BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of: RBR Management LLC, dba Community Ambulance Applicant and ABC Ambulance, Maricopa Ambulance, LLC, American Medical Response of Maricopa, LLC, Canyon State Ambulance, Southwest Ambulance and Rescue of Arizona, Life Line Ambulance Service, Southwest Ambulance Maricopa, Rural/Metro Corp - Maricopa, ComTrans Ambulance Service, Inc., Professional Medical Transport, Inc., and American Ambulance Intervenors	Docket No. 2017-EMS-0104-DHS (EMS No. 0283)

At: Phoenix, Arizona

Date: October 22, 2018

REPORTER'S TRANSCRIPT OF PROCEEDINGS

VOLUME 1

(Pages 1 through 263)

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BE IT REMEMBERED that the above-entitled and -numbered matter came on regularly to be heard before the Office of Administrative Hearings, 1740 West Adams Street, Board Room C, Phoenix, Arizona, commencing at 9:30 a.m., on the 22nd day of October, 2018.

BEFORE: Administrative Law Judge Tammy L. Eigenheer

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

ALJ EIGENHEER: This is the time set for hearing in the matter of RBR Management, LLC, doing business as Phoenix [sic] Ambulance, Docket Number 2017-EMS-0104-DHS. It is October 22nd, 2018, at 9:30 a.m.

My name is Tammy Eigenheer. I am the Administrative Law Judge assigned to this matter.

Let's just go around the room and have everyone enter their appearance while on the record.

MR. MURPHY: Brendan Murphy and Jeff Meyerson for RBR Management, LLC; Community Ambulance.

ALJ EIGENHEER: Thank you.

MR. RAY: Good morning, Your Honor. Kevin Ray on behalf of the Bureau of EMS and Trauma Systems.

MS. HOFMEYR: Good morning, Judge. Adriane Hofmeyr on behalf of ABC Ambulance, intervenor.

MS. FICKBOHM: Ronna Fickbohm and Paul McGoldrick on behalf of the AMR CON holder intervenors.

MR. BELANGER: Jim Belanger on behalf of Maricopa Ambulance, which is also an intervenor, Your Honor.

ALJ EIGENHEER: Okay. We did have the housekeeping discussion prior to going on the record, including where we will be located for the 10 days, also

dividing time. And we've basically decided we're going to just try to get the applicant's case in in the first five days and see where we go from there, revisit, and, if necessary, on the 10th day determine whether or not extraordinary need for additional hearing days exist.

We do have a court reporter present for today's proceedings. I assume that is to be the official record.

CHORUS: Yes, Your Honor.

ALJ EIGENHEER: In which case the Office of Administrative Hearings need to receive the transcript at no cost. I am also making a digital recording. Given the room and the nature of everything, I'm assuming it's not going to be all that reliable, so -- but if you could try to use the microphones as best you can to ensure that I get something on it, that would be great.

The rest of my normal spiel really doesn't apply in this matter. So I understand the parties were able to kind of reach some preliminary discussions about how we would handle cross-examination and -- going forward in that manner, so we'll address that as it comes up.

But, Mr. Belanger, you indicated you had something you wanted on the record?

MR. BELANGER: Yes, Your Honor. It's a technical --

ALJ EIGENHEER: Could you move that closer?

MR. BELANGER: It's a technical objection for the purpose of preserving the record. I'm not anticipating you'll sustain the objection and cancel the hearing.

But the Community Ambulance application specifically omits immediate response transports. Throughout the case, they checked convalescent and interfacility transports. And so we believe that the application is limited in scope. It does not allow for immediate response transports and that the notice of hearing also didn't properly notice immediate response transports that are contained in an urgent response. The reason I say that is because the notice of hearing -- But again, the application omits -- it specifically does not check immediate response transports. The notice of hearing states that the applicant proposes to provide only scheduled interfacility convalescent transports. The definition of convalescent and interfacility transports at 9-25-901 specifically requires scheduled transports. The definition of a scheduled transport defined at 9-25-901(39) says it's a transport that does not require an immediate response.

And there are a few types of ground ambulance service that are set forth in the regulations.

There are interfacility transports, which are scheduled; convalescent transports, which are scheduled; and transports that require an immediate response. The guidance document delineates the difference between urgent and non-urgent transfers. Non-urgent are scheduled, and urgent transports require an immediate response. I don't believe the Department agrees with that interpretation. I think they think the guidance document might be mistaken on that point or wasn't properly drafted. But for purposes of preserving that issue, if there's any appeal, I wanted to note that objection for the record regarding the scope of the application and the scope of the notice of hearing.

ALJ EIGENHEER: Okay.

MS. HOFMEYR: ABC joins in that objection.

MS. FICKBOHM: As does AMR.

MR. MURPHY: Your Honor, applicant does not agree, obviously, with that proposition. Interfacility transports under the guidance document include urgent and non-urgent transports, so scheduled, prescheduled transports. To the extent that the Court would like to have briefing on this issue, I reserve the right to brief the issue.

ALJ EIGENHEER: Does the Department have a response?

MR. RAY: Yes, Your Honor. The Department's guidance document, as Mr. Belanger has indicated, is perhaps inartfully drafted in the section identified as urgent transfer. But for the record, interfacility transports, as a general rule, do not have measured response times as the 911 system uses that terminology. Nor do they have arrival times, which we have created that term as part of the guidance document. So Section 5 of the guidance document -- just for reference, I believe it's DHS Exhibit Number 15, and it's on page 4. It's titled "Interfacility Arrival Times." And paraphrasing it, it is -- it's designed for applicants who want to establish times for compliance purposes. They want to measure -- they want to be measured on their compliance. That is not the general rule in the interfacility world. Okay?

These two times that the identification of non-urgent transfer and urgent transfers were created when two different applicants or two different CON holders requested those, and that was AMR and some of its affiliates and Maricopa Ambulance. Those are the only two CON holders in the state that currently, from a Bureau and Department standpoint, are being held to compliance times on interfacility responses. The applicant has not sought, as part of its application -- arrival times as part of its

application.

In Section 5 of that guidance document on page 4, it starts off, "Urgent transfers - is immediate . . . ," and that is where Mr. Belanger has identified an issue. I would agree it is an inartful term, because the use of the term "immediate" is referenced in the definition of response time tolerances that go to the 911 system. So from the Bureau's perspective, an immediate transport is one that's initiated through the 911 system and is measured as a response time. Every CON holder that does 911 will have response time compliance measurements.

AMR and certain of its affiliates and Maricopa Ambulance have interfacility arrival times that I believe adopt these two definitions. But that is a distinct concept from a 911 immediate response in the 911 world. And as part of the notice of hearing, on page 1, lines 18 through 19, the notice of hearing that the Bureau created says, "The Applicant does not propose to provide immediate response (911) transports." That is our understanding -- that is what we believe this -- the boundary -- that is an excluded service for this applicant. So I apologize for the Department's use of the term "immediate" in the definition of an urgent transfer, but in that context, it only deals with a timely -- a more

timely interfacility arrival time for compliance purposes event. Okay?

ALJ EIGENHEER: Okay.

MR. RAY: And I hope I haven't made it more confusing.

ALJ EIGENHEER: Not at all.

All right. So I will note the objection. I'll look at it this evening. I'm not going to rule on it at this point. But if I feel I need any more information, I'll -- we can talk about it tomorrow morning.

So if --

MS. HOFMEYR: Judge, can I just clarify what Mr. Belanger was doing?

Were you objecting to the notice of hearing and noting a standing objection to the relevance of the evidence?

MR. BELANGER: Yes. I -- It's an objection for purposes preserving the record on what I believe to be a legal issue. I understand the Department's view. I understand that Community Ambulance has a different view. You will either sustain the objection or overrule it. I just wanted to make sure the objection was on the record in the event there's an appeal.

ALJ EIGENHEER: Understood.

MR. BELANGER: And so there will be a

continuing objection going forward. Obviously, it's an objection made regarding the scope of the application and notice of hearing. So I don't know if it needs to be continuing. It's already been made. Thank you, Judge.

ALJ EIGENHEER: Thank you.

Okay. So I have prehearing memos. Did anyone want to make an opening statement or just let the memos stand as your opening?

MS. HOFMEYR: Judge, ABC would like to make a very brief opening statement. I have no objection if anyone else does.

MR. MURPHY: Well, I object. I thought, Your Honor, that the opening briefs were in lieu of statements, particularly given the time constraints that we're under, as you mentioned at the opening of the hearing.

MS. HOFMEYR: Judge, if I may comment here, the document that you requested was called a statement of law; it was not called a prehearing memo.

ALJ EIGENHEER: Okay. If you keep it brief, please.

MS. HOFMEYR: Thank you.

So this is a very unique CON application. I know you've sat through them before. But there are some unique factors to this one that I think will be quite

useful to have a roadmap before we get into it. And I'm going to say "they" because we go back and forth between whether we're talking about RBR or Dignity, the one that's already on offer in Maricopa County, and just don't want to use it. All three intervenors in this room are fully capable of providing services that Dignity seeks to take in-house. There are, in fact, nine other in-facility transport service providers in Maricopa County. Only three are in the room; the others have not intervened. What applicant has done is brought its one and only customer, which is Dignity, to say, "We want to integrate." That's really what the thrust of their testimony is; they just want to take this in-house.

This business imperative, this vertical integration of their business has absolutely nothing to do with public need. And to their credit, they haven't even tried to make it out it's got to do with public need. All their disclosures, all they've ever spoken about is Dignity's need.

And bear in mind in that this one customer that they have is going to testify for two days has a financial interest in the applicant, owns a majority interest. Lately, and only after they intervened, did the applicant start finding fault with AMR with their service issues, but every time this comes up -- And there's going

to be a lot of evidence about criticisms thrown at AMR. What did -- what did Dignity do about it at the time? You can ask yourself that question, because essentially, they did nothing. They -- did Dignity -- Is AMR in violation of its CON? No. Is AMR in violation of the contract that they used to have with Dignity? No. Did Dignity approach anybody else? Did they approach ABC Ambulance and ask if they could do the service? No. Now that they've got problems with AMR, yes, they have approached Maricopa, but only until such time they get this hearing themselves and they're moving all these services in-house.

MR. MURPHY: Your Honor, I'm going to object to this opening statement to the extent it's argument, not a factual statement of the evidence that ABC intends to put forward. To the extent -- Up to this point, I would like to have the opening statement stricken.

ALJ EIGENHEER: I'm not going to strike it, but let's limit it to what the evidence will show.

MS. HOFMEYR: Thank you, Judge.

Also, just to emphasize that ABC is not intervening in this proceeding for fun, we have, in a sense, become an innocent bystander to what we've already seen, which is a dispute between Dignity Health, which is not even a party to these proceedings, and -- to AMR. And the unique evidence we're going to put on is the damage to

us. We are not a big company. We are a local company. We don't have big backers behind us. And it's turned out -- Through these proceedings, we've become aware of the fact that 47 percent of ABC's business comes from a company that Dignity Health owns 50 percent, and this company Mercy Care and Mercy Maricopa, which have now combined -- 47 percent of ABC's business is part of a network that Dignity owns 50 percent of called Arizona Care Network. So we're going to be putting on evidence of the likelihood of this work being taken away from ABC and probably one of the reasons behind why Dignity is wanting the CON in the first place. It's not just to service a few of its facilities but --

MR. MURPHY: Again, I would object.

MS. HOFMEYR: Judge, in sum, they have no interest in making the system better or in the public's need. They simply want to bring the ambulances in-house so they can control it and profit from it. And granting the CON in these circumstances is a subversion of the regulatory scheme as it exists in Arizona and will cause severe harm to ABC.

ALJ EIGENHEER: Thank you.

Are we ready?

MR. McGOLDRICK: Your Honor, we waive making an opening statement.

ALJ EIGENHEER: Thank you.

MR. BELANGER: We'll waive as well, Your Honor. Our arguments were set forth in the memorandum we filed.

MS. HOFMEYR: Judge, another housekeeping issue. We do have two subpoena requests for witnesses that have voluntarily agreed to come in the second half of the proceedings.

ALJ EIGENHEER: I saw those this morning. I'll -- I'll sign those at lunch and have them posted.

Your first witness?

MR. MURPHY: Your Honor, I would call Rod Davis, please.

ALJ EIGENHEER: Please come up.

MR. MURPHY: One -- one further housekeeping issue, Your Honor. Who is controlling the exhibits that -- You are? Okay.

ALJ EIGENHEER: It's all me.

MR. MURPHY: Should we place the witness now, Your Honor?

ALJ EIGENHEER: Please, have a seat.

MR. MURPHY: Would you like the witness to sit here or over here?

ALJ EIGENHEER: Right there is fine.

ROD A. DAVIS,

called as a witness on behalf of RBR Management, LLC, herein, having been first duly sworn by the Administrative Law Judge to speak the truth and nothing but the truth, was examined and testified as follows:

ALJ EIGENHEER: Would you please state your name, spelling it for the record.

THE WITNESS: Rod A. Davis. R-o-d. Middle initial A. Last name is D-a-v-i-s.

ALJ EIGENHEER: Okay. Please proceed.

MR. MURPHY: Thank you, Your Honor.

DIRECT EXAMINATION

BY MR. MURPHY:

Q. Good morning, Mr. Davis.

A. Good morning.

Q. Please state your name for the record.

A. Rod A. Davis.

Q. And where do you live, Mr. Davis?

A. I live in Henderson, Nevada.

Q. Thank you for coming down for this.

MR. MURPHY: Your Honor, I'd ask that we pull up Exhibit -- CA Exhibit 172. It's . . .

Thank you, Your Honor.

BY MR. MURPHY:

Q. Mr. Davis, could you tell me what this document is?

A. It's my resume.

Q. You provided -- provided it to Community Ambulance in connection with this case?

A. Yes.

MR. MURPHY: Move to admit CA-172.

ALJ EIGENHEER: Any objections?

MR. McGOLDRICK: No objection.

ALJ EIGENHEER: CA-172 is admitted.

BY MR. MURPHY:

Q. Mr. Davis, are you currently employed?

A. I retired from Dignity Health about three and a half years ago, and currently, I do some consulting on a part-time basis.

Q. So you retired in 2014?

A. December of 2014.

Q. Okay. Can you tell the Court a little bit about your educational and work background, please?

A. My educational background, I have a bachelor's degree in business administration and a master's of business administration as well.

Started my career roughly in the mid-'70s with Intermountain Healthcare based in Salt Lake City,

Utah. Worked in Pocatello, Idaho, for about seven years and then was promoted to a position in Ogden, Utah, McKay-Dee Hospital Center, and was there for two years as an assistant administrator, then for five years as the chief operating officer.

In approximately 1991, I was recruited to come to Las Vegas to operate a hospital that was operated by Catholic Healthcare West. So served there for approximately 23 years until my retirement in 2014.

Q. So at some point after 1991, when you worked for the then Catholic Healthcare West, now Dignity Health system, did Henderson experience population growth, that you recall?

A. Henderson experienced dramatic population growth similar to some of your communities in Arizona. In the '90s, we were named as the fastest-growing community in the United States several times. We went from a population of approximately 65,000 in 1991 to -- today, Henderson itself is around 320,000, but the surrounding immediate area around Henderson is probably another 200,000. Pretty dramatic growth over a 15- to 20-year period. Much of that growth occurred in the -- in the mid- to late '90s or early 2000 time frame.

Q. When you first started for Catholic Healthcare West, how many hospitals were in Henderson under that

system?

A. There was one hospital, the St. Rose de Lima hospital, a relatively small hospital, about 120 beds. And I was brought in as the president and chief executive officer of that hospital.

Q. Following the population growth, did the Catholic Healthcare West system grow?

A. They grew due to the population growth. We added a new tower to the de Lima campus, expanded the emergency department. Then it became apparent around the mid-1990s that we would have to grow substantially to keep up with the projected growth in the community. And so we did some analysis of the community where the new growth would be, made a decision, rather than to expand on the current site, that we would build a new freestanding hospital approximately 11 miles to the west.

Q. What was the name of that hospital?

A. That hospital opened in the summer of 2000, and the name was the St. Rose Dominican, Siena Campus.

Q. And what was the census like at the -- Was the Siena Campus busy after it was opened?

A. Siena Campus takes a little bit of time to get staff on board and physicians, but it became very busy very rapidly. In a period of anywhere from two to four years, we essentially became a full hospital. At that

time, we had some additional space. We had shell-outs, fourth floor, anticipating future growth. So about four or five years into the hospital, we finished that floor and then started to bring patients to that floor as well.

Q. Given the population growth, did you experience conditions of overcrowding at the Siena hospital?

A. It was -- it was pretty dramatic. We -- Even after we opened the fourth floor, within 18 months, that floor was full. And then we started seeing some fairly dramatic overflowing within the emergency department. Patients waiting for hospital beds, we had difficulty placing those patients. And year after year, that problem continued to grow as the population continued to grow. More doctors were recruited to the community, there were more patients, and, as a result, we saw a dramatic increase of patients come through our emergency room and also patients who were wanting to be admitted to the hospital.

Q. What, if any, policies did you develop to try to alleviate the burden -- the overcrowding burden?

A. Well, the first thing we looked at was how do we -- how do we try to improve the efficiency within the hospital? What can we do to speed up the discharge times of patients who appropriately were waiting to be discharged? Oftentimes physicians would come through

their rounds later in the day for the final reports and to actually write the discharge order, so the patient would be occupying those beds for an additional number of hours that we felt probably could be more efficiently used. So we worked closely with medical staff to try to convince physicians to come in early in the morning to do their final rounds to discharge those patients sooner so those beds could be turned around and occupied by patients who were waiting in the emergency department.

We also looked at throughput within the emergency department, how quickly were we triaging the patient, how were we staffed in the back of the emergency department, what could we do to more efficiently take whatever diagnostic tests were required, x-rays, laboratory tests. And so we added additional staff in those departments to help speed up that process and changed a few policies to try to speed up the process as well.

During this period of time, we looked for additional areas to put patients, because at times when all the treatment cubicles were full in the emergency department, we often had patients waiting in hallways, which is certainly not an ideal situation for patient care. And we had patients waiting in hallways up on the patient floors being treated there as well. So we worked

closely with the State of Nevada. We identified an additional area; we designated that as a holding area. We added whatever patient care equipment, services, policies would be needed to staff that area, and we started placing patients in that holding area as well.

That worked for a period of time, and then as growth continued to develop, we still experienced patients waiting in hallways and patients oftentimes -- sometimes waiting as many as 2 to 4 to 6, 12 hours or more for a patient bed.

Q. At this point you only had two hospitals in the system?

A. That's correct.

Q. So at some point did you build another hospital to relieve this burden?

A. Yeah. It all -- The time frame kind of rolls together. About the time we were finishing the fourth-floor expansion, we recognized the need for an additional hospital in the southwest part of the valley due to the same growth projections that we were experiencing in the southern part of the valley. And so based on that, we had plans in place, got those plans approved, and we built an additional hospital that, I believe, opened in 2006 called the St. Rose Dominican, San Martin Campus.

Q. In what way did the new hospital relieve the capacity issues that you were experiencing at the Siena hospital?

A. It relieved some capacity issues. At that time we started relying more on interhospital transfers. We were transferring patients before to non-Catholic Healthcare West hospitals. But those hospitals were experiencing the same patient populations that we were, and oftentimes, they were busy without additional -- capacity to take additional beds -- or, patients.

So at the time we opened the San Martin Campus, thankfully we were able to offload or transfer some of those patients who were appropriate for that level of service, and that's what we did. The hospital opened in 2006. The recession hit 2007, 2008, and growth came to a standstill in the southwest part of the valley, so we continued to have some excess capacity at that facility while at the same time Siena Campus was experiencing overcrowding.

Q. So who at that time in 2006, 2007, 2008 were handling your transports for you?

A. Primarily AMR. I believe they requested some transfers, but I'm not sure exactly. But it was AMR that we dealt with primarily.

Q. And it completely relieved your overcrowding

issues -- the transfers from AMR and MedicWest?

A. You know, they -- they certainly helped. The problem we had was interfacility transports -- we had our transport director in the emergency department. We had people in the emergency department who would contact AMR, and no fault of AMR's, their number one priority, I believed, as I understood at the time, was 911 calls. And so interfacility transports became a secondary priority for them. And as we were reviewing this problem on a weekly -- at least on a monthly basis in terms of overcrowding and what could we do to be more effective, our people who were responsible for patient transports contacted AMR on a number of occasions asking if is it possible to speed up these transfers? Oftentimes, the patients were waiting for a long period of time, and the transfer facility for what we called convenience transfers -- the transferring facility were paying for the transports, so it wasn't an issue of not being able to collect for those transports. It was more, I believe, a logistical issue that AMR had primarily for 911 calls and this was a secondary priority. At least that's the information that we had at that time.

Q. So how long --

MS. HOFMEYR: Judge, can I please lodge an objection to this line of questioning as it pertains to

Dignity's problems with AMR in Nevada over 10 years ago, in 2000? And I don't see how it pertains to public need within Phoenix, Arizona.

MS. FICKBOHM: Join.

ALJ EIGENHEER: What is the relevance?

MR. MURPHY: The relevance, Your Honor, is this is the formation story of Community Ambulance, and how Community Ambulance came to be was to solve the overcrowding issues that they were experiencing with Dignity Health facilities in Nevada. And that is the relevance of Mr. Davis's story. And if you allow him to continue testifying, we will get to the formation of Community Ambulance and his involvement in that entity.

ALJ EIGENHEER: I'll allow it as far as background information.

BY MR. MURPHY:

Q. So how long were patients sitting in the hospital waiting to be transported to another facility?

A. You know, it varied. But anywhere from 2 to 4 to 6 to 12 to 14. Oftentimes we would have patients who waited for as long as 20 hours. We were very concerned. We were very concerned about the patient satisfaction, about physician satisfaction. We were concerned about patient care, patient privacy. We worked very hard to try to alleviate all of those issues with curtains around

patients in hallways and making sure we had adequate and appropriate staffing. And we -- as we tried to transfer some of these patients out, we would ask the patients if they would be willing to be transferred, explaining to them in a very clear and open way to wait for a bed at that facility might take a day or longer to find a bed, but we had open beds at other facilities. Would they be willing to transfer? And many were and many were not. Many wanted to stay at the same facility. But those who were willing to transfer did. We enacted a protocol to contact a transport to try to get those patients transferred.

Q. At some point did you find a solution to resolve this overcrowding and transport issue at the Siena hospital?

A. We did find a solution. Our medical director of the emergency department came to me and said that "Gee" -- and that person was involved very directly in these meetings on a monthly basis in the process of trying to increase efficiency within the emergency department, get these patients out, treated more effectively -- came to me and said, "Gee, another guy and I have an idea that might help with this problem. Would it be okay if we come to your house and visit with you about it?"

I said, "Sure."

So I believe that week, Dr. Richard Henderson and Rob Richardson both came to my house and said, you know, "We have an idea. We need a more efficient way to get patients transported. Would Catholic Healthcare West be open to the idea of us working together and creating an ambulance company that could help us transfer these patients on a more immediate basis?"

I said, "Gee, I don't know. I don't know if we operate ambulances anywhere within our system. I could make a few phone calls and I'll find out."

Subsequent to that, I contacted Catholic Healthcare West. They were interested in any possible solutions to help us alleviate the overcrowding problem we were experiencing, and so I was given the go-ahead to explore the development of a joint venture ambulance company to help us with those transfers.

Q. And was a decision made to create a partnership, joint venture, or company with Rob Richardson and Community Ambulance?

A. Yes, it was. It took a period of months. We sat down. We visited. We looked at what the potential structures of a joint venture would be, what the alternatives might be, how the ambulance company would operate, the equipment that they needed, the staffing that they would need, the appropriate levels of training of

those staff -- of those staff. We wanted to find out more about regulatory environment, what licenses and approvals would be needed to start a program like that.

We did some financial modeling to make sure that it would be a worthwhile venture.

And during that period of time, I wanted to kind of get a sense of who these new partners were. We're very careful who we enter into partnerships with because of the mission and values of our organization and how we operate, so I wanted to get to know them better before we launched into it. So over a period of a number of months, we worked on those issues. We worked with our legal counsel in-house, CHW counsel, and with their legal counsel and then ended up drafting a partnership agreement to form Community Ambulance.

Q. When you say "partnership agreement," do you mean an operating agreement?

A. It was an operating agreement. There is an LLC where we had 50.1 percent ownership and RBR maintained a 49.9 percent ownership, which was consistent with the standards of practice within Catholic Healthcare West for joint ventures of this type.

Q. You mentioned that Catholic Healthcare West's in-house healthcare lawyers reviewed the -- prepared and reviewed the governing documents and the potential

relationship, right?

A. That's correct.

Q. To the best of your recollection, were any Stark violations found or potential Stark problems, anti-kickback issues discovered in that analysis reported to you?

A. My understanding was that was thoroughly analyzed by two attorneys for Catholic Healthcare West, Matt Stockslager and Cindy Sehr. They were both based here in Phoenix. We spent time talking about the potential of those, and they really -- they really do look for those in any kind of agreement we have. They're very well versed on those and found that there wasn't anything that they were concerned with.

Q. Did you have a role in Community Ambulance when it was formed?

A. Because it was a new joint venture, I wanted to stay very close in the planning and development of that program. I delegated much of the planning to our strategic planning and business development department and our chief financial officer, although I held meetings on at least a monthly basis to be kept up to speed on what was going on. And when I needed to, I was involved in meetings during negotiations as we were talking about particular issues.

And then later as the company was formed and started operating, we had a board of managers that met on a monthly basis initially. And we had three members from Catholic Healthcare West and three members from RBR, and I designated myself as one of those members, along with two other people from our organization. And I assumed the role of chair of the board of managers, and I maintained that role until the time I retired in 2014.

Q. When was Community Ambulance formed, if you can recall?

A. I don't know the exact date. It was July/August of 2010.

Q. And I just want to make sure I understand. The company was RBR Management, LLC. The members were Catholic Healthcare West and AMG, right?

A. Yes.

Q. Okay. So when, if you can recall, did Community Ambulance start making transports for Dignity Health -- or, excuse me -- Catholic Healthcare West?

A. It had to be within that time frame, August of 2010, to the best of my recollection.

Q. And what were the -- What type of transports was Community Ambulance?

A. Those were -- those were only convenience transports from our Siena Campus to the San Martin Campus.

And those were -- those transports were transports that the Siena Campus paid the ambulance company for.

Q. Can you just explain what a convenience transport is?

A. It's those patients, as I mentioned before, who were -- it was explained to them that they would have a long wait for an inpatient bed but we did have another facility where they could immediately be placed into a bed and into a private room. Would they be willing to be transferred? And those patients that were willing to be transferred, we call those convenience transports, and we paid for the transport -- transfer just to try to alleviate the pressure the patient was feeling to the overcrowding conditions.

Q. Catholic Healthcare West would pay for the transport?

A. That's correct. The Siena Campus would pay for it.

Q. And how would these transports be reviewed for appropriateness by medical staff?

A. The medical staff was kept up to date through our medical executive committee, and along with the development of Community Ambulance, we explained the process. We explained the structure. We explained how it worked. We explained the training. The medical staff was

enthusiastic about the prospect because they were also experiencing problems with their patients trying to get them into appropriate beds.

So in terms of the reviews, they were also reviewed within our quality assurance department on the data and transports and the appropriateness of the transports. And our chief medical officer and his staff was doing routine reviews of that data as well.

Q. You mentioned that the medical director for the emergency department at Siena was Dr. Henderson?

A. That's correct.

Q. He was also involved in Community Ambulance?

A. That's correct.

Q. At some point did CHW terminate its relationship with Dr. Henderson?

A. Yes, it did.

Q. Can you explain why?

A. We -- we received some reports of behavioral issues with Dr. Henderson of a sexual harassment nature, and they were -- We take -- we take allegations like that very seriously. We launched an investigation. We had our in-house legal team involved and document resources department, interviewed a number of people who -- the one who made the allegations and other people who may or may not have been aware of those allegations. And based on

the findings of that review, we felt that the allegations were substantially upheld. And so based on that, we made a request to the ambulance company, EMP -- under the basis of our contract, we were allowed to do that -- and asked to have the medical director removed from his position and also removed from acting as an attending emergency room physician at the facility as well.

