

# Public

1. Provide a current list of all board members and tenures for both WVH and Chapters.

**Response:**

**WVH Board of Directors:**

Since	Last Name	First Name	
2019	Bidwell	Mark	Chair of the Strategic Planning Committee
2009	Bone	Andrew	President of the Board
2018	Cherry	Michael	Secretary of the Board
2022	Hadden	Scott	
2022	Holland	Vicki	
2009	Hormann	Naomi	
2004	Kinkade	Wayne	
1997	Moody	John	Vice President of the Board, Chair of the Governance/Nominations/ByLaws Committee
2022	Scharer	Miriam	
2009	O'Brien	Betty	Treasurer of the Board, Chair of the Finance Committee
2000	Van Otten	Carolyn	

**Please see the Chapters Board of Directors attached as Attachment 1 (Chapters).**

2. The descriptions of the composition and rights of WVH's Board of Directors post-closing are inconsistent between the Notice, the Agreement, and the Amended and Restated Bylaws. Provide a narrative describing:

- a. Who will be the Chief Executive Officer of WVH post-closing.
- b. Which WVH existing Board of Directors, if any, will continue to serve post-closing.
- c. Any intention by Chapters to nominate the WVH's current Board of Directors to continue to serve on WVH's Board post-closing.
- d. WVH's Board of Directors rights to expand the Service Area post-closing. In doing so, provide a description of the geographic boundaries within which the Service Area could be expanded.

**Response:** The existing Board of Directors of WVH will remain in place with the addition of certain of Chapters' leadership as described in the proposed post-Closing Bylaws. WVH's existing Board of Directors are intended to serve on the WVH's Board of Directors post-Closing. As noted by Section 2.3.2 of the Chapters / WVH Affiliation Agreement, the initial post-Closing WVH board of directors will consist of all those individuals serving on the WVH Board immediately prior to the Closing, as well as the Chapters President/CEO, COO and CFO. Certain other Chapters officers will serve as non-voting members of the WVH Board. Iria Nishimura, the current Chief Executive Officer of WVH, will continue to serve in that role following Closing.

Article 1 of the Affiliation Agreement limits the maximum possible expansion of the Service Area to include all of Oregon. Any decision to seek an expansion of WVH's current Service Area for hospice services would be made only after extensive analysis of (i) the impacted community's unmet health needs for hospice and whether they could be satisfied by WVH and (ii) the financial and operational

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feasibility of such an expansion. A final decision would be made by Chapters and WVH working together to comprehensively review the impact of such a decision which would also be dependent on obtaining all requisite regulatory approvals, including those required from the State of Oregon. [REDACTED]

3. Provide a written narrative detailing the creation and launch of Chapter West Health ("CWH") partnership. In doing so, provide the following:

- a. List of entities engaged in CWH.
- b. Description of the overall governance, organization, and management of CWH.
- c. Role of CWH in the overall governance or oversight of the collaborating entities and subsidiaries of same. In providing this information, specifically describe any governance or oversight of WVH.
- d. Role of WVH in this collaboration/partnership.
- e. Expected composition of the CWH leadership team, including any plans for inclusion of WVH staff in the CWH leadership team.
- f. Information on any plans for adding new affiliates to CWH. Please identify names of potential affiliates and describe the current status of any discussions.

**Response:** Chapters Health West is not a separate entity and will operate as part of Chapters through an advisory council and regional management team as set forth in the response to request 4.c. below. The Chapters Health West advisory council will provide input and advice to Chapters and the Chapters Health West regional management on matters of regional and strategic importance to the hospices advised by Chapters Health West as provided below. Additional detail on the role and responsibilities of the Chapters Health West advisory council are set forth in the Chapters Health West Region Advisory Council Operating Guidelines that are attached hereto as the response to request 4.c. below.

