

April 8, 2019

Dear Morrow County Hospital Board of Trustees,

The Morrow County Commissioners voted today to pursue a long term lease/purchase option for the Morrow County Hospital. The Commissioners would direct the Board to not enter into any new management, alliance, association, or affiliation agreements that would be terminated under a new lease. The Commissioners would seek the cooperation, input, and support of the Board as we move forward. The Commissioners will be scheduling time for the interested parties to begin intensive review and visitation of the facilities to better prepare for negotiations of the lease. The Commissioners are committed to maintaining and expanding the services provided at Morrow County Hospital as the county grows and healthcare needs grow.

Sincerely,

MCC

Tom Whiston

From: Tom Whiston <twhiston@morrowcountyohio.gov>
Sent: Monday, April 22, 2019 5:38 PM
To: 'Patrick Drouhard'
Cc: 'bcastle@morrowcountyohio.gov'; 'wdavis@morrowcountyohio.gov'; Cheryl Heacock; 'Charles Howland'
Subject: RE: MCH Finance 1st quarter

Pat,

Thank you for the quick response. I would also like to inform you that the Commissioners voted to proceed with the Lease, Lease/Purchase RFP today that will be sent to at least 7 entities. This will necessitate the MCH board to hold on any action regarding a change in existing operations of the hospital. At the least you would need to inform OhioHealth of the Boards intention. They will be receiving the RFP as well. It would be ill advised to enter into any agreement prior to the conclusion of the process now initiated. This would include scheduling any special meetings or contemplation of selling the doctor practices or any other material change. If you are in doubt of the Commissioners authority to execute the Lease or sale of the hospital I would refer you to the recently executed document signed by the Circleville City Council, the Pickaway County Commissioners, and OhioHealth. The Hospital Board is not a party to nor a signer of the agreement. You can have Jon Christianson research for you or you may contact the County Prosecutor for his opinion. The Board of County Commissioners have always sought to work with the board on the best solution for MCH and would hope that the Hospital Board will work in concert as we move forward. I spoke with the other Commissioners and they will not be attending the monthly Hospital Board tomorrow since they have not been a part of any executive session discussion. The failure to seat Earl Desmond as a board member when voted on and approved by the Commissioners would also jeopardize any vote taken by the board in my humble non legal opinion and should be remedied prior to your meeting tomorrow.

Sincerely,
Tom

From: Patrick Drouhard [mailto:patdrouhard@gmail.com]
Sent: Monday, April 22, 2019 4:32 PM
To: Tom Whiston <twhiston@morrowcountyohio.gov>
Subject: Re: MCH Finance 1st quarter

Tom,

Here is the complete packet from last Wednesday's meeting.

Pat

60 East High Street
Mt. Gilead OH 43338



(419) 947-5515
FAX: (419) 947-5205
E-Mail: mcprosecutor@rroho.com

MORROW COUNTY PROSECUTOR'S OFFICE
CHARLES S. HOWLAND
PROSECUTING ATTORNEY
May 1, 2019

Michael W. Louge
Executive Vice President
Chief Operating Office
Ohio Health Corporation
1800 E. Broad Street
Columbus, OH 43215

Re: Morrow County Hospital
Mt. Gilead, Ohio

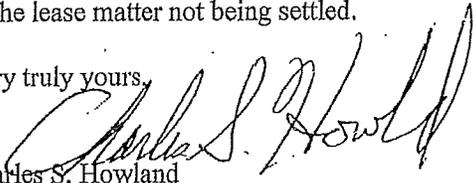
Greetings:

I write to you today concerning the possible lease of the Morrow County Hospital to the Ohio Health Corporation. The Morrow County Commissioners have asked that I write to you about this matter as there is some controversy between the hospital trustees and the Commissioners as to who has the authority to lease the hospital.

Any lease agreement that might be reached must be done with the County Commissioners. They are the only political entity that has the authority to lease the actual structure and grounds of the Morrow County Hospital. The Commissioners envision a lease similar to the one signed by Pickaway County with Ohio Health earlier this year.

Although we have had good relationship with Ohio Health for many years, we are considering lease options with other health providers. However, Ohio Health will be given fair consideration in the leasing decision. Also be mindful that we are concerned about the potential sale of the physician practice in light of the lease matter not being settled.

