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AULTMAN HEALTH FOUNDATION AND ALLIANCE CITIZENS HEALTH ASSOCIATION SIGN LETTER OF INTENT FOR THE AFFILIATION OF ALLIANCE COMMUNITY HOSPITAL

Addition of Alliance Community Hospital Will Strengthen Aultman's Regional Healthcare Network

CANTON, Ohio and ALLIANCE, Ohio (June 21, 2017) – The boards of Aultman Health Foundation and Alliance Citizens Health Association have signed a letter of intent designed to pave the way for Alliance Community Hospital, a wholly owned subsidiary of Alliance Citizens Health Association, to become affiliated with the Aultman Health Foundation.

The affiliation, expected to take effect January 1, 2018, will combine a regional healthcare center with a community hospital in a continuum of care serving the residents of Stark County and beyond. This regional network will combine Aultman Health Foundation with its tertiary medical center and its nationally recognized health care plan AultCare, with Aultman Orrville, a critical access hospital, and Alliance Community Hospital, the only Planetree hospital in the state of Ohio.

“Our board of directors looked carefully at this affiliation opportunity and determined Alliance Community Hospital offered a good fit for our regional healthcare system and supports our mission to Lead Our Community to Improved Health,” said Edward J. Roth III, president and CEO of Aultman Health Foundation. “This is an investment in the future of Alliance Community Hospital and a commitment to provide high quality and cost effective patient centered care to the community.”

Aultman and Alliance have a long-established partnership, with a vision of developing a streamlined, locally owned, coordinated system of healthcare services for the communities they serve. Both institutions know and respect each other, already share services, and assist each other with best business practices to help bring cost-effective, high-quality care to their respective communities. Aultman and Alliance established a joint venture 20 years ago that aided in the construction of a new hospital in Alliance. In addition, they have worked together as members of the Independent Hospital Network. Alliance also partnered with Aultman to establish a Heart Center and a Cancer Center in Alliance.

“This agreement will allow Alliance Community Hospital to become part of one of the best-integrated healthcare systems in the Midwest, giving our patients improved access to important specialty care and advanced services,” said Stan Jonas, Alliance Community Hospital CEO. “We are joining forces with an organization we trust and highly respect. When we decided to look for a partner, although there were many other options, Aultman was our clear choice.”

Under the arrangement, Alliance Community Hospital will retain its name and will continue to operate and add services based on community need. The current management team and staff will remain in place. The Alliance Hospital board of trustees will have 14 members; seven members will be selected by the Alliance Citizens Health Association Board, and seven will be selected by the Aultman Health Foundation Board. This board structure will give Alliance Hospital an equal voice in how the hospital will serve the Alliance community.

Roth and Jonas said they expect the board selection process to be a cooperative effort designed to support the Hospital's mission. Proceeds from the affiliation, as determined by the two parties in a definitive transaction agreement, will be contributed to the Alliance Community Hospital Foundation, an existing foundation under the control of the Alliance Citizens Health Association. Jonas noted the funds and earnings from the funds will be used solely to provide health services and health care in the Alliance community, for many years to come.

"This affiliation means Alliance Community Hospital will remain a not-for-profit, community hospital with a local voice and we believe that's good for both of our institutions and the communities we serve," said Roth. "We will work closely with the Alliance Community Hospital leadership team in the months ahead to develop plans to integrate programs and services. We will look to improve efficiencies where we can, but we intend to respect the unique role that Alliance Community Hospital plays in Alliance and surrounding communities."

Following several months of due diligence on the part of both parties, the proposed arrangement will be submitted to the State of Ohio for review. Both boards expect to sign a definitive agreement in the fall of 2017.

About Aultman Health Foundation

The Aultman Health Foundation is a not-for-profit healthcare organization serving Stark and surrounding counties with more than 5,000 employees and 500 volunteers. The vertically integrated institution includes Aultman Hospital, Aultman Orrville Hospital, the locally managed health insurance provider AultCare, The Aultman Foundation and Aultman College. Aultman Hospital is Stark County's largest hospital, serving patients' healthcare needs for 125 years. For more information, visit www.aultman.org.

About Alliance Community Hospital

Alliance Community Hospital, a non-profit hospital that was founded in 1901, operates 104 acute care beds, 78 nursing home/transitional care beds that are found in its attached, long-term care facility, Community Care Center. ACH offers a quality medical staff of more than 150 active and consulting physicians, 1000 colleagues, an active auxiliary and volunteer staff of 109 and 225 respectively and has many affiliates that provide services to complement its mission. For more information, visit <http://www.achosp.org>.