Q. Were there other allegations that were leveled against Dr. Henderson that involved Catholic Healthcare West?

A. There were some -- There were two physicians that I was aware of that had filed a wrongful termination lawsuit against EMP, the ambulance -- or, the emergency room physician company. And in that lawsuit, they made some allegations against Catholic Healthcare West as well. Their primary issue, as I understand it, was wrongful termination, and I believe they were casting a wide net trying to just make additional allegations as they could.

Q. In your role as -- on the board of managers for Community Ambulance, do you know what -- what steps Community Ambulance took to separate itself from Dr. Henderson?

A. We were reviewing these issues under the auspices of the board of managers, and we were both very, very concerned, primarily because of the -- as I mentioned

before, the mission and values of the organization. We just -- we hold ourselves to a higher standard of how we treat employees. We treat employees and patients and staff and physicians with respect and with dignity, and that's who we are. We actually had language to that effect in our -- in our agreement with the ambulance company. So based on all of that, a decision was made that it would be inappropriate for the hospital to terminate the services of Dr. Henderson with the hospital and not do the same with the joint venture agreement. So since that agreement was with RMR, they were the ones that had to lead out in the separation agreement. We were kept up to date on what was happening under that effort, and ultimately, Dr. Henderson's relationship was severed with -- with the ambulance company.

Q. What impact did Community Ambulance's operations have on -- overall on the overcrowding issues that CHW was experiencing?

A. Oh, it had a tremendous impact. We were spending several million dollars a year just in ambulance transports, and -- But an even higher cost was the fact that when you have a transport like that, convenience transport or any transport, you make arrangements with the receiving facility. They make arrangements to make sure they have adequate facilities and staffing to take care of

that patient, so you're staffing at both facilities, sending and receiving facility, and based on the amount of time it takes to get that patient there, you're paying double costs. So we were paying for additional nurse staffing and other staffing at one facility while we were continuing to take care of the patient at the original facility. Those costs are enormous. They -- You know, total cost we were experiencing was in the millions of dollars per year. So being able to transfer those patients efficiently, effectively, get them from one facility to the other in a relatively short period of time saved the hospital system a substantial amount of money so we could reallocate that to other areas of patient care.

Q. And one final question. How would you describe Rob Richardson and Brian Rogers as partners or co-members in an organization in the ambulance operation?

A. I didn't know either of these gentlemen before we started into these discussions. As I mentioned before, part of -- part of my fact-finding is to get a sense for who these potential partners are individually and their character. And initially, I was impressed with their knowledge of ambulance transports, taking care of patients, of EMS services, of the regulations regarding the staff that they would have to have and the training that they would have to have; their ability in terms of

data, understanding how to operate -- or, operate an ambulance company, the dollars and cents, day-to-day operations; how would they collaborate with other agencies within the county, what were the regulatory requirements that would be required. And during all this process, I developed a great deal of confidence in both of these gentlemen and a sense of trust that they were people that we wanted to enter into an agreement with and would be very comfortable doing that.

And one additional factor that I think weighed on me was they were interested in being efficient and effective in making sure that this ambulance company was a going concern, but one thing that kept resonating in our discussions, their number one priority was patient care. And oftentimes, we would make decisions that were detrimental to the financial side just to ensure that we had appropriate and best patient care available. That has impressed me.

MR. MURPHY: Thank you, Mr. Davis.

No more questions.

ALJ EIGENHEER: Cross?

MR. McGOLDRICK: Thank you, Your Honor.

MS. FICKBOHM: Jim, you're going first on this one, right?

MR. BELANGER: No. Mr. McGoldrick.

MS. FICKBOHM: All right.

CROSS-EXAMINATION

BY MR. McGOLDRICK:

Q. Mr. Davis, my name is Paul McGoldrick. I represent AMR at this hearing.

My understanding, from reviewing your CV, is that you've never worked in the Phoenix metropolitan area in any capacity. Is that correct?

A. That's correct.

Q. And it's my understanding that the Nevada regulatory system with respect to ambulances is very different than the Arizona model. Would you agree with that?

A. I'm not that familiar with the Arizona model, so I wouldn't be able to respond appropriately.

Q. Is the Nevada model what we call a franchise model?

A. Yes, it is.

Q. Tell us what a franchise model is.

A. You know, I'm not an expert in the franchise models. But there is county agencies who grant franchises to certain -- operate in certain boundaries of Clark County, to my knowledge.

Q. Were you directly involved in the application for

the franchise that RBR applied for?

A. Only on a very superficial level being aware of what was being done anyway.

MR. MURPHY: Objection. There's no testimony about an application for a franchise agreement.

BY MR. McGOLDRICK:

Q. So is there no application for a franchise agreement, to your knowledge?

A. I can't recall.

Q. Do you know, did RBR -- did it have the authority, when it was first formed and granted the franchise and purchased the franchise, that it would do 911 and interfacility transports?

A. No. It would not do 911 transports at the time it was first formed.

Q. But it later evolved, and it does 911 transports presently, correct?

A. That's correct.

Q. How long after it was formed did RBR start doing 911?

A. It was some time. And I can't recall exact. It may have even been subsequent to my retirement.

Q. I noticed -- In your CV that's up on the screen, I didn't see mention of any expertise in the ambulance world. You don't claim to have any expertise in this

particular field, do you?

A. That's correct.

Q. Now, did you say before RBR came into existence, there were two providers that were doing interfacility transports for you?

A. I think -- You know, I can't recall exactly. There were two providers. MedicWest is -- was one, but the primary one that we used was AMR.

Q. So that was my recollection. You mentioned two in your direct testimony. Do you know -- Mr. Richardson and Mr. Rogers, were they employees or -- or did they have any ownership interest in MedicWest?

A. I don't recall. Not to my knowledge.

Q. Okay. Did you ever approach that ambulance provider to try to solve your needs as opposed to forming RBR?

A. There was some issues and our people did work with MedicWest. I'm not exactly sure when Medic would -- came into existence. I'm not sure they were involved in the early issues. But to be honest with you, I just don't recall. But -- but anyone that we would use, we would work very closely with to try to alleviate problems we were facing.

Q. It sounds like what happened in the Las Vegas area with the significant population growth, you, as a

hospital administrator, experienced staffing problems. Is that true?

A. That's true.

Q. You couldn't keep up with the accelerated growth as far as recruiting competent and qualified nurses and doctors to run the three facilities. Is that correct?

A. No, that's not correct. We could -- we could find staffing. We had to work very, very hard at it. It took a period of time to ramp up, if you will, to make sure we staffed the beds appropriately. We recruited -- we recruited nurses all across the country, internationally, to some extent, to make sure we had adequate staff.

Q. Was it a problem that your facilities weren't large enough to keep track of the growing population, the physical structures?

A. The growth outpaced the development of medical facilities throughout the valley of -- the Las Vegas valley; that's correct.

Q. One of the things that occurred was, as I understand, your hospitals had to figure out a way to transfer patients if you were overcrowded. You had to find bed space at times, correct?

A. That's correct.

Q. One of the things you had to do was transfer

people who needed medical attention to different facilities, correct?

A. Who needed medical attention from an inpatient facility, yes.

Q. And when RBR was formed, I think you said what you were looking for within your Dignity network was interfacility transfers to other Dignity hospitals. Is that true?

A. That is correct.

Q. So what you were looking for -- You had three campuses, as I understand it. Right?

A. Yes.

Q. And so what you were primarily interested in was trying to find a way to do interfacility transfers between those three hospitals, correct?

MR. MURPHY: Objection, Your Honor. Misstates his earlier testimony.

ALJ EIGENHEER: Was that your question? What his testimony was?

MR. McGOLDRICK: Let's start over.

MR. MURPHY: Go ahead.

BY MR. McGOLDRICK:

Q. Was your primary goal in being a partner in the formation of the ambulance company was to figure out a way to transfer patients between the three Dignity hospitals?

A. That was the initial goal. That was the primary impetus to start the ambulance company. But we continued to look for opportunities down the road. We heard from other organizations within the community that they were experiencing transfer issues as well and could we assist with those? We had to go through different levels of approval to be able to do that.

So initially, the objective was to transfer interfacility between our facilities. Then we wanted to evolve into an organization that could transfer to other facilities, non-Catholic health facilities as well. And then we also wanted to be able to take transfers from, for example, nursing homes to hospitals. And different levels of approval were required for each of those steps.

Q. Now, do you recall that in the -- 2013, the state had some issues with the transfers from the St. Rose hospitals to the UMC hospital facilities?

A. Yes, I do.

Q. And the state concluded that your hospitals improperly were transferring patients to the UMC hospital, correct?

A. Correct.

Q. And that was a state investigation that concluded that, correct?

A. They made some statements to which we disagreed

with. I can spend a little time talking about that, if you would like.

Q. But the point is the issue was investigated, the state made some findings and concluded that the hospitals, under your watch, were improperly transferring patients to the UMC facility, correct?

A. The finding was as you have stated. For a very small number of patients, and that was quickly resolved as we sat down with the state surveyors subsequent to that.

MR. McGOLDRICK: Your Honor, I move into evidence AMR Exhibit 74. I didn't see it posted, but it was filed last week. What that is, Your Honor, it is a newspaper article that discusses the issue I was just talking with Mr. Davis about.

MR. MURPHY: Your Honor, I'm going to object to that newspaper article. It's hearsay and includes hearsay within hearsay. The reporter's not here to talk about who he or she -- J. Patrick Coolican spoke with, interviewed, so it's inappropriate hearsay that shouldn't be relied on by the Court.

ALJ EIGENHEER: Hold on. Oh.

MR. McGOLDRICK: Your Honor, I have a copy for you if you'd like to see it.

ALJ EIGENHEER: That would be great.

THE WITNESS: I might add as a follow-up to

your previous question --

ALJ EIGENHEER: Wait.

MR. McGOLDRICK: There's no question pending, sir.

ALJ EIGENHEER: AMR-74 is admitted.

MR. McGOLDRICK: May I proceed, Your Honor?

ALJ EIGENHEER: You may.

BY MR. McGOLDRICK:

Q. Mr. Davis, how do most people get to -- to the hospitals in Nevada when you were running them? Do they come by ambulance or by car?

A. Both.

Q. How do they primarily get to your hospitals?

A. Primarily, in our emergency department, they come by car.

Q. Okay. And what about your regular hospital? People don't come by ambulance typically to the hospital for elective surgeries, do they?

A. Oh, no, they come by car or make other arrangements.

Q. So if we look at the populations of all of your admissions when you were running the hospital system, the vast majority of the patients came to your hospital in some fashion other than by ambulance, correct?

A. That's correct.

Q. And they left primarily not by ambulance, correct?

A. That's correct.

Q. And you discussed throughput issues, correct?

A. Beg your pardon?

Q. Throughput -- Are you familiar with the term "throughput"?

A. Yes.

Q. When Mr. Murphy was asking you questions, that's what you were explaining to him about the overcrowding in your hospitals, correct?

A. Yes.

Q. And throughput is -- is really a staffing issue at the hospital, correct?

A. That was more than staffing.

Q. I said primarily a staffing issue. Correct?

A. Staffing is a major component of throughput issues.

Q. When a patient comes to the hospital, they have to be evaluated, correct?

A. Correct.

Q. Is that triage? Is that what we call triage?

A. Correct.

Q. And then they have to be evaluated and seen by a doctor or perhaps a nurse practitioner or somebody in your

facility, correct?

A. That's correct.

Q. And a decision has to be made for additional diagnostic testing to be run, correct?

A. Yes.

Q. And you have to determine whether or not you can treat them in the emergency room and release them or admit them to the hospital as an inpatient, correct?

A. Right.

Q. Then when they're ready to be discharged, does the hospital personnel have to determine how they're going to leave the hospital once the doctor signs the discharge order?

A. We don't determine that. We're aware of how they leave to make sure there aren't any social issues that we have to help them with.

Q. Right. But the -- During the discharge process, is there information that is provided through the hospital with respect to how is this patient going to leave? Either by car, by ambulance, by Uber, by cab? Are you involved in those decisions?

A. No, I'm not.

Q. Is anybody at the hospital involved in those decisions?

A. We have discharge coordinators who are involved

in those decisions.

Q. Is the discharge coordinator the person who was responsible for ordering an interfacility ambulance if one is needed?

A. No. Discharge coordinators are typically on the unit when patients are discharged. We have a transport coordinator in the emergency department that typically handles that, along with other staff in the emergency department.

Q. But before a patient is discharged, there needs to be staffing that coordinates how the person is going to leave your hospital, correct?

A. That's correct.

Q. And most people don't leave the hospital via emergency lights and siren. They leave the hospital, if they need an ambulance, via an interfacility transport, a basic life support transport, correct?

A. That is correct.

MR. McGOLDRICK: Sir, I don't have any more questions for you. Thank you.

THE WITNESS: Thank you.

ALJ EIGENHEER: Is there any other cross?

MS. HOFMEYR: Judge, I had a few questions. Thank you, Mr. Davis. Thank you.

I could move over. We could ask the court

reporter to move over.

THE WITNESS: It's easier for me.

MS. HOFMEYR: Thank you.

If we could put up Exhibit CA-184.

CROSS-EXAMINATION

BY MS. HOFMEYR:

Q. Mr. Davis, I'm not going to ask you any questions on this one --

MS. HOFMEYR: -- other than if we could see the title on the document, Judge: "Maricopa County Hospitals, Dignity Facilities."

This was provided -- it was an exhibit provided by Community Ambulance in this proceeding.

BY MS. HOFMEYR:

Q. Can you confirm whether you have personally been asked to review or investigate any overcrowding issues at any of these facilities in Maricopa County?

A. No, I have not.

MS. HOFMEYR: Judge, can I admit that into evidence?

ALJ EIGENHEER: Any objections?

All right. CA-184 is admitted.

BY MS. HOFMEYR:

Q. So, Mr. Davis, you were on the board of managers

of RBR from day one. Is that correct?

A. That is correct.

Q. And I think you testified you were, in fact, the chair of the board. Is that correct?

A. That's correct.

Q. And that was from 2010 to 2014?

A. Approximately. I'm not exactly sure. It may have been early 2014 when my replacement came on board and he started assuming many of these duties.

Q. All right. What was your understanding of the authority of the board of RBR in the time that you were on the board?

A. We had the authority to manage the governance of the Community Ambulance joint venture.

Q. And, in fact, the board was responsible for that management, right?

A. Yes.

MS. HOFMEYR: So let's pull up the agreement quickly. It's ABC-33, Judge. The title of this document is "RBR Operating Agreement." The front page is an amendment. If you could go to page 2, which we -- if I could just ask Mr. Davis to see the title "Operating Agreement, RBR Management dba Community Ambulance."

BY MS. HOFMEYR:

Q. Do you recall ever reading the operating

agreement of the company?

A. Yes.

Q. When last did you read it?

A. I would expect that I read it in 2010.

MS. HOFMEYR: So, Judge, if we could go to what we've marked ABC-33, 0015. So it's essentially 15 of that same document. The Bates numbers are on the bottom.

BY MS. HOFMEYR:

Q. So would you agree, Mr. Davis -- I'm looking at paragraph 6.1.

MS. HOFMEYR: Judge, if you could scroll down.

BY MS. HOFMEYR:

Q. I don't know if you can read it. I can read it to you and tell me if you disagree: The Board of Managers and its powers. The members delegate the management and business affairs of the company to the discretion of the board of managers. Do you agree with that?

A. Yes, I do.

Q. And the third last line of that paragraph says, ". . . the Board has the sole power and authority to bind the Company . . . ," correct?

A. That is correct.

Q. Do you recall in your time on the board whether the board, RBR, hired an outside auditor to review the

financials of RBR?

A. I don't recall.

Q. Do you recall whether the board set up accounting policies with regard to who can sign checks, who can handle deposits, who can set up vendors?

A. We reviewed those policies, along with our chief financial officer.

Q. So the board would actually have looked at those policies?

A. We would have looked at the -- some of that information, yes.

Q. Do you remember if you were involved in the review and approval of annual budgets of RBR?

A. We reviewed those on the board.

Q. So the board was pretty hands-on?

A. Yes.

MR. MURPHY: Objection, Your Honor.

ALJ EIGENHEER: What's the objection?

MR. MURPHY: Mischaracterizing his testimony, "hands-on."

MS. HOFMEYR: Judge, I think the objection is moot given that he agreed with me.

ALJ EIGENHEER: Overruled.

THE WITNESS: If it would help, we were hands-on as a -- as board -- a governing board. We didn't

get into day-to-day operations.
BY MS. HOFMEYR:
Q. Right. And do you remember who did that?
A. Beg your pardon?
Q. Do you remember who was responsible for day-to-day operations?
A. RBR, according to the agreement.
Q. And do you remember an individual?
A. Well, it was Rob Richardson and Brian Rogers.
Q. Okay. So that was my next question.
Was Mr. Richardson involved with the budgeting process?
A. Yes.
Q. And did you and the other board members have confidence that Mr. Richardson could handle and understand the financial statements and participate in the budgeting process?
A. Very much so.
Q. So I just have a few questions relating to the checks and balances that you and the board would have put in place for RBR. Do you know if Mr. Richardson was able to set up vendors, for example?
A. All of the accounting functions were reviewed by our accounting department, our controller, and our chief financial officer.

Q. So are you aware of the checks and balances that were put in place to, for example, prevent one person from being able to do the following three functions: one, set up vendors; two, enter bills for the vendors; and three, make and sign checks to pay them? Do you know if those three functions were divided amongst different people or Mr. Richardson could do all of them?

A. I know the checks and balances were set up according to the policies under our chief financial officer. I don't know the details of those.

Q. But your recollection is there were checks and balances to prevent abuse of that kind of situation where one person would be doing all those three things?

A. As I stated before, checks and balances were in place to -- to our -- to our understanding and to our approval.

Q. Okay. So do you recall who, if it weren't Mr. Richardson, would have overseen those checks and balances?

A. Who would review that?

Q. Correct.

A. Melissa Walker, who was our controller at the time, and Kevin Walters, who was the chief financial officer.

Q. Okay. We can leave that for now.

I do want to ask you some questions about the allegations that were made in the lawsuit that you referred to in 2012.

MS. HOFMEYR: Judge, if we could go to --

Yes, Judge, may we please submit Exhibit 33 -- ABC-33 into evidence?

ALJ EIGENHEER: Any objection?

MR. MURPHY: No objection.

MS. FICKBOHM: No objection.

MS. HOFMEYR: Thank you, Judge.

ALJ EIGENHEER: ABC-33 is admitted.

MS. HOFMEYR: Judge, if you could pull up ABC Number 2.

BY MS. HOFMEYR:

Q. So, Mr. Davis, the reason I'm bothering you with this is that you were the chair of the board at the time that these allegations were made. And I think I heard you testify that this lawsuit was primarily a wrongful termination lawsuit that these two doctors filed against --

A. That's correct.

Q. Okay. Do you recall that it was against RBR and Dignity or under its prior name?

A. I don't recall. I believe we were drawn into that lawsuit.

Q. So this is a newspaper article -- if you would agree with me, from what you can see -- from the Las Vegas Sun. It's dated April 3rd, 2013. Can you see that?

A. I agree, yes.

Q. And the heading of it is "Doctors allege shuttling patients among hospitals put profit ahead of safety," correct?

A. Yes.

Q. And that "Two former St. Rose emergency room doctors say their boss co-owned ambulances that moved patients to sister hospitals," correct?

MR. MURPHY: Your Honor, I'm going to object to that question to the extent she's reading from an article that's not yet in evidence, and I object to the article being in evidence; it's hearsay again. And not only is it hearsay, but it reports allegations that have not been determined to be true or false. The plaintiffs in the underlying litigation are not here to testify about the nature of their allegations. It's hearsay within hearsay.

MS. HOFMEYR: Judge, this witness was on the board at the time these allegations were made. He's free to respond to them and tell me what happened, number one. Number two, applicants have also presented plenty of newspaper articles. They're going to apparently put

plenty of newspaper articles into evidence.

ALJ EIGENHEER: And just for the record, I didn't say it at the beginning, the Arizona Rules of Evidence do not apply in this forum, so hearsay is -- is admissible. Really the only objection here is relevance. So the hearsay allegation goes to the weight I will give this evidence, but it doesn't make it inadmissible. I will allow the question. The objection is overruled.

MR. MURPHY: Thank you, Your Honor.

MS. HOFMEYR: Thank you, Judge.

BY MS. HOFMEYR:

Q. So the first paragraph of that newspaper article, Mr. Davis, you may or may not be able to read it. It says, "Two former St. Rose Dominican Hospital emergency room doctors say they were forced to transfer patients from one St. Rose hospital to another so its owners and their boss could profit - at the expense of patient safety," correct? Can you see that?

A. That's what it says, yes.

Q. Was St. Rose Dominican Hospital a -- it was not Dignity at the time; it was Catholic West, correct?

A. I don't recall exactly when Dignity Health -- it was one or the other.

Q. So the -- this facility that has been charged with moving, shuttling patients between facilities also

had an ownership interest in the ambulance company, which was RBR at the time, correct?

A. That's correct.

Q. And do you agree that if these allegations were true, it would be highly improper?

A. We investigated and found the allegations were without merit.

Q. But that wasn't my question.

If these allegations were true, if a hospital was shuttling patients using a facility that it co-owned, that would be improper?

A. That's why we investigated, because it would have been very inappropriate.

Q. Thank you.

So my last two questions are -- and I doubt you're going to remember the answer to these -- do you have any recollection how many ambulances RBR operated while you were on the board?

A. No, I don't.

Q. And do you have any recollection approximately how many ambulance trips were performed each year while you were on the board?

A. I don't recall.

MS. HOFMEYR: Thank you. No further questions.

MR. BELANGER: Yes, Your Honor.

CROSS-EXAMINATION

BY MR. BELANGER:

Q. Mr. Davis, do you have any ongoing relationship with Community Ambulance other than appearing here as a witness? Are you --

A. No, I don't.

Q. Were you involved at all in the preparation of the Community Ambulance application to obtain a CON?

A. No, I wasn't.

Q. Are you familiar with the Department of Health Services' guidance document for the issuance of CONs in the state of Arizona?

A. No, I'm not.

Q. Do you know how many CON holders exist in Maricopa County, the proposed service area of Community Ambulance, that have the ability to provide the same exact services that they're applying for?

A. No.

Q. Do you -- are you aware of the -- Have you done any analysis or been asked to be involved in any of the financial impact on existing certificate holders --

A. I have not been asked.

Q. -- in Arizona?

Have you done any work regarding -- Do you have any idea of the number of transports that Community Ambulance is seeking to obtain pursuant to its application?

A. No, I don't.

Q. Do you have any understanding of whether or not Community Ambulance's transports pursuant to this CON application will be limited to Dignity hospitals?

MR. MURPHY: Your Honor, could I object? These questions are irrelevant for this particular witness. He wasn't disclosed as an expert with respect to the CON hearing, and that whole line of questioning really is something that is best suited for an expert, which Mr. Davis has not been disclosed as.

ALJ EIGENHEER: Any response?

MR. BELANGER: Just trying to establish his foundation for anything that he's testified to, Your Honor, in terms of relevance to the ongoing issue.

ALJ EIGENHEER: I'll allow it. Overruled.

BY MR. BELANGER:

Q. At the time that you were -- was it the director or the CEO of the hospital -- the three hospitals in the Las Vegas area?

A. CEO.

Q. CEO.

How many other hospitals existed other than the three hospitals that you were the CEO of?

A. I can't recall exactly. More than 9, less than 13.

Q. More than 9 but less than 13?

A. There were a number of hospitals.

Q. Do you have any idea how many -- at the outset, when Community Ambulance first started working for your three hospitals, whether any transports were made to those other -- what? -- 6 or 10 hospitals that were not part of your organization?

A. We were transferring patients to multiple hospitals during that period of time.

Q. At the outset? I believe you testified that at the beginning, Community Ambulance was only transporting patients on an interfacility basis between the three hospitals for which you were the CEO.

A. Before Community Ambulance came into existence, we were transporting patients to other hospitals as appropriate.

Q. And you stopped doing that when Community Ambulance came into existence?

A. No. I believe there were other transports that occurred even then. We tried to transport to our facilities because it was an easier process logistically.

But if we needed to, we continued to transfer to other hospitals as well.

MR. BELANGER: I don't have any more questions, Your Honor.

ALJ EIGENHEER: The Bureau?

MR. RAY: I don't have any questions for this witness. Thank you.

ALJ EIGENHEER: Redirect?

MS. HOFMEYR: Judge, I didn't admit Exhibit 2 into evidence, I don't believe.

ALJ EIGENHEER: Oh. Okay. I know there's an objection.

Any other objection?

MR. BELANGER: No objection, Your Honor.

ALJ EIGENHEER: Okay. No, wait. ABC-2?

MS. HOFMEYR: ABC-2. Correct.

ALJ EIGENHEER: ABC-2 is admitted.

Redirect?

MR. MURPHY: I just have a few questions for you, Mr. Davis.

REDIRECT EXAMINATION

BY MR. MURPHY:

Q. So I want to clean up some of the terminology.

Community Ambulance does business as

RBR Management, LLC, correct?

A. Correct.

Q. Okay. Who were the members of RBR Management? You testified that Catholic Healthcare West was one -- now Dignity Health, correct?

A. Right.

Q. Do -- do you recall the name of the other member of RBR at this point?

MR. MURPHY: And if we could pull up the operating agreement.

THE WITNESS: I'm not sure I understand the question.

MR. MURPHY: ABC-33. I just want to clean up. And if we can go to the third page, ABC 03. Down a little bit more. There we go.

BY MR. MURPHY:

Q. If you could read that first paragraph for me, see if that refreshes your recollection of the name of the other member of Community Ambulance.

A. Yes.

Q. What's the name of the other member?

A. Ambulance Management Group.

Q. And Ambulance -- members of Ambulance Management Group, to the best of your recollection, are who or were who?

A. I don't recall.

MR. MURPHY: Okay. No further questions.

ALJ EIGENHEER: Okay. You may be excused. Thank you.

Why don't we go ahead and take a short recess. We're off the record at this time. About 11 o'clock, come back.

(A recess ensued from 10:48 a.m. to 11:05 a.m.)

ALJ EIGENHEER: We're back on the record.

Next witness?

MR. MURPHY: Linda Hunt, Your Honor.

ALJ EIGENHEER: Please raise your right hand.

LINDA HUNT,

called as a witness on behalf of RBR Management, LLC, herein, having been first duly sworn by the Administrative Law Judge to speak the truth and nothing but the truth, was examined and testified as follows:

ALJ EIGENHEER: Would you please state your name, spelling it for the record.

THE WITNESS: Yes. Linda Hunt. L-i-n-d-a H-u-n-t.

ALJ EIGENHEER: Please proceed.

DIRECT EXAMINATION

BY MR. MURPHY:

Q. Good morning.

A. Good morning.

Q. If you could state your name for the record.

A. Linda Hunt.

MR. MURPHY: And, Your Honor, if we could have CA's -- Community Ambulance's Exhibit 135 brought up, please.

ALJ EIGENHEER: 135?

MR. MURPHY: Yes.

BY MR. MURPHY:

Q. Ms. Hunt, do you recognize this document?

A. Yes, I do.

Q. Tell me what it is.

A. It's my resume.

Q. You provided it to Community Ambulance in connection with this --

A. Yes, I did.

Q. -- hearing?

MR. MURPHY: I would like to move to admit Exhibit CA-135.

MS. HOFMEYR: No objection.

MR. BELANGER: No objection, Your Honor.

ALJ EIGENHEER: Okay. CA-135 is admitted.

BY MR. MURPHY:

Q. So what is your current job?

A. My current job, I'm the president and CEO Dignity Health in Arizona. Everything in Arizona reports to me for Dignity Health.

Q. Okay. And can you just talk to the judge about your education and work experience?

A. Actually, I grew up in New Orleans, Louisiana. And I am a nurse by training. Went to William Carey College for my undergraduate degree and was sent by Ochsner hospital, New Orleans, to Colorado to get my master's. And my master's is in science, a minor in healthcare administration and finance. I decided it was so nice in Colorado, I stayed. And I began the process of leadership roles throughout Colorado. Worked for a variety of organizations there.

At the end, I worked for Centura, St. Anthony's healthcare, which is one of the major systems in Denver, Colorado. As part of that responsibility, I also oversaw Flight For Life, which is an air ambulance as well as a ground-type ambulance company.

Then was recruited here to be the COO of

St. Joseph's Hospital in 1998, then became president two years later. And then six years ago, I took the role of service area leader, which is, in our terminology in Dignity, for everything here in Arizona.