Very truly yours,


Charles S. Howland
Morrow County Prosecutor
On behalf of the Morrow County Commissioners

Cc: Pat Drouhard
Cheryl Herbert



MORROW COUNTY COMMISSIONERS
80 North Walnut Street, Suite A
Mount Gilead, Ohio 43338

Commissioners:
Thomas E. Whiston
Burgess W. Castle
Warren E. Davis

Phone: (419) 947-4085
Fax: (419) 947-1860
www.morrowcountyohio.gov

May 15, 2019

Commissioners Statement concerning Morrow County Hospital Board Action

The Morrow County Commissioners would like to thank the Morrow County Hospital Board for their service and dedication to the Morrow County Hospital. They have made a decision to continue their Management Agreement with OhioHealth after spending \$300,000 to a Chicago Consulting firm. The Commissioners will take a positive approach to expanding the Healthcare services provided in Morrow County. The Hospital Board has the day to day oversight of the Hospital and pays OhioHealth to be their CEO and CFO. The Commissioners do not have any input regarding that operation. The Commissioners are charged with the management of the county as a whole and will be seeking to expand and diversify the overall Healthcare industry in the county as we continue to grow and prosper. The Commissioners will do all they can to retain the current county hospital employees and expand their opportunities. We look forward to the future in making Morrow County a great place to live, work, and play.

BOARD OF MORROW COUNTY COMMISSIONERS

Handwritten signature of Tom E. Whiston.

Tom E. Whiston

Handwritten signature of Burgess W. Castle.

Burgess W. Castle

Handwritten signature of Warren E. Davis.

Warren E. Davis



**Morrow County
Hospital
OhioHealth**

RECEIVED
MORROW COUNTY
COMMISSIONERS

2019 MAY 31 PM 2:05

651 West Marion Road
Mount Gilead, Ohio 43338
(419) 946.5015

morrowcountyhospital.com

May 31, 2019

Morrow County Commissioners
80 North Walnut Street
Mt. Gilead, OH 43338

CEASE AND DESIST

Dear Commissioners:

I am writing this letter as Chair of the Board of Trustees ("Board") of Morrow County Hospital. The Board has unanimously approved this letter. As the governing body of the Morrow County Hospital ("MCH"), the Board is concerned that you have, without the required Board approval, issued a request for proposal ("RFP") with the stated purpose of offering MCH for sale or lease.

In Ohio, an operating county hospital such as MCH cannot be sold or leased without the express approval of the Board. This has been made abundantly clear to each of you on a number of occasions this past year. By issuing the RFP with neither statutory nor common law authority, you are illegally attempting to supplant the business judgment of the Board. The Board spent almost two years and hundreds of thousands of dollars on a nationally ranked consultant to solicit proposals for the best interests of the county's residents for the provision of healthcare services at MCH in both the short and long term.

The Board is statutorily authorized to exercise its business judgment for the best interest of Morrow County residents. Our best business judgment was to engage a national consultant to solicit bids, in large part at your urging. Once the bids were reviewed, the choice was clear – OhioHealth submitted the most responsible and responsive bid to the RFP.

As you are aware, the Board has entered into a contract with OhioHealth. Your RFP and any subsequent contract you may attempt to enter would, in all likelihood, violate the contract with OhioHealth. As such, your actions may subject yourselves and the County to liability for no apparent reason other than your attempt to improperly supplant the business judgment of the Board.

Morrow County Commissioners
May 31, 2019
Page 2

In addition, your RFP seeks to allow certain bidders a second bite at the apple. This is an obvious attempt to illegally steer a contract to your preferred provider. The Board is prepared to take legal action if necessary to prevent you from performing any action which is contrary to Ohio law.

The Board hereby respectfully requests you cease and desist from any and all activities associated with your RFP. There is **NO** precedent in Ohio for County Commissioners attempting to sell, lease, or privatize an operating county hospital without the consent of the Board of Trustees. You are requested to so notify the entities to which you have sent your RFP.

If you are desirous of a meeting with legal counsel present to discuss, we are more than willing to accommodate your schedules. However, you must cease and desist from all activity related to any RFP for MCH as the process has been completed and the contract with OhioHealth has been entered into. Failure to cease and desist may require immediate legal action to prevent irreparable harm to the residents of Morrow County.

Sincerely,



Patrick Drouhard, Chair
Morrow County Hospital Board of Trustees

Tom Whiston

From: Patrick Drouhard <patdrouhard@gmail.com>
Sent: Monday, June 03, 2019 8:32 AM
To: Tom Whiston
Cc: Brenda Harden; Brent Winand; Dr. Vince Trago; Brad Wood; Carolyn Beal; Olen Jackson; Paul Hinkle; Earl Desmond; Jon Christensen
Subject: Project "Buckeye"

Good morning Tom. I am just getting back with you on your questions regarding ECG. My answers are in caps.

