



## Bon Secours St. Francis Health System

December 8, 2022

Greenville County Council  
301 University Ridge #1600  
Greenville, SC 29601

Dear Council Members,

It has come to our attention that Greenville County proposes to enter into a Memorandum of Understanding ("MOU") with Prisma Health relating to the re-opening of the emergency department at North Greenville Hospital ("NGH").

Bon Secours St. Francis is very concerned with the language of the MOU as certain terms in the MOU do not appear to be in the best interest of the residents of Greenville County and other providers that could provide health care services to such residents.

Section 3.2 of the MOU provides "the County agrees it shall not take *any action* that would negatively impact the ability of Prisma Health to maintain a clinically and financially sustainable NGH Emergency Department during the term of this Agreement...."

"Any action" is extremely broad, and could be interpreted to mean routine actions such as Greenville County's issuance of building permits or approvals of rezoning requests or variances that might be necessary for a business to provide healthcare services in Greenville County. For example, the language could be interpreted to prevent Greenville County from approving a construction permit for the development of an urgent care, primary care clinic, or Federally Qualified Health Center in Greenville County if Prisma believed that the development of the urgent care business, primary care clinic, or Federally Qualified Health Center would negatively impact the NGH emergency department. This is a restraint on free commerce.

The MOU also provides that Greenville County will not provide "direct or indirect funding or other material support for the development of another hospital-based or free-standing emergency department within a twenty (20) mile radius of NGH" unless the other emergency department is operated by Prisma. Per the terms of the MOU, if another emergency department is needed within 20 miles of NGH any time during the next 15 years, Greenville County could only support Prisma's development of an emergency department, but Greenville County could not support the development of an emergency department by any other provider other than Prisma. To the extent that grant funds (similar to the ARPA funds) become available in the next 15 years and there is an identified need for an emergency department, we think that the citizens of Greenville County would want Greenville County to be able to request proposals from multiple providers and select the best option to meet the needs of the community at that time. We do not think the residents of Greenville County would want Greenville County to be prevented from supporting the provider that offers the

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best and most value-added services to the residents of Greenville County solely because Greenville County is obligated to choose Prisma pursuant to the terms of an MOU that was poorly worded or entered into because of quid pro quo considerations.

It is concerning that Greenville County would agree to terms that could limit choice and access to services that could be available to Greenville County residents through 2037. It is a mistake in judgment for Greenville County to determine in 2022 that, despite rapid population growth, there will absolutely not be a need for an emergency department within 20 miles of the North Greenville Hospital for a period of 15 years. As a frame of reference, NGH is approximately 12 miles from the emergency department at St. Francis Downtown, 13 miles from emergency department at Greenville Memorial Hospital, and 14 miles from the emergency department at St. Francis Eastside. NGH is within a 20 mile radius of these emergency departments and the community believes that the NGH emergency department is needed.

What if a similar situation exists 10 years from now? Ever since Prisma closed the NGH emergency department to the displeasure of the community and its elected representatives in 2020, Greenville County Council has discussed and offered support to several providers (i.e. Bon Secours and MUSC in addition to Prisma) for the development of an emergency department in North Greenville. However, if 10 years from now Greenville County Council believes an emergency department is needed within 20 miles of NGH, Greenville County Council will not be able to offer any support to a provider other than Prisma, even if Prisma declines to develop another emergency department and the other provider is willing to do so.

The South Carolina Department of Health and Environmental Control already has a certificate of need process to determine whether certain services and facilities are needed in a particular geographic area, and such determinations are made by an independent body based on objective criteria and then-current data. The language of the MOU is far more restrictive in its terms than the certificate of need process, as it restricts Greenville County from supporting any non-Prisma provider in the development of an emergency department within a 20 mile radius for 15 years without any objective criteria or real time data analysis as to the need for a facility. Furthermore, the MOU makes Greenville County beholden to Prisma for a period of 15 years while Prisma is only obligated to operate the emergency department for 7 years (or less in the event of a material adverse change in market conditions) and Prisma does not have to achieve performance metrics of any kind. Despite a commitment of Prisma for 7 years or less, Greenville County is agreeing to not support any other provider besides Prisma for a period of 15 years. This severely limits the choice of the residents of Greenville County and could outright limit access to certain services.

Simply put, the terms of the MOU are bad for Greenville County and bad for its residents. The County has offered Prisma \$13.5 million to open and operate the NGH emergency department for 7 years. This should be enough for Prisma without the unnecessary restrictions on Greenville County in the MOU. Greenville County is not likely to make such a substantial investment and then

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immediately take actions that would put that investment in jeopardy. Therefore, we don't think County Council should agree to any terms that restrict Greenville County from acting in the best interest of the community in the future based off the facts and circumstances that exist at the time there is a decision to be made. It would be disappointing if County Council approved entry into an MOU that, for well over a decade, hamstrings future council members from making decisions that would be in the best interest of the community. It would be a disservice to the County Council member's constituents – the providers and consumers of healthcare in Greenville County.

We hope that the negative impact this language could have on the community was an oversight, and we sincerely hope that Greenville County will refrain from agreeing to unnecessary restrictions and remove section 3.2 from the MOU. We are committed to delivering access to quality, compassionate care in our communities. If the language in section 3.2 remains in the MOU, we will not hesitate to take any appropriate action that may be necessary to deliver on our commitment to the citizens of Greenville County.

Thank you for your service to the residents of Greenville County and for your attention to this matter. Please let me know if you would like to discuss.

Sincerely,

A handwritten signature in black ink that reads "Matt Caldwell".

Bon Secours St. Francis Health System, Inc.  
Matt Caldwell, President

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