

Green Top No. 2866

**To:** All Colleagues  
**From:** Ray Grady,  
President and CEO  
**Date:** June 16, 2016

**RE: STRATEGIC PARTNERSHIP DEVELOPMENT**

As you may have heard, the Board of Directors recently met to discuss whether Methodist Hospitals should remain independent or explore the possibility of partnering with another leading hospital or health care system.

At this time, we think it makes sense for us to consider our options and evaluate the best way to proactively adapt as the health care landscape evolves. We have been approached by a number of health care organizations about potential relationships, and believe that it is our responsibility to fully assess all current and future opportunities in a thoughtful and organized manner to determine if there is a meaningful opportunity for Methodist Hospitals or if the best course of action is to remain independent.

It is important to note that we have not yet decided our course of action. Our Board of Directors and the leadership team are working closely together with outside counsel to determine what is in the best interest of our employees, physicians, patients and the communities we serve as we consider our options.

As you know, health care reform has put a lot of pressure on hospitals and health care systems to increase access to care while also minimizing costs. This has made it challenging for many organizations to navigate this new marketplace independently. In recent years, the number of non-profit hospital boards considering a partnership has grown from 15 to 80 percent, due to these new pressures.

Please rest assured that Methodist Hospitals is financially stable and we are operating from a place of strength; we do not need to establish a partnership to remain operational. However, this assessment is an important part of our due diligence to position Methodist Hospitals for continued growth and future success, while continuing our perpetual commitment to provide exceptional patient care to the Gary and Merrillville communities.

Over the coming months, the Board and Leadership will determine the best way to support Methodist Hospitals' mission of providing compassionate, quality health care services to all those in need. Our priority is to ensure that you, as a vital part of Methodist Hospitals, have the support and resources necessary to continue providing the best care and wonderful service to our patients and our communities today and in the future.

We are committed to keeping you informed as we assess our options. In the meantime, we value your opinion and encourage you to share your thoughts with us by reaching out to your department managers or to me directly.

As always, thank you for the passion and dedication you bring to each patient, every day.



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