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Shannon Health

Anniversary Report 2021–2022

Reporting Period: 10/1/2021–6/30/2022

Submission Date: October 4, 2022

Certificate of Public Advantage (“COPA”)

Anniversary Report for 2021–2022

This Anniversary Report for 2021–2022 (“COPA Anniversary Report”) is submitted pursuant to the revised Terms and Conditions of Compliance (dated August 3, 2021) 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”), is included in this Report where appropriate. The revised Terms and Conditions of Compliance require Shannon Health to submit an annual report “on or near the anniversary of the date the COPA was issued.”

This COPA Anniversary Report reflects the performance of SMC and SMC South (formerly SACMC) for the first through third quarters of fiscal year 2022, the period of October 1, 2021 to June 30, 2022. This COPA Anniversary Report does not include data from the fourth quarter of fiscal year 2022 (“Quarter 4 FY2022”), as Quarter 4 FY2022 data has not yet been finalized and will be reported in the Quarter 4 submission (due December 31, 2022). Where applicable, this Report includes information or refers to information provided in the Baseline Performance Report that was submitted to HHSC on January 15, 2021, and reflects the pre-Merger baseline period of FY2018–FY2020 (the “Baseline Performance Report”).

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I. Abbreviation Key

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

II. COPA Anniversary Report for 2021–2022

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” and “Revised COPA Terms and Conditions - Shannon Health - 2nd Revision 8.3.21.pdf.”

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 Operations Officer
Becky Fuentes, DNP, RN, NE-BC	Chief Nursing Officer
Allan S. Graves	General Counsel & Chief Legal Officer
Julian Beseiril	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 Clinic
Joseph Wooldridge	Chief Financial Officer, Shannon Medical Center
Priscilla Halamicek	Director of Human Resources
Holly Lopez	AVP of Quality
Leslie Hines	Manager of Health and Wellness

III. Terms and Conditions for COPA-Approved Health System

A. *Mandatory Annual Reporting Terms*

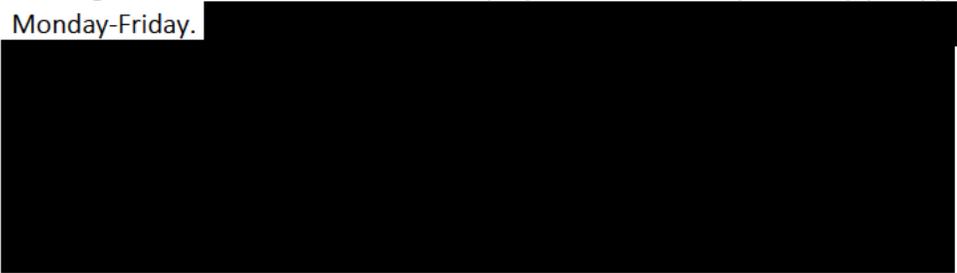
1. Information about the extent of the benefits attributable to the issuance of the COPA.

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

- Since the Transaction Closing Date, Shannon Health has improved health care quality and increased access to care while utilizing efficiencies to minimize costs, despite tremendous challenges caused by the COVID-19 pandemic and other matters. The Merger has allowed Shannon Health to work collaboratively across SMC and SMC South to enhance quality at all of Shannon Health’s hospitals, and in turn, improve patient outcomes. Additionally, the Merger allows Shannon Health to continue focusing on impacting the predominant health needs in the community, including increasing access to care by expanding service delivery. Shannon Health has been able to achieve these improvements to health care quality and access while keeping costs down by thoughtfully combining the resources of SMC and legacy SACMC through increased efficiencies, the coordination of services, and the reduction in duplication of resources. The Merger has allowed for the better coordination of resources and decision-making, resulting in improved efficiency, elimination of waste, and the achievement of cost savings. Shannon Health is committed to reinvesting these savings in its operations and community, with the goal of improving the overall patient experience and patient care.
- Specifically, Shannon Health has achieved these benefits through the following actions in Quarter 1 through Quarter 3 of FY2022:
 - Improved health care quality and patient outcomes:
 - Shannon Health continued working towards quality improvement measures through system-wide goals for the following three specific quality measures: (1) Hospital-Acquired Condition reduction for five key conditions (CLABSI, CAUTI, SSI, MRSA, and CDI); (2) Mortality Rate reduction; and (3) Readmission Rate reduction.
 - The Shannon Care Coordination Program is designed to improve patient outcomes by utilizing a team to focus on population health efforts as it relates to chronic disease. This program was developed as a patient-centric strategy to impact patient care beyond the four walls of the hospitals. Since the Transaction Closing Date, the Shannon Care Coordination Program team has focused efforts to serve patients discharging from the hospital with Congestive Heart Failure (“CHF”), Chronic Obstructive Pulmonary Disease (“COPD”), and COVID-19, as well as patients at high-risk for readmission. Key areas of the program include: medication management, addressing social barriers, and helping patients manage their chronic condition at home. During Q3 FY2022, Shannon Health relaunched its partnership with Angelo State University (“ASU”), which is designed to help patients by pairing them with a student health coach. Patients enrolled in the program receive a home visit from their designated health coach