Q. In your -- in your role as service area leader for Dignity Health system, have you had an opportunity to assess issues that system has had with ambulance transports?

A. Yes. It's been brought to my attention, especially once we began to have the Adeptus facilities join us in the -- November of 2014, which was the Laveen hospital, at that point and began operating sequentially freestanding emergency rooms, we were really struggling with getting patients transferred nonemergent to our other facilities as well as patients back to their facilities, so that -- I began hearing about it really at the end of 2014, and it progressed and got more and more of an issue as we moved forward in the early part of 2015.

Q. Do you remember who you heard these problems from or issues from?

A. Yes, it was the leadership at -- started with the leadership at the Laveen hospital. Jeff O'Malley, who is in charge of partner integration here in Arizona, also had brought it up to me. And then I heard it from a number of our hospital presidents who were concerned about how long

it was taking us to get patients moved from facility to facility.

Q. What sorts of problems was it causing for your hospital system not being able to move patients from facility to facility?

MS. FICKBOHM: I'm going to object, hearsay, Your Honor. I think she just established she doesn't have any direct information about this. In fact, they have a witness they're going to offer who has been providing information to her. We've just got hearsay, hearsay, hearsay.

MR. MURPHY: It's relevant, Your Honor, and it goes to the weight of the evidence, as you've said earlier.

ALJ EIGENHEER: Right.

MR. MURPHY: And people, as she testified, reported to her about problems with interfacility transports -- transports, and she's going to testify about what those problems were and what she did to try to solve that problem.

ALJ EIGENHEER: But are we going to have another witness talk more directly about what the problems were?

MR. MURPHY: We are going to have other witnesses also talk about the problems from the

perspective of the facilities themselves.

ALJ EIGENHEER: So why don't we limit this discussion. I mean, I understand as far as it's necessary for background to get where you want to go, but I don't need details at this point, I guess. I just don't want to spend a lot of time on it --

MR. MURPHY: Understood.

ALJ EIGENHEER: -- if a lot of other witnesses are going to testify.

MR. MURPHY: Under- -- understood.

BY MR. MURPHY:

Q. The issues that were brought to your attention with ambulance transports, what did you do -- what was the next step you took -- or, what step did you take to try to resolve that issue?

A. Once I discussed this with a number of people who were directly involved, then what I did was to call a meeting with a gentleman by the name of Greg Davis, who at the time was a chief strategy officer for Dignity Health here in Arizona and also sat on the board of the Adeptus facilities, as well as Jeff O'Malley, who I asked to please look for possible solutions to the issues related to ambulance delays, transfer delays, and what was actually going on.

Q. And this was at -- What sort of meeting was this

at?

A. I have two meetings. I have a weekly meeting with all of my direct reports, called president's executive council. And then I called a special meeting after that meeting when I heard there was growing issues with a gentleman that I talked about, Greg Davis, and Jeff O'Malley to discuss transfer and ambulance issues specifically.

Q. If you recall, do you recall who the primary transport companies were at that time in early -- late 2014, early 2015, as you testified?

A. To tell you the truth, I don't remember because there's been combinations, so I don't remember who actually we were talking about at that exact time. All I knew is we were having issues.

Q. And you said that you assigned Jeff O'Malley with the task. What was the scope of that assignment?

A. What I asked Jeff -- I said, "We're continuing to hear complaints about transfers. I'm asking you to come back to me with solutions that we need to take. And how do we move forward to solve this?"

Q. Would Mr. O'Malley report back to you with his findings or --

A. Yes, he did. I actually have a scheduled meeting with Mr. O'Malley every month for 30 or 45 minutes of

which we have specific issues we go over, and this became one of them.

MR. MURPHY: And I would like, if we could, Your Honor, to pull up CA-24.

BY MR. MURPHY:

Q. This is the Customer Agreement between AMR and Dignity Health.

Do you recognize this document?

A. Yes, I do.

MR. MURPHY: If we can scroll down to the signature page -- Oh, there we go.

BY MR. MURPHY:

Q. Under the heading of "Provider," is that your name and signature identified there on --

A. Yes, it is.

MR. MURPHY: Move to admit the AMR-Dignity Health Customer Agreement, Exhibit 24.

MS. FICKBOHM: No objection.

MS. HOFMEYR: No objection.

MR. BELANGER: No objection.

ALJ EIGENHEER: CA-24 is admitted.

BY MR. MURPHY:

Q. Did you -- You executed this document on behalf of Dignity Health, correct?

A. Correct.

Q. And in what capacity did you execute this document?

A. I am the accountable executive here in Arizona for Dignity Health.

Q. In that role, you signed this agreement?

A. It is my accountability to sign these agreements.

Q. Who negotiated this agreement, however?

A. Jeff O'Malley did.

Q. And during your monthly meetings that you testified about, did Mr. O'Malley update you about service under this agreement that was being provided?

A. Yes.

Q. And what sorts of things would Mr. O'Malley report to you about service on this agreement starting in 2015 and early 2016?

A. We have --

MS. FICKBOHM: Excuse me, Counsel.

Same objection, Your Honor. If Mr. O'Malley is going to testify and she just has hearsay, I don't see why we're spending time on this.

MR. MURPHY: I'll move on.

ALJ EIGENHEER: Okay.

BY MR. MURPHY:

Q. Shifting gears, when did you first become aware of Dignity Health in Nevada -- the service area in Nevada

in relationship with Community Ambulance?

A. Ron Davis is my colleague. We have a monthly meeting in San Francisco. And over the years, he had discussed Community Ambulance and the resolution to many of the same issues I was starting to have here in Arizona. So that was how I became aware of it until Mr. O'Malley raised it with me again as this may be an option that we should look at.

Q. And did you approve Mr. O'Malley reaching out to Community Ambulance and seeking it out as a potential option?

A. Yes, I did.

Q. Can we talk a little bit about the Dignity Health facilities in the Arizona service area?

A. Yes.

Q. What types of health care facilities do you oversee in the Arizona service area?

A. We have actually a number of facilities. We have seven acute care hospitals. We have freestanding emergency rooms, 10 of them. We have 4 urgent cares. We have 34 locations of our physicians' clinics, and then we have a number of other entities. All total, about 74 of them.

Q. And does Dignity Health -- Health own a hundred percent of all 74 of these --

A. No.

Q. -- facilities?

A. We have 33 joint ventures. Many of the entities --

I forgot to mention -- excuse me -- ambulatory surgery centers are a joint venture partner. They would be a USPI/Tenet. But we have a number of joint ventures whom we work with to provide the continuum of care in this community that we need.

Q. Are there plans you can disclose publicly to open any additional Dignity facilities or affiliated facilities?

A. Yes. In fact, most of these have already been disclosed in the newspaper, so that would be -- We're going to open, on November 12th of this year, a new Arizona General Mesa hospital that will be 50 beds. We have an expansion with pediatrics and women's services at Mercy Gilbert. We have -- We're adding an additional tower at Chandler because we're very full. We have two more freestanding emergency rooms that will be coming online once the new hospital in Mesa opens. And that will be in Tempe, one, and the other in Surprise. And then we continue to look at one other location. This community needs health care access points.

Q. Got it.

And you're overseeing the construction and the decision-making with respect to placing these facilities?

A. Well, I have people that are overseeing.

Q. You have people.

A. We could be a big day here if I was overseeing all this. But no, I have people who that's their job who report to me on how things are moving along.

Q. This may seem like an obvious question, but why are these facilities being built?

A. Well, I think if you look at this community and you see the growth that's happening everywhere -- Well, we looked at city data, state data. We actually use Anova, which is a third-party consultant, to help us predict where the population is going in this community, and we're seeing 2 to 3 percent cumulative growth over the next 5 to 10 years.

Q. Are there any areas in Maricopa County that are growing faster than others?

A. The two places that we're really seeing the fastest growth is the southeast and the northwest.

Q. Are you aware of any other health systems that are planning to open new facilities in Maricopa County?

A. Probably the better question is who's not going to open up more facilities. Banner is opening a new

hospital two miles away from our Chandler facility. They're expanding their presence in Maricopa and Casa Grande. We know that the Abrazo - Tenet are looking at microhospitals out west. Steward Health, which is making entrance, used to be IASIS, is also building new locations around town, as well as HonorHealth and everybody -- As I said, just about everybody in this community, including Phoenix Children's, is expanding to meet the needs of the growing population.

BY MR. MURPHY:

Q. I want to ask you some questions about the Arizona Care Network --

A. Okay.

Q. -- a topic that came up with Rod Davis.

Can you explain what the Arizona Care Network is?

A. The Arizona Care -- excuse me -- the Arizona Care Network is a clinically integrated network that was formed under the Accountable Care Act, and it was an ACO. It's made up of independent physicians and providers as well as care management. So we oversee -- "we" being the Arizona Care Network -- is partially owned, 50 percent, by Tenet, 50 percent by Dignity as the risk bearer, but then the physicians have a lot to say. It really is physician-run but professionally managed.

Q. And do you have an involvement on behalf of Dignity Health for Arizona?

A. I sit on the oversight board, which is called ACNRS. I am the chair, but then there's a board of managers made up of 15 independent physicians, 5 administrative, and 1 Medicare beneficiary, and that's a requirement by the federal government.

Q. Why is that, if you know?

A. Because it has to be run by physicians and they want a Medicare beneficiary because of the Medicare concentration. They need to be sure we're caring for people as they need to be cared for.

Q. So on that 21-member board of managers, how many Dignity representatives sit on that board?

A. Two.

Q. You've testified you're one of them?

A. I'm one of them.

Q. Do you know who the other is?

A. The other -- well, I think -- It's changing recently. It is Dr. Keith Frey.

Q. And what's Dr. Frey's role in Dignity Health?

A. He is the chief physician executive for Arizona.

Q. Okay. And can you explain what the Mercy Care plan is?

A. Mercy Care plan is our Medicaid plan that

oversees approximately 360,000 members, and that, again, is a joint venture between Dignity and Ascension Health. And, you know, the sisters started it in 19- -- in the early 1980s, and it has progressed to where it is today.

We also pay Aetna to run it for us. So I sit on the board and we have four members from Ascension and four members from Dignity, but Aetna really is the day-to-day manager of that -- that group of patients.

Q. And Mercy Maricopa Integrated Care, what is -- what is that?

A. Mercy -- We won the regional behavioral health bid for the seriously mentally ill in Maricopa County, and Mercy Maricopa is that component, but it is now folded into Mercy Care plan as a result of the October 1 changes that have been made by AHCCCS that we needed to put those two together.

Q. Can Dignity Health require that Mercy Care plan use any one provider over another?

A. No.

Q. Mercy Care plan has no -- Dignity Health has no authority to require Mercy Care to use an ambulance service, for example?

A. No. We are not involved in that.

Q. Why is that?

A. Because the board doesn't make those decisions;

we are an oversight governance group. I can tell you that a proposal was brought two years ago by the Aetna leaders to limit transport for Mercy Care plan. In three and a half weeks, it was a disaster. We had so many complaints, because there's so many patients spread throughout this community that we took it -- you know, they took it back and said, "We made a mistake. And we need to use all of our transport from health that we can get in order to meet the needs of that community." So we went back to using a number of people. I can't tell you who all -- who all they use are.

Q. Let's talk a little bit about Dignity Health's mission and values. Can you -- can you tell -- tell the judge what Dignity Health's overall mission and values are?

A. Dignity Health in Arizona was started by the sisters in 1895. We're part of Dignity Health, which is a 38-hospital system. And really, it's about serving this community and caring for the people who need care, no matter what their payer source, advocating for those who have very little voice or -- or need assistance in that voice. And we really are a not-for-profit entity that gives back to this community in a variety of ways and have, like I said, for 120-plus years.

Q. Okay. How is -- how -- how are those values and

how is that mission expressed through the -- the integrated partnerships, the facilities that -- that you run?

A. Well, first of all, you know that we expect our partners to actually uphold all of our values that we have, and we -- It's not only just an expectation; it's written into the agreements that it's very clear the expectation is that you serve all, you know. And we have patients arrive at our front door that others have sent to us because they have no money, they're homeless, and that we and the sisters have always -- we care for anybody who comes to our doors, and so that has been an important piece. It's written into our agreements. It's part of who we are. It's part of this entire community.

Q. Let's talk about that too. So how is that mission, how are those values expressed in Dignity Health's work in the community in Maricopa County, Arizona?

A. Well, I think Dignity Health overall last year gave $2.1 billion in free care in the community benefit, but when you look at St. Vincent De Paul, you look at Circle the City, you look at all of our partnerships, we give -- we tithe at the end of our fiscal year and then we give grants to community partners who are in need of money. And it's people, like, who deal with behavioral

health issues. It could be areas with kids that need help. So it's a variety of ways that we give back to this community.

For example, we have a bus -- two buses that we go out and we collect out -- out of the fields that -- The excess food that's out there from the farmers, we put it on the bus, and we take it to the areas of the city where seniors or people who just don't have the money to afford fresh food can get on this bus and, for very little money, they can get fresh food. So that's just one example. Through Mercy Maricopa, we have provided housing for the homeless, about 5,000 new units. And I can go on and on if you need me to.

Q. I think you've covered it.

A. Yeah.

Q. I'm going to turn, then, to an issue. Are you aware of a corporate integrity agreement that Dignity Health has?

A. Yes, I am.

Q. Have you reviewed that agreement?

A. I haven't reviewed all of it, but I can tell you the most important parts, because it was a requirement at every one of my levels and going down to the director levels.

Q. And why was it a requirement?

A. Well, first of all, that we have an issue with billing and we needed to understand what that issue was, and it was around -- we had billed -- not we -- Arizona -- but we, as a company, had billed for cardiovascular cath -- cath procedures and some spine procedures -- we billed them as an inpatient and the government felt those were, in retrospect, outpatient procedures, and so thus, the corporate integrity agreement came into existence.

Q. In your SVP role of operations over the Arizona service area, what's your role in ensuring that Dignity Health complies -- Dignity Arizona complies with that agreement?

A. First of all, there's a -- all of our employees have to go through an educational -- it's online, but it's -- you have to certify you've done it. It's a yearly requirement of everyone. You can't work if that day comes and you haven't completed it. The other thing is that I meet with the corporate integrity officer for Arizona monthly. I also have to, at the end of every month, review any issue that could be -- any issue that could be seen as a problem, and we have to submit it to our corporate integrity folks. If something comes up, we call them immediately. I have to sign off on an attestation that says I'm aware of this and that we've reported everything. Plus, I happen to sit on the corporate

integrity committee for the company, and that -- that is a monthly meeting for two hours each month. As well as we have quarterly corporate -- not corporate -- Arizona-wide compliance type of meetings, where all of the leaders, all of the case management, everyone who could, in fact -- billing -- could be aware of anything -- everyone sits there and we review all of the documents that -- that has been presented to us.

Q. And to the best of your knowledge, has the Arizona service area that you oversee for compliance purposes complied with the requirements -- all the requirements of the corporate integrity agreement?

A. Yes. And reported things if they did occur.

Q. What is the current value, if you know, of Dignity Health?

A. About $15 billion.

Q. And if you know, does Dignity Health invest in collaborative partnerships like the one it's in with Community Ambulance?

A. Yes. We have 110 of those partnerships throughout Dignity Health. And right now, it's a $1.6 billion investment in those partnerships.

Q. Okay. And as a majority member of RBR Management, LLC/Community Ambulance, are there mechanisms in place for Dignity Health to make contributions or loan

money to that entity?

A. Yes. There would be.

Q. Do you know how that -- those mechanisms -- how those mechanisms work?

A. Through a loan would be one option as well as a capital call depending upon what level of commitment would be needed.

Q. And if -- Let me back up.

How much authority do you have to contribute to a collaborative partnership like Community Ambulance?

A. I have up to a million dollars. After that, it would have to go through a board and executive leadership approval process.

MR. MURPHY: Okay. I have no further questions at this time.

ALJ EIGENHEER: Cross?

MR. BELANGER: Yeah.

CROSS-EXAMINATION

BY MR. BELANGER:

Q. Ms. Hunt, my name is Jim Belanger. I represent Maricopa Ambulance.

MR. BELANGER: Let me -- First, can we call up Community Ambulance Exhibit Number 17?

BY MR. BELANGER:

Q. And, Ms. Hunt, this is a -- Community Ambulance Exhibit Number 17 is a proposed Ambulance Services Agreement between RBR Management/Community Ambulance and Dignity Health. Do you see that?

A. I do.

Q. Yeah. If you go to page 5 of this document, that's your signature?

A. Yes, it is.

Q. I assume you did not negotiate this contract.

A. I did not.

Q. What is your awareness of the content of the proposed service agreement?

A. What I am aware is that we had asked for potentially what could we do here in Arizona with interfacility transfers, and this was a result of what that conversation ended in.

Q. Okay. So this is the proposed contract between -- I'm going to refer to them as "RBR," if you don't mind. It's Community Ambulance, but it's easier for me -- and Dignity that if RBR gets a CON, this will be the agreement that will go into effect. Is that your understanding?

A. That's my understanding.

Q. Do you -- You previously looked at Community

Ambulance Exhibit Number 24, which is the contract -- or, the service agreement between AMR and Dignity. Do you remember looking at that a few minutes ago?

A. Yes, I did.

Q. You were also the signatory on that agreement, correct?

A. Yes.

Q. You don't have to take my word for it, but I've gone through this pretty closely, and it looks pretty -- it looks like an identical agreement. Do you have any reason to believe that the proposed Customer Agreement between RBR/Community Ambulance and AMR is different in any material respect?

A. I really don't know.

Q. You would have to look at it?

A. Yeah, I would have to look at it.

Q. Okay. That's fine.

Let's go down. The first paragraph of this Ambulance Services Agreement indicates the facilities -- the Dignity facilities that are part and parcel of the agreement. Do you see that? I'm sorry. It's the first paragraph.

A. Yes.

Q. For example, it talks about Chandler Regional Medical Center, Mercy Gilbert, et cetera. Do you see

that?

A. Yes.

MR. BELANGER: Okay. If you go down to page 10 of 18 of the agreement. Go a little bit lower, a little bit lower.

BY MR. BELANGER:

Q. Okay. At paragraph number 29 of CA-17, it describes the scope of work. Do you see that?

A. Yes.

Q. Are you familiar with ambulance -- urgent ambulance services, non-urgent ambulance services, scheduled ambulance services?

A. You know, scheduled versus 911, I was not familiar with this urgent ambulance service that was discussed earlier. You know, this was supposed to be transfers interfacility. We were never doing 911. That was not what we had expected. We had great -- we have great service from the police and fire and everybody else. This was really an interfacility discussion that we were having.

Q. So -- But in this contract, you set forth -- at paragraph 29a, it talks about response time standards. Do you see that?

A. Yes.

Q. And the -- Under Urgent Ambulance Services, it

indicates that, for what are characterized as urgent ambulance services, the response time will be within 30 minutes of the requested bedside pickup.

A. Right.

Q. And under the non-urgent ambulance service, it says 60 minutes. Do you see that?

A. Yes.

Q. And then scheduled ambulance is a 75-minute response time. Do you see that?

A. Yes.

Q. Did you -- RBR submitted a memorandum of law in this proceeding in which they indicated that there were provisions in the contract that were inserted into the contract because they were important to Dignity in a -- in a general manner. For example, these response times that you set forth here, I'm assuming that these are part and parcel of this agreement because these are response times that are important to Dignity.

A. Yes.

MR. MURPHY: Form.

BY MR. BELANGER:

Q. Likewise, with the nonambulance, we're at 60 minutes. But that is something that -- that response time is important for Dignity from its IF providers?

A. Yes.

Q. Do you know -- If you go to the next paragraph, it talks about response time exceptions, b. Do you know how a contract for ground ambulance services between an entity such as Dignity and a proposed entity such as Community Ambulance is actually approved at the Department of Health Services? Do you know the process for that approval?

A. I don't -- All I know then was that there's a CON. I didn't at the time.

Q. Okay. So I'm not quite sure I understand your answer.

A. Maybe I don't understand your question.

Q. Yeah. That -- that may be the case.

When a -- Are you familiar with the process, when an entity such as Dignity wants to enter into a ground ambulance service contract with a CON provider, that it has to provide that contract to the Department of Health Services to be reviewed?

A. No, I don't.

Q. So you're not familiar with that process?

A. No. I wouldn't be involved at that level.

Q. Okay. In terms of paragraph 29b, Response Time Exceptions, do you understand that these exceptions are exceptions to the requirement that Community Ambulance -- the time responses that Community Ambulance would be

required to abide by but for these exceptions? In other words, if it were an urgent response, it's 30 minutes within the call time that was set up, but if there is a period of unusual system overload or an offload delay at Dignity or severe weather conditions, those would not be held against Community Ambulance for purposes of assessing its response times. Do you understand that?

A. Yes.

Q. And do you understand that when you're negotiating a contract with a potential interfacility provider -- for example, paragraph c -- let's go to paragraph d -- there's a dedicated one-call hospital service line. Do you see that?

A. Yes.

Q. And you understand that as -- as the consumer of the ground ambulance service, you can request -- you can negotiate with any interfacility provider to provide to Dignity the services such as a dedicated one-call hospital service line?

A. Yes. And we have.

Q. And you have. Exactly.

And -- and -- and I'll get into this a little bit later, but you've discussed a little earlier the training component between Dignity and various of its joint venturers or partners in the community. Yes? Do

you remember discussing that?

A. Yes, I do.

MR. BELANGER: Could we call up Maricopa Ambulance Number 37? And if you could go to page --

Oh, move for the admission of Community Ambulance Number 17.

ALJ EIGENHEER: Any objections?

MS. FICKBOHM: None.

MS. HOFMEYR: No.

MR. MURPHY: No.

BY MR. BELANGER:

Q. What you're looking at --

ALJ EIGENHEER: CA-17 is admitted.

MR. BELANGER: Sorry.

ALJ EIGENHEER: That's okay.

MS. FICKBOHM: Jim, you've gone to MA-37?

MR. BELANGER: I have gone to MA-37.

BY MR. BELANGER:

Q. MA-37 is a proposed ambulance service agreement between Dignity Health and Maricopa Ambulance. Do you see that?

A. I see it.

Q. It's actually -- if you look at page --

MR. BELANGER: If we can go down to page 9 of 16, Your Honor.

BY MR. BELANGER:

Q. You executed this on behalf of Dignity?

A. Yes.

MR. BELANGER: Okay. If we could go back to the first -- the first page.

BY MR. BELANGER:

Q. This medical transportation service agreement --

MR. BELANGER: I'm sorry, Judge.

ALJ EIGENHEER: This computer's just different than what I'm used to. I'm trying to find all the buttons. Sorry.

MR. BELANGER: No problem.

ALJ EIGENHEER: There we go.

BY MR. BELANGER:

Q. The facilities that are listed in this agreement are the same facilities -- although actually, there's a little bit greater detail -- the same facilities that are in the proposed Ambulance Services Agreement with Community Ambulance. Would you agree with that?

A. Yes.

Q. If you look at page 4 of 16. 4 of 16. It's 9b. 9b talks about non-urgent, urgent, and -- non-urgent and urgent transfers. Do you see that?

A. Yes.

Q. And the response times are, for non-urgent,

60 minutes of the requested at-the-bedside pickup time. Do you see that?

A. Yes.

Q. And that's the same as -- for Community Ambulance -- or, the proposed agreement with Community Ambulance?

A. I was going to say we don't have an agreement yet.

Q. Right. You have a proposed agreement.

And the urgent -- the urgent -- Patients with a nonstable condition, the response must be immediate and arrive within 30 minutes of the requested at-the-bedside pickup time. Do you see that?

A. Yes.

Q. If you go through this agreement, there are no exceptions as there were in the Community Ambulance proposed agreement, such as --

MR. BELANGER: I apologize, because you can't -- you can't get simultaneous documents up there.

ALJ EIGENHEER: That's okay.

THE WITNESS: She's got it up there.

BY MR. BELANGER:

Q. So if we can go to CA-17 just briefly, there were exceptions set forth in CA-17 that are not contained in the Maricopa Ambulance services agreement. Do you see

that?

A. I do.

Q. And so the -- the proposed service agreement with Community Ambulance has -- I want to try to use the right -- the correct word here. Your -- your evaluation of responses by Community Ambulance under the proposed service agreement would be more lax than it would be for Maricopa Ambulance because the Maricopa Ambulance agreement does not have these exceptions, correct?

MR. MURPHY: Objection, Your Honor, foundation.

MR. BELANGER: She just testified that she knew about it.

MR. MURPHY: That she would be -- that she knew about these terms because she signed the agreement but not that she would be evaluating the responses that Maricopa Ambulance provides and the responses from Community Ambulance if there were a CON and if they leave the contract that was signed two years ago as is.

ALJ EIGENHEER: You may answer the question, if you know.

BY MR. BELANGER:

Q. Well, let me -- let me -- let me go into it a little bit more.

You're the CEO and president of a vast

hospital and health-related -- health service entity, correct?

A. Yes.

Q. And you've signed many, many, many contracts --

A. Yes.

Q. -- correct?

And I believe -- I don't -- Correct me if I'm wrong. My guess is that you don't lightly sign a contract, at least -- unless you have at least some understanding of how the contract operates, as a matter of your practice as the CEO and president of Dignity Health?

A. I review it only after I have approval by attorneys.

Q. Right. Absolutely.

If you look at this contract and you look at the exceptions, which are contained in the proposed contract with Community Ambulance, they are not contained in the contract you have executed with Maricopa Ambulance. You agree with that, correct?

A. At -- at this point, what I saw, correct.

Q. And as a result of that, Maricopa Ambulance would be required to provide the interfacility responses called for under the contract within -- for non-urgent, 60 minutes and, for urgent, within 30 minutes without these exceptions?

A. Correct.
Q. If you go all the way to the --
MR. BELANGER: This is now Maricopa Ambulance 37. If you go to page 15 of 16 -- Yeah, back up, Your Honor. Why don't you go back one more page.
BY MR. BELANGER:
Q. This is an exhibit to the contract between Maricopa Ambulance and Dignity Health. It's Exhibit D. Do you see that?
A. Yes.
Q. You understand what a certificate of necessity is, or -- or do you?
A. I'm not so sure. I couldn't describe it if you asked me to describe.
Q. Okay. That's fine.
If you go down -- up in the certificate of necessity --
MR. BELANGER: Keep going to the next page.
BY MR. BELANGER:
Q. -- do you see where it says "Special Provisions," non-urgent transfers and urgent transfers?
A. Yes.
Q. Do you understand what the regulatory impact of that is? Of -- of having that provision in a certificate of necessity?

A. I'm not sure I do.
Q. Yeah, that's fine. I didn't know if you did or you didn't.
MR. BELANGER: Let's go to the next page.
BY MR. BELANGER:
Q. This is a map of Maricopa Ambulance -- the service area in its certificate of necessity.
A. Okay.
Q. Do you know what a proposed service area is or a service area is in a CON?
A. Yes.
Q. What is it? Are you aware --
A. It's that area that you propose to serve.
Q. Well -- and that you're authorized to serve --
A. Right.
Q. -- if you receive a CON, correct?
A. Right.
Q. Okay. I don't know if you can see it on this one.
MR. BELANGER: Could -- could you make that bigger, Your Honor? Zoom just a little bit more, a little bit more, a little bit more. Okay.
BY MR. BELANGER:
Q. Yeah, I'm not sure we're going to be able to get it on this one.

Well, let's do this. Let's go to Exhibit 183.

ALJ EIGENHEER: Whose?

MR. BELANGER: I'm sorry, Your Honor. Community Ambulance Exhibit 183.

MS. FICKBOHM: Jim, I lost track. Did you move for admission of 37?

MR. BELANGER: I thought I did.

If I didn't, can I move for admission of Exhibit 37, Your Honor?

ALJ EIGENHEER: You did not.

Any objections?

MS. FICKBOHM: No.

MS. HOFMEYR: No.

ALJ EIGENHEER: 37 is admitted.

BY MR. BELANGER:

Q. So what we're looking at on the screen is Community -- Community Ambulance Exhibit 183. It's a map of Dignity facilities in Maricopa County. Do you see that?

A. Yes.

Q. If you -- I don't believe we can get the whole map on here, unless -- Okay. There you go.

If you go -- There are no -- there are no exhibit -- I'm sorry, there are no Dignity Health

facilities going back up --

MR. BELANGER: If you can move that back up, Your Honor.

