

MEMORANDUM

DATE: October 15, 2010

TO: The Continuum Health Partners Community

FROM: Stanley Brezenoff
President and Chief Executive Officer

RE: Long Island College Hospital to Become Part of SUNY Downstate

Yesterday, Governor David A. Paterson and several other elected and state officials joined with John C. LaRosa, MD, President of SUNY Downstate Medical Center, and me to formally announce an agreement under which Long Island College Hospital of Brooklyn – a member of the Continuum Health Partners network since 1999 – would become a part of SUNY Downstate, pending final approval from all appropriate and required regulatory agencies and authorities.

Under the agreement, LICH and SUNY Downstate's teaching hospital, University Hospital of Brooklyn (UHB), will operate as a single hospital with two campuses. The New York State Department of Health will issue a HEAL-NY grant of \$40 million to SUNY Downstate to support the planned merger, supplementing a \$22 million HEAL-NY grant to LICH announced earlier this year. These funds will be critical to help ease some of LICH's financial burden.

This is a win-win for all of the organizations involved. Most importantly, being a part of SUNY Downstate will allow LICH to take advantage of greater continuity and coordination of clinical services directly in Brooklyn, which, I am confident, will greatly improve LICH's financial standing. The agreement also will strengthen SUNY

Downstate's education and training mission and preserve its standing as the hub of medical education in Brooklyn. Equally important, critically needed healthcare services in Brooklyn will be safeguarded.

The Continuum and SUNY Downstate leadership will continue to work closely with regulatory and state agencies to bring the agreement to conclusion. Many parties have been instrumental in these negotiations and I am grateful to all who have helped in this process, particularly Governor Paterson, Dr. LaRosa, the New York State Department of Health under Richard F. Daines, MD., the Dormitory Authority of the State of New York and the U.S. Department of Housing and Urban Development. I also wish to extend sincere thanks to Dominick Stanzione, Interim President of LICH, who has done an outstanding job keeping the hospital moving forward while these negotiations have been under way.

We will keep you informed as regulatory review and pending approval of this agreement progress.