

**From:** [Homan, Richard V.](#)  
**To:** ["Enders, Thomas"](#)  
**Cc:** ["Theresa Emory"](#); [Wayne Wilbanks \(Wayne.Wilbanks@wstam.com\)](mailto:Wayne.Wilbanks@wstam.com)  
**Bcc:** [Cox, Brant M.](#); [Purcell, Stacy R.](#); [Heselius, Helen S.](#)  
**Subject:** RE: Manatt/Hampton Roads Study Committee Progress Review: Materials To Review  
**Date:** Thursday, October 15, 2020 2:58:44 PM  
**Attachments:** [image001.png](#)

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Tom,

Thank you for the candid discussions regarding issues raised by members of the EVMS Study Committee (Dr. Emory, Mr. Wilbanks and myself) together with you, Darrell and Jared during the called meeting on Tuesday.

Parenthetically, Dubby Wynne contacted me yesterday to schedule a phone conversation at his request. We conducted a candid and productive meeting this morning by phone. I believe that we came to a material and mutual understanding of the process to date and the position of EVMS and Board leadership.

We fully realize, respect and agree that you and your team have honored the process and timeline you outlined in Manatt Statement of Work.

We also fully understand that EVMS is not your client. We learned during the meeting on Tuesday that Reinvent Hampton Roads serves in that capacity. In reviewing the Reinvent Hampton Roads IRS Form 990 from 2018, I was surprised to learn that Mr. Kern is also on their Board.

Notwithstanding, EVMS has made every effort to be fully transparent in the engagement process. In fact, another virtual meeting was conducted just yesterday, with Brant Cox, MBA, EVMS COO, Helen Heselius, EVMS VP for Finance and Administration, and your team, including Darrell, to discuss and clarify financial data at your request. I believe that Mr. Cox and Ms. Heselius answered all questions posed by Manatt. My understanding is that they provided Manatt with full financial disclosures and high level justifications for the additional EVMS financial support requested from Sentara. We stand ready to provide more data for your review as you deem appropriate.

As we have discussed, for the first meeting of the Study Committee tomorrow, we specifically request that Manatt provide the group the estimated cost of a transition of EVMS into a full state agency status (EVMS estimates \$10.5 million per annum). We also request the details and financial estimates of "synergies of operations" and its specific projected impact on the EVMS workforce. These items are very material to any consideration for a new partnership. To date, we have received no specific data, rational or methodology.

Upon the initial distribution of the Manatt Statement of Work, it was evident to me and EVMS leadership that the process was clearly leading toward an alignment of EVMS with ODU and a spinoff or alignment of the EVMS Medical Group with the Sentara Medical Group. Our discussions to date and the initial options emphasized in your written reports have reaffirmed that notion.

As we discussed, in that conceptual model, ODU and Sentara Healthcare would inure considerable

value. EVMS, however, would assume the very material risks consequent to governance restructuring, financing of operations and management of personnel.

For instance, in that scenario, ODU would obtain credit for the EVMS research portfolio, approaching Carnegie Tier I Research University Status, and have the added prestige of an affiliated medical school which could enhance competitiveness of the undergraduate applicant pool and provide an academic reputational halo for ODU. Sentara would benefit by potentially mitigating their share for needed incremental future support to EVMS from a commensurate offset from theoretical/potential sources from the Commonwealth. If the EVMS Medical Group were spun off to a Sentara managed clinical practice entity, Sentara would enhance their clinical specialty portfolio to leverage contracting with third party payers and create a more robust provider network for creating at risk contracting through their ACO, including their planned Medicare Advantage product.

In previous correspondence to you, I have provided some structural and governance options and appreciate your willingness to consider them. We need to consider all options in their entirety however. EVMS can evaluate the options you submitted in your report this morning subject to full disclosure of required new data. In order to make an informed assessment of the options, EVMS must understand all the dimensions of the options to include the following:

1. The sources and uses and any restrictions imposed on committed incremental funding;
2. Full knowledge of the implications of a change in governance structure;
3. Effects on currently employed faculty and staff workforce;
4. Academic assurances for instruction of all learners;
5. Commitment for academic excellence and;
6. Timeline for due diligence

We remain committed to the process, yet at this time, EVMS cannot and will not select or rank order the options presented by Manatt in a financial, structural, governance and academic vacuum. We shall participate in the discussions tomorrow but will assert that each option must be developed in the dimensions outlined above before to determining the value proposition of each option for EVMS.

EVMS will only then be in an informed position to make an assessment and judgment of the all options on their own merits and determine which, if any, option could be pursued through for more discussion and eventual due diligence.

Thank you for your consideration.

Best regards,  
Rick

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**From:** Enders, Thomas <TEnders@manatt.com>

**Sent:** Wednesday, October 14, 2020 9:16 PM

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**Subject:** [EXTERNAL] Manatt/Hampton Roads Study Committee Progress Review: Materials To Review

Dear Study Committee Members –

Thank you for your engagement as we have advanced through Steps 1 and 2 of our collective work on the *Identifying Opportunities and Strategies to Strengthen the Hampton Roads Healthcare Ecosystem* study.

On Friday, October 16<sup>th</sup>, we will convene for our first Study Committee meeting. The materials for this meeting as well as the most recent version of the current state assessment have been uploaded to the data room and are now available for download. To access the data room, go to: <https://legalanywhere.net/manatt/default.asp> to log in. As a reminder, your username is your full email. Should you encounter any difficulty with access or logging in, please respond to me directly.

In reviewing the materials, should you have questions or issues you would like to have addressed in the meeting, please let me know and we will be sure to include in the discussion. We are looking forward to a thorough and constructive dialogue during the Study Committee meeting.

Regards,

Tom

**Thomas Enders**

Senior Managing Director - Manatt Health Strategies

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