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Shannon Health

Baseline Performance Report

Submission Date: January 15, 2021 (*Revised October 1, 2021*)

Reporting Period: Pre-COPA baseline

Certificate of Public Advantage ("COPA")

Baseline Performance Report

This Baseline Performance Report (the “Report”) is submitted pursuant to the Terms and Conditions of Compliance governing the Certificate of Public Advantage (“COPA”) issued to Shannon Health System on October 2, 2020 (“COPA Approval Date”) with respect to the asset purchase agreement dated April 20, 2020, by and among Shannon Medical Center (“SMC”) and Community Health System Professional Services Corporation, Inc. (“CHSPSC” or “CHS”) for substantially all of the assets used in the operation of San Angelo Community Medical Center (“SACMC”, subsequently to be known as “SMC South”) (collectively, the “Merger”), and the underlying transaction that closed on October 24, 2020 (the “Transaction Closing Date”). Information related to each of the Shannon Health System hospitals (SMC and SMC South, collectively, “Shannon Health” or “SHS”), is included in this Report where appropriate.

This Report is intended to reflect the pre-Merger baseline performance of SMC and SMC South (formerly SACMC) to which future Quarterly and Annual COPA Reports may be compared.¹ This Report is based on trended historical fiscal year data and information as of the COPA Approval Date and Transaction Closing Date, as applicable and available (“Baseline Period”). Shannon Health operates with a 12-month Fiscal Year (“FY”) of October 1 to September 30. Within this Report, information or data stated as occurring between “FY2018 – FY2020” reflects these monthly date ranges.

¹ Shannon Health expects to submit its future quarterly reports within 90 days of the previous fiscal quarter end date. For example, the report covering the quarter ended December 31, 2020 will be submitted by March 31, 2021.

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I. Abbreviation Key

Abbreviation	Full Name
CDM	Charge Description Master
CMS	Center for Medicare & Medicaid Services
COPA	Certificate of Public Advantage
HHSC	Texas Health and Human Services Commission
SACMC	San Angelo Community Medical Center
SHS	Shannon Health System
SMC	Shannon Medical Center
SMC South	Shannon Medical Center South (formerly SACMC)

II. Baseline Performance Report

A. Summary of Requirements

As required by Texas Health and Safety Code § 314A.103, Texas Admin. Code § 567.32, and the COPA Terms and Conditions of Compliance, Shannon Health must submit quarterly and annual reports regarding the Merger.

This Report and the associated attachments are based directly on the requirements listed in the guidance documents published by HHSC: “DRAFT COPA Reporting Instructions and Checklist Shannon 12.11.2020.docx”, “DRAFT Shannon COPA Quarterly Data Reporting Template 12.1.2020.xlsx”, and “DRAFT Shannon COPA Annual Data Reporting Template 12.1.2020.xlsx.”

B. Description of Process

Shannon Health’s senior management team, assisted by outside consultants and counsel, worked closely with relevant department heads to collect, analyze, and prepare for submission the information and data detailed in the HHSC guidance documents. Leaders of each department gathered the required information and validated the summaries and responses included in this Report to ensure accuracy and completeness to the fullest extent possible.

Shannon Health Leadership

Name	Position
Shane Plymell	President & Chief Executive Officer
Pamela Bradshaw, RN, DNP, MSN, MBA	Chief Nursing Officer & Chief Operations Officer
Allan S. Graves	General Counsel & Chief Legal Officer
Julian Beseril	Chief Financial Officer, Shannon Clinic
Anna Pittman, MSN, RN	Chief Nursing Officer & Chief Operations Officer, Shannon Clinic
Doug Shultz, MD	Chief Medical Officer, Shannon Clinic
Chris Barnett, MD	Chief Medical Officer, Shannon Medical Center
Ricky Villarreal	Chief Administrative Officer, Shannon Medical Center
Joseph Wooldridge	Chief Financial Officer, Shannon Medical Center
Priscilla Halamicek	Director of Human Resources
Holly Lopez	Director of Health and Wellness
Leslie Hines	Manager of Health and Wellness

III. Terms and Conditions for COPA-Approved Health System

A. Quality

1. Evidence demonstrating how health care quality has improved. COPA holders should also note in the narrative any areas in which health care quality has declined from the previous reporting period.
 - ***CMS Star Ratings:*** SMC earned an overall quality rating of five (5) stars in August 2020, while SACMC earned four (4) stars (see **Table 1a** below). CMS Star Ratings are generally released twice per year, and are based on underlying quality measures with data collection periods that vary by measure. The overall CMS Star Rating for hospitals “summarizes quality information on important topics, like readmissions and deaths after heart attacks or pneumonia. The overall rating, between 1 and 5 stars, summarizes a variety of measures across 7 areas of quality into a single star rating for each hospital.”² The 7 measure groups include The seven (7) underlying quality measure groups include: (i) Mortality; (ii) Safety of care; (iii) Readmission; (iv) Patient experience; (v) Effectiveness of care; (vi) Timeliness of care; and (vii) Efficient use of medical imaging. The overall rating, between one (1) and five (5), shows how well each hospital performed on an identified set of quality measures compared to other hospitals in the U.S. The more stars, the better a hospital performed on the available quality measures.³ Future reports will reflect changes to the Star Ratings as new ratings are released.

Table 1a: Baseline Period Overall CMS Star Ratings⁴

Location	Baseline Period					
	FY2018		FY2019		FY2020	
	Jan	Jul	Mar	Jul	Jan	Aug
SMC	4	4	4	4	5	5
SACMC	5	5	4	4	3	4

- ***Leapfrog Hospital Safety Grades:*** SMC and SACMC each individually earned an overall grade of “C” in the most recent Leapfrog Hospital Safety Gradrelease (see **Table 1b** below). “Leapfrog Hospital Safety Grades (formerly known as Hospital Safety Scores) are assigned to over 2,600 general acute-care hospitals across the nation twice annually. The Safety Grade is becoming the gold standard measure of patient safety, cited in MSNBC, The New York Times, and AARP The Magazine. The Leapfrog Hospital Safety Grade uses up to 27 national performance measures from the Centers for Medicare & Medicaid Services (CMS), the Leapfrog Hospital Survey and information from other supplemental data sources. Taken together, those performance measures produce a single letter grade representing a hospital’s overall performance in keeping patients safe from preventable harm and medical errors. The Leapfrog Hospital Safety Grade methodology has been peer reviewed

² Source: Medicare Compare. “Overall star rating for hospitals”: <https://www.medicare.gov/care-compare/resources/hospital/overall-star-rating>.

³ CMS provides additional detailed information about the measures included in each of the measure groups at <https://data.cms.gov/provider-data/topics/hospitals/overall-hospital-quality-star-rating/#measure-included-by-categories>.

⁴ Source: Medicare Compare: <https://www.medicare.gov/care-compare/#search>.

and published in the Journal of Patient Safety.” Moreover, “[t]he Leapfrog Hospital Safety Grade is a bi-annual grading assigning ‘A,’ ‘B,’ ‘C,’ ‘D’ and ‘F’ letter grades to general acute care hospitals in the U.S. It is the nation’s only rating focused entirely on patient safety— preventable errors, accidents, injuries and infections.”⁵ Thus, Leapfrog Hospital Safety grades use data collected from the Leapfrog Hospital Survey and publicly available CMS data, as well as supplemental data from sources like the American Hospital Association, to produce a single letter grade representing a hospital’s overall performance in keeping patients safe from preventable harm and medical errors. The Safety Grade measures are divided into two domains: (1) Outcome Measures, including infections, falls and trauma, and preventable complications from surgery; and (2) Process/Structural Measures, including nursing leadership and engagement, computerized physician order entry systems, safe medication administration, hand hygiene policies, and the right staffing for the ICU. Leapfrog Hospital Safety Grades are assigned twice annually. Because the data sources vary by measure, the reporting period for the underlying data also varies.

Table 1b: Baseline Period Leapfrog Safety Grades⁶

Location	Baseline Period					
	2018		2019		2020	
	Spring	Fall	Spring	Fall	Spring	Fall
SMC	B	C	C	C	C	C
SACMC	A	A	A	A	B	C

- **Medicare Cost Report Data:** Attachment 1 includes the 2018 Medicare Cost report packages for SMC and SACMC. The information contained for both organizations is related to the 2018 CMS Cost Reporting Year.
- **Patient Satisfaction Ratings:** In the fourth quarter of FY2020, both SMC and SACMC earned four (4) stars on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey of patient satisfaction (see **Table 1c** below). The survey measures hospital patients' experiences including: communication with doctors, communication with nurses, responsiveness of hospital staff, cleanliness of the hospital, quietness of the hospital, communication about medicines, discharge information, care transition, and their overall ratings of the hospital and willingness to recommend the hospital. Results are reported four times each year based on the prior four quarters of data. During the Baseline Period, SMC and SACMC maintained overall consistency of its patient survey rating.

⁵ Sources: Leapfrog Hospital Safety Grade, “About the Grade”: <https://www.hospitalsafetygrade.org/about-the-grade/#%3A%7E%3Atext%3DThe%20Leapfrog%20Hospital%20Safety%20Grade%2Cfrom%20other%20supplemental%20data%20sources;%2020%20Years%20After%20To%20Err%20is%20Human,%20Leapfrog%20Hospital%20Safety%20Grades%20Prove%20Transparency%20Can%20Save%20Lives%3A>

⁶ Source: Leapfrog Research Group: <https://ratings.leapfroggroup.org/>.

Table 1c: Baseline Period Patient Satisfaction Rating Results⁷

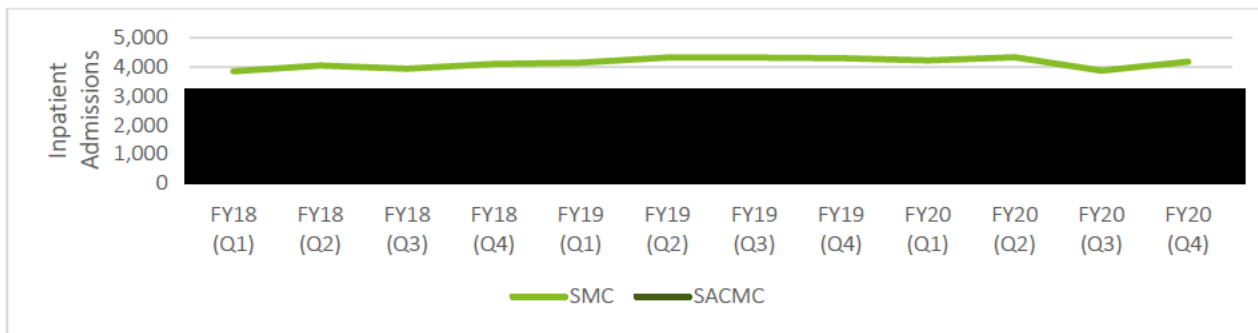
Location	Baseline Period											
	FY2018				FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SMC	4	4	4	4	3	3	3	3	4	4	4	4
SACMC	4	4	4	4	4	4	4	3	4	3	4	4

2. Data for inpatient and outpatient numbers before the merger.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Inpatient Volumes**⁸: SMC inpatient admissions increased by approximately 7.4% between FY2018 and FY2019. However, following the onset of the COVID-19 pandemic, admissions declined by approximately 2.9% in FY2020. Admissions at SACMC [REDACTED] between FY2018 and FY2019, and [REDACTED] in FY2020. Table 2a shows quarterly inpatient admissions for FY2018 - FY2020. SMC [REDACTED] experienced significant declines in volume between March and May of 2020 largely as a result of the COVID-19 pandemic.

