OFFICE OF THE ATTORNEY GENERAL
STATE OF GEORGIA

IN THE MATTER OF THE CHANGE OF CONTROL OF HOUSTON HEALTHCARE SYSTEM, INC. TO EMORY HEALTHCARE, INC.	* * * * * *	NO. AG 2025-01

REPORT OF FINDINGS

BACKGROUND

Houston Healthcare System, Inc. ("Houston") is a Georgia nonprofit corporation based in Warner Robins, Georgia. Houston serves as the controlling entity of an integrated hospital system serving the healthcare needs of residents primarily in Houston and Peach County, and, to a lesser extent, Bibb, Bleckley, Crawford, Dodge, Dooly, Macon, Pulaski, Taylor and Twiggs counties. Houston, through its wholly-owned subsidiary Houston Hospitals, Inc., operates 2 general acute-care hospitals, Houston Medical Center and Perry Hospital. Houston Medical Center is a 237 bed acute-care hospital located in Warner Robins and Perry Hospital is a 45 bed acute-care hospital located in Perry. Both hospitals provide inpatient, outpatient, urgent care, and emergency services. The Hospital Authority of Houston County ("Hospital Authority") leases certain real property and improvements to Houston Hospitals, Inc.

In addition to Houston Hospitals, Inc., Houston is the sole member of the following subsidiary entities: Houston Healthcare EMS, Inc.; Houston Healthcare Properties, Inc.; Houston Health Ventures, Inc.; Houston Primary Care Physicians, LLC; and Houston Physician Specialists, LLC. Houston also has partially owned subsidiaries in several joint ventures that include: Velocity Healthcare Collaborative, LLC; Houston ASC, LLC; and Caresouth HHA Holdings of Middle Georgia, LLC. This matter presents a proposed transaction for the transfer of control of Houston to Emory Healthcare, Inc. ("Emory"), a Georgia nonprofit corporation.

THE DISPOSITION PROCESS

In February of 2024, the Houston Board of Trustees (the "Board") engaged Kaufman Hall as its strategic advisor in connection with soliciting interest from other healthcare organizations that might seek alignment with Houston and its affiliated companies. Dr. Ivan

Allen, Chairman of the Board, testified that the Board informed Kaufman Hall "that it would consider all alignment structures that would position Houston to continue servicing the patients and the community." (Transcript, p. 13). Thus, the Board considered all alignment structures, including but not limited to, (i) a merger into another not-for-profit healthcare system, (ii) formation of a joint venture or a joint operating company to continue operations at Houston, (iii) a sole member substitution by another not-for-profit health system, or (iv) an asset sale to another health system. Kaufman Hall developed a list of potential partners and reached out to 28 potential for-profit and non-profit partners providing each with marketing materials. This process continued into March 2024. Ultimately, of the 28 potential partners only 2 were interested. The other 26 were either unresponsive, declined prior to receiving any material, or received the materials but subsequently declined. One of the 2 interested parties was Emory.

In July 2024, the Board, with the assistance of Kaufman Hall, assessed the two proposals it received from the interested partners. The review included the proposed transaction structure, capital commitment, commitment to the acute care hospitals, core clinical services, and charity care and the potential partners' history of delivering healthcare, history of other transactions, and quality of care. Dr. Allen noted that "the Board realized that during the evaluation process that the leadership at Emory Healthcare and Houston share common visions, interests, and have been proactive in the delivery of excellent community care." (Transcript, p. 14). Thus, at its August 2024 meeting, the Board voted and approved entering into a Letter of Intent to enter into an agreement with Emory.

THE PROPOSED TRANSACTION

The proposed transaction does not involve a sale or lease of Houston. Rather, Houston proposes to enter into a Definitive Agreement (the "Agreement") with Emory whereby Houston will amend and restate its articles of incorporation and bylaws to designate Emory as the sole controlling member. As a result, Houston will continue in existence as a Georgia nonprofit corporation, but it will be controlled by Emory. Additionally, the lease between Houston Hospitals, Inc. and the Hospital Authority will be amended to include automatic renewals every year and provide Houston with the exclusive right to decline renewal.

