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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

P.O. Box 7005, Quincy, IL
www.blessinghealth.org • 217-223-8400

To: Members of the Illinois Health Facilities Services & Review Board
From: Maureen Kahn, President and CEO, Blessing Hospital
Date: April 10, 2019
Re: **Report on Blessing Hospital's Collaboration Efforts with Quincy Medical Group
Project: #18-042, Quincy Medical Group Surgery Center**

A handwritten signature in black ink that reads 'Maureen A. Kahn'.

On behalf of Blessing Hospital, I am pleased to report that Blessing Hospital has taken the following steps to address each and every issue raised by Quincy Medical Group ("QMG") in connection with the existing ASTC in Quincy and our collaboration with QMG on that facility:

QMG Concern	Blessing Hospital Proposal
1. Blessing Majority Ownership of Existing ASTC	Blessing has proposed a 50/50 equal ownership of the ASTC
2. Direct QMG ownership interest, as opposed to physician ownership	Blessing has proposed 50% ownership interest by QMG directly
3. ASTC facility fee pricing instead of hospital outpatient facility fee	Blessing applied to CMS to change to ASTC facility fee pricing on February 18, 2019.
4. Extended Weekday Hours	Blessing extended weekday hours effective April 1
5. Saturday hours of operation	Blessing will commence Saturday hours of operation in April
6. Medical records	Blessing has requested QMG to electronically send "Summary of Care" documents from their EPIC record system. Once received, Blessing will intake these documents within our record system to facilitate medical records exchange.
7. Medical Equipment	Blessing has met with QMG for any outstanding needs. No major outstanding needs were addressed. Blessing Management is working with QMG's new Neurosurgeon to obtain his equipment needs.
8. Additional Surgical Services	No major issues were raised by QMG in its meeting with Blessing on April 8, 2019.

Attached is Blessing correspondence to QMG documenting the above collaborative efforts.

Also attached are letters signed by thirteen area employers who strongly support collaboration between QMG and Blessing Hospital on the existing area surgery center, and whose businesses employ thousands of Quincy area residents.



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April 5, 2019

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