QUINCY MEDICAL GROUP

February 25, 2019

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

Re: Comments on State Board Staff Report, Project 18-042

Dear Ms. Avery:

I am writing to acknowledge the publication of the State Board Staff Report ("Staff Report") on QMG's proposed Ambulatory Surgery Treatment Center and to provide comment. The Staff Report reflects a significant amount of time and effort by the State Board's Staff ("Board's Staff") and is a thorough analysis of the project against the State's review criteria and standards.

I provide the following comments, which are not intended to be all encompassing, for the Board's consideration. QMG will address these comments, along with several others, at the upcoming Board meeting on March 5, 2019.

1. **Criterion 77 Ill. Adm. Code 1120.140(c) – Reasonableness of Project Costs.** The Staff Report finding states that movable equipment costs are $557,004 per ASTC room (ORs and procedure rooms), which is $5,792 per room above the State standard of $551,212 per room.

Comment: Clinical movable equipment costs are $4,456,026. This amount includes a CT scanner, with a cost of $666,375. The CT scanner is not located within the ASTC, but in 1,550 sq. ft. of space that is not part of the ASTC. This is shown on page 070 of the permit application. Accordingly, the CT scanner's cost should ***not*** be included in the cost of the 8 room ASTC. Deducting the cost of the CT scanner reduces the equipment cost for the 8 room ASTC from $4,456,026 to $3,789,651, or to an amount averaging $473,706 per room. This is $77,506 ***below*** the State standard.

Moreover, the cardiac cath equipment in 1 of the 5 ORs has a capital cost of $1,247,143, which far exceeds the cost of equipment in a typical ASTC room. However, catheterization equipment is not part of the cost base used to set the cost standard for surgery rooms, and, therefore, it should be separately considered when doing a cost per room analysis. Doing so would reduce the average cost for the project's ASTC rooms below the State standard even more.

Request: As the applicable movable equipment costs are below the State standard, QMG respectfully requests that the negative finding for Reasonableness of Project Costs be removed.

2. **Criterion 1110.235(c)(7) – Unnecessary Duplication of Service/Mal-distribution of Service/Impact on Other Facilities.** The project's anticipated impact on Blessing Hospital is overstated in the Staff Report. (Staff Report, page 24.) The forecasted volume of hours at the proposed ASTC in the second year of operation is 10,650 hours, not 12,943 hours.

Comment: The analysis in the top paragraph on page 24 claims that 12,943 hours of outpatient surgery would leave Blessing facilities in year 2023. This number significantly overstates the volume of 10,650 hours that are actually forecasted to leave Blessing. The volume of 10,650 hours was reported throughout QMG's permit application. (Permit Application, Project Services Utilization, page 71, volumes table on page 103, and page 112). The volume of 10,650 hours was further reported in the second paragraph on page 10 of Tracey Klein's February 8, 2019 letter, which was attached to the Staff Report.

The Board's Staff's estimate of 12,943 hours at the proposed ASTC in year 2023 is based on the assumption that 48% of all Blessing outpatient surgical volumes will transfer to the new ASTC. (Staff Report, top of page 24). While that may have been the percentage estimated by the Board's Staff in year 2017, the proportion of cases and hours (QMG hours as a percent of total Blessing outpatient hours) that are planned to transfer is not a constant; it declines from 2017 to 2023. This is readily apparent by viewing the volumes table found on page 103 of QMG's permit application, which shows historic and projected volumes of QMG surgery cases, and associated hours for year 2023. The table shows a very modest annual increase in QMG surgical volumes from 2018 through 2023, resulting in a lower than 48% proportion of Blessing Hospital's total surgeries in year 2023.

Reporting and using the correct forecasted volume at the proposed ASTC is very important, because the project has been planned so that within two years after project completion, the volume of outpatient hours at Blessing Hospital and its ASTC will be approximately the same as it was in 2017, the most recent year for which data has been reported.

Request: QMG respectfully requests that the paragraph on the top of page 24 be revised to state that the forecasted volume at the proposed ASTC in year 2023 will be 10,650 hours, consistent with references in several sections of the permit application and submissions to the Board.

3. **Criterion 1110.235(c)(6) - Service Accessibility**. The Staff Report finding states that the project does not meet any of the four sub-criteria regarding service accessibility.

Comment: The third sub-criterion reads: "The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admissions policies."