Under the terms of the Agreement, Emory has committed to make several operational commitments, which will require significant capital. They include, but are not limited to: (i) capital investments to extend its Epic electronic health record system to Houston entities within 36 months following the Closing Date; (ii) funding deferred and routine maintenance needs of

Houston; (iii) maintaining and continuing support for Houston's existing family residency training program; (iv) continuing to provide charity and indigent care under Emory's current policies; (v) maintaining and continuing to operate the Hospitals and emergency departments for at least 7 years subject to financial or operations circumstances; and (vi) maintaining and continuing to operate emergency medical services serving Houston County contingent upon additional supplemental funds received from local, state, or county governments to offset losses in an amount not to exceed $750K per year.

Under the Agreement, Emory has also committed to enhance Houston's ability to care for the population it serves by supporting and further developing healthcare services. This will be achieved by: (i) offering important clinical, operational, and financial resources; (ii) supporting long-term, sustainable growth initiatives; and (iii) optimizing the technological capabilities to support and improve health care in the community. These commitments will be monitored and enforced by HHC Foundation, Inc. ("Foundation"), a newly formed Georgia non-profit corporation, that holds enforcement rights under the Agreement.

After closing the Board of Houston will be comprised of 10 members. The members will include 2 independent community members not affiliated with Houston, 4 members of the medical staff, the Foundation Board Chair, and 3 members appointed by Emory. Additionally, for a period of 3 years, Houston will have the right to designate one person to serve as a non-voting observer of the Emory Board of Directors.

BENEFITS ANALYSIS

Under O.C.G.A. § 31-7-406(6), a transaction involving the acquisition or disposition of the assets of a nonprofit hospital to a nonprofit entity requires the Attorney General to make a determination as to whether the seller "will receive an enforceable commitment for fair and reasonable community benefits for its assets." Houston retained Stroudwater Associates ("Stroudwater") to aid in the assessment of the proposed transaction. The scope of Stroudwater's engagement included a fair market valuation of Houston and an independent assessment of the estimated community benefits to be derived from the transaction, which Stroudwater memorialized in its Fair Market Value Analyses and Community Benefit report ("Stroudwater Report") to Houston dated February 5, 2025. The effective valuation date of Stroudwater's Report was September 30, 2024. (Stroudwater Report, p. 7). Opal Greenway, principal with Stroudwater, testified at the hearing held on April 10, 2025. (Transcript, p. 41).

In its analysis of the estimated economic benefit that the community will receive as a result of the proposed transaction, Stroudwater identified several quantitative and qualitative community benefits. Stroudwater focused on 3 areas of quantifiable benefits: (i) the commitment to provide Houston with capital investments over a seven-year period, valued at $102.8 million and netted against Houston's restricted use assets balance (i.e., investment portfolio) of $86.9 million, to a net valuation of $15.9 million; (ii) the commitment to maintain current operations for at least 7 years, valued at $35 million; and (iii) the commitment to local governance and existing community benefit programs, valued at $83 million. (Stroudwater Report, pp. 43-46).

Stroudwater placed a $102.8 million value on Emory's commitment to provide Houston with capital investments over the first 7 years after closing the proposed transaction, as more fully described herein. First, Emory agreed to fund Houston's deferred and routine maintenance needs over 7 years, in alignment with Emory's standard capital allocation for hospital affiliates. Stroudwater valued this capital commitment at $62 million, adjusting future expected spending to present value using a probability factor of 20% for Years 1 and 2 spend, and 70% for Years 3 through 7, along with a discount rate of 2.9%, resulting in a total value of capital commitment of $57.8 million. (Stroudwater Report, p. 43). Second, Emory agreed to implement Epic, Emory's current electronic health record system, throughout the clinical services of Houston's Hospitals, Houston ASC, LLC, and employed physician practice sites within the first 3 years. Stroudwater valued these information technology (IT) investments at $45 million without present value adjustments. (Stroudwater Report, p. 44). Although this total commitment was valued at $102.8 million, Stroudwater deducted Houston's current investment portfolio balance of $86.9 million, which resulted in a net total capital commitment of $15.9 million. (Stroudwater Report, p. 47). Stroudwater also noted that there is not a specific amount committed in the Agreement and the source of capital investment has not been stated.

Stroudwater further identified a $35 million financial benefit to the community in Emory's commitment to maintain clinical services for at least 7 years. Namely, Emory agreed to maintain and continue to operate Houston's fully licensed and accredited acute care hospitals, including the emergency departments, for a period of at least 7 years. Emory may materially alter or modify services at the hospitals only if required for improvement of financial performance or utilization of the hospitals, lack of availability of qualified physicians, or changes in the regulatory environment that adversely affect the delivery of services. Stroudwater calculated that the value of maintaining clinical services for at least 7 years was $37 million. Applying a present value discount resulted in a community benefit value of $35 million.[1] (Stroudwater Report, pp. 45-46).