BY MR. BELANGER:

Q. Do you see where Route 303 circumvents this map to the western edge? And it's --

MR. BELANGER: I'll come up here and show you. There you go.

BY MR. BELANGER:

Q. See that right there?

A. Right.

Q. There are no Dignity facilities west of the 303?

A. At this time.

Q. At this time.

The ones that you mentioned -- the facilities that you mentioned that are publicly disclosed or that you might be bringing online, are any of those proposed to be west of the 303?

A. You know, I can't remember exactly where the Surprise location is.

Q. I just had two more freestanding emergency rooms in Tempe and Surprise.

A. Right.

Q. And you don't know if that would be west of the 203 or not?

A. I don't -- I don't know the cross streets.

ALJ EIGENHEER: You said "203."

MR. BELANGER: 303.

BY MR. BELANGER:

Q. Other than that Surprise facility which may be west or northwest of Route 303, are you aware of any other Dignity facilities that you're planning on putting in that area west of the 303?

A. Yes, but I can't disclose them.

Q. Okay. The time frame for the Surprise facility, what is that approximately?

A. Three months.

Q. Three months?

A. It's built and ready to go. We're just waiting to open that hospital in Mesa.

Q. I'm sorry? The hospital in Mesa?

A. Yeah.

Q. And if you look -- If we go down to the lower part of this map, Exhibit 183, it looks like the -- there are no Dignity facilities south of --

MR. BELANGER: What is -- what is that?

ALJ EIGENHEER: Queen Creek Road.

MR. BELANGER: Queen Creek Road?

BY MR. BELANGER:

Q. You would agree there's no Dignity facilities

south of Queen Creek Road?

MR. MURPHY: Objection.

BY MR. BELANGER:

Q. You're familiar with the facilities that Dignity has on the map, I -- I would gather.

A. I -- We have facilities in Maricopa.

Q. Okay. That's -- that's a good point. I apologize.

You understand that Community Ambulance is providing -- is applying for a CON a service area that's within Maricopa County? Do you understand that?

A. Yes.

Q. You understand that that would not extend into Pinal County?

A. I -- I am not. I thought it was actually both Pinal and Maricopa, but I could be wrong.

Q. As we look at Exhibit 183, you would agree that there are no Dignity facilities below Queen Creek Road, at least on this map, that are outside of the service area that's being proposed by Community Ambulance. Do you see that?

A. I see that.

Q. The -- And if you'll -- if you'll look to the east, I think the furthest east -- I don't know what that exact -- I can't see these because they're really tiny.

But if you look at the eastern edge, the Dignity facilities are -- the easternmost portion of that are --

MR. BELANGER: What is that road?

ALJ EIGENHEER: Bush Highway?

MR. BELANGER: Bush Highway.

ALJ EIGENHEER: Or Power -- Power Road.

MR. BELANGER: South Power Road.

BY MR. BELANGER:

Q. The service area for which Maricopa Ambulance has a CON encompasses all of the Dignity facilities. Are you aware of that?

A. No, sir, I wasn't.

Q. You weren't?

If you go to Exhibit Number 184, if we went through the same question and answer, are you aware that all of these facilities that are listed in Exhibit 184, which are --

MR. BELANGER: What does the top of that say, Your Honor? "Maricopa County Hospitals and Dignity Facilities."

BY MR. BELANGER:

Q. All of those facilities are contained within Maricopa Ambulance's service area for its certificate of necessity. Were you aware of that?

A. I was not.

MR. MURPHY: Founda- -- Objection. Foundation.

MR. BELANGER: I'm asking her if she's aware of that.

MR. MURPHY: You haven't even established she's reviewed this map before this hearing. It's not admitted into evidence. You don't have your CON.

ALJ EIGENHEER: It is. It has been.

MR. MURPHY: It is in evidence? Apologies. I don't have the form in front of me.

And then the other issue is we don't have your CON, which has limitations within Maricopa County in certain districts, laid over this map, and she doesn't have an opportunity to compare the location of the facilities with that -- those limitations on the CON in Maricopa County. That's the objection.

MR. BELANGER: Can we call up Exhibit -- let me start with 119, Your Honor. They're the service area maps that were put into -- Community Ambulance exhibits and they start at 119. This is Rural/Metro. If we go ahead -- I believe it's 121. Is it? Yeah, 121.

BY MR. BELANGER:

Q. Do you see this is Community Ambulance Exhibit 121? And you can see the green-shaded area is the service area for Maricopa Ambulance. Do you see that?

A. Yes.
Q. And we've disc- -- we've been discussing Route 303 and -- and that Dignity facilities are, at least at the present time, east of Route 303. Do you see that?
A. Yes.
Q. And north of Queen Creek, I guess, boulevard. Do you see the lower flat line down there?
A. Yes.
Q. And west of the -- the border of Maricopa County, which is over by -- I guess that's Roosevelt Lake. Do you see that? Yeah. Over there. Do you see where the arrow is going --
A. Yeah.
Q. -- on the exhibit?
So all of the Dignity facilities on the maps that you've looked at are within Maricopa County -- Maricopa Ambulance's service area for its CON. Do you see that?
A. Yes.
Q. Now, 184, going back to the maps that we were looking at previously, 184 -- It's Community Ambulance 184 and 185.
MS. FICKBOHM: Are you on MA-184, Jim?
MR. BELANGER: No. This is Community Ambulance 184 and 185.

BY MR. BELANGER:

Q. Have you ever had an opportunity ever to review this map, Ms. Hunt?

A. No, I have not.

Q. And you can see it in front of you now. Is that correct?

A. Correct.

Q. If you look at the western edge of the Maricopa County hospitals and skilled nursing facilities in Exhibit 185, all of them are east of Route 303. Do you see that?

A. Yes.

Q. And if you look at the eastern edge, which is over to the far right, all of the facilities -- the health care facilities and the like are west of the western edge of Maricopa County. Can you see that?

A. Yes.

Q. And -- and likewise, if we looked at the southern border, all of those facilities are north of -- is it Queen Creek boulevard? In any event, my question is, though, you -- you -- you see that these -- all of these facilities are contained within the service area that Maricopa Ambulance has under its CON. Do you agree with that?

A. From the map that you showed me before, yes.

MR. BELANGER: I would like to admit 183. I think 184 was already admitted or move to admit it, and 185, Your Honor.

ALJ EIGENHEER: Can I just clarify on 121? Is Surprise carved out? Or is that just not colored correctly? Because I can't tell. This looks like the border, but that's not green.

MR. BELANGER: I believe -- That's a really good point, Your Honor.

BY MR. BELANGER:

Q. Are you aware of -- other than the intervenors here -- Well, let me even ask a broader question.

Do you know how many interfacility service providers there are in Maricopa County?

A. No, I do not.

Q. Do you know whether the entirety of the service area that's proposed by Community Ambulance is covered by existing CON holders that have the capability of providing or they have the authority to provide interfacility transports?

A. No, sir, I do not.

MR. BELANGER: I'd like to also move for the admission of 121.

THE WITNESS: Did we determine if Surprise is in the green?

MR. MEYERSON: It should be in their CON, the language in their CON.

MR. BELANGER: Yes.

ALJ EIGENHEER: Is that possibly the roadways --

MR. BELANGER: Yes.

ALJ EIGENHEER: -- that would be --

MR. BELANGER: No, no. That -- that was a mistake on my part. That -- that portion of the CON is excepted from Maricopa Ambulance service area. I think it used to be called Sun City. Now it's --

MS. FICKBOHM: Sun City West. Now it's North County.

MR. BELANGER: North County.

BY MR. BELANGER:

Q. Are you aware of whether or not North County has the ability to provide interfacility transports?

A. No, I don't.

Q. Do you know whether in that area, that little gray area of Surprise -- are you aware of any other CON holders that have the ability to provide interfacility transports?

A. No, I don't.

ALJ EIGENHEER: Okay. So for the exhibits, I have 183. Any objection? CA-183.

MS. FICKBOHM: No.
MS. HOFMEYR: No.
ALJ EIGENHEER: That is admitted.
You called up 185.
MR. BELANGER: Yep.
ALJ EIGENHEER: Any objection?
No?
CA-185 is admitted.
And CA-121.
MR. BELANGER: CA-121?
ALJ EIGENHEER: Any objection?
MS. HOFMEYR: No.
ALJ EIGENHEER: CA-121 is admitted.
MS. FICKBOHM: Were we also talking about 124 -- 184?
ALJ EIGENHEER: Yes, that's already been admitted.
BY MR. BELANGER:
Q. So -- And I'm not going to dwell on the CIA. In many respects, that's the cost of doing business for hospital systems in America, so I don't want to get into the basis for the CIA or anything else like that, but I do want to talk about the training under the CIA and -- and training that Dignity does, just in general, with its employees.

Under the -- the CIA, my understanding is that Dignity is obligated to provide certain kinds of compliance training to its employees, its nurses, its subcontractors, and its doctors. Is that correct?

A. That is correct.

Q. And that training, you indicated that it was online and that -- that the various Dignity employees or joint ventures -- whoever has to take that training -- there's an online service and they certify --

A. Correct.

Q. -- that they've -- they've done that.

For purposes of -- You indicated, I think, that it's important to Dignity and that you actually include it in contracts that Dignity's partners -- joint venturers or partners, subcontractors -- that it's oftentimes written into the contract that they have to engage in some kind of -- and I may be misremembering this, but some kind of training or indoctrination into the Dignity philosophy of dealing with its patients. Is that a fair statement?

MR. MURPHY: I'm going to object to the word "indoctrination."

MR. BELANGER: Yeah. That sounded a little heavy.

MR. MURPHY: A little heavy, man.

BY MR. BELANGER:

Q. Training in the philosophies and the mission of Dignity, that is an important value of Dignity, and that's something that oftentimes you contract for your subcontractors or joint venturers to engage in that kind of training. Is that a fair statement?

A. That is a fair statement.

Q. And so if there were training -- if there were training that were required of an interfacility ground ambulance transport provider, in other words, Maricopa Ambulance -- if it was important to Dignity to train them in certain philosophies that are important -- that are important to Dignity, you could require that in a contract, couldn't you?

A. We talk about Hello Humankindness and we talk about patient experience in the contract.

Q. Exactly. But is there training that's associated with Hello Humankindness and interactions with --

A. It's available to the providers if they want to take advantage of it.

Q. But in -- in a contract, you could require them to take that training as part of the contract, couldn't you?

A. We could.

Q. And so it's not -- it's nothing peculiar to

Community Ambulance that they're being trained in the Humankindness philosophy of Dignity Hospital?

A. No.

MR. MURPHY: Objection. Vague. I'm not tracking who you're asking about.

MR. BELANGER: Community Ambulance.

BY MR. BELANGER:

Q. It's a yes or no. There was nothing peculiar about that?

A. We don't have a relationship right now with Community Ambulance.

Q. Oh, I understand. I understand.

But to the extent that you did have a relationship with Community Ambulance, you would expect them to be simpatico and perhaps trained in the Humankindness philosophy of Dignity. Is that correct?

A. Yes.

Q. And -- and you could, as a contractual matter, whether it's AMR or ABC or Maricopa Ambulance or any of the other interfacility service providers in Maricopa County -- if you contracted with them, you could require them to engage in that kind of training, correct?

A. Yes.

Q. Do you know whether prior to 2016 you ever -- Well, that's not even a fair question.

Maricopa Ambulance did not have a CON until, I believe, sometime after the first of the year in 2016. They did not have a CON to provide ground ambulance services. I'll just represent that to you. You can accept that, or you can tell me, "I don't believe that, Mr. Belanger."

A. I don't know.

Q. Okay. Prior -- Do you know the first time that you ever reached out to Maricopa Ambulance to provide interfacility ambulance transports?

A. No, I do not.

Q. Do you know if Maricopa Ambulance is currently providing ground ambulance transports to Dignity?

A. I don't know.

MR. BELANGER: Can I have one second, Your Honor?

Thank you, Ms. Hunt. I have no further questions.

THE WITNESS: Okay.

ALJ EIGENHEER: Anyone else? Cross?

MS. HOFMEYR: Thank you, Judge. Do you want -- At what point in time will we take a lunch break? We do have a fair amount of questions.

ALJ EIGENHEER: Okay. That was -- I didn't know if it was going to be quick or not. So we will go

ahead and break for lunch. We will go off the record at this time. About 1:20.

(A recess ensued from 12:07 p.m. to 1:25 p.m.)

ALJ EIGENHEER: Okay. We are back on the record, and we were ready for additional cross.

MS. HOFMEYR: Thank you, Judge. It's going to be ABC.

A housekeeping matter. I did place -- Next to your computer, there two of our subpoenas. I don't know if you signed them in your chambers or could sign them now. Thank you.

ALJ EIGENHEER: I'll sign them now. Okay.

MR. MURPHY: Your Honor, before you sign those, I just, for the record, wanted to lodge objections to the late filing of those subpoenas, well past the deadline.

MS. HOFMEYR: Judge, one of the subpoenas is for a witness that we did disclose in our discussions, and he's voluntarily agreed to come.

MR. MURPHY: Your Honor, that disclosure was also maybe a week or two before the hearing started, so that -- that is late disclosure as well. Again, for the record.

ALJ EIGENHEER: And what about the other

one?

MS. HOFMEYR: Just to clarify that. The Chief Nichols was disclosed in our final disclosure statement.

MR. MURPHY: Okay. I'm referring to Dean Taylor.

MS. HOFMEYR: To Dean Taylor. Right. Judge, that was a name that we found in what has been referred to as the late dump of documents on the day of the deadline. We discovered that the applicant's witness who was going to testify on the ARCRs did not, in fact, draft the ARCRs. It was another financial person who was not named as a witness, so we will call him, and he's voluntarily agreed to it.

ALJ EIGENHEER: Okay. Then I will get these stamped downstairs and bring them back after the next break.

MS. HOFMEYR: Thank you.

ALJ EIGENHEER: Thank you.

Cross?

MS. HOFMEYR: Thank you.

CROSS-EXAMINATION

BY MS. HOFMEYR:

Q. Just before we -- before I launch into some

details, I -- I want to clarify the context that you are even here today testifying on -- on behalf of Dignity. Dignity is not the applicant, correct?

A. That is correct.

Q. Dignity would like to use the services that the applicant maybe be able to offer if they're given the CON. Is that correct?

A. Yes, that is correct.

Q. So is it a fair label to give Dignity -- that Dignity is a customer -- or, would be a customer of RBR's?

A. I'm -- Yes. And the reason I'm hesitating, because it's a joint venture in Nevada and not here, I'm -- I can't clarify whether we'll have an ownership piece or not.

Q. But essentially, one of the roles that Dignity has and a primary role is that Dignity will be the customer of RBR?

A. Correct.

Q. So first exhibit I think is already in. It's your resume. It is CA-135.

MS. HOFMEYR: Judge, am I correct that's already in?

ALJ EIGENHEER: It is.

BY MS. HOFMEYR:

Q. So looking at your resume, firstly, it was, from

any perspective, a very impressive resume. It's clear you have grown Dignity's presence in Arizona tremendously since you've been at the helm. And I would like to quote some statements out of your resume. I'm trying to find the paragraph. I'm looking for the paragraph that I'm not seeing right now where you say, ". . . Dignity Health in Arizona is today a far-reaching and dominant health care system." I know it's on the front -- last paragraph.

MR. MURPHY: Would there be any objection to me handing Ms. Hunt a clean copy of her resume so she could have it in front of her?

MS. HOFMEYR: No objection at all. Probably easier than reading it there.

ALJ EIGENHEER: It's highlighted on the screen.

MS. HOFMEYR: Thank you, Judge.

BY MS. HOFMEYR:

Q. There we go.

So can you see that in the last paragraph on your resume? There's a copy up on the screen. There's also one that's been handed to you.

A. Yes.

Q. And you also say on your resume that in 2017, Dignity Health had revenues of around 2.1 billion. Is that correct?

A. Yes. Yes.
Q. Thank you.
And that's just for Arizona. Is that right?
A. That is just for Arizona.
Q. And would you agree that in your resume, you've made the statement that you've achieved this growth through -- and I'm going to quote again -- "strategic partnerships with some of the industry's most respected organizations"?
A. Yes.
Q. And is this something you would like to see continued in Arizona: continued rapid growth and -- with strategic partners?
A. Yes.
Q. There was something you testified to earlier this morning. You referenced Mr. O'Malley, Jeff O'Malley. He's a Dignity employee, correct?
A. Correct.
Q. You said that you -- I'm quoting what I wrote down, and if I'm incorrect, you feel free to correct me. You asked Jeff to look at possible solutions for transport delays. Is that correct? Does that sound about right?
A. That is right.
Q. And that the first time you heard of Community Ambulance was through talking to Rod Davis. Is that

right?

A. Years ago, that is correct.

Q. And that the next time you heard about Community Ambulance was through Mr. O'Malley?

A. That is correct.

Q. So those meetings -- I presume they were one, maybe more, meetings you had with Mr. O'Malley. Do you remember what other service providers in Arizona he presented to you?

A. Yes. A number of people that were currently here, we had approached about helping us with this issue.

Q. And can you remember who those other providers were?

A. Well, obviously, AMR was one of them. And I -- I cannot remember all of the other people that were approached, but we were looking for someone to help us with this -- this issue.

Q. And do you remember if he mentioned ABC Ambulance to you?

A. I don't remember.

Q. You -- Have you heard of ABC Ambulance?

A. No, I have not.

Q. So I presume he did not tell you about any telephone conversations he had with ABC Ambulance in 2016.

A. No, he did not.

Q. I would like to look at what's been called Dignity facilities and Dignity affiliates in -- in these proceedings to get a feel for who you anticipate this CON is going to service. You talk a lot about "we" in your testimony. I'm presuming you're meaning Dignity. "We were having problems." And you talked about "our facilities." I would like to look at -- there have been a number of maps bandied about that some are in evidence, some are not. I would like to put up ABC-28 for now.

Is this a map you've ever seen before?

A. Not in this form.

Q. Okay. Would you agree the title of it is "Dignity Health Maricopa Assets"?

A. That is correct. That is the title.

Q. Do you have any reason to believe -- you may need to take some time to look at it -- that at the time that this was presented, that it does not represent Dignity Health Maricopa assets?

A. I would have to study it. Right off just looking at it, I can't tell.

Q. Fair enough.

So let me take you down the side there, the legend, just to make sure that I'm reading it correctly. It would appear from this document that Dignity considers the following to be their assets, and the top one is

Concentra. Is that right?

A. We are a minority owner of Concentra.

Q. Do you know what percentage of Concentra Dignity owns?

A. No. That is a new -- that's a new entity that just occurred. I do not.

Q. So if -- if I were to tell you that I have a news article in front of me that says Dignity owns 20 percent equity interest, would that ring any bells with you?

A. I do not know the -- the percentage.

Q. When you say "recent," how recent?

A. I can't remember. We had another entity that we owned and it was bought by Concentra for a percentage. I just don't know, and "we" being Dignity as a whole, not Dignity Arizona.

Q. Okay. So this legend seems to indicate that there are 11 facilities on this map that are -- somehow related to Concentra that Dignity considers its assets. Is that right?

A. It says 11, but I -- I don't know where the Concentra locations are.

Q. And the second one on there says "DH" -- I presume that stands for Dignity Health -- "FSED" with another 10 next to it. Is that freestanding emergency departments?

A. That is correct.
Q. It says 10 on them on that map. Is that correct?
A. That is correct.
Q. The next one, DH, Dignity Health, hospital, says 5.
A. Correct.
Q. Then Dignity Health urgent care, there are 4 of them?
A. Correct.
Q. And I see Phoenix Children's Hospital is on there. Is that right?
A. Yes.
Q. And does Dignity have an ownership interest in Phoenix Children's Hospital?
A. Yes, we do.
Q. And do you know that percentage?
A. 20 percent.
Q. Do you know if Dignity has any representation on the board of Phoenix Children's Hospital?
A. Yes, we do.
Q. And to what degree?
A. We have two representatives.
Q. Out of how many?
A. Out of eight.
Q. Are you on that board?

A. No, I'm not.
Q. And the same question with regard to Concentra. Do you -- Does Dignity have representation on the board of Concentra?
A. I do not know.
Q. Do you know if Dignity is responsible for the hiring of any employees at Phoenix Children's Hospital?
A. No, we are not.
Q. And the same with Concentra?
A. That is correct.
Q. In your mind, is the applicant's CON going to be used for interfacility transports between the facilities you see on this map?
MR. MURPHY: Objection.
THE WITNESS: I don't know.
ALJ EIGENHEER: What was the objection?
MR. MURPHY: The objection is the CON is not limited to just the facilities. It misrepresents what the CON is actually applying for, which is the service area of Maricopa County.
MS. HOFMEYR: I can reword the question, Judge.
ALJ EIGENHEER: Okay.
BY MS. HOFMEYR:
Q. In a minimum, in your mind, are these facilities

that this applicant will be servicing if they get the CON?

A. I don't know. We have not had conversations with Concentra or Phoenix Children's about this issue.

Q. Do you agree that Concentra and Phoenix Children's Hospital are on this map as being noted as Dignity Health assets?

A. They're on the map; that is correct.

Q. So in your discussions with various leaders in your organization regarding ambulance transports, what were you thinking you needed a CON to service? Which facilities?

A. I delegated this to Mr. O'Malley and asked him to look into the issue and then to come back with how we could solve it.

Q. And what was your understanding -- I'm trying to get a feel for what your understanding of the issue was.

A. The issue was the lack of timeliness of transportation, especially between our facilities. "Our facilities" mainly being the hospitals, the freestanding emergency rooms, and the urgent cares.

Q. So in your view, if this CON were granted only to service facilities that have Dignity Health's name on them, would that be sufficient for you?

A. We -- we serve people all over this community, and so they would need to be able -- they -- whoever has

this -- would have to service every ZIP code in this -- in the Maricopa County.

Q. And is that one of the reasons why -- Well, let me take a step back.

Are you aware that the applicant has applied for a CON for the entire county, not just Dignity facilities?

A. Correct.

Q. The answer you gave before, is that one of the reasons why?

A. Because we service every ZIP code in this community, we have to have that solution be part of what we move forward with.

Q. So if you have Dignity patients at Phoenix Children's Hospital or Concentra, they will be served by the CON. Is that your understanding?

A. They may.

Q. Is there a reason why they wouldn't?

A. I think it's timeliness and how -- what that patient needs.

Q. Can you see any limit in the CON that they applied for that they wouldn't be able to go?

A. No.

Q. So let's talk about the Arizona Care Network. You did testify a little bit about it earlier. I see from

your resume you were, I think, one of the founding forces behind this network. Is that right?

A. Yes.

Q. And you testified you're on the board of managers now?

A. Yes.

Q. And that Dignity owns 50 percent of it?

A. That is correct.

Q. So do you know who -- Take a step back.

Arizona Care Network has employees, correct?

A. Correct.

Q. Do you know who technically is the employer of those employees?

A. It is not -- It comes out of California, and I do not remember the name.

Q. Okay. Would it surprise you to hear that Dignity -- a wholly owned subsidiary of Dignity is the employer of ACN's employees?

A. I would not be surprised, but I don't know that for a fact.

MS. HOFMEYR: I would like to pull up ABC-53, please, Judge.

BY MS. HOFMEYR:

Q. This is from the website of ACN. And on page 1, there's a list of positions available. This document was

created by me. I clicked on one of those positions. I clicked on "Chief Financial Officer," which is third on the list. Doesn't work if you click on it now, unfortunately. But it will take you -- You click on this list, it takes you to page 2, which is Dignity Health. It's apparent from the top that it's page 4, which makes it appear -- so this was a position that was advertised for chief financial officer of ACN. And at the top of page 4 --

MS. HOFMEYR: Yes, exactly there, Judge. That top paragraph.

And I'm not sure if Ms. Hunt can read that.

BY MS. HOFMEYR:

Q. I'll read it out loud. "The Chief Finance Officer is an employee of Dignity Health Managed Services Organization, a wholly-owned subsidiary of Dignity Health . . . ." Can you see that?

A. I can.

Q. Do you have any reason to disagree with that statement?

A. No.

MS. HOFMEYR: Judge, can I put that into evidence?

ALJ EIGENHEER: Any objection?

MS. FICKBOHM: None.

MR. MURPHY: No objection.

ALJ EIGENHEER: ABC-53 is admitted.

MS. HOFMEYR: If we could pull up ABC-20.

BY MS. HOFMEYR:

Q. Again, this is Arizona Care Network -- Arizona Care Network website. The very last paragraph just above the bullet points, it says, "Additionally, more than 1,250 locations make up the continuum of care for patients . . . ." Can you see that statement?

A. Yes.

Q. Do you have any reason to disagree with that statement that that's applicable to Arizona Care Network?

A. No.

Q. You testified earlier about Mercy Care and Mercy Maricopa; they're rolled into one now. Is that right?

A. That is correct.

Q. And I believe you testified that Dignity owns 50 percent of Mercy Care. Is that correct?

A. That is correct.

Q. Over and above that relationship that Dignity's 50 percent owner, are you aware of the fact that Mercy Care has a contract with Arizona Care Network?

A. Yes, I am aware of that.

MS. HOFMEYR: Judge, if we could pull up ABC-24, please.

BY MS. HOFMEYR:

Q. So this was a statement released by Arizona Care Network relating to what you just testified to, that this contract exists between Mercy Care and ACN.

MS. HOFMEYR: Judge, I would like to admit this into evidence.

ALJ EIGENHEER: Any objection?

MS. FICKBOHM: None here.

MR. BELANGER: No.

BY MS. HOFMEYR:

Q. So would you agree --

MR. MURPHY: Where is this document from? I'm sorry.

MS. HOFMEYR: This is off the network -- the Arizona Care Network website.

MR. MURPHY: Thank you. I have no objection.

ALJ EIGENHEER: ABC-24 is admitted.

BY MS. HOFMEYR:

Q. So would you agree this newspaper article is confirming something you've already testified to? And I'm reading the second paragraph, "Mercy Care and Mercy Maricopa . . . contract with Arizona Care Network . . . ." Is that right?

A. That is correct.

Q. Do you have any knowledge of whether Arizona Care Network encourages in-network referrals?

A. For physicians, we encourage it.

Q. Has there been any talk at the board level of how to maximize in-network referrals?

A. We have talked about it. Not -- We do not have providers in every corner of this city, so we try to do as well as we can to keep people in network because of the risk that we're taking many times.

Q. Okay. But keeping referrals in network, would you say that's a priority of the -- of ACN?

A. For physicians and acute care facilities.

Q. That's what it has been to date?

A. That is what it has been to date.

MS. HOFMEYR: Can we go to ABC-25?

BY MS. HOFMEYR:

Q. Some very strange ad at the top of the page that we can ignore.

This, again, is off the Arizona Care Network website, where the problem was described as nationwide and -- I'm going to read and you can -- I'll ask you if you agree with me that this is what it says. "Nationwide, some 25 percent of referrals made by employed physicians go to out-of-network . . . ." Is that right?

A. That's what it says.

Q. And then the next sentence is ACN sees this, quote, referral leakage as low-hanging fruit.

Is that correct?

A. That's what it says.

Q. Do you have any reason to disagree with that?

A. No.

Q. If we go to the second page, under the -- there's a heading there "The outcome." There's a statement being made here, "As of September 2017, ACN retains 89 percent of referrals in-network." Do you see that statement?

A. Yes, I do.

Q. Do you have any reason to disagree with that?

A. No.

Q. Would you agree that the network is apparently touting the fact that it has a very high in-network referral rate?

A. For primary care and for acute care.

Q. Do you see that limitation anywhere in here?

A. I don't see it.

Q. So I think I know what your answer is going to be to this, but I'm going to ask it anyway.

Has there been any talk at Dignity about using RBR within ACN's network?

A. No. There has not been.

Q. Has there been any talk that you would not do it?

A. They do not -- As far as I'm concerned, we have never discussed at the board level any transportation issue.

Q. Okay. You testified a little earlier -- and I'm sorry, I may have missed some of it -- a story related to Aetna, that Aetna had tried to bring a single provider in for transports. Did I hear you correctly?

A. You did. That was for the Medicaid AHCCCS population. They two -- being two years ago, Aetna thought that they could go to one provider and it lasted less than a month.

Q. And what kind of provider was that?

A. That was transportation, ambulance -- ambulance, chair transportation.

Q. Maybe a stretcher van service?

A. It could be, yeah.

Q. Okay.

A. So there's just too many people in too many locations for one entity, from the Aetna standpoint, to meet that demand.

Q. And were you involved in the decision to end that situation?

A. The only -- The board became aware when it was not working and we had a lot of concerns, because people were upset about it, that were called in.

