

OSF/RHS Affiliation **UPDATE**

For Immediate Release

April 12, 2012

Health Systems Agree to Discontinue Pursuit of Affiliation

The governing boards and leadership of OSF Healthcare System and Rockford Health System have, with great reluctance, decided to end efforts to merge our two organizations. Today, notice has been given to the Federal Trade Commission that the parties are withdrawing their Hart Scott Rodino filings.

Despite the FTC's challenge, we remain convinced that combining two of Rockford's three health care systems into one is consistent with the mandate presented by health care reform. In our view, it was and is the best means to promote and ensure healthy competition in the market place. We remain confident that the affiliation would have better positioned us to achieve the goals of increasing quality and safety while improving efficiencies for this region, our patients and this community.

However, the recent preliminary injunction ruling by Federal District Court Judge Frederick Kapala temporarily barring the closing of the proposed transaction has prompted our organizations to reassess our positions. In addition, we recognize that continuing to fight the FTC's challenge would require a substantial commitment of financial and human resources. Finally, pursuing our legal challenge would likely take up to two more years to conclude. We believe that the interests of both organizations and the Rockford community are best served by the decision to discontinue the pursuit of the affiliation.

The financial and human resources of both organizations that would have been committed to continuing the legal challenge will instead be dedicated fully to the achievement of important goals in the provision of health care services. Each of our organizations will continue to explore other avenues to achieve efficiencies and cost savings and to improve the quality and accessibility of the health care we provide to the Rockford community.

OSF and RHS are grateful for the support from the Rockford community and from its business leaders for our efforts to positively impact medical care in our market. We recognize that this decision will be as disappointing to them, as it is to us.

Contacts: **Mike Robinson**, Director Marketing/Communications, OSF Saint Anthony Medical Center—(815) 395-5347

Evonne Woloshyn, Vice President of Marketing & Public Relations, Rockford Health System—(815) 971-5282

###