Thanks.

Pat

Pat

On May 29, 2019, at 8:36 AM, Tom Whiston
<twhiston@morrowcountyohio.gov> wrote:

Pat,

I wanted to explore the process that the Morrow County Hospital Board utilized in selecting ECG as their Consultant. Did the Board interview different firms NO and how were those firms obtained. Please provide whether a bidding process was utilized and the names of other firms that were reviewed. SEE PREVIOUS ANSWER Who referred or recommended to consult with ECG DR. TRAGO WAS FAMILIAR WITH THE FIRM, SPOKE WITH A PERSON IN THE FIRM, BROUGHT IT TO THE ATTENTION OF THE BOARD AND ADVOCATED ITS USE and what precipitated the Board seeking an outside consultant? ACTUALLY, I BELIEVE THAT YOU, AS A COMMISSIONER, ADVOCATED THE USE OF A REPUTABLE FIRM AND AN RFP PROCESS TO SEEK OUT PARTIES INTERESTED IN THE LEASE/SALE OF THE HOSPITAL. THE BOARD AGREED WITH YOUR RECOMMENDATION TO USE EXPERTS TO CONDUCT PROPER DUE DILIGENCE FOR AN RFP PROCESS; THE BOARD BELIEVED THAT THIS WOULD BE THE MOST TRANSPARENT WAY TO CONDUCT THE PROCESS Did the Steering Committee initiate the process? NO

Thanks,

Tom

John H. Farthing
john@farthingstewart.com
Brian S. Stewart
brian@farthingstewart.com

FARTHING & STEWART LLP
ATTORNEYS AT LAW
229 North Court Street
P.O. Box 541
Circleville, Ohio 43113-0541

Phone: (740) 474-3103
Fax: (740) 422-1565
www.farthingstewart.com

June 5, 2019

Morrow County Hospital Board of Trustees
c/o Patrick Drouhard, Chair
651 West Mount Gilead Road
Mount Gilead, Ohio 43338

Re: Morrow County Commissioners

Dear Mr. Drouhard,

Our office has been retained to represent the Morrow County Board of Commissioners (the "Commissioners") with regard to several issues involving Morrow County Hospital ("MCH"). We are in receipt of your letter dated May 31, 2019 titled "Cease and Desist" and wish to address not only that letter, but a number of problems which presently exist with respect to MCH and its Board of Trustees (the "Trustees").

First, your letter claims that "an operating county hospital such as MCH cannot be sold or leased without the express approval of the Board [of Trustees]." Even if this were true, which the Commissioners do not concede, it does not prohibit the Commissioners, representing the county's ownership of MCH, from nonetheless beginning to explore such a transaction. The Commissioners have repeatedly expressed their concerns regarding the financial stability of MCH and the Trustees' mismanagement of it. As just one troubling example, MCH had an operating loss of \$5 million last year, despite the fact that county taxpayers subsidize MCH's operations with roughly \$2.5 million generated from a property tax levy each year. Contrary to the claims in your letter, the RFP issued by the Trustees makes no mention of a sale or lease of MCH as a whole; rather, the Trustees appear to have sought proposals for what amounts to merely a new *management* agreement, before once again selecting Ohio Health to administer MCH as it has for decades previously. Stated another way, the Trustees' RFP was limited to *management*, while the Commissioners' RFP is to solicit bids relating to *ownership*. Accordingly, your allegation that the Commissioners' RFP "seeks to allow certain bidders a second bite at the apple" in an "obvious attempt to illegally steer a contract" is baseless and counterproductive. The Commissioners have the discretion to request proposals for the sale and/or lease of MCH from interested parties, which may then be reviewed and considered by the Commissioners, as the owners of MCH, *and the Trustees*, together. They intend to continue doing so.

Second, the Commissioners have submitted a public records request to MCH which remains outstanding more than 3 weeks since it was made. A copy of the request is included here again for reference. It is unquestionable that the Commissioners are entitled to these documents under Ohio law. June 17, 2019 will mark more than a month that the Commissioners' request has been pending. If the documents sought have not been produced by that time, the Commissioners are prepared to move forward with litigation to compel their production. As an addition to that request, please also produce a copy of the minutes of the Trustees' meeting in which "the

Board...unanimously approved this [May 31, 2019] letter" as you have indicated. The Commissioners are eager to confirm whether the full Board of Trustees did, in fact, vote to threaten a lawsuit against Morrow County.

