

Clint Adams

Mr. Adams:

- Good evening. My name is Clint Adams and I represent Ardent Health Services as its Executive Vice President and Chief Financial Officer. I want to thank the State Health Planning Board members and the staff of the Department of Health for being here tonight.
- This is a very important part of the process and we appreciate you giving the public the opportunity to make their thoughts and concerns known. Now, as I begin, I would like to provide you with background on Ardent Health Services.
- We're a privately held hospital and physician practice company based in Nashville, Tennessee. We currently operate three health systems in three states with a network of 14 hospitals with more than 2100 licensed beds; nearly 13,000 employees and over 375 employed physicians practicing in over 100 clinic locations.
- Our management team has extensive experience in the ownership and management of community hospitals and health systems. Ardent has earned a reputation as one of the industry's strongest – and most innovative – hospital operators.
- We invest in people, technology, facilities and communities, producing high-quality care and extraordinary results. Since 2001, we have invested more than \$835 million dollars in raising the standard of care in the communities we serve.
- Today, our hospitals consistently exceed national averages in Overall Hospital Quality Star Ratings as ranked by the Centers for Medicare & Medicaid Services. Additionally, five Ardent hospitals were named to Modern Healthcare's prestigious "Best Places to Work" list this year – more than any other system in the country.
- In October, Ardent announced that it had agreed to merge with LHP Hospital Group. LHP is the entity three ownership levels above the entity that is the majority owner of the entity that owns and operates HackensackUMC Mountainside in partnership with Hackensack Meridian Health. Under the terms of the agreement, the proposed merger will combine both Ardent's and LHP's operations and allow LHP to be recapitalized – replacing its existing equity and debt financing source with Ardent. Additionally, key members of LHP's management team and board of directors will join Ardent. This structure ensures the governance, operations and management of LHP's joint ventures and joint venture hospitals will not change. Ardent will assume LHP's management and operational responsibilities within the HackensackUMC Mountainside joint

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venture, with continuation of the same joint venture arrangement and board composition for the hospital. The merger has the effect of recapitalizing the equity interests behind the hospital's managing partner.

- The community should see little change in HackensackUMC Mountainside's near future day-to-day operations.
- As a combined company, which will operate under the Ardent name, we will be stronger and even better positioned to serve our patients and communities. The combined company will be the second largest privately held, for-profit hospital operator in the United States, with 19 hospitals in six states and over 475 employed physicians. Combined revenues will be \$3 billion dollars.
- Every action we take at Ardent is built on three key tenets:
  - Ardent recognizes that each hospital is as unique as the community it serves.
  - We believe in working with employees and physicians to improve the quality of care, patient safety and customer service and we measure all three continuously.
  - We reinvest in our facilities – helping our hospitals expand services, enhance technology and add new programs that fulfill their missions.
- We believe it is this mix of corporate support and local autonomy that provides our hospitals with the tools they need to succeed.
- HackensackUMC Mountainside will be an important part of our company. With a growing service area and an affiliation with the region's leading academic health system, we believe HackensackUMC Mountainside is an attractive community health resource that can succeed and thrive long into the future. Already a high quality, high performance facility, the hospital fits well into our culture and our strategic plan. The joint venture with Hackensack Meridian Health provides further opportunities for beneficial clinical integration and sharing of best clinical practices.
- Once Ardent completes the merger with LHP, our joint venture has committed to operate under the transferable conditions from Mountainside's earlier certificate of need.
- In addition, we're maintaining the employees' current rates of pay, benefits and seniority, continuing all the existing labor agreements, accepting current medical staff credentials and continuing all insurer agreements.

Remarks about HackensackUMC Mountainside JV to be delivered orally at a state Health Planning Board  
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- We expect to build upon the great foundation that already exists at HackensackUMC Mountainside, and believe our financial stability will allow the hospital to continue to provide excellent patient care for the community, and take clinical performance to a whole new level.
- I also want to enter into the record a Joint Statement in support of this application from Bob Garrett the Co-President and CEO of Hackensack Meridian Health and David Vandewater the President and CEO of Ardent Health Services.
- We respectfully request that you approve the Certificate of Need.
- Thank you for your time and attention to this matter.