



## Community Update From Ray Grady, President and CEO



August 11, 2017

### Franciscan Partnership Exploration Update #2: Partnership Will Enhance Our Ability to Serve Our Communities

As I explained in a recent update on the Franciscan Alliance partnership process, the health care industry is rapidly evolving. Hospitals and health systems across the country are entering into partnerships in order to adapt to new models of care delivery and financing under health care reform. In March, Methodist Hospitals announced that we were entering a 120-day due diligence period with Franciscan to review and further define the details of our proposed relationship before finalizing an agreement. We are extending this period as we continue to discuss the details of a potential partnership and anticipate that these discussions will continue until the end of the year. Methodist Hospitals continues to 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.

Franciscan fully supports Methodist Hospitals' mission to leave no patient behind when it comes to access to care. Franciscan has committed to work 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 committed that together we will continue to serve our minority residents and our communities with compassion, equity, and fairness.

Franciscan's promise to meet the needs of *all* of our community members is underscored by Franciscan's pledge to build a brand new hospital in the city of Gary. As part of this concrete investment in the Gary community, Franciscan will devote \$300 million to the construction of a new hospital in Gary. Franciscan will also make an additional \$76 million investment at Methodist Hospitals' 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 help fuel new jobs and development opportunities within our broader region.

Like Methodist, Franciscan is a mission-driven system with a proven track record of providing quality care to the communities they serve. We are confident that this potential partnership will give us the facilities, financial resources and clinical expertise that we need to meet the health care industry's evolving demands.

Franciscan is not only committed to providing outstanding care to the communities our systems serve, but also to the continued growth and development of Methodist Hospitals' medical staff and the safety and security of all employees. I look forward to sharing more information about what becoming a part of Franciscan Alliance will mean for Methodist employees and physicians in future "Updates on the Partnership Process." Partnership information and updates are also now available on the Methodist Hospitals website.

Please know that the Board's unwavering promise is first and foremost to the health and welfare of the communities we serve, the stability of Methodist Hospitals and our valued employees and medical staff. We will continue evaluating all aspects of the potential partnership during the due diligence process, and any decision we make will be guided by a commitment to our continued growth and future success.

Sincerely,

Raymond Grady, President and CEO