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Fairview

Sanford Health and Fairview Health Services Announce Intent to Combine, Creating New Health System Focused on Providing Accessible, High-Quality Health Care to Patients Across Rural, Urban Communities

Combined system will accelerate population health and value-based care, enhance health equity and drive clinical innovation for the benefit of patients

Combination will also extend the reach of high-quality care and services to more people across rural and urban communities

SIOUX FALLS, S.D., and MINNEAPOLIS – November 15, 2022 – Sanford Health, the largest rural health system in the United States, and Fairview Health Services, one of the leading providers of health care in Minnesota, have signed a non-binding letter of intent to combine and create a new health system. Together, the combined system will bring together Sanford Health's experience serving rural populations with Fairview Health Services' experience in serving urban populations across complementary geographic footprints. The combined system will be uniquely positioned to provide more people access to high-quality, equitable health care, accelerate population health and value-based care, and drive clinical innovation to benefit rural, urban and indigenous communities across the Midwest.

"Our organizations are united by a shared commitment to advance the health and wellbeing of our communities," said Sanford Health President and CEO Bill Gassen. "As a combined system, we can do more to expand access to complex and highly specialized care, utilize innovative technology and provide a broader range of virtual services, unlock greater research capabilities and transform the care delivery experience to ensure every patient receives the best care no matter where they live."

"With Sanford Health, Fairview Health Services has found a partner that shares our midwestern values and our commitment to affordable, accessible and equitable care delivery," said Fairview Health Services President and CEO James Hereford. "Our complementary capabilities mean that together, we are uniquely positioned to improve clinical outcomes, develop new care delivery models, expand opportunities for employees and clinicians across our broader operational footprint, and apply our combined resources to positively impact the wellbeing of our patients and communities today and for decades to come."

The combined system will:

- Drive value through quality care and improved outcomes;
- Support health equity;
- Improve the patient experience;
- Help support more affordable care in the communities we serve;
- Provide opportunities for continued employee growth and clinical advancement; and
- Foster a culture of innovation that enables us to recruit and retain the best and brightest across our operational footprint.

Sanford Health and Fairview Health Services will remain nonprofit entities, each with their own regional presence, leadership and regional boards in the markets they serve. Upon close of the transaction, the name of the parent company will be Sanford Health. Sanford Health CEO Bill Gassen will serve as President and CEO of the combined system, and Fairview Health Services CEO James Hereford will serve as Co-CEO for a period of one year post-closing.

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The governing boards of both health systems have approved proceeding with necessary steps, such as due diligence and review processes, with the goal of organizing Fairview Health Services and Sanford

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Health under a single integrated health system. The intention is for a definitive agreement to be signed and the closing of the transaction is anticipated in 2023, pending antitrust and other necessary reviews and closing conditions.

Sanford Health, Fairview Health Services and their partners are committed to ensuring the patients, residents and communities they serve continue to have access to exceptional care from their clinicians during the completion of this process.

About Sanford Health

Sanford Health, the largest rural health system in the United States, is dedicated to transforming the health care experience and providing access to world-class health care in America's heartland. Headquartered in Sioux Falls, South Dakota, the organization serves more than one million patients and 220,000 health plan members across 250,000 square miles. The integrated health system has 47 medical centers, 2,800 Sanford Health physicians and advanced practice providers, 170 clinical investigators and research scientists, more than 200 Good Samaritan Society senior care locations and world clinics in 8 countries around the globe.

About Fairview Health Services

Fairview Health Services is a Minneapolis-based nonprofit health system driven to heal, discover, and educate for longer, healthier lives. Founded in 1906, Fairview Health Services provides exceptional care to patients and communities as one of the most comprehensive and geographically accessible systems in Minnesota. The Fairview Health Services system includes 31,000 employees across eleven hospitals, more than 80 primary and specialty care clinics, 36 retail and specialty pharmacies, rehabilitation centers, physician network, senior care housing and long-term care facilities, and medical transportation.

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