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March 23, 2022

VIA FEDEX

Mike Constantino
Senior Project Reviewer
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62702

Re: **#E-025-22 - West Suburban Medical Center, #E-026-22 – West Suburban Medical Center [Real Estate Only], #E-27-22 – Louis Weiss Memorial Hospital, #E-028-22 – Louis Weiss Memorial Hospital [Real Estate Only]**

Dear Mr. Constantino:

We represent AUM Global Healthcare Holdings, LLC d/b/a Resilience Healthcare, WestLaw Management, LLC, and Ramco Healthcare Holdings, LLC (collectively "Buyer") in connection with the four Certification of Exemption applications for the change of ownership of West Suburban Medical Center and Louis A. Weiss Memorial Hospital. Please accept this letter and attached consolidated responses prepared in conjunction with counsel for Pipeline Health System, LLC and certain affiliated applicant entities ("Seller") as our response to your March 17, 2022 request for additional information.

Please note the following:

1. Buyer took primary responsibility for developing the responses to questions 1, 4, 6, 7, 8,13 and 14.

2. Seller took primary responsibility for developing the responses to questions 2, 3, 5, 9, 10, 11, 12 and 15. Seller will be providing attachments in response to questions 10, 11 and 12, copies of the current hospital charity care policies and quality improvement plans, and the current hospital governing boards. West Suburban Medical Center has already developed its annual 2022 quality improvement plan (provided by Seller); Weiss is operating under the 2021 quality improvement plan (provided by Seller) while the 2022 plan is being developed.

If you should have any questions or need any additional information regarding our submission, please do not hesitate to contact me at 312-212-4967 or via email at JMorado@beneschlaw.com. You can also contact my colleague Mark J. Silberman at 312-212-

4952 or via email at MSilberman@benseschlaw.com. Additionally, we would ask that you include both Seller and Buyer counsel in any follow up you may have.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

Juan Morado, Jr.

JMJ

cc: April Simmons, General Counsel, HFSRB
Anne M. Murphy, ArentFox Schiff

March 23, 2022

COMBINED APPLICANT RESPONSES TO 3/17/2022 HFSRB STAFF QUESTIONS (ATTACHED)

1. At the conclusion of this change of ownership will Pipeline Health System, LLC or any of the entities owned and/or controlled by Pipeline Health System, LLC have any interest in the following entities:

• Ramco Healthcare Holdings, LLC
• Resilience Healthcare-West Suburban Medical Center, LLC (Proposed Licensee)
• AUM Global Healthcare Management, LLC d/b/a Resilience Healthcare
• Resilience Healthcare-Weiss Memorial Hospital, LLC (Proposed Licensee)
• WestLaw Management, LLC

At the conclusion of this transaction neither Pipeline Health System, LLC nor any entities controlled by Pipeline Health System, LLC will have any interest in the following entities:

- Ramco Healthcare Holdings, LLC
- Resilience Healthcare-West Suburban Medical Center, LLC (Proposed Licensee)
- AUM Global Healthcare Management, LLC d/b/a Resilience Healthcare
- Resilience Healthcare-Weiss Memorial Hospital, LLC (Proposed Licensee)
- WestLaw Management, LLC.

Ramco Healthcare Holdings, LLC and AUM Global Healthcare Management, LLC d/b/a Resilience Healthcare will be acquiring all Pipeline Health System, LLC assets in the Chicagoland area.

2. Pipeline has owned these two hospitals for approximately two years. What is the reason for these changes of ownership?

Pipeline-controlled entities acquired the two hospitals from Tenet Health System in late January 2019, over 3 years ago. An internal Pipeline corporate restructuring caused Pipeline to seek and receive CHOW approval from the Board in 2020 through the Certificate of Exemption process.

Pipeline was initially approached by the proposed buyer over a year ago with the idea of a change of ownership. Through extensive and thoughtful discussions that have ensued over many months, Pipeline representatives have come to appreciate buyer's commitment to acquiring and operating these two hospitals and to the local communities served by each hospital.

Like the owners that preceded it, Pipeline has not been able to achieve positive operating margins at either Weiss or West Suburban. Instead, each hospital has consistently operated at a loss, month over month and year over year. Pipeline, which operates safety net hospitals in other states, believes low Medicaid reimbursement in Illinois has contributed to these sustained operating deficits. However, the COVID pandemic has escalated these challenges in ways Pipeline could not have predicted when it acquired the hospitals in early 2019, by dramatically increasing staffing costs and reducing elective admissions, surgeries and procedures.

The proposed buyer believes it has a viable strategy for achieving sustainable operations at both hospitals, through what Pipeline understands to be a combined debt restructuring, revenue enhancement and operational turnaround approach. After careful consideration, Pipeline believes it is in the best interest of all parties, and the communities served by the hospitals, to have an orderly and thoughtful transition of ownership to a party demonstrating this level of commitment.

