

PROPOSAL FOR TREASURY MANAGEMENT SERVICES

Executive Management Summary
and Solutions Proposal Addendum For



August 29, 2012

Jackie Ryan
MSS Support Services
Purchasing Department
2900 Corporate Way
Miramar, FL 33025

Proprietary and Confidential

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This Proposal is not a contract, a commitment to lend, an offer to enter into a contract or an offer to lend and does not obligate either party to negotiate or enter into any contract in connection with the Services described in this Proposal. Any commitment to lend will be subject to credit approval and any binding agreement to accept or provide the Services will be subject to the parties entering a written agreement that will contain terms that are acceptable to the parties. PNC Bank reserves the right to change, alter, eliminate or withdraw all or portions of this Proposal for the Services or to choose not to provide some or all of the Services. The organization to which this Proposal is addressed is responsible for all costs associated with its evaluation and due diligence efforts to review this Proposal.

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Dear Jackie and Memorial Healthcare System Team,

On behalf of PNC Bank and the Florida PNC Healthcare team, we sincerely appreciate your interest in a banking services proposal from PNC. We hold Memorial Healthcare System ("Memorial" or the "System") and its management team in very high regard, and we look forward to this opportunity to establish a banking relationship with the System. The success of the partnership between PNC and Memorial, including the design, implementation, and servicing of the banking solutions we are offering herein, would be built on the following PNC Healthcare strengths:

- Florida-based relationship team comprised of experienced and knowledgeable professionals with a demonstrated track record of success in helping healthcare clients to achieve their financial goals;
- Extensive experience and operating capacity in providing the required products; and
- Leadership and tradition of building strong partnerships to guide the relationship into new technologies that will benefit your organization now and in the future.

PNC Healthcare is an industry leader in its ability to deliver on these strengths, and offers a relationship-oriented team that will take the time to individualize our solutions for Memorial's specific needs. Based on the feedback provided by the System in the RFP as well as through our dialogue with Memorial over the years, we believe that not only do we understand your objectives, but also the intrinsic things that are important to you – seamless integration, customer service and accessibility. We share these values, and believe that it has contributed to our success in working with more than 1,600 healthcare organizations, including some of the nation's most prominent not-for-profit and governmental health systems as well as providers, pharmacies, senior living agencies, and Medicare fiscal intermediaries across the country. We believe that PNC is the bank that can best partner with Memorial to provide the most efficient Treasury Management and Banking solutions.

PNC's team of experts understands receivables and payables operations, finance, and technology, and offers a wide array of services specifically designed for the unique cash flow and data management challenges that healthcare providers face. PNC Healthcare is compliant with all current legal and regulatory banking guidelines and legislation, and holds all information in confidence*. PNC also acknowledges the service contract for a period of three (3) years, with the option to renew up to two (2) consecutive one (1) year terms.

While other banks may be reducing their investment in treasury management services, PNC has committed over \$120 million to treasury products in fiscal year 2011 alone. The PNC Healthcare line of business is a key priority for PNC Bank's growth strategy, and has consistently been a top recipient of the Bank's financial and resource investments. Over the past three years, PNC has invested \$50 million in its healthcare treasury management platform, Healthcare Advantage and 4010/5010 translation services. PNC Healthcare has a team committed to building the next generation of support solutions for our healthcare clients, and anticipates investing at least \$10 to \$15 million annually.

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PNC Healthcare is committed to exceeding your expectations through teamwork, innovation, and industry leadership. It is our responsibility, now and in the future, to understand the requirements and goals of your business and to deliver superior services, ideas and solutions. We appreciate this opportunity to present our recommendations.

Sincerely,

Ralph Swanson
Senior Vice President - Relationship Manager
PNC Healthcare
Orlando, Florida

Andrea B Smith, CTP
Vice President – Treasury Management
PNC Healthcare
Sarasota, Florida

* Any other information as it pertains to insurance, indemnity, endorsements, and contracts are all subject to formal legal review by PNC Healthcare after the contract is awarded.

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I. Management Summary

PNC Bank has been an industry leader for decades, providing a full suite of corporate banking and treasury management services to a diverse set of clients. More relevant to Memorial, PNC Healthcare is a distinct business unit within PNC's Treasury Management group. Over the past twenty years, PNC Healthcare has developed a full array of integrated receivables solutions for providers. An example of PNC's innovation is the decision to combine leading clearinghouse capabilities with our premier treasury management services. This decision resulted in a comprehensive revenue cycle solution designed to improve short and long term operational efficiencies.

As one of the nation's top treasury management providers, PNC has the expertise and services to help health systems migrate from paper-based processes to streamlined, HIPAA compliant, electronic processes. Benefits of improving healthcare receivables include reducing the cost to collect each claim, redeploying experienced staff to revenue-producing activities such as A/R follow up, creating a more elastic organization to accommodate acquisitions of new physician practices and hospital facilities without the addition of significant numbers of full time employees, and reduced reputational and financial risk related to inadvertent disclosures of patient information or inaccurate posting of patient accounts. Penalties assessed by the Department of Health and Human Services for HIPAA disclosures related to insecure handling of Protected Health Information (PHI) make encrypted electronic information a much more attractive financial risk than information conveyed on paper.

There is an increasing amount of industry information that documents these benefits. The U.S. Healthcare Efficiency Index National Progress Report on Healthcare Efficiency (2010) suggests that, by migrating from paper to electronic remittances and payments, providers can reduce the cost to collect by \$1.49 per claim and \$2.40 per payment (half of the total estimated cost shared between providers and payers).

Additionally, a recent study by one of our clients, the Physicians Group of the University of Pennsylvania Health System (Penn Medicine), found that implementing receivables automation allowed redeployment of staff to A/R follow up, producing an estimated \$100,000 to \$250,000 per month in additional revenue per redeployed full time employee.

Based on our extensive experience with healthcare providers to reengineer workflows to reduce costs associated with handling massive volumes of data and payment transactions, we are confident that Memorial will achieve additional cost reductions by moving into more automated solutions with PNC Healthcare. We will be happy to model the potential impact of these solutions utilizing the services of our Revenue Cycle Advisory Services group through a comprehensive assessment of existing workflows and processes related to receivables functions in order to identify any opportunities that may exist. In addition PNC will assist Memorial in determining the costs and benefits of any identified opportunities and recommended solutions. Following is a list of tasks to accomplish this.

TASK 1: PROJECT KICKOFF AND DATA COLLECTION

We will schedule a kickoff call to introduce our project team and discuss the assessment objectives. We will also review our data request and interview list. In addition, we will review target timelines established for completing the assessment, including receipt of data and dates for our on-site review tasks.

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TASK 2: INTERVIEWS, DATA ANALYSIS, BENCHMARKS AND GAP ANALYSIS

PNC will conduct on-site interviews with revenue cycle and payment posting leadership as well as payment posting specialists and others involved in the payment posting process. We will review key areas and processes, and analyze data to identify process improvement gaps and opportunities within the payment posting function. PNC will calculate the financial impact of addressing process gaps and implementing recommended solutions. Payment posting functions will be compared against best-practice examples to identify opportunities to improve efficiency.

TASK 3: ORGANIZATION STRUCTURE AND STAFFING REVIEW

- PNC will review the organizational structure and reporting relationships of the payment posting function.
- PNC will perform a review of staffing levels to determine whether opportunity exists to enhance existing resources, reduce staffing or redeploy resources.
- PNC will make recommendations for the appropriate implementation of staffing needs.

TASK 4: FINAL DELIVERABLES

The final deliverable of this assessment will include the following items:

1. A summary of findings and recommendations
 - Highlight functions that are performing well
 - Identify areas for improvement and provide specific recommendations to improve performance
2. Provide estimate of financial impact related to any identified opportunities to reduce cost and improve cash flow

If Memorial is interested in this approach, we will create a scope of services agreement outlining these tasks (and others that might be identified as critical), and will determine whether the assessment is performed pro-bono or for a separate fee.

To summarize, our leading-edge solutions are supplemented by the expertise of PNC's dedicated Healthcare team, with the goal of maximizing our clients' success. For example, utilizing the 1,100 connections that PNC Healthcare has built to connect payers and providers, our Enrollment Team can assist Memorial in prioritizing and proactively enrolling payers for electronic remittances (835s) and electronic payments (EFTs), Memorial will benefit from our experience with many similarly sized PNC clients who have faced the same challenges and opportunities for improvement, and who have:

- Achieved savings and efficiencies by implementing automated revenue cycle collection solutions, including Patient Pay lockbox.
- Reduced reliance on paper processing through the use of our Direct EDI 835 (electronic EOB) solution and Intelligent Optical Character Recognition (IOCR) technology.
- Maximized cash flow and reduce Days Sales Outstanding (DSO) by reducing receivables processing time.

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- Increased visibility into remittance adjustments to aid in the Denials Management process.
- Automated cash journal entries by utilizing our PINACLE® Information System coupled with an upload of a BAI file.

Revenue cycle solutions represent a major focus, but our capabilities are much broader. Specialized solutions for providers include traditional treasury management and core banking services coupled with procure-to-pay solutions, institutional investment management, bond underwriting and remarketing, letter of credit enhancement in support of variable rate demand bonds, and taxable and tax-exempt bank credit products, to name a few. Our commitment to healthcare is further evidenced by more than \$12 billion of committed financing to the sector.

PNC Healthcare originated with and evolved from the combination of treasury management and revenue cycle solutions. We pride ourselves on listening to and consulting with our clients, and believe that ideas for best-in-class enhancements to healthcare solutions are found within the provider community. We are guided by an Advisory Board, comprised of 19 provider leaders from across the country, and we look forward to adding Memorial Healthcare System to our esteemed list of clients. We can confidently say that both our organizations will benefit from the relationship.

Our Approach

PNC's approach to the healthcare industry is built on the foundation of three differentiating components: Leadership, Experience, and Unique Solutions.

- *Leadership* – PNC is a pioneer in the healthcare industry, as proven by a long history of leadership engagement:
 - First bank to be EHNAC (Electronic Network Healthcare Accreditation Commission) accredited for Clearinghouse, Lockbox, and E-Commerce.
 - Only bank to participate in developing the national standard for the 835 ERA (Electronic Remittance Advice).
 - First bank to send an 835 (1994).
 - First bank to originate an 835 ACH program with a national payer (2001).
 - First bank to develop a “re-association engine” (re-associating data and dollars).
 - First bank to be named “Healthcare Enterprise Bank” by U.S. Treasury (2003).
- *Experience* – PNC has a dedicated national healthcare team that has been offering targeted solutions for nearly two decades. PNC serves over 1,600 healthcare clients, including many national and regional healthcare systems, home healthcare providers, large physician networks and numerous payers.
 - PNC's Healthcare Advisory Board provides PNC Healthcare valuable feedback and insights on the solutions we bring to the marketplace
 - PNC's dedicated healthcare sales, product, and service staff of 200+ specialists is experienced in implementing and servicing new and existing clients.
 - PNC processes large volumes of healthcare-specific transactions, including over 7 million direct 835 claim payments and over 3 million IOCR 835s created for provider clients each month.
 - PNC has developed almost 1100 direct payer connections to provide our customers with direct 835 service
- *Unique Solutions* – PNC has invested over \$50 million over the past few years to develop healthcare

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industry-specific solutions.

