February 7, 2022

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**VIA EMAIL AND REGULAR MAIL**

Ms. Debra Savage
Chairwoman
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62761

**Re: Quincy Medical Group ("QMG") Hospital ("QMG Hospital") Certificate of Need ("CON") Application (Project #20-044) (the "QMG Hospital Application")**

Dear Ms. Savage,

The purpose of this letter is to supplement my September 13, 2021 communication to the Illinois Health Facilities Services and Review Board ("Board") (Attachment A) and, for the reasons set forth below, to respectfully request that:

(1) Board staff evaluate whether a Type A and/or Type B Modification to the QMG Hospital Application is required; and

(2) Board members evaluate the QMG Hospital Project in order to fully understand the extent to which Duly Health and Care (formerly DuPage Medical Group) ("Duly/DMG"), a national private equity-backed, for profit organization, will directly or indirectly control QMG Hospital.

I ask that this letter be treated as public comment in opposition to the QMG Hospital Application made on behalf of Arent Fox client Blessing Health System, and that it be included in the public record of the QMG Hospital Application.

**Summary.** The Illinois Health Facilities Planning Act ("Act") states as its purpose "to establish … a procedure … which requires a person establishing, constructing or modifying a health care facility … to have the qualifications, background, character and financial resources to adequately provide a proper service for the community."[1] As explained below, the Board has long established that the "persons" who are necessary parties to a CON application include the license holder, and the party with ultimate control of the license holder.[2] If any material aspect of a pending CON permit application changes, the applicants must submit a modification to the

[1] 20 ILCS 3960/2.
[2] 77 Ill. Admin. Code § 1130.220.

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application.[3] Certain modifications are Type A Modifications, including without limitation a change in the identity of an applicant, or any other project modification that itself would require a CON permit or exemption.[4]

In order for a CON permit to be valid, it must be issued by the Board on the basis of an accurate application that properly and accurately describes the project and is submitted by the necessary persons. As indicated above, necessary persons include the license holder, and the party with ultimate ownership or control of the license holder.[5] Stated differently, a CON permit issued by the Board on the basis of an inaccurate or incomplete application, or to persons other than the necessary persons, would be vulnerable to a determination that it was invalid.

Based upon information we have secured through several recent Freedom of Information Act ("FOIA") requests, we believe a Type A Modification to the QMG Hospital Application is clearly required, for reasons including a change in the identity of the necessary applicants. Moreover, material and fundamental aspects of the application's content now appear to be inaccurate or incomplete, particularly as they relate to ownership and control of QMG and QMG Hospital, and as to management services provided by an entity wholly controlled by Duly/DMG.

We understand Duly/DMG now has an ownership position in the newly converted QMG and, in addition, has exclusive control of a newly formed Delaware for-profit corporation, "Quincy Physician Administrative Services, Inc.", which we understand holds QMG assets and provides management services to QMG. We assume that Duly/QMG also will have a comparable control relationship with QMG Hospital. However, none of this was in the QMG Hospital Application, nor has the application been modified to reflect these critically important developments.

This need for a Type A Modification is clear under the Board's rules and on the merits.[6] However, this lack of transparency in the QMG Hospital Application transcends these important technical requirements because it improperly masks the sponsorship of the QMG Hospital Application by Duly/DMG. Duly/DMG is financially backed and controlled by Ares Management. As described below, Ares Management is one of the largest health care private equity companies in the United States.

Board staff should insist upon transparency and accuracy in the QMG Hospital Application, both to meet the Act and Board rules, and to allow both the Board and the public to fully understand the material terms of the project. In turn, the Board itself should require this transparency and accuracy, and we believe should evaluate the application only after it has received a Type A Modification. And, once the application is modified, the Board should evaluate the QMG

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[3] 77 Ill. Admin. Code § 1130.650, 1130.140, 1130.710.
[4] 77 Ill. Admin. Code § 1130.650(a)(6),(7)
[5] 77 Ill. Admin. Code § 1130.220
[6] 77 Ill. Admin. Code § 1130.650(a)(6),(7)

Hospital Application in light of the important public policy implications associated with the proposed entry into rural Illinois of a hospital backed by a large health care private equity firm.

**Facts.** The QMG Hospital Application was filed with the Board in December 2020. Co-applicants include Quincy Medical Group Hospital, Inc., an Illinois taxable, not-for-profit corporation (the "QMG Hospital Entity"), and QMG itself as sole corporate member of the hospital entity.[7] After receipt of an Intent-to-Deny by the Board in May 2021, the applicants filed supplemental materials in July 2021. In early September 2021, news stories and announcements surfaced indicating that QMG and Duly/DMG had signed a letter of intent to merge or otherwise combine, although the details of that combination were unclear at that time (Attachment B).

Based on the September 2021 announcement, we submitted correspondence to the Board on September 13, 2021 (Attachment A), raising concerns as to whether this pending transaction required a modification to the QMG Hospital Application. This September 13 correspondence is part of the public record for the QMG Hospital Application. In it, we posed several pointed questions that we thought the Board should ask about the Duly/QMG transaction in determining whether a Type A Modification was necessary. We do not know whether the Board undertook this analysis.

According to public announcements, the Duly/DMG combination with QMG was finalized in December 2021 (see Attachment C), (the "Duly/DMG Transaction"). As a result of the Duly/DMG Transaction, we understand the Quincy Physicians & Surgeons Clinic, S.C. (d/b/a Quincy Medical Group), an Illinois professional corporation, was dissolved, and Quincy Medical Group, PLCC, an Illinois professional limited liability company, was formed to replace it.

Duly/DMG is owned in part by affiliates of Ares Management, a private equity firm with almost $200 billion in assets under management. Ares Management first invested in Duly/DMG in 2017 through a reported $1.45 billion deal. Duly/DMG appears to be under the ownership and financial control of Ares Management. Duly/DMG, therefore, is a large national private equity-backed, for-profit healthcare organization.

In February 2021, Duly/DMG announced plans to add about $650 million in debt to Duly/DMG. According to news reports, Duly/DMG was poised to use debt proceeds to pay shareholders, including Ares Management affiliates, a $209 million distribution (Attachment D).

It should be noted that Moody's Investor Service, which performs financial ratings services nationally, periodically rates Duly/DMG affiliated entities. In an announced Rating Action published in February 2021, Moody's expressed concerns about this Duly/DMG shareholder distribution, and the "aggressive" nature of Duly/DMG's financial policies:

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[7] See Pages 28 and 46 of QMG Hospital Application

*"Moody's views the shareholder distribution as a credit negative as it points to the aggressive nature of DuPage's financial policies, a key governance issue. DuPage will be meaningfully reducing its cash balance to fund the dividend. Combined with higher gross financial leverage, this will leave DuPage more weakly positioned to absorb any unexpected operating setback or incremental debt. Additionally, Moody's believes DuPage's aggressive policies pose social risks as key customer relations stakeholders include patients, payors and government entities*." (See Attachment D)

Given the above context, we believed it important to examine the relationship between Duly/DMG and QMG. In a continuing effort to understand the Duly/DMG Transaction, we filed three (3) FOIA requests with the Board in December 2021 and received from the Board responses to each of these requests on December 29, 2021 (Attachment E). In response to FOIA 21-19, the Board produced a Change of Ownership Application for Exemption that was filed for QMG Surgery Center on November 12, 2021 and subsequently withdrawn on November 16, 2021 ("QMG Surgery Center COE Application"). The application does not appear on the Board's website, presumably because it was withdrawn.

