

LOWER FLORIDA KEYS HOSPITAL DISTRICT
REQUEST FOR PROPOSALS
RFP 2026-001

EXECUTIVE SUMMARY

The Lower Florida Keys Hospital District ("District") is an independent special district, created in 1967 by an act of the Florida Legislature, codified at Chapter 67-1724, Laws of Florida, as amended, and re-codified at Chapter 2003-307, Laws of Florida.¹ The Lower Florida Keys Hospital District Board ("the Board") seeks proposals from qualified healthcare management organizations to operate and manage the hospital and healthcare-related facilities and services in the Lower Florida Keys Hospital District. The hospital is currently known as the Lower Keys Medical Center, ("LKMC" or "Hospital"), which is operated by Key West HMA, LLC the Florida-registered subsidiary and operating entity of Community Health Systems, Inc. and its operating lease agreement is set to expire on April 30, 2029. The Board has a unique opportunity to implement an innovative healthcare model designed specifically for its District, with a focused investment in general acute-care hospital services with programs for the diagnosis, treatment, and care of sick and injured persons that meet documented community demand. The Lower Florida Keys Hospital District owns a facility located at 5900 College Road, Key West, Florida, 33040, as more fully described in Attachment B.

HISTORY OF THE LOWER FLORIDA KEYS HOSPITAL DISTRICT HOSPITAL

The District was created by special act of the Florida legislature ("Enabling legislation") in 1967 for the purpose of creating, staffing, and operating a hospital in the Lower Florida Keys for the benefit of the residents of the District. The District comprises nine (9) Board Members ("Board"), appointed by the Governor, each for a four (4)-year term. Under Florida law, Board members continue to serve even after their appointment has expired, until reappointed, replaced, or they resign. The District is authorized to levy ad valorem millage, in an amount not to exceed 2 mills per year, on the homeowner residents of the District, to help fund the indigent health care obligations of the District.

From the inception of the District and construction of the Hospital through April 30, 1989, the District operated the Hospital, then known as Florida Keys Memorial Hospital ("FKMH"). Additionally, a for-profit hospital, known as DePoo Hospital, located at 1200 Kennedy Drive, Key West, Florida, owned by Kennedy Drive Investors, Ltd ("Kennedy Drive"), a general/limited partnership, was constructed and operated within the same service area as FKMh. As a private entity, DePoo was not obligated to treat the indigent population (except as required by the Emergency Medical Treatment and Labor Act "EMTALA"), and it was not subject to the myriad of laws governing public facilities, including but not limited to the obligation for public meetings and competitive bidding.

In the 1980s, due primarily to the lack of affordable healthcare insurance and the increased onset of the AIDS and HIV epidemic and their attendant costs related to treatment, the District found it necessary to levy the maximum millage rate allowed by law on the District residents. Concurrently, it found itself competing with DePoo Hospital for a finite number of healthcare professionals in the community and for the purchase of expensive new technological equipment, in an environment that could not support two fully operational hospital facilities. In fact, the Grand Jury empaneled in Monroe County recommended the combination of FKMh and DePoo Hospital.

¹ https://laws.flrules.org/files/Ch_2003-307.pdf

The District and Kennedy Drive commenced discussions in the late 1980s on how to accomplish such combination, which resulted in May 1989, of the formation of the Lower Florida Keys Health System ("Health System"), Inc., a non-profit Florida corporation, the sole member of which is the District, and whose board consisted of seven (7) persons, six (6) of which elected by the District, four (4) of which shall be members of the District Board, and two (2) of the Health System nominated by the Key West Medical Association, Inc. and the remaining person the then-current physician serving as Chief of Staff. Each of the District and Kennedy Drive entered into thirty (30)-year leases with Health System pursuant to which they each leased their land, buildings, and equipment, and the two facilities applied to State of Florida, Agency for Health Care Administration ("AHCA") and received licensure as a singular hospital system, but different certificate numbers and file numbers for each facility, with one set of Bylaws, a combined medical staff, and a singular administrative and employed staff. As a result of this combination, Health System achieved rural health designation from CMS, resulting in a higher reimbursement rate from Medicare as a sole community provider. As part of its obligations, Health System assumed the obligation of providing all the indigent care that the District was required to provide by its Enabling legislation, for which the District reimbursed Health System at a reduced Medicaid rate. This combination allowed for the elimination of service and equipment redundancy and, initially, the elimination of the District's millage levy on residents. Services were shifted such that the FKMH facility provided acute care, and the DePoo Hospital focused on behavioral health services.

During the late 1990s, however, due to circumstances including, but not limited to, the proliferation of managed care arrangements resulting in arbitrarily reduced payments regardless of charges; increased competition from proprietary enterprises that siphoned off the paying outpatients from Health System; the increasing number of younger residents living within the District without the ability to pay for requisite healthcare; and the increased capital needs for physical plant and equipment, Health System revenues declined, thereby resulting in the District's necessity of re-imposing taxes at the maximum rate upon the residents in order to generate sufficient revenues to meet its indigent care obligations. As a result, and with the willingness of Kennedy Drive, the District separately undertook a process to ascertain the level of interest of potential lessees/operators of the Health System facilities, both LKMC and DePoo Hospital.

From the District Board's perspective at the time, the benefit of such a transaction included but was not limited to the following:

- a. The ability of the lessee to assume the indigent care obligations of the District, without limitation, and with the knowledge that the lessee would have the financial wherewithal over the course of a 30-year lease, to fulfill the health care needs of the District residents.
- b. The earnest desire that the indigent care obligations of the District be met without the need to levy ad valorem taxation on the District's residents over the duration of a 30-year lease.
- c. The establishment of a primary care clinic that would treat District residents regardless of their ability to pay, thereby both seeking to afford a healthier community and to reduce the cost of the delivery of health care through the use of emergency room services.
- d. The ability to improve the physical plant of the LKMC, which had undergone no major renovation since its construction in the late 1960's, as well as the need to have an operator with the capital wherewithal to procure and provide state-of-the-art equipment/technology.

- e. To assure meeting and exceeding the requirements of all accrediting and licensing bodies.
- f. To place the LKMC onto the tax rolls of the Lower Florida Keys community.
- g. To provide for District operating expenses from the lease payment structure negotiated.

After the issuance of a Solicitation of Interest for proposals and review of responses, each of the District and Kennedy Drive determined that Health Management Associates (“HMA”) (which operated as Key West HMA, Inc., and subsequently was acquired by Community Health Systems (“CHS”), the current operator) was the preferred operator/lessee of choice. Negotiations commenced; the District held at least twenty (20) open meetings, including public hearings, to discuss the contemplated transaction. Approval of the Florida Attorney General’s Office and the United States Federal Trade Commission regarding the District’s proceeding with such transaction was received pursuant to Florida law. The leases between Health System and the District and separately the Health System and Kennedy Drive were mutually terminated, and new thirty (30)-year leases for each of the District and Kennedy Drive were entered into, effective May 1, 1999, with Key West HMA, Inc. and The District Hospital facility was re-branded as Lower Keys Medical Center.

At present, and through the end of the current lease term ending on April 30, 2029, the structures and legal responsibilities of the parties are as follows:

- Lower Keys Medical Center has an advisory board, on which two members are appointed by the District: one is a current District Commissioner and the other is a community member.
- Health System has designated board members, is active as registered before the Florida Secretary of State, but does not currently operate or have any obligations with respect to the current lease.
- Under the terms of the District lease, the District has no operational authority or responsibility with respect to Lower Keys Medical Center. There are certain operational requirements in the lease, and the District’s sole obligation with respect to the Hospital is to continue to ensure that the terms of the lease and CHS’s responsibilities are being met.
- At lease end, pursuant to the terms of the current lease in effect, the facility shall be immediately released back to the District, and the personal property assets as defined in the lease be conveyed, transferred or assigned, or made available to Health System.

Proposal. The Board has determined that it is in the best interest of the community to enter into a lease agreement for the lease and operation of the District-owned facility known as Lower Keys Medical Center (5900 College Road, Key West, FL). The Board is voluntarily engaging in issuing a request for proposal to gauge interest, capabilities, and partnership opportunities with qualified professionals to lease, manage and operate the foregoing LKMC. The Board is seeking an organization that can commit to sustaining and enhancing the long term viability of the LKMC while maintaining a commitment to address the health care needs of the indigent population in the Service Area. The Board will review proposals for various models for continuing to operate a short-term acute care medical center in the District, and Respondents submitting a proposal to this RFP proposing specific healthcare models must demonstrate compelling advantages over other models and show clear clinical and financial viability.

The Board will evaluate proposals based on six primary criteria:

Quality and Reputation. Demonstrated excellence in clinical quality and operational performance. Respondents are to demonstrate patient quality treatment, including safety and patient experience.

Healthcare Services Commitments and Capabilities: A commitment to sustaining and enhancing hospital, ambulatory, and emergency services, inclusive of but not limited to: anesthesia, cardiology, colon & rectal surgery, emergency medicine, gastroenterology, general surgery, gynecology, internal medicine, nephrology, neurology, obstetrics, ophthalmology, orthopedics, otolaryngology, plastic surgery, psychiatry, pulmonary medicine, radiology, urology, vascular surgery.

Workforce Commitments and Capabilities: Respondents must demonstrate a commitment to recruiting and retaining providers, clinical staff, nurses, and other skilled professionals needed to operate a comprehensive, high-quality medical center serving an isolated service area with unique demographic characteristics.

System Integration Commitments and Capabilities. Ability to coordinate seamless care delivery with facilities providing higher levels of care, preferably through established community health system relationships. While enhancing capabilities in the District, respondents will also demonstrate robust, highly effective clinical transfer capabilities as needed.

Investment Commitments and Capabilities: A commitment to ensuring that LKMC will have access to the necessary investment during the entire duration of this Agreement, with specific commitments related to the timing, adequacy, and comprehensiveness of investments. The scope of these commitments must address strategic investment needs across facilities, technology, providers, staff, and services.

Indigent Care and Community Commitment and Capability: Respondents should demonstrate a funding model that includes specific commitments related to the provision of indigent and charity care for Service Area residents and community-based investments that address factors that impact health status and outcomes.

Proposals must be submitted through <https://lowerkeys2026rfp.com/> no later than 5:00 p.m. EST, on MONDAY, SEPTEMBER 28, 2026. Questions about the RFP should be directed to Akerman, LLP at Robert.slavkin@akerman.com and Felicia.nowels@akerman.com.

Site visits will be scheduled on:

- Friday, July 31st and Friday, August 7th. To schedule the site visit, please email Robert.slavkin@akerman.com and felicia.nowels@akerman.com to request the day for a site visit. Please include the names of those you wish to attend the site visit.

Respondents are invited to present to the Board at the October special monthly meeting, to be held on October 6, 2026 at Doubletree Grand Key Resort Ballroom at 2:30 p.m. EST.. The presentations at this meeting will not be mandatory, and will not be an evaluation criteria. The Board meeting will be a public meeting. Respondents may have up to fifteen (15) minutes each, uninterrupted, to

present to the Board. The presentations may include information about the Respondent, its qualifications, its RFP responses, or any additional information it wishes to present.

To provide potential Respondents with comprehensive information about this opportunity and the Board's requirements, this Request for Proposals ("RFP") details the background, analysis, and evaluation criteria that will guide the selection process.

This Request for Proposal ("RFP") has been prepared by the Lower Florida Keys Hospital District Board solely for informational purposes, solely for use by respondents considering their interest in a potential transaction with the District Board. The RFP has been approved by the Board. This RFP may not be relied upon by any third party whatsoever and may not be quoted, circulated or referred to in whole or in part in any other document or for any other reason, without the Board's prior written consent.

The Board has not independently verified any of the information contained in the RFP. This RFP speaks only as of the date hereof and the Board/District assumes no obligation to update or supplement this RFP if the Board/District becomes aware after the date of this RFP of any facts, whether existing before or arising after the date hereof, that might change the information included herein. The Board does not make any representation or warranty as to the accuracy or completeness of this RFP or any of the information contained herein. Neither the Board nor the District shall have any liability for any materials contained in, or for any materials omitted from, this RFP or any other written or oral communications transmitted to the recipient, respondents or public in the course of its evaluation of the RFP or the LKMC. Each respondent is responsible for conducting its own investigations and due diligence and may not rely upon information provided in this RFP as a guarantee of future conditions. Historical data, usage information, projections and estimates are provided for the convenience of respondents and are not guaranteed. The only information that will have any legal effect will be that specifically represented in a definitive agreement. In no event will such agreement contain any representation as to the accuracy or completeness of the RFP.

The Board also reserves the right to terminate, at any time, the proposal process or further participation in the investigation and proposal process by respondents and to modify requests for information and other procedures without assigning any reason therefore. The Board intends to conduct the business of the LKMC in the ordinary course during the evaluation period. The Board reserves the right to cancel this RFP at any time, and to reject any or all proposals submitted, where such action may be in the best interest in its sole and absolute discretion.

