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April 5, 2019

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Via Hand Delivery & Email Communication

Carol Brockmiller, CEO
Quincy Medical Group
1025 Maine Street
Quincy, Illinois 62301

Todd Petty, MD, Chair Board of Trustees
Quincy Medical Group
1025 Maine Street
Quincy, Illinois 62301

Re: Joint Venture Proposal for the Existing Surgery Center in Quincy - Pure 50/50 Collaboration

Dear Dr. Petty and Ms. Brockmiller:

In connection with our ongoing discussions regarding a Blessing-QMG ownership collaboration on the Surgery Center of Quincy located at 1118 Hampshire Street in Quincy Illinois (the "Quincy ASTC"), I am very pleased to provide the following proposal which has been approved by Blessing's Health System's Board of Trustees. You will see that this new proposal addresses the concerns raised in your letter to me, dated February 25, 2019, in response to the earlier joint venture proposal Blessing presented to QMG on February 11, 2019 – a proposal that was intended as a starting point for discussions.

Specifically, Blessing Hospital proposes to Quincy Medical Group ("QMG") a joint venture between the parties consisting of the following key terms and otherwise in accordance with applicable laws:

- a. A 50/50 shared ownership of the Quincy ASTC by QMG and Blessing.
- b. Equal board representation by QMG and Blessing for the Quincy ASTC.
- c. A mutually acceptable "tie breaker" Community/Employer representative on the Quincy ASTC Board.

We sincerely believe this is the purest possible form of collaboration, and well reflects what was encouraged of both QMG and Blessing by members of the Illinois Health Facilities and Services Review Board ("IHFSRB").

Blessing believes this joint venture with QMG would benefit the entire community. Not only would it avoid the negative impacts of a second surgery center in Quincy, as described in testimony before the IHFSRB, but also it will give both of our organizations a completely equal stake in assuring excellence in patient care, operational efficiency, and cost control with the existing Quincy ASTC. We can get there through a framework that brings together the best of both of our organization.

We have a strong history of working together – from Blessing's non-opposition to QMG's original surgery center CON, to Blessing stepping up to purchase that surgery center when QMG faced financial pressures, to QMG continuing its involvement in the Quincy ASTC as the manager and landlord. This joint venture proposal would make that collaboration fully complete.

On behalf of Blessing's Health System's Board of Trustees, we look forward to our meeting with you on April 17 to further discuss this joint venture proposal.

Sincerely,

Maureen A. Kahn, President & CEO
Blessing Hospital

MAK/sem