

ATTACHMENT 6

1130.520. Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Names of Parties, Post-Closing Licensee and Structure of the Transaction - (1130.520 (b)(1)(A), (b)(1)(B) and (b)(1)(C))

This Certificate of Exemption (“COE”) application addresses the change in the allocation of membership interests in Massac County Surgery Center, LLC (“MCSC”), the ASTC license holder, located at 1811 East 5th Street, Metropolis, Illinois.

MCSC is currently owned by OIWK Holdings, LLC (“OIWK”) and Massac Memorial LLC (“Massac Memorial”) with OIWK Holdings, LLC having control by virtue of its 65.34% ownership interest in MCSC. OIWK has grown its ownership interest since 2019 from 51% to 65.34% in accordance with MCSC’s operating agreement. The surgeons with membership interests in OIWK currently practice in the Paducah County area.

Subject to approval of this COE application, BSMH-CSP SV DE, LLC (“BSMH-CSP”), a Delaware limited liability company, will acquire 30% of the membership interests in MCSC. BSMH-CSP is a joint venture between Bons Secours Mercy Health Innovations, LLC (“BSMHI”) and Compass Surgical Partners of BSMH, LLC (“CSPB”).

BSMHI was launched to expand outpatient offerings for the communities served by Bons Secours Mercy Health. Bon Secours Mercy Health (BSMH) is one of the 20 largest health systems in the United States and the fifth-largest Catholic health system in the country. The ministry’s quality, compassionate care is provided by more than 60,000 associates serving communities in Florida, Kentucky, Maryland, New York, Ohio, South Carolina and Virginia, as well as throughout Ireland. In 2022, BSMH provided more than \$600 million dollars in community investments across five states, ensuring that cost is not a barrier to health care for our patients in need. In addition to charity care, BSMH invests in programs that address chronic illness, affordable housing, access to healthy food, education and wellness programs, transportation, workforce development and other social determinants of health that directly affect the communities we serve.

CSPB is a wholly owned subsidiary of Compass Surgical Partners, LLC, which is an independent, full-service ambulatory surgery center (ASC) development and management partner, representing a nationwide portfolio of joint ventures with health systems and physicians. Its experienced leadership team has developed more than 250 ASCs over the past three decades, making it the partner of choice for high-performance ASCs.

The ownership structure post-transaction will result in OIWK with 40% and Massac Memorial and BSMH-CSP each with 30% of the membership interests in MCSC.

Post-transaction, there will be seven managers at MCSC with OIWK appointing three managers and Massac Memorial and BSMH-CSP each with two manager appointments.

As historically handled by IHFSRB staff, there are two applicants in this application, the current and post-transaction licensee: Massac County Surgery Center, LLC and the current controlling party and post-transaction 40% owner: OIWK Holdings, LLC.

MCSC is currently licensed by IDPH as an ASTC and will maintain that designation; and the **licensee will not change**. The ASTC will maintain its level of quality and efficiency.

Fair Market Value of the Membership Interest Being Purchased -1130.520(b)(1)(F)

\$6,800,000

Affirmation regarding Outstanding CON Permits -1130.520(b)(2)

No outstanding CON Permits at this time.

Hospital Financial Assistance Policy Affirmation

Not applicable.

Anticipated Benefits and Cost Savings -1130.520(b)(4) and (b)(5)

The proposed ownership structure will provide better purchasing power to the Ambulatory Surgical Center (“ASC”) by increasing eligibility in commercial insurance networks and opening access to additional resources and expertise. The addition of BSMH CSP SV DE, LLC, a joint venture between Bon Secours Mercy Health and Compass Surgical Partners, to this dynamic surgery center will further support the mission and expand its reach to ensure more services are eligible for optimized coverage for the community at large. It is anticipated that growth of the ASC will manifest in more jobs created for members of the community as well as providing viable surgical health care options for the surrounding counties.

Quality Improvement Program to be Utilized - 1130.520(b)(7)

Massac County Surgery Center, LLC (“MCSC”) has a longstanding commitment to a culture of quality, safety, service and evidence-based practices. By aspiring to consistently engage in process improvement and improve consistency to meet the highest standards for quality and patient satisfaction, MCSC will continue to advance its commitment to delivering care that is of the highest quality and eliminates preventable harm. It is anticipated that MCSC will maintain its current clinical structure and retain key staff, allowing seamless continuity of its current Quality Improvement Program.

Governing Body Composition/Selection Process -1130.520(b)(7)

After the proposed transaction, the Board of Managers of Massac County Surgery Center, LLC will consist of seven (7) managers. OIWK Holdings, LLC will appoint three (3) managers and

BSMH-CSP SV DE, LLC and Massac Memorial LLC will each appoint four (2) managers.

Scope of Services – 1130.520(b)(9)

There will be no changes in the Categories of Service(s) provided by Massac County Surgery Center, LLC within 24 months following the closing of the planned transaction unless Massac County Surgery Center, LLC applies for and obtains approval from the HFSRB to make any adjustments necessary to best address the healthcare needs of the community it serves.