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Shannon Health

Quarterly Report for Quarter 1 of Fiscal Year 2022

Reporting Period: 10/1/2021–12/31/2021

Submission Date: March 31, 2022

Certificate of Public Advantage ("COPA")

Quarterly Performance Report for Quarter 1 of Fiscal Year 2022

This Quarterly Performance Report (the “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.

This Report reflects the performance of SMC and SMC South (formerly SACMC) for the first quarter of fiscal year 2022 (“Quarter 1 FY2022” or “First Quarter FY2022”), the period of October 1, 2021 to December 31, 2021.¹ 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”).

¹ Shannon Health expects to submit its future quarterly reports within 90 days of the previous fiscal quarter end date.

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I. Abbreviation Key

Abbreviation	Full Name/Definition
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
Shannon Health	SMC and SMC South Combined
SMC	Shannon Medical Center
SMC South	Shannon Medical Center South (formerly SACMC)

II. Quarterly Performance Report – Quarter 1 FY2022

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 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 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. Quality

1. Evidence demonstrating how health care quality has improved.

- CMS Star Ratings: In July 2021, SMC earned an overall rating of four (4) stars (see **Table 1a** below). As a result of the Merger in October 2020, legacy SACMC's (now SMC South) CMS Certification Number (CCN) was retired, therefore, no data would be in CMS's database to report for legacy SACMC. Going forward, all data on CMS's website for Shannon Medical Center (120 East Harris Avenue) will be reported on a consolidated basis for both SMC and SMC South.
- As noted in the Quarter 3 FY2021 Performance Report, CMS made significant changes to its methodology between the 2020 and April 2021 ratings. Because various measures are now weighted differently, these changes in methodology make it difficult to compare the July 2021 star rating to historical ratings.
- The next CMS Star Ratings update is anticipated to be published in April 2022. Updates to the Star Ratings will be reflected accordingly in future quarterly reports, once released by CMS.

Table 1a: Overall CMS Star Ratings²

Location	Pre-Merger Period						Post-Merger Period	
	FY2018		FY2019		FY2020		FY2021	
	January	July	March	July	January	August	April	July
SMC	4	4	4	4	5	5	4	4
SACMC (SMC South)	4	4	4	4	4	4	3	Not Available ³

- Leapfrog Hospital Safety Grades: SMC earned a "B" overall in the most recent Leapfrog Hospital Safety Grade release (from Fall of 2021) (see **Table 1b** below). As a result of the Merger in October 2020, legacy SACMC's (now SMC South) CMS Certification Number (CCN) was retired, therefore, going forward, all data for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.
- A new Leapfrog Safety Grade is anticipated to be released in April 2022 for SMC. This will be reflected in future quarterly reports, when available.

² Source: CMS Care Compare: <https://www.medicare.gov/care-compare/#search>.

³ As a result of the Merger in October 2020, legacy SACMC's (now SMC South) CMS Certification Number (CCN) was retired, therefore, no data would be in CMS's database to report for legacy SACMC. Going forward, all data on CMS's website for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

Table 1b: Leapfrog Safety Grades⁴

Location	Pre-Merger Period						Post-Merger Period	
	FY2018		FY2019		FY2020		FY2021	
	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall
SMC	C	C	C	C	C	C	C	B
SACMC (SMC South)	A	A	A	A	B	C	C	Not Available ⁵

- Patient Admissions & Medicare Cost Report Data: Inpatient admissions and outpatient volumes are provided in **Item 2** of this Report. Shannon Health is in the process of finalizing its 2021 Cost Report and will provide the cost report once finalized.
- Patient Satisfaction Ratings: During Quarter 1 FY2022, SMC obtained a rating of three (3) stars on the Hospital Consumer Assessment of Healthcare Providers and Systems (“HCAHPS”) survey of patient satisfaction (see **Table 1c** below).
- As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, going forward, all data for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

Table 1c: Patient Satisfaction Rating Results⁶

Location	Pre-Merger Period												Post-Merger Period				
	FY2018				FY2019				FY2020				FY2021				FY 2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SMC	4	4	4	4	3	3	3	3	4	4	4	4	4	4	4	4	3
SACMC (SMC South)	4	4	4	4	4	4	4	3	4	3	4	4	4	4	4	Not available ⁷	Not available ⁸

2. Inpatient and outpatient numbers before and after the merger.

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

- Inpatient Volumes⁹: Overall, inpatient admissions for Shannon Health decreased by approximately 1.9% from Quarter 4 FY2021 to Quarter 1 FY2022, from 5,269 to 5,170. **Table 2a**

⁴ Source: Leapfrog Research Group: <https://ratings.leapfroggroup.org/>.

⁵ As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, going forward, all data for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

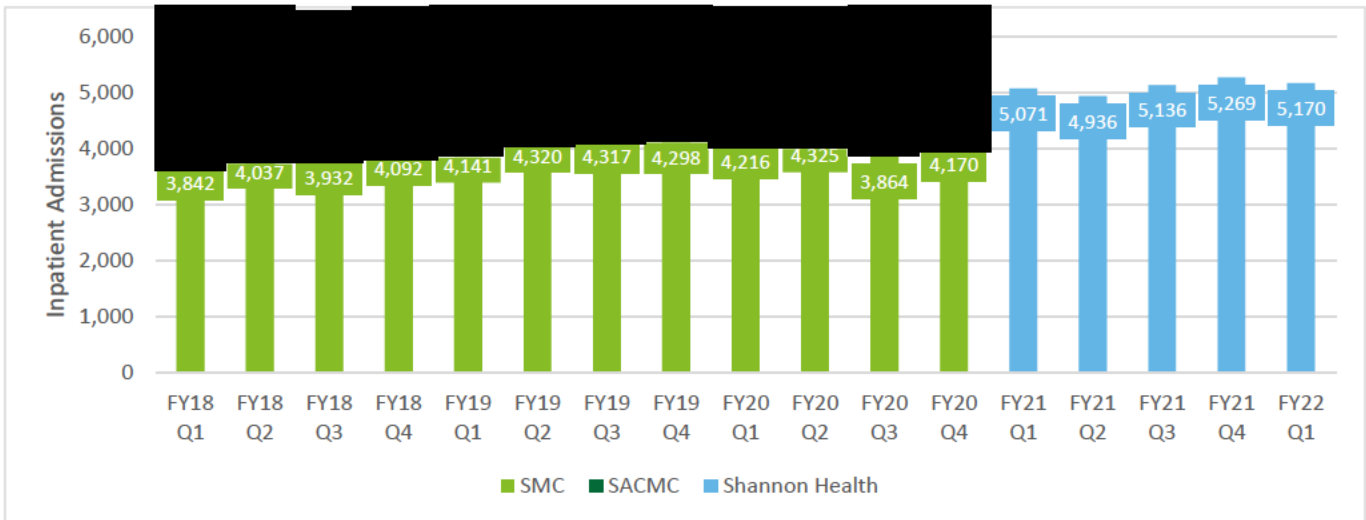
⁶ Source: HCAHPS Patient Satisfaction Survey: [HCAHPS Survey Results](#).

⁷ As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, no data would be in CMS’s database to report for legacy SACMC. Going forward, all data on CMS’s website for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

⁸ See supra note 7 for more information.

shows the quarterly change in inpatient admissions for SMC and SACMC during the Baseline Period, as well as Shannon Health (includes both SMC and SMC South) for FY2021. Volume numbers are shown on a combined basis for Shannon Health from Quarter 1 FY2021 forward as both hospitals will be reported under a single National Provider Identifier (“NPI”).

Table 2a: Inpatient Admissions



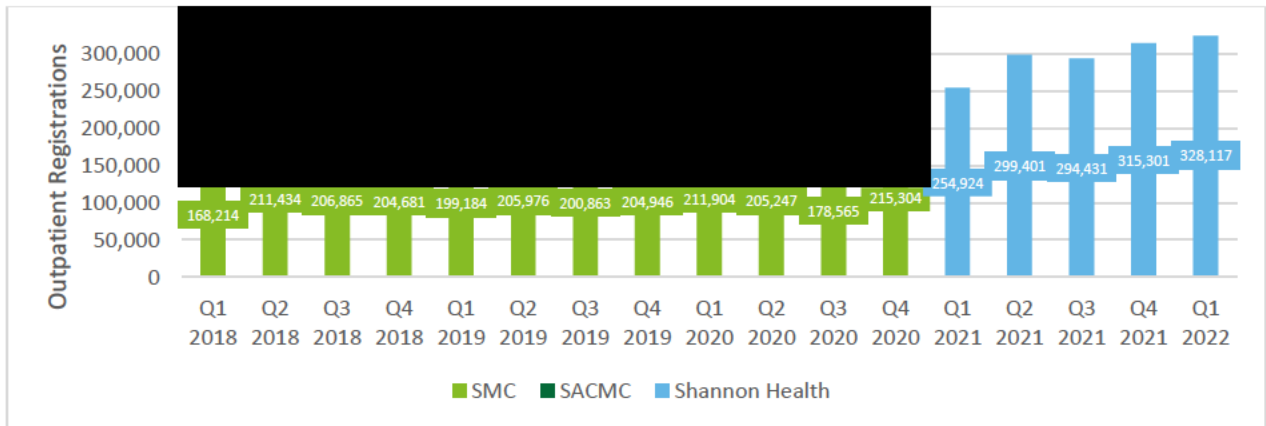
- Outpatient Volumes¹⁰:** Shannon Health’s outpatient volume increased by 4.1% between Quarter 4 FY2021 and Quarter 1 FY2022, from 315,301 to 328,117. **Table 2b** below displays the quarterly change in outpatient volumes for SMC and SACMC during the Baseline Period, as well as Shannon Health (includes both SMC and SMC South) for FY2021. Volume numbers are shown on a combined basis for Shannon Health from Quarter 1 FY2021 forward as both hospitals will be reported under a single NPI.

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[Redacted Table Content]

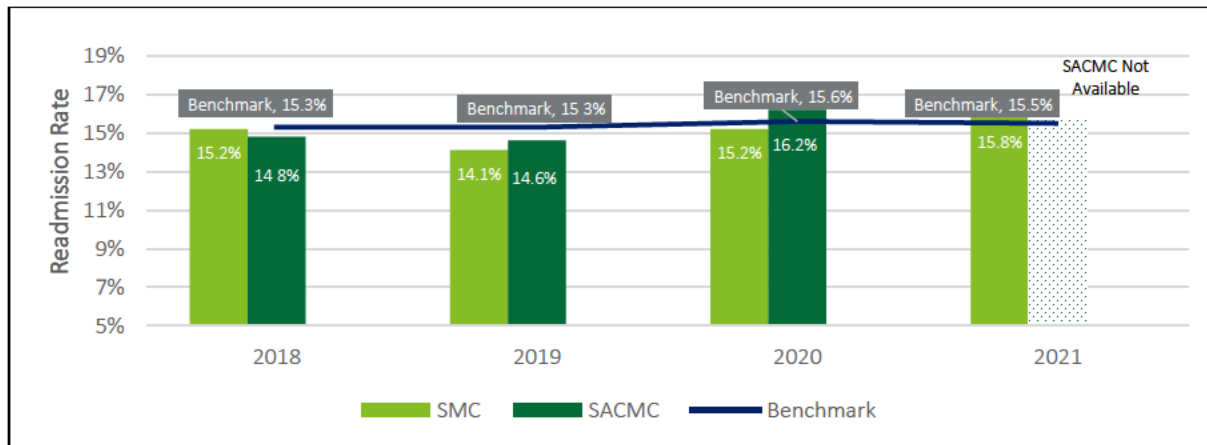
Table 2b: Outpatient Volumes



3. Patient readmission numbers before and after the merger.

- Patient Readmission Numbers:** The reported readmission rates include all unplanned readmissions¹¹ within 30-days of a hospital stay or inpatient procedure and are not adjusted to reflect underlying differences in acuity or co-morbidities. CMS typically reports on readmission data on an annual basis, in July or August. The most recently released readmission numbers are reported in **Table 3** under year 2021. Updates to the readmission rates will be reflected accordingly in future quarterly reports. As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, the CMS database does not have any data to report for legacy SACMC. Going forward, all data on CMS’s website for Shannon Medical Center (120 E Harris Street) will encompass a combined performance for both SMC and SMC South.

