



ALL MISSION HEALTH EMPLOYEE EMAIL

From: Ronald A. Paulus M.D.

Sent: Wednesday, March 21, 2018 6:15 PM

Subject: An Important Announcement

Dear Members of the Mission Health Family,

I am extremely pleased to share the great news that Mission Health's Board of Directors has unanimously decided to explore joining HCA Healthcare, Inc., a Nashville, Tennessee-based company founded 50 years ago by two physicians.

A letter of intent to explore the possible arrangement is now in place. If regulatory requirements are met and we confirm in this next discovery phase that joining HCA holds the great promise and potential that we believe it does, Mission Health will become a member of the HCA family sometime later this calendar year. This is great news for our people, our patients and the communities we are privileged to serve.

So why are we pursuing joining HCA at a time when Mission has been consistently recognized as one of the nation's highest quality health systems and we have been continually improving, investing and expanding to successfully meet the health and wellness needs of the citizens of western North Carolina?

The answer is as simple as it is compelling: *we strongly believe that we can do much more together than we could alone, and that this is an exciting next step in achieving our true mission, which is to improve the health of the citizens of western North Carolina and the surrounding region.* In a period where insurers, government and businesses are routinely asking health systems to always do more with less, we don't want to retreat from our mission – instead, we want to accelerate our path to achieving it.

Because of the extraordinary demands on healthcare providers, mergers and acquisitions are taking place across our country and our state at an unprecedented pace. The Board, all of whom are local community members who care deeply about ensuring access to high quality care for the people of western North Carolina for many generations to come, knew that it was essential that we act from a position of strength to shape our desired future. *Given the inevitability of consolidation, we wanted it to be **our choice** long before we are forced to make one.* Only then can we ensure that our selected choice is as invested as we are in our mission, patients, people, physicians and communities.

After a careful and thorough search, Mission Health's Board believes that HCA is right for Mission Health and western North Carolina.

- **The right choice for our team** – HCA intends to use Mission Health as its platform for growth and expansion across the region. They plan to invest and grow so, importantly, we *do* expect new opportunities to be created – particularly for clinical staff. Fundamental to HCA's philosophy is to provide the support and resources needed for local leaders, service providers and clinicians to best meet the needs of their patients, with the same high-quality care they have come to expect and deserve. While some positions will likely change or be eliminated

over time, as they have been for years, we do not anticipate significant changes beyond what we typically experience or that would otherwise be required if we were to go it alone.

- **The right choice for our patients and their families** – HCA is attracted to our world-class quality care and clinical outcomes delivered through our incredible clinicians and clinical networks, our robust system of community-based hospitals, out-patient and surgery centers, and post-acute and long-term care providers. We look forward to the possibility of accelerating improvements. That's *great* news for our patients and communities.
- **The right choice for our communities** – HCA has a proven track-record of making meaningful investments in its communities – not just for its healthcare operations, but beyond. A key component of this agreement, should it move forward, is the creation of a very substantial foundation. We know all too well that some of the most important issues driving poor health in our communities have nothing to do with medical care, but instead are linked to social determinants. While the final details still need to be worked out, the foundation's assets will be focused on the people who live in our communities. With the potential of tens of millions of dollars or more available every year for improving the health of the residents of western North Carolina and beyond, the possibilities of this new foundation are nothing short of transformational.

Finally, it is important that our mission, values and ethics are shared. You may be pleased to know that HCA has been named one of the World's Most Ethical Companies for nine years in a row. The honor was bestowed upon them by the recognized global leader in advancing the standards of ethical business practices, the Ethisphere Institute.

In closing, as we move through this process, we pledge to be as transparent as possible. While we have few details to share at this preliminary stage, we have created a website (<http://www.missionhealthforward.org>) where updates and information will be posted as they become available. We invite you to visit the site often.

On behalf of the Board, please accept our deep appreciation for the contributions you make every day to our patients, our organization and our communities. It is a testament to all of you that we are able to pursue a course that protects and serves the best interests of our people, patients and communities. Together, we are moving Mission Health forward, ensuring healthy, vibrant communities and world-class healthcare for future generations of western North Carolinians.

Best Regards,

Ron

Ronald A. Paulus, MD
President and CEO
Mission Health System