**Analysis.** The QMG Surgery Center COE Application contains important information regarding the Duly/DMG Transaction, and fully supports our position that a Type A Modification to the QMG Hospital Application is required. Key among this information are the "before and after" organizational charts for the Duly/DMG Transaction on pp. 56-58 of the QMG Surgery Center COE Application (Attachment F). As previously stated, the Duly/DMG Transaction resulted in the original QMG physician group entity, Quincy Physicians and Surgeons' Clinic, S.C. ("Original QMG Entity"), an Illinois professional corporation, being replaced with a newly created professional limited liability company known as Quincy Medical Group PLLC ("New QMG Entity"). To state the obvious, these are two separate legal entities. The Original QMG entity cannot file a CON application or make the necessary certifications on behalf of the New QMG Entity.

The Original QMG Entity is currently a co-applicant on the QMG Hospital Application and is designated as the sole corporate member of the QMG Hospital Entity in the application.[8] The change from the Original QMG Entity to the New QMG Entity, standing alone, requires a Type A Modification to the QMG Hospital Application as this is a "change in the person who is the applicant."[9] Moreover, the ownership of the New QMG Entity is fundamentally different from that of the Original QMG Entity. We understand the Original QMG Entity was 40% owned by UnityPoint or a UnityPoint Designated Physician. The New QMG Entity, however, replaces the

[8] See pages 28 and 46 of the QMG Hospital Application
[9] 77 Ill. Admin. Code § 1130.650(a)(6),(7)

UnityPoint Designated Physician ownership with unspecified Duly/DMG Designated Physician ownership.[10]

In addition to the change in corporate entity serving as sole corporate member of the QMG Hospital Entity and ownership in the New QMG Entity as compared with the Original QMG Entity, QMG is also ceding ownership and control to Duly/DMG by transferring its non-clinical assets to, and coming under the management of, the Duly/DMG-controlled "Quincy Physician Administrative Services, Inc." (the "Duly/DMG Management Company"). As the chart on p. 58 of Attachment F clearly shows, this Duly/DMG Management Company is entirely owned and controlled by Duly/DMG.

A CON permit, in order to be valid, must be issued on the basis of an accurate application that properly and accurately describes the project and is submitted by the necessary parties. Necessary parties include the license holder, and the party with ultimate ownership or control of the license holder.[11] In this case, this is the QMG Hospital Entity, and the New QMG Entity as sole corporate member of the QMG Hospital Entity.

If any material aspect of a pending CON permit application changes, the applicants must submit a modification to the application.[12] Certain modifications are Type A Modifications, including without limitation a change in the identity of an applicant, or any other project modification that itself would require a CON permit or exemption.[13] Type A modifications are subject to the public hearing requirements of the Illinois Health Facilities Planning Act.

As explained above, materials submitted by QMG to the Board indicate that the Original QMG Entity has been dissolved and replaced by the New QMG Entity. Assuming these materials are accurate, we believe the New QMG Entity must become a co-applicant in the QMG Hospital Application, and this is a Type A Modification. Moreover, we believe the QMG Hospital Application must be modified to reflect the ownership structure and composition of the New QMG Entity, as well as the asset ownership and management relationship between the New QMG Entity and QMG Hospital, on one hand, and the Duly/DMG Management Company on the other. And, it is entirely possible the Board staff or the Board itself will conclude that additional information is required as to the relationship between Duly/DMG and Ares.

**Conclusion.** In short, and to summarize, the QMG Hospital Application indicates that QMG is the sole corporate member of the QMG Hospital Entity. As a result, QMG controls QMG Hospital and is a necessary co-applicant on the QMG Hospital Application. The QMG Hospital Application currently has the Original QMG Entity as the co-applicant. Based on materials submitted by QMG to the Board in connection with the QMG Surgery Center COE application,

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[10] See Attachment F.
[11] 77 Ill. Admin. Code § 1130.220
[12] 77 Ill. Admin. Code § 1130.650, 1130.140, 1130.710.
[13] 77 Ill. Admin. Code § 1130.650 (a)(6),(7).

we believe this co-applicant now must be replaced with the New QMG Entity, and the QMG Hospital Application also must be modified to reflect the New QMG Entity's ownership structure and composition, and its relationship with the Duly/DMG Management Company. Moreover, we assume the QMG Hospital Entity also will have a relationship directly with the Duly/DMG Management Company and, if so, the QMG Hospital Application must be modified to reflect this as well. This clearly demands a Type A Modification. In the absence of these modifications, any CON permit issued by the Board would be vulnerable to a determination that the permit was not validly issued.

As stated throughout this correspondence, in addition to meeting the technical requirements of the CON application process, public policy also demands transparency as to the involvement of Duly/DMG, and Ares Management, as one of the largest health care private equity companies in the United States, in this proposed hospital project. This transparency is essential to proper review and analysis of the QMG Hospital Application by the Board, and to the degree of understanding and information to which the public is entitled. As noted by Moody's Investors Service, Duly/DMG's aggressive financial policies, including its dividends to shareholders such as affiliates of Ares Management, "…pose social risks as key customer relations stakeholders include patients, payors and government entities."

Out of necessity, we have reached the conclusions in this correspondence on the basis of multiple FOIA requests, along with review of the QMG Hospital Application and related materials. If we have misunderstood any material aspects of Duly/DMG Transaction or its resulting implications for the QMG Hospital Application, it is because we have been forced to arrive at these conclusions in the absence of any additional transparency or the availability of any additional pertinent public information. In the end, it is the responsibility of the Board and its staff to insist upon the appropriate transparency for, and necessary modification to, pending CON applications. We respectfully ask that this responsibility be fulfilled here.

Very truly yours

Anne M. Murphy

CC: April, Simmons, JD, General Counsel

Mike Constantino, Senior Project Manager

# A

**Anne M. Murphy**
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September 13, 2021

**VIA EMAIL AND OVERNIGHT MAIL**

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board ("Board")
525 W. Jefferson St., Second Floor
Springfield, IL 62761

**Re: Quincy Medical Group ("QMG") Certificate of Need ("CON") Application (Project #20-044) (the "QMG Hospital Application")**

Dear Ms. Avery:

I am writing in my capacity as outside legal counsel to Blessing Health System ("BHS"), which operates Blessing Hospital (BHS and Blessing Hospital referred to collectively as "Blessing"). As you know, Blessing opposes the QMG Hospital Application. I serve as co-counsel for Blessing on this matter, along with Juan Morado and Mark Silberman from Benesch.

The QMG Hospital Application received an Intent-To-Deny determination from the Board at its May 26 Board meeting. On June 7, legal counsel for the applicants requested to reappear before the Board, and on July 26, the applicants submitted supplemental information in connection with the QMG Hospital Application. At no point in the original application, the presentation to the Board on May 26, or the over 60 pages of supplemental information submitted on July 26 did the applicants disclose a possible change of ownership or control structure for QMG, nor to our knowledge have the applicants provided any information to the Board describing or acknowledging any such possible change.

As submitted, the QMG Hospital Application has two applicants: (1) Quincy Medical Group Hospital, Inc. ("QMG Hospital Corporation"), an Illinois non-stock, not-for-profit, taxable corporation; and (2) Quincy Physicians and Surgeons, S.C. d/b/a Quincy Medical Group, an Illinois domestic corporation ("QMG Corporation"). As described in the QMG Hospital Application, the QMG Corporation is the sole corporate member of the QMG Hospital

Corporation, and therefore presumably controls key governance, financial, strategic and operational decisions for QMG Hospital Corporation.