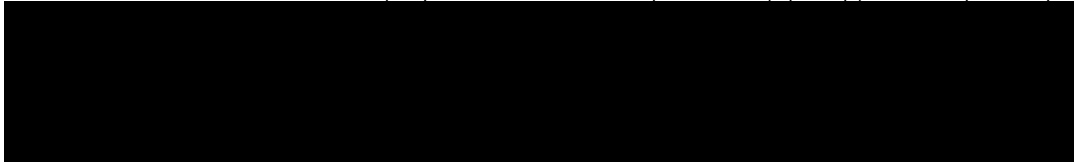
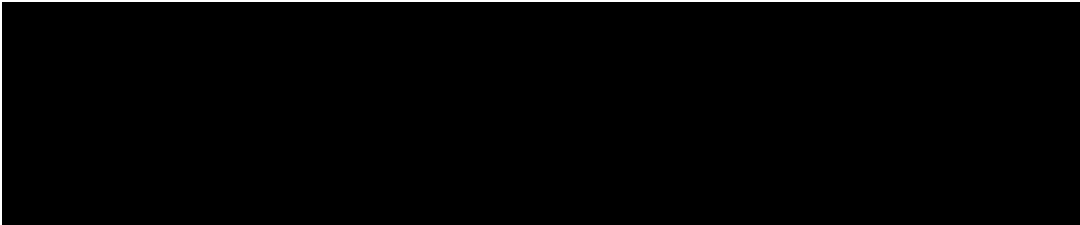
¹¹ Per CMS, the overall rate of unplanned readmission after discharge from the hospital (also called “hospital-wide readmission”) focuses on whether patients who were discharged from a hospital stay were hospitalized again within 30 days. All medical, surgical and gynecological, neurological, cardiovascular, 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.

Table 3: Patient Readmissions¹²

4. Any association between increased patient volumes and better patient outcomes.
- Shannon Health notes there is not yet enough information to report on the association between increased patient volumes and better patient outcomes. Shannon Health will provide updates in subsequent reports after more information becomes available.
 - Shannon Health notes that its quality improvement measures have continued to track patient outcomes, and Shannon Health's goal is to continue to see improved outcomes with increasing patient volumes. During Quarter 1 FY2022, Shannon Health continued working toward its quality improvement measures, which were instituted to further enhance quality at all of Shannon Health's hospitals, and in turn, improve patient outcomes. For FY2022, Shannon Health continued system-wide quality 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. In establishing and working toward the goals in these key areas, Shannon Health intends to work collaboratively across SMC and SMC South to drive quality improvement performance for the system. In addition, Shannon Health is in the implementation process of integrating Vizient, a clinical data base solution to enhance performance improvement by analyzing data and providing benchmarks to like size hospitals. This program will support Shannon Health going forward in quality improvement measures and goals.
5. Explanation of how patient services were optimized since the merger and how service optimization impacted patient care.

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

¹² Source: CMS Care Compare "Unplanned Hospital Visit" benchmark ([Medicare.gov/care-compare/](https://www.cms.gov/care-compare/)). The following represents the reporting periods by fiscal year: 7/1/2016 to 6/30/2017 for FY2018, 7/1/2017 to 6/30/2018 for FY2019, 7/1/2018 to 6/30/2019 for FY2020, and a partial year 7/1/2019 to 12/1/2019 for FY2021 (the latest data available for FY2021 was as of October 2021).

- Post-Merger, Shannon Health began evaluating opportunities across the combined system with the goal of optimizing patient services and enhancing the overall patient experience. During Quarter 1 FY2022, Shannon Health implemented the following initiatives:
 - **Further enhanced security at 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. Shannon 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.

 - **Health Club facility and equipment upgrades:** Shannon Health invested \$374,263 in the Shannon Health Club, providing facility and equipment upgrades.
 - **COVID-19 clinics and vaccine distribution:** 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. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same – Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.
 - **Community education programs:** 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.
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- **Arterial Blood Gas (ABG) equipment upgrade:** Shannon Health updated its ABG equipment and standardized the same across the organization.
- **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED]
[REDACTED] The new MRI can provide scans for both inpatients and outpatients, increasing access to much needed imaging services.

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.]

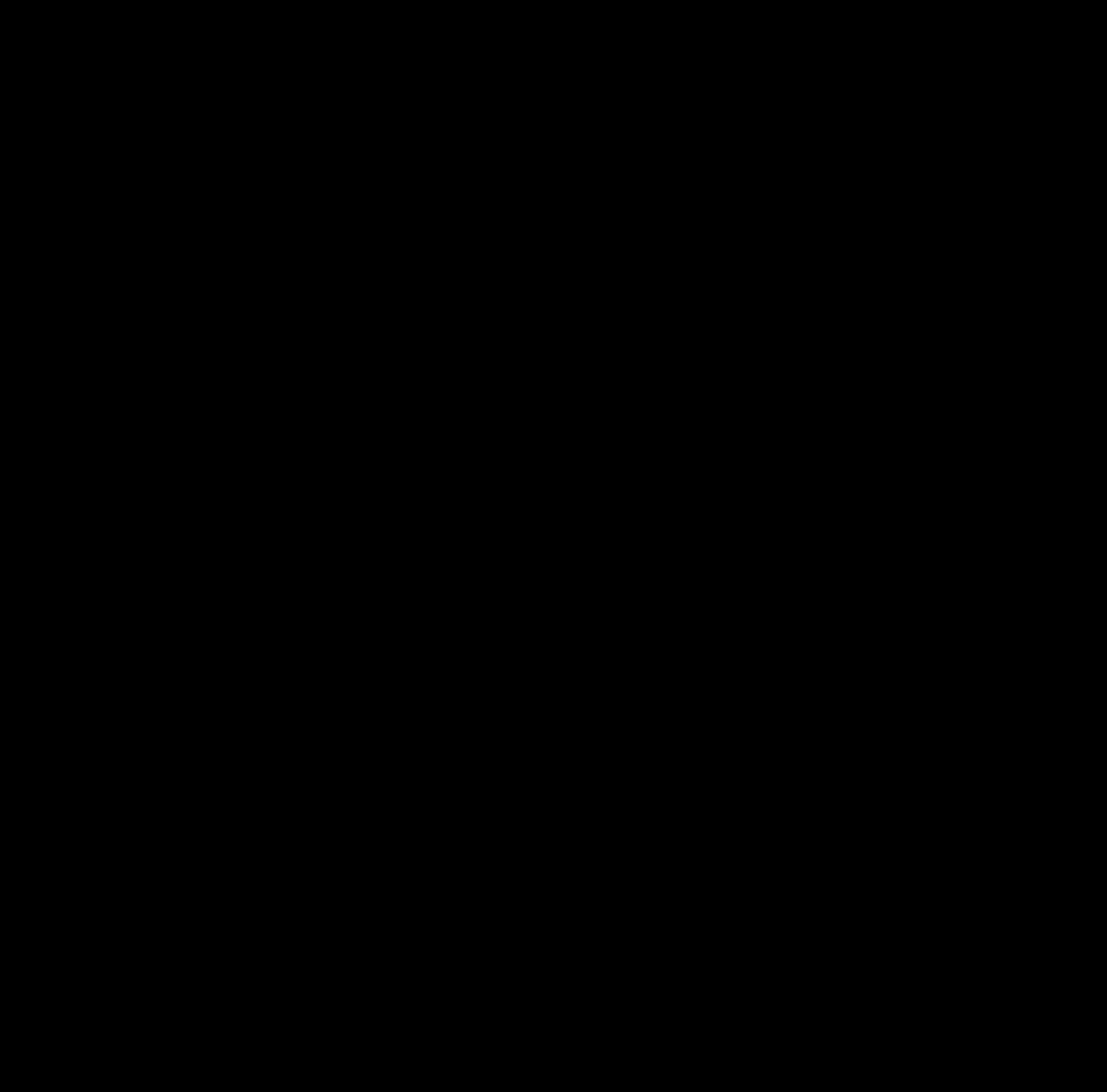
- For FY2022, Shannon Health continued working toward its quality improvement measures, which further enhance quality at all of Shannon Health’s hospitals. Shannon Health’s system-wide quality goals include the following quality measures: (1) Hospital-Acquired Condition reduction for five key conditions (CLABSI, CAUTI, SSI, MRSA, and CDI); (2) Mortality Rate reduction; and (3) Readmission Rate reduction. For the goals in these key areas, Shannon Health intends to work collaboratively across SMC and SMC South to drive quality improvement performance for the system. Shannon Health tracks various quality measures internally to develop strategies and understand current performance. This is a proactive approach to understand and potentially impact the data that will be later publicly reported; Shannon Health anticipates needing additional post-Merger data before it has usable data to report.
- The quality measures included in this Report are summarized below in **Table 6a**. In **Table 6b**, Shannon Health includes its FY2021 quality goal performance results. Although Shannon Health tracks a number of quality goals, it prioritizes various goals based on current trends and organizational initiatives. The system-wide quality goals prioritized are: (1) Hospital-Acquired Condition reduction for five key conditions (CLABSI, CAUTI, SSI, MRSA, and CDI/CDIFF) (SSI is split into two measures – SSI-Colon and SSI-Hyst); (2) Mortality Rate reduction; and (3) Readmission Rate reduction.

Table 6a: Shannon Health Summary of Quality Measure Performance

Quality Metrics	Page Ref.	FY2018		FY2019		FY2020		FY2021				FY2022		
		Q1	Q2	Q3	Q4 ¹³	Q1	Q2	Q3	Q4 ¹³	Q1				
CMS Star Rating – SMC	Page 8	4	4	4	4	5	5	Not Applicable (rating to be released in Q3)		4	4	Projected update in April 2022		
CMS Star Rating – SMC South	Page 8	4	4	4	4	4	4	Not Applicable (rating to be released in Q3)		3	Not Available	Not Available		
Leapfrog Safety Grades – SMC	Pages 8-9	C	C	C	C	C	C	Not Applicable (rating to be released in Q3)		C	B	Projected update in April 2022		
Leapfrog Safety Grades – SMC South	Pages 8-9	A	A	A	A	B	C	Not Applicable (rating to be released in Q3)		C	Not Available	Not Available		
Pt. Satisfaction Rating – SMC	Page 9	4	4	4	4	3	3	3	3	4	4	4	4	3
Pt. Satisfaction Rating – SMC South	Page 9	4	4	4	4	4	4	3	4	3	4	4	4	Not Available
Patient Readmissions – SMC	Pages 11-12	15.2%		14.1%		15.2%		15.8%				Projected update in July/August 2022		
Patient Readmissions – SMC South	Pages 11-12	14.8%		14.6%		16.2%		Not Available				Projected update in July/August 2022		
Inpatient Volumes – Combined	Pages 9-10							5k	5k	5k	5k	5k		
Outpatient Volumes – Combined	Pages 10-11							255k	299k	294k	315k	328k		

¹³ As a result of the Merger in October 2020, legacy SACMC's (now SMC South) CMS Certification Number (CCN) was retired; therefore, no data would be available to report for legacy SACMC. Going forward, all data for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

Table 6b: Shannon Health FY21 Quality Goal Performance



B. Efficiencies

7. A description of the steps taken to reduce costs and improve efficiency.
 - Steps Taken to Reduce Costs: Shannon Health has continued to conduct weekly, joint executive leadership meetings during Quarter 1 FY2022, 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 are 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.
8. Data regarding emergency department closures since the merger.
 - Current Emergency Department Locations: During Quarter 1 FY2022, there were no changes in the number of Emergency Departments that Shannon Health operated. As such, Shannon Health still operates one Emergency Department at SMC and one Emergency Department at SMC South, as reported in the Baseline Performance Report. Each location is listed in **Table 8a** and **8b** below.