Q. And then Aetna did something about it?
A. Aetna did something about it.
Q. And was that at the board's instruction?
A. With the agreement -- They came forth with the recommendation. They're paid to run that plan. They came forward and wanted to make sure we were okay with that.
Q. Okay. And then I think you testified, "We went back to using a number of transports."
A. Yes.
Q. And you found that to be beneficial to have a number of transports as opposed to one?
A. Yes.
Q. Do you know why?
A. One provider could not meet the demand.
Q. Whereas a number of transports could meet the demand?
A. Correct.
Q. Are you aware in your position, either on the network or -- or with Dignity, of any legal constraints -- not practical constraints, but legal constraints -- that would prevent RBR from providing services to the members of this network?
A. I am not aware of any legal constraints.
Q. This might not be in -- in your sphere of being able to answer these questions. Let me try the first one.

If RBR gets the CON, would your hospital personnel be instructed on how to contact RBR for transports?

A. I don't know.

Q. Do you know whether Dignity has done any kind of assessment into broader public need for interfacility transports in Maricopa County, or did Dignity's assessment relate only to Dignity's needs?

A. It only related to Dignity's needs.

Q. And is it your preference that Dignity use only one preferred provider for interfacility transports?

A. I can't answer that right now.

Q. Fair enough.

Sitting right here today, looking at who's in the room primarily, what is your understanding of the current availability of interfacility transports from other companies, other than RBR, in Maricopa County?

A. We have experienced, especially during the busier times of the year, long delays in getting interfacility transfers completed.

Q. My question relates more to what is your understanding of who currently provides the service?

A. I don't know.

Q. So it became quite apparent from looking at exhibits that you do not delegate authority for signing

contracts. Is that right?

A. I cannot delegate that authority. That is a requirement in -- by Dignity Health that I, as the -- the highest-ranking individual in this community -- this service area, that I have to sign them.

MS. HOFMEYR: Okay. Can we pull up ADHS-1, Judge?

BY MS. HOFMEYR:

Q. Take a step back before we delve into that.

How well do you know RBR, the applicant?

A. I have met them a couple of times.

Q. The opinions that you offer in the course of these proceedings, are they based on information that's been given to you by other people?

A. Yes.

Q. So you have no personal knowledge of Rob Richardson, for example?

A. No, I do not.

MR. MURPHY: I'm going to object. Can I interpose an objection? She didn't offer any opinion about Rob Richardson during her testimony on direct. She -- she offered no -- no character opinion at all about Rob Richardson or Brian Rogers, who are the operators of AMG, LLC. So it was not in the scope of direct. And she didn't use -- Ms. Hofmeyr said that she had testified

about -- had opinions about RBR, which she didn't have opinions about them.

MS. HOFMEYR: I don't think I stated she had opinions about RBR. I'm questioning whether she knows the applicant.

ALJ EIGENHEER: Proceed.

MS. HOFMEYR: Thank you.

BY MS. HOFMEYR:

Q. So you have no personal knowledge of Rob Richardson. Is that correct?

A. That is correct.

MS. HOFMEYR: Could we go to ADHS-1? I would like to go to page 2 of that document, Judge.

BY MS. HOFMEYR:

Q. So this is the application that was filed by RBR and this was the cover letter attached to it. And I'd like to read one of the statements in it.

Would you agree this has been signed by Rob Richardson at the bottom?

A. I'm assuming that's his signature. I don't know.

Q. You can see the name. It says "Rob Richardson, CEO" at the bottom of this document?

A. Yes.

Q. I'm wanting to know if you would ever sign a letter that says the following: This is Mr. Richardson,

who's the CEO of RBR. The first sentence says, "We the undersigned, hereby authorize EMS Advisors" -- so for the purposes of this letter, it doesn't matter to me that you know who EMS Advisors are, but it's certainly not RBR -- "to act on our behalf in all manners relating to the application . . . ." Can you see that sentence?

A. Yes.

Q. And the second sentence is "Authorization, including signing of all documents, decisions and discussions and any acts carried out by" -- this other group -- "and their designates on our behalf shall have the same effect as acts of our own." Do you see that statement?

A. Yes.

Q. Is that the kind of authority you would give to an entity outside of your organization?

A. It would depend.

Q. You would be prepared to delegate to someone that you've got no control over the signing of documents?

A. I don't -- I can't assume, because I don't know why this was done. I've never seen this before.

Q. This is attached to the application filed by your majority-owned entity. So this is a document signed by the CEO of a company that Dignity majoritarily owns?

A. I have never seen this document before.

Q. Would you like to offer an opinion on whether you think that's a wise statement to sign?

MR. MURPHY: Objection, Your Honor. Irrelevant.

THE WITNESS: I'm not . . .

ALJ EIGENHEER: Sustained.

BY MS. HOFMEYR:

Q. You mentioned -- And I think you were very clear in your testimony that this is an interfacility-only CON that you feel Dignity needs. Is that correct?

A. That is correct.

Q. Do you know what a convalescent transport is?

A. I have never heard that term before.

Q. Do you know if Dignity needs any convalescent transports?

A. I don't know what the definition of a convalescent transport is.

Q. Are you aware that RBR has asked for a CON for convalescent transports for Dignity?

A. No, I was not.

Q. One last question. Is Dignity allowed to make political contributions?

A. No, as a company. Individuals can, but not as a company, unless it is a -- I'm blanking the term now -- like we have a ballot -- a ballot initiative that we need

to educate people on, but not even for or against --

Q. Okay.

A. -- the initiative.

Q. And can a majority-owned subsidiary make a political contribution?

A. I don't know.

MS. HOFMEYR: We've got no further questions.

ALJ EIGENHEER: Any other cross?

MS. FICKBOHM: Yeah, I have some questions.

ALJ EIGENHEER: Okay.

MS. FICKBOHM: Are you going to move for admission of any of the exhibits you referred to?

MS. HOFMEYR: Yes, please.

Can I move to admit ADHS-1, which is the application.

ALJ EIGENHEER: Any objections?

MR. MURPHY: No objection.

ALJ EIGENHEER: ADHS-1 is admitted.

MS. HOFMEYR: Thank you. Ronna's got my list.

ALJ EIGENHEER: I'm looking at my list. I can't remember --

MS. FICKBOHM: Okay. I still have 20, 25, and 28.

MS. HOFMEYR: I move for the admissions of those.

ALJ EIGENHEER: Any objection?

MS. FICKBOHM: None, Your Honor.

ALJ EIGENHEER: ABC-20, -25, and -28 are admitted.

MR. BELANGER: Your Honor, are 53 and 24 in?

ALJ EIGENHEER: Yes.

Did I miss anything, Ms. Fickbohm?

MS. FICKBOHM: I'm just afraid I missed something.

ALJ EIGENHEER: No. I -- All hands on deck.

MS. FICKBOHM: I agree with that.

ALJ EIGENHEER: Okay. Cross?

MS. FICKBOHM: Thank you.

CROSS-EXAMINATION

BY MS. FICKBOHM:

Q. Ms. Hunt, I'm Ronna Fickbohm. I'm one of the attorneys for the AMR CON intervenor.

I'm going to apologize in advance. It seems that I'm jumping around, but a lot of people covered questions I was going to ask, and I just might have a point of clarification here and there. I'll try to do it

efficiently.

So I'm trying to get a sense of the time frame when you first called this meeting with Greg Davis and Jeff O'Malley to talk about looking into transportation times. Do you know when that was?

A. I think it was early 2015.

Q. Early 2015. Okay.

And when --

MS. FICKBOHM: If we could pull up CA-24.

BY MS. FICKBOHM:

Q. And that's the Dignity-AMR contract that you signed on -- What's the date on that?

MS. FICKBOHM: There you go. Oh, doesn't say. I apologize.

It's at the very top.

BY MS. FICKBOHM:

Q. November?

A. November 1st.

Q. November 2015.

So would you say that by the time this Customer Agreement was signed, the wheels were already in motion to bring RBR in -- to try to bring RBR into Arizona with a CON application?

MR. MURPHY: Objection.

ALJ EIGENHEER: What's the objection?

MR. MURPHY: Foundation. She testified that she was not involved in the process of bringing RBR to Arizona. She delegated that to Jeff O'Malley. Jeff O'Malley would be the best person to ask that question of.

MS. FICKBOHM: Well, she's meeting with Greg Davis and Jeff O'Malley in early 2015 to talk about solutions.

BY MS. FICKBOHM:

Q. So I'm asking you to agree if you were meeting with them. And your testimony was also you discussed this in late 2014.

But by the end of 2015, would you agree with me that the wheels were already in motion to file an application for RBR to have a license in Arizona?

A. What I can remember is that we discussed possible solutions. I cannot remember ever discussing RBR coming into this that early in the discussion.

Q. What was your input on the scope of the RBR CON application?

A. Nothing.

Q. Did you have any involvement in the submission of the application?

A. No, I did not.

Q. You -- I think I heard you testify -- and I just want to ask if what I heard you -- was correct -- that the

Arizona issues raised to you were the same or similar to what Mr. Davis testified about earlier today?

A. As far as delays in transferring patients and the backups in our facilities, people ready to go home or ready to go to other levels of care, we were having issues getting them transferred.

Q. The same or similar to what Nevada had experienced?

A. Similar.

Q. And when you talked about the Dignity Health facilities in Arizona and you added up approximately 74, was that the Maricopa County area or all of the whole state?

A. That is -- It's all of my service area, which is actually Maricopa and Pinal.

Q. Okay. So it's Maricopa and Pinal?

A. Yeah.

Q. Okay. So when you talked about plans for more Dignity facilities, you said November 12, 2018, Arizona General and Mesa is coming online with approximately 50 beds.

A. Correct.

Q. Have you done any analysis of how many ambulance transports that facility might require on an annualized basis?

A. I'm unaware.
Q. And then you said you've got children's and women's -- children's and women's facility in Mercy Gilbert?
A. That will be coming online in three years.
Q. In three years.
A. Yes.
Q. And how many beds is that going to be?
A. It's going to be divided between women's and children's, and I can't remember how many. I think it's 75 will be --
Q. Combined?
A. And I don't remember exactly how many total beds. Because it's NICU beds and peds beds and stuff. I don't remember the total.
Q. Under a hundred?
A. No, it's over a hundred.
Q. Over a hundred.
And how many -- have you done any evaluation of how many ambulance transports on an annualized basis that facility will require?
A. I have not.
Q. You said you've got another facility coming up in Chandler.
A. A tower.

Q. A tower. Another tower -- That's a function of me not being able to read my own writing.

A. Okay.

Q. So how many beds is that going to involve?

A. That one, another 110 beds.

Q. And when is that going to come online?

A. That will be another two years from now.

Q. And have you done any analysis of how many ambulance transports that might involve?

A. No, I have not.

Q. Then you have got two more freestanding ERs online, one in Tempe and one in Surprise?

A. Correct.

Q. Tempe, when is that and how many beds is that going to involve?

A. There are no -- in freestanding, no beds.

Q. Okay. When are those going to come online?

A. They're both ready to go. As soon as we get Mesa open and it gets approved, we would open both of them.

Q. And how many ambulance transports are those going to involve on an annualized basis?

A. I did not analyze that.

Q. You said there were other things in the works but you can't talk about them for confidentiality reasons.

A. Correct.

Q. So you're not asking the judge or the Department of Health Services to take those future matters that you can't discuss into consideration?

A. That is correct.

Q. You talked about Dignity being a not-for-profit entity. That doesn't mean that you personally don't want to add revenue to Dignity's revenue stream, correct?

A. Restate that for me, please.

Q. Being a nonprofit doesn't mean you personally aren't interested in increasing Dignity's revenue footprint, correct?

A. I have a budget I have to hit and it has to be at least a breakeven, so that is my responsibility.

Q. You discussed the corporate integrity agreement, which I'm not going to discuss in any detail with you. I just want to ask you if -- So Dignity did something that the federal government didn't like and Dignity entered into a corporate integrity agreement with the federal government basically owning its errors, right?

A. Correct.

Q. And that doesn't mean that the Dignity Health system is a bad system, correct?

A. That is correct.

Q. And it doesn't mean that they provide substandard service to their patients, correct?

A. That is correct.
Q. And I would guess that we've all -- with the large footprint you have, sometimes you have employees that do things that are wrong.
A. We try not to.
Q. But do you ever have employees that break hospital or company policies?
A. Yes, we do.
Q. And sometimes employees get disciplined, right?
A. Yes, they do.
Q. And sometimes employees have to have more training, right?
A. Yes, they do.
Q. And sometimes you have patients complain to you about Dignity services, correct?
A. Correct.
Q. And sometimes those complaints are justified, because we're all human beings, right?
A. Correct.
Q. And that doesn't mean that Dignity is providing inappropriate services to its patients, correct?
A. That is correct.
Q. Would you agree with me that what you would look at would be the volume of services provided as opposed to the volume of complaints and -- and look to see if things

are getting out of proportion, correct?

A. What we do is we look at every complaint. So we try to understand what the reasoning for the complaint and is there a breakdown in the system? Is it an educational issue? We -- we have to assess everything. We don't take a percentage of errors versus positives.

Q. And part of any facility or business, in general, healthy presence and growth is looking at those things and saying, "Okay, we made a mistake. How can we grow from here?" Correct?

A. Yes.

Q. Did you disagree with anything that Rod Davis had to say?

A. I have to tell you I wasn't listening to everything he said. Sorry.

Q. I saw you sitting back there, so --

A. I heard some of it, but I didn't hear all of it.

Q. Okay. You talked about how Dignity in Arizona receives great service for 911, correct?

A. Yes.

Q. And you mentioned police and fire. You didn't mean to exclude AMR and Maricopa Ambulance from that overall statement, did you?

A. I am unaware. Mostly, it's been the fire and police that I'm aware of. I'm not aware of the other

911s.

Q. So you are unaware that Maricopa Ambulance is certificated to provide 911 service in Maricopa County --

A. I am not aware -- I'm not involved in that level of detail, so I'm not aware of who brings patients to us.

Q. You just are aware that you're getting great 911 service?

A. Yes. We have a very good relationship with the fire and the police department.

Q. Okay. So I'm going to go back to this. If the AMR CON holders and Maricopa Ambulance are also providing 911 services, do you have any reason to think that they're not doing the same good job that police and fire are doing?

A. No, I do not.

Q. So I just want to clarify another point that I think I heard you testify. You understood that RBR's application for a CON in Arizona included both Maricopa County and Pinal?

A. I -- That's what I understood.

Q. And do you -- do you understand that two of the AMR CON holders have authority to provide interfacility transports Maricopa County-wide? That there's no limitation on that ability?

A. No, I'm not aware of that.

Q. Would that be important to your analysis of RBR's application?

A. I'd take it into consideration.

Q. And I'm referring to AMR-136 and -71, which, as a matter of public record, will show that both are certificated to provide IFT services countywide with no limitation. Does that cause you to reevaluate any statements you've made about the application?

A. No.

Q. You testified that Dignity currently has no relationship with Community Ambulance. I need you to explain that to me.

A. I -- Dignity Arizona has no relationship with Community Ambulance as far as taking care of -- transporting any of our patients.

Q. But Dignity Health is the majority owner of Community Ambulance.

A. But it is not here in Arizona is what I'm telling you.

Q. So who is paying for this hearing since Community Ambulance doesn't have any Arizona revenue? Is Dignity Health helping pay for this hearing?

A. I don't know who's paying for the hearing. I can tell you about what we needed to do, and we -- we have put dollars into it.

Q. You have?

A. Well, from a standpoint of needing to have -- Well, you hear what we wanted to do.

Q. I'm sorry. Say that again.

A. We have -- we have put dollars in for Jeff O'Malley and myself to be represented here so that you can hear what we had to say. Jeff would know better what has been spent -- Jeff O'Malley would.

Q. Okay. You're not -- By saying that Dignity has no relationship with Community Ambulance, you're not trying to tell the Department or the judge that Dignity doesn't have the ability to communicate with RBR about its application?

A. No. I -- I did not say that. I said, if you remember when I talked about it, it was they are currently not transporting our patients here in Arizona.

Q. So if Dignity Arizona had information that it thought was important to RBR's application, nothing has prevented them from giving that information to Community?

A. I am unaware because I have not been involved at that level.

Q. But are you aware of anything that would have prevented Dignity Health Arizona from providing its wants, needs, desires, information to RBR in connection with this application proceeding?

A. I am unaware of any legal reason why they couldn't.

Q. Any practical reason?

A. I'm unaware of any reason.

Q. After lunch, you talked about you delegated to Mr. O'Malley to look into the issue of time- -- timeliness of transportation as between facilities. Do you remember that?

A. Yes.

Q. Tell me what you mean by "timeliness."

A. I had received a number of complaints from patients, from families, from leaders in the organizations about delays in discharging patients, in moving patients between freestanding EDs and hospital that were non-911s, and also moving people back to nursing homes or to other facilities. And that's what I meant by delays.

Q. Let's take those one at a time.

So moving people to nursing homes, was this moving by stretcher van, by ambulance, or by some other mechanism?

A. By ambulance.

Q. And -- and when did you -- Who and when gave you those complaints?

A. I don't remember exactly. Many of them came from case management through my hospital president.

Q. And so tell me when.
A. I don't remember exactly.
Q. So --
A. It had to be in early '14 and into early '15 where we had these issues.
Q. Okay. Early '14 and '15?
A. Not early '14. Late '14. I'm sorry. I misspoke.
Q. Late '14 and early '15?
A. '15, correct.
Q. And we're meaning 2014 and 2015?
A. Correct.
Q. And would that be the same with regard to moving people out of the emergency room? Same time frame?
A. The freestanding EDs, as they came on, which were delayed into -- April, May, June is when we started having openings -- and this is in 2015 -- of the freestanding EDs, we began to see delays at both Arizona General, which is in Laveen, as well as the freestanding emergency rooms.
Q. And so tell me who brought those freestanding emergency room issues to your attention.
A. It was the leadership of the Adeptus facilities at the time.
Q. And -- and what specific information do you have about which facility, what dates, who was involved?

A. We have a transportation log.
Q. Dignity has a transportation log?
A. Yes. If the transfers are called in to our transfer center.
Q. And -- and are these transfers out of the emergency -- freestanding emergency rooms by ambulance? Stretcher van? Wheelchair? Other?
A. By ambulance.
Q. And who was the ambulance provider? In that period of time, you got the Rural/Metro organization, then you've got AMR --
A. It was AMR.
Q. And -- Okay. You're confident it was 100 percent AMR?
A. Well, I know AMR -- part of ambulance at the Laveen facility because some of our concerns. And it was so -- they felt like they weren't using that facility as much as they needed to and moved it back into other services.
Q. Who at AMR did you talk to about this?
A. I did not talk to anybody. You'll have to ask Mr. O'Malley. He maybe will remember.
Q. And complaints in discharging patients from hospitals, about the timeliness of that -- How -- how are most patients discharged from the hospitals?

A. Most patients are discharged by car, with their family.

Q. Personal vehicle?

A. Yes. Many times if they have to go to rehab facilities, skilled nursing, other facilities, then they would go -- because of the level of care needed, they would go by ambulance.

Q. And what percentage as compared to personal vehicles?

A. Probably 10 to 15 percent.

Q. Is that a guess?

A. That's a guess.

Q. What about ambulance -- What about wheelchair vans?

A. I don't know.

Q. Because you use stretcher and wheelchair vans to move people out of the hospital to nursing homes, correct?

A. Somewhat.

Q. And sometimes when patients are discharged, the delay could be because of understaffing at the hospital also, correct?

A. Not usually.

Q. Not usually?

So give me the -- Tell me the study you've done and the breakdown of discharge delays as -- between

being a staffing issue versus being a transportation issue.

MR. MURPHY: I'm going to object. That's argumentative, Your Honor. She's being argumentative and somewhat combative.

ALJ EIGENHEER: I'll allow it.

THE WITNESS: Could you ask the question again?

MS. FICKBOHM: Sure.

BY MS. FICKBOHM:

Q. I asked you what study you can point me to about the percentage of complaints about discharging patients being delayed as relating to staffing issues at the facility versus availability of transportation.

A. We have a daily log of staffing. We bring in travelers. So we do not have a staffing issue in general. I am unaware of any study that has ever been done that showed delays because of staffing in our facilities.

Q. You would agree with me that staffing of hospitals on a national basis is an area of concern.

A. It is.

Q. That the labor market is -- is a real -- there's a very tight labor market out there right now?

A. But we have two nursing schools that we have now in our system to help us with the nursing shortage. We

have Grand Canyon as well as Creighton medical -- Creighton University helping us.

MS. FICKBOHM: So, Judge, could you pull up AMR-12A?

BY MS. FICKBOHM:

Q. Is Creighton open now?

A. Creighton nursing school's been open for almost a year.

Q. So I'm showing you what's been marked as AMR-12A. And this is an article out of the Wall Street Journal from April of 2018 talking about U.S. hospital profits reaching a remarkable low, falling 8.1 percent from 9.5 a year earlier, as a tight labor market and other factors pressure hospital finances. Are you familiar with this article?

A. I've never seen it before.

Q. So on the second page of this, the third paragraph from the bottom talks about the nursing shortage compounding an uptick in hospital operating expenses outpacing increased revenue. Do you disagree with that observation?

A. No. I think we're having to spend a lot more money on expensive travelers. That is true.

Q. And the last paragraph says that the demand for nurses is going to intensify where the population is aging

or booming. Do you disagree with that?

A. No, I don't.

Q. And do you disagree that the greater Maricopa County is -- area is, in fact, a county where the population is aging and booming?

A. No, I don't disagree with that.

Q. So it's sort of a double whammy when it comes for the need for nurses, correct?

A. But that's why we brought in two nursing schools, so we can get ahead of this.

Q. So are -- Right now, are you requiring your nurses to work overtime in order to cover staffing issues?

A. As little as possible.

Q. But you are using overtime to cover nursing --

A. We have to in some cases.

Q. You and I need to not talk at the same time.

A. Sorry.

Q. The court reporter keeps shooting me the look.

A. Okay. I'm sorry. I will wait until you finish.

Q. It's me too. So it's -- it's fine.

Do you have any physician positions that are unfilled and you are looking to fill right now?

A. Do I have --

Q. Physician.

A. Yes, we do.

Q. So you're down just as many doctors as you like to have in -- for Dignity in Maricopa County, right?

A. We are down in primary care, which is the short -- the largest shortage we have.

Q. And you're down the number of nurses you would like to have too, correct?

A. Actually, right now, we have all our positions filled.

Q. But you're still requiring some of the nurses to work overtime?

A. Some.

Q. Tell me, are there ratios -- staff-to-patient ratios that Dignity tries to achieve?

A. Yes.

Q. And are those necessary for certifications that Dignity wants to have?

A. We use the California standards, because of being a California-based facility, for ratios.

Q. And -- and if you're at those ratios and you have people waiting to get into the emergency department or into your hospital, how would those ratios go into consideration of when and how to admit people?

A. We have a call system and we bring in staff to meet the demand of the number of patients.

Q. So that's going to take -- It's not like your

staff is outside the door. You're going to call -- You see your population going up, you're going to put a call "Can you come in now?" Right?

A. Correct.

Q. And how long is it going to take people to get to the hospital to help you out with that?

A. If we have them on call, they have to be there in 30 minutes.

Q. Okay. So it's possible that you could have delays in admitting patients in order to maintain your staffing ratios that you want to maintain, correct?

A. It could be possible.

Q. And -- and when you say timeliness of transportation, I just want you to tell me what you mean by "timeliness of transportation." What's your definition of "timeliness of transportation"?

A. A patient who is discharged at 10 o'clock in the morning and has not gone where they needed to go 2 and 3 o'clock in the afternoon, that is untimely transfer.

Q. And so I would like you to tell me the number of times in 2018 that that's happened due to lack of availability of an ambulance transport.

A. I do not know that statistic.

Q. How many times has that happened in 2017 due to the lack of availability of an ambulance transport?

A. I do not know that statistic.
Q. How many times has that happened in 2016 due to a lack of ability of an ambulance transport?
A. I don't know that statistic.
Q. What about 2015?
A. I don't know that statistic.
Q. When -- when you refer to timeliness, is one measure you use the interfacility transport arrival requirements that the Department of Health Services has placed on the licenses that Maricopa Ambulance and the AMR entities hold?
A. I don't get into that level of detail. I delegate to people, and they come back to me with information. I don't know.
Q. If -- if you're -- if you sign a contract that requires certain response parameters for a preferred provider, would those response parameters be a good measurement of the timeliness that you personally require?
A. Yes.
Q. And do you have any information indicating that there was any kind of a systemic problem in 2016 with the AMR CON holders meeting those contract performance guidelines in Maricopa County?
A. I do not know.
Q. What about in 2017?

A. I do not know.
Q. What about -- Now, the contract wasn't signed until November 2015 with AMR. So what about the very, very end of 2015?
A. I do not know.
Q. What about 2018?
A. I do not know.
Q. You testified that Dignity did an assessment into the public need -- I'm sorry -- into Dignity's needs for interfacility transport. Do you remember testifying to that when --
A. Yes.
Q. -- Ms. Hofmeyr was asking you questions?
Where is that assessment?
A. You'll have to ask Mr. O'Malley. I don't have it.
Q. So do you think -- And it's been reduced to writing?
A. I do not know that.
Q. Okay. Would you agree that there's been a big push by Dignity, certainly in 2017, to keep Dignity's patients in-house when they're moving between facilities because they require a higher level of care?
A. Yes.
Q. And skipping to your position with the Arizona

hospital association, I see you've had a leadership role and you also have been a member for quite some time, correct?

A. I am no longer a member.

Q. You're no longer a member.

When did you stop being a member?

A. Four years ago.

Q. So in 2014?

A. Yes.

Q. Okay. So do you belong to any professional organizations that lead- -- leadership of other major hospital systems in Maricopa County belong to?

A. Yes.

Q. And what's that?

A. It's called Health Systems Alliance.

Q. And do all the major hospital systems belong to that?

A. It's Banner, Tenet Abrazo, Honor, Dignity, and Northern Arizona.

Q. The hospital in Flagstaff?

A. The Flagstaff system.

Q. And can you tell me -- And how long have you been involved in that organization?

A. Four years.

Q. Four years?

So how many times did you raise at that organization's meetings the fact that Dignity Health in Arizona was looking to get into the ambulance business through a joint venture LLC that was going to be for profit?

A. Never.

Q. Did you poll any of these other members about their perceived desire for an additional private for-profit provider of ambulance transport services in Maricopa County?

A. No, I did not.

Q. Have you raised it less formally with any of these entities, just casually in conversation, "Hey, we're going to get in the ambulance business too. We've got a majority ownership interest in an entity that's applying for a certificate of necessity"?

A. No, I have not.

Q. So would it be fair to say that you're unaware about whether the other major health systems in Maricopa County would be supportive or unsupportive of this enterprise?

A. That is correct.

Q. Are you aware of any studies or analyses done about how RBR getting a CON in Arizona and taking all of the Dignity-affiliated transports might impact the public

beyond the public served by Dignity?

A. No.

Q. What about how it might impact other hospitals?

A. No.

Q. What about how it might impact the existing CON holders that serve these other members of the Health Systems Alliance?

A. No.

Q. Let's assume that Dignity, through its majority ownership in its private partner's for-profit LLC, RBR, gets a CON. Don't you think that the other major hospital systems are likely to say, "Hey, we want to do that too so we can keep all of our stuff in the system"?

A. I don't know.

Q. You don't think that -- that hospitals follow each other when they're looking to follow the money or follow the trends?

A. I really don't know.

Q. Why didn't Dignity itself just apply for a CON under its nonprofit umbrella as opposed to joining with the ambulance group for-profit entity?

A. I don't know.

Q. Since -- since Dignity entered into this joint venture with the ambulance group to form RBR and to have it become recognized as a foreign entity in Arizona

applying for a CON, have you had any concern about making sure that the financial transactions between RBR and Dignity Arizona are all arm's-length transactions?

A. I'm -- I'm unaware of any discussion about that.

Q. Is that a matter of concern to you or not?

A. No, it's not.

Q. So -- Okay. Are you aware that RBR has told the Department of Health Services that if it gets a CON, at least in year one, it does not anticipate giving Dignity any contractual discounts?

