

Signature Hospital Corporation is committed to St. Joseph's Hospital and the Mid-Ohio Valley

By Charles Miller, President, Signature Hospital Corporation

In the summer of 2005, I had my first opportunity to visit St. Joseph's Hospital after it was announced the hospital was being sold. Thinking that I would find a small community hospital, I was surprised to encounter a remarkable facility with new technology and a focus on Centers of Excellence in surgery and patient care, wonderful physicians, and dedicated employees and leadership. The hospital was poised for growth, committed to doing the right thing for the patients and community and looking for a new owner who would support its mission and values. Unfortunately St. Joseph's was being sold as part of a group of four hospitals not as a stand alone hospital as we had hoped.

This summer the opportunity to purchase St. Joseph's Hospital again presented itself. I visited the hospital again and was amazed that it was growing and vibrant despite the year of uncertainty the employees and physicians had been through. Many parties were interested in acquiring St. Joseph's because of the hospital's many positive factors that I have already mentioned. Fortunately we were selected to acquire the hospital and in September entered into an agreement with LifePoint Hospitals. We felt this transaction represented a "win-win" for all the parties.

For Signature, it marked the opportunity to become an integral part of the healthcare community in the Mid-Ohio Valley. For the employees of St. Joseph's Hospital, it meant the end of almost two years of uncertainty surrounding the ownership of the hospital. For the local community, it meant that St. Joseph's would continue its historic tradition of delivering high quality health care, plus remain a tax paying entity contributing more than \$9 million to Parkersburg and the State of West Virginia annually in property, B&O, provider, payroll and sales taxes.

As part of the requirement for acquiring a hospital in West Virginia, Signature filed an application for a Certificate of Need (CON) with the West Virginia Health Care Authority. The Authority reviewed Signature's application and deemed it complete on

September 29. Ordinarily, in the normal course of the CON process, the Health Care Authority would have rendered a decision before the end of the year, thereby ending the long period of uncertainty that St. Joseph's employees have lived with for almost two years.

Unfortunately, Camden Clark has decided to intervene in the CON process by requesting a hearing on a routine transfer of ownership. As a result, the timing of the transfer of ownership will be delayed, perhaps for up to six months. So St. Joseph's and its cadre of faithful employees will be forced to remain in limbo.

As the President of Signature, and one of the founders of the Company, I want you - the citizens of the Mid-Ohio Valley - to know who Signature Hospital Corporation is. I also want you to know that we are committed to completing the acquisition of St. Joseph's Hospital and becoming a responsible, long term corporate citizen in your community and State.

"...we are committed to completing the acquisition of St. Joseph's Hospital."

"As the President of Signature, and one of the founders of the Company, I want you - the citizens of the Mid-Ohio Valley - to know who Signature Hospital Corporation is."

Our vision as a Company is to be the industry leader in adding value to the delivery of health care.

What that means for the citizens of the Mid-Ohio Valley is:

- Affordable, state-of-the-art medical services
- Safe, compassionate and high quality clinical care and unrivaled customer service to patients and family members
- We will treat our employees equitably, with dignity and respect and make sure they have a clean and safe working environment, and
- We will make sure our physicians are kept informed, involved in the governance and decision processes, and treated as partners.

To fulfill this mission, we have assembled the three essential building blocks that all businesses must have to succeed: an experienced management team, an outstanding Board of Directors, and strong financial backing.

Although Signature is a young company, our founders and board are among the most experienced and respected names in the healthcare industry. Their collective experience includes service as CEOs of three national,

publicly-held healthcare companies. They have founded, or helped found, over a dozen successful healthcare companies.

You can also be confident that Signature is on solid financial footing. The company is financially backed by our partner, Goldman Sachs, who is one of the nation's premier investment banking and private equity firms. Goldman Sachs has committed over \$1 billion dollars of equity capital to be invested in health care. As a result, Signature is assured of access to levels of capital that far exceed the capability of most new companies. This helps assure that we can invest the appropriate amount of capital in hospitals we own without burdening them with a heavy load of debt. Having to service massive loads of debt is one of the contributing factors to hospital failures and the high cost of health care. In the three hospitals we currently own, we have increased the combined spending for capital improvements by almost four times the amount invested by their previous owner - from \$2.5 million in 2005 to over \$11 million in 2006.

In short, we join with the team of dedicated employees, physicians, and volunteers of St. Joseph's in our commitment to raise the quality of health care while lowering the cost, and making the delivery of health care more user friendly and responsive to the needs of patients and family members.

For all of the foregoing reasons, the citizens of the Mid-Ohio Valley can have the fullest confidence that Signature can and will become a responsible and committed corporate citizen of your community.

We believe that the employees of St. Joseph's deserve to know that their future is certain. Regardless of the time and resources that unfortunately we may now be required to expend in an unnecessarily protracted CON process, we are committed to completing the acquisition of St. Joseph's Hospital.

SIGNATURE
HOSPITAL CORPORATION

www.signaturehospital.com