

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site.

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.