Table 8a: SMC Emergency Department

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

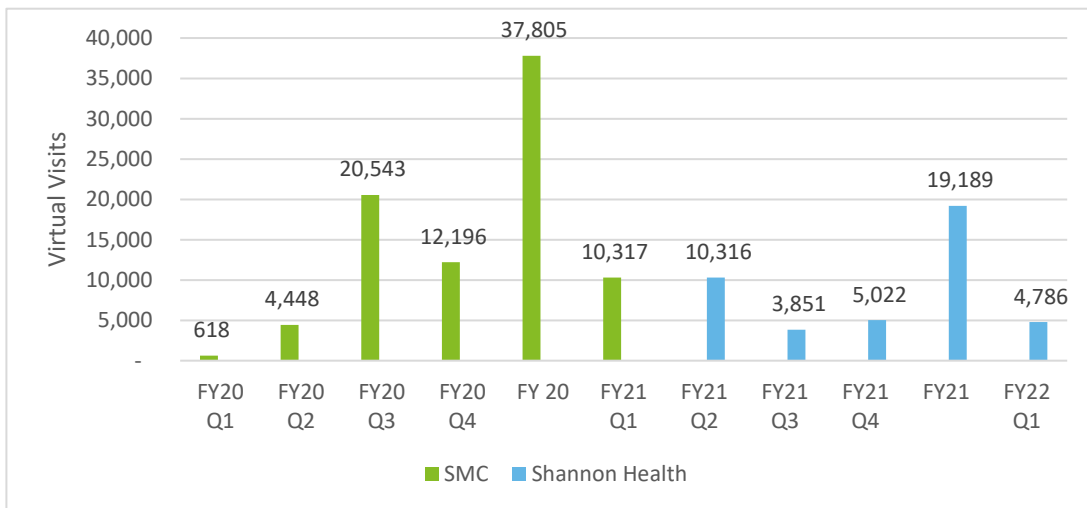
Table 8b: SMC South Emergency Department

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.
9. 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: During Quarter 1 FY2022, Shannon Health provided telehealth services, including primary and other non-emergency care services, to 4,786 patients through its virtual care platforms (as shown in **Table 9**). Telehealth volumes decreased by 4.9% between Quarter 4 FY2021 and Quarter 1 FY2022, from 5,022 to 4,786. As previously reported, 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. As noted in the First through Fourth Quarter FY2021 Performance Reports, Shannon Health has dedicated additional resources to this area in order to further expand virtual care options throughout the service area.

Table 9: Number of Patients Treated via Telehealth¹⁴



10. Progress report regarding the adoption of the new IT Platform.

- **IT Platform:** 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 and going forward, Shannon Health’s EMR platform is disconnected from the CHS network completely. SMC South and its clinic locations completed their migrations on Shannon’s EMR platform. Shannon Health now has limited access to legacy MedHost data, and Athena data is available upon request.

11. Provide the evidence of the onboarding SACMC’s system and provide training evidence for personnel.

- Post-Merger, all legacy SACMC employees have been trained, onboarded, and integrated to Shannon Health.
- All new employees hired post-Merger (except for Physicians and Advance Practice Professionals) attend a system-wide new hire orientation process, regardless of what campus they are hired to. These system-wide New Hire Orientation sessions are held at least once per month. The New Hire Orientation sessions provide an overview of Shannon Health, the Shannon Health policies and procedures, and the Employee Benefits offerings, with instructions on how to enroll in the

¹⁴ 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.

offered Employee Benefits. Where applicable, new hires are also trained on Epic, the EMR for Shannon Health.

- Physicians and Advanced Practice Professionals are onboarded separately, with specific consideration for their individual onboarding timetable, specialty, and job requirements.
12. 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.
- Workforce: As of the Transaction Closing Date through the end of Quarter 1 FY2022, there were no reductions in workforce other than what is expected through the ordinary course of business (e.g., attrition). Shannon Health continues to hire additional staff as needed to provide necessary services. For example, in Quarter 1 FY2022, Shannon Health hired 231 new employees, which filled current vacancies and new positions posted to meet patient care needs. As of December 31, 2021, Shannon Health employed 3,904 employees (see **Table 12** below).

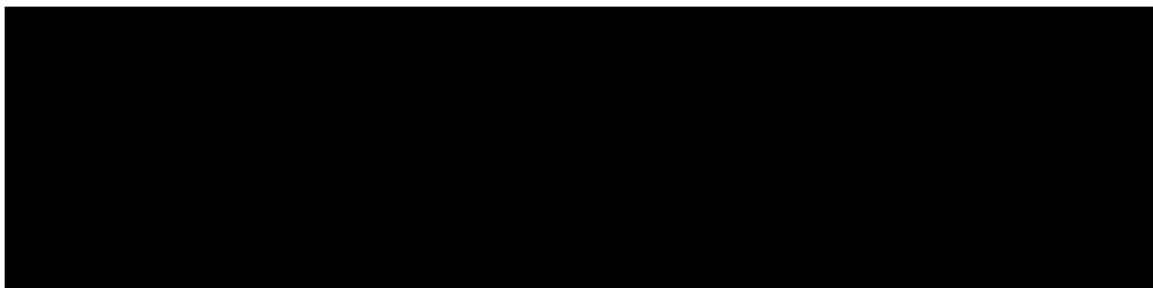
Table 12: Workforce as of Quarter 4 FY2021¹⁵

Location	Employees as of Transaction Closing Date ¹⁶	Employees as of Q1 FY2021	Employees as of Q2 FY2021	Employees as of Q3 FY2021	Employees as of Q4 FY2021	Employees as of Q1 FY2022
Shannon Health	3,709	3,694	3,718	3,718	4,027	3,904

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

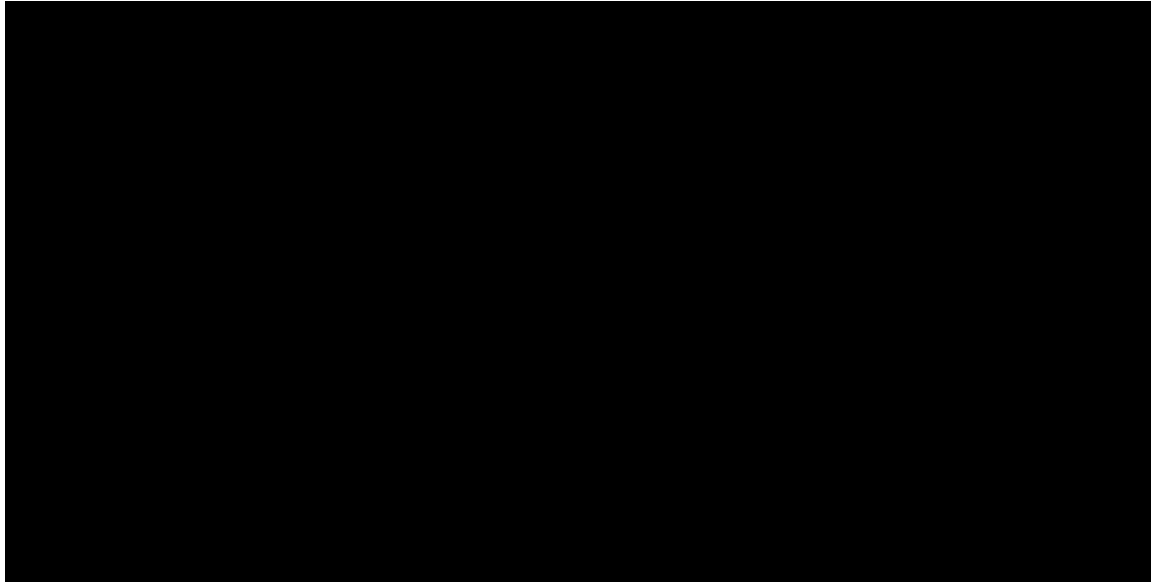
[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Shannon Health has identified several potential opportunities and initiatives that it believes will generate efficiencies and reduce unnecessary costs. For reference, the following opportunities are specifically related to the reduction in the duplication of resources:



¹⁵ Note employee headcount includes employed physicians and advanced practice clinicians.

¹⁶ Employee count as of the Transaction Closing Date was slightly adjusted from the Baseline Performance Report in order to correct for data errors.



- Shannon Health intends to continue thoughtfully evaluating opportunities through the post-Merger integration process, and will provide updates and estimated cost savings in subsequent reports once more information becomes available.

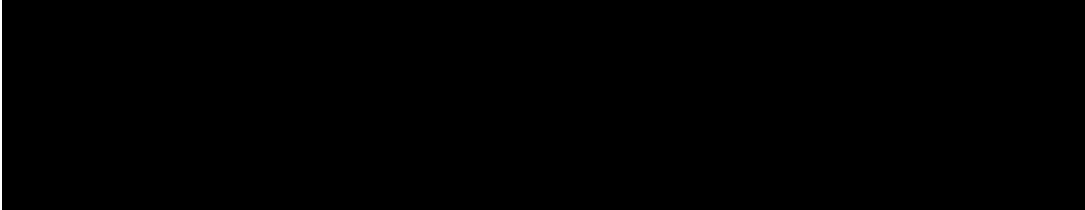
14. Data showing the coordination of services before and after the merger and evidence demonstrating how cost savings will be reinvested locally.

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

- Pre-Merger Coordination of Services: Please refer to the Baseline Performance Report.
- Post-Merger Coordination of Services: By thoughtfully combining the resources of SMC and legacy SACMC, Shannon Health intends to be able to better coordinate services, increase efficiencies, and optimize patient care. As of the end of Quarter 1 FY2022, Shannon Health has continued enhancing the coordination of services through the following:
 - **COVID-19 clinics and vaccine distribution**: 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. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same. Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.
 - **Community education programs**: Shannon Health invested in a number of 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.

○



○ **Arterial Blood Gas (ABG) equipment upgrade:** Shannon Health updated its ABG equipment and standardized the same across the organization.

○ **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies



The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.

• Cost Savings Reinvestment Evidence: Shannon Health plans to and has reinvested cost savings into various initiatives, such as enhanced security at SMC South, health club facility and equipment upgrades, community educations programs, upgraded ABG equipment, a new MRI unit at SMC South, the Shannon Vaccine Clinic, and other capital expenditures.

15. Data demonstrating reinvestment in the combined healthcare system.

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

• Reinvestment: As discussed in this Report, the Merger allows 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. The following are examples of how Shannon Health continued reinvesting in the combined healthcare system during Quarter 1 FY2022:

○ **Further enhanced security at 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, Shannon 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.

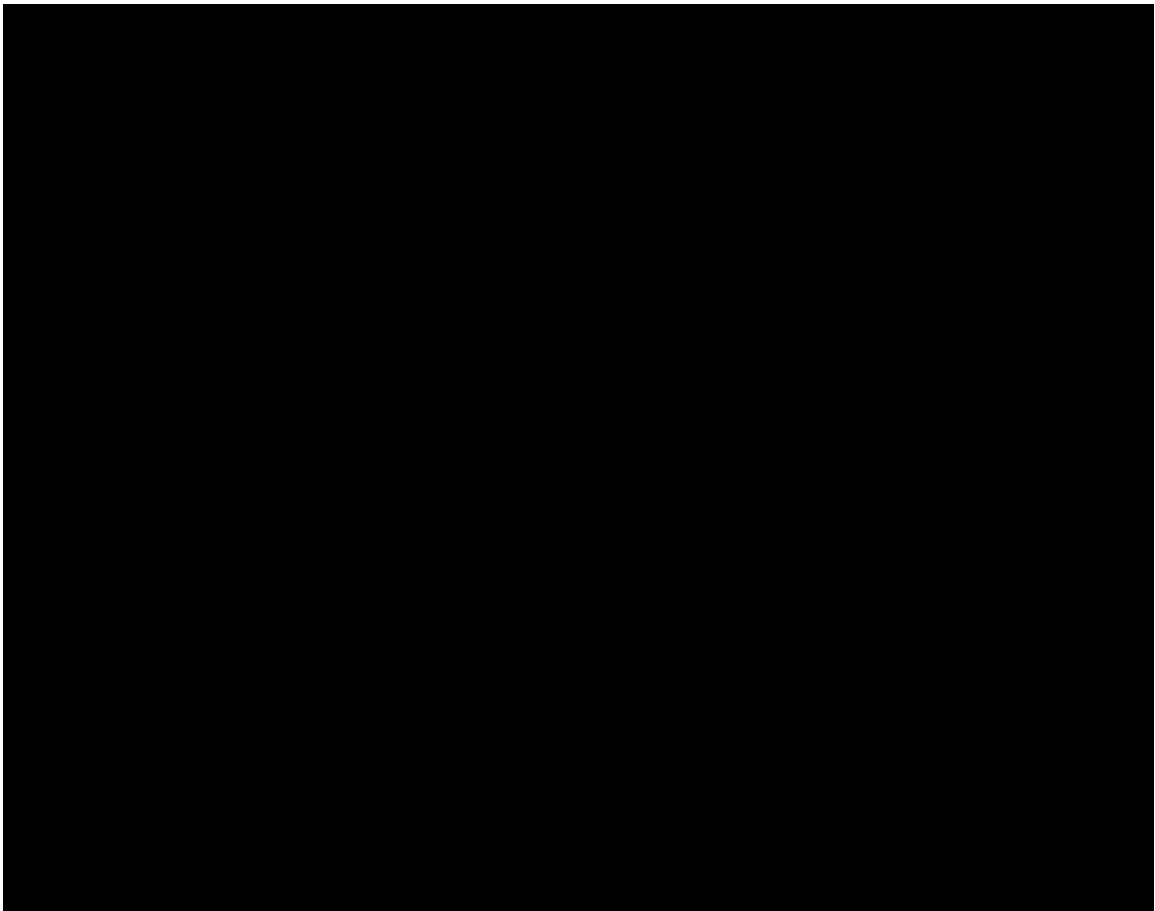


- [REDACTED]
- **Capital expenditures:** Shannon Health incurred additional capital expenditures to improve its facilities or grow its operations, totaling approximately \$21.5 million across both SMC and SMC South.
 - **Health Club facility and equipment upgrades:** Shannon Health invested \$374,263 in the Shannon Health Club, providing facility and equipment upgrades.
 - **COVID-19 clinics and vaccine distribution:** 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. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same. Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.
 - **Community education programs:** Shannon Health invested in a number of 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.
 - **Arterial Blood Gas (ABG) equipment upgrade:** Shannon Health updated its ABG equipment and standardized the same across the organization. [REDACTED]
 - **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED] The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services. [REDACTED]
- [REDACTED]

