

River Park's owner acquires 9 new hospitals

BY JAMES CLARK

As some of you may know, our beloved River Park Hospital is owned by Franklin-based Capella Healthcare. And it conveys a reassuring message about the overall strength of that company when it goes out and acquires new medical facilities.

That is exactly what happened this past week as Capella announced a deal to buy nine hospitals, including one that just happens to be in McMinnville, Ore.

Combined, the nine hospitals being acquired by Capella have 1,070 beds and employ nearly 4,000 people. They include:

- White County Community Hospital, a 60-bed facility in Sparta, Tenn.;
- Willamette Valley Medical Center, an 80-bed hospital in McMinnville, Ore.;
- Saint Mary's Regional Medical Center, a 170-bed facility in Russellville, Ark.;
- National Park Medical Center, a 156-bed facility in Hot Springs, Ark.;
- Mineral Area Regional Medical Center, a 135-bed hospital in Farmington, Mo.;
- Parkway Medical Center, a 108-bed hospital in Decatur, Ala.;
- Woodland Medical Center, a 100-bed hospital in Cullman, Ala.;
- Hartselle Medical Center, a 150-bed facility in Hartselle, Ala.;
- Jacksonville Medical Center, an 89-bed hospital in Jacksonville, Ala.

"This is a banner day for the Capella team in that this transaction represents significant growth for our company and our hospitals," said Daniel S. Slipkovich, CEO of Capella. "Capella is known for running clinically strong, operationally sound community hospitals. We are excited about the opportunity to share our expertise and our resources with these facilities to build on their strong track records."

Upon completion of this acquisition, the Capella family will include four hospitals in Alabama, three in Tennessee, two each in Arkansas and Oklahoma, two in the Pacific Northwest, and one in southern Missouri. Grouping facilities in this way produces great advantages in terms of purchasing, logistics and knowledge sharing.

"It's very important to emphasize this expansion will not affect the resources or strategic direction of River Park," said Tom Anderson, president and co-founder of Capella. "Even with 14 total hospitals, Capella will remain a small, nimble company with the ability to be flexible and accessible to River Park and the McMinnville community."

Capella expects to close the \$315 million transaction by first quarter 2008. It's important to note funding does not come from the revenues of River Park – or any other Capella hospital. The transaction is being funded by a combination of equity capital from Capella's partner GTCR Golder Rauner and debt financing led by Citigroup Global Markets Inc., Banc of America Securities and Merrill Lynch Capital.

Business Pulse is proud to welcome nine new hospitals into the Capella family. Having the resources of a larger chain will only serve to better health care in this community. Anyone who would like more information can visit the Web site www.capellahealth.com.