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LIVINGSTON HEALTHCARE AND BILLINGS CLINIC FINALIZE DETAILS OF NEW RELATIONSHIP

Livingston, MT - Livingston HealthCare and Billings Clinic announced today that they have finalized the details of a new, stronger relationship, concluding meticulous negotiations between the two organizations. The proposed relationship would combine the strengths and resources of the long-time healthcare partners and would make Livingston HealthCare a part of the Billings Clinic health system.

“We think this is a very significant opportunity for our community,” said Michelle Becker, President of the Livingston HealthCare Board of Directors. “All across the country, small, not-for-profit community hospitals are collaborating with larger, not-for-profit health systems to ensure their long-term viability and to increase the quality and scope of services available to the communities they serve. Healthcare is a critical service for the people who live here and a critical industry for our community. We feel very fortunate to be joining Billings Clinic, the most comprehensive and sophisticated medical center in Montana.”

“It has been an honor for Billings Clinic to be a part of the Park County healthcare community over the last several years,” said Billings Clinic CEO Nick Wolter, MD. “We have common values and a common vision for outstanding quality healthcare, patient safety, and service. We are excited to have the opportunity to be a part of the future of local healthcare in Park County, especially in helping to plan and construct a new facility that will serve generations to come.”

Together, the two organizations hope to enhance and expand Livingston HealthCare clinical services and continue to advance the quality of healthcare in the region. In addition, the expanded relationship with Billings Clinic would allow Livingston HealthCare to move forward on plans for a new healthcare campus in Livingston. The new campus will include a state-of-the-art hospital facility and an adjoining medical office complex. The project will primarily be funded through the issuance of tax-

exempt bonds by Billings Clinic, plus Livingston HealthCare assets, and a community-wide fundraising campaign planned for 2009.

Becker and Wolter said that the boards of directors of the two organizations are now in full agreement on all of the terms and specific legal language of the transaction. Though joining the Billings Clinic health system, Livingston HealthCare will remain a separate not-for-profit organization with its own governing board of directors. No existing healthcare services will be eliminated as a result of the new relationship. The agreement includes a commitment to a new healthcare facility and specific terms under which the new relationship may be reversed.

“We’ve really been focused on creating a relationship that benefits both organizations and both communities,” added Becker. “This process has required a lot of time, dedication, and patience because the primary issues—like a new healthcare campus—are very complex. We are very proud of the final result, which will protect the future of healthcare in our community.”

Although both boards of directors are in agreement, the membership of Livingston HealthCare still needs to approve the proposed changes to the organization’s Articles of Incorporation and Bylaws before the new relationship with Billings Clinic can be finalized. A date for the member vote has not yet been set.

“We have agreed on all of the important details,” said Sam Pleshar, Livingston HealthCare CEO. “We’ve decided to delay the membership vote, however, until we can give members all of the details and a better idea of when we will be able to move forward with financing. The national economic crisis has severely impacted the tax-exempt bond market. It is difficult to know when we will finally be able to secure funding for the new healthcare campus—and be able to proceed with building a new facility.”

“The market for tax-exempt bonds—which is the primary funding source for almost all new not-for-profit hospitals—is, for all intents and purposes, ‘frozen’. This is not something we could have predicted,” said Wolter. “It is delaying this project, as well as healthcare construction and technology projects across the country. We have to wait until the tax-exempt bond market has stabilized before we move forward.”

“We are very excited about Livingston HealthCare joining the Billings Clinic family,” Wolter added. “We believe it will have great benefits for the residents of Park County.”

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