3. The Application lists the purchase price. We need to know the methodology used to determine those values.

As indicated in the applications, the purchase price is apportioned as follows:

"The total purchase price related to the Transaction is $92 million for the real estate, which includes all Pipeline assets in the greater Chicago area. No part of the purchase price is being attributed to West Suburban OpCo, West Suburban OpCo or any other operating entity that is part of the Transaction.

Of this $92 million total purchase price, seller is providing to buyer at closing a $12 million credit in immediately available funds, to be used toward improvements and repair of the transferred assets (including Weiss and West Suburban). Of this $12 million credit, $8 million will be used by buyer for improvements and repair at Weiss, in order to honor seller's prior commitment to the community in connection with the sale of the Weiss Surface Lot.

As a result, the net purchase price associated with the Transaction is $80 million, apportioned as follows:

West Suburban PropCo $28,282,438.27
Weiss Hospital PropCo $11,040,757.61
Weiss MOB PropCo $20,784,224.71
River Forest PropCo $19,892,579.41

The above apportionment has been made only for the purpose of meeting COE requirements and should be used only for this purpose. This apportionment is based on a combination of appraisal and previous purchase price information."

As indicated above, the total purchase price for the proposed transaction is $92 million. The net purchase price, after Pipeline provides buyer with the $12 million credit described above, is $80 million. This purchase price, and the apportionment of the purchase price between the OpCo's and PropCo's, was negotiated by the parties at arms-length and in a commercially reasonable manner.

The purchase price is attributed entirely to the assets controlled by the various PropCo entities identified in the applications. As described above in our response to question 2 and below in our response to question 5, the OpCo entities have had sustained significant operating losses over the entirety of Pipeline's ownership, month over month and year over year. As a result, the parties have determined that the present fair market value of these OpCo's is de minimus. Accordingly, the purchase price for the combined OpCos' membership interests has been set at $1. That fair market value may change in the future under buyer's ownership and control, but it is what the parties agree is the current valuation of the OpCo's.

The parties apportioned the net purchase price of $80 million among assets held by the PropCo's based on a combination of: (1) a January 2019 appraisal commissioned by Pipeline for real estate assets held by West Suburban PropCo, Weiss PropCo and River Forest PropCo ("January 2019 Appraisal"); and (2) the actual purchase price for the assets held by the Weiss MOB PropCo, which were acquired by Pipeline in March 2019 (these assets were not part of the January 2019 Appraisal)(the "2019 Weiss MOB Purchase Price").

4. We need to know how the purchase price is going to be funded and the amount of each funding mechanism.

As previously mentioned, the value attributable to the PropCo portion of this transaction is $92 million. The transaction will be funded through a combination of cash and debt financing. Reddy Rathnaker Patlola will be providing cash financing in the amount of approximately $32 million and will be financing $60 million through loan from Provizia Capital, LTD. The value attributable to the OpCo portion of this transaction will be funded with cash.

5. You are valuing the operating entity for these Hospitals (licensee) at $1 each. Please explain the methodology used to determine that value, since the operating entities (licensee) will be the entities generating the revenue.

Please see our responses above to questions 2 and 3. The parties negotiated the aggregate and net aggregate purchase price, and the apportionments of purchase price between the OpCo's and the PropCo's at arms-length and in a commercially reasonable manner.

The purchase price is attributed entirely to the assets controlled by the various PropCo entities identified in the applications. As described above in our response to question 2 and 3, the OpCo entities have had sustained significant operating losses over the entirety of Pipeline's ownership, month over month and year over year. As a result, the parties have determined that the present fair market value of these OpCo's is de minimus. Accordingly, the purchase price for the combined OpCos' membership interests has been set at $1. That fair market value may change in the future under buyer's ownership and control, but it is what the parties agree is the current valuation of the OpCo's.

6. Please provide the names of all the members of AUM Global Healthcare Management, LLC d/b/a Resilience Health and their percentage of ownership.

Manoj Prasad and Reddy Rathnaker Patlola are the only members of AUM Global Healthcare Management, LLC d/b/a Resilience Healthcare. Dr. Prasad holds 60% of the ownership units in Resilience Healthcare and Mr. Patlola holds 40% of the ownership unit.

7. Please provide the names of all the members of WestLaw Management, LLC and their percentage of ownership.

AUM Global Healthcare Management, LLC d/b/a Resilience Healthcare is sole member of WestLaw Management, LLC. Please see the answer to question 6 regarding the ownership allocation of AUM Global Management Group, LLC d/b/a Resilience Healthcare.

8. Please provide the names of all the members of Ramco Healthcare Holdings, LLC and their percentage of ownership.

Reddy Rathnaker Patlola is the sole member of Ramco Healthcare Holdings, LLC. He holds 100% of the ownership units in Ramco Healthcare Holdings, LLC.