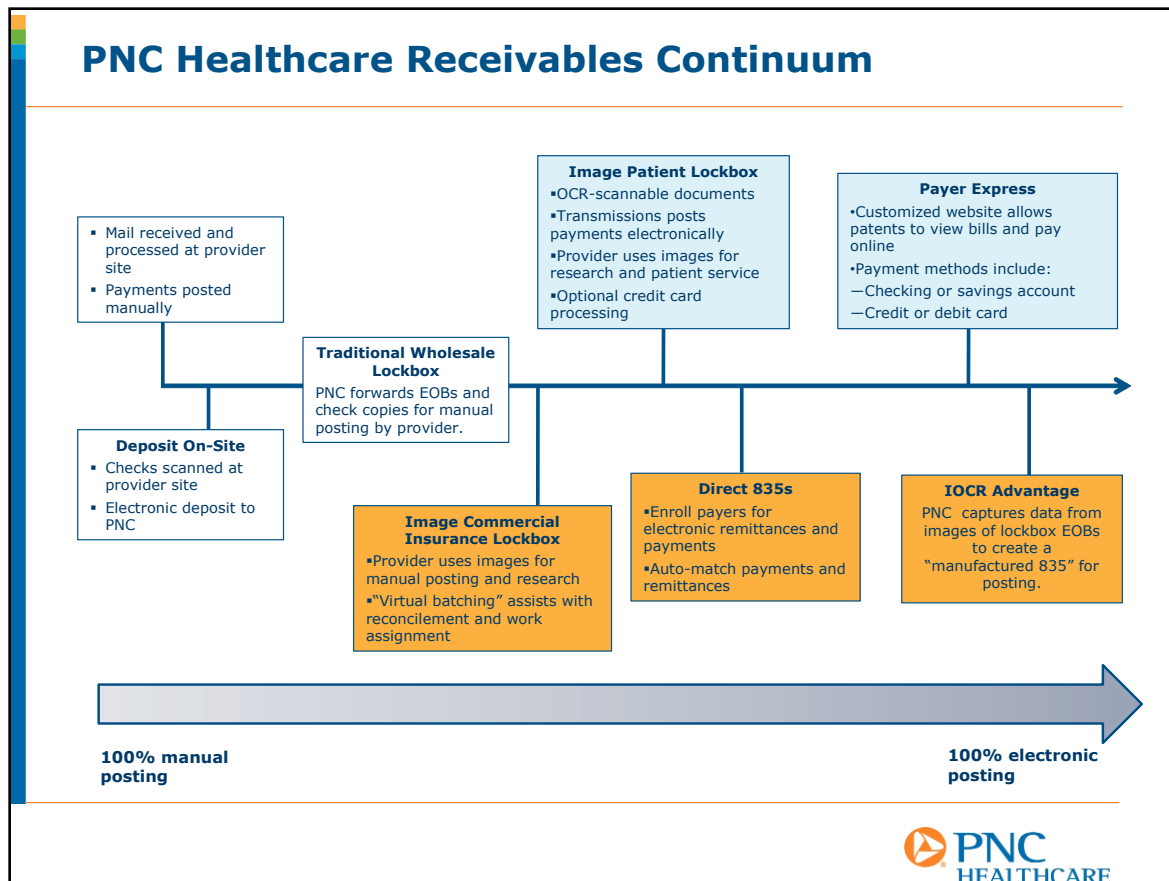
- Our Healthcare Advantage platform provides hospitals a single integrated system to manage data through the complete revenue cycle process.
- Full service healthcare clearinghouse capabilities can process all revenue cycle transaction sets (270/271, 278, 837, 276/277, and 835).
- In-house Intelligent Optical Character Recognition (IOCR) creates manufactured 835s from paper EOBs.
- Incorporated payer contracts and the Charge Data Master uncover payer underpayments and ensure outbound claims include all charges.

The basis of our approach to automation is depicted in the Receivables and Payables Continuum diagrams. This approach is unique because it allows Memorial to engage PNC Healthcare through modular services. We will work with Memorial to develop a thoughtful plan which will have an immediate impact on your receivables and payables processes. In the past this approach has allowed our clients the autonomy to personalize their strategy and assign only necessary resources to each automation project, minimizing the impact on current operations.

On the following pages, beginning with a discussion of our revenue cycle solutions, we will progress to a presentation of PINACLE®, our commercial on-line banking system, depository and payables solutions.

II. PNC Healthcare Receivables Continuum

PNC Healthcare works with clients to progress along the continuum of receivables solutions with the goal of achieving a fully electronic posting environment. Eliminating paper and automating manual processes will enable Memorial to automate payments from all sources at a lower cost per claim payment posted. In this proposal we will discuss both solutions for patient receivables (shown below in blue boxes) and commercial receivables (shown in orange boxes).



A. PNC Experience with EPIC

EPIC is a patient accounting system that is built to facilitate automation. PNC Healthcare has worked with EPIC clients since 2008, and we have several revenue cycle projects in process for multi-entity EPIC clients. EPIC technical requirements, especially those concerning identifying data to particular payer plan codes, require some customization in order to maximize automated posting rates. The chart below illustrates how PNC Healthcare meets EPIC technical requirements.

EPIC Requirement	PNC Healthcare's Solution
Proprietary patient lockbox file format	Custom file from PNC's patient lockbox service, now in production for several EPIC clients
Single payer Direct 835s matching EPIC payer plan codes	PNC can send single payer 835s, and can include the EPIC payer plan code in the ISA segment of the 835 to facilitate the match on EPIC. This is in production for several PNC clients.
Payer plan code associated with each lockbox check included in a multi-payer "manufactured" 835	PNC can populate the EPIC payer code into each "manufactured" 835 transaction as part of our IOCR process. In addition, we can group individual transactions by payer type/EPIC "super payer" plan code. This is in production for two PNC clients.
Image linkage to the patient account on EPIC, to allow the user to click an image link on EPIC and view an EOB image	PNC's "manufactured" 835 contains the "metadata" required for EPIC to build this linkage. PNC could also provide the proprietary EPIC HL7 image index file format as needed. PNC has scoped requirements for the HL7 index file, but we do not currently have a client in production.
Proprietary file format for automating cash reconciliation via the new EPIC Cash Management module	Custom file from PNC's insurance lockbox service, which includes check and EFT information, and can assign an EPIC payer plan code to each check processed through the lockbox. In 2011, EPIC informed PNC that we were the first bank to transmit a processable Cash Management file to an EPIC client.

B. PNC Healthcare Commercial Insurance Lockbox Collections

Through our Commercial Insurance Lockbox, PNC collects client mail and prepares deposits for healthcare providers at PNC-owned and operated sites across the U.S. PNC processes more than 108 million lockbox transactions per year, and roughly 25 percent of those transactions are for healthcare clients. All PNC Lockbox staff members are HIPAA trained, and PNC is currently the only bank in the U.S. that is certified by the Electronic Healthcare Network Accreditation Commission (EHNAC) for medical lockbox services.

Benefits to our clients include:

- Accelerated funds availability
- Improved control of paper documents, which reduces HITECH risk
- Improved patient service via the A/R Advantage searchable image archive
- Reduced costs for paper handling and paper storage
- Enhanced cash reconciliation and cash reporting tools
- Increased revenue through redeployment of staff to accounts receivable follow up

To utilize Commercial Insurance Lockbox, mail must be directed to a client lockbox address at a PNC lockbox site. PNC will assign a unique address to each box out of PNC's unique or shared unique zip code.

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PNC collects mail multiple times per day, expedites the deposit, and provides access to same-day images of lockbox transactions via the A/R Advantage module on PINACLE®. Commercial Insurance Lockbox clients receive accelerated funds availability on all checks deposited through the lockbox.

To meet HITECH security requirements, all transactions processed through the lockbox are imaged, including payments, accompanying remittance material, and non-financial transactions. Non-financial transactions are denoted “correspondence” at PNC and may include zero-dollar EOBs as well as other types of correspondence.

Many PNC healthcare clients post cash from A/R Advantage images in a dual screen environment, where one screen displays lockbox images from the A/R Advantage Web portal, and one screen displays the patient billing system to which patient payments will be posted. If the provider can post from images, PNC can truncate paper documents after the first 30 to 60 days of lockbox processing. Paper EOBs are retained at PNC’s lockbox site for 3 business days after the lockbox deposit, then shredded. Eliminating the return of paper documents reduces daily courier costs, which can be significant for a commercial insurance lockbox. Long-term storage costs and indirect costs associated with employee time spent scanning documents into image systems, or retrieving historic paper documents from file cabinets or company archives, are also reduced.

The A/R Advantage portal provides access to full-color images of checks, envelopes, and the back and front of each page of the EOB or other remittance information. Images can be viewed on-line, or printed as individual transactions or in batches. A search screen and downloadable spreadsheets provide tools for locating transactions and reconciling cash. (Note: Clients wishing to search for EOB images by patient name or patient number should subscribe to PNC’s IOCR Advantage service. See the description of IOCR Advantage for additional information.)

In addition to reducing cost, the A/R Advantage image platform helps reduce HIPAA-related risk. The risk of inadvertent disclosures of Protected Health Information (PHI) is higher when PHI is delivered in paper form. EOBs may be lost or misrouted in the mail, or even at the provider’s office. In addition to normal mail or courier problems, payer practices such as “house-holding,” wherein print-mail vendors offer reduced postage fees by mailing remittances from several payers to a single provider in one envelope, increase the possibility that PHI may be misrouted or lost. Using A/R Advantage images to post cash, and for long-term storage of remittance information, eliminates the return of paper documents and reduces the risk of inadvertent HIPAA disclosures. Standard A/R Advantage risk-reduction procedures include the following:

- All lockbox work for healthcare clients is imaged, and, if paper is returned, the package must be sent via a traceable method (UPS or FedEx).
- For all lockbox clients, PNC visually verifies the payee name on each check to confirm that the check and accompanying documentation belongs to the client who owns that PNC lockbox address.
- Envelopes/boxes from known print/mail vendors are examined to attempt to identify EOBs not belonging to the provider lockbox-holder.

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- Lockbox images are displayed via PNC's secure A/R Advantage Web portal, which is part of PINACLE®. (See additional information on PINACLE® security for more details.)
- Transmissions of lockbox EOB images must either be encrypted or sent via secure transmission.

PNC recommends that Commercial Insurance payments be processed in a separate lockbox from patient payments. If the provider will eventually use PNC's IOCR Advantage service to convert lockbox payments and EOBs to "manufactured" 835s, PNC requires that the provider open separate lockboxes for Commercial Insurance and patient payments. Patient payments do not include sufficient information to create an IOCR "manufactured" 835, and PNC provides a lower cost service (Patient Payment Lockbox) that creates a data transmission to automatically post patient payments.

Standard Commercial Insurance Lockbox Service features include:

- Multiple pickups of mail from the Post Office each day, and daily processing of one or more lockbox deposits. (NOTE: If the client intends to use IOCR Advantage service, PNC requires that the client select one lockbox final cut per day, and that the final cut be in the morning. This is to allow sufficient time to convert EOB images to "manufactured" 835s and resolve any balancing or data interpretation issues that may arise during EOB conversion.)
- Access to same-day information about lockbox activity via the A/R Advantage Web portal, including a list of deposit batches by day, and the ability to drill down to images of individual lockbox transactions.
- Storage of images and associated data for a 60-day period with access through the PNC A/R Advantage portal on PINACLE®. (Long-term storage for up to 10 years is available as an optional service.)
- The ability to search stored images using check-level information captured during the lockbox process. Check amount, and check number are common search elements for Commercial Insurance Lockbox; if other data, such as an insurance company name or payer plan code is captured during lockbox processing, that information may also be available as search fields for stored images. (Note: the ability to search on patient-level information from EOBs is not available as a standard feature of Commercial Insurance Lockbox, but PNC does provide this functionality as part of IOCR Advantage Service.)
- The ability to download lockbox transaction information to Excel® for analysis or research.
- Access to lockbox transaction information and images for an unlimited number of users via the A/R Advantage portal on PINACLE®.
- Customization of column headings on the Transaction screen of A/R Advantage. For example, the "Remitter Name" column might be customized to read "Payer Name" for a particular provider.

C. Custom Commercial Insurance Lockbox Service Options

Custom service options include the following. These options may lengthen the implementation time, or result in additional fees, if selected. However, many providers find these optional services invaluable in improving revenue cycle workflows.

- PDF batch level or transaction level printing of images, which allows the client to create an Adobe® file containing the image batch, or individual transaction image (check, coupon, and other

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accompanying documentation) and to print or save the Adobe® file.

- Virtual batching by payer. If the provider can identify major contract payers or payer financial classes by the MICR line(s) of the checks sent to the lockbox by those payers, PNC can populate a name or payer plan number for each check and then “virtually sort” check and EOB images into batches that match payer groupings or financial classes on the patient billing system.
- Image transmission or image download from the A/R Advantage module on PINACLE®. Files can be delivered as either TIFF (black and white) or JPG (full-color) images, with an image index file in Comma Separated Value (CSV) format that can be imported into a document imaging system. (Note: the client must have a TIFF viewer to view native TIFF images that have been downloaded from A/R Advantage.) It should be noted that the image index file created by A/R Advantage is a “check level” index file that does not contain patient level data. Providers wishing to index EOB images by patient account number can subscribe to IOCR Advantage service. (See separate service description for IOCR Advantage.)
- Including ACH payments in a separate batch on the A/R Advantage portal. PNC can import ACH payment information into the Commercial Insurance Lockbox, and can include this information in human readable format in a separate lockbox batch. This allows ACH payments to be included in the same lockbox workflow as check payments for cash reconciliation purposes. For healthcare payments, PNC has performed custom mapping to display data elements required for matching payments to remittance information on A/R Advantage. For example, if the payer sends a trace number in the wrong place in an ACH addendum record, PNC may be able to move the trace number so that it displays properly in the A/R Advantage “human readable” report. This ability to “normalize” payer ACH information depends on whether the payer has sent the information, and whether a consistent programming rule can be built to extract the required data. Remapping ACH data is performed through PNC’s Electronic Data Interchange (EDI) system, not in A/R Advantage, so this type of data “normalization” adds additional programming time for each payer for which remapping is required.
- Transmission of a cash reconciliation file. Check and ACH information can be transmitted from Lockbox in either a standard Lockbox BAI (Bank Administration Institute) file format, or a custom flat file format, to the provider’s cash reconciliation system or general ledger system. The cash reconciliation file creates an automated “control total” that can be used to validate the individual amounts posted to patient accounts from the Explanation of Benefits (EOB) that came with the lockbox payment.

