



AN OPEN LETTER REGARDING PROGRESS AT HABERSHAM MEDICAL CENTER

January 22, 2018

To Those We Serve:

The Hospital Authority recognizes the importance of our regional hospital. Habersham Medical Center (HMC) is a 53-licensed-bed acute care hospital that serves approximately 80,000 residents in Habersham and adjoining counties. HMC operates Habersham Home, an 84-licensed-bed skilled nursing facility, and HCMC Home Care, the service area's sole agency for hospital-based home health providers.

As Chairman, I am excited to update you on what's going on with your hospital. There have been many changes in recent months including the addition of a new CEO, Lynn Boggs, in October of 2017. Lynn and her team have been working incredibly hard and have begun to roll out a series of new initiatives and key hires to best provide quality healthcare and customer service while also focusing on improvements in financial performance. We have already begun to see substantial improvement in several areas, including reductions in staff turnover and implementation of improved systems of cost control.

One of the many new developments is a complete re-organization in hospital management that will help us better meet the needs of our patients. We are also opening a new orthopedic clinic. The clinic will be called *Orthopaedics of North Georgia* and will include James Dallis, M.D. and William McLean, D.O. You will be hearing more about this clinic and other new services in the near future.

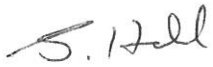
The Hospital Authority is deeply committed to making sure that HMC remains vibrant within Habersham County, that it continues to provide high quality healthcare to our community, and that the operations of the hospital are conducted in accord with good financial management and oversight.

As you know there has been a great deal of discussion regarding affiliation over the past year and a half. This is something that the Hospital Authority takes very seriously and has spent a great deal of time exploring. We will continue to explore such discussions. But for the moment, however, we are focused on maintaining current relationships with our various healthcare affiliates as our primary objective now must become improving overall performance within every facet of HMC. We believe that this strategy on performance improvement will best position us for future discussions regarding an affiliation and/or purchase should the Authority determine this is the best path for HMC.

This is truly an important time for Habersham Medical Center. Every member of the Hospital Authority is encouraged by the energy and work ethic of Lynn and her HMC Leadership team. As I mentioned earlier, in just three short months, we have refocused our efforts in seeking improvements in HMC's operations and are already seeing positive results.

This year, we will continue to introduce a number of strategic initiatives to better fulfill our mission. We hope you allow us to continue to serve your healthcare needs. Information about our physicians, health services and other news or events can be found at our website: www.HabershamMedical.com or by calling (706) 754-2161.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Hall". The signature is fluid and cursive, with a large initial "S" and a stylized "Hall".

Stacy W. Hall, Ph.D.

Chairman

Hospital Authority of Habersham County