

I would like to give the citizens of Wadsworth an update regarding progress in reestablishing the hospital in Wadsworth. In June of 2008, relying on Summa's promise of a strong commitment to a community hospital network and assurances that it would expand our hospital facility and services, the Wadsworth-Rittman Area Joint Hospital District Board entrusted Summa with the Wadsworth Rittman Hospital and its operation. Only six years later, in July 2014, Summa reneged on its alleged commitment to community hospitals, when it closed the Wadsworth Rittman Hospital, as a hospital, and shuttered the bulk of the hospital campus.

Nearly 50 years ago the Wadsworth – Rittman Joint Hospital District Board was formed. The Joint District Board is a political body consisting of the Township trustees from Wadsworth and Milton Township's and three members of the Wadsworth City Council, including myself, Patricia Haskins and the Council President. This board was formed for the purpose of constructing, owning and maintaining a public community hospital for residents in the Wadsworth – Rittman area. The Joint District Board subsequently leased the hospital to the Wadsworth Rittman Hospital Association for its operation.

In every sense, the Wadsworth Rittman Hospital is an asset of this community, which, until Summa closed it last year, provided excellent hospital services to generations of area residents and jobs for many.

In 2007, the Association, on advice of certain of its executives, decided it needed to affiliate with a large healthcare system to survive. These executives told the Joint District their investigation of several large hospital systems yielded only one feasible affiliation, that being Summa. However, the current litigation has revealed no other hospital systems were actually contacted. Selling the Joint District on Summa's strong commitment to community hospitals and the Association's fiduciary obligations to our community, Summa and the Association's executive officers convinced the Joint District to approve an affiliation with Summa.

Pursuant to the arrangement Summa designed, the District was to transfer and entrust title to the Hospital to the Association for \$1 even though an independent appraiser valued it at over \$30 million. After the asset transfer Summa would take control of and become the sole owner of the Association, which had just taken title to the hospital. The Association's officers lobbying for this deal landed with enhanced executive level positions with Summa. Pursuant to the Agreement, Summa was to hold and operate the hospital as a public hospital for our community.

The Joint District agreed to this plan, but required 3 conditions. 1.) if Summa ever closed the hospital as a hospital; or 2.) if Summa ever caused the association to abandon its community hospital mission; or 3.) if Summa no longer operated inpatient or outpatient services in the Wadsworth Rittman area, it was required to return the hospital to the Joint District. Also, because public assets and a charitable trust were involved, the Joint District insisted the Ohio Attorney General's office review the agreement. The Attorney General allowed the agreement specifically referencing its protection of community interests as a charitable trust. However, as it works out, Summa has chosen to not obey the community protection requirements. With closure of the hospital, as a hospital, Summa triggered all 3 contingencies. When it did so, the Joint District requested return of the hospital. In breach of trust and in breach of the provisions of the agreement upon which the Attorney General relied in approving the transaction, Summa has refused. Summa's refusal to return the Hospital prevents the Joint District from reaching an agreement with other hospital organizations interested in operating the hospital, once again, as a community hospital, once again employing hundreds of healthcare professionals to service the community's medical needs.

The District has been forced to sue Summa. The litigation has revealed that during the last several years Summa acted for its own motives placing its own financial interests in front of our community. Once Summa took over it almost immediately began a systematic "take down"

of hospital services transferring them to Summa's facilities in Akron, Barberton and Medina. It closed the maternity ward directing expectant mothers to Barberton and Akron City. It closed inpatient rehabilitation transferring patients to Summa's new "inpatient" rehab facility in Akron. It closed the hospital's oncology and infusion services, outsourcing them to Summa's new Lake Medina facility. It closed laboratory services outsourcing those to Barberton. All of these services are either "inpatient" or lead to inpatient stay. It was only after these transfers that Summa bemoaned inpatient demand at our hospital was not sustainable.

At the same time Summa was closing services at our hospital, Summa used our hospital along with other of its facilities to secure a \$183 million dollar debt. Only a small fraction of this money was actually used for improvements to our hospital. Most all of it was used for improvement and expansion of services in Summa's *other* facilities in Akron, Cuyahoga Falls and Barberton. Although Summa made certain improvements, it ultimately shuttered our inpatient tower wasting the improvements and leaving the property mortgaged with the \$183 million debt.

When Summa closed the hospital, it then combined the Association, which held title to the hospital, with Summa Barberton Citizens Hospital merging the Wadsworth Association out of existence. The end result is that our hospital is now owned by Summa Barberton Citizens Hospital. Worse yet, Summa also received a windfall of nearly \$2 million worth of off campus office buildings that had long been owned by the Association and which are located in Wadsworth, Seville and Rittman.

In the end Summa is holding \$30 million dollars of public assets hostage **AND, in addition**, nearly \$2 million dollars of office buildings, all of which it obtained for \$1. All we have asked is that Summa make full use of OUR ASSETS to benefit OUR COMMUNITY or follow the contract and give them back. Instead, Summa uses its control of the hospital as a barrier to entry by any competing hospital organizations. The case is scheduled for trial in Judge Collier's court in April 2016.

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