The proposed ASTC will provide urology, neurosurgery and cardiac catheterization services, among many other services. While urology is a listed service at Blessing's surgery center, the surgery center is not equipped to perform urological cases and had a volume of just three patients in 2017 and 2016. While neurosurgery is a listed service, it has no volume. Cardiac caths are not performed in Blessing's surgery center. Because specific types of procedures and/or operations that are components of an ASTC are not currently available in the existing surgery center but will be performed in the new surgery center, the project complies with the third sub-criterion of the Service Accessibility criterion.

The Board's Staff recently issued a positive finding for this sub-criterion, and ultimately the Service Accessibility criterion, for a project that was similarly going to introduce services or procedures not currently available in an ASTC in the GSA. (See Staff Report, North Suburban Pain and Spine Center, Project No. 18-018, Page 13.)

Request: QMG respectfully requests that the Staff Report acknowledge that specific types of services, procedures or operations are not currently available in the existing ASTC in the GSA but will be available in the proposed surgery center. Therefore, QMG further requests that the negative finding for Service Accessibility be removed.

4. **Blessing's Request for Deferral.** Attached to the Staff Report was a February 13, 2019 letter from Blessing. That letter requested, among other things, that the Board defer action on this project "until QMG and Blessing Hospital fully explore a joint venture . . ."

As noted in our February 8, 2019 correspondence and February 13, 2019 correspondence, QMG and Blessing Hospital have thoroughly discussed and explored joint venture options – both before and after QMG's application was filed. (See enclosed **Exhibit 1,** October 5, 2018 letter; **Exhibit 2,** February 8, 2019 letter, pages 6-8; **Exhibit 3**, February 13, 2019 letter; and **Exhibit 4,** February 25, 2019 letter.)

The above-referenced letters demonstrate that (1) QMG and Blessing have thoroughly explored joint venture options; (2) Blessing Hospital is not interested in a joint venture for the new surgery center at the proposed location; and (3) Blessing Hospital's eleventh hour joint venture proposal for its existing surgery center is not feasible or in the best interests of the community or QMG. Contrary to Blessing's assertion, the parties have explored joint venture opportunities, and deferral is not warranted.

Thank you for considering these comments and requests. If you have any questions, please contact Ralph Weber, our consultant, at 847-791-0830.

Sincerely,

Carol Brockmiller

Carol Brockmiller, CMPE
Chief Executive Officer
Quincy Medical Group

Enclosures – Exhibit 1-4

QUINCY MEDICAL GROUP

October 5, 2018

SENT BY E-MAIL

Ms. Maureen A. Kahn
President / CEO
Blessing Health System
P.O. Box 7005
Quincy, IL 62305

Dear Maureen:

I have been asked by Quincy Medical Group's board to summarize the status of our recent alignment discussions. You and I recently spoke on these issues on September 27, 2018, and I anticipate that our meeting today will include further discussion on these issues. I have provided below a summary of my understanding to date.

On June 25, 2018, Quincy Medical Group ("QMG") put forth a comprehensive proposal to Blessing Health System ("Blessing") regarding alignment opportunities. The proposed opportunities for alignment included, without limitation, shared governance, joint venture opportunities, and clinical alignment through shared service lines. It is my understanding that Blessing is not interested in any of the alignment opportunities at this time.

When you and I met on July 11, 2018, we discussed Blessing's interest in exploring a potential collaboration with QMG pertaining to oncology, cardiology, and orthopedic services. As I noted in my July 31, 2018 correspondence, QMG's board was interested in and excited to further explore a more limited collaboration as soon as feasible. In the course of our subsequent discussions, you raised various questions and/or comments regarding the strength of QMG's service lines. First and foremost, I want to re-emphasize that QMG is committed to maintaining and further developing its robust cardiology practice. As I have expressed, QMG will ensure that two board-certified cardiologists - potentially, three - are on staff at all times. With respect to oncology, as you know, QMG employs five oncologists, along with two Advanced Practice Providers, and maintains an extremely well-regarded oncology practice. With respect to orthopedics, QMG maintains a strong, specialized orthopedic program. As you are aware, QMG currently employs four specialized orthopedic surgeons, and QMG continues to recruit subspecialists. While QMG remains open to collaboration with Blessing regarding these service lines, QMG feels strongly that the onus is on Blessing to put forward concrete proposals at this juncture with respect to service line collaboration.

