

November 27, 2020

Thomas Enders, MBA
Senior Managing Director
Manatt Phelps and Phillips, LLP
7 Times Square
New York, NY 10036

Dear Mr. Enders:

I am in receipt of your draft final report to the Study Committee which was generated on November 18, 2020. You have requested feedback on the content of the report. I have provided you three letters in the past dated September 23, 2020, October 9, 2020 and October 29, 2020 in response to your prior interim drafts. As you recall, members of the Management Committee, individuals with whom you interviewed and I had significant concerns related to your interim drafts and I have provided to you many points of contention and expressions of dismay related to the inadequate transparency which has occurred during your consultancy.

Additionally, I have provided you voluminous data from EVMS, including a Briefing Document at the onset of your consultancy which summarized and highlighted many issues related to the challenges which EVMS has faced over the last decade. We have also cooperated absolutely and fully with all of your requests related to financial, research and clinical data as you develop your report. The intention of this letter is to highlight only a select number of material issues which still remain a significant concern for EVMS management and leadership. Notwithstanding, the fiduciary board of EVMS, the Board of Visitors, shall opine formally and officially through separate communication. I shall not restate all of the opinions and findings which I documented back to you in my letters as they are now in the public domain in response to Freedom of Information Act requests which EVMS has received and released in compliance with Virginia Law.

As you know, Eastern Virginia Medical School was created by the community for the community and we remain committed to that community to provide the health care workforce, address the stark health disparities among disadvantaged populations in the region and improve the health of Hampton Roads, the Commonwealth and the nation. We are committed to working with institutional and community partners to advance our mission and collectively improve the health care delivery system and clinical outcomes in our region.

As you will recall, you and I conducted a telephone conference call with Mr. Wynne and Rector Emory on October 22, 2020. For the first time during the consultancy, I was encouraged that we would have the opportunity to have an open and frank discussion related to a draft transition model which I developed in order to serve as a discussion point for refinement of final recommendations. During that meeting we discussed the requirement for recruitment of new faculty members, you proposed a restructuring of my position, and I proposed that you and I discuss my draft proposal in the near future. I requested at the time that you provide me with time windows of availability so we could begin a

discussion as such. On October 29, 2020, I followed up with a letter to you again describing my intention to create a preliminary draft transitional model which “could serve as the basis for discussion and the development of a viable and pragmatic option to ensure the financial viability of EVMS and create a productive collaborative relationship among Old Dominion University (ODU), Sentara Health Care (Sentara) and EVMS”. I again offered to speak with you to discuss the proposal further and requested that you provide me with time windows of your availability. You were non-responsive.

We then conducted a virtual meeting on November 5, 2020 ostensibly to discuss the drafted preliminary transitional program, a pathway which included a Consortium construct which I had developed for discussion purposes only. Nonetheless, no such discussion ensued during that meeting. You provided me with the recommendations of the Manatt report including the dissolution of our fiduciary Board of Visitors within two years and disaggregation of Eastern Virginia Medical School into its component parts, the academic and research program to be assimilated into Old Dominion University and the EVMS Medical Group into Sentara Medical Group, respectively. It is in the holistic context of the recent events and entire process to date that the following observations and feedback are made in response to your final draft dated November 18, 2020:

1. In your final draft recommendations, you referenced the Consortium model which was included in my preliminary draft and presented to you for discussion purposes only during the meeting with Mr. Wynne, Rector Emory, Mr. Wilbanks, you and me on October 22, 2020. The purpose of my draft proposal was not to submit it for formal consideration but was only to serve as a basis for candid discussions. I had invited you to participate in a discussion, but you elected not to do so. Again, on November 5, 2020, we conducted a video conference when ostensibly we were to discuss the draft proposal but instead you described your interim report and the disaggregation of the academic and clinical enterprises of Eastern Virginia Medical School. Your interim report at the time also proposed that the resulting change would dissolve the existing fiduciary responsibility and construct of the Board of Visitors within 24 months. I found it astonishing that you chose to include references to the Consortium model described in my preliminary draft, and in fact quoted me, and incorporated both in your final draft report. This was done without my knowledge, consent, or any discussion whatsoever. You infer that I supported the Consortium model which was included in your draft final report without ever consulting me or requesting my consent. I have since taken a different direction and refined an alternative document for presentation and consideration by our Board of Visitors. The Consortium model is no longer under consideration. Including the Consortium model in your final draft report clearly misrepresents my support of it now. I do not. Therefore, I direct you to retract my quote and any reference to the Consortium as I had no intention of providing you permission for inclusion in your draft final report. The co-opting of a component of my preliminary draft proposal, and making false representation of my consent, is but one example of the non-transparent process you have conducted during this consultation to date.

