OFFICE OF THE ATTORNEY GENERAL
STATE OF GEORGIA

IN THE MATTER OF THE COMPLETE INTEGRATION OF SATILLA HEALTH SERVICES, INC., INTO MAYO CLINIC JACKSONVILLE.	* * * * * *	NO. AG 2011-02

REPORT OF FINDINGS

I.

BACKGROUND

SATILLA REGIONAL MEDICAL CENTER

Satilla Health Services, Inc. ("SHS") leases Satilla Regional Medical Center (the "Hospital"), licensed as a 231-bed acute care hospital located at 410 Darling Avenue in Waycross, Ware County, Georgia from the Hospital Authority of Ware County ("HAWC"). SHS also operates other facilities, including a skilled nursing facility leased from the Hospital Authority of Pierce County ("Hospital Facilities").[1] The Hospital provides a variety of acute medical services, including skilled nursing, primary care, specialty care and home health. The Hospital has approximately 1,300 employees. The Hospital's primary service area encompasses Ware and Pierce Counties; secondary service areas include Appling, Coffee, Bacon, Atkinson, Clinch, Charlton and Brantley Counties.

SHS proposes to completely integrate into Mayo Clinic Jacksonville ("Mayo"), a Florida nonprofit corporation. At the closing of this transaction, SHS will amend its organizational documents to cause Mayo to become the sole member of SHS, effectively taking over the control of SHS. At closing, SHS will also be required to negotiate and

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[1] SHS is also the sole member or shareholder of Satilla Regional Specialty Physicians, Inc., Anesthesia Associates of Waycross, Inc., Satilla Health Enterprises, Inc., Satilla Health Management, Inc., and Satilla HealthNet, Inc. ("Satilla Affiliates"). In addition, SHS is a member of two joint ventures: Diagnostic Pet, LLC and Satilla Reliant Psychiatric Services, LLC (the "Joint Ventures").

finalize an amendment and restatement of the existing lease with HAWC. The new lease will include a 40-year lease term and rights to renew the lease in case of certain capital investments.

THE DISPOSITION PROCESS

Although there is no immediate financial need for SHS to affiliate with another healthcare system, SHS, as a stand-alone community hospital, decided that an affiliation or integration would ensure long-term sustainability and keep the Hospital competitive in the current market. SHS first began exploring the possibility of an affiliation or integration in 2009 when SHS received an unsolicited offer to purchase the Hospital. SHS decided that it did not want to sell the Hospital and began exploring the possibility of a partnership with a larger health system.

The Hospital retained Stroudwater & Associates ("Stroudwater") in late 2009 to assist the SHS Board (the "Board") with strategic planning initiatives related to a potential affiliation with a larger health system. Stroudwater conducted an options analysis for the Hospital and reviewed the Hospital's financial position in the current market. Although the Hospital was not in immediate financial distress, the Board recognized that the Hospital was susceptible to being adversely affected by healthcare reform and decreasing Georgia Medicaid reimbursement. In addition, the Board anticipated a need for long-term infrastructure investments which would require access to capital that was likely beyond the borrowing capacity of SHS. The Hospital also struggled with physician recruitment and retention. Owen Herrin, Chairman of the Board, testified at the public hearing held in this matter that the Board felt that the only way to accomplish these tasks was to "partner" with someone who could take the Hospital to "the next level of quality care." The Board felt that an affiliation with a nonprofit corporation would best meet the goal of improved health care services in the community, and was therefore, uninterested in any affiliation with a for-profit healthcare system.

Mr. Herrin testified that Stroudwater assisted the Board with developing a "wish list" for the "perfect partner." The Board desired to partner with a healthcare system that had a strong history of providing quality healthcare and had success in managing physician practices. In addition, Mr. Herrin testified that the Board wanted to partner with a health system that would commit to maintain and expand healthcare services in the community. Lastly, the Board wanted to partner with a healthcare system that could seamlessly provide specialized care for patients referred from the Hospital.

During the time that the Hospital was exploring the possibility of an affiliation, Mayo had begun reaching out to local hospitals in South Georgia and North Florida to consider opportunities with Mayo for developing ways to enhance patient continuity of care with their specialists and programs. After several discussions with Mayo, Mr. Herrin testified that it became clear that Mayo "exemplified everything on our wish list." The Hospital approached Mayo in 2010 to determine whether affiliation was a viable option for the parties. SHS conducted site visits of the Mayo Clinic in Rochester, Minnesota and the Mayo Clinic in Mankato, Minnesota.

