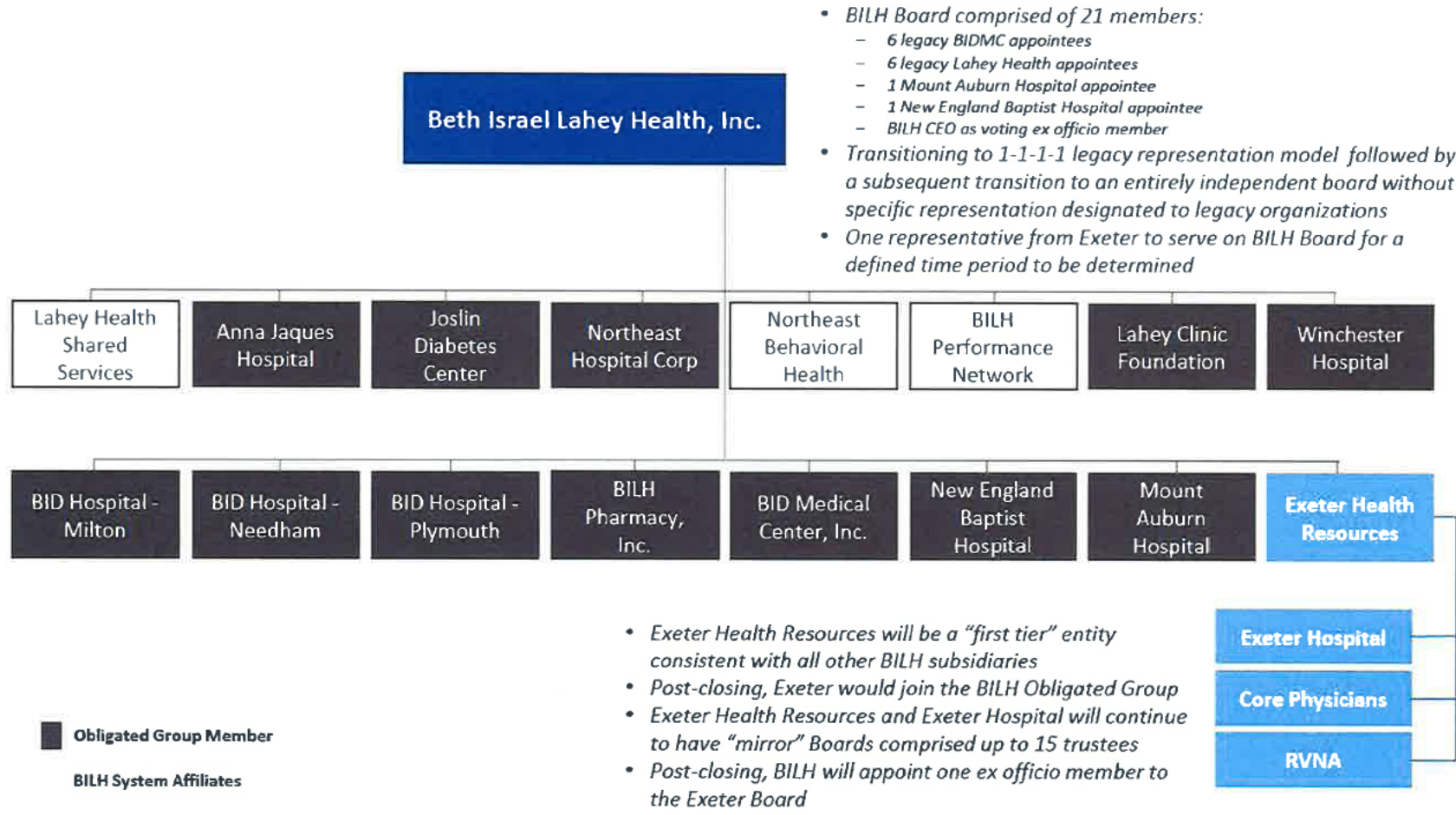
Activity	Timing
<b>1.</b> Board Meeting - Review LOI Summary	<b><i>December 17<sup>th</sup></i></b> <i>(current meeting)</i>
<b>2.</b> Finalist Presentations and Board Deliberation <ul style="list-style-type: none"> <li>• BILH: 7:30am – 9:00am</li> <li>• [REDACTED] 9:30am – 11:00am</li> <li>• Deliberation/ Decision?: 11:00am – 1:00pm</li> </ul>	<b><i>January 4<sup>th</sup></i></b>
<p>***Direction given to Executive Committee and Leadership to negotiate LOI(s)***</p>	
<b>3.</b> Final LOI Negotiation led by Executive Committee & Management	<b><i>Early-Mid January</i></b>
<b>4.</b> Formally Select Preferred Partner and Approve LOI Execution	<b><i>January 28<sup>th</sup></i></b>
<b>5.</b> Definitive Agreement Negotiation and Confirmatory Due Diligence	<b><i>February – April</i></b> <i>(estimate)</i>