The Staff Report for the QMG Hospital Application indicates that the QMG Corporation is 40 percent owned by UnityPoint Health. According to public records, UnityPoint Health is the d/b/a for Iowa Health System, a multi-state health system that operates as a Section 501(c)(3) tax-exempt corporation with numerous corporate affiliates.

Multiple press reports over recent days indicate that QMG has signed a letter of intent with DuPage Medical Group ("DMG") to become a single and consolidated organization (the "QMG/DMG Transaction"). Whether this corporate consolidation by QMG and DMG is envisioned to be through merger, acquisition or otherwise, it raises fundamental questions about the continuing accuracy of the ownership and control structure of QMG as described in the QMG Hospital Application, and as to whether all necessary applicants are included. Indeed, the very viability of the QMG Hospital Application may be called into question.

In short, it would appear that QMG must articulate to the Board the exact nature of the QMG/DMG Transaction, in order for the Board to determine whether and how the QMG Hospital Application is to proceed. This may require the Board to request additional information from the applicants related to the QMG/DMG Transaction, pursuant to its regulatory authority.[1] In particular, the Board may want the following information from the applicants:

(1) A detailed description of the proposed structure of the QMG/DMG Transaction. Will QMG merge into DMG? Will DMG own all or a portion of the QMG Corporation? Will UnityPoint continue to own a portion of the QMG Corporation?

(2) The intended timetable for reaching a definitive agreement, and for closing, the QMG/DMG Transaction.

(3) A detailed description of governance, financial, strategic and operational control that DMG will exercise with respect to QMG pursuant to the QMG/DMG Transaction, and how this control will be implemented. Will DMG also have direct or indirect control over QMG Hospital or the QMG Foundation?

(4) In light of the QMG/DMG Transaction, to what extent will the application be modified to include all necessary applicants as required by Board rule?[2]

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[1] 77 Ill. Admin. Code § 1130.635 (a)(1) and (a)(2)(B).
[2] 77 Ill. Admin. Code § 1130.220 (a).

(5) An updated understanding as to whether the QMG Hospital Application should proceed at all. Will DMG support the application?

Upon receipt of this information, we respectfully ask that the Board evaluate it, in order to determine whether the QMG Hospital Application should be withdrawn, or must undergo a modification pursuant to the Board's rules. As you know, a Type A Modification is required for several reasons, including without limitation: (1) the addition of one or more co-applicants; or (2) any change that, of itself, would require a CON permit or exemption.[3]

To the extent that the QMG/DMG Transaction requires the addition of one or more co-applicants, then a Type A Modification would be necessary. Our view is that such a Type A Modification would be mandated if the QMG/DMG Transaction would cause DMG or another related entity to: (1) assume final control of QMG Hospital; (2) become financially responsible for guaranteeing or making payments on any debt related to the project; or (3) become actively involved in the operation or provision of care and control capital assets that are components of the project.[4]

We believe the Board should request the additional information summarized above, and then undertake a review of the information (extending the review period if need be under Board's rules).[5] Upon completing its review of this information, the Board should determine whether the QMG Hospital Application should be withdrawn or modified.

In the interim, we ask that the Board decline to consider the QMG Hospital Application on the basis of the June 7 request by applicants to reappear before the Board. It would be against public policy for the Board to proceed with consideration of the application in its current form, knowing that DMG may control QMG in the near future.

Very truly yours,

Anne M. Murphy

Cc: April R. Simmons, General Counsel for the Board
Michael Constantino, Supervisor, Project Review Section for the Board

[3] 77 Ill. Admin. Code § 1130.650(a).
[4] 77 Ill. Admin. Code § 1130.220(a).
[5] 77 Ill. Admin. Code § 1130.610, 1130.640.

# B

# DuPage Medical Group and Quincy Medical Group Reach Agreement To Expand Delivery of Physician-Directed, Multi-Specialty Care

**September 02, 2021**

**(DOWNERS GROVE, Ill.)** – DuPage Medical Group and Quincy Medical Group, Quincy, Illinois, have signed a letter of intent to further develop and expand as a transformational multi-specialty clinical care delivery organization. As partners, the organizations will intentionally focus on providing an unrivaled patient experience, while working to raise the standard for quality and excellence for physician-directed care.

DuPage Medical Group is the largest physician-owned independent medical group in Illinois. Quincy Medical Group is a large physician-directed practice encompassing 155 providers in 35 specialties, spanning 18 locations across communities in Illinois, Iowa and Missouri.

With Quincy Medical Group as partners, DuPage Medical Group will continue its pursuit of increasing access to affordable, patient-centric, physician-directed and coordinated care, while deepening investment in local services and programs that meet the health care needs of patients across Illinois, Iowa, Missouri, and beyond.

"Our partnership with Quincy Medical Group builds on our purpose-driven vision to transform healthcare by creating new pipelines for collaboration that empower our physicians and team members to reimagine the delivery of care," said Steve Nelson, CEO of DuPage Medical Group. According to Paul Merrick, M.D., Chairman of the DuPage Medical Group Board of Directors,"Quincy Medical Group's outstanding reputation as a high quality provider for generations of families in West-Central Illinois further enhances our shared goal to expand patient access to a leading edge, physician directed delivery model."

The agreement provides for DuPage Medical Group to make strategic investments in Quincy Medical Group's infrastructure and technology, expand in-network capabilities, advance progression to value-based care, and deliver on shared efforts to increase care access, education, service, and charitable giving to their local communities.

"This transformative partnership with DuPage Medical Group supports our evolution and expaning CEO of Quincy Medical Group."Together, we will advance our joint goal of enhancing the patient experience and helping ensure continued success and professional growth for our physicians and

team members," explained Todd Petty, M.D., Chairman of Quincy Medical Group's Board of Directors.

DuPage Medical Group will continue to be led by Steve Nelson as CEO and Dr. Paul Merrick, as Clinical Board Chair. Brockmiller *will remain CEO of Quincy Medical Group and will join the DuPage Medical Group's Senior Management Team as regional CEO, focusing on additional growth opportunities. Dr. Todd Petty remains Chairman of Quincy Medical Group's Board.* DuPage Medical Group and Quincy Medical Group will have local clinical boards to oversee quality of care and clinical best practices, leveraging shared capabilities and infrastructure to create a consistent and distinctive patient experience across both organizations.

This is DuPage Medical Group's second large-scale partnership within a three-month period. In June, the group agreed to the capital purchase of the assets of South Bend Clinic, the largest physician-owned group in Indiana. The transaction between DuPage Medical Group and South Bend Clinic, announced in June, was completed on September 1st.

**About DuPage Medical Group**

Formed in 1999, DuPage Medical Group is the largest independent multi-specialty physician group in the Midwest. Its success is steeped in the informed direction provided through a physician-governed clinical board. DuPage Medical Group is led by experienced physicians and a senior management team that has decades of combined experience within healthcare and from diverse organizations outside of the industry. Through its distinctive model, the more than approximately 900 physicians and 5000+ associates advance coordinated care and bring solutions to the healthcare eco-system, driving proactive and personalized health for patients.

**About Quincy Medical Group**

Established in 1937, Quincy Medical Group is a large physician-directed multi-specialty group practice with 18 locations across Illinois, Iowa and Missouri. The physicians at Quincy Medical Group work in a collaborative care environment where primary care physicians and specialists deliver integrated and coordinated patient care. With 155 providers across 36 Board certifications and 1000 team members, Quincy Medical Group is regarded for its exceptional care of generations of families in Adams County and beyond.

