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April 6, 2022

Rebecca M. Lindstrom  
312.463.6217  
rlindstrom@polsinelli.com

*Via E-Mail*

Illinois Health Facilities and Services Review Board  
525 West Jefferson Street (2<sup>nd</sup> Floor)  
Springfield, Illinois 62761

**Re: Quincy Medical Group Birth Center, Project No. 21-029  
Updated Organizational Chart and Transfer Agreements**

Dear Illinois Health Facilities and Services Review Board:

Please find enclosed an updated organizational chart in relation to Attachment 4 of the QMG Birth Center permit application, along with executed transfer agreements with Memorial Hospital Association and Hannibal Regional Healthcare System, Inc. d/b/a Hannibal Regional Hospital in relation to Attachment 32. It is our understanding that all requested and required information has been submitted.

Sincerely,

Rebecca M. Lindstrom

Enclosures

cc: Mike Constantino, Supervisor, Project Review Section

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82954378.1



# QUINCY MEDICAL GROUP STRUCTURE CHART

(UPDATED TO REFLECT ASTC, BIRTHING CENTER AND FUTURE HOSPITAL OPERATIONS)

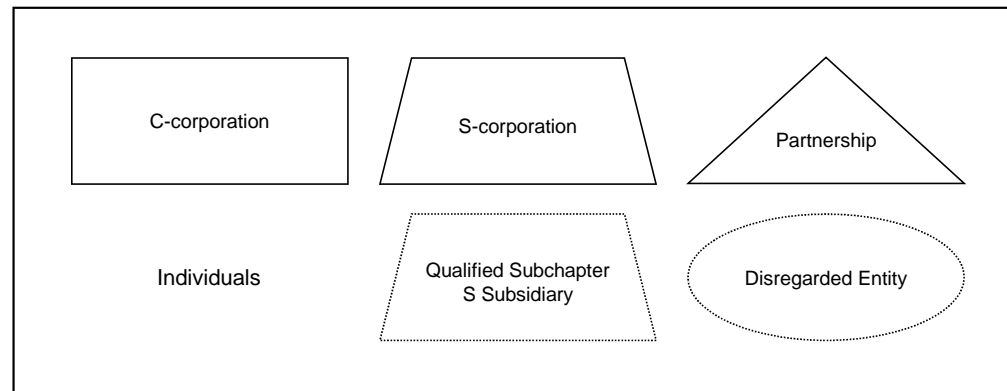
Prepared for Illinois Health Facilities & Services Review Board

April 6, 2022

[mwe.com](http://mwe.com)