Table 2a: Baseline Period Inpatient Admissions



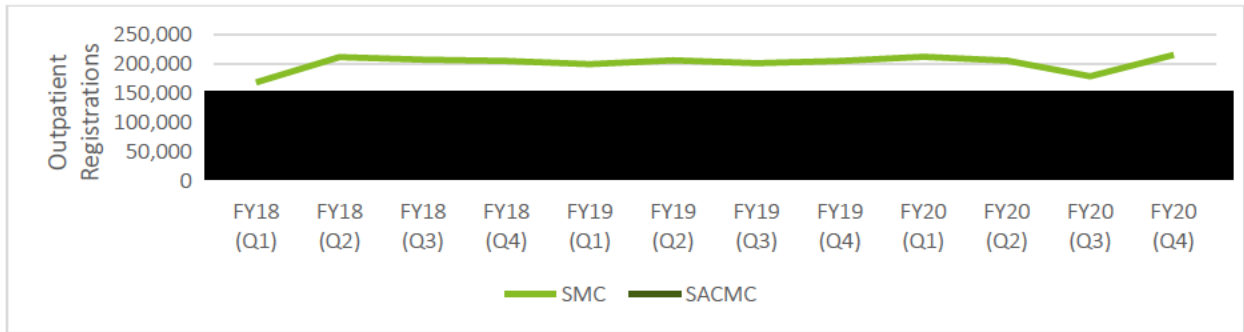
- Outpatient Volumes**⁹: SMC's outpatient volume remained steady during the Baseline Period with increases in outpatient volume of approximately 2.5% between FY2018 and FY2019, and less than 1.0% growth in outpatient volume between FY2019 and FY2020. During the same time period, outpatient volumes [REDACTED] between FY2018 and FY2019, followed by [REDACTED] between FY2019 and FY2020. Table 2b below displays the quarterly change in outpatient volumes for SMC and SACMC. Similar to inpatient volumes, SMC [REDACTED] experienced significant declines in outpatient volume between March and May of 2020, largely as a result of the COVID-19 pandemic.

⁷ Source HCAHPS Patient Satisfaction Survey: [HCAHPS Survey Results](#).

⁸ [REDACTED]

⁹ [REDACTED]

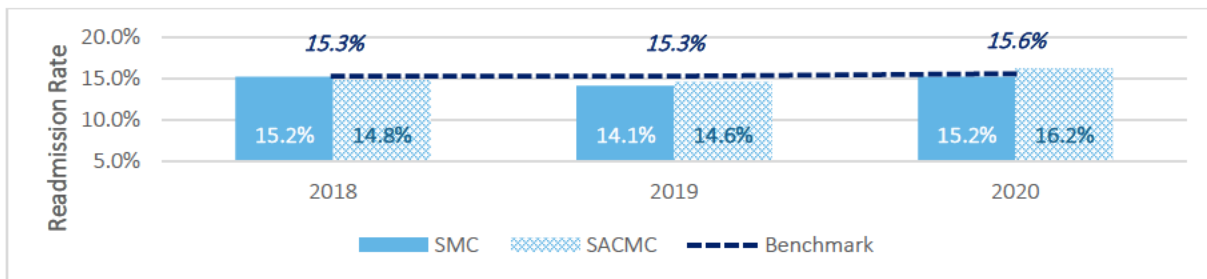
Table 2b: Baseline Period Outpatient Registrations



3. Patient readmission numbers before the merger.

- Patient Readmission Numbers:** For the Baseline Period, SMC experienced an overall readmission rate between 14.1% and 15.2%. During the same time period, SACMC’s overall readmission rate was between 14.6% and 16.2%. The “Patient Readmission” metric reported is based on the “Unplanned Hospital Visit” benchmark in the CMS Care Compare data, which is used in the CMS Star Ratings. Per CMS guidance: “The overall rate of unplanned readmission after discharge from the hospital (also called ‘hospital-wide readmission’) focuses on whether patients who were discharged from a hospital stay were hospitalized again within 30 days. All medical, surgical and gynecological, neurological, cardiovascular, and cardiorespiratory hospital patients are included in this measure. Patients may have returned to the same hospital or to a different hospital. They may have been readmitted for a condition that is related to their recent hospital stay, or for an entirely different reason.” Both SMC and SACMC remained below the national average of 15.3% in 2018 and 2019. In 2020, SACMC readmissions increased beyond the 2020 national average of 15.6%¹⁰. Additionally, Shannon Health has put a number of process improvement measures in place to further reduce readmissions at all of its hospitals.

Table 3: Baseline Period Patient Readmissions



4. Any association between increased patient volumes and better patient outcomes.

- Higher patient volumes are associated with better outcomes across a wide range of procedures and conditions. This proposition is supported by articles from members of the academic community and governing specialty organizations.¹¹ In terms of increased patient volumes data

¹⁰ Medicare Compare 2020 “Unplanned Hospital Visit” benchmark ([Medicare.gov](https://www.cms.gov/medicare/medicare-coverage-database/details/national-coordinate-benchmark.aspx)).

¹¹ Specifically, please see Institute of Medicine “[Interpreting the Volume-Outcome Relationship in the Context of Health Care Quality: Workshop Summary](#)”, (2000), at pages 4-5.

and patient outcomes, this Item 4 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

5. Explanation of how patient services were optimized since the merger and how service optimization impacted patient care.

- Item 5 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

6. A summary of quality improvement measures for each hospital to address performance in meeting quality performance standards.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- The quality measures¹² included in this Report are summarized below in Table 6a and 6b:

Table 6a: SMC Summary of Quality Measure Performance during Baseline Period

Quality Metrics	Page Ref.	FY2018				FY2019				FY2020			
CMS Star Rating	Pg. 8	4		4		4		4		5		5	
Leapfrog Safety Grades	Pg. 8	B		C		C		C		C		C	
Pt. Satisfaction Rating	Pg. 9	4	4	4	4	3	3	3	3	4	4	4	4
Inpatient Volumes	Pg. 9	16k				17k				17k			
Outpatient Volumes	Pg. 10	791k				811k				811k			
Patient Readmissions	Pg. 10	15.2%				14.1%				15.2%			

Table 6b: SACMC Summary of Quality Measure Performance during Baseline Period

Quality Metrics	Page Ref.	FY2018				FY2019				FY2020			
CMS Star Rating	Pg. 8	5		5		4		4		3		4	
Leapfrog Safety Grades	Pg. 8	A		A		A		A		B		C	
Pt. Satisfaction Rating	Pg. 9	4	4	4	4	4	4	4	3	4	3	4	4
Inpatient Volumes	Pg. 9	[REDACTED]											
Outpatient Volumes	Pg. 10	[REDACTED]											
Patient Readmissions	Pg. 10	14.8%				14.6%				16.2%			

¹² See Item 1 for definitions of CMS Star and Leapfrog Safety ratings.

7. An explanation of how San Angelo Community Medical Center (SACMC) will utilize providers, nurses and other medical staff to strengthen the Shannon Care Coordination Program.

- Shannon Health expects that as a result of the Merger, the Shannon Care Coordination Program will expand to legacy SACMC patients following discharge, and will be coordinated through legacy SACMC providers and staff.
- Shannon’s Care Coordination Program at SMC was designed to manage high-risk patients with multiple disease processes, address social and health care barriers, and support patients’ goals of independence in their health care management. The Shannon Care Coordination Program was developed as a patient-centric strategy to impact patient care beyond the four walls of the hospital.
- The Shannon Care Coordination Program was also designed to improve patient outcomes by utilizing a team to focus on population health efforts as it relates to chronic disease. Shannon Health expects that the Program’s structure and ability to utilize a team to focus on population health efforts as it relates to chronic disease will provide the combined entity with the opportunity to identify possible areas for patient care—all in service of providing care to patients in the community. Shannon expects that under the combined entity, legacy SACMC providers will be able to refer patients to the program.
- Item 7 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

8. An explanation of challenges or related conditions affecting the system’s ability to maintain and/or improve quality.

- Item 8 calls for information regarding post-Merger challenges. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger challenges occur and the relevant information becomes available.

B. Efficiencies

9. Data regarding emergency department closures since the merger.

- Current Emergency Department Locations: As of the COPA Approval Date, SMC and SACMC (now SMC South) each operated one Emergency Department. No changes have occurred since the Transaction Closing Date in the number of Emergency Departments Shannon Health operates. Each location is listed in **Table 9a** and **9b** below.