who is a student from ASU. During visits, the student health coach discusses with the patient health needs and progress on provider recommendations like nutrition and exercise habits. Student health coaches must be pre-med majors, meet a predetermined criteria, and complete an introductory “Community Healthcare from Theory to Practice” course. Visits are conducted under the supervision of a multi-disciplinary committee. The program has shown success in helping prevent patients from being readmitted to the hospital for an existing issue by helping in the home setting.

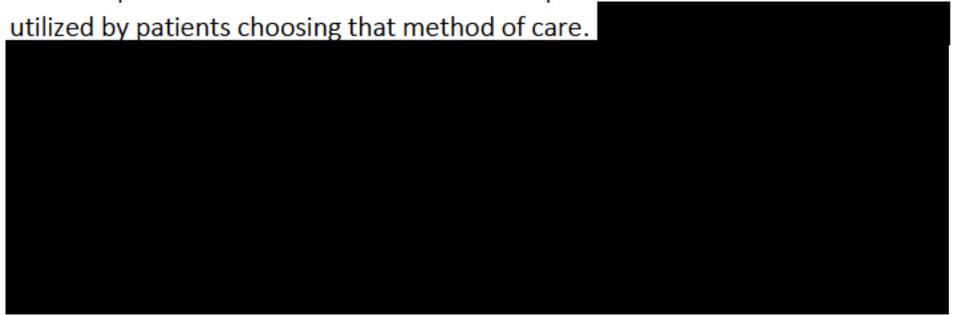
- Between the First and Third Quarters FY2022, Shannon Health invested a total of approximately \$52.8 million in capital expenditures across both SMC and SMC South. These capital expenditures included infrastructure improvements; development of Shannon Cancer Center; adding IT infrastructure and equipment; purchasing medical devices and instruments; and general improvements for SMC South.
- Shannon Health continued to identify areas for improvement within the SMC South security infrastructure to better ensure the safety of patients, visitors, and Shannon Health employees. For example, SMC South now has 24/7 on-site security coverage with the Q1 FY2022 addition of two employees for weekend coverage and an additional full-time employee to cover the split shift (3p-11p) Monday-Friday.



- Shannon Health continues to recognize the benefits of coordination of care and patient experience through the migration to a single electronic medical record (“EMR”) system for all Shannon Health locations, such that shared patient medical records are now available at every facility, which improves patient care coordination among providers. For example, aspects of patient care such as medication tracking, known allergies, and test results will be stored in the single EMR system, reducing the potential for complications or duplicative testing.
- Increased access to care by expanding service delivery:
 - Shannon Health continued to operate a COVID-19 Infusion Therapy Clinic at SMC South to provide the monoclonal antibody outpatient infusion therapy to identified high-risk COVID-19 positive patients.
 - Shannon Health continued operating a COVID-19 vaccine clinic that accommodated a high volume of patients. In coordination with the local community, state and local representatives and authorities, Shannon Health has organized the Shannon Vaccine Clinic to support COVID vaccine distribution. In

addition, Shannon Health continued operating the Shannon COVID-19 hotline. Individuals can call and speak to a clinical provider about inquiries regarding COVID testing or the COVID vaccine. In Quarters 1 through 3 FY2022, Shannon Health administered 23,380 vaccine doses.

- Shannon Health continued use of resources for telehealth to expand virtual care options throughout the service area. Shannon utilizes Epic Video Client. The HIPAA-compliant platform allows providers to launch a virtual video visit directly from the patient’s chart in EPIC. Telehealth capabilities remain available and are utilized by patients choosing that method of care.

