



METHODIST HOSPITALS PARTNERSHIP UPDATE Q&A

External Stakeholders

Why did Methodist Hospitals select Franciscan Alliance for partnership?

We evaluated options with a number of health care organizations before ultimately deciding that a partnership with Franciscan Alliance would best allow us to meet our commitment to enhancing health care in our region over the long run.

Franciscan fully supports Methodist Hospitals' mission: that no patient gets left behind when it comes to access to care. Franciscan is committed to working with us, as well as the Office of Civil Rights (OCR) and key community leaders, to ensure that the proposed partnership will continue to advance the principles of equity and diversity in the delivery of care.

Franciscan also pledged to devote \$300 million to the construction of a new hospital in Gary, and will make an additional \$76 million investment at our Merrillville campus. Additionally, Franciscan is not only committed to providing outstanding care to the communities we serve, but also to the growth and development of our medical staff and the safety and security of all employees.

Partnership with Franciscan will combine two mission-driven systems with proven track records of providing quality care to the communities we serve. We are confident that this partnership will give us the resources we need to not only meet the health care industry's evolving demands, but also to grow and enhance the services that we are able to offer to the communities of northwest Indiana.

What kind of relationship is proposed with Franciscan Alliance?

The current proposal calls for Methodist Hospitals to be integrated into Franciscan Alliance. The combined system will work together to enhance the delivery of quality, accessible, cost-effective health care in our region. Franciscan's promise to meet the needs of all of our community members is underscored by Franciscan's pledge to invest \$376 million in building a new hospital in Gary and updating Methodist Hospitals' Merrillville campus.

Franciscan Alliance is also committed to hiring and retaining all employees and physicians, and the partnership will be overseen by a new regional Board of Directors with representation from both Methodist Hospitals and Franciscan Alliance. Current Methodist Hospital leadership will also be retained, helping to ensure that the culture of Methodist Hospitals becomes an integral part of the partnership.

What does this partnership mean for our communities?

This proposed partnership with Franciscan Alliance is transformational and will create positive change for our communities for generations to come. The breadth of health care services will be enhanced and sites of care will be expanded, improving the quality of life of our families and neighbors. We also will work together with the Office of Civil Rights and key community leaders to ensure that the proposed partnership will continue to advance the principles of equity and diversity in the delivery of care.

Franciscan's promise to meet the needs of all of our community members is underscored by Franciscan's pledge to build a new hospital in the city of Gary. Through this concrete investment in our Gary community, Franciscan will devote \$300 million to the construction of a new hospital in Gary; Franciscan also will make an additional \$76 million investment at our Merrillville campus. These



investments will not only enhance Gary and Merrillville residents' access to quality care, expanded clinical services, and new centers of excellence, but also will help fuel new jobs and development opportunities within our broader region. Our hope is that our growth will attract other businesses and industries to make new investments in our thriving communities.

What is the process for partnership? What is the timeline for the process?

In March, we announced that Methodist Hospitals had signed a non-binding Letter of Intent (LOI) to integrate into the Franciscan Alliance system, and that we were entering a 120-day due diligence period with Franciscan Alliance to review and further define the details of our proposed partnership before finalizing an agreement.

We are extending this period as we continue to discuss the details of a partnership. Our Board and leadership will continue evaluating all terms of the proposed agreement and will regularly meet with physicians, employees and community representatives to discuss the impact of the partnership and confirm that this is in the best interest of our physicians, employees, patients and communities.

We anticipate that these discussions will continue until the end of the year. We believe that a partnership with Franciscan Alliance will best allow us to meet our commitment to enhancing health care in our region over the long run, further Methodist Hospitals' mission, and drive future success. We are fully committed to keeping our communities informed of any significant developments or timeline adjustments as the process continues.

What role does the Consent Decree play in this process?

Our agreement with Franciscan Alliance includes a commitment to work with the Office of Civil Rights to ensure that the partnership will further the objectives of the 1979 Consent Decree, providing quality, cost-effective, accessible care to the many communities we serve.

What changes can patients expect to see as a result of this partnership? Will this affect patient care?

Methodist Hospitals is considering entering into this partnership with Franciscan Alliance to better serve our communities. The two Methodist Hospitals will remain full-service health care facilities and additional centers of excellence will be developed. Our patients will continue to receive the same compassionate, quality care that they have come to expect from Methodist Hospitals.

Whether independent or part of Franciscan Alliance, we remain committed to our cultural values of integrity, compassion, accountability, respect and excellence, and we are dedicated to meeting the health care needs of our communities.

What service lines will stay at Methodist Hospitals? Will there be service lines eliminated or moved to other facilities?

At this stage, it is premature to speculate about the service line decisions that will be made, although we can confirm that clinical services across facilities will be carefully evaluated to ensure that all communities served benefit from access to quality care.

We can also assure you that Franciscan Alliance is committed to hiring and retaining all employees and physicians, and the professional future of our physicians and employees will be consistently prioritized at the forefront of all discussions and decisions.



How will integrating into a Catholic health system impact the care provided to patients?

While a partnership with Franciscan will require Methodist Hospitals' medical staff to adhere to *The Ethical and Religious Directives for Catholic Health Care Services*, we are working with Franciscan to ensure that all patients will retain access to necessary care and that Methodist does not abandon or deviate from our mission to serve all members of our community. Our agreement provides that Methodist will set aside funds prior to completing the transaction to support the provision of services that could not be performed within our hospitals once we have joined Franciscan.

Furthermore, we will provide counseling and guidance for patients interested in having procedures not performed within our hospitals to assure all patients can continue to make informed decisions and have access to safe and quality care.

Who will be involved in the due diligence process and finalizing an agreement with Franciscan Alliance? Are you working with key leaders in the community? If so, whom?

Methodist Hospitals' Board of Directors includes many community members who are deeply engaged and involved in this process. In addition, we are totally committed to keeping key stakeholders – including the Office of Civil Rights and community leaders – informed of any significant developments.

When will you be able to share more?

We are committed to keeping the community informed of any significant developments and will share updates via our external communications channels, including a dedicated section on the Methodist website, as this process evolves. In the meantime, we value your opinion and encourage you to share your thoughts by contacting Mr. Raymond Grady, President and CEO of Methodist Hospitals.