# Appendix

## Illustrative Org Charts



# Illustrative Org Chart



- BILH Board comprised of 21 members:
  - 6 legacy BIDMC appointees
  - 6 legacy Lahey Health appointees
  - 1 Mount Auburn Hospital appointee
  - 1 New England Baptist Hospital appointee
  - BILH CEO as voting ex officio member
- Transitioning to 1-1-1-1 legacy representation model followed by a subsequent transition to an entirely independent board without specific representation designated to legacy organizations
- One representative from Exeter to serve on BILH Board for a defined time period to be determined

- Exeter Health Resources will be a "first tier" entity consistent with all other BILH subsidiaries
- Post-closing, Exeter would join the BILH Obligated Group
- Exeter Health Resources and Exeter Hospital will continue to have "mirror" Boards comprised up to 15 trustees
- Post-closing, BILH will appoint one ex officio member to the Exeter Board

Sources: BILH Indication of Interest, BILH Letter of Intent BILH website, BILH OS 2019



# Strategic Partnership Goals & Objectives

# Strategic Partnership Goals & Objectives

1



## Mission and Culture

- **Ensure Exeter continues as a community focused and mission driven organization** with a demonstrated long-term commitment to serve the evolving needs of the Exeter region
- **Ensure cultural alignment** with Exeter's core values continually emphasizing a steadfast commitment to service the community through access to the best possible healthcare for everyone

2



## Strategy & Long-term Vision

- **Enable Exeter to achieve scalable infrastructure and capabilities** required for rapid evolution and improved agility aimed at **enhancing population health management expertise** to ensure the delivery of **affordable value-based accountable care**
- **Position Exeter to enhance long-term sustainability and disruption preparedness** through **consumer-focused innovation and transformational strategies**

3



## Clinical

- **Sustain, optimize and expand breadth and depth of scope of services** provided locally in the service area, including (but not limited to) primary care, cardiology, vascular surgery, general surgery, gastroenterology, oncology, women's health, orthopedics, pediatrics and behavioral health
- **Ensure access to high quality healthcare** by enhancing sustainability of current programmatic offerings, supporting care network growth and regional access to expanded care, and improving virtual care capabilities

## Strategic Partnership Goals & Objectives *(continued)*

4



### New Care Models and Quality

- **Provide value-based accountable care infrastructure and expertise** to enhance clinical effectiveness and reduce costs through **population health management** and **alternative payment models**
- **Embrace the evolving quality, convenience and consumerism preferences** of patients/consumers by accessing expertise to deploy related strategies in the communities served by Exeter and enhance patient engagement

5



### Information Technology

- **Provide Exeter with the IT resources and expertise** to support the implementation of an integrated, leading, enterprise-wide IT strategy and EMR implementation by extending its own instance (or build) or by providing a new installation
- **Enhance Exeter's data and business analytics capabilities** required to support successful population health management and value-based care transformation driving improved health outcomes

6



### Physicians and Employees

- **Strengthen human capital by enhancing recruitment and retention** of physicians, nurses, other providers and employees
- **Provide an environment where Exeter employees can thrive**; offering opportunities for professional development and long-term growth
- **Continue the support of an aligned and engaged physician enterprise** characterized by collaboration across the broader organization

# Strategic Partnership Goals & Objectives *(continued)*

7



## Financial Sustainability

- **Ensure future long-term financial sustainability** by accessing economies of scale and efficiencies to better manage the unit cost of delivering healthcare services and successfully deliver affordable care
- **Enhance access to affordable capital** to support future strategic investments, including commitments to the planned inpatient bed recapitalization project, and critical growth initiatives required for organizational evolution
- **Ensure board designated and unrestricted funds** held by Exeter may be spent only to advance the charitable purposes of Exeter for the benefits of the communities served by Exeter

8



## Branding

- **Achieve meaningful differentiation** characterized by strong brand reputation that enhances and complements Exeter's existing brand
- **Maintain an appropriate level of local branding** for a period of time after completion of a transaction

9



## Governance

- **Maintain appropriate influence** over local decisions and strategic direction to the extent possible considering partner commitments
- **Seek partner demonstrating governance-management connectivity** during transaction process
- **Ensure appropriate governance-management connectivity** with partner post-transaction

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