Table 9a: SMC Emergency Department

Emergency Department Location	Address	Status
Shannon Medical Center (SMC)	120 E Harris Ave., San Angelo, TX 76903	Open

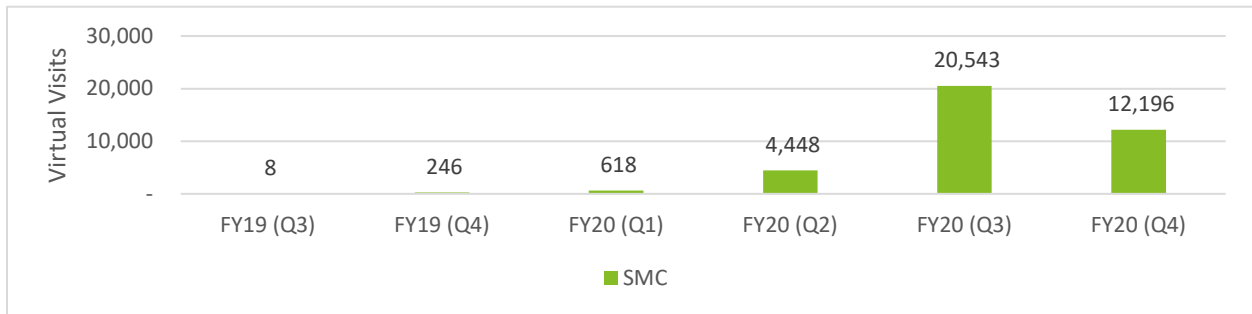
Table 9b: SMC South Emergency Department

Emergency Department Location	Address	Status
Shannon Medical Center South (SMC South)	3502 Knickerbocker Rd., San Angelo, TX 76904	Open

- Emergency Department Closures: Shannon Health has no plans to close any Emergency Departments as of the date of this Report.
10. A description of how the hospitals have expanded telehealth and an explanation of how the expansion has improved access to healthcare for the rural community by: (1) Providing data demonstrating the expansion of telehealth and technology; and (2) Explaining how the expansion of telehealth and technology improved the hospitals' ability to treat a larger patient population.
- Telehealth: SMC began offering telehealth services ("Shannon OnDemand") in 2018, and the utilization of these services greatly accelerated in FY2020 due to the need to care for patients virtually during the COVID-19 pandemic. Specifically, due to the COVID-19 pandemic and state mandates related to the public health emergency, Shannon Health experienced a drastic increase in virtual visits in April 2020 (as illustrated in **Table 10** below for Q3 FY2020). At that time, as Shannon Health continued implementing protocols in response to COVID-19, many outpatient visits were conducted via telemedicine. From June to August 2020, while confirmed COVID-19 cases increased, Tom Green County maintained positive rates below thresholds that would have required additional mandates or in-person restrictions for the county or the region. In Q3 and Q4 FY2020, while Shannon Health continued to make virtual visits an option for outpatient visits, pandemic mandates or restrictions did not significantly impact or restrict in-person visits. As a result, while the number of telehealth patients decreased in Quarter 4 FY2020, the decrease is offset by the overall increase in in-person visits, which is likely the result of patients feeling increasingly more comfortable to return to in-person care.
 - Shannon OnDemand simplifies care with immediate, secure access to providers 24/7 for patients directly from any personal device. In FY2020, SMC provided telehealth services, including primary

and other non-emergency care services, to 37,805 patients through its virtual care platforms. SMC uses a combination of platforms, including Zoom, Skype, Facetime, and Doximity to provide these services to patients. These services are linked to SMC’s Epic and MyChart platforms to further increase the coordination of care provided to patients. SMC partners with TytoCare to provide school-based telehealth services to patients. SACMC did not provide telehealth services prior to the Merger. Post-Merger, Shannon Health plans to expand services to SMC South in order to provide virtual care to additional patients. Any changes to the telehealth offerings post-Merger will be noted in future submissions.

Table 10: Number of Patients Treated via Telehealth during Baseline Period¹³



11. A description of any workforce reduction since the issuance of the COPA based on occupation, i.e. doctors, nurses, support staff, etc. Include the numbers and job titles of any position eliminated, the total number of employees before and after the reduction and explain any impact the reduction has on patient service delivery.
 - Baseline Workforce: As of the Transaction Closing Date, SMC and SACMC employed a combined 3,972 employees, as detailed in **Table 11** below. Any changes to the workforce post-Merger will be noted in future reports. Shannon Health has committed to utilizing the existing workforces and offering employees of SMC and SACMC comparable positions in the combined system. Furthermore, Shannon Health anticipates hiring additional staff to provide necessary services at legacy SACMC that had been provided previously by out-of-state or third-party contracted workers before the Merger.
 - Impact of COVID-19 on Workforce: As noted in prior sections relating to volume fluctuations, COVID-19’s impact on SMC and SACMC operations is easily observed. However, SMC did not reduce its workforce due to the pandemic; rather, SMC increased utilization of traveling clinicians to appropriately care for patients.

¹³ Volume includes telehealth visits tracked through Epic; additional telehealth visits may occur but are not included in the table if they are not recorded in Epic. For example, data is not available for FY18 through FY19 Q2. SMC began offering telehealth services in 2018, such as teleneurology along with other telehealth resources, to patients through arrangements with telehealth platform vendors. Under those arrangements, the vendors exclusively maintain the patient medical records created in connection with the services provided through the platform. As a result, patient data is not available through SMC’s electronic health records system.

Table 11: Workforce as of Transaction Closing Date¹⁴

Location	Employees
SMC	3,270
SACMC	702
Total	3,972

12. Data and financial reports demonstrating savings from the reduction in duplication of resources.

- Pre-Merger, as explained in Shannon Health’s COPA application, Shannon Health had preliminary plans to identify and evaluate several areas to improve efficiencies or cost savings. Shannon Health expected to see cost savings and efficiencies across the combined network. Shannon Health’s pre-Merger plans included plans to evaluate the following areas to improve efficiencies and result in savings:
 - Clinical leadership and administration;
 - Clinical optimization;
 - Accounting/Finance and revenue cycle services;
 - Human Resources initiatives;
 - Marketing/Communications initiatives;
 - Information Technology services;
 - Facilities-based services;
 - Laboratory services;
 - Pharmacy services; and
 - Imaging services.
- Overall, by aligning SMC and legacy SACMC’s efforts in key service lines and other areas, Shannon Health’s pre-Merger analysis forecasted that the combined system would drive cost savings through the elimination of unnecessary duplication, resulting in more efficient and higher quality services. However, Shannon Health’s pre-Merger analysis lacked complete information into legacy SACMC’s operations. Post-Merger, Shannon Health is continuously evaluating ways to eliminate unnecessary duplication and generate cost savings.
- Item 12 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

¹⁴ Note employee headcount includes employed physicians and advanced practice clinicians.

13. Data showing the coordination of services before and after the merger and evidence demonstrating how cost savings will be reinvested locally.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Pre-Merger Coordination of Services: Prior to the Merger, SMC entered into several strategic collaborations as part of its commitment to coordinate services and improve access to healthcare for the surrounding community. [REDACTED]
- Post-Merger Coordination of Services: Item 13 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

14. Data demonstrating reinvestment in the combined healthcare system.

- Item 14 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available. SACMC data related to infrastructure investments and capital expenditures for the Baseline Period is not available. CHS is a large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon Health’s understanding that CHS’s corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access to corporate level data. Thus, some historical SACMC data, including infrastructure investments and capital expenditures data, is Not Available to Shannon.

15. Data and financial reports reflecting the savings in each area referenced in the Efficiency Section of the COPA Terms and Conditions.

- Item 15 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

16. Operating deficiencies that existed before the merger and how any operating efficiencies have been achieved since the merger. Please note in the narrative any currently remaining deficiencies and explain the strategy for remedying these deficiencies.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- *Pre-Merger Operating Deficiencies:* [REDACTED]

Table 16: Pre-Merger SACMC Facility Operating Deficiencies

[REDACTED]

- *Post-Merger Operating Efficiencies:* Item 16 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

17. Data on the pricing, quality, and availability of ancillary health care services.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- *Ancillary Health Services Pricing and Availability:* The gross charges¹⁵ for SMC’s ancillary health services are set forth in the SMC Charge Description Master (“CDM”). SMC contracts with various commercial health plans, which generally reimburse ancillary health services based on a negotiated fee schedule or percentage discount of gross charges. However, only approximately [REDACTED] of SMC’s patients are insured by commercial payors. The majority of SMC patients are insured by government payors which set the reimbursement rates for those patients without negotiations. **Table 17a** below identifies Baseline Period volumes and CDM charges for select tests, treatments, or procedures for the following categories of ancillary health services: Laboratory, Imaging, and Pharmacy. SACMC data related to pricing and availability of ancillary health care services is not available because Shannon Health was not able to obtain this historical information from CHS. CHS is a large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon Health’s understanding that CHS’s corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access

[REDACTED]

to corporate level data. Thus, some historical SACMC data, including pricing and availability data for ancillary health services, is not available to Shannon Health.

Table 17a: SMC Ancillary Health Services

Ancillary Service	Volume			Average CDM Charge		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Laboratory Services¹⁶						
CMP	46,332	112,328	118,571			
CBC w/auto diff	61,911	65,136	93,389			
LIPID panel	4,212	46,594	46,683			
BMP	20,751	31,265	30,922			
Magnesium	23,722	27,166	25,357			
Imaging Services						
71045 X-Ray Chest 1V	16,557	17,672	19,002			
77067 Scr Mammo with Tomo Bilateral	9,890	11,514	11,388			
70450 CT Head w/o	7,444	8,234	7,625			
71046 X-Ray Chest 2V	6,555	5,837	3,998			
74177 CT Abd/Pel with IV	4,709	5,388	5,204			
Pharmacy Services						
Daptomycin 350 mg 1 each	828,650	1,164,890	1,026,680			
Acetaminophen 1,000 mg/100 ml IV per 1 ml	734,369	995,504	1,086,366			
Propofol 10 mg/ml IV Emulsion per 1 ml	521,588	622,965	856,673			
Ferric Carboxymaltose 50 mg Iron/ml IV per 1 ml	135,750	381,335	457,085			
Bupivacaine Liposome 1.3% (13.3 mg/ml)	68,405	283,732	475,669			

- Ancillary Health Services Quality:*** Table 17b and 17c below details Baseline Period quality scores for certain Medicare Compare and Leapfrog Safety Group quality measures specifically related to ancillary health services. Additionally, **Item 1** within this Report includes quality measures that consider all hospital operations, including ancillary health services. With respect to pharmacy services, Shannon Health provided Safe Medication Ordering scores in Table 17b as it is a publicly available quality metric that relates to pharmacy services. Similar publicly tracked pharmacy-specific metrics and laboratory-related metrics do not exist.

¹⁶ The clinic and hospital laboratories were consolidated during the Baseline Period, resulting in the appearance of significant changes in certain laboratory service volumes.

Table 17b: SMC Ancillary Health Services Quality Scores¹⁷

Experience	Baseline Period												
	FY2018				FY2019				FY2020				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Use of Medical Imaging ¹⁸													
OP-8. MRI Lumbar Spine for Low Back Pain	44.2%	44.2%	44.2%	39.4%	39.4%	39.4%	39.4%	38.6%	38.6%	38.6%	38.6%	46.9%	
OP-10. Abdomen CT - Use of Contrast Material	3.6%	3.6%	3.6%	2.8%	2.8%	2.8%	2.8%	7.1%	7.1%	7.1%	7.1%	11.8%	
Medication Safety													
Safe Medication Ordering ¹⁹	Not Available				Not Available				> 85%				

Table 17c: SACMC Ancillary Health Services Quality Scores²⁰

Experience	Baseline Period												
	FY2018				FY2019				FY2020				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Use of Medical Imaging ²¹													
OP-8. MRI Lumbar Spine for Low Back Pain ²²	43.6%	43.6%	43.6%	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	
OP-10. Abdomen CT - Use of Contrast Material	3.5%	3.5%	3.5%	1.9%	1.9%	1.9%	1.9%	1.7%	1.7%	1.7%	1.7%	4.8%	
Medication Safety													
Safe Medication Ordering ²³	Not Available				Not Available				Not Available		45		

¹⁷ Information reported by Medicare Compare, and Leapfrog Safety Group agencies ([Medicare.gov](https://www.medicare.gov) and [Leapfrog Group](https://www.leapfroggroup.org)).