You and I also discussed several options relating to the Surgery Center of Quincy ("Surgery Center"), including, but not limited to, early termination of the lease, allowing QMG to purchase back the Surgery Center, and/or entering into a joint venture. It was evident to me from our inperson meeting last week that none of these proposed options are of any interest to Blessing at this time. It also appears to me that as long as Blessing is able to take advantage of the higher reimbursement rates (i.e., hospital outpatient billing rates), Blessing will continue to utilize the Surgery Center and have no interest in exploring alternative options with QMG – even if those options may better serve the Quincy community. You further mentioned during our meeting last week that you felt the "useful life" of the Surgery Center in its current location, without more space, was approximately 3 more years. After that time, you indicated you may seek to build a new surgery center next to your medical office building or at 48th & Maine and seek early termination of the current lease. In all scenarios, it appears that Blessing will not contemplate any joint venture or co-ownership opportunities with QMG in the foreseeable future.

Last, but not least, we discussed the continuing issues with Blessing's website. As the website currently reflects, QMG physician phone numbers and locations are not listed, whereas the phone numbers and locations for other non-Blessing physicians are listed. Your explanation for the discrepancy was that Blessing is not in the business of "unduly benefiting someone else." I discussed this issue with legal counsel, and I am not aware of any valid reason that Blessing cannot list the phone number and locations for QMG physicians, particularly when Blessing chooses to list both for other non-Blessing physicians. QMG again respectfully requests that Blessing add the appropriate contact information for QMG physicians on its website.

Please let me know if I have misunderstood any aspect of our alignment discussions and/or Blessing's position on the various issues. QMG has been serving the Quincy community for over 80 years, and QMG is committed to providing its patients with high-quality, cost-effective health care. We believe strongly that the alignment opportunities QMG has presented and discussed in great detail with Blessing would provide significant benefit to the Quincy community and both organizations for years to come.

Very truly yours,

Carol Brockmiller

Carol E Brockmiller, CMPE
Chief Executive Officer
217-222-6550, ext. 6455
217-242-5323, cell

cc: Todd Petty, MD, Chairman – Quincy Medical Group Board of Directors
Tim Koontz, Chairman – Blessing Corporate Services, Inc. Board of Trustees
Chris Niemann, Chairman – Blessing Hospital Board of Trustees

The project satisfies the second Service Accessibility sub-criterion.

3. Specific ASTC Services and Types of Procedures Are Not Currently Available in the GSA and Existing ASTC has Restrictive Policies.

The third criterion requires that either ASTC services or specific types of procedures that are components of an ASTC are not currently available in the GSA, or that existing underutilized services in the GSA have restrictive admission policies. Both situations are present and will be addressed by the proposed surgery center.

First, as noted in QMG's application, specific types of procedures and/or operations that are components of an ASTC are not currently available in the existing ASTC but will be performed in the new surgery center – including, but not limited to, urology procedures, certain ENT-related procedures, certain neurosurgery procedures, certain orthopedic procedures, and cardiac catheterization services.

Second, it is our understanding that the local hospital is charging facility fees based on HOPD rates for procedures performed in its existing ASTC, and we understand this results in a facility fee that is 30 – 50% higher than the fee that will be charged in the proposed non-hospital based ASTC. The higher costs are such an issue that we understand that Quincy area employers have gone so far as to encourage their employees to "shop around" for cost effective quality health care services. Also due to cost reasons, we further understand that area residents have chosen to have procedures performed in Columbia, St Louis, and Springfield in order to obtain lower out-of-pocket costs and savings to their employers. Given the information we have received, the unnecessary HOPD rates are a de-facto restrictive condition or policy. As Blessing's ASTC is the only ASTC in HSA 3 outside of Springfield, a distance of over 100 miles, it is our client's position that Blessing Hospital has been able to keep its restrictive conditions or policies in place without competitive pressure. A new provider to the area is greatly needed to increase patient choice and lower costs.

4. A Cooperative Venture with Local Hospital is Not Feasible or in Best Interest of Patients or the Community.

A cooperative venture with the local hospital is not what patients or the community needs nor would it be a workable venture. The only existing hospital providing outpatient services to the population of the GSA is Blessing Hospital. A cooperative venture with Blessing Hospital – which we understand currently chooses to charge high facility fees based on hospital outpatient department ("HOPD") rates for the same services that can be performed at lower ASTC rates - is not what the community needs. The community needs an additional, independent provider bringing lower cost incentives and competitive pricing to the Quincy area.

