

September 15, 2015

Mr. Allan Jones
The Hospital Authority of Rockdale County
1412 Milstead Avenue
Conyers, GA 30012

Re: Annual Report to the Hospital Authority of Rockdale County for the Fiscal Year 2014 – Compliance with Public Interest Covenants

Dear Mr. Jones:

Please accept this document as the Report to the Hospital Authority of Rockdale County in accordance with Schedule 7.1(c) Public Interest Covenants and Compliance of the Asset Purchase Agreement between Rockdale Medical Center, Inc. and Hospital Authority of Rockdale County and Rockdale Hospital, LLC and Historic LifePoint Hospitals, Inc.

Accreditation – Per Subsection 7.1 (f) (v), Rockdale Hospital, LLC maintains accreditation with The Joint Commission (Attachment A).

Annual Certification – The Annual CEO Certification is included. (Attachment B)

Hospital's Compliance with the Public Interest Covenants – We have included the Public interest Covenants and Compliance, Schedule 7.1, from the Asset Purchase Agreement as a reference to the report. (Attachment C) The CEO has certified to compliance with each covenant in a summary document. Annual Public Interest Covenants and Compliance Certification included. (Attachment C-1)

Annual Capital Commitment – Rockdale Hospital LLC made capital expenditures totaling \$5,598,441. (Attachment C-2)

Local Board of Trustees – Listing of the members of the Rockdale Hospital, LLC Board of Trustees and their respective terms. (Attachment C-3)

On behalf of the Board and Management of Rockdale Hospital, LLC, we are pleased to provide you with the Annual Report. If we can provide any additional information, please do not hesitate to contact me or our CFO, Diane Roth.

Sincerely,



Deborah Armstrong, CEO
Rockdale Hospital, LLC



December 14, 2014

Deborah Armstrong, FACHE
Chief Executive Officer
Rockdale Hospital, LLC
1412 Milstead Avenue, NE
Conyers, GA 30012

Joint Commission ID #: 6750
Accreditation Activity: Unannounced Full
Event
Accreditation Activity Completed:
12/12/2014

Dear Mrs. Armstrong:

Thank you for selecting The Joint Commission to conduct your recent Accreditation survey.

At The Joint Commission we strive to 'live' our mission.

'To continuously improve health care for the public, in collaboration with other stakeholders, by evaluating health care organizations and inspiring them to excel in providing safe and effective care of the highest quality and value.'

As you know, Joint Commission standards go beyond just the 'basics' of state and federal regulations, and set consistently high expectations for quality and safety. We recognize that successfully meeting these standards is not an easy task, and doing so deserves special recognition from The Joint Commission, your Board and staff, your community, and especially your patients and their families.

The report we left onsite is designed to help focus on areas of further improvement, in the spirit of helping our organizations continuously improve.

Thank you for choosing The Joint Commission as your accreditor and committing to continued improvements in patient care quality and safety. We are honored to assist you in your mission.

Best wishes for your continued success.

Sincerely,

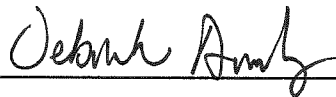
Mark G. Pelletier, RN, MS

Chief Operating Officer

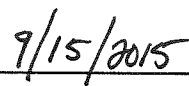
Division of Accreditation and Certification Operations

Annual CEO Certification

This is to certify that to the best of my knowledge and belief after reasonable investigation, that each of the Public Interest covenants contained in Schedule 7.1 (1) of the Asset Purchase Agreement between Rockdale Medical Center, Inc. and Hospital Authority of Rockdale County and Rockdale Hospital, LLC (Hospital) and Historic LifePoint Hospitals, Inc. have complied within all material respects by the Hospital during FYE 2014 as included in Attachment C.



Deborah Armstrong, CEO



Date

Annual Public Interest Covenants and Compliance Certification

Covenants & Compliance Items	CEO Certification
1. (a) Aggregate and Annual Capital Commitment (Attachment C-2)	JA
(b) Local Board of Trustees (Attachment C-3)	JA
(c) i. accreditation information (Attachment A)	JA
ii. Hospital's compliance with public interest covenants (Attach C-1)	JA
(d) Acknowledgement and affirmation of Seller's seven year Right of first refusal.	JA
(e) Continued Dedication to Community Healthcare Services; i. Core Acute Care Service ii. 24/7 Emergency Services iii. Indigent Care iv. Medicare and Medicaid v. Joint Commission Accreditation vi. Non-discrimination Policy vii. Annual Certification	JA
(f) Sellers' Audit Option Acknowledgement	JA

Rockdale Medical Center
Description of Capital Expenditures
Fiscal Year Ended December 31, 2014