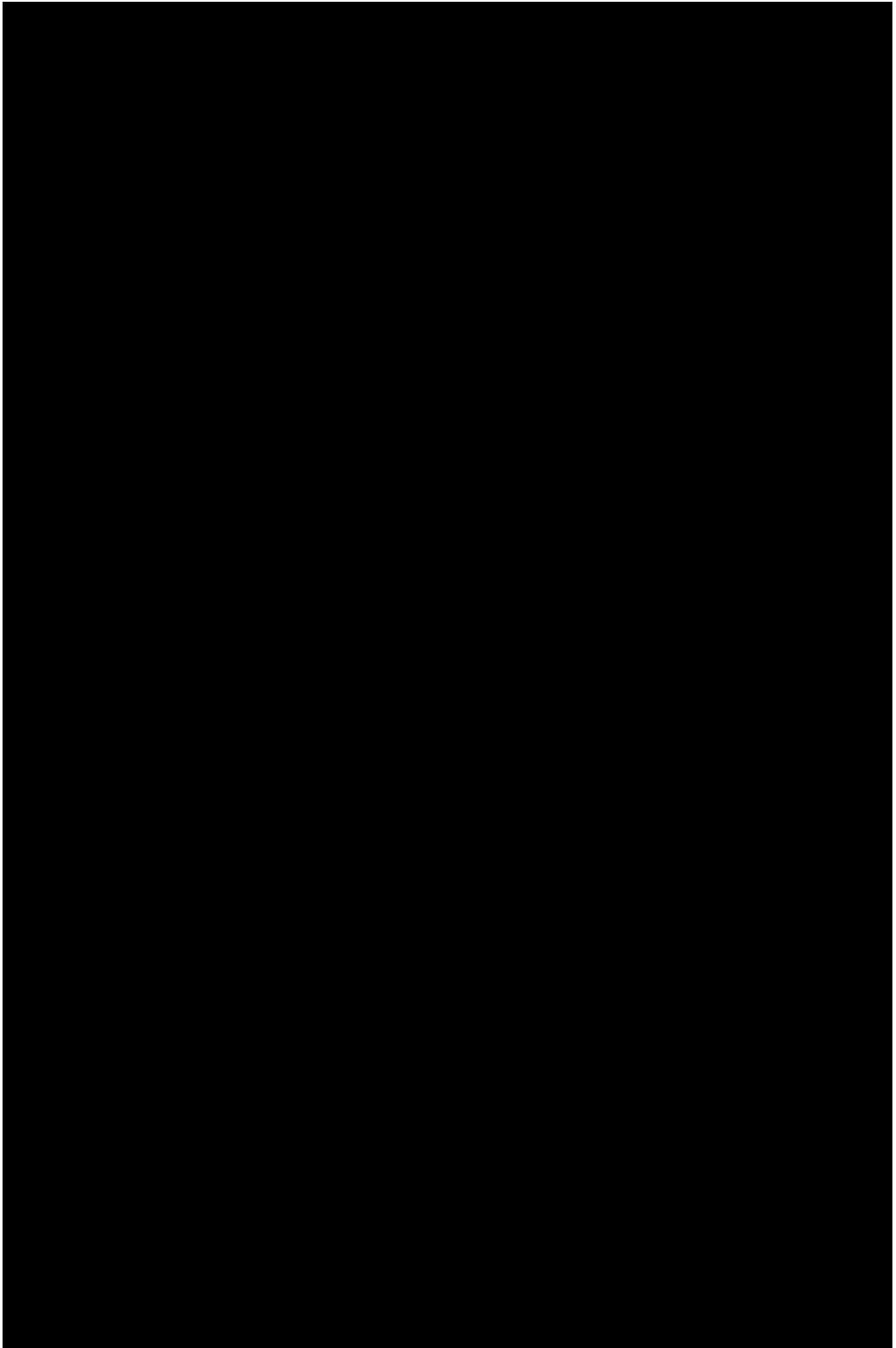


- Shannon Health made various equipment updates at SMC South, including investment in a new 1.5T MRI unit.
- The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.



- Shannon Medical Center, Cook Children’s Healthcare System and Pediatrix Medical Group, a Mednax company, are now collaborating together in a new partnership to continue neonatology services and further enhance neonatal care in the Concho Valley. The three organizations will be working together to ensure continuous provider coverage for Neonatal Intensive Care Unit (“NICU”) patients at Shannon while also sharing innovative best practices and models of care between the hospitals. This partnership is the first of its kind between pediatric providers in Texas. To support the Shannon NICU team, a full-time neonatal physician from Pediatrix will serve as the program’s medical director and provide day-to-day medical coverage for these patients in the NICU. Additionally, the Cook Children’s NICU team will work with the Shannon NICU team to provide shared quality guidelines and education for staff on emerging research, including best practices and procedures for care. Cook Children’s is currently certified as a Level IV NICU, the highest level that can be achieved by a NICU.





- Cost savings through coordination of resources and decision-making, resulting in improved efficiency and elimination of waste:
 - Since the Transaction Closing Date, Shannon Health has worked to minimize the cost of health care by reducing the duplication of resources, coordinating services, and increasing efficiencies, by (among other activities) identifying,

tracking, and reporting on opportunities and initiatives that are likely to generate efficiencies and reduce unnecessary costs, including ongoing/recurring opportunities, such as clinical optimization. Examples of clinical optimization across Shannon Health include [REDACTED] arterial blood gas equipment upgrade/standardization of practices across campuses, and [REDACTED]

- Shannon Health continued to operate the COVID-19 Infusion Therapy Clinic at SMC South, which provided monoclonal antibody outpatient infusion therapy to identified high-risk patients with a goal of decreasing the need for hospitalization in these patients.
- Through the sharing of resources at SMC and SMC South post-Merger, including sharing of both staffing and capital resources, Shannon Health has been able to better coordinate care and manage the COVID-19 pandemic.