16. Data and financial reports reflecting the savings in each area referenced above.

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

- *Post-Merger Operating Efficiencies:* During Quarter 1 FY2022, Shannon Health continued the process to identify, track, and report data and financial reports reflecting efficiencies achieved in the areas identified previously, as appropriate, and additional areas as opportunities arise. As of the end of Quarter 1 FY2022, Shannon Health has identified multiple opportunities or initiatives that are likely to generate efficiencies and reduce unnecessary costs. For example, as of the date of this Report, Shannon was able to estimate the following efficiencies based on data currently available:



- Shannon Health will continue to thoughtfully evaluate potential opportunities throughout the post-Merger integration process and will provide updates and estimated cost savings in subsequent reports once more information becomes available.

17. Operating deficiencies that existed before the merger and how any operating efficiencies have been achieved since the merger.

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

- Pre-Merger Operating Deficiencies: [REDACTED]

- Post-Merger Operating Efficiencies: Shannon Health continues to remediate the deficiencies that were identified in the Baseline and First Quarter FY2021 Performance Reports. During Quarter 1 FY2022, Shannon Health invested \$668,513 in equipment and facility upgrades at SMC South, see **Table 17** below for a detailed breakout of these investments. With respect to security, during Quarter 1 FY2022, Shannon Health expanded security services at Shannon South. Shannon South now has 24/7 on-site security coverage with the Q1 addition of two employees for weekend coverage and an additional full-time employee to cover the split shift (3p-11p) Monday-Friday.

Table 17: Operating Efficiencies, Quarter 1 FY2022

[REDACTED]	
Total	\$668,513.22

18. An explanation of how any operating efficiencies achieved have impacted healthcare service delivery, patient care, staff, the local community, and counties served.
 - The Merger has allowed for better coordination of decision-making and resources, resulting in various operating efficiencies, including clinical and SG&A efficiencies. Shannon Health continues to reinvest savings in its operations to enhance healthcare service delivery, patient care, staff, the local community, and counties services. For example, during Quarter 1 FY2022, Shannon Health undertook the following initiatives:

- Further enhanced security at SMC South through the addition of 24/7 on-site security coverage, two employees for weekend coverage, and an additional full-time employee to cover the split shift (3p-11p) Monday-Friday.
- Offered COVID-19 vaccine clinics and a telephone hotline to the community.
- Invested \$21.5 in capital expenditures across both SMC and SMC South to improve and expand facilities and growth operations.
- Updated ABG equipment and standardized the same across the organization.
- Added a new MRI unit at SMC South, which allows for the performance of more advanced MRIs and new studies.

19. 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 actual charges¹⁷ for Shannon Health's ancillary health services are set forth in the Shannon Health Charge Description Master ("CDM"). Shannon Health contracts with various commercial health plans, which generally reimburse ancillary health services based on a negotiated fee schedule or percentage discount of actual charges. 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. **Table 19a** below identifies Quarter 1 FY2022 volumes and CDM charges for select tests, treatments, or procedures for the following categories of ancillary health services: Laboratory, Imaging, and Pharmacy. The charges show an average increase of approximately five percent, which was approved by HHSC in January 2022. As noted in Shannon's rate increase request, market conditions have resulted in substantial increases in the cost of healthcare service delivery. The increase in rates will allow Shannon to maintain the quality, efficiency, and accessibility of healthcare services within the market. Charges for pharmacy services show price variations due to drug shortages/availability related to COVID-19. Other variations resulted from overall market changes in drug pricing.

¹⁷ Actual charges are charges prior to any contractual discount allowance for various payor classes.

Table 19a: Ancillary Health Services

Ancillary Service	Volume ¹⁸						Actual CDM Charges					
	FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Laboratory Services¹⁹												
CMP	118,571	33,842	37,416	39,836	45,325	43,054						
CBC w/auto diff	93,389	35,310	38,799	44,752	48,660	47,032						
LIPID panel	46,683	13,049	16,837	16,986	17,335	17,103						
BMP	30,922	7,088	7,976	9,771	9,968	9,468						
Magnesium	25,357	6,232	6,649	9,458	10,756	10,687						
Imaging Services												
71045 X-Ray Chest 1V	19,002	6,887	7,462	6,888	8,798	7,284						
77067 Scr Mammo with Tomo Bilateral	11,388	3,758	3,800	3,601	3,939	3,697						
70450 CT Head w/o	7,625	1,773	2,485	2,649	2,522	2,516						
71046 X-Ray Chest 2V	3,998	555	916	1,169	1,293	1,201						
74177 CT Abd/Pel with IV	5,204	1,250	1,806	2,088	1,998	2,072						
Pharmacy Services²⁰												
Daptomycin 350 mg 1 each	1,026,680	225,160	247,675	248,150	235,990	334,682						
Acetaminophen 1,000 mg/100 ml IV per 1 ml	1,086,366	280,897	281,023	317,049	341,483	347,978						
Propofol 10 mg/ml IV Emulsion per 1 ml	856,673	229,122	231,722	188,119	278,754	41,555						
Ferric Carboxymaltose 50 mg Iron/ml IV per 1 ml	457,085	111,660	121,805	146,220	168,625	158,380						
Bupivacaine Liposome 1.3% (13.3 mg/ml)	475,669	114,822	133,346	170,122	150,254	179,612						

- Ancillary Health Services Quality:** Table 19b and Table 19c below shows the quality scores for certain CMS Care Compare and Leapfrog Safety Group quality measures specifically related to ancillary health services. The Use of Medical Imaging measures have not been updated since the Quarter 4 Performance Report. The Medication Safety measure (Safe Medication Ordering) is refreshed by Leapfrog in the Spring and Fall, and as such, the 100 for SMC reported in Fall 2021, shown in Table 19b reflect the most recently available score. Due to the retiring of legacy SACMC's (now SMC South) CCN, the most recently available measure for Medication Safety at SMC South is as of Spring 2020. Shannon Health will report updated information as it becomes available.

¹⁸ Beginning in Quarter 2 FY2021, the first full quarter post-Merger, and going forward, volume amounts for pharmacy and radiology include both SMC and SMC South data.

¹⁹ The clinic and hospital laboratories were consolidated during the Baseline Period, resulting in the appearance of significant changes in certain laboratory service volumes.

²⁰ Pharmaceutical prices can vary month to month, and the pricing shown in Table 19a captures pricing as of end of each quarter. Price variances in Q4 FY2021 as compared to previous quarters are due to drug availability from different manufacturers as a result of drug shortages or increased prices from manufacturers. Shannon Health notes it is part of the Texas Purchasing Coalition, a network of independent health systems located in Arkansas, Missouri and Texas, which aims to provide low, competitive drug pricing for members through comprehensive sourcing, performance improvement and cost management services. TPC engages in strategic sourcing, utilization management, and clinical and operational consulting, as well as service line, clinical and supply chain analytics.

Table 19b: SMC Ancillary Health Services Quality Scores²¹

Experience	Baseline Period												Post-Merger Period			
	FY2018				FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Use of Medical imaging ²²																
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%	46.9%	46.9%	46.9%	39.3%
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%	11.8%	11.8%	11.8%	3.9%
Medication Safety																
Safe Medication Ordering ²³	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	100	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	100

Table 19c: Legacy SACMC Ancillary Health Services Quality Scores²⁴

Experience	Baseline Period												Post-Merger Period			
	FY2018				FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ²⁶
Use of Medical imaging ²⁵																
OP-8. MRI Lumbar Spine for Low Back Pain ²⁷	43.6%	43.6%	43.6%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
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%	4.8%	4.8%	4.8%	NA
Medication Safety																
Safe Medication Ordering ²⁸	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	45	<i>Not Available</i>	<i>Not Available</i>	<i>Not Available</i>	NA

²¹ Information reported by CMS Care Compare, and Leapfrog Safety Group agencies ([Medicare.gov](https://www.medicare.gov) and [Leapfrog Group](https://www.leapfroggroup.org)).

²² Please note that lower values are more favorable for measures OP-8 and OP-10 that are included within **Table 18b**. 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.”

²³ Please note that Leapfrog does not publicly provide past or historical Hospital Safety Grade reports on its website. As such, hospital scores on the underlying measures, such as “Safe Medication Ordering,” are not available for FY2018, FY2019, or Spring of FY2020.

²⁴ See supra note 21 for more information.

²⁵ See supra note 22 for more information.

²⁶ As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired; therefore, no data would be in CMS’s database to report for legacy SACMC. Going forward, all data on CMS’s website for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

²⁷ 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.”

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

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

- Physician Services Pricing and Availability:** The actual charges for Shannon Health’s physician services are set forth in the Shannon Health Physician Fee Schedule. Shannon Health contracts with various commercial health plans, which generally reimburse physician services based on a negotiated fee schedule or percentage discount of actual charges. 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. **Table 20** below identifies Quarter 1 FY2022 volumes and the average CPT charge for the select CPT codes for clinic visits or evaluation and management office visits.
- Please note that legacy SACMC (or SMC South) data is not included in the pre-Merger period (FY2020 through the first month of Quarter 1 FY2021) in **Table 20**, as legacy SACMC data was not available to Shannon Health pre-Merger. Beginning with Quarter 2 FY2021 (the first full quarter post-Merger) and going forward, the physician services data includes both SMC and SMC South combined.

Table 20: Physician Services

CPT	Description	Volume						Actual CDM Price					
		FY2020 ²⁹	Q1 FY2021 ³⁰	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	FY2020	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022
Physician Office Visits													
99214	PR OFFICE/OUTPATIENT ESTAB MOD 30-39 Min	163,947	43,750	48,642	56,234	56,646	57,873	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00
99213	PR OFFICE/OUTPATIENT ESTAB LOW 20-29 Min	143,742	40,139	41,292	48,149	47,261	49,611	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00
99212	PR OFFICE/OUTPATIENT ESTAB SF 10-19 Min	28,159	7,243	5,357	6,409	6,758	6,645	\$83.00	\$83.00	\$83.00	\$83.00	\$83.00	\$83.00
99204	PR OFFICE/OUTPATIENT NEW MOD 45-59 Min	16,312	4,067	5,050	5,789	5,043	4,950	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00	\$318.00
99203	PR OFFICE/OUTPATIENT NEW LOW 30-44 Min	13,651	4,419	4,270	5,905	5,570	4,848	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00
Hospital Clinic Visits													
99232	PR SBSQ HOSPITAL CARE/DAY 25 Min	44,966	10,758	12,543	14,464	14,576	14,013	\$141.00	\$141.00	\$141.00	\$141.00	\$141.00	\$141.00
99233	PR SBSQ HOSPITAL CARE/DAY 35 Min	24,660	9,593	8,100	8,588	9,944	9,447	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00
99239	PR HOSPITAL DISCHARGE DAY >30 Min	9,744	2,634	2,664	2,985	2,971	2,879	\$209.00	\$209.00	\$209.00	\$209.00	\$209.00	\$209.00
99231	PR SBSQ HOSPITAL CARE/DAY 15 Min	8,896	2,937	1,964	2,194	2,567	2,370	\$77.00	\$77.00	\$77.00	\$77.00	\$77.00	\$77.00
99223	PR INITIAL HOSPITAL CARE/DAY 70 Min	10,088	2,912	2,695	3,105	3,165	2,944	\$396.00	\$396.00	\$396.00	\$396.00	\$396.00	\$396.00

²⁸ Please note that Leapfrog does not publicly provide past or historical Hospital Safety Grade reports on its website. As such, hospital scores on the underlying measures, such as “Safe Medication Ordering,” are not available for FY2018, FY2019, or Spring of FY2020.

