



**RECEIVED**

SEP 3 2019

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**MSMC**

Management, LLC

August 16, 2019

City of Blue Island  
13051 Greenwood Avenue  
Blue Island, IL 60406

Dear, Mayor Vargas and State Representative Rita.

I want to make both of you aware that my company is in the process of trying to acquire Metro South Medical Centre (MSMC) from Quorum Healthcare. I have created a special company just to acquire MSMC called MSMC Management, LLC.

Starting approximately three years ago and more recently about five months ago Quorum allowed my company to perform due diligence on the hospital. My company has been trying to buy MSMC long before Quorum announced plans to close the hospital. My company has completed due diligence and has agreed to the asking price that Quorum wanted in order to sell the hospital.

Quorum's lawyers and my company's lawyers started spending tens of thousands of dollars in legal fees to complete the agreement. During this good faith process Quorum intentionally and systematically has been closing critical medical services (i.e. Cardiac Catherization / Heart Lab, Gastrointestinal (GI) services, Terminating Physician Contracts, etc.), while knowing we were a credible buyer.

Suddenly, toward the end of completing the agreement to buy the hospital, Quorum started making new, onerous demands and the most problematic being the requirement to pay a non-refundable \$750,000 in order to finish the purchase agreement.

Quorum is misleading the public by saying there is NOT a credible buyer.

For the acquisition of MSMC, I have organized a team of seasoned experienced healthcare professionals (including myself) that have raised capital to purchase and manage large and small hospitals throughout our healthcare careers.

Furthermore, we secured a financing company that has examined the value of the hospital and is willing to lend the money to purchase the hospital. For reasons that are not clear, Quorum appears unconcerned that hundreds of employees will lose their jobs, the City of



MSMC

Management, LLC

Blue Island will lose crucial tax revenue, and force the community's most vulnerable (the poor, elderly, and chronically ill) to lose access to medical care.

My company wants to buy and invest in MSMC. I am a Board-Certified Emergency Medicine Physician (aka ER Doctor) and have worked in and participated in managing many financially distressed hospitals in Chicago over my 30-year career in medicine.

I am deeply connected to MSMC. I was brought in as part of the previous turnaround team when MSMC announced closure in 2008. In just four years, we turned around the hospital and it sold to (CHS/Quorum) for tens of millions of dollars. I care deeply for this hospital, but I cannot acquiesce to these onerous demands of Quorum, especially while they continue to turn off critical medical services and move equipment out of the hospital.

My company is happy to buy the hospital from Quorum. All we are asking is that they be reasonable in their demands. Any assistance you could provide to work with Quorum to stop turning off critical medical services and have them engage in reasonable negotiations would be greatly appreciated.

Sincerely,

**Seth Guterman, MD FACEP**  
President  
MSMC Management, LLC



**M S M C**  
Management LLC

## **Exhibit B: Salient Points to Acquisition of MetroSouth Medical Center**

### **Financial Perspective**

Quorum Healthcare considers MSMC Management, LLC as a credible buyer based upon the following actions:

- Engaged in contractual negotiations over the past several months.
- Invested in legal counsel to work with buyer's legal team to draft purchase agreement.
- Accepted financial commitment from buyer's financial partner.
- Agreed to all key terms of contract, including purchase price.
- Quorum suddenly deviated from completing the transaction by requiring an approximately \$1MM non-refundable deposit.
  - Contractual deposits should always provide good-faith escrow protections for both buyer and seller as a means to ensure security that the acquisition will close.
- Quorum's portrayal of there being no credible buyers available to complete a market-rate acquisition of MetroSouth Medical Center is thus inaccurate. By taking this position, they seek to remove any impediments to closing MSMC and profiting from the liquidating the assets.

### **Misleading Business Tactics**

- While Quorum is attempting to use this single lawsuit as media leverage against the principles of MSMC Management, LLC, Quorum's legal woes are far more endemic and concerning.
  - Quorum Healthcare and its related corporate entities are currently engaged in multiple lawsuits, including an almost \$1B class action suit.
  - MSMC Management, LLC is currently engaged in only a single lawsuit with a health insurance company.



**MetroSouth**  
MEDICAL CENTER

8/30/19

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Review Board  
525 W Jefferson Street 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear, Ms. Avery.

As President of the Physician Medical Staff at MSMC, I am responsible for working with all physicians and the hospital administrators to create an environment in the hospital to provide life-saving medical care to patients. MSMC is a safety-net hospital for the most vulnerable people in Blue Island and surrounding communities. The MSMC Emergency Department provides medical care to over 45,000 patients each year, our Obstetrical Unit Delivers over 1,400 babies each year, and our ICU/Hospital/Surgical Units take care an average of 75 per day of the sickest and most vulnerable patients in our community. If MSMC closes, it will create a medical desert in our community which means people, mostly the poor and indigent, will have to travel greater distances and lose valuable time to receive life-saving medical care.

I am aware of multiple statements made by Quorum and/or Mr. Walsh to the City of Blue Island and the State of Illinois that Quorum would sell MSMC if only there were a credible buyer. We now know that a credible buyer exists and was in negotiations to purchase the hospital. On behalf of our patients, our staff, and the community at large, we ask Illinois Health Facilities & Review Board to help mediate Quorum into honoring its word to sell MSMC to a credible buyer and keep the hospital open.

Sincerely,

**Dr. Henry Shin**  
President  
MSMC Physician Medical Staff  
12935 S. Gregory Street  
Blue Island, IL 60406