



An Open Letter from Jon D. Doolittle, President & CEO

Nearly forty years ago, my mom and dad welcomed me into the world in a delivery room in the beautiful hospital where I now work. Even though I have lived, learned, worshipped and worked in many places over the past four decades, I always have considered Albany and the surrounding region my home.

Four years ago, I was given the incredible opportunity to bring my family home and become one of the caregivers of Northwest Medical Center (NMC). My job as President & CEO has a lot of parts, but a very simple description: I get to take care of people who take care of people. I exist professionally to help set and realize NMC's Vision ("To build the teams and systems that make us the trusted health home for the people of our communities,") and achieve our Mission ("With the help of trusted, integrated partners, Northwest Medical Center serves as a compassionate, efficient health home that encourages wellness, restores health, and promotes a superior quality of life.") With those goals in mind, I am incredibly pleased to announce that NMC is entering an innovative operating partnership with Heartland Health and Mosaic Life Care that will allow us to deploy the best of our combined expertise, technologies and compassion to make our region a national model for rural health and quality of life.

Before I go into the details of the partnership, let me provide a bit of background. Northwest Medical Center (originally "Gentry County Memorial Hospital") was incorporated as an independent non-profit organization in 1954 to ensure the provision of quality hospital services in our region. That organization, still in effect today, is governed by a Board of Directors that works through its Medical Staff and employed caregivers to carry out that original mission. NMC has been an incredible success story, providing vital care and jobs that make our hometowns great. As care models, consumer demands and regulatory pressures have changed in the 60 years since it was incorporated, NMC has proactively rebuilt itself many times. Today, after a great deal of evolution, NMC's assets in addition to the original inpatient hospital beds include primary care clinics in four towns, a home health agency that serves people in six counties, outpatient specialty services both in person and using telehealth technology, therapy services, surgical services and an incredible variety of school and community-based programs. Thanks to decades of great vision and performance from its Board of Directors, leaders and staff, NMC has consistently understood its environment and positioned itself to thrive.

Today, the U.S. healthcare system is in crisis. Care in this country costs more than twice as much per person as it does in other first-world nations, nearly all of which outperform us in objective measures of care quality. American companies struggle to compete globally in part because of the health care expenses of their workforces, and our governments' budgets buckle under the financial pressure imposed by Medicaid and Medicare. The annual U.S. health care spend now exceeds \$3 Trillion per year, which by itself would be the 5th largest national economy in the entire world. The employers, governments and consumers who pay for and regulate the U.S. health care industry are emphatically demanding that health care providers deliver greater value, defined as higher quality at lower costs.

** For more information, please visit www.northwestmedicalcenter.org/partnership-announcement



Where some people see a problem, entrepreneurs see opportunity. Innovative health care providers that successfully reinvent themselves will thrive because consumers and regulators will reward them. As in any other industry, health care providers that don't provide great value will not be rewarded. This isn't just theory—it's happening. More rural hospitals in the U.S. closed last year than in the previous 15 years combined. The fight over the future of rural health is here, and we are ready. The caregivers of NMC are winners, and always will be.

Winning within this next generation of health care will be about keeping people healthy and well, and providing efficient and appropriate services for people who need them. For NMC, it will be about building on our community connections, improving our already-great primary care services for chronic and episodic patients, being available and effective for urgent and emergency care, and providing easy and affordable access to specialty care and hospital care when and where they are needed. The caregivers of Heartland Health and Mosaic Life Care have been our closest partners for years, and they have made focused investments in technology and expertise that are producing incredible results. Heartland Health won the coveted Malcolm Baldrige National Quality Award, has been recognized as a Most Wired hospital for IT technology, has been given an "A" rating by the Leapfrog Group (an independent organization that measures hospital safety and quality) and is one of only 29 Accountable Care Institutions in the country to successfully share savings with Medicare while maintaining the highest of quality. Significantly, Heartland Health and Mosaic Life Care have earned a place as part of the Mayo Clinic Care Network. As a member of the Mayo Clinic Care Network, Heartland Health and Mosaic Life Care physicians have the ability to connect with Mayo Clinic physicians to collaborate on the latest in medical knowledge and expertise. The investments and improvements they have made to enable more efficient and effective models of care are significant. An organization our size could attempt to build similar systems, but would find them unaffordable.

Given that landscape, the NMC team asked itself a simple question. Knowing that our purpose is to ensure great care and quality of life in our region, how do we best serve the present and future generations of patients and communities that we exist to serve? Knowing that over 60% of community hospitals in America are part of health care systems, our fidelity is not to a particular organizational structure, but to our people. Through careful planning and agreement with our partners at Heartland Health and Mosaic Life Care, we have arrived at a partnership structure ("integration, not acquisition") with the following highlights:

- Northwest Medical Center Association, Inc., will continue to exist as a non-profit healthcare organization with property and financial assets. If this partnership ends at any point, NMC will be equipped to re-start its independent provision of health care services throughout our region.
- NMC will lease its property and transfer its operations to Heartland Health and Mosaic Life Care beginning on or about December 29, 2014 (effective date). The lease has a 30-year duration, with five 10-year options for up to 50 additional years.
- Heartland Health and Mosaic Life Care will begin to employ current NMC caregivers in the current NMC facilities on the effective date.

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- Heartland Health and Mosaic Life Care, with support from NMC and the communities it serves, will manage NMC's existing properties and will enhance the current NMC hospital campus through the construction of a Mosaic Life Care Center connected to the existing hospital. Conceptual drawings of the planned addition, which are subject to change, can be found at www.northwestmedicalcenter.org/partnership-announcement.
- HH commits to emergency services equal to or greater than NMC's existing emergency department services throughout the term of the lease, and intends to maintain or enhance the availability of other medical services.

Through this arrangement, we combine the best of many worlds. The caregivers of Northwest Medical Center gain access to world class technologies, enhanced facilities and incredible stability to go along with their remarkable compassion, commitment and expertise in rural life care. Our partners at Heartland Health and Mosaic Life Care, already so successful in St. Joseph and other areas, gain talented new teammates, NMC's strong market position and the opportunity to grow NMC into a model that provides high-value care in this market and an example that can be replicated elsewhere. Most importantly, the people of Northwest Missouri will continue to receive world class care provided close to home by their friends and neighbors.

Throughout my nearly 40 years, I have formed the opinion that while the world is an amazing place, little Northwest Missouri has the smarts, work ethic and resources to be as good as anyone. As I first heard from my high school football coach years ago, "It's not the size of the dog in the fight, it's the size of the fight in the dog." My enthusiasm for this partnership comes from my confidence that the people of NMC and Heartland Health and Mosaic Life Care and the communities they serve are special. We see that health care is changing, and we are excited to grab the opportunity to lead that change. I am excited and proud to see the wonderful things that my fellow caregivers will do, right here at home.

Sincerely,

Jon D. Doolittle