2. As per the Statement of Work, Manatt Consulting met with the Board of Visitors to brief them and discuss your findings and recommendations on October 26, 2020. You reviewed the findings to that date and options which you felt were opportunities for further discussion and consideration. At that time, I do not recollect any mention, discussion or inference of an option which would dissolve the fiduciary Board of Visitors of Eastern Virginia Medical School and have EVMS integrated into Old Dominion University. One would have thought that if you had the opportunity to speak directly to the EVMS Board of Visitors, that you would have considered mentioning and discussing the potential option to dissolve the function and structure of the EVMS governing body itself. One might also have believed that you may have had a professional obligation to disclose this option to the Board contemporaneously. You met and spoke before the EVMS Board of Visitors without mentioning, inferring or discussing that your recommendation would call for its absolute dissolution. That omission, intentional or not, speaks volumes for itself. The “Board Committee” which you propose in the final draft of your report is tantamount to a health sciences advisory committee reporting to the ODU Board with absolutely no fiduciary responsibility nor authority over Eastern Virginia Medical School. In fact, the members which you suggest do not include any EVMS Board of Visitors members but do include members from Old Dominion University, Sentara and Children’s Hospital of the King’s Daughters as well as independent directors from the Hampton Roads community. Your current final draft recommendations also include that the fiduciary board of EVMS would consequently be dissolved in its entirety.

3. As you may recall, Eastern Virginia Medical School underwent an LCME Site Visit for medical school accreditation with very favorable feedback from the exit interview. The formal LCME Committee will issue its final report in March, 2021. Any material changes which might be proposed or considered would be required to be reported to the LCME Committee. Moreover, Eastern Virginia Medical School is also in the process of a SACS accreditation as a higher educational institution and will undergo the site visit from SACS in mid-February 2021 with a formal report to follow in December, 2021. Applicable excerpts from the SACS principles of accreditation include the following:
 - A. The governing board is not controlled by minority board members or by organizations or institutions separate from it; and
 - B. The governing board protects the institution from undue influence by external persons or bodies.

The recommendations from your consultancy not only exert undue influence from external persons or bodies, but actually recommends the disaggregation of Eastern Virginia Medical School and the dissolution of the fiduciary Board. I am absolutely confident that the Rector and Board of Visitors have the best interests of Eastern Virginia Medical School as an institution as the highest priority, and consequently, will ensure that no abrogation of this accreditation standard is adopted especially during a time of the active accreditation cycle.

4. In your final draft, the example of the Medical College of Virginia and Virginia Commonwealth University is presented as an example of synergies which can result in enhanced economic development and academic productivity. However, that model is not applicable to the case for Eastern Virginia Medical School and its partner institutions. It is a canard. In fact, the VCU Health System and the School of Medicine are part of an integrated health system. The university hospital system receives state support and generates its own clinical revenue through its own clinical operations. As an integrated and state-owned entity, funds flow from the hospital to the academic medical center enterprise and medical school and provide resources for academic investment and economic development. VCU and its hospital system represents a more traditional integrated academic health system. VCU is therefore not an applicable or comparable model to that which you recommended. We explicitly mentioned this issue to you on multiple occasions. The Rector made this point to you during the recent Board meeting with you and your colleagues. Your current model for EVMS does not speak to an integrated health system model similar to VCU. Perhaps if you had proposed that Sentara Norfolk General (and perhaps Princess Anne and Virginia Beach General Hospital) had their titles transferred to the Commonwealth of Virginia and integrated with EVMS, your example could be a more valid comparison with the VCU Health System and Virginia Commonwealth University Medical School. This would have been an interesting model which you could have considered as part of the options you presented.

5. In your final draft report, you accurately state that in 2018, Sentara and EVMS agreed to a new five year Affiliation Agreement with enhanced funding through 2022. You also state that the agreement stipulated that EVMS and Sentara work together to explore opportunities for university affiliations with EVMS. This is patently false. There is absolutely no language in the agreement describing such. I recommend that you reread the document which we provided to you during the early stage of your consultancy. I personally negotiated the agreement on behalf of Eastern Virginia Medical School and there was no such discussion, agreement or condition for EVMS to affiliate with a university at all, lest as a condition for the Affiliation Agreement itself. We at EVMS learned well after the Affiliation Agreement was signed that a slide presentation to the Sentara Board included language which would encourage EVMS to consider university affiliation. EVMS had absolutely no contemporary knowledge or information regarding this presentation until well after the final agreement was negotiated and signed. It clearly was not agreed to nor consented by EVMS. I therefore direct you to retract that misleading statement which may be one of the principal predicates upon which you built your recommendations.

There are many other concerns that the EVMS Management Committee and senior leadership members have relayed to me regarding the content and process by which the report was developed. Notwithstanding, the Board of Visitors and Rector shall opine officially on behalf of Eastern Virginia Medical School.

We remain committed to provide an opportunity to enlist the engagement of Sentara Health Care, Old Dominion and other institutions in the region in an open, candid and reciprocally respectful manner. Regrettably, this has not occurred to date, in our opinion.

You shall be receiving a letter from the EVMS General Counsel's Office directing you to retract my quote and reference to the Consortium, and the false statement indicating that the Affiliation Agreement included an agreement for EVMS to engage in a university affiliation.

Sincerely,



Richard V. Homan, MD
President and Provost
Dean of the School of Medicine