



SIH System Office

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Good morning.

My name is Bart Millstead and I am the Senior Vice President and Chief Operating Officer for Southern Illinois Healthcare. I appreciate the opportunity to share my support and excitement for the planned affiliation between SIH and Harrisburg Medical Center and I'd like to provide some details around the Certificate of Exemption application.

The transaction that will accomplish this affiliation is defined by the Illinois Health Facilities and Services Review Board as a change of ownership of a health care facility.

Harrisburg Medical Center, Inc., is the sole corporate member of the hospital, Harrisburg Medical Center, as well as the Harrisburg Medical Center Foundation and other related health care businesses.

This transaction proposes the affiliation of Harrisburg Medical Center, Inc., an Illinois not-for-profit corporation, with Southern Illinois Hospital Services, an Illinois not-for-profit corporation. This affiliation will be accomplished by Southern Illinois Hospital Services becoming the sole corporate member of Harrisburg Medical Center, Inc., which is the licensed entity of Harrisburg Medical Center, a 77-bed general hospital in Harrisburg, Illinois. Southern Illinois Healthcare Enterprises, also an Illinois not-for-profit corporation, is the sole corporate member of Southern Illinois Hospital Services.

As a result of this affiliation, the bylaws of Harrisburg Medical Center, Inc., will be amended to include at least 2 board members from Southern Illinois Hospital Services, and the bylaws of Southern Illinois Hospital Services will be amended to include at least 1 board member who is a resident of Harrisburg Medical Center's service area, nominated by its Board of Directors and appointed by Southern Illinois Hospital Services.

No changes in ownership or liabilities will occur as a result of this affiliation.

Harrisburg Medical Center will join the following hospitals of which Southern Illinois Hospital Services is the sole corporate member: Memorial Hospital of Carbondale in Carbondale, Herrin Hospital in Herrin, and St. Joseph Memorial Hospital in Murphysboro. In addition, Southern Illinois Hospital Services owns 100% of Physicians Surgery Center, LLC, in Carbondale and 49% of Southern Illinois Orthopedic Center, LLC, in Herrin.

It is not anticipated that there will be any changes to the scope of services or levels of care currently provided at Harrisburg Medical Center within 24 months after this transaction closes.

We view this affiliation as a fulfillment of our commitment to improve access to high quality, affordable healthcare. This affiliation will enable Southern Illinois Healthcare to honor and extend its mission and values to communities in southeastern Illinois, thereby strengthening services in those communities and improving Harrisburg Medical Center's ability to control healthcare costs.

We are confident that, as a result of this affiliation, residents of Harrisburg Medical Center's service area will experience continued growth in quality and enhanced healthcare outcomes.

Thank you for the opportunity to present this testimony in support of this project.