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September 20, 2022

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Via Federal Express and Electronic Mail

John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Re: E-041-22, Illinois Masonic Medical Center
E-042-22, Advocate Sherman Hospital
E-043-22, Advocate South Suburban Hospital
E-044-22, Advocate Trinity Hospital
E-045-22, Advocate Christ Hospital and Medical Center
E-046-22, Advocate Condell Medical Center
E-047-22, Advocate Good Shepherd Hospital
E-048-22, Advocate Good Samaritan Hospital
E-049-22, Advocate Lutheran General Hospital
E-050-22, Dreyer Ambulatory Surgery Center

Dear Mr. Kniery:

This office represents Advocate Aurora Health, Inc. and its affiliates for the applications for Certificate of Exemption ("COE") pending before the Illinois Health Facilities and Services Review Board ("State Board"). These applications are listed above (the "Pending COE Applications").

The Pending COE Applications relate to a broader affiliation between two non-profit organizations, Advocate Aurora Health and Atrium Health, which will harness the complementary strengths and expertise of each system's doctors, nurses and teammates to lead health care's transformation for all the communities the applicants are proud to serve. The planned combination comes with a commitment to invest heavily in improving care to underserved communities and advancing health equity including a $2 billion pledge to disrupt the root causes of health inequities across both urban and rural underserved communities. The combined system will deliver nearly $5 billion in annual community benefit, including charity care and other forms of uncompensated and undercompensated care. A national leader in value-based care with 2.2 million managed lives

across 15 Accountable Care Organizations (ACOs), four Clinically Integrated Networks (CINs) and nearly 60 value-based contracts, the new system will employ more than 7,600 physicians – including a broad primary care platform that includes 2,600 providers with a significant virtual and in-person care offering. The combined organization will collectively employ nearly 150,000 team members and serves as one of the nation's 10 largest graduate medical education programs with nearly 2,000 residents and fellows across 172 programs. Relevant to employee satisfaction, Advocate Aurora Health and Atrium Health have been recognized as a "Best Employer" by Forbes in Illinois, Wisconsin, North Carolina, and South Carolina. Relative to the combined organization's commitment to advancing health equity, in 2021, Atrium Health received the American Hospital Association Carolyn Boone Lewis Equity of Care Award for outstanding efforts to advance equity of care for all patients. Going forward, the parties look forward to continuing these efforts and sharing resources and strategies to reduce health inequities in the delivery of health care across the broader system.

The applicants are excited to bring this alignment opportunity to fruition and, in moving forward, want to be sure the State Board members have voiced their questions and received meaningful responses so that the approval process can move forward smoothly. As was stated by State Board staff in the hearing last week when the Pending COE Applications were discussed, the State Board shall approve COE applications that have been deemed complete.[1] We appreciate this instruction addressing the State Board's role over health care facility governance changes which is delineated in and limited by the State Board's enabling statute providing that "an exemption shall be approved when information required by the [State] Board by rule is submitted." 20 ILCS 3960(6)(b).

Such completeness determinations were made by State Board staff for the Pending COE Applications on August 5th and a State Board staff report was issued certifying its findings on August 30, 2022. Given this procedural history and the confirmation that the Pending COE Applications are ready for approval, our client is eager to move forward in alignment with the State Board and we appreciate your efforts to ensure that the Pending COE Applications are fully processed as soon as possible. With the Pending COE Applications deemed complete on August 5, 2022, the applicants are agreeable to consider any requests for additional information or

[1]Notably, page one of the combined State Board staff report states that "all the information required by the State Board has been submitted."

documentation,[2] and we understand State Board staff has queried the State Board members to determine whether they have any questions about the planned transaction with Atrium Health. The applicants would like to address those State Board questions in the spirit of transparency and collaboration relating to the system's important initiatives and developments in the State of Illinois.

We appreciate the State Board's assistance and look forward to learning if the State Board members have further questions for the applicants' consideration.

Sincerely,

Kara M. Friedman

Cc: Douglas Dorando
Michael Grebe
Bill Santulli

[2]Please note that Section 8.5 of the Illinois Health Facilities Planning Act was amended in recent years to prohibit the State Board from requiring that an applicant submit transaction documents.