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15 August 2008

Mr. Thomas Buckley
Senior Deputy Chief, Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington DC 20554

FILED/ACCEPTED

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Federal Communications Commission
Office of the Secretary

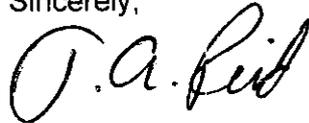
Proposed RHCPP Project Merger – WC Docket No. 02-60
Recipient 1: Holzer Consolidated Health Systems
Merged to Recipient 2: Southern Ohio Health Care Network

Dear Thomas:

As we discussed on the phone in early July, the Southern Ohio Health Care Network and the Holzer Consolidated Health Systems intend to issue a joint RFP. To do so, a merger would be required. Thus please accept the two enclosed letters as our official petition to the FCC to grant the merger.

We appreciate your advice and support as we move forward with our innovative and inclusive broadband Rural Health Care Pilot Project.

Sincerely,



Tom Reid
President

Enclosures:

Letter dated 8 August 2008 to FCC from:
Marcus Bost, CIO, Adena Health Systems
Project Coordinator, Southern Ohio Health Care Network

Letter dated 5 August 2008 to Marcus Bost from:
Kevin Yeager
CFO, Holzer Health Systems
Project Coordinator, Holzer Consolidated Health Systems

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8 August 2008

Mr. Thomas Buckley
Senior Deputy Chief, Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Proposed RHCPP Project Merger – WC Docket No. 02-60
Recipient 1: Holzer Consolidated Health Systems
Merged to Recipient 2: Southern Ohio Health Care Network

Dear Mr. Buckley:

As you know, Southern Ohio was fortunate enough to have two proposals accepted into the FCC's Rural Health Care Pilot Program (RHCPP). The Southern Ohio Health Care Network (SOHCN) and Holzer Consolidated Health Systems (HCHS) were not aware of the similarities in the rationale, objectives and designs of their respective proposals until the FCC announced its funding decisions. Since that time, our overlapping service areas have drawn us together. Both of our organizations have representation in this area's fledgling RHIO, the Appalachian Health Information Exchange.

Now that we are familiar with the scope of each other's pilot proposals, all parties have agreed that merging the two projects is in the best interests of our health care providers, the FCC Rural Health Care Pilot Program and the residents of southern Ohio.

Please review the attached Letter of Understanding for the proposed merger. It clearly and concisely enumerates the reasons a merger is the more cost-effective, fiscally responsible use of FCC RHCPP funds. As the SOHCN fiduciary agent, Adena Health System has agreed to all stipulations laid out in Holzer's proposal. Quoting from the letter by Kevin Yeager, CFO of Holzer:

"From our discussions, I know Adena Health System and Holzer Consolidated Health Systems agree that telemedicine is integral to the future of health care in remote, rural areas like those we serve. Combining our RHCPP projects into a single project will create one comprehensive, regional health care network and avoid duplication of

resources. A merger will allow more effective use of our FCC allocated funds to connect our respective health systems with geographically isolated critical access hospitals, rural health clinics and federally qualified health centers – creating connectivity where it currently does not exist and increasing already existent bandwidth in our half of the state.

To continue our pilot projects along separate paths would actually be a detriment to the provision of comprehensive, quality health care in southern Ohio. The worst case scenario is that, by posting separate network build RFPs, we end up with different telecommunication carriers who actually pose barriers to the efficient exchange of data necessary for public health and the best care for individual patients.

Further, in the immediate future, merging our projects aggregates demand in such a way that we significantly increase our ability to secure the lowest capital costs and lock-in the best annual operating fees, ensuring sustainability of the Southern Ohio Health Care Network after FCC funding has expired.”

The Southern Ohio Health Care Network and Holzer Consolidated Health Systems thus now request FCC approval of our merger in order to build the most comprehensive, sustainable and reliable broadband fiber optic network connecting our region's non-profit rural health care providers at the lowest cost possible. We understand that this type of merger is an unusual request. However, after careful consideration, we believe merging our pilot projects is the best way to maximize the impact of our allocated FCC funds while avoiding duplication of resources.

As the leader of the joint project, the Southern Ohio Health Care Network Board of Directors will work to fulfill the goals of the Holzer Consolidated Health Systems project as well as our own original project.

The Southern Ohio Health Care Network guarantees that any money saved by our joint effort with HCHS will be put back into the pilot program. SOHCN will broaden the scope of the project to include more rural sites and/or increase the bandwidth to sites that are currently in the scope of the program in order to provide the maximum services to all member hospitals, clinics and health centers.

As per our previous proposals, SOHCN members will provide the required 15% match. Facilities unable to afford the matching contribution will be supported by one of the following sources of funding from:

1. Larger entities in the SOHCN based on the anticipation of increased revenues from offering services to the target facilities.
2. The Governor's Office of the State of Ohio;
3. Our region's U.S. Congressional delegates.

We appreciate your consideration of this request. If you have any questions regarding this merger proposal, please feel free to contact me. We want to give you the utmost assurance that our goal is to deploy this pilot project in the most cost-effective manner possible to best serve the residents and health care providers of southern Ohio.