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# C

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(https://quincymedgroup.com/covidvaccine/)

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# Healthcare Transformation Continues as Quincy Medical Group & Duly Health and Care Partnership Becomes Official

In a move designed to support its bold vision for decades of continued physician-directed medicine aimed at helping humans flourish, Quincy Medical Group (QMG) officially became a member of Duly Health and Care in early December 2021. Together, the groups will forge a new path for improved access to affordable and patient-centric healthcare, while deepening investment in local services and programs that deliver an extraordinary experience for people across Illinois, Iowa, Missouri, and beyond.

Dr. Todd Petty, Surgeon and QMG Board Chairman said, “We join Duly today from a position of strength — with aligned strategic priorities and aspirations. As part of the Duly organization, we will invest in the expansion of health offerings, advancement of innovation, and delivery of the best care for our patients. This new partnership comes at the right time for our physicians and team members, and it is the right thing to do for the communities we serve.”

Duly Health and Care is building a new kind of healthcare organization that supports physician ownership, direction, and clinical decision making while strategically investing in technology that enables innovation; all with a relentless drive to help physicians care for patients in the best ways possible.

QMG Chief Executive Officer Carol Brockmiller said, “As part of the Duly family, we look forward to challenging the expected because our region deserves extraordinary healthcare. Our physicians and team members are joining a mighty force in healthcare’s future.”

“Duly Health and Care is delighted to welcome Quincy Medical Group,” said Steve Nelson, Chief Executive Officer of Duly. “The Quincy team has a remarkable track record of excellence and a rich legacy of community caring.”

Duly is led by Nelson and Dr. Paul Merrick, its Clinical Board Chairman. Brockmiller will remain CEO of Quincy Medical Group and will join the Duly’s Senior Management Team. Dr. Todd Petty remains Chairman of QMG’s Board of Managers, which will continue to oversee physician recruitment and retention, quality of care, and clinical best practices. By leveraging shared capabilities and infrastructure, a consistent and distinctive patient experience will be built across the Duly and QMG organizations.

Dr. Merrick concluded, “From QMG’s established foundation and proven success, we will work together to create unrivaled patient experience while working to raise the standard for quality, physician-directed care.”

**About Quincy Medical Group**

Quincy Medical Group (www.quincymedgroup.com
(https://quincymedgroup.com/)

), the tri-states' leading healthcare provider, is a physician-owned multi-specialty clinic comprised of more than 160 physicians and advanced practice providers in 30 medical and surgical specialties. The clinic founded in 1937 is proud of the quality healthcare services available to more than 325,000 people in the tri-state area within a 75-mile radius.

**About Duly Health and Care**
DuPage Medical Group is now known as Duly Health and Care. It is the largest independent, multi-specialty physician-directed medical group in the Midwest with more than 900 primary care and specialty care physicians and more than 6,000 team members, in over 150 locations. The organization is wholly dedicated to helping all it serves flourish by challenging the expected to deliver the extraordinary in health and care.

Duly Health and Care physicians and team members support nearly 2.5 million individuals in their personal health journeys each year, helping each one to meet their extraordinary potential through a holistic care delivery model designed to make health and care welcoming, simplified, and personalized.

For more information, visit www.dulyhealthandcare.com (https://www.dulyhealthandcare.com/)

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Link In Bio (https://quincymedgroup.com/news/category/link-in-bio/)
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D

# Private Equity Has Already Reaped Hundreds of Millions of Dollars of Debt-Funded Dividends from Health Care Companies in 2021

**TOPICS:** Healthcare


POSTED BY: EILEEN O'GRADY MARCH 24, 2021

Just three months into 2021, **private equity firms have already collected hundreds of millions of dollars in debt-funded dividends** from health care companies they own, including companies that collected CARES Act aid.

**Dividend recapitalizations** are transactions by which private equity firms load debt onto companies they own to give themselves cash payouts. These transactions saddle companies with debt to extract capital without making substantive operating improvements, putting those companies at risk for restructuring, bankruptcy, or cost cutting to make up the interest payments and pay off debt.[1]

Dividend recapitalizations benefit private equity owners often at the expense of the companies, their patients, their employees, and the communities they serve. It is questionable whether it is appropriate that health care companies be made to take on debt to enrich their owners, especially given the **hundreds of billions of dollars of Federal spending on health care. [2]**

See our report: "**Dividend Recapitalizations in Health Care: How Private Equity Raids Critical Health Care Infrastructure for Short Term Profit**"

Below is a list of dividend recapitalizations that occurred in February 2021. We have highlighted two transactions that raise particular concern. Centerbridge Partners collected a $375 million debt-funded dividend from The Mentor Network, a behavioral health and foster care company that has repeatedly made headlines for horrific conditions experienced by patients. Ares Management is collecting a $209 million debt-funded dividend from DuPage Medical Group after the company received almost $80 million in CARES Act dollars.

## Health Care Dividend Recapitalizations in February 2021

| Company | Owner(s) | Type | Dividend Recapitalization |
|---|---|---|---|
| Compassus | Towerbrook Capital Partners, Ascension Health | Hospice, home health | **$150 million term loan earmarked for future dividend** |
| DuPage Medical | Ares Management | Physicians' practices | **$650 million term loan, $209 million dividend.** |

| | | | |
|---|---|---|---|
| Group | | | (Not yet completed) |
| Ensemble Health Partners | Golden Gate Capital | Revenue cycle management | **$785 million dividend recapitalization** |
| Jadex (fka Process Solutions) | One Rock Capital | Medical devices | **$470 million term loans to fund a dividend** |
| The Mentor Network | Centerbridge Partners | Behavioral health | **$1.9 billion term loans to refinance existing debt and fund a $375 million dividend** |

## The Mentor Network– Centerbridge Partners

Private equity firm Centerbridge Partners owns behavioral health company **The Mentor Network** (Mentor). Mentor is a national network that provides residential and other services to adults and children with intellectual and developmental disabilities and brain and spinal cord injuries, and to and to youth with emotional, behavioral and medically complex challenges. It is one of the largest for-profit foster care companies in the US.[3]

In February 2021, Centerbridge took out debt on Mentor in part to pay itself a **$375 million dividend**. The new debt will bring Mentor's debt/EBITDA at about 6.5x.[4]

This is the **second debt-funded dividend** Centerbridge has extracted from Mentor. In October 2019, just six months after it acquired Mentor, Centerbridge paid itself a $100 million debt-funded dividend from the company.[5]

Centerbridge acquired Mentor in March 2019.[6] In all, Centerbridge has collected almost half a billion dollars in debt-funded dividends from Mentor over the course of its two-year ownership.

Mentor has come under fire for allegations of widespread abuse, neglect, and deaths in its foster care and group home programs. A **2017 investigation by the US Senate Committee on Finance** found that at least 86 children died in a 10-year period while in the custody of Mentor. In only 13 of those deaths did the company conduct an internal investigation.[7]

The Senate committee **released its final reports** on Mentor in December 2020 (for **Oregon** and **Iowa**). While the majority of the investigation covered the period prior to Centerbridge's ownership,[8] the reports found that problems have persisted since its acquisition. For example, just weeks before the final report was completed, state regulators in Oregon discovered **so many violations at a Mentor home that they shut the facility down for good**.[9]

Given the ongoing problems with Mentor facilities and services, it is appalling that Centerbridge would add substantial debt to Mentor in order to pay itself dividends rather than investing in operations to improve patient care.