The Board discovered that prior to the integration into Mayo Clinic, the Mayo Clinic in Mankato ("Mankato") was very similar to Satilla Regional Medical Center. Mankato was located in a similar rural community and had the same number of physicians. Mr. Herrin testified that the Board met with Mankato board members and community leaders. The Board learned that since Mankato joined the Mayo Clinic, Mankato had doubled its number of physicians and expanded healthcare services.

Mr. Herrin testified that the Board ultimately decided to integrate the Hospital into Mayo because the Board knew the type of affiliation it was looking for and recognized that Mayo was the perfect "partner." The Board decided not to solicit offers from potential buyers or partners since the Board knew it would not result in a better offer. Ultimately, the Board determined that integrating the Hospital into Mayo best met its goal of maintaining its nonprofit identity while improving health care services in the community.

THE PROPOSED TRANSACTION

The Integration Agreement ("Agreement") provides for Mayo to become the sole member of SHS, which includes the Hospital Facilities, the Satilla Affiliates and the Joint Ventures (collectively the "Satilla Health Network"). SHS proposes to fully integrate SHS and the Satilla Health Network into Mayo's operations. To accomplish this task, SHS will amend its organizational documents to cause Mayo Clinic to become the sole member of SHS.

On the closing date of this transaction, each of the current SHS directors and officers will resign their positions. Mayo will be able to appoint a majority of the directors on the Board, effectively assuming control of the operations of the Hospital. In addition, as sole member, Mayo will have approval or veto rights over significant aspects of Hospital operations.

Under the terms of the Integration Agreement, Mayo, through the integrated entity, has an exclusive option to purchase all or any portion of the Authority's assets, including the Hospital, at any time during the term of the Amended Lease or any renewal thereof. If Mayo elects to dissociate from SHS prior to 2016, control of SHS will transfer back to the Community Directors.[2] In addition, the Integration Agreement provides that after five (5) years following the closing date, Mayo is authorized to merge SHS with any Mayo Clinic-affiliated entity without approval of a supermajority approval of SHS' Board of Directors.

SHS currently has approximately $51,000,000 in cash and cash equivalents ("net reserves"). After closing, Mayo can only use net reserves for capital expenditures at the Hospital or, with approval of a supermajority of the Board, in connection with expenditures at any Mayo Clinic-affiliated entity that will benefit the Hospital. Mayo also agrees to allocate funds to SHS for routine capital expenditures during the five (5) years following closing, in a manner that is consistent with its allocation to other Mayo Clinic affiliates.

At closing, the Lease Agreement between SHS and the Authority will be amended and restated for a term of forty (40) years. Under the Integration Agreement, Mayo will not pay any purchase price to SHS or the Authority to assume control of SHS.

FINANCIAL 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

[2] The existing SHS Board will have the right to appoint Community Directors. Mayo may remove a community director at any time. In the event that a community director must be replaced, a subcommittee consisting of two community directors and one Mayo representative will nominate a replacement, subject to the approval of Mayo. At least one community director must also be a member of the Authority while SHS leases assets from the Authority.

General to make a determination as to whether the seller "will receive an enforceable commitment for fair and reasonable community benefits for its assets." The Attorney General was assisted by the firm of Pershing Yoakley & Associates, P.C. ("PYA") in its review of the financial analyses prepared by the consultants retained by SHS and Mayo. David McMillan, a Shareholder at PYA, testified at the public hearing.

Stroudwater & Associates Report

Stroudwater was engaged by SHS to provide an analysis of the anticipated community benefit resulting from the integration of SHS into Mayo. David Whelan, a Principal at Stroudwater, testified at the public hearing. Stroudwater did not render an opinion of fair market value or perform a formal valuation analysis. Instead, Stroudwater's report focused on the community benefits that SHS would be receiving in exchange for its assets. Stroudwater asserted that the community would receive many benefits, including enhanced physician recruitment and retention, capital improvements, a guarantee of lease payments under the long-term Hospital lease agreement with HAWC and higher quality of care.

At the request of the Attorney General, PYA conducted independent analyses and observations related to its review of the Stroudwater report. PYA agreed with Stroudwater that the ability to recruit and retain medical staff is of paramount importance to hospitals. Likewise, PYA noted that when community members are required to travel outside the community to obtain healthcare, their healthcare costs will typically increase. PYA agreed with Stroudwater that the integration of SHS into Mayo would likely result in improvements in SHS' ability to recruit and retain physicians, thereby resulting in a benefit to the community.

