

Lorain Community/St. Joseph  
REGIONAL HEALTH CENTER

PUBLIC/PDR by

030-16048

January 20, 1997

US NRC, Region III  
Teletherapy Licensing Division  
801 Warrenville Road  
Lisle, Illinois 60532-4351

RE: LC/STJ RHC License # 34-04474-02 Informational Update

Dear Sirs:

This letter constitutes an informational update concerning Lorain Community/St Joseph Regional Health Center, East Campus, Cobalt-60 Teletherapy License # 34-04474-02. As per enclosed hospital memorandum, negotiations are currently in process with Mercy Health System of Cincinnati, Ohio, for consolidation. This process is expected to be completed by March 31, 1997. We will inform you at a later date of any changes of ownership and/or name change with an amendment to our license.

This is an informational update only until further information is available. Thank you for your time in reviewing this information.

Sincerely,

*David L. Hykes*

David L. Hykes, Ph.D.  
Certified Radiological Physicist  
American Board of Radiology  
Teletherapy Physicist LC/STJ RHC

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PDR ADOCK 03016048  
C PDR

n: 1-21-97

East Campus · 205 West 20th Street · Lorain, Ohio 44052-3794 West Campus · 3700 Kolbe Road · Lorain, Ohio 44053-1697  
Tel (216) 960-4000

RECEIVED

JAN 27 1997

REGION III

Affiliated with The Lakeland Health Care Corporation and Humility of Mary Health Care System

Notes: I contacted Hykes on 2/3/97 and requested that info be forwarded to us as up, once it is obtained. Otherwise, no action may be issued. - by

***SJ/LC HOLDING CO.***

**M E M O R A N D U M**

Date: December 16, 1996

To: Members of Lorain Community/St. Joseph Regional Health Center and  
Affiliated Companies  
Trustees  
Employees  
Medical Staff  
Volunteers/Auxillians

From: Paul E. Driscol, Jr., Chairperson, SJ/LC Holding Co.  
Paul C. Balcom, President and Chief Executive Officer, SJ/LC Holding Co.

Re: Partnership Status Report

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**Letter of Intent**

Lorain Community/St. Joseph Regional Health Center and its affiliated companies, by agreement of corporate sponsors Humility of Mary Health System and Lakeland Health Care Corporation, have signed a Letter of Intent to consolidate with the Mercy Health System of Cincinnati, Ohio. Consolidation of Lorain into Mercy is targeted for completion by March 31, 1997. The Letter of Intent sets in motion a comprehensive negotiation process intended to conclude a definitive Combination Agreement.

**Network Participation Vital to Merger Success**

Founding of Lorain Community/St. Joseph Regional Health Center in 1994 set the stage for our successful and ongoing health-related facility/program presence in Greater Lorain County. At the time of merger, a future consolidation of the newly-formed Health Center into a major regional system was identified as essential to assuring continuance of local presence in the future.

**Affiliation/Partnership Study, 1996**

A major focus of 1996 corporate activity supported identification and comprehensive review of potentially available regional systems which appeared to offer the "right fit" for our Health Center. This formidable task was carried on by the Affiliation/Partnership Committee. Committee members included corporate trustees from the Health Center and all corporate affiliates, medical staff and members of our management staff. Principal criteria against which potential partners were evaluated included:

- Mission/Vision compatibility;
- Current and future access to capital to support long term capital development;
- Evidence of past and future ability to access and maintain contracts with major health insurers and contractual relations with other health care users/providers;
- Demonstrated strong potential for long-term viability. This would assure the continued presence of health care facilities and services in our community through the continued growth and development of the LC/SJ Integrated Delivery Network (IDN) now being developed;
- A corporate and local operating structure that would provide for strong, local community input at both the governance and daily operational levels;
- Identification of a partner capable of offering diverse support in areas such as purchasing, information systems, etc.
- The items noted above plus many other facets of each potential partners' profile were studied to determine the best match for our organization while also meeting the needs of the potential partner.

Eight potential partners were identified. Each potential partner met with the Review Committee (some several times) thus allowing for both parties (we and the potential partners) to gain critical insight into the other. Site visits by Health Center staff to the operating sites of potential partners were an important part of the review process.

### Conclusion

The singular purpose of Lorain's hospital merger was to do all possible to fulfill the purpose of our mission as specified below:

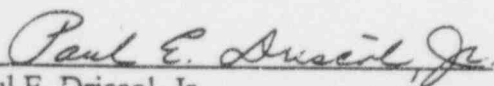
*"The mission of the Health Center and its affiliates is to assure an ongoing presence in the community of high quality, cost-competitive health care facilities and services, including care of the unserved and underserved."*

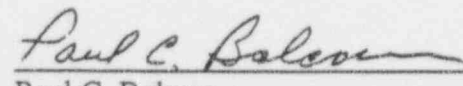
Mission fulfillment and long term presence is best assured where there is a strong measure of local governance; the application of sound business and operating standards and appropriate clinical services which are consistently provided and measured against high quality criteria.

The Health Center is a major employer in Greater Lorain. Not only is its presence vital to assuring locally available services, it is vital to the economy of our community and clearly is vital to the economic well being of members of our health care family of employees and physicians.

Through this communication we hopefully have brought members of the Health Center family up to date as a result of this complex assessment.

Your patience and understanding is appreciated. We solicit your support and understanding. Together we will successfully meet the challenges and opportunities which lie ahead!

  
Paul E. Driscoll, Jr.  
Chairperson  
SJ/LC Holding Co.

  
Paul C. Balcom  
President and Chief Executive Officer  
SJ/LC Holding Co.

DATE: 1-29-97

CORRESPONDENCE CLARIFICATION SHEET

REVIEWER: BJ HOLT  
LICENSEE: Lorain Comm.  
LICENSE NUMBER: 34-04474-02

The following correspondence has been received from the above licensee and it is not clear what action(s) is(are) required: Please review this correspondence and indicate which of the following applies, and please return to Debbie Hersey, as soon as possible.

☐ Additional Information to Control No. \_\_\_\_\_  
Process in as a new action, additional information, and no fee required.

☐ Process as new licensing action. Review has already been started on Control No. \_\_\_\_\_ and this information cannot be combined with current in-house action.

☐ Can be combined with Control No. \_\_\_\_\_. Review has not started.

☒ Appears to be information for the license file - file it.

☐ Licensee is adding Nuclear Pharmacists.

☐ Amendment is necessary \_\_\_\_\_. Amendment is not necessary \_\_\_\_\_.  
(Information for license file)

☐ Licensee is adding authorized users.

☐ A check is included \_\_\_\_\_. No check is included \_\_\_\_\_.  
Amendment is necessary \_\_\_\_\_. Amendment is not necessary \_\_\_\_\_.  
(This is a Notification)

☐ Process in as a new licensing action:

- A. Amendment \_\_\_\_\_  
B. Renewal \_\_\_\_\_  
C. New License Application \_\_\_\_\_

☐ Other: \_\_\_\_\_

Thank You For Your Help!!!

10/16/96