It is our understanding that our client, QMG, and the local hospital have a history of friction on various issues. Our client has informed us that failed alignment efforts to date have created a condition where a cooperative venture is simply not workable. Dating back to June 2018, we were informed by our client that months before our application was filed, QMG proposed numerous alignment and partnership opportunities to Blessing. The opportunities for collaboration proposed by QMG included, without limitation, shared governance, joint venture opportunities, and clinical alignment through shared service lines. Prior to filing the application, QMG carefully considered a joint venture with Blessing for the proposed surgery center. No formal proposal was made to Blessing, and the alternative was not pursued further by QMG, as the joint venture would require that QMG be a majority owner and that services not be billed at hospital outpatient billing rates. Based on our client's prior discussions with Blessing, QMG understood that Blessing was not interested in a joint venture under those terms. Further, because Blessing had previously rejected proposals by QMG for various alignment opportunities, it appeared that Blessing was not interested in pursuing any ASTC joint venture with QMG. Even after filing the application, we understand that QMG has continued to meet with Blessing regarding potential collaboration opportunities, including discussions regarding the proposed surgery center. In this regard, we understand Blessing has confirmed it has no interest in pursuing a joint venture for the surgery center at the proposed location.

As required in the HFSRB's review criteria, QMG sought and obtained transfer agreements with area hospitals that have open heart surgery capabilities. St. John's Hospital of Springfield and UnityPoint-Peoria agreed to enter into a transfer agreement with QMG without hesitation, recognizing the importance of having a coordinated plan in place in the event a transfer may be needed. To date, despite QMG's request, it is our understanding Blessing has not entered into a transfer agreement with QMG. Our client believes that Blessing's refusal is further evidence of Blessing's rejection of any aspect of collaboration, even when the collaboration is undeniably in the interest of patient safety.

As Blessing stated during the Public Hearing, Blessing's response to QMG's filing of the permit application was to issue a letter threatening to terminate the management agreement for the existing ASTC. In other clinical service areas, our client has informed us that Blessing has already issued two termination notices pertaining to QMG's medical administrative contractual relationships at Blessing Hospital and QMG physicians are concerned that Blessing may limit their ability in the future to exercise privileges in certain services at Blessing Hospital, specifically noted was the ICU. In short, it is our client's position that Blessing is engaged in a strategy to thwart competition in the marketplace by not collaborating with local providers it perceives as competition to its financial bottom-line.

QMG physicians believe that they have been good partners to Blessing over the years. QMG has never opposed, nor put forth any obstacles, to Blessing's growth in the Quincy community. QMG physicians have sought to maintain a collaborative relationship with Blessing, evidenced by the many Blessing department leadership positions held by QMG physicians, the majority of admissions to Blessing by QMG physicians, and the reputational strength that QMG physicians have helped Blessing

Hospital build over the decades. Blessing is QMG's hospital. Despite Blessing's continued opposition to this project, QMG will continue to be a good partner to Blessing when partnerships are feasible and in the best interest of patients and the community.

A cooperative venture with Blessing Hospital is simply not feasible for the proposed surgery center, nor is it in the best interest of patients or the community.

Three of the four sub-criterion are satisfied by the proposed project. Given that at least one of the four sub-criteria are satisfied, the proposed project satisfies the Service Accessibility criterion.

B. Projected Utilization – 77 Ill. Adm. Code 1110.120(b).

The proposed project complies with the Projected Utilization criterion. To demonstrate compliance with this criterion, QMG must demonstrate that by the end of the second year of operation of the surgery center, the annual utilization of the clinical service areas or equipment will meet or exceed State utilization standards. The utilization standard for an ASTC is 1,500 hours per operating/procedure room.

QMG's plan for 8 rooms (5 ORs and 3 procedure rooms) is supported by historic and projected surgical cases and procedures and cardiac catheterizations. As set forth in great detail in our application (see Attachment 15 of Permit Application), the conservative projections made by QMG's CON consultant reveal that by the end of the second year of operation of the surgery center, or by 2023, the proposed surgery center will have a case volume of 12,654 cases or 10,650 hours (using a .84 conversion rate). The State utilization standard is 1500 hours per OR or procedure room. Therefore, the projected hours support or justify 7.1 rooms for surgical cases and procedures. The 8th OR will be dedicated to cardiac catheterization services, and, as noted in our application (see Attachment 15 of Permit Application), QMG projects 629 cases by the end of the second year of operation. 629 cases exceed the State standard of 200 cases.

