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Norton Healthcare media statement re: lawsuit filed by Kosair Charities

We are saddened and disappointed by the lawsuit filed by Kosair Charities Committee (Kosair Charities). Since 1981, it has been a donor to Kosair Children's Hospital, owned by Norton Healthcare, through a long-term agreement that includes a provision to use "Kosair" in the name of our children's hospital.

Kosair Charities began withholding its' contractually obligated funding of the hospital last year and is now more than \$6 million behind in payments it committed to support Kentucky's only full-service, free-standing hospital for children, while continuing to advertise and take credit for its current and future contributions to Kosair Children's Hospital.

We have continued to seek a friendly resolution to Kosair Charities' ever-changing concerns and demands. We tried professional mediation to no avail and, last week, offered to continue the process until this matter could be resolved. The response we received came in the form of a baseless lawsuit.

Kosair Charities has recently made substantial demands, which would mean significant revisions to the current agreement and relationship. While we have worked hard to accommodate its requests that we determined to be reasonable, most of Kosair Charities' demands were not consistent with the parties' written agreement that has been in place since 1981. Many of its requests were outlandish and clearly not in the best interests of Kosair Children's Hospital or the patients it serves. We strongly disagree with Kosair Charities' assertion that we have somehow violated the terms of our long-standing agreement with them. **Over the last few years, Kosair Charities has engaged in a continuing systematic pattern of raising baseless allegations in an effort to avoid its contractual obligations to the children's hospital that carries its name.** Its allegations are particularly offensive to the many dedicated caregivers serving Kosair Children's Hospital on a daily basis.

Kosair Charities made a promise to us and to the many children we care for with the help of its financial commitment. We have made long-term plans regarding services, facilities, and equipment based on this contractually obligated support. This includes our long-standing policy of caring for children across the Commonwealth of Kentucky without regard to their ability to pay. Norton Healthcare will continue to honor the commitments we have made in regard to Kosair Children's Hospital and to the patients we serve. By refusing to honor its agreement, Kosair Charities has let down the children it has committed to support. Furthermore, Kosair Charities' public references to its ongoing support of Kosair Children's Hospital are misleading to its members, and to those who have contributed monies to Kosair Charities (or who might contribute) to support the children's hospital.

Unfortunately, at this point we have no choice but to respond to the lawsuit that Kosair Charities has filed today and require that Kosair Charities honor its written commitments to the children we serve at their namesake Kosair Children's Hospital.

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