



February 7, 2019

Ms. Courtney Avery  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> floor  
Springfield, IL 62761

Re: Project # 18-042, Quincy Medical Group Surgery Center  
UnityPoint Health Relationship

Dear Ms. Avery:

I am writing to clarify Quincy Medical Group's relationship with UnityPoint Health.

In 2012, UnityPoint acquired a minority interest in our physician group (Quincy Physicians & Surgeons Clinic, S.C., d/b/a Quincy Medical Group). UnityPoint currently owns approximately 40% of Quincy Medical Group's stock in the form of preferred shares. Quincy Medical Group physicians own the remaining shares of stock, or approximately 60%, in the form of common shares. As holders of the preferred stock, UnityPoint is entitled to and receives a fixed nominal dividend, at the rate of 1.7% per year (approximately \$318,000) of the original purchase price as a return on investment, akin to repayment of a loan. Preferred stock holders do not participate in the earnings of Quincy Medical Group.

The proposed surgery center will be operated as a division of Quincy Medical Group. While UnityPoint holds a 40% minority ownership interest in Quincy Medical Group, it will not receive profits from the surgery center. Profits from the proposed surgery center will be distributed back through Quincy Medical Group's physician compensation plan, consistent with all applicable legal and regulatory requirements. Profits from the surgery center will not be distributed to UnityPoint.

UnityPoint is not a co-applicant to the project and will not contribute financially to the capital cost of the project. Contribution from UnityPoint is not necessary as Quincy Medical Group is financially capable of covering the associated capital and operating costs of the project without assistance from UnityPoint. Approval from UnityPoint is not necessary as the project and scope is well within Quincy Medical Group's autonomous purview.

If there are any remaining questions on this issue, please do not hesitate to contact me.

Sincerely,

Carol Brockmiller, CMPE  
Chief Executive Officer  
Quincy Medical Group