Third, the Commissioners are very concerned about recent, flagrant violations of Ohio's open meetings laws by the Trustees. The Commissioners – and the County Prosecutor – have already raised those concerns to you directly in detail, so we will not belabor them again here. Rather, we would urge you to carefully review the very narrow exceptions to Ohio's open meetings requirements, and to remind your fellow Trustees that virtually all meetings and discussions relating to this issue are required to be held in meetings which are open for the public to attend. Failure to do will force the Commissioners to involve other state authorities to address these violations. 50

Fourth, the Board of Trustees seat formerly held by Paul Hinkle became vacant earlier this year. Pursuant to Ohio Revised Code §339.02(G), the Commissioners gave notice to Judge Hickson that a meeting would be held to make an appointment to the MCH Board of Trustees. Judge Hickson refused to attend said meeting, at which time the Commissioners, representing 3 of the 4 public office holders in Morrow County eligible to vote on this matter, voted unanimously to appoint Earl K. Desmond to the Board of Trustees. A resolution confirming the appointment of Mr. Desmond is attached here for reference.

Unfortunately, it has come to our attention that you have claimed some non-existent authority to disregard this valid appointment and have even taken steps to obstruct Mr. Desmond from fulfilling his duties as a new Trustee. This is unacceptable. The appointment has been made in accordance with Ohio law, and the Trustees have no authority to reject it. Accordingly, the Commissioners require that you confirm to them not later than June 14, 2019, *in writing*, that Mr. Desmond has been informed of the date of the next Trustees' meeting, and that neither you nor any other Trustee will take any actions to interfere with his rights to attend and fulfill his duties. Failure to provide these assurances by this date will result in the Commissioners acting to remove you as a Trustee for neglect of duty and misconduct pursuant to Ohio Revised Code §339.02(H). Any other Trustee who obstructs the participation of Mr. Desmond as a Trustee will also be subject to removal proceedings.

Finally, while it is unfortunate that the Trustees' posture has led to these current disagreements, the Commissioners remain willing to discuss how best to move MCH forward for the best interests of Morrow County's residents. However, the status quo – significant financial losses coupled with dwindling market share – cannot continue. The Commissioners represent the owners of MCH, and they also have complete discretion as to whether to place renewal levies on the ballot to subsidize it, or not. Therefore, the Commissioners have a significant role to play in the hospital's future, which the Trustees must come to accept. The Commissioners believe that it is long-past-time for government to get out of the business of running a hospital. The trend in Ohio is obvious: just 5 county hospitals still exist, while the rest have long ago undertaken precisely the type of lease and/or sale process that the Commissioners are urging for here. It is the Commissioners' expectation that MCH will cooperate between now and July 8, 2019 with the interested parties who are preparing proposals for the lease and/or sale of MCH. Once those proposals have been received, the Commissioners will invite the Trustees to jointly review and

consider them.

Thank-you for your prompt attention to all these matters. Please do not hesitate to contact our office if you have any questions regarding this letter.

Sincerely,

FARTHING & STEWART LLP

Brian S. Stewart

cc:

Thomas E. Whiston, Morrow County Commissioner
Burgess Castle, Morrow County Commissioner
Warren Davis, Morrow County Commissioner
Charles Howland, Morrow County Prosecutor

June 26, 2019

Stephen Markovich
Chief Executive Officer
Ohio Health Corporation
180 East Broad St.
Columbus, Ohio 43215

Dear Stephen Markovich,

The Morrow County Commissioners are writing to schedule a meeting to discuss the Morrow County Hospital. Ohio Health has been managing Morrow County Hospital for the past few decades and the Commissioners would like to discuss the current management agreement and the possibility of a lease or lease/purchase of the facility. We have communicated in writing to CEO Bloom regarding such and have not had any response. Our Prosecutor had previously written to Michael Louge to inform him of our intentions as the hospital board was revamping the current Management Agreement. The Commissioners are currently in the process of obtaining proposals from several entities. We have already received response from The Cleveland Clinic, Quorum Health, and Avita. We had visited Berger Hospital and spoken with their CEO in the past and have been impressed with the Lease arrangement that they recently entered with OhioHealth. We do not feel that as the dynamics of the healthcare industry change that the current management agreement is the best solution for our growing county.