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1.0 INTRODUCTION

In recognition of both the critical need for local emergency, outpatient, acute inpatient, preventative, specialized and primary healthcare services and the opportunity to implement innovative healthcare delivery services in the Service Area as defined below, the Board is seeking proposals from qualified healthcare organizations to continue to operate Lower Keys Medical Center ("LKMC") as a short-term acute-care hospital, consisting of an inpatient acute care facility along with associated emergency care, outpatient, specialty, primary, diagnostic and therapeutic services.

The service area consists of three zip codes, 33040, 33042, and 33043, encompassing the southern end of the Seven Mile Bridge south through and including the City of Key West ("Service Area" or "Primary Services Area"). The services provided by the District, through a lease to Key West HMA, LLC, (fka Key West HMA, Inc.) are the operation of an acute care hospital; the services provided by the District, through a lease to Oasis at Key West Nursing and Rehab, LLC., are the operation of a nursing home/rehabilitation facility.

The Board is distributing this RFP to solicit Respondents interested in managing and operating the Hospital and leasing the LKMC (and for clarity, excluding the nursing home and rehabilitation facility). Given future facility needs, the Board seeks a Respondent prepared to address both immediate operations and long-term development of improved facilities and enhanced services. The selected Respondent must demonstrate the following minimum qualifications:

Minimum qualifications for Respondents include:

- Current operation of a full-service medical center or an acute care hospital(s)
- Medicare/Medicaid certification and current accreditation by The Joint Commission on Accreditation of Healthcare Organizations (formerly known as JCAHO)
- Appropriately licensed by the Florida Agency for Health Care Administration at time of execution of agreement with The Board, but at time of submission of response to RFP appropriately licensed by the states in which it conducts its business.
- Capability to establish and maintain required transfer agreement(s) with Level I or II trauma center(s) and Level II, III, and IV Neonatal Intensive Care Units
- Financial stability and capacity with documented funds sufficient to successfully operate and invest in the medical center facility during the term of the lease
- No corporate integrity agreements entered into within the last 5 years will be accepted, but will not be a basis for disqualification.

See Section 5.1 Respondent Qualifications for detailed documentation requirements for each of these qualifications.

The District is the owner of the LKMC. The evaluation and selection process for this opportunity will include multiple steps, beginning with this Request for Proposals and culminating in one or more public hearings prior to a final decision. Section 155.40, Fla. Stat sets forth the procedural requirements the Board must follow to lease the LKMC and otherwise contract for operations and management of the LKMC; such procedural requirements were promulgated to ensure that all interested parties, including members of the general public, have the opportunity to comment about a potential conveyance of the management and operation of a LKMC or part thereof.

This Request for Proposal seeks to garner information to better understand Respondent's organization and responses to specific questions so that the Board may adequately evaluate proposals. ***Please be responsive to the specific requests; respondents may provide more information than requested. At a minimum, please provide the requested information.*** Please submit the response in a narrative form, restate each question included in the RFP, followed by a response.

To facilitate this process, the Board has engaged the services of Akerman LLP, attorneys at law, among other advisors. Please submit proposals no later than September 28, 2026, 5 PM ET. Electronic submission is acceptable and preferred. Please submit directly to the portal found at:

<https://lowerkeys2026rfp.com/>

Lower Florida Keys Hospital District
c/o Robert Slavkin and Felicia Nowels
Partner
AKERMAN LLP

Robert.slavkin@akerman.com; Felicia.nowels@akerman.com

Please address any questions about the RFP, process, or information needs to Robert Slavkin and Felicia Nowels, Akerman, LLP Robert.Slavkin@akerman.com; Felicia.nowels@akerman.com. Questions should be submitted through the portal at <https://lowerkeys2026rfp.com/>. Questions and responses will be published on the portal. Please do not contact any Board official about the RFP, the process, or your proposal.

- o Any responses, documents, records or reports submitted in response to the RFP that is trade secret, confidential or otherwise proprietary shall be marked as follows: Please also provide whether and why the information is exempt from Florida Statute 119. A respondent submitting a proposal that contains information for which an exemption to Florida's Public Records Law is claimed must file two versions of its proposal: (1) a confidential version of the proposal and (2) a public version of the proposal. The public version of the proposal will be made publicly available.
- o In the confidential version of the proposal, any response, document, record or report submitted in response to the RFP that is a trade secret, confidential or otherwise proprietary or exempt from the Florida Public Records Law (Chapter 119, Florida Statutes) must be marked as follows: Mark the TOP of the confidential PAGE as **CONFIDENTIAL** in bold type face. Place brackets "[]" around the portions of the document that are confidential. The confidential version of the proposal must include an index of confidential

documents reporting the title of the confidential document, number of pages and reason for its confidentiality, and provide the exemption to Florida Public Records Law by including the statutory exemption.

- o The public version of the proposal must include brackets "[]" where confidential information has been removed and must contain a summary of the bracketed information in sufficient detail to permit a reasonable understanding of the substance of the information. For example, if the document is pricing data that is exempt from Florida's Public Records Law, the summary may state "pricing data between X and Y for 2025".

To help Respondents understand both the challenges and opportunities presented by this RFP, the following sections provide relevant background and analytical support.

2.0 BACKGROUND

2.1 Demographics

1. Lower Keys Medical Center Service Area

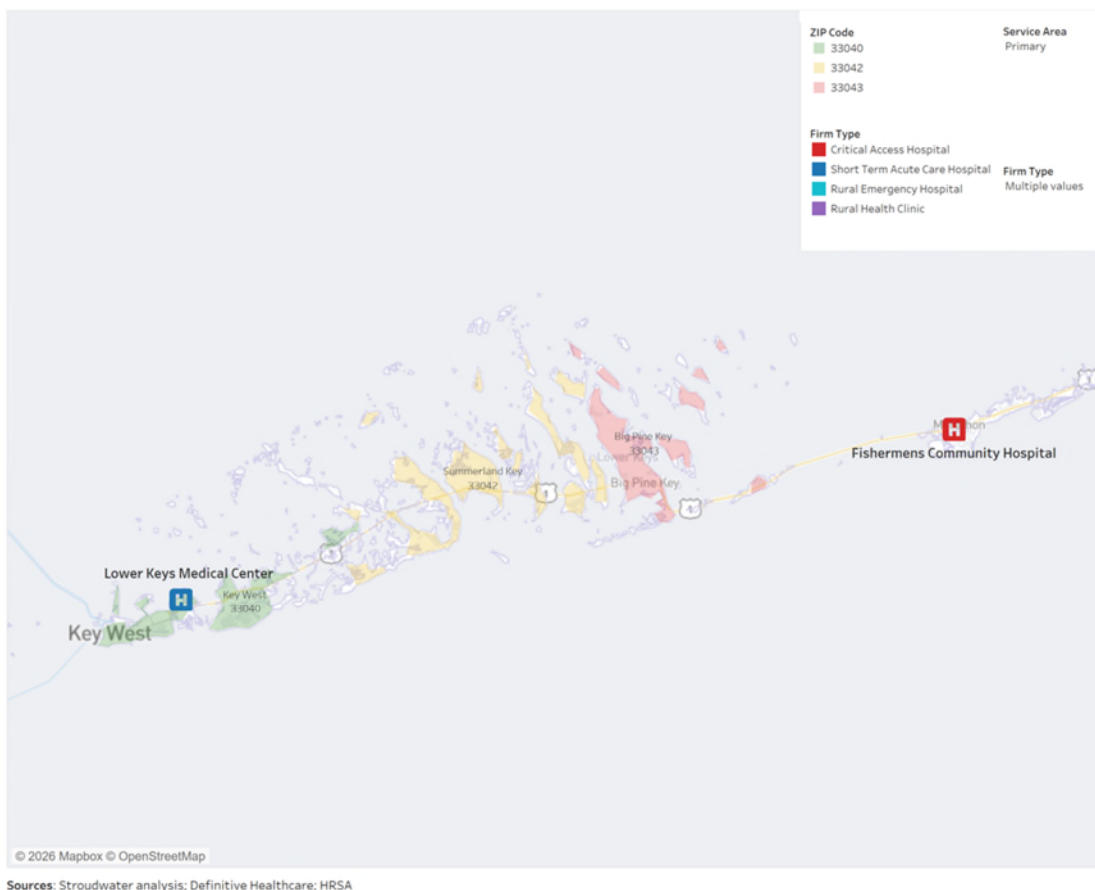
LKMC's primary service area ("PSA" or "Primary Service Area" or "Service Area") covers three zip codes: 33040 Key West, 33042 Summerland Key, and 33043 Big Pine Key. Together, these three ZIP Codes have a population estimated at 46,117 as of 2026. During the next five years, the PSA is projected to increase by 1.4%, growing by 661 individuals to 46,778. All three zip codes in the PSA are projected to grow in population over the next five years. It should be noted that these population estimates and projections included only permanent residents. Seasonal non-residents and short-term visitors are not included in the population totals.

Table 1

Current Population (2026)	Projected Population (2031)	5 Year Change (#)	5 Year Change (%)
46,117	46,778	661	1.4%

Source: Claritas 2026; Federal Office of Rural Health Policy

Figure 1

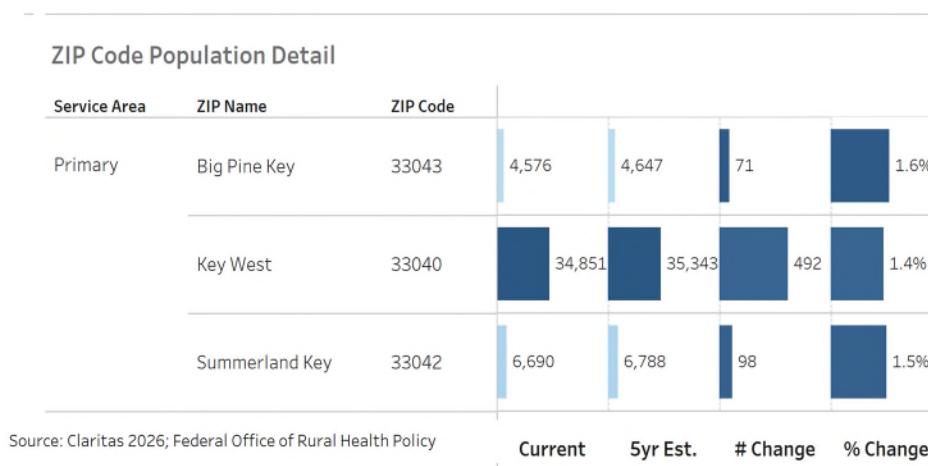


In 2025, an estimated 85.5% of LKMC’s inpatient visits and 79.1% of emergency department visits originated from the PSA.² LKMC is the only short-term acute care hospital in the PSA, underscoring its importance as an essential healthcare resource for the community and its strategic value to a partner. The closest hospital, Baptist Fisherman’s Community Hospital, is 44.5 miles away, a 57-minute drive.

2. Population Demographics

The 33040 Key West zip code, which contains 75.6% of the current population, is expected to have 74.4% of the total PSA population growth (492 individuals) over the next five years.

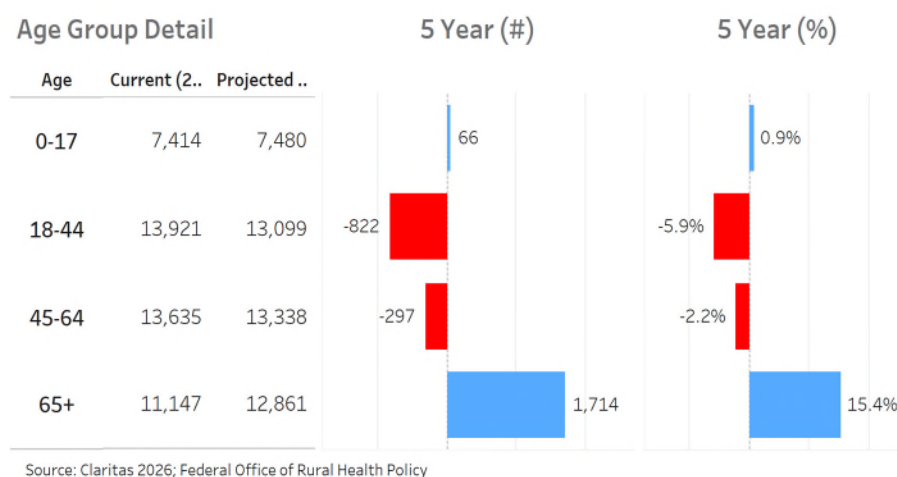
Figure 2



² Source: A.2 Inpatient discharges by zip and A.3 ED visits by Pt Zip Code provide by Community Health Systems

The 65+ age cohort comprises 24.2% of the current PSA population and is projected to contain 27.5% of the population in five years. National hospital service utilization statistics indicate that individuals aged 65+ tend to use hospital services more frequently than the rest of the population.

Figure 3



3. Historic Market Share

LKMC is the market leader within the PSA. In 2024, the most recent full year with available all-payor market share data, LKMC accounted for 43.1% of inpatient discharges (2,403 of 5,573 total inpatient discharges in the PSA). This share exceeded that of the second-largest provider in the PSA, Mount Sinai Medical Center of Florida, by 28 percentage points.

The table below presents the top 10 institutions by market share in the PSA for inpatient all-payor discharges in 2023 and 2024. Together, the top 10 institutions accounted for over 88% of total inpatient discharges in the PSA in 2023 and 89% in 2024.

