



254 Easton Avenue
New Brunswick, NJ 08901
732.745.8529

Leslie D. Hirsch, FACHE
President and Chief Executive Officer

September 10, 2020

Dear Saint Peter's Family,

Today, I am pleased to let you know that after careful consideration by Saint Peter's Board of Governors, senior leadership and the Most Reverend James F. Checchio, Bishop of the Diocese of Metuchen and sole corporate member of Saint Peter's, Saint Peter's Healthcare System and RWJBarnabas Health (RWJBH) have signed a Definitive Agreement outlining our intention to integrate the two healthcare systems.

This announcement is the latest step in a comprehensive discernment process initiated by Saint Peter's three years ago to explore potential strategic partnership options best suited to help Saint Peter's maintain its rich Catholic mission and identity in an increasingly changing and competitive marketplace.

A critical milestone in the 113-year history of Saint Peter's, this new relationship with RWJBH will assure our continuation as a full-service provider of acute healthcare services to central New Jersey and the region. Most importantly, it allows us to achieve the highest priority of the discernment process, as Saint Peter's will continue its longstanding mission and identity as a Catholic hospital in harmony with the standards of care stated in the *Ethical and Religious Directives for Catholic Health Care Services* (ERDs).

The integration of Saint Peter's with RWJBH is not a "buyout" or a "takeover", but rather is a change of control whereby RWJBH will become the corporate member of Saint Peter's. Bishop Checchio will continue to have an important ongoing role of providing Church sponsorship and oversight of Saint Peter's Catholic mission and adherence to the ERDs, as well as responsibility for overseeing the implementation of key aspects of the Definitive Agreement. Our Board of Trustees and Leadership will continue to have a vital and ongoing role. We are excited about the strategic partnership with RWJBH. The agreement between us has been developed in the true spirit of partnership and is designed to function that way.

There are other critical aspects of the agreement with RWJBH that makes this an exciting opportunity for Saint Peter's and the communities we serve. For example, there will be substantial investment of capital in Saint Peter's to enhance and/or expand facilities, clinical programs and services, and technology. Our strategic partnership with RWJBH also presents a unique opportunity to develop a premier multi-campus academic medical center of national distinction that would be the first of its kind in New Jersey. We look forward to immediately undertaking the planning needed to make this vision a reality.

Now that the Definitive Agreement has been signed the next step in the process is to secure required approvals from state and federal regulators, as well as the Catholic Church. We estimate that the approval process could take approximately 18 months to complete.

To help address questions not answered in this letter, a list of *Frequently Asked Questions* (FAQs) is provided with more details. You may also hear rumors; I strongly urge you to disregard them! This letter, the FAQs and future communications from me serve as the source of accurate and truthful information. If you have any questions, please don't hesitate to contact me directly at CEO@saintpetersuh.com.

Thank you for your unwavering commitment to the health and wellbeing of our patients, and to one another, as we continue to move this process along to secure the future of Saint Peter's and our Catholic mission.

Sincerely,

Leslie D. Hirsch



For Immediate Release

Contact:

Michelle Lazzarotti
Senior Director, Marketing & Media Relations
mlazzarotti@saintpetersuh.com
732-745-8528

Ellen Greene
Vice President, Strategic Communications
ellen.greene@rwjbh.org
973-322-4018

SAINT PETER'S HEALTHCARE SYSTEM AND RWJBARNABAS HEALTH ANNOUNCE SIGNING OF DEFINITIVE AGREEMENT

Planned integration will create New Jersey's premier multi-campus Academic Medical Center

SEPTEMBER 10, 2020 – Saint Peter's Healthcare System (Saint Peter's) in New Brunswick and RWJBarnabas Health (RWJBH), headquartered in West Orange, have signed a Definitive Agreement today, outlining their intention to integrate the two healthcare systems. The announcement comes less than a year after Saint Peter's and RWJBH signed a Letter of Intent to explore a strategic partnership. Today's announcement also culminates a three-year discernment process at Saint Peter's that included a Request for Proposal in October 2018 seeking a strategic partner best suited to help the organization maintain its rich Catholic mission and identity in an increasingly changing and competitive healthcare market.

"After careful consideration by Saint Peter's Board of Governors, senior leadership and the Most Reverend James F. Checchio, Bishop of the Diocese of Metuchen and sole corporate member of Saint Peter's, we have signed a Definitive Agreement to integrate with RWJBarnabas Health that assures Saint Peter's continued mission and identity as a Catholic hospital," said Leslie D. Hirsch, FACHE, president and chief executive officer of Saint Peter's Healthcare System.

Under the terms of the Definitive Agreement, Saint Peter's – with its flagship hospital, Saint Peter's University Hospital, a 478-bed acute care teaching hospital and acute care children's hospital – would remain as a full-service provider of acute healthcare services serving New Jersey and the region, and would continue its longstanding mission and identity as a Catholic hospital in adherence with the standards of care articulated in the *Ethical and Religious Directives for Catholic Health Care Services* (ERDs). In addition, RWJBH has committed to making significant strategic capital investments in facilities, technology and innovation to enhance, and expand the clinical services provided at Saint Peter's.