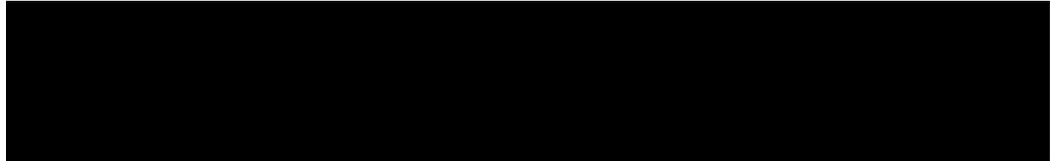


2. If applicable, information about the hospital's actions taken: (A) in furtherance of any commitments made by the parties to the merger; and (B) to comply with terms imposed by HHSC as a condition for approval of the merger agreement.

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

- Shannon Health has remained committed to reinvesting cost savings from the Merger in its operations and community, which it has accomplished through the following actions in Quarter 1 through Quarter 3 of FY2022:
 - From Quarter 1 through Quarter 3 FY2022, Shannon Health spent a total of \$52.8 million in capital expenditures across both SMC and SMC South, including remediating deficiencies that existed before the Merger. These capital expenditures included infrastructure improvements; development of Shannon Cancer Center; adding IT infrastructure and equipment; purchasing medical devices and instruments; and general improvements for SMC South.
 - Shannon Health continued to identify areas for improvement within the SMC South security infrastructure to better ensure the safety of patients, visitors, and Shannon Health employees. For example, SMC South now has 24/7 on-site security coverage with the Q1 FY2022 addition of two employees for weekend coverage and an additional full-time employee to cover the split shift (3p-11p) Monday-Friday. [REDACTED]





- Shannon Health made additional investments in equipment and facility upgrades at the Shannon Health Club location, which provides health and wellness services to the local community.
- Shannon Health operated a COVID-19 Infusion Therapy Clinic at SMC South to provide the monoclonal antibody outpatient infusion therapy to identified high-risk COVID-19 positive patients.
- Shannon Health continued operating a COVID-19 vaccine clinic that accommodated a high volume of patients. In coordination with the local community, state and local representatives and authorities, Shannon Health has organized the Shannon Vaccine Clinic to support COVID vaccine distribution. In addition, Shannon Health continued operating the Shannon COVID-19 hotline. Individuals can call and speak to a clinical provider about inquiries regarding COVID testing or the COVID vaccine. In Quarters 1 through 3 FY2022, Shannon Health administered 23,380 vaccine doses.
- Shannon Health invested in several community education programs. These programs include educational opportunities to healthcare providers in the Shannon Health Service area. Shannon AirMed 1 staff members provide educational opportunities to healthcare providers in the Shannon service area. Offerings include continuing education credits for nursing and EMS providers. For example, AirMed provided the following educational classes: Stop the Bleed education – Mertzon Coop; Trauma emergencies education – Angelo State University nursing students; I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department; Landing Zone safety class- Rancho Wing Farm Reagan Co.; Landing Zone safety class- Polaris Eden; Code 99 training- Angelo State University nursing students; Cardiac Emergencies- Angelo State University nursing students; Difficult Airway Course- Ballinger Hospital/EMS; and Difficult Airway Course- Reagan County EMS.
- Furthermore, since the Transaction closed in October 2020, 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 has submitted one Baseline report and quarterly reports regarding the Merger. This Report includes the annual reporting terms required by Texas Health and Safety Code § 314A.103, Texas Admin. Code § 567.32, and the COPA Terms and Conditions of Compliance.
- Shannon Health has also complied with the annual meeting requirement through its Annual Public Meeting, held Wednesday, September 14, 2022, at 10:00 a.m. at the Shannon Medical Center Legacy Conference Room, 120 E. Harris Ave in San Angelo. Written comments were also accepted through September 13, 2022.