Not included in our conservative analysis, but an additional supporting factor, is the expected increase in outpatient hours due to QMG physician growth and correction of current outmigration cases as discussed in greater detail under Section I.A.2 and Section I.C below.

As a result, the proposed project satisfies the Projected Utilization criterion.

C. Service Demand – 77 Ill. Adm. Code 1110.235(c)(3)(A)-(C).

The proposed project complies with the Service Demand criterion. To demonstrate compliance with this criterion, QMG must demonstrate that the proposed project is necessary to accommodate the service demand, as evidenced by historical and projected referrals.

POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

February 13, 2019

Tracey Klein
(312) 873-3613
(312) 803-2183 Direct Fax
tklein@polsinelli.com

HFSRB Members
Ms. Courtney Avery
Mr. Michael Constantino
525 West Jefferson Street, 2nd floor
Springfield, IL 62761

RECEIVED
FEB 13 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

Re: Quincy Medical Group Surgery Center, Project 18-042 Cooperative Venture

Dear Members of the HFSRB, Ms. Avery, and Mr. Constantino:

We submitted a February 8, 2019 letter addressing how QMG's proposed project substantially conforms with all applicable HFSRB review criteria, including the Service Accessibility criterion. In that regard, we addressed whether a cooperative venture with Blessing Hospital would be feasible and in the best interest of patients and the community.

As noted in the letter, there have been numerous failed alignment efforts dating at least back to June 2018. While our client has advised that QMG considered a joint venture with Blessing for the proposed surgery center before filing the pending application, the alternative was not pursued further by QMG. It was QMG's impression that Blessing Hospital would not agree to a joint venture unless Blessing was the majority owner. Further, as noted in the letter, subsequent to the filing of the application, QMG and Blessing Hospital discussed a potential joint venture for the proposed surgery center at the proposed location. We were informed by our client that Blessing Hospital expressed no interest in a cooperative venture for the new surgery center at the proposed location.

On the evening of Monday, February 11, 2019, subsequent to our February 8, 2019 letter, we understand that Blessing submitted a written proposal to QMG physicians regarding a joint venture with QMG for the ***existing*** surgery center at 1118 Hampshire Street. **Of importance, the "non-binding expression of interest" proposal was not in relation to QMG's proposed surgery center currently pending HFSRB approval.**

While it is our understanding that QMG does not customarily share its business dealings with the public, in the interest of full transparency, QMG wanted to ensure that the HFSRB was aware of the proposal as we anticipate it could be perceived as relevant to QMG's application.

Blessing's joint venture proposal in relation to Blessing's ***existing*** surgery center set forth a number of terms, including, but not limited to, the following:

- Blessing would retain the majority of equity in the surgery center - at least 60%;
- Blessing would "plan[]" to syndicate up to 40% ownership in the surgery center to "eligible" physicians who could purchase equity ownership interests for cash at fair market value and for those physicians it would "make the most sense" to be investors;
- QMG physicians with equity ownership would be required to enter into a non-compete agreement, prohibiting the physicians from owning or managing another ASTC within 30 miles of the surgery center for the duration of their ownership and three years following termination or withdrawal of their ownership, with no mention of any similar non-compete requirement for Blessing physicians; and
- If QMG was interested in the proposal, QMG would be required to immediately withdraw its CON application for the new surgery center at the proposed location.

QMG is appreciative of Blessing's proposal and remains open to continued discussions with Blessing, especially as they relate to improving care and services for the Quincy community. Further, QMG is pleased that, according to Blessing, it is in the process of designating the status of its existing surgery center from a hospital outpatient department to a freestanding ambulatory surgery center. It appears that Blessing is finally taking steps to address the exorbitant facility fees that have caused great angst for local residents and employers for years, steps that would likely not have been taken had QMG not filed its application in late October 2018. This is clear evidence of the beneficial effects of competition.