¹⁸ With regards to the percentages provided for medical imaging (OP-8 and OP-10), lower values are more favorable and are included within **Table 17b** and **Table 17c**. OP-8 measures the “[p]ercentage of outpatients with low-back pain who had an MRI without trying recommended treatments (like physical therapy) first.” As CMS explains, “[h]ospitals that are rated well on [OP-8] will have lower percentages. If a percentage is high, it may mean that the facility is doing unnecessary MRIs for low-back pain.” As for OP-10, it measures the “[p]ercentage of outpatient CT scans of the abdomen that were ‘combination’ (double) scans.” CMS explains that “[h]ospitals that are rated well on [OP-10] will have lower percentages. If a percentage is high, it may mean that the facility is doing unnecessary double/combo scans.”

¹⁹ Please note that Leapfrog typically provides the current overall grade for a hospital, as well as the last six (6) “Recent Past Grades” for specific hospitals. “Recent Past Grades” describe the overall grade provided to the hospital, and do not include each of the underlying metrics used to calculate a hospital’s overall grade. This measure was Not Available for FY2018, FY2019, or Spring of FY2020 because Leapfrog does not publicly provide past or historical Hospital Safety Grade reports on its website.

²⁰ See *supra* note 19.

²¹ See *supra* note 20 for more information.

²² Please note that beginning in Quarter 4 FY2018, CMS archived data indicates that legacy SACMC scores for “OP-8 MRI Lumbar Spine for Low Back Pain” are “Not Available” because “[t]he number of cases/patients [was] too few to report.” According to CMS’s Data Dictionary, this means that either: (1) “the number of cases/patients [did] not meet the required minimum amount for public reporting”; (2) “the number of cases/patients [was] too small to reliably tell how well a hospital [was] performing”; and/or (3) CMS needed to “protect personal health information.”

²³ Please note that Leapfrog typically provides the current overall grade for a hospital, as well as the last six (6) “Recent Past Grades” for specific hospitals. “Recent Past Grades” describe the overall grade provided to the hospital, and do not include each of the underlying metrics used to calculate a hospital’s overall grade. Leapfrog does not publicly provide past or historical Hospital Safety Grade reports on its website. “Safe Medication Ordering” is an underlying metric, and is not available for FY2018, FY2019, or Spring of FY2020, and no other mechanism is available to obtain historical Safe Medication Ordering scores.

18. Data on the pricing, quality, and availability of physician services.

- Physician Services Pricing and Availability:** The gross charges for SMC's physician services are set forth in the SMC Physician Fee Schedule. SMC contracts with various commercial health plans, which generally reimburse physician services based on a negotiated fee schedule or percentage discount of gross charges. However, only approximately 30% of SMC's patients are insured by commercial payors. The majority of SMC patients are insured by government payors which set the reimbursement rates for those patients without negotiations. **Table 18** below identifies Baseline Period volumes and the average CPT charge for the select CPT codes for clinic visits or evaluation and management office visits. SACMC data related to pricing and availability of physician services is not available because Shannon Health was not able to obtain this historical information from CHS. CHS is a large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon's understanding that CHS's corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access to corporate level data. Thus, some historical SACMC data, including pricing and availability data for physician services, is not available to Shannon Health.

Table 18: Select Physician Services for Baseline Period

CPT	Description	Volume			Average CPT Charge		
		FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
<i>Physician Office Visits</i>							
99214	PR OFFICE/OUTPATIENT ESTAB MOD 30-39 Min	156,343	174,097	163,947	\$206.85	\$206.75	\$206.78
99213	PR OFFICE/OUTPATIENT ESTAB LOW 20-29 Min	137,596	149,700	143,742	\$139.66	\$139.63	\$139.76
99212	PR OFFICE/OUTPATIENT ESTAB SF 10-19 Min	21,495	19,035	28,159	\$82.86	\$82.87	\$82.98
99204	PR OFFICE/OUTPATIENT NEW MOD 45-59 Min	15,995	17,351	16,312	\$317.83	\$317.28	\$317.63
99203	PR OFFICE/OUTPATIENT NEW LOW 30-44 Min	13,720	16,439	13,651	\$206.88	\$206.58	\$206.74
<i>Hospital Clinic Visits</i>							
99232	PR SBSQ HOSPITAL CARE/DAY 25 Min	45,349	47,048	44,966	\$141.00	\$141.00	\$141.00
99233	PR SBSQ HOSPITAL CARE/DAY 35 Min	14,957	20,174	24,660	\$204.00	\$204.00	\$204.00
99239	PR HOSPITAL DISCHARGE DAY, >30 Min	9,170	10,108	9,744	\$209.00	\$209.00	\$209.00
99231	PR SBSQ HOSPITAL CARE/DAY 15 Min	8,768	8,203	8,896	\$77.00	\$77.00	\$77.00
99223	PR INITIAL HOSPITAL CARE/DAY 70 Min	8,420	10,098	10,088	\$396.00	\$396.12	\$396.00

- Physician Services Quality:** The composite Merit-Based Incentive Program (MIPS) score serves as an indicator of the quality and cost of physician services. For FY2018, SMC received a composite MIPS score of 99.5, out of 100 possible points. For services provided in FY2019, SMC scored a composite MIPS score of 90, out of 100 possible points. The 2019 MIPS score is based on four categories, each representing a specific weight of the final composite score: (i) Quality (45%); (ii) Promoting Interoperability (25%); (iii) Improvement Activities (15%); and (iv) Cost (15%).²⁴ When reporting on the composite score, CMS does not report MIPS scores broken down by category. A breakdown of points awarded is not available because CMS does not report MIPS scores broken down by category. Additionally, the 2020 MIPS score has not yet been finalized, as the CMS filing date is in March 2021, and the scores are not expected to be released by CMS until August 2021. Shannon Health does not have access to historical MIPS scores for legacy SACMC. CHS is a

²⁴ Centers for Medicare Services, Quality Payment Program (<https://app.cms.gov/mips/overview>).

large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon Health's understanding that CHS's corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access to corporate level data. Thus, some historical SACMC data, including historical MIPS scores, is not available to Shannon Health.

19. Data on the consolidation of clinic services, identifying the types of services per county in the geographic service area and how the consolidation of these services improved patient outcomes.
 - Consolidation of Services: Services offered as of the Transaction Closing Date by SMC and SACMC are outlined in **Attachment 2**, and within the Accessibility Section of this Report, under **Item 27**. Item 19 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. As for post-merger consolidated clinic services, additional information will be reported in future quarterly submissions as post-Merger changes occur and the relevant information becomes available.
20. A description of steps taken to reduce costs and improve efficiency.
 - Pre-Merger, Shannon Health has developed plans for clinical optimization that will move or focus certain services or procedures to specific sites of care to eliminate current clinical inefficiencies and reduce costs, while minimizing any adverse impact on patients. Shannon Health will identify services that can be moved, curtailed, or optimized to provide more efficient, higher quality care to all patients, while reducing costs. Shannon Health will continue to evaluate such opportunities post-Merger, and will report on such steps taken in future quarterly reports, as applicable.
21. An explanation of how any operating efficiencies achieved have impacted healthcare service delivery, patient care, staff, the local community, and counties served.
 - Item 21 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.
22. Any contracted services that have changed since the last report, with an explanation for each change.
 - Changes to Contracted Services: As of the COPA Approval Date, SMC and SACMC maintained agreements for various purchased services to support its operations. Following the Merger, Shannon Health plans to evaluate and renegotiate certain contracted services to operate more efficiently and will note any changes going forward.
23. Any healthcare-related service contract changes in the previous quarter and the explanation for the change.

- Changes to Contracted Health Care Services: As noted in the previous section, Shannon Health maintains agreements with a variety of third-party service providers and plans to evaluate these agreements going forward and will report future changes as required.

24. **Progress report regarding the adoption of the new IT Platform.**

- IT Platform: As of the COPA Approval Date, SMC and SACMC operated on separate Electronic Medical Record (“EMR”) and Enterprise Resource Planning (“ERP”) systems, from different vendors. Shannon Health intends to migrate SACMC to its Epic EMR platform from its current MedHost EMR platform. Additionally, Shannon Health plans to transition the SACMC Picture Archiving and Communication Systems (“PACS”) and the historical patient information they contain, to Shannon’s platform.

25. **An explanation of challenges or related conditions affecting the system’s ability to maintain and/or improve efficiencies.**

- Item 25 calls for information regarding post-Merger challenges. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger challenges occur and the relevant information becomes available.

C. Accessibility

26. Data illustrating the impact to patient wait times, including emergency department wait times, before and after the merger.

- Emergency Department Wait Times:** Average Emergency department (ED) wait times during the Baseline Period for SMC and SACMC are provided below in **Table 26a** and **Table 26b**, respectively. For the purposes of this Report, average ED wait times is defined as the median time from arrival at the ED until time of discharge for outpatient ED patients.²⁵ SMC was considered a “High” volume hospital in 2020 because its ED patient volume was between 40,000 and 59,999 annually. During the Baseline Period, SMC’s ED wait times remained consistent with the national median time for “High” volume hospitals. During the Baseline Period, SACMC was considered a “Medium” volume hospital because its ED patient volume was between 20,000 and 39,999 patients annually. SACMC operated below the national median for “Medium” volume hospitals over the last 6 quarters of the Baseline Period. Shannon Health does not track any other patient wait times in the ordinary course of business.

