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May 20, 2020

**VIA E-MAIL**

Michael Constantino  
Senior Project Reviewer  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**Re: Request for Information- Galesburg Cottage Hospital**

Dear Mr. Constantino:

We represent SBJ Group, Inc. ("SBJ") and are writing on their behalf to address your May 11, 2020 request for information related to Certificate of Exemption ("COE") application E-028-20 for the change of ownership of Galesburg Cottage Hospital ("Galesburg") from Quorum Health Corporation ("Quorum") to SBJ. SBJ has had an opportunity to compile documents and requests that the Board accept the explanations outlined within this letter and the accompanying documents as our formal response.

You requested information regarding the background of SBJ and history of the company. SBJ, as demonstrated in the documents submitted with our application, is a newly established corporate entity created for the sole purpose of acquiring and operating Galesburg. As such there is no history or additional background that we can provide with regards to SBJ. However, the crux of the question seems to be the background of the group that will be acquiring and operating Galesburg. The sole shareholder in SBJ is Sanjay Sharma, Ph.D., and we have enclosed a curriculum vitae for Dr. Sharma that details his professional background and history, including his successful experience in turning around distressed community hospitals. We have also included an organizational chart, per your request, that reflects that Dr. Sharma is the sole shareholder of SBJ.

As SBJ was only recently created, and as reflected in our application, the entity owns no other healthcare facilities and has never had an ownership interest in Pontiac General Hospital. However, Dr. Sharma was an executive at Pontiac General Hospital and was intimately involved in the successful turnaround of the facility.

You requested information related to SBJ's plan with regard to the charity care policy, admittance policy, quality improvement plan, and plans for the Galesburg governing board. SBJ

can confirm that it will maintain the existing charity care policy, admittance policy, and quality improvement plan (enclosed) for Galesburg upon closing the proposed transaction. SBJ will also maintain all of the trustees (current list enclosed) on the existing governing board, only adding two executives from SBJ, rather than a wholesale change in the trustees. Dr. Sharma, Chief Executive Officer of SBJ, will join the governing board and Matthew Chacko, Treasurer of SBJ, will join, as well. Both individuals have experience in working with distressed community hospitals and ensuring improved stability in the provision of care.

Some of your requests focus on the proposed operational improvements planned for Galesburg and what efforts SBJ will take to raise the current two star rating. SBJ leadership's overall goal is to begin by providing better coverage for all existing services at Galesburg. An example would be the addition of Pulmonology for Critical Care, and to expand Galesburg's inpatient behavioral health footprint. During his time as part of the leadership of Pontiac General Hospital, Dr. Sharma oversaw a threefold expansion of behavioral health services and increased patient volume. Dr. Sharma also worked with the Pontiac General Hospital board to add Critical Care services, new surgical procedures, and radiological services that had never been provided at the facility. He will bring this same approach to the operation of Galesburg. Part of the operational improvements will include the streamlining of various departments with an aim to provide a smoother patient experience and new sustainable practices. While significant diligence has been undertaken prior to the commencement of this proposed transaction, the ultimate decisions will be driven by the need identified upon taking operational control of the facility.

In addition to these various operational improvements and the potential expansion of services, Galesburg will undertake a renewed outreach effort to work with the community at large, neighboring health systems, and institutions to integrate the new leadership in the community. SBJ's experience has shown that these types of efforts coupled with cooperation with neighboring health systems and community institutions will allow the leadership of Galesburg to better assess the needs of the community, and will allow them to tailor their service offerings to truly meet those needs. This process will thereby improve the facility, its relationship with members of the community, and organically lead to better services which will ultimately yield a higher star rating.

You inquired about the status of various existing contracts, and which are going to continue following the closing of this transaction. Since this is a stock purchase by SBJ, the vast majority of contracts and leases will be assumed by SBJ. SBJ will continue to participate in Medicare and Medicaid and other government programs in which it is currently enrolled. A number of the existing contracts with private insurers require consent when there is a change of ownership and SBJ and Quorum are in the process of obtaining these consents to continue these contracts. SBJ is working to ensure that upon closing the transaction, the community will continue to have access to either the same or comparable options as they do at the facility currently.

Finally, you posed a question regarding Quorum and its plans for the facility in the event this transaction to SBJ is not completed. As an initial point, it is important to address that the completion of this transaction is believed to be the best course of action to provide stable and ongoing access to quality care for this community. As you can imagine, SBJ is unable to speak

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on behalf of Quorum regarding their intentions, however, in an effort to be responsive to your request we reached out to Quorum seeking a response.

We received the following response from Quorum:

*Quorum Health Corporation ('Quorum') is hopeful that its sale of Galesburg Cottage Hospital to SBJ Group Inc., will close, subject to the approval of the Health Facilities and Services Review Board. In the unexpected event that the sale to SBJ Group Inc., does not close, and Quorum is unable to find an acceptable alternative buyer, the discontinuation of Galesburg Cottage Hospital would have to be considered.*

We are very hopeful that the sale of Galesburg will close and that the discontinuation of this community hospital can be avoided. We believe the most important step in accomplishing this goal is the approval by the HFSRB regarding the current change of ownership being sought. SBJ has every intention of facilitating a turnaround of Galesburg and successfully operating it for the foreseeable future. To that end, and to address the commitment towards this project, we have also enclosed a verified statement under law from Dr. Sharma regarding SBJ's intentions and financial wherewithal to operate Galesburg.

If you have any questions or need any additional information regarding the project, please feel free to contact me via phone at 312-212-4967 or via email at [JMorado@beneschlaw.com](mailto:JMorado@beneschlaw.com) or my colleague, Mark J. Silberman at 312-212-4952 or via email at [MSilberman@beneschlaw.com](mailto:MSilberman@beneschlaw.com)

Very truly yours,

BENESCH, FRIEDLANDER,  
COPLAN & ARONOFF LLP



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