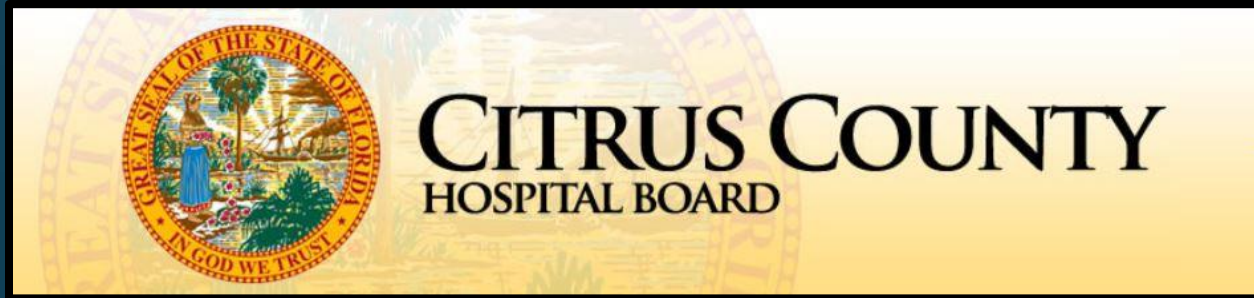


Presentation to



by Nemzoff & Company, LLC



June 18, 2013

Presentation Outline

- Proposal Process
- Proposed Selection Criteria
- Transaction Value
- Summary of Bids
- Next Steps
- Questions and Answers

Proposal Process

- **Request for Proposal sent to Potential Bidders on May 3rd.**
 - Bid Procedures
 - Transaction Criteria
 - Letter of Intent – Definition

Proposal Process

- **Potential Structures**

- Sale
- Lease
- Merger
- Partnership
- Joint Venture
- Affiliation

Proposal Process

Bidder's List

For-Profit Systems

- Ardent Health Services
- Community Health Systems
- Capella Healthcare
- Hospital Corporation of America
- Health Management Associates

Proposal Process

Bidder's List

For-Profit Systems

- IASIS Healthcare
- LHP Hospital Group
- Lifepoint Hospitals
- Prime Healthcare
- RegionalCare Hospital Partners

Proposal Process

Bidder's List

For-Profit Systems

- Tenet Healthcare Corporation
- Universal Health Systems
- Vanguard Healthcare

Proposal Process

Bidder's List

Non-Profit Systems

- Ascension Health
- Catholic Health Initiatives
- Trinity Health

Proposal Process

Bidder's List

Non-Profit Florida Hospitals

- Baycare Health System
- Central Florida Health Alliance
- Florida Hospital
- Orlando Regional Medical Center
- Tampa General Hospital

Proposal Process

Bids Received

- Hospital Corporation of America
- Health Management Associates
- Community Health Systems
- RegionalCare Hospital Partners
- Tampa General Hospital

Proposal Process

Company Profiles of Bidders

Hospital Corporation of America

Ownership - Publicly Traded

Total Revenue - \$33.0 billion

of Hospitals - 162

Years in Existence - 45 Years

Proposal Process

Company Profiles of Bidders

Health Management Associates

Ownership - Publicly Traded

Total Revenue - \$5.9 billion

of Hospitals - 71

Years in Existence - 36 Years

Proposal Process

Company Profiles of Bidders

RegionalCare Hospital Partners

Ownership - Privately Owned

Majority Owner - Warburg Pincus

Total Revenue - \$800 million

of Hospitals - 8

Years in Existence - 4 Years

Proposal Process

Company Profiles of Bidders

Tampa General Hospital

Ownership - Membership

Owner - Not-for-profit 501(c)3

Total Revenue - \$988 million

of Hospitals - 1

Years in Existence - 15/57 Years

Proposed Selection Criteria

The #1 Criteria for Selecting
a Winning Bid is,

**“What is best for the people
of Citrus County?”**

Proposed Selection Criteria

Primary Issues

- Loss of Control
- Guaranty of Debt - \$53MM
- Guaranty of Pension - \$30MM
- Experience
- Quality of Care

Proposed Selection Criteria

Primary Issues

- Financial Resources –
Can they afford this?
- Organizational Stability –
Current Credit Strength
- Financial Strength –
Future Credit Strength

Proposed Selection Criteria

Primary Issues

- Bid Components –
 Response to Transaction Criteria
- Transaction Value
- Antitrust?