D. Complementary Services used by Commercial Insurance Lockbox

1. Remittance on Site

This service allows the provider to scan EOBs and checks received at the provider office and transmit those items to the Commercial Insurance Lockbox process. Remittance on Site eliminates the need to mail checks and EOBs to the Lockbox, or make a manual deposit at a branch.

2. Electronic Remittances (Direct 835 Service)

PNC Healthcare has connections for electronic remittances with more than 1100 payer plans, enabling providers to reduce Commercial Insurance Lockbox and manual posting costs by

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enrolling for Direct 835s and electronic payments. (Please see our current Payer Report for a listing of all Direct 835 connections available through PNC. As part of Direct 835 Service, PNC will contact payers not on the report at the request of individual clients. If the payer can provide an 835, PNC will work to enroll that payer on behalf of that client. PNC's Healthcare Onboarding Team can review EOBs coming through the Commercial Insurance Lockbox, match information against the PNC Direct 835 payer list, and provide advice on which payers can be enrolled for Direct 835. See the service description for Direct 835 for more information.

PNC processes more than 5 million Direct 835 transactions for providers each month and has connections with more than 1100 payer plans. More than 90 percent of PNC's connections are directly with the payer, eliminating extra clearinghouse "hops" that may cause delayed or lost files. The PNC Payer Services Team makes enrolling for 835s easy by completing payer-required paperwork for clients' signature and by enrolling providers for ACH/EFT payments when the payer offers electronic payments as an option.

All 835 files are validated for HIPAA compliance as they are processed. Unless a client has specified that they want all files transmitted, regardless of HIPAA status, PNC stops files that fail the validation process due to syntax or balancing errors. PNC Healthcare service staff then proactively contact the payer to request that the file be corrected and resent.

The PNC Healthcare Advantage platform allows inbound payer 835 files to be split by NPI, Tax ID, and/or sending payer ID, making it easy to transmit correct outbound files to the appropriate provider entity. The Healthcare Advantage Web portal provides a real time view of all files received by PNC, and allows transmission schedules to be customized by provider. Transmissions to providers can be scheduled at any time during a 24-hour period, and multiple transmission windows are available. Additional features of PNC Healthcare Advantage include human-readable reports of 835 transaction information at both the payment and patient level, automated matching (reassociation) of 835 files and ACH/EFT or check payments, and reporting tools for denials/adjustments, provider level adjustments (PLB), and reassociated payments.

Benefits of PNC's Direct 835s to our clients:

- Expedited enrollment for electronic remittances and payments, accelerating cash and reducing days in A/R.
- Reduced IT and Revenue Cycle staff workload through consistent delivery of balanced, syntactically correct files.
- Comprehensive view of 835 processing status and 835 data via PNC Healthcare Advantage makes monitoring files easy.
- Intuitive reports facilitate research and cash reconciliation.
- Flexible "file splits" and file delivery methods facilitate posting to the patient billing system.

3. IOCR Advantage Service

This service converts Commercial Insurance Lockbox check and EOB images to "manufactured 835s" for automated posting to the patient billing system. IOCR Advantage is available to Commercial

Insurance Lockbox clients using any PNC Lockbox site, and the service is provided by PNC employees at PNC-owned sites, with no off-shoring of Protected Health Information (PHI). See the service description for IOCR Advantage for more information.

Benefits of PNC's IOCR Advantage Service to our clients:

- High automated posting rate (typically 90% or higher).
- Increased revenue through redeploying staff to A/R follow up.
- Reduced costs for manual paper handling and paper storage.
- Normalized data facilitates analysis of lockbox payer remittances for denial and contract management, increasing revenue.
- Reconciliation reports facilitate cash reconciliation and adjustment research.

Although the most cost-efficient way to automate cash posting is to receive 835s directly from payers, some payers and health plans do not offer HIPAA-compliant 835s. To augment PNC's Direct 835 process, IOCR Advantage creates "manufactured" 835 files from paper Explanation of Benefits (EOBs) and checks sent to any lockbox in the PNC national lockbox network. This allows providers to automate the posting process for any payer, including secondary, auto, and workers compensation payers that do not offer, or have incomplete data, in a Direct 835 transaction.

Images of EOBs and checks received in lockboxes are transmitted to PNC's IOCR Advantage process after the final lockbox cut. Unlike most industry EOB conversion offerings, IOCR Advantage is owned solely by PNC and is operated by PNC employees without the aid of any offshore keying or programming. The solution uses the latest available technology which lifts data from the EOB images using programmable document templates. Provider- and payer-specific "business rules" can be included in standard EOB templates to insure that claim status codes and adjustment reason codes are populated correctly to meet the provider's billing system requirements.

After data is lifted, it is compared to information from the original claim (transmitted by the provider) to insure accuracy, or to augment critical posting information absent from the EOB. Information is then populated to a "manufactured" 835, which is balanced to the original EOB and check. The balanced 835 is then transmitted to the provider via PNC Healthcare Advantage. A human-readable version of the 835, with a link to the original black and white (TIFF) EOB image, is available to search, view, and print from the PNC Healthcare Advantage portal. Images are stored on PNC Healthcare Advantage for seven years.

In addition to completing the payment automation process, IOCR Advantage improves denial and contract management processes. All payer proprietary codes from EOBs are mapped to a HIPAA adjustment reason code, creating consistent data across all 835s for denial and contract management analysis. PNC maintains a standard reason code map within IOCR Advantage, but code mapping may be customized for individual clients as needed. For example, if PNC would normally populate a CO 45 (contractual adjustment), but the provider's contract with that particular payer requires that the unpaid amount be written off, versus being billed to the patient, the provider might request that PNC

populate a code such as OA 23. The provider specific code would then act within the provider's billing system to write off the remaining amount due after the payment was posted. PNC also works with providers to customize business rules for populating the appropriate claims status codes for primary or secondary payers, using EOB explanations, payer reason codes, or business rules by payer. For example, claim payments from Bankers Life, a common secondary payer, might always be identified as secondary for a particular provider, even if no clues on the EOB itself suggested that a Claims Status Code of "2" should be populated.

Through PNC Healthcare Advantage, PNC has the ability to split "manufactured" 835 information from one lockbox deposit into separate data files by payer, payer group, or payer financial class. This facilitates matching of data to unique payer plan codes on the provider billing system. To assist in cash reconciliation, PNC provides the **IOCR Exception Report** and **PLB Report**. The IOCR Exception Report lists Commercial Insurance Lockbox check transactions that were excluded from the "manufactured" 835. Excluded checks might include a patient check sent to the wrong lockbox, a check from a payer where the EOB duplicates a Direct 835 already received by the provider, or a check with insufficient information to create an 835 transaction. The IOCR Exception Report displays the Lockbox Transaction ID (TID) for each excluded check. The TID can be used to locate the image of the lockbox transaction for manual posting. The PLB Report displays any Provider Level Balance transactions created during the IOCR process. These include interest payments or "take backs" that are not directly associated with a patient payment from the EOB. The PLB Report makes researching adjustments easy by allowing the user to click through to the "manufactured" 835 data, and then to the image of the EOB that was the source of the PLB adjustment.

4. Reassociation Service

As providers increase the number of 835s received, and move to electronic payments to accelerate cash flow, the issue of matching 835s to payments becomes more and more problematic. Sarbanes-Oxley and other accounting guidelines discourage routine updating of patient receivables in situations where the actual financial transaction has not been received. Since 835s typically travel through a non-bank clearinghouse, and payments travel through the banking system, matching remittance information with payment information is a cumbersome manual process for most providers, involving bank reports, billing system reports, and large spreadsheets. In addition, because the timing of receipt of 835s and payments can vary widely by payer, and because some payers use "bulk" financial transactions to pay for multiple 835s, the matching process is extremely difficult to automate using conventional business tools.

Because PNC is both a bank and a clearinghouse, we receive both 835s and financial transactions (checks and ACH credits) from payers. Using a special module in PNC Healthcare Advantage, payment data from PNC's lockbox network and ACH processing system is compared in real time to 835 transactions received from payers. The 835 data is warehoused until a matching payment is received, then the "fully funded" file is transmitted to the provider for posting to the patient billing system. Systemic matches are made based on the payer-provider relationship (Tax ID/NPI match), the Trace Number recommended by the HIPAA standard, the effective date of the payment, and/or the payment amount.

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PNC Healthcare Advantage resolves both the “bulk” payment problem and timing issues. “Bulk” payments are logged by the system, and individual 835 totals are subtracted as matches are made, with the remaining balance of the payment displayed until all 835s have been reassociated with the payment. Both 835 and payment information is warehoused, so payments received before their associated 835s are stored for the specified warehouse period while awaiting a future match.

The warehouse period is client-specified, although PNC may recommend a warehouse period using our knowledge of the habits of specific payers. If no matching payment has been received by the end of the warehouse period, a system email is generated to the provider’s Reassociation contact, inviting that user to log into PNC Healthcare Advantage to review the transaction. At that time, the user can elect to review payment information and try to make a manual match, instruct PNC to send the 835 transaction without a match, or leave the 835 unmatched in the system.

Benefits of PNC’s Reassociation Service to our clients:

- Facilitates compliance with SOX and other accounting regulations.
- Reduces time spent reconciling cash manually.
- Highlights missing payments so payers can be contacted immediately.
- Allows staff to focus on more valuable activities.

5. PNC Healthcare and Workers Compensation Payments

Although Workers Compensation remittances were a “carve out” from HIPAA requirements, a number of Workers Compensation payers have recognized the value of utilizing the 835 standard for Workers Comp remittances. PNC Healthcare has established Direct 835 connections with early adopters such as Liberty Mutual and Travelers Insurance, and other 835 connections are available through relationships with Workers Comp specialists such as Jopari Solutions, Inc.

6. Patient Lockbox Service

We propose you maintain your current structure of directing patient payments to a separate lockbox from commercial payments to take full advantage of the technology available to capture payment information available on patient payments. PNC Healthcare’s Patient Lockbox service leverages our top performing National Lockbox Network, enabling you to collect payments from patients in an efficient and cost-effective manner.

Patient Lockbox expedites the mail delivery and deposit of patient checks sent to healthcare providers, using PNC- owned and operated sites across the U.S. PNC collects mail multiple times per day, expedites the deposit, and provides access to same-day images of lockbox transactions via the A/R Advantage module on PINACLE®. PNC Healthcare then transmits remittance and payment information to providers for automatic update of their patient billing systems. PNC Healthcare processes more than 108 million lockbox transactions per year, and roughly 25 percent of those transactions are for healthcare clients. All PNC Lockbox staff members are HIPAA trained, and PNC is currently the only bank in the U.S. that is certified by the Electronic Healthcare Network Accreditation Commission (EHNAC) for medical lockbox services.

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Benefits to our clients:

- High automated posting rate (typically 95-99%).
- Accelerated funds availability.
- Improved patient service via the A/R Advantage searchable image archive.
- Reduced costs for paper storage, second bills, and patient collections.
- Integration experience with many patient billing systems and document image systems facilitates implementation

Best practice for Patient Lockbox is for the statement to display patient information in an Optical Character Recognition (OCR) line at the bottom of the return portion of the statement. Since Memorial accepts credit card payments, the patient can write credit card information on the statement and PNC Healthcare will process the credit card payments through a system called IC Verify, provided by PNC Merchant Services. The remittance document should be designed with a check box to allow the customer to indicate that the preferred method of payment is credit card.

The scan line contains, at a minimum, the patient number, amount due, and invoice number (if applicable), and is limited to 72 characters in total. PNC Healthcare also recommends that the scan line include a Modular 10 check digit on the patient number and the entire scan line, to insure accurate capture of data. PNC must test and approve all coupons prior to the implementation of the service and after changes.

Payments returned with OCR scannable documents are imaged, minus the envelope. If a miscellaneous document, such as a patient letter, accompanies the check and OCR coupon it will be imaged as part of the transaction. Using Intelligent Character Recognition (ICR) technology, PNC Healthcare lifts data from the scan line on the statement and maps it to an electronic remittance format in Bank Administration Institute (BAI), 835, or a customized format. If a payment does not arrive with an OCR scannable coupon the patient number is keyed manually, if available.