"RWJBH has a rich history of providing high quality care to the residents of New Jersey – with our Robert Wood Johnson University Hospital campuses in New Brunswick and Somerville, as well as our Rutgers partners at the Cancer Institute of New Jersey and Robert Wood Johnson Medical School, to name but a few – and the inclusion of Saint Peter's will allow us to only build upon this legacy of service," said Barry H. Ostrowsky, president and chief executive officer of RWJBarnabas

Health. “When finalized, we will have the necessary foundation for the creation of our state’s first and only premier academic medical center.”

With the signing of this Definitive Agreement, the proposed partnership will begin a period of review by various state and federal regulatory agencies. Approval by the Catholic Church will also be required.

“We are truly excited about the potential of this opportunity to integrate with RWJBarnabas Health to create a premier academic medical center of national distinction in which Saint Peter’s will share responsibility for leadership and governance,” Hirsch added. “We look forward to collaborating with RWJBarnabas Health and immediately undertaking the planning needed to make this vision a reality while also continuing our ongoing commitment to working collaboratively with community physicians.”

Most importantly, Saint Peter’s will continue its longstanding mission and heritage as a Catholic hospital with ongoing adherence to the standards of care outlined in the ERDs; Church sponsorship and oversight will be provided by the Most Reverend James F. Checchio, Bishop of the Diocese of Metuchen.

“Flowing from our Catholic teaching regarding the God-given dignity of each and every human person, and striving to make ever more manifest Christ’s compassionate care for all, especially for those who are most vulnerable, Saint Peter’s Healthcare System has ministered to the sick of the New Brunswick area and beyond for the past 113 years. I believe that the Definitive and Catholic Identity Agreements that we enter into with RWJBarnabas Health will give Saint Peter’s renewed strength and broader resources to continue and expand our sacred mission based on the teachings of Christ and His Church. Catholic healthcare in central New Jersey is needed in our day. Our connection with the RWJBarnabas Health System is intended to bolster our ability to provide this Christ-inspired, human person-centered health care to the individuals and communities that we are so honored to serve, protecting and promoting the lives of all. We seek to bring all the medical science and the compassionate love that Christ mandated to every woman, man, and child entrusted to our care,” said Bishop Checchio.

The Bishop further acknowledged the efforts of the Saint Peter’s staff and all those who assisted in arriving at these agreements, singling out especially Dr. John M. Haas, PhD, STL, MDiv, President Emeritus and Senior Fellow of The National Catholic Bioethics Center in Philadelphia. Dr. Haas was appointed by Pope Benedict XVI as an Ordinary Member of the Pontifical Academy for Life and as a consultant to the Pontifical Council for Health Care Workers, and graciously made his time and expertise available to ensure that the Catholic Church’s teachings were enshrined in and protected by these agreements.

ABOUT RWJBARNABAS HEALTH

RWJBarnabas Health is the largest, most comprehensive academic health care system in New Jersey, with a service area covering nine counties with five million people. The system includes eleven acute care hospitals – Clara Maass Medical Center in Belleville, Community Medical Center in Toms River, Jersey City Medical Center in Jersey City, Monmouth Medical Center in Long Branch, Monmouth Medical Center Southern Campus in Lakewood, Newark Beth Israel Medical Center in Newark, Robert Wood Johnson University Hospital in New Brunswick, Robert Wood Johnson University Hospital Somerset in Somerville, Robert Wood Johnson University Hospital at Hamilton in Hamilton, Robert Wood Johnson University Hospital Rahway in Rahway and Saint Barnabas Medical Center in Livingston, three acute care children’s hospitals and a leading pediatric rehabilitation hospital with a network of outpatient centers, a freestanding 100-bed behavioral health center, two trauma centers, a satellite emergency department, ambulatory care centers, geriatric centers, the state’s largest behavioral health network, comprehensive home care and hospice programs, fitness and wellness centers, retail pharmacy services, affiliated medical groups, multi-site imaging centers and two accountable care organizations.

RWJBH is New Jersey’s largest private employer – with more than 33,000 employees, 9,000 physicians and 1,000 residents and interns – and routinely captures national awards for outstanding quality and safety. RWJBH recently announced an affiliation with Rutgers University to create New Jersey’s largest academic health care system. The collaboration will align RWJBH with Rutgers’ education, research and clinical activities, including those at the Rutgers Cancer Institute of New Jersey - the state's only NCI-designated Comprehensive Cancer Center - and Rutgers University Behavioral Health Care.

ABOUT SAINT PETER’S HEALTHCARE SYSTEM

Saint Peter’s Healthcare System Inc., parent company of the Saint Peter’s healthcare delivery system, is comprised of Saint Peter’s University Hospital, a 478-bed acute-care teaching hospital and state-designated children’s hospital and regional perinatal center; Saint Peter’s Foundation, the fundraising arm of the hospital; Saint Peter’s Health and Management Services Corp., which oversees outpatient facilities, including the CARES Surgicenter; and Saint Peter’s Physician Associates, a network of primary and specialty care physician practices. Saint Peter’s is a regional specialist in cancer care, diabetes, geriatrics, orthopedics, bariatric surgery and head and neck surgery and is a sponsor of residency programs in obstetrics and gynecology, pediatrics, and internal medicine.

Saint Peter’s is sponsored by the Roman Catholic Diocese of Metuchen and is a major clinical affiliate of Rutgers Biomedical Health and Sciences.