²⁹ Excludes legacy SACMC (or SMC South) as this data was not available to Shannon Health pre-Merger.

³⁰ Volume amounts include three months of data for SMC and two months of data (November and December 2020) for SMC South, as volume from legacy SACMC was not available to Shannon Health pre-Merger.

- Physician Services Quality: The composite Merit-Based Incentive Program (“MIPS”) score serves as an indicator of the quality and cost of physician services. SMC received a composite MIPS score 93.4 out of 100 possible points for FY2020 services. See below **Table 20b** for historical MIPS scores. MIPS scores for FY2021 are expected to be released in August 2022 and will be reported on when available.

Table 20b: MIPS Score

	FY2018	FY2019	FY2020
<i>Historical MIPS Score</i>			
Shannon Clinic	99.5/100	90.0/100	93.4/100

- The FY2020 MIPS score was based on four categories, each representing a specific weight of the final composite score: (i) Quality (55%); (ii) Promoting Interoperability (30%); (iii) Improvement Activities (15%); and (iv) Cost (0%).³¹ When reporting on the composite score, CMS does not report MIPS scores broken down by category. Additionally, Shannon Health does not have access to historical MIPS scores for legacy SACMC.
21. Data on the consolidation of clinic services, identifying the types of services per county.
- Consolidation of Services: During Quarter 1 FY2022, Shannon Health did not consolidate any clinic services. Shannon Health continues to evaluate opportunities for service line optimization or consolidation and will note any changes in subsequent reports. Services offered as of Quarter 1 FY2022 by Shannon Health are outlined in **Attachment 1**.
22. Data indicating how the consolidation of these services improved patient outcomes.
- As of the end of Quarter 1 FY2022, Shannon Health has not consolidated any clinic services. Shannon Health continues to evaluate opportunities for service line optimization or consolidation and will note any changes in subsequent reports.

³¹ Centers for Medicare Services, Quality Payment Program (<https://app.cms.gov/mips/overview>).

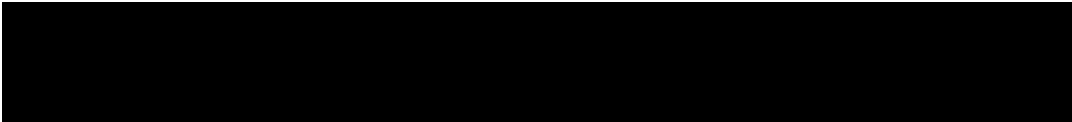
C. *Accessibility*

23. 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 2019 Community Health Needs Assessment (“CHNA”). The CHNA report involved a year-long study to identify the more prevalent, unmet health needs of residents within Tom Green County. Typically, Shannon Health 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: (1) adult obesity; (2) lack of health knowledge/education; (3) lack of mental health providers; (4) shortage of primary care physicians; and (5) healthy behaviors/lifestyle. Shannon Health has started the process to update its CHNA for 2022.
 - Importantly, however, 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 predominant health needs in the community.
 - The Merger allows Shannon Health to continue focusing on impacting the predominant health needs in the community. In particular, during Q1 FY2022, the following initiatives show efforts in furtherance of mitigating the predominant community health needs:
 - Increasing Access to Care: Shannon Health has continued to offer local “drive-thru sites” to conduct COVID-19 testing, and has provided vaccines to healthcare workers and first responders throughout the broader rural community. Additionally, in Quarter 1 FY2022, Shannon Health continued to implement a community-wide COVID-19 vaccine distribution strategy, administering 17,396 COVID-19 vaccine doses to community members. As part of these efforts, Shannon Health continued to utilize its standalone vaccine clinic operations, which accommodated a high volume of patients that sought the COVID-19 vaccine. 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.
 - Adult Obesity: In Quarter 1 FY2022, community-based events continued to be limited due to COVID-19, which is the primary way Shannon Health has worked to address Adult Obesity.
 - Lack of Mental Health Providers: Shannon Health is continuing efforts to recruit Advanced Practice Providers for Psychology and Psychiatry to potentially start in 2022.
 - Shortage of Primary Care Providers: To address the shortage of primary care providers, Shannon Health continues to recruit for Family Practice and Internal Medicine providers.
 - Healthy Behaviors/Lifestyle: In Quarter 1 FY2022, Shannon Health launched a new program in partnership with Cooper Wellness Strategies, a Cooper Aerobics company, to help individuals manage chronic health conditions. Cooper Tracks is a proven exercise

and educational program designed to guide and support individuals through exercising, increasing confidence, and developing habits to improve their overall quality of life. The Shannon Health Club is one of the first fitness facilities in the nation to partner with Cooper Wellness Strategies to implement Cooper Tracks.

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

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

- Post-Merger, during Quarter 1 FY2022, Shannon Health did not discontinue any patient services. Shannon Health expanded patient services in the following ways:
 - **Community education programs:** Shannon Health invested in a number of 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.
 - **COVID-19 vaccine distribution:** In Quarter 1 FY2022, Shannon Health continued to operate the COVID-19 Vaccine Clinic, which originally utilized a formerly vacant department store at the Sunset Mall in San Angelo. In June 2021, the Vaccine Clinic moved from the Sunset Mall location to the first floor of the Shannon South Campus. The clinic was open five days a week, by appointment or walk-in. Clinic hours remained the same as its Sunset Mall location hours: Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. In addition, Shannon Health continued to operate the Shannon COVID-19 hotline. Individuals can call and speak to a clinical provider about inquiries regarding COVID-19 testing or the COVID-19 vaccine. Shannon Health’s local presence and leadership provided direct COVID-19 vaccine access to the local community. Shannon Health’s locally-owned infrastructure yields the opportunity to adapt more timely and make informed decisions as COVID-19 guidance became available or changed. This allowed Shannon Health to increase strategies in response to COVID-19 and adapt processes as CDC guidelines for the distribution of COVID-19 vaccine continued to change, which resulted in great benefit to the community to access the COVID-19 vaccine. In Quarter 1 FY2022, Shannon Health distributed 17,396 COVID-19 vaccine doses.
 - 

- [REDACTED]
- **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED]
[REDACTED] The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.

25. **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 for Quarter 1 FY2022 (as reported by CMS in 2021) for SMC and SMC South (legacy SACMC) are shown below in **Table 25a** and **Table 25b**, respectively. The reporting period for data released by CMS during Quarter 1 FY2022 is July 1, 2020 through March 31, 2021. 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.
- As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, no data would be in CMS’s database to report for legacy SACMC. Going forward, all data on CMS’s website for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.
- SMC had an average ED wait time of 160 minutes.
- During Quarter 1 FY2022, Shannon Health continued implementing a strategy to better control ambulance traffic, which Shannon Health expects to positively impact ED wait times.
- As reported in the Quarter 4 Fiscal Year 2021 Performance Report, the CMS Care Compare website did not report any emergency department volumes for SMC during Quarter 3 FY2021 and Quarter 4 FY2021 (the volume was shown as “not available”). Rather, only the average ED wait times for SMC (186 minutes in Quarter 3 FY2021 and 161 minutes in Quarter 4 FY2021) were reported. Therefore, there were no national benchmarks for comparison to SMC during this period. For Quarter 1 FY2022, SMC was designated on the CMS Care Compare website as a medium volume emergency department (20,000 – 39,999 patients annually). **Table 25a** shows the national benchmark for Quarter 1 FY2022 at 162 minutes, compared to SMC’s average emergency department wait time of 160 minutes.

Table 25a: SMC Average ED Wait Times

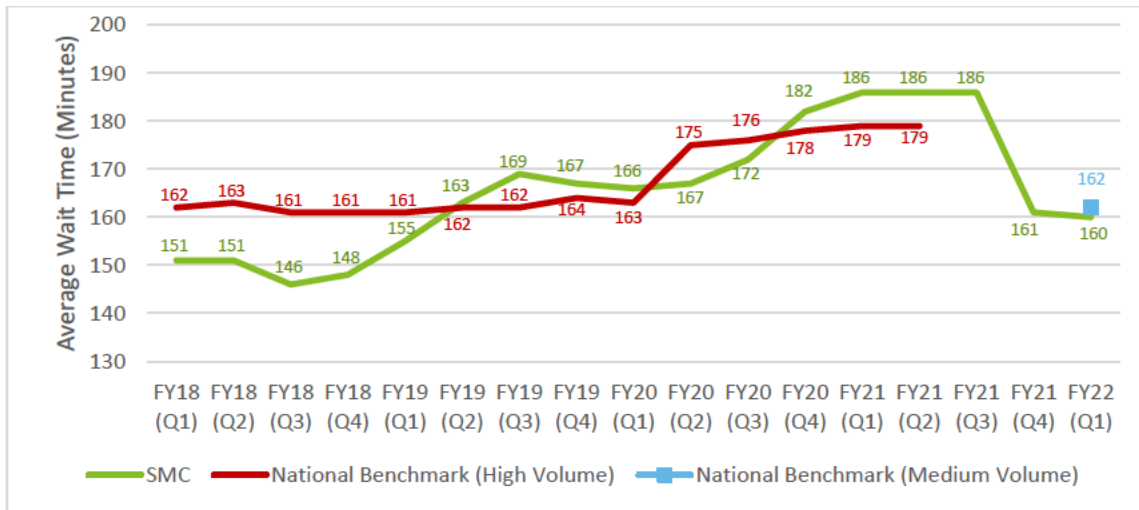
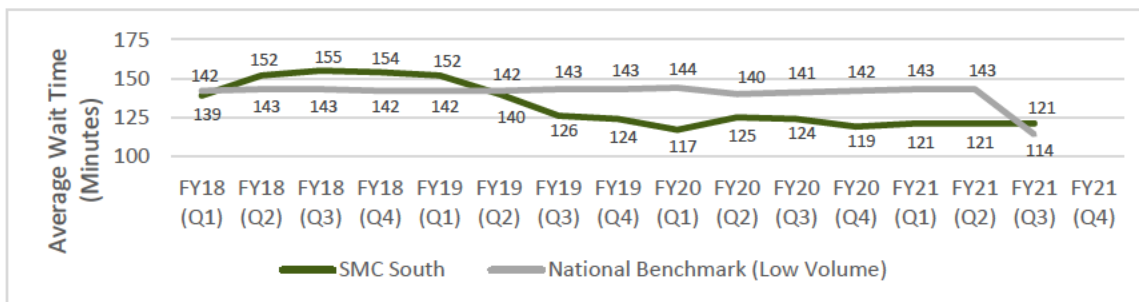


Table 25b: SMC South Average ED Wait Times ³²



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

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

- During Quarter 1 FY2022, Shannon Health increased access to health care services for patients in its communities through the following initiatives to expand service delivery:
 - **Health Club facility and equipment upgrades:** Shannon Health invested \$374,263 in the Shannon Health Club, providing facility and equipment upgrades.
 - **Expanded capacity for COVID-19 response:** 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

³² As a result of the Merger in October 2020, legacy SACMC’s (now SMC South) CMS Certification Number (CCN) was retired, therefore, no data would be in CMS’s database to report for legacy SACMC. Going forward, all data on CMS’s website for Shannon Medical Center (120 E Harris Ave) will be combined performance for both SMC and SMC South.

