

November 24, 2008

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**HEALTH FACILITIES
PLANNING BOARD**

VIA FEDERAL EXPRESS AND FAX

Mr. Jeffrey Mark
Executive Secretary
Illinois Health Facilities Planning Board
535 West Jefferson Street
Springfield, Illinois 62761

08-051

Re: *Public Comment on Project #~~06-051~~*
(Good Samaritan Regional Health Center Replacement Hospital)

Dear Mr. Mark:

As a long-time resident of Mount Vernon, Illinois, I want to express substantial concerns about the proposal by SSM Healthcare to build a \$185 million replacement facility for Good Samaritan Regional Health Center.

Let me be clear that an updated hospital facility may well have a positive impact on patient welfare, and on the overall economic health of, and quality of life in, the area currently served by the hospital. My concern is not with the merits of a new hospital. Rather, I have strong reservations about the strength of SSM Healthcare's (SSM's) commitment to provide hospital services in Illinois. I also have questions about SSM's willingness and ability to promptly construct this hospital.

As the Planning Board is well aware, SSM recently made a decision to discontinue sponsorship of St. Francis Hospital in Blue Island, Illinois. Although a buyer for the hospital was located at the 11th hour, this was achieved only after SSM made it clear that it was willing to shut down the hospital on an aggressive timetable rather than continue to provide financial support to an institution that had served the community for about 100 years. Today, MetroSouth Medical Center--formerly St. Francis Hospital-- operates as a sectarian, for-profit hospital.

At the very same time SSM was publicizing its decision to leave the Blue Island community, it announced that it was constructing a new hospital in Janesville, Wisconsin. In fact, ground was broken on this construction project just this month (see attached SSM press release). In addition, SSM has announced plans to build a \$200 million replacement hospital in Jefferson City, Missouri (see attached SSM press release). In a nutshell, SSM was making decisions to deploy hundreds of millions of dollars of capital expenditures in Wisconsin and Missouri, while simultaneously deciding to discontinue its mission in northern Illinois.

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I would encourage the Planning Board to ask SSM representatives pointed questions about the depth of its commitment to the Illinois market, and, in view of the events with St. Francis Hospital, about SSM's long-term commitment to all patients served at its Illinois hospitals, especially Medicaid and uninsured individuals. The Planning Board might want to inquire about the "contingencies" to SSM's approval of construction of the new hospital, referenced in the attached July 2007 memo from the Hospital CEO. As you will see, SSM's willingness to build the new hospital has been contingent on continuation of Medicaid funding through the provider tax, and on improved quality performance at the hospital.

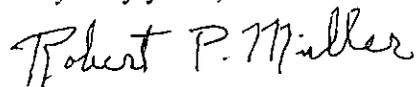
In addition to concerns about SSM's recent lack of commitment to the Illinois market, I also respectfully suggest that you to ask about SSM's overall willingness and ability to finance several new hospital construction projects in these unsettled economic times. Does SSM intend to proceed with these several projects simultaneously? Does SSM have adequate resources and financing in place to support the concurrent construction of several new hospital facilities? Has SSM made any decisions to slow down or place on hold any of these construction projects?

More to the point, is SSM committed to proceeding promptly with construction of the proposed replacement hospital upon approval by the Planning Board, or is SSM uncertain as to the timing or viability of the project? In pursuing this line of questions, the Planning Board might want to reference the enclosed September 25, 2008 memo from Hospital executives, and the accompanying statement from the President/CEO of SSM. As you will see, the memo clearly calls into question the timing of the proposed project. The SSM President's statement also directly calls into question SSM's willingness and financial ability to fund the system's pending capital construction projects.

If SSM is not prepared to give the Planning Board satisfactory answers to these questions, then I respectfully suggest that this permit application should not be approved. SSM should not receive a permit that it cannot or will not immediately promptly act upon, and SSM also should be required to address its recent decisions to abandon the Blue Island community in favor of capital construction projects in Wisconsin and Missouri.

Thank you for your time and consideration.