9. It is stated in the Applications that Pipeline has spent $60 Million at Weiss Memorial Hospital and West Suburban Medical Center. We need a list of those projects and the amount of money spent on each.

The itemized listing of the approximate expenditures for these projects, which total $58 million, is as follows:

IT System Replacement and Upgrade (Weiss and West Suburban): $15 million
Weiss Parking Garage Repairs and Upgrade: $13 million
Acquisition of Weiss MOB in March 2019: $23 million
Weiss Orthopedic Unit Renovations and Robots: $5 million
Acquisition of Weiss Telemetry Monitors: $2 million

Note that the Weiss Parking Garage, which is not associated with the Weiss Surface Lot, is part of the assets owned by Weiss PropCo and is used by hospital staff, patients and visitors. Also note that the acquisition by Pipeline of the Weiss MOB occurred subsequent to the acquisition of the hospitals, and from a buyer other than Tenet Health System. As you know, the Weiss MOB is being treated as part of the COE applications for Weiss OpCo and Weiss PropCo, and therefore is considered part of the hospital for the purpose of this COE process.

10. Please provide a copy of the charity care policy that is to remain in effect for each hospital.

Please see the attached charity care policies.

11. We need a copy of the quality improvement plan that is in place at each hospital.

Please see the attached quality improvement plans.

12. We need a list of the individuals on the facilities governing board at each hospital.

Please see the attached list of governing board members for each hospital.

13. We need information on the background of Mr. Reddy Rathnakar Patlola.

Reddy Rathnaker Patlola is a self-made business executive overseeing a vast organization with business holdings in the energy, hospitality, and retail sectors. Mr. Patlola immigrated to the United States as a student and attended the Central Michigan University, earning a master's degree in Computer Science. After school, he relocated to New York and embarked on career in information technology working for JP Morgan Chase, Columbia University and other Wall Street financial firms. His career as an entrepreneur began with a single lease and has grown substantially since then to include multiple locations. One of his companies, Ramoco Fuels, is based out of New Jersey and is a large energy distributor on the East Coast operating in New Jersey, Pennsylvania, and Delaware. The company also operates a fleet of short and long-haul trucking vehicles. His success in the energy industry fueled further investments in the retail, real estate, financial services, and hospitality industries. Mr. Patlola is currently developing two Woodspring Suites Hotels in New York State. Based on his hard work, dedication, and business acumen, he has been able to succeed in multiple industries and this is, in no small part, based upon his successful ability to identify the right partners. Mr. Patlola believes that healthcare is a human right and is excited at the opportunity to work with Dr. Prasad to ensure the continuity of services in the community.

14. Please provide a list of hospitals that Dr. Prasad has "turned around."

Manoj Prasad has been a healthcare professional for over 30 years. A physician by training, a healthcare technology architect and healthcare business optimizer by passion who has maintained a successful career as a healthcare executive in Michigan, Texas, Florida, and even as far as India and Panama. Dr. Prasad is a servant leader whose skills and experience have been earned during a career resuscitating struggling healthcare organizations of all sizes, types and locations.

His career in hospital administration began in the early nineties in Michigan where he turned around several struggling physician group practices including First Care Medical Centers, Family Medical Group, Pointe Medical Centers (1995-1998) and American Medical Centers (1991-1995) where he served as Chief Executive Officer. He also set up several managed care practices when managed care was introduced in the healthcare industry. He has also served as a Consultant to the Medical Staff at multiple facilities where he worked to develop plans to save the facilities from closure or convert the facilities to alternate models to allow for their continued operation.

Prasad's next challenge involved serving as President and CEO of Kern Hospital and Medical Center. Established in 1973, the facility had recently exited from bankruptcy re-organization and was days away from filing for Chapter 7 liquidation when Prasad took over and led the hospital to profitability for three consecutive years and converted it from a single specialty facility to a full-service hospital, recruiting over 200 physicians to staff. Prasad left Kern in 2000 upon its sale.

From there Dr. Prasad joined a health system where he served as Executive Director of a 378-bed tertiary teaching hospital located in Flint, Michigan. He went on to be promoted to President of the physician practice group for the health system where he managed 180 physicians in 12 counties with over 100 locations. Dr. Prasad was then recruited to rescue a Hospital System in India that had been declared unviable by large international health system operators who evaluated it for potential acquisition. He served as its Chief Executive Officer for three years before returning to the United States to oversee a Consultancy Group for the Americas as its Country Head for Healthcare, focusing on blending healthcare administration and technology.

He then launched Xpertease Consultants which saw him work and take on leadership roles with several organizations over the next decade including serving as either Chief Executive Officer or other high level executive positions focused on operations.