Table 2

Institution	2023 PSA IP Discharges	2024 PSA IP Discharges	% of 2023 PSA IP Discharges	% of 2024 PSA IP Discharges
Grand Total	5,371	5,573	100.0%	100.0%
LOWER KEYS MEDICAL CENTER	2,426	2,403	45.2%	43.1%
MOUNT SINAI MEDICAL CENTER OF FLORIDA	749	814	13.9%	14.6%
DEPOO HOSPITAL	546	635	10.2%	11.4%
HCA FLORIDA KENDALL HOSPITAL	391	397	7.3%	7.1%
BAPTIST HOSPITAL OF MIAMI	151	203	2.8%	3.6%
JACKSON MEMORIAL HOSPITAL	114	149	2.1%	2.7%
SOUTH MIAMI HOSPITAL	82	112	1.5%	2.0%
NICKLAUS CHILDREN'S HOSPITAL	100	107	1.9%	1.9%
JACKSON SOUTH MEDICAL CENTER	97	89	1.8%	1.6%
UNIVERSITY OF MIAMI HOSPITAL AND CLINICS-UHEALTH TOWER	80	54	1.5%	1.0%
All Other (Institutions with less than 1.0% market share in 2024)	635	610	11.8%	10.9%

Source: Agency for Health Care Administration (AHCA), FL, 2022 CY – 2025 Q1

LKMC's emergency department is a focal point of care in the Lower Florida Keys community. The organization's all-payer market share for ED encounters in 2024 was 82.9%, or 15,561 ED encounters out of 18,767 ED encounters in the PSA. The second-highest market share leader in the PSA is Fishermen's Community Hospital, at 9.8% in 2024. No other hospital accounted for more than 1% market share. The table below shows the top five institutions by market share in the Lower Florida Keys Hospital District for all-payer emergency department encounters, which accounted for over 94% of all ED encounters in 2024.

Table 3

Institution	2023 ED Encounters	2024 ED Encounters	% of ED Encounters 2023	% of ED Encounters 2024
Grand Total	18,817	18,767	100%	100%
LOWER KEYS MEDICAL CENTER	15,713	15,561	83.5%	82.9%
FISHERMEN'S COMMUNITY HOSPITAL	1,657	1,832	8.8%	9.8%
MARINERS HOSPITAL	142	122	0.8%	0.7%
UNIVERSITY OF MIAMI HOSPITAL AND CLINICS-BASCOM PALMER EYE INST	72	81	0.4%	0.4%
BAPTIST HOSPITAL OF MIAMI	79	79	0.4%	0.4%
NICKLAUS CHILDREN'S HOSPITAL	104	67	0.6%	0.4%
JACKSON MEMORIAL HOSPITAL	64	62	0.3%	0.3%
HCA FLORIDA KENDALL HOSPITAL	55	58	0.3%	0.3%
HOMESTEAD HOSPITAL	50	48	0.3%	0.3%
SOUTH MIAMI HOSPITAL	52	43	0.3%	0.2%
All Other (Institutions with less than 0.2% market share)	829	814	4.4%	4.3%

Source: Agency for Health Care Administration (AHCA), FL, 2022 CY – 2025 Q2

4. Net Revenue by Payor

44.6% of 2025 net revenue at LKMC came from private or commercial payors, and 48% from Medicare, Medicaid, and Managed Care. The remaining 7.2% is other, other govt (such as Children's Health Insurance Program, TRICARE, and Federal Employees Health Benefits), and self-pay. The table below outlines the breakout of the 2025 payor mix by net revenue in further detail.

Table 4

2025 Payor Mix by Net Revenue	
Payor	%
Blue Cross	42.8%
Commercial	1.2%
Health Exchange	0.6%
Managed Care	23.4%
Medicaid	2.7%
Medicare	15.9%
Medicare Managed Care	6.1%
Other	1.3%
Other Govt	4.3%
Self Pay	1.6%
Total	100.0%

5. Inpatient Service Lines Five – Year Utilization Estimated Projection

Within LKMC's PSA, total inpatient discharges across all service lines are projected to decline by 6.0% (a reduction of 236 discharges) over the next five years, decreasing from 3,964 to 3,728. This trend aligns with broader national patterns, as the healthcare industry continues to shift care from inpatient to outpatient settings.

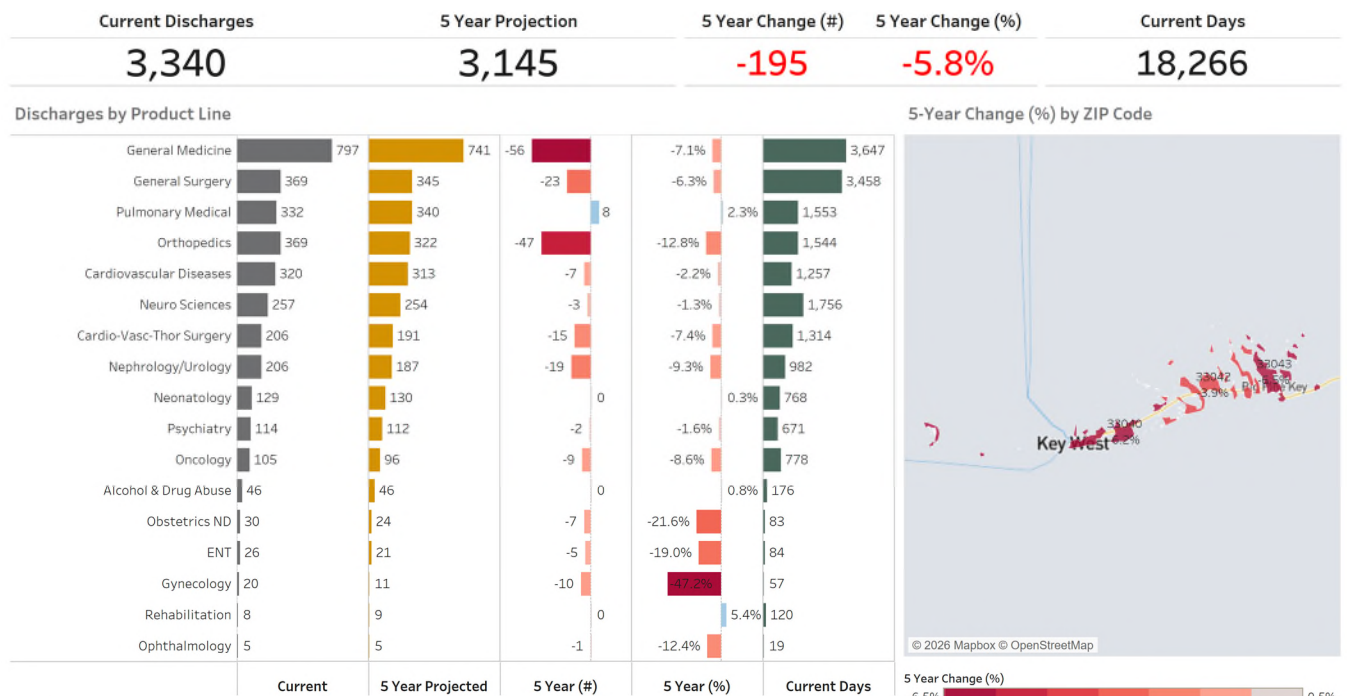
Table 5

Current Discharges	5 Year Projection	5 Year Change (#)	5 Year Change (%)	Current Days
3,964	3,728	-236	-6.0%	19,517

Source: Merative

Within acute care services, as shown below, all service lines, except Pulmonary Medicine, are expected to either decline or remain stable in utilization over the next five years. The five inpatient acute care service lines projected to have the highest discharge volumes in the PSA over the next five years are general medicine (741 discharges), general surgery (345 discharges), pulmonary medicine (340 discharges), orthopedics (322 discharges), and cardiovascular diseases (313 discharges).

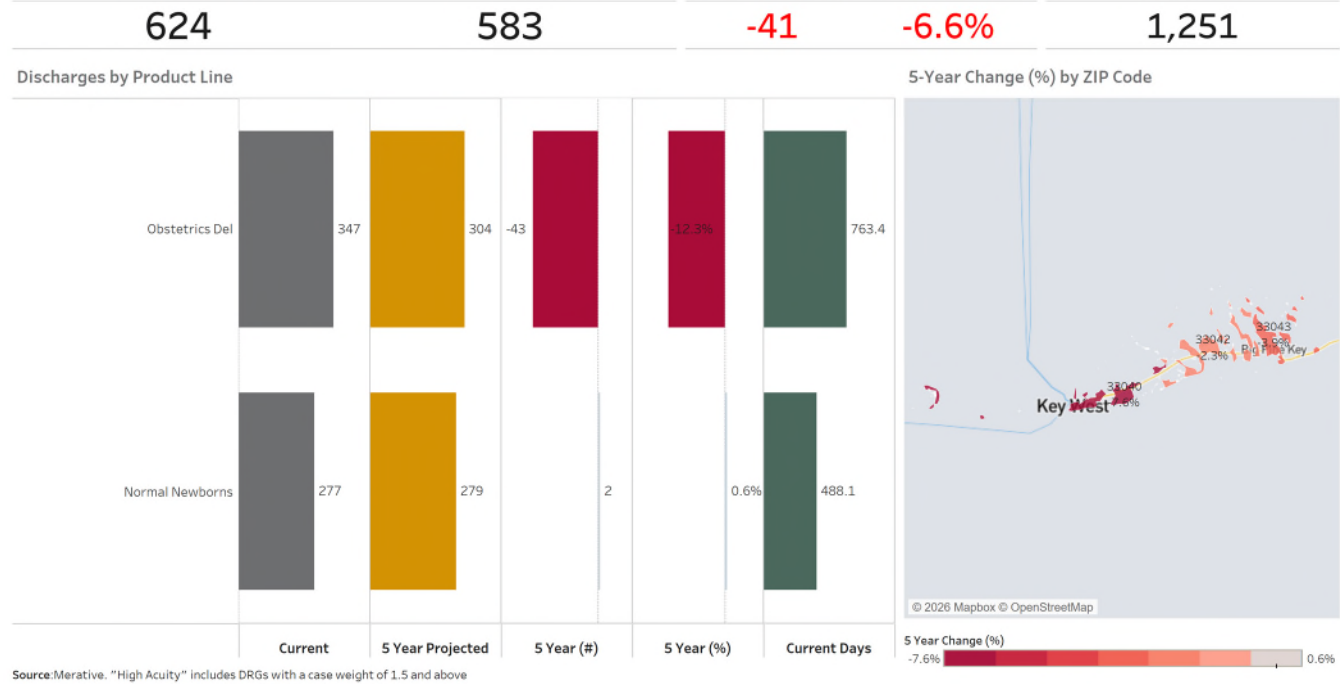
Figure 4



Source: Merative. "High Acuity" includes DRGs with a case weight of 1.5 and above

Similar trends are reflected in labor and delivery and normal newborns, with a decline of 6.6% (41 discharges) over the next five years from 624 discharges to 583.

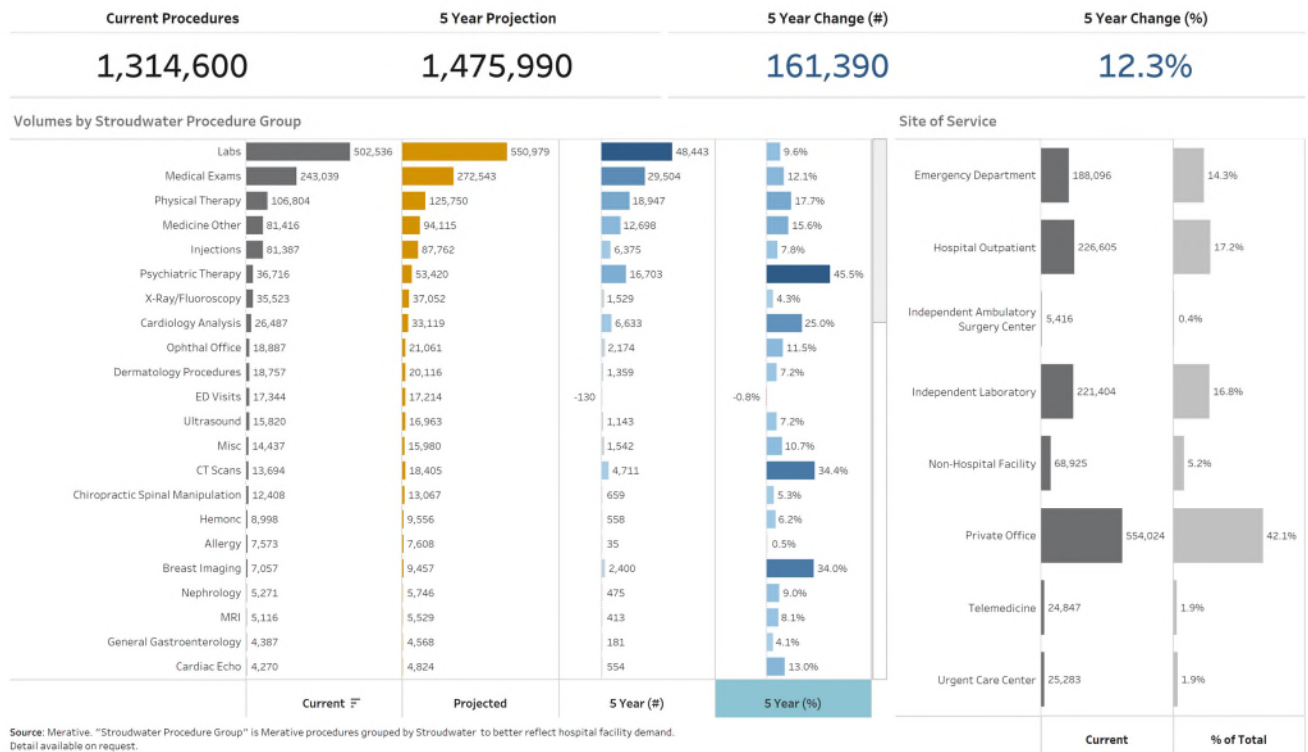
Figure 5



6. Outpatient Service Lines Five – Year Utilization Estimated Projection

Outpatient units of service in LKMC's PSA are projected to grow by 12.3% or 161,390 units of service over the next five years, from 1,314,600 to 1,475,990. Labs, medical exams, and physical therapy will experience the greatest growth during that period, as shown below. 42.1% of these volumes are projected to occur in a private office setting, followed by 17.2% in a hospital outpatient setting and 14.3% in the emergency department.