WVH will participate in the Chapters Health West operating division of the Chapters health system as a result of the affiliation. Chapters has signed Affiliation Agreements with WVH; East Bay Integrated Care, Inc. (d/b/a Hospice East Bay), a California nonstock public benefit corporation; Hospice of Santa Cruz County, a California nonstock public benefit corporation; and The Nathan Adelson Hospice, a Nevada nonprofit corporation. It is anticipated that once Chapters completes its affiliations with these four (4) hospices, they will be the initial participants in Chapters Health West that will be an operating division of Chapters.

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Other leadership positions within the Chapters Health West operating division, such as those responsible for finance and clinical operations, have yet to be determined.

Chapters is in the process of obtaining all required approvals to complete each of the four (4) affiliation transactions. While Chapters anticipates growing the Chapters Health West operating division in the future, there are no other active discussions at this time with other hospices that would join Chapters Health West.

4. Provide the following regarding CWH:

*a. Copies of all organizational and governance documents for Chapters West Health, LLC.*

**Response:** WVH will participate in Chapters Health West which will be an operating division of Chapters and not be separately incorporated. As such, there are no organizational or governance documents for Chapters Health West except the single governance document under request 4.c below. For clarity, the exact structure of Chapters Health West developed in consultation with each of the four (4) proposed affiliate hospices described under request 3.

*b. All agreements, whether executed or in draft form, detailing the affiliation of CWH affiliates, including WVH, Hospice East Bay, Hospice of Santa Cruz County, Nathan Adelson Hospice, and any others.*

**Response:** The Affiliation Agreements entered into with Hospice East Bay, Hospice of Santa Cruz County, and Nathan Adelson Hospice are confidential by their terms and Chapters' right to share them with regulatory authorities is limited to only those necessary to approve their respective affiliation transactions with Chapters.

*c. Governance documents detailing CWH's oversight, if any, of the CWH collaborators/partners and subsidiaries of same.*

**Response:** Attached as Attachment 4.c is a copy of the Chapters Health West Region Advisory Council Operating Guidelines.

*d. Agreements between CWH and Chapters, or any affiliates, detailing the relationship between CWH and any entity owning or controlling CWH.*

**Response:** Chapters Health West is an operating division of Chapters and has not entered into any contracts with Chapters or any of its affiliates.

*e. [Confidential] A copy of the Integration Plan referenced in Confidential Exhibit 7(b) at WVHCHA000292.*

**Response:** A copy of the Integration Plan is attached as Attachment 4.e.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. On WVHCHA000006 - WVHCHA000007, Applicant states, "WVH's operations are already limited due to its inability to maintain staffing levels necessary to meet its planned patient count." Please expand on this statement. In doing so, please provide:

- a. The "planned patient count" for WVH referenced in this statement, including the beginning and end dates for the planned patient count.
- b. The "actual" patient count used to benchmark against the planned patient count, including the beginning and end dates for the count.
- c. The number of additional staff or FTE (by qualification or position) needed for WVH to meet its planned patient count.
- d. Describe in detail how the affiliation would enable WVH to meet its planned patient count.

**Response:** For the past several years, WVH's hospice operations have been significantly impacted by an ongoing inability to maintain the necessary staffing levels required to meet its planned patient count. The organization sets an annual budgeted patient census based on historical data collected over the past several years. This planned patient count serves as a benchmark for ensuring financial sustainability while maintaining high-quality care. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

Affiliation provides resources to address these staffing challenges by providing access to a nationwide recruiting network, significantly enhancing WVH's ability to attract qualified professionals. Through collaboration with western regional affiliates, a model could be developed to facilitate the sharing of staff between agencies, allowing for more flexibility in responding to fluctuations in patient volumes. Furthermore, the affiliation would grant WVH access to advanced human resources software, educational programs, and staff development resources that would improve recruitment and retention efforts. Employees would also benefit from access to larger, more competitive health insurance plans and enhanced benefits, making WVH a more attractive employer and improving overall job satisfaction.