Specifically, his hospital turnaround work involved managing financially distressed facilities to turn around their finances and increase service line offerings. Dr. Prasad has also been brought into organizations facing substantial compliance issues with regulators, and he has worked to turnaround those facilities and bring them back into compliance with federal and state regulations. Finally, Dr. Prasad's consulting work also involved working with organizations to either prevent closure of those facilities or re-purposing them.

15. To date what has been the outreach to the community? Please provide a list of individuals and community organizations that have been contacted.

Excerpted below are key elements of the community outreach plan, as of March 18, 2022:

COMMUNICATION TO EMPLOYEES AND PHYSICIANS (Starting March 10)

• Both hospital CEOs sent memos to their employees and physicians to let them know of the planned change of ownership and invited them to meetings to learn more.

o FOR WEISS MEMORIAL HOSPITAL

§ Thursday, March 10
• 3 p.m. Governing Board meeting – 10 attendees

§ Friday, March 11
• 7 a.m. Dept. of Surgery – 20 attendees
• Leadership group – 30 attendees
• Meeting with Internal Medicine residents – 45 residents

§ Monday, March 14, 2022
• 7:30 a.m. – 20 attendees
• 3 p.m. – 75 employees
• 6:30 p.m. – 20 attendees

§ Tuesday, March 15, 2022
• 7:30 a.m. – 30 attendees
• 3 p.m. – 30 attendees
• 5:30 p.m. – quarterly medical staff meeting – 30 physicians

§ Thursday, March 17, 2022
• 8 a.m. – Dept of Medicine meeting – 15 physicians

o FOR WEST SUBURBAN MEDICAL CENTER

§ Monday, March 14, 2022
• 7:30 a.m. – 49 employees
• 10 a.m. – 40 employees

§ Tuesday, March 15, 2022
• 7 a.m. – 8 orthopedic surgeons
• 8 a.m. – 15 physician leaders
• 2 p.m. – 59 employees

§ Wednesday, March 16, 2022
• 2 p.m. – 55 employees
• 6 p.m. – 15 employees
§ Thursday, March 17, 2022
• 7 a.m. – 16 physician leaders
• 12 p.m. – River Forest– 30 employees

MEDIA OUTREACH – began March 10

• Began Chicago media outreach to ensure transparency to the public. Media contacts:
o Crain's Chicago Business – story posted March 10
o Chicago Sun-Times – story posted March 10
o Health News Illinois – story posted online March 11
o Chicago Tribune – story pending

• Began outreach to community media around both hospitals. Media contacts:

o FOR WEISS COMMUNITY
§ Chicago Health magazine/Caregiving
§ Block Club Chicago—story posted March 10
§ News Star – story posted March 16
§ Windy City Times
§ Uptown United/Uptown Chamber published a supportive commentary
§ ALSO: Alderman Cappleman published a supportive commentary in his newsletter March 10.

o FOR WEST SUBURBAN COMMUNITY
§ Journal papers – story posted March 10
§ Austin Weekly News – story posted March 10
§ Austin Voice
§ Austin Talks

COMMUNITY OUTREACH AND ENGAGEMENT – Began March 10

• FOR WEISS – as of March 17

• Reached out to 20 groups via telephone to inform them of the planned change of ownership and assure them of ongoing hospital operations
• Engaged in conversation with 12 of those, left messages for others.
• NOTE: Average length of each call is 10-30 minutes.
• Additional CEO outreach to community leaders/groups
• Spoke with Uptown United Executive Director.
• Discussed with the CEO of the Admiral On The Lake – March 17.
• Small group meetings for community organizations and CEO – scheduling in progress for March.
• Hospital Governing Board Meeting with Buyer – scheduling in progress for March

• Community forum (open to the public) for hospital updates and introduction of the buyer, discussion – scheduling in progress for April 7.

• FOR WEST SUBURBAN – as of March 17

• Reached out to 73 groups via telephone to inform them of the planned change of ownership and assure them of ongoing hospital operations.
• Engaged in conversation with 42 of those, left messages for others.
• Meeting with Cathy Adduci, president, River Forest, March 10.
• Held community event March 10 to celebrate opening of the Outpatient Behavioral Health program, attended by 85 commuinty leaders including U.S. Rep. Danny K. Davis and Oak Park Mayor Vickie Scaman.
• CEO meeting with Oak Park/River Forest Chamber of Commerce March 18.
• CEO set meeting with Austin-West Side Coalition March 22.
• Small group meetings for community organizations and CEO – scheduling in progress for March.
• Additional small group meetings for community organizations and CEO – scheduling in progress for March.
• Hospital Governing Board Meeting with Buyer – scheduling in progress for
• Meeting with Housing Forward March 31.
• Community forum (open to the public) for hospital updates and introduction of the buyer, discussion – scheduling in progress for noon on April 7.

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