

Deaconess' Commitment to Jennie Stuart Health

- Reaching a letter of intent with Deaconess allows our Board and leadership team to explore an affiliation that best supports our caregivers, patients and community.
- While we work toward our long-term vision, Jennie Stuart Health will continue to operate as we do today without any change to day-to-day responsibilities or the ways patients receive care. Long-term, Jennie Stuart Health will have greater resources to enhance both quality and access to patient care.
- Through an affiliation with Deaconess, Jennie Stuart could invest in the tools and technologies (including a best-in-class EHR system) needed to empower and attract the best and brightest in healthcare, better positioning our teams to deliver exceptional care.

A Supportive Partner Dedicated to Empowering JSH Staff and Delivering for Our Patients

Deaconess is the right partner for Jennie Stuart, with the resources and complementary expertise needed to deliver for our patients, benefit our caregivers and better serve our communities.

Key Commitments:

- All Jennie Stuart staff and physicians in good standing will be retained upon completion of the affiliation.
- Deaconess will make a \$95 million financial commitment to our community including \$90 million in capital to JSH and a \$5 million donation to the JSH Foundation.
- Deaconess will fully support the cost of JSH's IT enhancements including integration to the Epic electronic health record platform. The overall cost of a best-in-class EHR platform such as EPIC ranges from \$40 to \$60 million for an organization of JSH's size.
- Deaconess will maintain and grow JSH's core service lines with a focus of keeping care close to home at JSH.

Preserving What Makes JSH Great

As a likeminded non-profit healthcare system, Deaconess recognizes our unique culture and the critical role we've played in Southwestern Kentucky and north central Tennessee for more than a century.

Key Commitments:

- A locally managed Board of Trustees, including members of the communities served by JSH.
- Shared services and a commitment to maintaining JSMC as an essential acute care hospital.
- Ongoing financial support for the Jennie Stuart Health Foundation, while ensuring continued local decision-making for philanthropic contributions.

Keeping our people – employees, patients and community – at the heart of every decision we make

Jennie Stuart Health & Deaconess Health



Jennie Stuart Health and Deaconess Health leadership and boards of directors have signed a non-binding letter of intent to affiliate to enhance healthcare services in the community.

1. What was announced? What does it mean for Jennie Stuart Health?

Jennie Stuart Health has announced a letter of intent with Deaconess Health, allowing us to explore a potential combination that would enhance our ability to deliver exceptional healthcare for our communities well into the future.

Our organization has worked hard to navigate many of the financial pressures facing hospital systems today, and a potential combination with Deaconess would provide Jennie Stuart Health access to the resources and technologies needed to ensure Jennie Stuart Health can thrive long-term.

We are being proactive, taking action to strengthen our organization. This is about how Jennie Stuart Health can have the greatest impact not just tomorrow but over our next 100 years. Our proposed affiliation with Deaconess would focus on opportunities to enhance the quality of care, while creating a supportive and engaging environment for our employees.

2. How will this improve patient and community care?

Both Jennie Stuart Health and Deaconess are non-profits with aligned missions to provide the highest quality of care in the local communities we serve. With Deaconess, Jennie Stuart Health would have greater opportunities to invest in the tools and technologies (including an updated EHR system) needed to enhance patient care and empower and attract the best and brightest in healthcare. What makes Jennie Stuart Health special will not change — we will remain an important partner to our communities and will continue to provide exceptional care to our patients.

3. Who is Deaconess? Why is Deaconess the right partner?

Deaconess is a like-minded non-profit health care system with 19 hospitals serving more than 1.5 million residents in Southwestern Indiana, Western Kentucky and Southeastern Illinois.

Both Jennie Stuart Health and Deaconess share aligned missions to provide the highest quality of care in the local communities we serve. Deaconess recognizes what makes Jennie Stuart Health such a special and vital organization in our community — and who we are at our core will not change. Our intention is for Jennie Stuart Health to continue to operate with a local board of directors and retain influence over local operations. With Deaconess, we would have access to even more resources that would allow us to better care for our patients and serve our communities.

4. What was the process that led up to this decision?

Our Board has closely evaluated the operating environment facing local hospital systems like ours and Jennie Stuart Health's ability to best serve the community over the long-term. Over the last year, our Board has considered a thorough list of potential partnerships and other strategic initiatives that could create a stronger future for Jennie Stuart Health (including opportunities specific to gaining access to an electronic health record "EHR" system).

With support from leading external advisors, we determined that Deaconess is an ideal partner for Jennie Stuart Health, given their closely aligned mission of providing high-quality, community-focused care and ability to provide the resources needed to make essential investments in Jennie Stuart Health's technology, facilities and the employee experience.

5. How is our strategy changing?

Our mission to deliver exceptional health care for our communities will not change. What is special about Jennie Stuart Health will remain the same. The combination is intended to provide Jennie Stuart Health the opportunity to invest in the tools and technologies (including an updated EHR system) needed to enhance its patient care and empower and attract the best and brightest in healthcare.

6. Will Deaconess own Jennie Stuart Health?

Yes, if we ultimately reach an agreement to combine, Jennie Stuart Health will become an affiliate of Deaconess. That said, Deaconess has expressed an interest in continuing to operate Jennie Stuart Health with a local board of directors, which will retain influence over local operations.

7. What happens next in the process? What should we expect?

Reaching a letter of intent with Deaconess allows our Board to explore a combination and structure that would best support our patients, employees and community. Our priority in this process is to ensure that we take the path that best supports our people. We expect to reach an agreement to combine with Deaconess by year end, at which time we will have additional details on our plans to integrate our health systems.

8. What does this mean for pricing and insurance rates?

All current insurance plans will continue to be accepted, and pricing will remain the same.

9. Will there still be financial assistance?

Yes. As a non-profit tax-exempt institution, we will continue to offer generous financial assistance programs and charity care.

10. How will the combined organization continue to support community programs?

Deaconess recognizes our critical role in the community and has committed to continuing to support the Jennie Stuart Health Foundation.

11. Will the hospital/clinics remain open? Will patients be able to seek care as they do now?

Yes, it's business as usual at Jennie Stuart Health. Our hospital and clinics will remain open. We are squarely focused on enhancing our patient care with a partner who has access to greater resources.

