

LETTER TO THE COMMUNITY

To the residents of our regional community,

As our discussions with Meriter Hospital have continued over the last several months, UW Hospital and Clinics has held to one firm principle: no matter how much time and effort was required, the door to collaboration was always open.

UW Hospital and Clinics remained willing to negotiate an agreement that would preserve Meriter as a strong and independent community hospital while eliminating the unnecessary duplication of resources that head-to-head competition would produce. Throughout the process, we repeatedly told Meriter we were open to further discussions. But partnership isn't possible when only one party is interested.

When Physicians Plus Insurance Corporation (Meriter Health Services is the majority owner of PPIC) made its surprise announcement that UW Hospital and Clinics would be dropped from its network, we quickly sent a letter asking about its plans to redirect patient care so we could minimize disruption for thousands of our patients. Regrettably, as of this writing, the only communications we have received are PPIC's decisions on 1,648 requests for authorization of care at UW Hospital and Clinics, of which PPIC has issued 725 denials.

Still, our commitment to collaboration remains. We believe wholeheartedly that the best strategy for both Meriter and UW Hospital and Clinics is to work together, linking the community based resources of Meriter with our nationally recognized academic health center. It is a strategy being used successfully all over the country, and an approach that would serve our community efficiently and effectively.

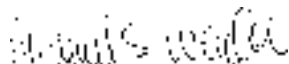
Even as we move forward, we want our community to know we remain ready to start again on the conversation that will help Madison retain its status as a place where health care providers work together to provide the best care possible to our patients.

Sincerely,

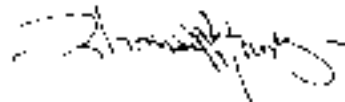
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