

Thank you for your support of Alomere Health. We draw incredible strength from people like you in our community.

I want to share with you an announcement we are making today: The Alomere Health Board of Directors has voted to establish a new 501(c)(3) nonprofit organization to operate the health system.

Douglas County will continue to own the health system's buildings and land. The new nonprofit, still called Alomere Health, will lease the properties from the county. The county commissioners will continue to name two members to serve on the health system board. Initially, these members also will be county commissioners.

In this new relationship, the nonprofit's governing documents would require the consent of the Douglas County Board of Commissioners before the nonprofit enters into any sale, merger or other transaction that gives up control of the health system. Both the commissioners and Alomere Health leaders stress that one of the goals of this restructuring is to ensure the health system's continued independence and local control.

Converting to a nonprofit organization will enable Alomere Health to continue to grow as a regional care provider serving patients in Douglas County and the broader region. We want to bring care closer to our patients outside Douglas County. That means investing health system funds in those communities.

These will be prudent investments, of course, but healthcare is a difficult, perpetually changing industry, and we don't want Douglas County taxpayers to have any exposure to these financial risks, however slight they will be.

In addition, a new state law will make it more costly for county-owned hospitals to leave the Minnesota state pension system, known as PERA, starting July 1, 2027.

For these reasons, now is the time to move forward with converting to a nonprofit organization.

The Douglas County Board of Commissioners will vote on the lease agreement in the coming weeks. We anticipate the conversion occurring effective January 1, 2026.

This decision will strengthen Alomere Health's efforts to keep care local, ensure decisions about healthcare in our community are made in our community, and secure our long-term future as a locally based, independent health system.

Thanks again for your support of Alomere Health.

Sincerely,

Carl Vaagenes, CEO

Alomere Health