Even if Blessing proceeds with its designation change and, once obtained, begins charging lower facility fees based on ambulatory surgery center rates rather than hospital outpatient department rates, the need for a new surgery center remains. QMG has repeatedly articulated that the need for the new surgery center is not based solely on reducing costs. QMG's proposed surgery center will, among other benefits, increase patient access to various outpatient procedures, improve quality of care, increase patient choice, economically benefit the Quincy community, offer cardiac catheterization services, accommodate future projected volumes, and further the strategic mission of QMG. As such, Blessing's purported move toward reducing its high facility fees is merely one part of the equation and does not solve the issues with the existing surgery center nor eliminate the need for QMG's proposed surgery center.

Please do not hesitate to contact me with any questions. Thank you for your continued assistance.

Sincerely,

Tracey L. Klein

Tracey Klein

QUINCY MEDICAL GROUP

February 25, 2019

SENT BY E-MAIL AND OVERNIGHT DELIVERY

Ms. Maureen A. Kahn
Blessing Health System
P.O. Box 7005
Quincy, IL 62305

Dear Ms. Kahn:

We are writing in response to your February 11, 2019 letter, which set forth a written proposal for a joint venture with QMG physicians in relation to ownership in Blessing's surgery center on Hampshire Street. The proposal, or "non-binding expression of interest" as it was so termed in your letter, was disappointing to our physicians on many levels.

At the outset, we note that we so doubted the authenticity of the proposal that we debated whether a formal response should be provided at all. Quite frankly, we do not view the proposal as a sincere effort by Blessing to partner or collaborate with QMG. Rather, the proposal appears to be merely another aspect of your ongoing campaign to oppose QMG's CON permit application for a new surgery center in Quincy. The support for this view lies in the proposal's stated terms, specifically:

- "Blessing . . . will retain the majority (no less than 60%) of the [surgery center]'s equity."
- "Blessing plans on syndicating up to 40% ownership in [the surgery center] to eligible physician owners who may purchase equity ownership interests for cash at fair market value."
- "[Blessing] will want to discuss which QMG physicians make the most sense as investors in [the surgery center]."
- "[A] corporate partner must serve as the exclusive manager of the [surgery center]."
- "[A]ll physician equity owners . . . will agree to non-competition and non-solicitation provisions . . . [which] will require a physician owner cannot own or manage another ASC within 30 miles of [the surgery center], and that this covenant not to compete will extend three (3) years following any physician equity withdrawal or termination from [the surgery center]."

Your February 11, 2019 letter required that QMG provide Blessing with a written expression of interest by March 4, 2019 - the day before QMG's CON project is up for approval

QUINCY MEDICAL GROUP

before the Illinois Health Facilities & Services Review Board ("Review Board") – or the proposal would be withdrawn. Further, your letter required that if QMG had any interest in pursuing the proposal, QMG must immediately withdraw its CON application.

As we have repeatedly discussed with you in the past, we believe that our CON project is needed in the community and essential to our survival and growth. To ask us to abandon our project without a realistic alternative suggests that Blessing's proposal was not made in good faith. Of specific concern is the fact that Blessing distributed the proposal to the press and Review Board before our Board of Directors had an opportunity to meet and discuss the proposal. This type of public posturing is below the dignity of Blessing Hospital's Board of Directors and damaging in the most extreme way to the business relationship QMG and Blessing have worked hard to maintain for the good of the community.

For all the above reasons, we view Blessing's eleventh hour joint venture to be a mere pretense to what we anticipate will be Blessing's request that the Review Board delay or defer consideration of our CON project (Project No. 18-042). While we remain open and willing to discuss authentic proposals made in good faith to align or partner with Blessing, we have no choice but to unequivocally reject Blessing's February 11, 2019 proposal.

Finally, we respectfully request that Blessing Hospital's Board of Trustees withdraw its opposition to QMG's CON application and discontinue Blessing's unbecoming and divisive campaign to discredit our physicians and block our efforts to grow and serve our patients. We believe in the strongest possible terms that this costly and divided campaign is a misuse of the charitable assets Blessing has a duty to protect.

Sincerely,

TPetty

Carol Brockmiller

Todd Petty, MD
Chairman of the Board of Directors
Quincy Medical Group

Carol Brockmiller, CMPE
Chief Executive Officer
Quincy Medical Group

cc: Tim Koontz, Chairman, Blessing Corporate Services, Inc. Board of Trustees
Chris Niemann, Chairman, Blessing Hospital Board of Trustees