Routine:	
OR transport monitor	\$ 13,389
Refrigerated sandwich unit	5,518
Ice machine L&D	3,570
Oscillator for NICU	29,210
EEG unit for Rockdale Neurology	38,146
Narc cabinet Pharmacy	10,426
IMAR interface for Lab	15,513
Tenant improvements Browns Bridge - flooring	18,156
Tenant improvements Browns Bridge - painting	16,736
Portable ultrasound for Specials	32,479
CAD Radiology computer	2,060
Computer cabinets for new ED triage	2,881
External pacemaker	3,044
Ultrasound for OR	33,823
Catalyst switch for ReDoc	2,045
Oxygen/air blenders	16,553
Bipap ventilator	13,323
Internal transport incubator	23,277
Recliners (23) for Med floors	26,200
Wound vac pumps (4)	12,735
Ice machine for ICU	3,570
EKG machines (4) for practices	15,795
CBO network connectivity equipment	5,275
Social Circle exam tables (2), autoclave	5,440
Tele CIC PC's (4)	17,776
DASH 4000 monitors (2) for Specials	28,012
MRI hallway flooring	7,477
Wireless phone system for the ED	4,224
Shelving for DNS	3,856
Tray carts for DNS	3,255
Hip arthroscopy instrument sets	50,833
Bird shock track	23,617
ED Triage Pyxis	20,161
Bariatric stretchers (2)	16,850
Tele transmitters	13,532
da Vinci instruments	25,415
Staxi transport chairs (2)	2,744
Neptune waste mgmt. system	41,730
Brown Bridge equipment	27,192
Stretchers - Cardiology (2)	25,968
Stress test equipment	23,688
Dish machine	40,502
Stretchers (3)	17,591
Floor scrubber/burnisher	8,178
Epidural pumps (10)	29,424
GPUCC South	42,345
MedSurg beds (20)	179,010
PT equipment	11,877
LumLam tray	12,486
Anesthesia machines (4)	185,721
Bipap	11,176
Babylog	28,000
GI endoscopes/equipment	376,028
Mammography reporting system	50,290
Hip arthroscopy trays	57,265

Pt. monitors (6)	16,896
Blood/fluid warmer	9,053
Syringe pumps (2)	6,090
External pacemaker	2,845
	<hr/>

Subtotal for Routine Capital \$ 1,770,269

Corporate Information Technology:

Upgrade to VMWare	\$ 37,931
Data Recovery - 2nd Backup	47,951
IPE upgrade for telephone growth	99,072
iatric systems - clinical monitors to transmit data to Meditech	8,080
SCI Scheduling/Registration solution	60,000
Medication scanning equipment	252,000
Pharmacy FreshLoc auto temperature monitoring system	39,756
Patient label printers for medication safety	19,291
ED bedside label printers for lab use	10,998
DigiTrax safe alert IV labeling system	4,684
AccuChartPlus automates unit dose packaging	7,500
MicroSoft Licenses	18,532
	<hr/> 39,789

Subtotal for Corp IT Capital \$ 645,584

CAMS:

Inpatient MRI	\$ 1,468,037
Digital ED and OP Radiology Equipment	370,181
Endoscopic Ultrasound	246,720
Nuclear Medicine Camera	384,098
Final NICU Construction project	173,901
New Cath lab - start up costs	114,686
Patient Care Unit Expansion/Renovation start up costs	<hr/> 19,856

Subtotal for Corp IT Capital \$ 2,777,479

Facility:

Replace roofs - Main hospital	\$ 220,459
Automatic Switch Gear for Generator	140,650
MOB Roof replacement	<hr/> 44,000

Subtotal for Facility \$ 405,109

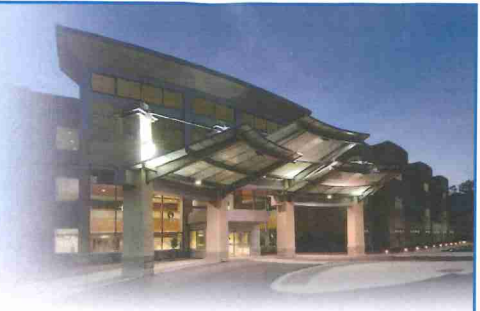
Total 2014 Capital Expenditures \$ 5,598,441