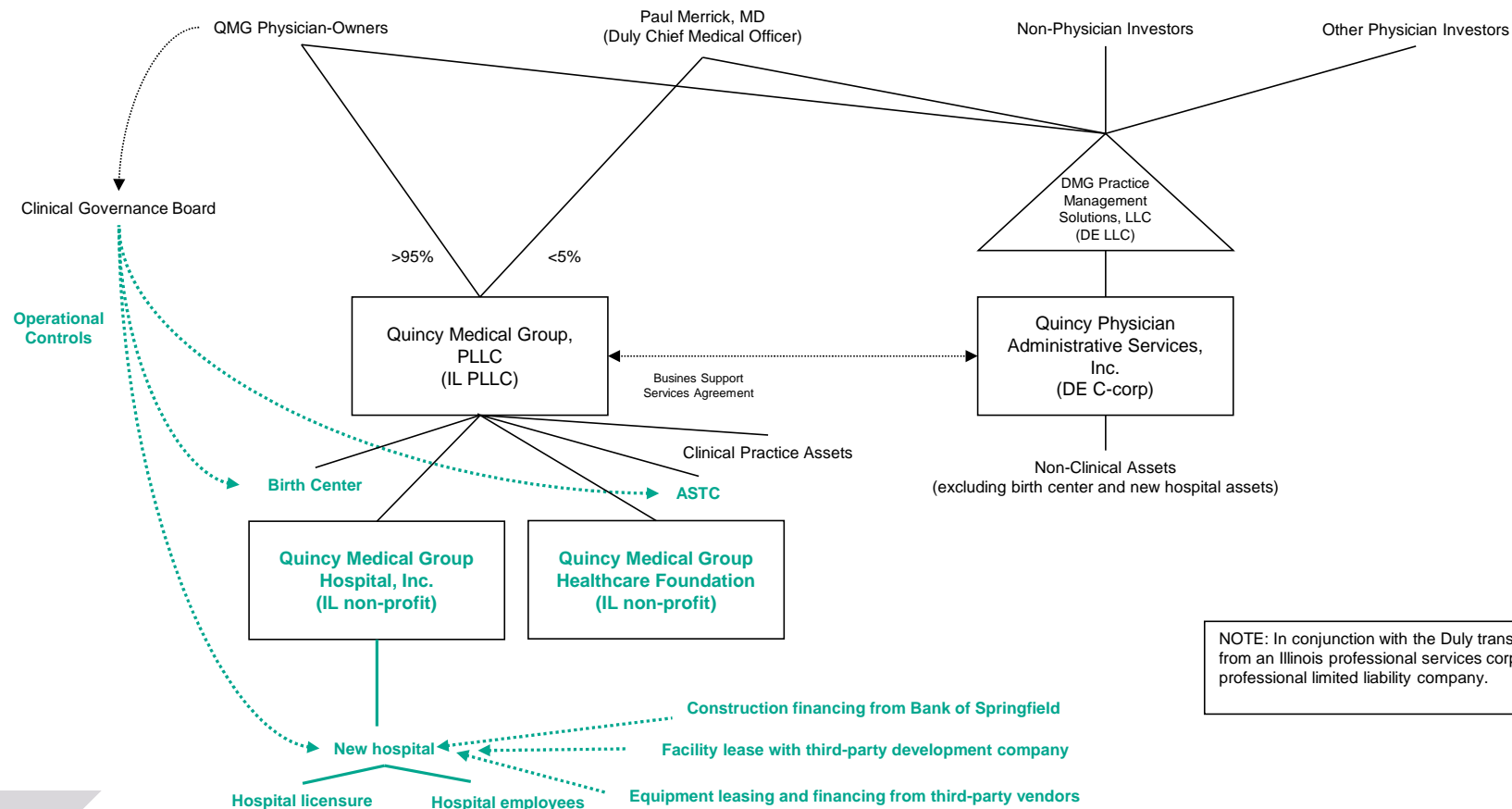
McDermott  
Will & Emery

## TAX LEGEND



The summary of certain federal income tax considerations contained herein is for general information purposes only and is not intended to be tax advice. This discussion relies upon the relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations thereunder, and the judicial and administrative interpretations thereof. These authorities are subject to change, retroactively and/or prospectively and any such changes could affect the validity of this discussion.

# CONTEXT FOR ASTC, BIRTHING CENTER AND NEW HOSPITAL DEVELOPMENT WITHIN THE BROADER DULY/QMG CORPORATE STRUCTURE



NOTE: In conjunction with the Duly transaction, QMG statutorily converted from an Illinois professional services corporation into an Illinois professional limited liability company.



**PATIENT TRANSFER AGREEMENT  
BETWEEN  
HANNIBAL REGIONAL HEALTHCARE SYSTEM, INC.  
AND  
QUINCY MEDICAL GROUP**

This Patient Transfer Agreement (the "Agreement") is made and entered into by and between Hannibal Regional Healthcare System, Inc. d/b/a Hannibal Regional Hospital (the "Hospital"), a Missouri not-for-profit corporation and Quincy Physicians & Surgeons Clinic, PLLC, d/b/a Quincy Medical Group ("QMG"), effective as of the 4<sup>th</sup> day of April 2022 (the "Effective Date").