Proposed Selection Criteria

Secondary Issues

- Antitrust?
- Managed Care Contracting
- Mission Compatibility
- For-Profit vs. Non-Profit

Transaction Value

What is Transaction Value?

- Purchase Price
- Net Working Capital
- Cash Released at Closing
- Capital Investment
- Property Taxes Paid
- Reduction in CCHB's Taxes

SUM OF ALL OF THE ABOVE = TRANSACTION VALUE

Transaction Value

What is Liquidated Net Worth?

- Essential it is Net Worth
- For CCHB it is (\$48MM)

Transaction Value

Calculation of Liquidated Net Worth

Net Working Capital	\$ 5MM
Cash	\$30MM
Long Term Debt	(\$53MM)
Funded Pension Shortfall	(\$30MM)
Net Liquidated Value CCHB	(\$48MM)

Transaction Value

What is the Transaction Value of \$2.1MM per year?

- 10% Return on \$21MM
- 5% Return on \$42MM
- Present Value of \$42MM at a Discount Rate of 3%

Transaction Value Historical Taxes for CCHB

2012	–	\$ 2,287,421
2011	–	\$ 2,403,576
2010	–	\$10,074,921
2009	–	\$12,799,305
2008	–	\$10,662,319

Summary of Bids

Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HMA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
1.	Yes	Yes	Yes	Yes	Yes
2.	Yes	Yes	Yes	Yes	Yes
3.	Yes	Yes	Yes	Yes	Yes
4.	Yes	No*	No*	Yes	Yes
5.	Yes	Yes	Yes	Yes	Yes

*Transaction Cost

Summary of Bids Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HCA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
6.	Yes	Yes	Yes	Yes	No**
7.	Yes	Yes	Yes	Yes	Yes
8.	Yes	Yes	Yes	Yes	Yes
9.	No*	No*	No*	No*	No*
10.	Yes	Yes	Yes	Yes	Yes

*DOJ/FTC Divestiture

**Guaranty of Obligation

Summary of Bids

Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HMA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
11.	Yes	Yes	Yes	Yes	Yes
12.	Yes	Yes	Yes	Yes	Yes
13.	Yes	Yes	Yes	Yes	No**
14.	Yes	Yes	Yes	Yes	NA
15.	No*	Yes	Yes	Yes	Yes

*Hart Scott Filing

**TGH did not commit to making a payment in lieu of taxes

Summary of Bids

Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HMA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
16.	Yes	Yes	Yes	Yes	Yes
17.	Yes	Yes	Yes	Yes	Yes
18.	Yes	Yes	Yes	Yes	Yes
19.	Yes	Yes	Yes	Yes	Yes
20.	Yes	Yes	Yes	Yes	Yes

Summary of Bids

Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HMA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
21.	Yes	Yes	Yes	Yes	Yes
22.	Yes	Yes	Yes	Yes	Yes
23.	Yes	Yes	Yes	Yes	Yes
24.	Yes	Yes	Yes	Yes	Yes
25.	Yes	Yes	Yes	Yes	Yes

Summary of Bids

Transaction Criteria

CRITERIA	HCA <i>Purchase/ Lease</i>	HMA <i>Purchase/ Lease</i>	HMA <i>Joint Venture</i>	RCHP <i>Purchase/ Lease</i>	TGH <i>Merger</i>
26.	Yes	Yes	Yes	Yes	Yes
27.	NA	NA	NA	NA	No*
28.	Yes	Yes	Yes	Yes	NA
29.	Yes	Yes	Yes	Yes	Yes

