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February 13, 2019

By Hand Delivery

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED
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HEALTH, FACILITIES &
SERVICES REVIEW BOARD

Re: Project # 18-042, Quincy Medical Group Surgery Center/Unity Point Relationship

Dear Ms. Avery,

As you are aware, Carol Brockmiller as CEO of Quincy Medical Group ("QMG") sent a letter of clarification relative to QMG and UnityPoint's ("UP") financial relationship dated February 7, 2019.

It is Blessing's general understanding regarding ownership of QMG by UP, that UP acquired QMG's stock as preferred stock. Per UP's publically available audited financial statements "On June 22, 2012, the System (UP) purchased, through a designated physician licensed in Illinois, a 45% interest in Quincy Physicians and Surgeons Clinic (QMG)." It appears UP disclosed in the notes to its financial statements a Physician Designee holds the QMG stock on behalf of UP? Perhaps this arrangement was set up by UP to satisfy the legal requirements of the Corporate Practice of Medicine regulations? The question remains is when and how does the Physician Designee represent the Iowa Corporation of UP in regards to the reserve power actions of QMG Board decisions? We also understand that one of eight seats on QMG's Board has traditionally been a UP representative.

What Ms. Brockmiller is potentially failing to point out when she says "Approval from UnityPoint is not necessary as the project and scope is well within Quincy Medical Group's autonomous purview" is that UP is potentially participating in the approval if they hold reserve power actions and constitute 1/8th or 12.5% of the Board seats of QMG. We strongly urge the IHFSRB to gain a clear understanding of the ownership of QMG's interest by UnityPoint.

QMG has not asked for a revision of its application whereby on page 38 (Attachment 3 - Operating Identity/Licensee) they clearly state, "UnityPoint Health will have approximately 40% ownership interest in Quincy Medical Group Surgery Center."

Blessing would strongly encourage the Illinois Health Facilities and Services Review Board to seek further clarification on the ownership structure of UP and the reserve powers it holds over the QMG Board.

Sincerely,

Patrick M. Gerveler
Executive Vice President/Chief Financial Officer
Blessing Hospital

PMG/sem