Very truly yours,



Robert P. Miller
1013 Lime Ave
Mt. Vernon, IL 62864



Memorandum

To: *Medical Staff*

From: *Jerry Lefert, Interim President/CEO
Bruce Merrell, President – St. Mary's
Mike Warren, President – Good Samaritan*

Date: *September 25, 2008*

Subject: *SSM's Response to Economic Crisis*

Attached is a message from Sr. Mary Jean Ryan, President / CEO of SSM Health Care, addressing the serious economic crisis our country is facing and its impact on our organization. SSM, like every other responsible health care organization in the nation, is taking steps to ensure financial viability far into the future by being fiscally conservative today.

The steps being taken throughout SSM are outlined in the attached announcement. Locally, the replacement hospital project for Good Samaritan is on many of our minds. SSM's commitment to our replacement hospital remains strong. Leaders at SSM are closely monitoring the economic situation on a day-by-day basis. When the economy stabilizes, we will have more clarity on the timing of our project.

Please be assured that our organization's commitment to providing exceptional health care to our patients is unwavering. Our organization is acting quickly and decisively to ensure that we continue our healing ministry long into the future.

A Message from Sr. Mary Jean Ryan, FSM
President/CEO of SSM Health Care

SSM Health Care's Response to the Economic Crisis

The bad news about the financial markets is everywhere – on TV, on the radio, on the Web, and in the newspaper. It has affected all of us and has created a feeling of uncertainty about what's going to happen next.

I wanted to let you know what we're doing at SSM Health Care to ensure that our system remains financially sound so we can continue to serve the people of our communities. First, let me explain how we get the money that pays your salaries and covers expenses. Our money comes from two primary sources: operations, which is the revenue we earn from our day-to-day activities, and investments. Right now, it's not a good time for our investments, and our operations are not as good as we had expected them to be.

So that means we will be doing what every responsible health care system in the nation *should* be doing right now. We're being extra vigilant and extra fiscally conservative during this difficult period.

I have asked every hospital president to delay, whenever possible, expenditures under \$1 million, at least through the end of this year. In addition, every expense over \$1 million must be approved by the Office of the President (that consists of the five senior executives at SSM and me). We will cancel a number of meetings that were scheduled at the Corporate Office throughout the remainder of this year and possibly into next year, depending on when the economy stabilizes.

What can you do? I'm glad you asked. As Mother Odilia said: "Continue courageously." This has been a year for many changes at SSM Health Care, and I know change can be difficult. I urge you to be strong. Above all, we must think of our patients first. We must keep them safe and continue to provide exceptional and compassionate care.

There's something else you can do. I have asked every hospital president to put suggestion boxes throughout the hospital so that you can offer great ideas to improve care, to reduce expenses, to make your hospital safer for patients, or thoughts you may have for new services. You can also e-mail your ideas directly to your president. Whatever your suggestions for improvement are, we want to hear them. I have asked the presidents to forward the very best suggestions to me, and we will discuss them here at the Corporate Office and print them in our system publication *Network* early next year.

I'd like all of us to remember that our Mission and Values are at the center of all we do. At times like this, our values must guide how we act, toward one another and our patients.

God bless you for all that you do.



To: Employees and Medical Staff Members
From: Jim Sanger, CEO
Re: NEW HOSPITAL ANNOUNCEMENT
Date: July 20, 2007

I am pleased to announce that our capital application to construct a replacement hospital for St. Mary's Good Samaritan – Mt. Vernon campus was approved by SSM System Management at a meeting held earlier this week. The Good Samaritan replacement hospital was one of four projects evaluated. After careful consideration, System Management approved the new 146-bed replacement hospital for Good Samaritan, with contingencies. The approval is contingent on the following:

- CON approval from the State of Illinois
- Continuation of the provider tax or the identification of an equivalent substitution to achieve projected financial performance
- Improved results in each of the five characteristics of exceptional health care services

We appreciate the support of the Medical Staff throughout this process and look forward to cooperating in our ongoing efforts to improve quality patient care for the communities we serve.

The next key step in this process is to complete the Certificate of Need, which will be submitted to the Illinois Health Facilities Planning Board in August.

The planning of the new facility's design continues as we prepare for the CON submission. The input and cooperation of staff at both campuses, along with our architectural team, is vital. Congratulations on this significant accomplishment. Thank you for your continued dedication.