We look forward to having a discussion about the healthcare model for our county and how the results of our RFP could impact the current management agreement. We will contact your office after the 1st of July to schedule a meeting. We will be extending the submission date for the requests for Proposal to accommodate all of the interested parties including OhioHealth.

Sincerely,

MCC



Stephen E. Markovich MD
President and Chief Executive Officer

3430 OhioHealth Parkway
Columbus, Ohio 43202
(614) 544.4410

OhioHealth.com

July 10, 2019

Morrow County Commissioners
80 North Walnut Street, Suite A
Mount Gilead, Ohio 43338

Dear Commissioners Whiston, Castle and Davis,

Thank you for your letter dated June 26, 2019 requesting a meeting to discuss the current management agreement between Morrow County Hospital and OhioHealth. As you know, OhioHealth currently acts as the manager of Morrow County Hospital under a valid and enforceable contract with Morrow County Hospital, by and through its Board of Trustees (the "Board"). Under that contract, OhioHealth does and will continue to provide high quality management services for the Hospital and the patients of Morrow County under the direction and authority of the Board. As such, a meeting between OhioHealth and the Commissioners to discuss that agreement would be inappropriate.

To the extent the Board believes OhioHealth's participation in a meeting between the Board and the Commissioner's would be fruitful, an appropriate member of our team would be glad to participate at the Board's request.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Markovich".

Stephen Markovich, M.D.
President and Chief Executive Officer

Cc: Cheryl Herbert
Patrick Drouhard

RECEIVED
MORROW COUNTY
COMMISSIONERS
2019 JUN 15 10 11 58

IN THE SUPREME COURT OF OHIO

**STATE OF OHIO, ex rel.
PATRICK DROUHARD, Chairperson
MORROW COUNTY HOSPITAL
BOARD OF TRUSTEES**
651 West Marion Road
Mt. Gilead, Ohio 4338,

Relator,

v.

**MORROW COUNTY BOARD OF
COUNTY COMMISSIONERS**
80 North Walnut Street, Suite A
Mt. Gilead, Ohio 43338,

and

**COUNTY COMMISSIONERS:
THOMAS E. WHISTON
BURGESS CASTLE
WARREN DAVIS**
in their official capacities
80 North Walnut Street, Suite A
Mt. Gilead, Ohio 4338

Respondents.

Case No. _____

**ORIGINAL ACTION IN
PROHIBITION**

**VERIFIED COMPLAINT FOR EXPEDITED PEREMPTORY WRIT OR,
ALTERNATIVELY, ALTERNATIVE WRIT AND WRIT OF PROHIBITION**

William M. Mattes (0040465)
Justin M. Burns (0093686)
DINSMORE & SHOHL, LLP
191 W. Nationwide Blvd, Suite 300
Columbus, Ohio 43215
Tel.: (614) 628-6880
Fax: (614) 628-6890
bill.mattes@dinsmore.com
justin.burns@dinsmore.com

Counsel for Relator



MORROW COUNTY COMMISSIONERS

80 North Walnut Street, Suite A
Mount Gilead, Ohio 43338

Commissioners:
Thomas E. Whiston
Burgess W. Castle
Warren E. Davis

Phone: (419) 947-4085
Fax: (419) 947-1860
www.morrowcountyohio.gov

August 26, 2019

Morrow County Hospital Board of Trustees

Dear Board Member:

The Morrow County Commissioners would like to confer with you regarding the Request for Proposal that we recently received for the Morrow County Hospital. To facilitate these discussions we would like to schedule a time with the full Morrow County Hospital Board of Trustees, during a joint session that is open to the public, to review Avita Health's proposal for the Morrow County Hospital.

In case you have not yet seen a copy of the Avita proposal that Dr. Trago received on August 9th, the Avita proposal includes: doubling the current number of employees within five years – that's 200 additional, good-paying jobs; elimination of the current 2.5 mill, \$1.4 million levy (a difference of \$14 million over the full decade of your current agreement); and a \$2.44 million investment in our current facility.

We look forward to discussing it with you and in working towards a path that is in the best interests of Morrow County residents.

Regards,

BOARD OF MORROW COUNTY COMMISSIONERS

09-09-19

The Morrow County Commissioners are providing this update to Morrow County residents regarding their recent Request for Proposal for Expanding Health Care Services.

A proposal to operate the Morrow County Hospital without need of tax support levy (\$1.4 million per year), with commitment to invest \$2.44 million into our facility, and in doubling the current number of 200 hospital employees, was recently received from the Avita Health System. Further discussions with Avita Health Services indicate at least a \$20 million benefit to Morrow County over the next decade compared to the existing arrangement.

