

James L. Holly, M.D.

Letter to IASIS about SETMA and Victory Hospital May 19, 2015

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Mr. Richard Gonzalez

Mr. Chris McMahon

Mr. Jason Miller

Ms. Heidi Wolf

Dear Sirs and Madame:

This past week, a medical school class mate of mine, who works for Victory in another city, notified me that all of the Victory Hospitals in San Antonio, Dallas, Houston and Beaumont are for sale. Three potential buyers have been named including IASIS, Kindred Healthcare and a smaller unnamed group.

In addition, I was told that the current owners of the Beaumont Victory Hospital have assured IASIS that the primary healthcare providers in Beaumont will support the Victory Hospital if IASIS purchases it. Thus far, SETMA has refused to be involved with Victory and has also refused to support specialists who were founders and/or investors in Victory.

Today, as the CEO of SETMA, I asked the Governing Body of SETMA to vote on the proposition: "SETMA will not work with Victory or its successor at the current site of operation. SETMA will continue our collaboration with Baptist Hospital of Southeast Texas, Christus St. Elizabeth and the Regional Medical Center in Port Arthur."

It is important for us to notify our healthcare partners that in formal session today, SETMA voted unanimously that we will not work with Victory Hospital or its successor regardless of who purchases it but we will expand our collaboration with Baptist, Christus and the Regional Medical Center.

SETMA is proud to be part of the healthcare community in Southeast Texas and will continue to work to improve care for all residents in Southeast Texas. As you may know, SETMA holds the following recognitions and accreditations:

- NCQA – PC-MH Tier III 2010-2016
- NCQA – Diabetes Recognition 2010–2016
- NCQA – Heart And Stroke Recognition 2010-2016
- NCQA – Distinction in Patient Experience Reporting 2014-2015
- AAAHC -- PC-MH 2010-2017
- AAAHC -- Ambulatory Care 2010-2017
- URAC -- PC-MH Advance Certification with EMR 2014-2017
- The Joint Commission – PC-MH 2014-2017
- The Joint Commission – Ambulatory Care 2014-2017
- The Joint Commission – Clinical Laboratory Services 2014-2016
- Texas Medical Foundation, CMS’ Texas QIO –
The Texas Practice Quality Improvement Award 2012-2014

We look forward to being a constructive part of this community for many years to come and to continue to work with each of you.

Sincerely yours

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CC: SETMA Governing Board
SETMA Executive Management
Mr. David Parmer
Mr. Paul Trevino
Mr. Richard Gonzalez