

MEMORANDUM OF UNDERSTANDING
FOR FUNDING TO SUPPORT THE
PRISMA HEALTH NORTH GREENVILLE HOSPITAL
EMERGENCY DEPARTMENT

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into by and between **Greenville County**, a political subdivision of the State of South Carolina (the “County”) and **Prisma Health**, a South Carolina nonprofit corporation (“Prisma Health”).

WHEREAS, the County and Prisma Health recognize the need to improve access to high quality health care throughout Greenville County, including the rural areas outside of the County’s major population centers; and

WHEREAS, the County has determined that there is a need for the services of a hospital-based emergency department in the northern part of Greenville County that could serve the citizens of Travelers Rest, Slater-Marietta, Tigerville, and the surrounding communities; and

WHEREAS, Prisma Health operates the Prisma Health North Greenville Hospital, located at 807 North Main Street, Travelers Rest, South Carolina (“NGH”), which currently offers a variety of outpatient services and a 45-bed long term acute care unit; and

WHEREAS, NGH formerly housed and operated an emergency department; however, the NGH Emergency Department was closed in 2020 when NGH was converted for use as a facility to treat patients requiring hospitalization for serious COVID-19 infections, and the NGH Emergency Department was not subsequently reopened due to prevailing economic conditions; and

WHEREAS, the County has been allocated funds from the American Rescue Plan Act (ARPA) to address the negative economic effects of the COVID-19 pandemic and improve access to healthcare for the citizens of Greenville County, among other permitted uses; and

WHEREAS, the County has determined to use a portion of the ARPA funds to support the reopening of the NGH Emergency Department subject to the terms and conditions set forth in this MOU; and

WHEREAS, Prisma Health has agreed to accept the funding support from the County, subject to the terms and conditions set forth in this MOU.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Funding Support to Reopen and Operate the NGH Emergency Department

The County will provide Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) to Prisma Health to be used to support the reopening and operation of the NGH Emergency Department (“Funding Support”) during the Term of this MOU (as defined in Section 4 herein). The Funding Support shall be paid to and used by Prisma Health in accordance with the terms and conditions set forth herein.

2. Prisma Health’s Commitment to Reopen the NGH Emergency Department

2.1 Reopening the NGH Emergency Department. Prisma Health will use its best efforts to reopen a fully staffed and equipped emergency department at NGH within approximately one hundred (100) days of Prisma Health’s receipt of the Funding Support, with a target date of the first half of February 2023.

2.2 Use of the Funding Support. Prisma Health shall use the Funding Support solely and exclusively for the facility modifications, staffing, equipment, and supplies needed to reopen and operate the NGH Emergency Department. Upon the reasonable request of the County Administrator, Prisma Health shall provide the County updates on the status of reopening the NGH Emergency Department and how the Funding Support is being used to support the reopening and operation of the NGH Emergency Department. To the extent additional information is needed to satisfy any reporting requirements the County may have under ARPA or other applicable laws and regulations regarding utilization of the Funding Support, Prisma Health shall provide all such information to the County Administrator promptly upon the County Administrator’s request.

2.3 Regulatory Approvals.

2.3.1 The parties acknowledge and agree that reopening the NGH Emergency Department is contingent on Prisma Health obtaining all licenses, accreditations, permits, and other approvals required by applicable laws and regulations to reopen and operate the NGH Emergency Department (collectively, the “Regulatory Approvals”). The parties further acknowledge that, based on confirmation provided by the South Carolina Department of Health and Environmental Control (DHEC) in the form of written correspondence to Prisma Health from a DHEC Senior Consultant for the Certificate of Need (CON) program dated September 15, 2022 (a copy of which has been provided to the County), a CON is not among the Regulatory Approvals required to reopen the NGH Emergency Department.

2.3.2 Provided that Prisma Health diligently pursues all required Regulatory Approvals, any delay in reopening the NGH Emergency Department caused

by the failure to obtain such Regulatory Approvals shall not constitute a breach of this MOU.

2.3.3 Notwithstanding Section 2.3.2 above, in the event Prisma Health is unable to obtain the required Regulatory Approvals within one (1) year of the Effective Date of this MOU, this MOU may be terminated by either party. If this MOU is terminated pursuant to this Section 2.3.3, all Funding Support paid to Prisma Health shall be refunded to the County.

2.4 Commitment to Continued Operation of the NGH Emergency Department.

2.4.1 Prisma Health shall continue to operate the NGH Emergency Department for at least seven (7) years from the date the NGH Emergency Department is reopened (“Commitment Period”).

2.4.2 Prisma Health may not permanently close the NGH Emergency Department during the Commitment Period unless there is a material adverse change in operating conditions beyond the control of Prisma Health relating to: (a) the licensing, accreditation, or other legal and regulatory requirements applicable to the operation of the NGH Emergency Department; or (b) a change in market conditions specifically impacting the provision of healthcare services at the NGH facility (each a “Material Change in Operating Conditions”).

2.4.3 In the event Prisma Health permanently closes the NGH Emergency Department due to a Material Change in Operating Conditions **prior to** the expiration of the Commitment Period, Prisma Health shall refund to the County the amount of \$1,928,571 for each full year remaining on the unexpired Commitment Period. For example, if Prisma Health closed the NGH Emergency Department in the third year of the Commitment Period, Prisma Health would be obligated to refund \$7,714,284 of the Funding Support to the County.

2.4.4 In the event Prisma Health permanently closes the NGH Emergency Department due to a Material Change in Operating Conditions **after** the expiration of the Commitment Period but during the remaining term of this MOU, Prisma Health shall notify and consult with the Greenville County Administrator prior to closing the NGH Emergency Department.

3. Greenville County’s Commitment to the Success of the NGH Emergency Department

- 3.1 To support the prompt reopening and sustained operation of the NGH Emergency Department, the County shall pay to Prisma Health the full amount of the Funding Support within ten (10) days of the Effective Date of this MOU.
- 3.2 In recognition of the parties’ intent to provide a long-term solution to the emergency care needs of the citizens of northern Greenville County, 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, including a commitment by the County not to 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 not operated by Prisma Health.

4. Term

- 4.1 Effective Date. This MOU shall be effective on the date of the last signature of the parties hereto (“Effective Date”).
- 4.2 Term. This MOU shall commence on the Effective Date and continue for fifteen (15) years (“Term”).

5. General

- 5.1 The parties acknowledge and agree that, at all times, Prisma Health shall retain responsibility for and control over the safe and effective treatment of patients in its facilities. Nothing in this MOU shall be construed to alter Prisma Health’s rights and obligations in this regard.
- 5.2 This MOU constitutes the entire agreement of the parties regarding the matters referred to herein, and supersedes all prior oral and written agreements, if any, of the parties in respect hereto.
- 5.3 This MOU may not be modified or amended except by written agreement executed by both parties.
- 5.4 This MOU shall in all respects be governed by and construed in accordance with the laws of the State of South Carolina.
- 5.5 If any part or provision of this MOU is held invalid or unenforceable under applicable law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining parts and provisions of this MOU.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this MOU on the dates below indicated.

GREENVILLE COUNTY

PRISMA HEALTH

Joseph Kernell
Greenville County Administrator

Mark S. O'Halla
President and Chief Executive Officer

Date: _____

Date: _____