Figure 6



2.2 Clinical Services and Workforce

LKMC currently provides access to a comprehensive range of healthcare services, including heart care featuring an Accredited Chest Pain Center, cardiac catheterization services, critical care medicine, and 24/7 emergency services. Additional offerings include behavioral health, cancer care, and maternity and labor and delivery services. The organization also provides rehabilitation services and a broad spectrum of surgical specialties, including ENT, orthopedic, robotic, endoscopy, vascular, and other procedures. Diagnostic imaging, including general diagnostic imaging, MRI, mammography, CT scanning, nuclear imaging and ultrasound services, and neurology services are available, along with primary care to support ongoing patient health and wellness.

1. Inpatient Services

LKMC is the largest acute-care inpatient hospital in Key West. In FY 2024, LKMC had an average daily census of 25.4 with an average length of stay of 4.03 days. LKMC is licensed for 118 beds, including 103 acute care beds and 15 in the skilled nursing unit, enabling the organization to support

patients across multiple levels of care. LKMC's 23-bed inpatient psychiatry unit had an average daily census of 21.8 with an average length of stay of 8.44 in FY 2024.

In 2023 and 2024, behavioral health, cardiology, obstetrics, and infectious disease ranked among the top four service lines by discharges in the PSA, accounting for a combined 34.2% of all PSA discharges, as shown in Table 6. Among the largest services, LKMC accounted for 5.7% of behavioral health discharges, 28.1% of cardiology discharges, 88.6% of obstetrics discharges, and 61.1% of infectious disease discharges. Additional service lines where LKMC had over 50% of PSA IP discharges include general medicine (53.4%), normal newborns (94.5%), gastroenterology (60.9%), neonatology (71.9%), nephrology (58.8%), endocrine (62.4%), dermatology (73.7%), gynecology (56.7%), and breast health (71.4%) as shown in Table 7 below.

Table 6

Service Line	2023 PSA IP Discharges	2024 PSA IP Discharges	% of 2023 PSA IP Discharges	% of 2024 PSA IP Discharges
Behavioral Health	749	795	13.9%	14.3%
Cardiology	551	608	10.3%	10.9%
Obstetrics	462	502	8.6%	9.0%
Infectious Disease	516	481	9.6%	8.6%
General Surgery	359	401	6.7%	7.2%
Neurosciences	386	391	7.2%	7.0%
General Medicine	296	326	5.5%	5.8%
Normal Newborn	315	325	5.9%	5.8%
Orthopedics	330	249	6.1%	4.5%
Gastroenterology	207	238	3.9%	4.3%
Cancer	184	180	3.4%	3.2%
Neonatology	139	171	2.6%	3.1%
Pulmonology	142	115	2.6%	2.1%
Vascular	119	115	2.2%	2.1%
Nephrology	92	114	1.7%	2.0%
Endocrine	95	109	1.8%	2.0%
Spine	114	100	2.1%	1.8%
Dermatology	82	95	1.5%	1.7%
Urology	48	69	0.9%	1.2%
Hepatology	39	59	0.7%	1.1%
Hematology	37	48	0.7%	0.9%
Gynecology	41	30	0.8%	0.5%
ENT	27	17	0.5%	0.3%
Burns and Wounds	24	15	0.4%	0.3%
Breast Health	4	7	0.1%	0.1%
Allergy and Immunology	5	5	0.1%	0.1%
Rheumatology	4	5	0.1%	0.1%
Genetics	3	3	0.1%	0.1%
Ophthalmology	1	-	0.0%	0.0%
Grand Total	5,371	5,573	100.0%	100.0%

Source: Agency for Health Care Administration (AHCA), FL, 2022 CY – 2025 Q2

Table 7

Service Line	2023 LKMC PSA IP Discharges	2024 LKMC PSA IP Discharges	% of 2023 LKMC PSA IP Discharges	% of 2024 LKMC PSA IP Discharges
Behavioral Health	56	45	7.5%	5.7%
Cardiology	172	171	31.2%	28.1%
Obstetrics	412	445	89.2%	88.6%
Infectious Disease	321	294	62.2%	61.1%
General Surgery	188	193	52.4%	48.1%
Neurosciences	57	36	14.8%	9.2%
General Medicine	161	174	54.4%	53.4%
Normal Newborn	293	307	93.0%	94.5%
Orthopedics	144	85	43.6%	34.1%
Gastroenterology	123	145	59.4%	60.9%
Cancer	30	27	16.3%	15.0%
Neonatology	106	123	76.3%	71.9%
Pulmonology	66	47	46.5%	40.9%
Vascular	24	14	20.2%	12.2%
Nephrology	52	67	56.5%	58.8%
Endocrine	59	68	62.1%	62.4%
Spine	7	8	6.1%	8.0%
Dermatology	56	70	68.3%	73.7%
Urology	10	10	20.8%	14.5%
Hepatology	14	25	35.9%	42.4%
Hematology	21	19	56.8%	39.6%
Gynecology	31	17	75.6%	56.7%
ENT	8	4	29.6%	23.5%
Burns and Wounds	10	3	41.7%	20.0%
Breast Health	1	5	25.0%	71.4%
Allergy and Immunology	2	1	40.0%	20.0%
Rheumatology	2	-	50.0%	0.0%
Genetics	-	-	0.0%	0.0%
Ophthalmology	-	-	0.0%	0.0%
Grand Total	2,426	2,403	45.2%	43.1%

Source: Agency for Health Care Administration (AHCA), FL, 2022
CY – 2025 Q1

2. Outpatient Surgery Encounters

In 2024, the PSA had 1,498 general medicine encounters, accounting for 23% of total ambulatory surgery encounters. Gastroenterology comprised 18.8%, followed by ophthalmology and orthopedics at 14% and 10.4%, respectively, as shown in Table 8. LKMC accounted for 35% of the 1,498 general medicine ambulatory surgery encounters in the PSA, along with 51% of orthopedic encounters and 42.3% of gastroenterology encounters in 2024, as shown in Table 9.

Table 8

Service Lines	2023 PSA Ambulatory Surg Encounter	2024 PSA Ambulatory Surgery Encounters	% of 2023 PSA Ambulatory Surg Total Encounters	% of 2024 PSA Ambulatory Surg Total Encounters
General Medicine	1,390	1,498	22.4%	23.0%
Gastroenterology	1,020	1,223	16.4%	18.8%
Ophthalmology	934	915	15.0%	14.0%
Orthopedics	694	680	11.2%	10.4%
General Surgery	444	445	7.1%	6.8%
Cancer	317	359	5.1%	5.5%
Urology	248	224	4.0%	3.4%
ENT	139	189	2.2%	2.9%
Cardiology	156	148	2.5%	2.3%
Gynecology	168	146	2.7%	2.2%
Spine	142	132	2.3%	2.0%
Infectious Disease	74	89	1.2%	1.4%
Vascular	81	82	1.3%	1.3%
Breast Health	88	81	1.4%	1.2%
Hematology	58	62	0.9%	1.0%
Neurosciences	64	60	1.0%	0.9%
Dermatology	51	48	0.8%	0.7%
Pulmonology	35	31	0.6%	0.5%
Endocrine	24	29	0.4%	0.4%
Nephrology	24	23	0.4%	0.4%
Burns and Wounds	12	17	0.2%	0.3%
Hepatology	22	12	0.4%	0.2%
Rheumatology	10	12	0.2%	0.2%
Obstetrics	14	8	0.2%	0.1%
Allergy and Immunology	2	7	0.0%	0.1%
Behavioral Health	1	-	0.0%	0.0%
Genetics	1	-	0.0%	0.0%
Not Assigned	1	-	0.0%	0.0%
Grand Total	6,214	6,520	100.0%	100.0%

Source: Agency for Health Care Administration (AHCA), FL, 2022 CY – 2025 Q

Table 9

Service Lines	2023 Est. LKMC PSA Ambulatory Surg Encounters	2024 Est. LKMC PSA Ambulatory Surg Encounters	Est. % of 2023 PSA Ambulatory Surg Encounters at LKMC	Est. % of 2024 PSA Ambulatory Surg Encounters at LKMC
General Medicine	488	525	35.1%	35.0%
Gastroenterology	373	517	36.6%	42.3%
Ophthalmology	55	70	5.9%	7.7%
Orthopedics	390	347	56.2%	51.0%
General Surgery	112	92	25.2%	20.7%
Cancer	74	56	23.3%	15.6%
Urology	10	23	4.0%	10.3%
ENT	0	46	0.0%	24.3%
Cardiology	43	50	27.6%	33.8%
Gynecology	45	52	26.8%	35.6%
Spine	5	0	3.5%	0.0%
Infectious Disease	25	24	33.8%	27.0%
Vascular	21	16	25.9%	19.5%
Breast Health	10	4	11.4%	4.9%
Hematology	34	19	58.6%	30.6%
Neurosciences	11	6	17.2%	10.0%
Dermatology	9	7	17.6%	14.6%
Pulmonology	10	3	28.6%	9.7%
Endocrine	1	3	4.2%	10.3%
Nephrology	7	12	29.2%	52.2%
Burns and Wounds	1	4	8.3%	23.5%
Hepatology	13	1	59.1%	8.3%
Rheumatology	2	3	20.0%	25.0%
Obstetrics	7	6	50.0%	75.0%
Allergy and Immunology	0	2	0.0%	28.6%
Behavioral Health	0	0	0.0%	0.0%
Genetics	0	0	0.0%	0.0%
Not Assigned	0	0	0.0%	0.0%
Grand Total	1,746	1,888	28.1%	29.0%

Source: Agency for Health Care Administration (AHCA), FL, 2022 CY – 2025 Q

3. Workforce

LKMC has a medical staff of 70 active providers and 28 allied health professionals in the specialties listed in Table 10 below. LKMC has access to telemedicine providers within nephrology, neurology and radiology.

Table 8

Specialties	Sum of Number Providers
Active	70
Anesthesiology	4
Cardiovascular Disease	5
Emergency Medicine	7
Family Medicine	1
Foot and Ankle Surgery	1
Gastroenterology	2
Gynecology	1
Infectious Disease	1
Internal Medicine	7
Interventional Cardiology	4
Interventional Radiology and Diagnostic Radiology	1
Nephrology	1
Neurology	1
Obstetrics & Gynecology	5
Ophthalmology	2
Oral and Maxillofacial Surgery	1
Orthopedic Surgery	4
Orthopedic Surgery- Spine	1
Orthopedic Surgery- Trauma Surgery	2
Otolaryngology	1
Pain Medicine	1
Pathology-Clinical	2
Pediatrics	2
Plastic & Reconstructive Surgery	1
Podiatric Medicine and Surgery	2
Psychiatry	2
Radiology - Diagnostic Radiology	2
Surgery - General	4
Telemedicine-Radiology	1
Urology	1
Allied Health Professional	28
APRN	9
Certified Nurse Midwife	2
Certified Registered Nurse Anesthetist	3
Emergency Medicine	2
Family Nurse Practitioner	2
Licensed Clinical Social Worker	1
Neurology PA	3
Physician Assistant	1
Physician Assistant Ortho	1
Psychiatry NP	2
Registered Nurse First Assistant	2
Grand Total	98

2.3 Facilities

1. Overview

Built in 1967, LKMC's main hospital facility (that which is owned by the District) is a 95,000-square-foot, three-story building designed to support both inpatient and outpatient care. As mentioned previously, the hospital is licensed for 118 beds, including 103 acute care beds and 15 beds for the skilled nursing unit, allowing the organization to support patients across multiple levels of care.

