

February 12, 2019

By Personal Delivery

Carol Brockmiller, Chief Executive Officer
Quincy Medical Group
1025 Maine Street
Quincy, Illinois 62301

Re: Notice to Cure QMG's Default of Management Agreement for Blessing Hospital ASTC

Dear Ms. Brockmiller,

I am writing in reply to your letter dated February 5, 2019 regarding Blessing Hospital's Notice to Cure Defaults, dated January 21, 2019, in connection with the management obligations of Quincy Medical Groups ("QMG") under the parties' Ambulatory Management Agreement dated November 1, 2006, as amended ("Management Agreement"). While I do not agree with the merits and substance of your February 5th letter, I am pleased that QMG seeks resolution of the issues raised by Blessing Hospital and, as you stated in your letter, that QMG desires to "meet and confer in good faith on the issues and enter into good faith negotiations to resolve the concerns pursuant to the requirements of Section 9(a) of the Management Agreement." Blessing Hospital has agreed to meet and confer, and enter into good faith negotiations with QMG to resolve the issues raised in the Notice to Cure Defaults. My office has already reached out to you with proposed dates for the meeting.

For purposes of the meeting, attached to this letter is an itemization of the management deficiencies that QMG identified to the Illinois Health Facilities and Services Review Board in connection with QMG's Project #18-042, Quincy Medical Group Surgery Center. These are the issues that Blessing Hospital wishes to have resolved, together with any other management issues that QMG would like to bring to our attention.

I look forward to meeting with you and QMG to resolve these issues.

Sincerely,



Maureen Kahn, President & CEO
Blessing Hospital

MAK/sem
Attachment

**LIST OF MANAGEMENT DEFICIENCIES TO BE RESOLVED IN "MEET AND CONFER"
NEGOTIATIONS BETWEEN BLESSING HOSPITAL AND QUINCY MEDICAL GROUP PURSUANT
TO SECTION 9(A) OF THE PARTIES' MANAGEMENT AGREEMENT**

1. QMG represented to the Illinois Health Facilities and Services Review Board ("Review Board") that "the operational practice at the existing ASTC drastically limits available surgery hours as the anesthesiology group retained by the owner of the ASTC usually does not allow surgical cases to begin after 3 p.m." and "QMG desires to have the flexibility to control and expand surgery hours to include evenings and weekends for patient convenience." QMG's application for a Certificate of Need (CON) in Project # 18-042 ("CON Appl.") at 58. QMG, as manager of the facility, is responsible for scheduling the hours of operation of the facility services, scheduling the hours of work of all facility services, and patient scheduling.
2. QMG represented to the Review Board that, "Urology equipment is not available in the existing ASTC; therefore, outpatient urological surgery is performed in the local hospital's ORs. Lack of ASTC availability for these services is a dissatisfier for both patients and providers." CON Appl. at 58. As manager of the ASTC, QMG is responsible for patient satisfaction, assessing service level and recommending equipment purchases.
3. QMG represented to the Review Board that "limited neurosurgery procedures are performed in Quincy's existing ASTC" and that ENT equipment "is currently only offered by the local hospital in its outpatient department." CON Appl. at 59. As manager of the ASTC, QMG is responsible for assessing service level and recommending equipment purchases.
4. QMG represented to the Review Board that QMG's proposed surgery center will "improve care coordination, efficiency, and lead to better clinical outcomes...." CON Appl. at 61. QMG and its Medical Director are responsible for the quality of care, and the development and implementation of appropriate quality improvement policies and programs at the ASTC. If "better clinical outcomes" are obtainable by QMG and its Medical Director, immediate efforts should be undertaken to achieve those outcomes.
5. QMG represented to the Review Board that QMG's proposed facility will improve care because "QMG physicians will have immediate access to a patient's complete medical record through QMG's EMR system and will not be required to navigate two EMR systems...." CON Appl. at 61. QMG and its Medical Director have the contractual duty to design and develop the patient information and medical records for use within the Blessing ASTC. If the current medical records are not "complete" or easily navigated, QMG should propose improvements to the medical records system.