



NEWS RELEASE

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Elbert Memorial Hospital announces plans to affiliate with AnMed Health

(June 12, 2012 – Anderson, S.C.) –Tonight, the Elberton-Elbert County Hospital Authority accepted a Letter of Intent (LOI) from AnMed Health, the first step toward making the Anderson-based health system Elbert Memorial Hospital's new management affiliate.

Elbert Memorial Hospital began searching for a new affiliate in June 2011 after voting to end its 20-year management contract. In January 2012, Elbert Memorial Hospital issued a request for proposals, inviting organizations to partner or affiliate with the hospital.

During a called meeting, the Elberton-Elbert County Hospital Authority immediately went into executive session to review and discuss the proposed letter of intent and general terms of an affiliation. Following the executive session, the Elberton-Elbert County Hospital Authority returned to regular session and voted unanimously to approve the letter of intent. The letter of intent will be followed by a period of due diligence, during which time the details of the affiliation will be negotiated and finalized.

"We received many good proposals from reputable organizations, but after weighing every option the hospital authority felt strongly that affiliating with AnMed Health would be the best fit for our community," said Jim Lloyd, chair of the Elberton-Elbert County Hospital Authority. "AnMed Health shares our commitment to delivering high-quality care and understands the value of having a hospital close to home. We've been neighbors for years, and we're excited to take this next step together."

According to the letter of intent, Elbert Memorial Hospital and AnMed Health would sign an affiliation agreement allowing AnMed Health to oversee the hospital's operations. The affiliation is a 5-year commitment that seeks to strengthen the hospital's operations by investing in outpatient services and relationships with local physicians. The letter of intent includes the retention of all current employees and a financial commitment of more than \$1.35 million to cover affiliation closing costs, capital improvements and equipment, physician recruiting,

marketing, and other related expenses and investments. A new Hospital Advisory Board would include representatives from AnMed Health, the Elberton-Elbert County Hospital Authority and the Elbert County community. The letter also includes a commitment of \$1.5 million to be used solely for the purpose of developing and constructing a Critical Access Hospital.

“We have so much respect for the physicians, staff and leadership at Elbert Memorial Hospital. Our goal is to help them see the same affiliation benefits we’ve experienced by working with other hospitals and health systems,” said John Miller, CEO of AnMed Health. “AnMed Health’s affiliation with Carolinas HealthCare System has given us access to management resources and buying power that we can share with Elbert Memorial Hospital. We see this affiliation giving patients greater access to specialists and technology. And for the staff, we hope to provide protocols and process improvements that make it easier to track outcomes and raise the quality of care.”

The non-binding letter of intent is the first step in a longer approval process. Over the next few weeks, AnMed Health will bring accountants, consultants and senior leaders on site to finalize details of the affiliation and supporting definitive agreement.

The hospital’s plans must be presented to the Georgia Attorney General for consideration. Depending on the level of Attorney General’s review required, the approval and transition period could take anywhere from approximately three to nine months.

AnMed Health’s proposal to affiliate and manage Elbert Memorial Hospital is part of a larger effort to better serve residents in northeast Georgia. AnMed Health has operated a family medicine practice in Hartwell for 16 years and is in negotiations to become part of a 46-acre development on U.S. 29 in Hartwell.

“For many years, northeast Georgia residents have been coming to us for care,” Miller said. “Now it’s our turn to come to them.”

About AnMed Health

AnMed Health is a 643-bed, not-for-profit health system in Anderson, S.C. The health system is anchored by AnMed Health Medical Center, a 461-bed acute care hospital. AnMed Health also has a satellite North Campus which includes the 72-bed AnMed Health Women’s and Children’s Hospital, the 55-bed AnMed Health Rehabilitation Hospital, a comprehensive Cancer Center, physician offices and the Cardiac and Orthopedic Center. Major services include Heart Care, Cancer Care, Women’s and Children’s Care and a variety of diagnostic and surgical services.

AnMed Health serves residents in eight counties across the Upstate and northeast Georgia. The health system’s medical staff includes roughly 400 physicians, and with 3,400 employees, AnMed Health is Anderson County’s largest employer. In 2009, AnMed Health embarked on a new wave of growth by signing affiliation agreements with Carolinas HealthCare System in Charlotte, N.C., and Cannon Memorial Hospital in Pickens, S.C.

About Elbert Memorial Hospital

Elbert Memorial Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and serves as the primary health care provider in Elbert County. The hospital is a 47 bed acute care facility governed by a local governmental authority board offering in-patient care and a full range of surgical and outpatient services. The hospital has a dedicated staff of approximately 206 full and part time employees and is the third largest public employer in Elbert County, contributing over \$28 million in local economic impact to the local economy.

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