Within the facility, 12,529 square feet are dedicated to the medical/surgical unit, which supports core inpatient services and accommodates a significant portion of the hospital's acute care capacity.³

2. The LKMC Emergency Department

The LKMC Emergency Department occupies 3,914 square feet and includes six exam rooms, a dedicated triage area, two special procedures rooms, and a behavioral health (psych) room. The department provides emergency care 24 hours a day, seven days a week. The ED was last renovated in 2008 as part of a broader upgrade that also included the catheterization laboratory.

3. The LKMC Surgical Department

The LKMC Surgical Department occupies 9,314 square feet and includes four operating rooms, one of which is equipped for Cesarean sections, as well as two endoscopy rooms. The department also features a dedicated decontamination room and a sterile processing area to support surgical operations.

Pre- and post-operative care areas include three preoperative beds, six post-anesthesia care unit (PACU) bays, and one PACU isolation room. For outpatient procedures, the department provides 8 pre- and postoperative rooms with a total of 11 beds, as well as 10 outpatient surgery overflow rooms accommodating an additional 13 beds. The surgical suite was last renovated in 2002.

4. The LKMC Laboratory and Radiology Department

LKMC's laboratory and imaging services occupy 8,727 square feet and support both inpatient and outpatient care. The department provides a full range of diagnostic capabilities, including laboratory testing, general diagnostic imaging, MRI, mammography, CT scanning, nuclear imaging, and ultrasound services. In 2018, the Women's Imaging Center was expanded by adding two new suites, enhancing the hospital's capacity to deliver specialized imaging services for women's health.

2.4 Quality of Care and Accreditation

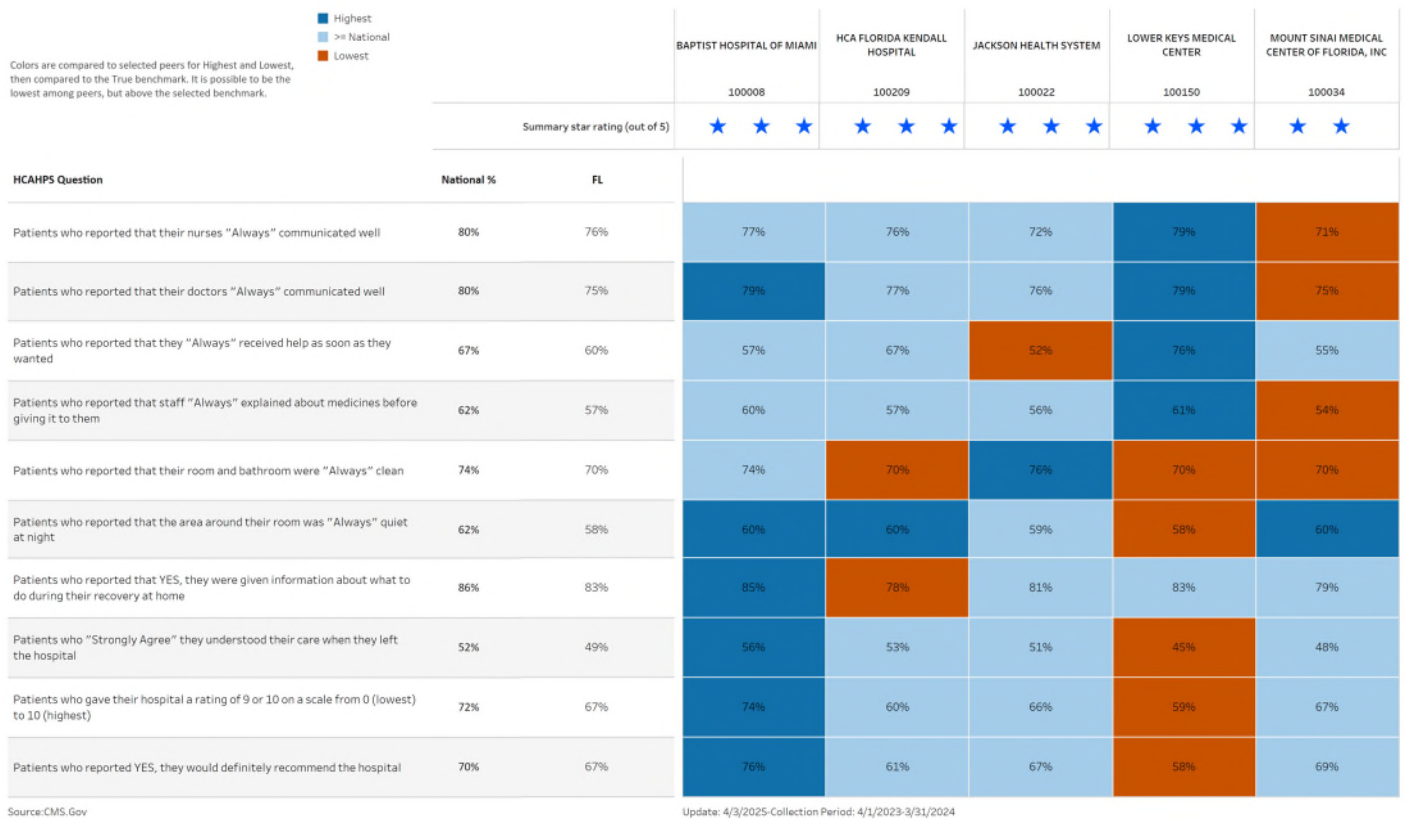
1. Quality of Care

³ Source: 2026 Facility Condition Assessment

LKMC continuously develops and enhances its services to provide patients and visitors with exceptional customer service, strong clinical quality, and safe, effective care. LKMC is committed to maintaining high standards across both the patient experience and clinical outcomes.

This commitment is reflected in LKMC’s performance on the Hospital Consumer Assessment of Healthcare Providers and Systems (“HCAHPS”) patient experience measures. LKMC performs at or above the state average in 7 of the 10 HCAHPS metrics and exceeds the national average in one metric. In addition, LKMC outperforms several area hospitals, including mainland facilities, in 4 of the 10 HCAHPS categories. In August 2025, LKMC achieved a 4-star overall hospital quality rating.

Figure 7



2. Accreditations

In addition to being Joint Commission Accredited, LKMC was recognized by the American College of Cardiology for its expertise in and commitment to treating patients with chest pain. LKMC was awarded Chest Pain Center Accreditation in January 2025.

In July of 2025, LKMC received the American Heart Association’s Get with the Guidelines – Stroke Gold Plus quality achievement award for its commitment to stroke patients receiving the most appropriate treatment according to nationally recognized, research-based guidelines.

3.0 KEY CONSIDERATIONS

The successful implementation of healthcare services in the PSA presents several opportunities that will require close collaboration between the selected Respondent and the Board.

Existing Facility Design. A floor plan showing the hospital space is included as Attachment A. Attachment B consists of the Engineer Report.

Future Facility Development. While the existing facility can support immediate hospital operations, as it has for the past several decades, there is an opportunity to develop a new, purpose-built health facility that reflects state-of-the-art approaches to patient care, including the increasing prevalence of outpatient care modalities, new technologies and equipment, and emerging adjacency opportunities. The Board may explore grant funding or other sources to support a potential contribution toward the development of the new facility. Respondents should clearly outline any expectations regarding Board participation in funding improvements to the existing facility, specific to each proposed facility development/investment option under consideration.

These considerations inform the Board's criteria for evaluating Respondents' proposals, as detailed in the following section.

4.0 EVALUATION CRITERIA

Successful implementation and execution of a hospital requires selecting an operator with the right capabilities, commitment, and regional presence and/or partnerships to serve the community. The Board's primary objective is to bolster essential healthcare services as expeditiously as possible with patient care as its primary focus, while ensuring long-term sustainability. After careful consideration of the community's needs and healthcare delivery trends, the Board has established the six key criteria for evaluating Respondents:

Quality and Reputation. The Board seeks a Respondent with demonstrated excellence in patient care including clinical quality, patient safety, and operational performance. The selected Respondent must have a proven track record of maintaining high standards across their facilities and commit to specific quality targets at LKMC for a period. This criterion reflects the Board's commitment to ensuring the Lower Florida Keys residents have access to high-quality care locally. The complete set of criteria for evaluating Respondents' Quality and Reputation follows:

- Historic and proven track record based on data, with enhanced quality at rural affiliates post-partnership
- Commitment to specific quality targets and the length of time of commitment
- Specific resources, systems, and processes Respondent commits to make available to LKMC
- Patient satisfaction scores
- Staff turnover, nurse vacancy rates, and reliance on contract staff at affiliates
- Historic CMS star ratings, core measure, and HCAHPS scores
- Findings of recent surveys, state survey results, accreditation survey findings, and subsequent resolution of any corrective action plans at rural affiliates similar to LKMC

- Findings of quality management structure and reporting, performance improvement methodologies, successful quality initiatives and outcomes, and approach to quality oversight across rural affiliates similar to LKMC
- Documented examples and case studies indicating a robust culture of quality permeates Respondent's rural affiliates

Healthcare Services Commitments and Capabilities. While uninterrupted healthcare services and emergency services are a priority, the Board seeks a Respondent committed to providing the broadest scope of sustainable healthcare services to the community. The Respondent must provide a long-term commitment to continuing all current services provided at LKMC, enhancing existing services as needs warrant, and growing additional services as community needs and facility capabilities evolve. The timeline for and the specificity of service commitments and investments are of particular interest. Respondents will be asked to complete the table in Attachment C with a detailed inventory of service commitments by specialty and modality. Respondents should clearly indicate whether each service will be offered full-time at LKMC or on a limited basis, and include the proposed schedule for services available at LKMC by specialty and modality. For any hybrid services, specify the details of those offered part-time, both on-site at LKMC and via telemedicine. Also include details of any services that will be provided exclusively via telemedicine at LKMC. The timeline and specific nature of any service enhancements or changes in the modality or frequency of availability at LKMC should be highlighted. Examples of service enhancements and delivery methods similar to those proposed for LKMC should be noted, including the site where initiated, the inception date, relevant volume data, and service delivery factors. Additionally, please describe any historical instances in which service lines/specialties have been closed in markets similar to LKMC, including the circumstances and timing of those closures. The complete set of criteria for evaluating Respondents' Service Commitments by service line, specialty, and modality follows:

- Response to Attachment C and any additional detail necessary
- Current services that have a written commitment to continue to be provided on a full-time basis
- Current services that have a written commitment to continue to be provided on a part-time basis
- Current services that have a written commitment to continue to be provided on a hybrid basis
- Additional services that have a written commitment to be grown or added on a full-time basis
- Additional services that have a written commitment to be grown or added on a part-time basis
- Additional services that have a written commitment to be grown or added on a hybrid basis
- Written commitment to grow current services
- Historic examples of Respondent adding or growing services in similar markets to LKMC
- Historic examples of Respondent eliminating or reducing services in similar markets to LKMC

Workforce Commitments and Capabilities. To ensure appropriate access to services, the Board seeks a Respondent with an effective staffing and staff development model for each medical specialty and a demonstrated culture of respect for all providers and employees. The Respondent must show a successful track record of recruiting providers at other rural affiliates in markets similar to LKMC. The Board places high value on Respondents that commit to honoring existing provider contracts that are in good standing at current rates, and to hiring all employees in good standing while recognizing their years of service, including seniority for purposes of vesting, benefits, PTO, and other related considerations. Respondents should also commit to specific recruitment targets and/or investments dedicated to provider alignment and retention. The complete set of criteria for evaluating Respondents' Workforce Commitments follows:

- Staffing model for all service lines and specialties, including percentage of physicians vs. Advanced Practice Providers ("APPs")
- Track record of recruitment of physicians and APPs at other rural affiliates
- Historic turnover rate of physicians and APPs at other rural affiliates pre- and post-partnership
- Commitment to honor existing provider contracts in good standing at current rates and timeframe associated
- Commitment to have recruitment targets and/or investment of capital in provider alignment and retention
- Commitment to hire all employees in good standing and honor their years of service and recognize seniority for vesting, benefits, PTO, and other considerations
- Commitment to address workforce development, recruitment, and retention barriers at LKMC, including but not limited to housing, cost of living etc.