Table 26a: SMC Average ED Wait Times for Baseline Period

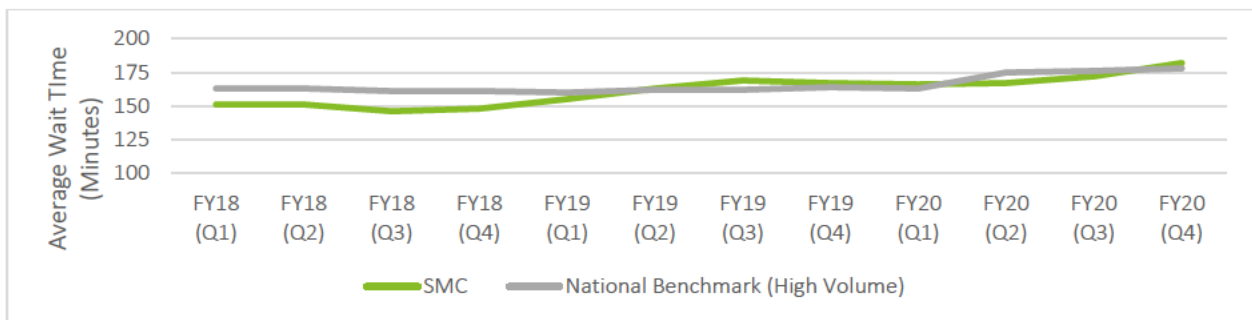
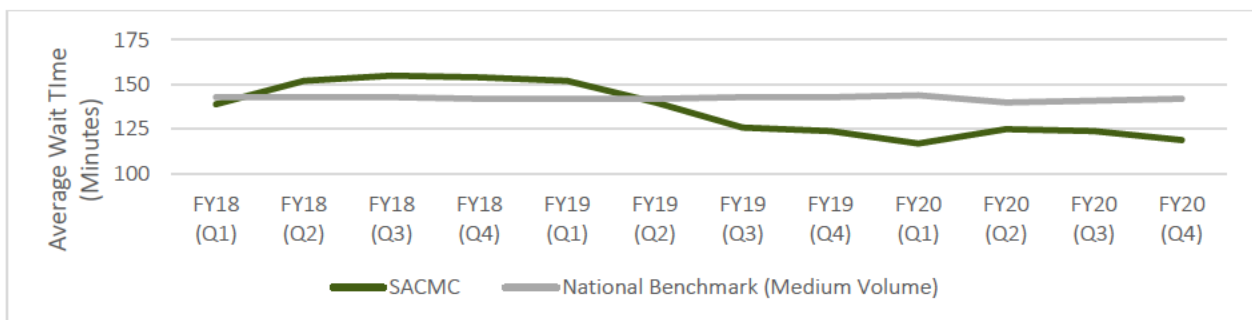


Table 26b: SACMC Average ED Wait Times for Baseline Period



- Item 26 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the

²⁵ CMS has collected and reported various ED wait time measures at certain times. This particular ED wait time measure was selected for this Report because it has been consistently reported during the Baseline Period, and CMS indicated that this measure will continue to be collected and reported in the future.

pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

27. Data demonstrating any expansion in service delivery since the merger.

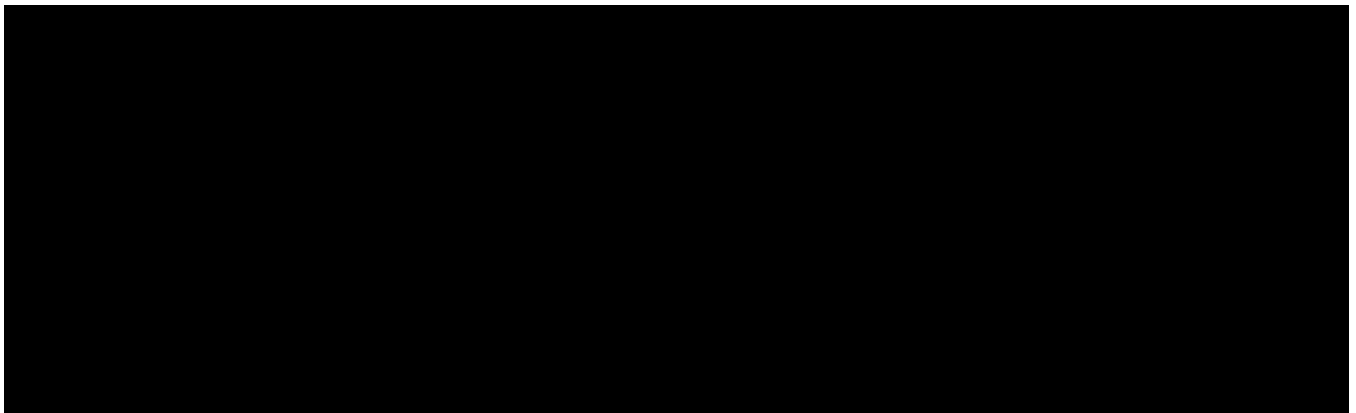
- Service Line Expansion and Changes: **Attachment 2** lists the clinical service lines offered at each hospital as of the Transaction Closing Date. Changes will be reported in future submissions as the relevant post-Merger information becomes available.

28. Data demonstrating rehabilitation room capacity before and after the merger.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

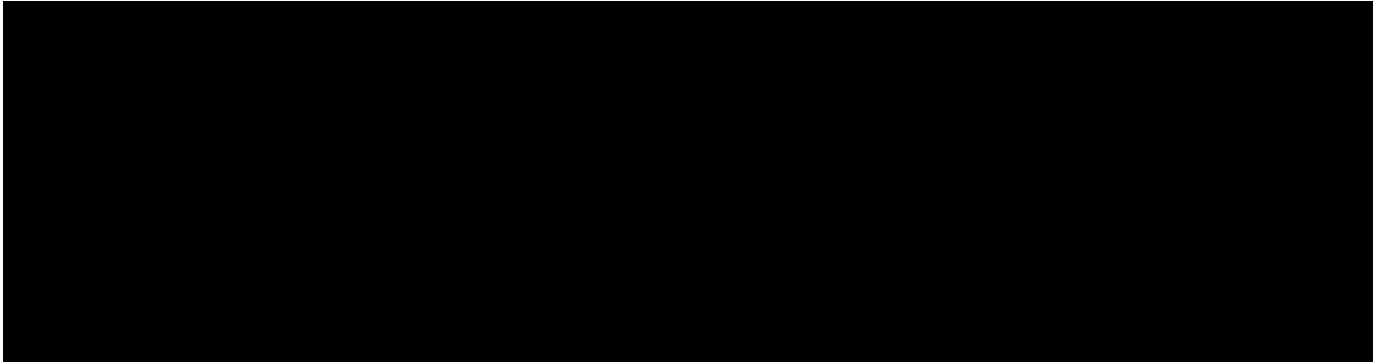
- The Shannon Rehabilitation Center is an inpatient program providing rehabilitation nursing, physical therapy, occupational therapy, case management and other services to patients. The service currently maintains 14 dedicated beds for rehabilitative services. [REDACTED].²⁶ Similar to the inpatient and outpatient patient volume statistics described previously in this Report, patient volumes declined in FY2020 due to COVID-19, with only 30% of beds occupied on average. Rehabilitation room occupancy and available capacity during the Baseline Period is provided below in **Table 28a**, with the annual average beds available during the Baseline Period provided in **Table 28b**.
- Additional information about the rehabilitation services provided can be found in **Item 41** below.

Table 28a: SMC Average Inpatient Rehabilitation Capacity



²⁶ [REDACTED]

Table 28b: SMC Available Rehabilitation Beds



- Item 28 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

29. Data and financial reports regarding infrastructure investment, capital expenditures, and operating costs since the merger.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Infrastructure Investment and Capital Expenditures: Within the Baseline Period, SMC invested approximately \$119.4M in capital and infrastructure expenditures. SACMC's capital and infrastructure expenditure data for FY2018, FY2019, and FY2020 was unavailable for this Report as Shannon Health was not able to obtain this historical information from CHS. CHS is a large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon Health's understanding that CHS's corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access to corporate level data. Thus, some historical SACMC data, including infrastructure investments and capital expenditures data, is not available to Shannon Health. See **Table 29** for a summary of capital, infrastructure, and operating expenditures within the Baseline Period.

Table 29: Capital, Infrastructure and Operating Expenditures During Baseline Period

	FY2018	FY2019	FY2020
SMC			
Capital Expenditures ²⁷	\$65,463,573	\$31,441,584	\$22,509,129
Infrastructure Expenditures ²⁸	\$9,398,810	\$2,226,543	\$1,113,180
Operating Expenditures	\$440,117,123	\$463,728,339	N/A ²⁹
SACMC			
Capital Expenditures ³⁰	[REDACTED]		
Infrastructure Expenditures	[REDACTED]		
Operating Expenditures ³¹	[REDACTED]		

30. Evidence of any expansion of clinical services.

- **Attachment 2** to this Report lists the services provided at each of the hospitals as of the Transaction Closing Date. Future submissions will report on changes to and the expansion of services as events occur and the relevant post-Merger information becomes available.

31. A description of each patient service that changed or has been discontinued since the merger and an explanation of the impact to patient care.

- Item 31 requests information about changes or discontinuations of patient services that took place post-Merger. As such, this standard will be explicitly included and addressed in future quarterly reports, as applicable.

32. The number of patients enrolled in each hospital’s charity care program.

- During the most recent fiscal year (10/1/19 – 9/30/20), SMC enrolled 5,158 patients in charity care and financial assistance programs. The number of patients enrolled in SACMC’s charity care program pre-Merger was not available as Shannon Health was not able to obtain this historical information from CHS. CHS provided only summary-level charity care expense data. CHS did not provide SACMC’s enrollment data pre-Merger or charity care data with underlying detail, such as the number of patients enrolled or assisted by charity care or patient assistance funding.

²⁷ SMC capital expenditures were higher in FY2018 due to expansion of the OR in FY2018, at a cost of approximately \$29.9 million.

²⁸ SMC “Infrastructure Expenditures” are included within SMC “Capital Expenditures” Line in **Table 29**.

²⁹ SMC FY2020 Operating Expenditures not available at the time of this Report.