See our report: "**Understaffed, Unlicensed, and Untrained: Behavioral Health Under Private Equity**"

**DuPage Medical Group – Ares Management**

Private equity firm Ares Management is gearing up to collect an over $200 million debt-funded dividend from its physician practice DuPage Medical Group.[10] Last year, DuPage Medical Group collected nearly $80 million in CARES Act aid.[11]

DuPage Medical Group is a multi-specialty physician group with over 775 physicians based in 120 locations in the Chicago area. It is owned by private equity firm Ares Management, as well as the company's management and physicians.[12] Ares has $197 billion assets under management.[13] Midwest Physician Administrative Services LLC, a wholly-owned subsidiary of DuPage Medical Group, is the entity paying the dividend.[14]

In February, the Ares-led ownership group added $650 million in debt to DuPage Medical Group's balance sheet to refinance existing loans and pay a $209 million dividend to Ares and other owners. Ares first invested in DuPage Medical Group in August 2017 in a $1.45 billion deal financed with about 40% debt.**[15]**

Credit rating agency Moody's Investor Service rated the dividend recapitalization deal credit negative, noting that "it points to the aggressive nature of DuPage's financial policies, a key governance issue. DuPage will be meaningfully reducing its cash balance to fund the dividend. Combined with higher gross financial leverage, this will leave DuPage more weakly positioned to absorb any unexpected operating setback or incremental debt. Additionally, Moody's believes DuPage's aggressive policies pose social risks as key customer relations stakeholders include patients, payors and government entities." **[16]**

DuPage Medical Group has benefited substantially from CARES Act aid. In October 2020, the company received a $39.9 million grant from the Department of Health and Human Services. In May, it received $39.5 million loan under the Centers for Medicare and Medicaid Services' Medicare Accelerated and Advance Payment Program.**[17]**

Private equity-owned companies' collection of COVID-19 stimulus dollars has drawn regulatory scrutiny. The U.S. Department of Justice has signaled that "enforcement efforts may also include, in appropriate cases, private equity firms that sometimes invest in companies receiving CARES Act funds....Where a private equity firm knowingly engages in fraud related to the CARES Act, we will hold it accountable."

See our report: "**Money for Nothing: How Private Equity has Defrauded Medicare, Medicaid, and Other Government Health Programs, and How that Might Change**"

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**[1] https://pestakeholder.org/wp-content/uploads/2020/10/PESP-HC-dividends-10-2020.pdf**

**[2] https://www.cms.gov/files/document/highlights.pdf**

**[3] https://www.thementornetwork.com/who-we-are/about-the-mentor-network/**

**[4] https://www.moodys.com/research/Moodys-affirms-National-Mentors-B2-CFR-outlook-to-negative–PR_439884**

**[5] https://www.moodys.com/research/Moodys-downgrades-National-MENTOR-Holdings-Incs-first-lien-credit-facilities–PR_417670**

**[6] https://www.businesswire.com/news/home/20190308005282/en/Centerbridge-Partners-Completes-Acquisition-of-Civitas-Solutions-Inc.**

**[7] https://www.buzzfeednews.com/article/aramroston/senate-finds-86-children-died-in-care-of-giant-for-profit**

**[8]** The 10-year period during which 86 children died occurred between 2005-2017, while Mentor was owned by private equity firm Vestar Capital Partners. **Vestar remains an active investor in health care,** including in Veritas Collaborative, a nationwide eating disorder treatment provider.

**[9] https://webcache.googleusercontent.com/search?q=cache:GF9gfUjjLXQJ:https://www.finance.senate.gov/chairmans-news/grassley-wyden-issue-reports-on-developmental-disability-care-facilities-in-iowa-and-oregon+&cd=2&hl=en&ct=clnk&gl=us**

**[10] https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/dupage-medical-group-allocates-650m-term-loan-for-refinancing-dividend-terms-63034106 https://www.moodys.com/research/Moodys-affirms-Midwest-Physician-Admin-Svcs-B2-CFR-outlook-stable–PR_441161**

**[11] COVID Stimulus Watch tracker by Good Jobs First,** accessed March 12, 2021.

**[12] https://www.moodys.com/research/Moodys-affirms-Midwest-Physician-Admin-Svcs-B2-CFR-outlook-stable–PR_441161**

**[13] https://www.aresmgmt.com/about-ares-management-corporation**

**[14] https://www.moodys.com/research/Moodys-affirms-Midwest-Physician-Admin-Svcs-B2-CFR-outlook-stable–PR_441161**
https://www.dupagemedicalgroup.com/news/the-university-of-chicago-medicine-engages-midwest-physician-administrative-services

[15] **https://www.dupagemedicalgroup.com/news/dupage-medical-group-announces-investment-from-ares-management-private-equity-group ; https://www.moodys.com/research/Moodys-assigns-B2-CFR-to-acquirer-of-DuPage-Medical-Group--PR_370536**

[16] **https://www.moodys.com/research/Moodys-affirms-Midwest-Physician-Admin-Svcs-B2-CFR-outlook-stable--PR_441161**

[17] **COVID Stimulus Watch tracker by Good Jobs First**, accessed March 12, 2021.



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# Rating Action: Moody's affirms Midwest Physician Admin Svcs' B2 CFR;outlook stable

**24 Feb 2021**

New York, February 24, 2021 -- Moody's Investors Service ("Moody's") affirmed Midwest Physician Admin Svcs, LLC's (a core operating company of DuPage Medical Group Ltd. referred to herein as "DuPage") Corporate Family Rating at B2 and Probability of Default Rating at B2-PD. At the same time, Moody's assigneda B2 to the proposed Senior Secured 1st Lien credit facilities. The outlook remains stable.

The actions follow DuPage's announced refinancing of its existing capital structure. Proceeds from the new debt will be used to repay its existing term loans in full and fund a $209 million distribution to shareholders. The ratings on the existing first lien credit facilities and second lien term loan will be withdrawn upon close.

The affirmation of the B2 CFR reflects Moody's expectation that DuPage's debt/EBITDA will decline to about5.7x by the end of 2022 as DuPage passes the anniversary of 2Q 20, which was most impacted by the coronavirus pandemic. Moody's estimates debt/EBITDA of around 6.6x at FYE 2020 pro forma for the proposed transaction.

Moody's expects the company to realize mid-single digit revenue growth and benefit from increasing average revenue per physician as new physicians are on-boarded and their productivity improves. This will be partiallyoffset by higher employee compensation costs. Credit metrics will also be aided by additional earnings generated by DuPage's new surgery center, which is on track to be completed in 2021. The surgery center should serve as a feeder to DuPage's physician practices.

Moody's views the shareholder distribution as a credit negative as it points to the aggressive nature of DuPage's financial policies, a key governance issue. DuPage will be meaningfully reducing its cash balance tofund the dividend. Combined with higher gross financial leverage, this will leave DuPage more weakly positioned to absorb any unexpected operating setback or incremental debt. Additionally, Moody's believes DuPage's aggressive policies pose social risks as key customer relations stakeholders include patients, payorsand government entities.

The assignment of the B2 rating to the new 1st lien credit facilities reflects the fact that all the debt in the capitalstructure will be pari passu, and is rated B2, the same as the Corporate Family Rating.