**WHEREAS**, QMG has filed a Certificate of Need permit application with the Illinois Health Facilities and Services Review Board seeking approval to establish a BIRTH CENTER located at 3301 Broadway Street in Quincy, Illinois (the "BIRTH CENTER");

**WHEREAS**, the Hospital owns and operates a Medicare certified acute care hospital that provides Level I obstetrical and neonatal care;

**WHEREAS**, QMG agrees to obtain all necessary governmental approvals, accreditation, and licensure, including, but not limited to, approval from the Illinois Department of Public Health, to ensure safe and appropriate operation of the BIRTH CENTER; and

**WHEREAS**, the Hospital and QMG desire to cooperate in the transfer of patients from the BIRTH CENTER to the Hospital, including obstetrical and neonate patients, when such transfer may from time to time be deemed medically appropriate and necessary to assure emergency care, continuity of care for patients, accessibility of services to patients (including, but not limited to, specialized services not available at the BIRTH CENTER), and appropriate patient care.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital and QMG hereby covenant and agree as follows:

1. **Transfer of Patients.** The BIRTH CENTER shall refer and transfer patients to the Hospital for medical treatment when such transfer and referral has been determined to be medically appropriate by the patient's attending physician, hereinafter referred to as the "Transferring Physician." Upon recommendation of the Transferring Physician, and pursuant to the provisions of this Agreement, QMG may transfer a patient from the BIRTH CENTER to the Hospital, and the Hospital agrees to accept and admit the patient in order to render stabilizing or other medically appropriate and necessary treatment. The patient shall be transferred and admitted to the Hospital as promptly as possible under the circumstances, provided that beds and other appropriate resources are available. The BIRTH CENTER and the Hospital shall use their best efforts to effectuate a prompt transfer to the Hospital. The BIRTH CENTER shall give notice to the Hospital, as far in advance as possible, of an impending transfer, and shall provide sufficient information to permit a determination as to whether the Hospital can provide the necessary patient care. The Hospital shall give prompt confirmation to the BIRTH CENTER of whether it can provide health care appropriate to the patient's medical needs. When reasonably possible, the Transferring Physician from the BIRTH CENTER shall communicate directly with a physician from the Hospital before the patient is transferred.

2. **Appropriate Transfer.** It shall be the responsibility of the BIRTH CENTER and the Transferring Physician initiating transfer to arrange for appropriate and safe transportation and to provide appropriate care of the patient during transfer. The BIRTH CENTER shall ensure that the transfer is an "appropriate transfer" under the Emergency Medical Treatment and Active Labor Act ("EMTALA"), and is carried out in accordance with all applicable laws and regulations. It shall be the BIRTH CENTER's responsibility to obtain and document appropriate patient consents to transfer. The Hospital's responsibility for each transferred patient's care shall begin, and the BIRTH CENTER's responsibility shall cease, when the patient is received at the Hospital. At such time, the patient shall be admitted to the care of a physician on the medical staff of the Hospital.

3. **Hospital Admissions Priority.** The Hospital shall admit patients transferred from the BIRTH CENTER, as follows:

a) Patients declared as emergencies by the Transferring Physician shall be admitted to the Hospital without delay, subject to bed, personnel and equipment availability, provided that all usual conditions of admission to the Hospital are met.

b) Patients not strictly emergent, but requiring admission to the Hospital, shall be placed on the Hospital's urgent list, and shall be admitted as beds, personnel and equipment become available, provided that all usual conditions of admission to the Hospital are met.

c) Elective cases shall be booked for future admission to the Hospital according to the established routine of the Hospital.

4. **Exchange of Information.** The BIRTH CENTER shall provide all medical and other information which may be necessary or useful in the care and treatment of patients transferred from the BIRTH CENTER to the Hospital, or which may be relevant to determining whether such patients can be adequately cared for otherwise than in either the Hospital or the BIRTH CENTER. All such information shall be provided by the BIRTH CENTER in advance, where possible, and in any event at the time of the transfer, and shall be recorded on a referral form which shall be mutually agreed upon by the parties. This information shall include, but not be limited to, the Transferring Physician's order transferring the patient, current medical findings, diagnosis, a brief summary of the course of treatment followed in the Hospital or the care of the patient, ambulation status and pertinent administrative and social information. Both parties shall maintain the confidentiality of all patient information and shall comply with all federal and state legal requirements regarding the confidentiality of patient records and medical information.

