

**MEMORANDUM OF UNDERSTANDING
JANUARY 19, 2010**

In 2000 Bonita Community Health Center (BCHC) was opened as a joint-venture of Lee Memorial Health System (LMHS) and Naples Community Health System (NCH) to provide comprehensive outpatient services to the citizens of the Bonita and Estero region. Clinical services include an urgent care center, ambulatory surgery, comprehensive imaging, laboratory and therapy, as well as, pharmacy, pain management and office space for as many as 60 physicians. In recent years the center has struggled financially related to (1) a lack of critical mass of physicians dedicated to the project, (2) high degree of seasonality and, more recently, (3) volume declines that are felt to be related to the recession. Regardless of the economic challenges facing BCHC, it has served the region well by bringing many services closer to the residents.

Recent efforts of the two health systems have focused on the needs and plans for BCHC. At the present time both parties feel these efforts have established a clear strategic direction that will lead to the continued presence and ultimate success of the Bonita Community Health Center.

Over the course of the last several months, inquiries have been received from community leaders about the possibility of emergency room services being provided to the Bonita/Estero residents. This memorandum of understanding is provided as an answer to that inquiry, and may be shared with all interested parties.

In a collaborative effort, LMHS and NCH have developed a plan that provides the framework for the development of a freestanding ER. Both organizations strongly believe this collaboration must be expanded to include members of the community as well as representatives from the healthcare industry in order to assure the plan meets the needs of all parties. Representatives from LMHS, NCH and BCHC will work with a selected group of community representatives and local healthcare professionals to develop a comprehensive plan for the development of a free-standing emergency room in the Bonita/Estero area.

The health systems request the leadership of the South Lee County Community Hospital Committee (SLCCHC) appoint three community members to participate in the planning process. These individuals will work closely with the planning committee as we work through the many issues and details surrounding regulatory and licensure requirements and will assist us in better understanding the needs of the community. We will also ask these committee members join the health systems as they conduct site visits and evaluate funding options. These individuals will also be responsible for keeping interested community groups and leaders updated on the development plan. The successful development of a freestanding emergency room must be a collaborative process and the health systems will also ask for participation and input from Lee County EMS, Bonita and Estero Fire and Rescue organizations, emergency room physicians and other clinicians and specialists on an ad hoc basis. Key activities of the process with estimated target dates are outlined below.

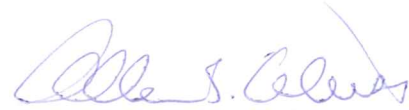
<u>Ref</u>	<u>Key Activity</u>	<u>Target</u>
1.	Identify members of the planning committee and SLCCHC appointed representatives. Define roles and responsibilities of participants.	February 2010
2.	Initial meeting of the Work Group.	February 2010
3.	Overview of free-standing emergency rooms in the state of Florida; - Summary statement of regulatory requirements of free-standing emergency rooms - Site visits to free-standing emergency rooms in Florida - Progress report to respective Boards of Directors	March 2010

<u>Ref</u>	<u>Key Activity</u>	<u>Target</u>
4.	Services to be offered - Determine the specific services to be offered at the facility. - Outline/define EMS and clinical protocols.	April 2010
5.	Service Area - Determine what geographical area will be served.	April 2010
6.	Projected Volumes - Determine future volumes based on historical use rates and projected population growth within the service area.	May 2010
7.	Plant and Equipment - Based on intended services and projected volumes develop plant and equipment requirements for the facility.	May 2010
8.	Staffing Requirements - Develop staffing plan and physician call schedules.	May 2010
9.	Five year Financial Projections - Develop five year pro-forma that include capital costs, profit and loss projections and funding requirements.	June 2010
10.	Funding Sources - Determine sources of capital to fund the project.	June 2010
11.	Presentation to respective Boards of Directors on recommendation for next steps regarding the free-standing emergency room.	July 2010

The Board of Directors of BCHC as well as the leadership of both the NCH Healthcare System and the Lee Memorial Health System are committed to this process and will provide assistance and support as required.



Jim Nathan
Chief Executive Officer
Lee Memorial Health System



Allen Weiss
Chief Executive Officer
Naples Community Health System