A. No, I'm not.

Q. Are you aware that under Dignity's contract with AMR, Dignity got a 30 percent break on ambulance transport rates?

A. No, I was not aware of that.

Q. And does Dignity, in the contract it has pending with Maricopa Ambulance -- will it be entitled to a contractual discount?

A. I am unaware of that.

Q. Would that be important to you?

A. Obviously cost is important.

Q. So wouldn't it be better for Dignity to use providers that will give it a contractual discount as opposed to using RBR who in its financial reporting to the state said it won't give Dignity any contractual

discounts?

A. I have not seen that -- that piece.

Q. Does that cause you concern?

A. I would be alarmed, but I would like to see it.

MS. FICKBOHM: Okay. If we could pull up DHS-12, Your Honor. And if we could go to page 12-18.

BY MS. FICKBOHM:

Q. And this is the amended financial reporting that RBR did to the State of Arizona.

At page 18 is where RBR was required to report any contractual allowances that it would be giving to anyone. And right here it put -- Do you see it's got N/A on each line there?

Do you see that?

A. I see it.

Q. Okay. So are you concerned that RBR, in its first year of operations, if it gets a CON will not be giving Dignity a 30 percent contractual discount?

A. I don't think we have negotiated a contract with them yet.

Q. You don't -- During your direct or cross-exam, you talked about the contract that Dignity has signed with RBR contingent upon DHS approval once it gets a CON. You signed it.

A. I don't remember seeing, though, anything about

discounts or any financials in that.

Q. Okay. But I'm asking you if looking at RBR's financial information provided to the State of Arizona, where they're not going to give any -- they're not going to give any contractual discounts to anyone -- does that cause you concern?

A. I would have to look into it.

Q. Would you agree that Dignity not getting that contractual allowance would not be such a great thing for Dignity if it can get it with Maricopa Ambulance or AMR?

A. I would have to look at the pro forma and see what the pro forma shows around profitability at the -- at the end of the first year.

Q. Would you agree with me that -- that what's shown on the page we have up in front of us, page 18 of DHS Exhibit 12, is also not so great for Dignity's patients?

A. I don't understand what you're talking about.

Q. Well, don't the majority of the patients that come into Dignity have -- don't a significant number of them have third-party payer insurance, Blue Cross Blue Shield, that type of stuff?

A. I wish.

Q. Okay. So the ones that do have the third-party payer insurance, you're aware that those insurance companies frequently negotiate contractual discounts with

ambulance transport providers?

A. Yes, I am.

Q. And if those contractual discounts are not provided for, it's likely that the patient is going to have a higher deductible they're going to have to pay to the hospital, correct?

A. My understanding -- maybe I'm wrong -- is that's between the ambulance and the payer, the Blue Cross Blue Shield, that they're the ones who negotiate, not with us.

Q. Right. But when we're talking about what's good for your patients, don't you think it's good for your patients to have a provider that's going to give contractual discounts?

A. I don't know.

Q. You don't know if it's good for your patients to give your patients a financial break?

A. I don't know what percentage of my patients we are talking about.

Q. So do you think it's good for the public to have a new provider that's not going to give contractual allowances?

A. Well, I'm not so sure that's what that says.

Q. It's right up in front of you.

A. It says "N/A." But that's all it says.

Q. Right. So no contractual allowances are listed.

If there's going to be contractual allowances, they have to report them to the Department of Health Services, and they reported none. Do you think that's good for the public?

A. I don't think so.

Q. How long will Dignity facilities hold a patient if RBR gets a CON and doesn't have any ambulance immediately available to respond to a facility? How long are they going to hold the patient in order to let RBR come and be the one to transport them and keep them in the system?

A. It would depend on how -- what the patient's condition is.

Q. So could it be for an hour?

A. It could be.

MR. MURPHY: Objection, Your Honor. This calls for speculation, hypothetical. It's not clear.

ALJ EIGENHEER: You may answer the question, to the extent you know.

BY MS. FICKBOHM:

Q. Can you imagine any circumstances where it would be okay with you if a Dignity facility held a patient for two hours so that RBR could do the transport as opposed to calling somebody else?

MR. MURPHY: Again, Your Honor, I object.

It calls for speculation. It's not clear what the details of this particular hypothetical patient's condition are and what the purpose of the delay is.

MS. FICKBOHM: I asked her if she could imagine circumstances.

MR. MURPHY: It's overbroad. It's irrelevant.

ALJ EIGENHEER: You may answer the question -- the question, to the extent you have an opinion.

THE WITNESS: It depends on the condition of the patient. If the patient's not stable, then we'd have to move that patient quicker, and we'd have to call whoever could come right away.

BY MS. FICKBOHM:

Q. But if you have a stable patient and your desire is to keep services in-house, you can imagine circumstances where a patient might be held for two hours before RBR shows up to pick them up, correct?

A. Yes, I could.

Q. Do you understand that if RBR gets a CON and takes a small portion of the overall system, that the cost of the overall ambulance transport system is going to go up?

A. I think there's enough patients for everybody.

Q. But do you understand that as a small provider, RBR is not going to be able to be as efficient as larger transport providers?

A. Yes, I do.

Q. Do you also understand that bringing another small provider into Maricopa County will necessarily result in some duplicative infrastructure?

A. Yes, I do.

Q. And do you understand that that duplicative infrastructure ultimately gets paid for by the public by what it charges?

A. Yes, I do.

I just want to say one thing right now. The people we have now are not meeting our needs, so the whole reason why we looked at this is the fact that we have patients who are waiting multiple hours.

Q. Okay. So I want you to tell me the last time that happened.

A. I cannot tell you a date. But I can tell you I hear from the case managers that this becomes an issue all the time.

Q. Okay. So tell me at what facility you --

A. Arizona Laveen.

Q. Okay. And -- and what date are you talking about? So I mean --

A. I don't know the date.
Q. So I just want to tell you that this is our chance to hear what facts you have that you're basing this application on -- or, supporting this application for, and, you know, without you providing me with date, time, and place, it's really hard for my client to look into it and say, "You know what? What that case manager told you is wrong."
A. Well, we have logs of when we call and then when people show up.
Q. Okay.
A. So we can go back and look it up.
Q. So you would expect that Community Ambulance would have gotten those logs from Dignity, correct?
A. I don't know.
Q. You don't have any personal firsthand knowledge about any patient waiting a long period of time, do you?
A. Recently? Or over a period of time?
Q. Let's -- let's say in the last month.
A. No, I don't personally.
Q. And do you have anything in 2018?
A. No.
Q. Do you have anything in 2017?
A. No.
Q. So part of your job is to make sure that the

Dignity system in Arizona is financially stable, correct?

A. Correct.

Q. And because of the care that Dignity provides, you believe a financially stable Dignity system is good for the public, right?

A. Correct.

Q. And I'm going to assume -- and you can tell me if this is right or wrong -- that to achieve that financial stability, Dignity depends upon a mix of financial reimbursements. It does some wonderful charity care that it gets paid nothing for, right?

A. Correct.

Q. It does some care that it receives reduced reimbursements for, correct?

A. Correct.

Q. And then it does what I will call high-quality reimbursement care also, correct?

A. Correct.

Q. You put that all together, and you get financial stability, right?

A. Right.

Q. So would it concern you if you found out that someone was targeting your high-reimbursement stuff and they were going to pull some of that out of your system? Would that cause you concern for Dignity's financial

stability?

A. Yes.

Q. And would you be concerned, if that were going to happen, about the impact on Dignity's ability to serve its patients that require free or lower-cost services?

A. Yes.

Q. And would you also agree with me that the ambulance transport providers in Arizona are an important part of the healthcare system in Maricopa County?

A. Yes. Absolutely.

Q. And would you agree that like hospitals, they've got to pick up people and transport them that can't afford to pay anything?

A. Yes.

Q. And would you agree with me that, like hospitals, they also have to take care of the people that come in at low reimbursement rates?

A. Yes.

Q. And then would you agree with me they've also got some higher-quality reimbursement rates?

A. Yes.

Q. And so would you agree that if an exist- -- if the existing CON holders see the higher-reimbursement-rate transports getting plucked, picked away by someone else who isn't going to pick up the low, no cost -- they're

just going to take the high-quality things -- that they would understandably be concerned?

A. Yes.

MS. FICKBOHM: Those are all the questions I have, Ms. Hunt. Thank you so much.

ALJ EIGENHEER: Anything else?

MR. RAY: Yes. Thank you.

CROSS-EXAMINATION

BY MR. RAY:

Q. Good afternoon, Ms. Hunt. I'm Kevin Ray. I represent the Bureau of EMS & Trauma Systems.

At the hospital -- and I know you're aware -- you're regulated -- you're licensed by the Department of Health in a different office, correct? The medical facilities office?

A. Correct.

Q. Okay. The Bureau's job, among several jobs, is to regulate the ambulance providers to ensure continuity of care for all residents in Arizona. Would you agree with me on that?

A. Yes.

Q. Okay. And -- and that's kind of the background I want you to keep in mind.

You just finished telling AMR's attorney

that "The current providers are not meeting our needs," and I want to focus on that, because that is a big issue for the purpose of this hearing. When you say "the current providers," do you mean ABC?

A. I am unfamiliar with who currently is providing to our facility.

Q. Okay. Fair enough.

Even Arizona General at Laveen -- or, in Laveen?

A. I don't know who provides ambulance service. I don't get into --

Q. Okay.

A. -- that level of detail.

Q. Okay. And is that something -- When you made that statement, that's a conclusion based on information provided by others?

A. Correct.

Q. Okay. And if Mr. O'Malley is going to testify, he would be the one to identify?

A. Correct.

Q. Okay. And like Ms. Fickbohm, I'm going to apologize because I may jump around a little bit as well. Some of the questions I had have been asked.

I want to make sure I understand what is Dignity's -- Dignity Health's expectation if this

applicant, RBR, is given a CON? What is Dignity Health's expectation with respect to that business relationship with the applicant?

A. That they would do interfacility transfers of all comers, all patients that we have. We have all types of patients, and if we called them, they would need to come and take those patients where we've asked them to go.

Q. Okay. And when you're talking about "where we've asked them to go," you're talking about Dignity facilities?

A. I am talking about Dignity facilities --

Q. Okay.

A. -- asking them to transport to another facility if that's what we need that patient to have done.

Q. Okay. Help me understand the difference between a Dignity facility and a Dignity-affiliated company, if there's a difference.

A. It's usually a percentage of ownership is how I define it.

Q. Okay.

A. So if we are greater than 50 percent, then that would be a Dignity facility or a predominantly majority-owned. And below 50 percent would be more an affiliate. For example, Phoenix Children's is 20 percent. You know, they are an affiliate.

Q. Okay. Thank you. That's helpful.

So let's back up to my question again about what Dignity's expectations are assuming the applicant gets a CON. Would they be servicing the needs of the Dignity facilities only or broader into the affiliated companies as well?

A. We -- we started this with the Dignity facilities predominantly, not the affiliates.

Q. And when you say you started it, has that changed?

A. No, it has not.

Q. Okay. So your expectation -- or, the expectation of Dignity Health is that this ambulance service will focus on Dignity-controlled facilities --

A. Correct.

Q. -- where you own more than 50 percent?

A. Correct.

Q. Okay. In Maricopa County, do you have an idea of how many facilities we're talking about? And we can break them down into groups if that's easier.

A. Well, let's do acute care.

Q. Okay.

A. Okay. So right now, there's five, soon to be six hospitals.

Q. Okay.

A. Okay. We have 10 freestanding emergency rooms. And we a hundred percent own now all the Adeptus facilities that were purchased by Dignity a hundred percent.

Q. Okay. So for my clarification --

A. That would be Arizona General, Arizona General Laveen, all of the freestanding emergency rooms are now all owned a hundred percent by Dignity.

Q. Okay. So those healthcare licenses are under the name of Arizona General or Dignity or --

A. They're Arizona General, which is now an LLC of Dignity Health, wholly owned.

Q. Okay. Thank you.

I'm sorry. So you identified -- You started with five, soon to be six, general hospitals?

A. Correct.

Q. 10 freestanding emergency departments?

A. Which is soon to be 12.

Q. Soon to be 12.

What other Dignity facilities would you expect them to serve?

A. We have an Alzheimer's unit that is a hundred percent owned by Dignity. We don't -- We usually transfer patients to there, very seldom back from there, and then --

Q. And can you -- Do you know what kind of license that Alzheimer's unit has?

A. I think it's considered a skilled nursing facility.

Q. Okay. And there's only one skilled nursing facility?

A. There's only one, correct.

Q. Okay. How about urgent care centers? Do you have any in Maricopa County?

A. We do. We have four --

Q. Okay.

A. -- in Maricopa.

Q. Not --

A. Not -- not Pinal. Not Pinal. In Maricopa County, there are four.

Q. Okay. Any other facilities?

A. I'm trying to -- You know, it depends on where the patients are and what they would need -- if they needed to come to us. But right now, off the top of my head, that would be what I would outline as probably the greatest needs that we have. "We" being Dignity.

Q. Okay. And -- and if the applicant is successful in getting its CON, your expectation, as the CEO of Dignity Health, is that they would serve the needs of those controlled Dignity facilities?

A. Yes.

Q. Okay. What about the affiliated Dignity facilities? Who would serve them?

A. For example, Phoenix Children's, I don't know. They make that decision. That is not part of the Dignity governance decision. And the same with Concentra and all the others. Those are made at a different level in the organization that we do not have direct control over.

Q. Okay. So you're saying those medical -- the owners of those facilities --

A. Right.

Q. -- the majority owners --

A. Would make those decisions.

Q. Okay. And I want to -- I want to make sure, to the best of your knowledge, the timing is correct that you first started hearing about Dignity transportation issues related to ambulance services in late 2014 and early 2015. Is that right?

A. Correct. That was the first time I really began to hear it.

Q. Okay. And who -- who would have brought those to your attention in your hierarchy?

A. The president of St. Joseph's Hospital. The president -- the president, her name is Patty White.

Q. Okay.

A. At the -- at the time, Tim Bricker, who was the president of the East Valley facilities as well as the head of case management -- because they were feeling very frustrated and moving patients out of the system, we were trying to hit the, you know, average time patients stay in the hospital. That's what CMS measures us on, and it's a reportable measurement about length of stay in the facility. And if you're over, then you have to explain why you're over in that length of stay.

Q. And do those case managers have the ability to contact you directly, or are they working through the corporate hierarchy?

A. They are working through the corporate hierarchy as well as through the presidents of the hospitals.

Q. Okay. So where does Mr. O'Malley fit into this discussion?

A. Mr. O'Malley is -- he's part of my -- my team here in Arizona. And he's in charge of joint venture partnerships. And so that's why I went to him and asked him to please look into this, because we were hearing it from, at that time, Arizona General, the freestanding emergency rooms, which were not yet a hundred percent owned by Dignity but majority-owned at that time.

Q. Okay. And I think your testimony was that this information was percolating up to you and you, in turn,

assigned the task of addressing this ambulance-related problem to Mr. O'Malley. Is that fair?

A. That is correct.

Q. And when did that direction occur?

A. I had -- my first meeting -- I tried to go back and find the exact date. It was in early 2015, maybe January, Februaryish.

Q. Okay. Can you go back to your statement about what CMS regulates your in-hospital time for? And I may not ask a -- an articulate question that way. But could you expound on that?

A. We -- You know, all DRGs have a Medicare expected length of stay.

Q. And DRG is?

A. Diagnostic-related groups.

And we have a geometric mean length of stay that we're held accountable to, because that's how we're paid. So if you go over, it's on your nickel --

Q. Right.

A. -- you know, all that extra time. And our time line in many of our facilities, especially St. Joseph's and Chandler Regional, were higher than expected. And so we've been tracking this to see what are our main issues, and that, along with a number of complaints that were coming to me, were the issues that began to say what in

the heck is going on that we've seen this expected mean length of stay going up?

Q. Okay. So that extended stay time came to your attention in late 2014-2015?

A. Correct.

Q. And how much of that do you attribute to delays in ambulance transportation?

A. I can't give you a percentage. It was significant enough for us to say -- me to say, "Mr. O'Malley, I need you to go and look at this and find out what's going on that all of a sudden we've seen this spike."

Q. Okay. Is there anyone else that is expected to testify here by Dignity that would be able to talk about that? Would Mr. O'Malley, for instance?

A. I think Mr. O'Malley would, but I don't know who else is going to testify.

Q. Fair enough.

Did -- did CMS open any investigations with your group related to extended times?

A. Not that I am aware of, but they don't reimburse you for that time, that extended -- so it was very obvious that we needed to do something.

Q. All right. And I want to make sure you understand that if this CON is granted, the applicant will

be restricted to a service area of Maricopa County only.

A. Yes.

Q. So to the extent you have feeder facilities outside of the county, those facilities would not be able to be served front line by the applicant?

A. Yeah.

Q. Do you understand that?

A. Yes, sir, I do.

Q. Okay. Ms. Hunt, what is the Dignity Health Medical Group? What is that?

A. That is made up of about 234 physician and nurse practitioner providers. Predominantly, they teach or they provide trauma coverage at St. Joe's and Chandler Regional. And they see patients, but their main function is to do teaching for our residency that we have.

MR. RAY: Okay. Could you pull up Community Ambulance 17, please, Judge? And just the first page is fine.

ALJ EIGENHEER: This out of order. That's weird.

MR. RAY: And I'd like to focus on the top first paragraph, Judge. Thank you.

BY MR. RAY:

Q. If you'll take a moment to read that first paragraph, you'll see why I ask that question.

A. Right.

Q. You'll see Dignity Health Medical Group is listed in addition to several hospitals, correct?

A. Correct.

Q. This is the proposed Ambulance Service Agreement that Dignity -- that you signed for Dignity, and it's an Ambulance Service Agreement with the applicant should they receive a certificate of necessity.

A. Right.

Q. Okay. So this agreement, then, would cover Chandler Regional Medical Center, Mercy Gilbert Medical Center, St. Joseph's Hospital and Medical Center, St. Joseph's Westgate Medical Center, and the Dignity Health Medical Group. Did I capture everybody?

A. Yes.

Q. Okay. So what about the urgent care centers and the Alzheimer's unit and the freestanding EDs? Are they covered, to your knowledge, by this agreement?

A. They're not listed here. Most of the patients that would be probably transported out of those facilities would be 911 calls, or we do have another agreement that spells out Laveen and then the freestanding EDs, so we have -- because, remember, we just took 100 percent ownership of those facilities, so we probably have not rolled those into this.

Q. Okay. So help me understand, then, what the role of Dignity Health Medical Group - Arizona has with this Ambulance Service Agreement.

A. It would very seldom ever transfer a patient through Community Ambulance. It would be only if a patient came to our facility, we needed to transport to rehab or something happened. Most of the time, all of the type of transports we're talking about would be on a more acute -- They have clinics in 34 locations around the Valley, but most of those patients come by car or by transport van. That -- This would be very few patients that would come out of the Dignity Health Medical Group.

Q. Okay. So those facilities -- those physician facilities, those are not being counted as Dignity facilities in -- in our previous conversation?

A. They are Dignity facilities. But they are not acute care facilities.

Q. Okay. How many different ambulance transports could occur within the Dignity facility system?

A. I have no idea.

Q. So you have a 911, presumably, to the general hospital.

A. Right.

Q. From there, you could have an interfacility to where?

A. For example, a trauma patient comes 911 St. Joseph's.

Q. Yes.

A. They live close to Westgate and they're not ready to be discharged but they would like to go closer to their family, so it would be a St. Joseph's downtown to St. Joe's Westgate.

It could be we diagnose that patient as an Alzheimer's patient who cannot go back to their home. Then we would need to go to Mercy Huger Living Center, which is the Alzheimer's unit.

Is that what -- is that what you're asking for?

Q. Yes.

A. Perfect examples. The freestanding emergency rooms -- like I said, most of those are really usually 911. It could be that they would need transport to, for example, Kindred rehab facility, which is us down the street from Chandler Regional. And so they could be transported over there. That would --

Q. So folks that would be -- that would report to a freestanding ED, does that hospital license -- can they do general surgery there?

A. No.

Q. So those patients would go the other direction?

A. They would have to go to a higher level of care --

Q. Okay.

A. -- correct. They would stabilize and transfer.

Q. Okay. You mentioned early in your testimony that Arizona was experiencing 2 to 3 percent growth in Maricopa County. Is that per year?

A. Cumulative 2 to 3 percent. I think depending on what part of the community you look at, it could be higher or lower.

Q. And that's on a per-year basis?

A. Per-year basis.

Q. And when did that 2 to 3 percent cumulative start, in your mind?

A. We have been looking -- we, Dignity, here in Arizona have been looking at growth over the last really 24 months -- looking out on where do we need to put facilities if this growth continues, which it's projected to continue.

Q. Okay. Let me switch gears again.

The applicant gets its CON. You have patients that are going to be transferred -- they're not just being treated and released --

A. Correct.

Q. -- to their own transportation. They're being

transported within your system.

A. Correct.

Q. Who makes that decision to transport to another Dignity facility?

A. Usually the physician requests what level of care that patient would need. We would look then to where the patient needs to go closest to their home, if at all possible. And then a decision is made with that family, with that physician, and usually care management or case management looking at their insurance, looking at cost, and -- and moving the patients.

Q. And if these -- if the applicant gets the CON, your expectation would be that they would do the ambulance transport to and from your facilities?

A. Yes, sir.

Q. And is the patient responsible for all of those bills for each and every transport?

A. It depends. If it's for our convenience that we need to move that patient because we need that bed and it's easier for that patient to go closer to their home, we would then -- we, Dignity Arizona, would pick up that cost and move that patient if the patient agreed. We couldn't force anybody to -- to move.

Q. Okay. Is that -- is that termed a "convenience transport"?

A. I think that's what Mr. Davis called it earlier. And like I said, I never heard these terms before.

Q. Okay. But you have assumed -- "you" being Dignity -- you already have assumed some patient transport costs --

A. Right, especially --

Q. -- under the current provider?

A. Especially homeless patients and different people who have -- You know, undocumented patients, right now we already pick up that cost.

Q. Ms. Hunt, if I pulled up -- if we went further into this Ambulance Service Agreement and we went to the page where there was a discussion of response times, would you be able to discuss with me what that -- what those times mean from your perspective, or is that something that I should ask Mr. O'Malley?

A. I would like for you to ask Mr. O'Malley. I can give you the high-level answer. And that is that we have a shortage of beds in this community -- throughout this community. Especially come the next six weeks until May, we will be short of beds, so the sooner we can transfer patients, the more we can get people out of the emergency room or out of the outlying areas, which we take a lot of transfers from outside the city as well, into a bed.

Q. Okay. Is it your expectation, on behalf of

Dignity, that the applicant, should it receive a CON, would be held to those what they're calling response times?

A. Yes.

Q. And you would hold them to that?

A. Yes.

Q. Provided they didn't have an exception --

A. Right.

Q. -- that Mr. Belanger has spoken about?

A. Yes.

MR. RAY: Then I'll hold my questions for Mr. O'Malley.

Thank you very much. I don't have any further questions.

ALJ EIGENHEER: Okay.

MS. FICKBOHM: And I forgot to move two of my --

ALJ EIGENHEER: I --

MS. FICKBOHM: Thank you, Judge. I was wondering why Adriane wasn't helping.

Okay. I move for AMR-12A and DHS-12.

ALJ EIGENHEER: Any objections?

MR. BELANGER: No, Your Honor.

You also referenced ADHS-1.

ALJ EIGENHEER: It's already in.

MS. FICKBOHM: I think DHS-1 is already in.

ALJ EIGENHEER: ADHS-12 is admitted and AMR-12A is admitted.

MS. FICKBOHM: Thank you, Judge.

ALJ EIGENHEER: Redirect?

MR. MURPHY: Just a few questions, Your Honor.

REDIRECT EXAMINATION

BY MR. MURPHY:

Q. Ms. Hunt --

A. Yes.

Q. -- you testified in response to -- I think it was Ms. Hofmeyr's cross-examination that Dignity Health has patients in every ZIP code in Maricopa County. Does that include Sun City West?

A. Yes, it does.

Q. And Surprise?

A. Yes, it does.

Q. Does it also include Buckeye?

A. Yes, sir.

Q. And Sun Lakes?

A. Yes, it does.

Q. And New River?

A. Yes, it does.

Q. And you need a transport service that would be able to pick up patients in those cities?

A. Yes. We have patients in every ZIP code. We've just finished this review. Every ZIP code in this -- Maricopa County.

Q. You also testified earlier that the fastest-growing portions of Maricopa County are the northwest and the southeast of Maricopa County, correct?

A. Yes, sir.

Q. Does northwest Maricopa County include areas west of the 303 that Mr. Belanger was speaking about?

A. Yes, it does.

Q. And in response to Mr. Belanger's questions to you, you testified that Dignity has no current facilities west of the 303.

A. That is correct.

Q. What, if anything, can you disclose has Dignity done to explore potential expansion west of the 303?

A. We are actively looking at property west of the 303 because of the growth in that location.

Q. If -- Just switching gears here for a moment, if Dignity Health were providing poor service to a high-reimbursement patient population, would you expect that Dignity Health would continue to receive those patients?

A. No.

MR. MURPHY: I have nothing further at the moment.

ALJ EIGENHEER: You may be excused.

THE WITNESS: Thank you.

ALJ EIGENHEER: Thank you.

Short recess?

Let's go off the record at this time.

(A recess ensued from 3:10 p.m. to 3:31 p.m.)

ALJ EIGENHEER: Okay. We are back on the record.

Your next witness?

MR. MURPHY: The infamous Jeff O'Malley.

ALJ EIGENHEER: Oh. Your reputation precedes you.

Please raise your right hand.

JEFF O'MALLEY,

called as a witness on behalf of RBR Management, LLC, herein, having been first duly sworn by the Administrative Law Judge to speak the truth and nothing but the truth, was examined and testified as follows:

ALJ EIGENHEER: Would you please state your

name, spelling it for the record.

THE WITNESS: Jeff O'Malley, J-e-f-f O-'-M-a-l-l-e-y.

ALJ EIGENHEER: Please proceed.

DIRECT EXAMINATION

BY MR. MURPHY:

Q. Good afternoon, Jeff. You have stated your name for the record, so I can avoid that question.

You -- It's also been established earlier, but I might confirm, that you are a Dignity Health employee?

A. Yes, sir.

Q. And what is your role with Dignity Health?

A. I'm currently serving as the vice president of partnership integration for Dignity Health in the Arizona market.

Q. Okay. And can you tell me a little bit about what that role is?

A. I'm involved in building new partnerships, new relationships, establish- -- establishing joint ventures, creating partnership agreements and relationships, building the models, defining the terms, doing the valuations, pro formas, business models.

I also work with our existing partnerships.

I work with our existing partnerships to identify opportunities to integrate and align within the Dignity Health Integrated Delivery Network that's being developed here in Arizona.

And I sit on a number of the joint venture boards, board of directors.

Q. Do you sit on the Community Ambulance board of managers?

A. I do, yes.

Q. So how many boards would you say of these collaborative partnerships, joint ventures, do you sit on?

A. I would have to estimate it's maybe seven.

Q. And are they all located in Arizona?

A. With the exception of Community Ambulance.

MR. MURPHY: Okay. Let's -- Your Honor, if we could have CA-126, please.

BY MR. MURPHY:

Q. Do you recognize this document?

A. Yes, sir, that's my resume.

MR. MURPHY: Move to admit Mr. O'Malley's resume.

MR. McGOLDRICK: No objection.

MR. BELANGER: No objection, Your Honor.

ALJ EIGENHEER: CA-126 is admitted.

BY MR. MURPHY:

Q. Mr. O'Malley, can you tell the judge about your educational background, please?

A. Education, yes. I -- I have a bachelor's from Arizona State University from the school of accountancy. I have a master's of business administration from the University of New Mexico with a concentration in finance.

Q. And how about your -- your work history? Focused on health care.

A. So about 25 years of healthcare experience. I worked in a number of different healthcare systems, different sizes. I've worked on the payer side. I've done managed care contracting when I was working with Presbyterian in Albuquerque, New Mexico. I've also had the responsibility for internal compliance and insurance. I've worked with a physician group out of the Albuquerque market as well. I worked for the University of New Mexico hospitals as a director of financial planning and analysis.

I've worked for St. Joseph's Hospital previously under Catholic Healthcare West, now under Dignity Health, as their director of decision support and financial planning. I've also been the vice president of strategy and business development for St. Joseph's Hospital. And then my current role, as we just discussed,

vice president of partnership integration.