Assignments:
..Issuer: Midwest Physician Admin Svcs, LLC
....Senior Secured 1st Lien Term Loan, Assigned B2 (LGD3)
....Senior Secured 1st Lien Revolving Credit Facility, Assigned B2 (LGD3)
Affirmations:
..Issuer: Midwest Physician Admin Svcs, LLC
.... Probability of Default Rating, Affirmed B2-PD
.... Corporate Family Rating, Affirmed
B2Outlook Actions:
..Issuer: Midwest Physician Admin Svcs, LLC
....Outlook, Remains Stable
RATINGS RATIONALE

DuPage's B2 CFR reflects Moody's expectations that the company's leverage will remain high, increasing to around 6.6x at FYE 2020 pro forma for the proposed dividend. Leverage should improve to 5.7x by the end of 2022 as DuPage passes the anniversary of 20 20, which was most impacted by the coronavirus pandemic. The ratings also reflect the risks associated with the company's high degree of geographic concentration given operations are primarily located in the greater Chicago, IL area. The credit profile benefits from the company's multi-specialty business model which provides patients with a broad range of primary and specialist care in anintegrated setting. The company has meaningful scale in its markets and has successfully executed an organicand acquisition-led growth strategy.

Moody's anticipates that DuPage will maintain good liquidity over the next 12-18 months. The company's liquidity is supported by cash and equivalents of $25 million pro forma for the transaction, down from about $200 million at FYE 2020, and Moody's expectation of positive cash flow from operations. Moody's expects DuPage will repay about $20 million in 2021 and 2022 related to the Medicare Advance payments, but will notneed to repay the HHS grants, and that internal liquidity will be sufficient to make these payments. The proposed $100 million revolving credit facility is expected to remain undrawn and will contain a maximum 7.2 times first lien net leverage ratio covenant that is tested when borrowing exceeds 30% of the commitment. While Moody's does not expect the covenant to be tested over the next 12-18 months, Moody's believes thecompany will have adequate headroom, if tested.

The outlook is stable, reflecting Moody's expectation of declining financial leverage due to earnings growth. Moody's believes that DuPage will continue to pursue acquisitions, but that these will be funded largely withinternal source of liquidity.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

The ratings could be upgraded if the company substantially broadens its geographic presence, exhibits less aggressive financial policies, sustained improvement in free cash flow, and if adjusted debt/EBITDA is sustained below 5.0x.

The ratings could be downgraded if financial policies become more aggressive, including pursuing another shareholder dividend or a large debt funded acquisition. The ratings could be downgraded if any unexpectedoperating setback materially weakens DuPage's earnings or liquidity. Quantitatively, ratings could be downgraded if adjusted debt/EBITDA is sustained above 6.0 times.

The proposed first lien term loans are expected to have no financial maintenance covenants. The proposed revolving credit facility will contain a springing maximum first lien net leverage ratio that will be tested, beginning with the second full fiscal quarter after closing, when the revolver is more than 30% drawn. If tested,the covenant will require first lien net leverage to be below 7.2 times. In addition, the first lien credit facility contains incremental facility capacity up to the greater of $129 million and 100% LTM EBITDA, plus unused general debt basket amounts, plus unlimited additional amounts up to 5.0x first lien net leverage ratio (if pari passu secured), up to 5.25x secured net leverage ratio (if junior secured), and either up to 5.50x total net leverage ratio or so long as the interest coverage ratio is less than 2.0x. Alternatively, the ratio tests may be satisfied so long as ratios are no worse on a proforma basis. Amounts up to the greater of $64.5m and 50% ofLTM EBITDA can be incurred with an earlier maturity date than the first lien term loan maturity date. Asset transfers to unrestricted subsidiaries are permitted subject to carve-outs; there are no "blocker" provisions contemplated. Only wholly owned subsidiaries must provide guarantees, raising the risk that guarantees maybe released following a partial change in ownership. There are step-downs in the asset sale prepayment requirement to 50% and 0% upon achieving first lien net leverage ratios 0.50 times and 1.00 times inside theclosing date first lien net leverage, respectively.

DuPage is a large, independent multi-specialty physician group with over 775 physicians based in 120 locations in/near the greater Chicago, IL area. The company handles over 2 million patient encounters annually. The company generates around $1.1 billion of revenue. The company is owned by affiliates of AresManagement L.P., management and physicians of the company.

The principal methodology used in these ratings was Business and Consumer Service Industry published inOctober 2016 and available at https://www.moodys.com/researchdocumentcontentpage.aspx? docid=PBC_1037985. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendmentresulting from that disclosure.

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Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1243406 .

At least one ESG consideration was material to the credit rating action(s) announced and described above.

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## Murphy, Anne M.

**From:** DPH.HFSRB.FOIA <DPH.HFSRB.FOIA@Illinois.gov>
**Sent:** Wednesday, December 29, 2021 4:10 PM
**To:** Murphy, Anne M.
**Subject:** FOIA 21-17 Determination of Reviewability Quincy Medical Group
**Attachments:** FOIA 21-17 Detremination of Reviewability QMG.pdf

On December 7, 2021, the Illinois Health Facilities and Services Review Board received your request for records made under the Freedom of Information Act. You requested:

All documents, letters, emails, notes, or other writings, regardless of whether they are in electronic, typed, handwritten or other form, dated, received, or created on or after January 1, 2021, which contains information regarding or in any other way relating to:

1. A Determination of Reviewability assessment as to whether a Certificate of Exemption ("COE") or other Board review or approval is required in connection with the Quincy Medical Group ("QMG") Ambulatory Surgery Center (originally approved by the Board pursuant to Project # 18-042), the proposed QMG Hospital (Project # 20-044), or the proposed QMG Birth Center (Project # 21-029).

2. Any supplemental information received by the Board or any representative or staff of the Board ("Board Representative"), related to a Determination of Reviewability assessment as described in Paragraph 1 above.

3. Any communication received by a Board Representative, related to a Determination of Reviewability assessment as described in Paragraph 1 above;

4. Any communication sent by a Board Representative, related to a Determination of Reviewability assessment, including without limitation any conclusion as to reviewability, as described in Paragraph 1 above.

5. Any notes or other record of any meeting, related to a Determination of Reviewability assessment, as described in Paragraph 1 above.

6. Any other records of any kind, related to a Determination of Reviewability assessment, as described in Paragraph 1 above.

Board staff searched its records. Attached are the documents related to your request. Additionally, certain records were determined to be exempt from inspecting and copying based on the following:

1. Preliminary drafts and notes used in the deliberative process are exempt from disclosure pursuant to 5 ILCS 140/7 (1) (f).
2. Trade Secrets and commercial information furnished under a claim of privileged, confidential and proprietary information pursuant to 5 ILCS 140/7 (1) (g), is exempt.

To the extent you consider this response to be a denial of your FOIA request, you may have the right to submit a request for review to the Public Access Counselor at the Office of the Illinois Attorney General to:

Public Access Counselor
Office of the Attorney General
500 South 2nd Street
Springfield, IL 62706

Fax: 217-782-1396
E-mail: publicaccess@atg.state.il.us

If you choose to submit a request for review, you must do so within 60 days after the date of this response letter. The request for review must be in writing, signed by you, and include a copy of your FOIA request and this office's response. 5 ILCS 140/9.5(a). In addition, you have the right to seek judicial review of this response. 5 ILCS 140/11(a)&(b).

April R. Simmons
General Counsel & Ethics Officer
Illinois Health Facilities & Services Review Board
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## Murphy, Anne M.

