

April 13, 2012

Memorandum of Understanding
between
Haywood Regional Medical Center and Haywood County

This is ATTACHMENT 12 on the agenda for the upcoming County Commission Meeting scheduled for April 16th, 2012 at 5:30pm at the courthouse.

Under “New Business”,

6. Memorandum of Understanding between Haywood County and Haywood Regional Medical Center – Leon “Chip” Killian, III, County Attorney - ATTACHMENT 12.

What the hell is this?

This dove-tails with the passage at the last County Commission Meeting of April 2nd, 2012, again under new business:

4. Request approval for Conditional Waiver and Subordination of Reverter – Leon “Chip” Killian, III, County Attorney – ATTACHMENT 17

Jonnie Cure assisted in putting this in perspective when she explained the following about the **Conditional Waiver and Subordination of Reverter**:

“It appears, Monroe, the Hospital took out at \$10 million dollar line of credit, LOC, without the consent of the county commissioners. This document was written by Killian giving the hospital and the lender the okay from the county to go ahead with the financial arrangement. However if the lender forecloses on the Hospital property the county reserves the right to bailout the hospital. Go figure!”

“...The county...”, by the way, means **you**, the Haywood County Taxpayers, already burdened with a current debt of **\$72,591,234**.

Michael Poore resigned on April 9th, 2012 after giving a glowing report on the hospitals health before the county commissioners on April 2, 2012, which the commissioners eagerly passed the **Request approval for Conditional Waiver and Subordination of Reverter**. Why did he, all of a sudden, resign?

This reminds me of the time that Rose Johnson (President of HCC), stood shoulder to shoulder with Mark Bumgarner (HCC Chair of Board of Trustees) and Donna Forga (Vice chair of HCC Board of Trustees and now a judge) before the county commissioners telling them that the Board of Trustees had unanimously approved of the Solar Thermal Project -

*“That was the meeting where **Rose Johnson, Mark Bumgarner and Donna Forga** all stood shoulder to shoulder and told the commissioners the Board of Trustees unanimously approved this project, with that portion of the meeting **transcribed verbatim** into the minutes. [re: Toeprints, October 23, 2010]”*

Let me translate what this **Memorandum of Understanding** appears to say. [The **Memorandum of Understanding** appears following this summary, and also on the county web site for the April 16th agenda].

While the Line of Credit (LOC) is unpaid, the Haywood Regional Medical Center will provide upon demand to the County Manager (Marty Stamey) and the County Finance Director (Julie Davis) the following:

- Status of LOC and performance of Medical Center's obligations,
- copies of most recently completed, unaudited, interim financial reports,
- report of the days of cash on hand,
- most recently completed audited financial statements.

But, this information is not for you and I, the taxpayers who will be responsible for TEN MILLION DOLLARS if this thing goes belly-up, as this MOU declares that this financial information is "proprietary and confidential", and therefore it is not a public record under Section 132 of the North Carolina General Statutes.

What the hell is going on here? Does **The Joint Commission** [re: The Joint Commission (TJC), formerly the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), From Wikipedia], who presumably pulled the accreditation on this hospital before, have anything to do with all this now?

I don't know about you, but I would like to see some county commissioners who are a little more responsible and forthcoming to the taxpayers of Haywood County, and keep us in the loop, rather than devising methods to keep this information under the table.

Kevin Ensley and Mark Swanger are up at the next election. It will be up to you to replace this two commissioners.

Monroe A. Miller Jr.
Haywood County Taxpayer
19 Big Spruce Lane
Waynesville, NC 28786



APR 12 2012

Haywood Regional Medical Center

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of the 4th day of April, 2012, by and between Haywood County, North Carolina, a body politic and corporate (the "County") and Haywood Regional Medical Center, a North Carolina hospital authority (the "Medical Center").

