

PRINCE GEORGE'S COUNTY HOSPITAL AUTHORITY

SUMMARY OF PROCUREMENT PROCESS FOR THE ACQUISITION OR TRANSFER OF THE PRINCE GEORGE'S COUNTY HEALTHCARE SYSTEM

In accordance with legislation passed by the Maryland legislature, the Prince George's County Hospital Authority has begun the process of soliciting proposals to facilitate the acquisition or transfer of the Prince George's County Healthcare System to a new owner or owners.

The Hospital Authority encourages those who might be interested in submitting a proposal to obtain additional information regarding this process. Expressions of interest and requests for additional information may be obtained by contacting:

**James Callanan, Managing Director
Alvarez & Marsal**

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The following summary highlights some of the key aspects of this process.

LATE SEPTEMBER/OCTOBER: PHASE I

1. **Opportunity Description Memorandum.** This document notifies interested persons that the Hospital Authority is initiating a process to transfer control and ownership of the Prince George's Health Care System. (A copy of the Memorandum is set forth below.) The Hospital Authority's consultants, Alvarez & Marsal, will send this marketing document to approximately eighty groups/entities across the country. Recipients include leading health care organizations and related persons having a known or potential interest in this acquisition opportunity. The Authority encourages persons and entities with expertise in health care management and appropriate financial standing to contact Alvarez & Marsal in order to learn more about and to participate in this process.
2. **Confidentiality Agreement.** Potentially qualified buyers interested in receiving further information about the Prince George's County Health Care System and its internal operating / fiscal affairs will have access to a detailed assessment of the health care system. This material is set forth in the Confidential Information Memorandum (CIM) described below. In order to obtain access to this confidential information, potential bidders will be asked to sign a Confidentiality Agreement. The CIM and other documents containing confidential commercial information about the Prince George's

County Healthcare System and its operator, Dimensions Health Corporation, will be shared with potential bidders to facilitate their due diligence.

3. **Request for Proposal: Part One.** Entities signing the Confidentiality Agreement will then receive a Confidential Information Memorandum (CIM), a document with detailed information about the assets and operations of the Prince George's County Healthcare System, its market and service area, State and County expectations and commitments with respect to the system, and the regulatory environment in which it operates. Entities receiving the CIM will also have access to an electronic data room with additional information to facilitate more in-depth due diligence.
4. **Questionnaire.** Potential bidders with interest in proceeding to the next phase of the process will receive a questionnaire addressing a variety of issues involved in the operation and management of health care systems. Examples include: history and experience in developing and managing major health care programs; working with unions; employee pension and benefit management: the scope, methodology and approach to the delivery of health care services: relationships with physicians, *etc.*

LATE OCTOBER/NOVEMBER: PHASE II

5. **Non-binding Indication of Interest.** Approximately 30 – 45 days after receiving the CIM, entities interested in proceeding further will submit a non-binding letter of intent or indication of interest. This submission shall outline the bidder's proposals regarding the various aspects of the proposed transaction, *e.g.*, financing, delivery of services, use of assets, plan for liabilities, *etc.*
6. **Request for Proposals: Part Two.** Potential bidders responding to the questionnaire will receive Part Two of the RFP. This document will outline the evaluation process and the general criteria to be applied to bids by the Authority in its evaluation and selection of a new owner or owners.
7. **Development of Binding Offer.** After another 30-45 days during which bidders who have submitted non-binding indications of interest will refine and develop further the details of their proposed transactions, the Authority will select a bidder or bidders with whom to negotiate a quasi-binding offer to be presented to stakeholders at the beginning of the 2009 Session of the General Assembly.