



FOR IMMEDIATE RELEASE

May 15, 2008

Sandi Marlowe
Livingston HealthCare
(406) 823-6262

smarlowe@livingstonhealthcare.org

LIVINGSTON HEALTHCARE AND BILLINGS CLINIC TALKS STILL IN PROGRESS

Livingston, MT - Livingston HealthCare announced progress on their talks about a long-term relationship with Billings Clinic today. Michelle Becker, President of the Livingston HealthCare Board of Directors, says the two organizations should finalize their agreement this summer. The proposed relationship would combine the strengths and resources of the long-time healthcare partners.

“We’ve really been focused on creating a relationship that benefits both organizations and this community,” said Becker. “This process has required a lot of time, commitment, and patience because the issues, which include a new healthcare campus, are very complex. We’re very pleased at our progress.”

Together, the two organizations hope to enhance and expand Livingston HealthCare clinical services and combine their economic strengths to provide high quality healthcare in the region for years to come. In addition, the relationship would allow Livingston HealthCare to move forward on plans for a new healthcare campus in Livingston. The new campus would include a hospital facility and an adjoining medical office. With Billings Clinic as partner in the project, the capacity to secure funding would be enhanced, assuming that a community fundraising campaign is also successful.

“This type of relationship between a smaller community hospital and a tertiary care facility is the first of its kind in Montana, but is not unique across the country,” said Sam Pleshar, Livingston HealthCare CEO. “Several trends are prompting smaller hospitals to consider collaboration with other organizations. There are healthcare workforce shortages, the proportion of our care that’s dependent on Medicare and Medicaid, and access to capital for new facilities and new technology. Many healthcare organizations are looking to larger hospitals to share resources and bring stability to their organizations—and confidence to their communities.”

Attorneys for both organizations are putting the final touches on a legal agreement that will be approved by both hospitals’ Boards of Directors. The details of the

arrangement will also need to be approved by members of the Livingston HealthCare association. Officials hope that both processes will be completed this summer.

“A new facility is critical to the future of healthcare in Park County,” added Becker. “We want to do this the right way and yet we also have real time constraints. The need for a new hospital is becoming more urgent and construction costs continue to increase while we wait.”

Funding for the project will come from a combination of a tax-exempt bond issuance, through Billings Clinic, current Livingston HealthCare assets, and a community fundraising campaign. Becker says that the national subprime mortgage crisis has also slowed the process. “The subprime mortgage crisis has directly affected us,” she adds. “Billings Clinic had to review the entire financing package again, because two of their vendors were specifically impacted over the last few months.”

###