

**TO:** SCLHS Members and Board  
SCLHS Leadership and Colleagues

**FROM:** William M. Murray, President

**DATE:** October 13, 2009

**SUBJECT:** Update on Exempla Healthcare

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As many of you know, we have been in ongoing discussions with the Board of Directors of Exempla Inc. following our August 19 announcement that Community First Foundation (CFF) would transfer its membership of Exempla Inc. to Sisters of Charity of Leavenworth Health System (SCLHS).

I'm pleased to report that last night the Exempla Board voted in favor of a modified proposal that provides a path forward for us to work with the Exempla Board to address the capital requirements of Exempla's three hospitals so they can meet the future healthcare needs of the greater Denver community.

Specifically, the Exempla Board voted to amend Exempla's bylaws to implement changes in governance including giving SCLHS authority to appoint Exempla's officers and set operational policies and procedures. In addition, CFF will remain a Member of Exempla Inc., and the current 15-member Exempla board structure will be simplified. A new 10-member Board of Directors will be appointed, with five members being appointed by SCLHS and five by CFF.

SCLHS will work with the new Exempla Board to establish arrangements to deploy needed capital resources for Exempla Saint Joseph Hospital, Exempla Lutheran Medical Center, and Exempla Good Samaritan Medical Center to support the ongoing missions of these hospitals to provide clinically excellent care and improve patient safety and service. The Exempla System will remain intact and Catholic ethical and religious directives will apply at Lutheran Medical Center and Good Samaritan Medical Center.

There are regulatory filings and other steps to complete in the next month or so, and following that process we will begin the challenging—and rewarding—work of transition and integration. During this process, we will adhere to our Core Values of *Excellence, Respect, Response to Need, Stewardship*, and *Wholeness* and extend those values to our counterparts within the Exempla Healthcare System.

While this journey has been long and the road winding, there are incredible opportunities on the horizon. We now have the opportunity—and the sense of satisfaction—to work with the Exempla board and management to improve the health of patients who receive care at Exempla hospitals, bring peace of mind to their families, and continue as a valued and trusted partner in the greater Denver community. We look forward to cultivating an engaging and thriving work environment in which Exempla physicians, nurses, staff, and volunteers are part of a system dedicated to providing clinically excellent care rooted in traditions that honor the legacy of the Sisters of Charity of Leavenworth and their Mission to, *through God's healing love, improve the health of the communities in which we serve.*

As always, please don't hesitate to contact me directly with any questions or comments.