Health continued the Shannon Vaccine Clinic to support COVID vaccine distribution. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same. Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.

- **Arterial Blood Gas (ABG) equipment upgrade:** Shannon Health updated its ABG equipment and standardized the same across the organization.
- **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED]
[REDACTED] The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.

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

- *Pre-Merger Rehabilitation Room Capacity:* Please refer to the Baseline Performance Report.
- *Post-Merger Rehabilitation Room Capacity:* As noted in the Quarter 2 FY2021 Performance Report, on March 29, 2021, Shannon Health opened the Shannon Rehabilitation Hospital through a joint venture with Encompass Health, a national leader in healthcare and rehabilitation services. The Shannon Rehabilitation Hospital includes 40 private inpatient rehabilitation rooms, an expansive therapy gym featuring the latest technologies and equipment, an on-site cafeteria, in-house pharmacy and a four-chair dialysis suite. The Shannon Rehabilitation Hospital provides inpatient rehabilitation services to treat conditions such as amputations; brain injuries; burns, cardiac and pulmonary conditions; complex orthopedic conditions; hip fractures; multiple trauma; neurological conditions (*e.g.*, Parkinson’s disease, Guillain-Barré, Multiple Sclerosis); orthopedic conditions such as joint replacements or lower extremity fractures; spinal cord injuries; and strokes. A multidisciplinary team of providers provide care for patients at Shannon Rehabilitation Hospital, including physicians trained in physical medicine and rehabilitation, physical therapists, occupational therapists, speech-language pathologists, nurses specialized in rehabilitation care, pharmacists, dietitians/nutritionists, case managers and more. The hospital has 40 private, inpatient rooms, an expansive therapy gym featuring the latest technologies and equipment, an onsite cafeteria, an in-house pharmacy and a four-chair dialysis suite. Opening the Shannon Rehabilitation Hospital expanded rehabilitation capacity from 14 to 40 dedicated patient beds and enhanced patient care available to the community with significant investments in the latest equipment and technology.
- Shannon Health continues to operate the Outpatient Neuro Rehabilitation Clinic, which opened in Quarter 3 FY2021.

- The clinic, located at 3501 Executive Drive, includes an expanded floor plan with more space for patients and therapists as well as expanded services including state-of-the-art physical therapy equipment. The space allows therapists to provide an enhanced level of care for patients in a more comfortable setting. Shannon Health also offers a community-based exercise program for patients post-therapy; there is a dedicated exercise room for this program.
 - Shannon Neuro Rehabilitation is a multidisciplinary team of occupational therapists, physical therapists, and speech language pathologists who provide outpatient neuro therapy services within San Angelo. Shannon Health is looking to grow the Physical Therapy staff to accommodate the increased growth.
 - Patients needing specialized physical therapy after suffering debilitating injuries or conditions now have a facility in San Angelo with enhanced capabilities in which to receive treatment.
28. A list of rehabilitative services accessible to patients and a schedule of services demonstrating the referenced service delivery hours.
- Inpatient Rehabilitation: The Shannon Rehabilitation Hospital, a 40-bed inpatient rehabilitation hospital, opened in Quarter 2 FY2021 through a joint venture with Encompass Health. The Shannon Rehabilitation Hospital is opened 24 hours a day, 7 days a week. Care is provided by a multidisciplinary team of providers including physicians trained in physical medicine and rehabilitation, physical therapists, occupational therapists, speech-language pathologists, nurses specialized in rehabilitation care, pharmacists, dietitians/nutritionists, case managers and more. The conditions treated include:
 - Amputations
 - Brain injuries
 - Burns, Cardiac and pulmonary conditions
 - Complex orthopedic conditions
 - Hip fractures, Multiple trauma
 - Neurological conditions (e.g. Parkinson’s disease, Guillain-Barré, multiple sclerosis)
 - Orthopedic conditions such as joint replacements or lower extremity fractures
 - Spinal cord injuries
 - Strokes
 - Outpatient Rehabilitation: SMC has three locations providing outpatient rehabilitation services; all three locations had service delivery hours of Monday through Friday, 8:00 AM to 5:00 PM:
 - (1) Shannon Clinic – Southwest: providing outpatient orthopedic rehabilitation;
 - (2) Shannon Clinic – Jackson: providing outpatient sports medicine; and
 - (3) Shannon Outpatient Neuro Rehabilitation Clinic: providing outpatient neuro therapy and rehabilitation

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: During Quarter 1 FY2022, Shannon Health invested approximately \$21.5 million in capital expenditures. See **Table 29a** for a summary of capital, infrastructure, and operating expenditures for Shannon Health (SMC and SMC South combined) and **Table 29b** for detailed breakout of capital expenditures for Quarter 1 FY2022.
- Increased capital expenditures, as compared against prior quarters, indicates Shannon Health’s additional post-Merger investment in its operations and community, with the goal of improving the overall patient experience and patient care.

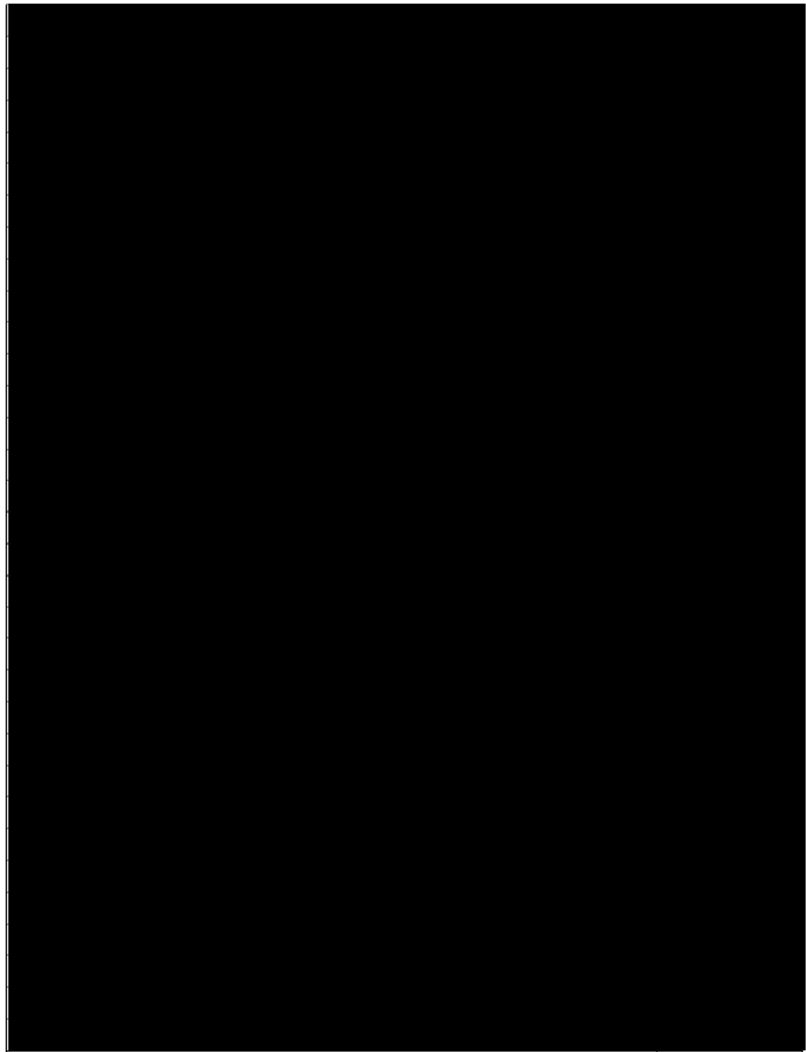
Table 29a: Shannon Health Capital, Infrastructure and Operating Expenditures for Q1 FY2022

	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022
Shannon Health					
Capital Expenditures ³³	\$8,964,071	\$8,936,130	\$9,985,747	\$5,144,232	\$21,507,422
Infrastructure Expenditures	\$5,802,203	\$4,218,960	\$2,546,590	\$3,618,126	\$17,686,080
Operating Expenditures ³⁴	\$145,326,793	\$151,336,064	\$164,678,233	\$172,578,268	\$170,026,494

³³ “Infrastructure Expenditures” are included within the “Capital Expenditures” Line in **Table 29**.

³⁴ The expenditure amounts reported in this **Table 29** reflect the unaudited financial figures as recorded by Shannon Health.

Table 29b: Capital Expenditure Breakout for Q1 FY2022³⁵



Total Capital Expenditures	21,507,422
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30. Evidence of any expansion of clinical services.

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

- Shannon Health is continuing to thoughtfully evaluate clinical services across SMC and SMC South for additional clinical optimization and/or expansion opportunities. For example, during Quarter 1 FY2022, Shannon Health expanded clinical services in the following ways:
 - **COVID-19 clinics and vaccine distribution:** In coordination with the local community, state and local representatives and authorities, Shannon Health has organized the

³⁵



Shannon Vaccine Clinic to support COVID vaccine distribution. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same. Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.

- **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED]
[REDACTED] The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.
- **Neonatology partnership to ensure no gaps in coverage:** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 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. 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.

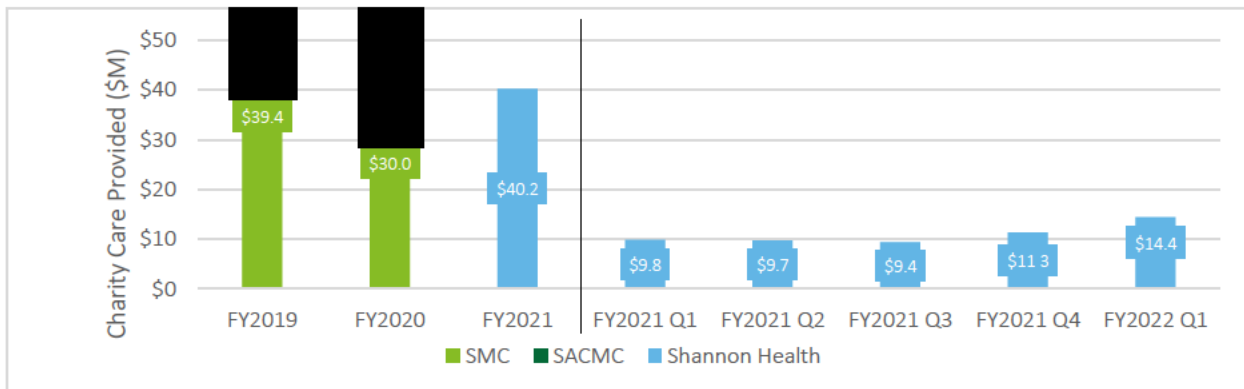
31. A copy of each hospital’s charity care policy, identifying any changes to the policy in the previous quarter when changes occur.

- Post-Merger, the Charity Care policy for Shannon Health was extended to encompass both SMC and SMC South. Shannon Health’s policy is usually revised annually (but was not revised during Quarter 1 FY2022), and any approved and implemented revised policy will be provided in future submissions as applicable.

32. The number of patients enrolled in each hospital’s charity care program.
- During Quarter 1 FY2022, Shannon Health enrolled a total of 3,387 patients in charity care and financial assistance programs. Post-Merger, Shannon Health’s Charity Care Policy applies to SMC South, which Shannon Health believes allows 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).

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 financial investment in charity care for Shannon Health for Quarter 1 FY2022 is shown below in Table 33. Shannon Health incurred \$14.4 million in charity care during Quarter 1 FY2022.

Table 33: Charity Care



34. Data demonstrating expansion efforts for the Shannon Care Coordination Program.
- During Quarter 1 FY2022, the Shannon Care Coordination Program continued serving patients discharging from the hospital with Congestive Heart Failure (CHF), Chronic Obstructive Pulmonary Disease (COPD), as well as patients at high-risk for readmission which includes COVID-19 patients. Key areas of the program include: medication management, addressing social barriers, and helping the patient manage their chronic condition at home.

35. An explanation of how SMC South will utilize providers, nurses and other medical staff to strengthen the Shannon Care Coordination Program.
- Shannon Health’s Care Coordination Program manages high-risk patients with multiple disease processes, addresses social and health care barriers, and supports 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.