System Integration Commitments and Capabilities. The Board seeks proposals from Respondents who can demonstrate their ability to provide seamless, coordinated care across all levels of service. Respondents should demonstrate their capability and experience in integrating medical staff across facilities, implementing common clinical protocols, maintaining unified medical records systems, and managing efficient patient transfers. Of particular importance is the Respondent's ability to ensure that Primary Service Area patients have seamless, easily navigated access to higher levels of care when needed. Respondents with established healthcare operations or partnerships in the region, particularly those operating facilities or with well-coordinated protocols and arrangements that provide higher levels of care, will be best positioned to demonstrate these capabilities and address this criterion. Respondents should clearly outline their approach to eliminating barriers between care locations, providing comprehensive care navigation support for patients and families, and delivering high-quality patient care, with documented outcomes and quality measures. Please include documentation defining the performance of such a system and clinical integration arrangements. The complete set of criteria for evaluating Respondents' commitment to System Integration follows:

- Experience integrating rural hospitals into regional health systems
- Proven data-driven success with care coordination and quality outcomes in similar rural markets

- Location, staffing, and coverage model for specialties that have been designated as hybrid or telehealth models
- Hospital partners of the affiliate that would receive transfers
- Quality of hospital affiliates that would receive LKMC transfers
- Care navigation, transfer protocol, and patient support infrastructure for transfers and follow-up care
- Existing healthcare operations in the region
- Relationships with tertiary care centers and specialists
- Integration of Board services with Partner regional network

Investment Commitments and Capabilities. The Board seeks a Respondent prepared to address timing, strategy, amount, and commitment of sufficient resources to support facilities, equipment, information technology (“IT”), staffing, provider recruitment, and service development at a minimum, in order to ensure that LKMC is well-positioned to meet the healthcare needs of the District for the duration of the agreement. Respondents will be asked to complete the table in Attachment D to demonstrate how investments will be expected to be broken into specific categories such as:

- Facilities, fixtures, and equipment (FFE) by category and by location
- Software and IT-related equipment, training, and support
- Provider recruitment costs by Provider FTE and anticipated practice losses associated with new provider recruitment by FTE during ramp-up (two years post recruitment)
- Other investment with specifics describing its purpose, scope, and key assumptions

Investment commitments for each of the above categories should be time-delineated: those within five years of the start of the term of the agreement, those within 6 to 10 years of the start of the agreement, those within 11 to 20 years of the start of the Agreement, and those within 21 to 30 years of the start of the agreement, and those beyond 30 years of the agreement. Specifically, Respondents should address both long-term investments and routine capital investments by category and time period as defined above. The complete set of criteria for evaluating Respondents’ Investment Commitments follows:

- Total Capital Commitment as % of Capital Reinvestment Ratio at LKMC (avg annual proposed investment as a percentage of the average annual depreciation expense at LKMC from 2021-2025)
- Definition: capital reinvestment ratio = (capital investment over defined time period) / (LKMC average annual depreciation expense 2021-2025 x years in defined period)
- Facilities, Equipment, Fixtures and Software Investment Commitment as % of Capital Reinvestment Ratio Years 1-30
- Facilities, Equipment, Fixtures and Software Investment Commitment as % of Capital Reinvestment Ratio - Years 1-5
- Facilities, Equipment, Fixtures and Software Investment Commitment as % of Capital Reinvestment Ratio - Years 6-10
- Facilities, Equipment, Fixtures and Software Investment Commitment as % of Capital Reinvestment Ratio - Year 11-20

- Facilities, Equipment, Fixtures and Software Investment Commitment as % of Capital Reinvestment Ratio - Years 21-30
- Adequacy of investment related to sustaining or expanding healthcare services available locally to meet District needs
- Adequacy of investment related to sustaining or expanding the local medical community to meet District needs
- Other capital investment considerations

Indigent Care and Community Commitment and Capability. The Board seeks Respondents who will provide the necessary indigent care without taxing the citizens of the District's Service Area. Please include a copy of your current indigent care policies at other Florida and similar facilities owned and operated by your organization. Please include a copy of the proposed indigent care policy you commit to implementing at LKMC. Please also indicate what, if any, changes you have made to your indigent care policies in the last five years. Additionally, the Board seeks to understand the Respondent's plans to address gaps in community needs through expanded or additional services and specialties, and will evaluate responses based on demonstrated commitments to enhancing services within the ServiceArea. The Board will also consider the Respondent's history of community involvement with other rural affiliates, with specific emphasis on community investments in indigent and charity care, as well as investments that address health status and outcomes. Finally, the Respondent should provide a detailed disaster preparedness plan. The complete criteria for Indigent Care Commitments are evaluation of the following:

- Indigent care and charity care commitment, inclusive of the timeframe of commitment
- How Respondent plans to address gaps in community needs through services and specialties
- Commitments to enhancing services within the Primary Service Area
- Plan and track record for community involvement/engagement
- Historic and data-driven community involvement/engagement at a similar rural affiliate
- Historic and data-driven community efforts and partnerships to target health outcomes
- Disaster preparedness plan

These criteria will be used to evaluate all proposals, regardless of the specific operating model proposed. The Board will consider Respondents' models and approaches that meet these core criteria and demonstrate compelling advantages and viability. Please note that a respondent's not-for-profit or for-profit status will not be part of the scoring methodology.

The sections that follow outline the specific information Respondents must provide to demonstrate their qualifications and capabilities relative to these criteria.

5.0 PROPOSAL SECTIONS

The following sections specify the information and documentation Respondents must provide to demonstrate their qualifications, capabilities, and commitment to bolstering sustainable healthcare services in the Primary Service Area. Each section aligns with the evaluation criteria and seeks evidence of the Respondent's ability to address both immediate needs and long-term objectives. While the prior lease was a thirty (30) year lease, Respondents should respond to this RFP as if the new lease will be at least 30-year agreement. It is the Board's preference that the agreement be at least 30-years, but the Board will accept longer terms.

5.1 RESPONDENT QUALIFICATIONS

To ensure proposals come from organizations capable of successfully implementing and sustaining healthcare services in the Lower Florida Keys Service Area, specifically at the District owned portion of the LKMC, Respondents must demonstrate they meet the following minimum qualifications:

1. Current Operation Experience. To demonstrate capability and track record in healthcare operations, please provide:
 - a. Number, type, and location (state and municipality) of facilities in operation (whether owned or leased)
 - b. Length of time operating each facility including start date of business relationship, and indication of whether facility is owned, leased, managed or other, number of years in hospital management
 - c. Regulatory compliance history for the past five years for parent and owned, leased, managed and operated facilities, including but not limited to False Claims Act, Stark and Anti-Kickback Statute, and Exclusion Statute
 - d. Highlight material changes in service delivery and service complement since 2020 at any owned, managed or leased facility with 75 to 150 licensed beds or annual net patient service revenue between \$100M and \$250M each facility listed, including a brief description of the change and underlying causality
 - e. Previous experience with rural health clinics and sole community and remote hospitals
 - f. Whether Respondent has collaborated with Federally Qualified Health Centers ("FQHC") on care delivery, and if so, please describe the nature, covered services, and scope of that collaboration by market/service area.
 - g. Respondent's prior regulatory and licensure history within the State of Florida; please highlight any settlements, litigation, or regulatory actions taken by the State of Florida, CMS or the OIG within the State of Florida in the last 5 years
2. Quality and Accreditation Status. To verify commitment to quality care and regulatory compliance, please provide:
 - a. Current certification/accreditation status at all owned, leased, managed or operated facilities
 - b. A summary of current, recent survey results for all owned, managed, leased or operated facilities

c. A list of all Joint Commission (or comparable) serious violations, including sentinel events, systemic failures and immediate jeopardy violations at any owned, managed, leased or operated facility or corrective actions – for 2022, 2023, 2024, and 2025 and description of corrective actions and date of remediation

d. Copy of the most recent state, CMS, and Joint Commission or other accreditation results at all owned, managed, leased or operated facilities that will be receiving transfers from LKMC. LKMC will be requesting full documentation related to above for all finalists.

3. Hospital Operational Knowledge. To confirm understanding of requirements and operations, please demonstrate:

- a. Whether Respondent proposes a certain Hospital Model
- b. Expertise with sole community hospitals
- c. If a not-for-profit, expertise with 340b drug discount pricing program and plans for LKMC eligibility, if any
- d. Experience operating under (selected model/remote hospitals/rural hospitals) or similar regulatory frameworks; please describe transfer and continuity of care protocols and associated program performance related to patient outcomes and safety
- e. Knowledge of specific (selected model) requirements and how they will be met
- f. How the model proposed will address: market opportunities, District market dynamics, services and community demand, subspecialty services, facility considerations, needed investment, workforce requirements, and financial sustainability.

4. Transfer Capability. To ensure appropriate access to higher levels of care when necessary, but not as a standard practice (as further outlined in 5.7), please demonstrate:

- a. Existing transfer relationships
- b. Proposed transfer partners
- c. Process for establishing and maintaining transfer agreements
- d. Approach to clinical, patient, operational, and financial considerations related to transfer arrangements
- e. Models used in other communities or in similar situations to the District, if applicable

5. Financial Capability and Operating Knowledge. To verify the ability to fund and sustain operations, please provide:

- a. Audited financial statements for 2022 to 2025
- b. Current bond ratings, if applicable, and rating agency and investment analyst reports for 2023 to 2025
- c. Copies of ongoing disclosure documents from the last 12 months related to outstanding bonds or securities
- d. Evidence of access to capital sufficient to support capital investment plans

- e. Plan of finance for proposed capital investment plans, including sources and projected uses of funds. Please include a description of projected capital outlays for years 0-5, 6-10, 11-20 and 21-30 or the equivalent periods for the proposed term of the Agreement
- f. Documentation of funds available for startup and operations
- g. Senior management tenure/experience

These qualifications serve as the foundation for the more detailed information requested in subsequent sections. Please address how your organization meets each qualification, providing specific examples and documentation where applicable.

5.2 RESPONDENT BACKGROUND

This section seeks to understand the Respondent's strategic fit with the LKMC healthcare needs and your rationale for pursuing this opportunity. Please provide comprehensive responses to the following.

1. Strategic Vision and Regional Presence. Describe Respondent's vision/strategy regarding:

- a. Current size and scope of operations
- b. Geographic service area and regional presence
- c. Strategic goals for rural healthcare delivery
- d. How the LKMC Primary Service Area fits within this framework
- e. Proposed modifications and enhancements to services and capabilities associated with LKMC related to Primary Service Area needs during the first 10 years of the Agreement. If detailed later in Attachment C, please indicate so and include a narrative providing an overview of the service modifications and enhancements proposed for Attachment C.

2. Interest and Organizational Alignment. Please explain:

- a. Why Respondent has chosen to pursue this opportunity; please specify how the proposed clinical program and investment program will be operationally and financially sustainable, with examples from other markets and affiliates as may be appropriate
- b. Specific benefits LKMC would bring to Respondent's organization
- c. How LKMC would be integrated into Respondent's operational structure
- d. Respondent's experience with similar facilities or markets as LKMC; include date of inception of respective Agreement(s), date of termination (if applicable) of respective Agreements and a summary of achievements and investments
- e. If Respondent does not have significant South Florida operations, its strategy for addressing the absence includes examples of how it has built appropriate referral and clinical networks in the absence of ownership of other regional facilities. Please include the location, facility, and date of inception of respective Agreement(s), date of termination (if applicable) of respective Agreements, and a summary of key milestones and achievements realized.

3. Operational and Quality Performance. Provide a list of all owned, leased, or managed facilities in Florida, or if not in Florida, all other states, and include licensed beds, staffed beds, net patient service revenue, and operating EBITDA for 2024 and 2025 by facility and whether any of the facilities are a sole community provider. Please also include the state and municipality where the facility is located. For those owned, leased or managed facilities provided in the list with licensed staffed beds between 75-150 or, annual net patient service revenue between \$100M and \$250M, provide a detailed list of metrics for 2022 to 2025 the last 4 years or the duration of ownership, lease or management agreement if less than 10 years, including:

- a. Financial performance indicators (operating income, operating EBITDA, net patient service revenue, capital reinvestment ratio, depreciation expense)
- b. Quality metrics and outcomes

- c. Service volumes (ED visits, outpatient surgery, imaging, inpatient surgery, admissions, deliveries)
- d. Changes to scope of services (additions, reductions or eliminations of services by service and specialty and indicate whether the impacted service was an inpatient, outpatient or both an inpatient and outpatient service)
- e. Charges
- f. Indigent care policies and amounts
- g. Market share trends
- h. Case Mix Index ("CMI") trends

This information will help establish Respondent's qualifications and compatibility with the Board's priorities and community healthcare needs. The following sections address the proposed transaction terms and the Respondent's ability to meet the Board's evaluation criteria.

5.3 PROPOSED CONTRACTUAL STRUCTURE MODEL

The Board seeks proposals for: 1) lease of the existing facility and 2) management and operation of the health care facility and services.

5.4 QUALITY & REPUTATION

These requirements expand upon the quality-related minimum qualifications outlined above and seek to establish Respondent's commitment to excellence in healthcare delivery. Please provide detailed responses to the following:

- a. Describe the infrastructure, resources, and expertise that the Respondent will deploy to ensure/enhance patient care and quality performance at LKMC. Please provide examples or case studies illustrating your approach and expertise at other rural affiliates.
- b. Please provide CMS star ratings, core measures results, and HCAHPS scores for the past three years for the Respondent, its rural affiliates similar to LKMC (staffed beds between 75 and 150 and annual NPSR between \$100M and \$250M), and proposed recipients of transfers from LKMC.
- c. How will the proposed partnership enhance the ability of LKMC patients and providers to benefit from seamless access to care and enhanced care coordination?
- d. Please describe the Respondent's track record of enhancing quality at its other rural healthcare organizations.
- e. Please provide a summary of quality results for Respondent's rural hospitals.
- f. Please provide a summary of the improvement in quality results from pre-Respondent involvement to today at Respondent's rural hospitals.
- g. Please provide sample quality reporting for Board, C-suite, department manager, and employed provider use.
- h. Is the Respondent willing to make specific commitments around quality targets for a specific period of time?