With respect to Stroudwater's assertion that the community will benefit through capital improvements, PYA noted that the integration with Mayo could provide SHS with an enhanced ability to freely utilize cash reserves for capital projects, since it would no longer have to maintain excess cash reserves related to potential future access to debt markets.[3] Furthermore, PYA concluded that the higher credit profile of Mayo would

[3] PYA notes that SHS has near-term, anticipated major capital projects, including the construction of a medical office building, implementing information technology upgrades and the expansion of the Emergency Room.

likely result in access to funds in the debt markets by Mayo, on behalf of SHS, at a lower cost of debt than SHS could attain on its own. Similarly, PYA noted that since SHS is currently guaranteeing debt payments for HAWC, it would be reasonable to assume that Mayo's guarantee of the lease payment could result in an enhanced credit profile for HAWC. As a result, Ware County's credit profile may also be enhanced, and therefore, PYA concluded that the enhancements could provide the county, and by extension, the community, with access to future borrowing at reduced costs.

PYA did not disagree with Stroudwater's assertion that the community would benefit from better quality of care as a result of the integration. Through PYA's comparison of quality scores for SHS and Mayo,[4] PYA found that while SHS had higher scores than Mayo in some areas, in the categories of overall patient satisfaction and whether the patient would recommend the facility to a friend or family member, Mayo's scores were significantly higher than the scores of SHS.

Ernst & Young Report

Ernst & Young ("EY") was retained by Mayo to assess possible community benefits that would occur as a result of the integration.[5] EY did not render an opinion of fair market value or perform a formal valuation analysis. EY conducted a cash-flow analysis wherein EY calculated certain components of the incremental value of SHS under Mayo control, as compared to the stand-alone value of SHS. EY focused its cash-flow analysis on three quantifiable community benefits: (1) the incremental value of operational synergies; (2) the value of enhanced healthcare retirement benefits; and (3) the value of the lease guarantee by Mayo.

First, EY asserted that, generally, a stand-alone community hospital that joins a larger organization benefits financially due to revenue growth and margin improvements. In reaching this conclusion, EY reviewed fifteen (15) transactions in the Midwest involving the integration of a hospital or clinic into a Mayo Clinic facility. EY found that post-integration, the operating margin of the 15 hospitals and clinics improved through

[4] PYA used scores as reported by the Centers for Medicare & Medicaid Services' quality reporting website (www.hospitalcompare.hhs.gov).
[5] Although he did not testify at the public hearing, Peter Melvin, a Senior Manager at EY, was present and available for questions. A copy of the EY Report is included with the Notice filing and is part of the public record.

consolidation, adopting best practices, leveraging contracts and adopting best clinical practices. After examining the projected annual operational savings expected over a five-year period for SHS, EY calculated a value range of $52.5 million to $63.8 million for the incremental operational synergies under Mayo control.

Second, EY quantified the incremental value of enhanced employee benefits under Mayo control. Specifically, Mayo expects to reduce out-of-pocket healthcare insurance premiums paid by employees enrolled in the health insurance plan and enhance the match by SHS to the employees' elected 403(b) retirement plan contributions. EY ultimately calculated a value range of $9.8 to $17.8 million for the SHS enhanced healthcare and retirement benefits under Mayo control.

Third, EY asserted that the community would benefit from the incremental value of the lease guarantee by Mayo. EY calculated the value of Mayo's lease guarantee[6] by creating a comparison of values of debt calculated using the required rate of return with a lease guarantee in place and the required rate of return without the lease guarantee. EY arrived at the difference of the corresponding values of the debt payments as being within a range of $5.6 million to $10.2 million as of July 1, 2011. After performing sensitivity analyses and calculating the present value of the cash-flows using various discount rates, EY found the incremental value resulting from Mayo control to be between $68 million and $92 million.

In its review of the EY report, PYA conducted independent adjustments to EY's assumptions[7] to measure the impact on the projected cash flows for SHS as a stand-alone entity and EY's projections for SHS operations under Mayo's control. Through its adjustments, PYA found that EY's projections of $26 million for the median indication of

[6] While Mayo will be making the lease guarantee, EY asserted that "as a practical matter, the obligation would translate into the honoring of this guarantee by Mayo Clinic, the parent entity of Mayo Clinic Jacksonville, in the event that the latter may be unable to meet its guarantee obligation." Therefore, EY considered the parent entity of Mayo to be "the ultimate guarantor of the lease."