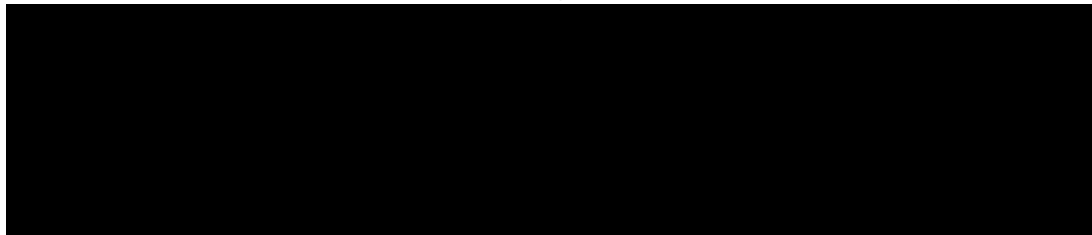
- The Shannon Care Coordination Program is designed to improve patient outcomes by utilizing a team to focus on population health efforts as it relates to chronic disease. The program’s structure and ability to utilize a team to focus on population health efforts as it relates to chronic disease has provided Shannon Health the opportunity to identify possible areas for patient care—all in service of providing care to patients in the community.
- During Quarter 1 FY2022, the Shannon Care Coordination Program continued serving patients discharging from the hospital with Congestive Heart Failure (CHF), Chronic Obstructive Pulmonary Disease (COPD), as well as patients at high-risk for readmission which includes COVID-19 patients. Key areas of the program include: medication management, addressing social barriers, and helping the patient manage their chronic condition at home.

36. Data demonstrating clinical integration between facilities and providers and whether such integration led to cost savings and a reduction in medical errors.

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

- As discussed in this Report, Shannon Health is in the process of evaluating opportunities for clinical integration. During Quarter 1 FY2022, Shannon Health implemented the following initiatives, which are intended to increase clinical integration between the facilities and providers:

-



- The integration efforts noted above have increased clinical integration between SMC and SMC South, and have generated cost savings for the combined organization. As this Report is based on short-term post-Merger information, data is not yet available to comment on the longer-term impact to medical errors, but this data will be provided when available.

37. 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.

- As a result of the Merger, during Quarter 1 FY2022, Shannon Health was able to further enhance or increase the services offered to the hospitals’ rural communities, including the following:
 - **COVID-19 vaccine distribution:** In Quarter 1 FY2022, Shannon Health continued to operate the COVID-19 Vaccine Clinic, which originally utilized a formerly vacant department store at the Sunset Mall in San Angelo. In June 2021, the Vaccine Clinic moved from the Sunset Mall location to the first floor of SMC South. The clinic was open five days a week, by appointment or walk-in. Clinic hours remained the same as its Sunset Mall location hours: Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. In addition, Shannon Health continued to operate the Shannon COVID-19 hotline. Individuals can call and speak to a clinical

provider about inquiries regarding COVID-19 testing or the COVID-19 vaccine. Shannon Health’s local presence and leadership provided direct COVID-19 vaccine access to the local community. Shannon Health’s locally-owned infrastructure yields the opportunity to adapt more timely and make informed decisions as COVID-19 guidance evolved. This allowed Shannon Health to implement strategies in response to COVID-19 and adapt processes as CDC guidelines for the distribution of COVID-19 vaccine continued to change, which resulted in great benefit to the community. In Quarter 1 FY2022, Shannon Health distributed 17,396 COVID-19 vaccine doses.

- **Community education programs:** 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.
- Post-Merger, there were no reductions in Shannon Health services within the service area.

38. A list of health plans each hospital contracted with before the merger, 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.

- **Table 38** of this Report lists the health plans³⁶ that Shannon Health contracted with as of the end of Quarter 1 FY2022. In Quarter 1 FY2022, Shannon Health added Partners Direct Health Plan. No contracts were terminated.

Table 38: Health Plans Accepted by Shannon Health

Organization
Aetna
Ambetter Superior Health
American Health Plan
Amerigroup Medicaid
Blue Choice
Blue Cross Advantage HMO
Blue Cross HMO Blue Essentials
Blue Cross Traditional
Caprock Healthplans
CIGNA
First Health

³⁶ This list does not include direct employer agreements, workers’ compensation, or other arrangements for discrete services (e.g., school services, behavioral 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
Partners Direct Health Plan
Prime Health Services, Inc
Provider Network of America
Scott & White
Select Plus Network
Superior Health Plan Medicaid
Texas True Choice
United Healthcare
United Healthcare - Medicare

39. 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.

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

- **Table 39** includes the pre- and post-Merger service levels for both SMC and SMC South (legacy SACMC) for the Emergency department (“ED”), Neonatal, and Maternal. 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 of Quarter 1 FY2022, service levels have changed as follows:

- **ED:** Shannon Health is pursuing a Level 4 designation for SMC South. Additional information will be reported in future quarterly reports, as available.
- **Neonatal:** Post-Merger, as a result of the change of ownership of SACMC, Neonatal was moved from a Level 2 to a Level 1 designation (which does not require an on-site survey) in order to continue to receive reimbursement for services immediately post-Merger.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- **Maternal:** During Quarter 3 FY2021, SMC South was granted a Level 1 designation for Maternal care (legacy SACMC did not have a Maternal designation pre-Merger) and plans to continue to build the Maternal program to eventually pursue a Level 2 designation through an on-site survey.
- **Trauma:** Shannon Health is pursuing a Level 4 designation for SMC South. The survey for SMC South Trauma services is currently scheduled for February 2022. Additional information will be reported in future quarterly reports, as available.

Table 39: Pre- and Post-Merger Key Service Levels

Location	Pre-Merger Service Level (FY2020)				Q3 FY2021 Service Level				Q4 FY2021 Service Level			
	ED	Neonatal	Maternal	Trauma	ED	Neonatal	Maternal	Trauma	ED	Neonatal	Maternal	Trauma
SMC	3	2	2	3	3	2	2	3	3	2	2	3
SMC South	3	2	Not Applicable	3	4 (pursuing)	1	1	4 (pursuing)	4 (pursuing)	1	1	4 (pursuing)
Location	Q1 FY2022 Service Level											
	ED	Neonatal	Maternal	Trauma								
SMC	3	2	2	3								
SMC South	4 (pursuing)	1	1	4 (pursuing)								

40. Data illustrating the organizations’ payment models.

- Shannon Health currently participates in the payment models listed in Table 40 below, which have remained unchanged from the Baseline Performance Report.

Table 40: Shannon Health 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

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

- As of the end of Quarter 1 FY2022, no new payment models have been established.

³⁷ Excludes workers compensation payment models.

D. Competition

42. 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.

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

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, most of which are gaining strength. These health systems are located throughout the Texas region and are rapidly expanding. Shannon Health considers these health systems, among others, to be competitors for high-end or tertiary inpatient and outpatient services. The robust competition for inpatient acute facility services will continue from many 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 has identified the following set of competitors, without limitation:

1. Covenant Health; 3615 19th St., Lubbock, TX 79410; Lubbock County
2. Odessa Regional Medical Center; 520 E. 6th St., Odessa, TX 79761; Ector County
3. Medical Center Hospital; 500 W. 4th St., Odessa, TX 79761; Ector County
4. Midland Memorial Hospital; 400 Rosalind Redfern Grover Pkwy, Midland, TX 79701; Midland County
5. United Regional Health Care; 1600 11th St, Wichita Falls, TX 76310; Wichita County

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

1. Lubbock University Medical Center
2. University Health System in San Antonio
3. Houston Methodist – The Woodlands
4. Parkland Health & Hospital System
5. Texas Health Harris Methodist Hospital Alliance
6. Texas Health Resources

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

- Ballinger Memorial Hospital District; 608 Ave. B, Ballinger, TX 76821; Runnels County
- Big Spring State Hospital; 1901 N Hwy. 87, Big Spring, TX 79720; Howard County
- Hendrick Medical Center Brownwood; 1501 Burnett Rd., Brownwood, TX 76801; Brown County
- Concho County Hospital; 614 Eaker St., Eden, TX 76837; Concho County
- Coleman County Medical Center; 310 S Pecos St., Coleman, TX 76834; Coleman County
- Heart of Texas Healthcare System; 2008 Nine Rd., Brady, TX 76825; McCulloch County
- Iraan General Hospital; 600 TX-349, Iraan, TX 79744; Pecos County

- Lillian M. Hudspeth Memorial Hospital; 308 Hudspeth St., Sonora, TX 76950; Sutton County
- McCamey Hospital District; 2500 S Hwy. 305, McCamey, TX 79752; Upton County
- Mitchell County Hospital; 997 W I-20, Colorado City, TX 79512; Mitchell County
- North Runnels Hospital; 7821 E TX-153, Winters, TX 79567; Runnels County
- Pecos County Memorial Hospital; 387 W I-10, Fort Stockton, TX 79735; Pecos County
- Rankin County Hospital District; 1611 TX-Spur 576, Rankin, TX 79778; Upton County
- Reeves County Hospital District; 2323 Texas St., Pecos, TX 79772; Pecos County
- River Crest Hospital; 1636 Hunters Glen Rd., San Angelo, TX 76901; Tom Green County
- Reagan Memorial Hospital; 1300 N Main Ave., Big Lake, TX 76932; Reagan County
- Rolling Plains Memorial Hospital; 200 E Arizona Ave., Sweetwater, TX 79556; Nolan County
- Scenic Mountain Medical Center; 1601 W 11th Pl., Big Spring, TX 79720; Howard County
- Schleicher County Medical Center; 102 N US-277, Eldorado, TX 76936; Schleicher County
- Val Verde Regional Medical Center; 801 N Bedell Ave., Del Rio, TX 78840; Val Verde County
- 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., Suite B, Brownwood, TX 76801
- Fresenius Kidney Care Brownwood; 110 S Park 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
- Hensley Family Health Clinic; 105 N 2nd St., Santa Anna, TX 79606

Coke County

- Not Applicable

Concho County

- Concho Medical Clinic; 814 W Broadway St., Eden, TX 76837
- Eden Medical Clinic PA; 506 Eaker St, Eden, TX 76837

Crockett County

- Not Applicable

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
- Fresenius Kidney Care West Texas; 501 Birdwell Ln., Suite 10, Big Spring, TX 79905

Irion County

- Not Applicable

Kimble County

- Frontera Healthcare Network – Junction Clinic; 1003 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

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, Suite C, Ballinger, TX 76821
- North Runnels Hospital District 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 Ross 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
- DaVita 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

- DaVita 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; 200 E Wallace St., San Saba, TX 76877
- Hendrick Clinic – San Saba; 403 W Wallace St., San Saba, TX 76877

Terrell County

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

Upton County

- 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 N Bedell Ave., Del Rio, TX 78840
- Fresenius Kidney Care 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. Carter Healthcare; 2725 Sherwood Way, Suite 700, San Angelo, TX 76904
3. Caprock Home Health Services Inc.; 215 S Irving, San Angelo, TX 76903
4. Comfort Keepers San Angelo; 3121 Executive Drive; San Angelo, TX 76904
5. Concho Valley Home Health Care; 430 W Beauregard Ave., Suite B, San Angelo, TX 76903
6. Encompass Health Home Health; 334 W Highland Blvd., San Angelo, TX 76903
7. Home Preferred Senior Care; 3180 Executive Dr., Suite 109, San Angelo, TX 76904
8. Intrepid USA Healthcare Services; 3310 W Loop 306, San Angelo, TX 76904
9. Kindred At Home; 1518 W Beauregard, San Angelo, TX 76901

10. Outreach Home Care; 17 S. Chardbourne Street, Suite 500, San Angelo, TX 76903
11. San Angelo Home Health; 423 S Irving Street, San Angelo, TX 76903
12. Texas Home Health of America; 4202 Sherwood Way, Suite A, San Angelo, TX 76904
13. TLC In Home Care Inc.; 1932 Sherwood Way, San Angelo, TX 76901
14. Visiting Angels; 3290 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. Meadow Creek Nursing and Rehabilitation; 4343 Oak Grove Blvd., San Angelo, TX 76904
5. Park Plaza Ltc Partners Inc.; 2210 Howard St., San Angelo, TX 76901
6. Regency House; 3745 Summer Crest Dr., San Angelo, TX 76901
7. Sagecrest Alzheimer's Care Center; 438 Houston-Harte, San Angelo, TX 76903
8. San Angelo Nursing and Rehab; 5455 Knickerbocker Rd., San Angelo, TX 79604

Select Other Health Care Facilities³⁸

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

43. Evidence of how patient choice is being preserved.

- The patient choice policy for Shannon Health was extended post-Merger to encompass both SMC and SMC South. The policy continues to conform with CMS mandated patient choice requirements. No revisions were made to the patient choice policy during Quarter 1 FY2022. To the extent any revisions are made to this policy in the future, any approved and implemented revised policy will be provided in future submissions as applicable.