5. **Transfer of Personal Effects.** Procedures for affecting the transfer of patients and their personal effects and valuables shall be developed and adhered to by both parties. These procedures will include, but are not limited to, the provision of information concerning such valuables, money and personal effects transferred with the patient so that a receipt may be given and accepted for same.

6. **Billing and Collections.** The BIRTH CENTER and the Hospital shall each be responsible for billing patients, payors, or responsible third parties for all services provided at their respective facilities. Neither party shall have any liability to the other for charges for services provided to patients by the other party, except to the extent that such liability would exist separate and apart from this Agreement. Neither party shall be responsible for collecting any previously outstanding account receivable due to the other party from such patient.

7. **Autonomy.** The parties shall be independent contractors, and nothing herein shall be deemed to create a partnership, joint venture, employment, or agency relationship. The Board of Directors of the Hospital and the Board of Directors of QMG shall continue to have exclusive control of the management, assets and affairs of their respective facilities, and neither party, by virtue of this Agreement, shall assume any liability for any debts or obligations which have been or which may be incurred by the other party to this Agreement.

8. **Term.** The term of this Agreement shall commence upon receipt of proper Illinois Department of Public Health licensure of the BIRTH CENTER and the commencement of services at the BIRTH CENTER, and shall have an initial term of one (1) year. Thereafter, it shall automatically renew for consecutive one-year terms; provided, however, that this Agreement may be terminated by either party at any time upon the giving of at least thirty (30) days' prior written notice. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

9. **Advertising and Publicity.** Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of the intended use shall first be obtained from the party whose name is to be used.

10. **Non-Exclusive Relationship.** Nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other hospital, ambulatory surgery treatment center or other health care provider, on either a limited or general basis, during the term of this Agreement.

11. **Insurance.** Each party shall maintain during the term of this Agreement, at its sole cost and expense, general liability and professional liability insurance in such amounts as is reasonable and customary in the industry to guard against those risks which are customarily insured against in connection with the operation of activities of comparable scope and size. A written certificate of such coverage shall be provided upon the request of either Party. Each Party shall notify the other Party within ten (10) days of any material change or cancellation in any policy of insurance required to be secured or maintained by such Party. Either Party may maintain commercial insurance or self-insurance to satisfy this insurance requirement.

12. **Amendment.** This Agreement may be amended, modified, or supplemented by written agreement of both parties, but no such modification, amendment, or supplement shall be binding on either party unless and until the same is documented in writing and signed by authorized officers of both parties.

13. **Governing Law.** All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Missouri.

14. **Compliance with Laws.** The parties agree to fully comply with applicable federal, state and local laws, rules and regulations affecting the provision of services under the terms of this Agreement, including, but not limited to, rules and regulations regarding confidentiality, disclosure and retention of patient records, such as the regulations promulgated under the Health Insurance Portability and Accountability Act of 1996.

15. **Indemnification.** The parties agree to indemnify and hold each other harmless from any liability, claim, demand, judgment and costs (including reasonable attorney's fees)



arising out of or in connection with the intentional or negligent acts of their respective employees and/or agents.

16. **Cooperative Efforts.** The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, and to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services. Parties shall each designate a representative who shall meet as often as necessary to discuss quality improvement measures related to patient stabilization and/or treatment prior to and subsequent to transfer and patient outcome. The parties agree to reasonably cooperate with each other to oversee performance improvement and patient safety applicable to the activities under this Agreement to the extent permissible under applicable laws. All information obtained and any materials prepared pursuant to this section and used in the course of internal quality control or for the purpose of reducing morbidity and mortality, or for improving patient care, shall be privileged and strictly confidential for use in the evaluation and improvement of patient care, as may be amended from time to time.

