

MSMC Update – Monday, August 19, 2019

To Our Employees and Medical Staff Members,

I wanted to provide you an update on our progress identifying a potential operator for the hospital.

Our team has worked for close to two years to find a new operator for MetroSouth Medical Center. We believe we have explored every option that would preserve at least a portion of the hospital's current services. We hoped our announcement in June would encourage another regional health system to step forward.

However, today, there remains no parties committed to assume and maintain the operations of the hospital. I understand there are rumors circulating about potential operators, but to date we have found no organization with the resources willing to sign a binding agreement.

Since filing our application with the Illinois Health Facilities and Services Review Board, we have experienced staffing challenges and additional declines in utilization. Approximately 10% of our team has left. With a number of hospitals and health care facilities in close proximity, many of our best colleagues have decided to take opportunities with competing organizations.

While we await a decision from the board, we must look ahead. Because of these realities, the hospital will begin planning for discontinuation of services by September 30, 2019. Today, we are releasing notices to employees regarding when hospital positions will be terminated, providing you a timeframe for seeking other employment. Hospital employees who remain through their termination dates will receive pay and benefits through October 31, 2019.

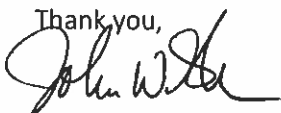
While difficult, we hope by sharing this information today we can take steps to stabilize staffing levels until September 30th and ensure the continued financial resources necessary to support employees through October 31st.

As you know, we were forced to temporarily suspend operation of our cardiac catheterization lab and, because of ongoing staffing challenges, we will soon be forced to consider temporary suspension of other services to avoid patient care concerns. We are at a critical juncture and monitoring closely, even by the hour, our ability to maintain adequate staffing levels and provide appropriate care.

Despite these challenges, I am continually amazed at the dedication and professionalism you have shown during this time. Your focus has remained on our patients and we are eternally grateful.

We will share additional information in the coming days about employee placement assistance and upcoming job fairs. We want to do what we can to help employees find new opportunities with nearby health care providers.

Thank you,



John Walsh
Chief Executive Officer