[7] The assumptions included changing revenue growth rates, operating expense growth rates, planned capital expenditures and components of the calculated discount rates.

value for SHS as a stand-alone entity and $83.6 for the median indication of value for Satilla under Mayo control, were within a reasonable range.[8]

PYA found EY's assertion that the community would receive benefits through enhanced healthcare and retirement benefits to be reasonable. PYA noted, however, that several environmental circumstances could dramatically alter the projected economic benefit. Primarily, PYA noted that some SHS employees may be displaced as a result of the integration, possibly to Mayo in Jacksonville, Florida, and if this were to occur it would result in a negative economic impact to the community. As such, PYA estimated the range of community benefits as a result of enhanced healthcare and retirement benefits to be between $0 to $20 million.

Finally, as to EY's assertions regarding the incremental value of the lease guarantee by Mayo, PYA found that because SHS has never defaulted on a lease payment and maintains significant reserves to fund future lease payments, PYA did not agree with EY that Mayo's credit worthiness would bring additional value to the community pertaining to the current outstanding debt. PYA did acknowledge that Mayo's guarantee may result in an enhancement to the credit profile for HAWC. If that were to occur, any future borrowings may be obtained at a lower cost. Such a circumstance would benefit the community. Therefore, by extension of this circumstance, PYA agreed that the lease guarantee, and the credit enhancement such a guarantee carries with it, would benefit the community.

PYA ultimately concluded that the community benefits, as quantified by Stroudwater and EY, will accrue to the communities served by SHS as a result of the proposed integration of SHS into Mayo.

PUBLIC COMMENT

The public hearing was held on September 13, 2011, at 12:00 p.m. in the Cafetorium at Satilla Regional Medical Center, in Waycross, Georgia. Twenty (20) persons made comments at the public hearing, and although there were some concerns

[8] Through the adjustments that PYA performed on EY's assumptions, PYA produced alternative indications of value ranging from $3 million to $45 million for the SHS stand-alone entity and $45 million to $119 million for Satilla under Mayo control.

expressed by a few citizens over whether the Hospital would accept their specific insurance, a vast majority of the comments were in favor of the proposed transaction.

Following the public hearing, the record was held open until the close of business on Friday, September 16, 2011, for any further public comment. This Office received a total of eleven (11) written public comments. Only one citizen, through written comment, opposed the transaction. Counsel for Satilla and Mayo were requested to inform this office in writing by September 16, 2011, 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 both parties have written a joint letter stating that their clients wish to proceed with the transaction as proposed.

II.

FINDINGS

The Hospital Acquisition Act (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, 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 key considerations 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 can be 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 disposition of the Hospital is authorized by applicable law as provided in factor number 1, and SHS has taken the appropriate steps to provide for the complete integration into Mayo. O.C.G.A. §§ 14-3-206, 14-3-302, 31-7-400 *et seq.* 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.

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). SHS did not conduct a formal request for proposals, which would have been ideal and preferred. SHS presented an adequate amount of testimony, however, regarding the Board's decision to seek a partner, its discussions with Mayo and its affiliates, and the decision to integrate into Mayo. SHS also conducted site visits at the Mayo Clinic in Rochester, Minnesota and the Mayo Clinic in Mankato, Minnesota. Prior to entering into discussions with Mayo, Satilla also employed Stroudwater to conduct an options analysis to assist the Hospital in developing a plan for the Hospital. In addition, Stroudwater also provided SHS with a community-benefit analysis related to the potential affiliation with Mayo.

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 SHS' exercise of due diligence.

Conflicts of Interest

The disclosure of any conflict of interest involving the Sellers, the Chief Executive Officer of the Hospital 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 members of the governing board of SHS[9] and by the expert consultants retained by SHS. Dr. H. A. Griffin, a

[9] Robert Trimm, the Chief Executive Officer of the Hospital, abstained from voting on the proposed transaction, and therefore, did not submit a certification.