The Patient Payment 835 is a PNC Healthcare proprietary file that uses the 835 file format, versus the HIPAA-compliant Direct 835 received from a payer, because the data captured during the patient lockbox process is limited. If the provider chooses the Patient Payment 835, the file is sent to PNC Healthcare Advantage for transmission and upload to the patient billing system. Files not in the Patient Payment 835 format are transmitted to the client directly from PNC's Lockbox platform.

7. Standard Patient Lockbox Service Features

- Assistance in designing a patient coupon with an Optical Character Recognition (OCR) line containing information needed to post the patient payment to the client's billing system.
- Transmission of a file in Bank Administration Institute (BAI) or another "flat file" format that will allow automated posting of patient payments to the billing system. This file can be customized to meet unique billing system requirements. PNC currently supports custom Patient Lockbox file formats for EPIC among other common patient billing systems.
- Imaging of all checks, coupons, and other information accompanying checks.

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- Imaging of non-financial correspondence.
- Storage of images and associated data for a 60 day period with access through the PNC A/R Advantage portal on PINACLE® (PINACLE® is our on line commercial banking information and transaction site and is described in detail under the Information Reporting and Technology section). Long-term storage for up to 10 years is available as an optional service.
- The ability to search stored images using information captured during the lockbox process: patient number, check amount, and check number are common search elements for patient lockbox.
- Access for an unlimited number of users to lockbox information and images via the A/R Advantage portal on PINACLE®.
- Some customization of column headings on the A/R Advantage Transaction screen. For example, the column typically labeled “Invoice Number” could be labeled “Patient Number” or “Encounter Number” for a healthcare provider.
- Generation of image CD ROMS. (Clients using long-term archive service or the image transmission/download service typically do not require CD ROM output).

8. Custom Service Options

Available service options are shown below. These options may result in a longer implementation timeframe or additional fees if selected. However, many healthcare providers find these services invaluable in improving revenue cycle efficiency:

- Virtual batching of images by expected posting status, payment type or facility/office/entity
- Batch level or transaction level printing of images, which allows the client to create an Adobe® file containing the image batch, or individual transaction image (check, coupon, and other accompanying documentation) and to print or save the Adobe® file.
- Image transmission or image download: Files delivered include either TIFF (black and white) or JPG (full-color) images and an image index file in Comma Separated Value (CSV) format that can be imported into a document imaging system. (Note: Viewing native TIFF images that have been downloaded from the A/R Advantage portal requires a TIFF viewer.) PNC Patient Lockbox image files are currently imported by clients using Hyland OnBase, Siemens Document Imaging, and Documented, among other common document imaging systems.
- Authorization of credit card payments and inclusion of these payment records on the lockbox output file.
- Remapping the “flat file” transmission to the PNC standard Patient Payment 835 format to facilitate input to patient billing systems that require an 835.
- Transactions without an OCR scan line are presented on the A/R Advantage portal for client review prior to generation of the transmission file. Clients have the ability to correct patient numbers and add/modify/delete other invoice level information up to 30 minutes prior to the final Patient Lockbox deadline for the day.

9. Patient Pay Lockbox Best Practices

PNC Healthcare recommends the following best practices for patient lockbox:

- OCR Scan line - Print patient information in an Optical Character Recognition (OCR) line at the

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bottom of the statement. This OCR line is similar in appearance to those found on credit card statements and telephone bills, and contains, at a minimum, patient number, amount due, and invoice number (if applicable).

- Patient Account Number - Include a Modular 10 check digit on the patient number and the entire scan line to insure accurate capture of data. PNC Healthcare can work with the provider's print vendor to design an OCR scan line that will help to maximize automated payment posting.
- Imaging and Supplemental Keying - When the statement and check are returned by the patient to the provider's PNC lockbox address, payments with scannable OCR documents are scanned, and the check, statement, and envelope (optional) are imaged. If the patient did not return the OCR-scannable statement, then a patient number is keyed if available.
- Map to 835 - Data captured from the statement OCR line and the check is mapped to an 835 electronic remittance format or a customized format specified by the provider. The resulting file is transmitted to the provider via our PNC Healthcare Advantage service to update the patient billing system
- Credit Card Acceptance - If the provider accepts credit card payments, then the patient can provide credit card information on the statement. PNC Healthcare will process credit card payments through our PNC Merchant Services group and include these payments on the 835 or custom file.
- Auto-Post 835 or Proprietary File Transmission - PNC's Lockbox Implementations team and the PNC Healthcare Advantage Implementation team collaborate to create and send client test data after establishing an 835 or proprietary file transmission with the provider. The measure of success for an OCR client is receiving and posting the files generated by the Patient Lockbox processes. Most PNC Healthcare clients achieve posting rates exceeding 98 percent for patient lockbox.

10. Lockbox Locations

The sites on the following page comprise the PNC National Lockbox Network. All sites are owned and operated by PNC.

<u>SITE</u>	<u>LOCATION</u>
PNC – Atlanta	College Park, GA
PNC – Boston	Woburn, MA
PNC – Chicago	Chicago, IL
PNC – Cleveland	Cleveland, OH
PNC – Dallas	Richardson, TX
PNC - Los Angeles	Pasadena, CA

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PNC – Philadelphia	Moorestown, NJ
PNC – Pittsburgh	Pittsburgh, PA

Cut off times for our recommended Atlanta Lockbox

Our goal is to process payments the same day as received. PNC Bank's deadline for same day ledger credit is 6:00 P.M. (EST). The ledger cut-off time is not applicable to weekend or holiday processing as ledger credit is provided on the next business day. The last mail pickup available for same-day processing is typically between 7:00 a.m. and 9:00 a.m. Please see the Mail Processing section (next page) for specific pickup times at our Atlanta lockbox location. Our ability to process items on a same day basis may be impacted by a number of factors including; mail receipt time, total mail volume received, processing requirements for your lockbox and requested end-of-day cutoff. Each site monitors the amount of mail received along with processed volume on a daily basis.

ATL			
Deposit Cut	Days	Deposit Deadline Time (2)	Web Page By: (3)
24	T-F	12:00 AM	2:00 AM
04	M-F	4:00 AM	6:00 AM
09	M-F	9:00 AM	11:00 AM
12	M-F	12:00 PM	2:00 PM
16	M-F	4:00 PM	6:00 PM
37	SAT	3:00 PM	5:00 PM
42	SUN	12:00 PM	2:00 PM
55	HOL	2:30 PM	4:30 PM
90	EDI	7:30 PM	9:30 PM
95	EDI	8:30 AM	10:30 AM
77	WIRE	11:30 PM	1:30 AM
95	WIRE	8:30 AM	10:30 AM
70	WIRE	11:30 AM	1:30 PM
72	WIRE	1:30 PM	3:30 PM
75	WIRE	5:00 PM	7:00 PM
76	WIRE	6:30 PM	8:30 PM

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11. Image on Demand.

Within Image On-Demand, clients can search for Paid Checks, Non-lockbox Deposits, Return Items, Returned Deposited Items, and Adjustments. To perform an inquiry, you will need to select account and transaction type, and date (or date range). You may also include amount and reference number to refine your search. Access to historical data in this module varies based on transaction type. Images are stored within Image On-Demand for 7 years.

12. E-Lockbox Advantage.

Many patients are choosing to pay their bills using on-line banking bill payment services. Typically, patients originate on-line payments using their financial institution's Internet-based bill payment services. The amounts are aggregated and a physical check generated. Major providers of these services include Intuit (Quicken), Microsoft (Money), CheckFree, Princeton Ecom, and Medevante. The paper list and the check payment are sent to the lock box for processing. Because a scannable coupon is not included, these transactions become exception items for the lockbox provider.

PNC proposes the consolidation of all on-line banking activity with the paper-based output from our lockbox. This is accomplished using our E-Lockbox Advantage product which effectively eliminates all "Check Only" documents. With E-Lockbox Advantage, Memorial will have access to 98% of all on-line banking processors. All payments received through PNC's E-Lockbox Advantage service settle with same day availability. PNC can also include EDI transactions in your daily transmission. This avoids multiple service provider arrangements and provides a single stream of receivables update information.

E-Lockbox Advantage Functionality. Memorial will be registered with MasterCard RPPS (a relationship that may already exist), which maintains a table of nationally recognized consumer billers (i.e. web processors, charge card, utility, insurance, cable and telecommunication companies) and receives payments from 99.5% of consumer payment service providers. Memorial can be listed in a number of different ways, depending upon the names used on your bills. Along with your name, the table stores the various remittance addresses your patients may use and account number edits in order to validate account numbers. When patients initiate their request to pay your bill via their bill payment service, the provider originates an electronic payment according to their remittance schedule to RPPS. By the following business day, PNC is in receipt of the payment, credits your account, and sends the invoice information to you in your daily lock box transmission.

E. Remote Deposit.

PNC has two remote deposit services: Deposit On-Site and Remittance On-Site. Deposit On-Site is a web-based solution for depositing checks. Remittance On-Site is a software-based service that allows you to send checks and remittance information to your PNC lockbox via an image scanner. The checks are deposited along with the rest of your lockbox items.

Checks deposited through Deposit On-Site receive an accelerated availability schedule. Checks submitted via Remittance On-Site receive the same the availability as payments sent to your lockbox via mail.

F. Deposit On-Site.

PNC's Deposit On-Site Service will enable Memorial to easily capture images of patient and insurance checks received at your office and transmit these images to PNC for processing. As a result, you can reduce administrative time and expense associated with deposit preparation activities and consolidate bank accounts from various locations. Deposit On-Site may eliminate the need to maintain accounts for remote sites at other banks. Multiple accounts and/or locations may be set up to accept deposits through Deposit On-Site.

PNC Deposit On-Site service is convenient and easy to use through a desktop scanner located in your office,. The operator keys in the amount for deposit, scan the checks and a balanced deposit is created. With just a quick, click command you can transmit the balanced deposit to PNC. Deposits can be transmitted any time, several times a day or at the end of your business day, meeting the established PNC extended deposit deadlines. Deposits are accepted for same day posting up until 10 pm EST.

All information is stored locally on your PC for a preset number of days. Standard reports are available and can be easily printed for your records. Or, you can choose to customize and create your own reports. Information from all your locations can be imported into Excel spreadsheets to support recordkeeping and decision-making. In addition, through PINACLE®, you can easily verify previous day deposits.

Deposit On-Site has built-in security features that:

- Prevent checks from being transmitted twice.
- Safeguard against unbalanced file transmissions.
- Provide two user security levels.
- Create email confirmation of each file when it is received.
- Maintain a complete report of deposits and checks.

Scanners may be purchased or leased through our third party vendor, NCR Vecmar. Clients are not required to use this vendor; they can order from any company that can provide an acceptable scanner. Scanner specifications are available upon request.

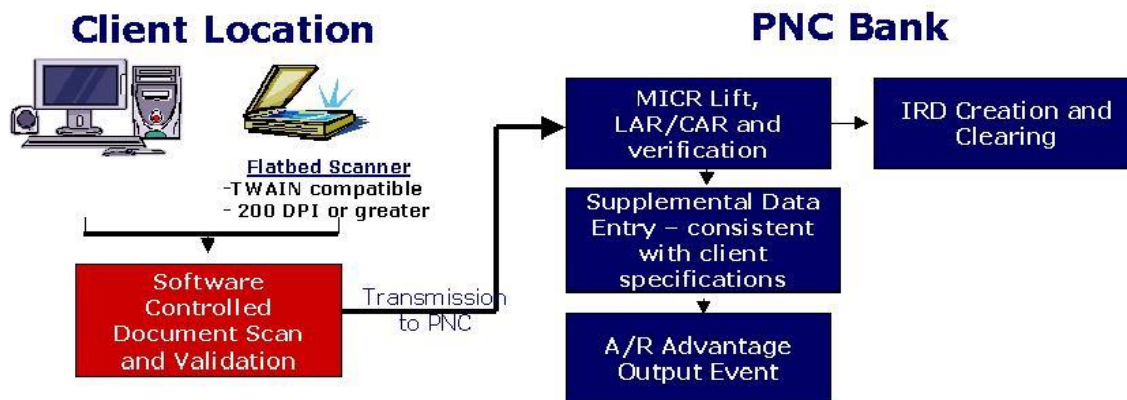
G. Remittance On-Site (ROS).

PNC's Remittance On-Site (ROS) service helps streamline payment flow and reduce costs by combining a unique application of check scanning technology with advanced lockbox processing that puts the capability directly in your hands. In addition to capturing check images, ROS enables you to capture check stubs, full page remittances as well as envelopes. The captured images are immediately uploaded to A/R Advantage and integrated with all of your other receivables payment information.