By providing support to alleviate staffing shortages, affiliation with Chapters would enable WVH to accept more patients and operate at its planned capacity. With a stable workforce in place, the agency could ensure consistent, high-quality care while strengthening its financial sustainability. Increased patient admissions would generate the necessary revenue to support operational expenses, invest in staff development, and further enhance patient services. In short, the affiliation would provide WVH with the resources, infrastructure, and workforce support needed to fulfill its mission and meet the planned patient census, ensuring long-term success and stability.

Chapters believes that additional opportunities exist for WVH to operate more efficiently by affiliating with Chapters and utilizing the support services available to Chapters' affiliated hospices. Upon the Closing of the affiliation transaction Chapters and WVH will work together to identify potential opportunities for improvement such as in the following areas: information technology; people operations (policies and procedures, employee benefits, payroll); central management, purchasing, inventory and distribution; philanthropy; financial; quality of services; compliance and risk management; public relations and brand management; talent acquisition; education and training; strategic programming; research and development; payer contracting; public policy; and project management. Chapters and WVH will work together to evaluate opportunities to reduce costs for items such as medical supplies, durable medical equipment, and pharmaceuticals. Any support services and are currently outsourced will be evaluated to determine if they can be more efficiently and effectively provided by Chapters' in-house support team. Any attrition in WVH's employees will be reviewed to determine if the services provided by such employees can be offset by human resource support services available in-house through Chapters. It is impossible at this point in time to quantify actual cost savings and benefits that will inure to WVH as a result of the transaction as all of the above activities will occur post-Closing.

*7. Identify and describe in detail the services currently provided by WVH characterized in the notice as uncompensated services and undercompensated services. For each, please include the following information:*

*a. Number of patients who received services annually for the past three fiscal years.*

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*b. If available, number of patient days delivered annually for the past three fiscal years.*

*c. For uncompensated services, provide the total cost of providing services annually for the past three fiscal years.*

*d. For undercompensated services, provide the total amount that was uncompensated, annually for the past three fiscal years.*

*e. Identify and describe in detail WVH's current funding sources for these services.*

**Response: Please see Attachment 7.**

*8. On WVHCHA000007, Applicant states that Chapters will work with WVH to provide "additional" and "expanded" services in WVH's service area following close.*

*a. Please provide a detailed description of such "additional" or "expanded" services.*

**Response: No definitive plans exist to add or expand specific services in WVH's service area as any such determination will be made on a post-Closing basis.**

*b. Provide an anticipated timeline for the development and implementation of such additional or expanded services.*

**Response: No timeline exists for the development and implementation of additional or expanded services.**

*c. Describe the process for deciding which services will be added or expanded and the resources (including staffing) allocated to any additional or expanded services. Specifically, describe in detail:*

*i. What entity will make the decision as to which services will be added or expanded.*

*ii. The information or input that will factor into the decision.*

*iii. What role the WVH Board of Directors will assume in making this decision.*

*iv. How Chapters and WVH will ensure that WVH's services continue to address the needs and demographics of the current WVH service area population.*

**Response: After the Closing the Chapters management team will work closely with the WVH Board of Directors and management to review and evaluate the health services now available to the elderly and infirm in the communities served by WVH. To the extent that such a review identifies opportunities to better serve the local communities, Chapters and WVH will explore the operational and financial feasibility of expanding health services beyond those now provided. By way of hypothetical example only, such services could include the establishment of a Program of All-Inclusive Care for the Elderly (PACE) by an existing Chapters affiliate, provided that the formation of such a PACE program or any other licensed health service would**

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be dependent on obtaining all requisite regulatory approvals including from the State of Oregon. Chapters will make the final determination as to whether to expand or add services in the WVH community as it is likely that such services will be provided through an existing Chapters affiliate experiences in providing the services in question. Attachment 8 hereto is a copy of a document titled "Analyzing Competition & Gaps in Community Healthcare Services and Markets" that describes some of the resources and processes used by Chapters to evaluate possible expansions of services. These tools help assure that hospices affiliated with Chapters continue to address the needs and population demographics of their service areas.

