



Board of Commissioners

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September 12, 2017

Hon. Christopher S. Cohilas
Chairman
Board of Commissioners of Dougherty County
222 Pine Ave
Suite 540
Albany, GA 31701

Re: Opposition of Lee County Medical Center's ("LCMC") application for a Certificate of Need ("CON") for a new hospital in Lee County

Dear Chairman Cohilas:

On behalf of the Board of Commissioners of Lee County, I write to you again concerning the proposed new hospital in Lee County, which Dougherty County opposed based upon its mistaken belief that the new hospital will negatively impact Phoebe Putney Memorial Hospital and the other hospitals that are affiliated with Phoebe Putney Health System (collectively, the "Phoebe Hospitals"). Contrary to Dougherty County's concerns, the new hospital will improve geographic and financial access to much needed community hospital services without negatively impacting the Phoebe Hospitals.

For starters, the new hospital will only have sixty (60) beds, equivalent to only a small wing of the 691 beds for which Phoebe Putney Memorial Hospital is licensed. Further, Phoebe Putney survived the competition from Palmyra Park Hospital, which had a total of 248 licensed beds and was literally right down the street from Phoebe, for almost 40 years without any negative impact on its ability to generate sufficient revenue to provide health care services to its patients.

Moreover, as you know, the Phoebe Hospitals provide basically all of the hospital services in our area. It is no surprise, therefore, that the Phoebe Hospitals' share of the area's market for acute care hospital services is extremely high. We are advised that, last year, for example, the Phoebe Hospitals' share of the market for acute care hospital services in Lee County was 85% and an astounding 90% in Dougherty County. Given these incredibly high market shares, Lee County's small 60-bed community hospital, will not have any impact, let alone a negative impact, on the Phoebe Hospitals. This is especially true since the Phoebe Hospitals will undoubtedly capture its share of new hospital admissions as the population grows.

These circumstances beg the question of why Dougherty County is opposing this project. By any objective measure, it appears that the sole purpose of Dougherty County's opposition is to prevent competition for acute care hospital services (in the area where no competition currently exists) and preserve the Phoebe Hospitals' exclusive hold on the market. To add insult to injury, Dougherty County is using thousands upon thousands of its taxpayer dollar (tens of thousands actually) to pay Atlanta lawyers and consultants to prepare the opposition, which your Board of Commissioners did not vote to do. In a bitter twist of irony, if successful, the taxpayer funded opposition will prevent those very same taxpayers (i.e. Dougherty County residents and businesses) from experiencing the benefits of competition, which include paying less for quality hospital services.

Dougherty County's opposition of the new hospital is also inconsistent with economic development and job creation. Here too, the irony is profound. If successful, the opposition will make our respective Counties less attractive to existing and new businesses, both of which choose areas where there is patient choice and competition



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for affordable hospital services, to the detriment of those who funded the opposition. How many businesses have left Dougherty County due, in large part, to the high cost of health care in your county?

Next, there is no factual basis for the concern expressed by Dougherty County in its August 16 Resolution that the new hospital will divert insured patients from the Phoebe Hospitals and leave them to care for more uninsured and underinsured patients. To the contrary, the new hospital will provide hospital services for all patients, including uninsured, the underinsured, and patients covered by the Medicare and Medicaid programs. Consequently the new hospital will actually reduce the amount of uncompensated care that the Phoebe Hospitals currently provide.

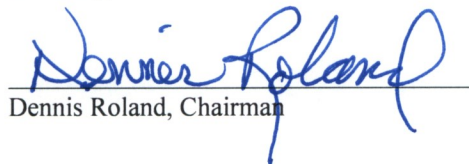
The new hospital will, among other things, improve geographic and financial access to hospital services locally, create needed competition for such services, provide community residents with a choice of where to receive these services, create jobs and help attract new industry to our communities. On balance, these considerations, which Dougherty County failed to even acknowledge, far outweigh Dougherty County's efforts to protect the interests of the Phoebe Hospitals.

By exclusively seeking to protect the Phoebe Hospitals' interests, and going so far as to ask the Department to seek the Phoebe Hospitals' information from Phoebe Hospitals on the new hospital, it is apparent that Dougherty County is acting on behalf of the Phoebe Hospitals. The Federal Trade Commission ("FTC") has not only prohibited the Phoebe Hospitals from *directly* submitting "objections to or negative comments about" the new hospital to the Department of Community Health, but the FTC has also prohibited the Phoebe Hospitals from *indirectly* submitting such objections and negative comments through third parties, such as Dougherty County, and any violation of the FTC's Order could result in civil penalties being levied by the FTC.

Finally, it should be noted that the CON application for the new hospital was filed under a regulatory exception to the hospital impact standard. Thus, the Department will not be evaluating the new hospital to determine its impact on existing hospitals. For this additional reason, it is difficult to understand why Dougherty County is spending taxpayer dollars to conduct analyses, which are not even relevant to the Department's review of the new hospital's CON application. Spending taxpayer funds for this purpose is also difficult to grasp since Dougherty County does not even have legal standing to participate in any appeal regarding the new hospital's CON application.

For these reasons, we respectfully ask Dougherty County to withdraw its opposition of the new hospital.

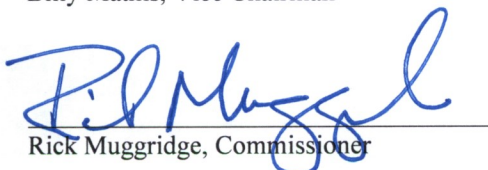
Sincerely,



Dennis Roland, Chairman



Billy Mathis, Vice Chairman



Rick Muggridge, Commissioner



LEE COUNTY

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Luke Singletary, Commissioner



Bill Williams, Commissioner

Cc: John Hayes, Commissioner
Harry James, Commissioner
Clinton Johnson, Commissioner
Anthony Jones, Commissioner
Ewell Lyle Commissioner
Lamar Hudgins, Commissioner