Stroudwater also identified an additional $71.6 million financial benefit to the community in Emory's commitment to maintain Houston's level of charity and indigent care, as well as a $11.4 million community benefit to continue Houston's existing community benefit programs and subsidized health programs. (Stroudwater Report, p. 46). Based on Stroudwater's analysis, the total value of the quantifiable community benefit is $133.9 million.[2] (Stroudwater Report, p. 47).

Lastly, Stroudwater recognized that significant qualitative considerations exist beyond the quantifiable benefits, particularly around improving clinical quality measures. (Stroudwater Report, p. 47). Namely, Emory is committed to ensuring that Houston's delivery of quality patient care meets Emory's standards. Stroudwater noted that Emory's quality standard is currently higher than Houston's quality scores and the transaction is expected to result in improvement in clinical quality and patient safety. (Stroudwater Report, p. 44). Ms. Greenway testified that there are additional non-quantifiable benefits associated with the transaction, such as Emory's "commitment to include Houston and its subsidiaries in Emory's extensive physician network, which expands Houston's access to specialists and ensures retention of services locally; maintaining clinical privileges of existing Houston Healthcare medical staff; offer of employment to . . . essentially all employees on terms substantially similar to those in effect, including acceptance of accrued benefits and transitioning over to Emory's benefits plan; and maintenance of graduate education programs." (Transcript, p. 48). Taking the $133.9 million in quantifiable benefits and the numerous qualitative benefits into consideration, Stroudwater concluded that "the transaction between Houston and [Emory] would provide significant community benefit..." (Stroudwater Report, p. 46).

In the scope of its engagement, Stroudwater also conducted a fair market valuation ("FMV") of Houston. In its FMV analysis, Stroudwater applied the three commonly accepted

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[1] Stroudwater valued Emory's commitment to maintain current operations at $35 million based on the detailed explanation on page 45 of its report but assigned a value of $42.6 million in the charts on pages 8 and 47 of the same report. This inconsistency does not change Stroudwater's overall conclusion that the value of the community benefit from the transaction exceeds Houston's Fair Market Value. (Stroudwater Report, pp. 8 and 47).

[2] The total value of quantifiable community benefit uses the $35 million value that Stroudwater assigned to Emory's commitment to maintain current operations.

valuation approaches to estimate the FMV of Houston: Cost (also known as Asset), Market, and Income. (Stroudwater Report, pp. 33-41). Stroudwater weighted the values indicated by each approach to determine Houston's FMV, weighting the Income Approach indication of enterprise value at 30%, the Market Approach at 40%, and the Cost Approach at 30%, noting that the Market approach was the most appropriate indicator of value based on recent industry and comparable transactions. Stroudwater then added back the $86.9 million balance (as of December 31, 2024) and adjusted to reflect 2024 annualized losses of Houston's cash and investment portfolio. This resulted in a Business Enterprise Value ("BEV") of $116.8 million. Stroudwater then applied a range of +/- 5% to arrive at a range of $110.9 million to $122.6 million for the BEV of Houston. Finally, Stroudwater subtracted Houston's $22.4 million in long term debt to arrive at a total FMV of Equity range of $88.5 million to $100.1 million. (Stroudwater Report, p. 42).

Ultimately, Stroudwater concluded that the $133.9 million community benefit from the proposed transaction exceeds Houston's $88.5 million to $100.1 million FMV. (Stroudwater Report, p. 47). Ms. Greenway testified that after Stroudwater released its report, a term was added whereby Houston's community and local governments agreed to pay up to $750,000.00 per year for any potential operating losses [in EMS operations in Houston County]. Stroudwater stress tested this additional provision and found that it did not have any material effect on its conclusion. (Transcript, pp. 48-49).