17. **Non-discrimination.** Neither Party shall discriminate against any individuals on the basis of race, color, sex, age, religion, national origin, or disability in providing services under this Agreement.

18. **Notices.** All notices deemed necessary or advisable under this Agreement shall be sent by registered or certified mail, return receipt requested, or by personal delivery, addressed as follows:

If to the Hospital:

Hannibal Regional Healthcare System, Inc.  
6500 Hospital Drive  
Hannibal, MO 63401  
Attn: General Counsel, Legal Department

If to QMG:

Quincy Medical Group  
1025 Maine Street  
Quincy, Illinois 62301  
Attn: Ms. Carol Brockmiller

**IN WITNESS WHEREOF**, the parties have caused the execution and delivery of this Agreement by a duly authorized officer as of the Effective Date.

[Signatures on Following Page]

Hannibal Regional Healthcare System, Inc.

By: 

C. Todd Ahrens

Its: President and CEO

Quincy Medical Group

By: 

Carol Brockmiller, CMPE

Its: CEO

**PATIENT TRANSFER AGREEMENT  
BETWEEN  
MEMORIAL HOSPITAL ASSOCIATION  
AND  
QUINCY MEDICAL GROUP**

This Patient Transfer Agreement (the "Agreement") is made and entered into by and between Memorial Hospital Association (the "Hospital") and Quincy Physicians & Surgeons Clinic, S.C., d/b/a Quincy Medical Group ("QMG"), on the 6<sup>th</sup> day of April 2022.

**WHEREAS**, QMG has filed a Certificate of Need permit application with the Illinois Health Facilities and Services Review Board seeking approval to establish a BIRTH CENTER located at 3301 Broadway Street in Quincy, Illinois (the "BIRTH CENTER"); and

**WHEREAS**, QMG must submit as part of its Certificate of Need application a Patient Transfer Agreement evidencing the availability of necessary emergency or stabilizing care for patients of the BIRTH CENTER at a full-service acute care hospital located in close proximity to the BIRTH CENTER; and

**WHEREAS**, the Hospital has agreed to provide this Agreement, contingent upon QMG obtaining all necessary governmental approvals, accreditation and licensure, including but not limited to the Illinois Department of Public Health, to ensure safe and appropriate operation of the BIRTH CENTER; and

**WHEREAS**, the Hospital owns and operates a Medicare certified acute care hospital that is designated by the Illinois Department of Public Health as a Level I perinatal hospital under Illinois' Perinatal Regionalization System, and the Hospital has a letter of agreement with a Level III Administrative Perinatal Center consistent with the Illinois Department of Public Health, Regionalized Perinatal Health Care Code (77 Ill. Adm. Code 640) for the referral of high-risk infants, if necessary; and

**WHEREAS**, the Hospital and QMG desire to cooperate in the transfer of patients from the BIRTH CENTER to the Hospital, obstetrical and neonate patients, when such transfer may from time to time be deemed medically appropriate and necessary to assure, continuity of care, accessibility of services to patients (including, but not limited to, specialized services not available at the BIRTH CENTER), and appropriate patient care.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hospital and QMG hereby covenant and agree as follows:

1. **Transfer of Patients.** The BIRTH CENTER shall refer and transfer patients to the Hospital for medical treatment when such transfer and referral has been determined to be medically appropriate by the patient's attending physician, hereinafter referred to as the "Transferring Physician", and a physician at the Hospital, referred to as the "Receiving Physician" has agreed that the transfer is reasonable and appropriate. Upon recommendation of the Transferring Physician, and pursuant to the provisions of this Agreement, QMG may transfer a patient from the BIRTH CENTER to the Hospital, and the Hospital agrees to accept and admit the patient in order to render stabilizing or other medically appropriate and necessary treatment. The patient shall be transferred and admitted to the Hospital as promptly as possible under the circumstances, provided

that beds and other appropriate resources are available. The BIRTH CENTER and the Hospital shall use their best efforts to effectuate a prompt transfer to the Hospital. The BIRTH CENTER shall give notice to the Hospital, as far in advance as possible, of an impending transfer, and shall provide sufficient information to permit a determination as to whether the Hospital can provide the necessary patient care. The Hospital shall give prompt confirmation to the BIRTH CENTER of whether it can provide health care appropriate to the patient's medical needs. The Transferring Physician from the BIRTH CENTER shall communicate directly with the Receiving Physician before the patient is transferred.

