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SIGNATURE LAUNCHES KEY QUALITY AND SAFETY INITIATIVE

-- Company Invests in Eastman Kodak Executive; Brings New Industry Concepts to Hospitals --

HOUSTON, TX – Signature Hospital Corp. has launched a comprehensive initiative designed to transform the way its hospitals ensure the quality and safety of care delivered to patients by adopting improvement concepts successfully used in the manufacturing sector.

The result is a more efficient, cost-effective delivery system that consistently measures the quality and safety of care on a measurable basis.

"Signature's objective is to be the industry leader in adding measurable value to the delivery of healthcare. Patients and payers are demanding to know what they're getting for their money, but too often hospitals don't have the systems to prove they deliver quality or create value," says Charles R. Miller, President and Chief Executive Officer.

Signature's strategy addresses the value and quality sides of that equation. The initiative employs manufacturing techniques such as Lean Thinking to eliminate waste, inefficiency and bureaucracy. The strategy also utilizes a proprietary software program called *Signature Insights*.

Leading the charge on this initiative is Dave Spencer, Senior Vice President of Operations Development. Spencer is the former Worldwide Business Manager for Healthcare Business Solutions at Eastman Kodak Co. and a long-time healthcare executive and entrepreneur.

"Dave is uniquely qualified to spearhead this initiative, which is but one in a series of strategies we plan to unfold under his leadership. He has spent years learning how to successfully transfer technological applications from other industries to healthcare," Miller says.

Prior to Eastman Kodak, Spencer founded and led several educational services and healthcare information companies. He began his career in the hospital sector where he spent 16 years, ultimately serving as CEO of a nation wide organization that managed 139 hospitals in 29 states.

"For the first time, our initiative allows our caregivers to capture and link fragmented financial and clinical data bases from virtually every area of the organization, giving a real-time picture of the care of the patient," Spencer says.

Linking these disparate data bases across the organization creates a seamless, paperless flow of mission-critical information that can be accessed and analyzed by managers, employees and physicians at all levels.

"By integrating the use of this new information with the tools available through Lean Thinking, we are able to create a laser-like focus on eliminating waste and improving quality of care," Spencer says.

The company has applied this system in all four of its hospitals and the results are exceeding expectations.

"Signature is rapidly becoming a learning organization. In fact, we are creating a new Best Practices Library through which we will share new insights and value-added initiatives across our system. We believe this is a great value for our hospitals," Spencer says.

A predecessor company headed by Miller tested similar concepts, but lacked the advanced technology of *Signature Insights*. In four pilot hospitals significant improvements were achieved in quality of care and lower costs over a one-year period. Among others, the system lowered:

- medication errors by 77 percent,
- hospital-acquired infections by 66 percent,
- surgical injuries by 90 percent,
- inpatient falls by 33 percent, and
- aggregate costs in the four hospitals by more than \$6 million over the 12-month period.

"This is a case where doing the right thing leads to significant improvements in quality while taking substantial extraneous costs out of the healthcare system," Spencer says. "Because it empowers caregivers to make decisions on their own, the system also contributes to a more fulfilling work environment for clinical personnel. Further, it directly supports the industry push toward greater transparency being required by many payers. We fully advocate this trend."

Additional areas of operations where Signature will apply this methodology include:

- patient service delays,
- improved patient scheduling,
- greater physician satisfaction,
- better costs of care management on a real-time basis, and
- higher employee job satisfaction.

About Signature

Based in Houston, Texas, Signature Hospital Corp. is a privately held company founded in 2005 that is dedicated to providing affordable, state-of-the-art medical services to communities served by hospitals owned by the company. The company owns and operates four hospitals: 115-licensed bed Pampa Regional Medical Center, Pampa, Texas; 161-licensed bed Gulf Coast Medical Center, Wharton, Texas; and 79-licensed bed Medical Park Hospital, Hope, Ark., and 325-bed St. Joseph's Hospital, Parkersburg, W. Va.

Signature's board and management team boast more than two centuries of combined experience in healthcare management and finance. Signature's financial partner is Goldman Sachs, the nation's premier investment banking firm. For more information on Signature, please visit www.signaturehospital.com.

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