

# Legacy DMC

## 2014 TENET COMMITMENTS

CAPITAL EXPENDITURES			INDIGENT CARE	HOSPITALS AND OTHER
SPECIFIED COMMITMENT - \$500M	ROUTINE COMMITMENT - \$350M			
2011-2014 Cumulative Commitment \$320 M (4 Years)	2011-2014 Cumulative Minimum \$200 M (4 Years)	2015 Requirement \$130 M (1 Year)		
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Surplus \$40 M</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Actual Expenditures \$360 M</div> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #90EE90;">Met</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">Actual Expenditures \$220 M</div> <div style="border: 1px solid black; padding: 5px; text-align: center; margin-top: 5px;">4-Yr avg \$55 M</div> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #90EE90;">Met</div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #FFC0CB;">Required Expenditure 2015 Budget \$130 M</div> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #FFC0CB;">Risk</div>	<ul style="list-style-type: none"> <li>◆ Vanguard Adopted and Publicized More Benevolent Policy</li> <li>◆ Continued by Tenet</li> <li>◆ Charity Care reduced dramatically since April 2014</li> <li>◆ Uncompensated Care down 53% as Medicaid expands exchanges open</li> <li>◆ DMC enrolls 16,456 newly insured patients</li> </ul> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #90EE90;">Met</div>	<ul style="list-style-type: none"> <li>◆ Maintain Hospitals and Provide Core services                             <ul style="list-style-type: none"> <li>◆ 6 Hospitals</li> <li>◆ 39 Service Locations</li> <li>◆ 11 Service Lines</li> </ul> </li> <li>◆ No sale of Hospitals (DSH mothballed)</li> <li>◆ Support historic Research mission</li> <li>◆ Support historic Education mission</li> <li>◆ Enhance Health and Wellness Initiatives</li> <li>◆ Support Supplier Diversity and Project Genesis</li> </ul> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #90EE90;">Met</div> <div style="border: 1px solid black; padding: 5px; text-align: center; background-color: #FFFF00; margin-top: 10px;">◆ Maintain Karmanos Relationship <b>(IN LITIGATION)</b></div>

YEAR FOUR STATUS

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| <ul style="list-style-type: none"> <li>• Minimum Capital Expenditure commitments met</li> <li>• Indigent Care costs reduced through Medicaid expansion and ACA health care exchanges</li> <li>• Tenet Annual Report received on schedule</li> <li>• Legacy DMC Annual Report published on schedule</li> </ul> | <ul style="list-style-type: none"> <li>- No Escrow deposit required</li> <li>- Not anticipated in PSA</li> <li>- February 27</li> <li>- April 15</li> </ul> |
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FORWARD YEAR RISKS

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| <ul style="list-style-type: none"> <li>• Routine expenditures may fall short of commitment despite improved management processes</li> <li>• VHS of Michigan and Karmanos in litigation</li> <li>• State and Federal funding reductions may affect escrow requirements</li> <li>• CHM Tower completion moved to December 2017</li> </ul> | <ul style="list-style-type: none"> <li>- No remedy identified in PSA</li> <li>- Not anticipated in PSA</li> <li>- Remedy identified in PSA</li> <li>- Maximum delay authorized in PSA</li> </ul> |
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