*TGH will not guaranty long term debt or pension of CCHB

Transaction Value

Summary of Transaction Value

Tampa General Hospital

Purchase Price	\$0
Net Working Capital	\$0
Cash Released at Closing	\$0
Capital Investment	\$0
Property Taxes Paid	\$0
Reduction in CCHB's Taxes	\$0
Total Transaction Value	\$0

Transaction Value

Summary of Transaction Value

Health Management Associates – JV

Purchase Price	\$70MM
Net Working Capital	\$0
Cash Released at Closing	\$30MM
Capital Investment	\$50MM
Property Taxes Paid	\$42MM
Reduction in CCHB's Taxes	\$46MM
Total Transaction Value	\$238MM

Transaction Value

Summary of Transaction Value

RegionalCare Hospital Partners

Purchase Price	\$99MM
Net Working Capital	\$5MM
Cash Released at Closing	\$30MM
Capital Investment	\$30MM
Property Taxes Paid	\$42MM
Reduction in CCHB's Taxes	\$46MM
Total Transaction Value	\$252MM

Transaction Value

Summary of Transaction Value

Hospital Corporation of America

Purchase Price	\$133MM
Net Working Capital	\$5MM
Cash Released at Closing	\$30MM
Capital Investment	\$35MM
Property Taxes Paid	\$42MM
Reduction in CCHB's Taxes	\$46MM
Total Transaction Value	\$291MM

Transaction Value

Summary of Transaction Value

Health Management Associates - Purchase

Purchase Price	\$120MM
Net Working Capital	\$5MM
Cash Released at Closing	\$30MM
Capital Investment	\$50MM
Property Taxes Paid	\$42MM
Reduction in CCHB's Taxes	\$46MM
Total Transaction Value	\$293MM

Summary of Bids

Net Cash Proceeds at Closing

Dollars in Millions

	HCA Purchase/ Lease	HMA Purchase/ Lease	HMA Joint Venture	RCHP Purchase/ Lease	TGH Merger
Purchase Price	\$133	\$120	\$70	\$99	\$0
Net Working Capital	\$5	\$5	\$0	\$5	\$0
Retention of Cash	\$30	\$30	\$30	\$30	\$0
Total Cash	\$168	\$155	\$100	\$134	\$0
Less Balance Sheet Obligations	(\$83)	(\$83)	(\$83)	(\$83)	\$0
Net Cash Proceeds	\$85	\$72	\$17	\$51	\$0

Summary of Bids

Financial Buyer

Financial buyers can generally be classified as investors interested in the return they can achieve by buying a business. They are interested in the cash flow generated by a business and the future exit opportunities from the business. They are typically individuals or companies with money to invest, and who are willing to look at many different types of businesses or industries.

Source: Mercer Capital

Summary of Bids

Strategic Buyer

Strategic buyers are interested in a company's fit into their own long-term business plans. Their interest in acquiring a company may include vertical expansion (toward the customer or supplier), horizontal expansion (into new geographic markets or product lines), eliminating competition, or enhancing some of its own key weaknesses (technology, marketing, distribution, research and development, etc.).

Source: Mercer Capital

Next Steps

- Review of Bids
- Selection of Finalist(s)
- Presentation by Finalist(s)
- Amended Bids
- Selection of Winning Bidder
- Due Diligence
- Definitive Agreement
- Closing

What happens if you do not select any bids?

- Hospital is clearly in danger of default on its bonds.
- The pension is underfunded by \$30MM.
- The hospital has limited access to capital.
- The bidders will go on to other deals.
- They may or may not come back.

What happens if you do not select any bids?

- The CCHB will be forced to raise taxes if the hospital continues to have cash flow problems.

Questions and Answers