Sincerely,



Marcus Bost
CIO, Adena Health System
President, Southern Ohio Health Care Network, Inc.
Project Coordinator, Southern Ohio Health Care Network

xc: Mr. Mark Shuter, CEO, Adena Health Systems
Mr. Thomas E. Tope, CEO, Holzer Consolidated Health Systems
Mr. Kevin Yeager, CFO, Holzer Consolidated Health Systems
Mr. Morgan Saunders, Telecom Manager, Holzer Health Systems
Mr. Daniel Johnson, Universal Service Administrative Company
Mr. Tom Reid, President, Reid Consulting Group LLC

Attachment: RHCPP Proposed Merger – Letter of Understanding



Holzer Medical Center – Gallipolis
Holzer Medical Center – Jackson
Holzer Senior Care Center
Holzer Assisted Living – Gallipolis and Jackson

Thomas E. Tope
President
and
CEO

100 JACKSON PIKE, GALLIPOLIS, OHIO 45631-1563 • (740) 446-5050 • E-MAIL: ttope@holzer.org

5 August 2008

Mr. Marcus Bost
Project Coordinator, Southern Ohio Health Care Network
CIO, Adena Health System
272 Hospital Road
Chillicothe, OH 45601

RHCPP Proposed Merger – Letter of Understanding - WC Docket No. 02-60
Recipient 1: Holzer Consolidated Health Systems and
Merged to Recipient 2: Southern Ohio Health Care Network

Dear Marcus:

It has been a pleasure getting to know you, your staff and the Southern Ohio Health Care Network (SOHCN) point person Tom Reid of Reid Consulting Group. Having reviewed the Adena/O'Bleness joint proposal to the FCC's Rural Health Care Pilot Program (RHCPP) and having discussed our respective projects with you and Tom, I believe it is in our best collective interests to merge our respective projects.

The primary objective of the Holzer Consolidated Health Systems (HCHS) RHCPP project is to upgrade the connections to our non-profit health care facilities in order to enhance the quality and safety of our health care services. We have three specific goals for the upgrade to:

- (1) Increase bandwidth for information sharing between HCHS locations.
- (2) Locate a geographically remote data storage facility away from the primary data center, providing disaster recovery and business continuity.
- (3) Provide a local information backbone for connection with our regional health information organization, the Appalachian Health Information Exchange.

I am confident that a merger with the Southern Ohio Health Care Network will not compromise our original goals stated above. In fact, it will expand our technical capabilities, enabling us not only to share information internally, but to partner with health care providers across all of southern Ohio.

From our discussions, I know Adena Health System and Holzer Consolidated Health Systems agree that telemedicine is integral to the future of health care in remote, rural areas like those we serve. Combining our RHCPP projects into a single project will create one comprehensive, regional health care network and avoid duplication of resources. A merger will allow more effective use of our FCC allocated funds to connect our respective health systems with geographically isolated critical access hospitals, rural health clinics and

federally qualified health centers – creating connectivity where it currently does not exist and increasing already existent bandwidth in our half of the state.

To continue our pilot projects along separate paths would actually be a detriment to the provision of comprehensive, quality health care in southern Ohio. The worst case scenario is that, by posting separate network build RFPs, we end up with different telecommunication carriers who actually pose barriers to the efficient exchange of data necessary for public health and the best care for individual patients.

Further, in the immediate future, merging our projects aggregates demand in such a way that we significantly increase our ability to secure the lowest capital costs and lock-in the best annual operating fees, ensuring sustainability of the Southern Ohio Health Care Network after FCC funding has expired.

For all the above stated reasons, I propose merging the Southern Ohio Health Care Network and the Holzer Consolidated Health Systems' pilot projects. HCHS and the SOHCN agree to the following terms and conditions for the merger:

1. The entire amount allocated by the FCC to the Holzer Consolidated Health System project, which is \$1,836,000, will be allocated to the building and operation of the Southern Ohio Health Care Network. Adena Health System will act as the fiduciary agent for the merged pilot project.
2. The \$1,836,000 from the Holzer project will be allocated within the SOHCN to specifically and fully meet the needs of the Holzer Consolidated Health Systems as stipulated in our original proposal to the FCC.
3. The following HCHS staff members will serve in an advisory capacity to the Southern Ohio Health Care Network: the President and CEO, the Chief Financial Officer, and the Telecommunications Manager.
4. The Telecommunications Manager will continue to serve on the SOHCN Board and in addition will serve as a Vice-President of the Board.

I appreciate your acceptance of this proposal. If you have any questions or would like to discuss further, please feel free to contact us. I am confident in our mutual desire to ensure our pilot projects are deployed in the most productive, cost-effective manner possible to serve the residents of southern Ohio and our fellow health care providers in the region.

Sincerely,



Kevin Yeager
Chief Financial Officer
Project Coordinator for the RHCPP
Holzer Consolidated Health Systems

xc: Thomas E. Tope, President and CEO, Holzer Consolidated Health Systems
Morgan Saunders, Telecommunications Manager, Holzer Health Systems
Tom Reid, President, Reid Consulting Group LLC