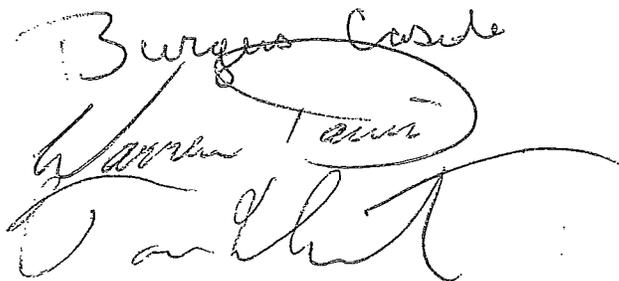
Should the Morrow County Hospital Board of Trustees vote to close our hospital under the terms of the agreement that they recently signed with OhioHealth, that agreement forbids the County Commissioners from using our current facility for any medical purposes over a two-year period. Such an interruption of medical service would permanently revoke the Hospital's designation as a Critical Access Hospital (CAH); a loss that could permanently end full-service hospital care in our county.

Congress authorized the Critical Access Hospital (CAH) designation through the Balanced Budget Act of 1997 to prevent more rural hospitals, like ours, from closing. The designation provides for a higher reimbursement rate being returned to CAH hospitals than otherwise allowed. It is unlikely that we could maintain a fully functioning hospital without that designation.

Closing the Morrow County Hospital would put 200 employees out of work and would be a tremendous personal blow to those employees, as well as to the economies of Mount Gilead – the Village's single largest source of income tax revenue – and to all of Morrow County.

Alternatively, the impact of doubling the number of current staff employed at the hospital – alone – would be a major boost to our County's economic stability.

On August 27 an invitation was delivered to the Morrow County Hospital Board to confer about this proposal. As of today, two weeks later, that request remains un-acknowledged. A public discussion of these issues is needed to make clear both the ramifications of closing our hospital, and in understanding that one path likely leads to the loss of hundreds of jobs, and the other path will add hundreds of jobs. These major implications call for public discussion and preparation for the aftermath caused by choosing the wrong path.



Burgess Caside
Warren Tamm
[Signature]

RECEIVED
MORROW COUNTY
COMMISSIONERS

2019 SEP 27 AM 11:02

Please Share
W
9/30/19

The Board of Trustees
Morrow County Hospital
651 West Marion St.
Mt. Gilead, OH 43338
September 27, 2019

Warren Davis, Chairman of Morrow County Commissioners
80 North Walnut St.
Mt. Gilead, OH 43338

Dear Warren,

I am writing to notify you of two resolutions recently passed by the Morrow County Hospital Board of Trustees, both relating to a putative proposal submitted by Avita Health Systems to the Morrow County Commission.

By resolution, the trustees have retained the services of ECG Management Consultants for the purpose of conducting a thorough review and analysis of the RFP submitted to the Commission back in early August, and any revisions thereof. As part of its work, ECG will also conduct a "reverse" due diligence of Avita to help determine if Avita would be the best fit for the county's health care future. We have also requested a market analysis of the hospital to determine its value.

By resolution, and with regards to your letter received on August 27 regarding a joint meeting of our boards, the trustees decided to not consider participating in such a meeting during the current litigation between our boards.

If you have any questions about either resolution, please do not hesitate to contact me or any other trustee.

Sincerely,



Patrick J. Drouhard
Chairman, Morrow County Board of Trustees



Mark Landes
In the Columbus Office
614-220-5149 (Direct)
mlandes@isaacwiles.com

October 16, 2019

Via Email and U.S. Regular Mail

William Mattes, Esq.
Justin Burns, Esq.
Dinsmore & Shohl, LLP
c/o Patrick Drouhard
191 W. Nationwide Boulevard, Suite 300
Columbus, OH 43215

Re: Resolution to Case No. 2019-1043: *State of Ohio, ex rel. Patrick Drouhard v. Morrow County Board of County Commissioners, et al.*

Dear Mr. Mattes and Mr. Burns:

My clients wish to resolve the above-referenced case in a way that benefits all the residents of Morrow County. That is why I reached out to you, on behalf of my clients, during the week of September 23, 2019. I suggested a global resolution that could move the County and the healthcare needs of its residents forward. After some discussion, you outlined several potential barriers to a resolution. My clients are willing to address those concerns.