**From:** DPH.HFSRB.FOIA <DPH.HFSRB.FOIA@Illinois.gov>
**Sent:** Wednesday, December 29, 2021 4:09 PM
**To:** Murphy, Anne M.
**Subject:** FOIA 21-18 QMG Hospital Project
**Attachments:** FOIA 21-18 QMG Hospital .pdf

On December 7, 2021, the Illinois Health Facilities and Services Review Board received your request for records made under the Freedom of Information Act. You requested:

All documents, letters, emails, notes, or other writings, regardless of whether they are in electronic, typed, handwritten or other form, dated, received, or created on or after December 10, 2020, which contains information regarding or in any other way relating to technical assistance, or procedural matters, provided by Board staff in connection with the proposed QMG Hospital (Project # 20-044) ("Proposed Hospital Permit Application"):

1. Any requests for technical assistance, or regarding procedural matters, in connection with the Proposed Hospital Permit Application ("Request for Technical Assistance").
2. Any communication received by a Board Representative related to a Request for Technical Assistance, or regarding procedural matters, in connection with the Proposed Hospital Permit Application.
3. Any communication sent by a Board Representative related to a Request for Technical Assistance, or regarding procedural matters, in connection with the Proposed Hospital Permit Application.
Any notes or other record of any meeting related to a Request for Technical Assistance, or regarding procedural matters, in connection with the Proposed Hospital Permit Application.
5. Any other records of any kind related to a Request for Technical Assistance, or regarding procedural matters, in connection with the Proposed Hospital Permit Application.

Board staff searched its records. Attached are the documents related to your request. To the extent you consider this response to be a denial of your FOIA request, you may have the right to submit a request for review to the Public Access Counselor at the Office of the Illinois Attorney General to:

Public Access Counselor
Office of the Attorney General
500 South 2nd Street
Springfield, IL 62706
Fax: 217-782-1396
E-mail: publicaccess@atg.state.il.us

If you choose to submit a request for review, you must do so within 60 days after the date of this response letter. The request for review must be in writing, signed by you, and include a copy of your FOIA request and this office's response. 5 ILCS 140/9.5(a). In addition, you have the right to seek judicial review of this response. 5 ILCS 140/11(a)&(b).

Thank you,
April R. Simmons
General Counsel & Ethics Officer
Illinois Health Facilities & Services Review Board
69 W. Washington
Suite 3501
Chicago, IL 60602
Office: (312) 814-2678

Cell: (312) 771-7489
April.Simmons@illinois.gov

*State of Illinois - CONFIDENTIALITY NOTICE: The information contained in this communication is confidential, may be attorney-client privileged or attorney work product, may constitute inside information or internal deliberative staff communication, and is intended only for the use of the addressee. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify the sender immediately by return e-mail and destroy this communication and all copies thereof, including all attachments. Receipt by an unintended recipient does not waive attorney-client privilege, attorney work product privilege, or any other exemption from disclosure.*

**Murphy, Anne M.**

| | |
|---|---|
| **From:** | DPH.HFSRB.FOIA <DPH.HFSRB.FOIA@Illinois.gov> |
| **Sent:** | Wednesday, December 29, 2021 4:09 PM |
| **To:** | Murphy, Anne M. |
| **Subject:** | FOIA 21-19 Certificate of Exemption Quincy Medical Group |
| **Attachments:** | FOIA 21-19 COE QMG.pdf |

Ms. Murphy –

On December 10, 2021, the Illinois Health Facilities and Services Review Board received your request for records made under the Freedom of Information Act. You requested:

All documents, letters, emails, notes, or other writings, regardless of whether they are in electronic, typed, handwritten or other form, dated, received, or created on or after January 1, 2021, which contains information regarding or in any other way relating to:

1. 1. Certificate of Exemption Request E-054-21 (Quincy Medical Group Change of Ownership), including without limitation the COE application itself and all attachments or exhibits thereto, any Determination of Reviewability assessment materials in any way related to Certificate of Exemption Request E-054-21, any information in any way related to the applicability of Board review to the subject matter of Certificate of Exemption Request E-054-21, and any information in any way related to the withdrawal of Certificate of Exemption Request E-054-21 (all such materials collectively, the "COE Request").
2. Any supplemental information received by the Board or any member, representative or staff of the Board ("Board Representative") related to the COE Request as described in Paragraph 1 above.
3. Any communication or information received by a Board Representative related to the COE Request as described in Paragraph 1 above;
4. Any communication or information sent by a Board Representative related to the COE Request as described in Paragraph 1 above, including without limitation any conclusions, guidance, or opinions as to reviewability of the transaction described in the COE Request.
5. Any notes or other record of any meeting related to the COE Request as described in Paragraph 1 above.
6. Any other records of any kind, related to the COE Request as described in Paragraph 1 above.
7. Any other records of any kind, related to a proposed or completed change of ownership or control of Quincy Medical Group or an entity affiliated with Quincy Medical Group, and as to whether such proposed or completed change of ownership or control of Quincy Medical Group or an affiliated entity is subject to review by the Board.

Board staff searched its records. Attached are the documents related to your request. To the extent you consider this response to be a denial of your FOIA request, you may have the right to submit a request for review to the Public Access Counselor at the Office of the Illinois Attorney General to:

Public Access Counselor
Office of the Attorney General
500 South 2nd Street
Springfield, IL 62706
Fax: 217-782-1396
E-mail: publicaccess@atg.state.il.us

If you choose to submit a request for review, you must do so within 60 days after the date of this response letter. The request for review must be in writing, signed by you, and include a copy of your FOIA request and this office's response. 5 ILCS 140/9.5(a). In addition, you have the right to seek judicial review of this response. 5 ILCS 140/11(a)&(b).