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

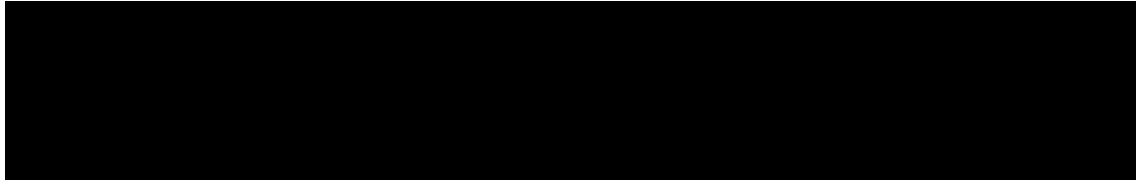
- Open Positions: As of the end of Quarter 1 FY2022, Shannon Health had 110 open positions. These roles cover both clinical and non-clinical positions across the organization and indicate significant demand for talent within the combined Shannon Health system following the Transaction Closing. A list of open positions as of the end of the Quarter 1 FY2022 is provided in **Attachment 2**.
- New Positions: During Quarter 1 FY2022, Shannon Health created 34 new positions in order to support identified needs for the new combined system, including both administrative and clinical roles. For example, Shannon Health added the following positions:
 - 1 Service Line Supervisor ENT
 - 2 Project Managers
 - 1 PACU Team Lead
 - 1 Correctional Nurse Manager
 - 1 SANE Nurse
 - 1 Communications Tech
 - 1 Home Care Giver
 - 2 Imaging Scheduler
 - 1 LVN/MA Float Position
 - 1 Nurse Schedule Coordinator
 - 6 Nursing Assistants
 - 2 Patient Experience Representatives
 - 1 Physical Therapy Assistant
 - 10 Registered Nurses
 - 1 Social Worker
 - 2 Tele-sitters
- New Hires: During Quarter 1 FY2022, Shannon Health hired 231 new employees.

45. Any contracted services that have changed since the last report, with an explanation for each change.

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

- Changes to Contracted Services: Shannon Health is continuing the process of evaluating potential alignment opportunities related to the following contracted services, which would enable the combined organization to operate more efficiently and achieve cost savings. During Quarter 1

FY2022, Shannon Health further aligned contracted services across SMC and SMC South as follows:



- Shannon Health will continue to evaluate potential contract alignment opportunities through the post-Merger integration process and will provide updates in subsequent reports once more information becomes available.

46. Data illustrating physician contracts for each county in the region specifying the physician specialty or practice area for each contract.

- **Table 46a** lists the practice areas and counties served by providers employed by Shannon Health as of the end of Quarter 1 FY2022. Care in the various specialties outlined in **Table 46** are being provided by Shannon Health providers in those counties. The region is also served by a number of community physicians not employed by Shannon Health. **Table 46b** lists the number of practicing physicians along with their practice area. Practicing physicians include employed physicians, locum tenes physicians, and contracted physicians related to Shannon Health-offered specialties. While Shannon Health does not maintain a comprehensive directory of these community physicians beyond those with medical staff privileges at Shannon Health, public sources that identify community physicians including the Texas Medical Board Healthcare Provider Search and health plan provider directories are available.
- Shannon Health notes that the numbers presented in **Table 46b** are Practicing Physicians with Inpatient Privileges. At the time of the acquisition, all SACMC physicians had both inpatient and outpatient privileges, even if they did not use inpatient privileges. When Shannon Health on-boarded these physicians, they honored the SACMC credentialing contracts for 90 to 120 days. This timeframe allowed the SACMC physicians to complete the Shannon Health credentialing process, which occurred during Q2 FY2021 and Q3 FY2021. During the credentialing process, it was determined which physicians saw patients in the hospital.

Table 46a: Practice Area Service Arrangements by County

Practice Area	Q1 FY2022							
	County Service Locations							
	Tom Green	Howard	McCulloch	Runnels	Sutton	Crockett	Val Verde	Brown
Access Clinic	✓							
Allergy	✓							
Anesthesiology	✓							
Cardiology	✓	✓	✓	✓	✓	✓		
CV Surgery	✓							
Dermatology	✓	✓						
Electrophysiology	✓							
Emergency	✓							
Endocrinology	✓							
Family Practice	✓	✓				✓		✓
Gastroenterology	✓							
Hematology Oncology	✓	✓						
Hospitalist	✓							
Internal Medicine	✓							
Laboratory	✓							
Nephrology	✓		✓					
Neurology	✓							
Neurosurgery	✓	✓	✓		✓		✓	✓
OB/GYN	✓*	✓	✓					
Ophthalmology	✓							
Orthopedics	✓	✓	✓		✓			
Otolaryngology	✓							
Pain Management	✓							
Palliative Care	✓							
Pathology	✓							
Pediatrics	✓*							
Phys & Rehab Medicine	✓							
Physician Recruitment	✓							
Podiatry	✓							
Psychiatry	✓							
Pulmonology	✓							
Radiation Oncology	✓							
Radiology Services	✓							
Rheumatology	✓							
Senior Clinic	✓							
Surgery	✓							
Urgent Care	✓							
Urology	✓				✓			
Wound Care	✓							

* In addition to providing services at Shannon these specialties also provide routine clinics at the FQHC located in Tom Green County.

Table 46b: Practicing Physicians by Practice Area

Practice Area	Practicing Physicians
Allergy	1
Anesthesiology	25
Cardiology	4
CV Surgery	2
Dermatology	5
Electrophysiology	9
Emergency	25
Endocrinology	1
Family Practice	11
Gastroenterology	6
Hematology Oncology	2
Hospitalist	41
Infectious Disease	1
Internal Medicine	11
Nephrology	7
Neurology	4
Neurosurgery	4
OB/GYN	12
Ophthalmology	5
Orthopedics	7
Otolaryngology	3
Pain Management	3
Palliative Care	2
Pathology	4
Pediatrics	16
Phys & Rehab Medicine	2
Podiatry	3
Psychiatry	2
Pulmonology	3
Radiation Oncology	2
Radiology Services	10
Rheumatology	1
Surgery	13
Urology	4
Wound Care	3
TOTAL	254

E. Other Requirements

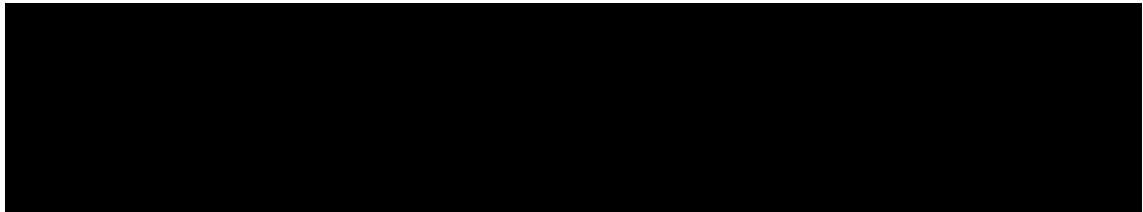
47. Any minutes or notes of meetings regarding the COPA and the portion of each hospital's governing body meeting minutes that discuss the COPA.

- Meeting Minutes: Shannon Health Board meeting minutes and notes created during Quarter 1 FY2022 do not specifically address the COPA and are not responsive. Therefore, no minutes have been provided. However, the Board has been informed and consulted throughout the COPA process. To the extent future Board meeting minutes are related to the COPA, they will be provided in quarterly reports, as applicable.

48. Any healthcare-related service contract changes in the previous quarter and the explanation for the change.

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

- Changes to Contracted Health Care Services: As noted in the Baseline Performance Report, SMC and legacy SACMC maintained agreements with a variety of third-party service providers to support their operations. Following the Merger, Shannon Health began the process of evaluating such services to identify potential alignment opportunities across the legacy organizations.



- Shannon Health will continue to evaluate potential healthcare-related service contract alignment opportunities throughout the post-Merger integration process and will provide updates in subsequent reports once more information becomes available.

49. The number of physicians, allied professionals and other health care providers providing medical services that have privileges to practice at the hospital.

- Privileged Providers: As of Quarter 1 FY2022, Shannon Health provided privileges to 431 health care providers at SMC and 301 health care providers at SMC South, as detailed in **Table 49** below.
- As noted in previous Performance Reports, beginning in Quarter 1 FY2021, the provider privileging and credentialing policies at SMC South were adjusted to align with SMC's policies, which allows for a more streamlined, uniform process.

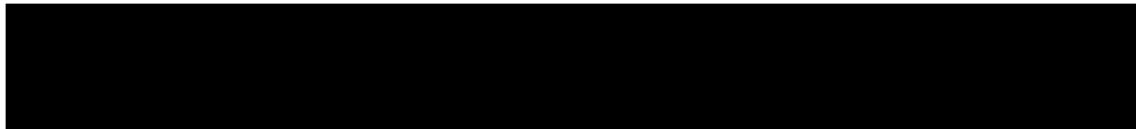
Table 49: Shannon Health Privileged Providers

Privileged Provider Category	SMC	SMC South
Physicians	288	181
AHPs	77	39
Telemedicine Physicians	66	81
Total	431	301

50. 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.

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

- By thoughtfully combining the resources of SMC and legacy SACMC, Shannon Health intends to be able to better coordinate services, increase efficiencies, and optimize patient care. As of the end of Quarter 1 FY2022, Shannon Health has continued enhancing the coordination of services through the following:



- **COVID-19 clinics and vaccine distribution:** In coordination with the local community, state and local representatives and authorities, Shannon Health continued operating the Shannon Vaccine Clinic to support COVID-19 vaccine distribution. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same: Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. In addition, Shannon Health continued operating the Shannon COVID-19 hotline. Individuals can call and speak to a clinical provider about inquiries regarding COVID-19 testing or the COVID-19 vaccine. In Quarter 1 FY2022, Shannon Health pharmacy and staff administered 17,396 COVID-19 vaccine doses.
- **Community education programs:** Shannon Health invested in a number of 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. AirMed provided the following educational classes during Quarter 1 2022: (1) Stop the Bleed education – Mertzon Coop; (2) Trauma emergencies education – Angelo State University nursing students; and (3) I-gel, Intraosseous and Needle Decompression Skills – San Angelo Fire Department. Other educational programs include partnering with local public safety agencies to host education safety events.
- The Merger allows 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. The following are examples of how Shannon Health continued reinvesting in the combined healthcare system during Quarter 1 FY2022:

- **Health Club facility and equipment upgrades:** Shannon Health invested \$374,263 in the Shannon Health Club, providing facility and equipment upgrades.
 - **COVID-19 clinics and vaccine distribution:** 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. Vaccines are available to individuals aged 12 and older. Walk-ins and appointments are accepted. Clinic hours remain the same. Mondays, Wednesdays, Thursdays and Fridays from 7 a.m. to 4 p.m., and Tuesdays from 7 a.m. to 7 p.m. 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 Quarter 1 FY2022, Shannon Health administered 17,396 vaccine doses.
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 - **Capital expenditures:** Shannon Health incurred additional capital expenditures to improve its facilities or grow its operations, totaling approximately \$21.5 million across both SMC and SMC South.
 - **Arterial Blood Gas (ABG) equipment upgrade:** Shannon Health updated its ABG equipment and standardized the same across the organization.
 - **New MRI unit at SMC South:** Shannon Health went live with a new 1.5T MRI unit. With this unit, Shannon Health can now perform more advanced MRIs and new studies [REDACTED]
[REDACTED]
[REDACTED] The new MRI is able to provide scans for both inpatients and outpatients, increasing access to much needed imaging services.
- As for infrastructure investment and capital expenditures as of the end of Quarter 1 FY2022, Shannon Health invested approximately the following:
 - Capital Expenditures: \$21,507,422

- Infrastructure Expenditures: \$17,686,080
- Operating Expenditures: \$170,026,494

IV. Attachments