The only function the client must perform is image capture and validation of image quality. Transactions submitted via Remittance On-Site enter the A/R Advantage workflow. All check and remittance information capture occurs in the same manner as traditional lockbox items.

Remittance On-Site was designed to provide remote check/document capture, with integration into established lockbox processing and output. The operator at Memorial will be responsible for capturing images of the checks, supporting remittance material and/or envelopes. Transactions submitted via Remittance On-Site enter the normal A/R Advantage workflow. All data capture will be performed within that workflow in the same manner as traditional lockbox items received via the mail. Therefore, any related data entry will be performed within PNC's lockbox processing workflow, with incorporation into related data transmissions.

Following is a workflow diagram for Remittance On Site.



III. Commercial On-Line Banking Information Technology.

PINACLE® is a versatile, comprehensive product designed to accommodate clients on a national scale. The PINACLE® network contains a number of different modules within its two major groups of services, information reporting and transaction initiation, allowing clients to select only the modules that they need. Since the network is designed and maintained by PNC, a highly integrated, expanded product line is available. Simplified procedures and robust capabilities make it easy to select only the data that is required. PINACLE®, Fax, and BAI file delivery (mainframe and via WEB) are all supported. Access to financial information for both receivables and payables solutions, financial transaction execution and reporting are available through PINACLE®.

PINACLE® delivers powerful, comprehensive online tools with easy and secure access to:

INFORMATION REPORTING	TRANSACTION INITIATION	RECEIVABLES INFORMATION	CAPITAL MARKETS SERVICES	ONLINE CLIENT SERVICE
Current Day	Account Transfer	Paper & Electronic Activity	FX Payments	Notifications (user-defined)
Previous Day	ACH	On-site Remittances	FX Currency Trading	Image On-Demand
Special Reports	Funds Transfer (Wire)	Remittance Images	Derivatives Reporting	Issue Reporting & Tracking
Previous and/or Current Day BAI	Check Management	Remote Check Deposit	Multicurrency Accounts	Tip Cards
Statements (DDA, ARP, Sweep, Account Analysis)	Positive Pay			Training Sessions
Multi-bank Reports	Reverse Positive Pay			Online Service Requests
Sweep	Issue Maintenance			
Line of Credit	Global Trade Services			
Escrow Services	Liquidity Management & Reports			
Return Check Management				

A. Zero Balance Concentration and Controlled Disbursement Accounts.

Controlled Disbursement Account (CDA) service is a check presentment service designed to help providers minimize idle balances and tighten account management with minimal administrative involvement. The Controlled Disbursement service provides early same-day notification of check clearing totals, allowing Memorial to precisely fund disbursement activity, enhance investment opportunities or reduce borrowing requirements.

PNC Bank's CDA service provides you with complete check detail information by mid-morning. Checks presented to PNC branch offices, or received via a 'direct send' after final presentment, will be held over and posted to your account the next business day. PNC's has three controlled disbursement endpoints, two of which are considered a High Dollar Group Sort (HDGS) endpoint. Daily reporting times for check presentment are:

	Jeanette, PA	Salem, NJ	Ashland, OH
1 st Presentment	8 am ET	8 am ET	8 am ET
2 nd Presentment	10 am ET	10 am ET	10 am ET

The chart below lists the percentage of items and dollars that are received at each presentment time:

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	Jeannette, PA	Ashland, OH
1 st Presentment: Items	99 %	92%
2 nd Presentment: Items	1%	8%
1 st Presentment: Dollars	99%	91%
2 nd Presentment: Dollars	1%	9%

All endpoints offer timely, accurate reporting. When checks clear, detailed information listing the check number and dollar amount of each check presented is available at approximately the same time as second presentment through PINACLE®. Summary level totals include the grand total dollar amount of checks presented; item count and required funding amount.

Memorial can pull several standard PNC-created reports, as well as create and generate customized reports via PINACLE®. By selecting from a number of criteria (i.e. account number, transaction type, date range, amount range or reference range) Memorial can create detailed custom reports and set them up to automatically run on a daily basis.

PNC's **Zero Balance Account** allows you to maintain multiple accounts that may be required to process your daily business operations and consolidate all balances each night into one master account. The benefits of a Zero Balance structure include:

- Automatically consolidates funds into one account each night which can be used for investing or funding disbursements.
- Reduces the time spent initiating transfers between company accounts.
- Streamlines your monitoring procedures.

IV. PNC Business Intelligence

In order to address the economic challenges in today's healthcare world, hospitals and healthcare systems must turn overwhelming amounts of disparate data into readily understandable and actionable information.

PNC Healthcare's Business Intelligence (BI) is an easy-to-use online solution that can organize data from multiple sources, enabling healthcare organizations and providers to report, analyze and manage multiple business metrics or key performance indicators. Using detailed dashboards with drill-down capabilities, you can explore your data down to the granular level. Your organization's leadership is then empowered with the knowledge and information to directly influence the performance and bottom line of the business.

Our "software as a service" solution helps to eliminate capital expenditures and reduce implementation time. There is no costly hardware or software license to purchase. By leveraging our model, you will be able to use the BI tool and its reporting capabilities faster than a client server model. Other benefits of our hosted solution include:

- Information is stored in a secure PNC data center.
- There are no capital requirements, just a fixed monthly fee.

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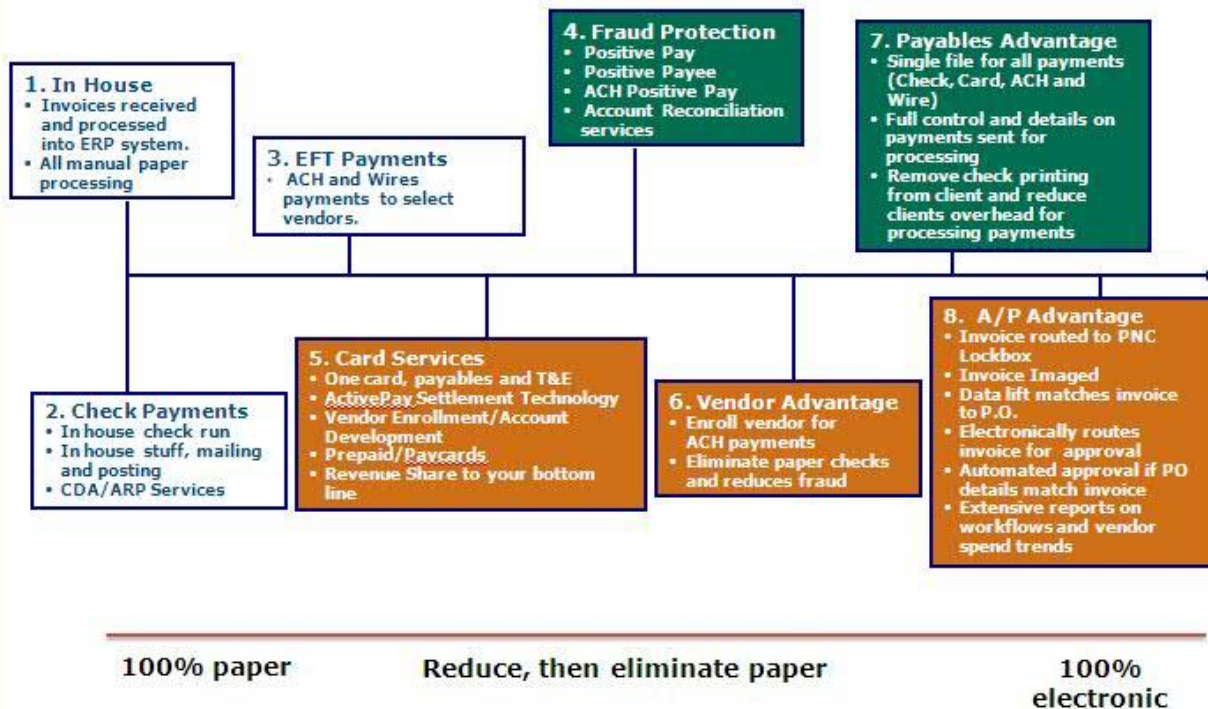
- Long-term investments in infrastructure are eliminated.
- Customized dashboards with ad hoc reporting capabilities are accessed via the web.

V. Disbursements: Transforming the Payables Process



Making a payment is one of the most critical components of the procure-to-pay process. While each payment may call for a different type of payment method, based on the economics of various payment alternatives, there is an ideal mix of payment options. PNC Healthcare and PNC Treasury Management have developed efficient tools over time that help achieve the optimum mix required to support an efficient, streamlined process for centralizing the origination of payments — check, card, ACH or wire transfer — to reduce and/or eliminate the time, risks and expense of maintaining multiple payment processes and systems in-house. Further, PNC has bundled these services into a solution that can help Memorial transform its payables management process by developing a payment protocol — a strategic way to maximize value and achieve an optimum payment mix when converting from paper-based payments to electronic payments.

PNC Healthcare Payables Automation Continuum



A. Payables Advantage -- Solution for streamlining disbursements.

PNC Healthcare's Payables Advantage will help automate Memorial's disbursement function with a single transmission of consolidated payment files – check, card, ACH and wire transfer, or any combination of these. This results in cost savings and reduced maintenance of multiple payment systems. Memorial can choose when payments should be released, retaining the flexibility to control outbound cash flows, while satisfying your vendors' needs, and ensuring that all payments are made on time.

Payables Advantage offers a number differentiating advantages, including:

- Schedule payments for automatic release to meet the timing of your invoice due dates.
- Transmit a single input file to PNC Healthcare for all payment types (check, card, ACH and wire transfer).
- Eliminate the need to maintain multiple payment processes or support infrastructure such as a secure, in-house check printing center.
- Customize your checks to include your logo on the check and remittance documents and choose from check templates for accounts payables, dividends, and rebate processing.
- Leverage PNC's ACH services to expedite your cash-critical applications such as:

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- Bill/invoice payments
 - Pension disbursements
 - Dividends
- Select from a full range of PNC's wire transfer services, including:
 - Domestic wire transfers
 - Repetitive and non-repetitive Fed wire transfers
 - Internal book transfers for same-day settlement

Payables Advantage Functionality. The operator transmits either a PNC-formatted flat file or a proprietary payment file that satisfies the Payables Advantage minimum data requirements. Additionally, a control totals file, used to validate your data, is transmitted. Upon receipt and validation of your information, Payables Advantage completes the following:

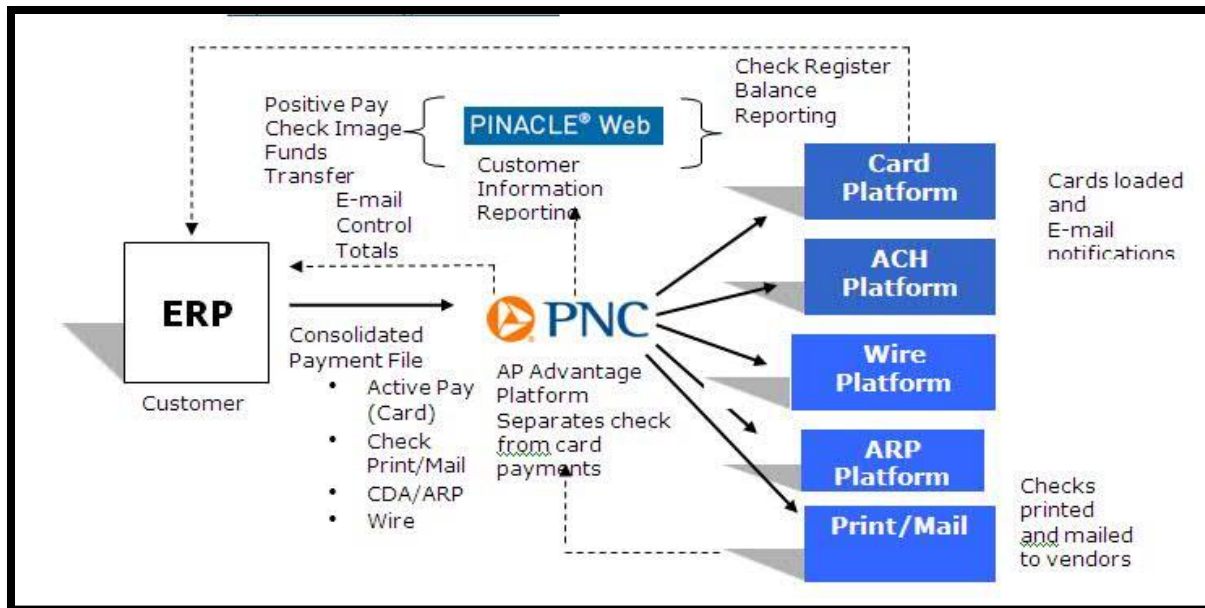
- Translates your file and provides verification of receipt to you.
- Warehouses all payments until your chosen payment date (can be scheduled up to 365 days after the date of your file transmission).
- Follows your specific check issuance requirements and sends instructions to PNC's advanced printing system to produce customized checks and remittance documents.
- Prints and mails checks to your vendors.
- Provides you with check register and other reporting information for payments initiated via PNC's PINACLE® Web online banking service.
- Sends issue file instructions for your checks to PNC's Account Reconciliation system.
- Sends designated payments to PNC's card system where the payment is translated into the proper format and released to our card processor for settlement.
- Releases designated payments to PNC's ACH system (if applicable) where the payment is translated into the proper format and released to the Automated Clearing House for processing to the requested financial institution and account.
- Delivers designated payments to PNC's wire transfer system (if applicable) where the payment is translated into the proper format and released to the Federal Reserve for delivery to the requested financial institution and account.