Pursuant to O.C.G.A. § 31-7-405(b), the Attorney General retained Ernst & Young, LLP ("EY") to act as an independent financial advisor consultant to assist in the review of the proposed transaction. The Attorney General engaged EY to provide valuation advisory services, but not to issue any separate valuation or fairness opinion (Transcript, pp. 51 and 53). As part of its engagement, EY read the notice and all of the materials submitted by the parties to the Attorney General; reviewed [Houston's] Board minutes discussing the transaction; held interviews with representatives of the parties and their consultants; conducted site visits and site inspections of both of Houson's hospitals; and performed independent market research and analyses to review Stroudwater's conclusions regarding the FMV of Houston and its assessment of the community benefit to be derived from the proposed transaction. (Transcript, pp. 51-53). Natasha Hunerlach, a healthcare valuation specialist at EY, testified at the hearing. (Transcript, p. 49).

Ms. Hunerlach recognized that Stroudwater used relevant widely accepted valuation methodologies in its report. (Transcript, p. 63). Nevertheless, EY encountered various methodology issues and debatable valuation assumptions in Stroudwater's Report. (EY Report, p. 30). To address these matters, EY performed sensitivity analyses of Stroudwater's FMV and community benefit analyses and performed its own corroborative calculations, using a more current effective date of February 14, 2025, and utilizing the balance sheet data of Houston as of December 2024 (the latest available balance sheets provided by Houston). (EY Report, p. 32).

Regarding the quantifiable community benefit, EY noted that even though the Agreement does not explicitly state the minimal amount of capital commitment in dollar terms, EY saw no significant risk that Emory would not spend these dollars because the commitments are necessary to maintain Houston's services, as well as Emory's brand and standards. (Transcript, p. 62; EY Report, p. 30). EY performed further sensitivity analyses adjusting Stroudwater's discount periods and application of their methods which resulted in a total community benefit value range of approximately $105 million to $230 million. EY noted that the "low end of this range considers only the preservation of charity and indigent care in the community for seven years at Houston's current service levels. The high end of the range takes into account the amount of capital spending that would be needed to address deferred maintenance across the facilities and to implement Epic." (EY Report, p. 34).

EY then performed further sensitivity analyses and adjusted Stroudwater's FMV calculation to value Houston as a full-service health system with 2 acute care hospitals under ownership of a larger operator, such as Emory, plus its investment portfolio. EY explained that this approach more accurately reflects FMV because it is in line with what a "willing buyer" and a "willing seller," with full knowledge of the relevant facts, would agree on as the value through negotiations. (Transcript, pp. 58-59; EY Report, p. 29). EY also considered the "floor value" of Houston as if Houston were to close its doors; i.e., as a collection of distressed real property and equipment assets meant to be operated as a health system, plus its investment portfolio that can be used by the buyer to cure deferred maintenance when reopening as a hospital. (Transcript, pp. 63-64; EY Report, pp. 29 and 32). Ultimately, EY's sensitivity analysis resulted in a FMV equity range of approximately $91 million to $140 million. (EY Report, p. 33). EY concluded that its "sensitivity analyses and corroborative calculations yielded a calculated range of community benefit from the proposed transaction that exceeded the value of Houston's net assets as of 14 February 2025," which is consistent with Stroudwater's overall conclusions.

(Transcript, p. 64; EY Report, p. 36). While EY did not draw specific conclusions about value based on its analysis, it did conclude that Stroudwater employed relevant valuation approaches and methods in its valuation of Houston and in its analysis of the community benefits.

PUBLIC COMMENT

The public hearing was held on April 10, 2025 at 12:00 p.m. at the Central Georgia Technical College, Building A, Auditorium in Warner Robins, Georgia. The public hearing location is appropriate in Houston County because that is the location of the "main campus" of Houston's hospital system within the meaning of O.C.G.A. § 31-7-405. Pursuant to O.C.G.A. § 31-7-404, notice of the public hearing was published in the *Houston Home Journal* on February 19, 2025 and February 26, 2025. At the hearing, nine individuals made comments in favor of the transaction and one individual expressed concern regarding indigent and charity care, as well as costs associated with upgrades to information technology platforms. The public was also invited to submit written comments by mail or e-mail to HAA@law.ga.gov before the record closed on Monday, April 14, 2018 at 5:00 p.m. This Office received 1 written comment from a citizen after the hearing in opposition to the proposed transaction. Counsel for the parties were requested to inform this Office in writing before the record closed, as to whether their respective clients intended to proceed with the proposed transaction as structured or modify the proposed transaction in some respect. Counsel for Houston and Emory have written a joint letter stating that their clients wish to proceed with the transaction as proposed.