- i. What resources, systems, and processes will Respondent make available to LKMC in the proposed relationship that will enhance LKMC's access to and ability to maintain policies, practices, and procedures that satisfy compliance requirements?
- j. Please provide patient satisfaction scores for the past three years for the Respondent and rural affiliate similar to LKMC, as defined in 5.4.b.
- k. Please provide results of recent CMS surveys, state survey results, accreditation survey findings and subsequent resolution of any corrective action plans at rural affiliate similar to LKMC, as defined in 5.4.b.
- l. Please describe quality management structure and reporting, performance improvement methodologies, successful quality initiatives and outcomes, and approach to quality oversight across rural affiliates similar to LKMC, as defined in 5.4.b.
- m. Please provide staff turnover rates, nurse vacancy rates, and reliance on contract staff by functional area and affiliate for the past 3 years.

5.5 HEALTHCARE SERVICES COMMITMENTS AND CAPABILITIES

This section seeks detailed information about Respondent's planned services commitment, implementation and growth strategy. Responses should demonstrate both the capability to continue current services and the vision for expanding outpatient care to meet evolving community needs. Please provide detailed responses to the following:

- a. Please complete Attachment C
- b. Narrative describing the approach, strategy, and investment plan to sustain and augment services outlined in Attachment C
- c. What commitments will Respondent make to maintain services at LKMC?
- d. What type and level of services does Respondent believe are essential to the LKMC Service Area for the next 5 and next 6-10 years?
- e. Please describe any additional services the Respondent would look to establish at LKMC over the next 5 years and 6-10 years.
- f. Please describe how the Respondent intends to grow existing services at LKMC over the next 5 years and 6-10 years.
- g. Provide examples of service growth in similar markets (as defined in 5.4.b) from 2022 to present, including the name of the facility and the date of service introduction, with a narrative of the business and clinical case for new services.
- h. Please describe additional services that have been established at other rural affiliates of the Respondent post-affiliation from 2022 to present.
- i. Indicate examples from 2022 to present where Respondent has curtailed or cut clinical services at Florida affiliates or affiliates elsewhere with similar size and scope of services to LKMC (as defined in 5.4.b), including the name of the facility and the date of service cessation, with a narrative of the business case or clinical case for service cessation.

5.6 WORKFORCE COMMITMENTS AND CAPABILITIES

To demonstrate the ability to retain qualified staff, please provide details on the Respondent's approach for staffing committed services outlined in section 5.5, strategies to enhance recruitment and retention of staff, and a historic record of recruiting and retaining providers at rural affiliates. Responses should also include commitments around hiring employees in good standing. Please provide detailed responses to the following:

- a. Please describe how the Respondent would plan to staff the outlined service lines and specialties in its responses to the Services Commitment Section (Section 5.5)?
- b. Please describe the Respondent's approach and record of recruiting and retaining providers at its community and rural affiliates from 2022 to present?
- c. Please describe successful physician recruitment efforts that have been utilized by the Respondent, or its affiliates, from 2022 to present, and what model(s) Respondent would suggest be implemented at LKMC?
- d. How would a relationship with the Respondent improve LKMC's ability to align and recruit physicians and APPs?
- e. What is the historic provider turnover rate and retention rate at Respondent 's rural affiliates before and after involvement of the Respondent? If there are more than 10 nationally, please limit to those facilities in Florida. Please delineate those sites where the comparison is post-pandemic (2022 to present) and during the pandemic (2020-2021).
- f. Would Respondent commit to honoring all existing provider contracts in good standing at their current rates for a minimum of 2 years?
- g. Please describe the compensation approach and model used for employed providers, including a description of the role of incentive compensation and an overview of methodologies and components of compensation (base salary, quality incentives, productivity incentives, other).
- h. Would Respondent make specific commitments around recruitment targets and/or investment of capital in provider alignment and retention?
- i. Would Respondent commit to hire all employees in good standing and honor their years of service and recognize seniority for vesting, benefits, PTO and other considerations?
- j. What is the pre-employment screening required for Respondent employees?
- k. Historic provider turnover rate at proposed recipients of LKMC transfer patients?
- l. 2022, 2023, 2024 and 2025 nurse vacancy rates and contract nurse percentages at Respondent rural affiliates, affiliates elsewhere with similar size and scope of services to LKMC (as defined in 5.4.b),
- m. 2022, 2023, 2024 and 2025 nurse vacancy rates and contract nurse percentages at proposed recipients of LKMC patients
- n. Proposed commitments and strategies to enhance recruitment and retention of staff and providers at LKMC
- o. Narrative describing innovation approaches to workforce development and retention in other rural communities served by the prospective partner

5.7 SYSTEM INTEGRATION COMMITMENTS AND CAPABILITIES

This section focuses on Respondent's ability to create and maintain an integrated system of care that optimizes healthcare delivery for patients in the Primary Services Area. Strong regional relationships can enhance both quality of care and operational efficiency. Particular emphasis is placed on coordination with facilities providing higher levels of care to ensure seamless patient transitions. Please provide detailed responses to the following:

- a. What is Respondent's expertise in clinical integration and coordination of care with regional referral centers and rural hospital affiliates like LKMC?
- b. Please describe successful examples of care integration in similar markets and regions at rural affiliates.
- c. If a hybrid model has been indicated for some specialties under Service Commitments, where would telehealth specialists be based?
- d. Please describe telehealth initiatives and models at rural affiliates.
- e. What affiliates of Respondent would be recipients of LKMC patients if they need to be transferred? Please provide quality metric summaries for the past three years for these recipients
- f. Describe in detail the approach, methods and process for transfer and/or coordination of care of a cardiac patient at LKMC requiring interventional cardiology or other advanced cardiology services, including identifying the recipient organization and its capabilities and outcomes for interventional cardiology, cardio-thoracic surgery and electrophysiology.
- g. Describe in detail the approach, methods and process for transfer and/or coordination of care of a newborn at LKMC with serious respiratory conditions requiring advanced NICU services, including identifying the recipient organization and its capabilities and outcomes for such services and transfers.
- h. Describe in detail the approach, methods and process for transfer and/or coordination of care of a trauma patient at LKMC with multi-system injuries, including traumatic brain and neurological injuries, requiring advanced trauma services, including identifying the recipient organization and its capabilities and outcomes for such services and transfers.
- i. Describe in detail the approach, methods and process for transfer and/or coordination of care for a cancer patient requiring oncology, surgical, radiation oncology and other specialized clinical treatment services during the course of their treatment regimen, including identifying any recipient organization and its capabilities and outcomes for such services and transfers.
- j. Please describe transfer protocols and agreements, LKMC medical staff integration across facilities, information technology integration, and care navigation support for patients.
- k. Please detail Respondent's existing healthcare operations in the State of Florida.
- l. Please describe established relationships with tertiary care centers and specialists.
- m. Please explain how the current LKMC services would integrate with the Respondent's regional network.

5.8 INVESTMENT COMMITMENTS AND CAPABILITIES

This section focuses on Respondent's ability to provide resources and plan for long-term facility needs. Responses should demonstrate both immediate implementation capability and sustained commitment to facility development. Please provide detailed responses to the following:

- a. Please complete Attachment D
- b. Narrative describing the approach, strategy and capital investment plan on Attachment D
- c. How does Respondent's proposed capital investment strategy address the needs identified in the engineer's report?
- d. LKMC was built in 1967 with renovations and expansions in 2002, 2008, 2014, 2018, 2019 and 2024. How does Respondent's capital investment proposal adequately address facility investment and renewal needs for the next 30 years through 2059 or entirety of proposed term of the agreement?
- e. What is Respondent's plan of finance to support the above proposed investments in years 1-10, 11-20 and 21-30?
- f. Please describe key assumptions related to provider investment, FTEs by type, ramp-up assumptions, and other?
- g. Please describe key assumptions related to investment to sustain or add additional needed programs at LKMC?
- h. Please describe key assumptions related to electronic medical record (EMR) investment in the above capital plan?
- i. Using averaged per year depreciation at LKMC over the last five years as a baseline for investment, please describe how the Respondent's capital investment plan is adequate and appropriate to the needs of LKMC and the community.
- j. Beyond investment on the existing campus of LKMC - what other facility and equipment investments off-campus within the district boundary are part of Respondent's investment plan?
- k. Adjacencies, the transition to outpatient care, OR size, patient privacy, and front-of-house and back-of-house considerations all impact efficiency, staff and provider recruitment, and patient satisfaction - how does Respondent's proposed investment plan at LKMC adequately position LKMC to be competitive and provide appropriate care in 2048 and 2058?

5.9 INDIGENT CARE AND COMMUNITY COMMITMENT AND CAPABILITY

It is vital that the Respondent ensure access to healthcare for the indigent population. In support of this commitment, the Board seeks a Respondent that will assess community needs, identify gaps in services, and recognize opportunities to better serve local residents within the community. Respondents should also describe how they intend to engage with and support the community, as well as provide examples of their track record of community service with other rural affiliates similar to LKMC. Please provide detailed responses to the following:

- a. Please describe indigent care and charity care policies to which the Respondent will commit at LKMC
- b. Please describe any differences in charity care policies for residents of the Primary Service Area vs. residents from outside the Primary Service Area?

- c. Describe Respondent's analysis of community needs, highlighting gaps in services and opportunities to better care for local residents. For each gap or opportunity, please indicate whether it is included in Respondent's service commitments and workforce and facility investment commitments.
- d. Outline approach to ongoing needs assessment, please specify the ongoing process by which you will assess community health needs and what aspects of that community health needs assessment Respondent will share with the public.
- e. Describe Respondent's definition of core services for the District's Service Area.
- f. Describe opportunities and commitments to enhancing or adding services within the District's Service Area.
- g. Describe proposed ways Respondent intends or does not intend to be involved in the Lower Florida Health District community, and provide historic examples of ways Respondent has supported communities, demonstrated involvement in communities, and supported health care services through involvement in communities.
- h. Please describe examples of how Respondent has initiated and committed to community-based efforts and partnerships to address health needs and improve the community's performance on social determinants of health [housing, food insecurity, transportation, other list here]. Please name the community, the affiliate hospital, the role the Respondent has played, key partners in the initiative, and the timeline for the initiative.
- i. Provide examples of and a plan to address disaster preparedness specific to the area. Specify aspects of the existing facility or campus that are or may be substandard and require investment for disaster preparedness.
- j.

5.10 ADDITIONAL CONSIDERATIONS

The Board recognizes that innovative healthcare models may present opportunities not fully captured in previous sections. Respondents should use this section to highlight any additional capabilities, approaches, or considerations that demonstrate their ability to provide sustainable healthcare services in the Primary Service Area.

Specific areas of interest include chronic condition management, care delivery models beyond the four walls of the hospital, and patient-friendly technology applications to improve outcomes and reduce hospitalizations.

The information provided in the preceding sections will be evaluated through a structured process to ensure thorough and fair consideration of all proposals. The following section outlines this evaluation approach.

6.0 EVALUATION PROCESS

The Board will evaluate proposals through a multi-step process designed to identify the Respondent best qualified to lease the Hospital located at 5900 College Road, Key West, FL, and to maintain healthcare services in the Service Area. Each proposal will be assessed based on both minimum qualifications and the six primary evaluation criteria. To ensure thorough consideration of all proposals while maintaining momentum toward service restoration, the Board has established the process timeline and requirements shown in Attachment E. The process and evaluation includes written responses, interviews, verification of submissions, negotiations of term sheets, and term sheet evaluations, inclusive of portfolio reviews (which will be an evaluation of strength of commitment in final proposals as compared to other respondents' responses and clarity of commitment and responses conducted at the conclusion of all submissions, interviews, term sheets, etc). Points noted below will be awarded during the written response phase, the interview phase, and the and the portfolio review and term sheet phase.

Criteria and Weighting. The Board will use the below process criteria weighting to evaluate and verify:

- minimum qualifications
- Completeness of submission
- Financial viability assessment

RFP Process Criteria Weighting							
RFP Process Steps Weighting	Quality & Reputation	Healthcare Services Commitments and Capabilities	Workforce Commitments and Capabilities	System Integration Commitments and Capabilities	Investment Commitments and Capabilities	Indigent Care & Community Commitment and Capability	Total
Original RFP Response	7.00	8.00	7.00	7.00	8.00	7.00	44.00
Responses to Round 1 of Follow Up Questions & Requests for Clarification	5.00	5.00	5.00	5.00	6.00	5.00	31.00
Preliminary Reverse Due Diligence	4.00	4.00	4.00	4.00	5.00	4.00	25.00
Points	16.00	17.00	16.00	16.00	19.00	16.00	100.00
Responses to Round 2 of Follow Up Questions & Requests for Clarification	5.00	8.00	8.00	5.00	8.00	5.00	39.00
On-Site Presentations	1.50	2.00	2.00	1.00	2.00	1.50	10.00
Selection of Finalists							
Portfolio Review	4.00	4.00	4.00	4.00	5.00	4.00	25.00
Term Sheet Evaluation	7.00	10.00	10.00	6.00	10.00	8.00	51.00
Selection of Preferred Partner							
Points	17.50	24.00	24.00	16.00	25.00	18.50	125.00
Total Points	33.50	41.00	40.00	32.00	44.00	34.50	225.00

Throughout the evaluation process, the Board, through its advisors, may:

- Request additional information or clarification
- Provide supplemental information helpful to interested parties
- Conduct site visits to Respondent facilities
- Interview key personnel
- Contact references
- Seek third-party verification of submitted information
- Conduct interviews with respondents
- Engage in preliminary negotiations to explore final term sheet and commitment verification

Those Respondents who meet the minimum qualifications will be invited to have interviews or make presentations to the Board, which will be private but recorded. Such interviews and presentations will be separate from the October Board Presentation that is open to the public. In advance of the interviews and presentations, the Board will provide Respondents with a list of interview questions based on Respondents' responses to this RFP, but are not limited to asking only those questions at such interviews or presentations.

