

**From:** Pae, Jennifer [Jennifer.Pae@lakewoodoh.net]  
**Sent:** Monday, June 22, 2015 12:39 PM  
**To:** Butler, Kevin  
**Subject:** RE: Hospital matters: a general update

Thanks Kevin. Do you see a need for me to be at COW this evening? Mike's leaving for Ireland tomorrow and we wanted to take the family out to dinner.

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**From:** Butler, Kevin  
**Sent:** Monday, June 22, 2015 12:22 PM  
**To:** Summers, Mike; Siley, Dru; Pae, Jennifer; Anderson, David; Bullock, Tom; Juris, Shawn; Madigan, Mary; Marx, Cynthia; Mary Madigan; Nowlin, Ryan; O'Leary, Sam  
**Cc:** Smyers, Robyn Minter (Robyn.Smyers@thompsonhine.com)  
**Subject:** Hospital matters: a general update

***Confidential Attorney-Client Communication: Do Not Forward***

Councilmembers, Mayor, Directors,

Please do not share this email. It is privileged and confidential.

I hope you had a nice weekend. Prior to Council's Committee of the Whole meeting tonight, here's an update on our status related to the proposal before you:

**Other healthcare systems:** You may by now have read the developments from last Friday, namely that MetroHealth's Dr. Boutros sent Mayor Summers a letter that day (attached) indicating his system is not interested in running Lakewood Hospital as an inpatient facility. (Here are links to articles on this update, from [Crain's](#) and [Cleveland.com](#).) At the same time as that letter came to us, I received a copy of a letter (attached) from the Cleveland Clinic's chief of staff, Dr. Donley, to Dr. Boutros, reassuring Dr. Boutros that the Clinic would not stand in the way of MetroHealth submitting a proposal for the site. Dr. Donley's letter is of less consequence now, and I'm not sure how the two letters interrelate, if at all, but nonetheless I view this as a fairly significant development. Note: Part of the scope of Huron's work is to determine whether Subsidium's process might have yielded additional suitors for the operation of a healthcare facility in Lakewood. That won't change with this news.

**New master agreement:** Robyn and I have been in conversations with Clinic and Lakewood Hospital Association attorneys about the timing of the drafting a new master agreement, always sure to caution the other parties that the city must complete its due diligence process before we decide to engage in negotiating a deal. Huron's and your input would, of course, be important contributions to this work if it came to pass. In the interim, we've requested updates to the master agreement from the Clinic, to the extent the Clinic would propose to adjust certain items (for example, the location of the new family health center). We've also requested a listing of attachments to the master agreement and who the Clinic proposes would draft each of those documents. We have no attachments at this point; they're nothing less than essential to giving us all an understanding of the deal being proposed.

**Huron Consulting's work:** Huron Consulting has begun its work on our behalf. It's expected we'll have the first deliverable from Huron - the firm's views on healthcare trends - this week. By July 15, we should have the result of Huron's work with respect to Subsidium's engagement and the analysis of the definitive agreement's financial covenants. By July 22, we should have the result of Huron's work on Lakewood Hospital's financial position and management fees, including a comparison with industry benchmarks.

**Litigation:** We've obtained a transcript of the pretrial conference from the June 4 hearing in *Graham v. City of Lakewood* before Judge John O'Donnell. I've attached the transcript

for your review on the off chance you'd find compelling a bunch of lawyers talking. We continue to work through the claims process with our insurer, Trident, in order to minimize our expense defending the lawsuit. Meanwhile, we've retained Brzytwa, Quick and McCrystal LLC to join this department in defending the suit. Motions to dismiss from all defendants are due by July 10, and it's expected all defendants will file such motions. The plaintiffs would have until the second week of September to file responses to those motions.

**Real estate:** The appraisal of the medical facility at 850 Columbia Road, ordered and paid for by its owner, Lakewood Hospital Association, is in and was shared with us on Friday. I've attached it for your review.

See you tonight in Committee of the Whole.

Best wishes,

Kevin

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