member of the governing board of SHS, provided a certification that discloses that he currently works for Optimal IMX, Inc. for radiology services, and although he is unaware of any current plans for Mayo to utilize its services, those services would be available to Mayo if Mayo chose to utilize their services. Dr. J.W. Dye, a member of the governing board of SHS, provided a certification that discloses that he is an investor in Alpha Lithotripsy, and although Mayo is not under contract with Alpha Lithotripsy for services, it does provides lithotripsy services to the Hospital. P. Owen Herrin, Jr., a member of the governing board of SHS, provided a certification which discloses the he is an employee and officer of SunTrust Bank, which provides financial services to SHS. Dr. Donald R. Waters, a member of the governing board of SHS, provided a certification which discloses that he presently serves as Assistant Director of Family Medicine Residency at Satilla and that he is in discussions with Mayo for his practice, Blackshear Family Practice, P.C., to associate with Mayo. The financial consultants retained by SHS disclosed that they had provided strategic consulting services to SHS and are currently providing project coordination services with Mayo. These disclosures do not rise to the level of creating an impermissible conflict of interest in the proposed transaction and are disclosed as contemplated by O.C.G.A. § 31-7-403(a) & (b) and O.C.G.A. § 31-7-405(b). With regard to factor number 13, health care providers will not be offered an opportunity to invest or own an interest in the Hospital. 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 complete integration of one nonprofit into another nonprofit, SHS should receive an enforceable commitment for fair and reasonable community benefits for its assets. *See* O.C.G.A. § 31-7-406(6). Based on the record, including the analysis conducted by Stroudwater on behalf of SHS, the analysis conducted by EY on behalf of Mayo and the review by PYA at the request of the Attorney General as described herein, SHS will receive an enforceable commitment for fair and reasonable community benefits in exchange for the use of its assets as required by the Act.

Since SHS is not providing any financing for the transaction, factor number 7 is inapplicable. As to factor number 10, if at any time, Mayo desires to transfer control of SHS to a third party, it must provide HAWC with a right of first refusal to purchase such assets. Likewise, HAWC has also given SHS an exclusive right of first refusal to purchase the Hospital from HAWC. The proposed integration agreement 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 of proceeds be used for charitable health care purposes consistent with the nonprofit's original purpose. Since Mayo is not paying a purchase price to SHS in exchange for its membership interest, there are no proceeds from sale.

The other two charitable purpose factors, factor numbers 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) health care to the disadvantaged, the uninsured and the underinsured and (d) benefits to the community to promote improved health care. Approximately 50% of Satilla's payor mix is on Medicare, 17% on Medicaid, 20% Commercial and 12% self-pay.

Dr. William C. Rupp testified that the emergency room will remain open 24 hours a day, seven days a week, and that all patients that have emergency medical conditions will be accepted as patients regardless of their ability to pay. SHS will remain a Georgia non-profit corporation and will be operated for charitable purposes. Mayo has committed to remain enrolled in Medicare, Medicaid, any successor program or any other Federal Health Programs. Mayo has also agreed to admit Medicare and Medicaid patients to all of its services, without discrimination. Dr. Rupp further testified that all Medicaid and Medicare patients at the Hospital "will have access to all services without restriction" and that Mayo Clinic Jacksonville will care for any Medicare or Medicaid patient referred from the Hospital.

Dr. Rupp also testified that the Hospital will continue to provide the same level of charitable care as is currently being provided at the Hospital following the integration. Mayo will continue providing the range of core services currently being provided by the

Hospital. The testimony and strategic plan documents filed by Satilla and Mayo reveal that Mayo plans to appoint a physician CEO, recruit more physicians to the Hospital, expand the services currently being provided, and construct a physician's outpatient clinical practice building. Mayo also plans to implement a "clinical integration," which will extend Mayo Clinic data and knowledge data to the Hospital's physicians and prioritize referrals to Mayo Clinic Jacksonville. It is anticipated that the net benefit will be a reduction in fixed costs and improved outcomes from standardized coordinated care. Management and governance models for employed physicians will be transitioned to mirror those at Mayo Clinic Jacksonville.

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. The record as a whole demonstrates that Mayo has made an enforceable commitment to provide health care to the disadvantaged, the uninsured and the underinsured and to provide benefits to the community to promote improved health care.

III.

CONCLUSION

Upon review of the public record and in accordance with the Hospital Acquisition Act, the Hearing Officer finds that the public record in this matter discloses that the parties have taken appropriate steps to ensure (a) that the transaction is authorized, (b) that the value of the charitable assets is safeguarded and (c) that any proceeds of the transaction are used for appropriate charitable health purposes.

This 12TH day of October, 2011.

Julie Adams Jacobs

JULIE ADAMS JACOBS
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.