2. **Appropriate Transfer.** It shall be the responsibility of the BIRTH CENTER and the Transferring Physician initiating transfer to arrange for appropriate and safe transportation and to provide appropriate care of the patient during transfer. The BIRTH CENTER shall ensure that the transfer is an "appropriate transfer" under the Emergency Medical Treatment and Active Labor Act ("EMTALA"), and is carried out in accordance with all applicable laws and regulations. It shall be the BIRTH CENTER's responsibility to obtain and document appropriate patient consents to transfer. The Hospital's responsibility for each transferred patient's care shall begin, and the BIRTH CENTER's responsibility shall cease, when the patient is received at the Hospital. At such time, the patient shall be admitted to the care of a physician on the medical staff of the Hospital.

3. **Hospital Admission Priority.** The Hospital shall admit patients transferred from the BIRTH CENTER, as follows:

a) Elective non-emergent cases shall not be subject to this Agreement and may be scheduled for admission to the Hospital according to the established routine of the Hospital and in conjunction with a physician who is an active member of the medical staff of Hospital.

4. **Exchange of Information.** The BIRTH CENTER shall provide all medical and other information which may be necessary or useful in the care and treatment of patients transferred from the BIRTH CENTER to the Hospital, or which may be relevant to determining whether such patients can be adequately cared for otherwise than in either the Hospital or the BIRTH CENTER. All such information shall be provided by the BIRTH CENTER in advance, where possible, and in any event at the time of the transfer, and shall be recorded on a referral form which shall be mutually agreed upon by the parties. This information shall include, but not be limited to, The Prenatal Record and testing, the Transferring Physician's order transferring the patient, current medical findings, diagnosis, a brief summary of the course of treatment followed in the BIRTH CENTER or the care of the patient, ambulation status and pertinent administrative and social information. Both parties shall maintain the confidentiality of all patient information and shall comply with all federal and state legal requirements regarding the confidentiality of patient records and medical information.

5. **Quality Control.** The BIRTH CENTER and the Hospital shall each designate a representative who shall meet as often as necessary to discuss quality improvement measures related to patient stabilization, and/or treatment prior to and subsequent to transfer and patient outcome. The parties agree to reasonably cooperate with each other to oversee performance improvement and patient safety applicable to the activities under this Agreement to the extent permissible under applicable laws. All information obtained and any materials prepared pursuant to this section and used in the course of internal quality control or for the purpose of reducing morbidity and mortality, or for improving patient care, shall be privileged and strictly confidential for use in the evaluation

and improvement of patient care according to 735 ILCS 5/8-2101 *et seq.*, as may be amended from time to time.

**6. Transfer of Personal Effects.** Procedures for affecting the transfer of patients and their personal effects and valuables shall be developed and adhered to by both parties. These procedures will include, but are not limited to, the provision of information concerning such valuables, money and personal effects transferred with the patient so that a receipt may be given and accepted for same.

**7. Billing and Collections.** The BIRTH CENTER and the Hospital shall each be responsible for billing patients, payors, or responsible third parties for all services provided at their respective facilities. Neither party shall have any liability to the other for charges for services provided to patients by the other party, except to the extent that such liability would exist separate and apart from this Agreement. Neither party shall be responsible for collecting any previously outstanding accounts receivable due to the other party from such patient.

