



ROCKWOOD CLINIC, DEACONESS MEDICAL CENTER AND VALLEY HOSPITAL TO JOIN EFFORTS IN NEW INTEGRATED HEALTH CARE DELIVERY SYSTEM

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Proposed health system will combine two of the region's most established, most esteemed providers to share strengths, enhance resources, expand services and positively impact patient care.

SPOKANE, WASH (October 20, 2009) – The board of directors of Rockwood Clinic has unanimously agreed to enter into a non-binding letter of intent with CHS Washington Holdings, LLC. The letter paves the way for Rockwood, Deaconess Medical Center and Valley Hospital and Medical Center to develop an integrated health care delivery system (IHDS).

Once created, this new system will represent the most progressive health system in the Inland Northwest, combining the expertise, resources and services of three leading Spokane health care providers that have each been delivering quality care to patients in the region for many decades. Once formed, the IHDS will encompass inpatient hospital care; primary care and specialty medicine physician practices; ambulatory surgery centers; urgent care facilities; outpatient physical therapy centers; and outpatient imaging, infusion and radiation therapy services.

“The physicians of Rockwood Clinic believe that to best serve the community, we must align ourselves with a nationally recognized health care system and offer our medical services more fully across the continuum of care,” said Craig Whiting, M.D., interim chief executive officer of Rockwood Clinic. “Alignment with this prestigious company and these two fine hospitals, and creation of a fully integrated health care delivery system, is realization of our vision for Rockwood Clinic.”

“Our hospitals are extremely fortunate to have some of the finest physicians in the region on our medical staffs,” said Robert Hartman, M.D., chief medical officer for both Deaconess Medical Center and Valley Hospital. “Alignment with the Rockwood physicians — and all of the assets of Rockwood

Clinic—is a significant and exciting development for our hospitals and the communities we serve.”

The transaction will be invisible to patients. As a subsidiary of the IHDS, Rockwood Clinic will continue to operate under its own brand. No changes are anticipated to its staffing or management. Rockwood will continue to be guided by a board of directors comprised of physicians operating under by-laws established and approved by Rockwood.

The proposed IHDS will be guided by a strategic planning committee comprised of Rockwood physicians and members of the hospitals’ boards of trustees, medical staffs and management representatives. The committee will provide insight and guidance to all of the services of the proposed IHDS.

“Integrated delivery is the future of health care. As forward thinking organizations, discussions leading to this day have taken place for quite some time,” said Kevin Sweeny, M.D., president and CEO of the Rockwood Clinic.

“The board has conducted extensive research in the last several months and has been consistently impressed with CHS and their affiliates. We were delighted to discover that our organizations share many common goals for patient care and quality excellence.”

Added Sweeny, “Like Rockwood Clinic, Deaconess and Valley Hospitals are on a very positive trajectory for growth. Our physicians look forward to playing an increased role in the hospitals’ futures, and to broadening our services across the continuum and throughout the region.”

The proposed transaction is not expected to require regulatory approval, although the transfer of licenses, due diligence and other customary conditions of closing will need to be met. The transaction is anticipated to close before the end of the year.

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FAST FACTS

About Rockwood Clinic

- Founded in 1930
- The Clinic employs about 200 providers
- 133 physicians representing 33 medical specialties
- 62 mid-levels
- 15 ancillary providers (PT, audiology, dietitians, diabetes counselors)
- The Clinic also employs about 740 FTE support staff
- The Clinic has operations in 32 clinical locations
- The Clinic's mission is "Rockwood is the region's largest group of primary and multi-specialty health services providing truly seamless care and exceptional patient experience"
- The Clinic's vision is "Rockwood will be the region's most comprehensive provider of health-related services focused on improving your health and the health of our community"

About Deaconess Medical Center

- Founded in 1896
- 388 licensed beds
- 725-member medical staff
- 1,600 hospital employees
- Four time Solucient Top 100 Hospital
- Ranked in the top 10 percent in the nation by HealthGrades
- Accredited by the Joint Commission

About Valley Hospital and Medical Center

- Founded in 1969
- 123 licensed beds
- 520-member medical staff
- 600 hospital employees
- Accredited by the Joint Commission

About CHS

- Founded in 1985
- One of the nation's leading operators of general acute care hospitals
- Through its subsidiaries, CHS owns or operates 122 hospitals in 29 states with an aggregate of more than 18,000 beds
- The company is publicly traded on the New York Stock Exchange under the symbol "CYH"
- More than 90,000 are employed by CHS or its affiliated facilities

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