My clients propose using the *free* valuation provided by Joseph Robertson of Hilltop Securities to establish the valuation of the Morrow County Hospital. Mr. Robertson is currently performing a valuation as bond counsel anyway. The Hospital Board would be able to use these determinations without charge. Additionally, Mr. Robertson could provide a third-party report on potential buyers (such as Avita), which would also be free because the cost could be rolled into a potential sale. The Commissioners therefore suggest using the free valuation provided by Mr. Robertson as a neutral and cost-effective solution.

As you know, the Hospital Board first used ECG Management Consultants to review proposals. At significant expense, ECG recommended OhioHealth. Now, the Hospital Board has retained ECG to do a “reverse” due diligence after another organization, Avita, made an attractive proposal. My clients believe that retaining ECG to double-check its own work makes no sense. That is particularly true considering that ECG Principal Hector Torres previously worked for KaufmanHall, which helped OhioHealth acquire another local hospital. In contrast, Mr. Robertson is already making a valuation determination as bond counsel and requires no additional compensation.

COLUMBUS OFFICE
Two Miranova Place, Ste. 700
Columbus, Ohio 43215 | 614-221-2121
TOLL FREE: 800-337-0626

CINCINNATI OFFICE
300 E-Business Way, Ste. 200
Cincinnati, Ohio 45241 | 513-247-6163
BY APPOINTMENT ONLY

WORTHINGTON OFFICE
300 West Wilson Bridge Road, Ste. 250
Worthington, Ohio 43085 | 614-471-0085

WWW.ISAACWILES.COM

William Mattes, Esq. and Justin Burns, Esq.
October 16, 2019
Page 2

Mr. Robertson's valuation would also allow the process to start fresh. My clients are confident that—with a fresh valuation in hand—the Commissioners and the Hospital Board could work together to solve the important issues facing the County. Litigation, public records disputes, and allegations of misconduct do not benefit the County. Instead, rowing together can lead to positive, generational change.

Positive, generational change is why my clients feel that the sale or lease of the Hospital must be considered, regardless of the companies involved. Last year, the Morrow County Hospital lost more than \$5 million. In fact, the Hospital lost \$400,000 just this past July. These losses are significant because the Morrow County taxpayers subsidize the Hospital by \$1.4 million per year. The June 10 OhioHealth agreement would not stop the ongoing losses. Additionally, the agreement would not protect current employees and does not even specify a minimum commitment amount by OhioHealth. And the agreement could harm Morrow County residents because the June 10 agreement may lead to a loss of healthcare services.

The lease or sale of the hospital could address many of these issues. One company, Avita, made a \$5 million offer to purchase the Hospital—and promised to double staffing. This would create immediate savings for Morrow County taxpayers and likely expand healthcare services and economic activity in Morrow County. Additionally, the Commissioners anticipate that the sale of the Hospital could create a \$20 million benefit to the County. Further, putting the sale of the Hospital on the table—combined with the cooperation between the Commissioners and the Hospital Board—may result in even stronger offers from other companies. The Commissioners feel that this option must not be overlooked for the future of Morrow County.

Finally, agreeing to start the process fresh would moot the removal of Mr. Drouhard. Mr. Drouhard's agreement to work together would remove the underlying reasons for his removal. Instead, Mr. Drouhard would be free to serve out the rest of his term. The Commissioners would also agree to act together with the judge(s) of the Morrow County Court of Common Pleas. The Commissioners feel that this should work so long as the judge(s) carry out the mandatory duty of appointment. *See* R.C. 339.02.

For these reasons, my clients propose that the parties reach out to the mediation services of the Ohio Supreme Court. A mediator may be able to bring the parties to a resolution that benefits Morrow County. And there is clearly much to agree on.

Thank you for your attention to these matters. We look forward to your response.

Sincerely,

Mark Landes

Tom Whiston

From: Miller, Chad J. <Chad.Miller@ohiohealth.com>
Sent: Wednesday, October 23, 2019 9:54 AM
To: Cheryl Heacock
Cc: Tom Whiston; Jon Christensen; Patrick Drouhard
Subject: Budget
Attachments: Final Budget for FA 10.8.19.pdf

Board of Commission,

Attached is the CY2020 budget as presented and approved by the Hospital Board of Trustees last evening. We will not be attending the quarterly meeting this afternoon, but will be happy to answer any specific questions in regards to the budget through email communication.