**Rockdale Hospital, LLC
2015 BOARD OF TRUSTEES
TERMS OF SERVICE**

C-3

<i>Name</i>	<i>Type</i>	<i>Initial Term</i>	<i>Subsequent Terms</i>
Deborah Armstrong, Secretary of the Board	Chief Executive Officer	2/1/2011 -	Term of CEO
Ethel Boyle	HARC	2/1/2009 - 1/31/2010	(2/1/2010 - 1/31/2013) 2/1/13 - 1/31/2016
Lillis Brown	HARC	2/1/2014 - 1/31/2017	
James deGive, MD, Vice-Chair	Medical Staff	2/1/2009 - 1/31/2010	(2/1/2010 - 1/31/2013) 2/1/2013 - 1/31/2016
Vince Evans	Community	2/1/2009 - 1/31/2012	(2/1/2012 - 1/31/2015) 2/1/2015 - 1/31/2018
Harold Jackson, MD	Medical Staff	3/1/2014 - 1/31/2015	2/1/2015 - 1/31/2018
Philip Newman, MD, ex-officio	Chief of Staff	10/1/2013 - 9/30/2015	Term of Chief of Staff
Frank Patton, MD	Medical Staff	6/1/2014 - 5/31/2017	
Diane Roth, ex-officio	Chief Financial Officer	4/24/2014	Term of Chief Financial Officer
Rick Simons, Chair	Community	2/1/2009 - 1/31/2011	(2/1/2011 - 1/31/2014) 2/1/2014 - 1/31/2017
Leslie West	Community	2/1/2009 - 1/31/2012	(2/1/2012 - 1/31/2015) 2/1/2015 - 1/31/2018

2014 REPORT TO THE COMMUNITY



Deborah Armstrong, CEO
Rockdale Medical Center
Photo courtesy of *The News*

At Rockdale Medical Center,

our goal is to deliver the best healthcare available to the residents of Rockdale and surrounding counties, as we seek to make our community healthier. With the help of dedicated physicians, employees, volunteers and board members, along with your support and encouragement, we continue our passionate pursuit of excellence.

Being a for-profit, taxpaying hospital does not diminish the amount of charitable care we provide to the community. In fact, delivering quality healthcare to all the residents of our community close to home is

the single most important contribution we make. But there are many other ways we make a positive impact on the communities we serve. Here are a few of the ways we are making a difference.

Nearly \$5.7 million spent in 2014

In 2014, Rockdale Medical Center invested nearly \$5.7 in capital improvements. These expenditures support the mission and vision of the hospital in meeting the healthcare needs of our community. Significant funds were invested in our imaging (radiology) department to ensure that RMC continues to offer state of the art technologies, including replacement of an MRI unit and nuclear medicine camera replacement, as well as adding digital mobile X-ray equipment and software technologies that allow for enhanced reporting. Significant upgrades were made in the surgical services arena, including updating our endoscopy systems, scopes and the purchase of new equipment to allow the hospital to offer new services to our community. Specifically, RMC purchased endoscopic ultrasound equipment to be able to offer advanced endoscopy services to aid our physicians in the diagnosis and treatment of gastrointestinal diseases. Numerous other pieces of surgical equipment were made available to support a growing number of surgical specialists capable of advanced surgical offerings, i.e. hip arthroplasty. Investments in patient beds, stretchers, and other clinical monitoring equipment were made to update and expand aging equipment. Together these improvements cost more than \$4.5 million.

Finally, significant additional dollars were spent to improve the facilities infrastructure, including upgrades for our kitchen and food

preparation areas, replacement of several sections of the hospital's roof, rebuilding of a large air handling unit and enhancements to our backup generators. These infrastructure improvements accounted for an additional \$504,000.

In fact, we invested \$5,672,914 in our facility in calendar year 2014, which, in addition to the above, included technology replacement, information technology additions/updates, and important facility upkeep and maintenance.

Contributing to our local tax base

While some non-profit hospitals must rely on tax support from the community, Rockdale Medical Center supports the community through the taxes we pay.

Last year, Rockdale Medical Center paid more than \$3.2 million in taxes which helped support our city, county and state. This included sales taxes as well as property taxes. These dollars help maintain local schools, fund the development of roads and provide other similar services vital to support and sustain a thriving economy.

Helping those in need

Rockdale Medical Center is committed to ensuring the delivery of needed healthcare to all members of the community, regardless of ability to pay. Last year, the cost to Rockdale Medical Center was nearly \$9.2 million to provide services for those without the ability to pay for their care.

Adding new physicians

During the past year, Rockdale Medical Center added 24 new physicians to our highly respected medical staff, including specialists in breast surgery, cardiology, gastroenterology, general surgery, gynecology, hematology/oncology, hospital medicine, nephrology, neurology, orthopedic surgery and pediatrics.

One of our community's major employers

With an annual payroll of \$68,973,801 and an average of 1,257 employees, Rockdale Medical Center is one of the largest employers in the region. This means that our staff and family members attend many of the same schools, shop at the same stores and volunteer their time and resources for the same organizations as you do.

We thank you for choosing us for your healthcare needs. With your support, we can continue making our community healthier.



