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Mercy Health and Catholic Health Initiatives Complete Transfer of Mercy Hot Springs to St. Vincent Health System

HOT SPRINGS, ARK. (April 1, 2014) – Mercy and Catholic Health Initiatives (CHI) have signed a definitive agreement and transferred ownership of Mercy Hot Springs hospital and physician clinic to St. Vincent Health System (SVHS) in Little Rock, a CHI affiliate.

Mercy and CHI recognize the extremely challenging health care environment in Arkansas and agree that enhancing the Catholic health ministry and strengthening access to health care are key objectives of the transaction. Mercy Hot Springs will be operated as part of a regional network with SVHS and the new name is St. Vincent Hot Springs.

Peter Banko, St. Vincent president and CEO, said, “The founding Sisters of Charity of Nazareth and Sisters of Mercy would be proud to see their 126-year ministries strengthened today through the formation of a larger, regional health care system serving southwest and central Arkansas.”

“Our agreement with CHI provides assurance that Catholic health care has a strong, sustainable future in Hot Springs,” said Lynn Britton, Mercy president and CEO. “The

affiliation with SVHS provides the opportunity to strengthen health services locally as well as across the entire region, and enables our co-workers and physicians to continue to do what they love – provide exceptional care and service to their community in a faith-based environment.”

Thomas Fitz has been selected to serve as interim president of St. Vincent Hot Springs. He has previously worked with CHI in Kansas and Morrilton in supporting sponsorship transfers and serving as an interim leader. Fitz also served for nearly a decade as CEO for Catholic Health East’s St. Mary’s Hospital and Health Care System in Georgia.

SVHS has committed to preserve existing physician relationships in the community and build new ones as they work to strengthen the ministry in Hot Springs. Medical staff privileges of the physicians at Mercy Hot Springs are not expected to be affected by the transaction. Furthermore, SVHS is committed to creating a strong regional physician network to sustain and grow the network throughout the state.

Physicians and staff employed by Mercy Hot Springs as of April 1, will continue their employment with the hospital. SVHS also intends to retain the core health care services and charity care currently provided by Mercy in the Hot Springs community, which will be overseen by a local board of community and physician leaders.

Mercy will maintain a commitment to outreach services in the Hot Springs community, specifically through continued sponsorship of the Cooper Anthony Mercy Child Advocacy Center.

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About Mercy: Mercy is the sixth largest Catholic health care system in the U.S. and serves more than 3 million people annually. Mercy includes 33 acute care hospitals, four heart hospitals, two children’s hospitals, two rehab hospitals and one orthopedic hospital, nearly 700 clinic and outpatient facilities, 40,000 co-workers and more than 2,100 Mercy Clinic physicians in Arkansas, Kansas, Missouri and Oklahoma. Mercy also has outreach ministries in Louisiana, Mississippi and Texas.

About Mercy Hot Springs: For more than 125 years, Mercy in Hot Springs has served the health care needs of Hot Springs and surrounding communities. Mercy Hospital Hot Springs is a 282 bed acute-care hospital, providing an emergency department with a Level 2 Trauma Center designation, a 90-physician clinic organization and a comprehensive range of medical services. For more information, visit www.mercy.net/hotspringsar.

About Catholic Health Initiatives: Catholic Health Initiatives, a nonprofit, faith-based health system formed in 1996 through the consolidation of four Catholic health systems, expresses its mission each day by creating and nurturing healthy communities in the hundreds of sites across

the nation where it provides care. One of the nation's largest health systems, Englewood, Colo.-based CHI operates in 18 states and comprises 87 hospitals, including four academic medical centers and teaching hospitals and 24 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; and other facilities that span the inpatient and outpatient continuum of care. In fiscal year 2013, CHI provided \$762 million in charity care and community benefit, including services for the poor, free clinics, education and research. For more information, visit www.catholichealth.net.

About St. Vincent Health System: St. Vincent Health System, founded in 1888, is one of Arkansas' leading health systems. St. Vincent Infirmary, an acute care facility, licensed for 615 beds, located in Little Rock, serves as the hub of the health system. Other St. Vincent hospitals include St. Vincent North, licensed for 69 beds, in Sherwood; St. Vincent Morrilton, a critical access hospital in Morrilton, licensed for 25 beds; and St. Vincent West; an outpatient campus in west Little Rock. The system also includes a network of primary care and specialty physician clinics, a home health agency, a joint venture inpatient rehabilitation facility, and affiliations with more than 650 physicians. Visit www.stvincenthealth.com.