Tom,

Your request of an update in regards to the Public Record Request is that all existing documents are in final review with legal counsel. If you have any other questions please contact Jon. In addition, the definition of how to determine the days cash on hand value is included at the end of every financial packet presented to the Board of Trustees. Therefore, as shared at the Board of Trustees meeting last evening a day of cash is currently valued at approximately \$72,000.

Chad (CJ) Miller, PT, MPT, AT
President and CEO
Morrow County Hospital
651 West Marion Road
Mount Gilead, Ohio 43338
(419)949-3183
chad.miller@ohiohealth.com



FORTUNE 100 Best Companies to Work For 2007-2019

IN THE SUPREME COURT OF OHIO

STATE OF OHIO, *ex rel.*
PATRICK DROUHARD, Chairperson
MORROW COUNTY HOSPITAL
BOARD OF TRUSTEES,

Case No. 2019-1043

Relator,

v.

MORROW COUNTY BOARD OF
COUNTY COMMISSIONERS, *et al.*,

Respondents.

RESPONDENTS' MOTION TO REFER THE CASE TO MEDIATION
PURSUANT TO S.CT.PRAC.R. 19.01

William M. Mattes (0040465)
Justin M. Burns (0093686)
DINSMORE & SHOHL LLP
191 W. Nationwide Boulevard
Suite 300
Columbus, Ohio 43215
Phone: (614) 628-6880
Fax: (614) 628-6890
bill.mattes@dinsmore.com
justin.burns@dinsmore.com
Counsel for Relator

Mark Landes (0027227)
Matthew R. Aumann (0093612)
ISAAC, WILES, BURKHOLDER
& TEETOR, LLC
Two Miranova Place, Suite 700
Columbus, OH 43215
Phone: (614) 221-2121
Fax: (614) 365-9516
mlandes@isaacwiles.com
maumann@isaacwiles.com
Counsel for Respondents

Brian S. Stewart (0088240)
John H. Farthing (0031627)
FARTHING & STEWART LLP
229 North Court Street
P.O. Box 541
Circleville, Ohio 43113
Phone: (740) 474-3103
Fax: 1-(740) 422-1565
brian@farthingstewart.com
john@farthingstewart.com
Co-Counsel for Respondents

CERTIFICATE OF SERVICE

I hereby certify that on November 18, 2019, I electronically filed the foregoing with the Clerk of the Ohio Supreme Court by using the E-Filing Portal system, and that a copy was served by e-mail, in compliance with Ohio Civil Rule 5(B)(2)(f) Supreme Court Practice Rule 3.11(B) upon the following: William M. Mattes, bill.mattes@dinsmore.com, and Justin Burns, justin.burns@dinsmore.com, Counsel for Relator, on this same date.

/s/ Mark Landes

Mark Landes (0027227)

The Supreme Court of Ohio

CASE ANNOUNCEMENTS

December 10, 2019

[Cite as *12/10/2019 Case Announcements, 2019-Ohio-5030.*]

MOTION AND PROCEDURAL RULINGS

2019-0939. Menorah Park Ctr. for Senior Living v. Rolston.

Cuyahoga App. No. 107615, 2019-Ohio-2114. On motion of amicus curiae Ohio Association of Civil Trial Attorneys for leave to file an amended brief instante. Motion granted. Brief attached to the motion deemed filed as of November 15, 2019.

2019-1043. State ex rel. Drouhard v. Morrow Cty. Bd. of Commrs.

In Prohibition. On respondents' motion to refer case to mediation. Motion denied.

2019-1648. State v. Thomas.

Summit App. No. 29112, 2019-Ohio-4247. On appellant's motion to correct case information. Motion granted.

DISCIPLINARY CASES

2018-1759. Disciplinary Counsel v. Burge.

On application for reinstatement by respondent, James Michael Burge. Application granted. James Michael Burge, Attorney Registration No. 0004659, last known business address in Lorain, Ohio, reinstated to the practice of law.

2019-0212. Toledo Bar Assn. v. Manore.

On application for reinstatement by respondent, John James Manore III. Application granted. John James Manore III, Attorney Registration No. 0064070, last known business address in Sylvania, Ohio, reinstated to the practice of law.

2019-1638. In re Wells.

On certified entry of felony conviction. Lisa Marie Wells, Attorney Registration No. 0076255, last known business address in Covington, Kentucky, suspended from the practice of law for an interim period.

MISCELLANEOUS DISMISSALS

2019-1483. State ex rel. Accurate Elec. Constr., Inc. v. Sadler.

In Procedendo. On relator's application for dismissal. Application granted. Cause dismissed.