FINDINGS

The Act involves a public interest determination in the Attorney General's review of a proposed disposition and acquisition of hospital assets. *See* O.C.G.A. §§ 31-7-400 through 31-7-412; *Sparks v. Hospital Authority of City of Bremen and County of Haralson*, 241 Ga. App. 485 (1999) (physical precedent only). The Act requires a written notice filing and a public hearing "regarding the proposed transaction in the county in which the main campus of the hospital is located." O.C.G.A. §§ 31-7-401(a) & 31-7-405(a). The purpose of the public hearing is "to ensure that the public's interest is protected when the assets of a nonprofit hospital are acquired by an acquiring entity by requiring full disclosure of the purpose and terms of the transaction and providing an opportunity for local public input." O.C.G.A. § 31-7-406.

Under the Act, disclosure is linked to whether "appropriate steps have been taken to ensure that the transaction is authorized, to safeguard the value of charitable assets, and to ensure that any proceeds of the transaction are used for appropriate charitable health care purposes."

O.C.G.A. § 31-7-406. The Act identifies thirteen factors that are to be considered in determining whether the appropriate steps have been taken by the parties. *Id.* The thirteen factors are listed in Appendix A to this report.

The thirteen factors set forth in O.C.G.A. § 31-7-406 are grouped into four categories relating to (a) the exercise of due diligence by the seller (factors number 1, 2, 3, 4 and 8), (b) conflicts of interest (factors number 5 and 13), (c) valuation of the hospital assets (factors number 6, 7 and 10), and (d) the charitable purpose of the proposed transaction (factors number 9, 11 and 12).

The Exercise of Due Diligence by the Seller

The transfer of control of Houston is authorized by applicable law as provided in factor number 1. Houston has taken the appropriate steps to provide for the transfer of control to Emory. O.C.G.A. §§ 14-3-206 and 14-3-302. The proposed transaction is authorized under the Georgia Nonprofit Corporation Code. With regard to factor number 2, it does not appear that the proposed disposition is inconsistent with the directives of any major donors who have contributed over $100,000.00. Each of the members of the Board and its Chief Executive Officer, have executed certifications that the proposed transaction is consistent with the intent of major donors who have contributed in excess of $100,000.00 to Houston. No concerns have been raised by any donors during the public hearing or the review process. Therefore, the record supports finding that factor number 2 is satisfied.

The due diligence factors number 3 and 4 necessitate review of the process and procedures employed by the seller "in deciding to dispose of hospital assets, selecting the acquiring entity, and negotiating the terms and conditions of the disposition." O.C.G.A. § 31-7-406(3). As discussed in detail above, Houston exercised appropriate due diligence in its selection process of potential transaction partners by engaging professional consulting services from Kaufman Hall, establishing partnership goals and objectives, and the use of Stroudwater and the law firm of Arnall, Golden, Gregory, LLP during the process of negotiating and finalizing a proposed transaction. The record supports a finding that Houston "exercised due diligence in deciding to dispose of hospital assets, selecting the acquiring entity, and negotiating the terms and conditions of the disposition." O.C.G.A. § 31-7-406(3). The record further supports a finding of adequacy regarding "[t]he procedures used by the nonprofit corporation in making its decision to dispose of its assets" and that "appropriate expert assistance was used."

O.C.G.A. § 31-7-406(4). The deliberative process employed by Houston demonstrates the exercise of due diligence, consistent with factors number 3 and 4.

Since there is no separate management or services contract negotiated in conjunction with the proposed transaction, factor number 8 is not applicable to the determination of the exercise of due diligence.

Conflicts of Interest

The disclosure of any conflict of interest involving the Sellers, the Chief Executive Officer of Houston and its expert consultant is to be considered under factor number 5. Conflict of interest certifications as required by the Act and the notice filing requirements of the Attorney General have been filed by all members of the Board, the Chief Executive Officer of Houston, and Houston's financial consultant. Although some exceptions were noted on the certifications, such certifications do not disclose any impermissible or significant conflicting financial interest in the proposed transaction. With regard to factor number 13, health care providers will not be offered an opportunity to invest or own an interest in the Hospital System. Therefore, factor number 13 is not applicable.