3. A description of the activities conducted by the hospital under the merger agreement.

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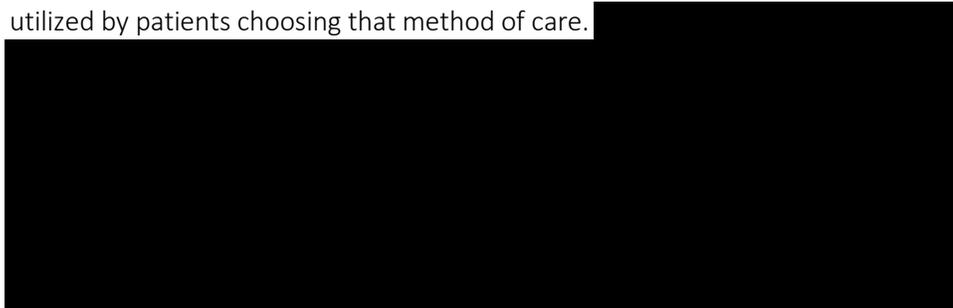
- Shannon Health has conducted a number of activities since the Transaction Closing Date to advance the goals of improving health care quality, access, and cost, as summarized below.
 - Quality. Since the Transaction Closing Date, Shannon Health has worked to improve health care quality and optimize patient services to improve patient care through the following activities, including remediating deficiencies that existed before the Merger:
 - Continue working towards quality improvement measures through system-wide goals for the following three specific quality measures: (1) Hospital-Acquired Condition reduction for five key conditions (CLABSI, CAUTI, SSI, MRSA, and CDI); (2) Mortality Rate reduction; and (3) Readmission Rate reduction.
 - Since the Transaction Closing Date, the Shannon Care Coordination Program team has expanded efforts to serve patients discharging from the hospital with Congestive Heart Failure (“CHF”), Chronic Obstructive Pulmonary Disease (“COPD”), and COVID-19, as well as patients at high- risk for readmission. Key areas of the program include: medication management, addressing social barriers, and helping the patient manage their chronic condition at home. During Q3 FY2022, Shannon Health relaunched its partnership with ASU, which is designed to help patients by pairing them with a student health coach.
 - Between the First and Third Quarters FY2022, Shannon Health invested a total of approximately \$52.8 million in capital expenditures across both SMC and SMC South. These capital expenditures included infrastructure improvements; development of Shannon Cancer Center; adding IT infrastructure and equipment; purchasing medical devices and instruments; and general improvements for SMC South.
 - Evaluation of the SMC South security infrastructure, which identified, among other things, potential areas for security improvements. SMC South now has 24/7 on-site security coverage with the Q1 FY2022 addition of two employees for weekend coverage and an additional full-time employee to cover the split shift (3p-11p) Monday-Friday. 

 - Shannon Health has recognized the benefits of coordination of care and patient experience through the migration to a single electronic medical record (“EMR”) system for all Shannon Health locations, such that shared patient medical

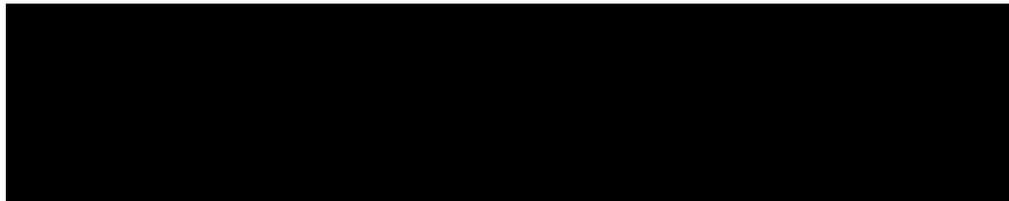
records are now available at every facility, which improves patient care coordination among providers. For example, aspects of patient care such as medication tracking, known allergies, and test results will be stored in the single EMR system, reducing the potential for complications or duplicative testing.

o Access. Since the Transaction Closing Date, Shannon Health has worked to improve access to care through the following activities:

- Shannon Health continued to operate a COVID-19 Infusion Therapy Clinic at SMC South to provide the monoclonal antibody outpatient infusion therapy to identified high-risk COVID-19 positive patients.
- Shannon Health continued operating a COVID-19 vaccine clinic that accommodated a high volume of patients. In coordination with the local community, state and local representatives and authorities, Shannon Health has organized the Shannon Vaccine Clinic to support COVID vaccine distribution. In addition, Shannon Health continued operating the Shannon COVID-19 hotline. Individuals can call and speak to a clinical provider about inquiries regarding COVID testing or the COVID vaccine. In Quarters 1 through 3 FY2022, Shannon Health administered 23,380 vaccine doses.
- Continued use of resources for telehealth to expand virtual care options throughout the service area. Shannon utilizes Epic Video Client. The HIPAA-compliant platform allows providers to launch a virtual video visit directly from the patient’s chart in EPIC. Telehealth capabilities remain available and are utilized by patients choosing that method of care.