³⁰ [REDACTED]

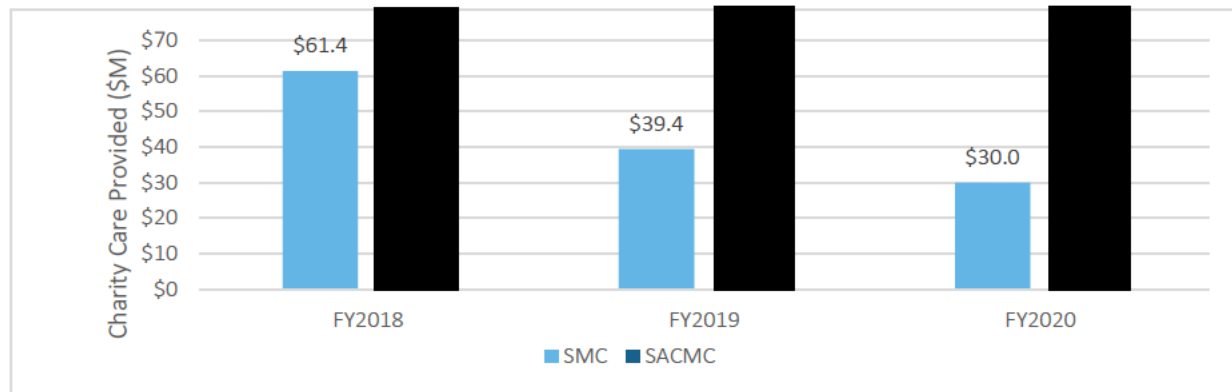
³¹ [REDACTED]

33. Data and financial reports for charity care services provided by each hospital.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- The annual financial investment in charity care for both SMC and SACMC for the Baseline Period is shown below in **Table 33**.
- Additionally, provided in **Attachment 3** are excerpts from SMC’s available, historical 990s for 2017 and 2018, to support the charity care financial data provided by SMC.
- Shannon Health does not have access to SACMC financial reports from CHS to support the financial data. CHS provided total dollar amounts that apparently reflected charity care or similar “patient assistance” funding at SACMC. CHS is a large, for-profit health system based in Franklin, Tennessee that operates hospitals across the country. It is Shannon Health’s understanding that CHS’s corporate administration maintains certain historical hospital-related data only at the corporate level, not locally at the hospital level. After the Transaction, CHS did not provide Shannon Health with access to corporate level data. Thus, some historical SACMC data, including charity care services data and financial records, is not available to Shannon Health.

Table 33: Charity Care During Baseline Period



34. Data demonstrating expansion efforts for the Shannon Care Coordination Program.

- Prior to the Merger, the Shannon Care Coordination Program was developed as a patient-centric strategy to impact patient care beyond the four walls of the hospital. Pre-Merger, the program was designed to enroll identified patients that require the highest level of complex coordination. The purpose of the pre-Merger Shannon Care Coordination Program was to offer patient navigation services to the sickest patients by providing the following resources: medication reconciliation, addressing social issues, and helping the patient manage chronic illnesses in their home setting. Moreover, it would provide an intensive and comprehensive team approach to managing high-risk patients by utilizing health coaches that report to an interdisciplinary team. The level of services provided were determined by individual patient need and is adjusted as the patient shows improvement. Notably, during the COVID-19 pandemic, the Shannon Care Coordination Program and its existing resources were shifted to respond to the growing needs of patients hospitalized with COVID-19. That means, pre- Merger, home monitoring equipment and

ongoing interaction between Shannon Care Coordination Program staff and identified patients shifted completely to serve identified COVID-19 patients.

- Item 34 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.
35. Data demonstrating clinical integration between facilities and providers and whether such integration led to cost savings and a reduction in medical errors.
- Item 35 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.
36. Data identifying changes to service levels at the hospitals and at other facilities, including service levels available to the public and any reduction in service levels available to the public.
- Pre-Merger Service Levels: Table 36 includes the pre-Merger service levels for both SMC and SACMC for the Emergency department (“ED”), Neonatal, and Maternal. SACMC did not have a Maternal designation pre-Merger. In terms of pre-Merger service levels, only the service levels as of FY2020 are provided in order to establish a baseline for comparison of any changes post-Merger. As these designations change, additional information will be reported in future quarterly reports.

Table 36: Pre-Merger Key Service Levels

Location	Pre-Merger Service Level (FY2020)			
	ED	Neonatal	Maternal	Trauma
SMC	3	2	2	3
SACMC	3	2	Not Applicable	3

- As background, service level designations vary by the service being provided:
 - Trauma/ED: There are four recognized levels of trauma facility designation: Level 1 (Comprehensive), Level 2 (Major), Level 3 (General) and Level 4 (Basic)³².
 - A Level 1 (Comprehensive) trauma facility is a tertiary care hospital that maintains a distinct leadership role in the trauma system development, optimal care delivery, evaluation, training, and research. It is the regional resource trauma center in a system and has the capability to provide definitive care for every aspect of injury, prevention through rehabilitation.
 - A Level 2 (Major) facility is a hospital that can provide definitive care to victims of trauma. However, there are a few circumstances which may require the transfer of a patient to a more specialized hospital/physician. Again, it is

³² Source: (<https://www.dshs.texas.gov/emstraumasystems/etrauma.shtm>)

- important that each facility be proactive in formalizing a relationship with a tertiary care center in order to expedite the transfer of critically injured patients.
- A Level 3 (General) trauma facility may provide tertiary care to most patients, but need to transfer of those needing more specialized care. Designation as a Level 3 trauma centers requires an outstanding commitment as this center provides prompt assessment, resuscitation, and emergent intervention for severely injured trauma patients.
 - A Level 4 (Basic) Trauma Centers provide the stabilization to critically injured patients despite having limited resources. These facilities provide the opportunity to develop entry points into the trauma system. A Level 4 facility may not be able to provide surgical intervention, but can provide access to an on- call trauma physician. For this reason, the development of treatment protocols for initial stabilization and the existence of transfer agreements are essential.
 - **Neonatal:** There are four recognized levels for designated Neonatal facilities: Level 1 (Well nursery); Level 2 (Special care nursery); Level 3 (Intensive-care unit); Level 4 (Advanced intensive-care unit)³³.
 - Level I facilities provide care for mothers and their infants generally of ≥ 35 weeks gestational age who have routine, transient perinatal problems.
 - Level II facilities provide care for mothers and their infants of generally ≥ 32 weeks gestational age and birth weight ≥ 1500 grams who have physiologic immaturity or who have problems that are expected to resolve rapidly and are not anticipated to require subspecialty services on an urgent basis; and either provide care, including assisted endotracheal ventilation for less than 24 hours or nasal continuous positive airway pressure (NCPAP) until the infant's condition improves, or arrange for appropriate transfer to a higher level designated facility. If the facility performs neonatal surgery, the facility shall provide the same level of care that the neonate would receive at a higher level designated facility and shall, through the Quality Assurance and Performance Improvement (QAPI) Program, complete an in depth critical review of the care provided.
 - Level 3 facilities will provide care for mothers and comprehensive care of their infants of all gestational ages with mild to critical illnesses or requiring sustained life support; and provide for consultation to a full range of pediatric medical subspecialists and pediatric surgical specialists, and the capability to perform major pediatric surgery on-site or at another appropriate designated facility.
 - Level 4 facilities will provide care for the mothers and comprehensive care of their infants of all gestational ages with the most complex and critically ill neonates/infants with any medical problems, and/or requiring sustained life support; and ensure that a comprehensive range of pediatric medical subspecialists and pediatric surgical subspecialists are available to arrive on-site for face to face consultation and care, and the capability to perform major

³³ Source: (<https://www.dshs.texas.gov/emstraumasystems/neonatal.aspx>)

pediatric surgery including the surgical repair of complex conditions.

- **Maternal:** There are four recognized levels for designated Maternal facilities: Level 1 (Basic Care); Level 2 (Specialty Care); Level 3 (Subspecialty Care); and Level 4 (Comprehensive Care)³⁴.
 - Level 1 facilities provide care for pregnant and postpartum patients who are generally healthy, and do not have medical, surgical, or obstetrical conditions that present a significant risk of maternal morbidity or mortality.
 - Level 2 facilities provide care for pregnant and postpartum patients with medical, surgical, and/or obstetrical conditions that present a low to moderate risk of maternal morbidity or mortality.
 - Level 3 facilities provide care for pregnant and postpartum patients with low risk conditions to significant complex medical, surgical and/or obstetrical conditions that present a high risk of maternal morbidity or mortality.
 - Level 4 facilities provide comprehensive care for pregnant and postpartum patients with low risk conditions to the most complex medical, surgical and/or obstetrical conditions and their fetuses, that present a high risk of maternal morbidity or mortality.

37. A list of the severe risks described in the application facing Tom Green County and an explanation of how the merger led to the mitigation of these risks.

- The COPA application described the severe risks facing Tom Green County in the context of Shannon Health’s Community Health Needs Assessment (“CHNA”) from 2019. The CHNA report involved a year-long study to identify the more prevalent, unmet health needs of residents within Tom Green County. Typically, Shannon utilizes a CHNA to identify prevalent, unmet health needs in order to allocate resources to the areas of greatest need. Accordingly, Shannon Health’s CHNA identified five predominant health needs in the community to be prioritized, as of 2019:
 - adult obesity;
 - lack of health knowledge/education;
 - lack of mental health providers;
 - shortage of primary care physicians; and
 - healthy behaviors/lifestyle.
- Importantly, however, please note that the year-long study for the CHNA, and the resulting 2019 CHNA report, were completed long before the unprecedented COVID-19 pandemic, as well as before the Merger. As a result, Shannon Health has also identified and prioritized responding to the COVID-19 pandemic and increasing access to care as a predominant health need in the community.
- The post-Merger mitigation of existing public health issues will be further reported in future submissions as relevant post-Merger activities occur and information becomes available.

³⁴ Source: (<https://www.dshs.texas.gov/emstraumasystems/maternal.aspx>)

38. A description of how the merger has impacted rural healthcare in the hospitals' 25-county service area during the previous quarter, including any reduction in services.
- There is a rural health care crisis in Texas, and the crisis is exacerbated by fundamental health disparities between urban and rural populations. Many studies have shown that rural populations suffer a greater incidence of severe health problems than urban populations. One study noted that the rural health care crisis is exacerbated by the fact that rural populations have a greater rate of diabetes and suffer from a higher exposure to the opioid epidemic.³⁵ In Texas, rural populations face numerous health concerns, including adult obesity, lack of health knowledge or education, lack of access to mental health providers, shortage of primary care physicians, and unhealthy behaviors and lifestyles. As rural populations experience a disproportionately higher incidence of many serious health conditions and significant difficulty in accessing quality medical care, it is essential that people who choose to stay or are unable to move continue to have health care available in and around their local communities.
 - Item 38 calls for information regarding post-Merger changes in the 25-county area served by Shannon Health. As previously stated, because the Merger transaction closed in October 2020, less than a quarter ago this report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.
39. Data illustrating physician contracts for each county in the region specifying the physician specialty or practice area for each contract.
- **Table 39** lists the specialty and county location for the 212 physicians Shannon Health employed as of the Transaction Closing Date. The region is also served by a number of community physicians not employed by Shannon Health. While Shannon Health does not maintain a comprehensive directory of these community physicians beyond those with medical staff privileges at Shannon Health (covered subsequently in **Item 51** in this Report), public sources that identify community physicians including the Texas Medical Board Healthcare Provider Search and health plan provider directories are available.

³⁵ Source: The Chartis Group, *Rural Relevance 2017: Assessing the State of Rural Healthcare in America*, http://garnerhealth.com/wp-content/uploads/2014/02/The-Rural-Relevance-Study_2017_FL031717.pdf.