Valuation of the Hospital Assets

The factors numbered 6, 7 and 10 involve a determination of the value of the hospital assets. Since this transaction involves the transfer of control of a nonprofit corporation which controls hospital assets subject to the Act to a nonprofit corporation, Houston should receive an enforceable commitment for fair and reasonable community benefits for the transfer of control of its assets. *See* O.C.G.A. § 31-7-406(6). Based on the record, including the analysis conducted by Stroudwater on behalf of Houston and the review by EY at the request of the Attorney General as described herein, Houston will receive an enforceable commitment for fair and reasonable community benefits in exchange for its assets as required by O.C.G.A. § 31-7-406(6).

Since Houston is not providing any financing for the transaction, factor number 7 is inapplicable. As to factor number 10, under the terms of the Agreement, the Hospital Authority, through the Amended Lease, retains a right of first refusal over any proposed (i) sale of a hospital or all/substantially all of Houston's assets; and/or (ii) a change of control involving Houston that is not related to an internal corporate restructuring. Therefore, the proposed Agreement and Amended Lease is consistent with the purposes of factor number 10.

Charitable Purpose of the Proposed Transaction

With respect to the charitable purpose of the proposed transaction, factor number 9 requires that the disposition proceeds be used for charitable healthcare purposes consistent with the nonprofit's original purpose. There are no proceeds from sale. Therefore, factor number 9 is not applicable.

The other two charitable purpose factors, factors number 11 and 12, concern the purchaser's commitment to provide (a) continued access to affordable care, (b) the range of services historically provided by the seller, (c) healthcare to the disadvantaged, the uninsured and the underinsured and (d) benefits to the community to promote improved health care. The notice and the testimony provided at the public hearing indicate that both emergency rooms will remain open 24 hours a day, seven days a week for at least 7 years. After completion of the transaction, Houston will continue in existence as part of Emory, a Georgia nonprofit corporation. Emory has also committed to ensuring the continuation of charity care by adopting, maintaining, and adhering to Emory's current policies on charity and indigent care. The evidence, taken as a whole, demonstrates an enforceable commitment to improve health care in the community and to assure continued access to affordable care.

CONCLUSION

Upon review of the public record and in accordance with the Act, the undersigned Hearing Officer finds that the public record in this matter discloses that the proposed transaction is appropriate in light of the factors set forth in the Act.

This 12th day of May, 2025.

ALKESH B. PATEL
Senior Assistant Attorney General
Hearing Officer

APPENDIX A

(1) Whether the disposition is permitted under Chapter 3 of Title 14, the Georgia Nonprofit Corporation Code,' and other laws of Georgia governing nonprofit entities, trusts, or charities;

(2) Whether the disposition is consistent with the directives of major donors who have contributed over $100,000.00;

(3) Whether the governing body of the nonprofit corporation exercised due diligence in deciding to dispose of hospital assets, selecting the acquiring entity, and negotiating the terms and conditions of the disposition;

(4) The procedures used by the nonprofit corporation in making its decision to dispose of its assets, including whether appropriate expert assistance was used;

(5) Whether any conflict of interest was disclosed, including, but not limited to, conflicts of interest related to directors or officers of the nonprofit corporation and experts retained by the parties to the transaction;

(6) Whether the seller or lessor will receive fair value for its assets, including an appropriate control premium for any relinquishment of control or, in the case of a proposed disposition to a not-for-profit entity, will receive an enforceable commitment for fair and reasonable community benefits for its assets;

(7) Whether charitable assets are placed at unreasonable risk if the transaction is financed in part by the seller or lessor;

(8) Whether the terms of any management or services contract negotiated in conjunction with the transaction are reasonable;

(9) Whether any disposition proceeds will be used for appropriate charitable health care purposes consistent with the nonprofit corporation's original purpose or for the support and promotion of health care in the affected community;

(10) Whether a meaningful right of first refusal to repurchase the assets by a successor nonprofit corporation or foundation has been retained if the acquiring entity subsequently proposes to sell, lease, or transfer the hospital to yet another entity;

(11) Whether sufficient safeguards are included to assure the affected community continued access to affordable care and to the range of services historically provided by the nonprofit corporation;

(12) Whether the acquiring entity has made an enforceable commitment to provide health care to the disadvantaged, the uninsured, and the underinsured and to provide benefits to the affected community to promote improved health care; and

(13) Whether health care providers will be offered the opportunity to invest or own an interest in the acquiring entity or a related party, and whether procedures or safeguards are in place to avoid conflicts of interest in patient referrals.