

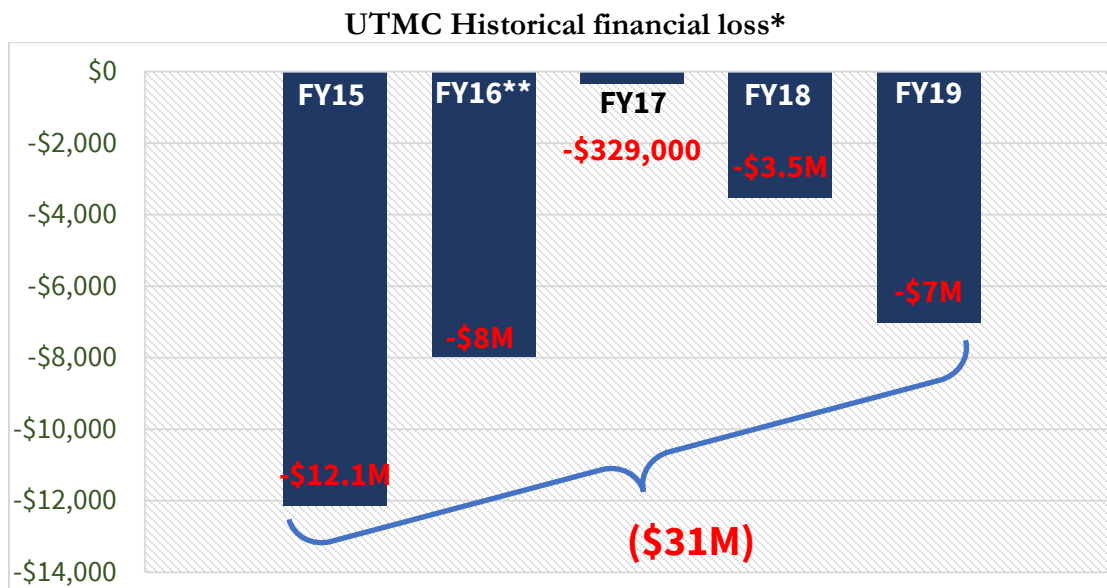
February 21, 2020

The Honorable Mike DeWine
Governor
State of Ohio
Riffe Center, 30th Floor
77 South High Street, Columbus, OH 43215-6117

Dear Governor DeWine,

On February 20, 2020 you received a letter concerning The University of Toledo's community hospital, UTMHC. We'd like to take this opportunity to provide you with an accurate account of these claims.

Claim: Decline in revenue



**Before UTMHC subsidy*

***AAA signed August 2015*

There are multiple factors leading to our challenging financial situation, not unlike most independent hospitals across the country, including:

- Shift from inpatient to outpatient visits
- Decreasing patient volumes
- Service line shifts

- Declining Toledo demographics
- Changes in Medicaid and Medicare reimbursement rates

Claim: Physician Regulation Concerns

The University of Toledo Medical Center has many community physicians on our medical staff and has already begun work to change our medical staff bylaws to be even more welcoming to community physicians. This change is expected to go before the Medical Executive Committee and the University's Board of Trustees for approval within the next few weeks.

Claim: Insufficient marketing

The marketing strategy for UTMHC supports the overall business plan for the hospital, which has been to increase awareness and patient utilization of our primary care services (family medicine and internal medicine). Annually, UTMHC spends more than \$1 million dollars on marketing.

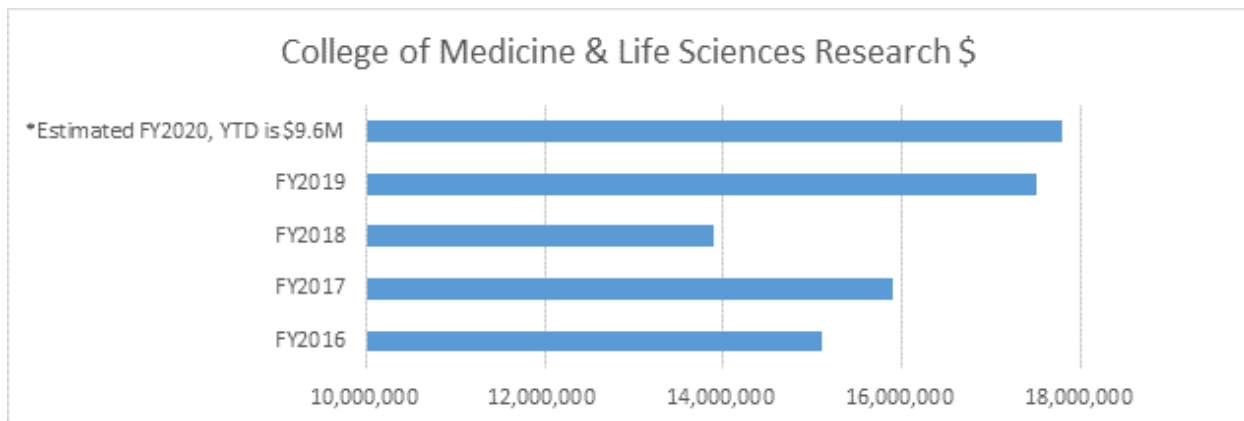
Claim: Impending financial crisis

As The University of Toledo shared publicly during the Board of Trustees meeting on February 10, 2020 we are thoroughly examining UTMHC's operations and services in the context of our economic realities in the current healthcare environment. The hospital's losses stand at \$12.6 million after closing the second quarter of this fiscal year. The Board of Trustees and University leadership view losses of this magnitude as unsustainable. We have openly communicated that the hospital cannot continue to operate in its current model and are working urgently to address the situation.

Claim: Limited benefits from UToledo/ProMedica Academic Affiliation

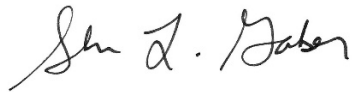
The Academic Affiliation between ProMedica and The University of Toledo's College of Medicine and Life Sciences is a 50-year agreement and includes a \$2.5 billion investment to create a premier academic medical center in Toledo. We are already seeing great returns on this investment as we have been able to:

1. Increase clinical training opportunities for medical students
2. Recruit and retain medical talent in Toledo, Lucas County and in other areas of Ohio
3. Expand our medical research, as seen in the graph below:



We welcome the support of you and your administration as we conduct a thorough, deliberate and thoughtful approach to determine the best path forward for UTM. We have kept your chief of staff, Laurel Dawson, and the chancellor, Randy Gardner, informed on this issue. I'm happy to provide additional information as needed.

Sincerely,

A handwritten signature in cursive script, reading "Sharon L. Gaber". The signature is written in black ink and is positioned above the printed name.

Sharon L. Gaber, Ph.D.
President