Table 39: Employed Physicians by County Location

Specialty	Facility		County Service Locations							
	SMC	SACMC	Tom Green	Howard	McCulloch	Sutton	Crockett	Mitchell	Val Verde	Brown
Access Clinic	2		✓							
Allergy	1		✓							
Anesthesiology	17		✓							
Cardiology	4	2	✓	✓	✓		✓			
CV Surgery	2	1	✓							
Dermatology	3		✓	✓						
Electrophysiology	1	1	✓							
Emergency	12		✓							
Endocrinology	1		✓							
Family Practice	16	8	✓	✓	✓					
Gastroenterology	4	1	✓							
Hematology Oncology	2		✓	✓						
Hospitalist	21	7	✓							
Internal Medicine	12	2	✓							
Laboratory	1		✓							
Nephrology	4		✓		✓					
Neurology	3	1	✓							
Neurosurgery	3		✓	✓	✓	✓		✓	✓	✓
OB/GYN	8	3	✓	✓	✓					
Ophthalmology	3		✓							
Orthopedics	4		✓							
Otolaryngology	3		✓							
Pain Management	1		✓							
Palliative Care	1		✓							
Pathology	3		✓							
Pediatrics	9	4	✓							
Phys & Rehab Medicine	1		✓							
Podiatry	2		✓							
Psychiatry	1		✓							
Pulmonology	2		✓							
Radiation Oncology	1		✓							
Radiology Services	9		✓							
Rheumatology	1		✓							
Senior Clinic	1		✓							
Surgery	6	1	✓							
Urgent Care	11		✓							
Urology	4		✓			✓				
Wound Care	1		✓							
TOTAL	181	31	✓	✓	✓	✓	✓	✓	✓	✓

40. A copy of each hospital’s charity care policy, identifying any changes to the policy in the previous quarter when changes occur.
- The Charity Care policies for SMC and SACMC as of the COPA Approval Date are included as **Attachment 4**. Any changes to the policy will be reported as required in future submissions.
41. A list of health plans each hospital contracted with during fiscal year 2019, an explanation of any change to the accepted health care plans after the merger, and a list of health plan contracts terminated since the merger.
- Prior to the Merger, SMC and SACMC maintained agreements with the following health plans³⁶, as listed in **Table 41** below, which are estimated to represent approximately 90% of patient volumes from commercial payors for both hospitals. Shannon Health will report on any post-Merger changes to the accepted health care plans and will provide a list of any health plan contracts terminated since the Merger in future submissions.

Table 41: Health Plans Accepted by SMC and SACMC Prior to the Merger

Organization
Aetna
Ambetter Superior Health
Amerigroup Medicaid
Blue Choice
Blue Cross Advantage HMO
Blue Cross HMO Blue Essentials
Blue Cross Traditional
Caprock Healthplans
CIGNA
First Health
FirstCare Medicaid
Galaxy Health Network
HealthSmart Preferred Care
HealthSmart Preferred Care (Accel)
Humana
Humana Medicare Advantage
Humana TriCare
Independent Medical Systems, Ltd.
MultiPlan
Omni Networks
PHCS
Prime Health Services, Inc
Provider Network of America
Scott & White
Select Plus Network
Organization

³⁶ List does not include direct employer agreements, workers’ compensation, or other arrangements for discrete services (e.g., school services, behavioral health).

Superior Health Plan Medicaid
Texas True Choice
United Healthcare
United Healthcare - Medicare

42. A list of rehabilitative services accessible to patients and a schedule of services demonstrating the referenced service delivery hours.

- Inpatient rehabilitation services:
 - The Shannon Rehabilitation Center offers rehabilitation nursing, physical therapy, occupational therapy, speech therapy, case management, social work and psychology support. Inpatient services are provided 24 hours per day, seven days a week.
 - The Shannon Rehabilitation Center treats a variety of conditions including stroke, brain injuries, amputations, arthritis, degenerative and neurological disorders (e.g., Parkinson’s), and other debilitating conditions that would result in the loss of independence in self-care and mobility.
- Outpatient rehabilitation services:
 - Pre-Merger, SMC had three locations providing outpatient rehabilitation services: (1) Shannon Southwest Clinic, providing outpatient orthopedic rehabilitation; (2) Shannon Sports Medicine, providing outpatient sports medicine; and (3) St. John’s Campus, providing outpatient neuro therapy and rehabilitation. All three locations had service delivery hours of Monday through Friday, 8:00 AM to 5:00 PM.
 - As for legacy SACMC, pre-Merger, it had one location providing outpatient therapy. It had service delivery hours of 8:00 AM to 5:00 PM.

43. An explanation of challenges or related conditions affecting the system’s ability to maintain and/or improve accessibility.

- Item 43 calls for information regarding post-Merger challenges. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger challenges occur and the relevant information becomes available.

D. Competition

44. Data illustrating the organizations’ payment models.

- Prior to the Merger, SMC and SACMC participated in the following payment models listed in **Table 44** below. Shannon Health will report on any post-Merger changes to the payment models in future submissions.

Table 44: SMC and SACMC Pre-Merger Payment Models³⁷

Payment Models
APR-DRG/MS-DRG
Case Rate
Medicare Fee Schedules
Percent of Billed Charges
Per Diem
Quality Metric-Based Compensation
Texas Medicaid Fee Schedules

45. Data demonstrating the payment models established since the merger in comparison to payment models before the merger.

- Item 45 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

46. Data demonstrating the merger did not reduce competition among physicians, allied health professionals, other health providers, or any other persons providing goods and services with the hospitals.

- SMC and SACMC face competition from a number of hospitals and health systems in their primary and secondary service areas. Post-Merger, Shannon Health will continue to compete with large and significant health systems throughout the region, most of which are gaining strength. The robust competition for inpatient hospital services will continue from at least 21 other hospitals, listed below, all located in surrounding counties. Likewise, Shannon Health also faces competition from freestanding emergency departments, urgent cares, ambulatory surgery centers, rural health clinics, and other healthcare providers located in Tom Green County and the surrounding counties.

Shannon Health will continue to compete with the large health systems in the region, including without limitation:

1. Lubbock University Medical Center
2. Midland Memorial Hospital
3. University Health System in San Antonio

³⁷ Excludes workers compensation payment models.

4. Houston Methodist – The Woodlands
5. Parkland Health & Hospital System
6. Texas Health Harris Methodist Hospital Alliance
7. Texas Health Resources

Shannon Health competes with inpatient acute facilities within the primary and secondary service area, including without limitation:

1. Ballinger Memorial Hospital District; 608 Ave. B, Ballinger, TX 76821; Runnels County
2. Big Spring State Hospital; 1901 N Hwy. 87, Big Spring, TX 79720; Howard County
3. Hendrick Medical Center Brownwood; 1501 Burnett Rd., Brownwood, TX 76801; Brown County
4. Concho County Hospital; 614 Eaker St., Eden, TX 76837; Concho County
5. Coleman County Medical Center; 310 S Pecos St., Coleman, TX 76834; Coleman County
6. Heart of Texas Healthcare System; 2008 Nine Rd., Brady, TX 76825; McCulloch County
7. Iraan General Hospital; 600 TX-349, Iraan, TX 79744; Pecos County
8. Lillian M. Hudspeth Memorial Hospital; 308 Hudspeth St., Sonora, TX 76950; Sutton County
9. McCamey County Hospital District; 2500 S Hwy. 305, McCamey, TX 79752; Upton County
10. Mitchell County Hospital; 997 W I-20, Colorado City, TX 79512; Mitchell County
11. North Runnels Hospital; 7821 E TX-153, Winters, TX 79567; Runnels County
12. Pecos County Memorial Hospital; 387 W I-10, Fort Stockton, TX 79735; Pecos County
13. Rankin County Hospital District; 1611 TX-Spur 576, Rankin, TX 79778; Upton County
14. Reeves County Hospital District; 2323 Texas St., Pecos, TX 79772; Pecos County
15. River Crest Hospital; 1636 Hunters Glen Rd., San Angelo, TX 76901; Tom Green County
16. Reagan Memorial Hospital; 1300 N Main Ave., Big Lake, TX 76932; Reagan County
17. Rolling Plains Memorial Hospital; 200 E Arizona Ave., Sweetwater, TX 79556; Nolan County
18. Scenic Mountain Medical Center; 1601 W 11th Pl., Big Spring, TX 79720; Howard County
19. Schleicher County Medical Center; 102 N US-277, Eldorado, TX 76936; Schleicher County
20. Val Verde Regional Medical Center; 801 N Bedell Ave., Del Rio, TX 78840; Val Verde County
21. West Texas VA Health Care System; 2400 S Gregg St., Big Spring, TX 79720; Howard County

Additionally, the following is a non-exhaustive list of “freestanding healthcare facilities” in the primary and secondary service area, sorted by county, that Shannon Health will continue to compete with:

Primary Service Area

Brown County

- Accel Health Clinic Brownwood; 3804 US-377, Brownwood, TX 76801
- Brownwood Women’s Clinic; 98 S Park Dr., Brownwood, TX 76801
- Central TX Women’s Clinic PA; 2201 Coggin Ave. #B, Brownwood, TX 76801
- Fresenius Medical Care Brownwood; 110 S Park Dr., Brownwood, TX 76801
- Hendrick Surgery Center Brownwood; 2401 Crockett Dr., Brownwood, TX 76801
- One Source Health Center - Early; 2005 Hwy. 183 N, Early, TX 76802

Coleman County

- Coleman WIC Clinic; 303 E College Ave., Coleman, TX 76834
- Coleman Medical Associates; 310 S Pecos St, Coleman, TX 76834
- Hensely Family Health Clinic; 105 N 2nd St., Santa Anna, TX 79606

Coke County

- [N/A]

Concho County

- Concho Medical Clinic; 814 W Broadway St., Eden, TX 76837
- Eden Medical Clinic PA; 506 Eaker St, Eden, TX 76837
- Frontera Healthcare Network – Eden Clinic; 551 Eaker St, Eden, TX 76837

Crockett County

- [N/A]

Howard County

- Howard County Community Health Clinic; 1300 S Gregg St., Big Spring, TX 79720
- Stewart Medical Group – Scenic Mountain Medical Group – Main Street; 910 S Main Street, Big Spring, TX 79720
- West Texas Dialysis Center; 501 Birdwell Ln., Suite 10, Big Spring, TX 79905

Irion County

- [N/A]

Kimble County

- Frontera Healthcare Network – Junction Clinic; 509 College St., Junction, TX 76849
- Junction Medical Clinic; 109 Reid Rd., Junction, TX 76849