2014 REPORT TO THE COMMUNITY



Board of Trustees 2015

OFFICERS

Richard Simmons, *Chair*
Consultant, Air Products & Chemicals
(retired)

James deGive, MD, *Vice-Chair*
Internal Medicine Associates of Rockdale

Deborah Armstrong, *Secretary*
CEO, Rockdale Medical Center

MEMBERS

Ethel Boyle
Hospital Authority of Rockdale County,
Chair Emeritus
Realtor, RE/MAX Agents Realty

Lillis Brown
Probate Court Judge, Rockdale County
(retired)

Vince Evans
Independent Pharmacist,
Beasley Drug Company
City Councilman

Harold Jackson, MD
Southeastern Lung Care

Philip Newman, MD
Chief of Staff, Ex-officio non-voting member
Center for Sight

Frank Patton, MD
Rockdale Anesthesia

Diane Roth
CFO, Rockdale Medical Center
Ex-officio non-voting member

Leslie West
Strategic Accounts Vice President,
Acuity Brands

- Average number of employees 1,257
- Annual payroll nearly \$69 million
- Facility investment nearly \$5.7 million

COMMUNITY BENEFIT REPORT

Charity and other uncompensated care	\$	9,172,902
Includes unpaid cost of Medicaid as well as charity care and other uncompensated care		
Community benefit programs	\$	502,853
Financial contributions	\$	14,443
Professional development	\$	177,723
Tuition reimbursement	\$	51,280
Physician recruitment	\$	259,407
Taxes paid	\$	3,225,128
Property and other taxes	\$	1,870,128
Local sales tax	\$	542,000
State sales tax	\$	813,000

2014 TOTAL **\$ 12,900,883**

SPONSORSHIPS AND DONATIONS

Rockdale Medical Center is committed to sharing our resources and making financial contributions locally. Our employees, physicians, and volunteers are proud to have been able to support these organizations in 2014.

- American Cancer Society (Includes Relay for Life financial contributions and Fresh Start/Smoking Cessation Programs)
- American Diabetes Association
- American Red Cross (Includes sponsorship of community blood drives annually)
- Breast Cancer Support Group (Provide space for their meetings)
- Conyers-Rockdale Chamber of Commerce (Includes providing meeting space and hosting "Wellness Day" and annual "Scrub Top" Tour of the hospital for the Leadership Rockdale Class)
- GHA (Georgia Hospital Association)
- Helping Hands Indigent Care Clinic and Mercy Heart Health Clinic (Includes providing professional and financial resources)
- LifeLink of Georgia (Help communicate the need for tissue and organ transplant)
- Kate Caruso Light the Way
- Kimberley Chance Atkins Foundation (Includes financial and volunteer support for annual tennis tournament and "Walk with Angels")
- March of Dimes (Includes financial and volunteer support for annual March for Babies)
- Rockdale County Public Schools (includes internships, financial and in-kind contributions, public speakers and employee health events)
- Rockdale County Rotary Clubs (Includes providing space for weekly meetings)
- Rockdale County Senior Services Health Event
- Rockdale Emergency Relief (material contributions)
- RPOA (Rockdale Physician Office Association)
- SHRM (Society of Human Resource Management)
- United Way of Greater Atlanta (financial and material contributions)
- Youth Leadership Rockdale (Includes providing meeting space for "Caring in our Community" and hospital tour)

Rockdale Medical Center also participates in numerous community events throughout the year to bring awareness to the health of our community. Those events include participation in the Conyers Cherry Blossom Festival, the Olde Town Fall Festival, the Monastery Fall Festival and Health Fair, the Social Circle Friendship Festival, as well as corporate health fairs.



Rockdale Medical Center is part of LifePoint Hospitals®, a leading hospital company focused on providing quality healthcare services close to home. Through its subsidiaries, LifePoint operates more than 60 hospital campuses in 21 states. With a mission of "Making Communities Healthier," LifePoint is the sole community hospital provider in the majority of the communities it serves. More information about the Company, which is headquartered in Brentwood, Tennessee, can be found on its website LifePointHospitals.com

"Charity and other uncompensated care" includes hospital costs not covered by Medicaid reimbursements and supplemental payments, as well as charity care and bad debt. "Physician recruitment costs" include recruitment costs and support of new physicians' initial practice establishment in the community. Payroll includes consolidated salaries, wages, benefits and contract labor costs. "Capital investments" include facility expansions/renovations, equipment purchases, technology replacement, information technology additions/updates, and routine facility upkeep and maintenance.

All references to "LifePoint," "LifePoint Hospitals," or the "Company" used in this release refer to LifePoint Hospitals, Inc. and its affiliates.