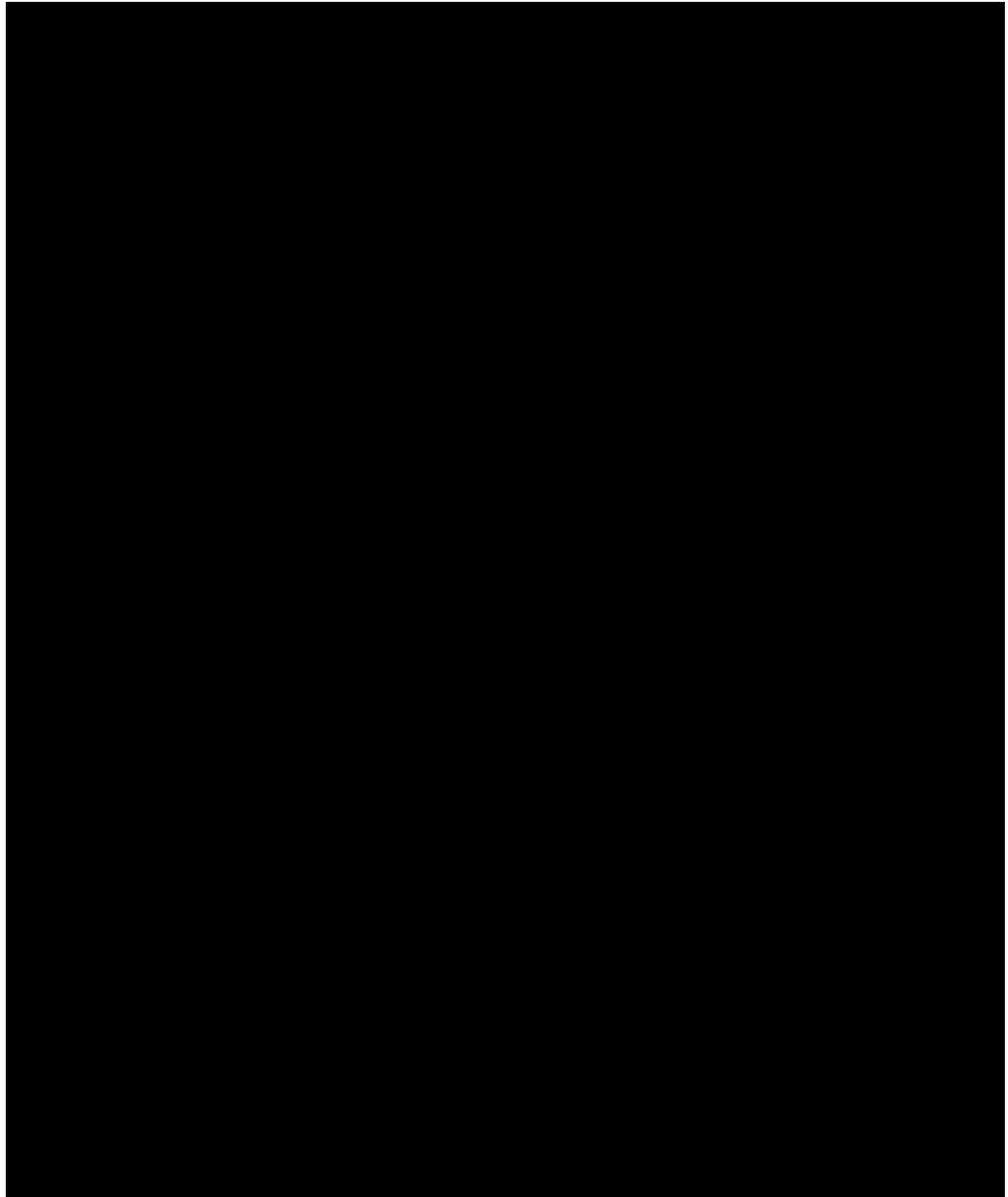


- Shannon Health made various equipment updates at SMC South, including investment in a new 1.5T MRI unit. The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.



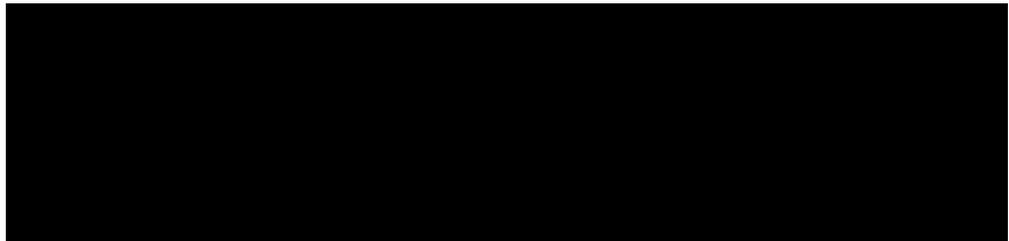
- Shannon Medical Center, Cook Children’s Healthcare System and Pediatrix

Medical Group, a Mednax company, are now collaborating together in a new partnership to continue neonatology services and further enhance neonatal care in the Concho Valley. The three organizations will be working together to ensure continuous provider coverage for Neonatal Intensive Care Unit (“NICU”) patients at Shannon while also sharing innovative best practices and models of care between the hospitals. This partnership is the first of its kind between pediatric providers in Texas. To support the Shannon NICU team, a full-time neonatal physician from Pediatrix will serve as the program’s medical director and provide day-to-day medical coverage for these patients in the NICU. Additionally, the Cook Children’s NICU team will work with the Shannon NICU team to provide shared quality guidelines and education for staff on emerging research, including best practices and procedures for care. Cook Children’s is currently certified as a Level IV NICU, the highest level that can be achieved by a NICU.





