

SPECIAL COMMISSIONER MEETING OF October 16, 2020

The Caribou County Commissioners met for a special meeting on October 16, 2020 at 5:00 p.m. Those in attendance, Commissioner Chairman Phil Christensen, Commissioner Mark Mathews and Commissioner Bryce Somsen. Also, in attendance were Caribou County Clerk Denise Horsley, Caribou County Prosecutor Doug Wood, Mark Steele.

- The Commissioners are here to discuss the Caribou Memorial Hospital MOU with the County Attorney Doug Wood.
- Commissioner Mathews presented Commissioners Christensen, and Somsen with figures from two Nursing Homes from Utah that have sold to compare with our Nursing Home. Commissioner Mathews received the information from Scott Simons with Alpine Business Brokers who originally meet with the Commissioner on August 10, 2020 about buying or selling the County Nursing Home.
- The Commissioners made and agreed to the following changes to the original MOU that was draw up with the Board of Trustees of Caribou Memorial Hospital.
 1. To avoid continuing or growing costs to Caribou County and its taxpayers, a new non-profit community-based charitable corporation (“Caribou Community Hospital” hereinafter referred to as “CCH”) will be created to assume the responsibility to construct, own and operate the new hospital in Soda Springs. Because it is not a government hospital, CCH will be better able to seek financing, operate more efficiently, have greater flexibility in entering favorable arrangements, and adapt more quickly to the rapidly changing healthcare landscape.
 2. CCH will assume responsibility for and ensure that the nursing home remains open through at least August 31, 2021. Caribou County will determine whether to continue operating the nursing home, sell it to an appropriate buyer, or close the nursing home.
- 3. Idaho Code § 31-3515A authorizes and establishes the process for converting a county hospital to a non-profit hospital. Consistent with § 31-3515A, we anticipate that the transaction will be structured as set forth in this Memorandum.
- 4. The current County Hospital Board of Trustees will create CCH.
- 5. To ensure that CCH operates the hospital for the benefit of the community, CCH’s Articles of Incorporation and/or Bylaws will include the following requirements consistent with I.C. § 31-3515A:

- a. The current County Hospital Board of Trustees shall serve as the initial board of directors for CCH until CCH's members elect new directors.
 - b. CCH will have citizen members who are broadly representative of the public and include residents of each incorporated city in the County and of the unincorporated area of the County.
 - c. CCH members will in turn elect the board of directors for CCH.
 - d. Once elected, CCH directors shall serve for no more than two (2) consecutive terms of three (3) years. Additional provisions concerning the term of CCH directors may be set forth in CCH's bylaws.
 - e. CCH will operate as a non-profit hospital in compliance with § 501(c)(3) of the Internal Revenue Code. As such, it will comply with the public reporting and community benefit requirements set forth in § 501(r).
6. To help cover the County Hospital's operating expenses while the new hospital is being constructed, credentialed, and otherwise prepared to open, Caribou County will transfer \$200,000 to the County Hospital in October 2020. In addition Caribou County has set aside another \$200,000 to help cover the cost of repairing and maintaining the following items in the County Hospital if they should break or need significant repair or replacement before the new hospital is operational: (i) air handler units; (ii) hot water units; (iii) DA tank; (iv) water softeners; (v) plumbing system; (vi) elevators; (vii) electrical systems; and (viii) other items as necessary as the parties may agree. The County Hospital will be responsible for routine maintenance of its facilities and equipment. Caribou County shall not be liable for any further costs associated with the hospital.
 7. Upon Caribou County's approval of this Memorandum, CCH will immediately proceed with steps necessary to secure financing and construct the new hospital, including but not limited to preparing plans for the new hospital. Upon the County's request, CCH shall provide a copy of the plans to Caribou County for review and comment. If the CCH trustees, for some unforeseen reason, cannot obtain financing for the new hospital by September 30, 2022, the hospital shall revert to Caribou County ownership.
 8. At a mutually agreed date and to ensure CCH has the capital necessary to obtain financing for construction, Caribou County will transfer to CCH all assets of the County Hospital, including but not limited to the real estate, facilities, equipment, supplies, accounts, and all other County Hospital assets through an appropriate transfer agreement approved by the parties ("Transfer Agreement"). In return, CCH will agree to construct the new hospital and continue to provide care for persons within the County, including indigent patients and

those falling sick or maimed within the County consistent with its obligations under applicable law. The new hospital will continue to provide acute hospital services on a level commensurate with the existing Community Hospital, including but not limited to having an emergency department; a minimum of five (5) inpatient hospital beds; a surgical suite; inpatient and outpatient clinical, diagnostic and therapy services appropriate to the needs of the Community and the long term success of the hospital; and swingbeds capable of providing skilled nursing services for a period of up to 100 days.

9. CCH will be responsible for accepting the transfer of patients from the County Hospital as appropriate given the new hospital's services and facilities. CCH will be responsible for cooperating and working with the area agency on aging and ombudsmen relative to the closing of the nursing home.
10. CCH will assume the County Hospital's contractual obligations and other liabilities as the parties shall mutually agree in the Transfer Agreement.
11. CCH anticipates employing the current hospital employees including those who are rendering services to the nursing home; however, such employment decisions shall depend on the services offered by and needs of the new hospital.
12. Throughout this process, the parties shall cooperate in good faith to accomplish the purpose of constructing and operating a new hospital facility to serve the citizens of the County.
13. If CCH decides to sell the new hospital, CCH must abide by the statutory mandates in Idaho Code 31-3515A(2).
14. If the terms of this agreement are not adhered to by CCH or if CCH breaches any of its' duties heretofore mentioned, Caribou County shall make CCH aware of said deficiencies in writing and allow 30 days for the issue to be remedied. If the matter is not remedied or resolved, CCH shall transfer ownership back to the County.

This Memorandum is intended to outline the proposed transaction and the parties' respective obligations relating to the proposed transaction. The final terms of the proposed transaction will be as set forth in the Transfer Agreement and associated documents. By signing below, the persons represent that (i) their respective organization has approved the proposed transaction; (ii) they each have authority to execute this Memorandum on behalf of their respective organization; and (iii) the parties will proceed in reliance on this Memorandum.

- **Other:**

- The meeting adjourned at 6:20 p.m. The Caribou County Board of Commissioners will meet October 26, 2020 at 9:00 a.m. for regular meeting.

Signed: Phil Christensen, Commissioner Chairman

Attested: Denise Horsley