Payables Advantage offers the following benefits:

- Payments can be scheduled for automatic release to meet payment dates, according to your instructions.
- Transmit a single input file to the bank for all payments (check, card, ACH and wire transfer) Memorial intends to generate through the Payables Advantage platform.
- Eliminate the need to maintain multiple payment processes or support infrastructure such as a secure, in-house check-printing center.
- Customize your checks to include your logo on the check and remittance documents, and choose from check templates for accounts payables, payroll and other processing.

Payables Advantage Work Flow

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B. Electronic payment methods (ACH, EFT)

1. ACH Origination

PNC Bank has been processing ACH transactions for over 30 years, beginning with the direct deposit of payroll in 1977. We are a recognized leader in the ACH industry, and we are committed to developing innovative products and services that utilize the ACH network. PNC provides ACH origination services for over 9,250 clients.

PNC Bank is a member of the National Automated Clearing House Association (NACHA) and has significant influence over the development and governance of the ACH Operating Rules. PNC representatives cast votes on regulatory, legislative and ACH Operator policies, and participate in various work groups to help shape the direction and evolution of the electronic payments industry. PNC is a member of NACHA's CEBP/Corporate Payments Council and the Secretary Treasurer of NACHA is currently on staff at PNC.

PNC provides flexible options for originating Automated Clearing House (ACH) entries along with expert staff to assist in the implementation and ongoing support of your program. We can assist your organization with both the technical and practical aspects of using the ACH network.

Available ACH input methods include direct transmission, via PINACLE®, or via a service bureau or third party sender. It is recommended that you send Direct Deposit and other credit transactions two business days prior to the pay date and one business day prior for vendor payments or direct debit applications.

2. ACH Origination via Direct Transmission

PNC's Direct Transmission input deadline is 10 pm ET. Following are bank supported transmission protocols:

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Transmission Type	Point-to-point connection between client and PNC (considered secure per NACHA Rule interpretation)
Dial FTP	Yes
Dial ISDN	Yes
Dedicated ISDN	Yes
Dedicated or fractional Point to Point T1	Yes
Dedicated Frame Relay Circuit	No
VAN/VAR (Value Added Network / Value Added Retailer) [GIES]	No
SDLC / SNA (legacy connection)	Yes
Dedicated MPLS Circuit	No

For direct ACH transmissions, the PNC ACH service file process relies on external control totals from its clients to verify the accurate and secure receipt of ACH transmissions. Direct file clients may use touch-tone phone entry or a separate transmission to report dollars originated and number of items.

In addition, PNC offers a Schedule Checking/Delivery Service to verify receipt of your file. Memorial will provide PNC with a schedule of anticipated file delivery dates and times. If your file is not received on the specified date, at the designated time, we will alert an authorized company contact.

Retention Times for Future Dated Transactions. The bank's maximum retention period for future dated transactions is 365 days. Our default retention setting for future dated transactions is 14 days. Should you need to future date for more than 14 days, please advise us in advance so the parameters can be reset.

Capabilities for Repetitive Transactions. Customers are encouraged to build databases of repetitive transactions. The PINACLE® ACH module provides several user-friendly templates to make keying data into a database fast and easy. Databases will be maintained and are available for batch initiation immediately upon creation.

3. ACH Origination via PINACLE®

The deadline for sending your ACH file through PNC's browser-based PINACLE® ACH module is 8 pm ET. PINACLE® Web offers multiple security levels for ACH. Settings may be applied by User, Business Unit, Account, Dollar Amount, or Type of Transaction. Company Security Administrators are responsible for creating and changing security levels for authorized users. Both dollar limits and functions can be assigned globally, across all payment types, or assigned specifically by application. Operators can be given view and/or edit access to reports and databases, at both the summary and detail levels.

Within PINACLE® Web, there are different types of secondary authorization or dual approval features that can be used. These settings are requested by the company, and are assigned on the bank side, by a PNC Bank Data Security representative.

- Secondary Operator Approval – Requires all new operator set-ups and operator maintenance performed by a Company Administrator to be approved by another Company Administrator
- Secondary Database Approval – Requires all database creations and modifications to be approved by a second, authorized operator, before the database can be used to create a batch
- Secondary Batch Approval – Requires all batches creations to be approved, before they can be released to the bank for processing

4. ACH Special Reports

The following special ACH Reports are available through PINACLE®:

Returns Reports

- Return Item
- Notification of Change
- Redistributed item report
- Web Origination: ACH Query

ACH Origination Reports

- File Acknowledgement
- Settlement projection
- Maintenance

5. Wire Transfer Capabilities

PNC Bank has offered wire transfer services for over 40 years. More than 12,000 corporate clients are currently using our wire transfer services. PNC uses the Federal Reserve Bank's Fed wire system to send and receive domestic wire transfers. PNC Bank is also a member of the SWIFT network (Society for Worldwide Interbank Financial Telecommunications) to facilitate international transactions.

PNC offers a full range of high-speed, secure wire transfer solutions that offer same-day settlement and timely information reporting. PNC can process transactions in both U.S. dollar and foreign currency denominations. PNC Bank's wire transfer service offers five methods for initiating wires, described below:

Voice (operator assisted)

- Inquire about previously executed transfers through our Investigations area.
- Request changes to your existing wire transfer setup instructions.
- Receive a PIN to be used to initiate all wire transfers.

All calls are recorded and monitored to maintain the highest levels of customer service and security.

Online via PINACLE® Funds Transfer module

- Initiate Fed payments and international payments in U.S. dollar and foreign currency.
- Initiate book transfers and drawdowns.
- Originate payments as single transactions or use the payment file import functionality to import a file of wire payment transactions.
- Self-administer the setup of employees who should be granted access to the module and assign entitlements to each user.
- Easily setup repetitive wire instructions online (real-time update) without the exchange of new documentation with PNC.
- Access a wide variety of wire activity reports and easily perform research or reconciliation.

Mainframe File Transmission (BatchWire)

- Routinely initiate large volumes of wire transfers in a highly automated environment.
- Eliminate the need for your staff to key wire input.
- Leverage voice (operator-assisted) initiation if you have automated disbursement systems.
- Choose the file format that works best for your organization for either domestic or international transfer processing: SWIFT, EDI 820, XML, ANSI, GXML, NARR, SWIF and UEDI file formats

Standing transfer order

- Establish standing, repetitive funds transfer instructions to automatically initiate and release wires for processing.
- Determine the criteria for the transfer:
 - Amount
 - Debit and credit accounts
 - Execution frequency (e.g., daily, weekly, biweekly or monthly)
 - Duration
- Automatically transfer funds until your standing order expires or you notify us otherwise.
- Automatically draw funds from another account to meet pre-established target balances you determine.

Society for Worldwide Interbank Financial Telecommunications (SWIFT)

- As a fully SWIFT-capable financial institution, PNC can send and receive instructions to transfer funds via SWIFTNet in cooperation with other SWIFT-capable corporations, financial institutions and service bureaus.

VI. Additional Solutions

A. PayCard

As part of PNC Bank's suite of Card Services, the PNC PayCard offers companies an opportunity to

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electronically pay employees who do not have a bank account. By using the PNC PayCard, employees who were previously unable to receive direct deposit can now receive their pay (payroll, bonuses, cash advances, trip reimbursement, etc.) via their own personal payroll card. As a result, you can reduce the costs associated with processing paper checks while providing employees with a convenient and secure way to receive their salary and obtain cash, make purchases, and pay bills with the convenience and prestige of a VISA debit card.

The PNC PayCard helps companies increase employee participation in direct deposit programs by issuing debit cards instead of payroll checks. Your company simply deposits payroll funds electronically to each employee's Pay Card, just like a regular direct deposit. Your employees can access funds by using their PNC PayCard wherever VISA debit cards are accepted — ATMs, bank branches, online, point-of-sale merchants, etc. And, VISA satisfaction surveys reveal that 53% of employees who use a payroll card are more satisfied with their employer than they were prior to using the card.

The PNC PayCard provides you with a complete turnkey solution. Upon initiating the program with PNC Bank, you will receive a full set of marketing templates including posters, sign-up forms, fact sheets, etc., so you can easily enroll your employees. We also provide training and phone support, as well as access to the PayCard Customer Service Hotline for your employees. Once your program has been implemented, all you need to do is enroll your employees and fund their pay; PNC Bank does the rest.

B. A/P-Card

PNC Commercial Card Services has provided procurement card services since 1995, and since that time, PNC Healthcare has developed a strong reputation as a market and thought leader. PNC currently supports over 2,200 corporate programs - spanning procurement, travel, and AP/vendor solutions. A few highlights of our success include:

- PNC was the first bank to launch an Accounts Payable application; we use the program ourselves with PeopleSoft and are one of our own largest clients with annual spend >\$300 million.
- 73 clients have been in the PNC Card program more than ten years.
- PNC is the 6th largest Purchasing card provider per The Nilson Report *; annual spend through the program exceeds \$6.2 billion.
- PNC ranks as the fastest growing issuer of VISA branded commercial card solutions with an annual growth rate exceeding 17%.
- PNC received an "A" rating from large corporate clients in the 2010 Phoenix Hecht Survey.
- PNC maintains a proprietary database of more than 24,000 suppliers where PNC has established relationships.

PNC provides our clients with successful card programs based on three key parameters: technology, vendor enrollment, and service. PNC has created an organization and designed its approach to delivering card services in order to excel in all three of these areas.

In 2001, PNC Card Services introduced ActivePay®, a technology to automate card-based settlement in Accounts Payable as well as to manage distributed card programs. ActivePay® provides a common technology platform to manage both accounts payable card-based settlement programs and various distributed card programs including traditional Purchasing Card, T&E, One Card, and Fleet Card

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functionality, as well as centralized purchasing/travel programs and declining balance card programs.

PNC's ActivePay® portal provides an unmatched ability to support all core reporting, reconciliation and administrative needs. This solution provides a scalable payment management application. It not only supports the typical discretionary spend for a card program, but also enables automated processing and execution of an approved card-based settlement run. Unique applications of this technology are described in more detail within our response.

Vendor Enrollment. One of the differentiating factors for the PNC Card Services program is our Vendor Enrollment program. Our dedicated vendor enrollment team contacts designated vendors on your behalf to enroll them in the card program. We report the results back to you through our enrollment tracker, and continuously monitor your vendors dynamically for enrollment. PNC Healthcare does not predefine timeframe limits, dollar limits, or vendor limits in the process; this is driven solely by the client in conjunction with our team. Experience has proven the value of this approach, managed through our implementation team, enables our clients to achieve greater acceptance of the program with less internal effort.

Payment Optimization and Program Expansion Focus. PNC has demonstrated success in card utilization across all portions of the procure-to-pay cycle. Our internal procurement card program has evolved from a traditional distributed card solution to a full payables solution. We have formalized this holistic approach with our clients, focusing on optimizing payment methods across the enterprise. This consultative approach identifies and prioritizes payment options in order to deliver the most cost effective settlement and execution process.

C. Additional "End to End" A/P Solutions

PNC views the payables process holistically and our solutions are designed to maximize efficiency for our clients. Complementing our industry-leading approach to card solutions, PNC offers services that address the needs of the complete payables process.