McCulloch County

- Brady Medical Clinic; 2010 Nine Rd., Brady, TX 76825
- Fresenius Kidney Care Brady; 2008 Nine Rd., Brady, TX 76825

Menard County

- Frontera Healthcare Network – Menard Clinic; 119 Ellis St., Menard, TX 76859

Mitchell County

- Family Medical Associates; 997 I-20, Colorado City, TX 79512

Reagan County

- Hickman Rural Health Clinic; 1300 N Main Ave, Big Lake, TX 76932

Runnels County

- Ballinger Hospital Clinic; 2001 Hutchins Ave, Ste C, Ballinger, TX 76821
- NRH Clinic; 7571 TX-153, Winters, TX 79567

Schleicher County

- Schleicher County Family Clinic; 100 N US-277, Eldorado, TX 76936

Sterling County

- Family Clinic; 304 4th St, Sterling City, TX 76951

Sutton County

- Sonora Medical Clinic; 301 Hudspeth St., Suite B, Sonora, TX 76950

Tom Green County

- Angelo Kidney Connection Home Therapies LLC; 3626 50th Street, Lubbock, TX 79413
- Angelo Kidney Connection, PLLC; 2901 Sherwood Way, Suite 100, San Angelo, TX 76901
- Angelo MRI; 4114 S Jackson St., San Angelo, TX 76903
- Concho Valley ER; 5709 Sherwood Way, San Angelo, TX 76901
- Fresenius Kidney Care San Angelo; 2018 Pulliam St., San Angelo, TX 76905
- Goodfellow AFB Clinic; 271 Ft. Richardson Ave., San Angelo, TX 76908
- La Esperanza Clinic; 1610 S Chadbourne St., San Angelo, TX 76903
- La Esperanza Clinic; 2033 W Beauregard Ave., San Angelo, TX 76901
- La Esperanza Health & Dental Clinic; 35 E 31st St., San Angelo, TX, 76901
- San Angelo Dialysis; 3518 Knickerbocker Rd., San Angelo, TX 76904
- VA San Angelo Clinic; 2018 Pulliam St., San Angelo, TX 76905

Secondary Service Area

Mason County

- Frontera Healthcare Network – Mason Clinic; 216 E College Ave., Mason, TX 76856

Mills County

- Coryell Health Medical Clinic – Mills County; 1510 Hannah Valley Rd., Goldthwaite, TX 76844

- Family Practice Clinic of Mills County; 1501 W Front St., Goldthwaite, TX 76844

Nolan County

- Family Medical Associates; 997 I-20, Colorado City, TX 79512
- Fresenius Kidney Care Rolling Plains; 100 E Arizona Ave., Sweetwater, TX 79556
- Rolling Plains Rural Health Clinic; 201 E Arizona Ave., Sweetwater, TX 79556

Pecos County

- Family Care Center Walk In Clinic; 511 N Main, Fort Stockton, TX 79735
- Fort Stockton Dialysis; 387 W Interstate 10, Suite C, Fort Stockton, TX 79735
- Iraan General Hospital District Rural Health Clinic; 600 Hwy. 349 N, Iraan, TX, 79744

San Saba County

- Baylor Scott & White Clinic – San Saba; 2005 W Wallace St., San Saba, TX 76877
- One Source Health Center – San Saba; 403 W Wallace St., San Saba, TX 76877

Terrell County

- Sanderson Rural Health Center; 213 Persimmon Ave., Sanderson, TX 79848

Upton

- McCamey Hospital Rural Health Clinic; 2500 Hwy. 305 S, McCamey, TX 79752

Val Verde County

- Del Rio Med & Surgical Clinic; 1200 N Bedell Ave., Del Rio, TX 78840
- Family Care Clinic; 119 E Academy St., Del Rio, TX 78840
- Fresenius Kidney Care Val Verde; 608 No Bedell Ave., Del Rio, TX 78840
- Fresenius Medical Care of Del Rio; 2201 N Bedell Ave., Suite D, Del Rio, TX 78840
- South TX Urgent Care-Del Rio; 612 N Bedell Ave. A, Del Rio, TX 78840
- VVRMC Walk-In Clinic/VVRMC Rural Health Clinic; 1801 N Bedell Ave., Del Rio, TX 78840

Shannon Health may continue to compete with other health care facilities located in Tom Green County, including without limitation:

Home Health Agencies

1. Angels Care Home Health of San Angelo; 2412 College Hills Blvd., Suite 220, San Angelo, TX 76904
2. Caprock Home Health Services Inc.; 215 S Irving, San Angelo, TX 76903
3. Comfort Keepers #767; 3121 Executive Drive; San Angelo, TX 76904
4. Concho Valley Home Health Care; 430 W Beauregard Ave., Suite B, San Angelo, TX 76903
5. Encompass Health Home Health; 334 W Highland Blvd., San Angelo, TX 76903
6. Home Preferred Senior Care; 3180 Executive Dr., Suite 109, San Angelo, TX 76904
7. Intrepid USA Healthcare Services; 3310 West Loop 306, San Angelo, TX 76904
8. Kindred At Home; 1518 W Beauregard, San Angelo, TX 76901
9. Outreach Home Care; 17 S. Chardbourne Street, Suite 500, San Angelo, TX 76903
10. San Angelo Home Health; 423 S Irving Street, San Angelo, TX 76903
11. Texas Home Health of America; 4202 Sherwood Way, Suite A, San Angelo, TX 76904
12. TLC In Home Care Inc.; 1932 Sherwood Way, San Angelo, TX 76901

Hospice Agencies

1. Concho Hearts Hospice, LLC; 2007 W Beauregard Ave., San Angelo, TX 76901
2. Hospice of San Angelo Inc.; 36 E Twohig, Suite 1100, San Angelo, TX 76903
3. Interim Hospice of West Texas; 3280 Sherwood Way, San Angelo, TX 76901
4. Kindred Hospice; 116 W Concho Ave., San Angelo, TX 76903
5. Oxyatlantic Hospice, LLC; 4001 Sul Ross St., Suite 261, San Angelo, TX 76904
6. Solaris Hospice; 5301 Knickerbocker Road, Suite 100, San Angelo, TX 76904
7. St. Gabriel's Hospice and Palliative Care; 2412 College Hills Blvd., San Angelo, TX 76904

Skilled Nursing Facilities

1. Arbor Terrace Healthcare Center; 609 Rio Concho Dr., San Angelo, TX 76903
2. Cedar Manor Nursing and Rehabilitation; 1915 Greenwood St., San Angelo, TX 76901
3. Elsie Gayer Health Care Center; 902 N Main St., San Angelo, TX 76903
4. Park Plaza Ltc Partners Inc.; 2210 Howard St., San Angelo, TX 76901
5. Regency House; 3745 Summer Crest Dr., San Angelo, TX 76901
6. Sagecrest Alzheimer's Care Center; 438 Houston-Harte, San Angelo, TX 76903
7. Meadow Creek Nursing and Rehabilitation; 4343 Oak Grove Blvd., San Angelo, TX 76904
8. San Angelo Nursing and Rehab; 5455 Knickerbocker Rd., San Angelo, TX 79604

Select Other Health Care Facilities

1. Baptist Retirement Community; 902 N Main St., San Angelo, TX 76903
2. Cook Children's Pediatric Specialties San Angelo; 1002 S Abe St. #B, San Angelo, TX 76903

3. Trisun Care Center Regency House; 3745 Summer Crest Dr., San Angelo, TX 76901
4. West Texas Ltc Partners Inc.; 1915 Greenwood St., San Angelo, TX 76901
5. West Texas Medical Associates; 3605 Executive Dr., San Angelo, TX 76904

47. Evidence of how patient choice is being preserved.

- Shannon Health published its latest patient choice policy (**Attachment 5**) on 11/12/2020 and there have been no changes to this policy, or the operational processes that support this policy, since that date. SACMC's pre-Merger patient choice policy is provided in **Attachment 5** as well. Additional information regarding post-Merger efforts to preserve and expand patient choice will be reported in future submissions covering the post-Merger period.

48. Evidence reflecting efforts to bring additional jobs to the area.

- As of the Transaction Closing Date, Shannon Health had 231 open job listings posted. These roles cover both clinical and non-clinical positions across the organization. The list of open positions as of the Transaction Closing Date is provided in **Attachment 6**.
- Following the Transaction Closing Date, positions that were previously held by out-of-state or third-party contracted workers will be filled with local on-site employees, as appropriate.

49. Provide the evidence of the onboarding SACMC's system and provide training evidence for personnel.

- Item 49 calls for information regarding post-Merger changes. Because the Merger transaction closed in October 2020, less than a quarter ago, this report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger changes occur and the relevant information becomes available.

50. An explanation of challenges or related conditions affecting competition.

- Item 50 calls for information regarding post-Merger challenges. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger challenges occur and the relevant information becomes available.

E. Other Requirements

51. The number of physicians, allied professionals and other health care providers providing medical services that have privileges to practice at the hospital.
- Privileged Providers: A complete list of physicians, allied professionals and other health care providers with privileges at Shannon Health is provided in **Attachment 7** to this Report. As of the Transaction Closing Date, Shannon Health credentialed 598 health care providers, as detailed in **Table 51** below. The number of physicians, allied professionals, and other health care providers with privileges to practice at the hospital changes significantly over the course of any year. As such, accurate historical numbers for FY2018 and FY2019 are not available. The table below, however, lists for FY2020 the total number of credentialed providers immediately prior to the Merger.

Table 51: Shannon Health Credentialed Providers as of Transaction Closing Date

Provider Category	SMC	SACMC
Physicians	257	154
Physician Assistants	19	2
Nurse Practitioners	57	7
Certified Registered Nurse Anesthetist	4	11
Other APC	16	10
Tele-Medicine Physicians	61	-
Total	414	184

52. Any minutes or notes of meetings regarding the COPA and the portion of each hospital's governing body meeting minutes that discuss the COPA.
- To the extent discussions of COPA approval and ongoing oversight are reflected in meeting minutes or notes, such non-privileged minutes or notes will be provided with future quarterly reports, as applicable. No such minutes or notes have been created in the ordinary course of business to-date.
53. Information on additional investments regarding infrastructure, capital expenditures, and operating costs and how this affected patient care outcomes, population access to healthcare, and prevention services.
- Details of pre-Merger infrastructure, capital, and operating investments can be found in **Item 29** of this Report.
 - Item 53 calls for information regarding post-Merger challenges. Because the Merger transaction closed in October 2020, less than a quarter ago, this Report provides information only about the pre-Merger period. Additional information will be reported in future submissions as post-Merger challenges occur and the relevant information becomes available.

IV. Attachments