The Board will conduct a portfolio review or a deliberative review process of best and final term sheets of the finalists selected in its process to determine the finalist for the following:

- The degree to which the best and final term sheet is consistent with the content and commitments contained in earlier submissions, RFP response or proposal, presentations and interview;
- The extent to which the best and final term sheets have language that is specific and lends itself to satisfactory contractually enforceable terms in an agreement between the finalist operator and the District
- How completely the term sheet addresses the Board's objectives as contained in the RFP and the finalist's responses and proposal

To ensure an efficient evaluation process, Respondents should carefully note the timeline in Attachment E and submission requirements.

The District is not required to accept any of the Responses, and may reissue the RFP. The District is not obligated to accept the highest (by dollar value) offer and may reject or suspend the issuance of the RFP. The District reserves the right to negotiate with any Respondent.

7.0 NEXT STEPS and INSTRUCTIONS

The following lists the relevant dates, required documents, scoring criteria, and other relevant information pertaining to the RFP. All Respondents are required to read the instructions in their entirety, to submit all required documents and to be familiar with the RFP process, legal requirements, and all issued addenda. To the extent something is not applicable to this RFP, such Section shall contain an “N/A” designation next to it or be left blank.

1. **Key Dates**

Please do not contact any Board official about the RFP, the process, or your proposal. As noted previously, please address any and all questions about the RFP, process, or information needs to the portal at <https://lowerkeys2026rfp.com/> , which will be directed to

Robert Slavkin and Felicia Nowels, Akerman, LLP: Robert.slavkin@akerman.com, Felicia.nowels@akerman.com

Publication of RFP : on or about July 10, 2026.

Site visits: Friday, July 31st and Friday, August 7th. (Respondent selects one to attend and schedules reservation for one date through Robert.slavkin@akerman.com and felicia.nowels@akerman.com).

Deadline for Respondents to submit questions regarding the RFP must be Submitted through <https://lowerkeys2026rfp.com/> : September 11, 2026.

RFP Response Due Date : 5 p.m. ET, Monday, September 28, 2026

Responses open and available and Respondent invitation to present to Board: October 6, 2026

Evaluation of Written Responses see Attachment E.

Awards and Contract Negotiations tentatively December 2027-March 2028

Regulatory Approvals tentatively September 2028-December 2028

2. **General Rules**

1. **Issuance:** The issuance of this RFP constitutes only an invitation to submit an RFP Response to the Board and for the awarded Respondent to negotiate the terms of a contract with the Board. Board reserves the right to determine, in its sole discretion, whether any aspect of the RFP Response satisfies the criteria established in this RFP.
2. **Qualified Respondents:** The Board will consider all qualified Respondents that meet the requirements and specifications outlined in this RFP.
3. **Request for Information:** The Board reserves the right to request additional clarifying information from Respondents after RFP Responses are opened, but before entering into a contract with any Respondents, as may be determined necessary, in the Board's sole and absolute discretion, to assist in the evaluation of any RFP Responses timely submitted.

4. **Agreement to RFP's Terms:** Respondent's submission of an RFP Response shall constitute Respondent's representation to the Board that the Respondent is familiar with and agrees to comply with the contents of this RFP and the terms and conditions contained herein. Any changes to this RFP's terms are null and void and without any force and effect unless otherwise explicitly agreed to by the Board in writing. Submitting a Response with changes to any terms of this RFP may result in rejection of the Respondent's Response.
5. **Modifications:** The Board reserves the right, in its sole and absolute discretion, to change any of the terms and conditions of this RFP at any time.
6. **Headings and Severability:** The headings contained in this RFP are for reference purposes only and shall not affect in any way the meaning or interpretation of this RFP. When the context requires, the gender of all words includes the masculine, feminine, and neuter, and the number of all words includes the singular and plural. If any provision of this RFP is deemed to be invalid or unenforceable, the remainder of the terms of this RFP shall be valid and enforceable.
7. **Confidentiality:** Any responses, documents, records or reports submitted in response to the RFP that is trade secret, confidential or otherwise proprietary or excluded from Florida Public Records Law (Chapter 119, Florida Statutes) shall be marked as follows:
 - a. A respondent submitting an RFP Response that contains information for which an exemption to Florida's Public Records Law is claimed must file two versions of its proposal: (1) a confidential version of the RFP Response and (2) a public version of the proposal. The public version of the proposal will be made publicly available.
 - b. In the confidential version of the proposal, any response, document, record or report submitted in response to the RFP that is a trade secret, confidential or otherwise proprietary or exempt from the Florida Public Records Law (Chapter 119, Florida Statutes) must be marked as follows: Mark the TOP of the confidential PAGE as **CONFIDENTIAL** in bold type face. Place brackets "[]" around the portions of the document that are confidential. The confidential version of the proposal must include an index of confidential documents reporting the title of the confidential document, number of pages and reason for its confidentiality, and provide the exemption to Florida Public Records Law by including the statutory exemption.
 - c. The public version of the RFP Response must include brackets "[]" where confidential information has been removed and must contain a summary of the bracketed information in sufficient detail to permit a reasonable understanding of the substance of the information. For example, if the document is pricing data that is exempt from Florida's Public Records Law, the summary may state "pricing data between X and Y for 2025".
8. **Non-Conformance and Rejections:** The Board reserves the right to accept or reject, in whole or in part, for any reason whatsoever, any or all RFP Responses submitted. RFP Responses that are not submitted on time and/or do not conform to the Board's requirements will not be considered.
9. **Irregularities:** The Board reserves the right to waive any formalities or irregularities in the RFP process.
10. **Withdrawals and Cancellations:** The Board reserves the right, in its sole and absolute discretion, to withdraw, postpone, or cancel this RFP at any time, including after an award is made and

contract negotiations have begun. The Board further reserves the right to re-advertise and reissue this RFP, which may or may not be modified to meet the Board's current needs.

- 11. Site Visits and Presentations:** The Board reserves the right to conduct site visits to Respondent's business location(s) and/or may request that Respondent participate in live (online) presentations. The selection of a Respondent may be based, in whole or in part, on the results of site visits or live (online) presentations.
- 12. Disclaimer:** The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause the Board to incur any liability, financial or otherwise. The Board assumes no obligation to reimburse and shall have no liability to any Respondent for any costs, losses, or expenses incurred by Respondent in connection with submitting an RFP Response or otherwise. The Board reserves the right to use the information contained in any RFP Response in any manner the Board deems appropriate.
- 13. No Benefit to Board Employees and Officers:** No Board member, employee or officer shall have any ownership or monetary interest in, share in the benefits of, or be a part of any contract, either directly or indirectly, concerning this RFP. Additionally, no Board member, employee or officer shall personally benefit monetarily or otherwise as a result of the execution of any contract related to this RFP.
- 14. Conflict of Interest and Ownership Disclosure:** There shall be no dealings between any Respondent and the Board that might be construed as a conflict of interest. All Respondents shall provide the Board with any and all information pertaining to any dealings with the Board that might be construed as a conflict of interest.

Cone of Silence: To ensure fair consideration for all Respondents, the Board prohibits communication to/or from any member of the Board or any Board official, department, division, or employee during the submission process, except as otherwise provided for herein. Additionally, the Board prohibits communications initiated by a Respondent to any Board member, official, employee, or committee evaluating or considering the RFP Responses ("Selection Committee") prior to the time an award decision has been made. Any communication between a Respondent and the Board in order to obtain information or clarification needed to develop a proper and accurate evaluation of the RFP shall be subject to the specific requirements of this RFP and shall always be directed to Robert.slavkin@akerman.com and Felicia.Nowels@akerman.com. Communications initiated by a Respondent to any other Board member, commissioner, officer, employee, or agent regarding this RFP may be grounds for disqualifying the offending Respondent from consideration for an award of a contract and/or any future bids or proposals from Respondent. Such a decision to disqualify or prohibit Respondents from consideration for an award on this RFP or on future projects shall be in the Board's sole and absolute discretion.

RFP Response Requirements

- Electronic submission (PDF format preferred). All RFP Responses shall adhere to the requirements in this RFP. Responses must be uploaded to the following link by the response due date and time provided herein, as amended by applicable addenda. Please note that it

may take several minutes to upload document(s); those timestamped after the deadline will not be accepted. **All files' names must begin with Respondent's Name.**

- <https://lowerkeys2026rfp.com/>
- Complete responses to all sections
- Supporting documentation as specified
- Clear labeling of all attachments
- Clear demarcation of confidential, trade secret or Fla. Public records exemptions.

Facility Site Visits

Respondents interested in conducting a site visit of the facility should direct requests to Robert.Slavkin@akerman.com and felicia.nowels@akerman.com. Two Site visits will be arranged on: Friday, July 31st and Friday, August 7th.

and any interested party may attend the Site visit upon request and confirmation of reservation. Requests shall be made to Robert.slavkin@akerman.com and felicia.nowels@akerman.com.

8.0 DEFINITIONS

Advisory board: The advisory board for Lower Keys Medical Center, with two members appointed by The Lower Florida Keys Hospital District.

Board: The Lower Florida Keys Hospital District Board

Case Mix Index ("CMI"): A healthcare metric reflecting the average complexity, severity, and resource intensity of patients treated at a facility. A hospital's CMI represents the average diagnosis-related group (DRG) relative weight for that hospital. It is calculated by summing the DRG weights for all Medicare discharges and dividing by the number of discharges. CMIs are calculated using both transfer-adjusted cases and unadjusted cases.

Centers for Medicare & Medicaid Services ("CMS"): The federal agency that runs the Medicare, Medicaid, and Children's Health Insurance Programs, and the federally facilitated Marketplace.

Commissioners: Nine (9) Board Members of the Lower Florida Keys Hospital District, appointed by the Governor, each serving a four-year term.

Community Health Systems ("CHS"): The current operator of the Lower Keys Medical Center.

DePoo Hospital: A for-profit hospital owned by Kennedy Drive Investors, Ltd.

Diagnosis-Related Groups (DRGs): a patient classification system grouping hospital inpatients with similar diagnoses, treatments, and resource needs to standardize hospital payments

District: The Lower Florida Keys Hospital District.

Enabling legislation: The special act of the Florida legislature creating the District in 1967.

Federally Qualified Health Centers ("FQHC"): Federally funded nonprofit health centers or clinics that serve medically underserved areas and populations. Federally qualified health centers provide primary care services regardless of your ability to pay. Services are provided on a sliding-scale fee basis based on your ability to pay.

Florida Agency for Health Care Administration ("AHCA"): The agency is responsible for administering the Medicaid program, licensing and regulating Florida's health facilities, and providing resources that help Floridians access more information when making healthcare decisions.

Florida Keys Memorial Hospital ("FKMH"): The original name of the hospital operated by the District prior to the creation of Health System.

Indigent care: Healthcare services provided to those unable to pay, as required by the District's obligations.

Joint Commission on Accreditation of Healthcare Organizations ("Joint Commission"): an independent, non-profit organization that accredits and certifies thousands of U.S. healthcare organizations, setting standards for quality and patient safety.

Kennedy Drive Investors, Ltd ("Kennedy Drive"): The owner of DePoo Hospital, a for-profit hospital in the same service area as FKMH.

Key West HMA, Inc: The entity that entered into the 30-year lease for the District facility in 1999.

Oasis at Key West Nursing and Rehab, LLC.: The entity operating a nursing home/rehabilitation facility under lease from the District.

Level I or II trauma center: Higher-level trauma centers with which transfer agreements are required.

Lower Florida Keys Health System ("Health System"): The non-profit Florida corporation, currently inoperative, formed in 1989 to operate both hospital facilities, FKMH and DePoo Hospital.

Lower Keys Medical Center ("LKMC" or "Hospital"): The hospital facility owned by the District and currently operated by Community Health Systems.

Public Health Accreditation Board ("PHAB"): a 501(c)(3) organization that administers the national public health Accreditation Program and the Pathways Recognition Program.

Respondent: The healthcare management organization submitting a proposal in response to the RFP.

RFP: Request for Proposals issued by the Board for lease, operation and management of the hospital.

Service Area or Primary Service Area: The southern end of the Seven Mile Bridge south through and including the City of Key West.

Solicitation of Interest: The process by which the District sought proposals for hospital operation prior to the current RFP.

Utilization Review Accreditation Commission ("URAC"): A Washington, DC-based, nonprofit organization with more than 30 years of experience accrediting health care organizations and provides valuable, independent, third-party validation of high-quality health care.