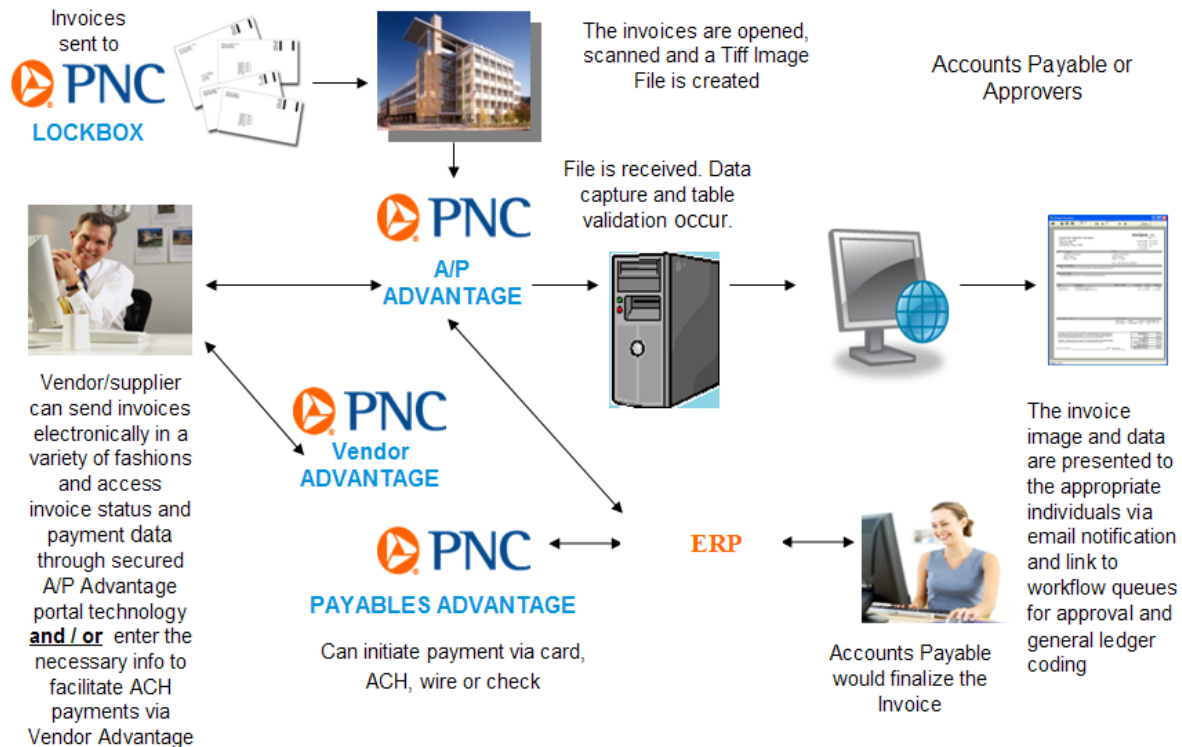
1. AP Advantage (Invoice Automation)

Centralizing invoice receipt and processing enables organizations to experience the full benefits of automating the AP process. Converting paper invoices to electronic images, with critical data captured, enables you to efficiently match invoices to purchase orders, automate invoice routing/approval and expedite dispute resolution. You gain greater visibility into your payables process and the potential for greater discount realization, enhancing your working capital management overall.

A/P Advantage leverages highly flexible workflow technology that can be accessed online and does not require custom programming. Presentation of scanned images and human-readable electronic invoices and real-time reports that summarize information about payables tasks rounds out the ease-of-use experience. Additionally, A/P Advantage includes a supplier portal with online submission of invoices (eliminating paper from the process) and the ability to view

invoice status and the comments and questions approvers choose to share.

The diagram below is an overview of our integrated, fully hosted, web based system:



D. Coin and Currency and On-Site Payments

PNC's Cash Logistic services are designed to provide a depository channel and/or provide the daily operating cash for businesses handling or requiring large quantities of cash. State-of-the-art technology is utilized to track, control, monitor and report all of the activity surrounding the processing of the cash received and disbursed within the cash operations centers.

PNC's national network of cash operations facilities allows you to maintain your banking relationship with PNC, even if your needs extend beyond the PNC branch footprint. PNC's Cash Logistic services include the following capabilities:

- A national cash vault network.
- Operations centers with state-of-the-art security and surveillance technologies.
- Flexible deposit preparation requirements — including the acceptance of check deposits — with market friendly deposit cutoff times.
- Automated touch-tone or web-based cash ordering options to obtain daily currency and coin requirements.

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- Complete daily reporting with audit trail through PINACLE®, PNC's top-rated online corporate banking portal.
- Multiple options for cash receipts summarizing your debit and credit activity, including fax, e-mail or online reporting.

E. Account Reconciliation

PNC Bank offers two levels of ARP service:

- Partial Reconciliation Service: The Partial Reconciliation Service provides the client with a reconciliation report listing each check. Report information includes check number, amount and date paid. No input is required from the client. The reconciliation periods will correspond to the statement cycle periods. Reports will be available to you within 5 banking days after each statement cut-off via PINACLE® or direct transmission.
- Full Reconciliation Service: The Full Reconciliation Service provides both outstanding and paid check information. The client provides a transmission containing the check number, date of issue, and dollar amount of each check issued during the statement period. The issue information is matched against the paid check information to provide comprehensive reconciliation reports. Reports will be available within 8 banking days after each statement cut-off date via PINACLE® with no charge or via direct transmission.

The service may be attached to both Controlled Disbursement accounts and regular disbursement accounts. The standard PINACLE® retention time is 60 days and retention time may be extended based on client preference.

If desired, you can specify a special cut-off date for bank statements and ARP reports. However, the dates must coincide with each other. The cut-off date may be month-end, weekly, or at client's specified cut-off dates.

Additional services options include: High Order Prefix sorting, Stale Date service and Maximum Dollar Limit.

F. Positive Pay for Checks

Positive Pay is an excellent way to maintain tight control over check issuance and payment and complements internal security measures you employ against unauthorized checks. Positive Pay matches the checks that should be presented for payment against the checks that have been presented for payment. Now, through our PINACLE® Positive Pay Reporting Module, Memorial can have timely access to Positive Pay exception items and reduce your exposure to disbursement risk.

PNC Bank's traditional Positive Pay service referred to as "Bank Match Positive Pay", matches against account number, serial number and dollar amounts. Payee Positive Pay is a premium feature for Positive Pay clients enabling Memorial to include the Payee name as an additional field for matching against your issue file for improved fraud management. We can review this capability as part of our solution assessment.

PNC's Positive Pay provides real time, on line check images for Positive Pay exception items via our PINACLE® Positive Pay Module. PNC's delivery deadline for notifying Memorial of exception items is 11:00 a.m. EST. The response deadline for customer's pay/return decisions is 3:00 p.m. EST. Approved exception items are automatically added to the issue file for account reconciliation purposes through PINACLE®. The deadline for the transmission of check issuance files to the bank is 10:00 p.m. ET for same day processing; subsequent files would be posted the following night. Issues may also be submitted through the Positive Pay module on PINACLE® until 10:00 p.m. ET.

G. ACH Positive Pay

PNC's ACH Positive Pay (APP) safeguards assets and information by protecting against unauthorized ACH debits through the use of ACH Positive Pay. The ACH Positive Pay (APP) solution is one of the first to market with an integrated web-based fraud prevention solution. Using a web-based interface similar to our standard check positive pay services, ACH Positive Pay will allow clients to make a "pay/no pay" decision on ACH debits received into their accounts.

APP allows users to block all incoming debit transactions to any, or all, of their PNC business accounts. Users can also allow preapproved debit transactions, while blocking others. These functions are accomplished through the creation of rules against which all suspect transactions collected for an account are evaluated.

- If no rule is set up for a specific account, all incoming debit transactions will be identified as suspects.
- If a suspect item passes when evaluated against a rule, it will be accepted (paid) and posted against the account tied to the rule.
- If a suspect fails when evaluated against a rule, it will be shown to the user of ACH Positive Pay as a "suspect". The user can then elect to pay or return the suspect item.
- Suspects are communicated to client by 7 am CST. Decisions must be submitted back to PNC through PINACLE® APP by no later than noon CST on the same day. The system default for any item that is not decided by the noon deadline is "return".

There are four APP alerts available:

1. No Suspects Today: If enrolled, and if the user has no suspects on any account(s), this alert is sent.
2. Suspects Available: If enrolled, and any of the accounts set up for notification has a suspect, this alert will be sent.
3. Suspects Nearing Cut-off Time: If enrolled, and if the user has at least one open suspect on any account they have access to, this alert is sent.
4. Suspects Auto-Returned: If enrolled, the user will receive this alert if one of their suspects had an open suspect past the cut-off time. The system will auto-return the suspect and an alert is sent.

H. Positive Pay Reporting

Positive Pay reporting can be found on PNC's PINACLE® Positive Pay module.

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I. Positive Pay Check Image Functionality

Memorial will be able to request check images on-line with PNC Bank's Check Management Module, Image OnDemand or Previous Day Reporting, all available through PINACLE®. The image is delivered on-line right to your PC and can be printed, faxed or sent to a Windows clipboard and added to a document of your choice. Currently, photocopies can be requested on-line via PINACLE's Client Service Module, and can be faxed or mailed within 48 hours of the request.

One file can be used for upload of multiple accounts but the batching logic required by the input format must be followed.

VII. On-line Transaction Capabilities

PINACLE® is the registered trade marked name under which we market our commercial on line transaction, information reporting platform. The major functions of PINACLE® are grouped into modules, allowing you to choose the tools that best suit your business needs. With a single sign-on, your authorized users can easily navigate between the different modules, (illustrated in the next figure).

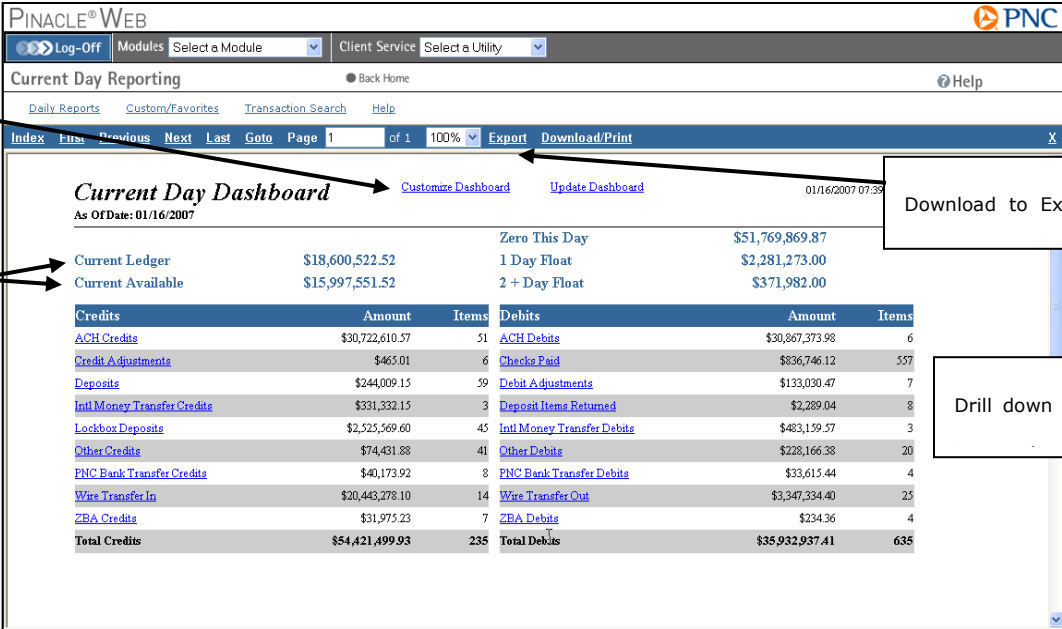


A. Information Reporting

To measure performance, maximize your investment activity and maintain greater fiscal control, you need easy access to balances and account activity. The Information Reporting module features:

- Previous Day Reporting: Provides previous day information, with links to transaction images, so you can search and export data to your preferred software and select from a variety of report formats.
- Current Day Reporting: Keeps you current on your PNC account activity with intra-day access to information, including detail and summary reports.
- Bank Account Statements: Allows you to view your statements online as soon as they are available. In addition, you can view, print and export 18 months of statement history.

- Cash Pool Allocator: Consolidates balances from various affiliated PNC checking accounts for financial control and investments, yet maintains a record of each account's contributions to the total balance pool.
- Special Reports: Offers access to Return Items with images, ACH Origination, ACH Debit Authorization, Lockbox Credit, Comprehensive Payables, EDI reports and more.
- Bank Administration Institute (BAI) file: PNC has a proven track record wherein a data file of bank statement information, (the PINACLE® BAI file), can be tailored to include only the bank statement transactions (summary or detail) needed for cash reconciliation, for both patient accounts and commercial accounts. We have successfully imported this file into a number of general ledger systems including Lawson and PeopleSoft. One caveat: The BAI file is transmitted at the bank account level, so it does not provide help with shared Tax ID/shared bank account issues.



