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Daniel Slipkovich, CEO of Capella Healthcare.

Experience equals positive results for Capella Healthcare

BY GARRISON WELLS
NASHVILLE BUSINESS JOURNAL

When it comes to management, it's hard to beat experience and expertise.

Those are the characteristics of the team behind the success of Capella Healthcare, a Franklin company that runs non-urban, general acute care hospitals.

Capella also partners with growing communities, or communities that have service needs that aren't being met.

Capella's partnerships include long-term leases and joint ventures with community organizations who are owner-partners or full purchase agreements.

"The individuals who work here have a good, strong and varied background and have been in health care for a long time," says Tom Anderson, Capella president. "It's our management expertise."

"That's the core of it," agrees Daniel Slipkovich, Capella CEO. "You've got a team that is well experienced. We laid out a core strategy in terms of direction for the company and we're sticking to it. We have that depth of experience."

Slipkovich adds that another factor to the company's success is ready access to capital.

"It's having the financial strength to go out to Muskogee, Okla., for a \$120 million transaction," he says. "We have the ability to go out there and do those transactions."

Capella has 20 employees at its Franklin corporate headquarters and 3,400 at its five hospitals.

Hospitals include Capital Medical Center, Olympia, Wash.; Grandview Medical Center, Jasper, Tenn.; River Park Hospital, McMinnville, Tenn.; Middle Tennessee Surgical Care at

Capella Healthcare

Top executive: Daniel Slipkovich, CEO

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2006 revenue: \$322M

2006 employees: 2,700

NBJ 100 rank: 23

River Park, McMinnville, Tenn., Muskogee Regional Medical Center, Muskogee, Okla.; and Southwestern Medical Center, Lawton, Okla.

Capella Healthcare was founded in 2005 by hospital executives with more than 100 combined years of management experience in more than 200 hospitals in the United States.

It's backed by GTCR Golder Rauner LLC, one of the nation's leading private equity firms.

GTCR Golder Rauner, according to Capella's profile, committed an initial \$200 million in equity to the company in 2005.

Capella leverages that capital at a multiple of four-to-six times and has total capital resources of about \$1 billion.

In the complex world of hospitals, there's plenty of market out there for Capella.

"We're seeing a lot of standalone hospitals struggling in a variety of ways from a capital access standpoint," Slipkovich says. "They are also struggling from the complexity of federal regulations and state issues. Just managing the business today is as complex as it's ever been."

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