*d. Please describe any plans to reduce or discontinue any services offered by WVH within the first five (5) years following the close of the proposed transaction.*

**Response: Chapters and WVH have no plans to reduce or discontinue any services now offered by WVH within the first five (5) years following the Closing.**

*9. Please describe in detail plans for contracting with commercial and Medicare Advantage payers for WVH services within the first five (5) years following the close of the transaction. In doing so, please address:*

*a. Whether WVH will continue to be the contracted entity or if WVH's contracts will be transferred to Chapters post-closing.*

**Response: Post closing, WVH shall continue to be a separate legal entity and be the legally contracted entity for payer contracts. Chapters and WVH will not be initiating any reassignment/transfer of any payers contracts to Chapters. In some limited circumstances, if it is a national payer, then Chapters may be a named party in the contract and sign contracts, but that would be in the capacity of disclosed agent for WVH.**

*b. If Chapters will negotiate contracts with payers on behalf of WVH.*

**Response: From the affiliation with Chapters, WVH will benefit from access to (support from) Chapters' Contracting and Legal Services teams. The Chapters Contracting and Legal Service Teams support affiliated entities with contract negotiation and management services, including, but not limited to contract drafting, reviews/redlining, contract term/rate negotiations, and payor re/credentialing. The amount of support and responsibility delegated to Chapters with respect to payer contract negotiations is to be determined. An assessment of payer contract needs, resources, and expertise will be completed to determine the extent of support that WVH needs with respect to its payer contract negotiations and management.**

*c. If any contracts for WVH services will include services from other (current or future) Chapters affiliated hospice agencies.*

**Response: At this time, there are no current or future plans to include contracted services from other Chapters affiliated hospice agencies in any contracts for WVH services.**

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10. Describe in detail any plans or anticipated changes to WVH's operations within the first five (5) years following close in the following areas:

a. Number of clinical staff based at WVH.

**Response:** As provided in Article 7.1(a) of the Affiliation Agreement between WVH and Chapters, the parties intend that all of the employees of WVH are retained for at least an interim period. There are plans to continue WVH's practice of attempting to retain sufficient clinical staff to meet the requirements of its patients. [REDACTED]

[REDACTED]

b. Number of administrative staff based at WVH.

**Response:** There are plans to retain WVH's administrative staff for an interim period or a twelve-month period depending on the specific position as provided in Article 7.1(a) of the Affiliation Agreement between WVH and Chapters. Chapters is considering the possibility of utilizing certain WVH administrative staff in teams that support its regional hospices. If utilized in this way, the administrative staff will be employed by Chapters rather than WVH. Using administrative staff to provide regional shared services would result in an increase in Chapters' staff and a corresponding reduction in WVH's staff.

c. Patient care staffing models, ratios, or caseloads.

**Response:** There are no specific plans to make any changes to its staffing models, ratios, or caseloads. WVH plans to continue to make its best efforts to continue to utilize best practice and comply with all applicable laws and regulations.

d. Staff compensation and employment terms.

**Response:** There are no specific plans to make changes to WVH's staff compensation and employment terms. WVH plans to meet its obligations as a tax-exempt 501(c)(3) healthcare provider in efficiently using available funds to achieve its charitable purposes. [REDACTED]

[REDACTED]



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[REDACTED]

[REDACTED]

e. Patient care practices or policies.

**Response: WVH plans to improve its application of best practices in hospice through the utilization of Chapters' resources. There are no other plans or anticipated changes.**

f. Patient enrollment and discharge practices or policies.