RECITALS:

WHEREAS, the real property of the Medical Center located at 262 Leroy George Drive, Clyde, North Carolina, **is or will be encumbered by a deed of trust** (the "Deed of Trust") securing a line of credit extended to the Medical Center by The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (the "Line of Credit"); and

WHEREAS, the County has conditionally approved the Medical Center's grant of the Deed of Trust in accordance with a Conditional Waiver and Subordination of Reverter Agreement; and

WHEREAS, the County has requested that the Medical Center provide this MOU, as a framework for the Medical Center **to provide periodic reporting to the County while the Line of Credit is outstanding and unpaid**, and the Medical Center is willing to accommodate the County's request under the guidelines set forth in this MOU;

NOW, THEREFORE, the parties set forth their reporting relationship and agree as follows:

1. **Effective Date.** The effective date of this MOU is the date that the Deed of Trust is recorded in the Office of the Register of Deeds of Haywood County (the "Effective Date"). This MOU shall automatically terminate and cease to be in effect on the date the Line of Credit is paid and satisfied in full and the Deed of Trust is cancelled of record.

2. **Reporting.** The County and HRMC have arranged to maintain the following reporting relationship during the term of this MOU:

a. On a quarterly basis (or more frequently upon sufficient advance notice if reasonably requested by the County Manager and County Finance Director), the chief executive officer of the Medical Center (or his or her designee) **will provide updates with respect to status of the Line of Credit and the performance of the Medical Center's obligations thereunder to the Board of County Commissioners.**

b. On a quarterly basis (or more frequently upon sufficient advance notice if reasonably requested by the County Manager and County Finance Director), the chief executive officer of the Medical Center (or his or her designee) **shall provide to the County Manager and County Finance Director copies of the most recently completed unaudited, interim financial reports of HRMC.**

c. On a quarterly basis (or more frequently upon sufficient advance notice if reasonably requested by the County Manager and County Finance Director), the chief executive officer of the Medical Center (or his or her designee) shall provide to the County Manager and County Finance Director a report of the days of cash on hand available to the Medical Center at the end of the most recent reporting period.

d. On an annual basis, the chief executive officer of the Medical Center (or his or her designee) shall submit to the County Manager a copy of the Medical Center's most recently completed audited financial statements.

3. **Competitive Health Care Information.** The information furnished by the Medical Center is proprietary and confidential, and its disclosure may place the Medical Center at a competitive disadvantage, impair its operations, or be detrimental to its prospects. The Medical Center shall designate in advance in writing to the County all or any portion of the information furnished pursuant to Section 2 of the MOU that constitutes "competitive health care information" under Section 131E-97.3 of the North Carolina General Statutes. Pursuant to Section 131E-97.3(c) of the North Carolina General Statutes, the County will treat such competitive health care information as confidential and not as a public record under Section 132 of the North Carolina General Statutes and will not disclose such competitive health care information without the prior written approval of the Medical Center unless it is compelled to do so by legal process from which there is no appeal. Any part of a verbal update or report pursuant to Section 2.a. that constitutes competitive health care information will only be given to the County Commissioners in closed session. The County will keep confidential and not disclose the information furnished in such verbal report or update without the prior written consent of the Medical Center unless it is compelled to do so by legal process from which there is no appeal. If the County shall fail to perform its obligations under this Section 3, the Medical Center shall be entitled to immediately terminate this MOU.

4. **Severability.** In the event any portion of this MOU shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this MOU will remain in full force and effect.

5. **Section Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this MOU.

6. **Entire Reporting Relationship; Amendment.** This MOU constitutes the entire agreement and statement of the reporting relationship between the parties with respect to the matters contemplated herein and shall not be modified, amended, altered or changed except by a writing signed by the parties.

7. **Counterparts.** This MOU may be executed in one or more counterparts each of which shall be deemed an original and all of which together shall constitute a single agreement.

[Signatures Begin on Succeeding Page]

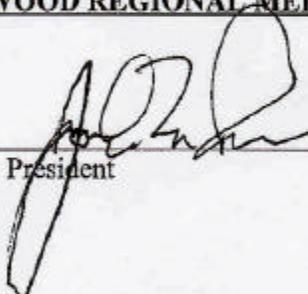
IN WITNESS WHEREOF, the parties hereto have executed this MOU, under seal, in duplicate originals as of the date first set forth above.

HAYWOOD COUNTY:

By: Board of County Commissioners

By: _____
Chairman

HAYWOOD REGIONAL MEDICAL CENTER:

By:  _____
President