Q. Have you ever had any clinical experience in -- in your background working for Dignity Health or the UNM system?

A. Yeah. In my role as the VP of strategy at St. Joe's, I had an interim -- lasted about two years. In addition to other responsibilities, I was overseeing the cancer center -- the comprehensive cancer center as we were in between directors for that program. That included oversight of day-to-day operations for the outpatient cancer center programs that we had, including radiation oncology. It included infusion and some of the other medical oncology services.

Q. And you've already talked about your current role. But you mentioned a part of that job is -- is dealing with and enhancing the integrated delivery network. What does that mean?

A. It's -- An integrated delivery network is really where we're seeing a lot of healthcare systems moving towards as they're building value-based care solutions, population health strategies. In order to elevate the health of a community, you really need to have a continuum of care at -- at your disposal that is tightly aligned. And so we -- we call that an integrated delivery network. And our -- our intent in many of the Dignity Health

markets is to continue to build out that continuum of care. We do that through wholly owned enterprises. We're opening hospitals as an example. We do that through physician groups that we may employ. We do that through partnerships. That's typically where I'm brought to the table in terms of partnerships, trying to fill up that continuum of care.

I thought I had the wrong answer and he was going to correct it. Is this the right answer?

So yeah. So we'll bring in partnerships. We'll do strategic affiliations. We'll do other relationships as well. But really, it's trying to create a tightly aligned network of health care services that would allow us to minimize inefficiencies of the healthcare system. It's designed to lower the cost overall of the healthcare system. It's designed to increase the quality of care. And at the end of the day, what we really want is healthier communities.

Q. So can you give some concrete examples of how that system works in practice? How those collaborative partnerships work?

A. Yeah. So, you know, I think the way we integrate with our partners -- every partnership is a little bit different because some of the needs are different, but I'll give you an example. We have an acute rehab joint

venture in the Arizona market with Kindred, and it's located about a mile from Chandler Regional Medical Center. What was important with that partnership was, first, it was one of our initial forays into the post-acute continuum, and in the post-acute continuum, we didn't have really a lot of established relationships and strategic affiliations, so this was one of our first things. And working closely in the post-acute space allows you to transition patients more effectively, more efficiently into that next level of care. So some of the integration strategies with that particular partner included IT. We wanted the same electronic medical record on both the hospital at Chandler Regional and within the partnership, so that gives some -- some of the clinicians access to some of the information that would allow for easier transitions of patients. We've worked with them on cultural integration.

We have training for Hello Humankindness. I know that came up earlier. When we rolled out the concept of Hello Humankindness, it was one of the first organizations to step up and say, "We want this. We want this in our organization." So many of the executives received training for Hello Humankindness. And we're currently working on a program to bring in their staff to our new-employee orientation within Dignity Health. That

will expose them to patient experience expectations, you know, what it means to Dignity; Hello Humankindness, our values. It exposes them to our history, our culture, some of those things that it's different when you see it on a piece of paper. It means something when you're actually participating in the training alongside Dignity Health employees.

Operationally, we've been working very closely with that partner on clinical integration, so defining clinical protocols around when a patient should move into that next level of care before the patient moves, where are the check boxes that should be checked off to make sure that they're appropriate for that next level of care. So a collaborative relationship within the clinical teams to develop a strong clinical platform of integration between the partners. And there's other things.

I mean, we have a stroke community group, and we were looking for a place to hold them, and they raised their hand and said, "We would love to bring them over here and have that," so they volunteered to open their doors to some of our community outreach programs and services as well, which was completely unexpected but very much appreciated.

Q. Any other collaborative partnerships that you're

involved in? I know there's integration --

A. Yeah.

Q. -- at work in practice.

A. Yeah. USPI. In the Arizona market, we work very closely with their organization called USPI. They have a national expertise in running ambulatory surgery centers and specialty hospitals. And so we have, in this market, 12 ambulatory surgery centers with USPI and 3 specialty hospitals that we have joint-ventured. And we work with them on -- from a -- This is a great integrated delivery network example, because, as we're trying to build out coverage for the -- Maricopa County across the Valley, we work very closely with them, and in my role on the board, I can work very closely with those teams to identify needs in the market. You know, as we're building Westgate -- St. Joseph's Westgate is a perfect example. We have a smaller facility in the West Valley. It's about 23 beds. And our ORs are full. Our ORs are full, and we're -- we're not able to get all the -- all the time available for the physicians. So we work with our partnership and have announced that we're going to open up an ambulatory surgery center where we can migrate some of those hospital OR cases into an ambulatory environment. And this is a win-win-win, because the hospital now creates more capacity for higher acute care. We can migrate

lower-acuity care into an ambulatory environment which is high quality -- demonstrated consistently high-quality, high-patient-satisfaction environment, moves these patients into a lower cost of care from a patient's perspective, and the payers love it because typically ambulatory surgery centers cost less to them. So it's a win-win-win. And as we do that, we're monitoring quality and patient satisfaction so we know, you know -- That -- that's what we're trying to do with the partners. It's a perfect example of how we work with somebody to help us on the integrated delivery network.

Q. So let's go back in time a little bit. Testimony earlier was that -- Linda Hunt testified about a meeting in early 2015 that you were invited to. When was -- Was this the first time that you became involved on behalf of Dignity Health in assessing ambulance transport issues?

A. Yes. Yeah. And, you know, from my perspective, I have some experience with ambulances. When I worked with Presbyterian Healthcare Services in -- in Albuquerque, they had their own ambulance company that was aligned within the organization.

But in the Arizona market, my understanding of who's in the market, who's doing what, what level of service is being provided, how many transports, this -- these were all question marks for me. I really didn't

have an understanding. So the first time I was brought into the Arizona conversation was with Linda and her executive team.

Q. Just to be clear, the question marks you had were back in 2015?

A. 2015, yes, sir.

Q. And so can you tell us about that -- that meeting that you were invited to? Who was there --

A. Yeah.

Q. -- at that meeting?

A. So that's Linda -- I think she calls it the president's executive council. And it's basically everybody that reports to Linda. The hospital CEOs were there, so she mentioned earlier Patty White, Tim Bricker were the two hospital CEOs overseeing the four wholly owned Dignity Health acute care facilities at the time. I have a matrix reporting structure. I reported to the chief strategy officer in the Arizona market. That was Greg Davis. He was at the meeting. You know, really the vice president of human resources Maureen Sterbach, our chief physician executive Keith Frey -- Dr. Frey was in the meeting. So there was probably about a dozen people of Linda's direct reports that were there in the meeting.

Q. And how was the ambulance issue raised during that meeting?

A. Yeah. And I -- I was not there for that purpose. In fact, I can't even recall what I was there to present on. But the issue had come up and Linda was discussing with her executive team these bottlenecks and these throughput issues and the challenges, and they kept coming back to "We need an ambulance solution. We need something to change in the ambulance environment. Our needs are not being met." And it was just around the room. It didn't matter what part of the -- if it was central, West Valley, East Valley, didn't matter; it was a very consistent message. So Linda kind of looked around the room and she said, "Jeff take this. I want you to go investigate, find out what's going on, come back with some options for the executive team to review and approve." And -- and she was looking for a very quick response.

Q. Can you -- You used a couple terms there that I'm not sure everybody in this room knows, but for the record, what do "throughput" and "bottlenecking" mean from the perspective of a hospital system?

A. Yeah, I would say for the integrated delivery network, from that perspective, bottlenecking and throughput is an issue. I mentioned earlier the reason we're trying to build this very capable network of aligned integrated providers is we're trying to create a more efficient system. And using the hospital as an example --

I mean, I think Linda gave a perfect example of this -- but we will have occasions where beds are not available, right? They're full. So the hospitals can be full. When the beds are full inside the hospital, patients that are showing up in the emergency department who need to move into those beds have to wait in the emergency department. When they're waiting in the emergency department, the ambulances are calling in saying, "Hey, we've got another patient that we're bringing in." We have to say, "I'm sorry. We can't take them," even though you wanted to go to what you thought was the right hospital, right? Either the right level of service, the closeness because they're usually going to go to the closest facility, we have to -- we have to tell them to go someplace else. That's a bottleneck.

And they're bottlenecking because the patients in the inpatient units and in the facility need to move on, wherever that next step is: if they're being discharged to an acute rehab hospital, if they're moving into an LTAC or SNF, if they're moving closer to home because their support system is in that area where we have another hospital facility, whatever the reason is. It stops, and when that stops, it backlogs the entire system.

Q. So you were tasked by Linda Hunt to try to solve the problem and solve it quickly in 2015. What -- what

steps did you take? What was the first step you took to try to solve the problem or discover the problem?

A. So I had to learn pretty quickly what was going on. I reached out to a number of the clinical operational leads across the Arizona portfolio, if you will. So I reached out to folks at St. Joe's to talk to them about specifically what their issues were, what they were seeing and experiencing, the frequency, those kinds of -- those kinds of questions, and met with Brett McClain, actually a chief operating officer at the time for St. Joseph's Hospital and Medical Center, and he reiterated everything that the executive team was talking about. It was "We've got bottlenecks. We've got throughput issues." Brett, in his role as operation -- chief operating officer, meets with the case management, the throughput teams, the house managers, these folks that are working on getting the patient in the right bed at the right time for the right level of care. And he was having daily stand -- stand-ups with -- with his -- with his teams, and he said, "Every single day I hear this. I hear this problem about ambulances and delays."

MR. BELANGER: Can I get --

THE WITNESS: Probably some other issues there too, but that was one consistent area. Sorry.

MR. BELANGER: Can you get some foundation

for the timing of that specific conversation?

MR. MURPHY: Sure.

BY MR. MURPHY:

Q. Tell me -- When was that conversation with Brett McClain at St. Joe's?

A. Yeah. So the first conversation was probably in -- boy, I would say in that February-March time frame of 2015. Brett has been a great partner for me throughout this process, so really, for the last three years, three and a half years since I've been working on this, you know, Brett's been there. And he's worked with me on a number of different items, but this is -- this is one that we keep coming back to.

Q. Who else, if anyone, did you meet with to talk about this issue?

A. Gabe Gabriel within the St. Joe's emergency department.

Q. Who is that? What's his role?

A. He's the -- I may say this incorrectly, but he's the emergency services liaison, I believe. He works very closely with the ambulance companies when they're coming in and when they're moving patients out.

Q. So this is at St. Joe's?

A. At St. Joe's. His experience was directly with the ambulance companies and --

Q. When -- when did you first meet with Gabriel?

A. Same time frame. I mean, really leaving that January meeting and then going right into investigation mode to try and learn as much as I could about the sources and the challenges and the issues. So I met with -- with Gabe Gabriel. He was a wealth of knowledge. I mean, incredible amount of experience and history in the market. Started to enlighten me on what -- what has been happening with some of the organizations and, you know, how Rural/Metro and Southwest and PMT really are part of the same company. History of challenges that they've had operationally integrating as they required and the level of service that they've provided. So he was very helpful to kind of color in for me the -- the nature of the ambulance transportation system, if you will.

Q. Did you speak with -- in this investigation that you were doing, did you speak with any one of Dignity's affiliate facilities, partner facilities?

A. Yeah. A little bit. I don't know if it was in that January-February, but March maybe.

Q. Of 2015?

A. Of 2015.

Arizona General Hospital was an affiliate of Dignity Health at that point.

Q. Okay. What -- what -- And this may have come up

with Linda Hunt, but how much -- what percentage of AZGH did Dignity Health own at the time?

A. 50.1 percent.

Q. Okay.

A. Dignity Health was the majority owner. So I met with Kevin Meek, who was the regional nursing director for Arizona General Hospital in the Arizona market, so any hospitals or freestanding EDs reported up to him. This is very early on in the process. So they had just opened Laveen and were about to open several freestanding EDs. He shared similar concerns, having to wait three hours, four hours for ambulances. The -- the challenge with Laveen -- and the reason this was a very interesting conversation for me was because Laveen is in a medically underserved community. You know, it's just very difficult. People have to go a long distance for acute care, primary care, any emergency department. So the strategy in working with a partner to go into Laveen was one of here's a community; we believe strongly that this community needs health care and that they're growing. At the time, there were rumors of, you know, the 202 might come around. It might connect --

Q. So this is at -- I'm sorry. Is at the time --

A. Laveen.

Q. At the time --

A. In 2015.
Q. -- in the spring of 2015?
ALJ EIGENHEER: Okay. You need to let him finish his question before you start answering, or she's going to throw something at you.
BY MR. MURPHY:
Q. I am being sensitive to just placing things in time.
So the spring of 2015. This is what we're talking about?
A. Yes, sir.
Q. Sorry.
A. No, that's okay.
So Kevin had shared with me that they had significant delays as well, and it was the same kind of message. They needed quicker access to ambulances. The -- I don't think the ambulance system had responded to the opening. Do you know what I'm saying? Like, we opened the hospital, but then it was a matter of pulling in ambulances, as an example.
Q. When you -- Sorry. When you say "significant delay" -- Kevin Meek said there were significant delays, did he put any numbers around what those delays were?
A. Yeah, three to four hours consistently.
Q. For interfacility?

A. For interfacility.

Q. Okay. And did he specify if these were critical, urgent, non-urgent patients? Do you recall?

A. I don't recall.

Q. Okay. So as part of this evaluation, did you evaluate the patient population -- or, Dignity Health's patient population, I should say, in Maricopa County? Did you have any -- do any evaluation of Dignity Health's patient population in Maricopa County?

A. Relevant to ambulance services?

Q. Correct.

A. No.

Q. Or just growth at all or anything related to demographics, age?

A. Yeah. We didn't do anything -- I had just moved in 2014, in November, into this role. My previous role as vice president of strategy and business development, I was involved in demographic projections, growth, the impact of population health on utilization rates in hospitals and adjusting for that as we're looking at new facility development across Maricopa County, so I had a pretty good sense. I think we've heard this a few times already. The market is growing. It's aging. As it ages, that requires a different level of services for our hospitals, so we wanted to make sure we were projecting appropriately. So

my familiarity with the demographics and the growth projections was very recently relevant.

Q. So that was -- In 2015, you had that belief. What's your belief today about the population demographics and the growth of Maricopa County?

A. Yeah, I think we're seeing what we had expected. I think we're going to continue to see that -- that growth. Because I'm -- I'm two doors down from Linda and our office is three doors from the chief strategy officer for the market, I'm involved. I hear those conversations about the continued growth and the projections in the market. So I'm comfortable that I have a good sense for the growth expectations in the market.

Q. And do you also agree with Linda Hunt's assessment of the northwest and southeast being the fastest growing in Maricopa County?

A. Yeah. I -- I would. And I would probably add the southwest too. I think there's some significant growth that we'll see out there, especially as the 202 comes around and completes.

But yeah, the far East Valley, we're seeing some significant growth. Linda mentioned a couple of new develop ments for Dignity Health in that market. And that is to meet that continued growth and demand out there: Gilbert, Chandler, Mesa area.

MR. MURPHY: So if we could pull up -- I believe it's one Dignity facility map that is now, I think, admitted into the record. 183 -- CA-183, Your Honor.

And, Your Honor, would it be okay if Mr. O'Malley, if he needed to, stood up and pointed to different things? Oh, you're zooming. Okay.

ALJ EIGENHEER: I zoomed it.

MR. MURPHY: Thank you.

ALJ EIGENHEER: I'll need direction which way to go. It's zoomed, but it's not all on here.

MR. MURPHY: Thank you. So yeah, even if we zoomed out a little bit so we could get a sense of the Valley, maybe he could step up. I just want him to sort of point out and identify the areas where we see some facilities.

BY MR. MURPHY:

Q. For example, Mr. O'Malley, can you show the judge where all the Dignity Health hospitals are on this map of Maricopa County?

A. Sure. Let's see. Where are we? Is this -- So here's St. Joseph's Westgate in the West Valley, out the 101, near Northern and Glendale. That is a hospital.

St. Joseph's Hospital, right here in downtown Phoenix, is another one of our hospitals.

Laveen, this is Arizona General Hospital that I mentioned earlier.

And then we have the East Valley --

THE WITNESS: Probably need to go over and down a little bit. Thank you, Judge.

Chandler Regional Hospital right here is a Dignity Health hospital.

And then Mercy Gilbert is right there. Mercy Gilbert. This is interesting it doesn't have the highway there. Mercy Gilbert.

BY MR. MURPHY:

Q. And -- and Dignity Health has urgent care facilities that are 100 percent Dignity-owned?

A. Yes.

Q. And are those urgent cares, if you know, tied -- how are those -- are those tied to emergency rooms?

A. The urgent cares are actually departments of the hospitals, so they're hospital-based outpatient departments. So -- so from a licensing standpoint, they're going to be attached to either Chandler or Mercy Gilbert.

Q. Okay. Can you identify the urgent cares in Maricopa County?

A. Yeah. We have one down here. I think that's close to Power Road. One up here off of Baseline and the

60. And then over here in Ahwatukee.

Q. And then the freestanding ERs that are now Dignity Health that are connected to the Arizona General Hospital, there were how many of those?

A. There's 10 freestanding --

Q. There's 10?

A. -- EDs that are open and operational.

Q. You don't to point to each one of them, but if you want to sort of give us an area of where they are so we can see the -- see the locations in Maricopa County east to west.

A. So east to west, if you're kind of looking, these are the blue dots --

Q. The blue dots, okay.

A. Pretty heavy concentration in the East Valley. Then going over into the West Valley, see the one way out in Surprise out there?

Q. That's -- that's a freestanding ER in Surprise?

A. Yes, sir.

Q. Okay.

A. And then down here, we have one in the southwest area as well.

Q. And how about facilities -- the proposed facilities that Linda Hunt talked about and that you talked about that are being built, the towers that are

being built? Can you point on the map where those new facilities that are not yet open are -- are going to be?

A. Some of them I can.

Q. Okay.

A. I'll do my best. So if we go down to the southeast, Chandler Regional. So on this campus, that's where the -- I think she said it was a 110-bed acute care tower is being developed. Continue meeting this growing demand in that area.

Mercy Gilbert is getting a new facility. It's a women's and children's hospital in partnership with Phoenix Children's. That's being developed out here at Mercy Gilbert.

THE WITNESS: And if we scroll a little bit more to the east, Your Honor -- thank you --

Ellsworth and Elliot -- I wish this line came through. It's probably right in this area. That's the new Arizona General Hospital Mesa. So it's just off the 202. I just don't see the 202, but it's right --

MR. MURPHY: Your Honor, if you could zoom out just a little bit so we can get the scale -- scale in terms of -- out there. Far East Valley.

THE WITNESS: Yes. Out in here.

BY MR. MURPHY:

Q. Any other facilities -- locations where Dignity

Health -- that Dignity Health is a majority owner of the facility that are not represented on that map?

A. Yeah. I'll think about that. So -- so if this is Chandler down here, that's probably the acute -- No. I don't know where the acute rehab is. I'm sorry. You said majority owner?

Q. Yes.

A. Strike that. We're not majority owner of that partnership.

We have an orthopedic hospital called OASIS here off of 44th and -- just right off of the 202. I don't see that represented on here. And that's a joint venture with USPI. It's one of the three specialty hospitals I referenced earlier. Dignity is a majority in that facility.

We have -- there's another one down in -- it's just below the 60 in the east -- in the Mesa area. It's called Arizona Orthopedic Spine & Joint. It's a joint venture where we're -- we're a majority of a majority. So it's a little bit of a complicated relationship, but individually, Dignity Health is not a majority but we're a majority of a majority, so . . .

And then the other one is in -- down by right off of the 202 in Chandler. It's called the Arizona Specialty Hospital. Another specialty hospital. No

emergency department capabilities but a lot of orthopedic and general surgery and some neuro.

Q. And which of these facilities rely on interfacility transports, either urgent or non-urgent interfacility transports?

A. I imagine to an extent they're -- they're all going to need some, but it's the acute care facilities that typically have a higher demand for interfacility transports.

Q. Okay. And acute care facilities you would define as which facilities?

A. Inpatient. Anything that -- the wholly owned hospitals I mentioned. The specialty hospitals would be a little bit less than the St. Joe's and the Chandler and Mercy Gilbert. The freestanding EDs will have a fairly significant need for interfacility transports. And to a lesser extent, the urgent cares will have a need as well.

Q. You can have a seat. Thank you.

After your initial investigation, did you report back to Linda Hunt? She -- Linda Hunt testified that you had monthly meetings at some point. Did you report back to her and give her an assessment about the ambulance issue?

A. Yeah.

Q. When was that?

A. Ongoing. I mean, we really meet every month. And every month we met, I gave her an update. I said, "Here's who I've talked to. Here's what I'm hearing." And then she would also bring back similar feedback. You know, she had some input from others that she works with, and she would tell me, "We're still having problems. We're still experiencing problems."

For a time line, it's been ongoing. I meet with her every month. And I have since I -- I took this role.

Q. So in that -- After that initial assessment, at some point -- What did -- what did you do next in 2015? Spring of 2015, what was your next step after you did sort of an initial investigation?

A. So what -- what I did was I put a committee together to identify some options that we wanted to explore. We felt like the very first thing we should do is issue an RFI. It was not an RFP. It was a request for information. We wanted to know who else was in the market providing services that maybe we're not using. And so that was the intent. And we -- I had asked a few steering committee -- the committee members and others in my interviews "Who have you worked for?" Any name that I could get, I included. And I only had about five or six names, and that's who we sent the RFI out.

Q. So let --

MR. MURPHY: Your Honor, if I could -- ABC-41 is the exhibit. If we could pull that up.

BY MR. MURPHY:

Q. All right. Mr. O'Malley, this is a Dignity Health document, larger than you've seen before.

Can you identify this document for me?

A. This looks like the final request for information that the committee had agreed to. I drafted the document, brought it back to the committee, emails back and forth, cleaning it up, and adding questions. But this is the final request for information that was issued on April 13, 2015.

Q. Did you give final approval for this document?

A. Yes.

MR. MURPHY: Move to admit ABC-41 as an exhibit, please.

ALJ EIGENHEER: Any objection?

MS. HOFMEYR: No objection.

ALJ EIGENHEER: ABC-41 is admitted.

BY MR. MURPHY:

Q. What was the objective of this RFI?

MR. MURPHY: If we could move to page 2 of the exhibit, that may help.

THE WITNESS: So I think a little bit lower

on the page are the objectives that we had set out with. You know, a lot of this was -- And you can see in the opening paragraph it's understanding, it's just learning, it's educating the committee who's out there, who's providing what services. And we were very interested in trying to understand who we could work with to improve our transportation services, the services being provided to Dignity Health patients.

So -- so we were looking at, you know, some -- some ideas of how they could work with us and -- and eventually develop some type of relationship or strategy in the Arizona market to -- and see all the -- the bullet points -- but to provide timely, patient-centric, high-quality, reliable, dependable interfacility transport services.

BY MR. MURPHY:

Q. Well, there was a lot of testimony from Linda Hunt about transports to and from and between interfacilities -- facilities -- Dignity Health facilities.

But under Objective, Bullet 3, can you -- it talks about -- what are you -- what are you seeking information about under that Objective 3, Bullet Point 3?

A. That was another area that came up from some of the committee members. And, you know, when I'm working

with the hospital leadership team, you know, their concern is the patient. And it's exactly what it should be. But they're seeing patients coming in from all over, and one of the things they -- throughout, it was a continual problem. I mean, it was one of our top four items identified. It was a continual problem is getting patients from rural Arizona into, you know, a metro area, like Phoenix, and into the hospitals and facilities. So I think they were just trying to get more information on how we could improve rural transports as well.

Q. So you testified that you approved this. And it's dated April 13th.

MR. MURPHY: On the front page, I think, Your Honor.

BY MR. MURPHY:

Q. Is that the date that this document was issued?

A. I believe so.

Q. Okay. And to whom did you issue this RFI?

A. So this would have gone out to Rural/Metro, AMR, Phoenix EI Transportation, ComTrans, and Medstar. I think -- I think I got them all.

Q. Do you have a recollection of the entities that responded to this?

A. I think they all did. I don't -- I don't think ComTrans responded, but I think the other -- I think

everybody else did.

Q. And ComTrans -- do you remember what ComTrans was? Was it an ambulance company?

A. Not at the time. I think it was working on its CON at that time. But no ambulances, no CON, no -- no ability to really address some of these ambulance transportation issues at that time.

Q. So you received -- you received responses from everybody but ComTrans?

A. Yes.

Q. So Rural/Metro, AMR, Medstar, Phoenix Transportation?

A. Yes.

Q. Okay. And -- and did you receive the responses at or around the time that you set the response date for?

A. Yes, at or around.

Q. And so once you had these responses, what -- what did you do next?

A. So all the responses were distributed back to the committee members for their individual review. We held a few -- I'd say two -- meetings after they were distributed to talk through who we felt were the best -- Well, what we were looking for was a partner. That's what we were looking for. So we were looking for one organization that we could work with in a deeper, more meaningful level of

integration and alignment with us to help us solve some of the problems that we were experiencing. And so the feedback all came in, and I cataloged it, pros and cons, the descriptions of the various responders, and I sent that back. Committee had a follow-up meeting looking at though responses, and then we made a decision on how to proceed.

Q. And so of the responses that you received, what was the ultimate decision? Who did you decide to work with?

A. Well -- So what we had learned going through this process was really there were only two companies that had the ability to provide ambulance interfacility transport services: AMR and Rural/Metro. The discussion among the committee was Rural/Metro is the one that's providing the transports today, so the response to the RFI was great. There was a lot of wonderful things that they wanted to do to improve transportation services. We struggled with that a little bit since they were the ones that were already there providing the service.

And then we had AMR, great response, wonderful things that they wanted to do with us and develop a relationship. So the --

I'm sorry. Go ahead.

Q. I just want to clarify. When you say great

response from Rural/Metro and AMR, you're talking about your response -- the responses you received to the RFI?

A. Yes, sir.

Q. Okay. So when you chose to work with AMR and Rural/Metro --

A. So then we chose --

Q. -- what did you do next?

A. Yeah. Yes. I'm sorry.

We chose to work with both, because AMR was -- was sort of the new guy on the -- on the block and had these excellent aspirations of how well they were going to raise the bar for ambulance services. Rural/Metro, we just had so much history and working relationship with them that we felt like maybe they are going to get their stuff kind of reorganized, and we thought why not have a competitive environment where we have both of them working with us? So the decision from the committee was let's try and build a relationship with the providers and -- with both of them. So that was the direction that I had received from the committee. My next step was to notify everybody who had responded to the RFI on the committee's decision, and then we were going to sit down and start meeting with Rural/Metro and AMR to build the relationship.

Q. So how did you reach out to AMR and Rural/Metro?

A. Initially, it was a letter, you know, formally acknowledging the work that we had gone through, the appreciation for their response and the time that -- time that they had put into their response. And then we announced that we were going to be working with two organizations going together.

Q. And who was your point of contact for Rural/Metro, if you recall?

A. So I worked with Greg James.

Q. Okay.

A. John Valentine a little bit as well.

Q. And how about for AMR?

A. Mostly Paul Cloward.

Q. Okay. And do you know when you first made contact with them in 2015?

A. Boy, I believe it was towards the end of May, somewhere in that time frame.

Q. Okay. So once you sent the letters out and you made contact with Mr. James, Mr. Cloward made contact with you, what happened next?

A. Well, it was a series of meetings with each of those two organizations to really get into the details about what we could do together that would be different and help elevate the level of service that we had been seeing. So I started having meetings with -- with both

parties over, I would say -- And both conversations were very good. Again, it was a lot of excitement, wanting to work with us, wanting to build something better for the community, for Dignity Health and our patients. Great meetings initially. You know, I remember meeting with Rural/Metro: Let's get into community paramedicine; let's get into -- ah, I love this. Great, great ideas. The Rural/Metro meetings started out very routine and consistent and then they just kind of faded away. Meanwhile, on the AMR side, we just kept -- like clockwork, just kept moving forward, meeting, advancing the relationship, started building some of the key terms of things that we would be very interested in seeing in the relationship.

Q. What were some of those key terms -- or, about what -- About when did you get to the point where you started to build key terms?

A. I can't put a specific date on it. It's somewhere over the summer. Probably June and July, somewhere in that time frame.

