



June 11, 2020

St. Anne Hospital
St. Charles Hospital
St. Vincent Medical Center
Children's Hospital
Defiance Hospital
Tiffin Hospital
Willard Hospital

Ohio Department of Higher Education
Chancellor Randy Gardner
25 South Front Street
Columbus, OH 43215

Dear Chancellor Gardner,

I am writing in response to the opportunity to consider involvement in the future of the University of Toledo Medical Center (UTMC).

As a health care provider in the Toledo region for the past 165 years, Mercy Health is committed to the well-being and sustainability of our community. UTMC – once known as the Medical College of Ohio – has also long been an important part of the fabric of the Toledo community. As both a competitor and collaborator, Mercy Health has a deep respect for the role UTMC has played in furthering medical research, caring for area patients – including the poor and underserved – and teaching future generations of health care providers.

In fact, Mercy Health has benefited from the quality education provided by UTMC and its faculty to the residents and students training in its facilities, as many of these individuals can be found today serving patients within Mercy Health hospitals and health care facilities. Unfortunately, that collaboration was greatly diminished when the University of Toledo entered into an Academic Affiliation Agreement with ProMedica in 2015.

It appears that as a direct outcome of the Academic Affiliation Agreement, the greater Toledo community is at risk of losing a hospital that provides vital health care services to the poor and underserved in our community. Since the implementation of the Academic Affiliation Agreement, Mercy Health has witnessed, through the veil of medical education, the systematic relocation of UTMC's residents – and the faculty charged with training such residents – away from UTMC and on to the campus of a market competitor. From our perspective, such relocation has taken UTMC from a vibrant and thriving academic medical institution training hundreds of residents a year to a failing hospital in just over five years. In other words, it appears that as a direct outcome of the Academic Affiliation Agreement, the community is witnessing what the Federal Trade Commission previously prohibited - an attempt to consolidate and eliminate an independent hospital; in this case, UTMC.

Despite this, Mercy Health, with the assistance of external consultants, reviewed multiple scenarios to try and identify a strategy to stabilize and sustain UTMC and its operations into the future. However, after much discernment and prayer, we were unable to identify a solution that could restore UTMC to sustainability in any semblance of its prior form. As such, Mercy Health did not

submit a response to the Request for Proposal. Furthermore, even if Mercy Health was able to identify a sustainable pathway to acquire or partner with UTMC to maintain its operations, the Academic Affiliation Agreement grants ProMedica broad rights that effectively undercut any offer submitted to the University of Toledo for UTMC.

Our fear, like the fear being expressed by the community, is that the damage done to UTMC by the Academic Affiliation Agreement may be irreparable. While Mercy Health understands both the gravity of our decision to not respond to the Request for Proposal and the implication such decision may have on the future of UTMC, we also believe in building a sustainable future for the communities that we serve through our existing operations. If UTMC is ultimately closed, please be assured that Mercy Health, consistent with our Mission and Values, will strive to continue to bring good help to those in need, including those who relied upon UTMC for their care, and especially those who are poor, dying and underserved.

If the Academic Affiliation Agreement is not related to UTMC, as has been asserted, its clinicians and residents should be free to remain in the greater Toledo community. Accordingly, Mercy Health believes it is in the best interests of the community that: (i) the University of Toledo waive the non-competition provisions included in the employment agreements of its remaining clinicians, much like it has already done to facilitate ProMedica's employment of scores of former University of Toledo clinicians; and (ii) reallocate UTMC's resident slots to other health care providers in the community. This would allow for any remaining clinicians employed by the University of Toledo to remain in, and continue to serve, the greater Toledo community and not be forced to choose between employment with ProMedica or expulsion from the community. It would also allow UTMC's residents to have a robust training experience in Toledo and maximize the opportunity for such residents to remain in the greater Toledo community so that they can continue to address the health care needs of its residents into the future.

Sincerely,



Bob Baxter
President, Mercy Health North

CC: Senator Sherrod Brown
Senator Teresa Fedor
Mayor Wade Kapszukiewicz
Congresswoman Marcy Kaptur
Congressman Bob Latta
Senator Rob Portman
Toledo City Council