- Cost. Since the Transaction Closing Date, Shannon Health has worked to minimize the cost of health care by reducing the duplication of resources, coordinating services, and increasing efficiencies, through the following activities:
 - Identifying, tracking, and reporting on opportunities and initiatives that are likely to generate efficiencies and reduce unnecessary costs, including ongoing/recurring opportunities, such as clinical optimization.
 - Shannon Health continued to operate the COVID-19 Infusion Therapy Clinic at SMC South, which provided monoclonal antibody outpatient infusion therapy to identified high-risk patients with a goal of decreasing the need for hospitalization in these patients.
 - Through the sharing of resources at SMC and SMC South post-Merger, including sharing of both staffing and capital resources, Shannon Health has been able to better coordinate care and manage the COVID-19 pandemic.



4. Information relating to the price, cost, quality of, and access to health care for the population served by the hospital.

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

- Pricing/Cost: Since the Transaction Closing Date, Shannon Health has worked to minimize the cost of health care by reducing the duplication of resources, coordinating services, and increasing efficiencies while also increasing the number of patients enrolled in charity care and financial assistance programs. Additionally, from Q1 through Q3 FY2022, Shannon Health added contracts with additional health plans, bringing the total health plans it contracts with to 33 (as of Q3 FY2022). However, only approximately [REDACTED] of Shannon Health's patients are insured by commercial payors. The majority of Shannon Health patients are insured by government payors, which set the reimbursement rates for those patients without negotiations. Since the Transaction

Closing Date, Shannon Health has taken on the following cost-saving initiatives:

- Shannon Health has continued to conduct weekly, joint executive leadership meetings, which oversees SMC and SMC South and discusses post-Merger integration priorities and initiatives, including how to reduce costs and improve efficiency. A key component of these meetings is the review of strategies across the six Shannon pillars: People, Operations, Quality, Service, Growth, and Innovation. Strategies and tactics are developed during the annual strategic planning process and are then reported out on an ongoing basis. This information is disseminated, along with other key updates, through twice monthly Leadership meetings. This includes the manager and director team across the Shannon system.



- Post-Merger, the Charity Care policy for Shannon Health was extended to encompass both SMC and SMC South. During the First through Third Quarters FY2022, Shannon Health enrolled a total of 10,757 patients in charity care and financial assistance programs. Combined, SMC and SMC South incurred a total of \$49.5 million in charity care during Quarters 1 through 3 FY2022. Shannon Health believes that applying Shannon Health's Charity Care Policy to SMC South post-Merger will allow for additional access for patients in need of financial assistance (e.g., Shannon Health patients become eligible at 10% of annual gross income ("AGI"), whereas legacy SACMC patients became eligible at 50% of AGI).
- Quality: Since the Transaction Closing Date, the quality of health care provided by Shannon Health, as measured by the various quality metrics cited in the quarterly reports, has remained relatively stable despite the unprecedented challenges caused by the COVID-19 pandemic, industry-wide staffing issues, and other outside forces. For example, although Patient Satisfaction Ratings started FY2022 at a three, that metric has rebounded to a four as of Q3 FY2022. SMC also improved on its Leapfrog Safety Grade, going from "C" to "B". Additionally, SMC and SMC South, through combined performance, maintained a CMS Star Rating of four.
- Access: Between Quarter 1 FY2022 and Quarter 3 FY2022, the volume of inpatient admissions and outpatient registrations has remained fairly consistent with normal variations between quarters. Despite the challenges caused by the COVID-19 pandemic, Shannon Health increased access to health care services for patients in its communities, including rural communities, through the following initiatives to expand service delivery:
 - Expanded capacity for COVID-19 response, including continued coordination with state

and local authorities, operation of the Shannon COVID-19 hotline, and administration of vaccine doses.

- Continued dedication of resources for telehealth to expand virtual care options throughout the service area;
- Various equipment upgrades at SMC South, including investment in a new 1.5T MRI unit;



- Continued partnership with Cook Children’s Healthcare System and Pediatrix Medical Group on neonatology services; and



5. Any other information required by HHSC to ensure compliance with Health and Safety Code Chapter 314A and 26 TAC Chapter 567, including information relating to compliance with these terms and conditions.

- The Merger has not reduced competition among physicians, allied health professionals, other health providers, or any other persons providing goods and services with the hospitals. Shannon Health faces competition from a number of hospitals and health systems in its primary and secondary service areas. Post-Merger, Shannon Health continues to compete with large and significant health systems throughout the region that are gaining strength and rapidly expanding. Shannon Health considers these health systems, among others, to be competitors for high-end or tertiary inpatient and outpatient services. Additionally, the robust competition for inpatient acute facility services continues from many other hospitals 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 has made significant efforts to bring additional jobs to the area. During Quarters 1 through 3 FY2022, Shannon Health created 108 new positions, covering both clinical and non-clinical positions across the organization and indicating significant demand for talent within the combined Shannon Health system following the Transaction Closing. In addition, during Quarters 1 through 3 FY2022, Shannon Health hired a total of 721 new employees.
- Patient choice is being preserved through the patient choice policy for Shannon Health, which was extended post-Merger to encompass both SMC and SMC South. The policy continues to conform with CMS mandated patient choice requirements.