**8. Autonomy.** The parties shall be independent contractors, and nothing herein shall be deemed to create a partnership, joint venture, employment, or agency relationship. The Board of Directors of the Hospital and the Board of Directors of QMG shall continue to have exclusive control of the management, assets and affairs of their respective facilities, and neither party, by virtue of this Agreement, shall assume any liability for any debts or obligations which have been or which may be incurred by the other party to this Agreement.

**9. Term.** The term of this Agreement shall commence upon receipt of proper Illinois Department of Public Health ("IDPH") licensure of the BIRTH CENTER and the commencement of services at the BIRTH CENTER, and shall have an initial term of one (1) year. Thereafter, it shall automatically renew for consecutive one year terms; provided, however, that this Agreement may be terminated by either party at any time upon the giving of at least thirty (30) days' prior written notice. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

**10. Advertising and Publicity.** Neither party shall use the name of the other party in any promotional or advertising material unless review and approval of the intended use shall first be obtained from the party whose name is to be used.

**11. Non-Exclusive Relationship.** Nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other hospital, ambulatory surgery treatment center or other health care provider, on either a limited or general basis, during the term of this Agreement.

**12. Insurance.** Each party shall maintain during the term of this Agreement, at its sole cost and expense, general liability and professional liability insurance in such amounts as are reasonable and customary in the industry to guard against those risks which are customarily insured against in connection with the operation of activities of comparable scope and size. A written certificate of such coverage shall be provided upon the request of either Party. Each Party shall notify the other Party within ten (10) days of the cancellation or non-renewal of any policy of insurance required to be secured or maintained by such Party under this Agreement if replacement insurance is not immediately obtained. Either Party may maintain commercial insurance or self-insurance to satisfy this insurance requirement.

**13. Amendment.** This Agreement may be amended, modified, or supplemented by agreement of both parties, but no such modification, amendment, or supplement shall be binding on either party unless and until the same is documented in writing and signed by authorized officers of both parties.

**14. Governing Law.** All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

**15. Compliance with Laws.** The parties agree to fully comply with applicable federal, state and local laws, rules and regulations affecting the provision of services under the terms of this Agreement, including, but not limited to, rules and regulations regarding confidentiality, disclosure and retention of patient records, such as the regulations promulgated under the Health Insurance Portability and Accountability Act of 1996.

**16. Indemnification.** The parties agree to indemnify and hold each other harmless from any liability, claim, demand, judgment and costs (including reasonable attorney's fees) arising out of or in connection with the intentional or negligent acts of their respective employees and/or agents.

**17. Cooperative Efforts.** The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, and to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services. Parties shall each designate a representative who shall meet as often as necessary to discuss quality improvement measures related to patient stabilization and/or treatment prior to and subsequent to transfer and patient outcome. The parties agree to reasonably cooperate with each other to oversee performance improvement and patient safety applicable to the activities under this Agreement to the extent permissible under applicable laws. All information obtained and any materials prepared pursuant to this section and used in the course of internal quality control or for the purpose of reducing morbidity and mortality, or for improving patient care, shall be privileged and strictly confidential for use in the evaluation and improvement of patient care according to 735 ILCS 5/8-2101, as may be amended from time to time.

**18. Non-discrimination.** Neither Party shall discriminate against any individuals on the basis of race, color, sex, age, religion, national origin, or disability in providing services under this Agreement.

**19. Notices.** All notices deemed necessary or advisable under this Agreement shall be sent by registered or certified mail, return receipt requested, or by personal delivery, addressed as follows:

If to the Hospital:

Memorial Hospital Association  
PO Box 160  
1454 No Co Rd 2050  
Carthage, IL 62321  
Attn: Ms. Ada Bair

If to QMG:

Quincy Medical Group  
1025 Maine Street

Quincy, Illinois 62301  
Attn: Ms. Carol Brockmiller

**IN WITNESS WHEREOF**, the parties have caused the execution and delivery of this Agreement by a duly authorized officer as of the Effective Date.

Memorial Hospital Association



By: Ada Bair

Its: Chief Executive Officer

Quincy Medical Group



By: Carol Brockmiller, CMPE

Its: Chief Executive Officer