Thank you,

April R. Simmons
General Counsel & Ethics Officer
Illinois Health Facilities & Services Review Board
69 W. Washington
Suite 3501
Chicago, IL 60602
Office: (312) 814-2678
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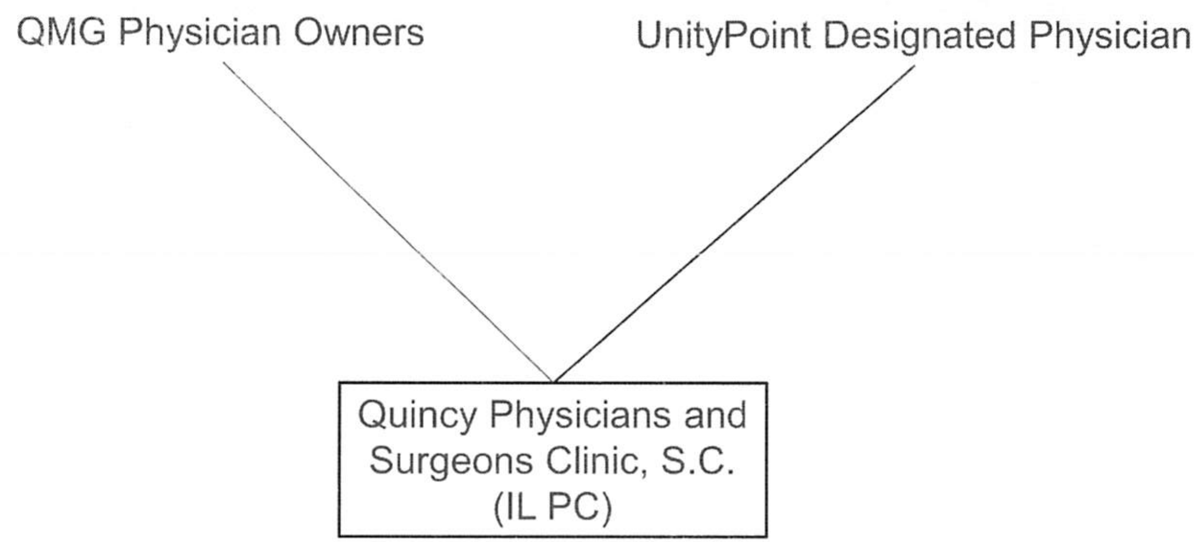
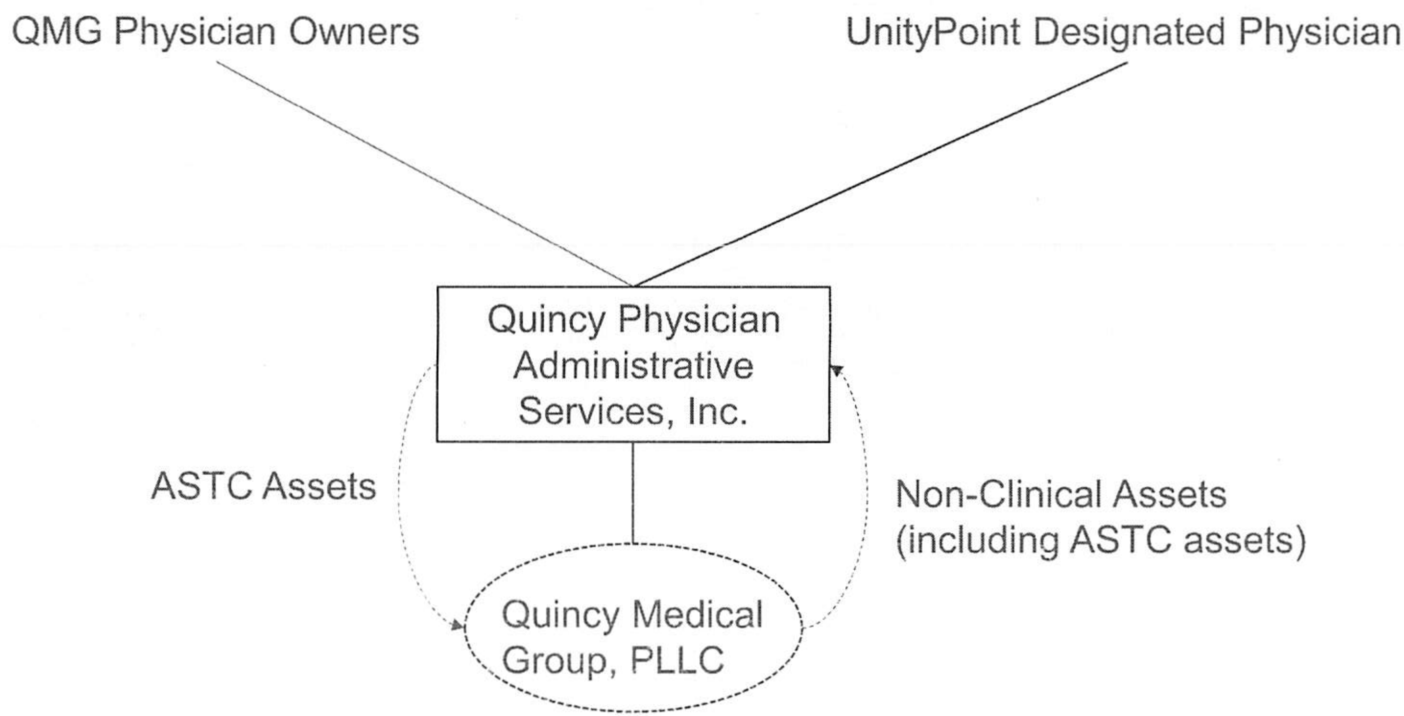
# F

# QMG Current Organizational Structure



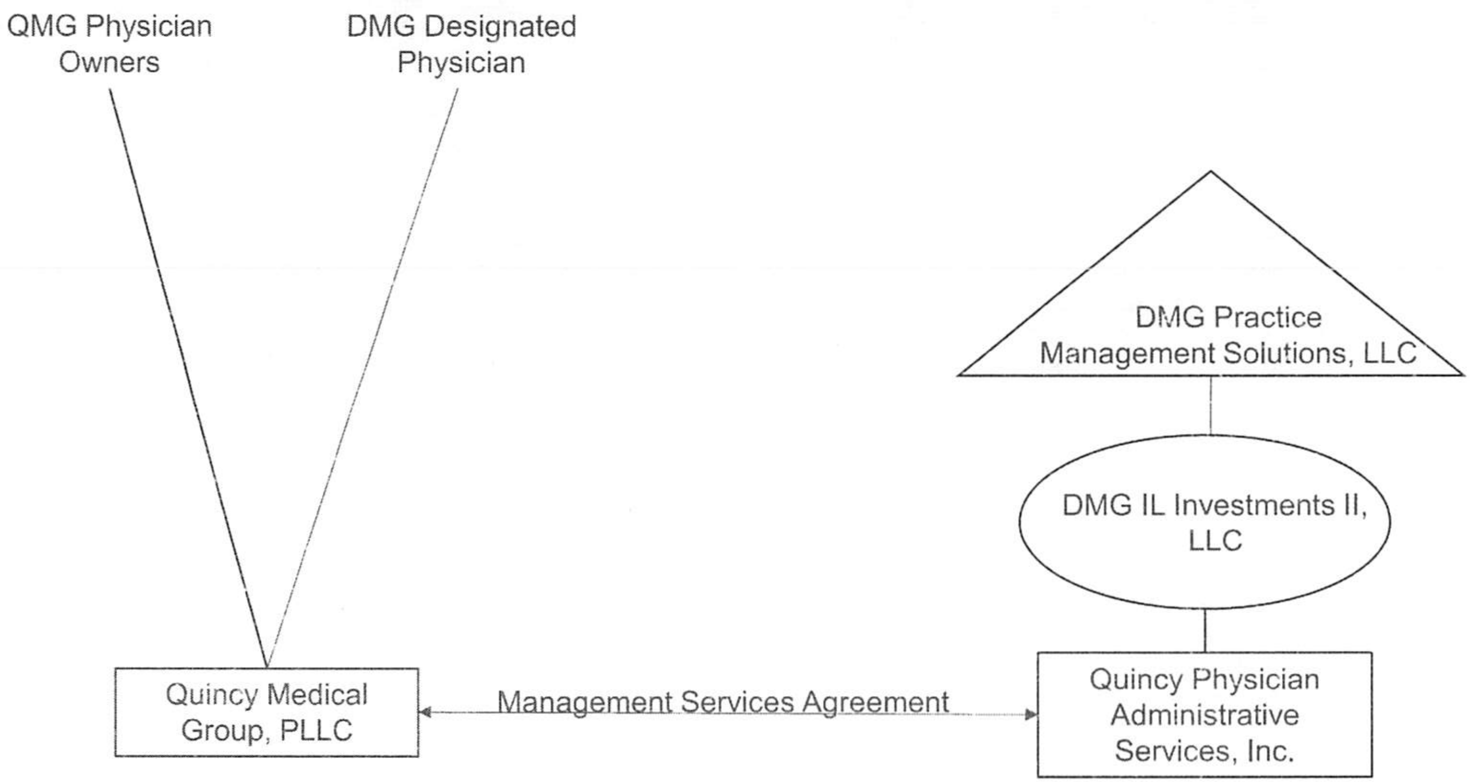
# Conversion of QMG




Attachment - 4

POLSINELLI

# QMG Post-Closing Structure




Attachment - 4