B. Additional Annual Reporting Requirements

6. An explanation of the incorporation and integration of the medical record systems of each hospital.

- As previously reported, prior to the Merger, SMC and SMC South utilized completely separate Electronic Medical Record (“EMR”) and Enterprise Resource Planning (“ERP”) systems, from different vendors. As of Quarter 3 FY2021, Shannon Health’s EMR platform disconnected from the CHS network completely. In Quarter 2 FY2021, Shannon Health completed its migrations for both SMC South and its clinic locations from their current MedHost and Athena platforms to Shannon Health’s Epic EMR platform. All clinic offices were transitioned from Athena to Epic on October 24, 2020, including the Shannon Urgent Care – Bryant location. Additionally, all 350 workstations across the clinic facilities were replaced with Shannon Health terminals, including installing new label printers at any location that might need labels, migrating M-Modal provider profiles to Shannon Health’s account, and migrating many other smaller systems to the applicable Shannon Health system. SMC South went live on Epic on February 5, 2021. Now, shared patient medical records are available at every facility, improving patient care coordination among providers. For example, aspects of patient care such as medication tracking, known allergies, and test results will be stored in the single EMR system, reducing the potential for complications or duplicative testing.
- Additionally, Shannon Health has worked directly with MedHost to ensure SMC South’s historical data is maintained and available for future needs. Athena data is available upon request.

7. Findings from service area assessments that describe maintaining or improving the quality, efficiency, and accessibility of health care services offered to the public.

- Shannon Health did not create any service area assessment responsive to this item. Any updates or findings from responsive service area assessments will be reported on in future submissions.

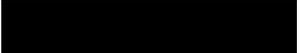
8. A report on any cost savings from allowing both hospitals to reduce costs and eliminate duplicate functions have led to lower prices for health care services or investments to improve the quality of health care services.

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

- During FY2022, Shannon Health has experienced increased costs due to inflationary pressures consistent with general economic conditions. In addition to the significant increase in expenses due to the COVID-19 pandemic, Shannon Health has seen costs continue to rise across the board. Despite these financial pressures, Shannon Health continues to reinvest cost savings, where possible, to various local initiatives.
- Shannon Health has continued to conduct weekly, joint executive leadership meetings during, which oversees SMC and SMC South and discusses post-Merger integration priorities and

initiatives, including how to reduce costs and improve efficiency. The joint Executive Leadership Team meetings occur on a weekly basis. A key component of these meetings is the review of strategies across the six Shannon pillars: People, Operations, Quality, Service, Growth, and Innovation. Strategies and tactics are developed during the annual strategic planning process and are then reported out on an ongoing basis. This information is disseminated, along with other key updates, through twice monthly leadership meetings. This includes the manager and director team across the Shannon system.



- Other examples of Shannon Health’s efforts to reduce costs include:  and, in general, increased clinical integration between SMC and SMC South.
- As this Report is based on short-term post-Merger information, additional data will be provided when available.

IV. Annual Public Hearing

Shannon Health held its second Annual Public Hearing on Wednesday, September 14, 2022 at 10:00 am at the Shannon Medical Center Legacy Conference Room, located at 120 E. Harris Ave in San Angelo. This hearing was open to the public. Written comments were accepted online through 11:59 pm on September 13, 2022. Approximately 15 individuals were in attendance. Shannon Health provided an overview of the many positive changes and new services since the Merger. A total of three individuals offered oral comments, summarized below:

- Nelda Martin-Allen stated she was impressed with upgrades to the PET equipment. Ms. Martin-Allen also discussed the potential for Shannon Health to explore other opportunities to upgrade equipment consistent with larger health systems.
- Dr. Jeanne Woodman discussed her concerns related to the COPA law, hospital accreditation, and access to neonatology services.
- Pam Callan discussed the positive impact of the partnership between Howard College and Shannon to facilitate access to clinical opportunities for students.

Copies of the written comments received are included in **Attachment 1a** to this Report and the PowerPoint presentation presented by Shane Plymell, President and CEO, is included as **Attachment 1b**. Shannon Health has addressed the items presented in the public comments in a response that will be shared on www.CareforSanAngelo.com. Shannon Health's responses to the public comments are included as **Attachment 1c**. All attendees that submitted oral and/or written comments and provided an email address will also receive a copy of the response by email.

V. Attachments