**Response: There are no plans or anticipated changes to WVH's patient enrollment and discharge practices or policies. Federally mandated patient enrollment and discharge practices and policies will continue to be followed.**

*g. Financial assistance policies, including eligibility criteria.*

**Response: The plan is to continue to use federal poverty level guidelines for hospice financial assistance eligibility criteria. There are no anticipated changes.**

*h. Availability of translation or interpretation services.*

**Response: There are no plans for any changes but it is anticipated that Chapters may be able to lower costs to WVH by adding WVH to Chapters existing national interpreting services.**

*i. Availability of culturally appropriate hospice services.*

**Response: Chapters has proposed the potential of implementing SAGECare cultural competency training to WVH to reinforce WVH's competency with LGBTQ+ patients.**

*j. Contracts with other health care providers, including inpatient facilities.*

**Response: There are no planned or anticipated changes to WVH's contracts with other health care providers, including inpatient facilities.**

*k. Availability of on-site and adult foster care services.*

**Response: There are no planned or anticipated changes to the availability of on-site and adult foster care services at WVH.**

*l. Availability of uncompensated or undercompensated services.*

**Response: There are no planned or anticipated changes to the availability of uncompensated or undercompensated services.**

11. On WVHCHA000007 and WVHCHA000022, Applicant describes how the proposed transaction would reduce WVH's operational costs.

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*a. Please provide additional detail on how these cost savings would be achieved, including plans related to:*

*i. Back-office processes.*

*ii. Support services.*

*iii. Shared services.*

*iv. Purchasing.*

*v. Contracting.*

*vi. Sourcing and in-sourcing.*

*vii. Employee attrition.*

**Response: Please see the responses as set forth on Attachment 11.a.**

*b. Please provide financial or other analyses developed to date (by or on behalf of WVH or Chapters) that support these expectations.*

[REDACTED]

*c. Please provide an estimate of the annual percentage reduction in operating costs anticipated from these changes, specifying the year(s) in which savings are expected to accrue.*

[REDACTED]

The following attachments are enclosed:

**Attachment 1 – Chapters Board of Directors**

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**Attachment 4.c** – Chapters Health West Operating Guidelines

**Attachment 4.e** – Integration Planning Master Template

**Attachment 5** – Loan Documents

**Attachment 5.a** – Loan Statement

**Attachment 5.b** – Loan Balance

**Attachment 7** – Uncompensated and Undercompensated Care

**Attachment 8** – Analysis of Market Gaps

**Attachment 11.a** – Cost Evaluations



**2024**  
**Chapters Health System Board Member Roster**  
**& Terms of Service**

Randy Woodruff, Chair (CPA)  
 9.5 years

Andrew K. Molosky, Vice Chair President/CEO Chapters Health System, Inc. 7 years	Gene Fogarty, Secretary (Retired) 8.5 years
Wendy Y. Terry, Treasurer, Partner, CPA 2.5 years	Mary Beth Reardon, RN (Retired) 6.5 years
William F. Becker, Jr., Immediate Past Chair, CPA 13 years	Phil Wegman, P.A. 10.5 years
Tige Buchanan, D.C., P.A. 2.5 years	Jamie Novell, Chief Executive – Medical Practice 2.5 years
Rob Adrid, Executive Vice President - Banking 2.5 years	Tom Koutsoumpas, Founder & President – Consulting Firm 1.5 years
Peggy Rodebush, RN (Retired) 3.5 years	James T. Joiner, P.A. 7.5 years
Phillip Walker, Lakeland City Commissioner 7.5 years	William E. Haley, PhD 3.5 years
Clifford R. Rhoades, P.A. 7.5 years	Valerie Goddard, President – Consulting Firm 4.5 years
Scott Gerken, P. A. 2.5 years	Heath Nailos, P. A. 2.5 years
Dr. Michael Howell, MD, MBA, FACP 2.5 years	Dr. Stephen Autry, MD, MBA 2.5 years
Sandy Stilwell, CEO/Owner Enterprise/Restaurant Group 1.5 years	Charles Idelson, Executive Vice President/Regional President – Wealth Management 1.5 years
Bill Novelli, University Professor 1.5 years	



































































































































