Current Day Dashboard
As Of Date: 01/16/2007

Credits		Debits			
Amount	Items	Amount	Items		
ACH Credits	\$30,722,610.57	51	ACH Debits	\$30,867,373.98	6
Credit Adjustments	\$465.01	6	Checks Paid	\$836,746.12	557
Deposits	\$244,009.15	59	Debit Adjustments	\$133,030.47	7
Intl Money Transfer Credits	\$331,332.15	3	Deposit Items Returned	\$2,289.04	8
Lockbox Deposits	\$2,525,569.60	45	Intl Money Transfer Debits	\$483,159.57	3
Other Credits	\$74,431.88	41	Other Debits	\$228,166.38	20
PNC Bank Transfer Credits	\$40,173.92	8	PNC Bank Transfer Debits	\$33,615.44	4
Wire Transfer In	\$20,443,278.10	14	Wire Transfer Out	\$3,347,334.40	23
ZBA Credits	\$31,975.23	7	ZBA Debits	\$234.36	4
Total Credits	\$54,421,499.93	235	Total Debits	\$35,932,937.41	635

Robust security features for peace of mind. At PNC, we have integrated various security measures into our online services so you can initiate transactions and retrieve vital information, both locally and globally, in a secure environment. Security features include:

- Authentication: In addition to a unique combination of Company ID, Operator ID and Password, another layer of authentication protects certain sensitive transactions. PNC follows the evolving requirements surrounding authentication and will respond with further enhancements to PINACLE® to better protect your information and transactions.
- Administration and Entitlements: You appoint two Wire system administrators who will control which individuals within your organization will be granted access to PINACLE®. Detailed service-specific entitlements allow you to further control each user's access.

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- Secondary Approvals: You can require a second individual to approve transactions or operator setup maintenance before completing the action, giving you added security.
- Password Management: Users will be prompted to change their password on initial login and every 30 days thereafter to reduce risk of compromise.
- Enterprise Security Program: PNC has established comprehensive technology, processes and controls to protect the integrity and privacy of your data.
 - Physical security
 - Various user authentication and encryption techniques
 - Digital certificates
 - Firewalls
 - Proxy servers
 - Scanning software
 - Malicious code management
 - Ongoing intrusion and vulnerability detection
 - Third-party testing and assessment

Online client service helps you work effectively. Integrated and interactive customer service allows you to communicate with PNC service representatives online.

- Report issues online 24/7
- Monitor the resolution of an outstanding issue
- Access online tip cards
- View training sessions at your convenience

PINACLE® Account Transfer module offers your authorized representatives a quick and easy method for moving funds between your PNC accounts for same-day settlement. The process for completing Account Transfers is very easy:

- Select your debit and credit account from a drop-down list and enter an amount to easily initiate the transfer
- Transfer funds from an operating account into a disbursement or payroll account or concentrate funds into a single operating account from other accounts that you own

Recurring Account Transfers can also be set up and executed on a schedule that you create.

VIII. Employee Services

A. PNC WorkPlace Banking

Dedicated to helping employees make the most of their money and achieve their financial goals, PNC WorkPlace Banking is designed to deliver convenience, value, and added benefits.

With PNC Virtual Wallet with *Performance Spend* or PNC Performance Checking, and direct deposit, staff can enjoy everyday money management with enhanced benefits and rewards, along with no monthly service charge¹ and:

- Competitive interest rates
- Free PNC-exclusive checks
- Unlimited check-writing
- Refer a Co-Worker Rewards
- Free Overdraft Protection set up and transfers
- Free PNC ATMs and Non-PNC ATM transactions
- Bonus rates on select Certificates of Deposit and IRA CDs
- Identity-Theft Reimbursement Insurance up to \$5,000
- Interest rate discount on select consumer installment loans with automatic payment from a PNC checking account
- Free onsite educational seminars on popular financial topics
- Enhanced Rewards with a PNC Flex®, PNCpoints®, or PNC CashBuilder® Visa® Credit Card. PNC Bank representatives can provide complete details.

PNC also offers additional checking options, so we can assist all your employees with their financial needs.

For Virtual Wallet with Performance Spend or Performance Checking, the monthly service charge can be avoided if the total amount of all qualifying direct deposits credited to your account during the monthly statement period is at least \$750. A qualifying Direct Deposit is defined as a recurring Direct Deposit of a paycheck or other regular monthly income electronically deposited into a Performance Checking account or the Spend Account for Virtual Wallet Performance by an employer or outside agency. Transfers from one account to another, or deposits made at a branch or ATM, do not qualify as Direct Deposits. Account(s) must also be opened with the appropriate WorkPlace Banking code to be eligible for the program benefits.

¹WorkPlace Banking Performance Checking and Virtual Wallet with Performance Spend provide automatic reimbursement of non-PNC Bank ATM fees. Other financial institutions' surcharge fees will be reimbursed at the end of the monthly statement period, up to \$8 maximum. ²Covers up to \$5,000 out of pocket expenses

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incurred to regain your identity and to repair your credit. Certain restrictions and deductibles apply. Coverage applies to Primary checking account only, not to additional checking, savings or money market accounts. All credit subject to approval.

PNC points, PNC CashBuilder and PNC Flex are registered marks of The PNC Financial Services Group, Inc. PNC Bank, National Association (N.A.) is the creditor and issuer of the credit cards described herein.

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B. PNC Online Paystubs

PNC's Online Paystub service is designed to help companies reduce payroll costs. When used in conjunction with PNC's PayCard and ACH origination products, the resource intensive tasks associated with paper-based payroll (checks and paystubs) can be eliminated. In addition to obtaining wage statement information via the Internet, employees can also call a toll-free phone line or have the information sent to them automatically via e-mail or text messaging to their mobile device.

Easy to implement

PNC's Online Paystub service is a complete and easy-to-implement solution with low start-up costs. Employers transmit a payroll output file, in a prescribed format provided by PNC, containing wages and deductions for each employee each payday, along with employee demographic information. Paystub information is available to employees one business day after the payroll output file is submitted to PNC (provided daily processing cutoff times are met by the employer).

How it works

PNC's Online Paystub system can be accessed using an Internet connection and Internet Explorer version 5.5 or higher. The system utilizes secure socket layer (SSL) encryption and advanced password management to protect sensitive paystub information. Employees are provided with password-protected access to their current and past paystub information in a standard paystub layout format.

Employee features

- Provides Internet access using secure PIN via standard browser.
- Offers printer-friendly paystub image on website.
- Employees receive notification of paystubs via e-mail or text message after enrolling in the website.
- A toll-free phone line is also available to hear summary of current paystub.
- Up to 36 months of paystubs are available for online viewing.

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IX. Additional Information Regarding PNC Healthcare Finance

Throughout its 150+ year history, PNC has had extensive experience in providing a wide variety of financing solutions for not-for-profit health systems. PNC is one of the nation's largest lenders to healthcare providers, with over \$12 billion in committed capital to borrowers within the healthcare industry. PNC has consistently demonstrated very strong operating performance relative to its peers, and its capital ratios are among the highest within the banking industry. As a result, PNC has exhibited a very stable credit appetite throughout multiple cycles within the healthcare industry, and continued to rank as one of the most active lenders in the U.S. throughout the recent banking crisis. PNC would make an ideal financing partner for Memorial Health given the Bank's commitment to the healthcare industry, its strength and stability, and the diversity of its financing solution capabilities.

PNC utilizes a team-oriented approach to proactively providing financing solutions for our healthcare clients. The Healthcare Banking Group is a dedicated, industry-focused line of business within PNC, thus every team member involved in delivering bank credit and financing solutions focuses exclusively on the healthcare industry. Our clients have appreciated this approach to managing healthcare relationships given our ability to share industry best practices, understand the unique capitalization and cash flow needs of health providers, and develop customized financing, treasury, and revenue cycle management solutions.

Whereas some institutions have curtailed their financing offerings due to limitations such as lack of letter of credit capacity, insufficient tax appetite for tax-exempt direct placements, or capital constraints, PNC strives to offer an objective and thorough analysis of all financing alternatives available to our clients. Our goal is to help our clients evaluate comprehensive solutions for their financing needs, assess the impact of each alternative on their overall capital costs and capitalization structure, and point out the relative merits and risk considerations of each alternative. Whichever alternative our clients deem is in their best interest given their objectives and risk tolerances, we have the capabilities and expertise to help them execute in as smooth and efficient manner possible.

PNC has considerable experience in providing financing solutions for health systems including facilities such as equipment financing, loans, variable rate demand bond letter of credit enhancement, standby bond purchase agreements, bank-qualified and non-bank qualified tax-exempt direct placements (variable rate, fixed rate, and synthetically fixed), and working capital facilities. Our goal with any existing or new client is to develop a long-standing, mutually-beneficial relationship, and as such all financing solutions are coordinated through your PNC Healthcare Relationship Manager. Additionally, all members of your PNC team are incented to provide holistic, coordinated, and unbiased solutions whether they involve capital markets, bank credit, or equipment leasing, and everyone involved in the credit decision-making and delivery processes utilizes a relationship-oriented approach.

PNC's Financing Capabilities:

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Equipment Finance: We've become a \$1 billion leader in healthcare finance by dedicating resources and equipment expertise to the unique challenges of the healthcare industry for over two decades. We give healthcare providers, hospitals and health systems expert consultative guidance, market feedback on equipment pricing and information about the latest technology trends, which allows them to make the most informed equipment acquisition decisions. Our healthcare finance team delivers flexible financing options that lower cost, conserve cash, and minimize clinical, technical, and operational obsolescence. PNC Equipment Finance has the industry expertise and leadership, the strength of PNC's funding resources and the equipment financing capability to deliver cutting edge solutions to meet the unique needs of today's healthcare providers.

We develop creative equipment financing solutions that account for decreasing budgets and an increasing need for capital. By forging strong relationships with our business partners, we have created some of the most innovative programs in the industry, including equipment-specific financing solutions for technology assets, master lease agreements, and all-inclusive integrated services packages. We provide a wide variety of equipment management and financing alternatives, some of which include:

- Off-balance-sheet financing
- Term leases and loans
- Tax-exempt financing
- Conservation of cash via 100% financing
- Pre-approved cap-ex lease lines of credit
- Project financing
- Ability to offer pre-owned radiology and IT equipment
- Experienced asset management group to assist in equipment valuation and remarketing

Loans: PNC has extensive experience in structuring taxable and tax-exempt facilities such as term loans, bullet loans, and balloon notes. This includes a wide a variety of uses such as real estate/medical office building financing, acquisitions, and bridge financing. Such facilities typically provide for terms of one to ten years, either on an interest-only basis or with amortizations of up to 30 years. PNC also offers comprehensive lending programs designed to assist the physician practices with whom our health system clients are strategically aligned.

Letters of Credit: PNC has one of the largest Letter of Credit ("LOC") books in the US, with over \$6.3 billion in variable rate demands bonds ("VRDBs") enhanced with a PNC Letter of Credit. PNC-backed paper continues to garner strong demand from the investment community, as evidenced by the fact that since September 2008, PNC-enhanced VRDBs have on average have traded three basis points below the SIFMA industry average.

PNC carries the highest short-term debt ratings from all three major rating agencies, and has an A2/Positive, A/Stable, and A+/Stable long-term rating/outlook from Moody's, S&P, and Fitch, respectively. VRDBs with PNC enhancement also attract strong interest from institutional investors seeking ways to diversity LOC counterparty risk within the Southeast healthcare market, thus favorably benefiting remarketing performance

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throughout the region.

In addition to our Letter of Credit capabilities, PNC also offers liquidity facilities (standby bond purchase agreements) in support of either insured or unenhanced VRDBs. PNC also provides operating Letters of Credits for needs such as self-insurance and workman's comp.

Direct Placements: PNC has been very active in the direct placement market over the past several years, including bank qualified and non-bank qualified facilities. These facilities have been very attractive for borrowers, as they afford tax-exempt health systems the ability to achieve very competitive all-in capital costs, while eliminating risks associated with the VRDB market such as bank downgrades, failed remarketings, and market disruptions. Furthermore, borrowers can typically achieve longer credit commitment periods relative to letter of credit facilities. Additionally, PNC offers variable rate direct placement solutions, fixed rate loan facilities, as well as customizable synthetically fixed rate solutions to help mitigate long-term interest rate risk.

Revolving Line of Credit Facilities: PNC offers revolving line of credit financing for needs such as working capital fluctuations, seasonality, short-term acquisition financing, contingencies, and general corporate purposes.

X. Exhibits

1. Certificate of Secretary of State, Florida Statutes on Public Entity Crimes, and IRS W-9
2. PNC Bank Contacts
3. PNC Healthcare Advantage Playbook and Sample Implementation Timeline
4. PNC Business Resiliency
5. University of Pennsylvania Health System Case Study
6. PNC Institutional Government Fact Sheet