Q. And you worked with Paul Cloward --

A. Yeah.

Q. -- on those terms?

A. Yeah.

Q. Okay. What were those terms?

A. So one of the things we were really excited about was AMR was going to come to the table with five designated ambulances. We were really excited. Five designated ambulances to serve the Dignity Health hospitals. Thought that was going to be a great solution.

Some really neat ideas around better coordination of the transport calls, so a one-call number where we were effectively just picking up the phone, dial one number, it goes straight to AMR. They had agreed contractually to use other ambulance providers in the community in cases where they were not able to provide timely response or service. And so that was almost a quarterbacking role, if you will, which I thought was another good idea.

Q. Okay. But you said AMR -- there was darkness on the R/M side, on the Rural/Metro side. Did they stop reaching out to you, or did you stop hearing from them?

A. Yeah.

Q. How did that -- how did that end up with Rural/Metro?

A. It just stopped. I mean, it was, you know, on their side. I don't know if it was my side. I don't know if I said anything, but it just stopped. And so it was kind of awkward. You know, the meetings stopped getting scheduled. It was easy in the beginning and it just got

hard.

Q. Okay.

A. That's the only way I can explain that. I don't remember specific situations.

Q. And -- and so you just moved forward with AMR --

A. Yeah.

Q. -- at that point?

A. So we just kept moving forward.

And then this was towards -- The end of July, I do remember that I was in an executive leadership meeting with Linda's team, and it was probably July 30th, July 31st. It was at the end of the month. This was a retreat that she was having, and I got a call from Paul, and Paul -- I took the call and he said, "I wanted you to hear it from me first, but we're announcing plans to acquire Rural/Metro and all of the Rural/Metro assets in the Arizona market."

And I remember thinking, huh, so I thought I was going to be able to move forward with two organizations, really identify who the strongest partner was going to be long term, leverage some of that competitive nature, and ultimately get to the selection of somebody that I could work with in a much more preferred basis. And I lost that. When I got that call, I lost that. And he had acknowledged it was going to be a few

months before it makes its way through all of the approvals that needed to occur for that acquisition. But it kind of changed things in -- in the conversation I was having.

Q. So at what point did you -- did you start putting terms on paper with AMR for a preferred agreement?

A. I don't know if I can give you a specific date. You know, up front, there was a lot of the factors that I was just talking about that I was really excited about. I don't know. I honestly don't know.

Q. In the summer, fall of 2015, is that --

A. It would -- it would have had to have been in the summer.

Q. Can you tell me about the process of eventually reaching the agreement?

MR. MURPHY: Which, Your Honor, if you could pull up CA-24, which has already been admitted.

Thank you.

BY MR. MURPHY:

Q. You recognize this document as the Customer Agreement between AMR and Dignity Health?

A. Yes, sir.

Q. So what -- You were talking about some of the terms that were promised and then the terms that ended up in the agreement. What -- what was different between what

was promised and what ended up in the agreement?

A. The five dedicated ambulances was -- was pulled out. I had a conversation with Paul. He advised me that legally he couldn't do that. He said, "If I pull five ambulances out of our operations system, they will be underutilized. And if I do that, it looks like I'm subsidizing referrals from a facility." And he said his attorneys advised him do not do that. So the five dedicated ambulances went away.

What we ended up with was two ambulances that he was willing to commit to support Dignity Health. I asked that they be placed one at St. Joseph's Hospital downtown and one at Chandler Regional Medical Center in the East Valley. He said he can't do that. They're going to have to be generally placed in that area. So, you know, it was one of those things that sounded great when we first started having the -- the negotiations, things changed, and they were the only company to work with at that time in the market.

Q. So despite the issues with the designating of ambulances, Dignity Health signed this agreement, correct?

A. I had no choice. I mean, I had -- I had nothing. I had nothing. I had no data. I had no information on how many transports are being done. I had no idea how long people were having to wait. Some of the things that

they offered was "We will meet with you quarterly. We will provide you data. We will give you reports that show exactly what's going on. We will be able to work together with those reports to improve the transportation system."

I had nothing. This seemed like a lot.

Q. Okay. So let's look at the agreement.

MR. MURPHY: If we could go, just zoom out just a little bit so I can see where we are in this.

Yeah, we could go down to the signature page to put -- put it in time when this was executed.

BY MR. MURPHY:

Q. So earlier Linda Hunt testified that she signed this in her capacity as the SVP of operations in Arizona.

MR. MURPHY: There's a signature page up top. Got it.

BY MR. MURPHY:

Q. So it was signed?

A. It was signed November 1st. In fact, November 1st, 2015.

Q. Okay. Now, Linda Hunt -- Did Linda Hunt negotiate this agreement?

A. No. I negotiated the agreement with Paul.

Q. On behalf of Dignity Health?

A. Yes, sir.

Q. And then how did you present it to Linda Hunt?

A. This was part of my update with Linda. I sent her the agreement and I gave her my update and said, "Here's what we're getting. You know, we're finally getting a relationship with somebody who's going to give us data. They're going to meet with us. They want to continue to improve services." You know, so I gave -- I said, "This is what we've been able -- I've been able to negotiate with AMR."

Q. Okay. And -- and other than -- other than the ambulance issue, what are some of the other terms in this Customer Agreement that you pressed for?

MR. MURPHY: We can keep going down.

THE WITNESS: Maybe we can keep going down. Something will come to mind.

MR. MURPHY: Keep going. Let's go to Section 28.

THE WITNESS: The performance standards.

BY MR. MURPHY:

Q. Performance standards. What are some of the performance standards?

A. Sorry.

Q. Thank you.

A. That was one of the main ones.

Q. Scope of work, right?

A. Yes.

So I had asked for some performance standards to be added to the agreement. They complied. I felt like I won the lottery. I mean, for the first time, I'm seeing standards. I felt like I negotiated this. But what I didn't realize that this was actually already in their CON.

Q. Was this document drafted by AMR --

A. Yes.

Q. -- and provided to you --

A. Yes.

Q. -- to review and revise?

A. Yes. Yes.

Q. And were there -- Well, what other provisions did you press for in the Scope of Work section?

MR. MURPHY: If we can go down.

THE WITNESS: The dispatch center, which was that one-call solution, allow us to pick up the phone, dial one number, they would answer it and not only field the ambulance call but also the -- the convalescent, the stretcher/wheelchair van level of -- anything above car services. They were willing to quarterback those calls and take care of them.

BY MR. MURPHY:

Q. So I want to step back.

You said that you felt like you won the

lottery with those arrival time standards -- or, response time. I think they were called standards. Why were those important to Dignity Health?

A. Because we had nothing like it. We -- we needed to understand what the baseline was. We had no information from any of the previous providers about response times and delays and trips, number of pickups and deliveries. We had none of that information, so to get something in there that was going to allow us to start evaluating the performance levels of interfacility transport, this was a -- this was a big win.

Q. And then the dispatch center and the dedicated one-call customer service line, why was that important to Dignity Health?

A. It's the easy button for our clinical teams. If it's a nurse manager on a unit, if it's the house manager, if it's somebody in the emergency department, they just pick it up, dial. It was really just a five-digit extension internally mapped over to AMR. They picked it up and were supposed to answer "Dignity Health ambulance" and then take care of whatever the ambulance transportation needs were.

MR. MURPHY: If we can look at 28b. It's the next page, Your Honor, on the dispatch center.

BY MR. MURPHY:

Q. The last sentence of that Dispatch Center provision, can you read that for us, Mr. O'Malley?

A. "Provider shall have the right to use alternative medical transport providers to fulfill its obligations under this Agreement, provided that such alternative medical transport providers are acceptable in advance to Customer."

Q. What was your understanding of that provision?

A. We wouldn't have to call around. We wouldn't have to shop ambulance services. We could pick up the phone, call one number, and if they were not able to provide a timely response, they would call whoever else was available in the market.

Q. And by "they," you mean AMR?

A. AMR, yes.

Q. And by "whoever else," you mean someone other than AMR?

A. Yes.

Q. Okay.

A. Anybody that holds a CON. If it's any of the fire departments that can do interfacility transports, you know.

Q. Are you aware if AMR exercised that provision and turned calls or called other providers -- non-AMR

providers under this agreement?

A. I have no idea if they ever called anybody. I don't believe they did, but I don't know. I had asked for a report in --

Q. When?

A. Probably July of 2017. I know I asked for it in April of 2018. I've asked a couple of times.

Q. Who did you ask for the report in July of 2017?

A. It was probably Paul Cloward. I think Alison Skinner was the -- sort of the on-the-ground customer support person.

But we were at a meeting, one of those quarterly meetings, and I had asked what happens if they can't respond. The ini- -- the initial response was "Well, we just call 911."

I said, "You do?"

"Well, no, not -- not really. We just call those lost calls."

I said, "Okay. Could I please have a report of lost calls?"

In my mind, there should be zero lost calls -- right? -- because they're taking all calls and then they're trying to find somebody.

So I asked for that in 2017 and again earlier this year, and both times I was told, "Absolutely.

We'll get you that report," and I never got it.

Q. You were never handed that report by Paul Cloward --

A. Correct.

Q. -- or anyone?

A. Or emailed.

Q. Other than Paul Cloward and you, do you know anyone who attended that July '17 meeting that you're referring to?

A. It would have been our case management team -- Mark Roberts on the case management team. It has people present in person, but then also we have a phone line so the East Valley teams can call in. So our urgent care directors and managers were presented. The case management team, so that would include Roxanne Dudish and -- oh, boy, I'm spacing -- spacing on names. Dr. Swearingen was -- was on the calls frequently. Brendan -- Brandon Hestand was on the calls. The West Val- -- St. Joseph's Westgate. I'll think of his name. Damon Denstone, he was on the calls routinely.

MR. MURPHY: Your Honor, can we look at paragraph 28e?

ALJ EIGENHEER: b?

MR. MURPHY: e. I'm sorry. e, as in Ernie.

ALJ EIGENHEER: I like Ernie.

BY MR. MURPHY:

Q. This is the -- this provision says "Assigned Ambulance Fleet." What -- what did -- what did Dignity Health agree to with AMR through this provision?

A. Well, what we ended up agreeing to was two ambulances which, at our discretion, could be branded as a Dignity Health ambulance. That would be positioned near or around our East Valley hospitals, like Chandler and Mercy Gilbert, or our central and Westgate hospitals, St. Joseph's Hospital and Medical Center or St. Joseph's Westgate.

Q. And did -- did you end up with two branded ambulances?

A. No, we did one. We just did one.

Q. And -- and what about the --

A. For the record --

Q. -- posting locations -- were the posting locations at or near -- Do you know if those were the posting locations for the two -- two ambulances?

A. I don't know. I wasn't able to verify.

Q. Well, do you know where the one branded ambulance was posted?

A. Huh-uh.

Q. Okay.

ALJ EIGENHEER: Is that no?

THE WITNESS: That's a no.

MR. MURPHY: Sorry.

BY MR. MURPHY:

Q. 28f is up. You can see it from there.

What does this Reporting & Regional Stakeholder Meeting Requirements provision require?

A. This was important to us because one of the things we wanted to do was get data. We wanted to understand the -- the facts behind the transports. This is not just about ambulance companies and handoffs and pickups. It's about how hospital teams are ready and available. It's about how we work together, and -- and by working together looking at -- starting with data, we're able to improve the overall system. So the starting point -- I really felt this was a very strong starting point. We will agree to meet at least quarterly. You know, we will agree to have reports. We will agree to sit down and have these conversations. So that -- that was really what we were trying to get out of that provision.

BY MR. MURPHY:

Q. Was this a provision you pressed for?

A. Yeah. Yes.

Q. And what were your expectations about the nature of the reporting that you were going to receive under this provision?

A. We would be having two -- two levels of reporting, one which would be a standardized routine report that we would agree to work on together on what it would capture and the -- showing the compliance to our performance standards that are in the agreement. And then the second level of reporting was the ad hocs, you know, which is what -- what's the detail behind these standard reports that we need to look at to start investigating the issues that were -- that we're seeing? So two levels of reporting.

Q. And how -- how would you receive the reporting -- or, how would you receive the -- the data under this agreement?

A. So the reports, sort of that first layer I was mentioning, the standard reports --

Q. Okay.

A. -- it took a while to get to a standard format. We eventually got something that I think we understood what it meant. And we would receive those on a quarterly basis. Sometimes we would get them emailed. Sometimes they would be handed out physically at the meetings. Sometimes they were attached to the meeting invites. That was a different -- different way of getting the reports.

MR. MURPHY: If we could, Your Honor, go to Community Ambulance Exhibit 195, please.

BY MR. MURPHY:

Q. Mr. O'Malley, can you tell me what this document is? CA-195.

A. This looks like the report that was prepared and presented by AMR at our April 4, 2018, meeting, that quarterly stakeholder meeting we were talking about.

Q. And you received a copy of this report?

A. I did. I did get a copy of this.

Q. When did you receive a copy of this report? During the meeting?

A. Yes. I had a hard copy. I got a hard copy before the meeting, and then there were some errors in the report, so then afterwards, I got another follow-up.

MR. MURPHY: So let's, if we could -- On the bottom, there's some Bates labels. If we could go to 145, please, Your Honor. There we go.

BY MR. MURPHY:

Q. What is this -- this AMR Updates, if you recall? Was there a presentation that was associated with this PowerPoint presentation?

A. Yeah. It's all the slides that are in here. That was the presentation.

Q. And from -- from the best of your recollection, during this meeting, what was discussed about these AMR updates?

A. They were talking about some of the successes that they've had over the past year. They're talking about some new additions to their executive leadership team in the Arizona market. Some of the system improvements that they were discussing. And remember, this is April of 2018. They had acquired Rural/Metro in, I would say, probably towards the end of 2015. But what they were talking about was really starting to make some improvements around the standardization in all of their business units, pulling all of these organizations together operationally, because AMR had acquired a lot of -- a lot of organizations in the Arizona market. And what they were reporting here was the success that they are having in doing that. It wasn't completed yet, but they were -- they were just stating that they had made a lot of improvements in their operations and infrastructure.

MR. MURPHY: I've been told that I failed to move to admit this exhibit. Can I please move to Exhibit -- move to admit Exhibit CA-195?

ALJ EIGENHEER: Any objection?

MS. FICKBOHM: Nope.

ALJ EIGENHEER: CA-195 is admitted.

BY MR. MURPHY:

Q. Were there any other improvements that were

discussed other than merging with these various companies?

A. You know, one of the things we talked about was the standardization that they were trying to do as a company, which was a -- It was an interesting conversation -- was from the perspective that was being presented from AMR was it's standardization within the company. And I had asked about "How do you standardize relative to the healthcare systems and -- and the hospitals and these urgent cares that you are taking care of?"

And they said, "Well, we can't do that. We can only standardize once within our organization. And then we have to try and serve to the best that we can in the community." Which, from our perspective, is -- is kind of why we're going at this a little bit differently is we're trying to develop a solution that's standardizing around the Dignity Health system in Arizona. So I -- I thought that was an interesting comment, when they're thinking of standardization as an opportunity to improve efficiencies, they would not be able to standardize for every healthcare system in the market. Because not all the healthcare systems are standard.

MR. MURPHY: If we could advance to the next slide, Your Honor.

BY MR. MURPHY:

Q. This is a report entitled "2017-Dignity Transport Summary" for all locations.

What was your reaction to reviewing this slide?

A. I don't know if I mentioned it, but the data was very important. It was one of the reasons we were trying to get into this relationship. Remember, that provision was so important in that contract. I wanted reporting and I wanted data. This has -- has a total for 2017 8,500 transports, which was about half of the transports that actually occurred in 2017, according to the reports we were getting throughout 2017. So all of this information is wrong. I don't -- They didn't even know really what period of time this covered. But -- but we get everybody together. We've got 15 to 20 people in Dignity Health on the phone or in person, and we're looking at -- we're looking at bad information, unfortunately.

MR. MURPHY: Can we move to the next -- excuse me, 149. These get hard to read. Yeah, 149. Perfect.

BY MR. MURPHY:

Q. Okay. And this -- this document is called "Q1 2018 Year-in-Review." So it's that first quarter of 2018.

What was your response or reaction when you

saw this data set?

A. So a couple of things. One, if you notice in very small print in the bottom left-hand corner, it says "Page 1 of 3." Is this where they don't --

THE WITNESS: Can I see what the next page is? Yeah.

So we only had the first page of this report of Dignity Health facilities. So that, again, we were not able to get. This is one that they did end up sending after the meeting. They sent us the complete list of transports for all of the Dignity Health facilities.

We have on the urgent care count -- urgent care -- I apologize -- the urgent response requests numbers that are very surprising to me. And then we've been seeing these reports at this point for, you know, a year, two years, two and a half years. And what continued to surprise us -- And I have to take direction from the clinical teams who are interacting with the ambulance companies on a day-to-day, hour-to-hour, moment-to-moment basis. And when some of these facility representatives look at this and they say, "Wait a second. You're telling me that" -- what's a -- what's a -- what's a good example here? I wish the urgent care was up there. But I know Ahwatukee had -- I think at the last meeting in April, they had brought this up too. "You're telling me we only

did four urgent transports in three months? No way. No way. We're asking for urgent transports all the time." And so the challenges that we have -- because again, the purpose of these meetings is to get into the data -- we couldn't get data that we could believe.

BY MR. MURPHY:

Q. Was the listing of facilities -- is that -- was that accurate?

A. On this list? Yes. This list looks complete. We had a report -- another report that had Dignity Living Centers of Palo Alto on the report.

Q. Is that not --

A. It's not -- Sorry. That is not a Dignity Health facility.

Q. Any other responses to this page?

A. No.

I mean, I -- I think the only thing else that I would point out is -- and this was a trend we saw which kind of helped us form the need early on when we started getting some of these reports, so really, the end of 2015 into 2016 was that typically the response rates, the further you get away -- so the further you go out into those less populated areas, the worse the response times get. And we -- then we heard about Laveen; it's three from the bottom. You know, even on the most generous

response time allotment of 75 minutes for those scheduled, you know, they're hitting 83 percent. Tick up a couple, you see AGH -- Dignity Health AGH ER - Goodyear, again, further outside the city, only 50 percent of those. And -- and that was a recurring theme that I saw. I don't know if the data is 100 percent accurate, but as a common theme, it seems like the less populated areas, which are growth areas, which are areas Dignity Health is trying to build health care services in, the further out you go, the worse it gets.

MR. MURPHY: Can we move to the next page, 150, please? This is the next page in this presentation.

BY MR. MURPHY:

Q. What is Medstar?

A. Medstar, I -- I believe, was acquired by AMR to run nonambulance, so sort of the step down below ambulance. Stretcher -- wheelchair, stretcher vans and those kind of transports.

Q. Were there, to the best of your knowledge, 8,538 transports for Medstar --

A. No.

Q. -- in 2017?

A. I'm sorry.

Yeah, this is another -- That's the same table from the previous slide, so this is just another

error including the wrong data relative to Medstar. And that was part of the contract was that they would also help coordinate those and they would provide reporting for that level of transportation.

MR. MURPHY: Let's move to the next page, 151. The title of it is important. Can we move down just a little bit? There we go.

BY MR. MURPHY:

Q. What is -- what is this report showing you?

A. This report shows not for all facilities, but just for some reason Chandler --

Q. And let's be clear. This is called -- "Offload & At-Scene" is the title of this report, correct?

A. Correct.

So for those three facilities specifically, how many pickups were there where the average pickup time was over 45 minutes. And then offloads -- so dropping off the patient, if you will -- to the facility, how many were over 45 minutes and how long it took that process. This is -- this is the start of good information. So when we saw this for the first time, we're thinking, hey, this -- that may be some kind of a handoff inefficiency. Maybe there's opportunities for our teams and staff to work closer together. So my immediate follow-up was, wow, how do we get the data behind this? Let's get into the

detail. Is it a day of the week? Is it the time of the day? Is it ALS/BLS? What is it? Is it -- where was -- Where did the patient come from if it's a drop-off issue? Was that the problem? So we wanted the data behind this, underneath it.

And so this was a start. This is 2018. Relationship started November of 2015. So my request was for the detail. You know, how can we start getting the detail so we can work with the clinical teams to improve? And I had received a two-page report after this where the information didn't reflect what was in here, and it was all in total. It didn't even have these three facilities broken out. So I said --

Q. Was that useful for you?

A. Well, no. I couldn't make -- I can't improve anything if I don't know down to the facility level. They had detail on the second page which started to break it out between time of day, which was helpful. But again, it was rolled up. I didn't have it at the facility level.

And then what was weird about it was it showed transports that were over -- it had like urgent -- it had ALS. It had all the different classifications. But it showed that for these urgent transports, about 4 percent of them were outside of 30 minutes. And so I pick up the phone, and I said, "I'm really confused,

Paul."

Q. When was this?

A. I don't know. Maybe May-June of 2018.

And I said, "This is really interesting, but I'm confused at -- why it's showing for these urgent transports, about 4 percent are not being done within the 30-minute time frame, but yet, the main compliance report that you provide is, like, a hundred percent on those urgents. A hundred percent. Is that -- I don't get it. I don't understand why it's so different."

Q. What was -- what was the response?

A. "Oh, yeah. Well, this is a new report. We're still working on it. Probably have some errors, bugs in it. So we'll look into it and get back to you."

MR. MURPHY: If we can move to 152, Your Honor.

THE WITNESS: For the record, Brendan, I never received any more information, any corrected reports, or anything else on that matter.

BY MR. MURPHY:

Q. This is a document in the slide deck in the PowerPoint, "Patient Experience Survey, Summary of Answers. Patient Survey's-Q1."

Was this the first time you received a patient survey?

A. Yes.
Q. Data?
A. Yes.
Q. And what was -- what was your reaction to this patient survey data?
A. Well -- so my reaction to the survey and getting this information was that's excellent. This is -- this is very important to us. The patient experience -- Because believe it or not, a patient's experience in an ambulance actually reflects on their patient experience within the hospital. They don't always know that these are different. "The hospital is transporting me to another facility. They're the ones that are delaying. They're the ones that are" -- You know, so we -- we often take a lot of negative -- we get a lot of negative perceptions from our patients because of ambulance transportation. So love the fact that we're even putting eyeballs on patient satisfaction. So I love that.

Now looking at the data -- So the approach to the patient satisfaction survey was we're going to look at 25 percent of the population.
Q. This is what you were told during the quarterly meeting?
A. Yes. During --
Q. By whom?

A. I want to say Paul, but -- I mean, Paul was there. I think it was Paul. I think he was presenting patient satisfaction. This was a new thing.

Q. How -- how was it explained they were using this survey or taking -- taking the survey?

A. So the methodology is they send out satisfaction surveys to 25 percent of their population that's served. Of the 25 percent, they had a 10 percent return. So the data only reflects 2 and a half percent of the patients served. So from a starting point, that, to me, is not a representative sample. But again, starting the process -- So maybe that will change in the future.

I was -- I don't know what the goal is. You know, so they have numbers on here like -- Question Number 1, Patient treated with courtesy and respect, 95 percent answered the survey. And down in the box, you see -- under Always, you see 94.7 percent responded affirmatively. Seems like a pretty good number. I have no benchmark, I have no other basis, but that seems like a pretty good number. There are a total of 13 questions in the survey. I didn't get 13 questions. I don't know how many are on here. There's three on this page.

MR. MURPHY: If we can move to the next page, Your Honor, 153.

THE WITNESS: Yeah. So there's four on here

that are trended. You know, some good, some bad. I don't know why it says "Banner Health" on there. That's kind of weird. I don't know. But . . .

BY MR. MURPHY:

Q. It says on -- on the Bates label 153, I can't see it from here, but the gray line representative line says Banner Health. Is Dignity Health represented on this --

A. I don't.

Q. -- patient survey?

A. I don't think so, unless it was just mislabeled.

Q. Was it -- was there an explanation for why Banner Health was identified on this?

A. No.

Q. Okay. Any other issues with this patient survey?

A. I think my point was, you know, there's 13 questions; we're only seeing four. We would rather see the whole picture, you know, if we could.

MR. MURPHY: If we could turn to CA-179, Your Honor.

ALJ EIGENHEER: How much more do you have on this line?

MR. MURPHY: Well, I have probably another hour or so with Mr. O'Malley. I realized it's just about 5 o'clock.

ALJ EIGENHEER: Are you at a stopping point

or --

MR. MURPHY: Well, I've got a little bit more data discussion, which I know excites everybody, and then we can -- we can stop at that point. Would that be okay? Or we can just pick up tomorrow.

ALJ EIGENHEER: That's fine with me.

MR. MURPHY: I'll try to make it quick.

BY MR. MURPHY:

Q. This -- this is a document from AMR identified as Transport Contractual Performance Report for January 1, 2017, through December 31, 2017.

Do you recognize this document --

A. Yes.

Q. -- Mr. O'Malley?

A. Yes, I do.

Q. Did you receive a copy of this document?

A. Yes, I did.

Q. Who did you receive it from?

A. This would have been 2018, early 2000- -- It would have been from Paul Cloward.

MR. MURPHY: Move to admit CA-179 as an exhibit.

ALJ EIGENHEER: Any objections?

MR. McGOLDRICK: No.

ALJ EIGENHEER: CA-179 is admitted.

MR. MURPHY: Can we move it up just a little bit to see it?

BY MR. MURPHY:

Q. Okay. So -- so this is -- if this is an annual report for the year 2017, is this -- You earlier testified that there were some errors in the previous exhibit we looked at, CA-195. Is this the corrected document that you received?

A. Yes.

Q. Okay. Can you -- can you tell me what, if any, issues you see -- that you had with this 2017 report?

A. I think we're still seeing the same low counts of urgent transports from one of the highest-acuity systems in Maricopa County, so we're seeing very low counts that we just cannot reconcile with our teams.

Q. For example?

A. Well, go back to Ahwatukee, the same, keeping it 11 in a whole year, that's less than 1 per month. They reported to me they were seeing a lot more than that on a -- on a weekly and sometimes even on a daily basis. So we couldn't reconcile the numbers in here. Even with the corrected report, it still doesn't feel right.

Q. Any other issues that you see with this data?

THE WITNESS: Can we go to the next page, please, Your Honor?

Thank you.

Oh, this is the one that has added Dignity Living Centers of North America Palo Verde. There's no -- there's no transports. So -- right? I think for me, the problem is we've been working with them for so long and I feel like they still don't even know who we are. What are our sites? Who is Dignity Health? We don't contract for Phoenix Children's, but they're on here. I noticed also that the -- the NICU visits, there's two transports for neonatal ICU patients from Phoenix Children's for an entire 12-month period. I don't know if we have one of the exhibits, but in a previous year, it was 1,900-plus. And I raised that with the -- the AMR team and they said, "Yeah, that's -- well, we haven't stopped doing those transports, so I'm not sure where they went."

I said, "Okay. So am I missing 2000 transports in here?"

They said, "No, I don't think so. We'll investigate and get back to you."

I never -- never received an answer on -- on what happened to those 1,900-plus transports. So I think that's . . .

BY MR. MURPHY:

Q. Well, how many urgent transports does this report reflect?

A. 495.

Q. Was that consistent with your understanding of how many urgent transports Dignity Health did in the year, at least these facilities listed on this exhibit?

A. No. I had an urgent care tell me that they were doing 60 to 80 a month. So there's just no way for an urgent care who has a lower volume of overall transports when compared to St. Joe's with 2,900 -- it just doesn't -- it doesn't fit, I guess.

Q. Overall, what's your view of the data reporting you're receiving?

A. I'm still looking for good data.

Q. What are the issues?

A. I -- I believe the inability to accurately identify the facilities affiliated with Dignity Health, the inability to classify the transports according to the level of service that was requested and delivered, you know, the data issues with not getting complete reports.

MR. MURPHY: That's all I have on the data issue. Pick up tomorrow, Your Honor, if that's all right?

ALJ EIGENHEER: Okay. We'll go off the record at this time.

(The hearing was adjourned at 5:02 p.m.)

STATE OF ARIZONA)
COUNTY OF MARICOPA)

BE IT KNOWN that the foregoing proceedings were taken before me; that the foregoing pages are a full, true, and accurate record of the proceedings all done to the best of my skill and ability; that the proceedings were taken down by me in shorthand and thereafter reduced to print under my direction.

I CERTIFY that I am in no way related to any of the parties hereto nor am I in any way interested in the outcome hereof.

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix, Arizona, this 11th day of November, 2018.

MERI COASH, RMR, CRR
Certified Reporter
Arizona CR No. 50327

I CERTIFY that Coash & Coash, Inc., has complied with the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) through (6).

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